

## Auckland Legislation Before Parliament

### Auckland Bills Introduced Under Urgency

Two Bills to give effect to Government decisions on the recommendations of the Royal Commission on Auckland Governance have been introduced into Parliament under urgency.

On Wednesday evening the Local Government (Auckland Reorganisation) Bill ("the Reorganisation Bill") had its first reading amidst considerable opposition from Labour and the other minority parties. The Reorganisation Bill will not be referred to a Select Committee and is likely to pass through all of its stages by the end of the week. Parts of that Bill will come into force on the day after Royal Assent.

Today the Local Government (Auckland Council) Bill will have its first reading and be referred to a special Select Committee set up specifically for that purpose.

Together the Bills allow the Government to proceed with the implementation of its previously announced decisions on the future of Auckland.

### The Reorganisation Bill

This is the more controversial of the two Bills at this stage. It will set in motion the preparations for the transition to the Auckland Council and local boards, and places significant restraints on the decision-making of existing local government organisations (including all council-controlled organisations, Watercare Services Limited, Ports of Auckland Limited, Auckland Regional Transport Authority and Auckland Regional Holdings) during the transition period. That period runs from the day the Act comes into force until 31 October 2010 when the Auckland Council will come into being.

The Reorganisation Bill establishes the Transition Agency, which has a governing body comprising a chairperson and 2 – 4 members to be appointed by the Minister of Local Government. As at the date of writing no official word of likely appointees was available, but they are widely expected to be members of the business community rather than local government specialists. The governing body will appoint a Chief Executive of the Transition Agency, and the Transition Agency will in turn appoint an interim Chief Executive of the Auckland Council whose appointment will extend no later than 30 June 2012.

Broad general functions and duties are given to the Transition Agency, but in particular it is charged with developing an organisational structure for the Auckland Council and a change management plan for the transition. It will have authority to second staff to assist it from the existing local government organisations.

In order to avoid prejudice to the reorganisation the Transition Agency will have the power to review any decision made by, or any item on the agenda for any meeting of, any existing local government organisation during the transition period. Existing local government organisations must continue to fulfil their legal obligations and perform their duties in the interim. They must also co-operate with the Transition Agency to facilitate the reorganisation.

Any decision of an existing local government organisation that may, directly or because of its consequences:

- “(i) significantly prejudice the reorganisation:
- (ii) significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation:



- (iii) have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation”

must be confirmed in writing by the Transition Agency before being implemented, and is void and of no effect unless and until it is confirmed.

Without limiting the generality of the application of this requirement, there is long list of specific decisions to which this constraint applies. For example the decisions that must be confirmed include a decision to “enter into any contract (other than a contract that terminates on or before the close of 30 June 2011) the consideration for which is, or is equivalent to, \$5000 or more” or to “borrow money for a period that extends beyond 30 June 2011”. The adoption or amendment of a long-term council community plan is also one of the decisions that must be confirmed by the Transition Agency. These provisions will need to be carefully examined by the existing local government organisations, but are sure to significantly impede those organisations during the transition period.

## The Local Government (Auckland Council) Bill

This Bill sets out the structure of the Auckland Council and local boards as previously announced by the Government, that is an Auckland Council fulfilling the role of both territorial authority and regional council, with 12 ward based members, and 8 members and a mayor elected at large. As previously signalled the Mayor will have powers to appoint the Deputy Mayor and committee chairpersons, and to develop proposals for the long-term council community plan and annual plan for consideration by the Council.

The Bill also provides for between 20 – 30 local boards, the boundaries and number of members to be determined by the Local Government Commission, and the powers of which are not dissimilar to community boards under the Local Government Act 2002. A local board may not own property or have any employees. It may agree with the Auckland Council on local service levels and funding arrangements, and undertake functions delegated to it.

Submissions on this Bill to the Select Committee are bound to focus on the relationship between the Auckland Council and local boards, and their respective powers, functions and duties.

The Local Government (Auckland Reorganisation) Bill can be found at: [http://www.legislation.govt.nz/bill/government/2009/0035-1/latest/DLM2044501.html?search=ts\\_bill\\_local+government+\(auckland+reorganisation\)+bill\\_rese&sr=1](http://www.legislation.govt.nz/bill/government/2009/0035-1/latest/DLM2044501.html?search=ts_bill_local+government+(auckland+reorganisation)+bill_rese&sr=1)

The Local Government (Auckland Council) Bill can be found at: [http://www.legislation.govt.nz/bill/government/2009/0036-1/latest/DLM2044901.html?search=ts\\_bill\\_local+government+\(auckland+council\)+bill\\_rese&sr=1](http://www.legislation.govt.nz/bill/government/2009/0036-1/latest/DLM2044901.html?search=ts_bill_local+government+(auckland+council)+bill_rese&sr=1)

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