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Report of the proceedings and operations of the

**Local Government Commission**  
**Mana Kāwanatanga ā Rohe**

For the year ended 30 June 2015

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*Presented to the House of Representatives pursuant to  
clause 31 of Schedule 4 of the Local Government Act 2002.*

## G.9

Minister of Local Government  
Parliament Buildings  
Wellington

Minister

We forward, in terms of clause 31 of Schedule 4 of the Local Government Act 2002, the report of the Local Government Commission to 30 June 2015.

Yours sincerely

### **The Local Government Commission**

Basil Morrison	Chair
Anne Carter	Commissioner
Janie Annear	Commissioner

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## **Introduction**

The principal roles of the Local Government Commission are to make decisions on the structure of local government and the electoral representation arrangements of local authorities. In the year ending 30 June 2015 the focus of the Commission was on responding to various applications and proposals for local government reorganisation. This culminated in announcements relating to three regions in June 2015. These announcements are set out below.

A key feature of the announcements on Northland and Wellington was a commitment by the Commission to return to those regions and engage with the councils and communities in them. This approach places more emphasis on communities themselves identifying the challenges they face, the options that can address those challenges, and the development of greater consensus on the preferred approach to change. The Commission will assist communities to reach sufficient consensus on any changes required to the form of local government.

## **Local government reorganisation**

### **Northland Region**

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 support for the draft proposal in each of the affected districts and announced on 9 June 2015 that it had decided not to proceed with the proposal. The Commission does consider, however, that the Northland Region and its local authorities face a number of challenges and will therefore work with communities and local authorities to address those challenges. If this process results in new options for reform with community support the Commission would then prepare a new draft proposal for wider consultation.

### **Wellington Region**

The Commission identified its preferred option for one unitary authority with local boards. A draft proposal providing for this 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 that it would not proceed with its draft proposal for a single Wellington unitary authority as it had concluded that there was not demonstrable support for the proposal in each of the affected districts for the proposal. The Commission did, however, note that many submissions expressed support for some form of change to local government arrangements in the region. As with Northland, the Commission considers there are a number of challenges facing the region and its local authorities and will return to the community to work with it to develop other options to address those challenges. If this process results in a new option for reform with community support the Commission would then prepare a new draft proposal for wider consultation.

## **Hawke's Bay Region**

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 following legislative changes enabling local boards to be established as part of a unitary authority. It set out the following changes:

- the proposed number of councillors increased from nine to eighteen
- local boards, rather than community boards, will be created to represent established Hawke's Bay communities
- the local boards will have the maximum possible level of power and responsibility for decisions affecting their areas
- two councillors from each ward will be appointed to their relevant local board to ensure good coordination and communication across the wider council
- area offices will be established in Wairoa, Napier, Hastings, Waipawa, and a service centre in Waipukurau. Council services to the public will be decentralised to these locations as far as possible
- small areas of Rangitikei and Taupo districts will be excluded from the region, but their regional council functions relating to river catchment management will 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 what would happen to each council's debt and assets during the transition to one council. Following this a survey of 2,000 residents in Hawke's Bay was conducted on behalf of the Commission as well as some face to face interviews to help determine the level of community support for the revised 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. The Commission considered there was demonstrable community support in each affected district for the proposal.

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On 11 June a petition seeking a poll on the proposal was received from a group of electors in Rangitikei District.<sup>1</sup> The electoral officer for Rangitikei District verified that the petition had been signed by more than the required 10% of the electors of the area. This means that a poll on the final proposal must be held to determine whether it will be implemented. The Commission determined that a poll will be held on 15 September 2015 and an electoral officer was appointed to conduct that poll.

### North Rodney

On 30 June 2014 the Commission had determined not to assess a reorganisation application from the Northern Action Group for a North Rodney council separate from the Auckland Council. 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.<sup>2</sup>

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 the North Rodney area
- 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.

The Commission has written to the applicant to give it an opportunity to provide further information in respect of community support for the application and the boundaries of the proposed district.

### Petitions and polls on reorganisation proposals

The Local Government Amendment Act 2012 introduced a new regime for polls on reorganisation proposals. Features include:

- an ability for electors to petition for a poll given polls were no longer a mandatory requirement
- rules relating to advertising promoting or opposing a proposal during the petition and poll process.

During 2014/15 the Commission published guidelines explaining both of those processes. The guidelines are:

- *Guidelines on organising a petition seeking a poll on a final reorganisation proposal*
- *Guidelines for advertising after issue of a final reorganisation proposal*

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<sup>1</sup> That part of Rangitikei District in Hawke's Bay Region.

<sup>2</sup> Northern Action Group Incorporated v The Local Government Commission [2015] NZHC [23 April 2015]

## The year ahead

The primary focus of the Commission in 2015/16 will be the following activities:

- managing the next steps in the process for the final proposal for a Hawke's Bay council, that is the poll process, and, if the result of the poll supports the final proposal, the transition process for establishing a new council
- engaging with communities and local authorities in the Northland and Wellington Regions over local government arrangements for those regions
- responding to any other reorganisation applications or proposals made to the Commission
- considering appeals and objections to representation reviews carried out by local authorities<sup>3</sup>
- engaging with other agencies over developments and emerging trends in local government.

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<sup>3</sup> Twenty three local authorities are required to carry out representation reviews in 2015. Other local authorities may carry out reviews if they wish or may make minor alterations to electoral boundaries.

## Contact details

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