

OFFICE OF THE MINISTER OF LOCAL GOVERNMENT

Chair
Cabinet

**RESPONSE TO THE ROYAL COMMISSION ON AUCKLAND GOVERNANCE:
CENTRAL AND LOCAL GOVERNMENT ENGAGEMENT**

Proposal

1. This paper discusses how central government can best engage with Auckland's local government to ensure that both levels of government work together to achieve individual and shared objectives, both in the short and the medium-term.
2. This paper is one of a suite of papers requested by Cabinet on 6 April 2009 [CAB Min (09) 12/7 refers]. This paper should be considered in conjunction with the following papers:
 - *Response to the Royal Commission on Auckland Governance: Remaining Recommendations; and*
 - *Response to the Royal Commission on Auckland Governance: Central and Local Government Relationship.*
3. It is anticipated that two further papers will be submitted to Cabinet for its 4 May 2009 meeting, entitled:
 - *Response to the Royal Commission on Auckland Governance: Critical Issues for Auckland's Success; and*
 - *Response to the Royal Commission on Auckland Governance: Waterfront Development.*

Executive Summary

4. There is a significant gap in the mechanisms for dialogue between central and local government in the Auckland region. The adoption of simple but effective engagement mechanisms between central and local government, along with the creation of a unitary Auckland Council, will support leadership in Auckland during the transition to new governance arrangements and in the longer-term.
5. Central and local government need to better complement each other through aligned planning and action and to avoid inadvertently undermining each other's efforts. This will be assisted by developing a clear understanding of each party's objectives and ensuring open and constructive engagement.
6. During the transition period, the Government's objectives for Auckland will need to be carefully managed to ensure that the implementation of governance reforms are not compromised.

7. As Minister of Local Government, my highest priority is the successful implementation of Auckland governance changes. Relevant portfolio Ministers will continue to engage with the existing Auckland Councils to progress portfolio priorities, such as the planning for the Rugby World Cup and delivery on significant transport projects.
8. I propose to report back to Cabinet by October 2010, in consultation with other relevant Ministers, on the Government's medium-term objectives for Auckland. These objectives will provide a basis for the Government to engage with the new Auckland Council.
9. We need to ensure continuing dialogue with the existing Mayors/Chair of ARC, Chief Executives, and Councils through the transition. There are a number of mechanisms already in place, including the Regional Sustainable Development Forum (RSDF) and the Auckland Mayoral Forum. Ministers and officials also regularly engage with Auckland local government on a range of portfolio matters, and these engagements obviously need to continue during the transition.
10. Ongoing engagement mechanisms need to be simple, effective, and build on what already works well. Establishing an Auckland Central Government Local Government (CGLG) Forum would facilitate strategic engagement with Auckland's governance.
11. The Forum could be jointly chaired by the Prime Minister and the Mayor of Auckland, with membership comprising key Ministers, Auckland elected representatives and Local Government New Zealand (LGNZ) representation. The secretariat role would be provided by the Department of Prime Minister and Cabinet (DPMC) and the Department of Internal Affairs (DIA), in conjunction with Auckland Council officials. The Auckland CGLG Forum should commence as soon as possible after the election of the Mayor and Auckland Council. Draft Terms of Reference for the Forum will be developed by DPMC and DIA by October 2010.
12. The Minister for Social Development and Employment is proposing a process for better alignment between local and central government on social issues that is consistent with the approach proposed here for an Auckland CGLG Forum.

Background

13. The Royal Commission on Auckland Governance (the Royal Commission) noted that a unitary local authority for Auckland would need to have a clear channel of communication to central government.¹ The Royal Commission proposed a formal partnership agreement between the Auckland Council and Government, the establishment of a portfolio Minister for Auckland and an Auckland Cabinet Committee.
14. The Prime Minister noted at Cabinet on 6 April 2009 that he did not intend to establish a Minister for Auckland. A special purpose Cabinet Committee on Auckland governance is being established for a limited time to consider all

¹ Page 352, Report of the Royal Commission on Auckland Governance

matters relating to the development and implementation of the Government's response to the Royal Commission's recommendations (CAB Min (09) 12/7).

15. Cabinet also invited me to report back to Cabinet by 27 April 2009, in consultation with other relevant Ministers, with advice on options for identifying the Government's objectives for Auckland over the short and medium term. In addition, I was invited to report back on how central government can work with local government in Auckland more generally, including potentially through an Auckland CGLG Forum.

16. The Ministers of Social Development and Employment and Economic Development, Transport and Environment are reporting separately to Cabinet on 27 April and 4 May respectively on the best arrangements for central government to work with the Auckland Council and the Establishment Board on social issues and critical issues in the economic development, transport and environment portfolios (CAB Min (09) 12/7 refers).

Comment

17. I agree with the Royal Commission's assessment that there is a significant gap in the mechanisms for dialogue between central and local government in the Auckland region. We need simple but effective engagement mechanisms to ensure a targeted focus on Auckland's critical issues, both through the transition period and in the long term.

18. The Government will need to provide increased presence and cohesive leadership in Auckland during the transition to the new governance arrangements. In the longer term, the creation of a unitary Auckland Council will facilitate this engagement.

19. Both central and local government, through their different roles, contribute to Auckland's success. We need to better complement each other through aligned planning and action and to avoid inadvertently undermining each other's efforts. This requires:

- a clear understanding of each other's goals and perspectives; and
- open and constructive engagement during both the transition and the longer term, including through new engagement mechanisms.

Government's Objectives for Auckland

Short-term objectives

20. It is important that, during the transition period, we do not overburden either the Transition Agency or Auckland's local government with significant additional expectations. Any new objectives or significant changes to the nature of existing objectives for Auckland should be carefully managed to ensure that the implementation track of governance changes are not put at risk.

21. I have defined short-term objectives as those identified for achievement prior to the establishment of the Auckland Council in October 2010. As Minister of

Local Government, my highest priority is the successful implementation of Auckland governance changes. I will work closely with the Establishment Board to communicate the Government's aspirations for Auckland.

22. The Government has a number of other Auckland-specific objectives however, including continued preparations for the Rugby World Cup and the implementation of significant transport projects. It is obviously appropriate that the relevant portfolio Ministers continue to regularly engage with the existing Auckland Councils to progress portfolio priorities during the transition.

Medium-term objectives

23. On 6 April 2009 Cabinet invited me, along with other relevant Ministers, to report back to Cabinet with advice on options for developing Government's medium-term objectives for Auckland (i.e. after October 2010). These objectives will provide a basis for the Government to engage with the Auckland Council.

24. I propose to report back to Cabinet by October 2010, in consultation with other relevant Ministers, on the Government's objectives. This timing will ensure that that Government engagement with the Auckland Council is informed by agreed objectives and priorities. In the interim, I propose that the Government's relevant² medium-term Auckland objectives are identified and prioritised.

Engagement Mechanisms

Interim mechanisms during the transition

25. We need to ensure continuing dialogue with the existing Mayors/Chair of ARC, Chief Executives, and councils and through the transition. There are a number of mechanisms already in place. These include the Regional Sustainable Development Forum (RSDF) and the Auckland Mayoral Forum.

26. The RSDF was created in 2007 and was established as a standing committee of the Auckland Regional Council (ARC). It comprises the ARC Chair, Mayors and Councillors. Senior representatives of key government agencies attend on an ex-officio basis. Ministers also attend from time to time. Because the RSDF is a standing committee of the ARC, the potential transfer of its functions to the Auckland Council will need to be addressed by the Establishment Board.

27. The Auckland Mayoral Forum meets periodically, having had a lower profile since the inception of the RSDF. I have, however, attended three Mayoral Forums since becoming Minister, and other Ministers also attend from time to time. Ministers and officials also have other regular engagement with Auckland local government on portfolio matters. I expect that these engagements will continue during the transition, and will be of increased

² Relevant Auckland specific objectives will include those where: both central and local government have roles and responsibilities; alignment or integration is desirable; actual or prospective tensions need to be addressed.

importance in order that we maintain momentum in areas critical for Auckland success during the transitional period

28. Many of these critical areas relate to priorities in other Ministers' portfolios. The Ministers of Economic Development, Transport and Environment will therefore propose a process for engagement with existing Auckland Councils during the transition period in their paper *Response to the Royal Commission on Auckland Governance: Critical Issues for Auckland's Success* on 4 May 2009.

Auckland Central Government Local Government Forum

29. Ongoing engagement mechanisms need to be simple, effective, and build on what already works well.
30. A successful national engagement mechanism between central and local government is the Central Government Local Government (CGLG) Forum. The CGLG Forum began in 2000 and has been held approximately six monthly, chaired jointly by the Prime Minister and the President of LGNZ. There have been 15 forums to date, attended by senior Ministers and LGNZ National Councillors. These forums have provided an opportunity to:
- discuss issues of mutual concern and interest;
 - agree on priorities for addressing those issues; and
 - monitor progress towards their resolution.
31. I note that the National Party, in its pre-election local government policy statement, committed to continue the CGLG Forum and to meet on a regional basis with each of the local government zones.³ Establishing an Auckland CGLG Forum would be a simple and effective mechanism for engaging with Auckland's governance at a strategic level.
32. The role of an Auckland CGLG Forum would be to demonstrate strong leadership, set a clear strategic direction on issues of mutual interest and drive alignment of thinking and action. It would perform a similar function to the national CGLG Forum, but with a focus on Auckland specific issues. Issues identified through the Auckland CGLG Forum will inform discussions at the national CGLG Forum as necessary.
33. I propose that the Forum be jointly Chaired by the Prime Minister and the Mayor of Auckland. Membership should comprise key Ministers with relevant portfolio responsibilities, relevant Auckland elected representatives from both tiers of local government and LGNZ representation. Appropriate senior officials would also attend in an advisory capacity.
34. The Forum will require support from officials but should need only minimal bureaucracy, with the secretariat role provided by the Department of Prime Minister and Cabinet and the Department of Internal Affairs, in conjunction with Auckland Council officials. This will ensure an approach consistent with

³ LGNZ classifies its member local authorities into 6 geographic zones, with Auckland comprising the bulk of zone 1 membership

that to the proposed national CGLG Forums, as well as any other regional CGLG forum.

35. The Auckland CGLG Forum should commence as soon as possible after the election of the Mayor and Auckland Council. In the meantime, I propose that draft Terms of Reference for the Forum be developed by the Department of Prime Minister and Cabinet and the Department of Internal Affairs for Cabinet consideration in October 2010. As soon as the Auckland Council takes office I recommend that the Prime Minister works with the Mayor to set a date for the inaugural meeting of the Auckland CGLG Forum.
36. The Minister for Social Development and Employment has also prepared a paper as part of this suite of papers *Response to the Royal Commission on Auckland Governance: Social Issues*, which proposes a process for better alignment between local and central government on social issues. The model proposed, an Auckland Social Policy Forum, is consistent with the approach proposed here for an Auckland CGLG Forum. Issues from the social policy forum could be raised at and/or reported to the larger forum if required.
37. The Auckland Council will need to be enabled to participate in these and any other similar forums. The Establishment Board should be clear that there is a need to ensure that the Council is appropriately structured to play its role in aligning effort between central and local government.

Consultation

38. This paper has been prepared by the Department of Internal Affairs in consultation with the Ministries of Economic Development, Transport, Environment and Social Development, Treasury, and the Department of Building and Housing, and Te Puni Kōkiri. The Department of Prime Minister and Cabinet was kept informed of the development of the paper.
39. Local Government New Zealand (LGNZ) has also been informed about the proposed Auckland CGLG Forum. LGNZ has noted the importance of linkages with the national CGLG Forum, and noted that other parts of New Zealand could call for regional forums.

Financial and Legislative Implications

40. There are no financial or legislation implications arising from this paper.

Regulatory Impact Statement/ Compliance Cost Statement

41. A Regulatory Impact Statement is not required for this paper.

Publicity

42. There are no publicity implications arising directly from this paper.

Recommendations

43. I recommend that Cabinet:

1. **note** that Cabinet invited me to report back by 27 April 2009 on:

1.1 options for identifying the Government's objectives for Auckland over the short and medium term, and

1.2 how central government can work with local government in Auckland more generally, including potentially through an Auckland CGLG Forum (CAB (09) 12/7 refers);

2. **note** there is a significant gap in the mechanisms for dialogue between central and local government in Auckland, and simple but effective engagement mechanisms are required to ensure a targeted focus on Auckland's critical issues during the transition period and in the long term;

3. **note** that, as Minister of Local Government, my primary objective in the short-term is the successful implementation of the Auckland governance reforms;

4. **note** that relevant portfolio Ministers will continue to engage with the existing Auckland Councils to progress portfolio priorities such as transport projects and the Rugby World Cup planning;

5. **invite** the Minister of Local Government, in consultation with other relevant Ministers, to report back to Cabinet by October 2010 on Government's objectives for Auckland;

6. **agree** that during the transition period the existing engagement mechanisms between central government and Auckland's local government should generally be maintained;

7. **note** that the process for engagement with existing Auckland Councils during the transition period on priorities outside of my portfolio will be set out in the report back of the Ministers of Economic Development, Transport and Environment *Response to the Royal Commission on Auckland Governance: Critical Issues for Auckland's Success*, on 4 May 2009;

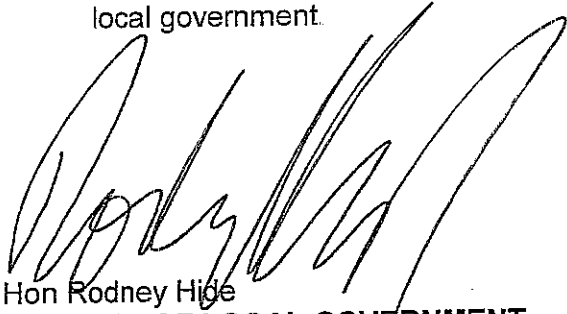
8. **agree** that an Auckland Central Government Local Government Forum would be a simple and effective mechanism for engaging with Auckland's governance at a strategic level;

9. **agree** the Forum be jointly Chaired by the Prime Minister and the Mayor of Auckland with membership comprising relevant Ministers, Auckland elected representatives from both tiers of local government and LGNZ representation;

10. **agree** that the secretariat role for the Forum be provided by the Department of Prime Minister and Cabinet and the Department of Internal Affairs, in conjunction with Auckland Council officials;

11. **agree** that the Auckland CGLG Forum should commence as soon as possible after the election of the Mayor and Auckland Council;

12. **direct** officials from the Department of Prime Minister and Cabinet and the Department of Internal Affairs to draft Terms of Reference for the Forum for Cabinet consideration by October 2010; and
13. **note** that the engagement model for social issues proposed by the Minister for Social Development and Employment in her paper *Response to the Royal Commission on Auckland Governance: Social Issues*, is consistent with the approach proposed here for an Auckland CGLG Forum; and
14. **note** that the Establishment Board will need to ensure that the Council is appropriately structured to play its role in aligning effort between central and local government.



Hon Rodney Hide
MINISTER OF LOCAL GOVERNMENT

Proactively Released by the Minister of Local Government