

# Strengthening Auckland's Regional Governance

## Final Report

June 2007

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## **Purpose**

This report outlines a proposed model for strengthening Auckland governance. This model has been developed following consideration of feedback from Councils and the Government on the progress report issued in May 2007.

The model is a balance between competing views and represents an attempt to find a pragmatic way forward that will achieve progress in relation to the major components outlined in the December 2006 proposal.

The main components of this model could be implemented without the need for legislation and by formal agreement between the Auckland councils. Legislation would be desirable in the medium term, and in terms of progress on some of the workstream issues, will be necessary.

It is proposed that if this model is accepted as the way forward, work start immediately on developing the agreement between councils to determine the nature and operation of the Regional Sustainable Development Forum and the scope, effect and timetable for the One Plan. It is recommended that this agreement be developed and signed as soon as possible before the end of August 2007.

## **Content of Report**

This report provides:

- A brief introduction and overview;
- An overview of the feedback received on the progress report;
- A model for consideration and endorsement;
- An outline of the key implementation issues; and
- The proposed timeline/next steps for progressing implementation.

The analysis and commentary presented in this report has been prepared by officials from both central and local government. This report builds on the material that has been presented in previous reports.

This document has been prepared for consideration by councils and Ministers with a view to seeking formal consideration by councils before the end of June and by Ministers in mid July.

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Subject to support from councils and Ministers, it is intended that implementation of these proposals to strengthen regional governance in Auckland, commence quickly to build momentum through a staged process over the coming months.

### **Introduction and Background**

This report builds on the package presented to the Government in December 2006 and reflects the feedback received from councils and Ministers with respect to the progress report circulated in May 2007.

The background to the work that has been undertaken, together with the background, objectives, rationale and issues that have influenced the contents of this report have been fully canvassed in the previous reports. For the purpose of presentation it is not proposed that the material be repeated.

It is important however that when reading this report the contents of previous reports are recognised and understood.

### **Feedback on Progress Report**

Feedback has now been received on the options set out in the May progress report in the form of Council Resolutions and a letter received from the Minister of Local Government setting out the Government's feedback. These are summarised below.

Not all councils provided feedback on all the issues detailed below. In addition to the formal feedback received, further discussion and analysis has been undertaken with a view to developing a model for consideration and endorsement by central, local and regional Government.

In assessing the feedback it is important to recognise that all feedback received was supportive of the need for, and desirability of, change within the Auckland region. Similarly there has been a high degree of consensus and support for the key components of the model. Some saw support for the need for change as a necessary first step to strengthen Auckland regional governance, recognising that the nature of the dynamics in the region make it likely that further changes will be required in the future.

Not unexpectedly, however, there continue to be divergent views around certain elements of the proposal, especially with respect to the specific mechanisms required to ensure that the proposal is both workable and capable of being operationalised.

While recognising some divergence of views, this report seeks to identify matters upon which there appears to be a general and or emerging agreement.

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## Summary of Feedback

### Strengthened Regional Council

Role	<p>The feedback supports the need for a strengthened regional council to provide leadership for the region, especially with respect to regionally significant issues associated with social, cultural, economic and environmental well being with a particular focus on service and infrastructure.</p> <p>The strengthened regional council would have available to it new/additional funding tools to undertake its new role.</p>
Name	The majority agreed that a new name was desirable to signal and reinforce the change in role and responsibility and to provide a "break" from the past.
Leadership	<p>Two options were put forward being:</p> <p>Status quo, with the council appointing its own leader from within its membership;</p> <p>A leader elected at large.</p>
Membership	<p>Three options were identified involving:</p> <p>The Status Quo (13 members elected from 6 constituencies);</p> <p>A mix of elected and appointed members;</p> <p>Increased membership elected on the basis of parliamentary constituency boundaries.</p>

### Regional Sustainable Development Forum (RSDF)

Role	<p>To develop and recommend the One Plan to the strengthened regional council.</p> <p>To act as a vehicle to improve the collective decision- making, prioritisation, funding and implementation of regionally significant infrastructure and services.</p>
Status	A standing committee of the strengthened regional council.
Representation	<p>All councils to appoint representatives from among their elected members. Divergence of views as to how many representatives per entity. A variety of options put forward:</p> <ul style="list-style-type: none"> <li>○ Regional/Local</li> <li>○ three representatives for the strengthened regional council, with one each from other councils;</li> </ul>

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<ul style="list-style-type: none"> <li>○ Central Government</li>   <li>○ Mana Whenua /Tangata Whenua</li> </ul>	<ul style="list-style-type: none"> <li>○ One or two representatives per council (either the Mayor and one other, or both selected by the appointing council);</li> <li>○ Strengthened regional council with three representatives, city councils two each, district councils one each.</li> </ul> <p>Central Government participation was seen as critical and as an essential condition of the forum's value and credibility. Participation could be by either Ministers and or officials depending on the issue.</p> <p>Mana Whenua/Tangata Whenua seen as a key participant. Diverging views on both the mechanism by which they are involved, and whether they have voting rights.</p>
<p>Chair</p>	<p>Options identified involving Chair to be:</p> <ul style="list-style-type: none"> <li>○ The Chair or a member of the strengthened regional council; or</li> <li>○ A member of the RSDF; and</li> <li>○ Appointed by the strengthened regional council, possibly on recommendation of the RSDF; or</li> <li>○ Appointed by RSDF members.</li> </ul>
<p>Decision Making and Voting Systems</p>	<p>Voting Systems -Differing views ranging from one vote per council to some form of proportionality based on population.</p> <p>Decision Making – There seemed to be general agreement on the need to make an honest attempt to make decisions by consensus.</p> <p>In the event of a failure in consensus decision-making there was a range of preferences ranging from by a simple majority to some form of voting threshold</p>
<p>Existing Regional Fora</p>	<p>Differing views were expressed ranging from:</p> <ul style="list-style-type: none"> <li>○ Retaining existing committees (recognising that there are standing committees of the strengthened regional council);</li> <li>○ The RSDF deciding what was required and convening and or recommending to the strengthened regional council, that would then convene.</li> </ul>

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## One Plan

Breadth	<p>To deal with regionally significant issues, expanded over time as capability and issues change.</p> <p>Particular focus on social, cultural, environmental and economic issues.</p>
Depth	Vision, Goals Strategic Direction, Projects/Programmes of a regional scale, with funding parameters.
Enforceability	<p>Support for a need for enforceability. Emerging agreement that enforceability and degree of binding should be differentiated and dependent on the issue involved.</p> <p>Parties to be bound through funding agreements.</p> <p>Councils and Government to align strategies and to not act inconsistently with One Plan. Obligation will also flow to the respective CCO's and Agencies.</p> <p>To be linked to accountability documents such as long term council community plans and statements of intent.</p>
Sanctions/Levers	Agreement on the need for a range of sanctions and levers to encourage implementation, which may include a mix of moral and financial mechanisms.
Consultation	<p>Two principle options identified being:</p> <ul style="list-style-type: none"> <li>○ public consultation by the strengthened regional council;</li> <li>○ public consultation by the RSDF.</li> </ul>
Relationship with Regional Outcomes	All councils to undertake own consultation on local and regional community outcomes.
Ability of strengthened regional council to amend	<p>Strengthened regional council to adopt on recommendation of RSDF;</p> <p>Options of allowing the strengthened regional council to:</p> <ul style="list-style-type: none"> <li>○ amend the recommended One Plan, subject to public consultation; or</li> <li>○ refer the One Plan back to the RSDF, but not to unilaterally amend it.</li> </ul>

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## Regionally Significant Issues: Related Work Streams

Three Waters	<p>General agreement about the alignment of strategy, planning, funding and delivery, possibly including bringing Three Waters Strategy under the RSDF.</p> <p>Diverging views which:</p> <ul style="list-style-type: none"> <li>○ Supported the status quo in respect of ownership or sought transfer of ownership of Watercare Services to the strengthened regional council;</li> <li>○ Supported the status quo in respect of the payment of dividends or supported removing legislative restrictions on the payment of dividends.</li> </ul>
Regional Facilities	Support for advancing the original proposal and agreeing on a managed time frame to achieve transfer of functions and funding.
Economic Development	Support for advancing the original proposal.
Transport	Support for advancing the original proposal including a suggestion that changes be made with respect to the ARTA appointments panel.
Shared Services	Support for advancing the original proposal recognising that some work has already been advanced.
Funding	Support for advancing the original proposal. Councils to make business cases for any proposed new funding mechanisms, as appropriate.

### Other Matters Raised – Local Land Use

The need for the role of the strengthened regional council to be clarified around the issue of local land use policy was raised in council resolutions. In particular there was a concern to ensure that the strengthened regional council did not exert undue influence in matters of local land use policy where district plans and sector agreements are consistent with the Regional Growth Strategy.

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## **The Way Forward**

While there is a wide degree of support for the principles and components of the December package there continues to be a variety of views expressed as to how individual councils would prefer to see the components configured and operating. For instance while there is support for:

- A Strengthened Regional Council with an expanded role and funding tools with a standing committee called a
- Regional Sustainable Development Forum involving all councils and participation by Central Government and Mana Whenua/Tangata Whenua, with a key outcome of delivering
- A coordinated, aligned, prioritised and funded One Plan dealing with regionally significant issues (the four well beings) and linking Central Government strategies and funding with;
- Binding funding agreements negotiated/facilitated by the strengthened regional council as an outcome of the One Plan to ensure implementation of projects/programmes and to advance specific and already identified issues around
- the key Workstreams associated with Three Waters, Regional Facilities, Economic Development, Transport, Shared Services and Funding.

There continues to be divergence around the detail of the specific mechanisms associated with:

- Representation;
- Membership; and
- Voting.

While it is difficult to assess the exact nature and extent of the differences it does appear that many of the concerns expressed do arise from a range of issues including:

- History and past grievances about attitudes and behaviours have produced a lack of trust and tensions between different spheres of government resulting in a concern/unwillingness to cede control;
- The tensions between regional and local interests also affect the preferences expressed by the different councils about the different models for membership and voting;

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- A concern at becoming involved in a process whereby an individual council's interest/perspective may become secondary to, or compromised by the collective interest and the council being bound by something that it will not necessarily be able to control - albeit that it can participate in and influence the decision-making; and
- A perception that there are differences between rural and urban interests and a fear particularly from rural and or smaller councils of being disadvantaged and or "swamped" in the process.

Each of these factors affects the attitude and willingness of individual participants to alter their positions and preferences. While the weighting ascribed to them may be unclear, their very existence affects the approach to be adopted with respect to both the proposal itself and the implementation process adopted. As in many other processes of change the success or otherwise of the process will ultimately be determined by the behaviours, attitudes and trust of those who lead the process and those who are bound by or committed by the process. Each of these factors will have a major influence on achieving an outcome that can secure the ongoing support and understanding of all parties.

To secure progress a balance will need to be achieved between the various options and variants presented above. While preferences cannot be ignored, neither can they be treated as insurmountable obstacles to moving forward.

In that context, a draft model has been developed. The model seeks to achieve a balance between the differing views while outlining an approach that, if supported, is both workable and capable of being advanced before this year's local authority elections.

Underlying this approach is a recognition that many of the components within the proposed model can be advanced, in the first instance, within the existing legislative framework and through agreements between the individual parties. While this will allow momentum to be achieved it will also provide an opportunity to determine more precisely what legislation is ultimately desirable.

## **Proposed Model**

Set out below is a proposed model for discussion and endorsement by the Auckland councils and by central Government.

### **Strengthened Regional Council**

Role - The Strengthened Regional Council will continue to be a regional council under the Local Government Act 2002, with the statutory purpose of promoting

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the current and future social, economic, environmental, and cultural well-being of the communities of its region.

Its agreed responsibilities and functions in the first instance will be:

- the current functions of the Auckland regional Council (ARC);
- advocacy to, and negotiation of implementation agreements with, central government on regional priorities across all the dimensions of the four well beings;
- convenor of and provider of secretariat support for the RSDF;
- to adopt the One Plan for the Auckland region on the recommendation of the RSDF;
- guardian of the One Plan to facilitate and support its implementation by relevant parties;
- implement One Plan decisions for which it has direct responsibility;
- facilitate agreements for funding and implementation of One Plan decisions agreed to by other parties to the One Plan;
- monitor and report on progress with implementation of One Plan decisions;
- regional economic development; tourism promotion and regionally significant (major) events management;
- facilities and amenities that contribute to regional community well-being, including the funding of services provided by regional organisations; and
- assess the need for and establish, if necessary, an agency to undertake urban development or renewal projects required to advance One Plan objectives; and
- Subject to further work, (yet to be completed) and the preparation of business cases the strengthened regional council would have available to it new/additional funding tools to undertake its new role.

Status – The strengthened regional council will continue to be a Regional Council within the legal framework of the Local Government Act 2002 (LGA02).

Name - The strengthened regional council will have a new name – “Greater Auckland” to reflect its new expanded role, to signal a change from the past and to better distinguish it from the Auckland City Council.

**All**

Leader – The elected members of *Greater Auckland* will appoint one of their number as chair.

Membership - Initial membership will, as determined for the 2007 ARC elections, consist of 13 elected representatives, elected from 6 constituencies, aligned with the territorial authority boundaries inside the Auckland region.

Given the divergence of views, it is proposed that, as part of the package, there be a review of existing constraints on regional council representation in Auckland. This would include examining what flexibility may be desirable to facilitate future representation choices, for example membership numbers, types of constituencies and the selection method for the leader. It is proposed that the Minister of Local Government refer this issue to the Local Government Commission to report and make recommendations.

### **Regional Sustainable Development Forum (RSDF)**

Role - The role of the RSDF is to develop, and recommend the One Plan for adoption by *Greater Auckland*.

The role of the RSDF in achieving regional outcomes is intended to:

- improve collective decision making about matters of regional strategic importance (i.e. One Plan content);
- help facilitate a strengthened link to the implementation and funding of regionally agreed priorities; and
- develop the vision and outcomes sought for the region, including specifying the priorities and funding envelopes/parameters that parties are prepared to commit to the agreed priority regional strategies.

Status – the RSDF will be constituted as a standing committee of *Greater Auckland*.

### Representation –

District Councils: 1 member each

City Councils: 2 members each

Regional Council: 4 members.

Councils will nominate their own RSDF members, and alternates for those members.

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Under these proposed numbers the city councils would have eight of the 15 votes.

Central Government – it is proposed that that the Central Government will contribute to the RSDF. Representatives will have speaking rights but no voting rights. Central Government would have up to three representatives with the right to speak.

While Central Government officials will contribute directly to RSDF processes, it is also envisaged that Ministers would meet with the RSDF periodically. These meetings would allow discussion of the key issues and provide a framework for the ensuing work of the RSDF.

Mana Whenua – It is proposed that Mana Whenua representative(s) will be participants in the RSDF. The mechanism by which Mana Whenua participate and contribute to the RSDF will be developed in conjunction with them over the coming months.

Key Stakeholders - it is also envisaged that other key stakeholders may, from time to time, be invited to participate in the RSDF or the fora supporting the RSDF.

Decision Making – it is proposed that the RSDF will, in the first instance, seek to make decisions by consensus. If that is not possible, then decisions will be by simple majority vote of those present and voting, ie no proxies. Each member will have one vote.

Leader of RSDF – the Chair of the RSDF will be appointed by *Greater Auckland*. It is envisaged that the appointment will be made after consultation with the members of the RSDF.

Existing Fora –The need for forums on specific issues will be determined by the priorities in the One Plan. This will mean that issue specific forums are likely to form and dissolve as the priorities evolve except where such bodies are constituted through legislation. All fora will be required to “take account of” the One Plan.

## **One Plan**

Purpose - The One Plan for Auckland will promote social, economic, cultural and environmental well-being through prioritised action plans. It will include a strategic vision for the region, a prioritised set of projects/programmes of regional significance and funding and implementation parameters. Negotiated multi-lateral and bi-lateral funding and implementation agreements between relevant parties will support its implementation, along with other measures.

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The One Plan will encompass regionally significant issues covering the social, economic, cultural and environmental well-beings. The Vision and over-arching strategy will be planned for a 50 years+ time horizon. Implementation plans will however be of a shorter time frame.

The Plan will comprise a prioritised set of projects/programmes of regionally significant scale. It is likely that the projects and plans will cover a period of committed implementation of up to 10 years. The period of time will ultimately be determined by the nature of the issue to which the implementation applies.

In the first instance the Plan will commence by utilising existing regional strategies and plans such as the Long Term Sustainability Framework, Regional Growth Strategy, Regional Land Transport Strategy, and the Metro Project Action Plan.

Implementation – It is proposed that funding and implementation agreements to support the agreed decisions in the One Plan will be reflected in multi and bi-lateral contracts between relevant parties.

*Greater Auckland*, as guardian of the One Plan, will be responsible for facilitating contracts between other parties to the One Plan as necessary, and will negotiate funding and implementation agreements with central Government to support agreed decisions in the One Plan. It is anticipated that *Greater Auckland* will be party to many, but not all, of those contracts.

All councils will be required to take account of One Plan decisions in their own strategic planning documents and decision-making processes.

Any commitments entered into by the councils will be reflected in their individual long term council community plans (LTCCPs). Progress towards meeting these commitments will be included in councils' public reporting.

Implementation commitments will be reflected in Statement of Intent (SOIs) of relevant CCOs and Crown Agencies.

*Greater Auckland* will also monitor and report on progress towards meeting One Plan commitments.

Sanctions/Levers - One Plan commitments will be required to be shown in councils' LTCCPs, and councils will be required to publicly report progress towards meeting those commitments.

Incentives and sanctions could include moral persuasion; peer pressure, financial penalties; exclusion from benefits of participation in other regional programmes; mechanisms to ensure transparency and accountability.

Consultation - Consultation on the One Plan will be undertaken by the RSDF as a standing committee of *Greater Auckland*.

The One Plan, and the proposed funding and implementation commitments by the councils who are parties to it, will be consulted on as one document.

The consultation process will be of an equivalent standard to the consultation requirements for long term council community plans (LTCCPs) in the LGA02. Local authorities will consult, through their LTCCPs and annual plans, on their detailed proposals for meeting funding and implementation commitments proposed in the One Plan.

Relationship to Community Outcomes – The current obligations on councils to facilitate the development of community outcomes are retained. Engagement to develop regional community outcomes by *Greater Auckland*, in its role as the regional council, will be undertaken as part of the development of the One Plan. Territorial authorities would continue to engage with their communities to identify local community outcomes, which would also inform the One Plan process.

Ability of Greater Auckland Council to Amend One Plan – A two step approach is proposed. In the first instance *Greater Auckland* would have the choice to adopt the One Plan as recommended by the RSDF, or to refer it back (in full or part) to the RSDF for further work. If agreement is not reached on specific aspects at the second attempt, *Greater Auckland* can amend those aspects of the One Plan.

This approach will avoid a potentially circular process in a way that recognises the ultimate accountability of *Greater Auckland*. It also needs to be recognised that the binding agreements to fund and implement projects/programmes derive from a separate negotiated process.

## **Transition**

Transition arrangements and processes to develop the first One Plan will be determined once the final proposal is agreed by central and local Government. It is anticipated that the transition arrangements will build on work already underway in the Auckland region including the Long Term Sustainability Framework; the Metro Project and other critical regional strategies and plans.

## **Work Streams**

### **Three Waters**

Current arrangements for water services will continue.

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Strategy – the existing Three Waters strategy work be continued with a view to achieving a more optimal alignment between the planning of, funding for and delivery of water, wastewater and stormwater infrastructure and services. Work will continue over time to investigate the merits of legislative amendments relating to the ability of the owners of WSL to operate it within the general legislative model of a Council Controlled organisation (CCO).

## **Transport**

Legislation – it is proposed that legislation be amended with a view to:

- the Auckland Regional Land Transport Strategy (RLTS) being enabled to include major projects and priorities;
- responsibility for the appointment of directors to the Auckland Regional Transport Authority being transferred to *Greater Auckland*.

## **Regional Facilities**

Changed Responsibilities – it is proposed that *Greater Auckland* assume ownership and/or funding responsibility for existing facilities of a primarily regional nature, including the Auckland War Memorial and Transport Museums and those facilities and services requiring regional funding. The starting point for this process would be the proposed “Auckland Regional Amenities Bill” promoted by 11 regional organisations and supported by Auckland City Council.

The transfer will be contingent on:

- Identifying a transparent process for the identification of the reduced rating requirements by relevant territorial authorities as a result of the transfer of functions;
- Identification of additional regional funding sources to support both existing and new facilities and services;
- Establishing a process whereby assets and responsibilities are transferred by negotiation and agreement within a defined time limit; and
- Certainty (possibly through legislation) about the funding obligations and mechanisms that are to operate within the region.

Future needs - Agreement between Auckland Councils and Central Government is needed on a process and criteria for analysing the mix of local, regional and national benefits in respect of proposals for major new facilities within the region, and for developing the appropriate funding arrangements to

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ensure the facilities are sustainable from both a capital and operating perspective.

Process - The process for reaching agreement in respect of existing facilities and services will primarily involve those councils within the Auckland region who currently fund, own and/or provide facilities or services. Agreement will need to be reached as soon as possible, and not later than 31 January 2008 to enable legislation, if required, to be enacted in time for transfers to take effect from 1 July 2008.

The development of a process and criteria for assessing future needs will need to involve Government officials as well, and the results will need to be agreed by both councils and Government.

### **Economic Development, Tourism, Major Events**

Changed Responsibilities - It is proposed that Auckland Plus, the regional economic development agency assume a more active role in economic development initiatives within the region, as well as assuming responsibility for regional tourism and events management. The option of Auckland Plus also coordinating, and allocating Government funding to, local economic development agencies has been discussed and requires further investigation.

It is also proposed that *Greater Auckland*, in consultation with other parties as appropriate, investigate the feasibility of and need for a regional agency to undertake urban development or renewal projects required to advance One Plan objectives.

Funding – A process is to be undertaken with Central Government officials to investigate redirecting existing Government funding with respect to Economic Development, Tourism and Major Events to Auckland Plus.

### **Funding**

In order to strengthen the regional council and enable it to take on the additional responsibilities outlined earlier in this section (particularly in relation to regional facilities and economic development), appropriate funding needs to be available. It is anticipated that existing funding will need to be supplemented.

Process - It is proposed that the Auckland councils, led by *Greater Auckland*, work together to:

- identify funding required for specific regional initiatives/services to meet the future needs of the region and achieve a step up in Auckland's performance;

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- fully optimise their respective rating bases and other existing funding lines;
- identify any gap between current funding available and identified future needs; and
- explore options for additional funding and develop business cases to support any specific additional funding mechanisms necessary to meet requirements.

It is envisaged that the process will build on the work already undertaken.

In addition, it is proposed that this work not commence until after the report of the Rating Inquiry has been assessed in terms of how it addresses the characteristics of the Auckland region. The Government will engage with the Auckland councils in this assessment, including discussing how it will engage with the work outlined above.

It will be necessary for this work to coincide with the timing of work finalising the transfer of responsibilities to *Greater Auckland*.

The Government will work with Auckland councils to develop business cases for specific major regional projects that have been identified and prioritised in the development of the One Plan, and to develop funding proposals for such projects in this context. Detailed funding arrangements for specific priorities identified in the One Plan will form part of implementation discussions between relevant parties, which may include Government.

### **Shared Services**

Process – It is proposed that the councils of the Auckland Region actively identify and pursue opportunities to secure efficiencies through a more integrated approach to service provision. The work would build upon that already underway in the region, and draw on the results of the study planned by Auckland and Manukau City Councils on this issue.

### **Other**

Work on this proposal has identified other issues of regional significance, including issues about the regional governance of the Auckland Civil Defence and Emergency Management group, and the relationship between regional and local land use policy.

The One Plan and RSDF processes, together with the investigation of shared services, envisaged by this proposal create an opportunity for these issues to be explored further and resolved within the context of long term regional strategic planning.

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## **How To Get There**

### **Strengthened Regional Council**

Name – ARC can adopt “trading name” itself by resolution. Change to legal name would require amendments to LGA02. This could be secured either by way of Government legislation or a Local Bill.

Role – the implementation of the council’s proposed new roles are described below in relation the One Plan, RSDF, economic development and regional development.

Leadership/membership – Local Government Commission advice on the desirability of greater flexibility for future reviews of regional representation arrangements within Auckland should be sought as a matter of priority. Any change to legislation identified as desirable to apply to future representation reviews would need to be enacted by early 2009 to allow a full review process before the 2010 elections.

### **Regional Sustainable Development Forum**

Pending any future enactment of legislation, it is proposed that the Regional Sustainable Development Forum operate as a committee of the ARC under the generic committee provisions in the Local Government Act 2002, with a specific agreement between all the councils prescribing details concerning the membership and operation of the Forum.

How the RSDF will operate in the first instance will be determined by a formal agreement concerning its membership and processes between all Auckland councils, building on the resolutions passed by the councils in respect of this report. That agreement will be required as soon as practicable, and no later than the end of August 2007. While it is unlikely that the Forum could begin to operate before the October 2007 elections, and possibly not become fully operational until February 2008, finalisation of the agreement before the end of August will enable candidates and electors to be clearer about future arrangements.

While they could be covered in the above agreement, it would also be possible for separate agreements to cover Central Government, Mana Whenua and any other non-council representation in Forum proceedings. While it is desirable these issues also be resolved as soon as possible, they do not have the election-driven urgency of the agreement between councils but would need to be in place by December 2007.

It is proposed that the RSDF will replace, and incorporate the responsibilities of the Regional Growth Forum (although care will be required to ensure statutory

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obligations are met pending the repeal or amendment of the relevant provisions). It is proposed that all other regional strategies and plans will be aligned, and their contents integrated and prioritised, by the One Plan.

The extent to which the priorities in the One Plan require the retention of the separate forums and committees responsible for those documents will vary. Whether they can be dispensed with will, in the interim at least, also be subject to existing legislation constituting some bodies, and the extent to which all the responsibilities of each body could be undertaken by the RSDF.

In the longer term, it is important that at least the core elements of the constitution of the RSDF are recognised and enshrined in legislation. When this should happen will require balancing the desirability of providing legislative certainty and stability as early as possible, and the desirability of allowing a realistic "trial period" before embedding arrangements in statute. This will also be influenced by the tension between certainty and allowing flexibility for arrangements and process to evolve over time.

Legislation could be either introduced by the Government, or introduced as a Local Bill by *Greater Auckland* with the support of all Auckland councils as well as Government.

### **One Plan**

Much of the agreed detail concerning the content and effect of the One Plan will be covered in the agreement between councils described above. As in the case of RSDF processes, although progress can be made in the transition it will be desirable that core elements are recognised in legislation eventually. Care will need to be taken to preserve a desirable degree of flexibility.

It may be, however, that legislative recognition and status for the One Plan is necessary in order for it to have the desired alignment influence on existing statutory plans and strategies, such as those under resource management and transport legislation. To the extent that this is the case, it would either add additional urgency to the timetable for legislative recognition of the One Plan or impose an interim restriction on the breadth of effect of the One Plan. This should be further investigated by joint council and Government officials for report by October 2007.

### **Watercare Provisions**

In the absence of an agreed position in respect of either the specific issue of dividends or the wider issue of Watercare ownership, no specific implementation actions are proposed at present.

These matters will be addressed in any future consideration of governance and dividend arrangements in the context of the Three Waters Strategy and its alignment with the One Plan.

### **Transport Legislation**

The proposed changes in respect of the Regional Land Transport Strategy are consistent with the proposed direction of change in the 'Next Steps in the Land Transport Sector Review' and will be best implemented in that context.

Amendments to repeal the special ARTA appointment process should be enacted at the earliest opportunity.

### **Regional Facilities**

The proposed transfers of responsibilities for existing facilities and funding of regional organisations can largely be given effect by agreement between the Auckland councils, and a time limited process to reach such agreement is proposed. Legislation would be needed to change responsibilities and funding arrangements in respect of the Auckland War Memorial and Transport Museums. The current legislation supported by Auckland City Council could be used as a starting point to give effect to a number of such proposals. It is desirable that transfers should take effect from 1 July 2008, and be reflected in council's annual plans for the ensuing financial year. This would require final agreement in respect of each proposed transfer by not later than the end of January 2008.

The development of a process and criteria for dealing with proposals for major new facilities within the region, which may contribute to national as well as regional outcomes, should be undertaken by joint officials for report by June 2008.

### **Economic Development, Tourism, Major Events Management**

To be agreed and implemented by agreement between *Greater Auckland*, those councils currently involved in the operation and or funding of these activities, and Central Government. Agencies such as the Ministry of Economic Development, NZ Trade & Enterprise and Tourism NZ will need to be involved in the development of the agreement and associated funding arrangements. It is desirable that new arrangements should take effect from 1 July 2008, and be reflected in council's annual plans for the ensuing financial year. This would require final agreement before the end of 2007.

### **Funding**

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The Government will communicate early with Auckland councils in developing its response to the findings from the Local Authority Rating Inquiry, which is due to report by the end of July 2007. The Government engagement with the Auckland councils work on the funding issues outlined previously in this report will be discussed in this context.

The work associated with the funding issues outlined under the proposed model will commence by the end of September 2007 with an initial report to all the Auckland councils no later than June 2008.

### **Shared Services**

The Auckland councils will establish a joint process for identifying, developing and implementing initiatives to secure efficiencies through a more integrated approach to service provision by March 2008.

### **Other Issues**

Issues relating to regional regulation of local land use, and the possible transfer of regional civil defence responsibilities to the enhanced regional council, will be explored further and resolved within the context of long term regional strategic planning. This process will also involve the government agencies responsible for the respective legislation.

### **Consultation**

The need to consult with local communities forms an important part of the Local Government Act. The issue with respect to this proposal comes down to when consultation should occur and on what.

At present all the Councils have identified in their annual plans that there are potential changes under consideration with respect to strengthening regional governance. The process to date has also identified that there would be considerable merit in the consultation being undertaken in a coordinated manner across the various local and regional authorities.

The current proposition is that as and when agreement emerges between central, local and regional Government as to what the likely shape of the proposal may be, a full assessment of the consultation processes required will be undertaken. At that point there will be sufficient substance to determine what consultation, if any, is required with a view to ensuring that there is an opportunity for communities and interested parties to engage and provide feedback.

That assessment will be undertaken after consideration of the proposed model by Councils and Ministers.

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## Implementation Responsibilities and Timing

### Auckland Councils

- As early as possible but no later than 31 August 2007, reach and sign agreement, building on councils' resolutions, concerning:
  - the interim membership and operation of the Regional Sustainable Development Forum,
  - the scope and effect of the One Plan,
  - the process and timetable for development of the interim One Plan; and
  - how One Plan commitments will be reflected in council planning and accountability documents.
- By December 2007, reach agreement with the Mana Whenua Forum concerning how they will engage with and contribute to the development of the One Plan by the Regional Sustainable Development Forum.
- By December 2007, reach agreement (in consultation with Ministry of Economic Development, NZ Trade & Enterprise and Tourism NZ) concerning the enhanced responsibility of *Greater Auckland* including funding streams for economic development, tourism promotion and the promotion of major events. Implementation on 1 July 2008.
- In consultation with the promoting organisations, amend the draft "Auckland Regional Amenities Bill" supported by Auckland City Council to reflect the agreed transfer of responsibilities to *Greater Auckland*, and promote for enactment as early as possible.
- By March 2008, initiate an agreed joint process to identify, develop and implement initiatives to secure efficiencies through shared service provision.
- By 30 September 2007 agree to a terms of reference for the work to be undertaken concerning the funding issues identified earlier in this report.

### Auckland Regional Council

- By 31 October 2007, investigate and determine in consultation with Government and other Auckland councils, the potential and desirability of promoting urgent legislative change to strengthen regional governance in the form of a Local Bill.
- No later than 31 January 2008, change the operating name of the council as agreed in the proposal and determine, in consultation with Government and

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other Auckland councils, the desirability and urgency of changing the legal name of the regional council;

- No later than 31 January 2008, reach agreement, with all Auckland territorial authorities relating to the transfer of ownership and/or funding responsibilities for existing regional facilities and services, in a way that transparently transfers funding responsibility and capacity to the regional entity. Implementation on 1 July 2008.
- By 28 February 2008, appoint the RSDF as a committee of the council in line with the agreement with all councils, and convene the first meeting;

### **Joint Council/Govt officials**

- By 31 October 2007, investigate and report on the consequences of delayed legislative recognition of the One Plan concept;
- By 30 June 2008, obtain council and Government agreement to a process and criteria for analysing proposals for major new facilities within the region that may contribute to national as well as regional outcomes;

### **Government**

By 31 July confirm that Government will:

- actively contribute to the development of the One Plan, initially through:
  - periodic meetings between relevant Ministers and the Regional Sustainable Development Forum;
  - active attendance by up to three senior officials at meetings of the Regional Sustainable Development Forum;
  - active engagement by Government officials with Auckland council officials in supporting the development of the One Plan
- Recognise the significance of the One Plan and give it careful consideration when Government makes significant decisions impacting on the Auckland region;

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- Be prepared to engage in discussions with *Greater Auckland* on how specific priorities in the One Plan might be achieved including possible alignment of strategies and/or delivery, and options for funding;
- Consider any business cases for new regional funding mechanisms submitted by *Greater Auckland*;
- Refer the issue of the desirability of greater flexibility for future reviews of regional representation arrangements within Auckland to the Local Government Commission to report and make recommendations, as a matter of priority;
- Utilise the RSDF as a mechanism for engagement between Ministers and the Auckland Region;
- Continue to improve the coordination and integration of Government interests in respect of Auckland as a basis for future engagement with the RSDF;
- Include in any legislation to implement decisions resulting from the 'Next Steps in the Land Transport Sector' Review authority for the Auckland Regional Land Transport Strategy to identify major projects and priorities;
- Enact legislation to repeal the special ARTA appointment process at the earliest opportunity.
- Initiate discussions with Auckland councils in developing a response to the findings from the Local Authority Rating Inquiry (Inquiry report due end July 2007).

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**MINUTES OF A MEETING OF THE COUNCIL HELD AT WAITAKERE CENTRAL,  
6 HENDERSON VALLEY ROAD, HENDERSON, WAITAKERE,  
ON WEDNESDAY, 27 JUNE 2007  
COMMENCING AT 5.33 PM**

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**PART D - REPORT OF THE CHIEF EXECUTIVE OFFICER**

**12 STRENGTHENING AUCKLAND REGIONAL GOVERNANCE**

1145/2007

MOVED by Cr Clews, seconded Cr Clow:

1. That the Strengthening Auckland's Regional Governance report be received.
2. That Waitakere City Council:
  1. **Note** that the model has been developed, taking into account all the feedback from both local and central Government to improving regional governance.
  2. **Note** that the December proposal for "Strengthening Auckland's Regional Governance" proposed:
    - i) An appropriately mandated and accountable strengthened regional council able to engage with central Government on regionally significant matters.
    - ii) That the strengthened regional council is appropriately funded.
    - iii) The creation of a regional forum of all the local authorities and central government to ensure prioritisation, agreement and coordination of regionally significant activities and funding across the region.
    - iv) Central Government aligning more closely its national strategies and policies with regional strategies and its funding with regionally agreed priorities.
  3. **Note** the central Government's feedback set out in the letter from the Minister of Local Government to the Auckland Mayors and Chief Executives dated 7 June 2007.
  4. **Note** that in particular, the central Government recognises that funding is a significant regional issue and is committed to:
    - a) continuing dialogue seeking enduring solutions that are consistent with accountability arrangements and the financial management principles in the Local Government Act 2002.
    - b) considering the outcomes of the Rating Inquiry in relation to the particular needs and circumstance of the Auckland region.
    - c) considering any new business case for new regional funding mechanisms.
  5. **Note** that there are no changes to representation recommended for the strengthened regional council at present, due to the impending Local Government election in October 2007, but note the central Government's indication of the desirability of providing flexibility to allow future community choices in relation to representation arrangements on the GAC, including the issue of appointed or elected leadership of the Council.

**Proposed Model for “Strengthening Auckland’s Regional Governance**

6. **Agree** to the proposed model for strengthening regional governance as described in the Final Report dated June 2007, which includes the following elements:
- i) A strengthened regional Council with the overall role to exercise responsibility for regionally significant issues associated with the social, cultural, economic and environmental wellbeing of the region and adopting a sustainable development approach to its functions including:
    - a) the current functions of the Auckland Regional Council (ARC);
    - b) advocacy to, and negotiation of implementation agreements with, central government on regional priorities across all the dimensions of the four well beings;
    - c) convenor of and provider of secretariat support for the RSDF;
    - d) to adopt the One Plan for the Auckland region on the recommendation of the RSDF;
    - e) guardian of the One Plan to facilitate and support its implementation by relevant parties;
    - f) implement One Plan decisions for which it has direct responsibility;
    - g) facilitate agreements for funding and implementation of One Plan decisions agreed to by other parties to the One Plan;
    - h) monitor and report on progress with implementation of One Plan decisions;
    - i) regional economic development; tourism promotion and regionally significant (major) events management;
    - j) facilities and amenities that contribute to regional community well-being, including the funding of services provided by regional organisations; and
    - k) assess the need for and establish, if necessary, an agency to undertake urban development or renewal projects required to advance One Plan objectives; and
    - l) Subject to further work, (yet to be completed) and the preparation of business cases the strengthened regional council would have available to it new/additional funding tools to undertake its new role.
  - ii) The strengthened regional council will have a new name, *Greater Auckland*, to reflect its new expanded role, to signal a change from the past and to better distinguish it from the Auckland City Council.

- iii) Establishment of a Regional Sustainable Development Forum (RSDF) as a standing committee of Greater Auckland responsible for developing a One Plan including developing the vision and outcomes sought for the region, including specifying the priorities and funding envelopes/parameters that parties are prepared to commit to the agreed priority regional strategies; with membership of the Regional Sustainable Development Forum being for:
- a) local authority representation to consist of two members from each of the City Councils, one from each of the District Councils and four from the regional council, with each council to decide its own RSDF members and alternates for those members, noting that this form of representation provide some recognition of proportionality;
  - b) central Government to contribute to the Regional Sustainable Development Forum with full speaking rights but not voting rights, with up to three participants with the right to speak;
  - c) Ministers to meet with RSDF periodically to allow discussion of the key issues and provide a framework for the ensuing work of the RSDF;
  - d) Mana Whenua representative(s) as participants in the RSDF with mechanisms by which they will participate to be developed in conjunction with them over the coming months;
  - e) the Chair of the Regional Sustainable Development Forum to be appointed by Greater Auckland it being envisaged that this will follow consultation with members of the Regional Sustainable Development Forum;
  - f) the Regional Sustainable Development Forum to endeavour to make decisions by consensus in the first instance and where consensus is unable to be reached, that voting be by simple majority vote of those present (i.e. no proxies) with each representative having one vote.
- iv) Development, by the Regional Sustainable Development Forum, of a One Plan for Auckland, which will promote social, cultural economic and environmental wellbeings, and where the One Plan and its component strategies will:
- a) include the strategic vision for the region articulated in the Auckland Sustainability Framework and have a 50 years + time horizon;
  - b) have a prioritised set of projects/programmes of regionally significant scale, and funding and implementation parameters over a ten-year period;
  - c) be developed under a progressive approach, whereby its scope and breadth of actions is expanded over time;
  - d) be taken into account when Government makes significant decisions impacting on the Auckland region.

- v) The One Plan to be implemented through the following:
- a) binding funding and implementation agreements between parties for particular projects/programmes;
  - b) all Councils will be required to show One Plan commitments in Long-Term Council Community Plans and publicly report progress towards meeting those commitments;
  - c) inclusion of agreed One Plan commitments in the statement of intent of relevant council controlled organisations and Crown agencies;
  - d) sanctions could include moral persuasion, peer pressure, financial penalties, exclusion from benefits of participation in other regional programmes, and mechanisms to ensure transparency and accountability;
  - e) Greater Auckland, as guardian of the One Plan, will be responsible for facilitating contracts between other parties to the One Plan as necessary, and will also negotiate funding and implementation agreements with central Government to support agreed decisions in the One Plan.
- vi) Greater Auckland will have the choice to adopt the One Plan as recommended by the Regional Sustainable Development Forum or refer it back (in full or in part) to the Forum, but if agreement is not reached on specific aspects at the second attempt then Greater Auckland can amend those aspects of the plan.
- vii) That with regard to the priority function areas:

#### Funding

- a) The Auckland Councils, led by *Greater Auckland* will work together to:
- identify funding required for specific regional initiatives/services to meet the future needs of the region and achieve a step up in Auckland's performance;
  - fully optimise their respective rating bases and other existing funding lines;
  - identify the gap between current funding available and future needs;
  - explore options for additional funding and develop business cases to support any specific additional funding mechanisms necessary to meet requirements.
- b) That work will commence after an assessment of the report of the Rating Enquiry and the Government will engage with Auckland Councils in this assessment including discussing how it will engage with the work outlined in (a) above.
- c) The Government will work with the Auckland Councils to develop business cases for specific major regional projects that have been identified and prioritised in the development of the One Plan and will develop funding proposals for such projects. Detailed funding arrangements for specific priorities identified in the One Plan will form part of implementation discussions between relevant parties, which may include Government.

### Three Waters

- d) The current arrangements for water services, with respect to Watercare Services Ltd (WSL) will continue.
- e) Existing Three Waters strategy work will be continued with a view to achieving a more optimal alignment between the planning of, funding for and delivery of water, wastewater and stormwater infrastructure and services.
- f) The Auckland Councils and central Government will continue to investigate the merits of legislative amendments relating to the ability of the owners of WSL to operate it within the general legislative model of a Council Controlled Organisation (CCO).

### Transport

- g) Legislation will be amended with a view to:
  - The Auckland Regional Land Transport Strategy (RLTS) being enabled to include major projects and priorities;
  - Responsibility for the appointment of directors to the Auckland Regional Transport Authority being transferred to Greater Auckland.

### Regional Facilities

- h) Greater Auckland to assume ownership and/or funding responsibility for existing facilities of a primarily regional nature, including the Auckland War Memorial and Transport Museums, and those facilities and services requiring regional funding; with any transfer of ownership and/or funding subject to a process of negotiation and agreement between parties. The starting point for the process would be the proposed 'Auckland Regional Amenities Bill' promoted by eleven region organisations and supported by Auckland City Council. Transfers will be contingent on:
  - identifying a transparent process for the identification of the reduced rating requirements by relevant territorial authorities as a result of the transfer of functions;
  - identification of additional regional funding sources to support both existing and new facilities;
  - certainty (possibly through legislation) about the funding obligations and mechanisms that are to operate within the region.

### Economic Development, Tourism and Major Events

- i) Auckland Plus, the regional economic development agency to assume a more active role in economic development initiatives within the region, as well as assuming responsibility for regional tourism and events management.
- j) The option of Auckland Plus also coordinating, and allocating Government funding to local economic development agencies to be further investigated.
- k) Greater Auckland, in consultation with other parties as appropriate, investigate the feasibility of and need for a regional agency to undertake urban development or renewal projects required to advance One Plan objectives.

### Shared Services

- l) The Councils of the Auckland Region to actively identify and pursue opportunities to secure efficiencies through a more integrated approach to service provision. The work would build upon that already underway in the region, and draw on the results of the study planned by Auckland and Manukau City Councils.

### Other

- m) Other issues of regional significance, including issues about the regional governance of the Auckland Civil Defence and Emergency Management group, and the relationship between regional and local land use policy require further consideration.
  - n) The One Plan and Regional Sustainability Framework processes, together with the investigation of shared services, envisaged by the proposal create an opportunity for these issues to be explored further and resolved within the context of long-term regional strategic planning.
7. **Note** that the current powers and roles of Community Boards will be retained.

### **Implementation**

8. **Agree** to implementation of the model and the implementation steps as described in the report and set out below:

#### **(a) Auckland Councils**

- As early as possible but no later than 31 August 2007, reach and sign agreement, building on councils' resolutions, concerning:
  - the interim membership and operation of the Regional Sustainable Development Forum;
  - the scope and effect of the One Plan;
  - the process and timetable for development of the interim One Plan; and
  - how One Plan commitments will be reflected in council planning and accountability documents.
- By December 2007, reach agreement with the Mana Whenua Forum concerning how they will engage with and contribute to the development of the One Plan by the Regional Sustainable Development Forum;
- By December 2007, reach agreement (in consultation with Ministry of Economic Development, NZ Trade & Enterprise and Tourism NZ) concerning the enhanced responsibility of *Greater Auckland* including funding streams for economic development, tourism promotion and the promotion of major events. Implementation on 1 July 2008;
- In consultation with the promoting organisations, amend the draft "Auckland Regional Amenities Bill" supported by Auckland City Council to reflect the agreed transfer of responsibilities to *Greater Auckland*, and promote for enactment as early as possible;

- By March 2008, initiate an agreed joint process to identify, develop and implement initiatives to secure efficiencies through shared service provision;
- By 30 September 2007 agree to a terms of reference for the work to be undertaken concerning the funding issues identified earlier in this report.

**(b) Auckland Regional Council**

- By 31 October 2007, investigate and determine in consultation with Government and other Auckland councils, the potential and desirability of promoting urgent legislative change to strengthen regional governance in the form of a Local Bill;
- No later than 31 January 2008, change the operating name of the council as agreed in the proposal and determine, in consultation with Government and other Auckland councils, the desirability and urgency of changing the legal name of the regional council;
- No later than 31 January 2008, reach agreement, with all Auckland territorial authorities relating to the transfer of ownership and/or funding responsibilities for existing regional facilities and services, in a way that transparently transfers funding responsibility and capacity to the regional entity. Implementation on 1 July 2008;
- By 28 February 2008, appoint the RSDF as a committee of the council in line with the agreement with all councils, and convene the first meeting.

**(c) Joint Council/Government Officials**

- By 31 October 2007, investigate and report on the consequences of delayed legislative recognition of the One Plan concept;
- By 30 June 2008, obtain council and Government agreement to a process and criteria for analysing proposals for major new facilities within the region that may contribute to national as well as regional outcomes.

**(d) Government**

By 31 July confirm that Government will:

- actively contribute to the development of the One Plan, initially through;
- periodic meetings between relevant Ministers and the Regional Sustainable Development Forum;
- active attendance by up to three senior officials at meetings of the Regional Sustainable Development Forum;
- active engagement by Government officials with Auckland council officials in supporting the development of the One Plan
- Recognise the significance of the One Plan and give it careful consideration when Government makes significant decisions impacting on the Auckland region;

- Be prepared to engage in discussions with *Greater Auckland* on how specific priorities in the One Plan might be achieved including possible alignment of strategies and/or delivery, and options for funding;
  - Consider any business cases for new regional funding mechanisms submitted by *Greater Auckland*;
  - Refer the issue of the desirability of greater flexibility for future reviews of regional representation arrangements within Auckland to the Local Government Commission to report and make recommendations, as a matter of priority;
  - Utilise the RSDF as a mechanism for engagement between Ministers and the Auckland Region;
  - Continue to improve the coordination and integration of Government interests in respect of Auckland as a basis for future engagement with the RSDF;
  - Include in any legislation to implement decisions resulting from the 'Next Steps in the Land Transport Sector' Review authority for the Auckland Regional Land Transport Strategy to identify major projects and priorities;
  - Enact legislation to repeal the special ARTA appointment process at the earliest opportunity;
  - Initiate discussions with Auckland councils in developing a response to the findings from the Local Authority Rating Inquiry (Inquiry report due end July 2007).
9. **Note** the need for and scope of any further consultation on the proposed model for strengthening regional governance will be determined once the proposal becomes definitive in July, following consideration by central Government.
10. **Agree** that the Political Reference Group be empowered to conduct ongoing discussions with Government ministers as to the refinement and implementation of the final proposal; and that the details of the proposal will be presented to Councils for their ratification in the form of an agreement among the Auckland Councils signed before 31 August 2007.

**CARRIED**