



The Northern Action Group Incorporated

26 September 2017

Dear Erica,

NAG offers opportunity for engagement

Thank you for your email of Friday September 22 providing an update on your process.

Lack of transparency and engagement with the community

As we have previously advised, we consider this closed and secretive approach to all work being done by your Commission evaluating reasonably practical options for the governance of North Rodney (and by your extension, Auckland) conflicts with your obligations under Section 24AA of the Act to provide “communities with the opportunity to **participate in considering**, alternative local government arrangements for their area” and “**in consultation** with communities, to identify, develop, and implement in a timely manner the option that best promotes good local government.”

Instead you have chosen to conduct a process which is at arms length from the community and has no engagement with it, failed to be fully transparent, and restricted communications to advice of your decisions and opportunities to submit comments which are not responded to and (we therefore must assume) generally ignored.

It is misleading of you to seek to justify, and to cloak the secret and non-transparent nature of your information gathering and advice to Commissioners, and the Commissioner’s decision-making process behind a professed veil of “integrity”. The unbiased word you should have used is “consistency”. It is patently false to imply the principled moral meaning of the word “integrity” in relation to a decision making process that is inconsistent with the purposes of the Act, and denies public participation in consideration of alternative local government arrangements where principles of democracy demand fair, honest, transparent and engaged processes.

We request that you inform us now of the nature of your proposed information gathering process, and the identity of the consultants and expert panel you have engaged to review the technical details and assess the assumptions of the Morrison Low (ML) report. We seek this information so the community may be assured that the information sought and persons engaged are without bias or conflict in their approach to the tasks.

We are naturally concerned that if you do not conduct an open and transparent process with community participation there is a significantly enhanced risk that the community will not be aligned with the outcome. We want the community to support your decisions rather

T: 09 425 6121 W: www.nag.org

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than oppose them on the basis of having been excluded from participating in their formation, particularly if the reorganisations proposed are not properly evaluated and the community is not given a democratic (voting) opportunity to accept or reject your conclusions.

NAG now offers everyone a real opportunity to engage

As you will know from our submissions we have no confidence that the combination of the long list of options, the ML report and the basis of its preparation represent a fair, credible, empirically based, and transparent assessment of reasonably practical options for Auckland reorganisation, or even of the alternatives for North Rodney governance - as sought in our original application.

We have therefore commissioned APR consultants to prepare a financial model for a North Rodney Unitary Council (NRUC) based on the governance model outlined in our supplementary submission and reflecting typical and best practice from similar councils. We plan to make this process fully transparent and invite the public and the Commission to engage with us in ensuring that the model provides a fair and reasonable guide to how a NRUC would work.

We believe this is the process the LGC should have adopted under the Act, but are nonetheless keen to see this model developed with the expert support and criticism of interested parties (and the public) following the example we have previously and frequently referred you to of the Regulation Branch of the Commerce Commission's public and engaged approach to energy sector modelling.

We intend to publish and take into account comments on this work as it progresses and we welcome the Commission's participation in the process, working with us, in the spirit of engagement and sharing with the community concerned as we believe Parliament intended when it drafted the current legislation.

We have consistently promoted a NRUC as we currently believe this is the best option for local governance in the area, but NAG has always been open to, and supportive of, any form of governance for North Rodney which is shown to be better.

If the outcome from this work is that a NRUC is a reasonably practical alternative, we will have an accepted model for the community to consider as an alternative to the current AC governance structure (which the Commission has already established the community is not happy with) and the misleading ML report.

If the outcome is that a NRUC does not show that more local governance is better and reasonably practical, then we will have a model accepted by the community as a basis for evaluating other alternatives.



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A successful model can also be part of a toolkit for the Commission to evaluate alternatives for reorganisation proposals for local government generally and we would be proud to subsequently hand this work on to the Commission for further development.

TDB, in its [report](#) on Wellington and Wairarapa governance options, has done empirical work on the efficiency of different sizes of local councils. A generic financial model (or models) for NZ councils can be built and adapted to cater for district and regional differences. It can be used by the Commission to evaluate and provide empirical (and community) support for any proposed changes - rather than rely, as in the past, on broad and unsubstantiated myths about amalgamation, size and scale, or on rationalisation of political preferences.

We look forward to your positive response.

Kind regards

Bill Townson
Chairman – Northern Action Group Inc. (NAG)