

# **Council**

**Wednesday, 27 June 2007  
Commencing at 5.30 pm**

**Item 12: Strengthening Auckland's  
Regional Governance**

**AGENDA SUPPLEMENT TO A MEETING OF THE COUNCIL TO BE HELD AT WAITAKERE  
CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON, WAITAKERE,  
ON WEDNESDAY, 27 JUNE 2007, COMMENCING AT 5.30 PM**

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**12 STRENGTHENING AUCKLAND'S REGIONAL GOVERNANCE**

**PURPOSE OF THE REPORT**

To adopt, with any modifications agreed, the joint regional recommendations on the Final Report on Strengthening Auckland's Regional Governance, June 2007

**BACKGROUND**

*A5-A10* The Council last considered this matter at the City Development Committee on 7 June 2007. The minutes of that meeting are attached as pages A5 to A10.

Since that time the matters raised have been considered by the Chief Executives' Forum, council officers and government representatives and have resulted in this final report, and the agreed recommendations to all Councils included in this report.

The report that follows is being considered, with minor alterations in each case by each of the Councils in the Region before the end of June. It encourages Councils to make any differences of opinion points for negotiation by the Political Reference Group rather than points of dissent.

**SUMMARY AND CONCLUSIONS**

In December 2006 a proposal for strengthening Auckland's Regional Governance was broadly endorsed by all Councils and forwarded to the Minister of Local Government, the Honourable Mark Burton. While Councils supported the thrust of the proposal, their support was subject to various caveats in their resolutions.

Following consideration of the proposal by Cabinet, the Government formally responded through the Honourable Mark Burton in March 2007.

Further work was undertaken jointly by central and local government officials to develop the proposal and the Auckland Councils and Cabinet considered a progress report in May and early June. This provided a basis for Councils and Cabinet to provide further feedback.

*A11-A35* The attached Final Report (June 2007) attached at pages A11 to A35 outlines a proposed model for strengthening Auckland's regional governance that has been developed following consideration of all the feedback from Councils and Government on the May Progress Report. The model is an attempt to draw together a way forward to make progress in strengthening regional governance and in particular to get a mandate for implementation.

The model for strengthening regional governance presented in the Final Report provides a pragmatic way forward that takes account of feedback from each Council and central Government on the Progress Report. In order to progress this model it is desirable for Auckland local government to present a common approach as far as possible. A common set of recommendations has been prepared for consideration by all the Auckland Councils. As some elements may differ from Waitakere City Council's stated preferences it is expected that where Waitakere Council continues to have specific areas of difference to the proposal it is desirable that these are identified as a basis for further negotiation.

The Government's willingness and ability to progress this initiative will, in large measure, be influenced by the degree of consensus achieved by the Auckland Councils.

## DISCUSSION ON REPORT

### Background

A11-A67

The Final Report (June 2007) attached at pages A11 to A35 outlines a proposed model for strengthening Auckland's regional governance that has been developed following consideration of feedback from Councils and Government on the May Progress Report attached at pages A36 to A67. The model is an attempt to draw together a way forward to make progress in strengthening regional governance.

### Issues

There are a number of issues that the new model raises for local government that follow from the emphases of the Auckland Councils' December proposal and these have been addressed in the drafting of the attached report and the recommendations set out below.

### The Level of Agreement and an Approach to the Final Report

The model for strengthening regional governance presented in the Final Report provides a pragmatic way forward that takes account of feedback from a Council and central Government on the Progress Report. In order to progress this package of reforms it is desirable for Auckland local government to present a common approach as far as possible. Where a Council continues to have specific areas of difference it is desirable that these are identified as a basis for further negotiation.

Outstanding areas of significant difference for Waitakere City Council to note and confirm are:

- The name ("Greater Auckland")
- The frequency with which the RSDF meets with Ministers (is "periodically" sufficient guidance?)
- Regional Council role in local landuse policy (is the expression "undue influence" correctly pitched?)
- Consultation - Does this proposal warrant further public consultation, other than with respect to "new" regional facilities? The Council has previously called for at least eight weeks specific consultation on the proposal emerging from this process.
- Is the process for approving One Plan satisfactory? (Should any change made by the Regional Council be subject to negotiated funding commitments?).

Should Council wish to note any of these matters, it is recommended that these be couched as minor matters for negotiation, rather than as fatal disagreement with the proposal.

However, subject to support from Councils and central Government the proposal is now at a stage where the emphasis and focus needs to move to implementation. There is now a strong level of agreement on the key elements of the proposal which makes it highly desirable for the Auckland Councils to agree on a clear and workable package, albeit that some individual positions are not fully represented in the package. This will enable future directions to be signalled to local government candidates and electors in advance of the October local government elections and for officers to plan and undertake implementation.

### Regional Council Name and Representation

The Final Report proposes that 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.

The Final Report has now clarified 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. However, it is proposed that 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 of the regional council. It is proposed that the Minister of Local Government refer this issue to the Local Government Commission to report and make recommendations on as a matter of priority.

### **Strategic Framework and the One Plan**

#### Regionally Significant Decisions Already Made (Bankable items) and the role of the Auckland Sustainability Framework

The development of the One Plan will draw on regionally significant work already committed or already being planned or prioritised. The Auckland Sustainability Framework (the output from the Sustaining the Auckland Region Together or START work) will provide the vision, goals and strategic direction for the region and will form the long-term strategic frame that encompasses the four well-beings and a sustainable development approach. In addition, existing strategies such as the Regional Growth Strategy, Regional Land Transport Strategy, and the Auckland Regional Economic Development Strategy already have agreed some actions that will provide the elements of the One Plan. Emerging issues such as those arising from energy and social and cultural wellbeing would be added over time. This approach allows the regionally significant work already committed by Councils of the region, to be 'banked' or included in the One Plan.

#### Issues for Transport and Water

Proposed changes in legislation to allow the Regional Land Transport Strategy to include major projects and priorities 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.

There is also broad support for amending existing legislation to transfer to Greater Auckland the responsibility for appointing directors to the Auckland Regional Transport Authority Board.

With respect to three waters, the report proposes that the status quo will remain for Watercare. The report also notes the work will continue on the three waters strategy and that work will continue over time to investigate the merits of legislative amendments relating to the ability of the owners of Watercare Services Limited to operate it within the general legislative model of a CCO.

### **Funding**

The work leading up to the December package stated the view that Councils unanimously endorsed funding as one of the strategic issues facing the region. The December report stated:

*"a failure to allocate sufficient funding to transport, economic development, stormwater and regional facilities has been highlighted as a key problem inextricably linked with the performance of the current governance arrangements"*

The Government, in its letter from Honourable Mark Burton (June 2006), does recognise that funding is a significant regional issue and is committed to considering the outcomes of the Rating Inquiry in relation to the particular needs and circumstances of the Auckland region and considering business cases. However, Government expects both local and central government to commit new and/or reprioritised funding to One Plan projects.

The Final Report acknowledges the likely need to supplement existing funding and proposes a process whereby the Auckland Councils will identify the funding gaps and explore options. It is proposed that this work not commence until the report on the Rating Enquiry (expected shortly) is assessed. The Government will engage with the Auckland Councils in this assessment and will also discuss how it will engage with Councils in the further analysis of funding needs.

The need for this work to coincide with the timing of work finalising transfer of responsibilities to Greater Auckland is acknowledged.

The report also proposes that 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.

#### **Composition of RSDF: Central government and Mana Whenua participation**

With respect to the relationship of the Regional Sustainable Development Forum (RSDF) with central Government the proposed model outlined in the report provides for central Government to contribute to the RSDF with full speaking rights but not voting rights, with up to three participants with the right to speak. It is proposed 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. For the proposed model to succeed, it is imperative that the Government commits as strongly as possible to engaging with the region at a sufficiently senior level both at a Ministerial and official level and on an appropriately frequent basis.

The Final Report also provides for Mana Whenua representative(s) as participants in the RSDF. The mechanisms by which Mana Whenua participate and contribute to the RSDF will be developed in conjunction with them over the coming months.

#### **Clarification of Regional Council Role in local land use policy**

The Final Report notes the issue raised in Council resolutions about the need to clarify the role of the strengthened regional council 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. It is proposed that this be addressed by the Regional Sustainable Development Forum as part of the development of the One Plan. There is a need to ensure local accountability within an appropriate level of regional overview.

#### **Existing Regional For a**

The extent to which the priorities in the one plan require the retention of existing fora will vary. Whether they can be dispensed with will in the interim at least 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.

## Detailed Implementation Issues

### Consultation

The establishment of the Regional Sustainable Development Forum (RSDF) is within the scope of the current powers of the Auckland Regional Council to establish standing committees and the development of a One Plan is based on agreement among all councils of the Auckland region. The exercise of this power does not represent a significant decision as defined by the Local Government Act and therefore is unlikely to require specific public consultation. It should be noted however, that each of the Auckland Councils sought feedback on the December package as part of their 2007-2008 Annual Plan processes. The overall package has not changed substantively and this latest report provides further detail to assist in its implementation.

It is envisaged that the draft One Plan and any transfer of functions from local councils to the regional council (that will need to align with the decisions and associated legislation), will be subject to the special consultative procedure as specified in the Local Government Act prior to its adoption by the regional council. This is in addition to existing Long Term Council Community Plan (LTCCP) consultation requirements in respect of any specific One Plan actions for which an individual council takes account of in allocating resources. It should also be noted that consultation on the Auckland Sustainability Framework was undertaken in March-April 2007 and feedback has been taken into account.

Any necessary legislative changes to implement the model for strengthening regional governance would also be subject to their own prescribed consultation processes.

### Implementation timeframes

There are a number of key actions identified in the report to enable the first steps of implementation before and after the October local government elections. The timing for implementing actions takes account of the guidelines regarding Councils making significant decisions in the last weeks of a council term and allows time for new Councils to become established and commence work.

### Phases of transition

Implementation of the model will occur progressively. Initial measures towards establishing the key components such as the Regional Sustainable Development Forum (RSDF) and first steps towards developing a One Plan will be undertaken prior to the October 2007 Local government elections. The ongoing development of the One Plan will need to be timed to allow agreed actions to be incorporated in the 2009-2019 Long Term Council Community Plans.

## **RECOMMENDATIONS**

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) convener 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/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;

**(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.

Report prepared by: Graeme Campbell, Director: Strategic Planning and Ross McLeod,  
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