

# **Governance framework review discussion document: Number of local boards**

## **Introduction**

This document is designed to assist the political working party (PWP) and the executive steering group overseeing the implementation of the governance framework review.

It sets out the work of the project team on specific issues in a structured way to facilitate discussion of the options and the development of recommendations for the governing body. It is one of a series of papers that will be presented to the working party as part of the process of considering the governance framework review's recommendations.

The first part of the paper gives a brief outline of the purpose of this paper and the problem definition, it also provides context and outlines any previous relevant decisions.

The second part of the paper outlines potential options or proposed responses to specific issues. It also provides an indicative assessment of the various options against the agreed criteria.

Each paper will be considered by the political working party at one of its workshops in May and June and will be supported by a presentation by workstream leads and other relevant staff e.g. finance, legal, local board services.

## Purpose and problem definition

1. This purpose of this paper is for the Political Working Party (PWP) to consider approaches to determining the optimum number of local boards for Auckland.

### Background

2. The Governance Framework Review report identified that having 21 local boards contributed to a complex governance structure and logistical inefficiencies. It recommended that the council form a view on the optimum number of local boards. The working party has requested this preliminary work be done to enable an informed decision as to when (and whether) to undertake more investigation into potentially reducing the number of local boards.
3. Changing the number of local boards requires a reorganisation proposal and is a significant undertaking. Determining the optimum number of local boards, to inform such a proposal, is in itself a significant undertaking.
4. Several other processes which may impact on this work, either directly or indirectly, are currently underway or will be under way in the short to medium term:
  - other changes under the Governance Framework Review work programme to empower local boards are being developed;
  - legislative changes to simplify the reorganisation process are being considered by Parliament;
  - the Local Government Commission is considering reorganisation proposals for North Rodney and Waiheke; and
  - Auckland Council will undertake its first representation review in 2018.
5. Officers have undertaken some preliminary and very high level modelling on a couple of possible scenarios for a reduced number of local boards, to give the working party an idea of what issues would need to be considered, and the level of further work that needs to be undertaken if council is to consider changing the number of local boards. (See Appendix 1) It is important to note that these are not presented as alternatives for the working party to make decisions on at this point in time and that significant further work on impacts, costs and benefits would need to be undertaken if any change to the number of boards is to be considered.
6. The key strategic direction sought from the working party is whether to continue work on a potential change to the number of local boards now or to wait until some or all of these other processes have progressed further. Two options are identified:
  - Option 1: postpone further work until after other Governance Framework Review changes to empower local boards have been implemented and evaluated, and the other processes noted above have concluded;

- Option 2: continue and refine high level scenarios into specific options for changing the number of local boards.

## Problem definition

7. How and when to determine the optimum number of local boards for Auckland is the key problem.
8. In general, the drivers for the Governance Framework Review report's recommendation to change the number of local boards rested largely on logistical and organisational inefficiencies and the administrative burden of servicing 21 local boards. (See Appendix 2 for a summary of the report's findings.) Whether this is sufficient cause to propose altering Auckland's governance structures, or whether these shortcomings can be addressed in other ways, should be considered carefully.
9. The report did not set out specific criteria for how to determine the optimum number of local boards. It arrived at its possible options of six local boards plus three community boards or nine local boards based on the report of the Royal Commission on Auckland Governance and analysis of levels of representation in other New Zealand and overseas jurisdictions.
10. The report stated "*getting the right number of local boards is about striking a balance between getting genuine local engagement, while maintaining a decision-making structure that is able to be effectively serviced.*"<sup>1</sup> The Royal Commission also stated that a local tier of governance needed to provide better community engagement.

## Analysis

11. One of the key issues for this work is timing, and it needs to be considered in the context of other processes that are already underway:
  - *Other Governance Framework Review work*: there may be significant changes to local board budgets, decision-making, regional policy-making roles, and support structures that empower local boards beyond the status quo. The degree to which these changes should be allowed to be implemented and evaluated before considering a reorganisation proposal should be a key consideration, particularly given that Auckland was reorganised only six years ago.
  - *Local Government Commission processes*: The Local Government Commission is currently investigating whether to proceed with reorganisation proposals for Waiheke Island and North Rodney. The outcomes of these processes could give an idea of the Local Government Commission's thinking on the optimum size of local board representation for Auckland, as well as stipulating criteria that the Commission will consider for future reorganisations involving Auckland local

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<sup>1</sup> Page 9.

board areas. Undertaking a process that may conflict with the Commission's ultimate findings is a risk.

- *Local Government Act 2002 Amendment Bill (No 2)*: this Bill is currently before Parliament, and contains provisions that will significantly simplify the reorganisation process, including providing for local authority-led proposals. There are indications that the government wishes to pass the bill before this year's September election, although there is no certainty that this will happen. Whether to undertake work for a potential reorganisation proposal under the current regime or a future regime – at whatever time – needs to be a consideration.
- *Representation review*: Auckland Council will carry out its representation review in 2018. If passed, the changes proposed under the Local Government Act 2002 Amendment Bill (No 2) would allow the council to consult on the number of local boards at the same time as it consults on its review of representation arrangements next year, with the effect that a submitted proposal to the Local Government Commission could be approved without much further process. This would be contingent on the bill being passed and coming into force in time.

12. Further research has been undertaken to identify issues that would need to be considered in determining the optimum number of local boards. This is summarised in Appendix 3, and informed development of the two high level scenarios outlined in Appendix 1.

13. If the PWP wishes to pursue this work, these issues will be further developed and used to design specific options to change the number of boards.

## Options and analysis

14. This section sets out options for consideration by the political working party and assesses them against the criteria agreed at the second working party meeting, being:
1. Consistency with the statutory purpose of local government (s10 LGA)
  2. Does the option contribute to improving role clarity between the two arms of governance, both internally and for the public?
  3. Does the option provide for decision making at the appropriate level, as set out in s17 of the LGACA and in accordance with the subsidiarity principle
  4. Does the option provide for increased empowerment of local boards, especially in their place shaping role?
  5. Does the option ensure appropriate accountability and incentives for political decisions?
  6. What is the administrative feasibility of the option, including efficiency and feasibility of implementation?
  7. Does the option contribute to improved community engagement with and better services for Aucklanders?

### **Option 1: enhanced status quo; postpone further work on changing the number of local boards**

15. This option proposes that formal work on changing the number of local boards not be progressed until such a time as:
- The outcome of other Governance Framework Review workstreams to empower local boards are known, implemented and evaluated: there is scope within these workstreams to significantly empower local boards and improve local governance in Auckland, further allowing the intentions of the 2010 amalgamation to bed in.
  - Changes to the reorganisation process are enacted: these changes would enable a simplified process for reorganisation to be undertaken compared to the status quo.
  - The Local Government Commission has determined the applications for Waiheke Island and North Rodney reorganisations.
16. It is recommended that, if this option is chosen, the PWP recommends to the governing body that it makes a decision as to whether to consider the number of local boards

either at the beginning of the next triennium, or at the same time as the next representation review after 2018.

## Option 2: refine identified scenarios into options for changing the number of local boards

17. This option proposes that the PWP directs officers to further refine work on options for changes to the number of local boards.
18. The scenarios included in Appendix 1 – a reduction to fourteen local boards and a reduction to nine local boards – will be used as the basis for this work, unless the PWP directs otherwise. This will include more in depth modelling on potential costs and benefits of specific options.
19. Future implementation of any proposal would be dependent on a decision by the governing body, and would be subject to the statutory reorganisation process in place at that time.

## Assessment against criteria

Criterion	Option 1	Option 2
Consistency with the statutory purpose of local government	Neutral	Neutral
Does the option contribute to improving role clarity between the two arms of governance, both internally and for the public?	Neutral	Neutral
Does the option provide for decision making at the appropriate level, as set out in s17 of the LGACA and in accordance with the subsidiarity principle?	Does not change current arrangements	Does not change current arrangements
Does the option provide for increased empowerment of local boards, especially in their place shaping role?	Yes – through changes under other GFR work-streams	Yes, potentially. Smaller number of boards would likely have greater budgets and more assets than previously. Consistency of place-shaping will be over larger areas
Does the option ensure appropriate accountability and incentives for political decisions?	Yes – through changes under other GFR workstreams	Political accountability could be diluted in comparison to status quo if ratio of population to elected member is higher under reduced number of boards
What is the administrative feasibility of the option, including efficiency and feasibility of implementation?	Easy to implement	Implementation details still require investigation
Does the option contribute to	Neutral	Community engagement is

Criterion	Option 1	Option 2
improved community engagement with and better services for Aucklanders?		something boards have to consciously undertake and this would become more important with larger board areas / smaller number of boards

## Conclusion and potential recommendations

It is recommended that the PWP not undertake further work on this issue until other changes from the Governance Framework Review to empower local boards are decided, implemented and evaluated. There is significant scope to empower local boards and improve governance through the other workstreams prior to resorting to structural change.

It is likely that at that time legislative changes will have been enacted to simplify the reorganisation process, and the Local Government Commission will have made decisions on the Waiheke Island and North Rodney requests for reorganisation. At that point the governing body will be in a more informed position to decide whether it wishes to investigate any change to the number of local boards.

### Next steps

Depending on guidance from the PWP, options will be developed further for discussion with local boards and the governing body if required.

## Appendix 1: High level scenarios for changing the number of local boards

Two scenarios here are based on amalgamations of existing local boards and maintaining consistency with ward boundaries. Comment is also provided on modelling an increase in the number of local boards. A comprehensive review would involve substantial work along the lines of that undertaken by the Local Government Commission when it made its initial determination on the number of local boards and wards and their respective boundaries. Undertaking a reorganisation of this nature is a major step and would incur significant time, cost and uncertainty. The following table sets out current arrangements.

### Island boards

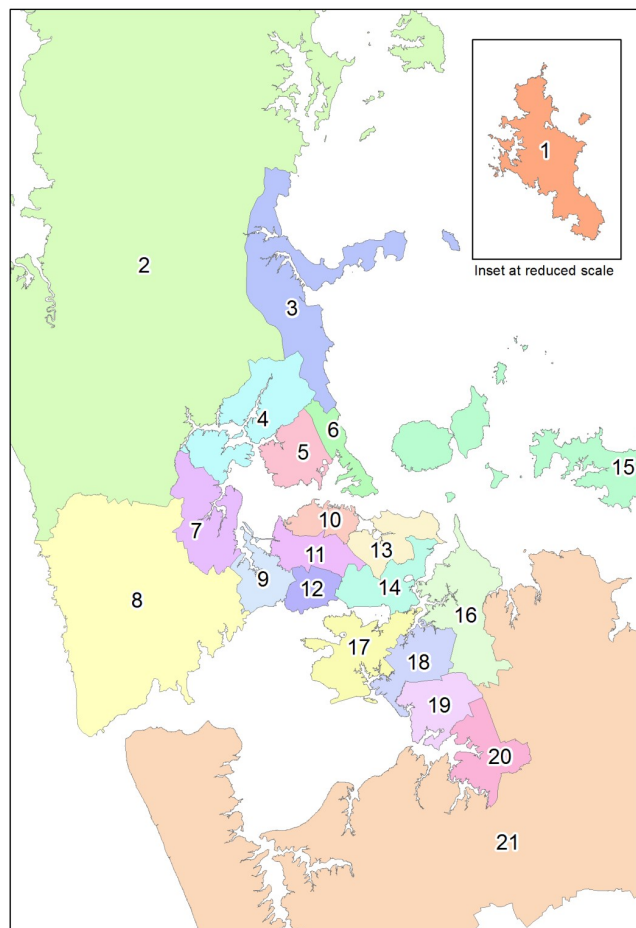
Great Barrier	990
Waiheke	9,250

### Rural boards

Rodney	62,200
Franklin	72,800

### Urban boards (ascending size)

Papakura	52,700
Waitakere Ranges	53,400
Devonport-Takapuna	61,300
Puketapapa	61,400
Upper Harbour	62,800
Maungakiekie-Tamaki	78,300
Mangere-Otahuhu	79,900
Whau	82,900
Otara-Papatoetoe	86,300
Orakei	89,200
Kaipatiki	91,900
Manurewa	92,800
Hibiscus and Bays	101,600
Waitemata	101,700
Albert-Eden	106,600
Henderson-Massey	119,900
Howick	146,500





## Scenario 1: Fourteen local boards

1. This scenario has the following characteristics:
  - (i) the island local boards are retained because they represent communities of interest
  - (ii) the rural local boards are retained because they represent communities of interest
  - (iii) Waitemata is retained because of the significance of the city centre and waterfront area
  - (iv) the Howick Local Board is retained as it is and used as a model for establishing an increased size for the remaining urban local boards
  - (v) the remaining urban local boards are combined using existing two-member wards as a guide, with resulting populations similar to Howick's, on the assumption that the Howick Local Board functions effectively with the size of population and geographical area it has
  - (vi) all boards which are enlarged have members elected on a subdivision basis to ensure the communities within them are represented
  - (vii) enlarged local boards have the maximum permissible number of members to maintain current levels of representation
  - (viii) a total of 14 local boards with 143 local board members
2. Summary:

### Rural and island boards

Board	2016 pop	2028 pop	Members
Great Barrier	990	1,010	5
Waiheke	9,250	10,650	5
Franklin	72,800	96,300	9
Rodney	62,200	84,600	9
	145,240	192,560	28

### Urban boards

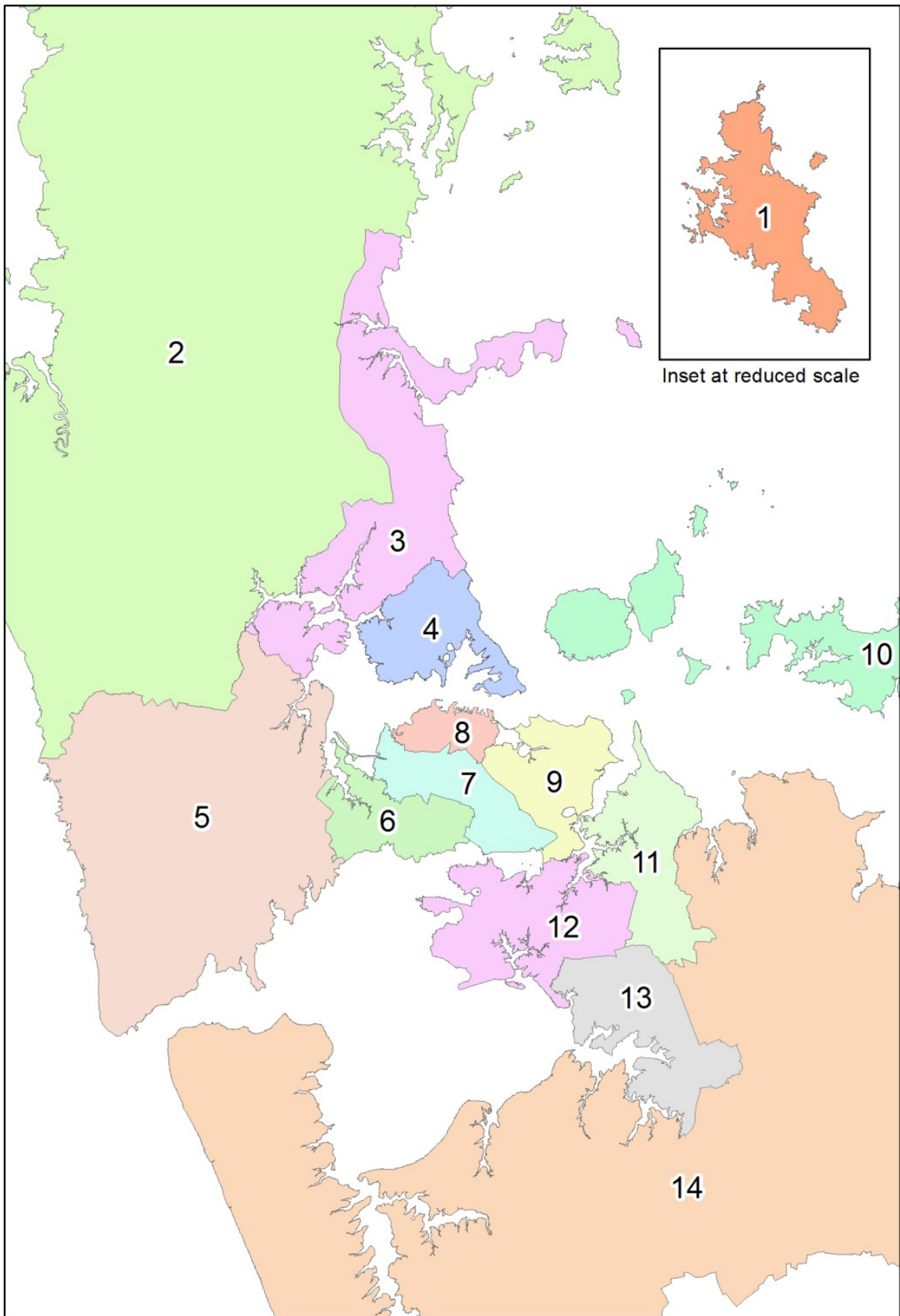
Board	2016 pop	2028 pop	Members
Waitemata	101,700	144,600	7
Orakei Tamaki subdivision	136,700	168,200	12
Albert-Eden Maungakiekie subdivision	137,400	161,100	12

<b>Board</b>	<b>2016 pop</b>	<b>2028 pop</b>	<b>Members</b>
Puketapapa Whau	144,300	175,600	12
Manurewa Papakura	145,500	173,300	12
Howick	146,500	177,500	12
Devonport-Takapuna Kaipatiki	153,200	173,400	12
Hibiscus & Bays Upper Harbour	164,400	220,100	12
Mangere-Otahuhu Otara-Papatoetoe	166,200	195,200	12
Waitakere Ranges Henderson Massey	173,300	208,500	12
	1,469,200	1,797,500	115

Total population: 1,614,400

Total members: 143

Total boards: 14



**14 local boards**



## Scenario 2: Nine local boards

1. This scenario has the following characteristics:

- (i) nine local boards, reflecting the six local-council / three community board model developed by the Royal Commission
- (ii) the island local boards are retained
- (iii) the rural local boards are retained
- (iv) Waitemata is retained reflecting the need to have dedicated governance over the CBD
- (v) the remaining urban local boards are arranged to reflect the model proposed by the Royal Commission
- (vi) all boards which are enlarged have members elected on a subdivision basis to ensure the communities within them are represented
- (vii) enlarged local boards have the maximum permissible number of members
- (viii) a total of nine local boards with 83 local board members.

2. Summary:

### Rural and island boards

Board	2016 pop	2028 pop	Members
Great Barrier	990	1,010	5
Waiheke	9,250	10,650	5
Franklin	72,800	96,300	9
Rodney	62,200	84,600	9
	145,240	192,560	28

### Urban boards

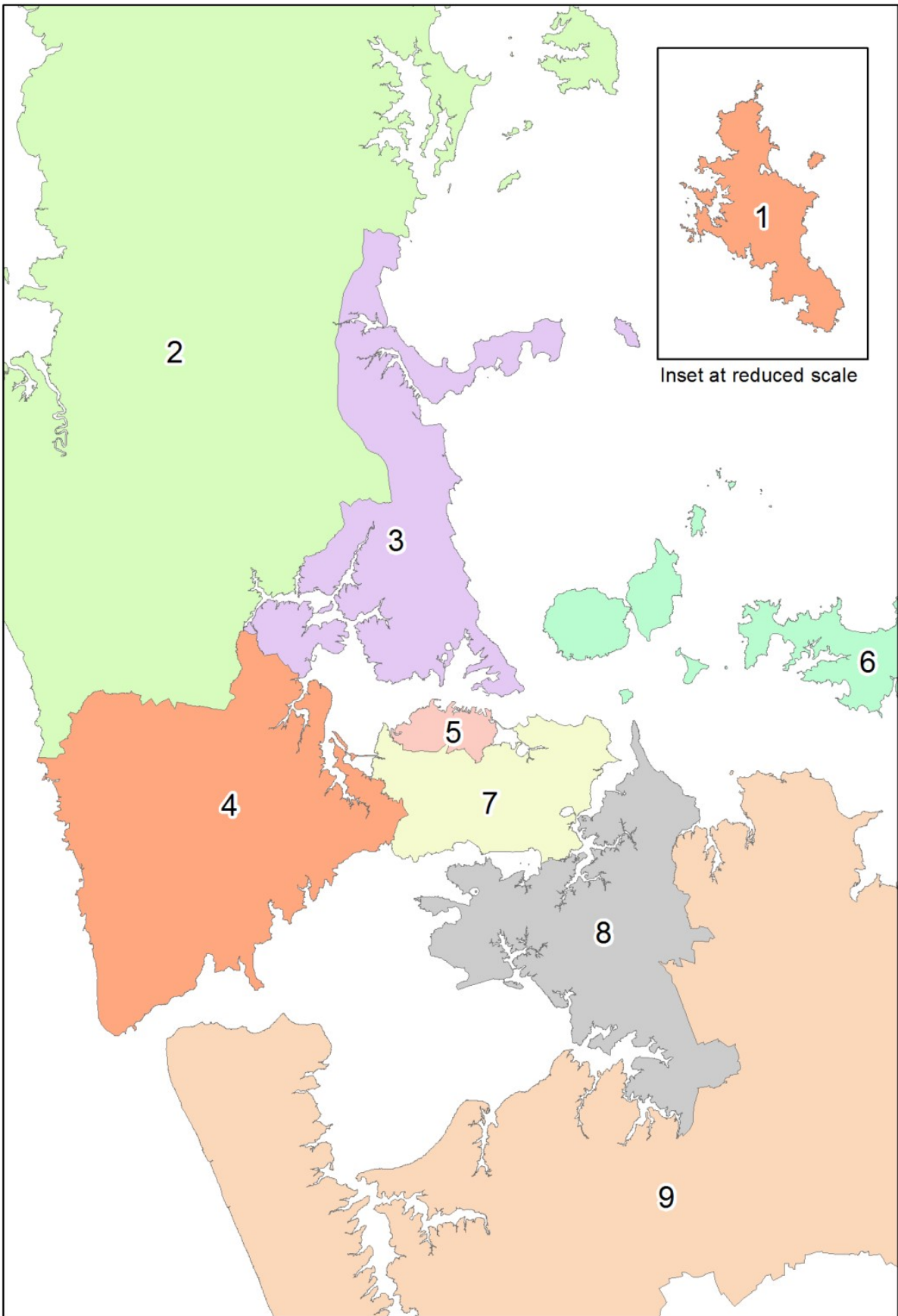
Board	2016 pop	2028 pop	Members
Waitemata	101,700	144,600	7
Hibiscus & Bays Upper Harbour Devonport-Takapuna Kaipatiki	317,600	393,500	12
Orakei Albert-Eden Maungakiekie-Tamaki Puketapapa	335,500	402,500	12
Henderson-Massey Waitakere Ranges Whau	256,200	310,900	12
Mangere-Otahuhu	458,200	546,000	12

<b>Board</b>	<b>2016 pop</b>	<b>2028 pop</b>	<b>Members</b>
Otara-Papatoetoe Manurewa Papakura Howick			
	1,469,200	1,797,500	55

Total population: 1,614,400

Total members: 83

Total boards: 9



**Nine local boards**

## Modelling an increase in the number of local boards

1. A specific scenario involving an increase in the number of local boards has not been modelled, as the general direction of the Governance Framework Review was that should any change occur, it is likely that reducing the number of local boards would be most beneficial to meeting a balance between representation, engagement, and decision-making.
2. In establishing the representation arrangements of Auckland Council the Local Government Commission was required to create between 20 and 30 local boards unless it considered the number should be outside that range on the grounds of effective representation of communities of interest. Its draft determination in 2009 specified 19 local boards, and this was subsequently increased in the final determination to 21 – at the very low end of the required range – which it believed would ‘have the capacity to undertake effective decision-making on behalf of local communities’ [Local Government Commission, *Auckland Governance Arrangements: Determinations of Wards, Local Boards and Boundaries for Auckland Volume 1*, March 2010 p.13]. It specified that to ensure effective decision-making, local boards need to be an appropriate size, have boundaries that relate to local service delivery, and contain sufficient capacity to support decision-making on local services.
3. If the PWP so directs, modelling a potential increase can be undertaken. Splitting some local boards by current electoral subdivisions of local boards may be a logical place to start, although the implications of this would need to be considered carefully. The Local Government Commission in its 2010 determination of boards and boundaries found, with respect to local board subdivisions, that:
  - despite being distinct communities, the electoral subdivisions of various boards had commonality with each other as communities of interest;
  - the location of local facilities and services was important when determining board areas, allowing each local board to fully reflect local preferences and priorities on levels of service for those facilities; and
  - the benefits of these larger board areas better met the aims of balancing effective decision-making and representation by allowing them ‘capacity to generate resources for local decision-making and [having] an area appropriate for performing their prescribed functions, duties and powers’ [Local Government Commission, p.14].



## **Appendix 2: Summary of Governance Framework Review report's findings on the number of local boards**

1. The Governance Framework Review identified the following problems with the current governance arrangements:
  - (i) Unfamiliar and complex governance structure, with 21 local boards, a governing body, six substantive CCOs and the IMSB (page 9).
  - (ii) Trying to visit all local boards on regional issues in a reasonable time span (page 116).
  - (iii) Ensuring appropriately skilled staff are available to support the varied needs of different local boards and the governing body in a consistent and equitable way (page 116).
  - (iv) Concerns that not enough value is being obtained from local board input on regional decisions because each board's feedback is diluted among 20 others (page 116).
  - (v) Controlling the consistency and quality of advice from across the organisation (page 116).
  - (vi) Providing a support structure that works well at quite different scales – the governing body concentrates on the big picture and there is a relatively high-level of delegated management decision-making, the 21 local boards are much closer to the ground with the capacity and desire to make decisions directly rather than through delegation to staff (page 116).
2. Reducing the number of local boards could make (page 9):
  - (i) The model easier to support.
  - (ii) It logistically more workable to bring local boards together, and for local boards to work with the governing body.
  - (iii) The views of local boards have greater influence.
3. Other benefits of fewer boards (page 121):
  - (i) Individual boards would have larger budgets and correspondingly larger influence.
  - (ii) Fewer boards would open the door to other possible changes, such as increased budget autonomy and potentially local rating. This in turn would potentially enable a more substantial role in planning and delivery of new facilities in their local areas, and procurement of services to support the maintenance of those assets.

- (iii) Would reduce the incidence of “sub-regional” assets, as these assets would be more likely to be within their more natural catchment, for example, Westwave is governed by the Henderson-Massey local board but is a sub-regional asset.
  - (iv) It would reduce the administrative burden associated with (for example) developing 21 local board plans including consultation on those plans, 21 local board agreements, 21 work programmes, 21 budgets and ongoing financial monitoring etc.
  - (v) Improved efficiency for local input on regional matters with fewer sets of governors to consult. This reduces the time required for local board engagement as it is faster to visit all local boards and process their feedback.
  - (vi) Local boards’ feedback can carry more weight. Rather than potentially getting lost among 21 sets of feedback, feedback from a smaller number of local boards can stand out more and have more impact.
  - (vii) Operational cost savings can be made because reporting officers have fewer boards to visit which saves them preparation, presenting, travelling and analysis time. (Noting that increasing use of technology such as video conferencing is helping to address some of these issues already.)
  - (viii) Further operational savings can also be made as support staff have fewer relationships to manage which can be time consuming work. With fewer actors involved, efficiency and savings gains can be made.
  - (ix) Potential savings from the closure of local board offices, though this may be offset by larger offices in some locations.
  - (x) With fewer local boards, the governance model of Auckland may be easier to understand which can in turn increase the engagement level of residents with council. Research indicates that the public are very unfamiliar with the role of local boards and how they work for their communities.
4. The report also noted potential problems with reducing the number of local boards. A smaller number of local boards may (pages 9, 116):
- (i) Dilute the concept of individual communities with unique local needs and issues.
  - (ii) Undermine the ability of local boards to meaningfully connect with their communities.
  - (iii) Reinforce a sense that the council is remote and removed from its constituents.
5. Other issues with reducing the number of boards as stated in the report (page 122):
- (i) Reorganisations are expensive including the potential reputational risk. There would also need to be organisational changes to reflect the new number of local boards, and a whole new set of budgets, policies, strategies and plans would need to be developed. As such any possible savings must be weighed against the cost of the transition.

- (ii) Several local board offices may need to become larger to accommodate more members at meetings and increased numbers of support staff.
- (iii) The strong local voice could be lost through reducing the number of local boards. One success of the current model is the accessibility of local board members. Some of this may be diluted with fewer boards.
- (iv) Engagement in local government in Auckland and participation in voting may worsen as people become more removed from candidates.
- (v) The more local that a local board is, the more likely that the members will identify with or be impacted by local issues. This may in turn mean that they are better advocates on behalf of affected constituents.
- (vi) The method of ensuring representation for all communities of a local board will need to be reviewed. It is possible some communities of a local board may be disproportionately represented through either too few or many elected members. Local board subdivisions for voting could be utilised to manage this risk.
- (vii) The process to change the number of local boards and boundaries of local boards is long, difficult and uncertain through the Local Government Commission (unless the current Amendment Bill is enacted).
- (viii) The government chose local boards rather than the model proposed by the Royal Commission, because it did not want to create a model that it saw as being too similar to the legacy councils.

## Appendix 3: Summary of some issues that will need to be considered in determining the optimum number of local boards

1. The following issues will need to be considered when determining the optimum number of local boards:

- *Engagement*: does a smaller board area provide for better engagement with its people, or are there benefits to engagement with larger board areas? Turnout at elections is often greater in smaller council districts because voters are more likely to know the candidates, but it would be incorrect to assume that smaller sizes lead to greater engagement in themselves. There is more to engagement than size alone. Urban local boards are not currently representative of single communities of interest. They each have a number of communities within their area and already need to have strategies for engaging with these communities.
- *Communities of interest*: Local boards must be based on communities of interest. The term “communities of interest” is not defined in legislation and the concept does not help define the optimum size of a board area. The Governance Framework Review report notes that the Royal Commission used the concept of community of interest to define 6 local councils and the Local Government Commission used the concept to define 21 local boards.
- *Regional role of local boards*: Local boards have an important statutory role in regional decisions, and this potentially creates logistical difficulties with the requirement to consult 21 local boards. Creating greater efficiency in this area by from a lower number of local boards needs to be weighed up against the benefits of higher representation ratios.
- *Representation*: there is no agreed optimum representation ratio in local government. The Governance Framework Review report comments on the ratio of elected members to population:

*For example, in their recent report, the AUT queried whether the ratio of residents to politicians in Auckland was too high, in particular noting that the ratio of residents to politicians was 8980:1 in Auckland compared with a New Zealand average of 4847:1. They also found that New Zealand had high ratios relative to a number of other jurisdictions, drawing on analysis by Local Government New Zealand and the LGC which reported ratios ranging from 120:1 in France to 4229:1 in Scotland. <sup>2</sup>*

The report then considers representation in Australian metropolitan cities, giving examples of cities with elected members who each represent from 20,000 to 38,000 residents. Regardless of what might be considered an optimal ratio, any change in

the number of local boards could be somewhat offset by changing the number of members on each local board.

- *Costs and benefits of change*: it is difficult to quantify the costs and benefits of change with any specificity. Reducing the number of local boards would likely lead to some savings through efficiencies, and increasing the number likely would lead to increased costs. These would need to be modelled in detail for any specific option. Amalgamating local boards may give them greater decision-making and influence, and particularly more scope when considering budget priorities. There may also be impacts on community groups and their ability to interact with their local boards.
- *Boundary issues*: consideration would need to be given to optimum boundaries. Good local government requires that decisions made in one area do not impact in a neighbouring area and that services provided in an area through one board's budget are not significantly benefiting a neighbouring area which does not provide a similar level of service. Some ways to inform boundary development include:
  - Geographical and infrastructural features, such as catchments, rivers, and motorways;
  - Town centres – the Unitary Plan's 10 metropolitan centres;
  - Alignment with other agencies which are relevant to the work of local boards, such as NZ Police districts.

Any rearrangement of local boards also needs to consider future growth. Local board boundaries should not split new communities.

2. *Legislative requirements*: In preparing a draft reorganisation proposal that provides for local boards, the Commission must (among other things) ensure that<sup>3</sup>:

- (a) *the boundaries of the local board areas will—*
  - (i) *enable democratic local decision making by, and on behalf of, communities throughout the district; and*
  - (ii) *enable equitable provision to be made for the current and future well-being of all communities within the affected area; and*
- (b) *the boundaries of local board areas and any subdivisions of those areas coincide with boundaries of the current statistical meshblock areas determined by Statistics New Zealand and used for parliamentary electoral purposes; and*
- (c) *so far as is practicable, local board area boundaries coincide with ward boundaries.*

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<sup>3</sup> Local Government Act 2002, schedule 3, clause 15

If the Local Government Act 2002 Amendment Bill (No 2) is passed, the council would also have to consider these criteria in any local authority-led reorganisation plan that provides for local boards.

Under the Amendment Bill, if the council were to proceed with a local authority-led reorganisation, it would also need to consider (among other things):

- When assessing the desirability of options for the reorganisation of local government within the affected area, how best to achieve<sup>4</sup> –
  - (a) *better fulfilment of the purpose of local government (as specified in section 10 of the LGA); 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 between local government and iwi or Māori organisations that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations.*
  
- In deciding whether to develop a reorganisation plan<sup>5</sup> –
  - (a) *the scale of the potential benefits of the proposed changes to users of local government services in that area, 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 any public opposition to the proposed changes within communities in the affected area.*

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<sup>4</sup> Clause 11 of Schedule 3 of the Local Government Act 2002 Amendment Bill (No 2)

<sup>5</sup> Clause 12 of Schedule 3 of the Local Government Act 2002 Amendment Bill (No 2)