



---

Report of the  
**Local Government  
Commission**

for the year ended  
30 June 2006

---

*Presented to the House of Representatives Pursuant  
to Clause 31 of Schedule 4 of the Local Government  
Act 2002.*

Minister of Local Government  
Parliament Buildings  
WELLINGTON

Minister,

We forward, in terms of clause 31 of Schedule 4 of the Local Government Act 2002, the report of the Local Government Commission to 30 June 2006.

Yours faithfully

**The Local Government Commission**

Sue Piper	Chair
Gwen Bull JP CNZM	Commissioner
Wynne Raymond QSO, LLB	Commissioner

## CONTENTS

	Page
THE LOCAL GOVERNMENT COMMISSION	4
INTRODUCTION	5
• The 2005/2006 year in review	
BANKS PENINSULA REORGANISATION	6
REPRESENTATION REVIEWS	6
• General	
• Changes to procedure for considering proposals, appeals, and objections	
• Completed representation reviews	
LICENSING TRUST BOUNDARIES	7
BOUNDARY ALTERATION PROPOSALS	8
• Tararua District and Palmerston North City	
• Rodney District and North Shore North City	
PROPOSAL TO CONSTITUTE A ROTORUA LAKES COMMUNITY	8
TEMPLE VIEW	8
REVIEW OF THE OPERATION OF THE LOCAL GOVERNMENT ACT 2002 AND THE LOCAL ELECTORAL ACT 2001	9
THE COMING YEAR	9
ACKNOWLEDGEMENTS	9
APPENDIX	10
• Duties and functions of the Local Government Commission	
CONTACT DETAILS	13

## **THE LOCAL GOVERNMENT COMMISSION**

The Local Government Commission is constituted under Subpart 3 of Part 3 of the Local Government Act 2002. The Act provides that the Commission shall consist of three members appointed by the Minister of Local Government.

On 8 December 2005 the Chairperson, Grant Kirby, resigned from the Commission. Wynne Raymond was appointed as a member to fill the vacant position and Sue Piper was appointed as the new Chairperson.

## INTRODUCTION

### *The 2005/06 year in review*

All three current Commissioners were appointed in 2005. This has enabled the Commission to reassess issues and develop its approach to its functions and responsibilities. The major issues that it dealt with during the year included:

- planning the procedures for considering representation review proposals, appeals, and objections;
- determining the representation arrangements for the Grey District Council and West Coast Regional Council;
- determining proposals to alter a boundary between Tararua District and Palmerston North City, and between Rodney District and North Shore City;
- reviewing the relationship between licensing trust boundaries and statistical meshblocks; and
- planning the procedures for the review of the operation of the Local Government Act 2002 and the Local Electoral Act 2001, and starting consultation on the review.

## **BANKS PENINSULA REORGANISATION**

After two years of consultation and investigation, the Commission issued on 19 August 2005 a final reorganisation scheme for abolishing the Banks Peninsula District and including it in Christchurch City. On 19 November 2005 there was a poll of Banks Peninsula electors. Seventy-six percent of eligible electors voted, with fifty-nine percent voting for the reorganisation scheme. The results of the abolition poll were announced on 22 November 2005.

On 25 February 2006 an election was held to elect a member to represent the Banks Peninsula Ward on Christchurch City Council, and to elect members of the Lyttelton and Akaroa-Wairewa Community Boards. The results of this election were announced on 5 March 2006, and the final reorganisation scheme came into effect the next day.

## **REPRESENTATION REVIEWS**

### ***General***

Fifty-eight councils are required to carry out their first representation reviews under Part 1A of the Local Electoral Act 2001 for the 2007 local elections. In addition, the 28 councils which reviewed their representation arrangements before the 2004 local elections may choose to have another review in 2006. In 2003/04 82 percent of councils' final representation review proposals were referred to the Commission for a decision. It is possible that the Commission will be required to decide a similar proportion of representation arrangements for next year's local elections. It is closely monitoring local authorities' progress with their representation reviews.

### ***Changes to procedure for considering proposals, appeals, and objections***

The Commission has made a number of changes to the way it deals with representation review proposals, appeals and objections. It believes these will improve the representation review process by making the decision-making process more transparent, providing an opportunity for it to hear a wider range of community views, maximising the certainty and preparation time for councils and communities in the lead-up to next year's local elections, and allowing the Commission to deal more effectively and efficiently with a potentially substantial workload. The Commission will:

- consider appeals and objections as they arise, and release its determinations progressively;
- invite oral submissions from people and organisations who lodged written submissions in support of a council's proposal; and
- make officials' reports to the Commission publicly available.

### ***Completed representation reviews***

By 30 June 2006 the Commission had determined the representation arrangements that will apply for the 2007 local elections for the Grey District Council and the West Coast Regional Council<sup>1</sup>.

Representation reviews have also been completed by the Ashburton District, Gisborne District, Hamilton City, Stratford District, Taupo District, and Taranaki Regional Councils. In each of these cases, there were either no appeals or objections against any of the final council proposals, or no submissions on any of the initial council proposals. Each council's proposal therefore became final, under section 19Y of the Local Electoral Act 2001.

### **LICENSING TRUST BOUNDARIES**

On 8 September 2005, the Local Government Commission resolved, under section 31(1) of the Local Government Act 2002, to consider the issue of aligning licensing trust boundaries and statistical meshblock boundaries. On 12 May 2006 the Commission submitted its report and recommendations to the Minister of Local Government.

This issue arose in submissions that the New Zealand Society of Local Government Managers and several electoral officers made on the Commission's interim report on the review of the Local Government Act and the Local Electoral Act.

In the course of the review the Commission consulted with licensing trusts, electoral officers, the Society of Local Government Managers, Local Government New Zealand, the Ministry of Justice, the Department of Internal Affairs, Statistics New Zealand and the Electoral Enrolment Centre.

The Commission concluded that the lack of alignment between licensing trust boundaries and meshblocks creates administrative difficulties for electoral officers and risks error in the allocation of voting rights to electors. The Commission noted that some issues could be dealt with administratively or under existing legislation. However, any change to the external boundaries of licensing trust districts requires an amendment to the Sale of Liquor Act, which does not currently provide for any alteration of those boundaries. The Commission recommended to the Minister that it be given power to consider and determine any proposals for such change. This would ensure that the same organisation considers any changes to both local government boundaries and licensing trust district boundaries.

---

<sup>1</sup> On 14 July 2006 the Commission issued its decision on the North Shore City Council's representation arrangements, which will apply for the 2007 local elections.

## **BOUNDARY ALTERATION PROPOSALS**

### ***Tararua District and Palmerston North City***

In April 2005 the Tararua District Council and the Palmerston North City Council asked the Commission to decide on an elector-initiated proposal to transfer part of the Tararua District in the Woodville area to Palmerston North City. On 25 May 2005 the Commission invited submissions on the proposal. It held a hearing of submitters in Woodville on 21 September 2006. It issued its decision not to proceed with the proposal on 28 October 2005.

### ***Rodney District and North Shore City***

On 8 June 2006 the Commission decided not to proceed with an elector-initiated proposal to transfer four meshblocks in the Okura area of Rodney District to North Shore City. It found that a draft reorganisation scheme based on the proposal, or on modifications to the proposal suggested by submitters, would not promote good local government of Rodney District or North Shore City.

The proposal had been referred by the Rodney District Council and the North Shore City Council directly to the Commission to consider on 9 December 2005, under clause 10(2) of Schedule 3 of the Local Government Act 2002. The Commission publicly notified the proposal, and directly sought the views of affected groups, Māori organisations with interests in the area, central government agencies, the two affected local authorities, and the Auckland Regional Council. It held a hearing of submitters in Orewa on 8 May 2006.

## **PROPOSAL TO CONSTITUTE A ROTORUA LAKES COMMUNITY**

On 1 November 2005 the Commission received appeals against the Rotorua District Council's decision not to constitute a Rotorua Lakes Community. The Commission began consultation and, with the agreement of all affected parties, has decided to consider this proposal in parallel with the wider representation arrangements of the Rotorua District, if the Council's final representation review proposal comes to the Commission. If it does not, the Commission will consider the proposal in August 2006<sup>2</sup>.

## **TEMPLE VIEW**

On 18 May 2006 the Commission issued a determination under section 26 of the Local Government Act 2002 amending the Local Government (Waipa District and Hamilton City) Boundary Alteration Order 2003.

The 2003 Order, which transferred the Temple View area from Waipa District to Hamilton City, required the Hamilton City Council to levy a targeted rate to meet the annual charges on loans raised to meet the cost of capital works for storm water and waste water in the Temple View area. The Waipa District

---

<sup>2</sup> The Commission held a hearing of appellants and the Council on 23 August 2006.

Council had raised these loans before Temple View was transferred to Hamilton City.

The effect of this year's determination was to enable the Hamilton City Council to apply the same general rate structure to the Temple View area that it applies to the rest of Hamilton City.

## **REVIEW OF THE OPERATION OF THE LOCAL GOVERNMENT ACT 2002 AND THE LOCAL ELECTORAL ACT 2001**

In 2005/06 the Commission continued its review of the operation of the Local Government Act 2002 and the Local Electoral Act 2001. It expects to complete the review by mid-2008 so that it can include analysis of the 2007 local elections.

At this stage, the key issues for the Commission continue to be:

- (i) deciding which matters to review, and setting priorities;
- (ii) identifying the availability of data, and the potential for collaborative research; and
- (iii) avoiding duplication of research and reviews within the local government sector.

In 2006 the Commission consulted with sector organisations in order to plan how it would approach these issues.

## **THE COMING YEAR**

This year will be a particularly busy one for the Commission. Its key responsibilities will be:

- determining proposals, appeals and objections relating to local authorities' representation arrangements that are to apply for the 2007 local elections; and
- continuing its review of the operation of the Local Government Act 2002 and the Local Electoral Act 2001.

## **ACKNOWLEDGEMENTS**

The Commission thanks its staff for their support and advice during the year. It also thanks the Department of Internal Affairs, Land Information New Zealand and Statistics New Zealand.

The Commission also wishes to thank the local authorities it has dealt with during the year for their co-operation and assistance.

## APPENDIX

### DUTIES AND FUNCTIONS OF THE LOCAL GOVERNMENT COMMISSION

#### Local Government Act 2002

The Local Government Act 2002 gives the Commission a number of responsibilities:

- 1 It must provide advice to the Minister of Local Government when a local authority has sought a binding ruling from the Minister on significant new activities proposed by a regional council (section 16).
- 2 It may make a determination that amends a reorganisation scheme if the Commission is satisfied that:
  - i. this is necessary to enable, or better enable, the intention of the scheme to be put into effect; or
  - ii. some provision of the scheme is no longer relevant or appropriate to the intention of the scheme (section 26).
- 3 It may determine an application from a territorial authority that wishes to be called a city council or a district council (section 27).
- 4 It may provide information about local government and promote good practice in respect of a local authority or of local government generally (section 30).
- 5 It may of its own accord, or must, if the Minister of Local Government requests it, consider matters relating to a local authority or to local government, report on these matters, and make recommendations on them to the Minister and any relevant local authority (section 31).
- 6 It must review the operation of the Local Government Act 2002 and the Local Electoral Act 2001, and report to the Minister of Local Government as soon as practicable after the 2007 local elections (section 32).
- 7 Under Schedule 3, Part 1, Subpart 3, it must:
  - i. (in the case of a proposal to alter a boundary or to transfer responsibilities) consider and determine the proposal if the affected local authorities have agreed to refer it to the Commission or if they have been unable to agree on which of them should process the application; or
  - ii. (in the case of a draft reorganisation scheme to put into effect a proposal to alter boundaries or transfer responsibilities) hear and determine any appeals against the decision of an appointed local authority or joint committee of the affected local authorities.
- 8 Under Schedule 3, Part 1, Subpart 4, it must consider and make a decision on any proposals to:
  - i. unite existing districts or regions;

- ii. constitute a new district or region;
  - iii. abolish a district or region; and
  - iv. create a unitary authority.
- 9 If there is disagreement on how the assets and liabilities are to be apportioned between local authorities when a reorganisation scheme has been implemented, the Commission must make a direction (Schedule 3, clause 69).
  - 10 It must consider and determine appeals against a territorial authority's decision to decline a request from a group of electors for the constitution of a community (Schedule 6).
  - 11 It must carry out a review of a local authority if the Minister of Local Government appoints it as a review authority (Schedule 15).

#### **Local Government Act 1974**

The Commission has two responsibilities under the Local Government Act 1974:

- 1 On request, it must determine the vesting, control, construction, and maintenance of a road which forms the boundary between districts (section 318).
- 2 It must hear and determine objections to proposals to transfer the ownership and administration of local authority land drainage and water race schemes (section 517T).

#### **Local Electoral Act 2001**

The Commission has two responsibilities under the Local Electoral Act 2001:

- 1 It must consider and determine any appeals and objections relating to a local authority's representation proposals for the next triennial local elections (section 19R).
- 2 It must issue guidelines that identify the matters a local authority should take into account when carrying out a review of representation (section 19ZI).

#### **Local Authority Reorganisation (Property Transfers) Act 1990**

This act authorises the Commission to investigate property dealings of any former local authority between 14 November 1988 and 31 October 1989 and, if the Commission considers it appropriate, to require those dealings to be rectified.

**New Zealand Public Health and Disability Act 2000**

If the Minister of Health believes there should be an inquiry into any question concerning the union, reconstitution, or alteration of the boundaries of any district or constituency of a district health board, the Minister may ask the Minister of Local Government to refer it to the Local Government Commission, who must inquire into it and report on it (Clause 20 of the Second Schedule of the Act).

**Electoral Act 1993**

The Chairperson of the Local Government Commission is to be a member of the Representation Commission (section 28).

**Museum of Transport and Technology Act 2000**

If the museum board and the museum's electoral college cannot agree on an arbitrator to determine the amount of the museum's levy, the Local Government Commission is to appoint an arbitrator (section 20(10)).

**Auckland War Memorial Museum Act 1996**

If the district of a contributing authority is altered, or if an area subject to the museum levy is absorbed into the district of another contributing authority, the Local Government Commission – when exercising its powers in regard to the constitution, alteration, union or abolition of the district of a territorial authority – may:

- i. review the effect of levies and differential factors on the matter that it is considering; and
- ii. make whatever provision on the matter, and for whatever period, that it thinks appropriate (section 23 (6)).

**Auckland Metropolitan Drainage Act 1960**

If objections are received to proposals to alter the boundaries of the Auckland metropolitan drainage district or the district's inner area, then the Governor-General may direct the Local Government Commission to inquire into and report on the proposals (section 8(3)).

## **CONTACT DETAILS**

### **Local Government Commission**

Street address: Level 3, 22 The Terrace, Wellington

Postal address: PO Box 5362, Wellington 6040

Telephone number: 64 4 460 2200

Facsimile number: 64 4 460 2201

Email address: [info@lgc.govt.nz](mailto:info@lgc.govt.nz)

Website: [www.lgc.govt.nz](http://www.lgc.govt.nz)