

1. Executive summary

The Royal Commission on Auckland Governance (the Royal Commission) has been given a task of immense importance for Auckland and for New Zealand. Local government has a profound effect on the everyday lives of residents and ratepayers. The infrastructure, services and regulations that local government is responsible for contribute to the very fabric of our communities. The decisions and investments that local authorities make have a lasting impact, shaping the future for many, many years to come. Failure to deliver in the best interests of the community has serious and long-term consequences. Determining the system of local government that will best suit Auckland for the next 20 to 100 years is therefore of considerable importance to Auckland, and to New Zealand.

The Auckland Regional Council (ARC) welcomes the opportunity to present a submission to the Royal Commission. As the only organisation with the statutory responsibility to promote the social, economic, environmental and cultural well-being of the people and communities of the whole Auckland region, the ARC considers that it has a particular responsibility to support the work of the Royal Commission.

The Auckland region

The Auckland region encompasses the Rodney district in the north to the Franklin district in the south (the southern part of Franklin falls within the Waikato region). It also incorporates North Shore City, Waitakere City, Auckland City (including the Hauraki Gulf), Manukau City, and the Papakura District. See figure 1.

The region is endowed with significant natural assets – three large harbours, 1,600 kilometres of coastline, extensive and numerous beaches, a high energy west coast marine environment and more temperate east coast Hauraki Gulf. The region also has a globally significant volcanic landscape, and an extensive network of regional parks, all of which are strong attractions for domestic and international visitors.

The Auckland region dominates New Zealand's economy, accounting for around one third of New Zealand's Gross Domestic Product.¹ It is cosmopolitan, dynamic, and provides a lifestyle that includes a wide range of leisure activities. Auckland is internationally recognised for its quality of life, ranked fifth equal in the world in the 2007 Mercer Quality of Life Survey.

Auckland is New Zealand's largest urban area, home to almost 1.4 million people, 32% of the nation's population. It has a culturally diverse population with 11.1% Māori, 14.4% Pacific people, and 18.9% of Asian descent.² Some 70% of all new migrants to New Zealand settle in the Auckland region.

The diversity of the people of the region is reflected in the considerable diversity of ethnicity, income, educational achievement and values across the region. That distinctiveness is reflected in local communities through differing housing styles, community aspirations, varying community facilities, varied housing issues and choices, varied community life and values, differing health issues and outcomes, graffiti, crime, drugs and social issues.

¹ NZIER (2006). *Regional Gross Domestic Product Estimates*.

² Statistics New Zealand (2006). *Census of Population and Dwellings*.

Auckland is 500,000 hectares in total, only 2% of New Zealand's land area. The city-region is interconnected and well integrated. Residents commute between cities and districts to visit friends and family, take visitors around the region, access goods and services, undertake recreational activities and work. In 2006, 47 per cent of people travelled to work each day to a territorial authority (TA) within the Auckland region, other than the one in which they live.³

The predominant natural factors affecting the definition of the region are the major harbour catchments, the coastal processes of the west coast and estuarine processes of the east coast. Major geological features such as the Auckland volcanic field, significant groundwater resources and sub-regional catchments, should be treated as an integrated environment that crosses territorial boundaries.

The Auckland region's population is growing rapidly and is expected to reach two million before 2034.⁴ During the recent inter-censal period, Rodney was the fastest-growing territory in New Zealand, and Franklin was the fourth fastest-growing territory.⁵ These districts are under intense pressure to accommodate even greater growth in rural and coastal areas.

While in many respects the Auckland region functions as a cohesive and integrated whole, it is also home to quite distinct local communities. The region's urban form is relatively dispersed and polycentric. The Auckland Central Business District (CBD) is the most significant centre, but sub-regional and town centres are important features of the city-region.

What is not working well in the Auckland region?

As part of the strengthening regional governance project, the region's councils agreed on a problem definition in September 2006. The ARC has continued to develop and refine this problem definition. The main issues are summarised below:

- The Auckland region has a history of developing strategy, but often fails to implement that strategy because of fragmented powers and accountabilities for funding and service delivery, and varying levels of commitment to fund regionally agreed priorities.
- There are a number of activities, programmes, and decisions that are regional in impact but are not made by regional agencies, often resulting in the sacrifice of regional outcomes for local or national priorities.
- In the region there is heavy reliance on joint voluntary decision-making, usually conducted through regional fora. Getting sovereign organisations to make collaborative decisions is costly, time-consuming and challenging. Decisions made at regional fora are not binding on the participating organisations. Resource allocation by participants is seldom sufficient to effectively implement agreed regional strategies.
- The regulatory and planning process in the region, and in New Zealand, is highly contested and litigious. The process often results in delays to plans becoming fully operative, delayed implementation of policy, and very significant policy being determined by the Courts, rather than politically accountable decision makers.

³ Statistics New Zealand (2006). *Census of Population and Dwellings*.

⁴ Auckland Regional Council. *Internal Population Projection Model*.

⁵ Statistics New Zealand (2001, 2006). *Census of Population and Dwellings*.

- There is some fragmentation and duplication of national, regional and local government roles and activities, accompanied by a lack of understanding of their different roles of different agencies. This can result in poor customer service and poor outcomes.
- There is an imbalance between mandates and financial capability in Auckland. Allocation of funding often does not match regional priorities.
- There are a number of areas where misalignment between central and regional government priorities acts as a principal factor in regional objectives not being met.
- There are a number of areas where Auckland has unique legislative arrangements that make it difficult to implement regional strategies and objectives.
- The legislative, policy and planning framework for local government is complex and multi-faceted.
- There are differing and incompatible views of regionalism inherent in the current framework of local government.
- A diminution of genuine local government (post the 1989 amalgamation) and consequent degree of public alienation. This is coupled with a perception that the ethic of 'public service' has weakened in Auckland local government post 1989.

In summary, the present three tier system of regional and local government is cumbersome and sub-optimal in efficiency, and is expensive. This in turn has led to a significant degree of public disaffection and dissatisfaction.

But above and beyond all of these issues, the current system of local government in Auckland is increasingly failing to deliver what the residents and ratepayers of the region want and need. Within each local authority there are great examples of good work and successful projects. It is very clear that each council is doing the best it can with the resources that it has to deliver for its community. However, when the sum total of that work is considered it becomes clear that those efforts have not delivered sufficient progress on transport issues. Neither have they delivered quality urban design, or adequately protected the region's heritage, or delivered simple and effective regulatory systems that people can understand. It is equally clear that the current system of local government has delivered rapid and unaffordable rates increases as councils have struggled to make the very significant investments that are required to make progress.

Future challenges and decisions facing the Auckland region

Significant challenges for the region over the next 100 years were identified in the Auckland Sustainability Framework (ASF). These challenges could significantly change the well-being of the people of the region. Local government within the region must be capable of addressing those challenges. They are:

- **Managing population growth and demographic change**

The Auckland region is the fastest-growing region in New Zealand. That growth is fuelled by natural increase (more births than deaths) and net migration. The region's population is expected to grow by the equivalent of the Wellington regional

population by 2026, reaching two million by 2034.⁶ The disproportionate growth of Auckland presents real challenges to both Auckland and New Zealand.

To maintain and improve the quality of life that Aucklanders currently have, the public sector (national, regional and local) will need to deliver a substantial increase in the whole range of public services (health, education, welfare, policing, housing, transport, etc). The public sector will also need to very carefully navigate through sharply conflicting interests in the region's resources. Current levels of expenditure are struggling to deal with past under investment. Major infrastructure challenges remain. The pace of growth threatens environmental quality, heritage, open space and mobility. Effectively managing growth will require hands-on planning, and careful investment. Any new governance structure must be able to achieve this.

- [Capitalising on global economic change](#)

The Government's economic transformation agenda recognises that Auckland is New Zealand's only urban economy that can realistically be an effective global marketplace competitor, and envisages Auckland becoming an internationally competitive city.⁷ However, recent reports, Auckland Regional Economic Development Strategy (AREDS) and the Metro Action Plan, highlight that while Auckland has some features of a successful international city, it is not maximising its economic potential.⁸ An issue, that the region is currently considering, for example, is whether, and how to ensure adequate broadband coverage for the region, to facilitate economic transformation.

- [Responding to climate change](#)

Climate change will result in fewer problems for New Zealand than for many other countries. However, it is projected to pose some major challenges such as a possible increase in flooding, erosion and coastal inundation, a risk to coastal and low lying infrastructure, and higher temperatures which may cause new public health and biosecurity issues. In addition, reducing greenhouse gas emissions, as part of New Zealand's commitments under the Kyoto protocol, may affect the region's economy.

- [Addressing disadvantage](#)

The region needs to address opportunity and income disparities, particularly for the most disadvantaged people and communities. There are geographic concentrations of relatively poor people in deprived neighbourhoods. Some problems are endemic, like poor health and education and access to healthy, affordable homes. These issues are more prevalent for Māori and Pacific people and some lower income socio-economic groups.

- [Doing more with less](#)

For Auckland to leave the right legacy for future generations, the region needs to reduce material consumption, use resources more efficiently and use renewable rather than non-renewable resources. Currently the land needed to support the

⁶ Auckland Regional Council. *Internal Population Projection Model*.

⁷ Cabinet Paper (2007). *Advancing Economic Transformation*.

⁸ Auckland Regional Economic Development Forum (2002). *Auckland Regional Economic Development Strategy*.

Auckland Regional Economic Development Forum (2006). *Metro Project Action Plan*.

region's consumption, its ecological footprint, is 4.8 times greater than the region's land area.⁹

- **Transport**

Public surveys show that transport issues are the main concern for the region's community.¹⁰ Traffic volumes are predicted to continue increasing, with an overall increase above 2005 levels of 22 per cent by 2016.¹¹ This congestion impacts on quality of life, increases business costs, and affects environmental outcomes such as air quality. Research estimates that congestion costs the Auckland economy \$700 million per annum in lost income, time and pollution.¹² Addressing future challenges requires significant investment in major projects.

- **Water, wastewater and stormwater**

Recent studies have estimated that over the next 20 years for stormwater alone, there is a regional funding shortfall of between \$2.3 and \$9.2 billion – in the main to address water quality issues.¹³ Contaminated stormwater and overflows of untreated wastewater are regularly discharged into waterways, and environmental issues related to flooding, water scarcity, and conservation exist.

- **Heritage conservation and biosecurity**

The region's many unique plants and animals are endangered, or severely affected, by habitat loss, pests and predators. Significant land forms, the coast, natural ecosystems and historic heritage also require protection. There are pressures and threats to the cultural and historic heritage of the region, including its unique built heritage.

- **Urban form and urban renewal challenges**

The region faces important decisions that will shape its urban form, including: the form and function of the CBD and waterfront redevelopment, implementation of the Tamaki edge redevelopment, (New Zealand's largest urban transformation project with estimated expenditure of \$3 billion), the future of Whenuapai airbase, and investment, location and timing of development for 40 new schools in the region over the next 15 years.

Conclusions regarding the current Auckland framework of local government

Having reviewed the performance of the current local and regional government arrangements in Auckland and having considered the challenges that the region faces over the foreseeable future, the Council has concluded that:

- despite the best endeavours of councils, councillors and staff, the current local government framework and approach is not equipped to deal with the challenges that the region is facing today,

⁹ McDonald, G. and Patterson, M. (2003). *Ecological Footprint of New Zealand and its Regions*. Wellington: Ministry for the Environment.

¹⁰ Auckland Regional Council (2007). *Environmental Awareness Survey*.

¹¹ Auckland Regional Council (2005). *Auckland Regional Land Transport Strategy*.

¹² Ministry of Transport (2006). *Auckland Road Pricing Evaluation Study*.

¹³ PricewaterhouseCoopers (2004). *Funding Auckland Regional Stormwater: An Options Analysis*. CS First Boston New Zealand Limited (1995). *Reform of the Water Industry*.

- the current framework and approach is not equipped to deal with the major challenges that the region faces over the next 20 to 100 years,
- considerable change is required if Aucklanders are to get the standard of service, delivery and investment that is required to provide for the economic, environmental, social and cultural well-being of the region and its people now, and for the future.

The ARC has concluded that the challenges that the region faces over the next 100 years are both regional and very local. Addressing the problems outlined above will require change that is of a significant enough scale to make a difference. Any change needs to get to the root of the problem rather than just address the symptoms. Similarly, any change must provide the platform for long-term responses to complex challenges. It must also provide enough flexibility and responsiveness to deal with unforeseen challenges.

The key to achieving good change will be:

- streamlining and standardising the planning and regulatory system, in particular its current highly contestable nature,
- reducing duplication and transaction costs, especially in relation to decision-making and engagement,
- allowing decisions to be made closest to the level of those affected,
- empowering regional decision-making to be able to effectively deal with current and future challenges,
- reducing dependence on voluntary joint decision-making,
- locating mandates, capability and capacity at the appropriate level of government and aligning funding to this.

Regardless of the governance structure and model the Royal Commission chooses to recommend to the Government, the ARC strongly believes that any change recommended by the Royal Commission must strengthen regional decision-making and delivery in a number of significant areas. These are:

- resource management (including land use planning, environmental impacts, environmental protection and heritage),
- water, wastewater and stormwater infrastructure,
- transport infrastructure,
- economic development,
- waste management,
- regional development,
- regional parks and open space,
- regional facilities and amenities.

Equally, the ARC believes that any change the Royal Commission chooses to recommend must also improve and enhance the ability of local communities to address the challenges that they face. This is about a sense of local identity, the ability to build a sense of community, the provision of local services that address the

needs of particular local communities and the ability to engage with people on a scale that is personal and manageable.

Regional boundaries

During the recent inter-censal period, Rodney was the fastest-growing territory in New Zealand, and Franklin was the fourth fastest-growing territory.¹⁴ If Auckland's growth is to be managed successfully to minimise potential adverse effects on people and the environment and to maximise the economic potential of the region as a whole, it is essential that the whole of the city-region, urban and rural, is administered as one.

The ARC recommends that the boundary of the region remain the same in the north and that the southern boundary be extended to join the Waikato River (see figure 7). Under this arrangement, all Franklin district territory north of the Waikato River would join the Auckland region. All Franklin district territory south of the Waikato River would be amalgamated with Waikato district and become part of the Waikato region.

If the region is to achieve quality growth outcomes, as set out in the Regional Growth Strategy (RGS), it is essential that the urban and peri-urban areas are managed in an integrated manner. Given that rural greenfield areas are often the easiest areas to develop (as opposed to redevelopment in existing centres) it is likely that pressure on Rodney and Franklin district councils for urban sprawl and development will continue or get stronger. With limited tools and support from the region to avoid this sprawl, for these councils the perverse result of leaving the Auckland region might be that the districts become even more (sub)urbanised like Auckland and lose the rural values that make these districts distinctive. Likewise, regionally-co-ordinated provision of public transport for these areas is essential.

Options considered

The ARC has examined a range of options for enhancing Auckland local government in developing its submission. These are:

- Option 1: Status quo,
- Option 2: Three unitary city councils,
- Option 3: Strengthened regional council with seven TAs,
- Option 4: Strengthened regional council with three TAs,
- Option 5: Single unitary¹⁵ authority with Community Councils.

The ARC evaluated these five options and concluded that options three and five had merit, and both had some shortcomings. Both options move in the direction of change that the Council considers appropriate. Clearly option five is the more comprehensive package of reform. The conclusion the Council reached is that

¹⁴ Statistics New Zealand (2001, 2006). *Census of Population and Dwellings*.

¹⁵ A unitary authority has all of the responsibilities of both a regional council and a territorial authority. New Zealand currently has four other unitary authorities – Gisborne District Council, Marlborough District Council, Tasman District Council and Nelson City Council.

option three reflects the minimum quantum of change that the Royal Commission should consider. Option five, while it is likely to be more controversial than option three in the short term, provides the best opportunity to address the challenges the region faces in the long-term.

Recommended reforms

The ARC has chosen to present to the Royal Commission two reform packages. Both move in the same direction, but one is more radical and comprehensive than the other. The two options are set out below. Option three represents the minimum quantum of change that the Royal Commission should consider. Option five is the ARC's recommended scheme for the reform of regional governance for Aucklanders.

Option 3: A strengthened regional council with seven territorial authorities

This model presents a strengthened regional council with regulatory and delivery abilities, seven TAs and strengthened community boards, retaining the current three-tier system.

Under this option the regional council would be strengthened through the transfer of responsibility for regional roads and regional water and wastewater from the TAs. It would also be strengthened by changes to both the Resource Management Act 1991 (RMA) and the Local Government Act 2002 (LGA 2002) to provide for more directive powers. Under changes to the RMA, the regional council would have greater ability to ensure that TAs give effect to regional policy and plans. Under changes to the LGA 2002, TAs would be required to give effect to regional strategies, through the allocation of resources in their Long Term Council Community Plans (LTCCPs).

This option provides for greater regional leadership, transparency and accountability, by means of a defined hierarchy of roles and responsibilities, and a single point of contact for Central Government on regional issues. Being a three tier system, it is in essence, a modified status quo.

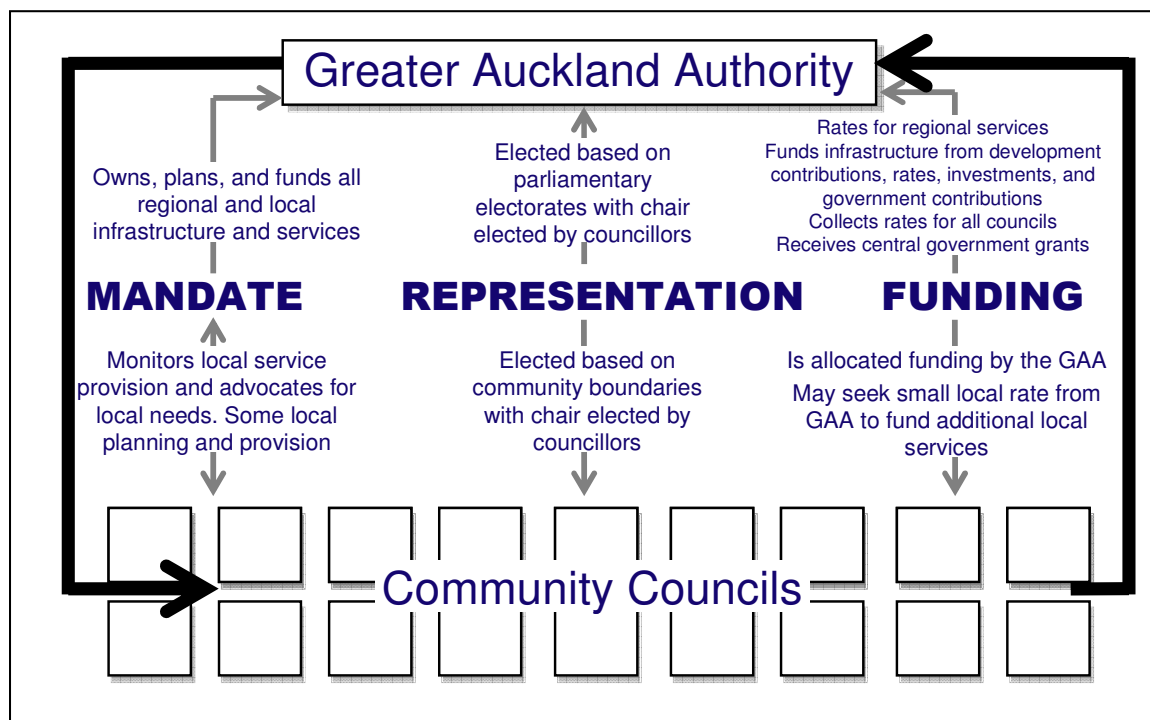
Option 5: A single unitary authority with Community Councils

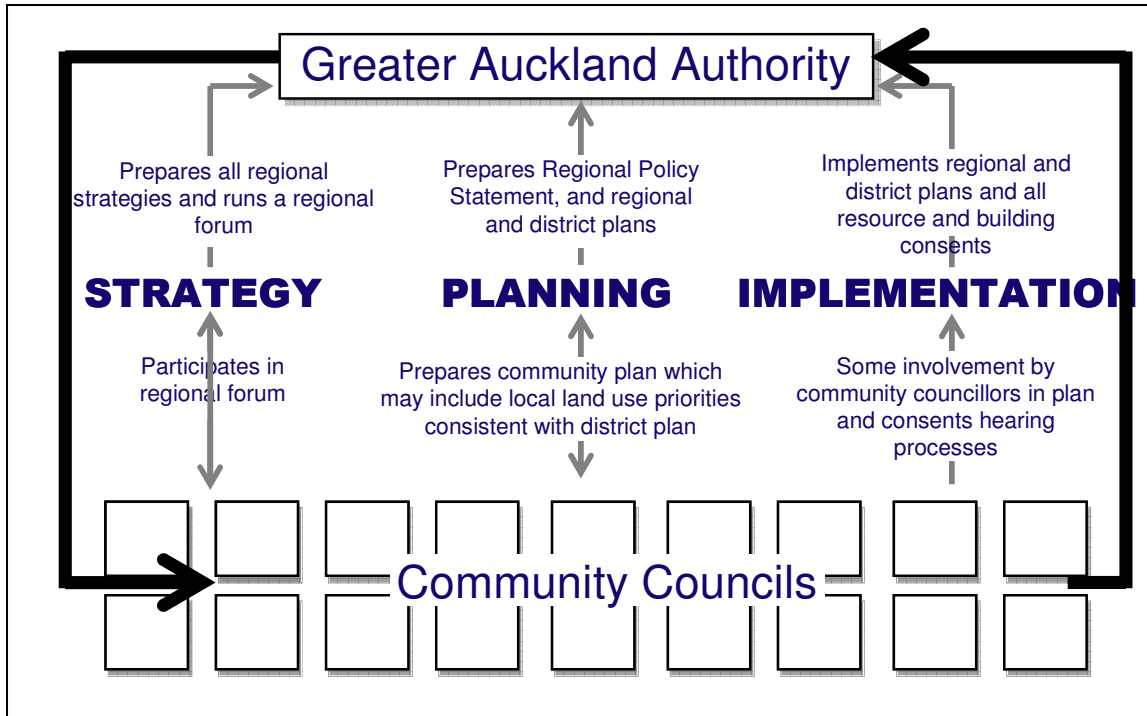
Option five is the Council's recommended option and consists of a single unitary authority, the Greater Auckland Authority, supported by a number of constituent 'Community Councils'. To ensure local democracy, Community Councils would be established in legislation and have a prescribed set of specific responsibilities and activities. The rules and responsibilities of Community Councils would be protected in law and they would be constituent agencies of the unitary authority. This is a two-tier model of local government.

Characterised as *'the One and the Many'*, option five is designed to deliver a clear and transparent division of labour and political accountability between the regional and the local level. It is designed to foster dynamic local democracy within a cohesive approach to the whole city-region. While it provides for two tiers of local governance, it relies on one integrated administration to support them, and implement their decisions. While it provides that all assets are owned by the one organisation, it also provides for responsibility for local community assets to be local, and responsibility for city-region assets to be vested with the Greater Auckland Authority.

Option five provides a simple governance model that is easy for communities to understand and interact with, and gains cost-efficiencies. It provides an enabling framework for the Greater Auckland Authority to deliver on major projects and regional priorities, and provide timely responses to important issues for Aucklanders. Community Councils will provide local communities with the ability to build on local strengths, respond to local priorities and challenges, and understand and respond to local diversity.

The Greater Auckland Authority would combine many of the responsibilities of present TAs and the ARC, including integrated three waters management, arterial roads, economic development, waste management, and building and environmental health regulation, and would manage regional assets. Community Councils would have specific local responsibilities defined in statute, including, responsibility for local roads and local road priorities, local community facilities, local parks and reserves, local urban renewal and improvement programmes, community development, community safety and environmental enhancement programmes.





Greater Auckland Authority

The Greater Auckland Authority would be the single point of contact for Central Government and would provide regional leadership and decision-making. The Greater Auckland Authority would combine many of the responsibilities of present TAs and the ARC, including integrated three waters management, arterial roads, economic development, waste management, building and environmental health regulation, and would manage regional assets. The Greater Auckland Authority would be responsible for preparing the Regional Policy Statement (RPS), regional plans and all district plans, and for issuing all consents under these plans. The Greater Auckland Authority would be a unitary authority with respect to responsibilities under the RMA. Accordingly it would have all of the responsibilities of both a regional council and a territorial authority.

Community Councils

Community Councils would provide the focus for local democracy and community development and identity. With effective local representation, Community Councils would be responsible for a wide range of local programmes and initiatives and deal with local issues. The ARC suggests that Community Councils be established by statute and that they be defined and protected in law.

Community Council responsibilities would include: local roads and local road priorities, local community facilities, local parks and reserves, local urban renewal and improvement programmes, community development, community safety and environmental enhancement programmes. The Greater Auckland Authority should be empowered to delegate additional responsibilities to Community Councils, but not have the power to disestablish Community Councils or to reduce their role or responsibilities below those set out in statute. The model of Community Council that the ARC is advocating would mean that a Community Council would be considerably

more powerful and influential than current community boards. They would however, be more circumscribed than current TAs.

The ARC recommends using existing community boards as a starting point for creating Community Councils, and additional Community Councils could be created where there are no existing community boards. In particular, the ARC considers that it would be useful to contemplate three Community Councils in the Rodney District Council area (covering the north, the west and the Hibiscus Coast respectively). The area currently administered by the Papakura District Council could become a Community Council area. The areas of Franklin District that the ARC proposes should be in the Auckland region, could become either two or three Community Councils.¹⁶

Community Councils would be unincorporated entities, legally part of the Greater Auckland Authority. Rather than creating their own bureaucracy, there would be one integrated administration serving the Greater Auckland Authority and all Community Councils.

In order to foster a close working relationship between Community Councils and the members of the Greater Auckland Authority, the ARC envisages close liaison through the Annual Plan process, and a role for Community Councils in establishing the priorities for local infrastructure development and local projects.

To ensure that local perspectives are reflected in the work of the Greater Auckland Authority, it is proposed that Community Councils develop Community Plans that set out the vision for the local community and its development. Community Councillors should also play a key role in RMA hearings relating to matters of local significance.

Community Plan

The Community Plan could cover:

- a vision for the community,
- an outline of community priorities and projects/activities,
- the significant areas, assets and values of local importance that need to be protected by the Greater Auckland Authority,
- the balanced budget required over the next three years (in detail) and ten years (in outline) to fund these priorities and projects/activities,
- how the Community Plan gives effect to regional plans and priorities,
- key performance indicators associated with the community projects/activities.

Community Plans would be developed in consultation with the community. The Greater Auckland Authority would review the Community Plans to ensure they give effect to regional plans and priorities, and sign off this element of the Community Plan. The Greater Auckland Authority would be required to take into account Community Plans in the development of its regional policies and plans.

¹⁶ Note that Franklin District Council currently has two community boards, one of which sits in the Auckland region. The other community board is in the Waikato region part of Franklin District.

Representation

The ARC recommends that the Greater Auckland Authority be governed by councillors elected from parliamentary constituencies. This means that there will be 21 constituencies¹⁷ of around 60,000 residents each, plus three Māori constituencies. The elected members of the Greater Auckland Authority could then elect a chair. Candidates would be able to stand for both the Greater Auckland Authority and a Community Council, but could only serve on one.

Community Councillors would be elected at large within their district, and would elect a leader (who could be called a Mayor) from within their council.

Working with Central Government

The Greater Auckland Authority would be the central point of contact and the regional partner for Central Government in the Auckland Region. It would work with Central Government on behalf of the Community Councils and other regional stakeholders. The Greater Auckland Authority would be the single facilitation point for Central Government grants and funding.

Offices and service centres

The Greater Auckland Authority could have a central office as well as a series of local service centres based in communities, with staff who can provide advice to local residents on the full range of council services located at these local service centres.

Integrated services

This model provides the opportunity to completely integrate all of the services provided by the Greater Auckland Authority. Not only would this reduce duplication and be more cost-effective, it would enable a transformation of services to the residents and ratepayers of the region. The Greater Auckland Authority would be able to deliver a one-stop-shop approach to Aucklanders. Through a network of local service centres, the Greater Auckland Authority would be able to deliver a seamless service to integrate all RMA consents with subdivision consents, with building consents, and with public health responsibilities in a standardised approach across the whole city-region. Similarly all other licensing and regulatory responsibilities could be integrated to deliver better service standards.

The Greater Auckland Authority would be able to deliver significant efficiencies through its purchasing power and central delivery of services such as its finance system, payroll and human resources systems, Geographical Information System (GIS), consents systems, a single rating system, information and communications technology systems.

¹⁷ Note that the Parliamentary electorates of Northland and Waikato overlap with the Auckland region. The Waikato electorate contains 6,870 Auckland region residents and the Northland electorate contains 5,307 Auckland region residents. The Royal Commission could consider ways to reallocate these residents to neighbouring electorates for the purposes of local body elections.

Funding

The Greater Auckland Authority would have the following funding sources:

- applying the rating provisions outlined in the Local Government (Rating) Act 2002. It could be the only body able to levy rates in the region and property owners could receive a single rates bill,
- levying development contributions to fund the infrastructure costs caused by population growth,
- applying a regional fuel tax to fund public transport infrastructure,
- receiving financial assistance through the National Land Transport Programme (NLTP) to undertake activities such as maintenance of the roading network and road construction,
- receiving income from a range of regional assets, such as assets currently held by Auckland Regional Holdings (ARH), including the Ports of Auckland Limited, waterfront assets, as well as property and shares currently held by TAs,
- standard charges for water and wastewater provision,
- standard charges for building and environmental consents.

The Greater Auckland Authority would provide an allocation of funding to Community Councils to allow them to undertake the local responsibilities contained in their Community Plans. This funding allocation would be set for three years (i.e., the duration of the Community Plan) but reviewed each year as part of the Greater Auckland Authority's Annual Plan process. The allocated funding would provide the Community Councils the financial certainty to undertake their responsibilities in the medium term, and undertake wise stewardship in the delivery of these responsibilities. The Community Councils would also be empowered to request that a local targeted rate be levied to provide funding for particular projects.

Mode of delivery

This option sets out to create a competent authority that has the resources and the quality of advice to make competent decisions. Accordingly, the Greater Auckland Authority should be left to make its own decisions over how its activities and services are delivered and managed. Delivery arrangements should not be defined in special legislation (e.g. requiring the use of council-controlled organisations (CCOs) for certain activities), and the Greater Auckland Authority should be able to review the need for all existing CCOs and determine which (if any) it wishes to retain.

Similarly, the Greater Auckland Authority should be able to review all areas of council work that are currently contracted out and (within the constraints of contractual obligations) determine whether or not it wishes to continue with those arrangements. Without the flexibility to determine how services are delivered the Greater Auckland Authority could not be truly accountable to the people of the region for its performance.

Changes to planning and regulatory system

As a unitary authority the Greater Auckland Authority would have the responsibilities of both a regional council and a TA. It would be responsible for preparation of the RPS as well as regional and district plans. The Greater Auckland Authority could gain significant efficiencies by preparing the regional and district plans as one combined plan. This would also provide major benefits to the people of the region through bringing together into one place the policies, rules and methods used under the RMA to achieve the integrated management of natural and physical resources.

Community Councils would be empowered to provide input into RMA policies and plans at the plan development stage and at the plan change stage where it affects their district, and the Greater Auckland Authority would be required to take their views into account. However, Community Councils would not be empowered to participate in RMA processes as submitters or appellants. Community Councillors should also have a role as hearings commissioners on notified applications of local significance.

These changes would strengthen local input into processes, whilst removing the most costly and time consuming confrontations between the current regional, city and district councils. The result would be better policy, developed in a more timely fashion and at a fraction of the current cost to the community.

Benefits

The major benefits of this option are that it creates a framework that will be better able to respond to the challenges that Auckland faces over the next 100 years. Whether it be managing growth, or climate change, or promoting the well-being of Aucklanders, or delivering effective relationships with Government, enhancing Auckland's economic performance and competitiveness, or responding to diversity and local challenges, or encouraging citizen participation in democracy, this option provides a significant improvement over the status quo and will perform better than any of the other options that the ARC has considered.

Savings and cost efficiencies

Option five would enable the Greater Auckland Authority to achieve some significant efficiencies and savings through the removal of duplication and economies of scale.

The main areas of savings under Option five would be through:

- the removal of duplication across council and CCO administrative systems,
- the delivery economies of scale in a number of areas of council business,
- integrated financial management,
- efficiencies in the delivery of services through standardisation,
- the removal of expensive and time consuming regional processes for decision-making and related litigation,
- savings in the number of staff required to run and support local government and CCOs within the region. It will also reduce the number of councillors and potentially the number of directors sitting on CCO boards.

Conservatively, these areas of efficiency and saving are estimated to be able to deliver savings worth at least \$160m per annum.

Conclusion

Having reviewed the current state of local government within the Auckland region and the issues, challenges that the Auckland region faces into the foreseeable future, and the range of options that are available for improvement, the ARC has concluded that the best option would be to move to a single unitary authority for Auckland, supported by effective Community Councils.