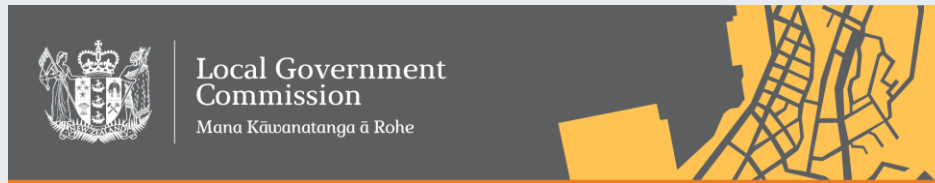


# Local Government Commission



## Local Government Commission and water -- How we can help

Dr Suzanne Doig  
Chief Executive Officer  
Local Government Commission

# Local Government Commission

- Appointed by Minister of Local Government
- A standing Commission of Inquiry, at arm's length from the Minister
- Core statutory functions:
  - Local government reorganisations
  - Appeals on representation reviews
  - Local Board disputes and licensing trust boundaries
- Discretionary role to develop recommendations and promote good practice

# Commissioners



**Sir Wira Gardiner**  
Chair



**Janie Annear**  
Commissioner



**Geoff Dangerfield**  
Temporary Commissioner

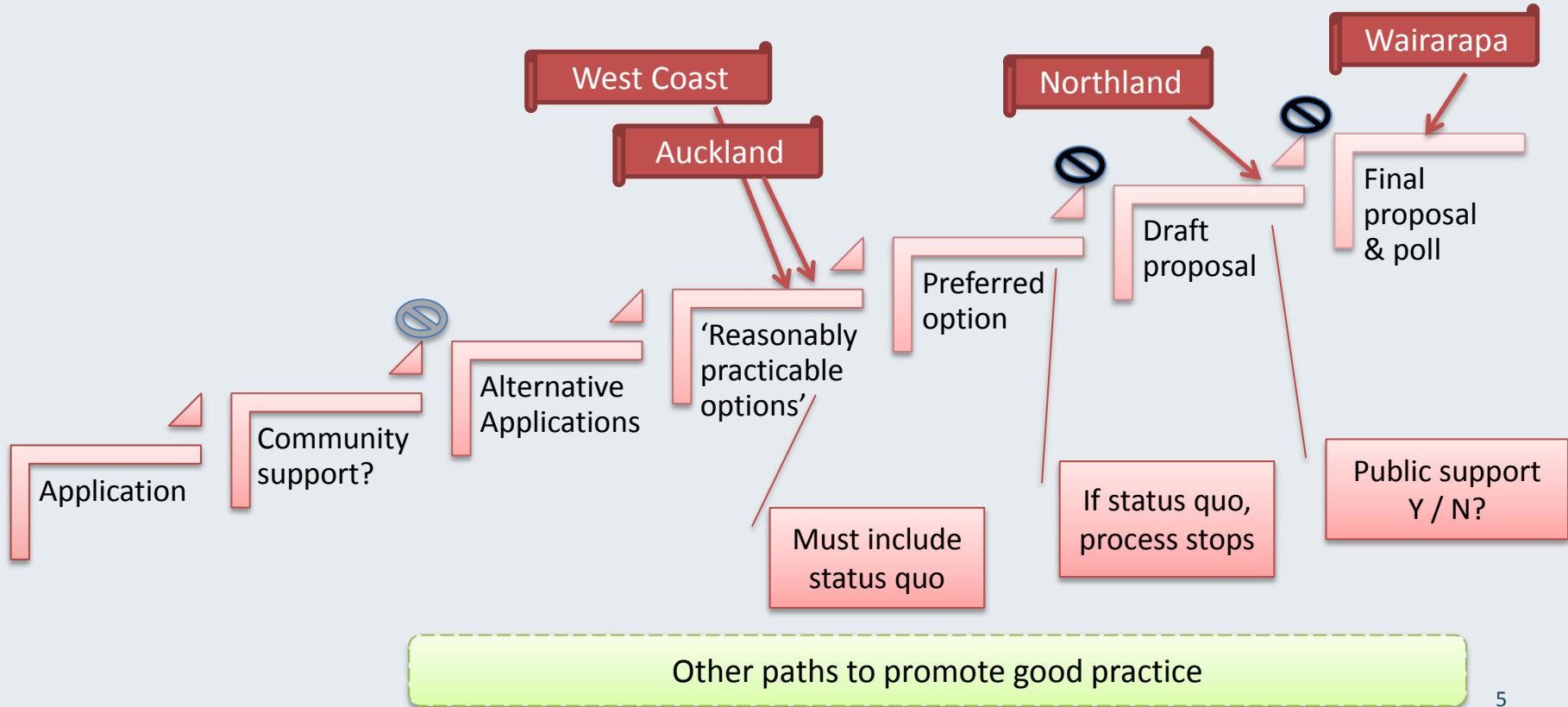


**Brendan Duffy**  
Temporary Commissioner

# Reorganisations

- Reorganisation applications can be made by any person
- Overarching objective to deliver “good local government”; purpose of Local Government Act, and facilitating improved economic performance
- Restricted to:
  - Establishing, abolishing or amalgamating councils
  - Boundary changes
  - Unitary authorities
  - Transferring statutory obligations (but not other responsibilities)
- Current: Northland, Auckland, Wairarapa and West Coast

# Reorganisations



# The legislative environment

- Current legislation (LGA 2002) is oriented towards amalgamations
- In many cases the benefits of shared services or infrastructure provision could be achieved without necessarily requiring council amalgamation
- Commission has broad mandate to consider, report and make non-binding recommendations
- Opportunities to facilitate, broker and otherwise support exploration of shared services opportunities
- There was legislation (Better Local Services amendments to the LGA) before Parliament pre-election to expand our toolkit

# LGC's strategy

- Working collaboratively with councils
- Reorganisation applications create the opportunity to look at wider matters
- Strong community outcomes focus: LGA purpose is 'on behalf of communities'
- More use of general powers of recommendation

# Two case studies

- Wellington
  - Wellington Water, established 2014
  - LGC commissioned scoping report on the region's Three Waters
  - Were there grounds for further review?
  
- Northland
  - Four Waters
  - Considered as part of the councils' joint work streams
  - An audit of the state of the region's and each council's assets



# Case study 1: Wellington Water

- A shared services Council Controlled Organisation est. 2014
- Jointly owned by participating councils
  - Upper Hutt City Council
  - Hutt City Council
  - Wellington City Council
  - Porirua City Council
  - Greater Wellington Regional Council
  - But **not** Wairarapa councils and Kāpiti Coast District Council
- A single drinking-water network across metro area, but not waste and storm water
- Governance by board of professional directors
  - Political oversight through Wellington Water Committee

# Findings of expert report

- Underlying model of Wellington Water (councils retaining asset ownership) has limitations compared to alternative model of an asset-owning CCO such as Watercare
- However current model needed stability and support to allow it to develop and mature
- Further change would risk derailing progress

# Recommendations of report

- Continue to advance a more collaborative approach to procurement
- Develop an overarching regional 10-year plan for water, and seek multi-year funding agreements with councils
- Continue to work towards more unified levels of service
- Develop a standardised asset management strategy and IT systems

# Greater gains still in the future

- In addition to improvements in asset management and planning, Wellington Water is making advances in other areas, such as:
  - Improved ability to respond to external factors such as emergencies and changing regulatory requirements
  - Role in progressing water resilience issues in metro Wellington
  - A better basis for collaboration with central government:
  - The ability to contribute to issues beyond the region such as the Havelock North inquiry

# Case study 2: Four Waters in Northland

- Context of Water Services very different from Wellington:
  - Small communities (outside Whangarei)
  - Small-scale infrastructure
- The LGC commissioned a report to fit into the four Northland councils' existing strategic shared services project:
  - Regional overview, identifying opportunities for collaboration/co-operation
  - Object was to assist a joint and agreed understanding of the state of the region's and each council's assets
  - Commission engaging with Northland councils on "what next?"

# Some observations

## Wellington Water:

- Big and obvious gains from aggregating capability and “trusted advisor” role
- Governance structure with a board of professional directors rather than councillors or CEs representing their individual councils

## Generally:

- Barriers: addressing governance concerns is critical
- Resilience: not just about natural disasters
- Aligning services with communities

# How we can help

- Encouraging new approaches to infrastructure and service provision (eg Three Waters) alongside reorganisation applications
- Assisting local authorities and associated stakeholders with pathways to shared infrastructure and service provision
- A conduit for ideas and initiatives



Local Government  
Commission

Mana Kāwanatanga ā Rohe

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