

11 AUCKLAND REGIONAL GOVERNANCE

PURPOSE OF THE REPORT

The purpose of this report is to update Council on further work completed on proposals to strengthen regional governance, and to enable Council to consider that work and make decisions in relation to it.

BACKGROUND

The councils of the Auckland region developed a proposal for strengthening regional governance, which was submitted to the government in December 2006. Council, along with other councils in the region passed a number of resolutions in relation to aspects of the proposal. The resolutions of all councils are attached at pages A5 to A23.

The key features of the December proposal are:

- The creation of a Greater Auckland Council (GAC) with an appropriate new name, potentially new directly elected representation arrangements, a broader role and responsibilities, and access to new funding sources as well as regional rates;
- The establishment of a Regional Sustainable Development Forum (RSDF), as a standing committee of the Greater Auckland Council. This Forum would have similarities to the current multiparty Regional Growth Forum led by the ARC;
- The development by the Forum, of "One Plan" for the Auckland region to promote social, economic, cultural and environmental well being through prioritised action plans. It is envisaged that the process would produce a series of negotiated multilateral and/or bilateral agreements with the objective of implementing and funding strategies;
- The development of new national strategies by central government, that link with and guide regional strategies as well as central government funding and delivery;
- Multi-year funding agreements between central and local government;
- Amendment of transport legislation to enable the Regional Land Transport Strategy to specify both major projects and areas for focus and activity;
- Amendment of water legislation to enable Watercare to pay its territorial authority owners a dividend to fund stormwater infrastructure;
- The investigation by the councils of an expansion of shared services arrangements, and ways of optimising current rates bases and tools.

Council considered a further report on this matter at its meeting held on 18 April 2007. It resolved:

"That Watercare ownership be retained by the territorial local authorities as a Council Controlled Organisation and that it be able to pay a dividend which can be used by the territorial local authorities for the Three Waters."

671/2007

"That any regional governance entity be more representative of the constituent territorial local authorities."

672/2007

"2. That, in relation to Strengthening Auckland's Regional Governance, Council note the request by the Minister of Local Government:

- that each Auckland territorial local authority authorise relevant officers to collaboratively undertake further work to fully develop the detailed content of the concepts presented in the December 2006 proposal; and

- *that this work is completed and details of the proposal agreed by July 2007 so that those considering standing in the October 2007 local elections, and electors are aware of the proposed changes to Auckland's regional governance.*
- 3. *That Council agree to make appropriate resources available as requested to progress further work including public consultation when appropriate to enable the proposal for Strengthening Auckland's Regional Governance to be completed by June 2007.*
- 4. *That Council approve the continuation of Waitakere representation on the Strengthening Auckland's Regional Governance, Political Reference Group, being His Worship the Mayor and Councillor Penny Hulse (with Councillor Derek Battersby as alternate)."*

673/2007

Since that time, further work has been undertaken by central and local government officials. The output from this work is discussed below.

STRATEGIC CONTEXT

The strengthening Auckland's Regional Governance project is an attempt to improve the performance of the region as a whole, and in particular to provide for more effective regional level engagement with central government. It is intended to address current weaknesses in governance, funding, and strategic planning. As such, this project potentially affects every aspect of sustainable development and good governance in Waitakere and the whole Auckland region.

ISSUES

The work undertaken by officials and the Political Reference Group has resulted in the production of a progress report. The report is attached at pages A24 to A58. The report identifies options which have been developed to further flesh out the December proposal, and seeks to address the various views expressed by individual Councils on specific aspects of the proposal.

Key elements of the proposal have been identified as:

- Mechanisms aimed at strengthening governance relating to:
 - The role and accountability of the GAC including its representation;
 - The role of the RSDF;
 - The scope of the One Plan including the proposed process for development of the One Plan, including the negotiation of funding for implementation actions and the timing and staging of developing the One Plan, recognising that much of the work already undertaken with respect to the Long Term Sustainability Framework and regional strategies represents a first step;
- The advancement of the other regionally significant issues (as identified in the December package) and their associated work streams.

The progress report does not present firm positions on some of the points of debate previously identified. Rather a number of possible positions for each option is outlined.

Greater Auckland Council

The proposal sees the GAC taking responsibility for regionally significant issues across the four well beings (social, cultural, economic and environmental). Access to adequate funding sources are identified as a key issue in terms of the GAC entity and resolution of the issues of regional significance that are faced.

The GAC would also have responsibility for convening the RSDF. It is envisaged that the GAC would provide executive support to the RSDF, receive the One Plan as a recommendation from the RSDF, implement decisions for which it is accountable, negotiate implementation commitments arising out of the One Plan, and monitor implementation of the One Plan. The GAC would also have a key role in managing the relationship with central government on issues of regional significance.

Issues that need finalisation with respect to the GAC include:

- The name of the entity;
- The power of the GAC with respect to the One Plan. The paper notes that the GAC *"would have the option of adopting the One Plan or being able to refer the One Plan back to the RSDF but its power to unilaterally change the One Plan could be limited"*. It is likely to be this Council's concern to ensure that the GAC had no powers to unilaterally change the One Plan;
- The representation and electoral arrangements for the GAC, including the selection arrangement relating to the position of the leader/Chair.

Regional Sustainable Development Forum

The RSDF is envisaged as a standing committee of the GAC made up of elected representatives of each council and representatives of central government. The key role of the RSDF would be the development and recommendation of the One Plan.

Issues that still require finalisation with respect to the One Plan include:

- Representation, including whether and how central government is represented, how councils are represented, the relationship with tangata whenua and other key stakeholders, and who Chairs the RSDF;
- Decision Making and Voting, including whether central government representatives should have voting rights, and whether Council votes should be weighted, either by population or financial commitment to implementation;
- Accountability and consultation issues;
- The relationship of the RSDF with existing fora, in particular whether to retain existing fora and if so how these should be given direction by the RSDF.

From this Council's perspective, it would seem logical that each council has the ability to appoint its own representatives. It also would seem preferable to allow for two representatives for each council to provide for continuity of involvement should one representative be absent.

In terms of decision-making and vote weighting, some form of voting system is likely to be necessary, given that a consensus outcome is unlikely in every instance. The issue of vote weighting (or alternatively have more voting members) has been raised, particularly by some of the larger councils. Such a proposal has the potential to be highly disadvantageous to smaller and medium sized councils, Waitakere included. A voting system based on financial commitment seems to be a recipe for the 'rich getting richer and the poor getting poorer'. It could also have significant consequences if central government is given full voting rights. Given their spend in the region, they would dominate voting and could dictate priorities to councils.

Likewise, a voting system weighted by population has similar potential to distort decision making in favour of larger councils, meaning that each area of the region is not paid equal attention when the sustainable development of the region is being addressed.

Staff have taken a first principles approach to this issue, which is based on the One Plan being intended to drive the sustainable development of the whole region. If we are committed to the vision of a polycentric region around a Central Business District hub, it would seem more logical for each party at the table to have an equal say in the development of the One Plan. This is the model that works well at the Regional Growth Forum (aside from ARC representation). It also works well at other fora such as the Civil Defence Emergency Management Group. On that basis it would seem appropriate for Council to support equal representation on the RSDF for all councils including the GAC, with no weighting of votes.

Council should give direction as to how the RSDF should relate to other fora such as the Regional Growth Forum and the Regional Land Transport Committee. Regionally, officers are starting to see the benefits of having other fora continue, on the proviso that they report to and take direction from the RSDF.

One Plan

The One Plan is intended to be an integrated, prioritised and funded strategy for the region. In order to meet delivery expectations, it will require changes to governance and funding arrangements, and a willingness from all parties involved to cede autonomy in the interests of regional advancement.

A key issue to be resolved is the enforceability of the One Plan. Options range from voluntary implementation, through to parties being required to act in a manner "not inconsistent with", through to a legal requirement to "give effect to". The latter might involve enforceable bilateral and multilateral contracts or agreements emerging out of the One Plan. Regard needs to be given not just to how council might be bound to One Plan agreements, but also to how central government agencies would be affected.

Officers view a voluntary implementation regime as being of little use, bringing the region a little closer to having its priorities implemented. The report discusses a range of sanctions and levers that might be used to enforce or encourage implementation. Direction is sought from Council as to the extent and how enforceability should be pursued.

The other issue canvassed in relation to the One Plan is whether development work should start fresh from a zero base, or build on existing work (such as the Long Term Sustainability Framework and the Regional Growth Strategy among others). In the view of staff, the only logical approach is to build on existing work done, although the RSDF may want to revisit some aspects of it.

Decision Making

In addition to this report, it is intended to work through a list of decision points at the meeting to enable Council to more fully consider all of the issues canvassed in the report. Staff will provide this information by way of a brief presentation.

In addition to comments on issues outlined in the report, Council may wish to comment on consultation arrangements in relation to the proposals. The Council had sought eight week public consultation on the proposals. Given the timeframes outlined for council and government consideration and decision making, it is not clear how this will be achieved. It is noted that the current document has been released to stakeholders and publicly.

RESOURCES

The proposed package of reforms to Auckland's regional governance structures will have a range of funding and financial implications across the region. These will be investigated and developed more fully as part of further work. In brief, financial implications relate to:

- Development of a One Plan that agreed by all parties (including central government) should provide for more certain funding allocation to strategic regional priorities;
- A key part of the governance proposal is to address current funding shortfalls at the regional level through identifying new funding sources such as a regional fuel tax, development levies and departure tax;
- That there will be costs associated with implementing any proposed reforms such as a new name for the regional entity, potential new representative arrangements for a new entity, establishing and servicing the new RSDF, and One Plan, the collection of new revenue sources and investigating new shared services arrangements.

Staff time allocated to contributing to the development of proposals and providing advice to Council is being provided for within existing staff resources. Project costs are being shared between the councils and central government and are being funded from the regional projects budget.

CONCLUSION

A progress report on strengthening Auckland's regional governance has been released. The report further develops the December 2006 proposal to government. Comment and direction from Council is sought.

RECOMMENDATIONS

1. That the Auckland Regional Governance report be received.
2. That Council convey as part of its feedback, its previous decisions relating to Watercare dividends and representation arrangement for any regional governance entity.
3. That Council provide direction on the key decision points in relation to the Strengthening Auckland's Regional Governance - Report on Progress report, and authorise the Chief Executive Officer and its representatives on the Political Reference Group to make appropriate submissions and representations on these issues.

Report prepared by: Ross McLeod, Director: Corporate and Civic Services.



Formal resolutions of the Auckland territorial authorities and the Auckland Regional Council

15 December 2006

The following are individual Council resolutions relating to the paper "Strengthening Auckland's Regional Governance – Proposal – for consideration by the Councils of the Auckland Region, 4 December 2006".

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Auckland City Council

The following resolutions are from the minutes of an Ordinary Meeting of the Auckland City Council, 14 December 2006.

- A. That the report of the Group Manager, Economic Development and the Strategic Adviser, Strategic Development dated 6 December 2006 be received.
- B. That the paper entitled "Strengthening Auckland's Regional Governance Proposals" be received.
- C. That it be noted that the proposal outlined in the 'Strengthening Regional Governance: Proposal' paper constitutes a package of reforms which are largely inter-dependent, particularly if broad agreement amongst the councils in the Auckland region is to be achieved. The package of reform consists of the following key elements: creation of a strengthened regional entity, with new elected representation arrangements; the establishment of a regional sustainable development forum that would develop the "One Plan"; the potential provision of new funding instruments to the regional entity; the expansion of regional economic development to include tourism and major events; legislative arrangements for Watercare to permit it to operate like any other CCO to enable dividend payments within existing ownership arrangements that would be used for storm water; for the regional land transport strategy to specify both major projects and areas for focus and activity, and the transfer of regional facilities and associated funding responsibility for these and other amenities to the regional entity.
- D. That Auckland City Council endorse the proposal to strengthen Auckland's regional governance as a submission from the Auckland region to the government subject to
- Elected representation arrangements for the regional entity solely comprising elected members being elected from single member constituencies and a chair elected by the councillors
 - New funding sources being made available to the regional entity including a regional fuel tax, for development levies and an international departure tax.
 - Voting powers in the Regional Sustainable Development Forum being proportional to population and with majority representation for city and district councillors, and its strategic One Plan decisions be binding on the greater Auckland Council and the city and district councils.
 - Transfer of functions to the regional entity including tourism, major events, major urban development projects and regional facilities.
 - The current powers and roles of community boards being retained.
 - Work continuing on shared service arrangements and on investigating ways for the councils in the Auckland Region to fully optimise their respective rating and revenue bases including the possibilities of shared regulatory framework, and shared rating collection, while retaining autonomy for local council rate setting and rating allocation.
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Formal resolutions by the Auckland territorial authorities and the Auckland Regional Council

- E. That if broad agreement is achieved amongst the councils in the Auckland region, then joint (or co-ordinated) public consultation and hearings on the proposal be undertaken in February/March 2007. That public consultation includes specific focus on electing members to the Greater Auckland Council including:
- Members being elected from single member constituencies
 - The Chair being elected at large or by the Councillors and
 - The Chair of the Greater Auckland Region automatically be Chair of the Regional Development Forum
- F. That the Political Reference Group be empowered to conduct ongoing discussions with government ministers as to the refinement and implementation of the proposal.

Auckland Regional Council

The following are from the minutes of an Extra-Ordinary Meeting of the Auckland Regional Council, 11 December 2006.

- a) That the report be received.
- b) That the paper entitled "Strengthening Auckland's Regional Governance Proposals" be received.
- c) That it be noted that the proposal outlined in pages 29 to 34 of the attachment constitutes a package of reforms which are largely inter-dependent, particularly if broad agreement amongst the councils in the Auckland region is to be achieved.
- d) That Auckland Regional Council endorses the proposal to strengthen Auckland's regional governance as outlined in pages 29 to 34 of the attachment as a submission from the Auckland region to the government subject to the following:
 - That the strengthened regional entity be the existing Auckland Regional Council with existing representation arrangements.
 - That the Auckland Regional Council supports the use of Watercare surpluses for water related purposes but is opposed to a dividend approach being followed.
 - Return of Watercare Services Ltd to Auckland Regional Council ownership and governance to achieve clear, streamlined and democratic decision-making, stronger alignment and integration with other regional functions (urban form, transport, economic development, parks) and greater stewardship of public assets in the long-term interests of the region;
 - Any new or additional responsibility for economic development activities must be accompanied by new funding sources as an alternative to rates;
 - Any new funding responsibility for Regional facilities or amenities must be accompanied by a process for reaching agreement over definition, scope and criteria. Any transfer of related rating responsibility from TA's to the Regional Council must be transparent and fiscally neutral. The Regional Council will need in addition access to new funding sources as an alternative to rates.
 - Changes to the Transport Services Licensing Act and Land Transport NZ passenger transport procurement rules;
 - Civil Defence Emergency Management as a responsibility of the Auckland Regional Council;
 - That governance arrangements for regional parks remain as a committee of the Regional Council.
 - Public consultation as set out in the Proposal.
 - A clearer definition of the roles of Regional Councils, City and District Councils and Community Boards.

Formal resolutions by the Auckland territorial authorities and the Auckland Regional Council

- That the Auckland Regional Council expresses its concern that the strengthening of the regional government process has not addressed the cost of local government including measures that may address these issues including:
 - Shared services
 - Common building consents/ charges
 - Common rates billing

- e) That if broad agreement is achieved amongst the councils in the Auckland region, then joint (or co-ordinated) public consultation on the proposals be undertaken in February/March 2007.

- f) That the Political Reference Group be empowered to conduct ongoing discussions with government ministers as to the refinement and implementation of the proposal.

- g) Delegate to the Chairman and Deputy Chair of Council authority to approve a submission to Government expressing the Council's position including
 - In particular expanding on the case for the return of Watercare to the Auckland Regional Council.
 - Also a brief explanation of the Auckland Regional Council Metropolitan Urban Limits policies.
 - Reasons for the Auckland Regional Councils opposition to a regional Mayor/Chair elected at large.
 - Inclusion of the Auckland Regional Council preferred structure wiring diagram as set out in the Auckland Regional Councils preferred option paper.

Franklin District Council

The following are from the minutes of an Extra-Ordinary Meeting of the Franklin District Council, 13 December 2006.

- That the paper entitled 'Strengthening Auckland's Regional Governance Proposals' (see Attachment 1) be received.
- That Franklin District Council notes that the proposal outlined in pages 1.31-1.35 of the paper entitled 'Strengthening Auckland's Regional Governance' constitutes a package of reforms which are largely inter-dependent, particularly if broad agreement amongst the councils in the Auckland Region is to be achieved.
- That Franklin District Council endorses Strengthening Auckland's Regional Governance Proposal as a submission from the Auckland Region to central Government, subject to the following considerations:

Representation

Greater Auckland Council

- Two elected representatives elected from each territorial local authority area.
- The Chairperson to be appointed by resolution from each territorial local authority (by collegiate vote, out of the 14 Greater Auckland Council elected members).

Regional Sustainable Development Forum

- One representative from each territorial local authority.
- Each representative has one vote.

Interaction between Great Auckland Council and Regional Strategic Development Forum and Territorial Local Authorities

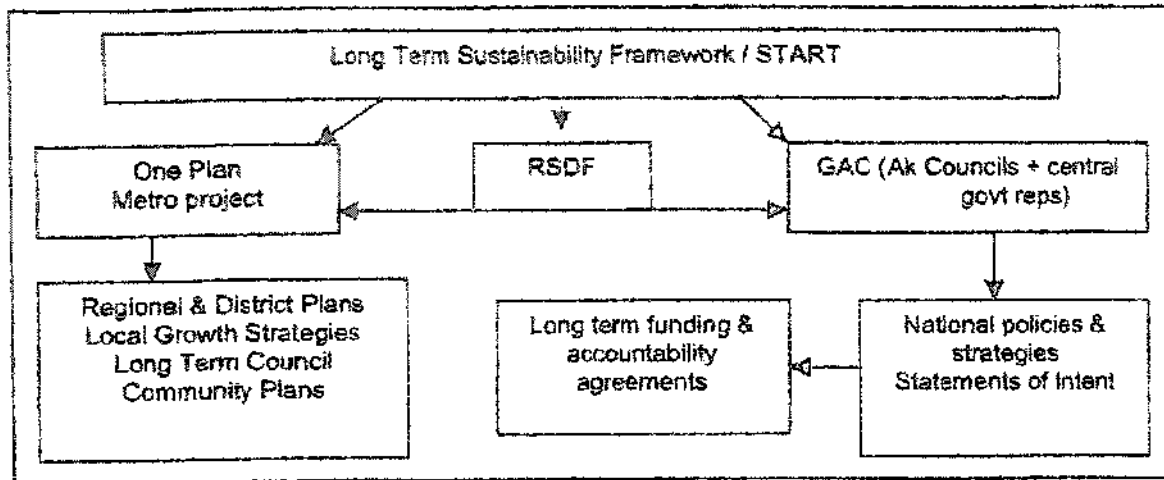
- Recommendations from the Regional Strategic Development Forum need decisions from the Great Auckland Council and each territorial local authority unless the recommendations do not affect (and are foreseen in) One Plan.
- Where One Plan has developed priorities and strategies, decisions to implement One Plan may be made by the Greater Auckland Council.
- Interface and communication between each territorial local authority and the Greater Auckland Council representatives about local issues in the regional context will occur through the Regional Strategic Development Forum.

One Plan

- Development of One Plan will be through multilateral or bilateral agreements coordinated by the Regional Strategic Development Forum.
- Implementation of One Plan will be the responsibility of the Greater Auckland Council through delivery of current Auckland Regional Council services and additional services such as those involving:
 - funding and governing Auckland Plus with expanded functions;
 - funding regional facilities (appropriate transitioning);
 - advocacy to central government on regional issues;
 - potential establishment of an agency for urban redevelopment in the region.

Formal resolutions by the Auckland territorial authorities and the Auckland Regional Council

- It is expected that the process for development of policies and strategies for the Auckland region take the following steps (as an example):



Linkage to Central Government/Additional Funding

- The Greater Auckland Council should have influence over funding decisions (source, amount, timing etc) and advisory services provided by central government in order to meet the four wellbeings under the Local Government Act 2002. This would include social funding, as in health, education, policing – prioritising the allocation of Government funding.
- Government departments to be involved in One Plan development through participation in the Regional Strategic Development Forum.
- Additional funding through a regional development contribution should be collected by territorial local authorities.
- Other new funding sources would need to ensure Auckland ratepayers/ taxpayers are not overly burdened compared to visitors and national taxpayers.
- Case studies could be used to identify a process by which decisions regarding territorial local authority growth/non-growth could show the linkage between central, regional and local planning requirements (eg Burt Road School in a rural zone).

Watercare Services Limited

- Regional ownership of Watercare Services Limited in some form is required, without the need for all territorial local authorities to be owners of Watercare (currently Franklin is not an owner but may want to be part of regional ownership arrangement in future).
- Infrastructure Auckland/Auckland Regional Holdings grants for Franklin District Council should continue

Former resolutions by the Auckland territorial authorities and the Auckland Regional Council

- Integrated catchment management plans cannot be completed without continuing with funding to territorial local authorities stormwater planning.
- The key issue for Watercare Services Limited should be effective and efficient environmental management not ownership.

Rural/Urban Metropolitan Issues

- Franklin District Council does not consider that sufficient attention has been given to the diverging interests between rural and urban interests within the region. A process is required to ensure that these diversities are given voice and decision making power.
- In developing One Plan, Franklin expects that the tendency towards marginalisation of Councils at the outer edges of the Auckland region will be addressed by two local representatives on the GAC being elected from the local community.
- The relative size of Councils in Auckland presents a potential credibility issue in terms of "size determines control" but should be addressed through "One Council, One Vote" on the Regional Strategic Development Forum which is one of the conditions of Franklin District Council's endorsement of this proposal. However, this doesn't automatically address the potential problem of a lack of long term sustainability planning for the protection of the rural hinterland of Auckland due to the minority votes that rural councils will have on the Regional Strategic Development Forum.
- A process is required for ensuring that the investment that territorial local authorities have put into developing and communicating growth strategies for their districts is recognised, and that these strategies are endorsed by the region within the transitional arrangements toward the One Plan, and taken fully into account in the development of the One Plan.

Funding Regional Facilities

- A full review of regional assets needs to be undertaken to identify and agree on what constitutes a regional asset. The results of this review are to be used in the development of One Plan.
- The Auckland War Memorial Museum/MOTAT model in its current form is not supported as it is not equitable for part of the residents of the Franklin District (those in the Environment Waikato area).
- Any transfer of related rating responsibility from territorial local authorities to the Greater Auckland Council must be transparent and should be transitioned over time.
- New funding sources in addition to regional rates will be required in order to provide facilities and amenities appropriate for the long term needs of the region (see comments above under Linkage to central government).

Consultation

- Franklin District Council requires full public consultation if this proposal is to be endorsed.

Formal resolutions by the Auckland territorial authorities and the Auckland Regional Council

- All aspects of this proposal should be available for consultation with the public.
- Consultation on the regional governance proposal should occur alongside the START consultation process and the communication messages should present a holistic, integrated package.

- That if broad agreement is achieved amongst the councils in the Auckland Region on the proposal to strengthen Auckland's regional governance, then joint (or co-ordinated) public consultation on the proposal be undertaken in February/March 2007.
- That the Political Reference Group be empowered to conduct ongoing discussions with Government Ministers as to the refinement and implementation of the proposal on Strengthening Auckland's Regional Governance.

Manukau City Council

The following are from the minutes of a Meeting of the Manukau City Council, 14 December 2006.

1. That the paper entitled "Strengthening Auckland's Regional Governance Proposals" be received.
2. That it be noted that the proposal outlined in pages 29 to 34 (Appendix "D31 – D36") of the paper constitutes a package of reforms which are largely inter-dependent, particularly if broad agreement amongst the councils in the Auckland region is to be achieved.
3. That subject to recommendation 4 below, Manukau City Council endorses the proposal to strengthen Auckland's regional governance as a submission from the Auckland region to the government.
4. That while endorsing the broad intent of the proposal Manukau City Council notes that:
 - It has a strong preference for a directly elected leader of the Greater Auckland Council rather than a chair elected by the council.
 - it supports the existing basis of electing councillors for the Auckland Regional Council, with the exception of the Chair, being retained for the Greater Auckland Council.
 - It has a strong preference for a Council Controlled Organisation (CCO) model to be applied to the delivery functions of the Greater Auckland Council.
 - It wishes further analysis to be undertaken as to the desirability of Auckland Regional Holdings (ARH) funds being used to capitalise Auckland Regional Transport Authority (ARTA) and as a consequence the continued existence of Auckland Regional Holdings.
 - It wishes further consideration to be given to ways of accelerating and funding the commitment to further investigate shared services.
 - It wishes the role of the Greater Auckland Council to be clarified to ensure it does not exert undue influence in matters of local land use policy where district plans and sector agreements are consistent with the regional growth strategy.
5. That, if broad agreement is achieved amongst the councils in the Auckland region, then joint (or co-ordinated) public consultation on the proposal be undertaken in February/March 2007.
6. That the Political Reference Group be empowered to conduct ongoing discussions with government ministers as to the refinement and implementation of the proposal.

Formal resolutions by the Auckland territorial authorities and the Auckland Regional Council

North Shore City Council

The following are from the minutes of the North Shore City Council meeting, 15 December 2006.

1. That the report be received.
 2. That it be noted that the proposal outlined in pages 29 to 34 of the paper (dated 4th December 2006) constitutes a package of reforms which are largely inter-dependent, particularly if broad agreement amongst the councils in the Auckland region is to be achieved. In particular the North Shore City Council supports:
 - (a) (i) Retention of the ownership of Watercare by the territorial authorities (but opposes acquisition of NSCC water services assets)
 - (ii) NSCC supports the following voting basis:

2 votes/members each for ACC / MCC / NSCC / WCC and one vote/member for RDC, PDC and FDC, with (possibly) observer status for ARC.
 - (b) Multi-year funding agreements between central and local government.
 - (c) Establishment of new funding tools for local government and particularly a regional petrol tax primarily for the delivery of public transport infrastructure across the region.
 - (d) Transportation:
 - That transport strategies and plans are completely integrated and adhered to between regional, local and national government;
 - That transport and land use strategies and plans are also integrated and followed by all parties; and
 - That funding is fully provided and allocated to support their implementation over both the short and longer term
 - NSCC would also support the abolition of current divisions between ARTA, ARH and ARC, together with negotiated additional powers to provide a more integrated and effective regional public transport system
 - (e) Representation:
 - NSCC believes there is no need to change the name of the ARC or the election process or title of the Chair of ARC.
 - Chair/Mayor elected within
 - NSCC would support some review of the electoral system for ARC but is opposed to the use of Parliamentary boundaries.
 - (f) NSCC supports the development by the Forum, of co-ordinated action for the Auckland region to promote social, economic, cultural and environmental well being through prioritised action plans. It is envisaged that the process would produce a series of negotiated multilateral and or bilateral agreements with the objective of implementing and funding strategies.
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Formal resolutions by the Auckland territorial authorities and the Auckland Regional Council

- (g) NSCC supports the investigation by the councils of an expansion of shared services arrangements, and ways of optimising current rates bases and tools.
 - (h) Regional Facilities:
 - That regionally acceptable criteria be developed to determine what is a regional facility and that a governance model be agreed upon before any regional facility funding legislation is enacted.
3. That the North Shore City Council endorse the proposal to strengthen Auckland's regional governance as a submission from the Auckland region to the government.
 4. That if broad agreement is achieved amongst the councils in the Auckland region, then joint (or co-ordinated) public consultation on the proposal be undertaken in February/March 2007.
 5. That the Political Reference Group be empowered to conduct ongoing discussions with government ministers as to the refinement and implementation of the proposal, and add two more council representatives on the Political Reference Group from North Shore City Council.
 6. NSCC supports the retention of the current legislation relating to Watercare Ltd's pricing regime.

Papakura District Council

The following are from the minutes of the 312th Ordinary meeting of the Papakura District Council, 11 December 2006.

RECOMMENDATIONS

1. That the information be received.
2. That the paper entitled "Strengthening Auckland's Regional Governance Proposals" be received.
3. That it be noted that the proposal outlined in pages 29 to 34 of the paper constitutes a package of reforms which are largely inter-dependent, particularly if broad agreement amongst the councils in the Auckland region is to be achieved.
4. That Papakura District Council endorse the proposal to strengthen Auckland's regional governance as a submission from the Auckland region to the government including a preference for the following representation arrangements:
 - i. An enlarged regional council based on central government electoral boundaries
 - ii. A leader elected from within the Council.
 - iii. The Greater Auckland Council be elected at the same time as elections for Parliament.
5. That if broad agreement is achieved amongst the councils in the Auckland region, then joint (or co-ordinated) public consultation on the proposal be undertaken in February/March 2007.
6. That the Political Reference Group be empowered to conduct ongoing discussions with government ministers as to the refinement and implementation of the proposal.

Rodney District Council

The following are from the minutes of an Extraordinary Meeting of the Rodney District Council, 7 December 2006.

RECOMMENDATIONS

1. That the paper entitled "Strengthening Auckland's Regional Governance Proposal" be received.
2. That it be noted that the proposal outlined in pages 28 to 33 of the paper constitutes a package of reforms which are largely inter-dependent, particularly if broad agreement amongst the councils in the Auckland region is to be achieved.
3. That the Council endorse the proposal to strengthen Auckland's regional governance in principle, subject to the conditions and reasons attached as Appendix 1, as a submission from the Auckland region to the government.
4. That, if broad agreement is reached amongst the councils in the Auckland region, then joint (or co-ordinated) public consultation on the proposal be undertaken in February/March 2007.
5. That the Political Reference Group be empowered to conduct ongoing discussions with government ministers as to the refinement and implementation of the proposal.

[See over for Appendix 1.]

APPENDIX 1

RODNEY DISTRICT COUNCIL SUBMISSION ON THE PROPOSAL TO STRENGTHEN AUCKLAND'S REGIONAL GOVERNANCE

The following comments represent the view of the Rodney District Council on the proposal to strengthen regional governance in Auckland.

To place the Rodney District Council's viewpoint in context, two important factors must be noted:

- the Rodney district comprises 45% of the land-mass of the Auckland region (95% of this land area is rural and its economy strongly orientated towards primary production)
- it is one of the fastest growing districts in New Zealand.

These two factors create their own challenges and clearly influence and shape the view of the Council.

Managing growth on Auckland's fringe is a key issue for the Council, as it is for our communities. The nature and form of regional governance impacts directly on the Council's ability to manage growth in a sustainable manner. The Council would be remiss in performing its duty, and representing the people of our district, without bringing this into the current discussion.

The aim to produce a unified vision for Auckland and to unify local authority and central government leadership in the region is supported, as is the drive to increase Auckland's international competitiveness and long term sustainability.

The proposal, as depicted on page 31, essentially has two component parts:

- Political representation (the Greater Auckland Council and Regional Development Forum components)
- Functional / structural arrangements that encompass the shaping and delivering of "One Plan".

1. POLITICAL REPRESENTATION

As stated on page 15, "...collaboration requires incentives and the involvement of national governments...". The Council does however not find a corresponding 'incentive' in the proposal for local government, at a political decision and policy-making level. This is not a matter of 'detail' that can be determined at a later stage as suggested, but is fundamental to whether the proposal will make a difference to Auckland, or whether it merely is an enhancement of the status quo.

This very concern is expressed (page 17 – "...structural reform itself is insufficient to address the key problems..." and page 23 – "...another process designed...without any corresponding change in attitudes...") but insufficiently addressed. Two possible

options are given as examples (the status quo and Parliamentary boundaries). Yet neither of these examples addresses the fundamental problems of:

- creating a direct link between the Greater Auckland Council (GAC) and local councils – thereby establishing lines of much needed accountability, communication and integrated decision-making, nor
- providing an incentive, and buy-in, for local councils to support and implement policies and strategies developed by the GAC – when they have no say and/or influence (other than that which the GAC may grant) in such policies and strategies.

Unless these issues are addressed, strengthening Auckland's governance will result in little real benefit and progress.

The Rodney District Council therefore strongly recommends that:

- a) the principle of direct representation of local councils on the GAC be established. In this regard the Council suggests a GAC comprising 14 members elected at large (current ARC arrangement) plus seven representatives from the seven TAs (Mayor or his/her nominated representative) reflecting the view of local councils and their communities.
- b) the Chairperson of the GAC be elected from within its members. To ensure adequate democracy, it could be that a Mayor may not be elected as Chairperson.
- c) the current Mayoral Forum be disbanded (regional political coordination will occur through the GAC) or its Terms of Reference redefined to exclude matters dealt with through the GAC.

The Council suggests that should points a) to c) above not occur, then at a minimum the LGAAA must be repealed. This will to some degree enable the Rodney District Council to sustainably manage growth.

The next proposed level of political representation occurs through the Regional Sustainable Development Forum. This Forum does include elected representatives from all the councils of the region, which is fully supported. However, it is understood that the Forum, as a sub-committee of the GAC, will simply make recommendations to the GAC as *"the lead council"*.

The Council's concern is that recommendations from the Forum can therefore be overruled by the GAC as the lead council, thereby negating the *"participation and contribution"* of local councils and communities. Whether stated or not, the level or extent of *"participation and contribution"* is at the discretion of the GAC. This risk is especially true when local councils have no input at the GAC.

2. FUNCTIONAL / STRUCTURAL ARRANGEMENTS TO SHAPE AND DELIVER THE ONE PLAN

2.1 Strategic Framework / One Plan

The need for a Strategic Framework/One Plan for the region, and the subsequent strategy development and implementation streams, is supported in principle. This support is based on the premise that the One Plan recognises the role and importance of rural areas within the region. There are however matters that require further clarification, for example, detail regarding the "Growth" stream of the strategic framework. Questions such as below remain unanswered at this stage:

- how exactly TAs achieve adequate and meaningful representation in the development and implementation of growth strategies (flowing from the One Plan), and
- what level of detail (with regard to growth and land-use) does the GAC regulate and what is regulated by local authorities (again, within the context of the One Plan).

Greater clarity is also needed on the envisaged scope (more than the stated four well-beings) and content of the One Plan.

Without further clarity on the abovementioned, the Rodney District Council endorses this component of the proposal in principle only.

2.2 Delivery of One Plan (p 32)

The GAC will *'seek delivery on the One Plan through the Regional Sustainable Development Forum via binding implementation plans and agreements with councils'*. The GAC however remains the *'lead council'* and the Council's concern that it may veto or negate recommendations from the Forum remains. The balance between *'negotiated agreements'* with TAs, obligations under the RMA and *'binding implementation plans'* need to be clarified.

2.3 Funding (p32)

The funding proposals as detailed on page 32 are supported. However, improved deployment of, and access to existing taxes, such as the current fuel tax, has not been considered. All avenues should be explored for improvements.

2.4 Additional GAC responsibilities (p33)

The delivery role of Auckland Plus in relation to Economic Development must be clarified. The Council recommends that Auckland Plus sets regional direction, and that local delivery occurs through EDA's.

The funding of regional facilities and amenities by the GAC is supported. No mention is however made of regional events (e.g. Ellerslie Flower Show / Pacifica etc.) and whether the GAC has a funding role in this regard. Also, the funding formula (e.g. area of benefit and/or population) will require careful consideration.

Mention is made of the Regional Land Transport Committee (RLTC). Given the current plethora of committees in the region, consideration should be given to whether the RLTC still has a legitimate role or whether it could be incorporated into another committee/structure of the GAC (providing TAs are directly represented on this body).

Formal resolutions by the Auckland territorial authorities and the Auckland Regional Council

2.5 Watercare (p33)

The Council supports the repeal of the specific legislation relating to Watercare so that it can operate as a normal CCO. However, the use of taxable dividends to fund stormwater expenditure is questioned.

It is also noted that Watercare is not mentioned in the diagram presented on page 31.

2.6 Regional transport / ARTA

Little is stated regarding ARTA in the proposal other than it being a delivery unit of the GAC, and that a legislative amendment is required to put it on "a standard CCO footing" (page 34). This does not address the governance structure of ARTA in a clear way. The Council recommends that ARTA be established using the 'club membership' model similar to Watercare, rather than a CCO of the GAC.

3. CONCLUSION

All of the above points to the fact that additional clarity is required on numerous issues. Without this clarity it is difficult to establish clear roles and responsibilities, and the subsequent implications of such. Still, it is understood that these are matters that can be discussed and practical solutions found.

However, the Council reiterates that political representation is key to making this proposal work. This is a matter that must be addressed from the outset – not something to be determined at a later stage.

For this reason the Rodney District Council can only endorse the proposal in principle subject to more definitive answers being provided on the envisaged political representation – and how this will contribute to addressing Auckland's barriers to becoming a world class city/region, as well as address the regional governance problems the people of Auckland currently face.

Waitakere City Council

The following are from the minutes of a meeting of the Waitakere City Council,
14 December 2006.

1. That the Strengthening Auckland's Regional Governance -- Proposal report be received.
2. That Waitakere City Council endorses, in principle, the proposal to strengthen Auckland's regional governance as a submission from the Auckland region to the government but has grave concerns at the short time provided to consider these issues and the lack, to date, of any public consultation.
3. Further, the Council wishes to state its strong views on the following and that these views be taken into account in any final reform(s):
 - a) That no decision on detail relating to electoral structure of the Greater Auckland Council be made at this stage but be developed and discussed during the community consultation phase;
 - b) That there must be no change to the structure and/or ownership of Watercare and that the notion of vertical integration must not be given any further consideration;
 - c) That this Council wishes to see any regionally funded facilities owned by a regional entity and requisite funding to be raised on a formula other than a straight population basis.
 - d) That this Council supports the concept of a regional economic development agency but that local economic development agencies such as Enterprise Waitakere, continue to deliver services locally.
4. That, if broad agreement is achieved amongst the councils in the Auckland region, then joint co-ordinated public consultation on the proposal be undertaken in February/March 2007 and that any consultation be carried out for a minimum of 8 weeks.
5. That the Political Reference Group be empowered to conduct ongoing discussions with government Ministers as to the refinement and implementation of any proposal and that His Worship the Mayor and Councillor Penny Hulse (with Councillor Derek Battersby as alternate) continue to represent Waitakere on this group.
6. That Mayor Bob Harvey, Cr Battersby, Cr Hulse and all Council staff who have been involved in the Strengthening of Auckland's Regional Governance Proposal be thanked for their good work.

Formal resolutions by the Auckland territorial authorities and the Auckland Regional Council

Strengthening Auckland's Regional Governance

Report on Progress

For Discussion & Feedback

16 May 2007

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Overview

Purpose

This report has been prepared as the next stage of developing and assessing the options identified in the December package to Strengthen Auckland's Regional Governance.

The agreed process provided for a draft document to be presented to the Political Reference Group before being finalised. The feedback from the PRG has been incorporated into this document.

This document is intended to be considered by Councils and Ministers with an opportunity for them to provide substantive feedback and guidance as to the way forward by 5 June. A final document will then be produced for formal consideration and adoption by Councils and Ministers.

This report provides an overview of the issues and assesses the options available with respect to key elements of the proposal. The analysis and commentary has been prepared by officials from both Central and Local Government.

It is not intended that the report provide recommendations at this point. Recommendations may well emerge as feedback is received.

Introduction

This report builds on the package presented to the Government in December 2006. That package was designed to both strengthen regional governance and create a new framework for the delivery and funding of activities within the Auckland Region.

Following consideration by Ministers it was agreed that a joint process be undertaken involving both Central and Local Government officials with a view to providing recommendations on how best to advance the issues associated with strengthening governance.

The key reference point for the work to be undertaken was to be the package presented in December. The key details of the package are set out below:

- The creation of a Greater Auckland Council (GAC) with an appropriate new name, potentially new directly elected representation arrangements, a broader role and responsibilities, and access to new funding sources as well as regional rates.
- The establishment of a Regional Sustainable Development Forum, as a standing committee of the Greater Auckland Council. This Forum would have similarities to the current multiparty Regional Growth Forum led by the ARC.

- The development by the Forum, of "One Plan" for the Auckland region to promote social, economic, cultural and environmental well being through prioritised action plans. It is envisaged that the process would produce a series of negotiated multilateral and or bilateral agreements with the objective of implementing and funding strategies.
- The development of new national strategies by central government, that link with and guide regional strategies as well as central government funding and delivery.
- Multi-year funding agreements between central and local government.
- Amendment of transport legislation to enable the Regional Land Transport Strategy to specify both major projects and areas for focus and activity.
- Amendment of water legislation to enable Watercare to pay its territorial authority owners a dividend to fund stormwater infrastructure.
- The investigation by the councils of an expansion of shared services arrangements, and ways of optimising current rates bases and tools.

A copy of the letter sent by John Robertson as Chair of the Mayoral Forum is attached as Appendix 1.

Objectives

The overarching objective for this work has been to look for ways to strengthen Auckland's regional governance to achieve:

- A common vision for the future;
- An integrated and prioritised set of strategies for regionally significant issues;
- Clearer mechanisms and incentives to provide more certain implementation of decisions made;
- More alignment between local and central Government strategies and funding;
- A platform to facilitate the creation of Auckland as a world class city;
- Improved economic and social performance of Auckland and the nation as a whole; and
- An improvement in the quality and timeliness of decision making together with agreed commitments for the associated funding to deliver on the decisions taken.

These objectives are derived from both the drivers for the December package and broader national considerations.

The December proposal also stressed the importance of:

- local democracy,
- sufficient revenue streams; and
- improved value for money
- as key considerations for the development of the way forward.

Key Elements of the Proposal

The proposal does involve a wide number of options with respect to its individual components. In addition, many of the options and choices available are to a certain extent interdependent. Similarly some issues are mutually exclusive.

As a consequence it has been necessary to focus on the key elements of the proposal and in doing so create a framework to address those matters that materially influence, and or impact, on the final shape and feasibility of the proposition. Feedback from Councils on the individual components will assist in developing the potential model(s) for strengthening Auckland Regional governance.

The December proposal sought to move forward on the basis of a compromise between two different approaches to strengthening regional governance that had emerged through its development. Those approaches either:

- addressed the issue by integrating all regional responsibilities under one strengthened regional governance entity; or
- overcame the fragmentation of responsibilities for regionally significant decisions by mechanisms and processes for collaboration and coordination between Councils.

The compromise is reflected by the recommendation of both a regional collaboration mechanism (the RSDF) and a "strengthened" regional entity (the GAC).

For the purposes of presentation the key elements have been identified as:

- Mechanisms aimed at strengthening governance relating to:
 - The role and accountability of the GAC including its representation
 - The role of the Regional Sustainable Development Forum
 - The scope of the One Plan including the proposed process for development of the One Plan, including the negotiation of funding for implementation actions and the timing and staging of developing the One Plan, recognising that much of the work already undertaken with respect to the Long Term Sustainability Framework and regional strategies represents a first step.
- The advancement of the other regionally significant issues (as identified in the December package) and their associated work streams.