



WORKING TOGETHER FOR EDUCATION

**SUBMISSION TO THE SELECT COMMITTEE FOR AUCKLAND
GOVERNANCE ON THE LOCAL GOVERNMENT (Auckland Law Reform)
BILL**

February 12 2010.

Paper 031/2010

This submission is presented by COMET, a charitable trust established by Manukau City Council in 1999 and created as a CCO under the Local Government Act 2002.

The Trust has an agreement with Manukau City Council to deliver analysis and advocacy for education in Manukau; and the co-ordination and facilitation of projects that make a difference to education outcomes in the city.

COMET has an agreement, approved by the Auckland Transition Agency, to continue offer these services to the end of June, 2012.

We wish to be heard in support of this submission. Contact details are: 09 968 8773.
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Bernardine Vester (Chief Executive

Bill Gavin (Chairperson)



POSITION SUMMARY

COMET supports the purposes expressed in the Explanatory Note to the Bill, that is, the development of “strong regional governance, integrated decision making, greater community engagement, and improved value for money”. Those purposes need to be more explicitly expressed in the proposed legislation.

COMET notes the absence of reference in the Bill to a Social Policy Forum, and the lack of weighting given by the legislation to structures that intersect with central government contributions to social wellbeing.

COMET supports local boards as catalysts for social wellbeing.

COMET agrees with the need to strengthen the accountability processes for CCOs.



SUBMISSION

This submission is based on the Royal Commission for Auckland Governance's view, supported by the Cabinet decision to establish a Social Policy Forum, that the social development needs of Auckland must be addressed by the new Auckland Council.

We refer the Select Committee also to the research undertaken by the AUT Institute of Public Policy: *Making Links, Taking Action*¹ which identifies examples of social and economic development practice in the Auckland region that add value to investments made by central and local government against strategic priorities.

The submission notes that the government has already recognised the social development needs of Auckland through the establishment of the Social Policy Forum. However, we note that this has not been translated into the legislation that frames Auckland governance for the future.

We submit that each of the four well-beings (social, economic, environmental and cultural) has equal value in the work of local government. Legislation needs to provide equal weight to the structures that support each of those well-beings.

The Explanatory note to this bill explicitly refers to the aims of the changes to Auckland governance – that is,

“to create one Auckland, which has strong regional governance, integrated decision making, greater community engagement, and improved value for money”.

We believe those purposes are important, and support them. However, we note that these purposes are not explicitly referred to in the Bill. Rather, Clause 3(1) says:

“The purpose of this Act is to resolve further matters relating to the reorganisation of local government in Auckland begun under the Local Government (Tamaki Makaurau Reorganisation) Act 2009 and

¹ <http://www.ipp.org.nz/MakingLinksindex.html>



continued under the Local Government (Auckland Council) Act 2009.”

We believe that the underlying purpose of the ‘technical’ additions contained in this Bill to the previous two pieces of legislation need to be explicitly referred to, so that the outcomes of the changes can be more effectively assessed over time.

What kind of structures are required for...

	processes	structure
“Strong regional governance”	a connection between central and local government decision-makers supporting officials group that shapes policy for decision-making	Social Policy Forum a strong Social Policy Unit in Council
“integrated decision-making”	decisions informed by independent analysis, consultative processes, and supported by a capacity for action.	Mayor and Council Committees CCO
“community engagement”	forums / Taskforces / Advisory Groups / Project Implementation Groups / Planning seminars / learning alongside local action / etc	Local board – <i>feed up, feed back, feed down.</i> <i>exercising leadership and initiative, project oversight, linking to priority-setting and local planning</i>
“improved value for money”	inclusion of key sector players, including health and education	CCO <i>As an intermediary, able to facilitate engagement of a range of stakeholders</i>

Role of the mayor. The vision of the mayor and his/her interest in social development as a key shaper of Auckland’s future will be critical to the creation of Auckland as a functional city. The mayor will be influential in determining the way in which the Council will engage with different communities, and the priority-setting processes. However, there needs to be a supportive structure associated with the mayor’s engagement in social development issues. While it is not appropriate for the



legislation to determine the internal organisational structure of the Auckland Council, it is appropriate for the legislation to provide strong signals about the importance of improved social policy capability within the council, so that the mayor's engagement with central government is informed, constructive and effective.

The Social Policy Forum. The Cabinet has identified already the role of the Forum. It is to:

“...demonstrate strong leadership, set a clear strategic direction, highlight the roles and responsibilities of central and local government, and drive alignment of thinking and action, including:

- 6.3.1 identifying guiding social priorities and discussing proposed social policy responses and strategies, both at a regional level and for specific geographic communities;
- 6.3.2 considering and agreeing on joint venture action plans and projects;
- 6.3.3 identifying duplicated activity, identifying gaps, and highlighting activity that would undermine positive social outcomes;
- 6.3.4 Influencing wider regional strategies to actively support good social outcomes;
- 6.3.5 Monitoring and reporting on agency activities, plus social outcomes at regional and prioritised neighbourhood levels.

The Forum has the potential to incorporate understandings about economic development needs into social development strategic priority-setting – provided the structure is robust and inclusive, and sustainable over time.

The cabinet paper on the formation of the Social Policy Forum provided only the mechanism for central and local government to work more closely together. We applaud this first step. However, the existence of the Social Policy Forum is absent in this legislation. The cabinet decision to establish a Social Policy Forum remains an interim response to the need for greater engagement from Wellington in the complex social development needs of Auckland. The effect of a change in policy in Wellington is to render the links created by the Social Policy Forum as temporary and experimental, rather than a deliberately constructed process for robust engagement on areas of mutual interest. While the details of the Social Policy



Forum's operation will be subject to development over time, the mandate for the it needs to be reflected in the Bill.

Informed and integrated decision-making. Because social and economic development needs must be informed by the best possible information, Auckland needs an independent analytical capacity that makes a connection between central government policy analysis and local knowledge and expertise.

The independent analytical capacity must be developed through a structure that enables the bringing together – in a robust, democratically available, and transparent manner – of evidence and data that enables decision-makers at central government, council, local board and community levels to make sound investments of time and money. The evidence needs to be inclusive of the key stakeholders that determine social settings in communities.

The Social Policy Forum will need to be supported by an 'officials' group that is able to tap into a rich set of relevant, local data; and connect into local leadership and project managers.

Government agencies have strong policy development processes, but the evidence and data underpinning social policy decisions are "owned" by their Ministers and isolated into agency silos. Notably absent from the discussions about the Social Policy Forum have been references to the contributions that the health and education sectors could make to community social wellbeing.

Ownership of action through central government policy design limits participation to 'information-sharing' rather than leading to the generation of new evidence and collaborative problem-solving activity.

It seems to us that there exists in the legislation both new and missed opportunities for Auckland: to create a robust social sector connection to decision-making; and in



particular, to connect the value of education-sector spending to the social and economic development of the city.

Local Boards. Local boards will be involved in planning, being a landlord for community facilities, advocating for community interests, analysing issues that the community wants addressed, facilitating community conversations, co-ordinating and delivering community services, in much the same way as councils do now. Boards may choose to become more activist than they currently are in bringing social challenges to the attention of city decision-makers and central government. However, effective use of the subsidiarity principle and more active community engagement in decision-making is only guaranteed if local aspirations can be effectively delivered through the facilitation of their local board. Local aspirations will not be limited to dog control, playground maintenance, or street design. To become more than a lightning rod for complaints or a litmus paper for controversial community decisions, local boards must be supported to provide *community leadership*. The legislation contains the potential for local boards to become the fundamental shapers of community social, cultural, environmental, and economic wellbeing. Because local boards are at the intersection of community activity and council operations, they may be well-placed to develop plans that incorporate community social priorities. This will require good information-gathering systems, historical and contextual local knowledge about what works and what doesn't, supported by analysis and integrated planning for action.

Better priority-setting and better value-for-money decision-making comes with sound community leadership— that is, more effective community governance. For this reason, the CCOs established by the Council must have the capacity to engage with Local Boards, their Statement of Intent should take into account priorities agreed with the Local Boards, and the resourcing for engagement should be written into service agreements.

We submit that an addition be made to Clause 33 to provide stronger signals to the Council and local boards that social development needs in each community have equal priority to other wellbeings.



The CCO structure. Having determined that the new Auckland Council would have a CCO to deal with infrastructure services such as transport and water, and economic development, it is equally appropriate to consider how a CCO for social development (and our interest is in education) might support mayoral engagement in the challenges to Auckland's strategic future from the alarming social indicators that exist in large parts of the city.

The establishment of CCOs is, in our view, a valid response to the need to develop capacity and expertise to deal with complex and often specialised public policy areas of interest.

We note the opportunity that the Minister has taken to establish named CCOs. The future of other CCOs, such as COMET, is left to the Council to decide. To connect the value of education-sector spending to the social and economic development of the city required innovative leadership from the then-mayor of Manukau. It has been a successful experiment. We would invite the Minister and this Select Committee to make a similar call as we sail into the Brave New World of a unified Auckland.

While the establishment of CCOs has been a controversial matter, our experience in working within a CCO structure is that it is flexible and efficient, and still able to deliver a level of accountability to its shareholder, the Council.

How will social issues be connected to infrastructure planning and economic development? 'Strong regional governance' and 'integrated decision-making' will require the seven large CCOs to take account of the social development directions arising from the work of the Social Policy Forum. We invite this Select Committee to consider whether the structures and processes proposed by the legislation are sufficiently robust to enable this to occur. Legislating the existence of the Social Policy Forum would be an important first step.



Strengthened Accountability. All over the world, challenges are being made to old models of accountability. There is a strong international literature which supports different accountability models, including a movement away from representative democratic structures to a more participatory approach.² This shift from local government to local governance – that is, the involvement of a wider range of institutions and actors drawn from beyond the Council itself to key stakeholder groups – is likely to result in more effective problem-solving, most especially for complex social and economic development issues.

Accompanying the establishment of the CCO structure is a set of legislated processes contained in the Local Government Act 2002 that ensure that decisions made by the structure support the mayor’s vision, and the democratic voice of the Council. These processes include the development of a Draft Statement of Intent, its approval by the Council, the preparation of regular reports, and an Annual Report. These processes need to be rigorously audited by the Office of the Auditor-General, including the adequacy of the resourcing provided by the Council for the operation of its CCOs, and the Council’s capacity to effectively support their ownership of the entities.

More importantly, however, the Council must support the capacity of each CCO to engage directly and collaboratively with communities and central government on local development issues. The development of more participatory democratic practice through active partnerships with local communities in Auckland should be pro-actively monitored by the OAG and reported on to Parliament.

ENDS

²See for example Aulich’s recent article in the [January 2009 Issue 2] Commonwealth Journal of Local Governance at <http://epress.lib.uts.edu.au/ojs/index.php/cjlg/article/viewFile/1007/1011>. The author argues that successful participatory governance requires leadership which must come from organisations outside institutional local government.



COMET is a Council Controlled Organisation of the Manukau City Council and is a Charitable Trust registered with the Charities Commission. COMET is proudly supported by the Manukau Institute of Technology through the provision of office and information technology services.



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