

Making Auckland Greater



**Greater communities
Greater connections
Greater value**



**The Government's decisions on
Auckland Governance
April 2009**

Evolution of Auckland's governance

Auckland Regional Authority Act 1963 created Auckland Regional Authority (ARA).

It was the first multi-functional regional body in NZ – 26 years before regional councils established

Auckland Regional Services Trust (ARST) created. Took over non-regulatory ARC functions

Local Government Act 2002 empowers all councils (regional and territorial) equally with the “power of general competence”. Promotes long-term planning and encourages councils to work together collaboratively and with central government

“One region” approach emerges

- Sustainable Cities Programme of Action
- Metro Plan
- One Plan for Auckland
- Long-term Framework

1963

1989

1992

1998

2002

2004

2004-07

2007-09

National amalgamation of local government reduced Auckland territorial authorities from 29 to 7

ARA succeeded by the **Auckland Regional Council (ARC)**

ARST abolished. Infrastructure Auckland established to provide grants for transport and infrastructure funding. Also held former ARST assets

Auckland Regional Growth Forum established. **Auckland Regional Growth Strategy** complete in 1999

Watercare Services Limited transferred to a group of territorial authorities. Shares allocated on the basis of services then received

Local Government Auckland Amendment Act 2004. Infrastructure Auckland abolished. **Auckland Regional Transport Authority and Auckland Regional Holdings** established

Royal Commission into Auckland Governance announced

Royal Commission provides its report to government



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Foreword

New Zealand needs Auckland to do well. All Kiwis stand to gain from a world-class city. And so it is that this document lays out a Government framework which seeks to make a great region even greater. Our plan will allow Auckland's civic leaders to:



- think regionally
- plan strategically
- act decisively.

Not only must Auckland be very local, but it must be very national, and very international. And these objectives should be reflected in the way the city is run. The size of that challenge is why models of international cities have been considered, why a Royal Commission was required, and why getting smart local government reform in the region is one of the most important priorities in front of the Government.

In an area that is home to 1.4 million people, we have many diverse neighbourhoods and diverse needs. The Auckland region must be able to attract and keep people, operate efficiently, offer an unparalleled lifestyle, and enable business, arts and sports to flourish. The Royal Commission heard about communities of common interest, the outdoors, the cultural life, and about how people live in one part of Auckland and often work in another. It explored problems that get in the way of people's enjoyment and sometimes make life difficult such as endlessly increasing rates, suffocating red-tape, transport bottlenecks, delayed development, and lost opportunities.

And the Commission discovered that many of the things holding Auckland back relate to the way the city is run. Important Auckland-wide matters get tangled up in the competing interests of local councils, and community concerns often get tangled up in the local councils' perspective on Auckland-wide matters. It's time for a fresh approach.

This is the beginning of a process that will lead to better connections across the region, better value from rates and central government funding, and community control of what matters in our neighbourhoods.

I'd like to thank the Royal Commissioners for their work, and congratulate all those involved for co-ordinating such a timely Government response to significant issues confronting governance in the region.

The price of doing nothing is far too high, not just for Auckland, but for New Zealand. Let's make a great place even greater. Let's make Greater Auckland great.

A handwritten signature in black ink that reads "John Key".

Hon John Key
Prime Minister

Introduction



The decisions announced today will shape the future of Auckland and New Zealand. I am excited by the changes these decisions will initiate and I am confident that together we can make Auckland greater.

The Auckland region has tremendous natural advantages: a third of New Zealand's population live here in an outstanding natural environment and it is New Zealand's principal business centre and gateway to the world.

But there are weaknesses, and these decisions are all about addressing them. Those weaknesses are due to the structure of governance in the region, with competing leadership, duplication of facilities, complex and fragmented decision-making processes, and weak accountability. That is what these decisions will fix.

The functions that require region-wide decision-making must have governance arrangements that meet that need, thus the move to a single city. Just as importantly, the functions that are best performed at the local level should have advocacy and decision-making at that local level. That is why we intend to strengthen community representation. Getting Auckland right is critical to the region, and essential for New Zealand. We can make Auckland greater: with more engaged communities, with improved connections across the region, and with ratepayers getting better value for money.

The Government's decisions featured in this report are based on the recommendations of the Royal Commission, which considered more than 3,500 submissions. The Royal Commission has done an admirable job consulting with Aucklanders and formulating their recommendations.

Many of the recommendations have been accepted, most fundamentally the move to a single city. Others have been modified or strengthened, particularly in respect of community engagement.

This report contains the Government's high-level decisions on:

- the overall governance structure
- the functions of the new governance structure and proposals for responding to key issues
- the proposed relationship between the new structural arrangements and central Government.

These high-level decisions outline the crucial structural elements of Auckland governance. There will be further decisions in the months to come that fill in the details within this high-level structure. In short, we must work together to create a city that will encourage our children and grandchildren to build their futures in New Zealand.

A handwritten signature in black ink that reads "Rodney Hide". The signature is written in a cursive, flowing style.

Hon Rodney Hide
Minister of Local Government

Executive Summary

Auckland is New Zealand's largest city and home to more than a third of the population. It is also the engine for the country's economic growth, which is why all New Zealanders have an interest in the region's growth and prosperity.

Local government has a significant role in enabling growth and prosperity through its decision-making structures and policies. Good governance enables civic leaders to think regionally, plan strategically and act decisively.

The Auckland region needs decisive leadership, robust infrastructure and facilities and services to cater for its people.

The Royal Commission on Auckland Governance found many of the things holding Auckland back related to the way the region is run. It found Auckland's regional council and seven territorial authorities lacked the collective sense of purpose, constitutional ability, and momentum to address issues effectively for the overall good of Auckland.

The Commission recommended the establishment of a single, region-wide unitary authority to overcome fragmentation and coordination problems. The Government agrees with this approach. The Government has accepted many of the Commission's recommendations but in some cases it has made significant changes, especially in response to concerns about the level of truly local decision-making.

The high-level decisions in this report are designed to ensure the prosperity of the region for the next 50 to 100 years. These decisions have the objective of making Auckland the most exciting, vibrant metropolitan centre in Australasia:

- a region that attracts people and investment
- a region that has first-class infrastructure and lifestyle, and
- a region that will encourage our children and grandchildren to build their futures in New Zealand.

Each of the decisions is explained in separate sections in this Report. The key high-level decisions are:

- One unitary Auckland Council as the first tier of governance.
- One mayor for Auckland with governance powers, elected at large by the region's residents and ratepayers.
- Twenty councillors to sit on the Auckland Council (eight elected at large and 12 elected from wards).
- Twenty to 30 local boards across the region as the second tier of governance.
- The final number of local boards, and the boundaries of the Auckland Council, wards and local boards to be determined by the Local Government Commission.

EXECUTIVE SUMMARY

A number of the Commission's recommendations need further consideration by Government. Others relate to decisions that would more appropriately be made by either the Establishment Board or the future Auckland Council.

A programme of detailed work will be completed to implement the Government's high-level response and enable the drafting of legislation to put the new structures in place in time for the 2010 local government election.

The table below summarises the current situation of Auckland governance and the high-level decisions taken by Government.

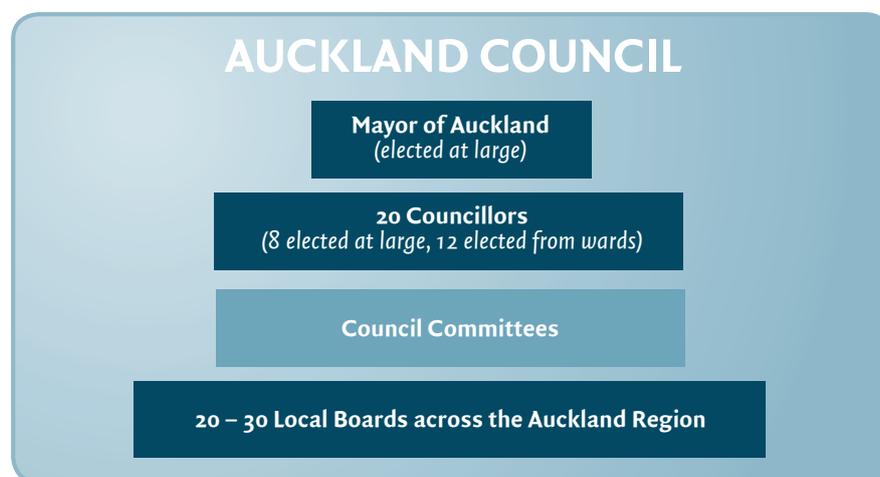
Summary of decisions

Current situation	Government decisions
1 regional council	1 Auckland Council
3 district councils	20–30 local boards (125–150 members)
4 city councils	
30 community boards (145 members)	
1 chair elected by regional council	1 regional mayor with governance powers
7 mayors elected at large, within cities and districts	
13 regional councillors	20 councillors
96 territorial authority councillors	125–150 local board members
145 community board members	
Local Electoral Act provides for Māori representation if there is community support	Local Electoral Act provides for Māori representation if there is community support
8 Long-Term Council Community Plans (LTCCP – a 10-year plan)	1 LTCCP
7 district plans	1 district plan
2 councils with plans governing waterfront and CBD	1 Waterfront Development Agency
2 rates bills per property	1 rates bill
8 rating authorities	1 rating system
3-yearly terms for elections	3-yearly terms for elections
8 IT data systems	1 IT data system
8 local transport entities	1 regional transport authority*
8 water and wastewater providers	1 water and wastewater provider*
Limited alignment between central and local government on improving social well-being	Government to find better ways of aligning central and local government action on social well-being

*Agreed in principle. Detail yet to be confirmed by Government

EXECUTIVE SUMMARY

This new and simplified governance structure is illustrated in the diagram below.



The Government has also made high-level decisions on how the Auckland region should deal with key issues.

The decisions include:

- One Long-Term Council Community Plan (LTCCP) for Auckland that will be reflected in a land use plan and a regional infrastructure investment plan.
- One Regional Transport Authority* (RTA) responsible for all transport functions, including local roads. The RTA will be established as a Council-Controlled Organisation (CCO), accountable to the Auckland Council.
- One Waterfront Development Agency (WDA), with scope for greater central government involvement in waterfront redevelopment and possible expansion of the proposed boundaries.
- One Economic Development Plan.*
- All regional assets, including museums, stadiums, parks, and entertainment and exhibition venues, to be transferred to Auckland Council.
- One water and wastewater provider*, using one volumetric pricing system.

*Agreed in principle. Detail yet to be confirmed by Government

Structure

Decisions

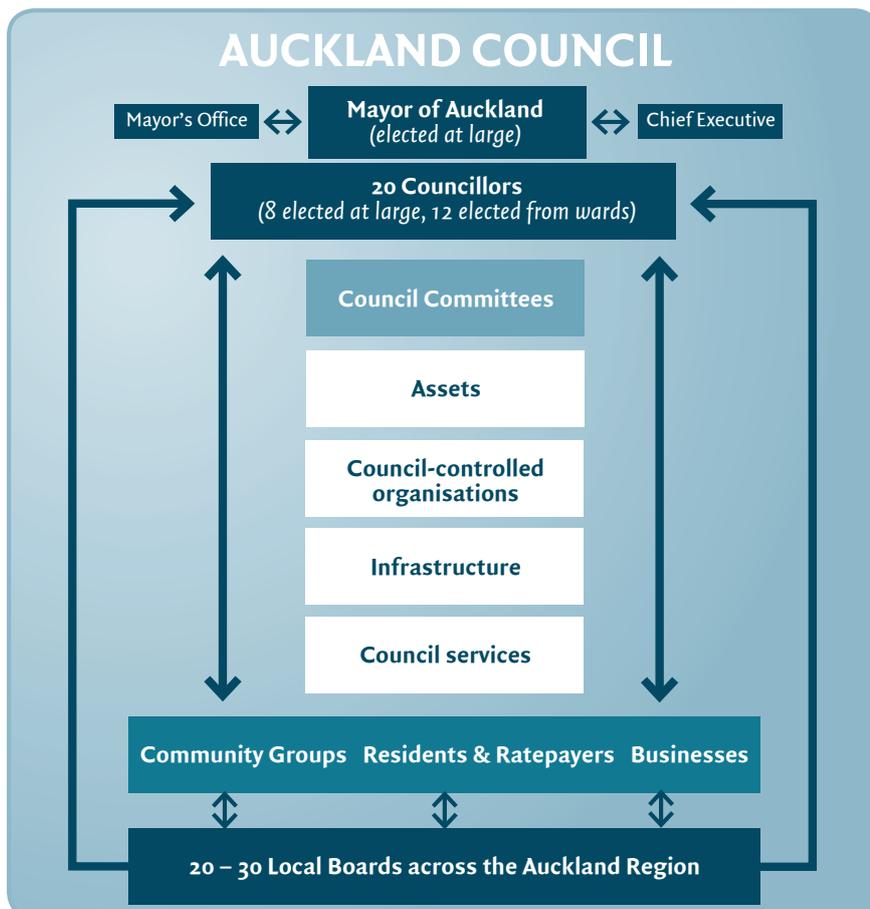
One unitary Auckland Council comprising a mayor with governance powers and a council of 20 elected members.

The mayor will be elected at large by the region’s residents and ratepayers.

On the Auckland Council, eight councillors will be elected at large, with the other 12 elected from wards.

Twenty to 30 local boards will be established across the region as the second tier of governance.

As a general principle, all assets and liabilities of existing councils and responsibility for CCOs will be transferred to Auckland Council. The new Council will decide the appropriate number and type of CCOs, where these have not previously been agreed upon by either Government or the Establishment Board.



STRUCTURE

Reasons

Auckland's current governance arrangements are weak, fragmented and don't enable or encourage effective regional decision-making.

The new system for Auckland governance is much simpler, more co-ordinated and will provide for community representation at the grassroots level.

The result will be better connections across the region, better value from rates and central government funding, and community involvement in local matters.

The Government wants Auckland to be the most exciting, vibrant metropolitan centre in Australasia:

- a region that attracts people and investment
- a region that has first-class infrastructure and lifestyle, and
- a region that will encourage our children and grandchildren to build their futures in New Zealand.

The new governance structure will enable Auckland to reach its full potential as the engine room for the country's economic growth.

Explanation

Auckland's new governance structure includes a mayor who is elected at large - someone who is elected by the people of the entire Auckland region, not just one part of it.

The mayor has governance powers which include the power to:

- appoint a deputy mayor and committee chairs
- propose the Auckland Council budget and strategic direction
- establish and maintain an appropriately staffed mayoral office.

The mayor will lead a council of 20 elected members, eight elected at large and 12 elected from wards.

There will be 12 wards in the Auckland region.

Twenty to 30 local boards will provide for effective community engagement across the region.

STRUCTURE

Detailed recommendations on the number of boards and their boundaries, as well as the boundaries of the Auckland Council and the wards within that council, will be made by the Local Government Commission.

In this new structure there is a clear differentiation between the role of local boards and the new Auckland Council.

The local boards provide for strong community representation and the ability for residents and ratepayers to influence decision-making. Reflecting their geographic isolation, the smaller communities of Great Barrier and Waiheke Islands will each have local board representation.

Local boards will have prescribed roles and functions, but will not replicate the service delivery structures that will be managed by the Auckland Council.

Unclear accountability and allocation of functions across the two tiers of governance are the main reasons the Government decided not to accept the Royal Commission's proposal of six local councils. Another reason for this decision was that the proposed councils were too large to provide for effective grassroots community representation.

Summary of decisions

Current situation	RC recommendations	Government decisions
1 regional council 3 district councils 4 city councils 30 community boards (145 members)	1 unitary council 6 local councils with reduced powers 3 community boards	1 Auckland Council 20–30 local boards (125–150 members)
1 chair elected by regional council 7 mayors elected at large, within cities and districts	1 regional mayor with governance powers, elected at large	1 regional mayor with governance powers, elected at large
13 regional councillors 96 territorial authority councillors 145 community board members	23 councillors (10 elected at large, 10 elected from wards and 3 Māori seats) 106 local councillors 15 community board members	20 councillors 125–150 local board members

Auckland Council

Decisions

One unitary Auckland Council to replace the region's eight local authorities.

The new council will have all the responsibilities and powers held by the current local authorities and will take over their assets.

An elected mayor with governance powers will preside over the council.

The council will have 20 elected members.

Māori representation will continue to be addressed by the provisions of the Local Electoral Act.

Reasons

Regional governance is now weak and fragmented. Councils have difficulty working together on regional issues.

A new single region-wide Auckland Council will be able to provide decisive leadership allowing for effective region-wide long-term planning and infrastructure investment.

More efficient use of public resources will improve the delivery of services to the community.

In short, ratepayers and residents should get better value for their money.

Explanation

The council will employ one chief executive, who will employ all other council staff.

Region-wide network services, including the arterial road network, water collection and supply, and waste water treatment will be the responsibility of the Auckland Council.

The Government has decided not to accept the Royal Commission's recommendation for representation of Māori on the Auckland Council via the Māori electoral roll.

AUCKLAND COUNCIL

The Local Electoral Act 2001 already allows for Māori wards or constituencies to be established in the following ways:

- a local authority may resolve to establish Māori wards or constituencies, and a poll may be demanded by 5% of electors
- 5% of electors may demand a poll at any time on whether a district or region should have Māori wards or constituencies
- a local authority may conduct a poll on whether the district or region should have Māori wards or constituencies at any time.

The Auckland Regional Council consulted the community about Māori constituencies in 2005 and resolved to continue to have no Māori constituencies for the 2007 elections. A poll on this issue could be run at the October 2010 elections.

Summary of decisions

Current situation	RC recommendations	Government decisions
1 regional council chair	1 regional mayor	1 regional mayor
7 local council mayors	3 community boards	20–30 local boards (125–150 members)
30 community boards (145 members)		
116 elected representatives	129 elected representatives	21 elected representatives
145 community board members	15 community board members	125–150 local board members
Local Electoral Act provides for Māori representation if there is community support	3 Māori seats on unitary council (one appointed by mana whenua)	Local Electoral Act provides for Māori representation if there is community support
3-yearly terms for local elections	4-yearly terms for local elections	3-yearly term retained

Local Boards

Decision

Twenty to 30 local boards will be established across the Auckland region as the second tier of governance.

Reason

Auckland is a metropolitan centre with diverse communities and it is important that these different communities, with their distinct identities, have representation at a grassroots level and that individuals have a voice.

Many Aucklanders expressed deep concern about the Royal Commission's proposal to disestablish community boards across the region and to maintain six local councils with much reduced powers.

The main concern, shared by the Government, was the loss of effective local representation.

The new system for Auckland governance is much stronger, more co-ordinated and will provide for community representation at the grassroots level.

Explanation

Local boards will be responsible for representing their communities' interests.

They will have more powers than the current community boards in Auckland, but will not be able to raise their own revenue or hire staff.

They will:

- advocate for their local community and have input into the Auckland Council's plans
- develop local operational policies for local issues, for example, dog control, liquor licensing and graffiti control
- influence the Auckland Council by petitioning for extra services that their community wants. Services would be paid for through a targeted rate for the local area, a local rate rise or a change in priorities. The local boards will not have the power to set rates, so any rate rise would have to be agreed by the Auckland Council.

LOCAL BOARDS

The Local Government Commission will decide on the numbers and boundaries for the local boards.

Waiheke Island and Great Barrier Island will have their own local boards because they are geographically isolated and have their own distinctive needs.

Summary of decisions

Current situation	RC recommendations	Government decisions
1 regional council	1 unitary council	1 Auckland Council
7 local councils	6 local councils with reduced powers	20–30 local boards (125–150 members)
30 community boards (145 members)	3 community boards	

Mayor

Decision

One mayor with governance powers, elected by residents and ratepayers of the Auckland region.

Reason

Auckland needs strong regional leadership to help it realise its potential and provide a united voice. Creating a single Auckland Council with one mayor will enable simpler and stronger management of council services throughout the region. It will also simplify the relationship with central government and ensure Auckland's voice is heard by central government.

Explanation

The mayor of Auckland will be elected by the people of Auckland at the local elections in 2010.

The elected mayor of Auckland will preside over the council and have additional powers to other New Zealand mayors, including the power to:

- appoint the deputy mayor
- appoint committee chairs
- propose the budget and strategic direction
- establish and maintain a mayoral office.

The mayor will have a vision for Auckland and be expected to chart and lead an agenda for the region. However, all policy will need the approval of the Auckland Council.

With one council working for the benefit of the whole Auckland region, the mayor will be able to implement Auckland-wide initiatives and policies that ensure New Zealand's largest city thrives.

The Royal Commission also recommended that the local government electoral term be extended to four years. The existing three-year term will be retained.

MAYOR

Summary of decisions

Current situation	RC recommendations	Government decisions
1 regional council chair	1 regional mayor	1 regional mayor
7 local council mayors		
3-yearly terms for local elections	4-yearly terms for local elections	3-yearly term retained

Boundaries

Decision

The boundaries of the Auckland region will be decided by April 2010, in time for the local elections. This will include the Auckland Council boundaries, the boundaries of the wards within the Council and the boundaries and number of local boards.

Reason

There is a great deal of community interest and concern about council, ward and local board boundaries.

The Local Government Commission's responsibility and expertise is in determining local government boundaries and deciding on representation for people living within those boundaries. The Commission will therefore determine the detailed boundaries for the Auckland region.

Explanation

The Government will set the broad policy for the boundaries for the Auckland region. The Local Government Commission will decide on the details of the Auckland Council boundaries, the wards within the Council and the boundaries of the local boards by April 2010, in time for the local government elections in October 2010. The Commission will also decide the number of local boards.

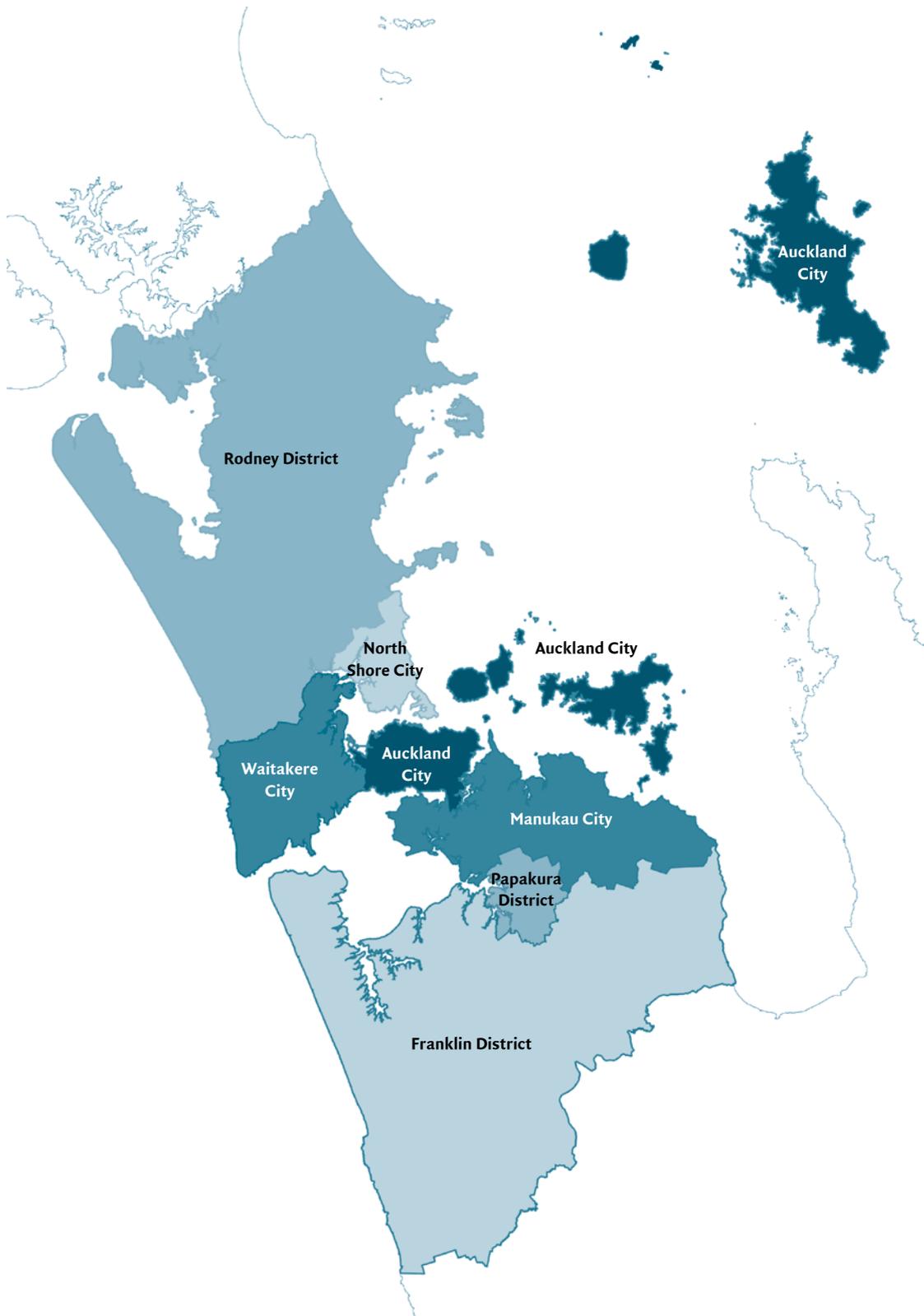
Under the Royal Commission's proposed regional boundaries, no changes were proposed to the north and for the Hauraki Gulf. The Royal Commission recommended changes to boundaries between the Auckland and Waikato regions in two ways:

- the area currently in the Waikato region north of the Waikato River, including Tuakau, and Mercer, be included in the Auckland region; and
- the area currently in the Auckland region and Franklin District, bordering the Firth of Thames from Matingarahi Point to Whakatiwai, be included in the Waikato region.

The Royal Commission also suggested that the Waikato Regional Council (Environment Waikato) should retain its catchment management powers over all parts of the Waikato River and its tributaries and catchments area in the Auckland region. The Government is currently undertaking more work on the arrangements to co-manage the Waikato River.

These are clearly complex issues. Final decisions on the proposed southern boundary of the Auckland Council will be addressed before April 2010.

BOUNDARIES



Existing local authority boundaries of the Auckland region

Rates

Decision

One rating system for the Auckland region and one rates bill covering Auckland-wide activities and local community activities.

Reason

The establishment of one unitary council for the region will mean a single rates bill for each property.

Explanation

The new Auckland Council will move to a unified regional rating system as soon as possible. It will levy a rate to fund:

- activities which benefit the whole region
- local services and activities required for local boards to carry out their particular functions.

Auckland Council will set and collect rates. It could also levy locally targeted rates (on request from a local board), which could fund further, specified investment in local amenities.

Auckland Council will develop one set of financial plans and policies for the region. It will also provide administrative services for itself and local boards for back-office functions, resulting in cost savings.

Before the new structure is set up, ratepayers will continue to pay rates to their local city or district council and to the Auckland Regional Council. A new unified rating system will be developed and progressively implemented as part of a new planning and budgeting cycle from 2012.

Summary of decision

Current situation	RC recommendations	Government decisions
2 rates bills	1 rates bill	1 rates bill
8 rating authorities	1 rating system	1 rating system

Planning and working with Government

Decision

One council with one set of plans.

A Cabinet Committee appointed to oversee transition to the new governance structure.

Reason

For Auckland to fulfil its potential, all its plans for transport, infrastructure, economic development, environmental protection and managing growth need to be co-ordinated.

Explanation

Auckland Council will have one set of plans, including a single Long-Term Council Community Plan (LTCCP).

More consistency and integration in planning will allow for growth to occur in a targeted, efficient and effective manner.

Regional infrastructure investment and spatial plans will enable the Auckland Council and central government to more effectively plan its investments in the Auckland region to deliver the greatest benefit to Auckland and New Zealand as a whole.

A spatial plan will pull together all economic, infrastructure, environment and other plans to ensure that collectively they can support the best outcomes for the Auckland region.

It will set out:

- how the region will develop in the future
- where critical infrastructure services will be located, for example, water, sewerage and roads
- the future location and mix of residential, business and industrial activities within specific geographic areas.

Integrated planning will give Auckland a united voice when working with central government or petitioning for investment in major events such as the Rugby World Cup, and support the investment and changes needed to host such events.

In terms of the relationship between Auckland and central government, the Government has rejected the Royal Commission's proposal to establish a permanent Minister for Auckland and Cabinet Committee for Auckland.

PLANNING AND WORKING WITH GOVERNMENT

A Minister for Auckland would cut across portfolios of many Ministers. In addition, a permanent Cabinet Committee for Auckland could lead to fragmented decision-making and raise issues in relation to other parts of New Zealand.

Instead, a temporary Cabinet Committee has been established to oversee the transition to the new Auckland Council. The Committee will be chaired by the Minister for Local Government.

Summary of decisions

Current situation	RC recommendations	Government decisions
8 Long-Term Council Community Plans (LTCCP – a 10-year plan)	1 LTCCP (including single vision, 10-year plan, a spatial plan, a regional infrastructure plan and a district, transport, and economic development plan)	1 LTCCP 1 vision 1 integrated sets of plans*
Ministerial Group working on Auckland governance issues Portfolio ministers engaged on issues as required	1 Minister for Auckland 1 Cabinet Committee for Auckland A Central Government partnership agreement with Auckland Council	Temporary Cabinet Committee to oversee transition issues Portfolio ministers engaged on issues as required

*Agreed in principle. Detail yet to be confirmed by Government

Waterfront development

Decision

One Waterfront Development Agency, which will cover the waterfront and its connection to the central city.

Reason

Auckland’s waterfront and central city area is important as it contains the region’s principal financial, professional, retail, commercial, educational and entertainment facilities.

Explanation

Improving the attractiveness and functionality of the waterfront and important areas will benefit Aucklanders and their quality of life. It will also help attract and retain talented workers.

The Government supports the establishment of a Waterfront Development Agency with scope for central government involvement in the waterfront development. The agency will address the fragmented approach to developing the waterfront and central city.

There will not be a separate community board for the waterfront and central city area.

Summary of decisions

Current situation	RC recommendations	Government decisions
2 councils with plans governing waterfront and CBD	1 Waterfront Development Agency, covering the waterfront and city expanded to include Ponsonby, Parnell and Newmarket 1 Waterfront and City Centre Committee 1 Waterfront and City Community Board	1 Waterfront Development Agency
7 district plans	1 district plan 1 Urban Development Agency with compulsory land acquisition powers	1 district plan

Economic development

Decision

An economic development plan* for the Auckland region.

All regional assets, including museums, stadiums, parks, and entertainment and exhibition venues to be transferred to Auckland Council.

Auckland Council to develop an asset management strategy.

Reason

If Auckland's economy thrives, New Zealand's economy thrives.

That's why the Government is determined to set up governance arrangements that enhance the productivity and competitiveness of Auckland's businesses.

Explanation

The Royal Commission identified Auckland's current local government arrangements as having a negative impact on Auckland's economy because of the inability to produce strategic decisions and act on them regionally.

The Government's decisions are designed to help Auckland perform well as the engine for New Zealand's economic growth and prosperity. This includes the creation of a regional economic development plan and clarification of the roles and functions of local government in economic development.

The Government supports the Royal Commission's recommendation that all regional assets, including museums, stadiums, parks, and entertainment and exhibition venues are transferred to Auckland Council, together with the development of an asset management strategy.

The region's facilities need to be operated to maximise economic development, tourism and events.

*Agreed in principle. Detail yet to be confirmed by Government

ECONOMIC DEVELOPMENT

Summary of decision

Current situation	RC recommendation	Government decision
Multiple economic development agencies Economic development outcomes not factored into local government decisions Fragmented funding and management of events and facilities	1 regional economic development agency Economic development plan to guide decisions Auckland Council to own and operate major facilities and events	1 economic development plan* Economic development plan to guide decisions Auckland Council to own and operate major facilities and events

*Agreed in principle. Detail yet to be confirmed by Government

Social issues

Decision

The Minister for Social Development and Employment will report back to Government on ways to ensure alignment of central and local government action to improve social well-being in Auckland.

Reason

The Government agrees with the Royal Commission’s assessment that there is a need for greater alignment of direction-setting, planning and action to address social issues across the Auckland region.

However, the Government believes the Commission’s proposal of a social issues board would be problematic as it would create conflicting accountabilities for those involved with the board’s work, including government ministers.

Explanation

The development of mechanisms to achieve alignment between the Government and the Auckland Council on social well-being issues is important to ensure the growth and prosperity of the region and quality of life for Aucklanders.

The Government will explore options, as a matter of urgency, to make sure the efforts of central and local government are properly aligned to achieve positive social outcomes for the people of Auckland.

Summary of decision

Current situation	RC recommendation	Government decision
Limited alignment between central and local government on improving social well-being	Social issues board to develop a strategy and recommendations on implementation and funding	Government to find better ways of aligning central and local government action on social well-being

Transport

Decision

One regional transport authority responsible for all local government transport functions*.

Reasons

Consolidation of all local authority transport functions into a single entity will overcome many of the current problems of fragmented and protracted decision-making, unclear responsibilities and inadequate accountability.

Explanation

The authority would be a council-controlled organisation of the Auckland Council.

The Government has decided to move beyond the Royal Commission’s proposals by giving responsibility for local roads to the Regional Transport Authority, subject to further advice on transitional arrangements for local roads.

For clarity and simplicity, Auckland’s structural and funding relationships with the New Zealand Transport Agency and New Zealand Railways Corporation will remain consistent with the rest of the country.

Summary of decisions

Current situation	RC recommendations	Government decisions
7 local transport entities and the Auckland Regional Transport Authority	1 transport authority responsible for public transport arterial roads 6 local councils for local roads Council to provide local funding	1 regional transport authority responsible for all local government transport* Auckland Council to provide local funding
2 government agencies allocating land transport and rail funding	Move to outcome-based funding	Keep current funding system
Separate management and operation of state highways, local roads, passenger transport and the rail network	Establish joint management structures between RTA/NZ Transport and NZ Railways Corporation	Improve co-ordination

*Agreed in principle. Detail yet to be confirmed by Government

Water and wastewater

Decision

One provider of water and wastewater services for the Auckland region*.
Auckland Council to be responsible for environmental management.

Reasons

Merging all the existing water providers will improve the way that Auckland's water infrastructure is looked after and will lead to better demand management, better environmental management and cost savings.

Aucklanders across the region will get the same standards of service and will pay for water and wastewater in the same way.

Operating efficiencies will be gained from integrated planning, shared services and purchasing.

Cost savings will come from having one management structure, one billing system, one call centre, one information technology system, and consistent standards for infrastructure design.

Explanation

Three types of water are supplied, treated or collected in Auckland – drinking water, wastewater and stormwater.

Currently water services are provided by eight different organisations across the region. Some Auckland councils provide water and wastewater services direct to customers, some do so through council-controlled organisations and one provides these services under a franchise agreement with a private operator. These providers all charge different prices for water. Wastewater is funded from rates in some areas and from user charges in others.

In future, a single council-controlled organisation of the Auckland Council will supply all drinking water and wastewater services in the Auckland region. It will fund water and wastewater infrastructure from charges based on water use.

Various reviews of the Auckland water services industry have concluded that amalgamating the existing operations would lead to annual cost savings of up to \$10 million.

*Agreed in principle. Detail yet to be confirmed by Government

WATER AND WASTEWATER

Further work is being done to look at how best to deliver stormwater services.

Auckland Council will be the environmental watchdog for water quality and coastal water management for the whole region, establishing, monitoring and enforcing environmental standards. It will set policy for water, stormwater and wastewater management.

Summary of decisions

Current situation	RC recommendation	Government decision
8 water and wastewater providers	1 provider – Watercare, as a CCO of the Auckland Council	1 provider of water and wastewater services*

*Agreed in principle. Detail yet to be confirmed by Government

Transition process

Decision

An independent Establishment Board with statutory powers and responsibilities appointed by the Government.

Existing councils to retain existing responsibilities but their decision-making will be constrained during the transition period.

Establishment Board to be responsible for implementing the reforms and monitoring existing councils' decision-making and operations.

Reason

This system will preserve local democracy, protect key projects already under way, and mean less uncertainty for the public and council staff.

Explanation

The scope of the transition to the new structure is broad, with six main areas to be managed:

- creation of new entities
- organisational change
- continued delivery of councils' and CCOs' responsibilities
- continued momentum of key projects such as the Rugby World Cup and waterfront development
- communications
- winding up existing organisations.

A Transition Management Group comprising the chief executives of existing councils, Watercare Services Ltd and Auckland Regional Transport Authority (ARTA), possibly with an independent chair, will help support the work of the Establishment Board. It will manage day-to-day business, communicating with staff and managing change processes.

An interim chief executive for the Auckland Council will be appointed by the Establishment Board for no less than two years. The chief executive will provide organisational leadership during transition and will act as a link between the work of the Establishment Board and the new council.

TRANSITION PROCESS

Transition to the new core arrangements will be largely completed by October 2010. The short transition period is designed to minimise uncertainty and disruption for council staff and the public.

The Establishment Board and its chair will be appointed as soon as possible. With considerable work under way in central Government that affects on Auckland's future, a strong and effective relationship is needed between central Government agencies and the Establishment Board.

The Auckland Council will focus on the future of Auckland and how it will become an internationally competitive city. It will not be distracted or encumbered by having to complete the major task of organisational restructuring – that is the job of the Establishment Board.

Councils will be required to co-operate fully with the Establishment Board. Council staff will play a vital role in providing expertise and institutional knowledge during the transition.

Summary of decisions

RC recommendations	Government decisions
4 years for transition and implementation	Transition and staffing arrangements mostly completed by October 2010
Limited constraint on existing councils' decision-making	Existing councils retain responsibilities but decision-making constrained Establishment Board monitors existing councils to ensure consistency with new direction, and protect key projects
Shell of Auckland Council created by October 2010, with majority of staff transferred/rolled over from existing councils	Rationalisation mostly completed by October 2010

Further information

There are a number of decisions to be made on the future of Auckland governance and details to be determined either by the Government, the Establishment Board or by the new Auckland Council. As these decisions are made, announcements and media releases will appear at www.auckland.govt.nz. This website includes all the information in this report and features a section on news, FAQs and maps.

If you have questions, you can either email them via the site or email the Department of Internal Affairs at info@dia.govt.nz or call freephone 0800 22 78 78 to receive information about this report.

For more information on the Royal Commission's recommendations visit:
www.royalcommission.govt.nz

The Royal Commission

The Royal Commission on Auckland Governance provided the Government with recommendations for transforming the way New Zealand's largest city is run and how its people are represented. The Government is committed to creating an environment for bold ideas, strong leadership and consistent decision-making that can help to transform Auckland into a vibrant, thriving, world-class city.

The Royal Commission on Auckland Governance was set up in 2007 to look at local government decision-making structures and processes in the Auckland region.

It was asked to:

- examine the present system and how decisions are being made
- make recommendations about a system of local and regional government that will best suit Auckland for the next 50 years
- make sure we have a system that will take into account Auckland's growth and its ethnic diversity.

The Royal Commission's inquiry included:

- more than 3500 written submissions
- 550 oral submissions over 27 days of hearings in nine locations in Auckland
- five hui with Māori and workshops with Pacific and other ethnic groups
- numerous informal consultations with individuals and organisations
- an extensive programme of research
- visits to Brisbane, Melbourne, Toronto, Vancouver, Seattle and London to study governance structures and to meet international experts.

Royal Commission members

Hon Peter Salmon, CNZM, QC, AAMINZ – Chair

Hon Peter Salmon is a retired High Court Judge, who is currently active as an arbitrator and mediator, and sits on Pacific Island Courts of Appeal. Before his appointment to the bench, he had extensive experience in Local Government, Environmental and Resource Management Law.

He was a founding member and the first President of the Resource Management Law Association. Currently he is the General Editor of the Annotated Resource Management Act and he has recently completed, with two Commissioners, a review of the Draft National Policy Statement on Electricity Reticulation.

THE ROYAL COMMISSION

Dame Margaret Bazley, DNZM

Dame Margaret recently served as Commissioner for the Commission of Inquiry into Police Conduct. Other roles currently held by Dame Margaret are: Chairperson of the NZ Fire Service Commission, Chairperson of the Foundation for Research, Science and Technology, Registrar of the Pecuniary Interests of Members of Parliament, member of the Waitangi Tribunal and member of the Legal Services Agency Risk Management Committee.

When Dame Margaret retired from the Public Service in 2001, she was Chief Executive of the Ministry of Social Policy. Before this, she held the position of Director General of Social Welfare since 1993 and was the Secretary for Transport from 1988-1993.

In 1999, Dame Margaret was made a Dame Companion of New Zealand Order of Merit in recognition of her significant contribution to the New Zealand public service.

David Shand

Mr Shand recently chaired the Local Government Rates Inquiry and is chair of the Tertiary Education Commission. He has extensive international financial experience, most recently as a public financial management specialist at both the World Bank and the International Monetary Fund. Before that, Mr Shand worked with the OECD on public management reform issues and held a number of senior positions in state and federal government in Australia.

In the early 1970s, Mr Shand was a Wellington city councillor for two terms and a member of the Wellington Regional Authority. He is also a former university lecturer in public sector accounting and budgeting.

For more information

For more information on the Royal Commission and to read its report in full visit:
www.royalcommission.govt.nz

Copies of the Royal Commission report will also be available through Bennetts Bookshop and public libraries.

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New Zealand Government

