

Priority Urgent



THE DEPARTMENT OF INTERNAL AFFAIRS

Te Tari Taiwhenua

Local Government Briefing

Hon Rodney Hide
Minister of Local Government

COMPLETED

Copy to: Hon John Carter
Associate Minister of Local Government

Title: Appointments to the Board of the Auckland Transition Agency

Date: 18 May 2009

Key Issues
This paper seeks your sign-off to the attached Cabinet paper titled Appointments to the Board of the Auckland Transition Agency, which is to be discussed at Cabinet 18 May 2009. An aide memoire is also attached to assist you at this meeting.

Action sought	Timeframe
Note the contents of this briefing, and the aide memoire, for preparation and discussion at Cabinet on 18 May 2009.	18 May 2009

Contact for telephone discussion (if required)

Name	Position	Telephone		Suggested first contact
		direct line	after hours	
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DMS file reference: PLG 1779 - 4
Ministerial database reference: LGC200901035

Marilyn Little
Director Policy
Local Government and Community Branch

Purpose of briefing

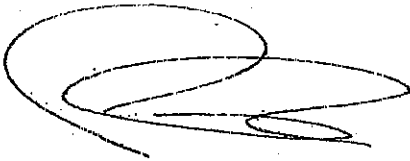
1. This briefing seeks your sign-off to the attached Cabinet paper entitled *Appointments to the Board of Auckland Transition Authority*.

Comment

2. The paper will be considered by Cabinet on Monday 18 May 2009. An aide memoire for you to speak to this paper at Cabinet is attached.

Recommendations

3. The recommendations are that you:
 - a) **sign** the attached paper for consideration by Cabinet on 18 May 2009; and
 - b) **note** and use the attached aide memoire for your appearance at Cabinet on 18 May 2009.



Marilyn Little
Director Policy
Local Government and Community

signed by the Hon Rodney Hide

Hon Rodney Hide
Minister of Local Government

1 / 2009

Appointments to the Board of the Auckland Transition Agency (ATA)

- On 6 April 2009, Cabinet agreed [CAB Min (09 12/9)] to the appointment of an independent, highly skilled Board to implement the new local governance arrangements for Auckland.
- The Board's purpose is to design, establish and manage the transition to the new core local governance arrangements for Auckland by October 2010; and maintain oversight of existing council services, projects and responsibilities during the transition period to ensure alignment with the new arrangements, as agreed by Cabinet on 6 April 2009 [CAB Min (09) 12/9].
- I propose to appoint as Executive Chair Mark Ford, and as members of that Board Miriam Dean Q.C, John Waller, John Law, and Wayne Walden.
- The Board requires the Chair and its members to have:
 - strong governance experience and leadership skills;
 - expertise across a range of management disciplines including change and people management, service delivery, strategic planning, finance, IT systems and communications;
 - an understanding of Auckland's local governance issues;
 - Auckland's social, commercial and political environment; and
 - urban issues including those associated with sustainability, growth, urban forms and infrastructure provision.
- I have consulted with the Prime Minister, Minister of Finance and the wider Cabinet. In addition, I have discussed candidates for the Auckland Transition Agency Board with the Māori Party.
- Collectively the composition of the Board allows for a constructive and complementary mix of skills and experience to meet the criteria outlined above.
- It is anticipated that the lifespan of the Board will begin from the date of appointment and will expire close of 31 October 2010. If necessary, appointments can be extended at a later date.

Conflict of Interest

- I can confirm that appropriate inquiries concerning conflicts of interest have been carried out for Miriam Dean, John Waller, John Law and Wayne Walden. No actual, potential or perceived conflicts of interest of relevance to these appointments have been identified.
- However, Mark Ford's appointment as Executive Chair of the Board may pose potential conflicts of interest as he is currently Chief Executive of Watercare (a council-controlled organisation in Auckland), and the Chair of the Auckland Regional Transport Authority

Office of Auditor-General comment

- Advice was sought from the Office of the Auditor-General with regard to Mr Ford's potential for conflict of interest if appointed to Executive Chair. The Office, in response, provided a 'questions to consider' framework to work through to address and manage the potential conflict.
- It is my view that conflicts of interests are natural and in some cases unavoidable. The pool of potential candidates for the role of Executive Chair of Auckland Transition Agency is small. It is not only inevitable that the Chair of Auckland Transition Agency would have "Auckland" involvement at a senior level in matters related to organisational

management and change, but arguably, in this case it is desirable for the Chair to have detailed knowledge of Auckland's issues and experience at a senior level. The issue for Government and the Board going forward, is one of appropriate management of conflict issues.

- The Local Government (Tāmaki Makaurau) Act 2009 makes significant provision regarding matters of conflicts of interest for Board members and how this will be managed.
- Mr Ford proposes to manage potential conflicts of interest by resigning from his position as Chief Executive of Watercare, and to also resign from the position of Chair of Auckland Regional Transport Authority.

Withheld under Section 9(2)(h) of the Official Information Act 1982

- This will allow Mr Ford to fully engage in the Board's discussions and decision-making, while continuing to follow the Board's conflict of interest policies.

Remuneration

- I have discussed with, and received agreement from, the Minister of State Services to exceptional fees for Board Members of the Auckland Transition Agency.
- I propose that the Executive Chair receive \$647,000 per annum. This is in recognition of the magnitude and complexity of change proposed for Auckland, and the substantive skills and expertise required to achieve significant rationalisation to core structures by October 2010.
- I propose that the Executive Chair's salary be made available from the direct costs of managing the transition.
- In addition I propose that the per diem fees for Board members are up to a level no greater than \$1,000/day.

Publicity

- There is likely to be media and public interest in the work of the establishment of this Board. I propose that I, as Minister of Local Government, announce both the formation of the Board and the appointments to the Auckland Transition Agency, once Cabinet has confirmed Board membership.