**Information sheet 2**

March 2016

# Enabling greater Council collaboration to deliver services and infrastructure

The Better Local Services reform package creates new options for councils to collaborate to deliver services and infrastructure to their local communities.

## Greater flexibility to collaborate

Councils will have greater flexibility to create jointly-owned council-controlled organisations, owned by and operated on behalf of their local communities.

Councils could use jointly-owned council-controlled organisations for any services but specific provisions are needed to enable councils to set up and operate jointly-owned transport and water services.

### Transport council-controlled organisations

The proposal creates options for creating pre-approved or ‘bespoke’ transport council-controlled organisations.

The two pre-approved transport council-controlled organisation models are:

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| --- | --- |
| Regional transport model | Roading-only model |
| A regional transport council-controlled organisation responsible for:   * Local roads. * Public transport (including public transport services contracting). * Transport planning. | A roading-only council-controlled organisation responsible for:   * Local roads.   The regional council would continue to be responsible for:   * Public transport (including public transport services contracting). * Transport planning. |

Councils could alternatively create bespoke transport council-controlled organisations differing from these two options with the Minister of Transport’s approval.

### Water council-controlled organisations

The proposal provides for joint water council-controlled organisations to provide integrated water services and infrastructure, realising the efficiency gains of water services on a greater scale.

It is proposed that water council-controlled organisations would be not-for-profit and prohibited from distributing surpluses to the councils that own them, similar to the present arrangements in Auckland for Watercare.

## Regulatory powers for transport and water joint council-controlled organisations

Transport and water joint council-controlled organisations will have regulatory powers currently held by councils, which they will need to carry out their functions. For example, water council-controlled organisations will need powers to manage and maintain pipes crossing private property as councils currently do. The Local Government Commission will be responsible for identifying the powers needed in each case, from a limited menu of powers set out in the legislation.

## Governing joint council-controlled organisations

Local councils’ interest in and oversight of their joint council-controlled organisations will be managed through joint committees overseeing the organisation, unless all the participating local authorities agree to some other form of oversight. Elected members of local authorities will be prohibited from sitting on the boards of jointly-owned council-controlled organisations.

The make-up of these joint committees would depend on the local circumstances. Joint committees would, among other things, have the power to make recommendations to shareholding councils on directors appointments to council-controlled organisations.

A number of provisions will be made to strengthen the accountability of council-controlled organisations to their local authorities, including requirements for council-controlled organisations to give effect to council long-term plans and to local authority comments on their statements of intent.

## For more information

For more information see [dia.govt.nz/better-local-services](http://dia.govt.nz/better-local-services).