

# North Rodney reorganisation application

## *Summary of reasons for Commission decisions on ‘affected area’ and ‘demonstrable community support’*

**14 April 2016**

In November 2013, the Local Government Commission (the **Commission**) received an application from Northern Action Group (**NAG**) for the constitution of a North Rodney Council as a unitary authority separate from Auckland Council (the **application**). In August 2015, following direction from the High Court, and having received further information from NAG, the Commission agreed to assess the application.

### **Summary of Reasons for Commission decision on “affected area”**

The Commission is required by Clause 8 of Schedule 3 of the Local Government Act 2002 (the **Act**) to determine whether there is demonstrable community support in the district of each affected territorial authority for local government reorganisation in the affected area. To do this the Commission must first determine the affected area for the purposes of the application.

On 14 April 2016, the Commission decided that the affected area for the application is the Auckland Council area.

In addition to publicly available information, the Commission has two sets of information on which to base its assessment of the affected area. This comprises information provided to the Commission by Auckland Council on 2 December 2015 and information provided by NAG (the original NAG reorganisation application and a response from NAG to the Auckland Council information).

In making its decision, the Commission was asked to determine whether the operational scale, scope or capability of Auckland Council would be materially affected if local government in the North Rodney area were to be reorganised in the way proposed by the application.

Auckland Council submitted that its operational scale, scope and capability would be materially affected if the North Rodney area was reorganised in the way proposed by the application. In summary, the reasons for this submission included the effect of the proposed reorganisation on planning and investment for future regional growth, on established relationships with iwi/hapu and on the ability of Auckland Council to leverage its efficiencies of size and scope in some areas.

NAG submitted the application would not have a material effect on the Auckland Council operations given, among other matters, the rating base and population of the proposed new North Rodney area is minor in comparison to the wider Auckland Council area.

Following consideration of the material available to the Commission and of advice from officials, the Commission has decided the following matters would together have a material effect on Auckland Council’s operational scale, scope and capabilities if the North Rodney area is reorganised in the way proposed by the application:

- Auckland Council is undertaking significant current and anticipated infrastructure investment in the proposed new North Rodney area as part of (and on the basis of) its regional growth planning, which includes Warkworth. The establishment of the proposed North Rodney Unitary Council would affect the operational capability of Auckland Council to effectively plan

and invest for future regional growth north of Auckland, in an area that has already been subject to significant infrastructure investment on the basis of that anticipated growth;

- Auckland Council has a number of specific relationships with iwi/hapu, that would be materially affected by implementation of the application. The application would have an effect on the operational scale, scope or capability of Auckland Council to effectively manage such specific, established relationships with iwi/hapu that would become cross regional should the application be implemented; and
- the efficiencies of size and scope leveraged by Auckland Council in its asset management contracts and development of and transition to the NewCore ICT system are likely to be diminished to a material extent by removing the proposed new North Rodney area from Auckland Council's purview.

Therefore, the Commission has declared the Auckland Council area to be the affected area for the purposes of the application.

#### **Summary of Reasons for Commission decision on “demonstrable community support”**

Following the Commission's decision that the Auckland Council area is the affected area for the application, it is required by Clause 8 of Schedule 3 of the Act to determine whether there is demonstrable community support in the Auckland Council area *for local government reorganisation in that area*.

On 14 April 2016, the Commission decided that there is demonstrable community support for local government reorganisation in the affected area.

Under Clause 5(f) of Schedule 3 of the Act, NAG has already demonstrated that *the application* has community support in the district of each affected territorial authority (i.e. the Auckland Council area). This was a necessary step for the Commission to agree to assess the application. This next decision on community support has a wider ambit.

At this stage in the process, evidence of support from the majority of the population for local government reorganisation is not required, nor is there a particular threshold for support stipulated in the Act. Rather, the Commission must be satisfied that there is demonstrable community support in the Auckland Council area for local government reorganisation in the Auckland Council area.

It is clear from the evidence supplied by NAG, and the separate reorganisation application from Our Waiheke relating to the wider Auckland Council area, that there is a measure of support for these reorganisation applications from the wider Auckland Council area. The Commission is also aware of media reports suggesting some level of discontent with current local government arrangements in other areas within the Auckland Council area. While these reports may be regarded as speculative only, the fact that there is currently more than one call for reorganisation in the Auckland Council area (as reflected in two specific applications) is relevant.

On that basis, and taking all this information into consideration, the Commission has decided that demonstrable community support exists in the Auckland Council area for local government reorganisation in that area.