

Auckland Transition Agency

Auckland in Transition

Report of the Auckland Transition Agency

Volume 1

Auckland Transition Agency

Pokapū Whakakotahi o Tāmaki-makau-rau

Auckland in Transition

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Volume 1

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Letter of transmittal

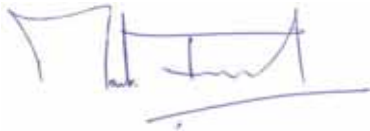
Honourable Rodney Hide
Minister of Local Government
Parliament Buildings
Wellington

Dear Minister

The Auckland Transition Agency was established under the Local Government (Tamaki Makaurau Reorganisation) Act 2009 enacted by Parliament on 17 May 2009 with responsibility for planning, establishing and giving effect to all matters in relation to the reorganisation of Auckland governance to ensure that the Auckland Council was ready to function on 1 November 2010.

In accordance with section 13(1)(c)(ii) of the Local Government (Tamaki Makaurau Reorganisation) Act 2009 the Auckland Transition Agency is pleased to present its final report for your presentation to the House of Representatives, together with the financial statements required by section 45J of the Public Finance Act 1989.

Yours sincerely



Mark Ford
Executive Chairman



John Waller
Board Member

Dated at Auckland this 7th day of March 2011

AUCKLAND IN TRANSITION

Contents of Volume 1

Letter of transmittal	iii
List of figures and tables	xiii
Auckland Transition Agency	xiv
Preface	xv
Executive Summary	1
Aim of reform	2
Legislative framework	3
Outcome of legislative reform process	5
Work of the Transition Agency to Implement the new model	5
Design of Auckland Council structure	6
Māori Statutory Board	10
Pacific Peoples Advisory Panel	10
Ethnic Peoples Advisory Panel	11
Auckland Social Policy Forum	11
Council-controlled organisations	15
Individual CCOs	18
Other key Transition Agency activity areas	20
Other workstream activity	26
Concluding comment and unfinished business	29
Key deliverables	

PART 1: Role of the Transition Agency **33**

Role of the Transition Agency	35
1: Introduction to the Transition Agency	35
Transition Agency Governing Body (Board)	36
Transition Agency personnel	37
2: Project management toward Day One of the Auckland Council	38
3: Managing agency responsibilities in the transition period	39
Governance oversight	39
Reporting to Ministers	39
Legal	40
Communication	40
Finance approvals	40
Audit	41

PART 2: The New Local Government Structure for Auckland **43**

1 Auckland Council: Overview and Governing Body	45
1: Overview	46
Royal Commission recommendations	46
The Government's high-level decisions on Auckland Council structure	46
Aim of reform	47
Legislative framework	48
Auckland Council – working effectively together and with others	52
Organisational support and service delivery	56
2: Transition Agency workstream activity	56
Design of overall Auckland Council structure	57
New mind-set of shared principles and working collaboratively	57
Preparing for the 2010 local elections	59

3: The governing body	60
Role of the governing body	60
Role of the mayor	61
Transition Agency activity	61
Delegations	63
Conclusion	63
Development of a logo for the Auckland Council	64
2 Auckland Council: Local Boards	67
1: Overview	68
Context	68
Local board structure – establishment process	69
Discussion document on local boards	70
Regulatory responsibilities	73
Working with the rest of Auckland Council	73
Summary of feedback	75
Summary of finalised local board structure and powers	79
2: Transition Agency local boards project	80
Determining non-regulatory activities	80
Proposed regulatory delegations to local boards	81
Preparing local board budgets	81
Monitoring and reporting on local board budgets	91
Local board accommodation	92
Local board organisation design	94
Induction programme	96
Inaugural meetings	97
Local board agreements	98
Local board plans	98
Local board stakeholders	101
3 Māori Statutory Board and Advisory Panels	103
Arrangements for a Māori Statutory Board	103
Pacific Peoples Advisory Panel and Ethnic Peoples Advisory Panel	106
Auckland Social Policy Forum	109
4 Council-Controlled Organisations: Overview	111
1: Overview	112
The Royal Commission on Auckland Governance recommendations	112
The Government’s high-level decisions on CCOs	114
CCO discussion document	116
Feedback on CCO discussion document	119
Feedback on other themes and concerns	128
Finalised legislative framework	130
Change management approach	133
Disestablished CCOs	135
2: Operational framework	135
Overall accountability of CCOs to the governing body	135
Accountability mechanisms: outcome-based approach	136
Relationship to local boards	139
Role of the council committee	139
Role of the advisory board	140
Role of the CCO governance and monitoring unit	140
3: Appointment process for significant roles in CCOs	142
Appointments to boards of directors	142
Appointments of chief executives and senior management	143
Competency matrix for CCO boards	143
5 Auckland Transport	147
1: Overview	147
Establishment process	147
Purposes and objectives of Auckland Transport	148
How Auckland Transport will achieve its purpose and objectives	149
2: Structure of Auckland Transport	150
Organisational form	150
Governance structure	151
Management structure and responsibilities	152

Key working relationships	155
Customer services	157
3: Transition	158
Delegations	158
Contracts and agreements	159
Early board decisions	160
Other early implementation risks	161
6 Watercare Services Limited	163
1: Overview	163
Purpose and objectives	163
How the CCO was formed	165
How Watercare will achieve its purpose and objectives	166
Structure	166
Accommodation	171
2: Transition	171
The integration process	172
Customer services	172
Funding plan	173
Water and wastewater tariffs	173
Procurement	177
Operations	177
Supporting IT infrastructure	178
Unfinished business	179
7 Auckland Council Investments Limited	181
1: Overview	181
Purposes and objectives	181
How ACIL will achieve its purposes and objectives	182
2: Structure	183
Organisational form	183
Governance structure	184
Management structure	184
Size and scope	184
3: Transition	185
Impact on existing CCO boards	185
Other transition matters	185
8 Auckland Tourism, Events and Economic Development Limited	187
1: Overview	187
Purposes and objectives	187
How TEED will achieve its purposes and objectives	188
2: Structure	189
Organisational form	189
Governance structure	190
Management structure	190
Size and scope	191
3: Transition	192
4: Rugby World Cup 2011	194
Background	194
Role played by the Transition Agency	195
9 Regional Facilities Auckland	199
1: Overview	199
Purposes and objectives	199
Background	200
How RFA will achieve its purposes and objectives	201
2: Structure	202
Organisational form	202
Governance structure	203
Management structure	204
Size and scope	204
3: Transition	205
Affected entities	205

Impacts on entity boards	206
Implementation risks	207
Alternative to RFA considered	209
10 Auckland Council Property Limited	211
1: Overview	211
Objectives	213
How ACPL will meet its objectives	213
2: Structure	214
Organisational form	214
Governance structure	214
Management structure	214
Size and scope	214
3: Transition	215
Affected entities	215
Distribution of assets, liabilities, and other obligations	216
Implementation	216
11 Auckland Waterfront Development Agency Limited	219
1: Overview	219
Purposes and objectives	219
Background	219
How the CCO will achieve its purposes and objectives	221
2: Structure	221
Organisational form	221
Governance structure	221
Management structure and responsibilities	223
Size and scope	225
Key working relationships	226
3: Transition	226
Affected entities	226
Implementation	228
Summary of ongoing projects	228
<hr/>	
PART 3: Change management by the Transition Agency	231
12 Legislative Framework	233
1: General overview	233
2: Local Government (Tamaki Makaurau Reorganisation) Act 2009	236
Establishment of the Transition Agency	236
Functions and duties of the Transition Agency	236
Oversight of decision making during the transition period	237
Appointment of interim chief executive for the Auckland Council	239
Elections	239
Obligations of existing local government organisations during the transition period	240
Dissolution of councils and other entities	240
3: Local Government (Auckland Council) Act 2009	241
Structure of the Auckland Council	242
Mayor and governing body of the Auckland Council	242
Local boards	243
Local board members	243
Allocation of decision-making functions of the Auckland Council	243
Funding for local boards	245
Local board plans	245
Local board agreements	245
Local boards may develop and propose bylaws	246
Other functions of local boards	247
Water and wastewater	247
Planning document prepared by the Transition Agency	247
4: Local Government (Tamaki Makaurau Reorganisation) Amendment Act 2010	248
Waste minimisation and management	248
Ethnic Peoples Advisory Panel	248
Planning document prepared by the Transition Agency	248

Waterfront Development CCO	249
Establishment of additional CCOs	249
Auckland Transport	250
Pacific Peoples Advisory Panel	250
5: Local Government (Auckland Council) Amendment Act 2010	251
Local boards	251
Auckland Transport	251
Water supply and wastewater services	253
Spatial planning	254
Board promoting issues of significance for mana whenua groups and mataawaka of Tāmaki Makaurau	255
Accountability of substantive CCOs	257
Governance of CCOs	259
Dispute resolution procedure between local boards and governing body	259
Auditor-General to review Auckland Council's service performance	260
6: Local Government (Auckland Transitional Provisions) Act 2010	260
Moratorium on sale of assets	260
Existing directors and board members of CCOs and COs	261
Watercare Services Limited	261
Rates	262
Planning document prepared by the Transition Agency	262
Development contributions and financial contributions under the Resource Management Act 1991	263
Existing bylaws, policies, statutory warrants, fees and charges, delegations, and standing orders	263
Delegations	264
Resource Management Act 1991 and other planning matters	264
Establishment of Pacific and Ethnic Peoples Advisory Panels	264
Transitional provisions relating to employment	265
13 Planning and Policy	267
The establishment of the planning and policy workstream	268
A vision for the Auckland Council's planning and policy activity	269
The work of the planning and policy activity – future planning framework	270
The work of the planning and policy activity – “business as usual” and lower-level planning and policy functions	270
Structure of the Auckland Council's planning and policy activity	271
Other comments on the planning and policy activity	272
Hearings and commissioners	273
Transition Agency advice to the Auckland Council on the spatial plan	273
Recommendations from the Transition Agency to the Auckland Council	275
14 Staff Transition and Organisation Design	277
1: Provisions and principles	277
Legislative framework	277
Role of the Transition Agency	278
Role of the interim chief executive of the Auckland Council	279
Guiding principles	279
2: Change management processes	280
Commitment to communication and engagement	280
Relationship with the PSA and other unions	281
Recruitment of existing local government organisation staff during the transition period	282
3: Organisation design	282
Design Phase 1	283
Design Phase 2	284
Design Phase 3	285
Design Phase 4	288
4: Management of specific employment conditions	288
Protocols and processes for transferring employees to the same or substantially similar roles	288
Protocols and processes for appointing staff to substantially different roles	290
Job sizing	291
Recruitment	291
Harmonisation of terms and conditions of employment	292
Watercare Services Limited	294
5: Steps to be taken after 1 November 2010	295
6: Interim chief executive and senior management	296
Interim chief executive for Auckland Council	296
Interim chief executive for Auckland Transport	297
Senior management of Auckland Council and Auckland Transport	297

15	Customer Services	301
1:	Reorganisation of customer services	301
	Background	301
	The customer service challenge	302
2:	Delivery of customer services	304
	Department purpose	304
	Department structure	305
	Department activities	306
	Locations for customer services	306
	Operational units of the Customer Services Department	306
	Call Centres Unit	307
	Online Channel Unit	308
	Service Area Locations Unit	308
	Customer Experience Unit	309
	Service Development and Quality Unit	310
16	Community Services	311
1:	Overview	311
	Review of existing services	311
	Community Services Taskforce	313
	Communication and liaison with other organisations	314
	Staff transition and organisation design	314
2:	Community Services Transition Project	315
	Process and design	315
	Policy	317
	Relationship with community-based CCOs and trusts and other stakeholders	317
3:	Civil Defence Emergency Management and Rural Fire Transition Project	318
	Early transition proposal	318
	Organisational structure	318
	Rural fire services	319
	Auckland Civil Defence Emergency Management Group	319
	Property and assets	320
	Technology and communications	320
	Standard operating procedures	321
4:	Māori and Council Transition Project	321
	Māori Advisory Group	321
	Organisational structure	321
	Programmes, activities, and establishment plan	322
	Māori Relationships Transition Framework	322
	Processes and system design	322
	Māori Statutory Board	322
	Whakarewa o Te Kaunihera o Tāmaki Makaurau	322
5:	Libraries MyCard Project	323
	One collection	323
	One online presence	324
6:	Recommendations and steps to be taken after 1 November 2010	324
17	Regulatory and Legal Services	327
1:	Regulatory services	327
	Objectives	328
	Customer interface	329
	Consistent forms	329
	Consistent fees	330
	Process improvements	333
	Pre-lodgement	334
	Resource consents	335
	Building control	336
	Land information memoranda	337
	Weathertightness	338
	Licensing	339
	Animal management	340
	Bylaw rationalisation and harmonisation	341
	Compliance and enforcement	344
	Business continuity	345

2: Legal services	346
Transition of the legal function from existing local authorities to the Auckland Council	347
Council versus council litigation	348
Work in progress	349
Legal support to the Transition Agency	350
Official information requests	351
Day-to-day operations of the Transition Agency	352
Additional matters	352
Conclusion	353
Recommendations	353
18 Infrastructure and Environmental Services	355
Stormwater	356
The importance of sustainability in the new Auckland Council	356
Solid waste	358
Environmental Services	360
Conclusion	364
19 Finance and Treasury	365
Integrated Treasury Group	365
Reporting and planning	367
Rates	370
Non-rates revenue	372
Risk management, audit, and insurance	373
Procurement	377
Technical accounting processes and procedures	379
Treasury	380
Taxation	382
Conclusion	384
The Auckland Council Planning Document	385
Chart of accounts	385
Adoption of plans by existing local authorities	386
Mapping and preparation of the planning document	386
Performance measures	387
Review of planning document and potential efficiency savings	387
Adoption of the planning document	388
20 Communications and Public Affairs	389
1: Communications and public affairs of Auckland Council	389
Consultation and engagement	390
Internal communications	390
External communications	390
Channels	391
Identity	391
Media	391
Business continuity	391
2: Communications support to the Transition Agency	392
Communication channels	392
Key communications relating to the Auckland Council structure	394
Communications relating to Auckland Transport	395
Local boards and council-controlled organisations	395
Appointment of the interim chief executive	395
Election publicity	395
Other announcements made by the Transition Agency	397
21 Business Processes and Systems	399
Context	399
The Transition Agency's approach	400
Assessment of existing local authorities' ICT systems	400
Key projects for meeting the Day One objective	401
How the project was conducted	402
Overall costs	403
Conclusion	403
22 2010 Elections	405
Appointment of electoral officer	405
Positions for election	406
Electoral systems	407

Auckland Council candidates	407
Election signs	408
High-profile public information campaign	408
Voting arrangements	410
Electoral issues	410
Early processing of votes	410
Auckland Council election results	411
Assessment of the election process	411
23 Oversight of Decision Making	413
Provisions and interpretation	413
Decision confirmation request process	416
Overview of decision confirmation requests received	417
Examples of important decisions referred to the Transition Agency Board	418
Conclusion	423
<hr/>	
PART 4: Concluding Stages of the Transition	425
<hr/>	
24 Auckland Transition Agency – Financial Statements	427
Statement of purpose	428
Statement of delegated authority	428
Statement of responsibility	428
Audit Report	429
Statement of comprehensive income	431
Statement of changes in equity	432
Statement of financial position	433
Statement of cash flows	434
Statement of accounting policies	435
Significant accounting policies	437
Notes to the financial statements	440
25 Summing Up	451
Activities of the Auckland Transition Agency according to programme areas	451
Key deliverables	458
Appendices and Glossaries	461
Appendix 2-A: Local board maps	462
Appendix 2-B: Population characteristics of Auckland local board areas	483
Appendix 2-C: Local board budgets	500
Appendix 4-A: CCO workstream run sheet at the close of the transition period	504
Appendix 6-A: Watercare’s facilities and Auckland Council boundaries	506
Appendix 6-B: “Aucklanders to get lower water prices”	508
Appendix 15-A: Customer service principles	509
Appendix 22-A: 2010 election results	511
Glossaries	521
Glossary of Local Government Terms	521
Glossary of Māori Terms	524
Abbreviations and Short Forms	525

Report Attachments

Volume 2, Attachments: Council-Controlled Organisations

Volume 3, Attachments: Auckland Council Planning Document

Volume 4, Attachments: Local Boards and Advisory Panels

Volume 5, Attachments: Organisational Change and Assessment of Efficiencies

List of figures and tables

List of figures

Figure 1-1:	Structure of the Auckland Council	51
Figure 1-2:	Boundaries of Auckland Council's 13 wards	53
Figure 1-3:	Boundaries of Auckland Council's 21 local boards	54
Figure 4-1:	Framework for council-controlled organisations	117
Figure 4-2:	Task management by the CCO workstream of the Auckland Transition Agency	134
Figure 5-1:	Organisational strategy for service delivery by Auckland Transport	153
Figure 5-2:	Senior roles and reporting lines in Auckland Transport	154
Figure 6-1:	Senior roles and reporting lines in Watercare Services Ltd	170
Figure 7-1:	Structure of Auckland Council Investments Ltd	183
Figure 7-2:	Staff of Auckland Council Investments Ltd	185
Figure 8-1:	Management structure of Auckland Tourism, Events and Economic Development Ltd	191
Figure 9-1:	Management structure of Regional Facilities Auckland	201
Figure 9-2:	Structure of Regional Facilities Auckland	203
Figure 10-1:	Structure of Auckland Council Property Ltd	215
Figure 11-1:	Management structure of Auckland Waterfront Development Agency Ltd	223
Figure 11-2:	Auckland Waterfront Development Agency's area of ownership and area of influence, as well as ongoing projects	224
Figure 11-3:	Auckland Waterfront Development Agency's ongoing projects	229
Figure 14-1:	Senior roles and reporting lines in Auckland Council	298
Figure 15-1:	Management structure of the Auckland Council Customer Services Department	305
Figure 19-1:	Service delivery model for Auckland Council procurement	377
Figure 21-1:	State of information technology systems in the former eight councils	400

List of tables

Table 1-1:	Summary of representation changes	52
Table 1-2:	Auckland Council area with 13 wards and 21 local boards	55
Table 2-1:	Allocation of non-regulatory responsibilities to local boards	82
Table 2-2:	Location of offices of the 21 local boards	93
Table 2-3:	Locations for teams of the Local Board Services Department of Auckland Council	95
Table 2-4:	Process for negotiation and agreement of local board agreements for 2011/2012	99
Table 6-1:	Agreed performance standards included in Watercare's 2010 statement of corporate intent	167
Table 6-2:	Tariff implementation schedule	175
Table 10-1:	Specific issues identified for the successful operation of Auckland Council Property Ltd	217
Table 11-1:	Transfers to Auckland Waterfront Development Agency Ltd on 1 November 2010	227
Table 12-1:	Terminating organisations and receiving entities	241
Table 16-1:	Community services provided by three departments established within Auckland Council	316
Table 17-1:	Comparison of rates (\$/hour) charged for consent officials by the eight existing local authorities with the new rates for Auckland Council	331
Table 17-2:	Comparison of rates (\$) charged for building inspections by the eight existing local authorities with the new rates for Auckland Council	332
Table 20-1:	Communications activities supporting the role of the Transition Agency	393
Table 21-1:	Projects designed to deliver integrated ICT services across key council activities	401
Table 21-2:	Implementation budget (including contingencies)	403

Auckland Transition Agency

Board

Mark Ford (Executive Chairman)

Miriam Dean QC

John Law

Wayne Walden

John Waller

Workstream Leaders

Business processes and systems	Mike Foley
Communications and public affairs	Clive Nelson
Community services	Colin Dale
Council-controlled organisations	
Auckland Transport	Chris Mackenzie
Waterfront Development Agency Limited	Rob Fisher
Auckland Council Investments Limited	Brian Monk and Andy Coupe
Auckland Tourism, Events and Economic Development Limited	Craig Shearer
Auckland Council Property Limited	John Dragicevich
Regional Facilities Auckland	Rob Fisher
Customer services	Trish Langridge
Environment: Environmental services	Kerry Connolly
Environment: Policy and planning	Craig Shearer
Environment: Regulatory	Heather Harris
Finance and treasury	Andy Coupe and Brian Monk
Governance	Grant Taylor
Legal	Rob Fisher
Project office	David Blow and John Dragicevich
Property and assets	David Blow
Work force and human resources	Laila Harré

Preface

by Mark Ford, Executive Chairman of the Auckland Transition Agency

The Auckland Transition Agency (“Transition Agency”) was established by legislation in May 2009 and ceased to exist upon the establishment of the Auckland Council on 1 November 2010. Its role was to manage and oversee the transition process of amalgamating the eight former city, regional, and district councils into a new Auckland Council – comprising the governing body and local boards – which would be ready to function on and from 1 November 2010.

The scale of the task required of the Transition Agency was significant. By law, local government in New Zealand has distinct social, economic, cultural, and environmental responsibilities which effectively bring it into contact with every community, household, and business in its territorial area. The agency’s challenge was to plan, manage, and undertake the restructure while ensuring that the day-to-day work of the various councils and council organisations across the Auckland region could continue to function during the transition period unimpeded by the massive change process required by law.

During the transition period the old entities retained their responsibilities, with decision making constrained by legislation. Under section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009 the Transition Agency was required to confirm or decline to confirm various decisions made by councils and certain other local government organisations, including entering into any contract (other than employment agreements) that imposed obligations after 30 June 2011 and involved consideration of \$20,000 or greater. In total some 1,070 decisions were submitted for the agency’s consideration. The positive attitude and professionalism of staff of the former councils in the handling of section 31 decisions was of huge assistance to the Transition Agency in meeting its legislative commitments in this area.

A series of legislative changes provided the framework within which the Transition Agency operated to deliver a new governance model for Auckland in line with the Government’s vision. Designing and delivering new structures to support not just the governing body and 21 local boards but also six council-controlled organisations (CCOs) established by legislation during the transition period was achieved through a project management approach, with tasks divided into workstreams and interdependencies managed through a project management office.

There were many challenges in the establishment of the new structures, and in the human resource, logistical, legal, and financial work required to bring about change on this scale. Combining eight councils’ information technology systems alone covered a raft of different operating systems and software with more than 2,500 individual software applications.

It was a matter of great pride to the board and staff of the Transition Agency that on 1 November 2010 – completion of the transition and Day One of the new structures – the overwhelming majority of Aucklanders did not notice any major change. Achieving that was a major success. Operational stability continued without interruption, with new organisations equipped to deliver customer-focused service to the people of Auckland.

Preface

The Transition Agency Board has received quite exceptional assistance from all members of the agency team, from the executive group of workstream leaders and their support staff, from local and central government departments – and especially the Department of Internal Affairs, the Office of the Auditor-General, and Audit New Zealand – and from consultants, legal providers, community organisations, and individuals directly involved in supporting the agency’s activities.

Concluding the executive summary is a list of the key deliverables. These are the products of the Transition Agency’s work delivered to the Auckland Council by the close of the transition period on 31 October 2010.

The Transition Agency has presented Auckland Council with a projected rate increase of just 3.9 percent for 2011/2012 representing a net reduction of 2.1 percent from the average increase projected by the former councils. A related benefit for Auckland Council customers arises from the Transition Agency’s decision to standardise the principal regulatory fees to the lowest across every council except Franklin District Council.

The amalgamation of Auckland’s libraries creates the largest group in Australasia, and allows Aucklanders to use their library cards at any of the 55 libraries and four mobile libraries in the region.

A particular feature of the Transition Agency’s work and demanding considerable time and energy was the establishment of 21 local boards to sit alongside the governing body comprising the mayor and 20 councillors. Auckland Council is not a hierarchical structure where the mayor and 20 councillors tell everyone what to do. Instead, council’s structure reflects the key principle that local boards and the governing body will work collaboratively. The Transition Agency made an initial allocation of non-regulatory decision-making responsibilities between the governing body and local boards and prepared inaugural budgets for each local board reflecting its decision-making responsibilities.

In determining accommodation requirements for the new council, including local boards and CCOs, the Transition Agency followed a principle of retaining property owned by the former councils and utilising that as much as possible, while seeking to release other properties that were leased by the councils.

Important legacies for local government in Auckland in the period ahead have been created by the work of the Transition Agency. At the top of the list is a recalibration of Auckland local government around the creation of a single customer-focused entity with the mind-set and ability to want to deliver high-quality services in a timely way.

This report is the outcome of the Transition Agency’s work. It flags some unfinished business; in particular, there is a need for a long-term solution to Auckland Council’s complex information technology structure. It was a magnificent achievement to put in a new platform and get all systems across the former councils talking to each other on Day One without any major hiccups, including in the payroll area. However, a modern, integrated platform will need to be introduced over time.

Another area of unfinished business centres on staffing. As the new organisation settles into place, the Transition Agency sees a need for further refinement of staff contracts and responsibilities.

A third area of unfinished business, and perhaps the greatest of the many challenges facing the new council, is around the need for a different way or mind-set for how council staff across the whole organisation (governing body, local boards, and CCOs) work together and for how Aucklanders view their council.

This new model puts in place a framework that supports the will of Aucklanders working together for the greater good of the entire region and its diverse communities. Its enduring success requires the adoption of consultative and collaborative attitudes and working practices. This will take some time to achieve,

but I am confident that the high-calibre leadership appointed into the key positions, and maintaining the enthusiasm for Auckland Council improving on the performance of its predecessors, can only result in Auckland maintaining its status as the place to be.

The Transition Agency acknowledges the support of the Prime Minister and Deputy Prime Minister to this project and expresses its special thanks to the Minister of Local Government, Hon Rodney Hide, and the Minister of Transport, Hon Steven Joyce, whose considerable contributions to the transition were invaluable, and to Associate Minister of Local Government, Hon John Carter, who steered the Auckland reform legislation through the public consultation and parliamentary processes.

Executive Summary

- 1 The Auckland Transition Agency ("Transition Agency") was established by the Government in May 2009 to amalgamate Auckland's city, district, and regional councils into a new unitary Auckland Council ready to function from 1 November 2010.
- 2 The Government identified six main tasks for the Transition Agency, commencing immediately:
 - the creation of the Auckland Council and the local boards
 - managing the organisational changes
 - ensuring continued delivery of the responsibilities of the councils and council-controlled organisations (CCOs)
 - continued momentum of key projects such as the Rugby World Cup 2011 and waterfront development
 - ensuring the transition process was well communicated to stakeholders
 - winding up existing organisations once the new organisation had been established.
- 3 The Transition Agency was established by legislation as a statutory entity whose existence would cease on the close of 31 October 2010.
- 4 The history of how and why the Auckland Transition Agency was established has its roots in the Royal Commission on Auckland Governance, which delivered its report in March 2009. The Government agreed with the Royal Commission's recommendation that there needed to be bold change to make Auckland the most exciting, vibrant metropolitan centre in Australasia.
- 5 The focus of the Transition Agency on its establishment was on the processes required to establish the council in accordance with the Government's time frame.
- 6 To achieve this aim, a project management approach was adopted and an intensive, highly energetic and interactive process commenced. Tasks required to achieve the outcome on time, on budget, and with high-level risk management at every step were identified and divided into workstreams:
 - Business processes and systems
 - Communications and public affairs
 - Community services
 - Council-controlled organisations
 - Auckland Transport
 - Watercare Services Ltd
 - Waterfront Development Agency Ltd
 - Auckland Council Investments Ltd
 - Auckland Tourism, Events and Economic Development Ltd
 - Auckland Council Property Ltd
 - Regional Facilities Auckland
 - Customer services
 - Environment: Environmental services
 - Environment: Policy and planning
 - Environment: Regulatory
 - Finance and treasury

Executive Summary

- Governance
- Legal
- Property and assets
- Work force and human resources.

7 This summary of the Transition Agency's full report sets out in brief the activities and tasks required to enable the Auckland Council to be operational on 1 November 2010. It describes the work undertaken to design and establish the new local government structure, and the associated tasks to rationalise, reorganise, and integrate the eight former councils' operations into the new single council entity. The summary concludes with an outline of the key deliverables achieved by the Transition Agency during its 17 months of operation and gives details of the further work required by Auckland Council to provide enduring outcomes from Auckland's governance reform process.

Aim of reform

8 The reasons for Government's high-level decisions outlining a dramatically new approach to Auckland's local government arrangements were unveiled in April 2009 in the publication *Making Auckland Greater*. The decisions were put into a New Zealand-wide context stressing the importance of Auckland as the nation's largest city and home to more than a third of the population:

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

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

The new governance structure will enable Auckland to reach its full potential as the engine room for the country's economic growth.¹

9 The Government subsequently reinforced in legislation and publicly the reasons and aims for reforming Auckland's local government arrangements. A policy statement in the Local Government (Auckland Law Reform) Bill – which was subsequently enacted in 2010 as three Acts (see below) – stated that if this attempt to reform Auckland's local arrangements is to provide “enduring solutions”, the governance of Auckland must be integrated into one organisation able to manage and resolve both regional and local issues:

Auckland's potential is restricted by the fragmented way the city is run. Regional issues get tangled up in the competing interests of local councils. Community matters get tangled up in local councils' focus on the Auckland-wide issues.

... [The new] governance arrangements aim to create one Auckland, which has strong regional governance, integrated decision making, greater community engagement, and improved value for money.²

10 To achieve the above aims, Cabinet made a series of decisions in 2009 and 2010 designed to enable the Transition Agency and other organisations involved in the design and construction of Auckland's new local government arrangements to create a unique unitary Auckland Council in which all the structural divisions (governing body, local boards, CCOs, and other entities) have some shared ownership of roles, tasks, and responsibilities.

¹ *Making Auckland Greater*, April 2009, p. 10 (available at <http://www.aucklandcouncil.govt.nz/SiteCollectionDocuments/Making-Auckland-Greater-government-decisions-20042009.pdf>, accessed October 2010).

² Local Government (Auckland Law Reform) Bill (112-1), General policy statement.

Legislative framework

- 11 The legislative framework relating to the Auckland Council and the reorganisation process evolved over time. Five separate Acts were passed over the period from May 2009 to June 2010, and much of the work of the Transition Agency was carried out in circumstances where important details had yet to be finalised in legislation.
- 12 The Transition Agency was established by the first key piece of legislation, the Local Government (Tamaki Makaurau Reorganisation) Act 2009 (“Reorganisation Act”), which became law on 25 May 2009. The Transition Agency was given the task of managing the transition from the eight existing councils and their associated entities to the new Auckland Council and its associated entities.
- 13 The Reorganisation Act provided that the Auckland Council would come into existence on 1 November 2010. It established the Auckland Council as a unitary authority (i.e. it provided that the Auckland Council would carry out the functions and duties of both a territorial authority and a regional council), but provided few other details as to its structure, form, and functions.
- 14 The second key piece of legislation was the Local Government (Auckland Council) Act 2009 (“Auckland Council Act”). This Act prescribed much of the structure of the Auckland Council; a governing body and an unspecified number of local boards. It provided some guidance as to the respective decision-making responsibilities of the governing body and the local boards, and included provisions relating to the funding and powers of local boards. It required the Local Government Commission to determine the local board areas and wards, and also to determine the boundaries of Auckland for the purposes of its local government arrangements.
- 15 In June 2010, another three Acts were passed:
 - the Local Government (Tamaki Makaurau Reorganisation) Amendment Act 2010 (“Reorganisation Amendment Act”), which comprised amendments to the Reorganisation Act
 - the Local Government (Auckland Council) Amendment Act 2010 (“Auckland Council Amendment Act”), which comprised amendments to the Auckland Council Act
 - the Local Government (Auckland Transitional Provisions) Act 2010 (“Transitional Provisions Act”), which addressed a range of transitional matters including employment issues.
- 16 These three Acts started out as a single bill: the Local Government (Auckland Law Reform) Bill, commonly known as the Third Bill. However, when it was passed the Third Bill was divided into the three separate Acts listed above.
- 17 The Transition Agency provided considerable input both in relation to the content of these final three Acts and in relation to the 13 Cabinet papers that preceded them. The Third Bill also generated significant media and public comment and its content changed considerably before it was passed into law, particularly at the select committee stage.
- 18 These final three Acts completed the legislative framework for the new governance arrangements in Auckland. Collectively, they addressed a wide range of issues, such as
 - accountability requirements for CCOs
 - transitional matters relating to employment
 - the delivery of water supply and wastewater services
 - the establishment of Pacific and Ethnic Peoples Advisory Panels
 - resolution of disputes between local boards and the governing body of the Auckland Council
 - spatial planning.

Executive Summary

- 19 This group of Acts also
- established Auckland Transport
 - established a board promoting issues of significance for mana whenua groups and mataawaka of Tāmaki Makaurau
 - required the Transition Agency to establish a waterfront development CCO
 - required the Transition Agency to establish any other CCOs as directed by Order in Council.
- 20 In addition, the following pieces of subordinate legislation were promulgated before 1 November 2010:
- Local Government (Tamaki Makaurau Reorganisation) Mayoral Electoral Expenses Regulations 2010
 - Local Government (Tamaki Makaurau Reorganisation) Establishment of Council-controlled Organisations Order 2010
 - Local Government (Auckland Transitional Provisions) Act Transitional Regulations 2010
 - Local Government (Tamaki Makaurau Reorganisation) Terminating Organisations Order 2010
 - Local Government (Tamaki Makaurau Reorganisation) Council-controlled Organisations Vesting Order 2010
 - Local Government (Tamaki Makaurau Reorganisation) Watercare Services Limited Vesting Order 2010
 - Local Government (Auckland Transitional Provisions) Delegations, Development Contributions, and Trade Wastes Regulations 2010
 - Local Government (Auckland Transitional Provisions) Fees and Charges Regulations 2010
 - Local Government (Tamaki Makaurau Reorganisation) Standing Orders Regulations 2010
 - Local Government (Auckland Transitional Provisions) Standing Orders Regulations 2010.
- 21 The Local Government Commission’s determinations for electing councillors to the governing body and to determine arrangements for local boards are set out in a separate report³ and were implemented by the Local Government (Auckland Wards and Local Boards) Determination 2010.
- 22 A summary of Government’s key representation changes to Auckland’s local government arrangements is depicted below:

Previous situation	New arrangements
1 regional council	1 Auckland Council
4 city councils	21 local boards
3 district councils	
30 community boards	
1 chair elected by regional council	1 mayor, with enhanced powers, elected at large
7 mayors elected at large, within cities and districts	
13 regional councillors (including the chair)	20 councillors, elected from 13 wards
96 territorial authority councillors	149 local board members
145 community board members	

³ Local Government Commission, *Auckland Governance arrangements: Determinations of wards, local boards and boundaries for Auckland*, Volumes 1 and 2, March 2010.

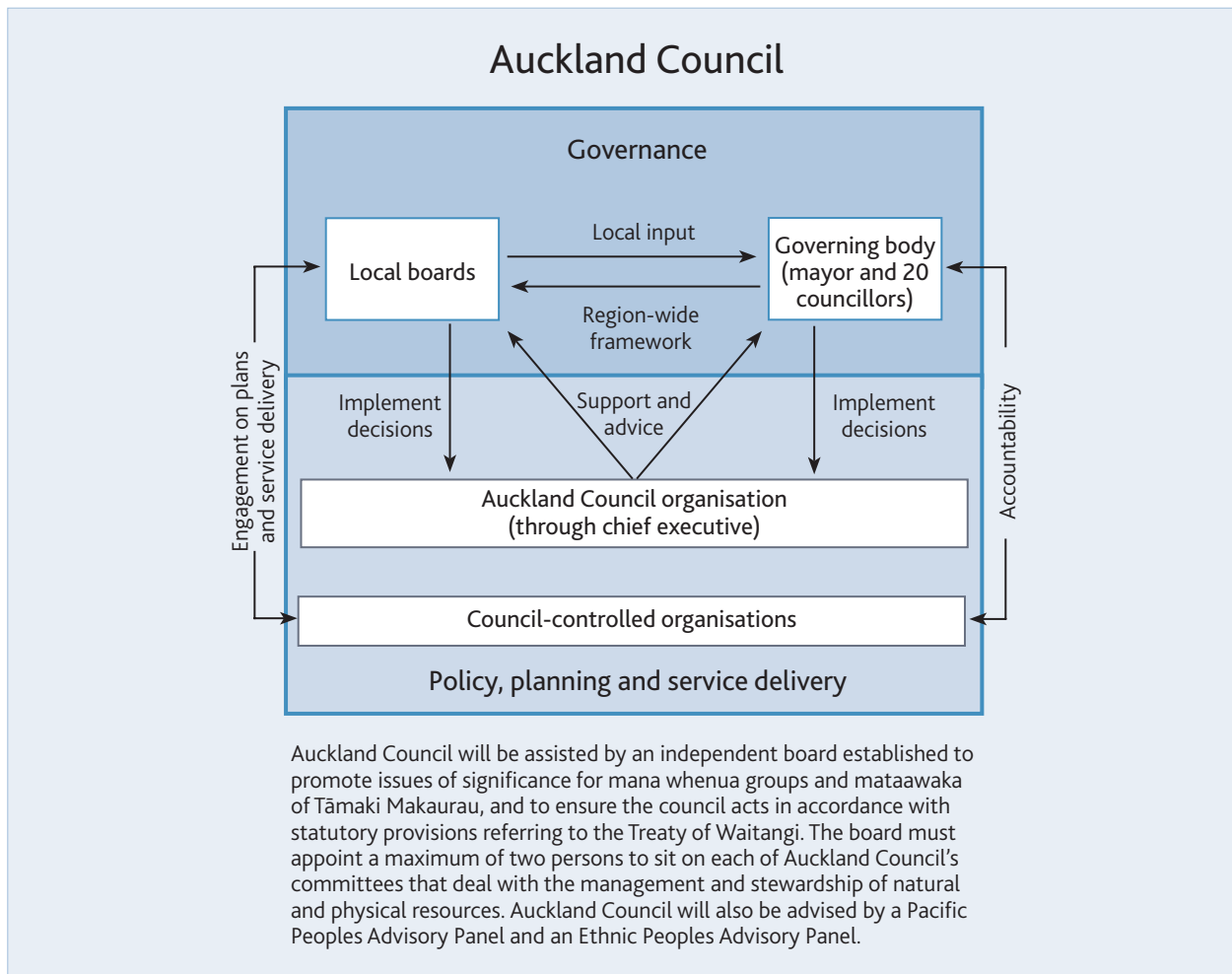
Outcome of legislative reform process

- 23 The scope of the change to Auckland's local governance arrangements achieved by the legislative reform process is significant and complex, with many organisations being disestablished and their staff and assets moved in to a structure that is unlike any other local authority in New Zealand:
- First, decision making is shared between the governing body (the mayor and 20 elected councillors) and local boards.
 - Second, Auckland Council is required by statute to produce a spatial plan. This will be informed by the mayor's vision and local board input, and form the core strategic document for the development of the region, from which other plans and strategies will evolve – for example transport, urban development, economic, social, and environmental plans.
 - Third, and unique to Auckland Council, six substantive CCOs have been established (with Watercare Services Ltd to become a seventh on 1 July 2012) within the overall structure of Auckland Council, each of which is required to give effect to Auckland Council's long-term plan and act consistently with relevant aspects of the spatial plan and other plans and collaborate with the council on achieving aligned outcomes.
- 24 In total there are 170 elected representatives and nearly 50 appointed CCO board members, all responsible for aspects of the Auckland Council's local government decision making.

Work of the Transition Agency to Implement the new model

New mind-set required

- 25 The Transition Agency assessed that legislative measures on their own cannot ensure the development of strong and enduring working relationships between councillors, local board members, and chairs of the various CCO boards, as well as effective integration of their work programmes and decision making.
- 26 Key to the successful translation of Auckland Council's unique decision-making requirements into its day-to-day operations will be the actions taken to establish interdependent and shared roles and accountabilities within and between the constituent parts of the organisation. A new best-practice approach will be required involving a high degree of integration and collaboration between the various entities, and development of effective working relationships at both an organisational and a governance level.
- 27 The legislation is quite clear in establishing a role for the local boards to take decisions on local matters. A local board is accountable to the respective local community of interest and the decisions it makes cannot be relitigated or revisited by the governing body.
- 28 The Transition Agency applied a great deal of effort to considering the implications and progressive development of the legislation. This flowed through to implementing a range of measures including
- the design of structures
 - allocation of decision-making responsibilities and budgets
 - preparation of documents such as standing orders, draft code of conduct, and draft statements of intent for CCOs
 - design and provision of service centres and local board offices.



Design of Auckland Council structure

29 Considerable time and thought was invested by the Transition Agency in the design of the overall Auckland Council structure diagram (above) to ensure it faithfully reflected the general intent of the relevant Auckland Council Act provisions establishing the governing body and local boards as autonomous within their respective areas of decision making. Similarly, the diagram needed to reflect the legislation’s requirements that the substantive CCOs would be established as an integral part of the Auckland Council structure and be accountable and “give effect” to its governance decision-making process.

Auckland Council – the mayor

30 The mayor is the head of the Auckland Council’s governing body and expected to provide overall leadership to other elected members and the organisation. In comparison with other New Zealand mayors, the mayor of Auckland has enhanced responsibilities which are set out in the Auckland Council Act:

- (1) The role of the mayor is to—
 - (a) articulate and promote a vision for Auckland; and
 - (b) provide leadership for the purpose of achieving objectives that will contribute to that vision.

- 31 The role of the mayor also includes
- leading the development of council plans (including the long-term council community plan (LTCCP) and the annual plan), policies, and budgets for consideration by the governing body
 - ensuring there is effective engagement between the Auckland Council and the people of Auckland.
- 32 To undertake these roles, the mayor has a number of powers, including to
- establish processes and mechanisms for the Auckland Council to engage with the people of Auckland
 - appoint the deputy mayor
 - establish committees of the governing body
 - appoint the chairperson of each committee of the governing body.
- 33 The mayor is also a member of each committee of the governing body.

Auckland Council – governing body

- 34 Unlike any other local authority in New Zealand, Auckland Council provides for decision making shared between an elected governing body and 21 elected local boards, while being serviced by CCOs with strengthened accountability provisions. This and the next section of this summary focus on the role of the Transition Agency in determining the arrangements for the governing body and local boards.
- 35 The governing body is made up of the mayor and 20 councillors. The mayor is elected “at large” by voters across the region, while the councillors are elected from one of 13 wards which make up the Auckland region. Each councillor is elected by the voters who live in that ward.
- 36 The governing body is responsible for giving effect to the purpose of local government as set out in section 10 of the Local Government Act 2002 (LGA 2002):
- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
 - (b) to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.
- 37 However, the Auckland Council Act qualifies the role of the governing body to focus on the big picture and region-wide strategic decisions. Its specific responsibilities are to
- prepare and adopt the LTCCP, annual plan, and annual report
 - set rates and make bylaws
 - decide on regulatory matters
 - decide on *region-wide* non-regulatory matters (it is the role of local boards to decide on *local* non-regulatory matters)
 - set regional strategies, policies, and plans, including the spatial plan and the district plan
 - govern the CCOs
 - consult with local boards on regional matters affecting the local board area
 - negotiate a local board agreement with each local board
 - establish and maintain capacity across the full organisation (i.e. CCOs and local boards) to ensure service provision
 - monitor and review the performance of the (total) organisation.

Executive Summary

Auckland Council – local boards

- 38 In policy statements underpinning the decision to establish 21 local boards, the Government has acknowledged that for many Aucklanders local boards will be the face of local government – the success of the Auckland Council will rely heavily on the success of the local boards. The local boards will in many cases represent more people than most New Zealand councils.
- 39 Local boards are intended to have a significant and wide-ranging role; they will make decisions on local matters, provide local leadership, and build strong local communities. The local boards will also provide important local input into region-wide strategies and plans including those of CCOs.
- 40 In summary, there are three ways that legislation gives decision-making responsibilities to local boards:
- directly by legislation – the Auckland Council Act
 - by allocation from the governing body
 - by delegation from the governing body.
- 41 The basis for local boards fulfilling this role is set out in the Auckland Council Act. The Auckland Council Act
- provides for local boards to be responsible for all non-regulatory activities unless a regional approach would better promote the well-being of Aucklanders
 - requires local boards to prepare a three-yearly local board plan in consultation with their communities
 - requires local boards to agree annually with the governing body a local board agreement which includes local service levels and funding.
- 42 The new local board structure was established in a series of steps over the transition period. In April 2009, the Government announced intentions to establish 20 to 30 local boards across Auckland to represent their communities' interests and provide a comprehensive system of local representation in place of the ad hoc system of community boards that operated in some areas of Auckland and not others. The Local Government Commission was tasked with deciding the exact numbers and boundaries. The Commission's determinations that Auckland would have 13 wards (to elect 20 councillors to the governing body) and 21 local boards were announced in March 2010.
- 43 Meanwhile the Government decided in December 2009 that one of the Transition Agency's tasks would include making an initial allocation of decision-making responsibility for non-regulatory activities to local boards. In taking on this role, the Transition Agency also decided to
- consider the role of local boards in the regulatory activity of Auckland Council
 - outline proposals on how local boards will fulfil their role.

Establishment of local boards

- 44 In February 2010, the outcome of the Transition Agency's thinking on the initial allocation of decision-making responsibility for non-regulatory activities to local boards was published in *Discussion document – Auckland Council local boards*, and feedback sought. In May 2010, a summary report of the feedback received on the discussion document was published.
- 45 In allocating the non-regulatory activities, rather than asking, "Why should local boards do certain non-regulatory activities?", the Transition Agency took the approach of asking, "Why not?"

- 46 The Transition Agency believed this was appropriate because
- local decisions are best made at a local level to ensure local knowledge and community input
 - the governing body should focus on region-wide issues
 - from a practical perspective, with 20 councillors and a mayor, the governing body is required to retain a focus on big picture issues.
- 47 The Transition Agency reviewed all the current activities of local government in Auckland. This work confirmed the impossibility of coming up with a simple list of non-regulatory activities that local boards could be responsible for in their entirety. This was because local and regional government is responsible for a large number of activities, many of which have both a local and a regional component. It is therefore not a simple categorisation but the nature of the decision and an understanding of the local component versus the regional component of an activity that is important.
- 48 The Transition Agency's allocation of non-regulatory responsibilities (published in Chapter 2 of this report) will apply until amended by the governing body. The governing body must make any future allocation using the principles in the Auckland Council Act, and after considering the views and preferences of each local board. If a local board does not agree with a proposed allocation, the Auckland Council Act provides for a process to resolve any differences.
- 49 Under the Auckland Council Act, regulatory activities are the responsibility of the governing body, although there is provision for some delegation by the governing body to local boards. However, the Transition Agency identified areas where delegating regulatory activities to local boards would fit well with their broader role. These have been forwarded for the attention of the governing body to determine which, if any, regulatory activities are delegated to local boards.
- 50 The work of the Transition Agency also included preparing initial local board budgets, establishing a Local Board Services Department to provide specialist assistance to local boards and help them to achieve their purpose, putting in place accommodation arrangements for each of the 21 local boards, developing an induction programme for local board members and staff, and making the arrangements to enable 21 local boards' inaugural meetings between 2 and 8 November 2010 (i.e. in the first week of the establishment of Auckland Council).
- 51 Other important establishment tasks undertaken by the Transition Agency were the preparation of draft local board agreements for 2011/2012 based on legislative requirements and providing a suggested process for how local board agreements could be negotiated and adopted by local board members and the governing body.
- 52 The Transition Agency notes that the responsibilities of local boards may also change as the roles of the governing body and the local boards develop and as regional and local plans are developed. The services provided by Auckland Council will also evolve over time in response to community views, local innovation, and decisions by elected representatives.

Auckland Council – working effectively together and with others

- 53 The new legislative arrangements for Auckland's local government confer on all elected members a defined role to regularly engage with their respective community of interest in order to understand their views and priorities. The elected councillors of the governing body will need to establish effective working relationships with communities across the region and with organisations that are important to the Auckland region as a whole, including central government and other national

Executive Summary

organisations and stakeholder groups. The elected local board members will need to establish close working relationships with their local community and other organisations that are important in the local area.

- 54 Effective collaboration between local boards, the governing body, and the CCOs will be essential. Local boards will provide local input into region-wide strategies, policies, and plans that are the responsibility of the governing body, and to which the CCOs are required to give effect.
- 55 Local boards may also work together to discuss and address common issues, or issues affecting more than one local board area. Indeed, the Auckland Council Act stipulates that a local board should collaborate and cooperate with one or more other local boards in situations where the interest of communities within each local board area will be better served by doing so.

Māori Statutory Board

- 56 The Auckland Council Act provides for Auckland Council to be assisted by an independent board established to promote issues of significance for mana whenua groups and mataawaka of Tāmaki Makaurau, and to ensure the council acts in accordance with statutory provisions referring to the Treaty of Waitangi. The board is composed of seven mana whenua representatives and two mataawaka representatives. The Act requires board members to be appointed by a selection panel of representatives from mana whenua groups invited by the Minister of Māori Affairs to choose one representative each.
- 57 With the assistance of Te Puni Kōkiri, the Minister of Māori Affairs managed the appointment of the selection panel for the Māori Statutory Board. The panel had its first meeting on 27 August 2010. From that point on the Transition Agency supported the selection panel to develop processes and make appointments to the board. The selection panel completed its task and advised the Minister and the mayor-elect of its appointments on 28 October 2010.

Pacific Peoples Advisory Panel

- 58 The Transitional Provisions Act requires the new mayor to establish and appoint members of the Pacific Peoples Advisory Panel no later than 31 March 2011. The purpose of the panel is to identify and communicate to Auckland Council the interests and concerns of Auckland's Pacific peoples in the activities of the council.
- 59 The Transition Agency was consulted by the chief executive of the Ministry of Pacific Island Affairs to develop proposals on the make-up and skills of the panel, selection criteria and process, and especially whether the panel should be elected, appointed, or be a mix of elected and appointed. The proposals were presented by the chief executive of Ministry of Pacific Island Affairs to the mayor-elect for his consideration on 22 October 2010.

Ethnic Peoples Advisory Panel

- 60 The Transitional Provisions Act requires the new mayor to establish and appoint members of the Ethnic Peoples Advisory Panel no later than 31 March 2011. The purpose of the panel is to identify and communicate to Auckland Council the interests and concerns of Auckland's ethnic peoples in the activities of the council.

61 In August 2010 the Transition Agency hosted an Ethnic Peoples Advisory Panel consultation workshop attended by 86 participants representing some 60 organisations. There was a preference for an option involving an open call for applications based on clear criteria, followed by short-listing by an interview panel that included the council and independent advice. After short-listing and interviewing, the interview panel would recommend the members to be appointed to the mayor, who would make the final decision. The Transition Agency proposals for the establishment of the panel were forwarded to the mayor-elect on 19 October 2010.

Auckland Social Policy Forum

62 In May 2009, Cabinet agreed to establish an Auckland Social Policy Forum supported by an Auckland Social Policy Advisory Group. Cabinet agreed that the forum will be a high-level meeting between Government and Auckland Council chaired by the Minister for Social Development and Employment. The forum's role will be to advance social issues in Auckland at the political level through demonstrating strong leadership, setting a clear strategic direction, highlighting the roles and responsibilities of central and local government, and driving alignment of thinking.

63 Cabinet agreed that the forum membership comprise

- the Minister for Social Development and Employment (chair)
- the mayor of Auckland Council
- chairs of relevant council committees
- selected (as yet undetermined) representation from local boards.

64 Decisions on the function and form of the forum are, in part, dependent on decisions to be taken by the mayor. These decisions include council committee structure (e.g. whether there will be a Social Issues Committee or similar), local board representation arrangements, and mayoral priorities.

Council-controlled organisations

65 A particular feature of the Transition Agency's work and demanding considerable time and energy was the rationalisation of the approximately 40 CCOs to enable the new Auckland Council to operate effectively and efficiently.

66 Picking up on the Royal Commission's suggestions that the number of CCOs be rationalised and measures be introduced to ensure that CCOs were able to operate on an independent and professional basis, Cabinet agreed to a process for approving new Auckland Council CCOs:

- First, the Transition Agency should review and rationalise the wholly local authority-owned entities prior to 1 November 2010 and any new entities agreed should remain until July 2012, when Auckland Council would produce its first full LTCCP.
- Second, Cabinet agreed in principle to a CCO structure for the Auckland Council proposed by the Transition Agency. It was also agreed that when the Transition Agency had finalised each CCO it would make specific recommendations to Cabinet for its establishment. Assessment of each CCO proposal would include an assessment against agreed criteria, and identification of benefits, risk, and other consequences for consideration by Cabinet. The Transition Agency was also directed that, in putting these proposals together, it should seek to ensure local matters were protected and the funding arrangements were not disturbed.

Executive Summary

- 67 The Transition Agency's first step was a stocktake of existing Auckland local authorities. This identified over 300 entities consisting primarily of
- 41 CCOs, including five council-controlled trading organisations⁴
 - 37 council organisations
 - 205 independent organisations that are not CCOs but rely on local authority funding and/or support
 - 33 other entities.
- 68 The next major step (1 March 2010) was to publish *Discussion document: Council-controlled organisations of Auckland Council* ("CCO discussion document") outlining the proposals of the Transition Agency for the rationalisation of CCOs in the new Auckland Council structure and seeking feedback in respect of five of the seven proposed substantive CCOs: Council Investments; Economic Development, Tourism and Events; Major Regional Facilities; Property Holdings; and Waterfront Development Agency.
- 69 A separate discussion document and consultation process was invoked for Auckland Transport. Watercare Services was not included in the CCO discussion document and/or feedback process because it is a continuing council organisation, and was already subject to consultation and submission through the Local Government (Auckland Law Reform) Bill process.

Design factors

- 70 The CCO discussion document set out a number of design factors for the development of the draft structure for the CCOs, including criteria stipulated by Cabinet:
- The structure must promote efficiency, leadership, and decision making. This means, for example,
 - The Auckland Council will not simply replicate the current practices or structures within existing councils.
 - Management roles will be significant and meaningful.
 - The number of management tiers will be minimised.
 - The structure must promote clear accountability from each CCO to the Auckland Council.
 - Working relationships and accountabilities between each CCO and local boards and other stakeholders must be clearly defined.
 - The primary focus must be on maintaining and enhancing service delivery to citizens in the Auckland region. This means to the extent a CCO needs them, the Auckland Council may provide shared services support via commercial service agreements.
- 71 To enable clear accountability from each CCO to the Auckland Council, the Transition Agency recommended the establishment of a council committee to
- set direction and monitor the performance of CCOs
 - have governance oversight in the appointment of directors to CCOs
 - receive and make decisions on the recommendations of the advisory board (which does not have decision-making powers)
 - be assisted by a council governance and monitoring unit.

⁴ A council-controlled organisation is a company or organisation in which one or more local authorities control 50% or more of the votes or have the right to appoint 50% or more of the directors (or trustees) of the company or organisation – i.e. the company or organisation is controlled by one or more councils. A council-controlled trading organisation is a CCO that operates as a trading undertaking for the purpose of making a profit. A council organisation is a company or organisation in which one or more local authorities have voting rights or the right to appoint one or more directors or trustees.

- 72 With the mayor as chair, the council committee is positioned to provide the critical oversight role of the performance of the CCOs and to ensure alignment of what they are doing with the long-term vision and goals of Auckland Council.
- 73 Also, the Transition Agency recommended the establishment of an advisory board to
- comprise three to four members appointed by the council committee for their particular expertise and experience
 - recommend the appointment of CCO directors to the council committee
 - provide advice as requested by the council committee.
- 74 The intention is to have a board composed of experienced independent private sector practitioners able to advise on future appointments to CCO boards and assist the council committee address any relationship issues with CCOs.
- 75 The overall objective of the new CCO structure proposed by the Transition Agency was to ensure not only that regional and local matters are managed appropriately through their respective constituent authorities – the governing body and local boards respectively – but that funding arrangements are not disrupted and accountability is lifted to a higher level based on the achievement of specified outcomes.
- 76 Feedback was received from 174 individuals and groups. Overall, most respondents who supported the use of CCOs by Auckland Council accepted that major change was needed to deliver on the Government’s goals for Auckland. Thus the CCOs need to bring a new culture and leadership that can partner with all stakeholders – the Auckland Council’s governing body and local boards and the wider community – and not just be an expansion or restructure of an existing entity. There was an expectation that the CCOs would bring commercial disciplines, be accountable and entrepreneurial in nature, and not be an additional burden on the ratepayer or service users. The CCOs should work together to add “lift” not “drag” to Auckland as a great place to live, work, and invest in. There was a general view that accountability for all CCOs needed to be transparently mandated by the Auckland Council.
- 77 The finalised structure agreed by Cabinet on 5 July 2010 endorsed the Transition Agency’s recommendations to ultimately have seven substantive CCOs.⁵ Six substantive CCOs would be established immediately: Auckland Transport (as a statutory entity), Auckland Council Investments Ltd (ACIL), Auckland Council Property Ltd (ACPL), Auckland Tourism, Events and Economic Development (TEED), Auckland Waterfront Development Agency (AWDA), and Regional Facilities Auckland (RFA). Auckland Council also owns Watercare Services Ltd, a council organisation which meets those criteria.⁶ It will become the seventh substantive CCO from 1 July 2012.
- 78 For every Auckland Council CCO, not just “substantive” CCOs, two of the CCO’s meetings each year must be open to members of the public: one at the time of considering its draft statement of intent and one in order to consider the CCO’s performance over the previous financial year. A reasonable amount of time must be allocated for members of the public to address the meeting.

⁵ Substantive CCOs are a new class of CCOs that are wholly owned or controlled by the Auckland Council and either undertake major service delivery functions or own or manage assets with a value of more than \$10 million (refer Auckland Council Act, section 4).

⁶ Watercare will remain a council organisation until 30 June 2012 when it will become a CCO. Watercare has its own specific accountability requirements set out in legislation, which are similar to the statutory requirements of a CCO.

Executive Summary

Accountability

- 79 A significantly strengthened accountability framework is a feature of the Auckland Council's CCO model. The normal CCO operating provisions contained in Part 5 of the LGA 2002 apply to all Auckland Council CCOs. In addition, Part 8 of the Auckland Council Act establishes an enhanced accountability regime for "substantive" CCOs:
- Auckland Council may impose additional accountability requirements on the CCO, for example quarterly reporting, the preparation of a 10-year plan, and requirements for the management of the CCO's strategic assets, including major transactions in relation to those assets.
 - Substantive CCOs are required to give effect to the council's LTCCP and act consistently with other plans or strategies as specified by the Auckland Council.
 - Councillors and local board members may not be directors of a substantive CCO (except for Auckland Transport).
 - Auckland Council may appoint the CCO's chairperson and deputy chairperson.

Establishment

- 80 In early June 2010 the Transition Agency was given the final go-ahead to design and establish five of the seven substantive CCOs,⁷ leaving five months to do the work required to have them ready to open for business on 1 November 2010. A change management plan was developed based on an approach to identify the absolute essential tasks required to be completed by Day One. All of the critical establishment issues were successfully achieved by the Transition Agency. The status and progress made by the Transition Agency in respect of these many tasks is described in more detail in the chapters on individual CCOs.

Unique CCO structure

- 81 The principles that underpinned the development of the CCO model, with increased accountability mechanisms, were designed by the Transition Agency to reflect and enable the new unitary Auckland Council governance structure to give effect to the Government's high-level ambitions for local government in Auckland.
- 82 A particular focus was the need for a paradigm shift that will allow Auckland's civic leaders "to think regionally, plan strategically, and act decisively"⁸ and "to create one Auckland, which has strong regional governance, integrated decision making, greater community engagement, and improved value for money"⁹.
- 83 At the same time, the Auckland Council Act makes it clear that the seven CCOs exist under the democratic process and the ultimate accountability of the elected councillors to the ratepayers. It is Auckland Council's governing body, with input from the local boards, which sets the objectives and accounts to the ratepayers for the performance of the CCOs.

⁷ The five were Auckland Waterfront Development Agency, Regional Facilities Auckland, Auckland Council Property, Auckland Council Investments, and Auckland Tourism, Events and Economic Development. The go-ahead to establish the other two substantive CCOs, Auckland Transport and Watercare, was given in April 2009.

⁸ *Making Auckland Greater*, containing the Government's high-level decisions on Auckland Governance, April 2009, Prime Minister's Foreword, p. 4.

⁹ Local Government (Auckland Law Reform) Bill 112-1 (2009), general policy statement, p. 2.

Individual CCOs

Auckland Transport

- 84 Auckland Transport operates as a statutory wholly owned CCO of the Auckland Council under Part 5 of the LGA 2002 with some specific modifications. It has responsibility for all the local roading and public transport activities in Auckland previously performed by territorial authorities and the Auckland Regional Transport Authority. Auckland Transport is also required to establish close working relationships with other CCOs, local boards, and the various central government agencies that have responsibilities for transport in Auckland.
- 85 To oversee the detail of Auckland Transport's establishment process and the transition from the transport activities of Auckland's existing local government organisations, the Transition Agency established a Transport Working Group. Over 14 months, this group progressed through a number of key stages, establishing six project teams to undertake the various tasks including information discovery and evaluation, organisational design and workforce planning (including feedback), staff appointments process, systems development, business process mapping, and customer process development.

Watercare Services Limited

- 86 Watercare Services Limited ("Watercare") is a council organisation and wholly owned subsidiary established within the Auckland Council governance structure.¹⁰ Under the Auckland local government reforms Watercare has become the provider of all the water and wastewater services to the whole of Auckland region from Rodney in the north to Franklin in the south.¹¹
- 87 Establishing these new arrangements has involved Watercare taking over tasks formerly performed by either the Auckland territorial authorities or local network operators (organisations owned by or contracted to the councils). Watercare managed the integration process via three key workstreams (customer, operations, corporate) and four supporting teams (information systems, legislation and governance, people, and communications). The project was run by a Programme Management Office reporting directly to Watercare's chief executive, the Watercare board, and the Transition Agency on a regular basis.

Auckland Council Investments Limited

- 88 Auckland Council Investments Limited (ACIL) is the Auckland Council CCO responsible for bringing a strong commercial focus to Auckland Council's major investment assets including its shareholding in Auckland International Airport Ltd (AIAL) and Ports of Auckland Ltd (POAL).
- 89 At establishment on 1 November 2010, ACIL held around \$1.2 billion in assets, and offsetting liabilities of \$314 million.¹² The scope of ACIL's role relates to the efficient and effective ownership and governance of POAL (100 percent owned), AIAL (22.6 percent owned), Auckland Film Studios Ltd (AFSL) (44 percent owned), Manukau City Investments Ltd (MCIL), and Auckland Council

¹⁰ Under section 113(2) of the Local Government (Auckland Transitional Provisions) Act 2010 Watercare will become a CCO on 1 July 2012.

¹¹ The exception is the Papakura area where retail water and wastewater services are provided by United Water under a franchise agreement with all the assets owned by Watercare.

¹² See ACIL's prospective statement of financial position in *Your Auckland, Auckland Council's Long-term Plan, 1 November 2010–30 June 2019, Volume 4: Council-controlled organisations*, p. 30.

Executive Summary

Investments (AIAL) Ltd (a subsidiary of ACIL). Of the liabilities, \$168 million comprises borrowing from Auckland Council.

- 90 The transition to the ACIL structure had no impact on the boards of POAL, MCIL, and AFSL, which remained in place on 1 November 2010. After the transition period, ACIL, as shareholder in POAL, MCIL, and AFSL, can make appointments to the boards of these entities and exercise any other rights it has as shareholder, in accordance with any relevant legislative provisions (e.g. the Companies Act 1993), the companies' constitutions, and any governance expectations of the Auckland Council.

Auckland Tourism, Events and Economic Development Limited

- 91 Auckland Tourism, Events and Economic Development Limited (TEED) is the Auckland Council CCO responsible for bringing a consistent and integrated region-wide approach to economic development, tourism, and events promotion to help lift Auckland's economic performance and support it in competing internationally.
- 92 The Transition Agency facilitated the establishment of TEED by rationalising and consolidating the various events and economic development activities of previous council groups/business units, CCOs, and other independent entities across the region into one CCO to achieve a consistent approach to economic development, tourism, and events promotion. It is expected that TEED will give tourism promotion, investment promotion, and sector development a more central role in the future economic development of Auckland.
- 93 The broad approach taken to establish TEED was to bring the existing entities together into a single organisational structure but anticipating that in certain circumstances they would remain in and continue to operate from their existing locations on 1 November 2010. Accordingly, an area of unfinished business in the establishment of TEED is to complete the relocation of the various divisions into its new home in central Auckland.

Rugby World Cup 2011

- 94 An early initiative by the Transition Agency on its establishment in May 2009 was to put in place a process to ensure that planning momentum for RWC 2011 was not adversely affected by the Auckland governance process. Steps taken included a transfer of RWC 2011 project reporting lines in Auckland to the Transition Agency to enable appropriate Transition Agency oversight of RWC 2011 until Auckland Council took effect on 1 November 2010.
- 95 The Transition Agency's tasks in respect of RWC 2011 also included work on updating RWC 2011 governance and management structures alongside the detailed design process for establishing TEED.
- 96 While primary accountability for RWC 2011 in Auckland now resides with TEED, the delivery of RWC 2011 will require extensive cross-organisation cooperation with the Auckland Council (for local delivery) and Auckland Transport (given the critical role transport plays in RWC 2011). Coordination with the Auckland Waterfront Development Agency and Regional Facilities Auckland will also be required given the focus of Auckland's fan zone and festival activities on the waterfront, and the match and training venues (such as North Harbour, Mt Smart, and the Trusts stadiums), accountability for which will lie with Regional Facilities Auckland.

Regional Facilities Auckland

- 97 Regional Facilities Auckland (RFA) is the Auckland Council CCO responsible for providing a regional perspective for the development of Auckland's arts, culture and heritage, leisure, sport, and entertainment venues including Auckland Art Gallery Toi o Tāmaki, Viaduct Events Centre, Auckland Zoo, Mt Smart Stadium, and The Edge.
- 98 The establishment of RFA will enable a consistent approach to the management of regional facilities across the Auckland region. RFA will bring entities in the arts, culture, and collecting fields together with indoor venues and stadiums, but the diversity of the fields involved and variety of legal structures and funding arrangements means that the full reform envisaged by the Transition Agency was not achieved by 1 November 2010.
- 99 The Transition Agency has also noted the debate across the region about the duplication and underutilisation of a range of regional facilities in Auckland. A number of facilities were developed with the ratepayers of the local area in mind, rather than with a regional focus. Consequently there is over \$1 billion worth of small to mid-sized assets. At present many of these council entities actively compete with one another outside of their core activities (e.g. for conferences, functions, and concerts). The Transition Agency believed that this situation was not sustainable.
- 100 Accordingly, given the complexity and the limitations on legislative intervention, RFA is an important first step towards regionalisation of Auckland's major regional facilities. The Transition Agency suggests that over time the value added by the creation of RFA may lead some entities to decide that they wish to be fully integrated into the organisation. It may also lead the Auckland Council over time to encourage greater integration.

Auckland Council Property Limited

- 101 Auckland Council Property Limited (ACPL) is the Auckland Council CCO responsible for managing council's commercial properties, ensuring an appropriate return on these assets, and bringing a market perspective to council planning activities.
- 102 ACPL's primary activity is to actively manage and control more than \$700 million of Auckland Council property assets not immediately required for service delivery or infrastructure. This portfolio comprises approximately 820 properties. ACPL will also undertake acquisitions and disposals on behalf of the Auckland Council, Auckland Transport, and other designated CCOs.
- 103 ACPL is required to bring a commercial discipline approach to the management of property assets, but will not own the property and other interests under its management and control.
- 104 Accordingly, ACPL will facilitate an ongoing dialogue with the Auckland Council property department and other CCOs in respect of their property interests in order to ensure that effective relationships and demarcation of roles are maintained through effective communication and to achieve the best possible outcome for the overall Auckland Council property asset portfolio.

Auckland Waterfront Development Agency Limited

- 105 Auckland's waterfront has long been recognised as having the potential to be an internationally recognised asset for New Zealand, an attractive gateway to Auckland, and a drawcard for locals and tourists. The primary purpose of Auckland Waterfront Development Agency Limited (AWDA)

Executive Summary

is to develop the waterfront in line with the vision expressed by the Auckland Council on behalf of Aucklanders. This involves managing the waterfront as a coherent whole, delivering high-quality architecture, quality urban design and public open space, and improved connections and integration with the central business district and surrounding city.

- 106 As a small CCO (in terms of personnel) responsible for planning, marina services, and project delivery functions in its defined areas of ownership and influence, AWDA will have complex interface issues with Auckland Council, other CCOs, and delivery agencies.
- 107 As AWDA is a place-based entity, the Transition Agency has undertaken significant work to establish its geographical area of ownership and influence.
- 108 The approach taken by the Transition Agency in respect of staff and contractors has been to retain institutional knowledge and service levels and ongoing projects, particularly for the team working on projects to be completed for the RWC 2011.

Other key Transition Agency activity areas

- 109 As well as tasks to design and establish the new council (governing body, local boards, CCOs, and other boards and advisory panels), the Transition Agency's responsibilities included exercising specified governance oversight over local government organisations and appointing an electoral officer for the 2010 local government elections in Auckland, as well as preparing the new council's first planning document.

Oversight of decision making

- 110 Under section 31 of the Reorganisation Act the Transition Agency was required to confirm, or decline to confirm, certain decisions made by local government organisations of the Auckland region during the transition period from 24 May 2009 to 31 October 2010. This was a significant task for the Transition Agency involving some 1,070 decisions by local government which the agency was asked to confirm.
- 111 In addition, the Transition Agency had the power to review decisions and agenda items to identify any additional matters that should be referred to it.
- 112 Of the 1,070 decision confirmation requests received, most were from the existing councils and related to contracts for the provision of goods and services. The second largest category of decision confirmation requests related to the sale and purchase of land. Of these requests, a decision of North Shore City Council was partially declined; 23 decision confirmation requests were withdrawn; and 50 were decisions that had been submitted but, after initial assessment, did not require confirmation by the Transition Agency.

2010 Elections

- 113 Under the Reorganisation Act the Transition Agency had responsibilities preparing for the October 2010 triennial general elections. As required by the Act, the Transition Agency undertook a selection process leading to the appointment of Independent Election Services Ltd, with Dale Ofsoke as the Electoral Officer, to coordinate and manage the elections.

114 The inaugural elections for the Auckland's governing body and local board members were conducted by postal vote on 9 October 2010. A total of 489,059 electors voted. This represents a 51 percent return and compares very favourably with a 37.3 percent average return at the 2007 elections for the seven former Auckland territorial authorities.

Auckland Council's first planning document

115 Under the Reorganisation Act the Transition Agency was required to prepare the new council's first planning document. The six-volume document, available on the Auckland Council website, www.aucklandcouncil.govt.nz, provides activity, financial, and performance information for the period 1 November 2010 through to 30 June 2019. It serves as an annual plan for the first eight months of Auckland Council (1 November 2010 through to 30 June 2011), as well as its long-term plan for the period 1 November 2010 through to 30 June 2012.

116 The plan is a core component of Auckland Council's performance management framework. Auckland Council will report progress against this plan in its first annual report in the second half of 2011.

117 As per legislative requirements, the planning document is based on a consolidation of the 2009–2019 long-term plans and 2010 annual plans of the previous eight councils. The Transition Agency has reorganised and amended this information to reflect the new governance and organisational arrangements for local government in Auckland and other relevant factors including, but not limited to, transition costs incurred by the Transition Agency, establishment of the new local boards, new information and communications technology infrastructure, an efficiency savings target, and revised estimates of inflation. As required, the document includes a budget for each local board area and each CCO for 2011/2012.

118 The plan prepared by the Transition Agency presented Auckland Council with a projected rate increase of 3.9 percent for 2011/2012 representing a net reduction of 2.1 percent from the average increase projected by the former councils. This result should be viewed in the context of operational changes that will deliver improved customer service levels, lower regulatory fees and charges, and lower water prices. All of these improvements have stemmed from transition.

119 The work of the Transition Agency was analysed at a high level by Taylor Duignan Barry, which confirmed \$95 million of savings to be realised by 2012/2013 and further efficiencies which could be achieved by Auckland Council. The Transition Agency Board approved the plan. The Auditor-General provided an unqualified audit opinion on 29 October 2010.

Transition Agency expenditure

120 The Transition Agency was required to obtain approval from the Minister of Local Government and the Minister of Finance for its budgeted expenditure. Expenditure incurred constituted a debt due by the Transition Agency to the Crown. At 1 November 2010 the responsibility for all debts and liabilities of the Transition Agency transferred to Auckland Council.

121 The Transition Agency obtained two budget approvals from the Ministers. The first, \$34.4 million, was the operational budget needed for the Transition Agency to fulfil its role, including the conduct and promotion of the October 2010 elections. The second, \$59.7 million, was for implementation expenditure incurred on behalf of the Auckland Council. This was predominantly for the integration of information and communications technology systems.

Executive Summary

- 122 The total approved budget up to 31 October 2010 was therefore \$94.1 million. The Transition Agency entered into a loan agreement with the Crown which allowed the agency to draw down up to \$94.1 million. The loan, together with capitalised interest, is repayable on 1 November 2011.
- 123 The Transition Agency drew down \$80 million with any unspent monies to be transferred to Auckland Council. Its final expenditure against the first budget of \$34.4 million was \$30.7 million, including capitalised interest to 31 October 2010 of \$0.95 million. Final expenditure against the second budget of \$59.7 million was \$44.6 million. In total the Transition Agency underspent the approved budgets by \$18.8 million.

Other workstream activity

Planning and policy

- 124 The new planning system for Auckland is a cornerstone of the Auckland reforms. A critical and transforming activity for the new Auckland Council will be developing new strategies, plans, and policies for Auckland that redefine how Auckland sees and governs itself. This is the function of the planning and policy activities.¹³
- 125 The Transition Agency developed a vision as a basis for the design of the planning and policy activities:
- Auckland is an amazing place with beautiful harbours, islands, open spaces, rural lands, villages and city. Auckland is a world class city region able to compete successfully with other major city regions of the Pacific Rim and the promise of Auckland Council and its council controlled organisations is that it will provide the institutional and governance framework to aggressively and effectively invest in an agreed future to build the liveability and economic performance of Auckland.
- 126 The structure proposed by the Transition Agency for Auckland Council's planning and policy function has four sub-activities: regional strategy including community cultural and social strategy; environmental strategy; regional and local planning; and economic development. This structure is based on both outcomes for the region and functions.
- 127 The design of the planning and policy activities reflects the Transition Agency guiding principles. It is intended that all plans, policies, and strategies functions for Auckland Council beyond operating plans (such as unit-level business plans or facility operating plans) will be prepared by the planning and policy activities team. In general, all overarching policy and strategic advice will also be provided by the planning and policy activities team.
- 128 The establishment of a single planning and policy activities area for Auckland Council provides an unprecedented opportunity for Auckland to be served by a cohesive results-oriented policy function. Previous governance arrangements for Auckland shared between eight territorial and regional-level authorities inevitably meant that significant resources and time of professional staff and elected members were devoted to transacting, debating, consulting on, and litigating policy and strategic direction. The development of one spatial plan, one LTCCP, and one unitary resource management plan will be difficult and challenging for the planning and policy activities and the elected bodies of Auckland Council. However, the focus of such work will be on the best interests of Auckland, will

¹³ See *Your Auckland, Auckland Council's Long-term Plan, 1 November 2010–30 June 2019, Volume 2: Vision, strategies and activities*, pp. 72–76, for detailed description of the planning and policy activity.

be well informed by evidence and stakeholder consultation, and eventually will provide a clear and cohesive voice for Auckland.

- 129 At an operational level there is a challenge to realise the opportunity for a major review of the entire set of plans and policy documents already existing in the region. Where justified, there will be efficiencies for the region's citizens, businesses, and organisations in having one set of consistent rules and policies, rather than the eight sets of different plans and policies, numbering in the hundreds, that existed during the transition period.

Hearings and commissioners

- 130 The Auckland Council's responsibilities include undertaking a large number of hearings from the former councils. These responsibilities are currently undertaken by a mix of elected members and independent commissioners. The hearings are related largely to Resource Management Act (RMA) matters, such as resource consents and plan changes, but also encompass other decision-making processes such as bylaws and annual plan and LTCCP processes.
- 131 In practical terms, elected members will have insufficient time to be involved in all hearings. An assessment undertaken estimated over 20 full-time people would be required to fulfil this role. This indicates there is a clear need to increase the use of independent commissioners, especially for roles such as for resource consents and private applications for changes to operative district plans. Recommendations have thus been made to extensively use independent commissioners for these roles while focusing the efforts of hearings by elected representative where matters of council policy are to be determined.
- 132 Where matters are of local interest only, such as local board plans and local bylaws, it is appropriate that local board members should hear submissions.

Staff transition and organisational design

- 133 One of the largest and most important tasks of the Transition Agency was the development of an organisational structure for the Auckland Council and associated entities, and the transition of staff into that new structure.
- 134 The reorganisation process resulted in many changes for the existing staff (approximately 9,430 full-time equivalent employees at the commencement of the reorganisation process).
- 135 The Transition Agency was required by statute to develop a change management plan that included protocols and processes for managing the transition of staff from existing local government organisations of the transition period to give effect to the new local governance arrangements for Auckland, having regard to the existing employment agreements applying to staff. The Transition Agency was only the change manager, not the actual employer of staff, which remained the existing local government organisations. The Transition Agency was responsible for ensuring that all staff employed on 1 November 2010 knew what and where their jobs were, the person they reported to, and what was expected of them.
- 136 Care was taken to manage specific employment conditions and situations. The Transition Agency placed a high value on engagement and communication with all parties involved in the change process, including staff, unions, and existing local government organisations. The Transition Agency ensured that communication and engagement with staff started as early in the process as possible.

Executive Summary

- 137 The Transition Agency also took steps to ensure that all employees had the right to independent representation and advice throughout the process. Employees were encouraged to access support and advice from unions and other support people, and these expectations were recorded in the change management plan.
- 138 A key foundation of the change process was the establishment of a good working relationship between the Transition Agency and the relevant unions, particularly the New Zealand Public Service Association (PSA). Approximately 38 percent of existing local government organisation staff belonged to the PSA. In addition, some staff were members of the Amalgamated Workers Union or the Engineering, Printing and Manufacturing Union.
- 139 By the end of August 2009, the Transition Agency had concluded a “record of expectations” with the PSA, which confirmed that the agency would work collaboratively with the PSA. Meetings were held at least fortnightly between the Transition Agency and PSA officials and delegates, and this close working relationship proved to be mutually beneficial over the course of the transition period. Most councils relieved up to one full-time equivalent PSA delegate from their usual tasks so that they could support staff through the transition process. These PSA “transition delegates” provided support and advice to all staff, not just to members of the PSA.
- 140 Overall, the Transition Agency was very impressed with the professionalism shown by the unions, and the support that they provided to staff during the change process.
- 141 The Transition Agency identified a number of matters for ongoing attention including the following:
- A process was agreed with the PSA for the review of transitional job evaluations. That needed to take place after 1 November 2010. Where a role is re-evaluated at a higher grade an employee may be entitled to a remuneration increase either through the application of the appropriate harmonisation step (where the job is substantially similar to that held by the employee prior to the transition), or because of regrading.
 - The new PSA collective agreement provided that agreement on a future remuneration framework would be deferred until after 1 November 2010. It established terms of reference for the development of this process, and it is anticipated that this process will be completed by September 2011.

Customer services

- 142 The aim of the Transition Agency in setting up the customer service functions of the Auckland Council was to provide from Day One a high-standard, professional, timely, and responsive service for all forms of customer contact, including phone calls, letters, e-communications, and personal callers. Ensuring there was continuity of customer service across the region was a critical success factor for the Transition Agency and considerable effort went in to delivering this.
- 143 Key deliverables from the customer services workstream included establishment of three categories of service centres (full, local, and neighbourhood) with locations in every local board area – from Warkworth to Pukekohe, from Huapai to Great Barrier.
- 144 On behalf of the Auckland Council the Transition Agency entered agreements with the BNZ and KiwiBank/PostShop so Aucklanders can undertake council and CCO transactions at any branch anywhere in New Zealand. Both banks are promoting this service to customers.

145 The Transition Agency oversaw the establishment of call centres with new phone numbers and websites in place for the council and CCOs. Additionally all the old phone numbers and web addresses were retained to redirect customers and for ease of interaction.

Community services

146 The community services workstream consisted of four projects:

- *Community Services Transition Project*. This was the largest of the four projects and involved transitioning existing community services (parks, sport, and recreation; libraries and information; community development, arts, and culture) to the new Auckland Council.
- *Civil Defence, Emergency Management and Rural Fire Transition Project*. This involved transitioning existing civil defence emergency management and rural fire services to the new council.
- *Māori and Council Transition Project*. This involved transitioning existing Māori and council relationship functions (policy, engagement, tikanga Māori, learning, and development) to the Auckland Council, including the transfer of existing arrangements with tangata whenua and Māori organisations.
- *Libraries MyCard Project*. This involved making all library services freely available to all residents across the Auckland region.

147 As well as a smooth transition in community services, Aucklanders can now use their library cards at any of the 55 libraries and four mobile libraries in the region. The amalgamation of libraries creates the largest group in Australasia, giving Aucklanders access to around 3.5 million items including books, CDs, DVDs, online information, and databases. Loan periods for some items have increased from one to two weeks, and there are no charges on overdue items borrowed by children or teens.

Regulatory and legal services

148 The statutory and regulatory framework administered by the regulatory and legal services of the Auckland Council underpins all of the council's functions and many of its day-to-day interactions with customers.

149 The improvement and rationalisation of regulatory services was identified as a key priority for the Transition Agency from the outset. The report of the Royal Commission on Auckland Governance exposed widespread dissatisfaction with the provision of regulatory services. Over one-third of the several thousand submissions made to the Royal Commission commented on the regulatory functions of councils, many expressing "great frustration, anger, and even despair over the present situation".

150 The reform of regulatory services encompassed the review, rationalisation, and, where possible, harmonisation of 158 bylaws, and numerous systems, policies, processes, and procedures covering everything from noise control to street signage and animal management. It also involved retooling the delivery of resource consent and building control services to ensure that they were customer-focused and delivered good decisions in good time.

151 The Transition Agency designed a "step change" process for the delivery of regulatory services. Prior to 1 November 2010, the focus was on establishing a robust organisational structure for the delivery of regulatory services, improving processes, lowering fees and costs, and simplifying the paperwork. It is expected that the Auckland Council will implement further change, particularly as the benefits of

Executive Summary

having a single district plan and simplified plans and standards across the region are delivered within several years.

- 152 Achievements from the reviews undertaken by the Transition Agency include the following:
- *Lower regulatory and other fees and charges.* Fees have been standardised to the lowest level across the region (with the exception of those applying in the former Franklin District Council) for resource consents, building control, land information memorandum reports, and dog registrations. For example, the hourly call-out fee for a building inspection, which was as high as \$185 under previous councils, is reduced to \$110.
 - *Improved advisory services.* The pre-lodgement service for building and resource consents (previously available at Auckland City Council) is being rolled out region-wide. The new structure includes a major projects team to coordinate projects of regional significance.
 - *Dog licensing.* Under the old councils there were 60 different categories of dog licence. This has been halved and fees have been standardised at the lowest level (excluding Franklin – which was largely rural). For example, fees in the most common registration category, which ranged from \$70 to \$100 across Auckland, are now \$70.
 - *Council versus council litigation.* Under the old council structure there were more than 330 cases of council versus council litigation around Resource Management Act matters. The Transition Agency worked with the former councils to achieve resolution between councils where possible. Only three cases were regarded as intractable and requiring third party intervention by the time of the Auckland Council's establishment on 1 November 2010.
 - *Consistent forms.* Over 850 forms used by the former councils have been reduced to 120 forms, to be used consistently across the region. This means, for example, that wherever a customer is building in Auckland, the building consent application is the same. These 120 common forms have also been simplified and are available online.
 - *Harmonisation of bylaws.* A bylaws project has provided the Auckland Council with a draft future plan for the harmonisation and rationalisation of some 158 bylaws.
 - *Transition of legal function.* The Transition Agency prepared a workforce plan proposing that the legal department at the Auckland Council comprise three teams reporting to the general counsel: litigation and regulatory; property and commercial; and public law. The total number of full-time roles in the legal department would be reduced from 64.05 to 35.
- 153 The Transition Agency has laid the foundations for the delivery of streamlined, efficient, and effective regulatory and legal services by the Auckland Council. The work undertaken by these workstreams ensures the Auckland Council is well placed to implement further “step changes” to regulatory services. Over time, the Auckland Council will be able to fully take advantage of these improvements, leveraging the benefits of scale and its role as a unitary council to really make Auckland hum.
- 154 In the short term, the Auckland Council will need to continue working towards achieving accreditation as a building consent authority. It will also need to continue the integration of territorial and regional resource consents, and to push for a portfolio of improvements across resource consent services.

Infrastructure and environmental services

- 155 The establishment of Auckland Council as a unitary authority provided a major opportunity to mesh the environmental protection roles of the former regional council with related functions of

the previous Auckland territorial authorities. The “big picture” for the environment of the whole Auckland region governed by one council offers new prospects for work toward a sustainable future for Auckland.

- 156 The Transition Agency’s key objectives achieved for the region’s stormwater services included to “regionalise” the function where practicable and continue delivering services with no degradation on Day One of service to the customer, communities, or environment.
- 157 The Transition Agency’s overarching objectives achieved for the solid waste project within the infrastructure and environmental services workstream included completing the preparation of a draft waste assessment and draft waste management and minimisation plan (as required by statute)¹⁴ for subsequent adoption by the Auckland Council.

Finance and treasury

- 158 Finance and treasury encompasses many functions critical to the day-to-day operations of the Auckland Council, from the purchasing of goods and services to the maintenance of financial controls and risk management. The overall objective of the Transition Agency was to deliver a finance and treasury system that would allow the Auckland Council to operate efficiently and effectively, and in compliance with all statutory and regulatory requirements, from Day One.
- 159 Key tasks successfully completed by the finance and treasury workstream included establishing an Integrated Treasury Group to coordinate treasury decisions across the existing local authorities and mitigate treasury-related risks during the transition period.
- 160 Other tasks successfully completed included preparation of roadmaps for work to be carried out after 1 November 2010 in some important areas, including the following.

Rates

- 161 Rates are the largest source of income for the Auckland Council. The projected rates revenue for 2011/2012 is approximately \$1.4 billion, equating to around 62 percent of the Auckland Council’s income. The Transition Agency’s rates project was primarily concerned with delivering an efficient and effective interim rating process for Day One at the Auckland Council and preparing a roadmap to assist in the transition to a single unified rating system by 1 July 2011.
- 162 The rates project also put in place a process for the revaluation of properties across the Auckland region.
- 163 A key priority was to develop an interim rates solution for use during the transition period and until a unified rating system is developed by the Auckland Council.

Non-rates revenue

- 164 The Auckland Council’s non-rates revenue exceeds \$300 million per year and includes rents, pool charges, dividends, library fees, regulatory fees, and development contributions. The principal objective for the Transition Agency’s non-rates revenue project was to develop an efficient and effective non-rates revenue framework to enable the Auckland Council to generate the income

¹⁴ Auckland Council is required to adopt a waste management and minimisation plan under section 43 of the Waste Minimisation Act 2008. Before conducting a review of this plan, a territorial authority must make a waste assessment (section 50(2) of the Waste Minimisation Act).

Executive Summary

(excluding rates) it requires from Day One and to ensure it is able to continue to charge and collect user charges where appropriate.

Risk management, audit, and insurance

- 165 The focus of this project was to deliver frameworks that would enable the Auckland Council to manage key risks, meet its audit requirements, and provide appropriate insurance cover effectively and in accordance with international standards from 1 November 2010.

Procurement

- 166 The focus of the Transition Agency's procurement project was on creating an environment in which Auckland Council could undertake and manage the procurement of goods and services effectively from 1 November 2010. At a high level, this involved the development of two primary deliverables – the procurement manual (including supporting processes, policies, and guidelines) and the central contracts database.

Treasury

- 167 The principal objective for the Transition Agency's treasury project was to deliver a treasury model for the Auckland Council that would enable it to undertake and manage its working capital requirements, borrowing requirements, financial investments, and treasury-related risks efficiently and effectively from 1 November 2010.
- 168 Information relating to banking, debts, and investment at the existing local authorities was consolidated by the treasury team. Three international credit rating agencies (Standard & Poor's, Fitch, and Moody's) were asked to submit proposals for the credit rating process for the Auckland Council. On 29 October 2010, Standard & Poor's rating was released as a public credit rating. The Auckland Council received a long-term AA credit rating and a short-term rating of A-1 Plus.
- 169 In order to mitigate the treasury-related risks associated with the transition to the Auckland Council structure, the Transition Agency developed a coordinated approach to treasury decisions across existing local authorities. The Transition Agency worked with Auckland's eight existing local authorities to create and implement an integrated treasury decision-making framework. A group comprising a representative from each of the eight existing local authorities was established. The primary objectives for the group were to reduce the risk that on Day One the Auckland Council would inherit an imbalanced treasury portfolio with a high concentration of maturing debt and interest rate risk and to achieve efficiency savings. Decisions made by the group were also required to fit with individual councils' long-term plans and treasury management policies. From November 2009, the group met monthly to monitor and manage the interest rate and liquidity risk profiles of the existing local authorities on a consolidated basis. A key priority for the group was to work jointly to source funds on behalf of Auckland's existing local authorities to ensure the borrowing needs of the existing councils were met as efficiently as possible throughout the transition period.

Concluding comment and unfinished business

- 170 The Transition Agency's role was to develop the model to be operational for 1 November 2010. The legal framework continued to evolve throughout the project as legislation was introduced and modified through the select committee process. The Government's decision to ensure the Transition Agency was consulted on the ongoing development of legislation was critical to the success of the overall project.

171 The Transition Agency has achieved the key deliverables agreed with the Government (see those itemised at the conclusion of this summary and others mentioned previously). However, because the model is new it will take time to bed in, and modifications will be required to the structures, processes, and support mechanisms put in place by the Transition Agency. A critical ingredient in the future success of the model will be the commitment of elected members, management and staff, CCOs, and other key stakeholders to develop the values, principles, and relationships necessary to make it work and endure.

172 To deliver a unitary Auckland Council, local government in greater Auckland has undergone a transformation of unprecedented size and scale which will shape Auckland for many decades to come.

173 While the Transition Agency undertook significant work to ensure Auckland Council could function efficiently from 1 November 2010, further work will continue to be undertaken by the new council.

174 Some of the important changes required in the period ahead and over the next few years include the following.

CCOs

175 All of the CCOs will need to reach agreement with Auckland Council over their statements of intent, which outline how they will ensure their activities give effect to the council's objectives, including the spatial plan, long-term plan, and other strategic plans.

Financial strategy and policy

176 Auckland Council must develop its own financial policies and strategy to replace the interim financial policies noted in the financial overview prepared by the Transition Agency and set out in the initial long-term plan for the period 1 November 2010 through to 30 June 2012.

Rates

177 Auckland Council must develop its own rating policies and mechanisms, as part of its 2012–2022 long-term plan. The new policy and mechanisms will apply from 1 July 2012.

Water and wastewater

178 From 1 July 2012, Watercare will directly bill for all wastewater charges, apart from properties in the Papakura District Council area which will be billed by United Water and those related to a wastewater service contract that Waitakere City had with the Royal New Zealand Air Force which will be billed by Auckland Council until Watercare negotiates a new contract with the Air Force.

179 Auckland Council will assess development and financial contributions from 1 November 2010 to 30 June 2011 for water supply and wastewater-related infrastructure in accordance with its interim development and financial contributions policies. Auckland Council will transfer all the water supply and wastewater related development contribution and financial contribution revenues it receives for this period to Watercare.

Fees and charges

180 Auckland Council must review and implement its own fees and charges regime by 1 July 2012.

Local boards

181 Local boards must adopt their first local board plan by 31 October 2011 to cover at least the three years from 1 July 2012 to 30 June 2015.

Executive Summary

182 Auckland Council must develop and adopt a local board funding policy by 1 July 2012.

Processes and systems

183 While the Transition Agency has made significant investment in processes and systems to ensure continuity of service delivery following the transition to a single council, from 1 November 2010 Auckland Council has been reliant on a number of legacy systems from the previous councils. Work will be undertaken to integrate and decommission these over the medium term.

184 Auckland Council will also need to continue to integrate and streamline core systems in areas such as finance and regulation to improve efficiency and effectiveness of the processes and systems the council has in place.

Spatial plan and other plans

185 Planning-related changes that need to be implemented after 1 November 2010 include

- developing a spatial plan, which will outline the council's broad long-term strategy for growth and development in Auckland (the spatial plan will help inform the council's priorities and objectives for the long-term plan)
- preparing an annual plan by 30 June 2011 and a long-term plan by 30 June 2012 – the first annual and long-term plans to be prepared and adopted by Auckland Council following public consultation
- standardising the RMA plans of the previous councils, which include the regional and district plans that currently exist across the region – a process that will happen over a number of years because of the legislative requirements
- consolidating the asset management plans of the previous councils to inform the development of the long-term plan and ensure appropriate maintenance and renewals of community assets, as well as developing new assets to cater for growth or improve service levels.

Key deliverables

During its 17 months of operation the Transition Agency delivered or helped facilitate the delivery of the following for the Auckland Council and Aucklanders.

- A new governance model was developed in accordance with the Government's vision: one council, comprising a governing body and 21 local boards, and seven council-controlled organisations (CCOs) with chief executives, management teams, and staff. CCO initial boards were in place, with the newly elected council making the remaining director appointments as provided for in legislation.
- Local board structures are all in place. Initial allocations of non-regulatory decision-making responsibilities were completed and associated budgets (totalling around \$488 million) were allocated to the local boards. Local board offices have been set up with local board support staff appointed as part of the new organisational structure.
- An independent board has been established to promote matters of significance to mana whenua groups and mataawaka of Tāmaki Makaurau. The board has nine members, seven to represent mana whenua (tribes directly associated with the area) and two mataawaka (non-mana whenua). It is independent of the council and can appoint up to two people as members to sit on Auckland Council committees that deal with the management and stewardship of natural and physical resources.
- Proposals for the establishment of a Pacific Peoples Advisory Panel and an Ethnic Peoples Advisory Panel were developed and presented to the mayor-elect of Auckland by the Chief Executive of the Ministry of Pacific Island Affairs and the Transition Agency respectively. The panels, which must be appointed by the mayor by March 2011, will advise the council of processes and mechanisms to engage with Pacific and ethnic peoples, and will identify and communicate to the council the interests and preferences of their people regarding the council's strategies, policies, plans, and bylaws, as well as any other matters they consider to be of interest to their communities.
- An electoral officer was appointed to run the local body elections in October. The elections were effectively promoted by the electoral officer and the Transition Agency and executed by the electoral officer. There was a major upswing in voter turnout, 51.0 percent of eligible voters compared with an average 37.3 percent in the previous election.
- A logo was created for the new council through a public design competition, with comprehensive upgrading of signage done before and after 1 November 2010.
- The new structure has a strong emphasis on customer service. Training and induction processes during transition concentrated on ensuring staff were well prepared to meet customer needs. There are three categories of service centres (full, local, and neighbourhood) with locations in every local board area – from Warkworth to Pukekohe, from Huapai to Great Barrier.

Executive Summary

- On behalf of the Auckland Council, agreements were made with the BNZ and KiwiBank/ PostShop so Aucklanders can undertake council and CCO transactions at any branch anywhere in New Zealand. Both banks are promoting this service to customers.
- Call centres were established with new phone numbers and websites in place for the council and CCOs. Additionally all the old phone numbers and web addresses were retained to redirect customers and for ease of interaction.
- Work with existing community groups helped to ensure continuity of community services. A smooth transition took place in the following areas: libraries and information, parks, sport and recreation, community development, arts and culture, Māori relations, civil defence/emergency management, and rural fire services.
- Aucklanders can now use their library cards at any of the 55 libraries and four mobile libraries in the region. The amalgamation of libraries creates the largest group in Australasia, giving Aucklanders access to around 3.5 million items including books, CDs, DVDs, online information, and databases. Loan periods for some items have increased from one to two weeks, and there are no charges on overdue items borrowed by children or teens.
- Fees have been standardised to the lowest level across the region, with the exception of those applying in the former Franklin District Council, for resource consents, building control, land information memorandum reports, and dog registrations. For example, the hourly call-out fee for a building inspection, which was as high as \$185 under previous councils, is reduced to \$110. More than 850 forms under the previous structures have been streamlined to around 120 which are available online.
- Under the new council model better advisory services are also being offered. The pre-lodgement service for building and resource consents (previously available at Auckland City Council) is being rolled out region-wide. The new structure includes a major projects team to coordinate projects of regional significance.
- Under the former councils there were 60 different categories of dog licence. This has been halved and fees have been standardised at the lowest level (excluding Franklin – which was largely rural). For example, fees in the most common registration category, which ranged from \$70 to \$100 across Auckland, are now \$70.
- Under the old council structure there were more than 330 cases of council versus council litigation around Resource Management Act matters. Work with the former councils achieved resolution where possible. Only three cases between councils were regarded as intractable by the time of the Auckland Council's establishment on 1 November 2010.
- Auckland Council and subsidiary organisational structures have been streamlined. As a result of the changes there was a 13 percent reduction in headcount between the old council structures and the new governance arrangements – or 1,200 full-time equivalent positions on 1 November 2010. This equates to an annualised salary saving of \$66.5 million. This reduction rises to 1,523 positions (16 percent) by 1 July 2012, an annual salary saving of \$91.0 million.

- The disestablishment of old roles, the recruitment of Tier 1, 2, and 3 staff to new roles, and the transfer of existing staff to the reduced number of positions at Tier 4, 5, and lower was achieved with good cooperation from both existing organisations and unions. Some 1,000 staff interviews and appointments were required over an eight-week period. Three new PSA collective agreements were negotiated to cover 2,500 employees and replace 11 varied agreements.
- The Auckland Council Planning Document was completed by 31 October 2010. This showed a rating projection of 3.9 percent for 2011/2012. This is 2.1 percent lower than the 6.0 percent average increase projected by the old councils. The lower projection includes the net impacts of transition – a saving of approximately \$37 million (which includes transition costs and savings, an efficiency target of \$47.7 million, information technology expenses, and factors such as the establishment of local boards). The Auckland Council received a long-term AA credit rating and a short-term rating of A-1 Plus. A single council-wide insurance programme will save an estimated \$0.8 million per year.
- The savings extend to water. The price of drinking water now delivered by Watercare in metropolitan Auckland will be lower by an average of 20 percent from 1 July 2011.
- Significant information technology and logistical change programmes were undertaken to ensure the smoothest possible changeover. Systems changes included: financial consolidation, reporting and planning functions; the core finance/human resources/payroll solution; websites; network and telephony integration; email integration; records management; geographic information systems consolidation and information systems service delivery.
- The handover of technical work to Tier 2 and 3 managers at the council was completed prior to 1 November 2010. This included projects such as policies, delegations, taxation, treasury, and technical accounting standards.

