


How can Auckland deliver on its potential to become a world class city?

Royal Commission for Auckland Governance

August 2008

PRICEWATERHOUSECOOPERS 

Presentation Outline

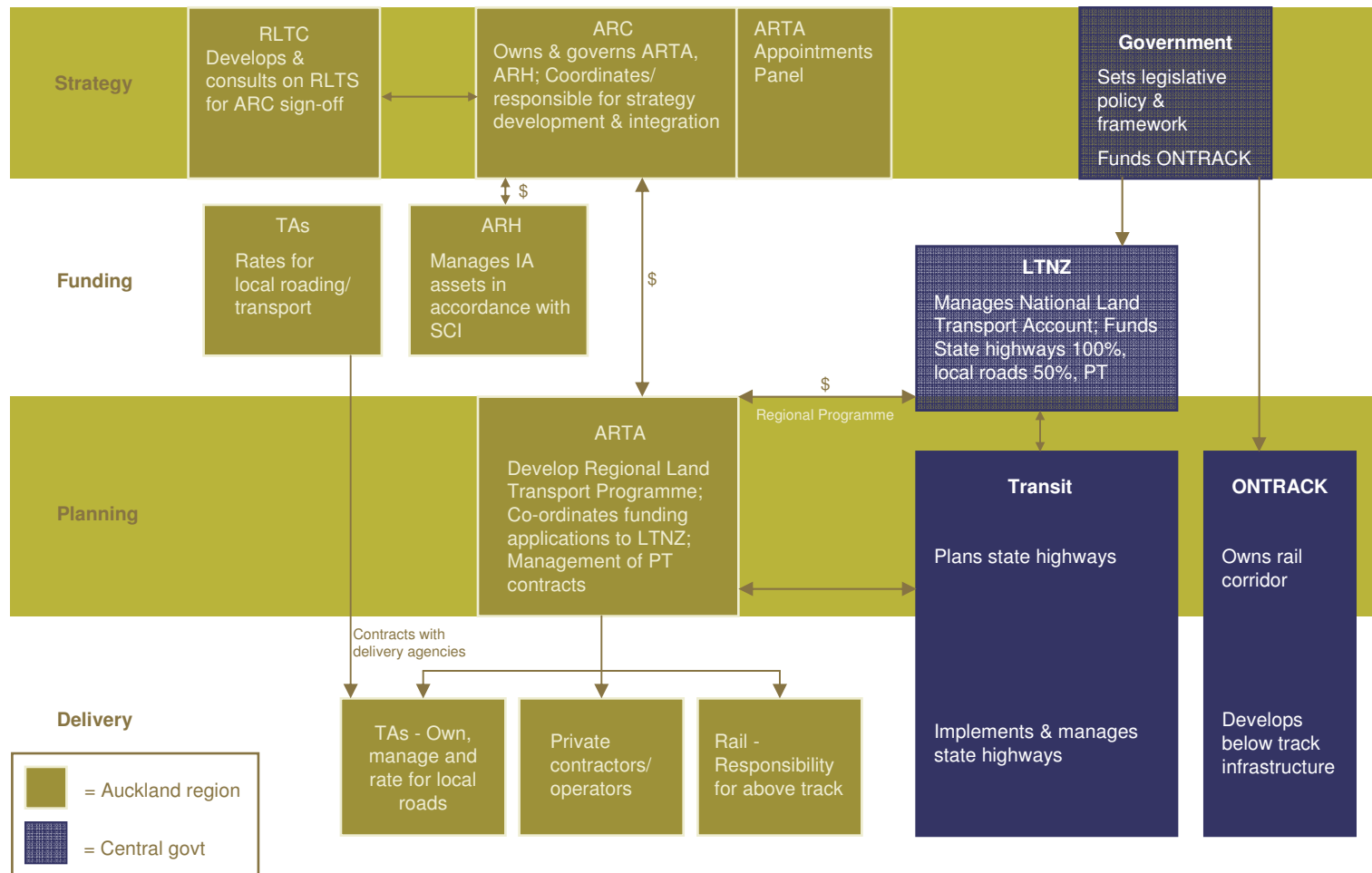
- Transport: Does 14 Agencies go into 1?
- Water: What is the best model?
- Community & Recreation Infrastructure: How could these diverse services be delivered?
- Transition: What are the challenges?
- Measuring the change: Will this be important?

Transport: Does 14 Agencies go into 1?

Issues

- Most complex area of regional governance
- 14 public agencies across central, regional and local government
- Fragmentation across strategy/funding/planning/delivery
- Worsening congestion
- Project mitigations not keeping pace with demand
- \$16 billion of expenditure required over next 10 years

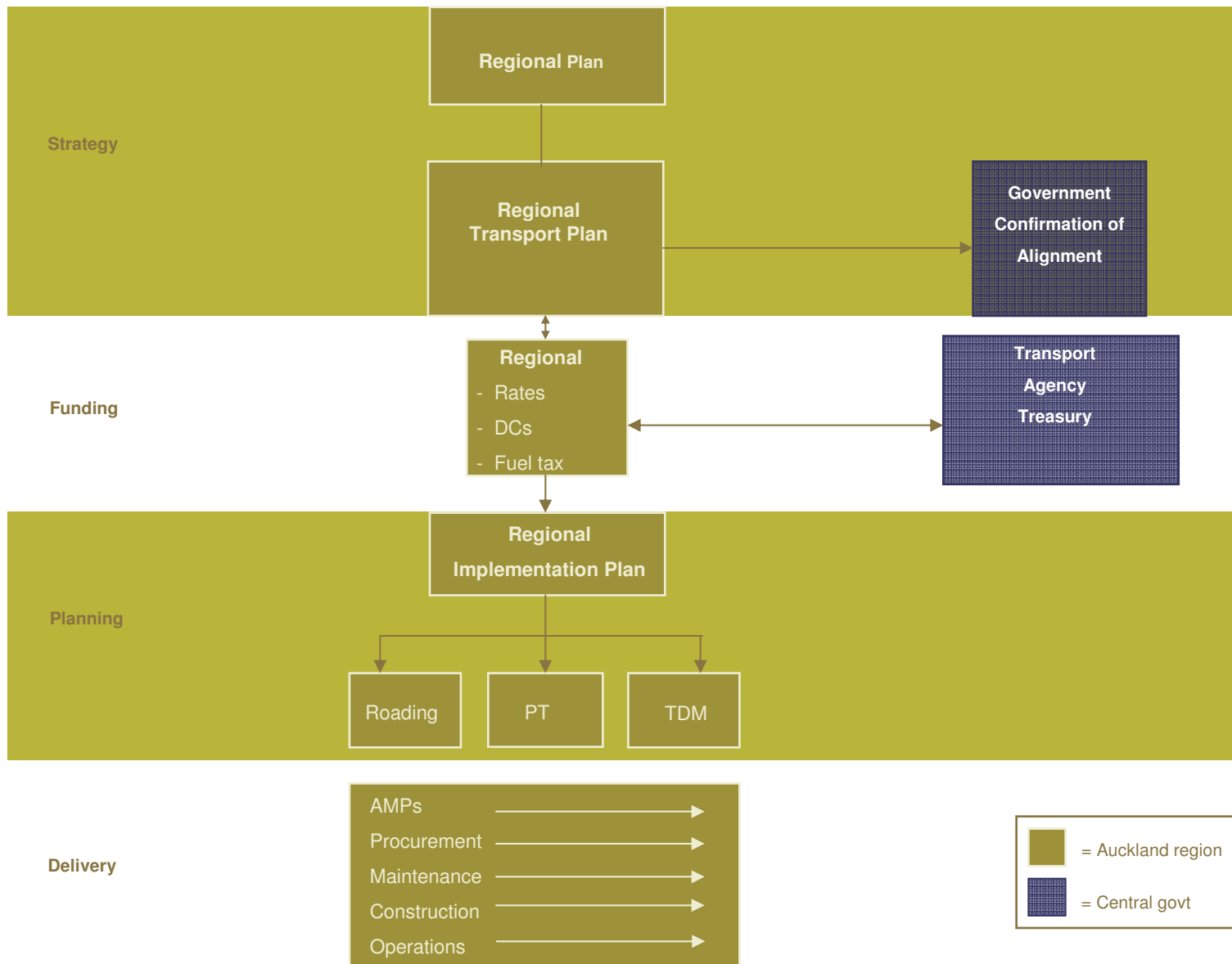
Auckland's Transport Governance Structure - Current



Transport Future

- Theoretical Utopia – A single integrated regional entity
- Principles that should underpin future organisation design:
 - Subservient to overall regional spatial plan
 - Mandate to plan and implement for all transport modes across the region
 - Linkage between funding and service provision
 - Structured to accommodate private sector participation, where appropriate
 - Integrated with central government

One Possible Future Transport Structure



Water: What is the best model?

Current structure

Water & Wastewater delivered through:

- One and a half bulk suppliers
- Two local network operators
- One franchise
- Four councils
- One partial regulator

Stormwater delivered through:

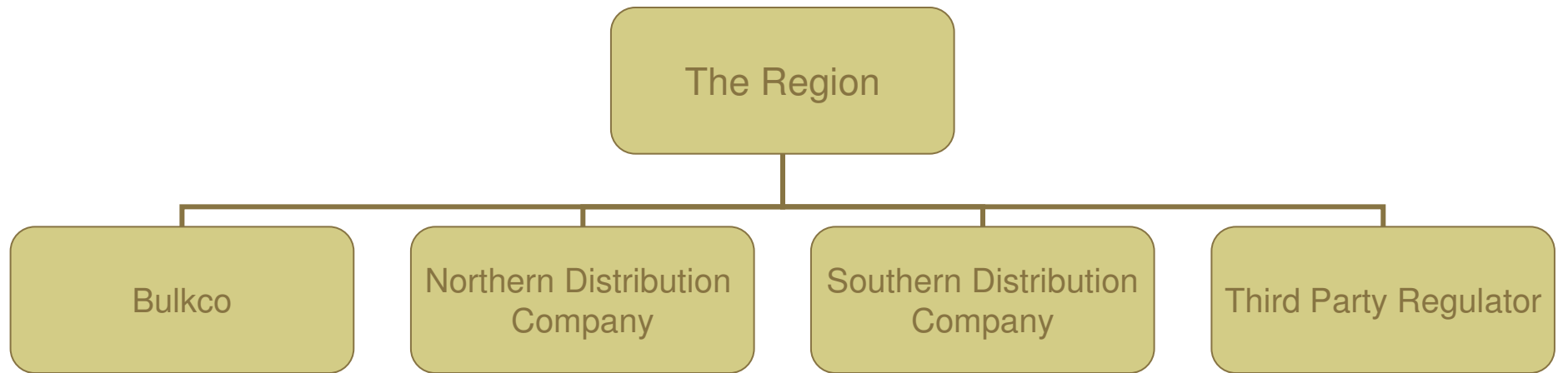
- Seven councils & one LNO
- One partial regulator

Water: What is the best model?

Key Issues:

- Fragmented planning, decision-making and governance
- Financial cost pressures
- Maintaining/enhancing environmental quality
- Dealing with growth
- \$6 billion of expenditure required over next 10 years

One Possible Future Structure – 3 Waters



Water/Wastewater

- Collection
- Storage
- Treatment
- Transportation

- W/WW Transport
- SW Transport
- Disposal

- Water and wastewater retail (could be privatised – multi-utility model)

Subject to price/
quality Regulations



Community & Recreation Infrastructure

How could these diverse services be delivered?



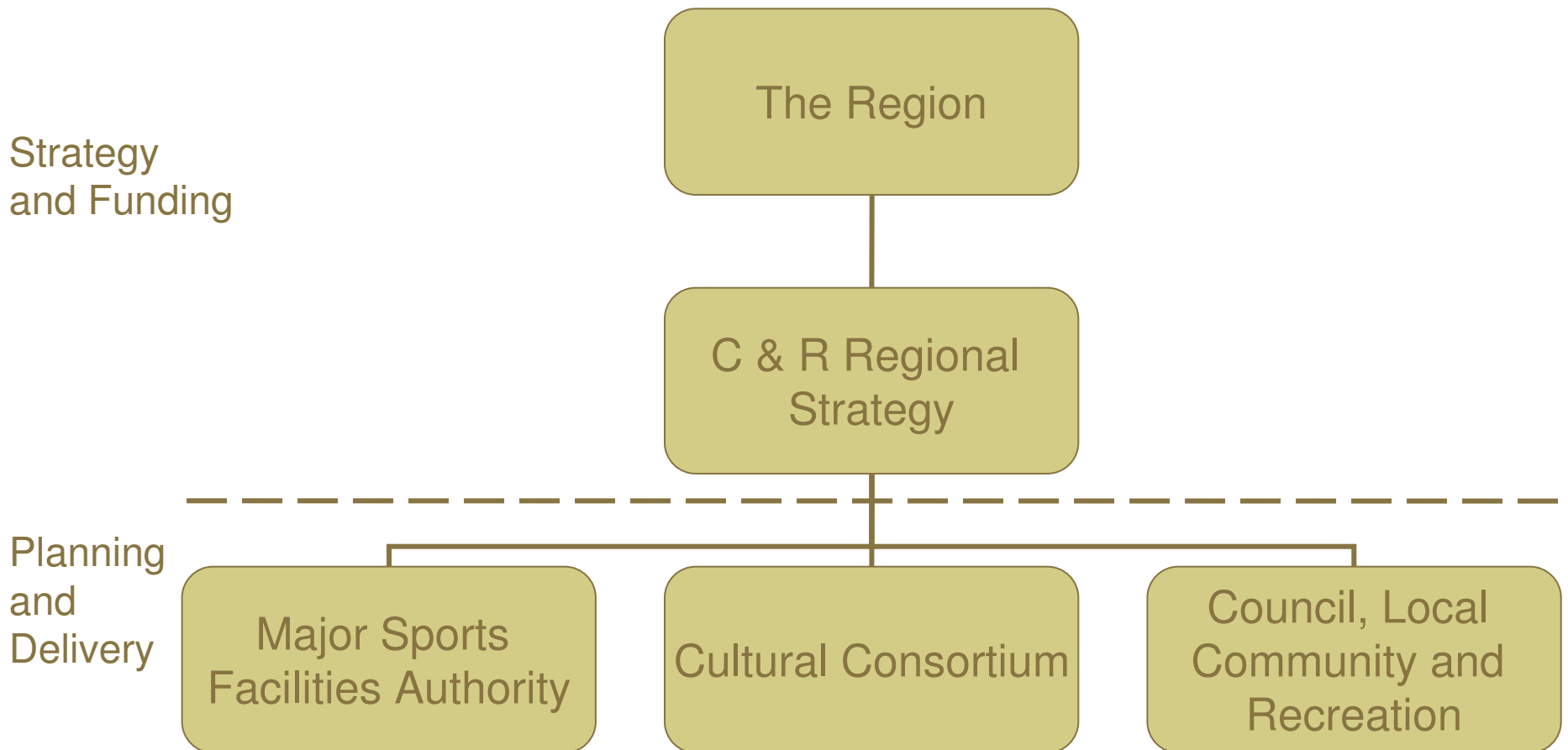
How could these diverse services be delivered?

Current A to Z Issues:

- Diversity in size, scope and delivery
- Multiple ownership/governance structures
- Level of integration, co-ordination and maximisation of resourcing
- Duplication of facilities, e.g. stadiums
- Funding and funding inequities
- Multiple enabling legislation and regulation (Auckland Regional Amenities Bill)

Community & Recreation Infrastructure

One possible future structure



Transition: What will be the challenges?

- **Integration:** Delivering on the promised land of integrated decision making and implementation across infrastructure.
- **Momentum:** Keeping current operational delivery moving
- **Legislation:** Rationalising a plethora of acts providing fragmented powers / accountabilities / planning requirements.
- **Expenditure Control:** Ensuring expenditure is directed towards the future needs of the region.
- **Culture:** Creating an effective culture from the current diverse mix process and risk adversity
- **Human and Political Capital:** Utilising management and political skills of the highest level.

Measuring the Change: Will this be important?

Yes because:

1. International experience has found:

- Most changes poorly measured
- Energy is dissipated with debate over the merits of the change
- Some change has been reversed

2. 1989 Auckland amalgamation experience:

- No meaningful measurement base
- Significant rates increases which were difficult to explain
- Pockets of opposition to change continued for many years
- Service level rationalisation was difficult across old council boundaries