



**LOCAL GOVERNMENT COMMISSION
MANA KĀWANATANGA Ā ROHE**

**BRIEFING PAPER FOR
THE MINISTER OF LOCAL GOVERNMENT**

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This document has been proactively released.

Redactions to the document have been
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THE COMMISSION'S MEMBERSHIP

- The Local Government Commission (the Commission) is constituted under Subpart 3 of Part 3 of the Local Government Act 2002. The Act provides that the Commission shall consist of three members appointed by the Minister of Local Government.

The current Commission members, appointed on 1 August 2015, are:

- Sir Wira Gardiner (Chair), appointed to 31 July 2018
- Janie Annear, appointed to 31 July 2018
- Leigh Auton appointed to 31 July 2018

Brief biographies of the Commission members are attached as Appendix 1.

Temporary Commissioners

The Act also allows for the appointment of temporary Commissioners: two were appointed on 12 November 2015 to assist with consideration of Representation Reviews. Their terms end 13 May 2016. They are:

- Leith Comer; and
- Pauline Kingi

THE COMMISSION'S FUNCTIONS

The broad purpose of the Commission can be described as being to consider proposals or adjudicate on matters relating to the structure of local government and the electoral arrangements of local authorities.

The principal functions of the Commission are to:

- respond to applications for the reorganisation of local authorities
- provide information about local government
- promote good practice relating to a local authority or to local government generally
- report to the Minister of Local Government, or to any local authority, on matters relating to local government, or on any matter arising from the performance of the Commission's functions (this may be done at the request of the Minister of Local Government or on the Commission's initiative)
- determine disputes between local boards and the governing bodies of unitary councils about the allocation of decision-making responsibility to local boards and local board bylaw proposals
- consider appeals and objections relating to a local authority's proposals for ward or constituency boundaries, community boards, and the number of members following a representation review
- consider appeals against decisions of territorial authorities not to constitute communities and community boards.

The Electoral Act 1993 also provides that the Chairperson of the Commission is a non-voting member of the Representation Commission.

A full list of the Commission's functions is included as *Appendix 2*.

The process for Local Government Reorganisation is included as *Appendix 3*, and a history of recent reorganisation applications as *Appendix 4*.

The Local Government Act provides that the Commission is to be treated as a Commission of Inquiry and has a number of the powers provided by the Commissions of Inquiry Act 1908.

The relationship between the Minister of Local Government, the Local Government Commission and the Department of Internal Affairs is set out in diagrammatic form in *Appendix 5*.

THE COMMISSION'S WORK

Overview

Amendments to local government reorganisation provisions of the Local Government Act in 2012 and 2014 were intended to make it easier for local government reorganisation proposals to be advanced and considered. They also heavily increased the workload of the Commission.

Between late 2012 and December 2015, the Commission had applications from the Far North District Council, Wellington's regional council and Carterton, Masterton and South Wairarapa District councils; A Better Hawke's Bay, and from two West Coast individuals seeking amalgamation; and from the Northern Action Group (North Rodney) and Our Waiheke seeking to secede from Auckland. The status of each of these is outlined below.

There has been widespread acknowledgement of challenges facing local government throughout the country, particularly in the efficient and cost-effective delivery and provision of modern services and infrastructure. However, it has not been possible to progress large-scale amalgamation proposals to an outcome. These have proved divisive and have failed to gain the support of the communities concerned. In Northland, Wellington, and in the Hawke's Bay, the public was decisively against such change.

In Northland and Wellington the Commission took amalgamation off the table in June this year and instead has gone back to consult further with the communities. The focus is now on jointly determining the biggest challenges they face; and exploring options for dealing with them. In Hawke's Bay, the Commission issued a final proposal in favour of amalgamation of the five councils. This was subsequently rejected in a public poll.

Priorities and opportunities

The relative unpopularity of large-scale amalgamations as a means of achieving better local government, and specifically in progressing delivery of more cost-effective and resilient services and infrastructure, has pointed to the need to develop alternative approaches. In this respect, the Commission has achieved considerable momentum, as outlined below, and believes it is well-positioned, subject to your intentions and priorities, to promote the sector reform initiated by the former Minister of Local Government.

It looks forward to discussing opportunities for doing so with you, including the "regional conversations" programme. There are no immediate decisions you have to make.

Our approach

The appointment of a new Commission on 1 August 2015 saw a refresh in its approach. It was to be more flexible and based on collaborating with local government leaders and bodies across the country to facilitate conversations about challenges faced; and to enable processes for identifying options to address them, while retaining a sense of local identity and community.

This has led to a successful reset in the Commission's relationship with the sector: its role has evolved to include that of broker for change alongside administering formal reorganisation applications. Examples of this can be seen in its working jointly with the Wellington Mayoral Forum to develop options for improving the performance of the region's transport system; similarly with

water in Northland; or continuing to offer support, post poll, to Hawke's Bay councils as they look for ways to introduce more effective shared services.

This approach is cognisant of the position of the former Minister of Local Government. In July, she announced she would not legislate for large-scale amalgamations, but expected councils to focus on solutions and options that would deliver growth, better services, modern infrastructure, strong leadership, resilient communities – and sustained, locked-in change. It also anticipates legislation the former Minister announced she would introduce early in 2016, which, if enacted would enable multiple pathways towards better local government.

Regional conversations

The former Minister of Local Government reiterated her expectation that the Commission would work with councils and communities to enable options that suit their local needs. As part of its work programme for 2016, in addition to administering the reorganisation applications before it, the Commission will embark on a series of "Regional Conversations" with local government leaders and bodies around the country.

The visits, during which the Commission will have joint discussions with Mayors and Chairs across a region, will begin early in 2016 and be staggered over the following months. It will look to hear from Mayors, Chairs and councils around the country about how they see local government in their area, and the issues they face; and work jointly with them in exploring opportunities for local government, and in assisting them to overcome barriers where these exist.

Current reorganisation applications

Since the 2012 amendments, the Commission has received seven reorganisation applications. Three resulted in large-scale reorganisation processes, one of which – Hawke's Bay – has been completed. Six of these are summarised below. A further application from Nelson/Tasman was dismissed.

Wellington/Wairarapa

Current status

In December 2014, the Commission issued a draft proposal to amalgamate all the councils in the region. On 9 June this year, after considering submissions, the Commission announced it would not proceed with a proposal to amalgamate all councils in the region. Instead it said it would go back and consult with the community. While most submitters opposed the proposal, many expressed the need for change of some sort to meet Wellington's future local government needs.

Since then there has been a reset in the relationship between the Commission and Wellington region councils, with a number of constructive meetings at Chief Executive and Chair, Mayoral, and Councillor levels. The Commission has met with Councillors – as the key link to local communities – at seven of the nine councils in the region and has the final two scheduled in the next week.

The Commission and the Mayoral Forum have been collaborating on how councils can work together on important local government services. They have agreed to prioritise transport and are also looking at spatial planning. A report on transport options is to be shared with the Mayoral Forum on Friday 11 December. Separate parallel conversations have begun to consider the options for Wairarapa, with further meetings scheduled for early in 2016.

It is anticipated a package of options will be put before the public of Wellington/Wairarapa in March-April for final decisions in mid-2016.

Northland

Current status

As with Wellington, on 9 June the Commission announced it would not proceed with a proposal to amalgamate all councils in the Northland region. Likewise, it said it would return to the community and work with it to identify major challenges and the options for dealing with them. A number of meetings have been held between the Commission and Chief Executives, and between the Commission and the Northland Mayoral Forum.

The Commission has agreed its work should fit into the existing strategic and shared services project. The Councils will remain sponsors of the work streams, with the Commission looking to add value where it can. Further details on the ways in which the Commission and the councils will work together are to be agreed in forthcoming meetings.

Hawke's Bay

Current status

The 18 September publication of the final poll result (66% to 34% against, rounded) for the Hawke's Bay amalgamation proposal confirmed the status quo would prevail and concluded the Commission's formal process.

However, all four Hawke's Bay Mayors and the Regional Council Chair indicated a renewed commitment to working together. The Commission signalled a willingness to visit Hawke's Bay leaders to hear their views and discuss ways in which the Commission might be able to offer practical assistance in the delivery of more cost-effective services and infrastructure. This has resulted in three meetings to date.

North Rodney

Current status

In August the Commission agreed to assess an application from the Northern Action Group (NAG) for a unitary council for North Rodney. The Commission is working with NAG as the applicant, has visited the area for several meetings in recent weeks, and is collecting information from a wide range of sources, including Auckland Council.

West Coast

Current status

The Local Government Commission has also agreed to assess an application for a unitary authority for the West Coast region. The application was lodged by Peter Salter and Anthea Keenan in July 2015. The Commission has had introductory meetings with West Coast leaders and the applicants, and met with the region's Mayors, Chair, and Chief Executives on a number of occasions. Next steps are to be considered early in 2016.

Waiheke

Current Status

An application was received on 7 December from "Our Waiheke" requesting that the Commission consider "the establishment of a new unitary council for the area covering Waiheke Island and islands to its east". The application replacing "the existing Waiheke Local Board, which forms part of the Auckland Council governance structure, with a unitary council which comprises a single ward with 7 or 8 councillors and a mayor, all to be elected by eligible voters in the proposed local government area". The Commission has acknowledged receipt of the application. Its next step is to decide whether to assess the application.

Representation Reviews for the 2016 Local Elections

Legislation

The Local Electoral Act 2001 requires local authorities to undertake a representation review at least every six years so as to achieve fair and effective representation for individuals and communities. These reviews include the number of elected members and in the case of territorial authorities, the basis of election (i.e. at large elections, wards or a mix of both) and establishment of community boards. The Commission hears and determines any appeals or objections against local authority representation proposals.

The legislation governing representation reviews was amended in a number of ways in 2012. The major changes were as follows -

- local authorities may make minor alterations to boundaries outside of the representation process subject to the consent of the Commission
- there is more flexibility in how the “+/-10% fair representation rule” can be applied, but any proposals not complying with the rule must come to the Commission for approval.

The Commission issued new representation review guidelines in October 2014.

Current status

Twenty-two local authorities are required to review their representation arrangements prior to the 2016 local elections. Nine councils have completed their reviews with either no submissions being received or no appeals lodged against their proposed arrangements.

A feature of the representation review process is the “+/-10% fair representation rule” whereby the population to member ratio for wards and constituencies must (subject to certain exceptions) fall within a range of +/-10% compared to the district or region as a whole. Two councils – Kapiti Coast District Council and Thames-Coromandel District Council – completed their reviews without receiving any appeals but have referred their proposed representation arrangements to the Commission as they have aspects that do not comply with the +/-10% requirement. The Commission may approve their proposals if it considers a departure from the +/-10% rule is required for the effective representation of communities of interest. This is a new process that allows some flexibility in how the +/-10% requirement is applied to territorial authorities.

Appeals have been received against the final proposals of eight councils – Dunedin City Council, South Waikato District Council, Tauranga City Council, Whakatane District Council, Waimakariri District Council, Marlborough District Councils, Rotorua District Council and Ruapehu District Council. The Commission will begin considering these reviews shortly. The remaining three councils are awaiting the closing date for appeals.

RESOURCING OF THE COMMISSION

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COMMISSION MEMBERS

Sir Wira Gardiner, KNZM (Chair)



A former professional soldier, Lieutenant-Colonel (Rtd) Sir Wira Gardiner has a long and distinguished public service career, including extensive governance experience. He was the founding director of the Waitangi Tribunal and founding chief executive of the Ministry of Māori Development (Te Puni Kokiri). He has been National Director of Civil Defence, Chair of Te Mangai Paho and deputy chair of Te Ohu Kaimoana. He was Chair of the Tertiary Education Commission between 2010 and 2012, and Chair of the Board of the Museum of New Zealand Te Papa Tongarewa between 2010 and 2013. Sir Wira was made a Knight of the New Zealand Order of Merit in 2008 for services to Māori. Sir Wira has published a number of books and is currently working on the history of B Company 28 Māori Battalion.

Janie Annear, ONZM



Current Commissioner Janie Annear, who has been a member of the Commission since 1 July 2014 and served three terms as the Mayor of Timaru from 2004 to 2013, has been reappointed. In 2014 Janie was appointed as an Officer of the New Zealand Order of Merit for services to local government. In April 2014 she was appointed by the Minister of Local Government as Temporary Member of the Local Government Commission and was made a permanent member in July 2014. Janie has experience across a wide range of private sector, local government and central government roles. She serves on the Boards of the Lottery Community Facilities and Significant Projects Funds. She also chairs Aoraki Polytechnic Council.

Leigh Auton



Leigh Auton has extensive local government experience with a particular background in planning, infrastructure and transport, and is former Chief Executive of Manukau City Council and former interim Chief Executive of Tauranga City Council. Leigh is Chartered Member of the Institute of Directors, and a Director/Trustee/Chair for a number of public and private sector entities. He was a member of the Board of Inquiry for the Men's prison at Wiri in 2011, and a member of the Review Panel for the Kaipara District Council in 2012. He is a former President and Inaugural Fellow of the NZ Planning Institute and, in November 2009, he received a Distinguished Service Award for his contribution to the image and practice of planning.

DUTIES AND FUNCTIONS OF THE LOCAL GOVERNMENT COMMISSION

Local Government Act 2002

Under this Act the Commission has a number of responsibilities. These are:

- (a) under section 16, to provide advice to the Minister of Local Government when a local authority has sought a binding ruling from the Minister on significant new activities proposed by a regional council;
- (b) under section 26, to consider, and where appropriate, make determinations amending the provisions of a final reorganisation scheme where it is satisfied that either-
 - i. some further or other provision is necessary to enable, or better enable, the intention of the scheme to be put into effect; or
 - ii. some provision of the scheme is no longer relevant or appropriate to the intention of the scheme;
- (c) under section 27, to consider and determine applications from territorial authorities wishing to be called a city council or a district council;
- (d) under section 30, if considered appropriate, to provide information about local government and to promote good practice relating to a local authority or to local government generally;
- (e) under section 31(1), of its own volition or at the request of the Minister of Local Government, to report on, and make recommendations to the Minister and any relevant local authority, on matters relating to a local authority or local government;
- (f) under section 31(1A) to report on, and make recommendations to the Minister and any relevant local authority on any matter arising from the performance of its functions.
- (g) under Schedule 3, to assess reorganisation applications for the union, constitution, and abolition of districts and regions, and creation of unitary authorities, boundary alterations, and transfers of responsibility
- (h) under Schedule 3, clause 53, to be an arbiter on the apportionment of assets and liabilities between local authorities, following implementation of a reorganisation scheme, where there is disagreement;
- (i) under Schedule 6, to consider and determine appeals where a territorial authority declines a request from a group of electors for the constitution of a community.

Local Government Act 1974

Under this Act the Commission has two responsibilities:

- (a) under section 318, to determine, where requested, the vesting, control, construction, and maintenance of a road which forms the boundary between districts; and
- (b) under section 517T, to hear and determine objections regarding proposals for the transfer of ownership and administration of local authority land drainage and water race schemes.

Local Government (Auckland Council) Act 2009

Section 98 provides for the Commission to determine certain disputes between the Auckland Council's governing body and local boards.

Local Electoral Act 2001

Under this Act the Commission has three responsibilities:

- (a) under section 19R, to consider and determine appeals and objections relating to a local authority's representation proposals for the next triennial local elections;
- (b) under section 19V, to consider decisions of local authorities to not comply with the fair representation requirement of section 19V (2)
- (c) under sections 19JA and 19JB, to make minor alterations to the boundaries of electoral areas; and
- (d) under section 19ZI, to issue guidelines identifying factors and considerations for local authorities to take into account when undertaking their representation reviews.

Local Authority Reorganisation (Property Transfers) Act 1990

Under this Act the Commission may investigate property dealings of any former local authority between 14 November 1988 and 31 October 1989 and, where the Commission considers it appropriate, require that those dealings be rectified.

New Zealand Public Health and Disability Act 2000

Clause 20 of the Second Schedule to this Act provides that the Minister of Health may request the Minister of Local Government to refer to the Local Government Commission for inquiry and report, any question relating to the union, reconstitution, or alteration of the boundaries of any district or constituency of a district health board.

Sale and Supply of Alcohol Act 2012

Sections 304, 337 and 363 empower the Commission to review the boundaries of licensing trust districts and wards, and of community trusts to ensure they conform with the boundaries of meshblocks.

Electoral Act 1993

Section 28 of this Act provides that the Chairperson of the Local Government Commission is to be a member of the Representation Commission.

Museum of Transport and Technology Act 2000

Section 20(10) of this Act provides that where the Museum Board and the Museum's Electoral College cannot agree on an arbitrator to determine the amount of the Museum's levy, the arbitrator is to be appointed by the Local Government Commission.

LOCAL GOVERNMENT REORGANISATION

Amendments to the reorganisation provisions of the Local Government Act 2002

Amendments to local government reorganisation provisions of the Local Government Act in 2012 and 2014 have significantly changed the focus and scale of the work of the Commission.

The Local Government Act 2002 Amendment Act 2012 made changes to both the legislative framework governing the making of applications for local government reorganisation, and to the processes for the subsequent consideration of such applications by the Commission. The amendments followed the reorganisation of local government in Auckland and were intended to make it easier for reorganisation proposals to be advanced and considered in other parts of the country.

Prior to this only two substantive reorganisation (amalgamation) applications had been received (Kaikoura/Hurunui, and Nelson/Tasman) in the previous seven years, and the last successful amalgamation proposal had been in 2005 (Christchurch/Banks Peninsula).

Further amendments to the local government reorganisation provisions were enacted in August 2014 as part of the Local Government Act 2002 Amendment Act 2014. The major change made here has been to make the structural model of a unitary authority with local boards (originally designed as a bespoke solution for Auckland) available throughout the country.

The reorganisation process

Schedule 3 of Local Government Act sets out the processes that the Commission must follow in considering a reorganisation application, and the powers available to it in doing so. This is a relatively complex set of processes with multiple decision points. There are four major phases in the process. A diagram of the process which sets this out more fully (but still in simplified form) is attached as Appendix 3. These are summarised briefly below:

Application

Any person may lodge an application for local government reorganisation. The Commission receives an application, decides whether to assess it, and if it agrees to do so calls for alternative applications. The Commission may decline to assess an application on a variety of grounds including that there is no evidence of “demonstrable community support”. At this stage the Commission has to identify the “affected area” for the process. The Commission’s practice has been to conduct extensive non-statutory consultations along with information gathering and research into issues affecting local government in the affected area at this stage.

Identification of options and consultation on draft proposal

The Commission is required to consider the applications and alternatives that it has received, along with any other options for the structure it considers worthy of consideration. It is required to identify firstly, one or more “reasonably practicable options” and then from among those its “preferred option”. There are separate statutory criteria for each of these two steps.

The Commission then develops a “draft proposal” on the basis of its preferred option. The Commission notifies its draft proposal and calls for submissions. This is the formal consultation phase of the process. Hearings are generally held and interested parties are consulted.

Having considered the results of the submission process the Commission then reaches a major decision point. It may (in terms of clause 21 of Schedule 3):

- adopt the draft as a final proposal (with or without amendments)
- issue a new draft proposal based on another “reasonably practicable option” or
- decide to abandon the process.

Before issuing a final scheme the Commission must be satisfied that it is likely to have “demonstrable community support” in each affected district. At its discretion the Commission may arrange its own public opinion surveys in affected areas to support it making this assessment.

Final proposal and poll

If the Commission decides to issue a final proposal a poll can be requested by 10% of the electors in any one affected district. If a poll is requested the fate of the proposal is decided by the majority of votes cast across affected districts. A key feature of the 2012 amendments to the Act was that the poll is to be decided across the affected districts as a whole, rather than individually in every affected district. If the proposal is defeated at the poll the process ends. If there is no poll or the proposal is supported by the poll, an Order in Council is made giving effect to the final proposal.

Reorganisation scheme and transition process

The Order in Council giving effect to the proposal sets the start date for the new council/s and also establishes a “transition body”. The transition body is to comprise a transition board (with a majority of members to be elected members of affected local authorities) and an implementation team. The transition board appoints the interim chief executive.

From that point forward the Act provides for a two-phase transition process. In the first phase the transition body works with the Commission to develop the final reorganisation scheme which is then given effect by a second Order in Council. The reorganisation scheme contains detailed technical provisions to guide the transition process.

In the second phase the transition body develops a change management plan. At this stage the Commission ceases to have a “hands on” role. Until the date the new council/s come/s into being (following election of the new council/s) the transition board remains in place, and the Interim CE is able to make management decisions (hiring staff, entering contracts) on behalf of the new council. Once the new council comes into office it is able to make governance decisions for the new council (such as adopting statutory plans and policies and making rates).

History of recent reorganisation applications

Wellington

An application was lodged by the Masterton, Carterton and South Wairarapa District Councils in May 2103. This application was for the three councils to form a unitary authority separate from the Wellington Region. The unitary authority would assume the powers, responsibilities and functions of the three district councils and those of the Greater Wellington Regional Council relating to the Wairarapa.

The Greater Wellington Regional Council lodged an application in June 2013. The application proposed a single unitary authority for the Wellington Region. The unitary authority would assume the powers, responsibilities and functions of the regional council and the eight territorial authorities wholly in the region.

In July 2013 the Commission decided that the applications met the requirements of Schedule 3 of the Local Government Act 2002 and agreed to assess them. As both applications affected the Wellington Region, the Commission decided to consider them together. It invited alternative applications and received 19 responses to that invitation.

The Commission also commenced a series of consultations with the affected and adjacent local authorities, iwi, alternative applicants, sector groups, members of the public, and government agencies. These were carried out between July 2013 and February 2014.

In addition to these consultations, the Commission also undertook inquiries into a variety of issues relating to local government in the Wellington Region.

In late 2014, the Commission completed its consideration of reasonably practicable options for reorganisation in the Wellington Region. On 21 October 2014 it identified its preferred option for one unitary authority with local boards. A draft proposal providing for this option was issued on 4 December 2014.

Submissions on the draft proposal were called for and, by the close of submissions on 2 March 2015, 9,142 submissions were received. The Commission held hearings of submissions in March and April 2015. More than 450 submitters were heard in person.

On 9 June 2015, the Commission announced its decision not to issue a final proposal in favour of a single council for the region. Instead it indicated it would return to the community to seek consensus on the most pressing challenges and work with it in identifying the options for addressing these.

Northland

In December 2012 the Commission received a reorganisation application from the Far North District Council for that council to become a unitary authority. By becoming so it would assume the powers, responsibilities and functions currently held by the Northland Regional Council in respect of the Far North District. The application was silent about what would happen in the rest of the region, although there was an implication that a second unitary authority would be established for it (covering Kaipara and Whangarei Districts).

The Commission decided that the application also affected Kaipara District and Whangarei District as well as Far North District, i.e. the whole of the Northland Region. As a result, the Far North District Council was required to provide further information demonstrating community support in Kaipara and Whangarei Districts as well as Far North District.

After receiving that additional information, the Commission decided in March 2013 that the application met the requirements of Schedule 3 of the Local Government Act 2002 and agreed to publicly notify it and invite alternative applications. Forty one responses to the invitation were received.

The next steps were for the Commission to identify the “reasonably practicable options” and the “preferred option”. The Commission held a series of consultation meetings with local authorities, iwi, sector groups, members of the public, and government agencies. These were completed by August 2013. It also carried out additional investigations and inquiries into a range of issues relating to local government in the Northland Region.

On 12 November 2013, after considering the application, alternative applications, and the information gathered through its consultations and other inquiries, the Commission issued a draft proposal for a single Northland Council for the Northland Region. Submissions on the draft proposal closed on 21 February 2014 by which time 1850 submissions had been received. The Commission held hearings of submissions during April 2014 at 10 different locations. Approximately 200 submitters spoke to their submissions at hearings.

During the remainder of 2014 and early 2015, the Commission continued to consider the submissions on the draft proposal for a Northland unitary authority and the level of support for that proposal. It also continued to assess the capability of the councils in the region and the issues they are facing.

The Commission concluded that there was not demonstrable community support for the proposal in each of the affected districts for the proposal and announced on 9 June 2015 that it had decided not to proceed with the proposal. The Commission did consider, however, that the Northland Region and its local authorities face a number of challenges and advised that it would work with communities and local authorities to consider those challenges within the context of local government arrangements.

Hawke’s Bay

A group called “A Better Hawke’s Bay” Trust lodged an application on 7 February 2013 for a single unitary authority for the Hawke’s Bay Region. The unitary authority would assume the powers, responsibilities and functions of the Hawke’s Bay Regional Council, Wairoa District Council, Hastings District Council, Napier City Council and Central Hawke’s Bay District Council.

In March 2013 the Commission decided that the application met the requirements of Schedule 3 of the Local Government Act 2002 and agreed to publicly notify it and invite alternative applications. Nineteen responses to that invitation were received.

Following the receipt of those responses the Commission held a series of consultation meetings with local authorities, iwi, sector groups, members of the public, and government agencies. It also carried

out additional investigations and inquiries into a range of issues relating to local government in the Hawke's Bay Region.

In November 2013, after considering the application, alternative applications, and the information gathered through its consultations and other inquiries, the Commission issued a draft proposal for a single Hawke's Bay Council for the Hawke's Bay Region. Submissions on the draft proposal closed on 7 March 2014 by which time 733 submissions had been received. The Commission held hearings of submissions during May and June. It also met with a number of interested organisations, including adjacent local authorities and relevant iwi organisations.

In November 2014, the Commission released a position paper outlining a number of changes it considered should be made to the draft proposal for a Hawke's Bay Council that had been released in 2013. The position paper was developed after consideration of submissions on the draft proposal, and taking into account the enactment of legislation allowing the establishment of local boards outside Auckland. It set out the following changes:

- the number of proposed councillors would increase from nine to eighteen
- local boards, rather than community boards, would be created to represent established Hawke's Bay communities
- the local boards were to have the maximum possible level of power and responsibility for decisions affecting their areas
- two councillors from each ward would be appointed to their relevant local board to ensure good coordination and communication across the wider council
- area offices would be established in Wairoa, Napier, Hastings and Waipawa, and a service centre in Waipukurau. Council services to the public would be decentralised to these locations as far as possible
- small areas of both Rangitikei and Taupo Districts would be excluded from the region, but their regional council functions (e.g. river catchment management) would be provided by the new Hawke's Bay Council

In March 2015, a pamphlet was distributed in the Hawke's Bay Region summarising the changes proposed by the position paper and setting out the Commission's position that each council's debt and financial assets would be ring-fenced to the ratepayers of existing council areas until July 2021. Over March and April 2015 a survey of 2,000 residents in Hawke's Bay was conducted on behalf of the Commission to help determine the level of community support for the proposal.

On 9 June 2015, the Commission issued a final proposal for a Hawke's Bay Council incorporating the changes proposed in the position paper along with additional detail on ring fencing of debt and assets.

On 11 June, a petition seeking a poll on the proposal was received from a group of electors in Rangitikei District. The electoral officer verified that the petition had been signed by 10% or more of the electors of the area. The Commission determined the poll was to be concluded on 15 September 2015. The official results (66% against, 34% for, rounded) confirmed the status quo would prevail.

North Rodney

In November 2013, the Commission received an application from the Northern Action Group for the constitution of a North Rodney Council as a unitary authority separate from the Auckland Council.

The Commission met the applicant (twice) and the Auckland Council. It also received further written material from both the applicant and the council.

After considering the application, and the further material received, the Commission resolved, under clause 6 of Schedule 3 of the Local Government Act, to decline to assess the application on the grounds that:

- the application did not sufficiently identify the boundary of the proposed North Rodney Council
- the application did not contain sufficient information to establish demonstrable community support for the application in areas of Auckland outside of the North Rodney area; and
- it was not in the public interest to assess the application (because of the impact of assessing the application on the Auckland Council's integration process).

On 30 July 2014 the applicants lodged an appeal against the Commission's decision with the High Court. The High Court heard the appeal on 30 March 2015 and issued its decision on 23 April 2015.

The High Court found that:

- The Commission was wrong in declining to assess the application on the grounds that it was not in the public interest to do so
- The Commission was correct in requiring community support to be demonstrated over the whole of Auckland, not just in North Rodney
- Issues relating to the adequacy of the description of the affected area could be dealt with by the Commission explaining its concerns to the applicant and providing a reasonable opportunity to remedy any deficiencies relating to the description

After the High Court decision, the Commission gave the applicants an opportunity to provide further information in respect of community support for the application and the boundaries of the proposed district

Subsequently, the Northern Action Group resubmitted its application and in August 2015 the Commission agreed to assess it.

Local Government Commission and the Department of Internal Affairs

