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# Royal Commission on Auckland Governance

Te Kōmihana a te Karauna mō te Mana Whakahaere  
o Tāmaki-makau-rau

## Call for Submissions

March 2008

[www.royalcommission.govt.nz](http://www.royalcommission.govt.nz)

Hon Peter Salmon (Chair) | Dame Margaret Bazley | David Shand

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## *Commission:*

Hon Peter Salmon QC, *Chair*

Dame Margaret Bazley DNZM

David Shand

## **Call for Submissions**

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## Royal Commission on Auckland Governance

Te Kōmihana a te Karauna mō te Mana Whakahaere o Tāmaki-makau-rau

# Open Letter to the People of Auckland, Tāmaki-makau-rau

The Government has set up this Royal Commission to enquire into the question of Auckland's local government and how it is working. We have been asked

- to examine the present system and how decisions are being made
- to make recommendations about a system of local government that will best suit Auckland for the next 50–100 years
- to ensure we have a system that will take into account Auckland's growth and its ethnic diversity.

Currently, the people of the Auckland region are governed by seven local authorities, and a regional council. Nationally and internationally, we may be seen as one metropolitan community, a single city on a world stage. Locally, we comprise a number of diverse communities.

To ensure a strong future for New Zealand as well as for Auckland, the issue of Auckland's local government arrangements is of vital importance. When Auckland thrives New Zealand thrives. It is desirable that on some matters Auckland should speak with one voice, but we also need a system that enables people to be heard and to be involved in matters of local interest.

At its simplest, the Commission's task could be summed up in the following two questions:

- Are you happy with the form of local government in Auckland?
- If not, what changes would you like to see?

We need your help to answer these questions. The future of this beautiful region of ours concerns every Aucklanders and every New Zealander.

This is a project that is being undertaken for the benefit not only of Auckland's present citizens but also of future generations. We want to bequeath to them a vibrant Pacific world-class city.

Many of you will have strong views on the question of the best local government arrangements for Auckland. So that we can hear those views we are calling for public submissions and will be holding public hearings at which people may speak in support of those submissions.

Inside this document you will see more detail of the Commission's task and, in particular, an indication of the issues that we hope the people of Auckland will address. You will also find information about making a submission. **Written submissions need to be received by 22 April 2008.** We look forward to your contribution.

Yours sincerely

Hon Peter Salmon QC

Dame Margaret Bazley DNZM

David Shand



## Royal Commission on Auckland Governance

Te Kōmihana a te Karauna mō te Mana Whakahaere o Tāmaki-makau-rau

### He Reta Tuwhera ki ngā Tāngata o Tāmaki-makau-rau

Kua whakatūria e te Kāwanatanga he Kōmihana Roera kia urupounamutia te kāwanatanga ā-rohe o Tāmaki-makau-rau kei te pēhea anō tāna mahi. Ko te tono ki a mātou

- ko te tiroiro i te pūnaha whakahaere o tenei wā, he pēhea hoki te whakaritenga o ōna whakataua
- ko te whakatakoto tūtohutanga mō tētahi pūnaha kāwanatanga ā-rohe tino tōtika mō Tāmaki-makau-rau ā ngā tau 50–100 e tū mai
- ko te āta tiaki kei a tātou tētahi pūnaha e tātari i te tipu o Tāmaki-makau-rau, i ōna iwi kanorau anō hoki.

I tēnei wā, e whitu rawa ngā mana ā-rohe e whakahaere nei i ngā tāngata o Tāmaki-makau-rau, me tētahi kaunihera ā-rohe. Ki te titiro o te motu, o te ao hoki, he hapori tāone matua kotahi tātou, he tāone matua kotahi i runga i te atamira o te ao. I te wā kāinga ia, he tāone tātou nō ngā hapori iwi kanorau.

Hei tiaki kei te kaha tonu tō Aotearoa āmua, me tō Tāmaki-makau-rau, he take tino hirahira ngā whakaritenga kāwanatanga ā-rohe o Tāmaki-makau-rau. Ina whai hua a Tāmaki-makau-rau ka whai hua anō a Aotearoa katoa. He mea āhuareka tonu kia kotahi te reo o Tāmaki-makau-rau mō ētahi take, engari e hiahia ana hoki tātou ki tētahi pūnaha e tuku ana kia rangona te iwi, kia whai wāhi hoki rātou ki ngā take o te wā kāinga.

Ki te whakahuatia noatia tā te Kōmihana e mea nei, ka taea te whakarāpopoto ki ēnei pātai e rua:

- Kei te pai rānei ki a koe te momo kāwanatanga ā-rohe o Tāmaki-makau-rau?
- Ki te mea kāhore, he aha ngā whakarerekētanga e hiahia koe kia kite?

E hiahia ana mātou kia āwhina mai koutou ki te whakautu i ēnei pātai. E pā ana hoki te āmua o tō tātou Takiwā ātaahua ki ngā tāngata katoa o Tāmaki-makau-rau, o Aotearoa anō.

He kaupapa tonu tēnei e whakahaeretia ana hei painga mō ngā whakatupuranga mō āpōpō, kāhore ia mō ngā tāngata anake o Tāmaki-makau-rau i tēnei wā. E hiahia ana tātou ki te tuku ki a rātou he tāone matua ora atu, he tāone nō te Moana-nui-a-Kiwa te rite o ngā tāone matua o te ao.

Kei ētahi mea maha o koutou ētahi whakaaro kaha tonu mō te take nei o ngā whakaritenga kāwanatanga ā-rohe pai rawa mō Tāmaki-makau-rau. Kia rangona e mātou aua whakaaro e karangatia ana e mātou he tāpaetanga ā-tuhi mai i te iwi whānui, otirā, ka whakahaeretia ētahi hui rongonga tūmatanui e taea e te tāngata te whaikupu mai hei tautoko i aua tāpaetanga.

I roto anō i tēnei pānui ka kite koutou i ngā taipitopito kōrero mō te kaupapa ā te Kōmihana, ina koa hoki he whakaaturanga o ngā take e tūmanako ana mātou ka kōrerotia e ngā tāngata o Tāmaki-makau-rau. Ka kite hoki koe i ētahi kōrero mō te tuku mai i tētahi tāpaetanga ā-tuhi. **Kia tae rawa mai ngā tāpaetanga ā-tuhi i mua i te 22 o Paenga-whāwhā 2008.** E tāria e mātou tāu e tuku mai.

Nā

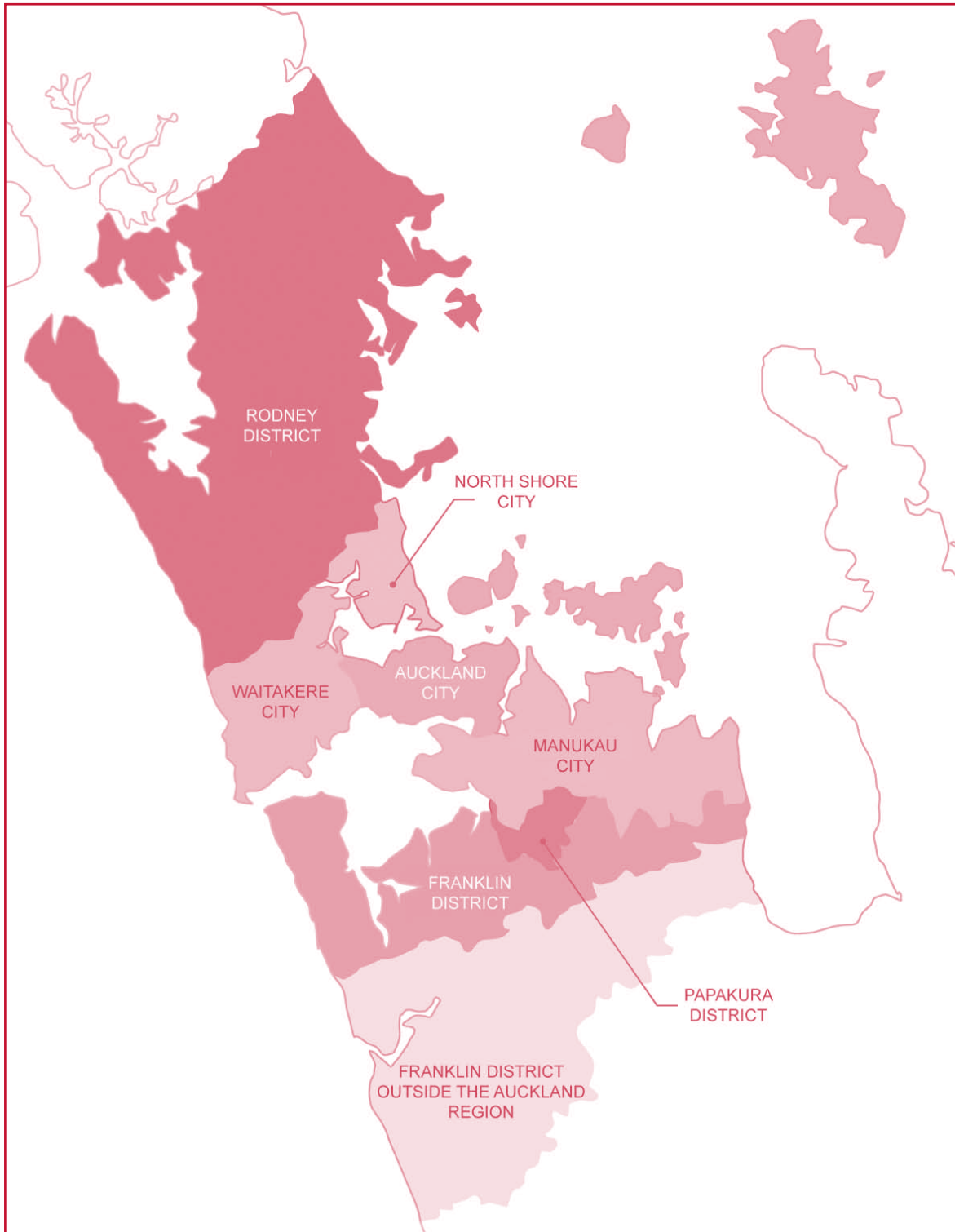
Te Hōnore Peter Salmon QC

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Map of the Auckland region showing the areas of the seven local councils: Rodney District, North Shore City, Waitakere City, Auckland City, Manukau City, Papakura District, and Franklin District. The map also indicates the portion of Franklin District that lies outside the Auckland Region.

Source: Auckland Regional Council.

## Part One: Introduction

1. The Royal Commission on Auckland Governance (the “Commission”) has been appointed to receive representations on, inquire into, investigate, and report on  
the local government arrangements (including institutions, mechanisms, and processes) that are required in the Auckland region over the foreseeable future in order to maximise, in a cost effective manner,—
  - (a) the current and future well-being of the region and its communities; and
  - (b) the region’s contribution to wider national objectives and outcomes.
2. The Commission’s full terms of reference are attached as Appendix 1 to this document. They are also available on the Commission’s website ([www.royalcommission.govt.nz](http://www.royalcommission.govt.nz)).
3. In this document, we will be talking about decision making at two levels:
  - decision making at a regional level, relating to the whole of the Auckland region. Decisions at this level are currently made by the Auckland Regional Council (“ARC”).
  - decision making at a local level. Decisions at this level are currently made by the four city councils and three district councils (we refer to these as “local councils”), and in some cases by community boards.
4. We also refer to governance. The United Nations has defined this term as the processes for making decisions and implementing them.
5. Auckland’s prosperity and well-being are essential to New Zealand’s prosperity and well-being. Over the next 50 years and beyond, the Auckland region will face enormous change and pressures. To meet these challenges, and to realise its potential as a world-class city, Auckland needs world-class local and regional governance.
6. The Auckland region stretches from Wellsford in the north to just north of the Waikato River in the south, and from the west coast beaches of the Tasman Sea to the Pacific coastline of the Hauraki Gulf in the east. The 2006 census recorded the population of the Auckland region as being 1,319,400. The population is expected to reach 2 million by 2050.
7. Auckland is the most ethnically diverse region in New Zealand, with 56.5% of its population recorded as European in the 2006 census, 18.9% as Asian, 14.4% as Pacific peoples, and 11.1% as Māori. The distribution of these major ethnic groups varies across the region.
8. The Auckland region’s current governance arrangements are complex. Central government, the ARC, seven local councils, 30 community boards, and a number of public and non-public agencies together make planning decisions and provide infrastructure and services for the region. Appendix 2 sets out the details of the current governance structure.
9. For the year ending June 2007, the total operating expenditure by Auckland councils was approximately \$1.7 billion.
10. The Auckland region has a number of important decisions to make in the near future, including the extent of metropolitan urban limits, and infrastructure decisions relating to road, rail, and public transport such as a possible second harbour crossing. The purpose of this inquiry is not to look at what spending or other specific decisions should or should not

be made. Our concern is what decision-making structures and processes are likely to lead to good and timely decisions and whether that requires changes to be made to the existing structures and processes.

11. The Commission will consider whether existing governance structures provide for decisions of regional significance to be made and implemented in the most effective way. It will also consider the interrelationship between the ARC and local councils and community boards, and whether these or other mechanisms will best be able to give effect to the objective in the Local Government Act 2002 of enabling democratic local decision making and action by, and on behalf of, communities. **Which decisions should be made at the regional and local levels respectively is an issue central to the Commission's work.**
12. The Commission is an independent and politically neutral body. It has no preconceived views on these issues and will give thorough consideration to all points of view. It will review existing information, undertake additional investigations, obtain expert advice as needed, and consult widely through public submissions and meetings.
13. Part Two sets out issues that the Commission considers as central to its inquiry, and poses a number of questions which the public are invited to consider.
14. Part Three of this document describes the Commission's consultation process, and how to make a written submission.
15. The Commission's terms of reference require it to consult in a way that allows people to express clearly their views. Special provision is made for consultation with Māori. In that respect, the terms of reference require the Commission "to consult and engage with Māori in a manner that specifically provides for their needs". The Commission is developing specific procedures to meet this obligation.

## Part Two: Major Issues

16. At the heart of the Commission's work is finding out how best local government can be shaped to promote the well-being of the region and its diverse communities, and to assist in building a world-class city.
17. As noted in our Open Letter to the People of Auckland at the beginning of this document, the Commission's task could be summed up in the following two questions:
  - Are you happy with the form of local government in Auckland?
  - If not, what changes would you like to see?
18. Even if you haven't the time or don't wish to answer the more detailed questions set out below, we would appreciate your answers to these two questions. We have designed our submission form so you can do this.
19. For those who wish to comment in more detail, the Commission seeks feedback from the public on the following issues:
  - (1) What kind of local government arrangements will help Auckland become a successful world-class city?
  - (2) What decisions should be made and implemented at a regional level? By what body or bodies or processes should these decisions be made?
  - (3) What decisions should be made and implemented at a local level? By what body or bodies or processes should these decisions be made?
  - (4) To what extent should individual local councils follow consistent practices? How do we ensure that decisions made at national, regional, and local government levels are consistent with each other, and that they lead in the same direction?
  - (5) How do we ensure that whatever form of local government is adopted remains properly accountable to the people of Auckland?
20. We offer below some preliminary comments on these issues, and pose a number of supplementary questions. The key issues and questions identified by the Commission in this document are not exhaustive. They are intended to stimulate rather than limit discussion. Other issues and lines of inquiry may arise in the course of the Commission's work. **Submitters can comment on any matters relevant to the terms of reference that are not covered under the five issues we have identified.**
21. Some people may have views on the existing funding system for local government and how this impacts on the ability of councils to govern effectively. While this is relevant to the Commission's terms of reference, the Commission is also required to have regard to the findings of the 2007 Commission of Inquiry into Local Government Rates. Therefore, it does not propose to address this matter in detail but to rely largely on the conclusions of that Inquiry.

## Overview

### Issue 1: What kind of local government arrangements will help Auckland become a successful world-class city?

22. A world-class city is one where people want to live and do business, one that is attractive to people and capital from overseas, that has a strong cultural and artistic identity, and where creativity is reflected in a strong research and innovation culture. To support this we need, among other things, to provide a positive regulatory and business environment, as well as good infrastructure, and to manage our environment carefully.
23. The starting point for considering how local government should function in the Auckland region is the purpose and principles of local government stated in the Local Government Act 2002 (the "Act"). Sections 10–14 of the Act are set out in full in Appendix 3. The Commission's terms of reference exclude inquiry into these statutory provisions.
24. Section 10 of the Act states that the purpose of local government is
  - (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
  - (b) to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.
25. Section 11 of the Act says that the role of a local authority is to
  - (a) give effect, in relation to its district or region, to the purpose of local government stated in section 10; and
  - (b) perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.
26. The Act does not set out the specific functions or activities of local and regional councils, but, as shown in section 11, provides them with a power of general competence to pursue well-being for their communities in ways they see fit. It is clear from section 10 of the Act that the responsibilities of local government can go well beyond the provision of infrastructure and related service delivery and encompass everything from pensioner housing to education to economic development – anything that concerns the social and economic health of communities.
27. The structure of local government as provided for in the Act applies across New Zealand and is not specifically tailored for Auckland. Under its terms of reference the Commission may propose structures different from those that are provided for in the Act – as long as the arrangements are consistent with the purpose and principles of the Act. This means the Commission is not limited by the current structures of regional councils, city and district councils, and community boards, and is able to propose new structures.
28. The Commission considers that some of the needed characteristics of local government to support the development of a successful and sustainable city/region are as follows:
  - (a) *transparency*

The responsibility for decision making and the consequent responsibilities for delivery and funding should be clear to the general public.
  - (b) *accountability*

The local government arrangements should provide for clear accountability for achieving outcomes, use of public funds, and stewardship of public assets.

(c) *efficient resource use*

The supply of local government services should be timely and cost-efficient, supporting delivery of the right quality and quantity of services to local residents and businesses without undue wastage, at reasonable cost.

(d) *responsiveness.*

Local government should be proactive in identifying and responding to the current and future needs of its communities and should have the strength and flexibility to cope with uncertainty, complexity, and change.

29. A lot of work has been done already on how Auckland's governance structures might be changed. Regional and local government, and various groups and individuals, have proposed a range of different models. At one end of the spectrum, Auckland could have one "super council" controlling all regional and local issues. At the other end we could go back to the system where there were a larger number of smaller local councils. In between these extremes lie any number of positions, including the status quo.
30. Councils in Auckland agree that current local government arrangements are impeding the development of Auckland as a world-class city, in particular because of fragmented responsibility for the decision making and funding. However, they differ in their suggested remedies.

### Questions

- Q1** Do you agree or disagree with our list (in paragraph 28) of what local government arrangements should ideally provide?
- Q2** Do you think there are other criteria that are as important and should be included?
- Q3** What overall structure of local government do you think is appropriate for the Auckland region, and why?

### Regional decision making

#### **Issue 2: What decisions should be made and implemented at a regional level? By what body or bodies or processes should these decisions be made?**

31. The terms of reference invite the Commission to consider ownership, governance, and institutional arrangements and funding responsibilities that will support and enhance "the ability of the Auckland region to respond to economic, environmental, cultural, and social challenges (for example, climate change)".
32. Clear identification is required of the matters that are best managed and decided regionally and those that are best managed and decided locally. This involves an assessment of
- whether particular issues and services have predominantly regional or predominantly local impacts
  - whether there are savings and efficiencies to be made by a service being delivered by a larger organisation
  - whether an issue or service provided is relevant to people throughout the region, or is relevant to, or applies only to, people in specific communities
  - whether consistency in the way in which an issue is treated or a service provided is more important than having diverse approaches tailored to specific communities.

33. It is helpful to think about what sort of decisions and activities at a practical level might be considered to be of a primarily regional character, and appropriately made and managed at a regional level. There seems to be substantial agreement that major parks and reserves and public transport should be managed on a regional basis. However, there are greater differences of opinion about the planning and management of the “three waters” (water supply, waste water, and stormwater); roading infrastructure; economic development; environmental protection; urban growth management; and major cultural, sporting, and recreational facilities. In some instances, there may be no clearly desirable line of demarcation, so that the debate is about the sharing of responsibilities rather than allocating them to one body or another.
34. A further consideration is whether consolidating decision making in one body, such as a super-city, is necessarily the best solution for improved efficiency of infrastructure provision and service delivery, and whether it is compatible with other objectives such as accountability.
35. Currently, the Auckland region is a mix of predominantly rural councils (Rodney District and Franklin District) and predominantly urban city councils. If the region covered just urban and future urban areas, would this enable more effective governance structures? Would the rural parts of Rodney, Franklin, and Manukau be better served by being part of a different regional council? (Franklin District, for example, is currently split between two regional councils, Auckland and Waikato.)
36. At the moment, the mayors of the city and district councils are elected directly. The chair of the ARC is elected by fellow members of the ARC. In some cities, for example London, directly elected mayors may have executive powers, exercised independently of their councils. Some have expressed the view that, in future, the chair or mayor of any Auckland regional governance body should be directly elected or appointed and have significant executive powers in order to exercise regional leadership.

## Questions

- Q4** What decisions and activities should be made and undertaken at a regional level, and why?
- Q5** What sort of body or bodies should be responsible for regional decision making? One or more? What should that body or bodies be responsible for? To whom should it or they be answerable?
- Q6** Should the Auckland region retain its current boundaries or should they be altered?
- Q7** Should the chair or mayor of a regional governance body be directly elected?
- Q8** Should such a chair or mayor have executive powers to make decisions for the region independently of the council?

## Local and community decision making

### **Issue 3: What decisions should be made and implemented at a local level? By what body or bodies or processes should these decisions be made?**

37. There appears to be renewed emphasis on the role of local government as an instrument for making local choices to suit local needs, with local democracy being seen by some as a core role of local government. But people have different understandings about what local decision making is and should be. Currently local decision making takes place at city and

district council and community board levels. These entities are seen by some to provide a valuable role in facilitating local democracy and diversity and helping to address emerging local social or environmental problems.

38. At the moment, there are seven local councils in the Auckland region, five of which have community boards (the number of which is set out in brackets):
- Rodney District (0)
  - North Shore City (6)
  - Waitakere City (4)
  - Auckland City (10)
  - Manukau City (8)
  - Papakura District (0)
  - Franklin District (2).
39. Ensuring that an appropriate level of local democracy is maintained, whilst enabling regional coordination and focus, is a delicate balance to strike. It requires adequate mechanisms to address and provide for community issues, combined with a system that (working with central government) can achieve regional objectives. Consideration must be given to enabling citizens to have their say while providing elected representatives with the capacity to exercise leadership.
40. The Commission needs to consider what decisions are best made and services provided at a local level. Following on from this, thought must be given to the best form, size, and responsibilities of local and community authorities. While units of local government need to be of a sufficient size to deliver services and achieve efficiency, they also need to be small enough to be accessible, accountable, and responsive to local and community needs.

### **Questions**

- Q9** What decisions and activities should be made and undertaken at a local level, and why?
- Q10** What kind of local body entity (for example, city or district councils, community boards, or something else) would be best to make these local decisions?
- Q11** Is your local council large enough to deliver services efficiently but small enough to be accessible and accountable? If the answer is no, what do you think is the appropriate size for your local council?
- Q12** Do you think your local council is making good decisions for your area?
- Q13** Do you have a view on the number of councillors on district or city councils?
- Q14** Do you think community boards serve a useful function? If not, how could they be improved?
- Q15** Do you have a view as to whether current local body structures should be changed either to reduce or increase the number of bodies?
- Q16** Do you have any views on the current boundaries of district or city councils in the Auckland region?

## Coordination within the region

**Issue 4: To what extent should individual local councils follow consistent practices? How do we ensure that decisions made at national, regional, and local government levels are consistent with each other, and that they lead in the same direction?**

41. The Local Government Act 2002 gives councils considerable discretion in what they do as long as they go through the appropriate consultation and decision-making procedures. Local councils also have considerable discretion in the way they deliver services and apply regulations (such as planning rules or by-laws) within their territories. Such differences may reflect different local needs. But they may also lead to unnecessary confusion and costs.
42. There may be different ways of aligning council practices across boundaries. Councils can cooperate on specific matters, by consulting about their infrastructure spending, by sharing services, and even by holding common ownership in community-controlled organisations, for example. They can even amalgamate some or all of their activities.
43. Auckland has had long experience of cooperation between regional and local councils. For example, the Auckland Regional Growth Forum, formed in 1996, shows how the regional and local councils can cooperate, in that case to prepare plans for Auckland's growth. This cooperation is continuing in the development of the current "One Plan" for Auckland. However, central government found it necessary to amend the Local Government Act in 2004 to ensure that local councils reflect the land use principles of the ARC's "Regional Policy Statement" and to enforce integrated land use and transport planning. Overall, it appears that cooperation is better at the planning level and may need improvement at the implementation level.
44. Many of the decisions that impact upon our communities are made at the national level. Sometimes regional and local councils may have involvement in the same areas. This necessitates effective collaboration between these three levels of government. The various levels of government need to talk to each other. They need to know what the others are doing, and to coordinate their activities. A good example is roading.
45. There is already considerable cooperation and coordination between central and local government. Central government has created an office in Auckland (the Government Urban and Economic Development Office) to improve coordination between central government agencies' operations in Auckland and the ARC and local councils.

## Questions

- Q17** To what extent is it reasonable to have regulations and processes differing between local councils (for example, those covering building consents and other planning issues)? If this is a problem, how is it best overcome?
- Q18** How adequate is coordination between central government and the Auckland councils? What improvements, if any, are needed?

## Accountability

**Issue 5: How do we ensure that whatever form of local government is adopted remains properly accountable to the people of Auckland?**

46. The terms of reference say that the Commission may consider
  - (e) what governance and representation arrangements will best—

- (i) enable effective responses to the different communities of interest and reflect and nurture the cultural diversity within the Auckland region; and
  - (ii) provide leadership for the Auckland region and its communities, while facilitating appropriate participation by citizens and other groups and stakeholders in decision-making processes.
47. At the heart of good governance is balancing the ability of the people of Auckland to have their say, on one hand, with the need to allow elected representatives to exercise leadership, and to get on with the job.
  48. The primary mechanism for ensuring councils in the region are accountable is the ability of Aucklanders to vote local and regional councillors on and off councils once every three years.
  49. Citizens also have the opportunity to exercise a voice through council-initiated consultation processes, including in relation to their plans (for example, long-term council community plans and district plans), resource consent applications, and particular issues. Consultation adds to the opportunity for input by interested parties and by the public at large, although there is debate about how much it costs and how far it improves the quality of decision making. Some members of the community feel put upon by too much consultation and surveying by councils. The Commission is interested in whether current governance arrangements in Auckland provide sufficient or more than sufficient consultation.
  50. The accountability of councils to constituents can be achieved by a variety of means. It need not be limited simply to the right to vote representatives on and off the council. A more collaborative approach can be developed, for example, by use of surveys and formal consultation; citizens' panels, submissions, and hearings; and lobbying and petitions. Too much of this activity could prevent councils from focusing on their main activities, and prevent them from advancing their citizens' main goals. Councils need to identify the key issues on which they might engage with their constituents. For example, these might be limited to very local decisions and activities, or to issues with far-reaching consequences for a large number of people. Collaboration may also be influenced by the size and structure of councils.
  51. It is necessary also to consider whether there are some functions of local government where direct participation by citizens in decision making is less important than others. Some services are mainly technical in nature, and may be accepted as a given by residents as long as they are functioning effectively and priced fairly. These might include service delivery functions such as water supply, waste water, major reserves, and roading, where it may be sufficient for the public to be informed of what is going on, without the need for extensive consultation.
  52. Councils also have the ability to create council-controlled organisations to provide infrastructure and service delivery. These have a charter and goals established for them by their parent council, but operate at arm's length. They have a separate management board drawn so as to bring particular outside expertise to their decision making.

## Questions

- Q19** Are there functions of Auckland local government where participation by the public in decision making is less important? If so, what areas, for example, water supply, waste water, major reserves, transport? In what areas is participation most important?

- Q20** Are you concerned about the costs and time taken in consultation by councils? Do you think it is justified by better decisions?
- Q21** Are there other forms of citizen involvement in council decision making that could be used?
- Q22** Should local bodies be composed of elected members only? Should there be provision for appointment of expert members?
- Q23** Do you wish to express a view on whether council-controlled organisations are adequately accountable?

## Part Three: Consultation and Submission Process

### Consultation process

53. The Commission is now seeking written submissions, and will be convening public hearings and consulting with councils, specific interest groups, and Māori, Pacific peoples, and other ethnic communities.
54. The Commission intends to consult as broadly as it can. Written submissions are an important part of this process.

### Written submissions

55. **Written submissions will be accepted until 4 p.m. on 22 April 2008.** Submitters are asked to send their submissions via the Royal Commission's website ([www.royalcommission.govt.nz](http://www.royalcommission.govt.nz)) if possible. There are two ways you can make submissions via the website:
  - Simply complete the submission form online and click "submit".
  - Attach your submission in a separate, electronic file (in Microsoft Word or PDF format) to the online submission form.
56. Submission forms may also be completed by hand and mailed to the Commission. The submission form can be printed from the Commission website. A detachable form can also be found at the end of this document.
57. Mailed submissions should be sent to the following FreePost address (no stamp is required), to be received no later than 22 April 2008:
  - FreePost No. 215482
  - Submissions Administrator
  - Royal Commission on Auckland Governance
  - Private Bag 92049
  - Auckland Mail Centre
  - Auckland 1142
58. Six copies should be provided for mailed submissions over 10 pages in length.
59. Submissions do not have to be completed in the form suggested but all submitters (whether or not they opt to use the form provided) should provide the name of the individual or organisation lodging the submission, and their contact details.
60. Submitters are not limited to addressing only the questions set out in the submission form and discussed in Part Two of this paper. However, submissions should be relevant to the terms of reference.
61. All submitters using the long response form provided or making submissions longer than two pages are asked to include a summary of their key points.

### Content of written and oral submissions

62. The Commission's mandate is future-focused. **It is not within the scope of the Commission's terms of reference to seek to resolve current regional or local issues** such as whether there should be a further harbour crossing, whether the metropolitan urban limits should be extended, or what decisions should be made relating to road, rail, and public transport. **The Commission's interest is in decision-making structures and processes.** Although current and past experience may be relevant in identifying or analysing structural issues to be addressed, detailed comment about past events and specific projects will not assist the Commission unless the relationship with governance structures is made clear.
63. Although the Commission is open to hearing opinions, it wishes to hear the facts that back up those opinions. Because the Commission is required to develop recommendations for future local government arrangements, **we encourage submissions to be constructive, offering solutions, not just identifying problems.**

### Written submissions publicly available

64. The Commission wishes to foster an open and informed discussion of the issues. Accordingly, it is intended that all submissions will be made available on the Commission's website as soon as practicable after submissions close. The names of submitters will be on the website, but addresses and other contact details will not be published online.
65. If it is desired that any material provided to the Commission not be made public, this material should be clearly identified and the grounds for withholding it specified.

### Hearings

66. The Commission's intention is to hold public hearings throughout the Auckland region so that the Commission's meetings will be easily accessible to the Auckland community. To help the Commission organise hearings, those making written submissions are asked to indicate whether they wish to be heard in support of their submission. If so, submitters are asked to indicate the locality in which they wish to be heard (Rodney, North Shore, Waitakere, Auckland, Manukau, Papakura, or Franklin).
67. We wish to emphasise that if you have made a written submission you do not have to speak in support of it. All submissions will be read. We will almost certainly have to place a time limit on oral submissions to ensure that everyone who wants to be heard gets the opportunity, and so that we can complete our inquiry in time to report by 1 December 2008.
68. Details of times and places for hearings will be available on the Commission's website. Those who make written submissions will be personally advised of these at least five working days in advance of the hearing that they are invited to attend.
69. It is anticipated that hearings will be convened in the first three weeks of May and in June.

## Appendix 1: Terms of Reference

**The terms of reference for the Royal Commission on Auckland Governance were approved by Order in Council on 30 October 2007 and published in the *New Zealand Gazette*, No. 118, 1 November 2007.**

### **Royal Commission on Auckland Governance**

Elizabeth the Second, by the Grace of God Queen of New Zealand and Her Other Realms and Territories, Head of the Commonwealth, Defender of the Faith:

To The Honourable PETER SALMON Q.C., of Auckland, retired High Court Judge; Dame MARGARET BAZLEY, of Wellington, retired public servant; and DAVID SHAND, of Auckland, consultant:

GREETING:

#### *Recitals*

WHEREAS, over the next 100 years, the Auckland region will face enormous change brought about by global economic, environmental, and political forces. Local trends, including high population growth, add to the challenges and opportunities for the region. Auckland has to compete in a global market place to sell its goods and services and to attract the talented people it requires to secure a sustainable and prosperous future:

And whereas, to face these challenges Auckland requires local and regional governance equal to the best in the world and capable of working effectively with central government to ensure Auckland is a successful, sustainable city in the Asia Pacific region and is recognised as such:

#### *Appointment and order of reference*

KNOW YE that We, reposing trust and confidence in your integrity, knowledge, and ability, do, by this Our Commission, nominate, constitute, and appoint you, The Honourable PETER SALMON Q.C., Dame MARGARET BAZLEY, and DAVID SHAND to be a Commission to receive representations on, inquire into, investigate, and report on the local government arrangements (including institutions, mechanisms, and processes) that are required in the Auckland region over the foreseeable future in order to maximise, in a cost effective manner,—

- (a) the current and future well-being of the region and its communities; and
- (b) the region's contribution to wider national objectives and outcomes:

#### *Matters to be taken into account*

And, without limiting the order of reference set out above, We declare that, in conducting the inquiry and making recommendations, you must, under this Our Commission, take into account the implications of the findings of the Independent Inquiry into Local Government Rates for local government arrangements in the Auckland region:

### *Relevant matters*

And, without limiting the order of reference set out above, We declare that, in conducting the inquiry, you may, under this Our Commission, investigate and receive representations on the following matters:

- (a) what changes to current legislation (consistent with the purposes and principles of local government as described in the Local Government Act 2002) are considered desirable to achieve or support the achievement of the inquiry's objectives; and
- (b) what changes to the boundary of the Auckland region, or to the collaborative arrangements or mechanisms involving other regions across New Zealand, are considered desirable to achieve or support the achievement of the inquiry's objectives; and
- (c) what is required for effective relationships and collaborative arrangements between central and local government; and
- (d) what ownership, governance, and institutional arrangements and funding responsibilities are required to ensure the effective, efficient, and sustainable provision of public infrastructure, services, and facilities to support and enhance—
  - (i) the current and future well-being of the Auckland region and its communities; and
  - (ii) the performance of the Auckland region as a growth engine in the New Zealand economy and in its role as a key transport hub for New Zealand and the Pacific region; and
  - (iii) the ability of the Auckland region to compete internationally as a desirable place to live, work, invest, and do business; and
  - (iv) the ability of the Auckland region to respond to economic, environmental, cultural, and social challenges (for example, climate change); and
- (e) what governance and representation arrangements will best—
  - (i) enable effective responses to the different communities of interest and reflect and nurture the cultural diversity within the Auckland region; and
  - (ii) provide leadership for the Auckland region and its communities, while facilitating appropriate participation by citizens and other groups and stakeholders in decision-making processes; and
- (f) what alternative transition processes for the implementation of any new or changed local government arrangements, and of any associated matters that are identified, are necessary or desirable:

### *Definitions*

And We declare that, in this Our Commission, unless the context otherwise requires,—

**Auckland region** means the geographical area within the jurisdiction of the Auckland Regional Council

**inquiry's objectives** means the objectives set out in the order of reference

**mechanisms** means any committees, boards, organisations, or forums required to support primary local government institutions in the effective governance of a region:

### *Exclusions from inquiry and scope of recommendations*

But We declare that you are not, under this Our Commission, to inquire into the following matters:

- (a) the purposes and principles of local government as described in the Local Government Act 2002:
- (b) local government arrangements in New Zealand generally:

- (c) the extent to which recommendations relating to the Auckland region may also be appropriately implemented in other regions across New Zealand, except as provided in paragraph (b) under the heading *Relevant matters* set out above:
- (d) central government agency and institutional arrangements and the accountability of Ministers of the Crown to Parliament for the expenditure of appropriated funds, the provision of services, and the stewardship of assets within their ministerial portfolios:

And We also declare that you are not, under this Our Commission, to make recommendations on the quantum of central or local government funding needed to support the Auckland region:

*Appointment of chairperson*

And We appoint you, The Honourable PETER SALMON Q.C., to be the Chairperson of the Commission:

*Power to adjourn*

And for better enabling you to carry this Our Commission into effect you are authorised and empowered, subject to the provisions of this Our Commission, to make and conduct any inquiry or investigation under this Our Commission in the manner and at any time and place that you think expedient, with power to adjourn from time to time and from place to place as you think fit, and so that this Our Commission will continue in force and that inquiry may at any time and place be resumed although not regularly adjourned from time to time or from place to place:

*Consultation and procedures*

And you are required, in carrying this Our Commission into effect,—

- (a) to consult with the public in a way that allows people to express clearly their views on issues relating to local government arrangements for the Auckland region; and
- (b) to adopt procedures that will encourage people to express their views in relation to any of the matters referred to in the immediately preceding paragraph; and
- (c) to consult and engage with Māori in a manner that specifically provides for their needs; and
- (d) to use relevant expertise, including consultancy and secretarial services, and to conduct, where appropriate, your own research:

And you are empowered, in carrying this our Commission into effect,—

- (a) to prepare and publish discussion papers from time to time on topics relevant to the inquiry; and
- (b) unless you think it proper in any case to withhold any evidence or information obtained by you in the exercise of the powers conferred upon you,—
  - (i) to include in any discussion papers prepared and published by you all or any of that evidence or information; and
  - (ii) to publish or otherwise disclose in such other ways that you think fit all or any of that evidence or information:

*General provisions*

And, without limiting any of your other powers to hear proceedings in private or to exclude any person from any of your proceedings, you are empowered to exclude any person from any hearing, including a hearing at which evidence is being taken, if you think it proper to do so:

And you are strictly charged and directed that you may not at any time publish or otherwise disclose, except to His Excellency the Governor-General in pursuance of this Our Commission or by His Excellency's direction, the contents or purport of any report so made or to be made by you:

And it is declared that the powers conferred by this Our Commission are exercisable despite the absence at any time of any one member appointed by this Our Commission so long as the Chairperson, or a member deputed by the Chairperson to act in the place of the Chairperson, and at least one other member, are present and concur in the exercise of the powers:

And We do further declare that you have liberty to report your proceedings and interim findings under this Our Commission from time to time if you judge it expedient to do so:

*Reporting date*

And, using all due diligence, you are required to report to His Excellency the Governor-General in writing under your hands, not later than 1 December 2008, your findings and opinions under this Our Commission, together with any recommendations that you think fit to make in respect of them:

And, lastly, it is declared that these presents are issued under the authority of the Letters Patent of Her Majesty Queen Elizabeth the Second constituting the office of Governor-General of New Zealand, dated 28 October 1983,\* and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof We have caused this Our Commission to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 30th day of October 2007.

Witness Our Trusty and Well-beloved The Honourable Anand Satyanand, Chancellor and Principal Companion of Our New Zealand Order of Merit, Principal Companion of Our Service Order, Governor-General and Commander-in-Chief in and over Our Realm of New Zealand.

[L.S]

ANAND SATYANAND, Governor-General.

By His Excellency's Command—

HELEN CLARK, Prime Minister.

Approved in Council—

DIANE MORCOM, Clerk of the Executive Council.

\* SR 1983/225

## Appendix 2: Auckland's Current Governance Arrangements

Current governance arrangements in Auckland are complex. Central government, the Auckland Regional Council ("ARC"), seven territorial local authorities (or local councils), and 30 community boards are involved in decision making in the Auckland region.

Central, regional, and local government each has specific responsibilities, but some responsibilities are shared. Broadly speaking, central government has primary responsibility for the delivery of social services such as health, education, and income support. The ARC's current primary responsibilities include regional environmental regulation, ownership and management of regional parks, regional growth, transport planning, and funding for passenger transport. The seven local councils provide a wide range of property-related infrastructure and services, including land-use planning, resource management, water, waste water, stormwater, solid waste, local roading, and local community facilities. Central, regional, and local councils have different but overlapping responsibilities for transport, parks and reserves, economic development, civil defence, recreation, and events.

The seven local councils are Rodney District, North Shore City, Waitakere City, Auckland City, Manukau City, Papakura District, and Franklin District councils. In addition, most of the region's local councils also have community boards, which represent smaller geographic areas. These provide input to the decisions of local councils, and may undertake specific delegated local responsibilities. Councils also have the ability to create council-controlled organisations, which provide arms-length infrastructure and service delivery.

The public elects local body politicians to the ARC, territorial authorities, and community boards every three years. The mayors of the local councils are elected directly. The chair of the ARC is elected as a member and appointed as chair by fellow members of the ARC. The following table shows the number of elected representatives for each of the councils in the region – 261 in total.

| Council                   | Mayor    | Councillors | Community Board members |
|---------------------------|----------|-------------|-------------------------|
| Rodney District Council   | 1        | 12          |                         |
| North Shore City Council  | 1        | 15          | 24                      |
| Waitakere City Council    | 1        | 13          | 20                      |
| Auckland City Council     | 1        | 19          | 52                      |
| Manukau City Council      | 1        | 17          | 41                      |
| Papakura District Council | 1        | 8           |                         |
| Franklin District Council | 1        | 12          | 8                       |
| Auckland Regional Council |          | 13          |                         |
| <b>Total</b>              | <b>7</b> | <b>109</b>  | <b>145</b>              |

### Infrastructure

Central, regional, and local government are all involved, directly or indirectly, in decisions about infrastructure and services. For example, central government appoints boards for Transpower, Land Transport New Zealand, Transit New Zealand, and ONTRACK. Local government appoints the boards for the Auckland Regional Transport Authority, Auckland Regional Holdings, Watercare

Services Limited, and local water retailers. There are also several non-governmental corporate agencies that have a significant public impact, including infrastructure providers such as Telecom. There are other examples in each of these categories.

### **Transport**

A number of entities are involved in transport infrastructure in Auckland (road, rail, public transport). Central government agencies involved in planning and funding road and rail infrastructure include the Ministry of Transport (transport policy), Land Transport New Zealand (funding and safety management), Transit New Zealand (management and development of State highways), and ONTRACK (management and development of the rail network). Land Transport New Zealand and Transit will be replaced by the New Zealand Transport Agency from 1 July 2008. Regional entities involved in transport planning and public transport include the ARC, the Regional Land Transport Committee, and the Auckland Regional Transport Authority. In addition local councils own, build, and manage local roads (all roads that are not State highways).

### **Water**

The following bodies are involved in providing water and waste-water infrastructure and services in the region:

- There is one bulk supplier of water and waste-water services in the Auckland region – Watercare.
- Each of the seven local councils provides retail water and waste-water services in its district. Four (Rodney District, North Shore City, Waitakere City, and Franklin District) do so directly. Two others (Auckland City and Manukau City) provide these services through council-controlled organisations, Metrowater and Manukau Water, respectively. Papakura District provides these services under a franchise agreement with United Water.
- All local authorities are individually responsible for provision of stormwater services.
- There is one environmental regulator for water quality and coastal management for the whole region – the ARC.

### **Ownership of regional assets**

Auckland Regional Holdings (“ARH”) is a council-controlled organisation, accountable to the ARC. It was established on 1 July 2004 to own, directly or indirectly, and manage assets in the long-term interests of the region.

As at 30 June 2007, ARH had an asset base of \$1.45 billion, including a 100% shareholding in Ports of Auckland Limited, ownership of downtown waterfront land, and cash investments.

The 25 regional parks are owned, administered, and funded by the ARC. Local councils own and operate or participate in the ownership and operation of a broad range of cultural, sporting, and recreational facilities across the region.

## Appendix 3: Sections 10–14 of the Local Government Act 2002

The purpose and principles of local government are set out in sections 10–14 of the Local Government Act 2002.

### Subpart 1—Purpose of local government

#### 10 Purpose of local government

The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

### Subpart 2—Role of local authorities and related matters

#### 11 Role of local authority

The role of a local authority is to—

- (a) give effect, in relation to its district or region, to the purpose of local government stated in section 10; and
- (b) perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.

#### 12 Status and powers

- (1) A local authority is a body corporate with perpetual succession.
- (2) For the purposes of performing its role, a local authority has—
  - (a) full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and
  - (b) for the purposes of paragraph (a), full rights, powers, and privileges.
- (3) Subsection (2) is subject to this Act, any other enactment, and the general law.
- (4) A territorial authority must exercise its powers under this section wholly or principally for the benefit of its district.
- (5) A regional council must exercise its powers under this section wholly or principally for the benefit of all or a significant part of its region, and not for the benefit of a single district.
- (6) Subsections (4) and (5) do not—
  - (a) prevent 2 or more local authorities engaging in a joint undertaking, a joint activity, or a co-operative activity; or
  - (b) prevent a transfer of responsibility from one local authority to another in accordance with this Act; or
  - (c) restrict the activities of a council-controlled organisation; or
  - (d) prevent a local authority from making a donation (whether of money, resources, or otherwise) to another local authority or to a person or organisation outside its district or region or outside New Zealand—
    - (i) if the local authority considers, on reasonable grounds, that the donation will benefit its district or region, or the communities within its district or region; or

- (ii) if the local authority considers, on reasonable grounds, that a benefit will be conferred on the local government sector as a whole; or
  - (iii) for emergency relief; or
- (e) prevent a local authority from making a donation (whether of money, resources, or otherwise) to a local government body outside New Zealand to enable it to share its experience and expertise with that body.

### **13 Performance of functions under other enactments**

Sections 10 and 12(2) apply to a local authority performing a function under another enactment to the extent that the application of those provisions is not inconsistent with the other enactment.

### **14 Principles relating to local authorities**

- (1) In performing its role, a local authority must act in accordance with the following principles:
- (a) a local authority should—
    - (i) conduct its business in an open, transparent, and democratically accountable manner; and
    - (ii) give effect to its identified priorities and desired outcomes in an efficient and effective manner;
  - (b) a local authority should make itself aware of, and should have regard to, the views of all of its communities; and
  - (c) when making a decision, a local authority should take account of—
    - (i) the diversity of the community, and the community's interests, within its district or region; and
    - (ii) the interests of future as well as current communities; and
    - (iii) the likely impact of any decision on each aspect of well-being referred to in section 10:
  - (d) a local authority should provide opportunities for Maori to contribute to its decision-making processes;
  - (e) a local authority should collaborate and co-operate with other local authorities and bodies as it considers appropriate to promote or achieve its priorities and desired outcomes, and make efficient use of resources; and
  - (f) a local authority should undertake any commercial transactions in accordance with sound business practices; and
  - (g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region; and
  - (h) in taking a sustainable development approach, a local authority should take into account—
    - (i) the social, economic, and cultural well-being of people and communities; and
    - (ii) the need to maintain and enhance the quality of the environment; and
    - (iii) the reasonably foreseeable needs of future generations.
- (2) If any of these principles, or any aspects of well-being referred to in section 10, are in conflict in any particular case, the local authority should resolve the conflict in accordance with the principle in subsection (1)(a)(i).



## SUBMISSION FORM

For Office Use Only

Submission No:

Date Received:

PLEASE COMPLETE YOUR DETAILS BELOW:

### Name/organisation details

FIRST NAME(S): \_\_\_\_\_

SURNAME: \_\_\_\_\_

ORGANISATION:  
(If applicable) \_\_\_\_\_

### Contact details

EMAIL: \_\_\_\_\_

PHYSICAL ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TELEPHONE: \_\_\_\_\_ (Business) \_\_\_\_\_ (Home)

***Please note that all submissions will be published on the Royal Commission's website together with your name and organisation (if any). However, no contact details will be published.***

### Hearings

All submissions will be read and considered carefully. If, however, you also wish to be heard in support of your submission, please indicate this below.

I/we wish to be heard in support of our submission YES NO

If you have indicated that wish to be heard in support of your submission, please indicate where you would prefer to attend a hearing (please mark only **one** box):

Auckland City  Franklin District  Manukau City

North Shore City  Papakura District  Rodney District

Waitakere City





## **Part II – Long Form Response**

The issues discussed in Part Two of the Commission’s *Call for Submissions* document are set out below. The *Call for Submissions* document contains supplementary questions on each issue which you might like to answer. You are not restricted to our issues/questions. You may address any issues relevant to the terms of reference.

Continue on a separate sheet(s) if necessary.

### **Overview**

**Issue 1:** What kind of local government arrangements will help Auckland become a successful world-class city?

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### **Regional decision making**

**Issue 2:** What decisions should be made and implemented at a regional level? By what body or bodies or processes should these decisions be made?

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***Local decision making***

**Issue 3:** What decisions should be made and implemented at a local level? By what body or bodies or processes should these decisions be made?

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***Coordination***

**Issue 4:** To what extent should individual local councils follow consistent practices? How do we ensure that decisions made at national, regional, and local government levels are consistent with each other, and that they lead in the same direction?

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***Accountability***

**Issue 5:** How do we ensure that whatever form of local government is adopted remains properly accountable to the people of Auckland?

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**Royal Commission on Auckland Governance**  
Te Kōmihana a te Karauna mō te Mana Whakahaere o Tāmaki-makau-rau

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***Do you have any other comments on Auckland's decision-making structures?***

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***Please write a brief summary of the key points in your submission:***

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**Completed submissions:**

Please return your completed submission form to the Commission, to be received **no later than 4 p.m. on 22 April 2008**. Submissions may be returned by clicking "submit" when using the online version, or by posting to

FreePost No. 215482  
Submissions Administrator  
Royal Commission on Auckland Governance  
Private Bag 92049  
Auckland Mail Centre  
Auckland 1142

**Note:** Six hard copies should be provided for all mailed submissions over 10 pages in length.

