

Recommendations

The Commission's recommendations are set out below in a consolidated list, noting the chapters in which they appear. These recommendations should be viewed as an integrated package, to be adopted with urgency, so that the changes can be implemented in readiness for the October 2010 local body elections.

Chapter 6: Our Vision for Auckland

Auckland needs an overarching vision for the region uniting Aucklanders to achieve prosperity for all, quality of place and lifestyle, and enhanced well-being for the region's diverse and growing population.

- 6A** The Auckland Council should include a vision for the region in its spatial plan.¹
- 6B** The Mayor of Auckland's annual "State of the Region" address should describe progress towards the attainment of the vision.²

Chapter 7: Economic Development

Auckland needs governance structures for economic development capable of working effectively with central government to address major regional issues as well as meeting the localised needs of Auckland's communities and businesses.

- 7A** A partnership should be developed between central government and Auckland's local government to address the region's long-term economic development and to formulate immediate responses to the current economic conditions.
- 7B** The Auckland Council should adopt a comprehensive regional economic development plan and an associated funding plan.
- 7C** The Auckland Council should establish
 - a) a regional economic development agency within the Auckland Council with functions and activities outlined in Chapter 7
 - b) local economic development agencies reporting to the regional economic development agency (existing economic development agencies may be retained where appropriate)

¹ See Recommendation 14A on the establishment of the Auckland Council and Recommendation 24A on the development of a spatial plan.

² See Recommendation 19B.

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- c) a high-level, regional cross-sectoral advisory board comprising representatives of central government, local councils, business, education, and not-for-profit organisations.

7D The regional economic development agency should take an innovative approach to developing long-term funding relationships, drawing funding from the regional budget, central government economic development programmes, and the private sector on specific projects.

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7E The Cabinet Committee and Minister for Auckland should begin work immediately with the Establishment Board to lay the ground for the Auckland Council's work in priority areas, including the Rugby World Cup 2011 and broadband.³

7F As a basis for future decision making by the Auckland Council, the Establishment Board should review whether existing local economic development programmes are delivering value for money.

Chapter 8: Environment, Urban Design, and Heritage

Auckland needs governance arrangements for the region's built and natural environments to ensure Auckland's quality of place is maintained and enhanced.

8A The Auckland Council should establish an Urban Design Panel to review all major developments throughout the Auckland region, with sign-off power for major projects.

8B The Auckland Council should establish a Heritage Advisory Panel to assist it with the identification of heritage buildings and places, and the formulation of rules to ensure their preservation.

8C The Auckland Council and the Northland Regional Council should develop a co-management regime in respect of the Kaipara Harbour, involving relevant territorial authorities and mana whenua representatives from local iwi. The final structure and responsibilities should be determined by the Auckland Council and the Northland Regional Council.

³ See Recommendations 15K on Minister and Cabinet Committee, and 33B on the Establishment Board.

- 8D** The Auckland Council should
- a) undertake environmental monitoring (potentially in collaboration with the Ministry for the Environment)
 - b) benchmark progress and collaborate with central government on environmental programmes, including the limiting of air pollution from motor vehicle emissions
 - c) appoint a park ranger with responsibility for volcanic cones
 - d) prepare an internal code of conduct including procedures to manage councillors' involvement in individual regulatory decisions.

Chapter 9: Promoting Social Well-Being

Central and local government's annual social well-being spend is in the vicinity of \$12 billion in the Auckland region. It is critical that these resources are applied effectively, to achieve the best outcomes. Accordingly, Auckland needs a governance structure for social well-being that enables local and central government to share decision making and accountability for improving the effectiveness of resources spent, and addressing the critical social issues in Auckland.

- 9A** A Social Issues Board should be established as the main governance body for social issues, with central and local government membership as described in Chapter 9.
- 9B** The powers of the Social Issues Board should be set out in Terms of Reference approved by the Cabinet Committee for Auckland and the Auckland Council.
- 9C** The Social Issues Board should develop a Social Well-Being Strategy and Implementation/Funding Plan.
- 9D** A Social Issues Advisory Group of officials should be established to support the Social Issues Board. It should be co-funded by central and local government with responsibilities as described in Chapter 9.
- 9E** The Auckland Council role should centre on providing leadership and facilitating improved social well-being outcomes. Direct delivery of social well-being services by the Auckland Council should not duplicate central government responsibilities and should be part of the Social Well-Being Strategy and Implementation/Funding Plan.
- 9F** The Government should give consideration to aligning geographic boundaries of local government and central government agencies responsible for the delivery of social well-being services.

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- 9G** The Establishment Board should ensure the necessary structures and processes are in place to ensure that the Social Issues Board, the Social Issues Advisory Group, and the Auckland Council are able to commence work on their immediate priorities.

Chapter 10: Culture, Recreation, and Diversity

Auckland needs governance structures that promote the benefits of diversity and support culture and recreation.

- 10A** The Mayor of Auckland should take a leadership and advocacy role in promoting and welcoming diversity, and encouraging acceptance of migrants and minority groups in Auckland.
- 10B** The Auckland Council should establish two advisory panels, one relating to the arts and the other to recreation. With the assistance of the advisory panels, it should develop strategies for regional arts and recreation activities and their associated funding.
- 10C** Local councils should be responsible for implementing culture and recreation policies in their communities, partnering with local groups where appropriate, and representing the views of local communities at regional level.
- 10D** The Auckland Council should consider establishing a council-controlled organisation (“CCO”) to hold and to operate the regional arts, entertainment, convention, and major event facilities.

Chapter 13: Alternative Models for Reform

- 13A** The Government should give consideration to the introduction of a four-year electoral term for local authorities in New Zealand.

Chapter 14: The Auckland Council: Key Features

- 14A** A unitary authority, to be called the “Auckland Council”, should be formed to assume all local government responsibilities in the Auckland region.
- 14B** When the Auckland Council is established, the following existing local authorities should be abolished:
- Rodney District Council
 - North Shore City Council
 - Waitakere City Council
 - Auckland City Council

- Manukau City Council
- Papakura District Council
- Franklin District Council
- Auckland Regional Council.

- 14C** The Auckland Council should operate and have representation at two levels: the elected Auckland Council, and six local councils.
- 14D** All local councils should be given Māori names. These should be determined by the Local Government Commission after consultation with mana whenua, with the new Māori names used by the Commission being the suggested starting point for consideration. The interim names of the six local councils should be
- Rodney Local Council
 - Waitemata Local Council
 - Waitakere Local Council
 - Tāmaki-makau-rau Local Council
 - Manukau Local Council
 - Hunua Local Council.
- 14E** The Auckland Council should comprise a single organisation, with a single staffing and management structure. The Auckland Council should employ one chief executive officer, who will employ all other council staff (but not staff of council-controlled organisations) at both Auckland and local levels, including local council managers for each local council.
- 14F** Staff from the eight abolished councils should be transferred to the Auckland Council, at least initially.
- 14G** Local councils should share the governance of their areas with the Auckland Council but will be subsidiary to it.
- 14H** The Mayor of Auckland should preside over the Auckland Council. The Mayor should be elected at large by the electors of Auckland.
- 14I** The Auckland Town Hall should be the symbolic centre for the Auckland Council.
- 14J** When the Auckland Council is established, all existing community boards within the territories of the abolished local authorities, except for the Waiheke

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and Great Barrier Island Community Boards, should be abolished. A new City Centre and Waterfront Community Board should be established.

- 14K** The assets and liabilities of abolished territorial authorities and of the Auckland Regional Council should be transferred to Auckland Council. However, a fair apportionment of the assets and liabilities of the Franklin District Council and Auckland Regional Council should be made between the Auckland Council, the Waikato District Council, and the Waikato Regional Council, to reflect the boundary changes proposed by the Commission; such apportionment to be made in accordance with the Local Government Act 2002, Schedule 3, clause 69.
- 14L** All existing interests in council organisations, council-controlled organisations, and exempt organisations held by current councils should be transferred to the Auckland Council on the establishment date.

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- 14M** The Establishment Board should develop the proposed structure of the elected Auckland Council and local councils (including the committee structure and advisory panels and groups).
- 14N** The Establishment Board should develop the proposed organisational structure of the Auckland Council. This will include defining the key roles and positions for council administration, staffing levels, staff locations, and the systems necessary for the Auckland Council to operate on the establishment date.
- 14O** The Establishment Board should review the functions and activities currently carried out by the Auckland Regional Council and seven territorial authorities, identifying those that will continue to be carried out by local councils, and those relevant functions and activities to be undertaken directly by the Auckland Council.
- 14P** The Establishment Board should determine the location of council offices (particularly Auckland Council, and Tāmaki-makau-rau and Rodney Local Councils) and service centres.

Chapter 15: The Elected Auckland Council

Composition, role, and functions

- 15A** The Auckland Council should comprise 23 councillors elected or appointed as follows:
- 10 councillors elected at large
 - eight councillors elected in four urban wards

- two councillors elected in two rural wards
- two councillors elected at large by voters on the Māori electoral roll
- one councillor appointed by the Mana Whenua Forum.⁴

15B The role and functions of the Auckland Council should be as prescribed for unitary authorities under the Local Government Act 2002 and other legislation, and as may be additionally prescribed in any future legislation referring specifically to the Auckland Council or any of the abolished local authorities.

15C The Auckland Council should be responsible for all asset management, debt management, and revenue raising. It will also develop one set of financial plans and policies for Auckland. There will be one rating system for Auckland and ratepayers will receive one rates bill.

15D The Auckland Council should operate a hierarchical and integrated planning framework as outlined in Chapter 15. There will be a new regional spatial plan and one district plan for Auckland.

15E The Auckland Council should be responsible for the production of the long-term council community plan and annual plans as required by the Local Government Act 2002, for its own operations and the operations of local councils. There will be one long-term plan and annual plan for Auckland.

Advisory panels

15F The Auckland Council should establish advisory panels and groups as necessary to ensure appropriate expertise is available to it.

15G The Auckland Council will appoint an Appointments Advisory Panel which will assist the Auckland Council to recruit directors or representatives to serve on boards of council-controlled organisations, external entities (for example the Auckland Museum Trust Board), advisory panels, and forums.

Relationship with local councils

15H The relationship between Auckland Council and each local council should be governed by a three-yearly governance agreement negotiated in the year following each local body election.

15I The Auckland Council's annual report under the Local Government Act 2002 should include separate sections on the operations of the elected Auckland Council and each local council.

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See Recommendations 22B and 22C.

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Chief executive

- 15J** The State Services Commissioner should be asked to assist in developing the job description and design of the performance management framework, and in conducting the initial screening and short-listing for the chief executive.

Relationship with central government

- 15K** The Government should enter into a partnership agreement with the Auckland Council and appoint a senior Government minister as Minister for Auckland; in addition it should appoint a Cabinet Committee for Auckland comprising Ministers with portfolios of significance to Auckland. The Cabinet Committee should be supported by an officials committee.

- 15L** The functions of the Cabinet Committee for Auckland should include
- a) consulting with the Auckland Council through the Minister for Auckland
 - b) setting priorities for Government spending in Auckland and deciding on the allocation of discretionary funding
 - c) overseeing events of international significance affecting Auckland.

Relationship with other regions

- 15M** The Auckland Council should meet regularly with representatives of the neighbouring regions of Northland, Waikato, and Bay of Plenty to consider issues of mutual interest.
- 15N** The Minister for Auckland should consider convening an annual forum comprising the Auckland Council and relevant interest groups (including regional and territorial councils and business groups) from the Northland, Waikato, and Bay of Plenty regions to discuss matters of mutual and topical interest.

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- 15O** The Establishment Board should review all current council advisory panels and groups and report to the Auckland Council on which current advisory groups should be continued by the Auckland Council.
- 15P** The Establishment Board should appoint an interim Appointments Advisory Panel. It will assist the Establishment Board to
- a) undertake the review of existing advisory panels described above
 - b) prepare draft terms of reference for new and continuing advisory panels
 - c) identify potential candidates for such panels

- d) recruit interim directors for council-controlled organisations, as necessary.

Chapter 16: Local Councils

16A The membership of local councils (including chairs) should be as follows:

- Rodney Local Council – 7 members
- Waitemata Local Council – 15 members
- Waitakere Local Council – 11 members
- Tāmaki-makau-rau Local Council – 22 members
- Manukau Local Council – 21 members
- Hunua Local Council – 7 members.

16B Local councils should be elected by wards, with generally two members per ward.

16C The chair of each local council should be appointed by councillors. Upon appointment, the chair will cease to have any formal role as a representative of the ward from which he or she was elected; the next highest polling candidate in the same ward will be deemed to be elected as one of the ward's representatives in place of the chair.

16D The role and functions of local councils should be as described in Chapter 16 and set out in the draft Auckland Act prepared by the Commission. Additional functions, beyond those specified in legislation, may be delegated by the elected Auckland Council.

16E Local councils should be subject to a statutory requirement to engage with their local communities, and should be innovative in the way that they consult.

16F Each local council should be responsible for producing a draft community action plan as part of the Auckland Council's long-term council community plan.

16G Waiheke and Great Barrier Island Community Boards should have greater delegated powers than at present, including the management of community halls and reserves, and powers to decide on some local services covered by a budget allocation.

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- 16H** The Establishment Board should prepare draft delegations of authority for the Waiheke and Great Barrier Island Community Boards for the consideration of the Auckland Council.

Chapter 17: City Centre and Waterfront

- 17A** The boundary of the city centre and waterfront area should be defined as shown in Figures 17.1 and 18.7, and as described in Chapter 18.
- 17B** This area should have the following governance arrangements to ensure that it is managed to achieve maximum benefit to the region:
- a) a City Centre and Waterfront Committee of the Auckland Council to execute the functions set out in Chapter 17, chaired by the Mayor of Auckland, with non-voting members co-opted from the business, education, cultural, and not-for-profit sectors.
 - b) a City Centre and Waterfront Community Board to execute functions and responsibilities delegated to it by the Auckland Council. It will comprise six members elected at large who will appoint one of their number as chair. The chair should be a voting member of the City Centre and Waterfront Committee.
- 17C** There should be a City Centre and Waterfront Development Agency to undertake planning and any further development of the waterfront area. This agency is to be established by the Auckland Council and/or central government.

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- 17D** The Establishment Board should prepare draft delegations for the City Centre and Waterfront Community Board for the consideration of the Auckland Council.

Chapter 18: Boundaries

- 18A** The boundary of the Auckland Council as a regional council should be as shown in Figure 18.3 and described in Chapter 18. It will remain the same to the north, and be amended to the south with corresponding changes to the boundary of the Waikato region.
- 18B** Notwithstanding changes to the Auckland region boundaries described above, Waikato Regional Council (Environment Waikato) should retain its powers over all parts of the Waikato River and its tributaries and catchment in the Auckland region, including management of water quality, water extraction, damming and diversion, discharge of water or contaminants to water, flooding, drainage,

erosion, and sedimentation, and other issues arising under the Resource Management Act 1991 or any other Act.

- 18C** Six wards of the Auckland Council should be created as described in Chapters 15 and 18, comprising four urban wards within the metropolitan urban limit, with their common boundaries fixed in accordance with the ordinary statutory criteria for territorial authority wards, and two rural wards being the remainder of the district outside the metropolitan urban limit, generally north and south of the urban area. The Hauraki Gulf islands will be in the northern rural ward.
- 18D** The Auckland Council ward boundaries for the first election of the Auckland Council should be generally as indicated in Chapter 18.
- 18E** The boundary of the Auckland Council as a territorial authority should be the same as the new regional boundary on land, and the same as the current coastal boundaries of territorial authorities around the coast.
- 18F** All land currently in Franklin District but outside the proposed Auckland Council boundary should be merged into Waikato District, being the land at Onewhero and Kaiaua as shown in Figure 18.4 and described in Chapter 18; the boundaries and wards of Waikato District should be amended accordingly.
- 18G** The local council boundaries within Auckland region, and local council wards, should be as shown in Figures 18.5, 18.6, and 18.7 and described in Chapter 18, following the criteria set out in the report.
- 18H** The Government should request the Local Government Commission to determine the exact location of each boundary referred to above for the Auckland Council, local councils, all council wards, and communities, including for the City Centre and Waterfront.
- 18I** Once established, the Auckland Council should have the power to adjust the boundaries of local councils and their wards and to create new local councils and wards where necessary.

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- 18J** The Local Government Commission should, by April 2010, finalise all wards and boundaries of Auckland Council including the local councils and community boards.

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Chapter 19: Leadership

- 19A** The Mayor of Auckland should be given the following additional powers and duties:
- a) power to appoint the deputy mayor
 - b) power to appoint the chairpersons of each committee of the Auckland Council (other than the local councils)
 - c) ex officio membership of each committee of the council (other than the local council committees), with power to chair committees as he or she may determine
 - d) power to propose the draft long-term council community plan and the draft annual plan to the Auckland Council
 - e) power to propose the budget
 - f) power to initiate and formulate major policy for consideration by council
 - g) in consultation with and acting through the chief executive officer, and within the adopted budget for such expenditure, power to establish and maintain an appropriately staffed office
 - h) within the adopted budget for such expenditure, power to obtain independent advice.
- 19B** The Mayor of Auckland should hold a minimum of four annual meetings with members of the public (Mayor's Days), deliver an annual "State of the Region" address, and meet with the chairs of local councils on a monthly basis; those responsibilities to be incorporated in legislation. The Mayor will also convene quarterly plenary meetings of all members of the elected Auckland Council, local councils, and community boards.
- 19C** Leadership support and development programmes for elected councillors should be strengthened.

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- 19D** In designing the structure for the Auckland Council, the Establishment Board should make provision for the establishment of an appropriately staffed office for the Mayor of Auckland, with a small number of personal advisers to be appointed by the Mayor.
- 19E** The Establishment Board should appoint an interim Chief Executive for the Auckland Council.

Chapter 20: Funding and Financial Management Arrangements

Financial management

- 20A** The Auckland Council should ensure accountability in relation to its financial operations by adopting best practice oversight, transparency, and efficiency mechanisms.
- 20B** Local councils should negotiate their budgets with the Auckland Council (through the community action plan process) and be responsible for managing the funding allocated to them.

Rating

- 20C** The Auckland Council should adopt a uniform rating system for the Auckland region, to meet city-wide and local funding needs.
- 20D** The Auckland Council should levy a rate with the following components:
- a) expenditure for activities undertaken by the Auckland Council
 - b) expenditure for local services and activities required for local councils to carry out their functions. This would be for the purpose of funding baseline levels of service and capital project delivery, and community representation/advocacy/place-shaping.
- 20E** The Auckland Council should also consider levying targeted rates under the Local Government (Rating) Act 2002 including targeted rates for local activities.⁵
- 20F** The Auckland Council should ratify a new unified rating system as soon as possible. In the interim, the Auckland Council should from July 2011 strike a rate based on the rating systems previously used by the eight Auckland councils.

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- 20G** The Establishment Board should
- a) undertake a comprehensive review of alternative funding tools for capital expenditure including assessing existing policies, mechanisms, and institutional capacity.
 - b) prepare draft standard financial policy options for consideration by the Auckland Council. These would include policies on revenue and financing,

⁵ Local councils may propose to Auckland Council that it collect a targeted rate for expenditure over and above the base level of service provision (see Chapter 20).

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liability management, investment, development contributions or financial contributions, and partnerships with the private sector.

- c) develop an interim budget for the Auckland Council to cover the period from its establishment until 30 June 2011.
- d) ensure sufficient funding is available to meet the operating costs of the Auckland Council from its establishment until it has approved and implemented a budget for the 2011/12 financial year. This will be met from income and reserves held by the existing eight councils.
- e) undertake a comprehensive analysis and develop options for a unified rating system for the Auckland Council, reflecting the findings of the Report of the Local Government Rates Inquiry.
- f) prepare a report for consideration by the Auckland Council scoping a process and timeline for development of the first annual plan for 2011/12 and the long-term council community plan for 2012–2021.
- g) take any necessary steps to enable the Auckland Council to strike a rate in the interim period from July 2011 until a new unified rating system is adopted as outlined in Recommendation 20F above.

Chapter 21: Council Organisations and Council-Controlled Organisations

- 21A** All Auckland Council's major commercial trading and infrastructure activities should be undertaken through CCOs.
- 21B** Larger commercial and infrastructure CCOs of the Auckland Council should have an obligation to operate as a successful business as required under the State-Owned Enterprises Act with a clear set of financial targets and objectives.
- 21C** Statements of intent should be agreed three-yearly (matching the electoral cycle) between the boards of CCOs and the Auckland Council and be subject to quarterly reporting and annual performance review.
- 21D** Auckland Council CCOs and their statements of intent should be subject to performance review by the proposed Auckland Services Performance Auditor.⁶
- 21E** Auckland Regional Holdings should continue as a CCO managing the Auckland Council's long-term financial assets, operating to financial targets established by the Auckland Council.

⁶ See Recommendation 32G.

21F Auckland Council, its councillors and employees, employees of COs, CCOs, and local councillors should be prohibited from appointment to Auckland Council CO and CCO boards.

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21G The Establishment Board should review all existing CCOs and COs and exempt organisations in order to position the Auckland Council to make an early decision on which CCOs and COs should be continued and, as part of that review, will

- a) prepare an inventory of CCOs, COs, and exempt organisations, recording their purpose, constitution, assets, liabilities, and legal status
- b) prepare advice for the Auckland Council on the continuance of these entities
- c) for continuing entities, define the purpose, objectives, and activities of the entities and the outcomes sought by the council shareholder.

21H The Establishment Board should

- a) undertake the establishment of the Regional Transport Authority
- b) oversee the restructuring of Watercare Services Limited into an integrated regional water and wastewater organisation
- c) provide for the continuation of Auckland Regional Holdings.

21I The interim Appointments Advisory Panel should be used to assist in the recruitment or reappointment of suitable CCO interim board candidates, as required.⁷

Chapter 22: Māori

22A Two Māori members should be elected to the Auckland Council by voters who are on the parliamentary Māori Electoral Roll.⁸

22B There should be a Mana Whenua Forum, the members of which will be appointed by mana whenua from the district of the Auckland Council.

⁷ See Recommendation 15P.

⁸ Voters who are on the parliamentary Māori Electoral Roll will not be eligible to vote for ward members on the Auckland Council. The entitlement to vote for the two Māori members will be in place of the entitlement that would otherwise exist to vote for ward representatives to the Auckland Council.

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22C The Mana Whenua Forum should

- a) appoint a representative to be a councillor on the Auckland Council
- b) through its representative on the Auckland Council, advise the Auckland Council on issues of relevance to mana whenua
- c) appoint the members of Watercare's Māori Advisory Group.

22D The Auckland Council should ensure that each local council has adequate structures in place to enable proper engagement with Māori and consideration of their views in the local councils' decision-making processes. Where appropriate, current structures and/or memoranda of understanding should be transferred to local councils.

Chapter 23: Representation and Participation by Minority and Other Groups

23A Local councils should

- a) apply their local knowledge and expertise to determine the best way of engaging with ethnic and other groups in their communities, and
- b) work closely with other community leaders, and foster their development.

23B The Auckland Council should appoint

- a) a Pacific Advisory Panel and
- b) an Ethnic Advisory Panel.

Chapter 24: Planning for Auckland

Auckland needs robust, considered and consistent planning to support the region's ongoing growth and development.

24A The Auckland Council should, immediately following its establishment,

- a) prepare a regional spatial plan and infrastructure investment plan to provide a vision for the Auckland region and to guide growth management, regional and district planning, and public works investment in the region
- b) begin developing one district plan for the Auckland region (with existing plans to remain in force until replaced).

24B Simplicity of language and controls should be a central objective in the preparation of plans.

- 24C** After the commencement date of the Auckland Council, there should be a moratorium on private plan changes, until the new district plan for the whole of Auckland becomes operative.
- 24D** The Resource Management Act 1991 should be amended to remove the right of appeal to the Environment Court from regional policy statement decisions made by the Auckland Council.
- 24E** The Auckland Regional Policy Statement should be subject to a submission process similar to that which applies to national policy statements and those submissions should be heard by independent commissioners.
- 24F** Auckland Council should consider creating an Urban Development Agency, to operate at the direction of the Auckland Council, with compulsory acquisition powers.

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- 24G** The Establishment Board should undertake preparatory work on the development of the Auckland regional spatial plan and consider the new planning and regulatory requirements when designing Auckland Council’s organisation and unified service arrangements.

Chapter 25: Transport

- 25A** A new Regional Transport Authority (“RTA”) for Auckland should be established as a council-controlled organisation with responsibility for the planning, development, and management of arterial roads and all public transport infrastructure service planning and procurement. The RTA should replace the Auckland Regional Transport Authority (“ARTA”).
- 25B** The RTA should prepare, for approval by the Auckland Council, a regional transport plan which will give effect to the regional spatial plan.⁹
- 25C** The RTA should assume the statutory responsibility for all regional arterial road controlling functions and other regionally significant transport-related functions within the Auckland Council area. All these functions from the abolished local authorities and all ARTA’s functions (including assets and staff) should be transferred to the RTA on the establishment date.
- 25D** Local roads should be controlled by local councils with the RTA exercising a funding approval role and ensuring consistency with the regional spatial plan.

⁹ See Recommendation 24A.

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- 25E** The New Zealand Transport Agency and the RTA should establish a joint management structure to oversee the operational management of the State highway and arterial road system in the Auckland region. The RTA and ONTRACK should establish a joint management structure to oversee the operational management of rail in the Auckland region.
- 25F** The Minister of Transport and other relevant Ministers should meet with the Auckland Council's infrastructure committee and the Mayor of Auckland on at least a quarterly basis to discuss transport issues.

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- 25G** The Government should promote legislation to implement the proposals in Chapter 25, by amending as necessary the Land Transport Management Act 2003 and the Local Government (Auckland) Amendment Act 2004, and other relevant Acts.
- 25H** The Establishment Board will oversee the establishment of the RTA and appoint interim directors, who will consult with the Auckland Council on a draft statement of intent at an early stage. The interim board of the RTA should appoint an interim chief executive who will work with the Establishment Board on the design of the RTA organisational structure.

Chapter 26: The Three Waters

- 26A** The Auckland Council should have overall responsibility for setting policy in relation to the three waters.
- 26B** Subject to Recommendations 26C and 26D, Watercare Services Limited should assume statutory responsibility for all water and wastewater services within the Auckland Council area. The water and wastewater operations (including assets and relevant staff) of all abolished local authorities should be transferred to Watercare Services Limited on the establishment date. This includes the water and wastewater operations of Rodney District Council, North Shore City Council, Waitakere City Council, Papakura District Council, Franklin District Council, Metrowater, and Manukau Water Limited.
- 26C** In urban areas, all drinking water and wastewater services should be supplied by one council-controlled organisation (Watercare Services Limited) owned by the Auckland Council. (This is subject to existing contractual arrangements in Papakura.)
- 26D** The Auckland Council should determine whether and/or the extent to which Watercare Services Limited will supply retail water and wastewater services in rural areas such as Franklin and Rodney.

- 26E** No compensation should be payable for the transfer of water-related assets from the existing territorial authorities to the Auckland Council.
- 26F** All assets relating to Auckland’s water services should remain in public ownership.
- 26G** The Auckland Council should determine the extent to which responsibilities for the delivery of stormwater services are shared between local councils and Watercare Services Limited.
- 26H** The current obligation on Watercare Services Limited to maintain prices for water and wastewater services at minimum levels (subject to obligations to be an effective business and maintain its assets in the long term) should continue. So too should the prohibition on paying a dividend.
- 26I** Watercare Services Limited should be required by legislation to promote demand management.
- 26J** Both water and wastewater charges should be calculated on a volumetric (or notionally volumetric) basis.
- 26K** Uniform charges for water and wastewater should apply across the region.
- 26L** The “public good” protections in Watercare Services Limited’s current governance model should continue. These protections relate, amongst other things, to efficient management of the business, pricing, and maintaining asset integrity.¹⁰
- 26M** Watercare Services Limited should be required to prepare a stormwater action plan.

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- 26N** The Establishment Board will have an oversight role in relation to the integration of local water network operations into Watercare Services Limited. This integration will be undertaken by Watercare Services Limited. Watercare Services Limited should consult with the Establishment Board on the development of a draft statement of intent and agree on appropriate efficiency targets for the integration.

¹⁰ See discussion at paragraph 26.220 of this volume.

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Chapter 27: Information and Communications Technology (“ICT”)

27A The Auckland Council should work with central government to prepare a regional broadband infrastructure investment and management plan for the Auckland region, consistent with New Zealand’s Government broadband policy.

27B Broadband infrastructure planning should be undertaken by the Auckland Council, whose role will include

- a) acting as the leader, advocate and promoter of broadband investment for the Auckland region with central government and the telecommunications industry.
- b) acting as the bulk funding applicant for central government broadband investment funding on behalf of the region and its communities if required.
- c) taking responsibility to act as regional public broadband investor and manager if required.

27C The Auckland Council’s ICT infrastructure and functions should be managed centrally with a single information technology infrastructure and communications platform and common standards.

27D The Auckland Council should prepare an e-government strategy as an intrinsic part of its proposed unified service delivery and information systems plan.

27E The Auckland Council should consider setting targets for online service delivery consistent with leading international public service practice.

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27F The Establishment Board should prepare an interim information systems and e-government strategy for Auckland Council, including those elements set out in detail in Chapter 32.

Chapter 28: Electricity

28A The Auckland Council should work closely with consumers, the industry, and central government agencies to develop a climate change and energy strategy for the region, including monitoring and reviewing electricity security of supply performance, and industry planning and regulation impacting the Auckland region.

Chapter 29: Civil Defence, Rural Fires, and Resilience

- 29A** The Auckland Council should govern civil defence emergency management (“CDEM”) on a regional basis, through a committee chaired by the Mayor of Auckland. The committee might include some local council chairs.
- 29B** The Co-ordinating Executive Group should be retained and chaired by the Auckland Council chief executive. Representation of police, fire, ambulance, and other emergency and social services on the Co-ordinating Executive Group should continue.
- 29C** The civil defence controller should head the regional CDEM administration. This should be a full-time position reporting to the chief executive of the Auckland Council, with all CDEM staff reporting to the controller.
- 29D** The Auckland Council should develop a single CDEM plan, training programme for staff, volunteer recruitment programme, and standard operating procedures for the region.
- 29E** Local councils should be involved in CDEM planning and implementation to the extent delegated to them by Auckland Council.
- 29F** The Auckland Council will have all the powers of territorial authorities conferred by statute for rural fire protection, including those under the Forest and Rural Fires Act 1977.

Transition

- 29G** At the establishment date of the Auckland Council, the interim chief executive should be in a position to chair the Co-ordinating Executive Group supported by an interim civil defence controller.

Chapter 30: Solid waste

- 30A** The Auckland Council should develop a Regional Waste Management Strategy, including strategies for management of organic waste and integration of waste management with other environmental programmes.

Chapter 31: Statutory reform

- 31A** The Government should promote legislation to give effect to the changes recommended in this report, by adopting the draft Auckland Act contained in Chapter 31.

Recommendations

Chapter 32: Achieving a High-Performance Auckland Council

The Auckland Council needs to deliver services in the most efficient and cost-effective way.

- 32A** The Auckland Council should build efficiency savings targets into the Auckland Council budget over the course of the transition.
- 32B** The Auckland Council should take advantage of modern information and communications technologies in implementing its unified service delivery framework.
- 32C** The Auckland Council unified service delivery framework will include
- a) a single information technology governance framework.
 - b) a consolidated ICT infrastructure platform (including a single contact and data centre facility).
 - c) the unification of the “back office” administrative services including functions such as finance and administration, human resources, and asset management.
 - d) a strategic procurement function undertaking management of major suppliers.
- 32D** The Auckland Council should implement leading public sector performance management practices to ensure it operates and reports to the highest standards of accountability and transparency.
- 32E** Auckland Council customer service standards should be entrenched in a customer service charter.
- 32F** To promote the widespread adoption of the unified service delivery framework the Auckland Council should
- a) give Auckland Council CCOs providing council services the opportunity to share the unified service facilities if they wish.
 - b) require Auckland Council CCOs providing council services to adopt the council’s ICT infrastructure standards.
- 32G** A statutory position of an independent Auckland Services Performance Auditor (to be appointed by the elected Auckland Council on the joint recommendation of the Chair of the Commerce Commission and the Auditor-General) should be created to provide assurance to the council and the public that the Auckland

Council is providing high-quality services in a cost-effective way. The role of the Performance Auditor will include

- a) reviewing the adequacy and relevance of CCO performance targets.
- b) protecting the consumer's interests and advocating for them in respect of the reliability and affordability of council services. This will include reviewing services in terms of established customer service standards.¹¹
- c) in the case of Watercare Services Limited, undertaking three-yearly efficiency and effectiveness reviews, incorporating international comparative industry benchmarking and an evaluation of service levels, efficiency, affordability of water, and demand management performance.

Transition

32H To give effect to Recommendation 32A, the Establishment Board should review the estimated efficiencies and integration costs identified in the Taylor Duignan Barry report attached as Appendix B, and build relevant savings targets and implementation costs into the Establishment Board's implementation plan and draft budget of the Auckland Council.

32I The Establishment Board should develop the framework described in Recommendation 32C and in addition should quantify the cost, benefits, and priorities for unified services.

32J In carrying out all the above work, the Establishment Board should draw on the expertise and resources of the Transition Management Group.

Chapter 33: Managing the Transition

33A Existing Auckland councils should be retained until the October 2010 local government elections, at which time they will be abolished and the Auckland Council established.

33B An independent Establishment Board should be formed to manage the establishment of Auckland Council. The Board will be comprised of an independent chair and a sufficient number of members to undertake the task.

33C The chair of the Establishment Board should have significant change-management experience at chief executive level, with board members having a mix of relevant skills.

¹¹ See Recommendation 32E.

- 33D** The Establishment Board should report to a Cabinet Committee for Auckland through the Minister for Auckland.¹²
- 33E** The Secretary of Local Government should monitor progress by the Establishment Board, and report to the Cabinet Committee for Auckland through the Minister for Local Government.
- 33F** The Establishment Board should be required to implement the essential elements of the structural reforms necessary to establish the Auckland Council by 10 October 2010.
- 33G** A Transition Management Group should be formed to support the work of the Establishment Board consisting of the chief executives of existing councils, ARTA, and Watercare Services Limited, with an independent chair.
- 33H** Existing councils should continue to make the necessary decisions to enable council business and the delivery of services to proceed as normal up until the 2010 local government elections.
- 33I** The Government should consider formalising requirements for existing councils to fully cooperate in the transition process, and specifying constraints which will apply to council decision making, including in relation to decisions with major financial implications.

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See Recommendation 15K.