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PASSING GO: Promoting Social Wellbeing in Auckland Council
North Harbour Stadium, North Shore City, 20 November 2009

Good morning. Much of the debate since the Royal Commission released its report eight months ago has focused on the structures of the new Auckland Council and questions of representation and democracy. Those things are important.

But there is more to the future of Auckland than just the electoral rules. The Royal Commission had a lot to say about social well-being. And like the tree falling in a forest with no one to hear it, it hasn't made much of a sound. So I thank North Shore City, Raeburn House and the organisers for this overdue and much needed conference.

Labour believes social well being should be at the heart of the super city project.

How can we talk of a world class city when we live in the midst of entrenched poverty? When an arc of poverty stretches across our southern central and western suburbs marking out a convergence of income poverty, high infant mortality, low life expectancy, third world diseases, poor educational achievement, high unemployment and damaged life chances.

How can we talk of a world class city when the gap between rich and poor is greater in Auckland than anywhere else in the country, and our country is one of the most unequal in the OECD?

The motivation to reform our city's governance is a conviction that we can do better. That applies to reducing the costs of doing business, delivering better services, managing our assets more efficiently, and investing in infrastructure.

But if we are going to try and turn a page on the way our city is governed, and lift our game, surely we can apply some of that ambition to tackling poverty?

Our city is not just about roads and houses and offices. Super city is not just about voting and representation. Our city is about the people who live in it. The litmus test of the super city's success will be whether their hopes for the future are met.

The case for setting up the Royal Commission in many ways rested on the idea that Auckland is exceptional. We face challenges that are more complicated and more difficult, and that is certainly true of poverty and social deprivation.

Let's stop and think for a moment about how this city has been shaped. For the last half century city fathers gave free rein to real estate developers and the roads lobby. We pursued a Los Angeles model of urban development: sprawling suburbs and motorways. And only in recent years has there been significant investment in public transport.

On top of that an over heated housing market has given Aucklanders some of the highest housing prices relative to income in the world.

The result is that the people of this city are afflicted by long commutes on clogged roads, the financial burden of having to have one or two cars per family, and house prices that are driving families into financial stress and poverty, with low income families having to put up with poor quality, unhealthy and overcrowded houses.

But why should we care about poverty and inequality? Because Los Angeles-style ghettos alongside gated communities are a recipe for social tension, violence and crime, and a breakdown of the shared values that underpin a cohesive society.

There is another reason to worry about inequality. Richard Wilkinson and Kate Pickett in *The Spirit Level* make the case that more equal societies do better. They argue that income inequality generates tensions and anxieties that cause countless social problems from violence to drug abuse to mental illness.

So how well has local government been doing in this area?

There are some success stories but in general it has to be said that local government engagement has been inconsistent. Some councils have washed their hands of the obligation to promote social well being. For example the Auckland Council under Mayor John Banks sold off its social housing stock in 2003, saying it was simply not the job of local government.

Against that, some great work has been done. The Royal Commission acknowledged both Waitakere and Manukau Cities for having taken a systematic approach, with political leadership by the mayors.

Waitakere have promoted a three way collaboration between community, local government and central government. They have promoted jobs and economic development, incorporated a community development approach, and been the catalyst for a major urban renewal and public transport project in New Lynn.

Manukau has prioritised social wellbeing through its 10 year plan with key themes being educated and knowledgeable people, healthy people, safe communities, vibrant and strong communities, backed up with project teams working on things like early childhood education, reducing family violence, and better outcomes for Maori.

Civil society too offers some great examples of innovation. Among them are COMET and their family literacy programmes. And out West the Clean Streams project is a great example of community development at work.

But if we step back and look at the big picture, according to the Royal Commission: Councils *"...have largely muddled along in the absence of clarity about priority social wellbeing challenges, the strategic direction and outcomes sought, and how and to what extent councils should be contributing."*

With some notable exceptions, promoting social wellbeing has not been prioritised as core business by councils, and they have not used their powers to improve social well being outcomes through their traditional core activities.

That last point is critical. Councils whether they like it or not are inextricably tied up with social well being through their traditional core functions. Some examples:

Land use planning and urban design can make the difference between safe, sustainable communities with access to services, close to jobs, with parks and public spaces to play in.

On the other hand, something we see too much of: sprawling new suburbs, low quality houses, poor public transport, far from jobs, little in the way of public spaces to encourage community, and few amenities and services.

Public transport has a huge impact on people's lives. Without good public transport services people are forced to spend their hard earned dollars on running a car or cars so they and their family members can get to work each day.

Without good public transport people cannot easily move around the city for work or play. The huge uptake by senior citizens of the Gold Card demonstrates how public transport can be a powerful antidote to social isolation.

Affordable housing is another area where councils should be making a big contribution to social well being. An overheated housing market is driving too many Kiwi families into poverty. Recent research showed one in three Kiwis is spending more than the benchmark 30% of disposable income on housing. That is causing real financial stress.

Housing costs this high can mean there just isn't enough left over at the end of the week for food, clothing, transport, medical care or all the other expenses of raising a family. If you're heavily mortgaged it can mean your family is one job loss away from a mortgagee sale.

Councils can play a major role, by providing social housing, by encouraging intensification through zoning, by requiring developers to include a component of affordable housing in new developments, by freeing up land for new housing, by partnering with others to actually deliver new social housing, and through being part of integrated projects like the Tamaki Transformation and Hobsonville.

Now I want to make some comments about how we think about social wellbeing.

These three examples: urban planning, public transport and housing affordability could be powerful drivers of social wellbeing. It is important local government thinks about social development at this level, and avoids the trap of thinking of social wellbeing strategies as welfare, programmes to target particular social problems, getting good people on local boards or funding community groups.

As important as those things are, they must not be a substitute for more ambitious policy responses that tackle the drivers of poverty and social exclusion.

Second, social development must not be disconnected from economic development.

Only sustainable economic development can deliver the high quality jobs Aucklanders need. And the wealth that will pay, through rates and taxes, for the infrastructure, environmental protection and public amenities we all want.

Social and economic development must together be part of an integrated strategy for social wellbeing.

This will be giving the 'roads rates and rubbish' crowd the heebie-jeebies.

Both social and economic development are absent from the list of core functions councils will be required to pay particular regard to, under the Government's announced changes to the Local Government Act.

And I know many in local government will be thinking we simply don't have the resources to take on social and economic development, even if we wanted to.

Which brings me back to the Royal Commission. One of the most challenging and useful ideas in its report was that the Auckland Council should form a powerful new partnership with central government to develop and then drive a new Auckland-wide strategy on social wellbeing.

This is not a move to let central government off the hook for its core responsibilities. Neither is it a call for local government to take on an unfunded mandate.

It is a recognition that Auckland has some intractable social and economic problems that are holding the city back. And that if we really want to be ambitious for Auckland's future we should rise to the challenge put to us by the Royal Commission.

Clearly local government on its own cannot take on Auckland's social and economic problems. And central government needs all the help it can get.

A new partnership between the two could be a big step forward.

It could deliver an agreed social wellbeing strategy for Auckland, with a resourced action plan. It could see the alignment of priorities. And innovative joint ventures, for example around transport, affordable housing and urban renewal.

The new Auckland Council could bring in-depth local knowledge right down to neighbourhood level. It would also have the capacity to bring together local interest groups, community and private sector, on the basis of a shared commitment to their place – in a way that central government would find hard to match.

The Royal Commission recommended a new governance mechanism based on the principle of devolution that would see central and local government share decision-making and accountability for improving social wellbeing.

A Social Issues Board made up of the mayor, councillors, a Minister, the council CEO and chief executives of central government social service agencies would set direction and make decisions on one social wellbeing strategy for the region. The Board would make recommendations to both the Council and to Cabinet on resourcing.

On the advice of the Minister for Social Development, Cabinet rejected the proposal. The Minister said the idea was *'problematic'* because it would *'cut across the constitutional and governmental processes by which central government decisions are made and accounted for'*. And that *'it would place the Minister in an untenable position as a Minister of the Crown yet having responsibility to the Board as a member'*.

I think it is a shame that such concerns have sidelined the Royal Commission's proposal. Instead Cabinet has agreed to a Social Issues Forum which to be brutally frank is little more than a talkshop.

The people of Auckland however won't judge the super city by its governance mechanisms. They want to see results. If the Government can deliver a step change in Auckland's approach to social development through the Minister's Forum all well and good. But if it is a talk shop that results in more business as usual, it will be a wasted opportunity.

Which brings me back to where I started: the politics.

Social development is of course shaped and influenced by political choices. One of the reasons that the super city structures have been so hotly debated is that Aucklanders are well aware of the risk that all communities will not be fairly and equally represented on the new Council.

All year Labour has been saying the Government has been pursuing a flawed and undemocratic super city model. Twenty councillors is simply not enough for a city of 1.4 million. Multi-member wards will advantage the big end of town. Maori have been excluded. It is still unclear whether the local boards will have significant powers. First Past the Post voting will disadvantage minority communities. If people are excluded from the political process it doesn't bode well for a super city that aims for social inclusion.

Other key political decisions will have an effect on social wellbeing. The Government's privatisation agenda for water is a good example.

There is an opportunity for the new Auckland Council to tackle the city's entrenched poverty and inequality. And to work towards a social wellbeing consistent with the desire we all have for Auckland to be a great city.

It will take a new level of ambition. It will take central and local government finding innovative ways to genuinely work together. And it will take a commitment to grappling with the big economic drivers of poverty and inequality.

It could be do-able. The Royal Commission gave us a road map. Whoever gets elected as mayor could make a big difference.

But from the look of the flawed undemocratic super city model the Government has put together; and the privatisation agenda they are pushing; and the insubstantial Social Issues Forum they have announced, I am not holding my breath.

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