



27 August 2024

Gwynn Compton

gwynn@gwynncompton.co.nz

Dear Gwynn Compton

Request for Information – Local Government Official Information and Meetings Act (the Act) 1987

We refer to your email dated 30 July 2024 for:

- *A list from the past 12 months of all formal council meetings, briefings, workshops, councillor-only discussions, or meetings with other elected representatives from other councils in the Wellington region (either via a regional forum such as the Wellington Regional Leadership Forum, Wellington Mayoral Forum etc, or other one-one-one or group discussions) that your mayor has attended where the issue of local government amalgamation has been discussed.*
- *A summary of what was discussed at each event and any actions taken as a result.*

Response:

Papers and minutes from the Wellington Regional Leadership Committee are publicly available on the Greater Wellington Regional Council website. Therefore, we are refusing this part of your request under section 17(d) of the Act, as the information requested is publicly available.

Please find notes from meetings of the Wellington Region Mayoral Forums on amalgamation. Please also find further documents that fall within the scope of your request.

26 July: Amalgamation-related kōrero at HCC with Campbell Barry, Helmut Modlik, Anita Baker and Nick Leggett.

Meeting requested by Helmut Modlik. Discussed the connection between regional amalgamation, the regional water entity and other challenges facing local government.



31 July: Amalgamation discussion at HCC with Campbell Barry, Anita Baker, Wayne Guppy, Tory Whanau, Jo Miller, Wendy Walker, Geoff Swainson, Barbara McKerrow.

Follow-up from the Mayoral Forum, there are no notes of this.

Please find attached the information within the scope of your request.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that this response to your information request may be published on Hutt City Council's website. Please refer to the following link: www.huttcity.govt.nz/council/contactus/make-an-official-information-act-request/proactive-releases

Yours sincerely

Philip Rossiter

Senior Advisor, Official Information and Privacy

From Wellington Region Mayoral Forum 20 October 2023:

Amalgamation in the Wellington Region

Individual Councils have met with members of the incoming Government, and have discussed amalgamation or new shapes for local government in the region. The incoming Government has indicated a willingness to explore amalgamation in the region, provided there is agreement across the region on a proposal.

Noted that viability will be a challenge for all and the government needs to be aware of this. Need to understand the things we want to do and better understand if we are in the same space. Suggestion for a separate meeting on this at the Iwi Forum.

In regards to the Wairarapa, discussions have progressed amongst the Councils. Should the Wairarapa move to a unitary authority, there may be a need to institute a Wellington Region Transport Authority (akin to Auckland Transport), to deliver transport across the region as the Wairarapa could not sustain transport due to the cost (there is significant cross-subsidisation currently). This would mean local TAs would lose road controlling functions to this new authority. Councils would need to consider their role and functions. A split transport function currently presents challenges for the region, and an Authority would provide the ability to be more streamlined in approaches to central government.

Previously, following the 2012 reform proposal, the Local Government Commission did work on the potential for a Wellington Transport Authority model, but this it was considered a large transformation of the system would be required. The development of such an Authority was not pursued at the time as the region did not support it.

The prospect of a 'supercity' is considered unhelpful for the discussions on local government reorganisations in the region, given the previous reform proposal in 2012. There was discussion of a unitary authority for the region, and it was noted that councils do not support this approach.

Discussion on Kāpiti and Horowhenua working together more and more. Noted that soon Levin will be a dormitory suburb of Wellington and that the WRLC sees Horowhenua included.

Action: Daran and Mayor Baker to provide a one-page summary of a potential model for local government in the Region for a session after the iwi forum in January. To be circulated prior to the next Forum.

The Wairarapa as it is current formatted is unsustainable and needs to reform in some way.

From the Wellington Region Mayoral Forum 16 February 2024:

Regional Reorganisation

Mayor Baker introduced the discussion on potential reorganisation options, and handed over to Daran Ponter to lead the discussion.

The Mayors and CEs have prepared an initial discussion document, based upon their conversations.

The indicative option is three territorial authorities, a regional council, and to introduce local boards.

Some questions remain, including how far north any reorganisation would reach, and if this would include Horowhenua District, and if so, how much. Mayor Bernie Wanden has been part of this conversation.

There is also a remaining question regarding the Wairarapa, and its position within the structure. Given representation is calculated on a population basis, this could result in the Wairarapa being allocated around two members in a regional council model.

It is likely there would need to be bespoke legislation passed by Parliament to allow for a unique structure for the Wellington Region.

There is a lot more detail that would need to be worked through, particularly the next steps and how to approach Ministers on this.

Mayor Baker has spoken to Ministers regarding this topic, and they are of the view that all voices around the table must support this for it to move forward.

Both Ministers are expecting to discuss this, and water delivery, on 22 March.

There are differing views around the table. Most mayors are up for the discussion.

Questions were asked about the representation for the Wairarapa, and what would happen to the Tararua District.

Conversations with Iwi to date show they are supportive of reorganisation in principle.

Daran noted that this conversation is very linked with the three waters conversation as well, and that it may need to move in step with any reorganisation proposals.

Jo Miller shared her experience from the UK, in that savings are made in years 2 – 6, but after year 6 the new structure would likely not result in further savings. These savings were accumulated over these six years, and this assisted in these years, but

In any reorganisation, a change to the funding model would be required.

Mayor Baker noted that local representation is important, and this could be achieved by setting up local boards in the new structure.

Daran proposed putting the establishment of local boards into the “next steps” area, as a level of detail that can be worked out later.

It was discussed what the problem any reorganisation would be attempting to solve.

Mayor Baker and Daran will discuss the outcomes of this meeting and see if there is consensus on any options prior to the meeting with the Ministers.

From the Wellington Region Mayoral Forum 21 March 2024:

Reorganisation of Local Government in the Region

Mayor Anita Baker outlined the status of conversations in the Region, being that the Wairarapa Councils do not want to pursue amalgamation at this stage, but the four metro Councils are interested in the conversation.

Ministers outlined that the Local Government Commission could investigate a proposal under the Local Government Act 2002. Minister Brown also indicated that the Government could introduce bespoke legislation to reorganise the region, but that councils would need to have support of their communities, and that the Government would not legislate against the will of the community.

Minister Bishop indicated they would need agreement in writing from the Mayors indicating they had support for this proposal within their community.

The Wairarapa Councils are not aligned on what they want for local government in their area.

Mayor Campbell Barry commented that any amalgamation would need to examine funding and financing options that could be available to a new Council structure.

Announcements on regional deals will be forthcoming around the middle of this year. Regional deals will not contain new money but may include new tools to provide funding to councils.

Government has directed the NZTA to deliver a ten-year National Land Transport Plan, instead of a three-year plan.

Government's plans of Electronic Road User Charging will allow data to be collected on what roads are being used by what type of vehicles.

At 8:30 am, Minister Simeon Brown left the Forum.

From the Mayoral Forum Notes 10 May 2024:

Reorganisation

Mike Wakefield (Simpson Grierson) and Mike Reid (Local Government New Zealand) presented on the history of local government reorganisation in New Zealand, and the potential options for the region.

Members requested the speaking notes of the presenters or further information on the second option presented (Council initiated reorganisation proposals).

Key points: Government need to address fundamental issue of funding and new revenue streams; need to see advantages of joining together; will not be able to commit to rates savings through amalgamation; will need to demonstrate to ratepayers and communities what they are getting over time (value for investment); Ministers will have expectations re delivery; current focus is on water entity which forces councils to think about amalgamation; opportunities for community engagement with local elections next year.

Of the Wairarapa Councils, appetite to explore reorganisation expressed only by Carterton. HCC, PCC, UHCC and WCC happy to explore further, though Mayor Whanau expressed significant reservations.

Agreed: The four metro councils will have discussions and see where they come to outside the Forum on any amalgamation.

Agreed: Circulate information on Subpart 1B process.

Notes from last meeting.

Mayor Ron Mark requested that the previous notes of the Forum held in March 2024 be updated to reflect that the Wairarapa Councils are not aligned, and that Carterton is in agreement. This was agreed.

Context

- Changing society – more responsive and agile local government required
- Over governed at local-level bureaucracy
- Increasing importance of Iwi / mana whenua

Objectives

- Efficient and effective local government
- Match-fit local government, better able to anticipate and adapt to:
 - population growth and national and global events (recession, industry changes, culture change, climate adaption etc)
 - the need for integrated urban growth and development and key infrastructure and network demands
 - sustainable environmental management
- Better aligned local government – e.g. Wairarapa (large rural area); Capital (contiguous metropolitan area); Kapiti-Horowhenua (peri-urban area)
- Clearer recognition of mana whenua and broad communities of interest
- Better connection +/- partnership with central government and Iwi

Principles for Reorganisation

Local Local influence on decisions about area at regional/national level.

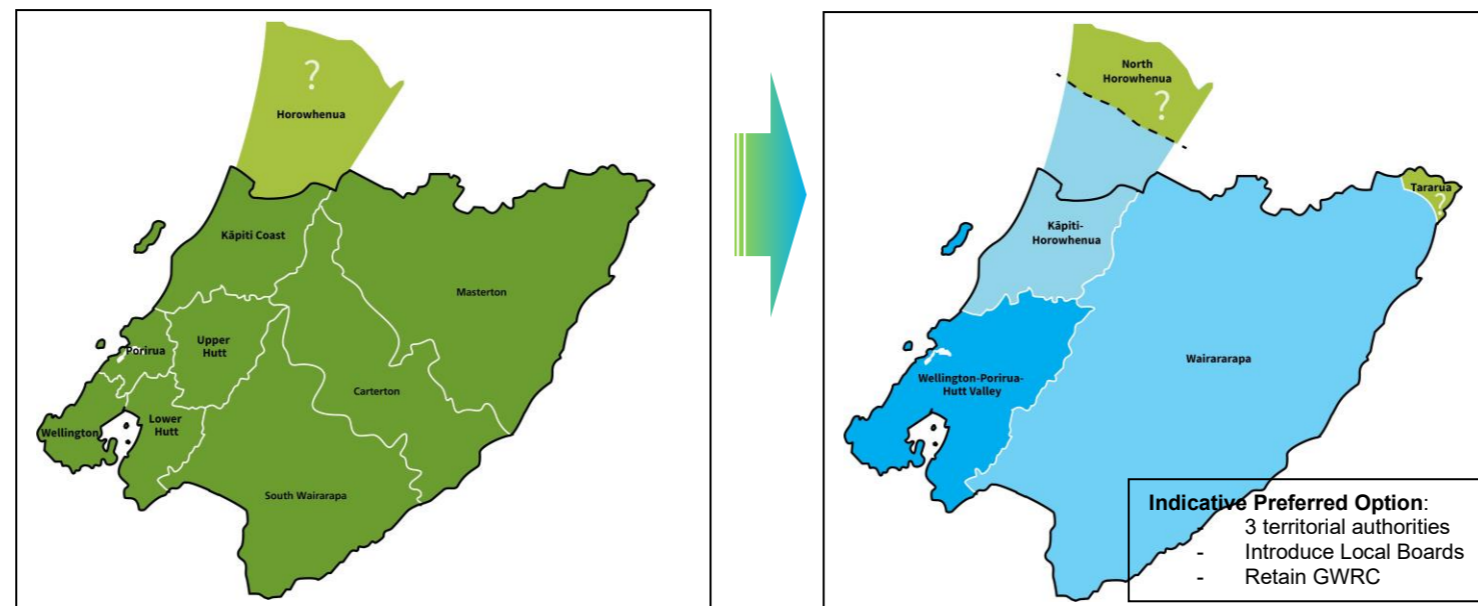
Resourced Councils and council organisations have people, skillsets, resources, or ability to generate funding to be resilient and effectively deliver services

Partnership Councils and council organisations have flexibility to partner to share decision-making and service delivery to advance outcomes

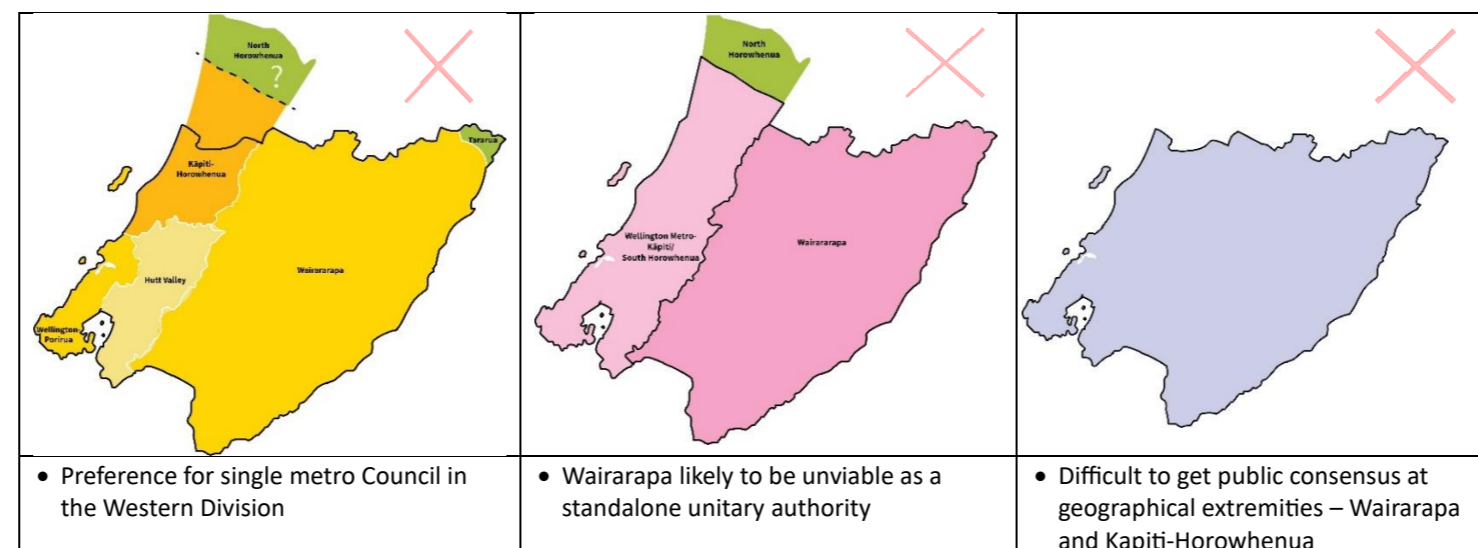
Timing?

1. Are we ready to have this discussion?
2. Where does council re-organisation fit amongst other priorities?
3. Can we present as one?

Current and Possible



Other Possibilities



Mana whenua

Wairarapa: Rangitāne o Wairarapa, Ngāti Kahungunu ki Wairarapa

Wellington Metro: Taranaki Whānui, Ngāti Toa Rangatira

Kāpiti-Horowhenua: Ngāti Toa Rangatira, Ātiawa ki Whakarongotai, Nga Hapū o Ōtaki, Ngāti Raukawa, Muaupoko

DRAFT

Possibilities: Wellington Region Reorganisation

for Wellington Mayoral Forum

February 2024

Version 2.0

Next Steps (not in order)

- Stand-up project team
- Confirm councils' buy-in to preferred option.
- Agree process and pathway for investigating reorganisation (incl. Iwi discussions, community engagement)
- Investigate Kāpiti-Horowhenua options
- Council reorganisation + three waters + transport – how should these align?
- Mechanisms for better embracing localism (e.g. local boards)
- Alignment of boundaries: Iwi/hapu boundaries, water catchments, communities of interest?
- 2 members for Wairarapa GWRC constituency
- Transition and transitional arrangements
- Understanding government appetite and willingness to move

Request of Government

- That Government works with councils to:
 - Confirm reorganisation proposal.
 - Confirm a pathway to re-organisation.
 - Develop and advance bespoke legislation for Wellington Region Reorganisation (i.e. Auckland Council style legislation).

Population by Entity (based on 2022 population estimates)	
	Population
Wairarapa (3 Councils)	50,926
Wellington Metro (4 councils)	434,524
Kāpiti/ Horowhenua	94,503

Wellington Regional Mayoral Forum - Workshop on Local Government Reorganisation

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- 08 The Transition



PART ONE

Context setting: History and amalgamation options



The Challenge of Chaos (1968)

- A review of local government in the Wellington Region by Prof John Robertson and Roy Sidebotham, against the context of the Local Govt Commission (LGC) having received greater powers
- Noted the “continuing debate about how services in the Wellington region might be better delivered” (*52% of WCC budget spent servicing debt*)
- Also noted that the Auckland Regional Authority was not imposed by central government but resulted from the actions of a committee of city leaders in 1963

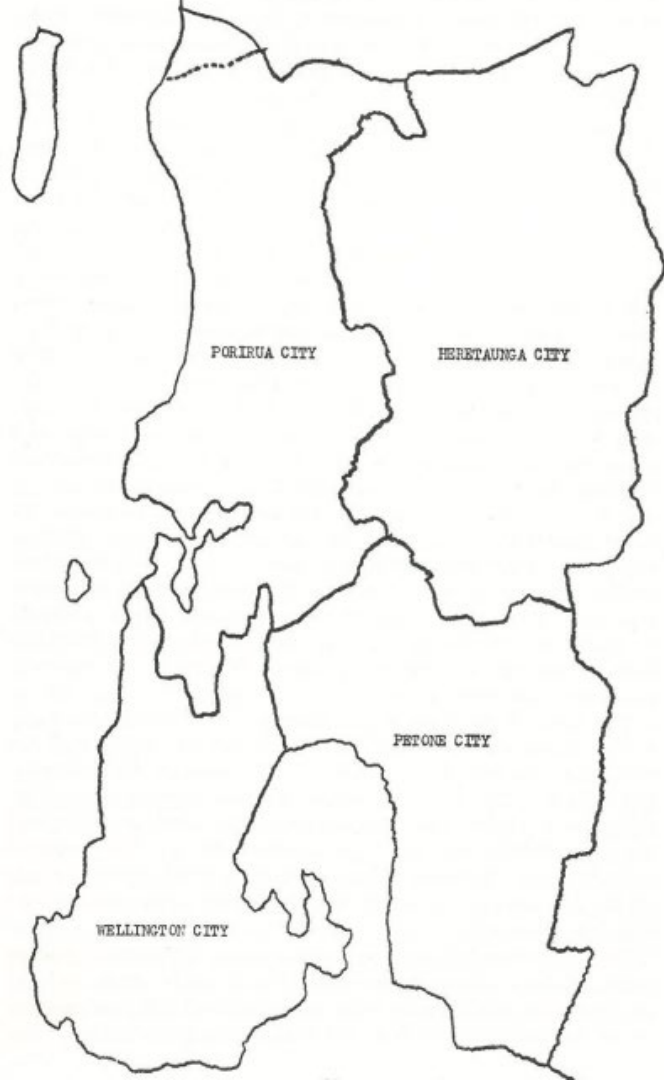
Wellington region circa 1968

Existing	
Wellington City	133,000
Lower Hutt City	58,034
Upper Hutt City	20,000
Porirua	23,500
Tawa Borough	10,150
Eastbourne Borough	4,560
Hutt County	43,545

What was proposed at that time:

- Porirua (incl. Waikanae)
- Heretaunga City
- Hutt City
- Wellington City


Population 1968: 302,644
Expected population 1986: 524,400



1 region and 4 cities

Overall outcome:

- 4 cities of roughly similar size (spatially)
- To undertake truly local responsibilities
- Number of councillors to increase



here in Wellington the Regional Planning Authority. There seems to be a natural duality of interest and function. On the one hand there are regional functions such as transport, bulk water supply, electric power distribution, where either economics of scale or the requirements of coordination demand the largest possible operational scope. On the other, there are services such as health regulation, sewerage, street maintenance and lighting, water reticulation and libraries, among others, which can best be provided by authorities such as the four cities proposed.

Proposed regional governance structure

- Members must be accountable to the Wellington electoral directly
- Constituencies should be co-extensive with those in the territorial local bodies with representation on the basis of a formula
- Governing body of the Wellington region to have proportionate representation, with 33 councillors (Wellington 13; Petone 10; Porirua 6; Heretaunga 4)
- Funded by a regional sales tax

Impact of the Auckland Super City amalgamation (2010)

- After the establishment of Auckland Council in 2010, in 2012 the LGC was given more scope to investigate amalgamation / consolidation options, with potential obstacles removed
- Proposals to largely replicate the Auckland model were developed for Northland, Hawkes Bay, and the Wellington region
- None proceeded to establishment – for various reasons

The Greater Wellington Council proposal (LGC 2014)

Key features

- One mayor elected at large, heading a council made up of 21 elected members from eight wards – Rongotai, Lambton, Ohariu, Porirua-Tawa, Kapiti Coast, Lower Hutt, Upper Hutt and Wairarapa (aka, resembling the Auckland model)
- Council would be responsible for high-level, region-wide matters
- Each ward would then also have a local board with between 6 to 10 elected members, which would be responsible for localised decisions (powers to be determined).
- Proposed that a ward councillor would be appointed to each local board – to ensure a level of connection between the two levels of government
- There would also be a Maori board (similar to the Auckland Council, IMSB) and a Natural Resources Management Committee

Proposed role of the Wellington local boards

Local board responsibilities to include:

- management of local (public) facilities, such as parks, libraries and sports centres
- delivery of local services, such as rubbish and recycling, transport and economic development

This is a more devolved form than in Auckland, where there is a mix of service delivery and management by Auckland Council, CCOs and Local Boards.

Note: No separate Wairarapa council proposed, because the district would not be able to handle the financial pressure, and was too closely connected to the rest of the region to separate.

Overall outcome of 2014 proposal

- 2014: The LGC kiboshed the proposal for a Wellington super-city, citing a lack of public support
- It also rejected proposals to merge Northland's four councils into one, but said it would press ahead with plans to amalgamate Napier, Wairoa, Hastings, and Central Hawke's Bay (*Dom Post June 2015*)
- 2015: 66% public vote against Hawkes Bay amalgamation proposal (Napier 87%/Wairoa 83%)
- 2017: 58% vote against Wairarapa unitary council proposal
- Poll provisions ultimately led to the proposals **not proceeding**

What happened following the Hawke's Bay poll

- The then LG Minister, Paula Bennett, said Hawke's Bay residents' decision to keep their local government structures shows the value of letting communities decide
 - “I have consistently said that it is up to communities to decide what they want local democracy to look like in their towns and cities”.
- The right to “petition to require poll” (clause 24, Schedule 3) was repealed on 22 October 2019
- But, replaced by a requirement for a “Poll to be held”, by the LGC (clause 25):

A poll of electors on the reorganisation plan must be held in the affected area

Some thoughts on optimal sizing

Important to consider:

- Relationship between size and economy of scale (including diseconomies of scale)
- Distributive aspects of service provision (tax burden and equity)
- Relationship between size and democratic efficacy
- Relationship between government size and economic growth

Overview of international approaches

Note: approaches require structural change

Metropolitan government

- Large unitary councils, similar to Auckland
- Few examples in North America – although the amalgamated Toronto is one of the few

Two tier federations

- Autonomous local councils with responsibility for local services. A regional tier undertakes regional functions, including some which may previously have been delivered locally (see Miami Dade)

Overview of international approaches

Note: approaches require structural change

Regional multi purpose bodies (elected)

- Close to true regional government
- Valuable for coordination and area wide service delivery. Can increase range of services as confidence of citizens grows. (Portland Metropolitan Service District)

Regional multi purpose bodies (appointed)

- May focus more on coordination than service delivery. Less powerful than elected multi purpose bodies. Similar to unitary councils pre-1989. May include local and central government appointees.

Regional special purpose governments

- Area-wide special purpose governments designed to provide specific services at a regional scale. Most common approach in US. Can contribute to fragmentation.

Overview of international approaches

- Formal regional governance networks
- Functional transfers
- Privatisation or “not-for-profitisation”
- Inter-municipal service agreements
- Shared services/jointly owned CCOs
- ROCs (Regional organisations of Council)

**Note: Structural
change not required**

Legislative context



Key LGA provisions

Section	Description
Section 24AA	Purpose – to promote good local government by enabling and facilitating improvements to local governance
Section 24	Scope – relatively broad
Section 25	reorganisation plan given effect to by Order in Council
But, before then, Schedule 3 process involved...	
Section 26A	Duty to co-operate and give reasonable assistance to the LGC so that it can perform its function

Local Government Commission

Section	Description
Section 31A	Minister can set expectations (after consulting) relating to LGC's Schedule 3 powers, including timeframes and priorities
Section 33	Membership – up to 3 members, appointed by Minister
Sections 34/35	Commission of Inquiry, powers to summon witnesses, request information, receive evidence
Section 35A	Subject to the OIA
Section 37	Schedule 5, provision for appeal against LGC's decisions

Schedule 3, LGA: Reorganisation process

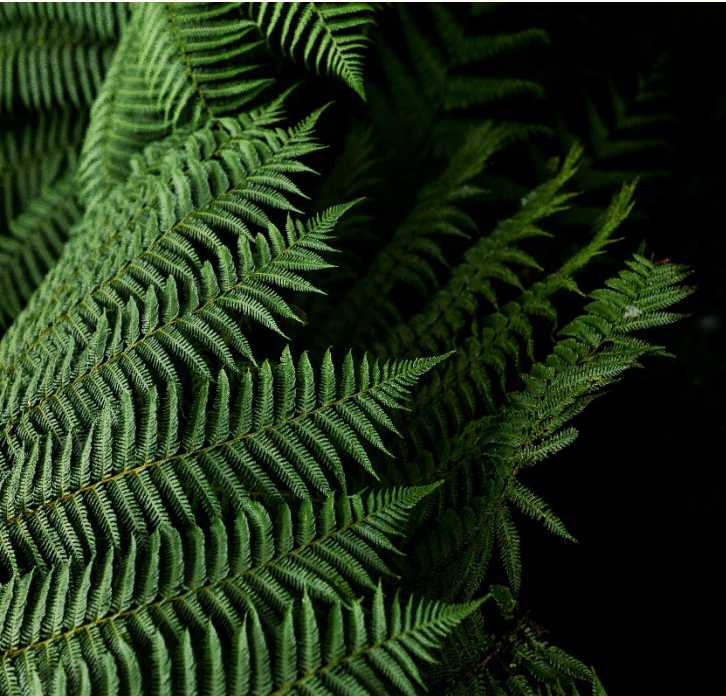
Two pathways:

- ***Reorganisation initiatives and investigation requests (to the LGC)***
(Subpart 1A)
- ***Local authority led reorganisation applications*** (Subpart 1B)

Key difference:

- Subpart 1B involves a Council adopted reorganisation plan, and submission to the LGC for review and approval – if approved, no poll.
- Subpart 1A involves a review led by LGC, so less Council influence, and requires a poll

Role of Central Govt



The Minister of LG may:

- Refer a matter relating to local government or a local authority to the Commission
- Specify expectations relating to the Commission's performance its function and powers
- Appoint up to three members on the Commission
- Propose a reorganisation initiative or make an investigation request to the Commission
- Recommend an Order in Council for the reorganisation plan

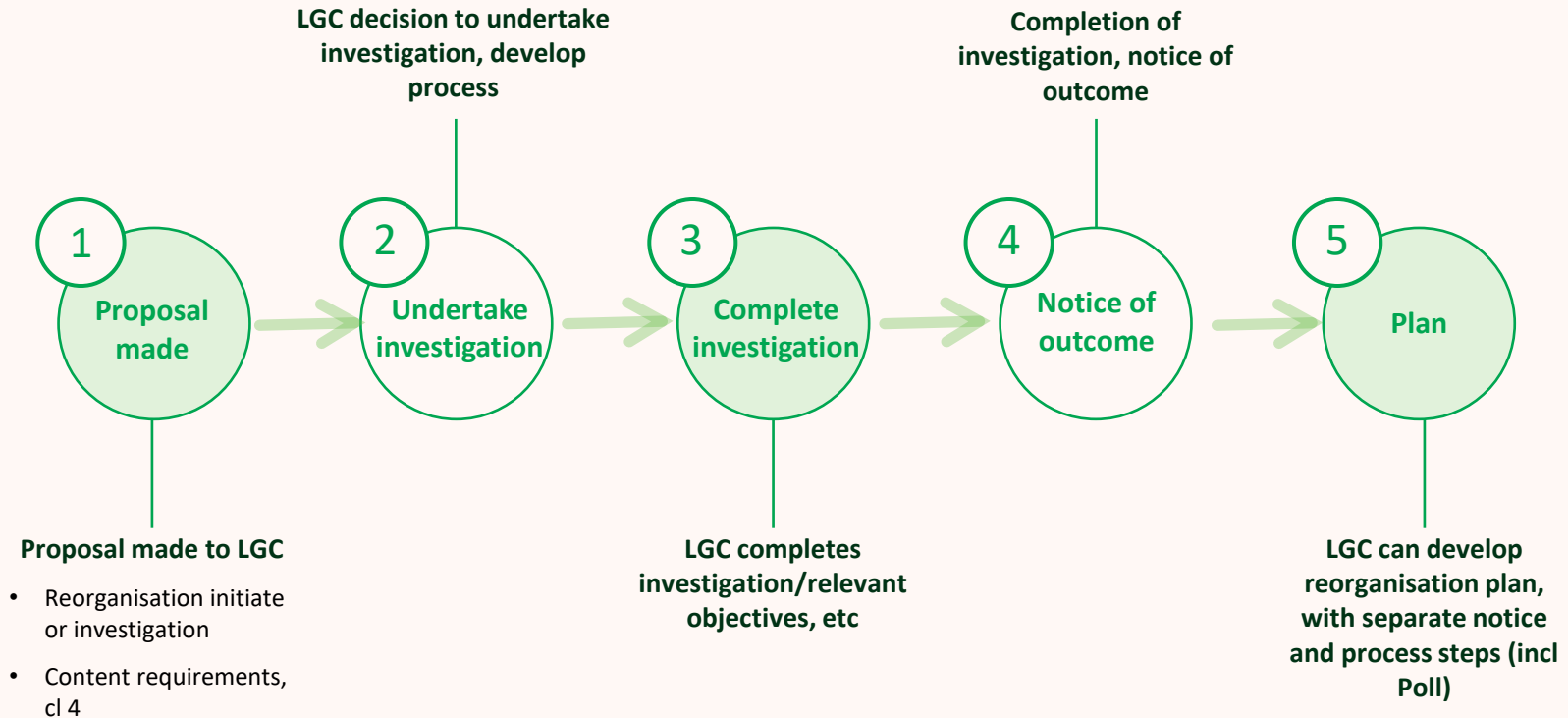
PART TWO

Process options

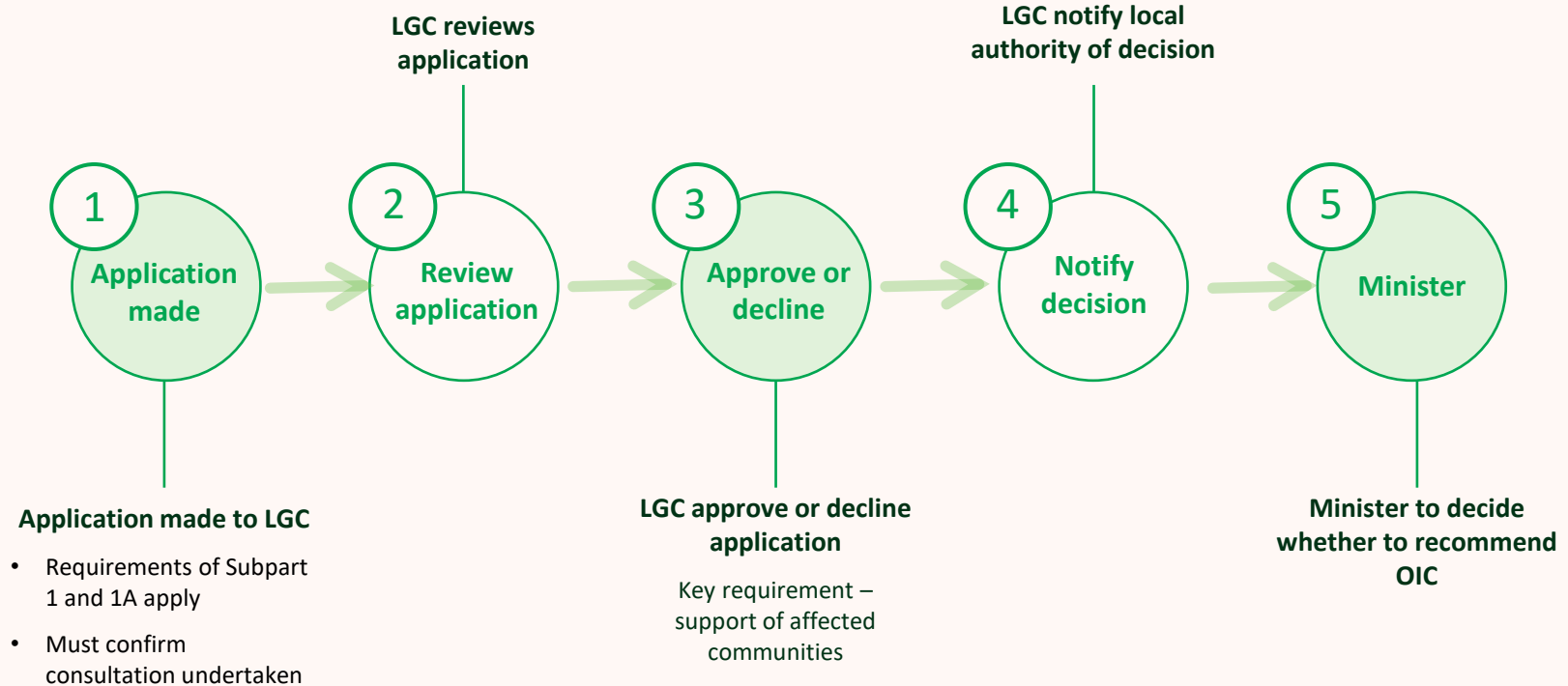
Reorganisation under the LGA (via the LGC)




Subpart 1A, Schedule 3 in a nutshell



Subpart 1B, Schedule 3 in a nutshell





Decision to undertake reorganisation investigation

Clause 6, Schedule 3: LGC *must have regard to...*

- a. The purpose of reorganisation
- b. The potential scale and scope of improvements
- c. The potential costs, disruption and negative effects on Councils and their communities
- d. Time constraints or other limitations
- e. The need for urgent resolution
- f. Investigation resources available to the Commission
- g. The likelihood of significant community opposition

Inherent that local authorities must also consider these factors before making an application




Objectives considered in reorganisation investigation

Clause 10, LGC *must take into account how best to achieve:*

- a. Better fulfilment of the purpose of local government
- b. Productivity improvements within the affected local authorities
- c. Efficiencies and cost savings
- d. Assurance that any local authority... has the resources necessary to enable it to effectively perform or exercise its responsibilities, duties and powers
- e. enhanced effectiveness, efficiency, and sustainability of services
- f. Better support... for economic development
- g. Enhanced responsiveness
- h. Effective provision for co-governance

Inherent that local authorities must also consider these factors before making an application



Considerations when adopting reorganisation plan

Clause 12, LGC *must have regard to*:

- a. Scale of potential benefits, in terms of clause 10
- b. Financial, disruption and opportunity costs of implementing changes at the proposed time
- c. Risks and consequences of not implementing changes
- d. Extent to which changes will maintain linkages between communities and sites and resources of significance to them
- e. Degree of demonstrable public support, or opposition

PART TWO (CONT)

Process options

Bespoke legislation, or
modified legislative
process



Background to Auckland Council reorganisation

The Problem

Disagreement between the eight councils in the Auckland region about:

- Delays in major projects
- Business compliance costs
- Competitiveness of NZ Inc

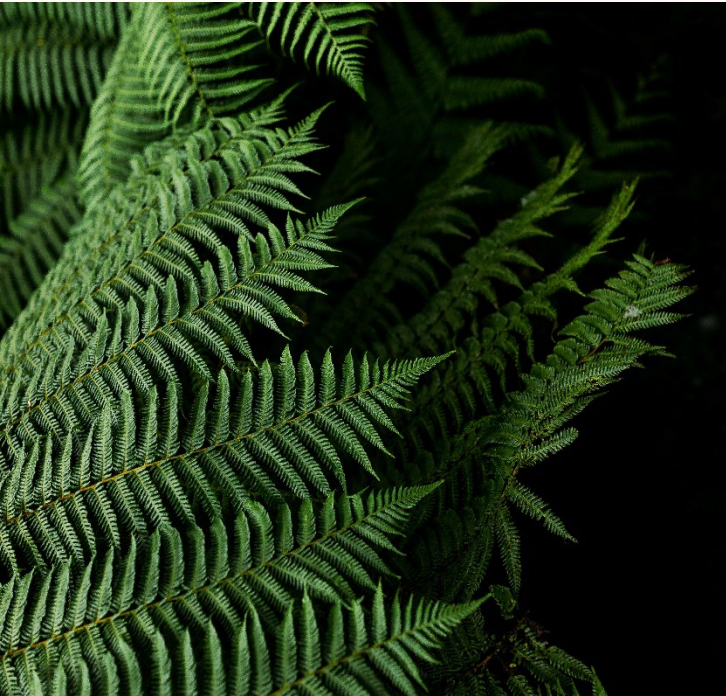
Solution

In 2007, Central Government set up a Royal Commission on Auckland Governance to report on reorganisation

Central Government endorsement

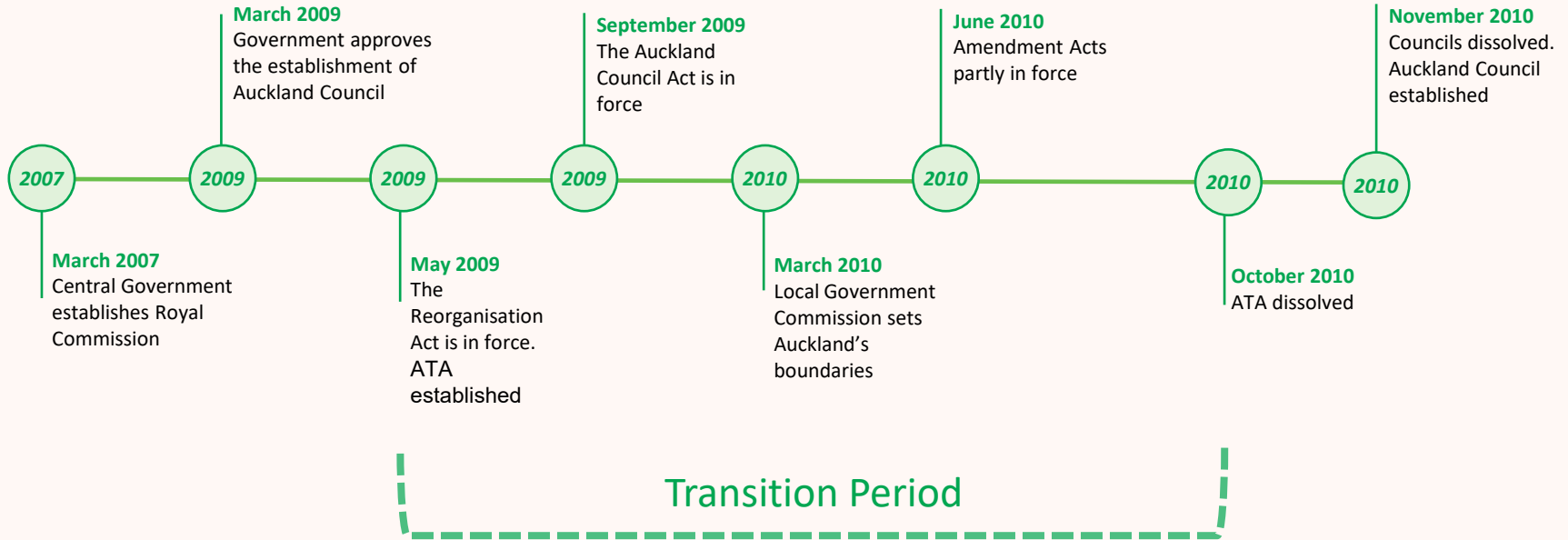
Following the Commission's recommendations, legislation was developed and required, and provided the mechanisms and transitional arrangements, for amalgamation

New legislation



- 01 Local Government (Tamaki Makaurau Reorganisation) Act 2009**
Provided the date of establishment for the Council and established the Auckland Transition Agency (ATA)
- 02 Local Government (Auckland Council) Act 2009**
Prescribed the structure of the Council
- 03 Local Government (Tamaki Makaurau Reorganisation) Amendment Act 2010**
Made amendments to the 2009 Act
- 04 Local Government (Auckland Council) Amendment Act 2010**
Made amendments to the 2009 version
- 05 Local Government (Auckland Transitional Provisions) Act 2010 –**
Addressed a range of transitional matters

Transitional Period



Potential for new legislative amendments? What would / could that involve?

Some options:

- Streamlining the Commission process – relaxing considerations / requirements
 - Community consultation on two options only – change or status quo?
 - If Subpart 1A used, removal of poll? Only likely if there is substantial engagement with communities, and ‘demonstrable’ support for change
-
- Any amendments contingent on Govt support for change, which calls into question why a need for amendment
 - Existing processes may be considered sufficient

PART XX

Reorganisation: how to get there?



The “how” of reorganisation?

Some points to consider:

- **Identify objectives, and reach consensus position on those**
- **Identify and assess options to achieve objectives**
 - Identifying relevant considerations critical
 - Determining what expert support is required (ie. financial modelling, etc)
- **How to achieve regional consensus:**
 - What type / form of public consultation?
 - Will new structures be needed (ie. Joint Committee, citizens assembly, independent review)?
 - Who will be the decision-makers? Can it be devolved?
- **Do key stakeholders need to come along for the ride?**
 - i.e. mana whenua, Central Govt input

Timing considerations

- **When is the right time to push for reorganisation?**
 - *“the financial, disruption, and opportunity costs of implementing the proposed changes at the proposed time” (cl 12)*
 - *“risks and consequences of not implementing the proposed changes at the proposed time” (cl 12)*
 - *“assurance of resources necessary to enable it to effectively perform or exercise its functions” (cl 10)*
- **Does water reform need to bed in first?**
 - First Water Services Delivery Plan due in 12 months (give or take), and expected to ring-fence water service costs / revenue
 - Is this fully understood now in terms of impact on other service delivery?
- **Reorganisation in parallel, but perhaps at a slower pace?**
- **Is too much change a bad thing? Community concerns may arise**

Position Statement on Amalgamation – What problem are we trying to solve/opportunity do we wish to address, and where do we go next?

At our last Mayoral forum, a discussion was held between Mayors, Chief Executives and Ministers Brown and Bishop about future council shape. This followed on from initial discussions Mayor Baker and Chairman Daran Ponter held with individual Mayors.

The Forum was presented with a handout which reflected the discussions that had been held across the region. In the Wairarapa, there was no agreement on the appetite to discuss change.

In the rest of the region, there was a willingness to explore opportunities for change which could result in fewer councils that may or may not be unitary in nature. Either way, cross urban/rural cooperation and delivery would be vital e.g. for public transport. Those present at the Mayoral Forum also asked that a problem/opportunity statement be set out and next steps should be discussed at the Mayoral Forum on 10 May 2024.

Problem/Opportunity Statement

Focussing on urban Wellington (metro area plus Kapiti) rather than Wairarapa Councils for reasons set out above.

1. Metropolitan Area Wellington is predominantly one travel to work/housing market. People live and work across the region and transport investments like Transmission Gully, Kapiti train line etc make this increasingly the case. Our current form and function does not recognise this.
2. Whilst constituent parts of the region have their own local economies, particularly with micro small business, the economic picture is also predominantly a regional one. If the region is to maximise sustainable economic growth, councils need to better organise to have fewer sets of rules/policies/standards. A multiplicity of rules/regulations and requirements places an unnecessary burden on businesses and acts as a brake on growth. We have an opportunity to better support long term productivity and growth.
3. Iwi are well aligned within the Rohe, yet similarly they have to engage with us all strategically multiple times over. This acts as a brake on their capacity and capability.
4. The problems and opportunities we face like climate change, resilience, disrupted weather and ensuring the availability of a regional skilled workforce require solutions at a level beyond current individual council boundaries. Current configurations, capacity and capability means we are not best equipped to solve these problems and maximise opportunities.
5. Water reorganisation will leave future funding of local government increasingly unstable or unsustainable. We need to be open to understand the different options for the medium to long term future and plan now.
6. There is limited capacity and capability both politically and managerially in the local government sector. This is of concern and is unlikely to change. We must

maximise whatever resource is available, avoiding duplication or overstretching, focussing on enhancing quality and diversity in our governance and operations.

7. We must address efficiency and effectiveness of local government. In addition to the benefits of singular policy/regulation settings, we should explore the opportunities to get best value in its widest sense from procurement and partnering, developing long term sustainable supply chains.
8. Our population is changing. Alongside growth, we will see an aging population in some areas and a growth in the numbers of young people elsewhere. We need to plan accordingly.
9. Between central and local governments, public service, and Iwi, we are not configured to partner at scale for impact so as to improve the lives of our people. There is little regional oversight of key public services that drive the quality of life of our people, and the competitiveness of our economy. There is little strategy and performance oversight of health, education, skills, crime, housing, and business support nor is there any place planning. This needs to be done at scale, and the interdependencies between these key services better understood to maximise impact and effectiveness.

None of the above leads to any particular solution/configuration except insofar as to say the status quo is unlikely to deliver in our future context.

In order to make progress there are some key next steps to take. That starts at our next Mayoral Forum on 10 May.

Dr Mike Reid LGNZ and Mike Wakefield of Simpson Grierson will attend. They will cover a short history on council reform and the legislative/procedural routes open to us, together with a short history and a potential timescale for change. That way, everyone gets on the same page – metropolitan and rural areas.

We should also discuss this note. Are the issues the right ones? Is anything missing?

From that, we can determine where/when and how we might go further. Who wants to be in, how do we engage wider council membership, Iwi, business, and key institution leaders alongside government? What process would we like to follow and how shall we resource it?

What data do we have or need to collect to support propositions/develop scenarios. How might we make progress in taking this work forward?

From Mike Wakefield and Oscar Wilson

15 May 2024

Subject Further discussion regarding the local authority-led reorganisation process option

Refer: Subpart 1B, Schedule 3 of the Local Government Act 2002

Introduction

1. The local authority-led reorganisation process is set out in Subpart 1B of Schedule 3 of the Local Government Act 2002 (**LGA**).
2. This is a relatively new process, that was introduced via the 2019 amendments to the LGA. It is a departure from the traditional process for reorganisation, which is provided by Subpart 1B of Schedule 3 and overseen by the Local Government Commission (**Commission**).
3. Significantly, the 2019 amendments and introduction of Subpart 1B removed the requirement to offer or conduct a poll of electors for local authority-led reorganisation; a requirement that remains a part of the other reorganisation processes.
4. This memorandum builds on the recent workshop discussion and sets out:
 - (a) the relevant context that led to the introduction of local authority-led reorganisation; and
 - (b) the provisions in Subpart 1B of Schedule 3 of the LGA that apply to the local authority-led reorganisation process.

Context leading to the introduction of Subpart 1B

5. The development and introduction of a new process was driven by several failed reorganisation attempts, which were not able to achieve the requisite level of community support needed to satisfy the Commission, or the poll requirements. These failed proposals were both costly, and divisive. The only successful proposals, of scale, in 1988 and 2009 (the latter for Auckland Council), were facilitated through legislation.
6. Against that backdrop, the introduction of a local authority-led reorganisation process was intended to provide local authorities with a greater ability to design and consider proposals, before submitting them to the Commission for review.
7. In effect, the process is intended to have a constraining effect on the Commission's role in assessing reorganisation proposals. It does this by providing for a review by the Commission, rather than a full substantive investigation and recommendation. It also removes the requirement for a poll, by shifting the consultation obligations onto the local authorities involved in submitting the proposal.

Outline of the Local authority-led reorganisation process

8. The process steps (summarised) for local authority-led reorganisation are set out in the following table:

Local authority-led reorganisation process under Schedule 3, Part 2, Subpart 1B of the Act	
22A – Local authorities may develop and adopt reorganisation plans	<ol style="list-style-type: none"> 1) One or more local authorities may develop and adopt a reorganisation plan in accordance with this clause. 2) Except as provided in subclause (3), subparts 1 and 1A of this Part apply to every reorganisation plan developed under subclause (1) as if references to the Commission in those subparts were references to the local authority or local authorities developing the plan. 3) Clause 14(4) does not apply to a reorganisation plan under this clause. 4) A local authority intending to develop a reorganisation plan under this clause must ensure that written notice of that intention is given to the Commission as soon as is reasonably practicable.
<p>Discussion</p> <p>The process provides for local authorities, together or alone, to develop and decide to adopt a reorganisation plan. This is an alternative from needing the Commission to undertake a reorganisation initiative or an investigation request, on request from a local authority.</p> <p>The general process requirements and considerations that apply to the Commission are mostly adopted for local authority-led reorganisation, and the relevant local authorities are required to give notice to the Commission of the proposal.</p>	
22B – Application to Commission	<ol style="list-style-type: none"> 1) One or more local authorities may submit a reorganisation plan adopted under clause 22A to the Commission in accordance with this clause (a local authority-led reorganisation application). 2) The reorganisation plan must be accompanied by— <ol style="list-style-type: none"> a. a statement that complies with clause 13(2); and b. a report from each affected local authority, adopted by that local authority, that records— <ol style="list-style-type: none"> i. that local authority’s unconditional support for the plan; and ii. the public consultation undertaken by that local authority; and iii. the themes and outcomes of that consultation.
<p>Discussion</p> <p>Clause 22B requires that the reorganisation plan is accompanied by a statement that includes full and detailed information explaining how the plan will achieve the <u>objectives</u> of a reorganisation investigation (being those set out in clause 10), and that provides a balanced assessment of the plan, and the advantages and disadvantages of the proposal.</p> <p>The application must also include a report that records the local authority’s “unconditional support” for the plan, as well as a record of the public consultation undertaken, and the themes and outcomes of that consultation. There is no guidance on what “unconditional support” means in practice, but there are two possible interpretations: that each Council must support the proposal</p>	

without any conditions attaching to that support, or that each Council must ‘unanimously’ support the proposal. The fact that clause 22B does not use the word ‘unanimous’ (or similar), suggests that the former interpretation should be preferred.

For reference, clause 10 sets out the objectives that the *local authority* must consider, which include:

- a. better fulfilment of the purpose of local government as specified in **section 10**; and
- b. productivity improvements within the affected local authorities; and
- c. efficiencies and cost savings; and
- d. assurance that any local authority established or changed has the resources necessary to enable it to effectively perform or exercise its responsibilities, duties, and powers; and
- e. effective responses to the opportunities, needs, and circumstances of the affected areas; and
- f. enhanced effectiveness, efficiency, and sustainability of local government services; and
- g. better support for the ability of local and regional economies to develop and prosper; and
- h. enhanced ability of local government to meet the changing needs of communities for governance and services into the future; and
- i. effective provision for any co-governance and co-management arrangements that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations.

22C – Commission review of local authority-led reorganisation application

- 1) As soon as practicable after receiving a local authority-led reorganisation application submitted in accordance with clause 22B, the Commission must review that application.
- 2) The Commission must approve the reorganisation plan to which the local authority-led reorganisation application relates unless—
 - a. the reorganisation plan is not accompanied by the documentation required by clause 22B; or
 - b. the Commission considers, on reasonable grounds, that—
 - i. the provisions in subparts 1 and 1A of this Part were not complied with in developing the plan, as required by clause 22A(2); or
 - ii. the plan does not have the support of affected communities.
- 3) The Commission must not approve the reorganisation plan to which the local authority-led reorganisation application relates if subclause (2)(a) or (b) applies.
- 4) If the Commission approves a reorganisation plan under this clause,—
 - a. subparts 2 and 3 of this Part do not apply; and
 - b. Parts 3 and 4 of this schedule apply as if the plan had been adopted under clause 12.
- 5) As soon as practicable after the Commission approves a reorganisation plan under this clause,—
 - a. the Commission must notify each affected local authority of its decision; and
 - b. the Minister must determine whether to recommend the making of an Order in Council under section 25.
- 6) If the Commission does not approve a reorganisation plan under this clause, the Commission—

	<ul style="list-style-type: none"> a. must notify each affected local authority of its decision and the reasons for it; and b. may undertake an investigation into any matter related to the content of the local authority-led reorganisation application.
<p>Discussion</p> <p>The Commission’s role is more limited than under Subpart 1A, as it is required (“must”) to approve the reorganisation plan, unless: it is not accompanied by the documentation required, the Commission considers on reasonable grounds that the procedural aspects were not complied with in developing the plan, or the plan does not have the support of affected communities.</p> <p>If the Commission approves the reorganisation plan, the provision for a poll of electors does not apply.</p> <p>We would expect the Commission to consider the matters set out in clause 12 when completing its review. This is because clause 12 forms part of subpart 1 and 1A, and contains matters that the Commission must have regard to when deciding on reorganisation proposals. These matters are:</p> <ul style="list-style-type: none"> a. the scale of the potential benefits of the proposed changes in terms of the objectives set out in clause 10 and the likelihood of those benefits being realised; and b. the financial, disruption, and opportunity costs of implementing the proposed changes at the proposed time; and c. the risks and consequences of not implementing the proposed changes at the proposed time; and d. existing communities of interest and the extent to which the proposed changes will maintain linkages between communities (including iwi and hapū) and sites and resources of significance to them; and e. the degree and distribution of demonstrable public support for the proposed changes within communities in the affected area; and f. the degree and distribution of any public opposition to the proposed changes within communities in the affected area. 	