



NORTHERN ACTION GROUP



A proposal to form a North Rodney Unitary Council

NOVEMBER 2013



Reorganization proposal to create a new ‘Unitary’ Council for North Rodney – Legislative Process

	Legislative Reference
Proposed by: Northern Action Group Warkworth	<i>Clause 5 (1) (a) Sched. 3</i>
Contact person for this group William R Townson	
Contact details C/- 3 Point St Mahurangi East RD2 Warkworth 0982 Email: Bimon@xtra.co.nz Ph. (09) 4256121 (daytime)	<i>Clause 5 (1) (b) Sched. 3</i>
We propose the constitution of a new region under Section 24(1) (b) by separation of the ‘North Rodney’ portion of Auckland region	<i>Clause 5 (1) (c) (i) Sched. 3</i>
Plan and boundary description – North Rodney – chapter	<i>Clause 5 (1) (c) (ii) Sched. 3</i>
Proposed changes and what they will achieve – chapter	<i>Clause 5 (1) (d) Sched. 3</i>
Improvements and Good Local Government – chapter	<i>Clause 5 (1) (e) Sched. 3</i>
Community Support – chapter	<i>Clause 5 (1) (f) Sched. 3</i>

“We would much appreciate the opportunity to ‘speak’ for our proposal and answer any questions in the presence of the Commissioners at a mutually convenient time and place if that can be arranged.”

Notes:

- The name ‘North Rodney Unitary Council’ abbreviated to ‘NRUC’ is used in this proposal because it is descriptive in both type and location of the proposal. It is **not** intended as the permanent name for the council and we propose that the Commission solicit name suggestions from the community.
- Unless shown otherwise references shown in *italics* throughout this proposal refer to the Local Government Act 2002 as amended.



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Foreword

During my career I have had over 45 years' experience with community research so I appreciate the overwhelming community support for a full investigation into a unitary authority. The research results are even more important because the community has experienced the benefits or otherwise of being part of the super city for the last few years.

I believe their motivations are purely altruistic and no member stands to gain by the proposal other than the satisfaction of doing their best for their community.

Whilst every effort has been made to provide as much detailed information as possible to assist the Commission in its deliberations, as an informal community based organisation it is at a severe disadvantage when it comes to accessing necessary data bases.

It has used the provisions of the Official Information and Meetings Act in requests for background information that is for the most part only available from Auckland Council. Whilst on many occasions AC staff were able to supply what was requested it is recognized that they too have been restricted by lack of historical and current data on North Rodney in isolation.

The Northern Action group has used the Commission's guidelines on the web and the invaluable help of its CEO to guide them through what is required and believe they have produced, at the very least sufficient information to assess the proposal and advance it through the process.

Therefore I ask that in the spirit of Section 24AA (b) of the Local Government Act and with particular reference to the sentiment to "*...work in consultation, to identify, develop and implement...*" that the Commission help them achieve their goals and not place impossible demands on their limited resources. Needless to say they look forward to assisting the Commission wherever possible to achieve a positive outcome in line with this community's very clearly expressed desire, not to be part of the Auckland Council.

John Law
Mayor Rodney District 2001 to 2007



Introduction

The Northern Action Group (NAG) was formed in 2009 from a diverse section of the North Rodney Community in response to Central government overruling the clearly expressed desire of this community to remain outside the proposed super city – the Auckland Council.

The government select Committee, set up to study the legislative Bill resulting from the Royal Commission's proposal for the creation of a so-called super council, solicited and heard many submissions from individuals and groups around the region including this community.

When that Select Committee, lead by Hon. John Carter, presented its report to Parliament on September 4th 2009 it recommended that North Rodney be excluded from the region and amalgamate with the Kaipara District Council.

Its reasons were that it recognized the distinctly rural nature of North Rodney and understood why it would therefore be inappropriate for such a community to be ruled by an urban-based and focused administration. It also recognized the very clearly expressed desire by a majority of submitters not to be included in the proposed 'super city'.

Within 11 days, with virtually no further consultation with the community (the meeting called by Lockwood Smith being too small and inconclusive to acquire a mandate) the Local Government Minister Rodney Hide overruled this recommendation and filed an SOP to include North Rodney in the Region. He claimed, wrongly, as it eventually turned out, that there was a widespread desire within this community to be included in the super city.

The Northern Action Group, together with a sister organisation in Wellsford, driven by this apparent abrogation of democracy on the issue, started a petition requesting Parliament reinstate the select committee recommendation. This petition was presented to the house on February 10th 2010 and contained approximately 6300 signatures.

The petition was referred to another select committee which after several weeks voted it down (6-5) along Government membership lines without giving any valid reason other than some vague reference to an ill-defined pursuit of good local government. Soon after, the Local Government Minister introduced a 3 year embargo on reorganization within the Auckland region which expired at the conclusion of the recent 2013 triennial Local Government elections.

We have now had 3 years experience of the so-called super city and most of our worst fears have eventuated. Rather than achieving economies of scale the new Council has done just the opposite.



Debt has almost doubled since inauguration of Auckland Council and is projected to double again over the next few years to the point where nearly a quarter of the rate take will be needed just to cover the interest.

We in the North have suffered more than most as much of the budget allocation, such as for roading, is determined on population and with such a large area (a quarter of the region) and less than 2% of the population what money we do get is spread very thinly indeed. Clearly our contribution to the rate pool (just under 3%) is out of all proportion to the population (approximately 1.7%).

During our campaign we have discovered much anecdotal evidence that this area is being 'starved' of cash. Many long standing residents report that they have never seen the roads in such poor condition and what maintenance is being done (by contractors from outside of the area) is of poor and minimal standard boding an even gloomier future for our network.

Motivated by this depressing outlook and with the introduction of new reorganization legislation of 2012 we decided to 'test the waters' and see if the mood of the community had changed. *"It certainly has"* – but even less in favour of the new Auckland council model. At the time of our last petition 3 years ago, we estimated that 80% of the community wanted to be excluded from the region. After our recent poll that now seems to be over 90%.

In the following pages we describe a type of independent Unitary Council that this community has clearly indicated they would prefer. We firmly believe that the structure and philosophy of our model Council will address most, if not all the issues that are causing so much discontent within our community.

We are aware that it will take a few years to repair the damage caused by the ill-conceived amalgamation experiment (marrying a *"rural"* community to a dominant *"urban"* one) but we are confident that, in the long term our proposed Council will deliver much more appropriate, efficient and affordable local governance of our area.

One issue that we have studied and discussed with the Commission relates to the correct interpretation of what constitutes an **'Affected Area'**. We submit in this proposal that only the North Rodney portion of the Auckland region meets the criteria laid down in the act. Accordingly, we have canvassed for community support in that area alone. Our reasoning for this conclusion is covered in detail in Chapter 2:1.

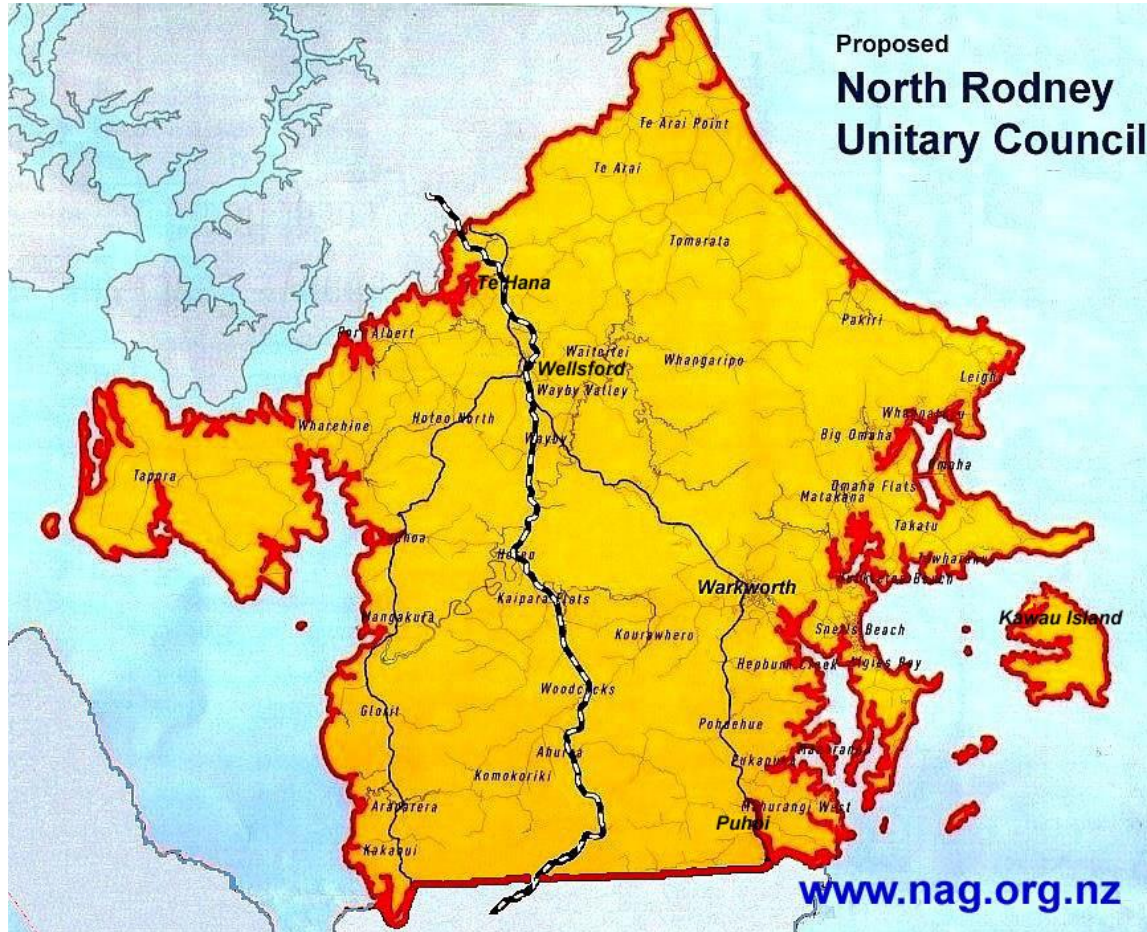
We trust that the Commission will agree with our interpretation and will not require us to canvas the whole region as that would place a very severe burden on our limited resources as well as being in direct conflict with the rationale for the new reorganization legislation – motivated by the fact that no reorganization proposals had succeeded since the 2002 act, because the 'bar' was set too high. The revised law was intended to make it easier for (and facilitate) communities to organise their own local governance.

William R Townson
Chairman – Northern Action Group



Chapter 1

Map of proposed North Rodney Unitary Council



1:1 - Boundary Description

Broadly speaking the proposed NRUC boundary encompasses that part of the Auckland region (including Kawau Island but excluding the south head of the Kaipara Harbour) north of a line approximately between the upper tidal reaches of both the Makarau and Waiwera rivers.

The line shown on the above map is *indicative only* at this stage as there are a number of criteria, sometimes conflicting, that need to be satisfied when determining such borders – such as catchments, titles and assessment boundaries, statistical mesh blocks and communities of interest, to say nothing of bordering occupiers preferences, all of which need to be considered.

We do not have access to much of this detail and believe this is a task ultimately to be carried out by people properly skilled in the necessary disciplines.



Chapter 2

Community Support

A poll organized by the Northern Action Group was taken over a two month period and was conducted within the North Rodney community. The results of the poll clearly indicated that the overwhelming majority (approximately 90%) of this community is in favour of the reorganization of local governance and the establishment of an independent (North Rodney) unitary council.

The law relating to the poll includes: *“Demonstrable Community support in the district of each affected local authority must be determined before any reorganization proposal can be assessed by the Local Government Commission (LGC) Clause 8 (1) schedule 3.”*

This section of our proposal addresses each of the relevant clauses of the schedule. To assist the Commission in its determination, highlighted are the following:

2:1 - Affected area Clause 2 sched 3 – definitions

There are three criteria to determine what will constitute an ‘affected area’ in clause 2.

- Clause (a) clearly describes the area we have identified as ‘North Rodney’ which we propose to be separated from Auckland Council to form a *“new separate”* ‘North Rodney Unitary Council’.
- Clause (b) does not apply to our proposal because the Auckland Council’s responsibilities with respect to the remainder area *“are not changed”*.
- Clause (c) also does not apply because the *operational scale, scope or capability* will not be *materially* affected by the severance of North Rodney from the region.

There are some issues that may be considered influential here: We concede that the current draft Auckland Council Unitary Plan includes provision for up to 8,000 new houses in the Warkworth ‘satellite’ township over the next 30 years, this growth relates to local *organic* growth.

It cannot be contended we believe, in any ‘material’ way that the greater Auckland area is dependent for its continued operations or planning upon this part of their plan being considered as integral or essential.

Any suggestion that Warkworth is indispensable to Auckland as some form of ‘commuter’ town does not bear close scrutiny. In fact, such a problematic standpoint would be in direct conflict with the stated objective of containment of the sprawl of urban Auckland.

An enforced level of commuting from Warkworth, if encouraged, would necessitate the provision of a very expensive, subsidized daily public transport service to the area from Auckland. Scheduled Auckland Transport bus services that currently terminate at



Waiwera likewise need not be influential, as local connector services if and when demand warrants them, can readily be provided 'locally'.

We therefore contend that any effect our separation would have on Auckland would in this and in many other respects be minimal, but could not in any sense be considered to be 'material'.

Although not impossible to do (requiring only a poll of only 384 voters across the whole region in accordance with accepted statistical formula) we believe the result would be meaningless as only very few, so polled, would be sufficiently aware of the issue to make an informed choice.

Consequently we believe it is only our community of North Rodney that constitutes an "affected area" within the Auckland region. As a result we have confined our canvassing for support from the North Rodney area alone.

2:2 - Polling methods

To attempt to reach all sectors of our community – both resident and absentee property owners, we decided to run two polls side by side.

2:2:1 - Poll Number One

The first poll was conducted with involvement of local Community Associations. We identified 21 local ratepayer associations and other *de facto*-community representative groups, including the four active Iwi organisations in our area.

We wrote to all of them explaining what we were endeavouring to do. A 'flyer' was enclosed for them to circulate around their membership.

We also requested an opportunity to speak to their committee with a view to explaining in more detail and answering any questions they might have. (See letter and flyer [Appendix One](#)).

Unfortunately this process met with mixed and somewhat disappointing results. Only one association, (Mahurangi Residents and Ratepayers Association Inc.) did what we asked and invited us to address their committee and then followed this up with a survey using an online method. This produced a response from just 26 of the 130 households circulated and showed 69% in favour of our proposal.

Some other associations, Puhoi, Matakana, Warkworth, Kawau Island, Wellsford Land owners and Contractors Assoc, Whangateau R&R, Warkworth District Grey Power all held meetings of their membership for us to address. Although responses appeared favourable, we have been unable to quantify the results here as most of the meeting attendees opted to use the ballot boxes we had located throughout the area.



It must be noted that two other large associations, Omaha Bay Residents Society and Sandspit R&R, made a decision not to support our campaign. They chose, *at their Committee level* not to invite our group representatives to speak and refused to canvass their membership on the matter thereby denying members any democratic expression of their views.

These two arbitrary decisions will also have denied their many absentee holiday home owners any chance to consider our proposal let alone have a say in the matter.

It is, therefore, hoped that any future submissions from either of these two organisations be thoroughly tested by the Commission as to the *democratic* level of support from the people that the Committees claim to represent.

Despite a follow-up six weeks later, we have received no responses from the remaining groups, including any of the 4 Iwi groups.

The approach to the Community group/Associations as described, with its intended method of polling has been of limited success and as a result it is difficult to draw firm conclusions from the exercise.

2:2:2 - Poll Number Two

The second polling method chosen was far more successful and involved soliciting votes through newspaper advertisements, publicity and our www.nag.org.nz website. The latter included an online method of registering a vote.

It produced a sample of opinion needed to achieve a 99% level of confidence in the result, with a margin of error of +/-3. 5%. The support shown by this method is in the region of **90% in favour**. (See Appendix Two 'vote summary and analysis').

We publicized this poll through a series of advertisements in the local '*Mahurangi Matters*', (circulation of which covers very close to our target area), together with our website and a series of six public meetings held at Warkworth, Wellsford, Snells Beach, Matakana, Tomarata and Port Albert. (See Background Data).

The public were encouraged to visit our website to read all about our proposal where they could then vote either on-line or print off a voting slip and deposit it in one of the 40 ballot boxes distributed in shops, pubs and businesses throughout the area.

Recognising that there might be an element of natural bias in this method of soliciting votes (people happy with the *status quo* might be less inclined to bother to vote) we decided to canvass further votes through random cold calling residences from the telephone book giving respondents the opportunity to record their preference either way.

We consider this method to have been truly (statistically) random and we were very pleased to see that the result was similar to that of the main poll ... at 87% in favour.



Bearing in mind the margin of error as detailed above ... from the results obtained we believe that we have clearly established:

Our community is approximately 90% in support of not only reorganization but also our offered alternative of an independent unitary council for North Rodney ...

The precise wording of our voting form included: *"I support the creation of the North Rodney Unitary council"*.

2:3 - Community leaders

Before polling began, a letter was sent to all four of the Warkworth and Wellsford Auckland Council local board members and our Rodney ward councilor explaining what we were intending to do. We offered to host a meeting so that the issue could be discussed. (Appendix Three). Only one board member replied and declined our offer.



Chapter 3

The Pursuit of good local Government

3:1 – ‘North Rodney is Rural’

Despite the blossoming of urban pockets in some eastern coastal areas, North Rodney is still very much a rural area. Most of the local area inhabitants are either directly or indirectly involved in agri-based activity. Tourism is on the rise but it will be many years, if ever, before it is a dominant activity.

A cornerstone of any community is its ‘community of interest’. In our area there is very little that rural dwellers have in common with their city cousins. The daily activities of rural people are far more dictated by their surrounding environment, and local activities including employment and education than for their city counterpart.

3:2 - Problem with *Status quo*

We believe the basic problem why local governance is not working for North Rodney lies in the ill-conceived notion that a rural area could be effectively governed by a remote and urban-focused administration. This incompatibility is accentuated when the representation for both areas is determined solely on population.

Rural areas, by their very nature are much less densely populated and the resulting imbalance in representation is self-evident. North Rodney geographically comprises nearly a quarter of the region and yet must share a single Councilor to represent them on a council of 20.

No matter how well that individual performs in the governing body he/she will always be at a huge numeric disadvantage and it shows. North Rodney, with less than 1.7% of the regions population contributes nearly 3% of the rate take. In other words despite a rating differential the average North Rodney ratepayer pays nearly twice as much as its city counterpart.

This is further exacerbated by very much lower service levels that are delivered to the rural area. One of the principal concerns of rural people (indeed what many regard as the “*only*” thing they get for their rates) are their roads.

In North Rodney we have something of the order of 700 kilometers of unsealed roads and at the present rate of funding it will take at least that many years to upgrade and seal them. A dismal prospect indeed, especially when many of the residents living along those roads are farmers who pay many thousands of dollars annually with little or no hope of ever getting improved the one council supplied service that they can actually see.

Those same individuals contribute substantially to our nations GDP, arguably on a much higher per capita level than does the average city dweller, and they receive less in return.



It is these demonstrated incompatibilities that our NRUC will address to shift the focus of local governance clearly onto our 'local rural' environment. Per capita representation then will be much higher and will enable Councilors to be much closer informed as to what the needs and concerns are of their constituents.

3:3 - Support for the local economy

Establishment of the NRUC will bring much needed cash flows back to our community. At present \$42M (2012 figures) of rates is spent, mostly outside our area.

Local service providers and contractors are suffering greatly as a result. The consequence has been that local jobs have been lost since governance has been shifted to Auckland. Two major local contractors report that their staffing levels have dropped by almost 50%. The NRUC where it is economic to do so intends to follow a "buy local" policy.

3:4 - Community Convenience

Local ratepayers and businesses have to travel considerable distances to deal with the Council. Having the NRUC based in Warkworth – with a service centre in Wellsford will mitigate that problem and will result in more efficient processes. Consent and plan hearings are all conducted at present in Auckland and therefore involve considerable commitment for our community to take part. The NRUC will assist ratepayers and others by conducting this business in the local area.

3:5 - District plan for local needs

The NRUC will be able to tailor a district plan to suit the local rural area. It will be created with local input and it will be far more appropriate to local needs than the present 'one size fits all' Unitary plan. This plan has been authored primarily by city dwelling and focused planners who, judging by some of the proposed regulations have little knowledge of the rural environment. Our local regulatory staff will be chosen for their specialized knowledge of the North Rodney area.

3:6 - Economies of (small) scale

Being relatively small in size, the NRUC will be far less likely to suffer the phenomena of 'diseconomies of scale' than is clearly the case with Auckland Council. The much touted reason for creating a super city in the region, 'economies of scale', has not eventuated with staff numbers much higher now (and still growing) than the sum of the predecessor nine Auckland Region Councils.

3:7 - Workable Charter

The NRUC intends to adhere to the principles of the proposed 'Charter', and over time to aspire to becoming *the best medium-sized Council in the country*.

This objective will be reached using independent third party assessment and performance improvement programmes culminating, it is hoped with public awards in recognition of its achievements.



Chapter 4

How the proposed NRUC will achieve its aims

4:1:1 - Representation

The NRUC will consist of 6 elected members. Five will be Ward Councilors, each elected from within specific geographic areas within the North Rodney area, the other – The Mayor.

4:1:2 - Wards

To accommodate the wards, the North Rodney district will be divided into five zones/wards ... geographically defined, and having regard to mixed criteria such as rateable land area, population, rateable values, number of assessments, etc.

The actual weighting of each element has yet to be determined. The objective of this method is to ensure that no one sector, be it rural or urban, will be able to dominate the council.

This will give a representation level of approximately 3,400 voters per (fully empowered) councilor, compared with the present 1:50000 we have under Auckland council. Note, we do not regard the present local boards as any more than *advocates*, as they have very limited areas of empowerment. The 6th member, The Mayor, will be elected by the community *at large*.

4:1:3 - Administrative Centres

The council headquarters will be based in Warkworth with a small service centre/agency in Wellsford. There are several existing sites available for these centres. A study needs to be made as to which are most suitable and affordable.

4:2 - Philosophy

4:2:1 - Activity Focus

NRUC will be focused primarily on the 'Core business' of fulfilling statutory local government regulatory functions, and delivering to its community infrastructure such as the road network, water reticulation, wastewater systems and storm-water management.

The NRUC will generate sufficient funding for road maintenance, and will ensure that the maximum level of subsidy received from Transit NZ is made available for our road network.

Roads are of a much higher priority in most rural dweller's needs than their city/urban counterparts and a much greater portion of overall council spending will be concentrated on this infrastructure.

Transit NZ are currently reviewing their 30 year old Funding Policy and it is hoped that due recognition will be given to the rural areas contribution to the economy with its dependence on the road network.



4:2:2 - Buy local

The NRUC will, wherever possible 'buy Local'. Many local, service providers, contractors and other businesses are currently *missing out* on council spending because contracts and purchasing is centralized in Auckland. Although some local businesses will struggle to be competitive on straight out pricing there is more to consider than just the bottom line.

Local businesses provide local employment and often support many local charities and fund raising events. Consideration will be given to such factors when buying or letting Council contracts.

Such sentiments may also be used when hiring councils own staff. Staff members should be required to live locally rather than commute long distances.

The NRUC will spend its revenues not only 'on' our area but wherever possible 'in' our area. The aim is to ensure that 'our' money stays and circulates in our local economy to create and secure jobs for local people.

For all of its activities the NRUC will be mindful of two other 'social and cultural issues'. The first is support for local youth employment. The second relates to responsibilities under the Treaty to safeguard the special interests of the local *Iwi* – the *Tangata Whenua*.

4:2:3 - Rating Policy

The NRUC will adopt a system of rates which will ensure a fair distribution of the rate burden. So far as is practicable, and as near as the current law allows, the NRUC will follow the philosophy of 'user/exacerbator pays'.

It will adopt such tools as the Uniform Annual General Charge to collect the maximum permissible proportion of the rates, (30%). It will use targeted rating where it is identified that only localised areas or groups benefit.

While many Council provided services are for the benefit of the community as a whole, nobody should have to pay for services that clearly benefit only a particular area or group to the exclusion of the rest of the community.

Rates will be set at a locally affordable level.

4:2:4 - Plan for local needs

The NRUC will draft a new District Plan more appropriate for North Rodney. It will be developed from the present Unitary plan and previous local 'structure and other' plans made with full community input, to meet the future needs of the ratepayers of North Rodney.



These earlier plans were evolved and developed over many years, with constructive and democratic participation by North Rodney ratepayers at their considerable cost in time and money. They should not just be *put aside* in favour of a "one size fits all" Unitary Plan as proposed by Auckland Council.

4:2:5 - Library Service

The NRUC will provide a first class Library service. Although the present service is very good – where members can draw books from libraries from around the region, we believe that must be at considerable cost and that the money would be better spent stocking local library shelves.

Of course there will always be books in other libraries of interest to members so we propose an inter-library lending arrangement negotiated with not only Auckland but others further afield such as Whangarei, Hamilton and even Wellington.

However in line with our user-pay policy there will need to be a small service charge to cover courier and admin costs as it would be unfair to burden all library users with this added cost. A 'suggestion box' system (both on-line and manual) will be operated so users can encourage the purchase of the books they would like to see in their Library.

4:2:6 - Public Transport

The NRUC will provide an appropriate public transport system where it can be shown that this will be cost effective and will be supported by the user public. "*Cost effective*" implies that services would not unduly burden ratepayers with a targeted rate for subsidy in the area served.

In some cases it may actually be cheaper (and certainly more convenient) for council to use the subsidy on the private shuttle taxi services already available. There is currently a trial service in progress in the Warkworth, Matakana, Mahurangi peninsula area so NRUC will be able to gauge viability from these results.

4:2:7 - Community Volunteers

The NRUC will build strong local community involvement and ownership of projects and community facilities by encouraging and supporting voluntary groups and organisations working for the good of North Rodney and its people.

We have in the community many talented people who are willing and able to give their time and energy freely. Use of such volunteers goes well beyond the cost savings that may occur. Using volunteers serves as a bonding process for the community and gives a sense of ownership and guardianship of the assets that they create. This *personnel* resource will therefore be widely used where it is practicable to do so.

4:2:8 - Regulatory Consents

The NRUC will carefully scrutinize the consenting process in all its forms to search for ways and means of driving down what has become an out of control '*monster*' often with no natural control system on costs.



One way to do this is to introduce an element of competition into the process by the judicious use of council accredited private companies to process applications right up to the final issue of a consent.

Obviously, such a system would need strong safeguards with very clear lines of accountability for the participants but it should not be difficult to design as there are many precedents of industry self- control that work well.

4:2:9 – Borrowing Policy

The NRUC will strictly control its Debt. Borrowing will only be used for new capital work or for substantial upgrades of existing assets. Council borrowing will have to show very clear benefits for at least the term of the loan and will be secured over clearly defined areas of benefit. Once these criteria are met and only if the new borrowings have a clear democratic mandate of the community so encumbered, will it proceed.

4:2:10 - Island Access

The NRUC will support owners of sea-access-only properties to ensure that they have adequate and appropriate access to what is their 'road' (i.e. the sea) without any undue burden being imposed by exorbitant consenting fees for their essential jetties and moorings.

4:2:11 - Alcohol and Dog Control

The NRUC will establish local 'dog control' and 'alcohol' plans for each community area in accordance with the wishes and input from those communities.

4:2:12 – Regular Polling on local issues

The NRUC will stay in touch with its community by conducting regular polling using electronic and other social media. A regular (monthly) poll on a current issue of local concern will be publicized through local media and responses/opinion solicited through an on-line process. Participants will be encouraged to register their eligibility with an access code and *PIN* so they can take part in these regular polls.

It may take a little time for the database of participants to build, but we believe once this becomes established local communities will embrace the opportunity to *have a say* on things that concern them. Those without access to a computer will be able to use machines located in all of their local libraries.

4:2:13 - Financial Hardship assistance policy

The NRUC will have a financial hardship policy to assist ratepayers of limited means. This will involve means testing of the individual's financial ability to pay and if persons are deserving of assistance they would be granted relief in the form of postponed rates.

A considerable portion of our community, especially those that have lived in the area for many years find themselves '*asset rich but cash poor*'.



This situation has occurred through escalating property values which is of little benefit to them until they sell up. These ratepayers should not be forced to move out and it is proposed that assistance will be given to those deserving of it by postponing payment of rates until they move on. The postponed portion of their rates will be registered on the land title and will be interest bearing.



Chapter 5

Regional Parks

5:1 - Ownership and Control

North Rodney contains within its borders seven Regional Parks detailed as follows: Wendeholm, Mahurangi, Scandretts, Tawharanui, Pakiri, Te Arai, and Atiu Creek. These parks were acquired over a number of years by the former Regional council and have been developed for use by the public.

Surveys of users carried out in the closing days of the Regional Council, show that usage of all Regional Parks was between 70-80% by people from outside the former Rodney District. Such percentages would rise considerably if usage was compared to just North Rodney.

It would be unreasonable for our relatively small NRUC to provide, at its expense, such large facilities for people from mostly outside its borders. We propose that Auckland Council retain their ownership as an absentee owner and meet all costs associated with their operation.

5:2 - Access Roads to Regional Parks

In some cases there are very lengthy access roads to the Parks, (Tawharanui, Pakiri, Te Arai and Atiu Creek). These are provided by and paid for by the ratepayers of NRUC.

In these cases, because the roads service few other occupants along their length, traffic to the parks and therefore wear and tear of the roads, will generate most of the maintenance and upgrade needs.

As such Parks in all their forms are non-rateable, we believe it to be only fair and reasonable that 'a *grant*' (in proportion to park usage) be made, to contribute to the upkeep of the access roads by Auckland Council to the NRUC.



Chapter 6

Unitary Council Responsibilities

Given that the existing, (seven) Regional Parks in our area are proposed to continue under Auckland's control, operation and ownership, the NRUC will be left to concentrate on its other remaining Unitary responsibilities. These duties centre largely on environmental matters. For example, bio-security, pollution, sedimentation, erosion, plant, pest control and monitoring.

There is now adequate precedent for New Zealand territorial local authorities morphing into units with unitary status. While North Rodney, as a unitary authority would be the smallest to date, size is not any determinant of an organisation's ability to perform these tasks.

The proper discharge of unitary duties is primarily dependent upon the skills, judgment and professional experience of the people employed as no great asset base, capital or operational budgets are involved in the conduct of environmental and regulatory duties.

The technical competence and experience of field officers and their management are central to 'effective' performance of these duties.

The NRUC will ensure that these human resources are "*the best in the business*", they will be people with intimate-sympathetic knowledge of our area. Further, the simplifications we intend to introduce to our District plan will assist with their efficient resource management and monitoring operations.

The North Rodney land based environment consists of a number of distinct catchments with naturally defined borders such as ridge lines and/or watercourses. This topography enables Council environmental controls to be closely related to the character and dimensions of our area. Our stewardship, and as a result, our monitoring operations includes zones comprising harbours, off shore islands and shorelines, inter-tidal mangroves and rivers and streams.

Erosion and sedimentation of our harbours and streams are of significant concern. In recent years property owners have been encouraged and have been supported in mitigating the run-off from their land with fencing and judicious planting of their water courses.

Good results are beginning to emerge from these largely land-based conservation actions but sadly the same cannot be said for the coastline.

Very heavy erosion is starting to appear in the harbour areas, even those with only small wave action. This erosion is contributing to the degradation of water quality and has resulted in heavy sedimentation and mangrove spread.



Although a start has been made, there is much work still to be done. The NRUC will actively encourage and support the mitigation of erosion along all riparian borders.

Similarly with Bio-security and pest control. Much promising work in this area has already been done and the results are clearly visible. Mahurangi East and Puhoi, as just two local examples have virtually eliminated possums from their area and continue to maintain this position with vigorous baiting programs. All of these outcomes have been achieved with the fusion of voluntary labour, complimented with support (the supply of poison bait) from the Council.

The resulting explosion in bird and native plant life is astounding, demonstrating what can be achieved with very modest resources. The NRUC will vigorously encourage these types of programs with its active-enhanced volunteer policies.

Air, land and water quality regulations put in place by the previous regional council are largely urban- based and focused. They do not always sit well with the rural environment of North Rodney.

The NRUC will investigate and where necessary correct these incongruities with rewritten, relevant-customised, effective resource management plans for the North Rodney area.



Chapter 7

North Rodney Unitary Council is an improvement on the *status quo*

7:1 - Smaller and more reactive

Although covering an area a quarter of Auckland, the size of the NRUC administration will be a fraction of Auckland Council (AC). It will therefore be able to be more reactive than the large conglomerate currently is. It will enable much closer inter-department cooperation with the result that it will be a *'one stop shop'* for ratepayers dealing with council. The relatively high level of representation will also enable a more personal approach when dealing with local issues. Staff will have a higher level of local knowledge and also will be personally known by the ratepayers they serve, further enhancing *"a personal approach"*. This will put the *'local'* back into local government for our area.

7:2 - Economic

The NRUC will be cheaper to operate because it will not suffer from the phenomena of *'diseconomies of scale'*. As any organisation grows more and more time is lost with internal communications, meetings etc purely so it can operate as a unit.

Our smaller administration will lose much less time and therefore will need less staff to operate effectively. Fewer meetings of senior staff will be needed freeing those highly paid individuals to *'get on with their jobs'*. This problem was very evident with RDC and is even more so with AC.

7:3 - Simplified Planning

Planning and environmental control will be locally developed to suit local conditions. The new Council will not have the constraints of a *'one size fits all'* approach that seems to be the mantra of Auckland Council's *'Unitary Plan'* resulting in inappropriate and urban-focused regulations being forced on a rural environment.

Countless hours have been invested in previous RDC plans by both staff and the community. They should not be discarded in favour of the *'one size fits all'* Unitary plan.

7:4 - Lower Debt

The NRUC will **not** be allowed to borrow to keep rates down as appears to be happening in AC. AC debt has doubled in 3 years but is not reflected in asset growth. Funding is being used to pay for the *'here and now'* which should be met from rates.

Borrowing is not the answer to cover day to day expenditure. The NRUC will only be able to borrow for distinct capital projects and then only when the community wants and can afford them.



7:5 - Demographics for growth

North Rodney is fortunate that it has good demographics for growth. It should not be held back by having to pay for Leaky Buildings or for the ageing and deferred maintenance of the Auckland urban area infrastructure.

The totally inadequate public transport system and resulting grid lock on the roads is clear evidence that planning and provision has been seriously neglected. These are not of North Rodney's making and they should not be called on to pay.

7:6 - Financial fairness

The NRUC will be a fairer council by having a user pays rating system as much as the law permits. AC chooses not to use the 30% maximum UAGC because it knows this will hit the lower socio-economic sector of the region hardest.

Councils should not be in the business of wealth redistribution as they can only use property values as a measure of an ability to pay. The higher value per assessment in North Rodney (nearly double the regions average) is often because this relates to productive farms and does not necessarily reflect a farms ability to support a high level of rates – especially when they often derive very little in return compared with the urban sector.

The NRUC will ensure that ratepayers, as near as possible, pay only for what they receive.

7:7 - Transparent and Accountable

The NRUC will be totally transparent in its business except where "*clear*" commercial sensitivity is concerned.

The NRUC will publish its accounts in a clear "*plain English*" manner so that the average man in the street can understand them.

The NRUC will annually be measured for its performance against AC and a peer group of similar councils and areas.



Chapter 8

Financial Viability

8:1 - *Status quo*

We set out to establish what the present funding situation is with the North Rodney area to establish whether or not our proposed NRUC would be financially viable.

Obviously Auckland Council is the only source of this information so we used the provisions of the 'Official Information and Meetings Act' to obtain details of rates income and operating expenditure for our area. Although some detail was supplied, for example the rate take for the area, the AC were unable to supply "*sufficient detail*" of expenditure for North Rodney in isolation.

In short Auckland Council 'does not know' how much it costs to run North Rodney in isolation. The Northern Action Group realised that even if such detail had been available, it would not necessarily have been relevant to the type of administration we are proposing. Being a rural-based and focused council the AC expenditure patterns in any event would be quite different.

As a result we decided to engage the professional services of a Finance and Policy Analyst. After hearing our brief, Mr Mitchell suggested what he considered to be a much more reliable and relevant method for determining how such a council might perform. The method he has used has reliably been employed in the past for a number of councils around the country.

8:2 – The Mitchell Report

Mr. Mitchell's detailed report ([Appendix Four](#)) clearly shows that our proposed NRUC is financially viable providing that certain protocols are adhered to.



Chapter 9

The NRUC Charter

The suggested Charter (**Appendix Five**) of the proposed NRUC records the moderated fundamental principles of the proposed organisation.

The Charter has been prepared in accordance with the Northern Action Group's policy positions. Unfortunately in present day New Zealand Councils, only a small minority conduct their affairs in an optimal transparent and accountable fashion with an emphasis upon the affordability of their services with their ratepayer's best interests at heart.

The Northern Action Group, now supported by the results of its polling of local support for a new Council, which has settled at around 90% of the 'locals', shows support of its objectives.

The *status quo* is by all of these measures unacceptable. We are currently experiencing the thoroughly unsatisfactory results of the merger and are encouraged by the new (2012) Legislation of exiting Auckland Council.

Auckland Council to date by its actions and inactions, represents the worst of both worlds. That is, North Rodney suffers from the twin disadvantages of the centralised administration of its affairs as well as a detachment from the concerns of its local people.

The reorganisation proposal had its beginnings in the undemocratic way our area was annexed into Auckland. There is a determination within the Northern Action Group to organise our governance effectively and efficiently along lines best suited to our local needs.

The Charter focuses on the more strategic, (upper level) matters. Excellent people and administration will ensure that the associated operational responses reflect the ethos (spirit) of these long term planned objectives.

It is acknowledged at this point, that until the Council becomes fully operational, the implementation of detailed Council plans in accord with the Charter remains in abeyance. These plans and the more specific policy-related issues incorporating these Charter provisions naturally have yet to be developed.

The Charter is intended as a foundation blueprint document for the new Council, and is designed also to be an accountability document *for the guidance of* the Local Government Commission and its delegated officers. These are the persons who will be responsible for the NRUC's organisational establishment.

An NRUC organisation, it is submitted, *modeled by the Commission along Charter lines that* will keep faith with local aspirations which, as detailed have been widely canvassed and are generally accepted by the (almost 90% of) North Rodney 'locals'.



The proposed Charter status is just that, 'proposed'. It has no enduring efficacy of its own right. Any significant variations to the fundamental principles of this Charter must quite properly await the election of the NRUC's first Council.

However, at the outset, for considerations concerned with the design and ethos of the planned organisation, the Northern Action Group's expectation is that its 'shape and objectives' will reflect the terms of the proposed Charter.



Chapter 10

Conclusion

Right from the outset this community has rejected its inclusion in the so-called super city; in 2008 when the Auckland Governance Royal Commission called for submissions; again in 2009 when the Government Select Committee called for submissions on the proposed mergers around Auckland and in 2010 through a 6,300 signature petition to Parliament.

Now in 2013, in this most recent poll and after 3 years' experience of Auckland rule, that position has hardened even further. We believe the reason can be summed up in the simple statement:

“That North Rodney does not consider itself part of Auckland and wants the ‘local’ back in its local Government.”

The community wishes to:

- Control its own destiny
- Retain its own identity
- Pursue the principles of good Local Government in a way appropriate for local needs.

The recent revision of reorganization law encourages communities to organise their own local governance arrangements for their area. Therefore they must not be overruled by outsider's views in pursuit of (often) hidden agendas.

We believe that the model administration we propose, or at least something similar, is what the North Rodney community wants and will meet its needs both in the short and long term.

With respect, we ask that the Commission, in pursuit of the sentiments expressed in the new law, do everything possible to make that happen for us.



Appendices

Appendix One

Community Organisations Engagement

Survey of community organisations

The following is a list of community groups and organisations requested to contact their membership to gauge support for the NRUC proposal by Northern Action Group.

Mahurangi East R & R Assn.
Snells Beach R & R Assn
Whangateau R & R Assn
Puhoi Community Forum
Matakana Community Group
Kaipara Flats Sports Club
Wellsford Landowners & Contractors
Wellsford Citizens & Ratepayers Assn
Sandspit R & R Assn
Omaha Beach R & R Assn
Point Wells R & R Assn
Kawau Island R & R Assn
Leigh & District Community Club
Warkworth and Districts RSA
Wellsford RSA
Omaha Beach Residents Society
Manuhiri Kaitiaki Charitable Trust
Te Hana Community Development Trust
Ngati Whatua o Kaipara
Te Uri o Hau Settlement Trust
Warkworth and District Greypower Assn. inc.



Appendix One (cont.)

Copy of letter sent to community groups above

Northern Action Group

To The Chairman and Committee,

In October this year, immediately after the Local Body elections, the 3 year embargo placed on reorganisation proposals in the Auckland region will expire.

As you may be aware this organisation fought very hard to restore a democratic outcome to our inclusion in the super city. Unfortunately our efforts did not achieve the desired outcome.

However recent changes to Local Government (LG) law, open an opportunity for the issue to be 'revisited'. In this regard our organisation is motivated by a new clause inserted into the principle act Viz;

"24AA Purpose of local government reorganisation

The purpose of the local government reorganisation provisions of this Act is to improve the effectiveness and efficiency of local government by—

"(a) providing communities with the opportunity to initiate, and participate in considering, alternative local government arrangements for their area; and

"(b) requiring the Commission, in consultation with communities, to identify, develop, and implement in a timely manner the option that best promotes good local government

In light of all these fundamental changes the Northern Action Group has developed a viable and, arguably, better alternative to AC of a **North Rodney Unitary Council** for our community to consider.

Attached is a 'flyer' covering the main points of our model council. More detailed information is available on our website www.nag.org.nz

Our request is that you circulate the 'flyer' around your membership and seek their vote on this issue and then communicate the results back to us by September 30th.

We would also welcome the opportunity for our representative to address your committee or present to your next meeting and explain our proposal in more detail in order they and their membership can make an informed choice.

Please Email me at bimon@xtra.co.nz or Phone 4256121 to arrange a mutually suitable time

This process will cost our community nothing and at very least will achieve a democratic outcome in our local governance for the future.

Thank you

Yours sincerely

William (Bill) Townson
Chairman – Northern Action Group



Appendix One (cont.)

Copy of 'Flyer' for community groups to circulate around their membership



NORTHERN ACTION GROUP

Restore Democracy to North Rodney–You have the 'Choice'!

Yes, come October we will all have, **a choice**. Recent changes to Local Government law make it much easier now for communities to decide for themselves how they wish to be governed ... 'locally'.

Now we have the opportunity for North Rodney to separate from Auckland Council.
A **choice** between a new and independent

'North Rodney Unitary Council'

or

to continue being ruled from Auckland, by Auckland Council.

The Northern Action Group has developed a cost-effective and financially feasible model council. A proposal will be submitted to the Local Government Commission of a medium sized organisation designed to suit our local conditions, operated by our people, using local resources.

In other words, this will put the '**Local**' back into our local Council,

If that is what OUR community chooses.

Please consider these Top 10 points when making your decision to separate from Auckland Council and form a new North Rodney Unitary Council

- Rates set lower than Auckland's at an affordable level using strict control of costs.
- Transparent, cost effective expenditure for council services.
- Effective, responsive local governance ... a mayor and five ward-based Councilors
- Two major service centres using existing offices in Wellsford and Warkworth
- A local district plan that removes the excesses of Auckland's unitary plan
- Dispense with Watercare to regain our control of water and wastewater services
- A 'Buy Local' policy using local labour and contractors whenever possible.
- Regional Parks to remain with Auckland Council
- Conduct regular electronic polling on community issues using email and social media.
- Encourage community volunteers

Note: The proposed change to our Council will not affect provision of health, education and elder care services ... these are provided by government agencies, not council.

Visit **www.nag.org.nz** for more details including a map of the area, financial plans and rate projections. Please then indicate to your association committee whether or not you would support this proposal.

Note: This poll of group members is being run alongside the advertised public poll and you are encouraged to vote in that poll as well. The results of both polls will be presented separately as they are aimed at slightly different target groups.



Appendix Two

Vote summary and Analysis

Below is a summary of all valid votes received from a 2 month-long poll of the ‘affected area’ of North Rodney which contains approximately 17,000 registered voters.

A series of advertisements which began with a full page in the August 1st edition of Mahurangi Matters and in each subsequent issue throughout the months of August and September drew attention to our poll.

This encouraged voters in North Rodney to visit our website for full details of the proposal and to vote either on-line on the site, or at one of 40 ballot boxes that we placed in convenient local shops and other premises around the district.

Area	Votes Received			
	YES	NO	TOTAL	% Y:N
Warkworth	396	33	429	92.3
Wellsford	354	18	372	95.2
Kaipara	134	5	139	96.4
Kawau	23	2	25	92
Leigh	133	6	139	95.7
Mahurangi Peninsula	320	26	346	92.5
Matakana	145	9	154	94.2
Omaha	68	5	73	93.2
Pt Wells	58	5	63	92.1
Puhoi	83	9	92	90.2
Sandspit	45	0	45	100
Whangateau	32	3	35	91.4
Total	1791	121	1912	93.7

Notes:

- Returned voting slips and marked electoral rolls are available for the Commission to scrutinize upon request.
- A further 30 votes were received but were classified as invalid.
- As a sample of the 17,000 target population and using the formula below, a result which is 99% reliable with a margin of error of +/-3.5%, shows that “over 90% of the North Rodney community support our proposal”.



Appendix Two (cont.)

We recognized that the nature of the poll may have introduced a minor bias voting “*in favour*” (voters content with the *status quo* may be less likely to bother to vote).

In an attempt to quantify this possible bias, 391 of the above votes were obtained by cold-calling random numbers from our local telephone book.

This method produced 339 ‘Yes’ and 52 ‘No’ showing a slightly lower support level at 87%.

That sample, in isolation is 95% reliable with an error of +/- 5%.

The formula used for these calculations was:

$$n = \frac{X^2 * N * P * (1-P)}{(ME^2 * (N-1)) + (X^2 * P * (1-P))}$$

Where:

n = sample size

X² = Chi – square for the specified confidence level at 1 degree of freedom

N = Population Size

P = population proportion (.50 in this table)

ME = desired Margin of Error (expressed as a proportion)

This formula is the one used by Krejcie & Morgan in their 1970 article ‘Determining Sample Size for Research Activities’. (*Educational and Psychological Measurement*, #30,pp.607-610).

An interactive spreadsheet of this formula is available on www.Research-advisors.com/tools/samplesize.htm



Appendix Three

Community Leaders Engagement

Copy of the email invitation sent to our Community Leaders

From: Bill Townson [mailto:bimon@xtra.co.nz]

Sent: Thursday, 4 July 2013 7:29 PM

To: Mike Sabin (MP Nthlnd); Mark Mitchell (MP Rodney); James Colville - Rodney; June Turner - Rodney; Steven Garner - Rodney; Tracey Martin - Rodney; Councillor Penny Webster

Subject: NAG's upcoming campaign

Dear Tracey, June, Penny, Steven, James, Mark and Mike,

I thought you might be interested to learn what our Northern Action Group (NAG) has planned in the near future which we hope will generate considerable discussion in our community.

With the recent changes in Local Government Law and with particular regard to the reorganisation procedures and the imminent expiry of the 3 year embargo we have decided to 'have another go' at extricating North Rodney from the Auckland Council.

We intend to offer to our community what we consider a very viable and palatable alternative local governance option forming a **North Rodney Unitary Council**.

Full details as to its shape and financial viability are available on our website www.NAG.org.nz so I won't attempt to go into the detail here.

We see our first most important function as determining the extent of local support for going it alone. Before we can even approach the Local Government Commission (LGC) with our proposal though, we must establish if the community will support it. To this end we intend to run two polls side by side to try to reach all corners of our community.

The first poll we will launch will be with a full page ad in the July 31st issue of Mahurangi Matters newspaper highlighting the main features of what we are offering, backed up in detail with our website. People will be able to either vote on-line or through a ballot box in their local store.

The second poll will also launch on August 1st but by way of an approach to local community groups including R&R associations asking them to canvass and report the level of support (or otherwise) of their memberships. We will ask them to address their committees and hopefully encourage them to conduct this poll in their own groups.

Both polls will close on September 30th. The results of the polls will be kept separate as obviously there will be a certain amount of overlap but between the two we should cover most of the community. That way we should get an accurate picture of how the community feels about the idea and if favourable we will then carry on to present our reorganisation proposal to the LGC where we are confident it will pass the first hurdle of having them agree to assess it.

Our goal is to have our reorganisation proposal on the desk of the LGC CEO on day one after the LG elections (the day the embargo expires) if that is what this community indicates to us is what they desire.

The purpose of this communiqué is not to solicit your support, although obviously we would be delighted if you did endorse our campaign, but purely to serve as a courteous briefing as to what we hope will create a lot of discussion in the community.



Appendix Three (cont.)

Obviously we hope the community will support our model as it will cost nothing to do so and at the very least will trigger an in-depth study of our governance arrangements and, hopefully, a democratic outcome, something that has not happened to date.

Naturally it concerns us that these polls will be running so close to the local body elections and that it might be confusing to some but rest assured we will be at pains to point out at all voting points that our poll is in no way connected to or a substitute for the Local government triennial elections which are conducted by the LG postal voting system.

I am more than happy to answer any questions you might have on this campaign through this medium or by phone 4256121. Alternatively if you all would like to meet up and discuss the ramifications of what we are about to do I would be happy to host a meeting at my humble home in Scotts landing and who knows, Mona might even make us some chocolate muffins!

Kind regards

Bill Townson
Chairman- Northern Action Group (NAG)



Appendix Four

The Mitchell Report on Financial viability of NRUC



Larry.N.Mitchell
Finance & Policy Analyst
(Local Government)

PO Box 404 103, Puhoi 0951, Auckland, NZ
Ph 09 422 0598 Mobile 0274 792 328
larry@kauriglen.co.nz
Skype callto: larryave

North Rodney Unitary Council proposed financial projections

This document was posted on the Northern Action Group website. It remains the only-sole source of financial projections for the new Council. Its assumptions and assessments are all documented. The document has been edited 'slightly' and some commentary has been added (21 October) relating to assets and debt.

Personal Statement of Larry. N. Mitchell

The Northern Action Group has asked me to provide them with budgetary information for the establishment of a unitary local authority (Council) in the North Rodney area. I have completed a number of similar exercises in the past using the same methodology, modelling and reliable data sources.

I stand by the projections I have made as stated herein on a best endeavours basis. Although other information if it had been made available (principally from Auckland Council) 'may' have proved beneficial for this exercise the information used has been fit for purpose and satisfactory in all respects.

My credentials are at www.kauriglen.co.nz/larry

Larry.N.Mitchell Puhoi 28th June 2013

Finance & Policy Analyst (Local Government)

There are at least a 'dozen' 'peer' group* small urban/rural Councils (TLA's) operating very satisfactorily in New Zealand. We have based our financial modelling on these units of local government.

** The peer group used for our modelling (below) comprises a sample of 10 NZ TLA Councils of similar population numbers and character as the proposed NRUC. The group includes Matamata-Piako, Hauraki, Ashburton District Councils and seven others.*

All of these Councils operate quite satisfactorily in modes akin to those we have planned for North Rodney, many with low debt status ... of around \$1,500 debt per ratepayer and at a similar (small to medium) scale of operations. They represent, we submit a good basis-model of and have been used for our NRUC projections.



Larry. N. Mitchell

Finance & Policy Analyst (Local Government)

These Councils* have one or two town centres, (Warkworth-Wellsford ... Matamata-Te Aroha for example) and a rural hinterland with similar populations to the proposed NRUC, around the 30,000 mark (15,000 ratepayers).

In all cases, the demographics of the incomes and aging population of NRUC in relative economic terms are at least as 'good' as the others.

Our prospects of continued NRUC growth are much better than the other peer group Councils.

All NZ TLA's operate in terms of the Local Government Act 2002 as amended so that their cost structures for the normal (ubiquitous) range of Council services will mirror those of the proposed NRUC.

These facts make the possibility of establishing a 'similar' unit of local government in our area ... 'eminently feasible':

The added costs of acting as a unitary seem to settle at around plus 12% of total operating expenditure (opex), mainly in the regulatory and monitoring area. This margin is added to the estimates, (below).

No significant added infrastructural asset requirements (such as ownership and management of drainage or water resources) or public asset ownership (of ports or airports) would complicate the plan for NRUC. As a consequence NRDC debt levels and debt servicing costs will be well below the NZLG sector norms.

NRUC roading is a mixture of bad and good news. The roading network is located on difficult terrain, with an extensive rural unsealed network (of an estimated 650 Km) servicing a low density population in a rural area. The good news is that our LTNZ subsidy rate will approach 60%, not the roughly 40% of the Auckland Council. Our costs of roading metal, sourced locally will have a price advantage. But overall our roading costs will, as a proportion of the total opex be 'high' ... estimated (below) at 40% of opex.

Allowing, where possible for these above factors and based on the modelling of the peer group of Councils we have proposed the following breakdown of annual operating expenditure (opex) for the NRUC.

The average TLA peer group expenditure pa per ratepayer (2012 no gst) was \$2,980. Using a midpoint of \$3,200, adding 12% or \$384 for unitary NRUC proposed total pa expenditures is \$3,600, **note** excluding gst.

\$3,600 per ratepayer is the estimate of NRUC operating costs excluding gst including the added unitary provision at plus 12% or **\$54M** total.

If 60% of this is funded from rates then 'rates' on the same basis will be \$2,160 per ratepayer (\$32.4M the rates funded total).



Larry. N. Mitchell

Finance & Policy Analyst (Local Government)

Funding of this expenditure comes from a combination of general and targeted rates, council service charges, financial and other ‘commercial’ incomes, development contributions and government-LTNZ subsidies. In general, 60 to 65% of Council expenditure is sourced from rates.

On this basis our projected NRUC unitary rates would be \$2,160 – then adding gst this total would be **\$2,484 per ratepayer.**

Based on 15,000 ratepayers with rates of \$2,160 pa per ratepayer the NRUC using our peer group modelling as detailed above can expect to generate total rates revenue of \$32.4 million pa excluding gst.

The breakdown of proposed NRUC expenditures will look something like this.

Expenditure category	% Proportion of total opex Peer group average	% Proportion of total opex Suggested NRUC %	\$\$\$ Suggested NRUC total pa note: 1% = \$350K	\$\$\$ Rates funded 60% (general and targeted plus UAGC) on a <u>non-unitary</u> basis
Roading	29.8	40	\$14,000K	\$8,400K
Stormwater	1.2	1.2	420K	420K
Water supply	11.3	7	2,450K	2,450K
Wastewater	8.5	5	1,750K	1,750K
Land Drainage	.2	1	350K	0
Refuse/Solid waste	6.3	3	1,050K	0
Regulatory	8.8	12	4,200K	2,100K
Recreational reserves	7.4	5	1,750K	1,750K
Property management	5	2	700K	350K
Libraries	2	2	700K	600K
Community facilities	6.7	5	1,750K	1,200K
Economic development	2.6	3	1,050K	1,000K
Democracy	3.8	3	1,050K	1,050K
Other			3,780K	70K
Sub-Totals			\$35,000K	\$21,070K
Add 12% unitary			\$40,000K	\$23,500K
Add 15% GST			\$46,000K	\$27,000K
Per ratepayer			\$3,066	\$1,800



Notes:

- All dollar totals are exclusive of gst
- Roading costs are gross excluding subsidies
- Rates funded column is net of subsidies and fees and charges
- Water supply and wastewater estimated 'down'

Assumptions:

- Rates funded are set at 60% of total opex
- \$ total rates funded estimates with 60% adjustment \$21.070M (60% of \$35M is \$21M)
- Comparisons of rates funding (excluding gst) totals \$2,160 per ratepayer (with gst \$2,484) and generates \$37.2M using the peer group analysis. The 'table' figures using budgeted expenditure categories of \$1,566 per ratepayer (with gst \$1,800) generates \$27M
- The appendices refer to further iterations of water related charges. They do not materially alter the draft budget and rates estimates.

Note: The difference between the two rate estimates of (\$1,800 and \$2,484 above) arise/are due to the different levels of expenditure and GST.

Suffice to say: Depending on our budgeted operating expenditures, unitary rates, including gst would range from a (very) low \$1,800 pa per ratepayer to a mildly high figure of \$2,484.

As has been acknowledged, water and wastewater rates based (as above) on the averages used, could be significantly lower if rates were adjusted for ratepayers (a majority?) not receiving these services.

The challenge of course will be to limit our NRUC expenditures (or improve our revenues) to achieve lower rates.

Larry Mitchell 19th June 2013 and (below) Updated 21 October 2013

Added (October 21st) content-commentary ... principally on balance sheet, asset and debt projections.

We have made exhaustive enquiries of Auckland Council in an attempt to develop financial projections of assets, debt, other contingencies and equity with which to construct a statement of financial position (balance sheet) for the NRUC.

These efforts have proven difficult as results have been variable in quality and content. We have not in the outcome constructed a full projected NRUC balance sheet, settling instead for assessments of its major components ... assets-debt-contingencies.



As a result therefore we submit the following based on information-assessments arising from our own investigations, knowledge of our area and the “*limited*” responses we have received from the Auckland Council.

- Assets and net equity assessments ... the more precise asset-related information with which to construct the initial NRUC balance sheet will in due course be determined by the LGC, probably on a detailed assets/accounting records basis as was conducted for the part of the Franklin District when Waikato DC received a portion of FDC assets. This was a detailed accounting-records based method and provides a model for these (our) exercises.
- We have not (for our purposes as mentioned) been able to replicate this process. We do not believe this to be a major impediment however to our development of useful asset-debt related projections, as the following paragraphs will demonstrate.
- This accounting difficulty, in fact has *little effect* on our important projections. The asset *numbers* will merely establish the balance sheet values inclusive of asset revaluations relating to the NRUC ratepayer’s equity disclosure. There is no impact or influence of these notional asset values upon our capacity to assess such matters as debt, debt servicing costs and (the bulk of) depreciation – as will now (below) ... be explained.
- The major portion of the assets of the North Rodney area are its ‘*roading network*’. The *good news* is that roads will *not* greatly impact our *financial* projections as roading assets do NOT carry debt plus the fact that a large element of their revalued amount (land under roads) are not depreciable.
- A material element of the asset-base valuations comprise the problematical *land under roads* (from an estimated valuation which are non depreciable) and the biggest element of this asset transfer value consists of periodic asset revaluations (effectively just book entries) that thus have little effect on the two ‘*majors*’ ... of debt (none) and depreciation (not depreciable).
- As for the asset-debt details that *we have obtained* we discovered. ...
 - *few material infrastructural public assets* located in our proposed area,
 - *very few new capital projects* commenced/completed in the last decade in our area and
 - consequently, (by deduction) *low or no NRUC debt confirmed* and the bulk of our asset base – as valued comprising a reported 650 Km of unsealed roads, the balance (unknown km details) being local sealed roads.
- As mentioned, these roading assets attract no debt and have a high component of asset valuation-based land under roads that are non depreciable ... the combined effect of which is *little significant impact upon our financial projections*.
- Council-owned local Roads of all kinds can be excluded from the debt part of the analysis (see above) that is for debt assessment purposes. To be explicit ... “*Debt, arising from North Rodney asset funding, particularly because of the large component of roads within the asset base that are not debt funded suggests overall a low debt scenario for North Rodney*”.



Larry. N. Mitchell

Finance & Policy Analyst (Local Government)

- Contingent liabilities for reported deferred maintenance of the North Rodney roading assets is apparently 'significant'. This assessment is based on asset management plan *detailed records*. Because this represents 'real money' required for maintenance costs, NRUC would expect to receive an allowance for these amounts as a provision (liability). This must comprise a *discount upon the level of debt transferred* (note NOT as a book entry which would merely use a 'non-real-money' amendment of the asset values transferred).
- Recent North Rodney area capital works, according to our investigations are limited to two, (relatively) major projects, others are very minor, (less than \$1M by comparison). These are: the Warkworth water supply upgrade, (circa 2006 valued at not more than \$3M and probably "*partly*" funded by debt) and the Wellsford Library (guesstimate less than \$5M partly funded by debt) ... and
- That! to our knowledge is *it!* We acknowledge, due to our limited information gathering capability the possibility that other material North Rodney assets have been debt funded of which we are unaware.
- Much of the rest of the major historic RDC debts are not asset-related and/or related to our area. There were huge amounts (several hundreds of millions) of the Rodney DC's debt-capex in the last decade which related almost exclusively to the Hibiscus Coast-Orewa and Western area expenditures-developments, *NOT to us!*
- One example is *the Orewa Council Office* building. Many ratepayers made strong representations to the Council to not proceed with the near \$100M cost of office extensions so close to the Auckland area likely amalgamation.
- The property is totally inappropriate (over-designed) for the amalgamated Auckland Council operations.
- The Centreway Orewa Council office block is not located in our area and will provide NO services to the NRUC.
- There were many other debt financed misadventures that similarly are none of our NRUC business. For one example of debt raised to no good effect, see below re generic debt arising from poor (grossly erroneous) budgeting-shortfalls of development and financial contributions.
- Speaking now of the specifics of possible NRUC debt ... it is hard to see, based on our enquiries, any major issues or material totals for projected North Rodney area debt. In brief this imputed/transferred debt will be limited to and comprise:
 - Historical debt of the area but! only if this can be sheeted home to our boundaries-assets based on solid evidence ... (note not mere *apportionments* based on subjective judgments).
 - Debt, clearly associated with the financing of new assets (water supply-library above), possibly no more than the \$8M as detailed.
 - We do not accept *any* share of either the Hibiscus Coast or the '*Western area*', the Rural and Township division *generic* debt that does not attach to our North Rodney area's assets.



Larry. N. Mitchell

Finance & Policy Analyst (Local Government)

- Significant debt was incurred by the Rodney District Council (as mentioned due to *inter alia* shortfalls in development contributions). This had NOTHING to do with North Rodney operations so any debt issues arising from these events is not NRUC concern.
- As a *rule of thumb* the low debt Councils of our NZ TLA group* run at no more than 'a maximum' of \$1,500 debt per ratepayer.
- For our projected 15,000 NRUC ratepayer base, this would equate to a *maximum* NRUC initial balance sheet debt total of \$22.5M. Incidentally, this total would require, at current interest rates, a quite nominal annual debt-servicing cost (not included in our projections note) of \$1.5M pa and this amount is 'allowed for' within the achievable range of proposed-*degree of flexibility*-assessments that we have used.
- To summarise: We would expect the LGC to determine our North Rodney assets, debt and contingencies taking into account the above issues and including provisions for deferred maintenance based on a fully supportable evidential database.
- Our public assets, due to the 'extensive' (low density) nature of settlements in our area are few. However our concerns for the condition state of our roads must be addressed and appropriate financial contingencies properly accounted for (above).
- And finally, the NRUC will be adhering to low-no debt policies once the Council is formed and does not wish to be saddled with excessive or unrelated non specific-generic Council debt from the outset.



Appendix Five

Proposed North Rodney Unitary Council ... 'Charter'

The fundamental principles-tenets of the NRUC Charter:

The paragraphs that follow, detail the principal-principles that NAG, reinforced by 'local support' propose for the NRUC.

- **A strict adherence to the S.10 'Purposes'** of the Local Government Act 2002 as amended in 2012 ... specifically, *the cost-effective delivery of core infrastructure to meet the present and future requirements of its community.*
- **A highly democratic and accountable organisational culture**, operating within a responsive community- ratepayer focussed Council, utilising prudent low debt level financial plans that are affordable, financially sustainable, and transparent to all ratepayers.
- **Best Practice codes of behaviour, ethics and avoidance of conflicted or compromised** conduct of all Council policies and operations for both elected members and management alike.
- **Budgetary disciplines that are based upon the local community's needs and ability to pay.**
- A **continuous improvement performance ethic** of the NRUC organisation will be brought to its operations, backed by an effective mix of systems of internal controls and audit, coupled with a high degree of elected member and public participation and feedback.
- **Normal Council operations will involve the conduct of regular referenda of local issues and an annual independently commissioned public services satisfaction survey** directly linked and reporting to Council performance targets, awards –ISO 9000 best practice programmes and complementary long term plans.
- **Utilisation, wherever possible of up-to-date information technology solutions** to maximise the efficiency of performing the Council's business, including both democratic and administrative tasks.
- **A local spatial regulatory plan based upon the present (predecessor council) democratically evolved District and local structure plans as they apply to the North Rodney area**, with a special place reserved for the local *Tangata Whenua ...* plans which *facilitate* rather than impede the needs of the North Rodney community providing a healthy balance between the economic and environmental objectives of the RMA.
- **Provision of a range of local services suited to a small to medium sized unitary rural and townships-based Council ...** with an emphasis upon and priority given to the provision of infrastructure principally roads throughout the



rural parts of the District as well as for township local network water, storm water, drainage and wastewater service provision.

- **Other services including community grants and Council support for local services such as libraries and parks and reserves will be retained at levels similar to or better** than the current baseline, (2013) service levels and quality.
- **Community volunteerism will be actively encouraged and supported** by the Council providing affordable levels of funding for voluntary and other discretionary activities. These will include activities directly benefitting the local community or enhancing the environment for the future well-being of the North Rodney communities.
- Appropriate levels of human and financial support will be given to **local economic growth** and the enhancement of employment opportunities.
- **Competitive contracting** will be undertaken for all material qualifying Council services, apart from the basic-fundamental democratic, resource management and administrative Council duties of air, soil and water quality standard setting, monitoring and consenting operations.
- Wherever possible, 'most economic' suitable tenders will be negotiated and contracted at best terms utilising **local service and other suppliers**.
- **NRUC borrowing will be confined to 'self-funding' capital works projects** (that is, funding inclusive of all associated debt servicing costs) relating to essential affordable infrastructural assets, funded from the asset's targeted service charges on a scale and at a cost consistent with the users-beneficiaries and district's affordable needs.
- **Intensive management of Council performance improvements** and cost control over payroll, staff levels and overheads with a strong, integrated role in these areas for an active-effective fully resourced Audit and Finance Committee.
- **General land value based rates modified as required, maximum permissible Uniform Charges and user pays policies** will be used to fund Council activities wherever appropriate.
- **Harmonious and integrated professional codes of conduct** of elected officials and management alike designed and fitted to the precepts of the Charter.

Summary

We respectfully request that all of the above be afforded serious consideration by the Commission with their incorporation, including the ethos and operational objectives and design, of the proposed North Rodney Unitary Council.



Background data

Voting Form

Use this form to register your vote in the Northern Action Group's poll on the proposed

North Rodney Unitary Council

Eligibility. You must be 18years or over, live in, or own property in North Rodney to vote in this poll. Only one vote per person.

Surname Christian name(s).....

Property Address in North Rodney

.....Normal Residence **yes/ no**

I support the creation of the North Rodney Unitary Council

Yes No (Cross out one) **signature**.....

Place this form in a ballot box at your nearest participating shop (See www.NAG.org.nz and follow voting links for locations) or Post to: Northern Action Group, RD2, Warkworth 0982.

Privacy Statement: The information collected via this poll is for the sole use of the Northern Action Group to determine the level of support for our proposed reorganisation initiative and only for presentation to the Local Government Commission. Once the outcome of the proposal is known these records will be destroyed.

Note: This is a private poll being conducted by the Northern Action Group. IT must **not** be confused with the formal Triennial Local Government elections currently being conducted by postal voting. You are encouraged to also exercise your voting rights in that election.

Ballot Boxes

This picture is of the 40 ballot boxes awaiting distribution to shops and other premises right around North Rodney





Newspaper ads

The following are copies of ads placed in the local newspaper 'Mahurangi Matters' over the period of our polling. This (free) newspaper was chosen because its circulation covers almost exactly (slightly larger than) the geographic area of our target group in North Rodney.

Mahurangi Matters August 1st 2013 (Full page)



A Community Notice to Residents and Ratepayers of North Rodney
(Puhoi in the south to Tehana in the north and all between incl. Kawau)

Restore Democracy to North Rodney–You have the ‘Choice’!

Yes, come October we will all have, a choice. Recent changes to Local Government law make it much easier now for communities to decide for themselves how they wish to be governed ... ‘locally’.

Now we have the opportunity for North Rodney to separate from Auckland Council. A choice between a new and independent

‘North Rodney Unitary Council’

OR

to continue being ruled from Auckland, by Auckland Council

The Northern Action Group has developed a cost-effective and financially feasible model council. A proposal will be submitted to the Local Government Commission of a medium sized organisation designed to suit our local conditions, operated by our people, using local resources.

In other words, this will put the ‘Local’ back into our local Council,
if that is what OUR community chooses.

Please consider these Top 10 points when making your decision to separate from Auckland Council and form a new North Rodney Unitary Council

- Rates set lower than Auckland’s at an affordable level using strict control of costs.
- Transparent, cost effective expenditure for council services.
- Effective, responsive local governance ... a mayor and five ward-based Councillors
- Two major service centres using existing offices in Wellsford and Warkworth
- A local district plan that removes the excesses of Auckland’s unitary plan
- Dispense with Watercare to regain our control of water and wastewater services
- A ‘Buy Local’ policy using local labour and contractors whenever possible.
- Regional Parks to remain with Auckland Council
- Conduct regular electronic polling on community issues using email and social media.
- Encourage community volunteers

Note: The proposed change to our Council will not affect provision of health, education and elder care services ... these are provided by government agencies, not council.

Visit www.nag.org.nz for more details including a map of the area, financial plans, rate projections and to vote online. Alternatively fill in the form below and drop it in a ballot box. A list of participating shops and other locations with ballot boxes is available on our website, or post to: ‘Northern Action Group, R D 2, Warkworth, 0982’

VOTING FORM

Use this form to register your vote in the Northern Action Group’s poll on the proposed **North Rodney Unitary Council**
Eligibility – You must be 18 years or over, live in, or own property in North Rodney to vote in this poll. Only one vote per person.

Surname Christian name(s)

Property Address in North Rodney Normal Residence? Yes No (circle one)


“I support the creation of the proposed North Rodney Unitary Council”

Yes No (circle one) Signature

Privacy Statement: The information collected via this poll is for the sole use of the Northern Action Group to determine the level of support for our proposed reorganisation initiative and only a summary of total numbers will be presented to the Local Government Commission. Once the outcome of the proposal is known these records will be destroyed. Note: This is a private poll being conducted by the Northern Action Group. Please do not confuse this poll with the formal Triennial Local Government elections currently being conducted by postal voting. You are encouraged to also exercise your voting rights in that election.



Mahurangi Matters August 14th 2013



**Notice of Public meetings
Wellsford area**

The Northern Action Group (NAG) will hold a series of public meetings to discuss the proposed alternative governance of the North Rodney area with a new

**North Rodney
Unitary Council**

MEETING TIMES AND PLACES:
 Thursday August 15th – Wellsford Community Centre, 7pm
 Tuesday August 20th – Port Albert Hall, 7pm
 Thursday August 22nd – Tomarata Hall, 7.30pm

Q&A time will follow the main address
 A gold coin donation to cover hall hire would be appreciated

Mahurangi matters August 14th 2013 (two ads on different pages)



Restore democracy to North Rodney

**VOTE for North Rodney
Unitary Council**

You can easily vote online today at www.nag.org.nz



Want something better than being governed from Auckland?


**VOTE for North Rodney
Unitary Council**

Put the 'LOCAL' back into our local government

visit www.nag.org.nz for details and how to vote or visit your local participating shop



Mahurangi Matters September 4th 2013



**Notice of Public meetings
Warkworth area**


The Northern Action Group will hold a series of public meetings to discuss the proposed alternative governance of the North Rodney area with a new

North Rodney Unitary Council


MEETING TIMES AND PLACES:
Tuesday 10th September, 7.30pm
 Mahurangi East Community Centre, Snells Beach
Wednesday 11th September, 7.30pm
 Old Masonic Hall, Baxter St, Warkworth
Thursday 19th September, 8pm
 Matakana Hall, 43 Matakana Valley Road

Q&A time will follow the main address
 A gold coin donation to cover hall hire would be appreciated

These two ads facing each other on adjoining pages



Want something better than being governed from Auckland?

**VOTE for North Rodney
Unitary Council** 

Put the 'LOCAL' back into our local government

visit www.nag.org.nz for details and how to vote or visit your local participating shop

VOTING FORM

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 Eligibility – You must be 18 years or over, live in, or own property in North Rodney to vote in this poll. Only one vote per person.

Surname Christian name(s)

Property Address in North Rodney Normal Residence? Yes No (circle one)

"I support the creation of the proposed North Rodney Unitary Council"

Yes No (circle one) Signature

Privacy Statement: The information collected via this poll is for the sole use of the Northern Action Group to determine the level of support for our proposed reorganisation initiative for presentation to the Local Government Commission. Once the outcome of the proposal is known these records will be destroyed. Note: This is a private poll being conducted by the Northern Action Group. Please do not confuse this poll with the formal Triennial Local Government elections currently being conducted by postal voting. You are encouraged to also exercise your voting rights in that election.

PLACE IN BALLOT BOX AT
NEARBY PARTICIPATING SHOP
OR POST TO: RD2, WARKWORTH



Mahurangi Matters Sept 18th 2013



BREAK FREE
FROM AUCKLAND COUNCIL'S RULE & CREATE A
COMPLETELY NEW, INDEPENDENT & FINANCIALLY VIABLE

North Rodney Unitary Council
VOTE NOW! VOTE TODAY!

On-line at www.nag.org.nz
Or at a ballot box at one of the locations shown below:

Warkworth Dental, Franklin Pharmacy, Wilmot motors, Timberworld, Forget Me Not Florist, Noel Leeming, Carters, Tahi Café
Snells Beach: Gull, Liquorland, Providores, Hire Works, Four Square, Seaspray Takeaways, Coastal Cuts.
Omaha Golf Club & Superette, Point Wells Library, Wellsford Pharmacy, Vet club, RSA, RD1, PGG Wrightsons, Rodney Four Square
Matakana: Gull, ITM, Four Square, Sandspit ticket office, Kaipara Flats Sports Club, Tapora & Tomarata schools,
Whangateau Rams clubrooms, Puhai Store & Pub, Leigh Store