

Priority Urgent



Te Tari Taiwhenua

# Local Government Briefing

**Hon Rodney Hide**  
**Minister of Local Government**

Copy to: Hon John Carter  
Associate Minister of Local Government

Title: Cabinet Papers: Local Government (Auckland Reorganisation) Bill and Local Government (Auckland Council) Bill: Approval for Introduction

Date: 8 May 2009

<b>Key issues</b>
This briefing seeks your sign-off to the attached Cabinet papers, which will be considered by Cabinet on 11 May 2009. An aide memoire outlining key information on the Bills is also attached.

Action sought	Timeframe
<p><b>Sign</b> the attached Cabinet papers for consideration by Cabinet on 11 May 2009;</p> <p><b>note</b> and use the attached aide memoire to brief your Cabinet colleagues; and</p> <p><b>note</b> that copies of the Bills will be provided to Cabinet Office by Parliamentary Counsel and circulated by Cabinet Office.</p>	11 May 2009

**Contact for telephone discussion (if required)**

Name	Position	Telephone		Suggested first contact
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### Purpose of briefing

1. This briefing seeks your sign-off to the attached Cabinet papers seeking approval to introduce the Local Government (Auckland Reorganisation) Bill and the Local Government (Auckland Council) Bill into the House.

### Comment

2. The papers will be considered by Cabinet on Monday 11 May 2009. An aide memoire for you to speak to the papers is attached. Copies of the Bills will be provided to Cabinet Office by Parliamentary Counsel and circulated by Cabinet Office

### Recommendations

3. The recommendations are that you:
  - a) **sign** the attached Cabinet papers for consideration by Cabinet on Yes/No 11 May 2009;
  - b) **note** and use the attached aide memoire to brief your Cabinet colleagues; and
  - c) **note** that copies of the Bills will be provided to Cabinet Office by Parliamentary Counsel and circulated by Cabinet Office.



Anne Carter  
Deputy Secretary  
Local Government and Community



Hon Rodney Hide  
Minister of Local Government

11 / 5 / 2009

**Aide Memoire for Cabinet Meeting on 11 May 2009: Local Government (Auckland Reorganisation) Bill and Local Government (Auckland Council) Bill: Approval for Introduction**

- On 11 May 2009, Cabinet will consider your papers seeking approval to introduce the Local Government (Auckland Reorganisation) Bill and the Local Government (Auckland Council) Bill into the House

**Background**

- On 6 April 2009, Cabinet agreed to the development of urgent legislation to give effect to Cabinet decisions on the papers *Royal Commission on Auckland Governance: Proposed High Level Government Response* and *Royal Commission on Auckland Governance: Options for Managing Transition Period*
- Cabinet agreed to a transition timeframe that seeks to have the rationalisation of, and transition to, the new agreed core arrangements significantly completed by October 2010 (in time for the next local government elections)
- Cabinet agreed to a single Auckland Governance Reform (Transitional Provisions) Bill holding a priority 2 on the Legislation Programme (must be passed in the year) Following your discussion with the Prime Minister about legislative options, it was decided to give effect to Cabinet decisions through two Bills introduced concurrently. On 4 May 2009, Cabinet confirmed the detailed policy content of the proposed legislation.

**Paper one - Local Government (Auckland Reorganisation) Bill: Approval for Introduction**

- This paper seeks approval to introduce the Local Government (Auckland Reorganisation) Bill into the House between 12 and 14 May 2009 to be enacted under urgency by the same date.
- The Bill provides for matters required to be in place as early as possible, including:
  - the establishment of the Auckland Council as a unitary authority on and from 1 November 2010;
  - the establishment of the Auckland Transition Agency (ATA) as a statutory entity under the Public Finance Act 1989. ATA will have powers and responsibilities to plan and manage the transition to the new core Auckland local governance arrangements;
  - the provision of safeguards and constraints on the decision-making of the existing Auckland local authorities and their subsidiaries; and
  - the disestablishment of the existing Auckland local authorities on 1 November 2010.
- Enacting the Bill under urgency will enable ATA to commence its work to establish the new structures so that members of the Auckland Council and local boards can be elected in October 2010. Urgency is also required to provide effective safeguards around the decisions and actions of existing local authorities in the Auckland region.
- The specific powers and functions of ATA and funding arrangements to cover the costs of transition are likely to be contentious aspects of the Bill. These issues will be managed in communications strategies.

**Paper two – Local Government (Auckland Council) Bill: Approval for Introduction**

- This paper seeks approval to introduce the Local Government (Auckland Council) Bill into the House at the same time as the accompanying Bill (between 12 and 14 May 2009)
- The Bill provides for the governance structure of the Auckland Council, including:

- the high level framework for the structure of the Auckland Council – 8 members elected at large and 12 members from wards, and in the order of 20-30 local boards including their high level functions;
  - direction and provision of powers for the Local Government Commission (LGC) to determine the boundaries of the wards of the Auckland Council and the local boards, and the number of local boards and their membership; and
  - providing powers and functions for the LGC to develop a reorganisation scheme for the partition of the Franklin District and the Franklin District Council between the Auckland Council and the Waikato District Council.
- The Bill will also insert provisions into the Local Government (Auckland Reorganisation) Act 2009. These provisions provide for Watercare to lead the integration of water and wastewater services under the oversight of ATA. Your discussion with the Clerk's Office has confirmed that these provisions do not make the Bill an omnibus Bill.
  - It is intended that the Bill be sent to the Local Government and Environment Committee for consideration with an instruction that the Committee report finally to the House by 4 September 2009. It is intended that the Bill be enacted by 24 September 2009 to enable the LGC to set boundaries in time for the October 2010 local government elections
  - The election of 8 councillors at large, the number and nature of local boards, the setting of boundaries, and the lack of separate Māori representation (as recommended by the Royal Commission) are likely to be contentious aspects of the Bill. As a result of consultation with some Auckland community groups on the roles and functions of community boards, changes may be made during the Select Committee process.

### **Third Bill**

- A third Bill, expected to be introduced later this year, will provide for the ongoing governance structure and the detailed legislative framework for the new governance arrangements. That Bill will also include further provisions for the transition to the new structure on 1 November 2010, and interim arrangements for the initial operation of the Auckland Council (e.g. under plans and rating policies developed by the existing local authorities).