

# ATAWHAI

GENEROSITY FOR SOME



Auckland Ratepayers' Alliance  
Democracy Action

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# FOREWORD



Jo Holmes

This briefing paper reveals that in just six years, Auckland Council spent at least \$129 million on iwi consultation and targeted Māori spending.

The title of this paper – Atawhai: Generosity for Some – refers to the first ‘value’ Auckland Council names in its 2050 plan: ‘Atawhai’, meaning ‘kindness, generosity’.

Indeed, the Council has shown extraordinary generosity to favoured interest groups, namely, local iwi and the various individuals and bodies who claim to represent them.

Unfortunately, this generosity is funded by the general Auckland ratepayer. Every dollar allocated to cultural advice, a marae development, or an unelected Māori authority, is a dollar that cannot be used for the core council services that benefit all ratepayers.

The function of Māori representation at Auckland Council is duplicated by at least six different Council mechanisms. Not one of these can be held to account by the general ratepayer who funds their operations.

Many Aucklanders will be supportive of some degree of race-based spending, but what this report uncovers is the extent of duplication and an alarming increase in costs.

The Independent Māori Statutory Board (IMSB) was set up to promote issues of significance to Māori to Auckland Council, but we’re paying eight times its budget because the Council

undertakes the same function through other branches. Funding for Māori outcomes set out in the Council’s latest long-term plan has increased by 70 percent compared to the previous plan from three years ago.

As the Council annually increases rates far beyond increases to living costs, including during an economic crisis, we’re calling for an urgent review into this non-essential spending. This paper is a fantastic start.

– Jo Holmes  
Spokesperson  
Auckland Ratepayers’ Alliance

# FOREWORD



Lee Short

Most Aucklanders are probably unaware Auckland Council has a plan for specifically advancing Māori interests and prosperity. Indeed, this was identified in the Auckland Plan 2050 as one of the six most important areas in which to make significant progress.

Prioritising Māori-related outcomes comes at a cost. We at Democracy Action set out to find just how much, going back six years. This paper is the result of our research, it reveals financial expenditure on Māori outcomes and consultation has grown exponentially over this time, from \$13 million in year ending 2014 to more than \$30 million last financial year. However, it may be even more because there are several Māori focussed programmes adopted by Auckland Council and the CCOs.

As a result, it has been difficult to identify all funding streams.

A 2015 report by the NZ Institute of Economic Research (NZIER) showed that the Māori economy in Auckland is substantial – at around \$4 billion of GDP with \$23 billion of assets. (As this report is now five years old, these figures are likely to be considerably higher today). This being so, the wisdom of Council contributing towards Māori economic development at ratepayers’ expense is questionable at best.

This paper focusses on the financial cost of the Council’s strategy to advance Māori interests. Far harder to measure is the amount of influence the Independent Māori Statutory Board, as well as the Māori Outcomes department – ‘Ngā Mātārae’, formerly ‘Te Waka Anga Mua ki Uta’ – embedded within the Auckland Council, have over council policy and decision making.

Additionally, the Council has adopted the following policies and practices:

- All Council policies, reviews, and committee reports require a Māori impact statement.
- A Māori Responsiveness Framework, which guides the council on the delivery of

Māori outcomes and sets the ground rules for Auckland Council and the Council Controlled Organisations.

- Eight co-governance/co-management arrangements between Auckland Council and Māori.
- Relationship agreements with iwi – to provide iwi greater opportunity to contribute to and influence the council’s decision-making.

This paper is evidence that the interests of those who identify as Māori are being elevated above those of all other Aucklanders, thereby undermining the concept of equal rights upon which our democracy is based. Many more examples of this policy are included in the [Auckland Plan 2050](#), the [Auckland Unitary Plan](#), the [10-year budget \(long-term plan\)](#) and [local board plans](#).

– Lee Short  
Chair  
Democracy Action

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# 1. INTRODUCTION

This report looks at costs associated with four different branches of spending: the Independent Māori Statutory Board, the Māori policy unit, consultancy payments to iwi groups, and council-controlled organisations' contributions to "Māori outcomes".

Next, it examines additional Māori-targeted spending set out in the Council's long-term plans.

Finally we provide a link to the NZIER 2015 report on Auckland's Māori economy, which revealed an asset base of \$23 billion.

Figures in this briefing paper are accurate as at October 2019 and have been obtained under the Local Government Official Information and Meetings Act 1986, from the PWC report "Assessment of expenditure

incurred by Auckland Council on projects to deliver Māori outcomes," meeting minutes of the Independent Māori Statutory Board and Auckland Council Governing Board.

*Primary sources are listed at the end of this report and are available upon request.*



## 2. OVERVIEW OF COSTS

Expenditure by Auckland Council over six years from 2013/14 to 2018/19 directed at achieving Māori outcomes:

Independent Māori Statutory Board	\$15,900,000
Te Waka Anga Mua ki Uta	\$27,400,000
Auckland Council consultancy payments	\$14,900,000
Auckland Council annual grant to 19 iwi/hapū	\$5,700,000
Council Controlled Organisations (CCO's)	\$23,800,000
Long Term Plan spend on Māori Priorities	(four years) \$41,400,000
<b>Total</b>	<b>\$129,100,000</b>

Breakdown:

Council functions	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Independent Māori Statutory Board	\$2,600,000	\$2,800,000	\$2,500,000	\$2,300,000	\$2,700,000	\$3,000,000	\$15,900,000
Te Waka Anga Mua ki Uta	\$4,900,000	\$5,700,000	\$6,300,000	\$3,600,000	\$3,100,000	\$3,800,000	\$27,400,000
Auckland Council consultancy payments	\$2,031,155	\$2,910,067	\$3,280,021	\$2,258,464	\$2,584,784	\$1,858,927	\$14,923,418
Auckland Council annual grant to 19 iwi/hapū	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$5,700,000
<b>Council Controlled Organisations</b>							
Auckland Transport	\$566,900	\$1,006,000	\$1,002,700	\$1,463,000	\$1,917,600	\$2,115,000	\$8,056,300
Watercare	\$1,136,000	\$1,009,000	\$1,199,000	\$1,452,999	\$1,452,999	\$1,430,743	\$7,680,741
Auckland Property	\$64,000	\$84,356					\$148,356
Waterfront Auckland	\$298,000	\$306,000					\$604,000
Panuku				\$225,000	\$745,000	\$1,358,476	\$2,328,476
Comet		\$119,000	\$118,000				\$237,000
Regional Facilities Auckland	\$140,000	\$140,000	\$507,000			\$90,850	\$877,850
ATEED	\$225,971	\$705,000	\$765,716	\$818,000	\$961,183	\$396,568	\$3,872,438
Auckland Council Investments	\$3,500						\$3,500
<b>Sub total</b>	<b>\$11,965,526</b>	<b>\$14,779,423</b>	<b>\$15,672,437</b>	<b>\$12,117,463</b>	<b>\$13,461,566</b>	<b>\$15,000,564</b>	<b>\$82,996,979</b>
Long Term Plan 2015–2025 Māori outcomes budget \$88.8 million <sup>1</sup>			\$8,800,000	\$8,800,000	\$8,800,000		\$26,400,000
Long Term Plan 2018–2028 Māori outcomes budget \$150.2 million <sup>2</sup>						\$15,000,000	\$15,000,000
<b>Total</b>	<b>\$12,915,526</b>	<b>\$15,729,423</b>	<b>\$25,422,437</b>	<b>\$21,867,463</b>	<b>\$23,211,566</b>	<b>\$30,000,564</b>	<b>\$129,146,979</b>

Note: <sup>1</sup> Annual amount was arrived at by dividing the total budgets by 10 (years)

<sup>2</sup> The 2015–2025 LTP was superseded by the 2018–2028 LTP.

## 3. BREAKDOWN OF COSTS BY ENTITY

Independent Māori Statutory Board (IMSB)

The Super City legislation created a new entity, the Independent Māori Statutory Board (IMSB) in 2010.

Auckland Council annual grant to IMSB for the years to June, 2014–2019:

June 2019	\$3,000,000
June 2018	\$2,700,000
June 2017	\$2,300,000
June 2016	\$2,500,000
June 2015	\$2,800,000
June 2014	\$2,600,000
<b>Total since 2014</b>	<b>\$15,900,000</b>

Te Waka Anga Mua ki Uta (now 'Ngā Mātārae')

The Auckland Council also has a separate Māori policy unit, Te Waka Anga Mua, which is also funded by ratepayers. This department is "responsible for providing advice on all Māori-specific policy, planning, research and evaluation,

stakeholder engagement, relationship management and Māori protocol, and process information and activities."

At times Te Waka Anga Mua has employed up to 30 full time staff equivalents.

The cost of Te Waka Anga Mua ki Uta for the years to June, 2014–2019:

June 2019	\$3,800,000
June 2018	\$3,100,000
June 2017	\$3,600,000
June 2016	\$6,300,000
June 2015	\$5,700,000
June 2014	\$4,900,000
<b>Total since 2014</b>	<b>\$27,400,000</b>

### Auckland Council consultancy payments to iwi

Auckland Council recognises 19 iwi groups with historical links to the area.

Since the formation of the Super City, Auckland Council has been paying iwi groups substantial amounts of money for consultancy services. These payments are additional to those provided to the two entities referred to on page 7.

Over the course space of six years, the Council's payments to iwi groups for consultancy have been consistently above \$2 million each year, with a high of \$3.28 million in 2016.

**While Auckland Council is willing to provide a schedule of payments to iwi groups, it refuses to provide details of precisely what services were received for the payments, citing commercial sensitivity.**

### Auckland Council spending on consultation with iwi for the years to March, 2014–2019:

March 2019	\$1,858,927
March 2018	\$2,584,784
March 2017	\$2,258,464
March 2016	\$3,280,021
March 2015	\$2,910,067
March 2014	\$2,031,155
<b>Total since 2014</b>	<b>\$14,923,418</b>

Some of the services for which the Council paid money to iwi groups include payments for hui, cultural advice, barbecue lunches, shuttle services, and iwi technical engagement.

Other payments featured no description, including several Mayoral Office grants paid to Ngati Whātua in late 2013.

### Auckland Council annual grant to iwi/hapū

Auckland Council allocates annually \$50,000 to each of the 19 iwi: "To better enable iwi to contribute to Council's decision making."

### Payments made by Auckland Council Controlled Organisations (CCOs) to iwi/hapū

Engaging with mana whenua is a Council requirement of all CCOs. Mana whenua is a term used to describe Māori who have iwi links to Tāmaki Makaurau/Auckland. Mana whenua interests in Tāmaki Makaurau are

represented by 19 iwi authorities. Iwi authorities or their delegates may request a fee to cover the costs of consultation and engagement.

### Auckland Council Controlled Organisations (CCOs) financial expenditure on Māori outcomes and consultation with Māori for the years to March, 2014–2019:

March 2019	\$5,391,637
March 2018	\$5,076,782
March 2017	\$3,958,999
March 2016	\$3,592,416
March 2015	\$3,369,356
March 2014	\$2,434,371
<b>Total since 2014</b>	<b>\$23,823,561</b>

Each CCO is required to annually report specific expenditure outlining

contribution to Māori outcomes. The table below shows the expenditure by CCO.

### CCO spend on contribution to Māori outcomes from 2013/14 to 2018/19:

Year end	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Auckland Transport	\$566,900	\$1,006,000	\$1,002,700	\$1,463,000	\$1,917,600	\$2,115,000	\$8,071,200
Watercare	\$1,136,000	\$1,009,000	\$1,199,000	\$1,452,999	\$1,452,999	\$1,430,743	\$7,680,741
Auckland Property	\$64,000	\$84,356					\$148,356
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ATEED	\$225,971	\$705,000	\$765,716	\$818,000	\$961,183	\$396,568	\$3,872,438
Auckland Council Investments	\$3,500						\$3,500
<b>Total</b>	<b>\$2,434,371</b>	<b>\$3,369,356</b>	<b>\$3,592,416</b>	<b>\$3,958,999</b>	<b>\$5,076,782</b>	<b>\$5,391,637</b>	<b>\$23,823,561</b>

## 4. LONG TERM PLANS (10-YEAR DURATION AND UPDATED THREE YEARLY)

In its *Long-Term Plan for 2018–2028, (LTP)* Auckland Council agreed to spend \$150.2 million on specific Māori Transformational Shift Priorities over the 10 year period. On an annual basis, this is a 70 percent increase from what was allocated for the same period under the previous 2015–2025 Long-Term Plan.

The Council defines a Māori Transformational Shift as:  
*"Significantly lift Māori social and economic well-being. The Treaty settlement process is a key means of improving the economic and social well-being of all Māori. Outcomes for Māori in areas such as health, education and income levels often do not compare well to*

*those for the population as a whole. Auckland will enable all its citizens to reach their potential, and there will be focused effort in areas of high need. Public and private sector partnerships will enhance the capacity of Māori to drive economic growth, and improve the living standards and social well-being of Māori and all Aucklanders."*

### Breakdown of Māori Transformational Shift budget, Long Term Plan (LTP) 2018–2028:

Area	Total LTP
Māori capital project	\$65,900,000
Māori capital project (operating)	\$11,200,000
Additional LTP opex	\$32,400,000
Additional LTP capex	\$2,600,000
Māori Signature Festival	\$2,700,000
Māori cultural initiatives fund (opex)	\$10,900,000
Māori Housing (Whare for Life)	\$200,000
Māori sites of significance	\$8,400,000
Ngā Kete Akoranga	\$1,100,000
Effectiveness for Māori	\$4,400,000
Kaitiakitanga of Tāmaki Makaurau	\$10,400,000
<b>Total</b>	<b>\$150,200,000</b>

## 5. THE FINANCIAL STATUS OF THE AUCKLAND MĀORI ECONOMY

In 2015, the New Zealand Institute of Economic Research, commissioned by the Independent Māori Statutory Board, estimated assets held by Māori entities and businesses in Auckland and found an asset base of \$23 billion, representing 55% of the national Māori asset base.

We expect the Auckland Māori asset base to have grown

substantially larger in the five years since that report was released.

In short, the argument that Auckland Council gives funds to iwi because Māori are at the bottom of the economic heap certainly does not apply to the asset-rich iwi who are the primary recipients of Council funding.

[The Auckland Māori Economy NZIER Report — July 2015](#)

Auckland Council recognises 19 iwi entities. These are listed on the Auckland Council website, available [here](#)

## 6. KEY SOURCE DOCUMENTS

### **Democracy Action lodged Local Government Official Information Act 1987 requests with Auckland organisations requesting:**

- Costs of iwi engagement, 2015–2019
- Costs of achieving outcomes for Māori, 2015–2019

A large number of letters and reports were received and analysed. They have been used in the production of this report.

*Primary sources are available on request.*

### **The organisations covered were:**

- Independent Māori Statutory Board
- Te Waka Anga Mua ki Uta (now 'Ngā Mātārae')
- Auckland Council
- Auckland Council Controlled Organisations (CCOs)

### **Other key source documents include:**

- Auckland Council Long Term Plans
- Auckland Council Annual Reports, 2015–2019
- PWC Report "Assessment of expenditure incurred by Auckland Council on projects to deliver Māori outcomes"
- 2018–2019 Funding agreement between Auckland Council and the Independent Statutory Māori Board
- Auckland Transport Quarterly Reports, 2015–2019
- Council Controlled Organisations Monitoring reports, 2015–2019
- Auckland Transport Iwi Payments Report
- Auckland Council Grants to iwi in Auckland
- The Auckland Māori Economy NZIER Report – July 2015



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