



AUCKLAND CHAMBER OF COMMERCE SUBMISSION ON THE LOCAL GOVERNMENT (AUCKLAND LAW REFORM) BILL

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AUCKLAND CHAMBER OF COMMERCE SUBMISSION ON THE LOCAL GOVERNMENT (AUCKLAND LAW REFORM) BILL

1. EXECUTIVE SUMMARY

The Auckland Chamber of Commerce strongly supports Government's governance decision to establish a single, Auckland unitary authority to overcome long-standing fragmentation and coordination problems.

We support the Bill's aim "to create one Auckland, which has strong regional governance, integrated decision making, greater community engagement and improved value for money."

However, there are big gaps in the Bill which is unacceptable and need to be addressed if the Bill's aim is to be ultimately achieved:

- The Bill fails to provide clear authority, control and accountability linkages between the Auckland Council's governing body, its role to develop a spatial plan and associated strategies, implementation of these plans, and the delegation and control of the seven proposed council-controlled organisations (CCOs) to be established to deliver the policies and strategies set by Council.
- There is no detail on five of the seven CCOs, including how Auckland Council will achieve alignment and integration between, and maintain control and accountability of the CCOs to operate at 'arms length' from Council, even though this is stated to be a major aim of the Bill.
- Also missing is important detail on the functions, powers and duties of the tier of local boards that will (presumably) deliver the '*greater community engagement*' and community based decision making that the Bill claims is a major aim.

Given the unique opportunity presented to reinvent Auckland as a single internationally competitive city of scale able to secure a productive and prosperous future for New Zealand's advantage, it is critical that these gaps are closed. They reflect an inadequate process – lack of resources, lack of time, failure to apply a 'whole of government' approach with the result that Wellington and Auckland seem poles apart in their vision of what they are seeking from reforming Auckland's governance.

The end point of reforming Auckland's governance has to be about a better Auckland for all New Zealanders, and a truly internationally competitive city. We need a governance model that is easy to do business with in every sense of the word and easy for all of us to participate in. A culture of excellence in everything Auckland Council does needs to be established supported by efficient and cost-effective services which don't become an unnecessary burden on ratepayers and don't constrain the Council from making the investments needed to secure Auckland's future as a great city in our history.

It will be unforgivable to accept mediocrity given what Auckland needs and the people of Auckland expect.

To address these gaps, our submission recommends the following changes:

Overall governance arrangements

As a unitary authority, the CCOs and other constituent organizations of the Auckland Council – the 19 elected Local Boards, and Maori, Pacific community and Social issues boards - are all an inherent and essential part of an integrated and cohesive organisation that represents Auckland in national and international arena and delivers meaningful and efficient ('value for money') local democracy.

It is therefore imperative that the Bill be strengthened to:

- Provide for establishment of a unitary Council under-pinned by a single, integrated structure in which all component parts adopt shared principles of the whole organisation and are aligned and accountable to the elected Council.
- Provides a framework that allows for transparent and appropriate delegations of roles and responsibilities across the total organisation; including to and between the CCOs and other Boards (Maori, Pacific and Social); and
- Provides a minimum but constructive community-building role for local boards.

Governance of CCOs

If Auckland's governance reform process through establishing 'arms length' CCOs is to provide enduring solutions, it is critical that the Bill's provision for Auckland Council to govern and control the CCOs through a 'statement of intent' (SOI) process be clarified, strengthened and made robust and transparent.

The Chamber **strongly recommends** the Bill clearly require for all CCOs to have a consistent and robust SOI framework setting out accountability arrangements with Auckland Council covering:

- The nature and scope of the CCOs activities;
- The outcomes, objectives and outputs of the organisation; and,

- The performance targets and other measures by which each CCO may be judged (by Auckland Council and the wider community) in relation to its outcomes, objectives and outputs.

Our submission makes specific recommendations to streamline and strengthen SOI provisions in the Bill for transport and water services and for the other CCOs on which the Bill is silent, to embrace broadly similar principles and performance requirements. To achieve this outcome, we **recommend** the Bill be amended to include an explicit provision for all CCOs to have an SOI that complies with Schedule 8 of the Local Government Act 2002 (LGA), and that the SOI include a shared narrative setting out Council's overall objective and some guiding principles, as Cabinet has suggested.

Consistent with LGA 2002 provisions, the Chamber believes that appointments to the Boards of CCOs should be a matter for Auckland Council to decide. Consideration is required on whether the powers of the Auckland Transition Agency (ATA) to appoint inaugural Boards of CCOs should be for an interim period only (say 18 months), to allow Auckland Council time to develop and implement its own appointments policy consistent with the CCO provisions of the LGA 2002.

Governance of local boards

Our submission seeks considerable clarification and strengthening of the Bill in respect of setting a clearly defined role and function for the 19 Local Boards.

To spend considerable time and money electing more than 100 Local Board members at local government elections later this year, without constructive roles and responsibilities for them to play would be unacceptable and undermine efforts to build a better local governance system Aucklanders can respect and benefit from.

Auckland Spatial Plan

To give greater clarity and certainty to the Bill's provisions requiring Auckland Council to prepare and adopt a spatial plan, the Chamber **recommends** the following changes to this section of the Bill:

- Provides for a firm timeline for when Auckland Council must have prepared and adopted a spatial plan. We **recommend** a clause be added to require an inaugural draft spatial plan to be completed by the end of 2011 and be available for consultation and submission with a view to adoption by Auckland Council before the 2013 Local Government Elections.
- Strengthens provisions to involve community and private sector participation to take account of existing 'local area' spatial plans.
- Provides for relevant Government policies and strategies for Auckland's growth and development such as the National Policy Statement, National Infrastructure Plan and

Transport GPS and nationally important energy, water, telecommunications and social infrastructure programmes and projects to be taken into account.

- Provides a clear requirement for the spatial plan to be implemented, and sets a clear expectation that Auckland Council and its CCO subsidiaries will give effect to the spatial plan in a timely and efficient way; and implementation will be closely monitored through the appropriate SOI process established by Council.
- Specifies that the Auckland Spatial Plan has a formal statutory status, and clarify a single statutory hierarchy under which implementation should proceed (e.g. the reviewed Resource Management Act, Local Government Act 2002 and/or Land Transport Management Act 2003).

Missing CCO details

Substantial detail on the proposed tier of seven CCOs needs to be inserted in the Bill, including, for each CCO:

- What their functions, powers and responsibilities will be;
- How they will be controlled by and be accountable to the Auckland Council governing body;
- How they will be expected to work together to deliver Auckland Council (and central government) key policies and strategies;
- How they will be structured in order to achieve the aims of the Bill (to deliver integrated decision making, greater community engagement, and improved value for money).

In respect of the two CCOs for which substantial detail is included – **Auckland Transport** and **Water Services Limited** – the Chamber submission makes recommendations seeking:

- Streamlined and consistent provisions with other CCOs for the appointment of Boards. For example, we see no compelling reason why the appointment process for the Auckland Transport board departs from compliance with the LGA 2002 provisions and other regions of New Zealand, and should be different to other CCOs.
- Streamlined and strengthened clauses covering the objective and operating principles of Auckland Transport; and,
- Strengthened provision for independent monitoring of the performance of Water Services to ensure that water services are efficient and price competitive.

Auckland Waterfront Development Agency

Our submission questions the need to establish an Auckland Waterfront Development Agency as an 'arms length' CCO, and instead – to avoid duplication between the Auckland Council and Agency in planning and approval processes - suggests an 'in house' Council committee as a more efficient option.

Economic Development, Tourism and Events Agency

Noting government agrees that a key driver of Auckland's governance reform is to build a more internationally competitive city, the Chamber submission strongly encourages the Select Committee to ensure the Bill supports the establishment of a robust, energetic ***Economic Development, Tourism and Events Agency*** that enables Auckland's economic development plan to be prepared by the region in partnership with central government rather than by a process imposed on the region.

If the governance reform is to achieve its economic development potential and aims, Aucklanders across a wide spectrum of 'communities of interest' must be empowered to lead and take charge of the city's destiny. We strongly believe and urge the Select Committee to note that international advice from experts assisting other cities to reform governance arrangements in order to cope with emerging global challenges and opportunities requires a permissive legislative and regulatory framework supporting application of proven collaborative methodology and strong results-focused energy. This is available to be enabled within the Bill by way of the Metro Action Plan adopted by the region in 2006 after 18 months wide consultation, but with appropriate refreshment and alignment to Auckland Council's governance framework can assist to:

- Embed a cross-sectoral partnership arrangement into the Auckland Council support network;
- Monitor the Auckland economic and business engine room and bring its needs with appropriate urgency to the attention of Council;
- Develop an economic development plan that accurately represents Auckland's creative and innovative economic needs and opportunities;
- Marry the Auckland economic development plan with national priorities;
- Facilitate ongoing, cross-sectoral cooperation and collaboration in delivering Council's economic development activities.

This Agency needs to be the business community's forum for focusing the region's growth and development aspirations.

Rugby World Cup 2011

The Chamber notes that RWC 2011 preparations have been ring-fenced and are being co-ordinated through a combined Auckland-Wellington framework.

Our submission supports the Bill enabling an early decision to bring this task within the framework of Auckland Council's economic development planning process (as recommended by the Royal Commission) in order to give continuity and certainty to this vital work when the new Council comes into force on 1 November this year.

(Chamber Letterhead)

**AUCKLAND CHAMBER OF COMMERCE SUBMISSION ON THE LOCAL GOVERNMENT
(AUCKLAND LAW REFORM) BILL**

2. INTRODUCTION

The Auckland Regional Chamber of Commerce and Industry appreciates the opportunity to make a submission on the Local Government (Auckland Law Reform) Bill.

The Auckland Regional Chamber confirms that it wishes to be heard in support of this submission.

The Auckland Chamber has a corporate membership of more than 6000 engaged in business activities in the Auckland region.

It is dedicated to the development of international, national and regional trade through:-

- Freedom of enterprise for those who by their individual and corporate talents contribute real economic, social and cultural wealth to the community.
- The development of a market economy in which there is minimal interference from central and local government.
- The strengthening of Auckland's place as New Zealand's pre-eminent commercial, industrial and communications centre.
- Assisting the development of the region in creating a desirable commercial and industrial environment for its citizens.

The Chamber's mission is to inspire and influence business vitality. We do this by positively influencing the environment in which businesses operate and by providing "opportunities, products and services" that will improve the success and vitality of business.

The Chamber has a strong commitment to the growth of the Auckland region as a successful, progressive city in the Asia Pacific region and is recognized as such. It gives practical expression to this commitment not just through the conventional range of services provided by Chambers of Commerce but also through initiatives such as the New Kiwis recruitment service which plays an invaluable role in matching new migrants, especially from the Asia Pacific region, to employment opportunities and administering business-to-business trade documentation and relationships arising from the New Zealand's free trade agreements (China, ASEAN, CER with Australia, etc) and in numerous other ways.

Since the Auckland Chamber's founding in 1856, the Chamber has taken a close interest and participation in advocating for effective governance arrangements for the Auckland region, and in particular more efficient and productive Auckland infrastructure. We are proactive in seeking to assist government to develop initiatives to improve Auckland's – and therefore New Zealand's – economic development.

We concur with Government that we will know Auckland has become a more productive and competitive city if, in the long term, it improves its ranking relative to comparable international cities on quality of living, average income, labour productivity, and employment in medium- and high-tech manufacturing and knowledge-intensive services.

The end point of reforming Auckland's governance has to be about a better Auckland for all New Zealanders, and a truly internationally competitive city.

We need a governance model that is easy to do business with in every sense of the word, and easy for all of us to participate in.

Chamber principles for the role of local government

- The Chamber has developed a set of principles which it encourages the Committee to consider in finalising the shape of the governance structure of the Auckland Council and other matters it has been asked to consider. They include:

- Strong accountable leadership able to speak with a single voice on behalf of the Auckland region.
- Clarity of role and function so that it is clear which elements of local government (and central government) are responsible for what activities within the Auckland region.
- Placing decision-making power at the appropriate level for any given activity consistent with the principle of subsidiarity.
- Efficient and effective service delivery recognizing that a least cost approach is a critical element in building Auckland's international competitiveness.
- Building public trust and confidence in the governance of Auckland which includes ensuring that due recognition is given to the "local" in local government.
- Taking a "least change" approach to developing an optimal governance structure in order to minimise the cost of transition - "if it ain't broke, don't fix it".

Scope of Chamber Submission

The scope of the Chamber submission is limited to specific matters stipulated in the Bill as required for the Auckland Council to be able to operate effectively from its establishment on 1 November 2010 and which are of close interest to the business community, including:

- Details of the relationship between the unitary Council's governing body led by an executive Mayor and its local boards;
- Arrangements for the management of transport and water supply and wastewater services;
- Provision for the development of a spatial plan for Auckland;
- Arrangements relating to the governance of council-controlled organisations (CCOs), especially transport, waterfront, water services and economic development; and,
- Arrangements for a Board to promote issues of significance for mana whenua and Maori.

The Chamber's comments are focused mainly on the high-level areas in the Bill we believe require to be changed.

3. AIM OF THE BILL

According to the Explanatory Note at the front of the Bill, this is the third and final Bill required to implement the Government's decisions on new governance arrangements for the Auckland region. The changed governance arrangements set out in the Bill *"aim to create one Auckland, which has strong regional governance, integrated decision making, greater community engagement and improved value for money."*¹

The Chamber of Commerce supports these aims and notes that they and the governance framework Government has decided it wants to establish to deliver these aims are broadly

¹ Local Government (Auckland Law Reform) Bill, Explanatory Note, p.2

in line with the Auckland Chamber of Commerce submission to the Royal Commission on Auckland in April 2008.²

However, there are big gaps in the Bill and substantial detail is missing leaving the Chamber with no choice but to seriously question the claims made that the Bill is the final legislative word on Auckland's governance reform. The claim made that the desired outcome of the Bill's provisions to establish a unitary governance framework that provides '*enduring solutions*' to Auckland's deeply embedded '*weak and fragmented regional governance and poor community engagement*' over the past 50 years cannot be demonstrated from the contents of the Bill:

- There is no detail on five of the seven council-controlled entities (CCOs) that government's high-level governance decisions provide for in Auckland's new governance framework.
- The Bill fails to provide clear authority, control and accountability linkages between the Auckland Council's governing body, its role to develop a spatial plan and associated strategies, implementation of these plans, and the delegation and control of proposed for CCOs to deliver the policies and strategies set by Council.
- There is no detail around how the Council will achieve alignment and integration among and between, and maintain control and accountability of the CCOs that Government has agreed be established to operate at 'arms length' from Council, even though suggestions for how this be achieved are set out in Cabinet papers and this is stated to be one of the Bill's major aims.
- Also missing is important detail on the functions, powers and duties of the tier of local boards that will (presumably) deliver the '*greater community engagement*' and community based decision making that the Bill claims is a major aim.

The Chamber is greatly disappointed at these omissions and believes it is totally inadequate for the Bill to claim to provide '*enduring solutions*,' when it manifestly fails to address some major gaps in Auckland's new governance framework requiring legislative confirmation.

The Chamber of Commerce works hard to establish and maintain a 'whole of government' approach and relationship in its dealing with government, including politicians, departments and agencies at local and central government levels. Generally both central and local government reciprocate strongly and make it very clear that they believe that achieving improved and enduring outcomes across economic, social, environment and cultural issues facing New Zealand does in fact require collaboration and adopting a 'whole of government' approach in seeking solutions.

² See Auckland Chamber of Commerce submission to the Royal Commission on Auckland Governance, Executive Summary, April 2008, pages ii-iv.

In this instance, the Chamber has had great difficulty identifying partnerships between central government and Auckland stakeholders with a vested interest in improved outcomes from Auckland's governance reform process. Instead of a shared dialogue taking place in arriving at solutions to some of the substantive details needing to be worked through in establishing Auckland's new governance framework, the Chamber has been forced to a view that the (easily-made) promise of 'enduring solutions' being established through this Bill (and earlier Bills) has been put at risk by the reform process being done on the cheap and using the good will of a small group of officials working under extreme pressure with limited resources.

The gaps in the Bill, we submit, reflect an inadequate process – lack of resources, lack of time and a perception that Wellington and Auckland are poles apart in their vision and what they are seeking from reforming Auckland's governance.

For this Bill to be put before Aucklanders in a hotch-potch package and claiming to be the final Bill required to implement 'enduring solutions' and an 'integrated decision making framework' on new governance arrangements for the Auckland region, when manifestly this is not the case, is wrong. It reflects a 'them and us' battle between Wellington and Auckland and is a breach of good government practice that Wellington and Auckland will need to address if Auckland's governance reform efforts are to ultimately succeed.

We elaborate these concerns in the detail of our submission.

4. OVERALL GOVERNANCE ARRANGEMENTS

To reflect the principles for the role of local government (above), the Chamber submission to the Royal Commission advocated a single Auckland Council with overall responsibility for regional services, including establishment of separate 'arms length' (CCO) entities owned by and accountable to the Council for transport, water and wastewater, economic development (tourism and international events), significant strategic assets, and culture and recreation functions.

The Chamber supported Council undertaking planning functions 'in-house' and advocated both an elected executive mayor model and a level of local, community-based decision making.

We are pleased that the overall governance framework submitted by the Chamber has generally been adopted. However, the Local Government (Auckland Law Reform) Bill establishing the new arrangements lacks needed critical details and guidance on how Auckland Council should be structured and operate to achieve the Bill's key aims of integrated decision making, greater community engagement and improved efficiency and value for money.

Intended outcomes of Auckland's reform process from its inception and strongly advocated for by the Chamber has been a structure that provides strong accountable leadership able to speak with one voice on behalf of Auckland, and clarity of role and function so that it is

clear which element of local government (and central government) are responsible for what activities within the Auckland Region.³ These and other principles advocated by the Chamber were adopted by the Royal Commission in recommendations to establish an enduring 'one Auckland' local government entity that in all respects reflects world-best practice for local government, that achieves internationally competitive critical mass, economies of scale and efficiency for the provision of 'city' services, infrastructure and representation.⁴

A number of government announcements have also indicated that it wants to create a single, integrated Auckland governance structure that *"will allow Auckland's civic leaders to: think regionally, plan strategically and act decisively."* Government has also supported the Chamber suggestion of an executive Mayor, and indicated support for the mayor to be elected regionally with a vision for Auckland which will form the basis of a Council-approved programme "to chart and lead an agenda for the region".

In summary, the Chamber has supported the government position that *"with one council working for the benefit of the whole Auckland region, the mayor will be able to implement Auckland-wide initiatives and policies that ensure New Zealand's largest city thrives."*⁵

That is, as a unitary authority, the CCOs and other constituent organizations of the Auckland Council – the 19 elected Local Boards, and the Maori, Pacific community and Social issues boards - are all an inherent and essential part of an integrated and cohesive organisation that represents Auckland in national and international arena and delivers meaningful and efficient ('value for money') local democracy.

The Chamber's advocacy and the Government's high-level decisions on Auckland Governance have indicated that all component organizations making up the unitary Auckland Council structure are to be controlled by and be accountable to Council's governance body.

Accordingly, the Chamber is strongly of the view that it is imperative that the third Bill should:

- Provide for the establishment of a unitary Council in which all component parts are aligned and adopt shared principles of the whole organisation,
- Provide a framework that allows for transparent and appropriate delegations of roles and responsibilities across the total organisation; including to and between the CCOs and other Boards (Maori, Pacific and Social); and
- Provide a minimum role for local boards.

It is therefore **recommended** that the Bill's purpose be amended to include an overall statement to highlight that the efficient functioning of Auckland Council as a unitary

³ See Chamber submission to the Royal Commission on Auckland Governance, April 2008, page ii.

⁴ See "Achieving a High-Performance Auckland Council," Chapter 32 of Auckland Governance Report, Volume 1 March 2009, peps 695-705 and in particular section "Implementing a best-practice performance management system," p700.

⁵ See "Making Auckland Greater," Governments high-level governance decisions, April 2009, p16.

organization *will be under-pinned by a single, integrated structure in which all component parts are aligned and accountable to the elected Council.*

4.1 Governance of CCOs

The Chamber notes that Government has made a number of announcements suggesting support for an organizational structure and culture to bind Auckland Council's governing entities together – to form one Auckland, one plan, one voice – based on setting some common statement of intent (SOI) outcomes for all seven CCOs and which reflect principles also applying to all other parts of the organization.

For example, Cabinet papers indicate that the seven proposed CCOs will be held directly to account by the Auckland Council⁶ through SOIs and a range of reporting processes. Further, SOI can include an expectation that each CCO will give effect to Auckland Council strategy, plans and priorities, including the spatial plan.⁷

The Cabinet has also agreed that the legislation setting out the accountability and monitoring of CCOs should make provision for the SOI of each CCO "to include a narrative on how the CCO contributes to and/or aligns with the Council's, and where appropriate the government's, wider objectives and priorities for Auckland."⁸

The Chamber notes and is disappointed that the Bill fails to stipulate these business-like objectives. As currently drafted the Bill is inadequate in highlighting the critical role of Auckland Council to set an SOI outlining the services and performance levels it expects each CCO to provide.

As noted above, and in earlier submissions, the Chamber believes that a key consideration for the ultimate success of Auckland's governance reform process through establishing 'arms length' CCOs depends vitally on Auckland Council getting the SOI process robustly and strongly established. This process needs to focus on securing the authority and control of the Council through establishment of linkages between Council's role to set policy and strategies and the role and responsibility of CCOs to deliver programmes and services that implement Council's policies and strategies.

Accordingly, the Chamber **strongly recommends** the inclusion in the Bill of requirements for all CCOs to have a consistent and robust SOI framework setting out accountability arrangements with Auckland Council covering:

- The nature and scope of the CCOs activities;
- The outcomes, objectives and outputs of the organisation; and,
- The performance targets and other measures by which each CCO may be judged (by Auckland Council and the wider community) in relation to its outcomes, objectives and outputs.

⁶ See CAB (09/727), paragraph 43

⁷ See CAB Min (09) 41/16, paragraphs 21-24

⁸ See CAB Min (09) 41/16, paragraph 21.2

As currently drafted, the overall governance controls on CCOs by way of SOIs are inconsistent and incomplete:

- Clauses 68 and 69 set out SOI requirements for Auckland Council to set and monitor the performance of Watercare Services Limited, but makes no mention of compliance with the SOI requirements set out in Schedule 8 of the Local Government Act 2002.
- However, in respect of Auckland Transport, the Bill states simply that the SOI must comply with Schedule 8 of the Local Government Act 2002 and the SOI must not be inconsistent with this Act.⁹
- The SOI requirement of other CCO is not mentioned, the implications of which the submission discusses further below.

To reflect Auckland Council's role as a unitary authority, under which all CCOs are controlled by the Council, the Chamber **strongly recommends** that the SOI governance arrangements for all CCOs set out in the Bill need to be streamlined and strengthened to embrace broadly similar principles, requirements and performance by all the CCOs and other constituent groups making up the Auckland Council structure.

A point to reinforce is that all CCOs have a number of common objectives in terms of delivering improved services for Aucklanders that reflect the yet to be agreed overall Auckland Spatial Plan – its vision and strategies together with shared principles and aims in respect of quality, integration, efficiency and value for money. The CCO tier is a constituent part of a single (unitary) Auckland Council structure, which the Chamber believes should be recognized by each CCO SOI having a shared purpose narrative or set of principles of how this shared working partnership will be expected to operate.

The Chamber strongly supports Auckland Council being able to set a shared SOI purpose narrative of what should be expected and encouraged throughout the organisation and which highlight the importance of performing as part of a team to achieve Council's broader organisational goals. Such a high-level statement should set out an expectation that CCOs and Council's policy makers and planners work collaboratively, including working appropriately and professionally with all parties to find workable and efficient solutions to issues.

An option the Chamber **recommends** is that the Bill be amended to include an explicit provision for all CCOs to have a SOI that complies with Schedule 8 of the Local Government Act 2002, and that the SOI include a shared narrative setting out Council's overall objective and some guiding principles, as Cabinet has suggested.¹⁰

⁹ Auckland Law Reform Bill, page 136

¹⁰ See CAB Min (09) 41/16, paragraphs 21-24.

Consistent with LGA 2002 provisions, the Chamber believes that appointments to the Boards of CCOs should be a matter for Auckland Council to decide. Consideration is required on whether the powers of the Auckland Transition Agency (ATA) to appoint inaugural Boards of CCOs should be for an interim period only (say 18 months), to allow Auckland Council time to develop and implement its own appointments policy consistent with the CCO provisions of the LGA 2002.

Further discussion and recommendation in respect of the governance of CCOs is discussed below.

4.2 Governance, functions and responsibilities of local boards

The Chamber **recommends** considerable clarification and strengthening of the Bill is required in respect of setting a clearly defined role and function for the 19 Local Boards.

The Chamber notes that Cabinet has set out some functions and responsibilities for local boards in respect of transport. The local boards transport functions, powers and duties include a role in the development of the RLTS and RLTP, advising Auckland Council and Auckland Transport on what should be included in the RLTP and providing funding for transport projects approved in the RLTP (and LTCCP) from local board budget allocations.¹¹

However, we note that these decisions have not been included in the Bill. Further, the overall functions, powers and duties of local boards are among matters still to be determined at the time of drafting this submission.

As noted above, the Chamber **strongly recommends** the Bill include a governance arrangement requiring Auckland Council and Local Boards to work collaboratively with CCOs on 'local' activities. The framework for this relationship should be set by providing an inclusive operating arrangement allowing for Local Boards to contribute to the development of not just the Auckland transport programme, but programmes embracing economic development, tourism, events and other activities affecting a local area.

The Chamber reserves a position to submit further on the matter of the Auckland Council – Local Board – CCO relationship when an expected position paper on Local Board functions, powers and duties under preparation by ATA is published.

5. THE AUCKLAND SPATIAL PLAN

The Chamber supports the broad provisions of Section 66 (p.49) making it mandatory that Auckland Council prepare and adopt a single spatial plan the purpose of which will be to provide an *“effective and broad long-term (20-30 year) strategy for growth and development in Auckland.”*

¹¹ See CAB Min (09) 30/10, paragraph 11.

The Chamber believes that a single Auckland Spatial Plan can play a key role in achieving the core aims of the Bill to create one Auckland, which has strong, integrated governance and decision-making, greater community engagement and improved value for money.

However, there are some major omissions in the details of the Bill's provision on spatial planning that require to be addressed to give increased certainty that the overarching 'one Auckland' aims and plan will ultimately be achieved.

In particular, we note that there is no provision to give the Auckland Spatial Plan statutory status in terms of the Resource Management Act (RMA), and is unclear in terms of timeliness, consultation, representation, integration of Council and Central Government policy areas affecting Auckland, and requirements for CCOs to enable or 'give effect to' the Spatial Plan and its delivery under other Council plans and strategies.

To give greater clarity and certainty to the Bill's provisions requiring Auckland Council to prepare and adopt a spatial plan, the Chamber **recommends** the following changes be made to this section of the Bill:

The Chamber supports the provision (Clause 66(3)(a)) for the spatial plan to span 20-30 years, and believes there is some urgency around development of such a plan. However, we note there is no firm timeline indicated for when Auckland Council must have prepared and adopted a spatial plan. We **recommend** that the clause be strengthened to require an inaugural draft spatial plan to be completed by the end of 2011 and be available for consultation and submission with a view to adoption by Auckland Council before the 2013 Local Government Elections.

In support of this recommendation, the Chamber notes that the contents of a spatial plan is scattered among a number of government, regional and local council documents. With a new council adopting a 'can do' attitude and operating culture, we believe that the preparation of the Auckland Growth Strategy and the Metro Project Action Plan implementing the Auckland Regional Economic Development Strategy some years ago sets a precedent to give confidence that a credible draft spatial plan for consultation could be prepared within a 12 month period.

In preparing the spatial plan, the Chamber supports the provisions in the Bill to involve community and private sector participation. We make three additional **recommendations** in this area:

- Firstly, as well as bringing together the various LTCCPs, APs, Auckland Growth Strategy, Metro Plan and other council-developed documents, the Chamber **recommends** the Bill be strengthened to 'take into account' spatial planning documents prepared by a number of private sector community and business groups across Auckland.
- Secondly, the Chamber **recommends** that Clause 66(3)(c) be strengthened to reinforce that in setting out Auckland's role in New Zealand the spatial plan will

incorporate relevant Government policies and strategies for Auckland's growth and development such as the National Policy Statement, National Infrastructure Plan and Transport GPS, and will be expected to highlight nationally important transport, energy, water, telecommunications and social infrastructure policies, programmes and projects.

- Thirdly, we request the Select Committee ensure it is satisfied that the process adopted to deliver the functions of the spatial plan as set out in Clause 66(3) will be efficient and robust in terms of consulting and taking into account the views and priorities of Local Boards.

As noted above, the ATA is preparing a discussion document on the powers, functions and responsibilities of Local Boards. It is unclear whether the document will form a basis for further legislation in respect of defining the roles and functions of Local Boards and their role in the preparation of the Spatial Plan. The Chamber will make further comment on this aspect when this publication is available.

Meanwhile, the Chamber believes that strengthening the Bill in the three areas set out above will help assist to reinforce the point that Auckland's new governance arrangements has also introduced a new way of doing things – fragmentation and silo-based decision making has been replaced by a unified process that encourages participation by all players and a search for consensus-based solutions.

The Chamber also suggests the Bill be strengthened to provide a minimal guideline of policy areas that should be included in the plan. They include broad economic and social development strategy, a strategy on skills development and job creation, policies in regard to recreation, Auckland urban design quality, making Auckland an attractive place for investors, tourists and international students, transport and other core infrastructure, and connectivity with the rest of New Zealand and the world. We discuss this request further below in relation to the role, function and responsibilities of the proposed economic development CCO.

A major omission concerns the absence of any requirement for the spatial plan to be implemented. The Chamber **strongly recommends** that the Bill be strengthened to provide a clear expectation that Auckland Council and its CCO subsidiaries will give effect to the spatial plan in a timely and efficient way. As noted in an earlier section, in implementing the spatial plan strategies and policies for Auckland Council, CCOs and other providers performance will need to be closely monitored through the appropriate SOI process established by Council.

Finally, the Chamber **recommends** that the Bill clearly specify that the Auckland Spatial Plan has a formal statutory status to enable efficient, cost-effective ('value for money') implementation. There is well documented evidence, including the Royal Commission documents, indicating that implementation of Auckland Regional growth Strategy has been hindered by lack of clarity between the Strategy and other planning frameworks such

as the RMA, LGA 2002 and LTMA. As the Bill is currently drafted, implementing the spatial plan will suffer from the same problems.

If the huge investment and time that will be required to create and confirm a single Auckland Plan is to bear fruit, it should be supported as a statutory document able to be implemented without the need for relitigation and questioning of its authority as Auckland's Plan.

6. SUBSTANTIAL DETAIL MISSING FROM TIER OF CCOs

A major omission from the Bill is the absence of needed substantial detail on the proposed tier of CCOs – what their functions, powers and responsibilities will be; how they will be controlled by and be accountable to the Auckland Council governing body; how they will be expected to work together to deliver Auckland Council (and central government) key policies and strategies; how they will be structured in order to achieve the aims of the Bill (to deliver integrated decision making, greater community engagement, and improved value for money).

While the Bill provides considerable detail in respect of the transport and water CCOs – Auckland Transport and Water Services Limited – there is little or no mention of five other major CCOs government has confirmed will form an integral part of Auckland's new local governance structure. They include the Waterfront Development Agency; the Economic Development, Tourism and Events Agency; Property Holdings; Regional Facilities; and, Investments. Details about the five CCOs and how they inter-relate (along with Auckland Transport and Water Services) are set out in Cabinet papers.¹² Instead there is a Clause 35G which allows the Auckland Transition Agency to set up these (and other) CCOs and address other gaps in the Bill by an Order in Council.

Given the critical role that the CCOs will play in giving Auckland enduring and efficient local government services, it is unacceptable for the Bill to be presented and not address these gaps. The Chamber understands the ATA are planning to release a discussion document that will set out their thinking on the CCO objectives, structure, operating arrangements and other relevant detail, and which may form the basis for the proposed Order in Council and/or might be inserted into the Bill during the Select Committee hearings if timing allows. The Chamber will submit further on these matters once the discussion document is available.

Putting aside our strong concerns at the failure of the Bill to set out a complete and fully integrated governance reform framework and set of legislative requirements, the Chamber supports the requirements of Clause 35G that the Order in Council specify each CCOs objective, structure and other relevant operational detail.

To reinforce our deep concerns that the ultimate outcome of the reform process should provide adequate provisions to ensure the CCOs are established with a responsibility to

¹² See Draft CCO Framework in Cab (09/727), Appendix Two, page 15.

give effect to Council policy and objectives to achieve improved integration, efficiency and value for money overall (i.e. work together for the overall benefit of improving Auckland), we **strongly recommend** Clause 35G be strengthened to require the Order in Council to include a shared SOI purpose narrative and quarterly performance reporting to Council as proposed in the Cabinet paper on Outstanding Policy Issues.¹³

The balance of this section makes recommendations in respect of substantive changes required to the Bill concerning selected CCO.

6.1 Auckland Transport CCO

The critical detail missing from the Bill in respect of the proposed tier of CCO is reinforced by the arrangements set out in the Bill – and what is missing - for governance of transport.

Auckland's transport problems were the primary instigator of the Royal Commission. What is provided in the Bill to address transport governance and delivery will be critical to the ultimate success of Auckland's governance reform programme and future success as an internationally competitive and attractive city to live and work.

As has been emphasised many times, transport underpins the efficient performance of efforts to deliver improved economic growth and development, develop world-class urban centres and increase Auckland's business innovation and export strength.

The Chamber is convinced that delivery of the high level aims of the governance reform process¹⁴ depends on setting up a transport governance arrangements able to provide:

- An integrated transport system with a unified planning and implementation focus that takes guidance from Auckland Council's (and central government's) economic development and urban planning activities;
- The ability to achieve alignment between transport strategies, funding, planning and implementation.
- The ability to provide adequate and certain funding

Achieving an integrated transport system will require a unified planning and decision making structure that embraces local and central government interests and participants. In particular, the Transport CCO will need to develop close working relationships with the economic development, tourism and events CCO and the Waterfront Development CCO.

Acknowledging Government has decided to set up a tier of CCOs at 'arms length' from Council, a minimum requirement of the Bill should include some guidance on how the CCOs will work together.

¹³ CAB Min (09) 41/16, paragraph 21.2.

¹⁴ Strong regional governance, integrated decision making, greater community engagement and improved value for money.

At the same time, given the substantial funding that tax payers through fuel excise duty and NZTA subsidy and rate payers provide for developing and maintaining Auckland's transport infrastructure and services, a high level of political involvement in decision making by both central and regional government is inevitable regardless of what governance structure is provided.

However, acknowledging Government has decided to set up a tier of CCOs at 'arms length' from Council, the Bill should provide some guidance on how the CCOs will work with Council and each other.

The Chamber accepts that government has decided on an option that brings all local transport and public transport together in a CCO, and which will be required to develop a close working relationship central government transport providers – NZTA and KiwiRail.

Unquestionably, this governance structure is a great improvement on current arrangements, reducing the number of transport entities from eleven to three. However, the Chamber considers a number of changes to the Bill are required to further improve the delivery of transport in Auckland.

Firstly, the objective of Auckland Transport needs strengthening.

Clause 39 (page 37) states the objective of Auckland Transport is '*to undertake its functions in a way that contributes to an affordable, integrated, safe, responsive and sustainable land transport system for Auckland.*'

The Chamber notes that the Bill provides for Auckland Council to determine the strategic direction for the local authority transport network in close consultation with Auckland Transport, NZTA and KiwiRail.¹⁵ It will be Auckland Transport's responsibility to develop a programme to deliver or give effect to Auckland's Council's transport strategy. That is, the Council prepares the RLTS while Auckland Transport prepares the RLTP for approval by Council and which Auckland Transport then delivers.

Noting that an aim of the Bill is to achieve effective integrated linkages across all spatial planning elements such as urban and economic development, environmental quality as well as transport, a close working arrangements will need to be developed between Council and all CCOs as well as other agencies such as NZTA and KiwiRail,

As noted above, an objective of the Bill should be set for CCOs to work closely together with Council and each other in developing the spatial plan, setting strategies and delivering programmes and projects.

Accordingly, the Chamber **strongly recommends** that the objective of Auckland Transport be amended to reinforce its role '*to undertake its functions in a way that contributes to an affordable, integrated, safe, responsive and efficient land transport*

¹⁵ See CAB Min (09) 30/10, section 7

system and which gives effect to the strategic objectives of the Auckland Council as set out in the Spatial Plan and supporting RLTS and other relevant documents (such as the GPS on transport funding, NZTA land transport programme and the National Infrastructure Investment Plan).

Secondly, the prescribed Auckland Transport operating principles need streamlining to remove duplication and other inefficiencies.

For example, Clause 44 lists a set of generalised operating principles which include establishing and maintaining processes for Maori contribution to decision-making.

Given that elsewhere the Bill provides for a statutory Maori Advisory Board to advise Auckland Council, the Chamber suggests it would be more efficient and better 'value for money' for Auckland Transport to make use of the Auckland Council provisions in this area rather than creating its own parallel Maori organisational structure.

The Chamber further suggests that the Select Committee consider redrafting a Clause requiring Auckland Transport to develop its own operating principles to reflect processes and activities established in the SOI agreed between Auckland Council and Auckland Transport, as discussed above.

For example, based on the Cabinet papers recommending the establishment of Auckland Transport as a CCO, the Chamber suggests a more appropriate set of operating principles would be to provide a clear requirement for Auckland Transport *'to coordinate its activities between the Council, Auckland Transport, NZTA and KiwiRail and for Council and transport agencies to work closely together and co-operatively at all levels'*.

Thirdly, the governing body of Auckland Transport needs clarifying

The Chamber notes that the Clause 45 (page 40-41) provisions covering the appointment of Auckland Transport's board of directors has some unique features and which differ in a number of respects from the CCO provisions of the Local Government (LGA) 2002 process for the appointment of directors.

In particular, the Bill deviates from the CCO provisions of the LGA 2002 in the process for the appointment of directors in at least five areas:

- Non-elected Board members are to be appointed for a four year term;
- The number of elected Board members is limited to a maximum of two elected members of the Auckland Council;
- The Board will comprise between six-to-eight members;
- The Chair and deputy are to be elected by the Board; and,
- There is a provision for a non-voting director nominated by NZTA.

The Chamber notes that under the provisions of Clause 57 of the LGA 2002 it is the council, as owner of a CCO, who is responsible for determining the appointment of directors, including the chairperson and deputy chairperson. The length of tenure for the

directors of a CCO is not prescribed in the LGA and the appointment of elected members to the Boards of CCOs is usually a matter for councils to decide.

The Chamber is unaware of any compelling reason to deviate from this approach in the case of Auckland Transport.

Accepting that the initial appointments will be by Government on advice of the ATA, the Chamber recommends that some consultation be undertaken with current Mayors (via the Mayoral Forum).

The Chamber acknowledges that Auckland Transport's dependence on the Auckland Council and central Government (NZTA) for a substantial proportion of its funding are reasonable grounds for both organisations to be represented on the Board. However, the Chamber sees greater benefits from amending the Bill to give Auckland Council a high degree of flexibility and discretion long-term around governance, consistent with the provisions in the LGA 2002.

In respect of the requirement that the Board elect its chair from within its own membership, the Chamber suggests that this requirement creates a risk of a flawed relationship between the Council and Auckland Transport, whereas allowing the Auckland Council to appoint the Chair will ensure that the primary governance relationship is entrusted to a person of the Council's choosing. As noted above, given the substantial level of Auckland Council funding required by Auckland Transport the Council-Board (and central government) relationship(s) will be critical.

Similarly, the Chamber **recommends** that the provision for a non-voting director nominated by NZTA be removed. Firstly, Auckland Transport's objective and operating principles require a strong, effective working relationship be established by Auckland Transport and NZTA at operational levels, and around which issues, concerns and 'advice' between the two organisations will be able to be worked through.

Secondly, to be consistent with other CCOs (and the CCO provisions of the LGA 2002), it is important that board members be appointed and be subject to the same accountability practices set by Auckland Council through the SOI process.

However, if it is decided to retain provision for elected Auckland Council and NZTA appointees, the Chamber **recommends** that the NZTA representative have full voting rights. A consideration in having a board made up only of voting members that includes a NZTA representative, is that given the substantial level of central government (NZTA) funding Auckland Transport will require full accountability and endorsement by NZTA would seem an important consideration in the Board's decision-making.

The Chamber submits that provisions in the Bill establishing clear accountability and oversight by Auckland Council over Auckland Transport's performance through the requirement to report four-monthly to the Council Committee and from setting a robust SOI requiring Auckland Transport to give effect to Council's transport strategy will be

sufficient control over the CCOs activities and be more effective than through statutory prescription and control through the appointment of specified Board members.

In summary, as suggested above in respect of recommending that Schedule 8 of the LGA be adopted for setting the broad requirements the SOI of all Auckland Council's CCOs should conform to, to make the provisions for Auckland Transport consistent with the other CCOs, the Chamber **recommends** that consideration be given to amending Clause 45 to enable the appointment of Auckland Transport's directors (and those of other CCOs) under the provisions of Section 57 of the LGA 2002

Fourthly, the Bill needs clarifying to make clear the respective transport role of Auckland Council and Auckland Transport.

To avoid any doubt arising on the respective transport role of Auckland Council and Auckland Transport, the Chamber recommends the Bill be tidied to clearly state Auckland Transport's role and responsibility to:

- Prepare the RLTP to give effect to the RLTS which Auckland Council prepares; and to,
- Clearly set out a requirement that the transport programme established by Auckland Transport and approved by Council contributes to achieving the Auckland Council's and Government high level outcomes set out in the Auckland Spatial Plan as proposed above.

6.2 Watercare Services Limited (WSL)

The Chamber notes the provisions in the Bill for the eventual establishment of Watercare Services Limited (WSL) as a normal CCO under the standard provisions of the LGA 2002. This will provide for accountability of Watercare to the Auckland Council, including transparency as financial statements will need to be reported to the Council, and the SOI approved by Council.

However, the Chamber wishes to make the following recommendations in respect to the Bill's provisions for establishing Watercare within the new governance structure:

- As noted above, we **recommend** that the provisions for Watercare's SOI (Clause 68, page 76) be assessed to ensure consistency with the SOI principles discussed above and alignment with the SOI provisions of the LGA 2002.
- The Chamber notes the requirement (Clause 29F, page 21) that the ARC ensure that Watercare appoints enforcement officers before the ARC is dissolved. While we assume that Watercare will be monitored regularly by way of a special Auckland Council Committee dedicated to the task, as proposed in government's cabinet papers, we **recommend** that longer term regulatory enforcement be independent of Watercare and request that the Bill be amended to provide for this. As previously submitted, the Chamber is greatly concerned to ensure that water services are efficient and price competitive.

- The Chamber also seeks clarification of Clause 49(1)(b) page 42 preventing water organisations from paying a dividend but allowing a taxable bonus issue. We strongly support Watercare having a robust business plan and SOI that provides for a pricing structure that is competitive but at the same time enables retention of sufficient funding for long-term maintenance, upgrade and capital improvements. The Bill should encourage this outcome, and Clause 49 may need clarification in this regard.

6.3 Auckland Waterfront Development Agency

The Chamber questions the need (clauses 19B and 35G) to establish an Auckland Waterfront Development Agency with responsibility for development of the Auckland waterfront. Section 35G makes provision for ATA to do this by an Order in Council that specifies the Agency's objectives, structure and functions.

As noted above, the Chamber understands the ATA will publish details of the Agency in due time and reserves a position to submit further on this matter, but notes Cabinet decisions for the Agency to coordinate the waterfront area generally between the Harbour Bridge in the west and Teal Park in the east and inland along the original Auckland shoreline along Fort and Fanshawe streets.

Our preliminary view is that such an Agency will basically be duplicating planning and development functions and responsibilities expected of Auckland Council and which, regardless of what the Agency recommends, will need a close scrutiny and decision-making by Council in shaping its spatial plan and other strategic documents. Clearly, the Agency success will depend on the yet to be confirmed details of its purpose and specific functions, and the conduct of relationships with stakeholders and other agencies. There is a high risk of duplication, fragmentation and resource misuse of the kind that formation of a single governance structure is supposedly being set up to remove.

Critical relationships will need to be established with the neighbouring central business district stakeholders, Ports of Auckland, NZTA and 'sister' CCOs, notably Auckland Transport and the proposed Economic Development, Tourism and Events Agency.

The omission from the Bill of any details on the role, function and responsibilities of the Waterfront Development Agency, and how it is intended it work together with Auckland Council and other constituent organisation of Auckland Council is among the Bill's major weaknesses needing urgent clarification and consultation to take account of the views of Auckland authorities and stakeholders.

Taking these matters in to account, an 'in house' Council committee might be a more effective and 'value for money' option than a CCO Agency.

6.4 Economic Development, Tourism and Events Agency

Similarly, the Chamber is greatly disappointed at the failure of the Bill to set out the role, functions and responsibilities of the proposed Economic Development, Tourism and Events Agency.

The Chamber strongly support the intention of government to establish the Agency, but is concerned that the absence of details in the Bill and the notable lack of consultation with Auckland stakeholders on what the Bill's provisions should be in terms of role and function of the Agency raise serious risks of setting Auckland's economic development programme back many years.

This would be unfortunate. The Chamber notes the intentions of the ATA to release a discussion document shortly on the economic development agency CCO, and will comment in detail when that occurs.

Meanwhile we urge the Select Committee to take on board a number of key messages in regard to the role of economic development and how it should be treated when finalising the Bill.

Firstly, the Chamber would strongly welcome the Bill's provisions to be enabling rather than be set in concrete through detailed prescriptive requirements. In our view, based on experience of many years in Auckland and international chambers working with governments on economic development matters in many countries, the ideal outcome would be legislation that supports the preparation and delivery of an Auckland economic development plan being prepared by the region in partnership with central government rather than by a process imposed on the region.

In this regard, we urge the Committee to note that Auckland currently has the essence of an economic development plan in place through the Metro Project Action Plan, launched in October 2006 after 18 months of consultation and which involved guidance from a team of international experts on a number of visits to Auckland.

The Metro Plan reflects international best practice around five key objectives:

- Take effective action to transform Auckland's economy;
- Develop world-class infrastructure and world-class urban centres;
- Transform Auckland into a world-class destination;
- Develop a skilled and responsive labour force;
- Increase Auckland's business innovation and export strength.

Launching the Action Plan in 2006 was a ground breaking development because there has never been a single platform for creating bold new initiatives and enhancing exciting programmes to transform Auckland's economy.

Continuing to successfully implement the Action Plan requires maintaining a collaborative and unified approach and having adequate resource to facilitate its execution. On the other hand, going back to first principles and starting a fresh would be hugely counterproductive and waste time and effort while a new structure is established.

By applying the proven collaborative methodology and strong results-focused energy used to develop the Metro Plan, Auckland and Government has a well-placed resource that with appropriate refreshment can assist to:

- Embed a cross-sectoral partnership arrangement into the Auckland Council support network;
- Monitor the Auckland economic and business engine room and bring its needs with appropriate urgency to the attention of Council;
- Develop an economic development plan that accurately represents Auckland's creative and innovative economic needs and opportunities;
- Marry the Auckland economic development plan with national priorities;
- Facilitate ongoing, cross-sectoral cooperation and collaboration in delivering Council's economic development activities.

Among the pioneering work undertaken for the Metro Project Action Plan embracing economic development activities includes initiatives:

- Identifying skills needs across Auckland and shaping appropriate training and recruitment programmes;
- International investment promotion;
- Industry sector development;
- Visitor and event promotion
- Auckland branding, and
- Major strategic and practical involvement in catalyst projects such as the Rugby World Cup 2011, to ensure that legacy benefits are realised.

The Chamber notes that RWC 2011 preparations have been ring-fenced and are being co-ordinated through a combined Auckland-Wellington framework.

We strongly support and encourage taking an early decision to bring this task within the framework of the proposed economic development planning process as recommended by the Royal Commission (Recommendation 7E, p.179) in order to give continuity and certainty to this work when the new Council comes into force on 1 November this year.

7. MANA WHENUA AND MAORI BOARD

The Chamber notes that Part 7 of the Bill (pages 51-54 and a Schedule) provides for the establishment of the Maori Issues Board which will be resourced and funded by the Council. The Board's specific functions include that it "must appoint a maximum of two persons to sit on each of the Auckland Council's committee that deal with the management and stewardship of natural and physical resources".

The Chamber is concerned that the establishment of this Board is reinforced by a significant process which rate payers will carry the cost of and could recreate a 'them and us' culture within the new Council and wider community.

We urge the Select Committee have a close look at this section of the Bill in terms of the Bills aims and especially to achieve improved value for money and integrated decision making. We suggest these provisions are another example of Auckland exceptionalism. We suggest a more democratic approach would be to provide for provisions in this area that are consistent with those for the rest of New Zealand and note that the LGA currently provides for local authorities to take their own decisions on address Maori representation under Treaty of Waitangi obligations.

Our concern is that the provisions in the Bill have been forced on Aucklanders without adequate consultation or confirmation through democratic process, and suggest that there should be some measures taken reinforce the Bill with some provisions to encourage collaboration between Council and the Maori Board in the establishment of processes to implement the Bill's provisions in this area.

8. CONCLUDING COMMENTS

The Auckland Chamber of Commerce strongly supports Government's governance decision to establish a single, Auckland unitary authority to overcome long-standing fragmentation and coordination problems.

However, we greatly regret the failure of this Bill to set out the full details needed to complete Auckland governance reform process. Given the singular importance of and unique opportunity presented to reinvent Auckland as a single internationally competitive city of scale able to secure a productive and prosperous future for New Zealand's advantage, it is most unfortunate that insufficient resources, time and uptake of a rich stratum of skilled and knowledgeable Auckland-based practitioners has not been utilised to shape the outcome, and instead Government has opted to be led by Wellington-based officials with little practical knowledge of Auckland's real needs and aspirations.

Nonetheless our suggestions and recommendations on the Local Government (Auckland Law reform) Bill are put forward in the positive spirit of achieving measurable improvement to Auckland's governance. We look forward to discussing them further with the Committee and their inclusion in the finalised legislation. We also look forward to working collaboratively with Government to ultimately achieve an enduring outcome from this singularly important reform process.

Michael Barnett
Chief Executive

11 February 2010