

# **Integration of Urban Services and Good Governance: the Auckland Super city Project**

## **Presentation to the PECC Seminar Environmental sustainability in Urban Centres**

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# What This Presentation Will Cover

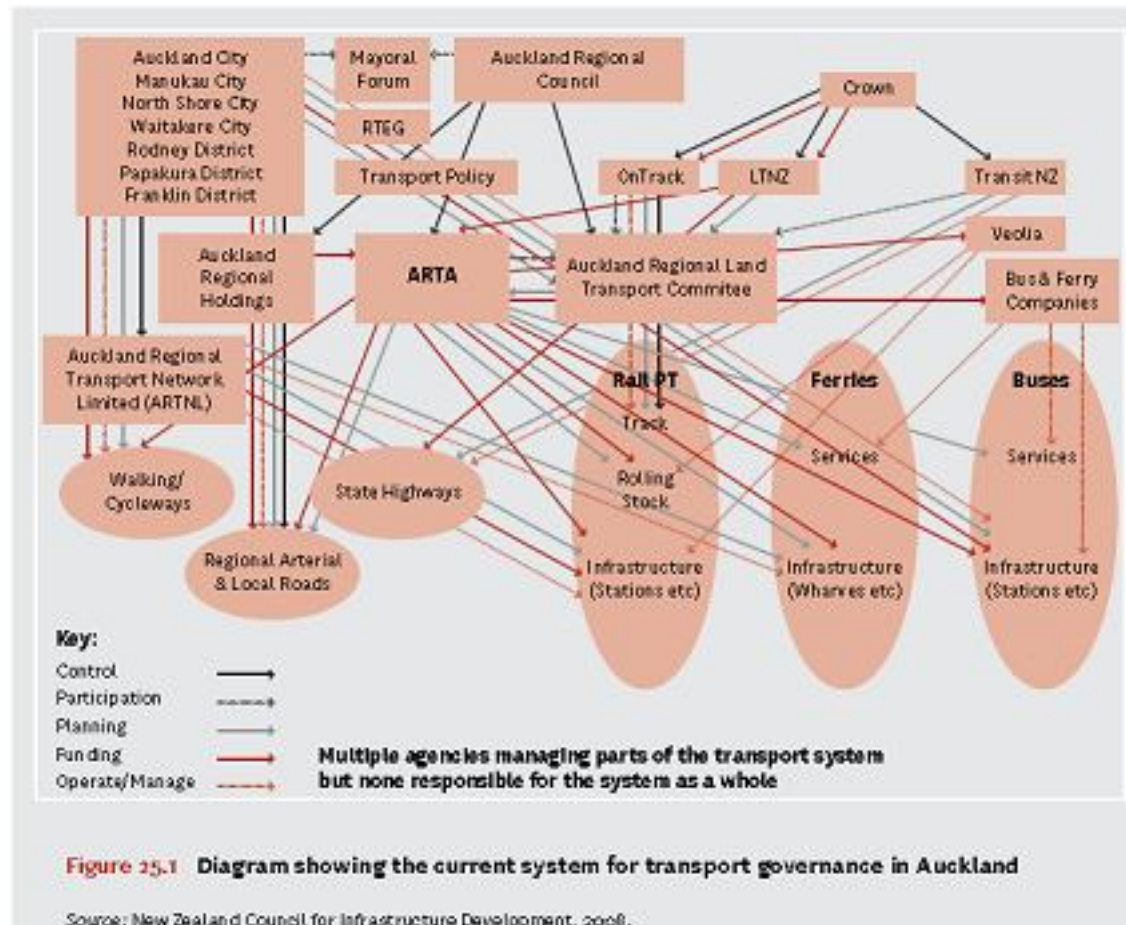
- ▶ Background and the Auckland 'problem'.
- ▶ The Royal Commission – brief and recommendations.
- ▶ The Government's response.
- ▶ A new approach to service delivery – background and policy context, local government take up and the Auckland/CCO relationship.
- ▶ Comparison with selected mega-cities, relative merits and concluding comments.

# Background: Structure of the New Zealand Local Government Sector

- ▶ Two principal types of local authorities; regional councils primarily responsible for environmental management, and territorial authorities (district and city councils) responsible for most local government service delivery.
- ▶ Unitary councils combine powers of both. There are four small-medium unitaries and one very large one, the new Auckland Council.

# Auckland: the Problem Definition

- ▶ Complex multi-authority/agency environment, and perceived inability to take and implement decisions on significant regionwide issues.



# Royal Commission Brief and Recommendations

- ▶ Brief: “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..”
- ▶ Response: A single unitary council as sole employer, asset owner, funder and service deliverer; a second tier of six local councils, essentially as a community voice.
- ▶ A relatively weak mayor – power to appoint a deputy and committee chairs but required to get council support.
- ▶ Use of council controlled organisations for service delivery.
- ▶ Co-decision-making on Government’s social spend.

# The Government Response

- ▶ A Single Unitary Council as sole asset owner, employer, funder and service deliverer.
- ▶ No to 6 local councils; yes to local boards (now 21) with decision-making power on non-regulatory matters unless Council decides they have regional implications.
- ▶ Bulk of service delivery through seven CCOs (initial strong public opposition).
- ▶ Mayor with significant powers – to establish committees, appoint a deputy and committee chairs, lead the development of the Council's policies, plans and budget, and lead the Council's engagement with its communities.
- ▶ No to co-decision-making on social spend; yes to Social Policy Forum (talk shop?).



# New Approach to Service Delivery

Seven council controlled organisations: Auckland Council Investments Ltd.

- ▶ Auckland Council Property Ltd (commercial and non-core property assets).
- ▶ Auckland Tourism Events and Economic Development
- ▶ Auckland Transport (all transport planning, public transport, regional AND local roads).
- ▶ Auckland Waterfront Development Agency.
- ▶ Regional Facilities Auckland (major regional arts, cultural and recreational facilities).
- ▶ Watercare Services Ltd – wholesale and retail potable and wastewater services.

# The Ideological/Policy Background

- ▶ New Zealand's public sector reforms of the late 80s and early 90s – new public management and public choice theory driven.
- ▶ Restructuring of government trading entities as state-owned enterprises with a (now) well-honed accountability cycle.
- ▶ Application of same approach to local government in 1989 local government restructuring.
- ▶ Local government a reluctant adopter – corporatisation seen as first step to privatisation - politically dangerous.
- ▶ Auckland Council CCOs the first large-scale application of corporatisation to council services.



## The Auckland Council/CCO Relationship

- ▶ Ownership; power to appoint directors.
- ▶ Accountability cycle – starts with letter of expectations from Mayor to directors. Includes commitment to Council strategic priorities, open board meetings, local board engagement plan, coordination...
- ▶ Directors prepare statement of intent drawing on letter of expectations. Also sets out nature of business, financial and non-financial KPIs etc.
- ▶ Council approves statement of intent, and can require amendment at any time.

# Some Qualifications/Comments

- ▶ Auckland CCO model is work in progress.
- ▶ The accountability framework is excellent in form but depends crucially on good practice of governance by elected members, management and CCO directors.
- ▶ The model separates responsibility for spatial plan and land use planning (core Council) from responsibility for land transport planning (Auckland Transport CCO).

# Comparison with Other Mega-Cities(1)

- ▶ **Brisbane**: largest local authority in Australasia (other than Auckland). Centre of large metropolitan region, and of South-East Queensland.
- ▶ Old established (1924), ward based but strong mayor and party political control.
- ▶ State government in some respects acts like a regional/Metropolitan authority.
- ▶ **Vancouver**. Also old established (1886). Crucial role of Regional District. Generally but not always hands off provincial government.

# Comparison with Other Mega-Cities(2)

- ▶ **London.** Mixed history – 1986 abolition of Greater London Council. 1997 Labour campaigns on Greater London authority and executive mayor.
- ▶ 2000 GLA comes into existence; Ken Livingston elected Mayor with decision-making power (limited checks and balances).
- ▶ Boroughs still principal service deliverers. GLA has four functional arms (transport, police, economic development, Fire and emergency services) and strategic planning powers including the “London Plan”.
- ▶ Very limited financial authority. Government remains principal funder and caps GLA pre-emption on Boroughs.

# Relative Merits

- ▶ Each is structurally different, especially at the level of metropolitan governance.
- ▶ Auckland is still very much ‘work in progress’. Both the use of CCOs, and the role of local boards are unique.
- ▶ A word of caution: a recent study, ‘Cities: Who Decides?’ Reviewing eight examples of metropolitan governance notes:

“...the research suggested that success did not depend on any particular type of government structure. Nor was there an ideal ‘model of development’.

# Concluding Comments

- ▶ There is almost certainly no 'one right way' for structuring effective metropolitan governance. Metropolitan areas are complex geographically, politically, economically, socially, and environmentally. Existing structures are commonly a product of their own particular history and circumstances, and strongly influenced by local political cultures and practices.
- ▶ Although structure matters, quality of and commitment to engagement matters more.