

CREATING A SUPER CITY: INTEGRATION ISSUES

PART 6: EMPLOYEES OF THE SUPER CITY

integrate /in-ti-greyt/ verb (-ting) to make up, combine, or complete to produce a whole or a larger unit

From an employment perspective, the proposed changes to Auckland governance are radical. It appears that over 6,000 staff from the 8 existing councils are to be transferred to a single employer, the new Auckland Council, with effect from 1 November 2010.

The transfer of employees must be handled carefully because, as the Royal Commission noted in its report, it is vitally important “*to maintain a strong and committed Auckland local government workforce*”. The employees are needed not only to maintain the functions of the existing councils up to 31 October 2010, but also to ensure the Auckland Council can operate effectively post transition.

The effect of the transition on employees will depend upon the approach that the government (including the Transition Agency and the Auckland Council) take to implementing the reorganisation but, in our view, the full impact on employees will not be felt until after 1 November 2010.

Sweeping change

One of the driving forces behind the change to Auckland’s local governance is to reduce the duplication of tasks.. This anticipates that some existing council roles will no longer be needed by the new Auckland Council, or that some functions will be centralised.

There will also be a standardised approach to remuneration, workplace policies and a single payroll system. The significance of this was not lost on the Royal Commission, who expressly recognised that the change will represent a “*fundamental shift in the working practices and organisational culture in Auckland’s local government*”.

The most immediate concern for employees will be how their roles will be affected, including whether they remain in their current roles or whether their roles are relocated. Consultation with employees will have to take place as part of any rationalisation but the burning question will be whether the existing councils will be responsible for this or whether it will be expected of the Auckland Council post transition.

Commission’s approach

The Royal Commission proposed that the Transition Agency and the existing councils would, amongst other things:

- Ensure thorough consultation with staff on all issues that may affect them arising from the transition
- Carry out an extensive audit of the current employment structures, personnel, agreements, policies and systems across the 8 existing councils
- Prepare new structures, policies, procedures and systems for the single Auckland Council
- Plan for the induction and training of staff where necessary.

The Commission anticipated that the majority of staff from the existing councils would be carried over to the Auckland Council, at least initially, once it was operational in November 2010. Further, that the legislation would provide for transition (including restricting redundancy entitlements), but that the existing councils would be responsible for organising the transfer within the framework provided by the Transition Agency. It was implicit that any major rationalisation of staff would occur in the post-establishment phase.

Government speeds up transition

However, in its summary response to the Royal Commission's report, the government indicated that it expected the rationalisation of staff to be completed by the time the new Council became operational.

Despite this, the initial draft of the first bill to implement the government's agenda (that became the Local Government (Tamaki Makaurau Reorganisation) Act) included a provision more in line with the Royal Commission's report. The bill provided that:

- Every person who was an employee of an existing council on 31 October 2010 would become an employee of the Auckland Council on 1 November 2010 on the same terms and conditions, if agreement has not already been reached with the employee to transfer
- Employees would be unable to claim redundancy compensation by reason of their transfer to the Auckland Council.

This indicated a possible retreat by the government from its stance of rationalising staffing requirements before November 2010. This is because if full rationalisation has already been undertaken and staff have accepted employment in new roles in the Auckland Council from 1 November 2010 onwards, there would be no need for employees to be transferred under statute.

As it happened, the provision was "kicked for touch" by the government, who now intend to legislate for the transition of staff in a further bill to be introduced in October 2009, and passed by May 2010. This further supports a softening of the government's approach on the timing of the rationalisation of the existing council staff.

Implementation of final structure

It would still be open to the government to legislate for the rationalisation of existing Council employees before 1 November 2010. However, given the expected timing of the further bill and the operational date of 1 November 2010 for the Auckland Council, that now seems unlikely. We are therefore likely to see an approach more akin to that suggested by the Royal Commission.

This means that a detailed organisational structure is unlikely to be created and implemented before 1 November 2010. While a broad structure, together with some key policies and workplace systems, such as payroll, is likely to be in place by that date, it is unnecessary for any substantial reorganisation of existing council departments to occur before then if all employees are likely to be transferred over anyway.

We anticipate that the senior management structure of the Auckland Council will need to be set in place and appointments made in the transition phase. The Transition Agency is empowered under the new Act to appoint an interim chief executive who will lead that team. But as for the remaining staff, it is, in our view, likely that the Auckland Council will subsequently consult with staff and complete the final form of the restructure in the relative composure of the months following 1 November 2010.

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