

## **Executive summary**

This paper states the Government's evidence, models and assumptions about cost savings or cost increases due to amalgamations, regarding the proposed Auckland region local governance reforms.

In a later release of this paper we will include some analysis of the responses, both to unpack the official response and provide supplementing information.

## **Version history**

<b>Version</b>	<b>Status</b>	<b>Date</b>	<b>Comments</b>
01	Issue	23 July 2009	Initial release

## **Introduction**

Official information request from SavePapakura.com dated Friday, 19 June 2009  
10:07 NZST.

Official written response from Hon Rodney Hide (Minister for Local Government) dated  
Tuesday, 14 July 2009.

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## **Background (supplied with the information request)**

The official Auckland Governance Reform Enquiry line (run by the Department of Internal Affairs) has instructed me to instead approach the office of the Minister for Local Government.

A prompt response and answers are requested, due to both ongoing consultation with the public; as well as working back from the 26 June 2009 submission deadline to the Auckland Governance Legislation Committee (some people have already lodged their submissions; and others are about to).

Please indicate when a response is expected.

Please identify the source and age of the information, as I am seeking the most relevant and timely information.

Should the information not be completely available (or there is withheld information that would have altered the answer to the question), please explain why some information was not provided or the extent of incompleteness.

## **1. Evidence of cost savings or cost increases based on the 1989 Local Government amalgamations**

### ***Information request***

What evidence is there of cost savings or cost increases based on the 1989 Local Government amalgamations?

That is, performance since the 1989 amalgamations and also comparing with a pre-1989 baseline?

What is the variability and reliability of that evidence?

### ***Official response***

I enclose a copy of an aide memoire entitled *Overseas Local Government Transition Models*, which includes high level learnings from the 1989 reforms. The Royal Commission also reported on the learnings from the 1989 reforms.

## **2. Evidence of cost savings or cost increases of the proposed Auckland Council Supercity**

### ***Information request***

It appears the government is using wishful thinking in that it 'expects' cost savings to occur; though equally it seems any analysis that has been done is cursory, incomplete and heavily reliant on the assumptions rather than evidence based.

What evidence, models and assumptions are the government drawing on for the estimated cost savings or the estimated cost increases of the proposed Auckland Council (Supercity) reforms?

What is the variability and reliability of that evidence?

### ***Official response***

I refer you to the Royal Commission's report, and the Cabinet paper of 6 April 2009 which is publicly available on the Department of Internal Affairs website.

The Government expects there will be a saving, not a cost, as a result of moving to a Greater Auckland. Officials have carried out very preliminary estimates of the Government's proposals, and estimate that these will not be significantly greater than the cost estimated by the Royal Commission.

Having a unified Auckland Council will be more efficient, with less waste and duplication of services. There will also be better coordination and planning, more consistent decision making and a unified voice for the region.

### **3. Evidence of cost savings or cost increases of amalgamation approaches**

#### ***Information request***

What evidence (such as overseas experience) is the government drawing on to support the proposed Supercity reforms, of the cost impacts of amalgamation?

What is the variability and reliability of that evidence?

[If the government is relying on the Royal Commission's report, be specific as which aspects were the interpretation is based given there was huge variability between different supercities; confusion over what is a comparable large city vs metropolitan city; confusion over governance vs government; and some research difficulties in isolating performance given a change in the service mix.]

#### ***Official response***

*[Previous response was also offered for this question]*

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The Government expects there will be a saving, not a cost, as a result of moving to a Greater Auckland. Officials have carried out very preliminary estimates of the Government's proposals, and estimate that these will not be significantly greater than the cost estimated by the Royal Commission.

Having a unified Auckland Council will be more efficient, with less waste and duplication of services. There will also be better coordination and planning, more consistent decision making and a unified voice for the region.