



LOCAL GOVERNMENT COMMISSION

**REORGANISATION SCHEME
FOR THE ABOLITION OF
BANKS PENINSULA DISTRICT
AND ITS INCLUSION IN
CHRISTCHURCH CITY**

***Reorganisation Scheme
for the abolition of
Banks Peninsula District
and its inclusion in
Christchurch City***

Local Government Commission
WELLINGTON

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SECTION A

Introductory Statement

Introductory Statement

Note: This introductory statement does not form part of the reorganisation scheme and explanatory statement. It is designed to assist the reader to understand the Commission's decision, and the procedures involved and the nature and content of the formal documentation, namely the reorganisation scheme and explanatory statement.

INTRODUCTION

- 1 The Local Government Commission (the Commission) has prepared a reorganisation scheme for the abolition of Banks Peninsula District and its inclusion in Christchurch City. This follows the receipt of a reorganisation proposal initiated under clause 1(3)(c) of Schedule 3 of the Local Government Act 2002 (the Act), consultation on the proposal, and the subsequent publication on 29 April 2005 of a draft reorganisation scheme based on the proposal.
- 2 The formal documents relating to the scheme consist of:
 - (a) the reorganisation scheme prepared pursuant to clause 46 of Schedule 3 of the Act; and
 - (b) the explanatory statement prepared pursuant to clause 47 of Schedule 3 of the Act.

These documents should be read in conjunction with the provisions of Parts 3 and 4 of Schedule 3 of the Act. Many matters that are not addressed by the reorganisation scheme, or at least not in detail, are dealt with under those statutory provisions.

- 3 Maps of the proposed enlarged Christchurch City, Banks Peninsula Ward, Lyttelton-Mount Herbert Community, Akaroa-Wairewa Community, and the Wairewa Subdivision and Akaroa Subdivision of the Akaroa-Wairewa Community are in Section E of this document.

DRAFT REORGANISATION SCHEME

- 4 Before issuing the draft reorganisation scheme and explanatory statement, the Commission was required to consider whether implementation of the proposal would meet the criteria for the promotion of good local government, as prescribed in Subpart 2 of Part 1 of the Act. On the basis of the information made available to it, the Commission did come to such a view. Consequently, the Commission decided to issue the draft reorganisation scheme and explanatory statement.

SUBMISSIONS ON DRAFT REORGANISATION SCHEME

- 5 The draft reorganisation scheme issued on 29 April 2005 was open for submissions until 30 June 2005.
- 6 Written submissions were received from 71 persons and organisations. 37 submitters appeared before the Commission at hearings held in Akaroa and Lyttelton on 21 July 2005, and Christchurch on 22 July 2005. A list of submitters is attached as an appendix to this introductory statement - submitters who appeared before the Commission are marked with an asterisk.
- 7 The submissions contained arguments in favour of:
 - abandoning the draft scheme and retaining the status quo;
 - finalising the draft scheme without modification; and
 - finalising the draft scheme with modifications.

COMMISSION DECISION

- 8 After considering the submissions and the comments made at the hearings, and completing its inquiries and consultations, the Commission decided, pursuant to clause 46(1)(a)(ii) of Schedule 3 of the Act, to approve the draft scheme with certain modifications and issue it as the reorganisation scheme. In deciding to proceed with a final scheme the Commission was satisfied that the scheme meets the provisions of Subpart 2 of Part 1 of Schedule 3 of the Act.

MATTERS CONSIDERED IN PREPARING REORGANISATION SCHEME

- 9 In preparing the reorganisation scheme the Commission took careful account of matters raised in all submissions. Comments on key matters relevant to the preparation of the reorganisation scheme follow:

Ward arrangements

- 10 The Commission has determined that the area of the Banks Peninsula District should form the Banks Peninsula Ward of the enlarged Christchurch City.
- 11 In accordance with clause 59(2) of Schedule 3 of the Act the Commission has determined that the boundaries and membership of the Banks Peninsula Ward may not be altered within a period of three years. The effect of this decision is that the Christchurch City Council would have its first opportunity to review the ward arrangements in the Banks Peninsula area in a representation review undertaken for the 2010 local elections. The Commission is of the view that this decision will provide certainty for the electors of Banks Peninsula during the transition period for the enlarged Christchurch City.

- 12 The Commission is satisfied that the proposed Banks Peninsula Ward, in the context of the enlarged Christchurch City, is an isolated community requiring specific representation in order to provide effective representation for the Banks Peninsula area. Banks Peninsula has a geography that is quite distinct from that of the existing Christchurch City. Its mix of urban areas, small settlements and dispersed rural communities, spread over a wide geographical area, with difficult and weather-affected roading access in places, creates a unique set of factors that underpin the provision of specific council representation on the basis of isolation for the Banks Peninsula area.
- 13 A number of submitters argued that, if the Commission were to issue a final reorganisation scheme, it should review the representation for the enlarged Christchurch City as a whole. The Commission notes that the Act, as it applies to reorganisation schemes for the abolition of a district and its inclusion in one or more adjoining districts, provides that the Commission may only include in a reorganisation scheme such provisions necessary to ensure representation for the area of the district to be abolished in the enlarged district or districts. A review of representation of the enlarged Christchurch City is appropriately a local process undertaken by way of a representation review in accordance with Part 1A of the Local Electoral Act 2001.

Community board arrangements

- 14 In its draft scheme the Commission proposed the constitution of two community boards in the proposed Banks Peninsula Ward to reflect the communities of interest in the Banks Peninsula area. While a number of submitters to the draft scheme questioned the need for two community boards in this area, there was a general recognition that there are two distinct groupings of communities in Banks Peninsula:
- Lyttelton Harbour basin, comprising the majority of Banks Peninsula's population, located in a number of residential areas, and with strong commuter links to Christchurch City; and
 - Akaroa-Wairewa, with its principally rural focus, sharing a common connection by way of roading, school and sporting activities, and tourist information and marketing.
- 15 Having considered all the information presented to it, the Commission remains satisfied that the constitution of two community boards in Banks Peninsula is appropriate to reflect the communities of that area at this time.
- 16 Several submitters argued that the proposed Lyttelton-Mount Herbert Community should be divided into two subdivisions for electoral purposes. The Commission considers that the division of this community would be inappropriate, given the common linkages that the residents of that community share.

- 17 One submitter suggested that there should be dedicated Māori representation on each of the proposed Banks Peninsula community boards. The Commission has no powers to implement such a suggestion, as the Local Electoral Act 2001 does not make provision for dedicated Māori seats on community boards.

Community board delegations

- 18 Some submitters considered that the delegations of the proposed Banks Peninsula community boards should be enhanced, particularly with respect to the amount of the financial delegation for discretionary spending. There were also submissions that the proposed community boards should have delegated responsibilities for harbour structures and resource management hearings.
- 19 The draft reorganisation scheme proposed that each of the proposed Banks Peninsula community boards would be conferred with a delegation providing funding for discretionary spending of \$10,000 (GST excl.) per financial year. The Commission notes that financial delegations for discretionary spending have not been conferred on the existing Banks Peninsula community boards, while the Christchurch City community boards each have a financial delegation providing “absolute discretion over the implementation of the discretionary funding allocation of \$60,000 (subject to being consistent with any policies or standards adopted by the Council)”.
- 20 The Commission is of the view that the value of the financial delegation for discretionary spending conferred on each of the two Banks Peninsula community boards should be the same. While the Akaroa-Wairewa Community Board would represent a significantly smaller population than the Lyttelton-Mount Herbert Community Board, it would cover a very large rural area with its own unique set of issues in the context of the enlarged Christchurch City. To assist the transition process for the newly enlarged Christchurch City, the Commission has determined that each of the proposed Banks Peninsula community boards should be delegated absolute discretion over the use of the discretionary funding allocation of \$15,000 (GST excl.) per financial year (subject to being consistent with any policies or standards adopted by the Council).
- 21 The financial delegation to each of the existing Christchurch City community boards forms part of the annual budget set by the Christchurch City Council in respect of projects authorised by each board. The Long-Term Council Community Plan 2004/14 published by the Council states “Community boards are each authorised to approve up to \$390,000 for projects in their respective parts of the City”. It will be a matter for the Christchurch City Council to determine the authorisation limit that should apply in respect of the two proposed Banks Peninsula community boards.

- 22 In accordance with its powers under clause 7(2) of Schedule 6 of the Act the Commission has determined that the powers of community boards prescribed in the reorganisation scheme shall apply for a period of three years from the time that the scheme is put into effect. Within this three year period the Christchurch City Council would have the power to confer further responsibilities on the community boards.
- 23 The Commission considers additional delegations to the community boards, including responsibilities relating to harbour structures and resource management hearings, are matters appropriate for consideration by the joint committee which has been established by the Banks Peninsula District Council and the Christchurch City Council (the Joint Committee) to deal with administrative matters associated with an implementation (subject to a poll, and its outcome) of the reorganisation scheme.

Lake Ellesmere (Te Waihora)

- 24 In its draft reorganisation scheme the Commission proposed that the existing territorial authority boundary in the area of Lake Ellesmere (Te Waihora) should be retained. While most submitters who commented on this boundary were in favour of the existing boundary, the Selwyn District Council (with written support from the Lake Ellesmere Settlers Association and the Waihora Ellesmere Trust) and the Canterbury Regional Council were of the view that the lake and Kaitorete Spit should fall entirely within the jurisdiction of the Selwyn District Council.
- 25 In considering this matter the Commission noted that the Banks Peninsula District Council and Christchurch City Council both favour the existing boundary across the lake. Banks Peninsula District Council submitted that it owns properties on Kaitorete Spit, the funds from which contribute towards the costs of opening Lake Forsyth (Wairewa) when required.
- 26 The Commission further noted that the Department of Conservation and the Office of Te Rūnanga o Ngāi Tahu, which operate a joint management plan over the lake, both favour the existing boundary. In its submission, the Office of Te Rūnanga o Ngāi Tahu advised that the preference of Te Taumutu Rūnanga had changed from an earlier view that the lake area should be included in Selwyn District to a view that the existing boundary should be retained to maintain the existing local authority working relationships. Te Taumutu Rūnanga subsequently confirmed to the Commission that it now favours the existing territorial authority boundary at Lake Ellesmere (Te Waihora). The other rūnanga that borders Lake Ellesmere (Te Waihora), Te Wairewa Rūnanga, also supports the retention of the current territorial authority boundary in this area.
- 27 The existing local authority boundary at Lake Ellesmere (Te Waihora) is a longstanding boundary. No convincing evidence was presented that

the existing boundary would not continue to be effective in the future. In this regard, the Mayor of Selwyn District, in speaking to his Council's submission, advised that there have been no problems with the existing boundary since Selwyn District and Banks Peninsula District were constituted in 1989.

- 28 The Commission has determined that the existing territorial authority boundary at Lake Ellesmere (Te Waihora) shall be retained.

Orion shares

- 29 Selwyn Council Trading Enterprises Limited (SCTEL) made a written submission to the Commission, expressing concern about the comments regarding Orion shares made in the Commission's Findings and Decisions document on the initial proposal. In its Findings and Decisions document the Commission expressed the view that the Banks Peninsula District Council's shareholding in Orion Group Limited would vest in the Christchurch City Council if a final scheme were put into effect, in accordance with clause 67(c) of Schedule 3 of the Act, which states:

All real and personal property vested in an abolished local authority vests in its successor, subject to all existing encumbrances.

- 30 In summary, SCTEL, in its written submission and in its appearance before the Commission, argued that the provisions of clause 67(c) of Schedule 3 of the Act should be amended to make it clear that the provisions of the Constitution of Orion Group Limited would remain in effect if a final scheme were implemented, and that a final scheme expressly state that the transfer of Orion shares would be subject to the existing pre-emption rights contained in the Orion constitution. SCTEL submitted that this clarification would give effect to the intentions of the existing shareholders and would maintain the integrity of the provisions of the Orion constitution.
- 31 In its written submission and in its appearance before the Commission, the Selwyn District Council advised the Commission that it strongly endorsed the SCTEL submission.
- 32 In its appearance before the Commission the Christchurch City Council submitted that it considered that the Banks Peninsula District Council's shareholding in Orion Group Limited should vest in the Christchurch City Council if a final reorganisation scheme were put into effect. The Council provided the Commission with a legal opinion in support of its submission.
- 33 The Commission notes that clause 67(c) of Schedule 3 of the Act applies by default. Therefore, with respect to the Orion shares held by the Banks Peninsula District Council, those shares would vest in the Christchurch City Council unless a final reorganisation scheme

amended the application of clause 67(c) or declared that the clause did not apply with respect to the Orion shareholding.

- 34 The Commission has carefully considered this matter and has taken independent advice on the issues raised. The Commission considers that that the vesting in Christchurch City Council of Banks Peninsula District Council's shareholding in Orion Group Limited is appropriate. It is satisfied that the vesting of the shares in the Christchurch City Council in accordance with the statutory provisions of the Act does not constitute a sale of shares giving rise to pre-emptive rights under the Orion constitution.

Surplus properties

- 35 In the Banks Peninsula Community Plan 2004-2014, the Banks Peninsula District Council identified properties that are currently on its surplus properties list. In preparing its report Capital Strategy Limited obtained information from the staff of the Banks Peninsula District Council on the book values and estimated market values of the properties. Council staff also identified the prospects for the sale of individual properties, taking account of the Council's policy on property disposals and other matters that would need to be worked through (for example, resource management, infrastructure and impact on the nature of the community) before a sale could proceed.
- 36 Several submitters argued that the estimated market values applied for the purposes of the Capital Strategy report significantly understated the market value of the Council's property holdings, particularly with respect to 38 hectares of council land, zoned residential, at Bayview Drive, Diamond Harbour.
- 37 The Commission made enquiries of the Council in relation to the Bayview Road land. The Council advised that the Bayview Road land is significant in terms of the Council's significance policy and is considered to be a strategic asset in terms of the Act. Disposal of this land would have an impact on the local community, and prior consideration would need to be given to what would be the desired planning outcome for this site in the context of the Diamond Harbour area and the district as a whole. The sale of the land for residential purposes would give rise to infrastructure issues relating to water, wastewater and roading.
- 38 The Commission is satisfied that a higher market value that might attribute to the Bayview Road land, or to other surplus properties in the district, would not detract from the inherent difficulties that the Banks Peninsula District Council faces in being a viable unit of local government in the medium or long term. In this regard the Commission notes that the Capital Strategy report does not propose that all surplus properties would be sold. The Commission considers that the additional income that might potentially be derived as a result of

increased property market values would assist the Banks Peninsula District Council in the short term, but would not contribute sufficient revenues to enable the Council to meet the ongoing long-term capital and operational requirements for local government in Banks Peninsula.

- 39 The sale or development of the Bayview Road property, as with other significant properties, would require careful consideration in terms of its impact on local communities, and the infrastructure requirements that might result from a change in land use.

Consultation with Banks Peninsula rūnanga

- 40 Several submitters commented on the effective relationships that the Banks Peninsula District Council has developed with local rūnanga, which are reflected in formal protocols. They were concerned that these protocols remain in effect if the reorganisation scheme is implemented.
- 41 While the Commission notes that any formal consultation protocols implemented by the Banks Peninsula District Council with the Banks Peninsula rūnanga will continue in force when the reorganisation scheme is put into effect, it considers that the matter of future consultation arrangements with the rūnanga in the context of the enlarged Christchurch City is appropriately a matter for the Joint Committee to consider. The Commission recommends that the Joint Committee include an iwi representative in its membership to assist its consideration of this and other matters associated with the reorganisation.

Domestic and rural fires

- 42 A number of submitters expressed concern that new restrictions might be imposed on domestic and rural fires if the area of Banks Peninsula were included in Christchurch City. The areas of coverage of the Christchurch Clean Air Zones 1 and 2 are defined in the Proposed Canterbury Natural Resources Regional Plan, issued by the Canterbury Regional Council. The Canterbury Regional Council has advised the Commission that an inclusion of the Banks Peninsula area in an enlarged Christchurch City would not impact on the areas of the Christchurch Clean Air Zones 1 and 2.

Service arrangements

- 43 The Banks Peninsula District Council currently offers a range of services to the public through service centres located in Lyttelton, Akaroa and Little River. The Christchurch City Council has submitted that it supports retention of the three existing service centres for a period of five years from the date that the reorganisation scheme comes into effect, based on the levels of service provided by the Banks Peninsula District Council at those service centres at that date.

- 44 In accordance with the provisions of clauses 59(1)(e) and 66(d) of Schedule 3 of the Act, the Commission has determined that the council services currently provided to the public at Lyttelton, Akaroa and Little River shall continue to be provided by the Christchurch City Council for a period of five years. The Council will have the discretion to offer additional services in those areas during the five year period if it so wishes.

Local legislation

- 45 In its draft scheme the Commission, in accordance with clause 59(1)(c) of the Act, included provisions altering the membership arrangements of the Canterbury Museum Trust Board and the Summit Road Protection Authority.
- 46 One submitter argued that such amendments are matters more appropriate for the contributing local authorities to resolve, while another submitter suggested that the Commission should consider making additional amendments.
- 47 The Commission's approach to the amendment of local legislation is that it should only make those amendments to the application of local Acts necessary to reflect the new territorial authority arrangements arising from an implementation of the scheme.
- 48 Suggestions for more substantive amendments are matters that should be considered at the local level. On that basis the Commission has determined to proceed with the amendments set out in its draft scheme.

Elected member remuneration

- 49 Several persons submitted that the Commission should specify the levels of remuneration that would apply for the member for the proposed Banks Peninsula Ward and for the members of the proposed community boards. Matters of remuneration fall outside the jurisdiction of the Commission, as they are determined by the Remuneration Authority.

Election date

- 50 The draft reorganisation scheme made provision for the first election for the Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board to be held on 25 February 2006.
- 51 The reorganisation scheme confirms that the first election will be held on 25 February 2006. Under the provisions of the Local Electoral Act

2001 nominations would therefore open on 9 December 2005, and would close on 6 January 2006.

Joint committee

- 52 The Act does not empower the Commission to specify that a transition committee should be constituted in relation to this reorganisation scheme.
- 53 The Commission is pleased to acknowledge the initiative of the Banks Peninsula District Council and the Christchurch City Council in forming a joint committee to consider administrative issues associated with an implementation of the reorganisation scheme. As noted above, the Commission considers that the Joint Committee would benefit from the inclusion of an iwi representative in its membership to assist its deliberations.
- 54 The Commission notes that the terms of reference of the Joint Committee already address the matters raised in paragraph 14.3 of the Commission's Findings and Decisions document of 29 April 2005. Arising from its consideration of submissions on the draft scheme, the Commission considers that there are a number of additional matters that the Joint Committee could usefully consider:
- What additional delegations, if any, might be appropriate for the two Banks Peninsula community boards?
 - What additional services to the public, if any, should the Christchurch City Council provide through its service delivery points in Lyttelton, Akaroa and Little River?
 - What future policies and fees structure should apply in respect of working dogs on Banks Peninsula?
 - What new arrangements should be put in place to ensure effective consultation with all rūnanga in the area of the enlarged Christchurch City?
- 55 In addition, the Joint Committee should consider making a submission to Land Transport New Zealand, seeking the ongoing retention of the financial assistance rate for roading costs that currently applies to the area of Banks Peninsula.

Rating information

- 56 A number of submitters sought information on the rates that would attribute to their specific properties if the assumptions of the Capital Strategy report were applied.
- 57 The Banks Peninsula District Council and Christchurch City Council each hold the formula utilised for the purposes of the Capital Strategy report, which enables a calculation to be done for individual properties. Ratepayers should approach those councils directly if they would like information specific to their properties.

MODIFICATIONS TO THE DRAFT REORGANISATION SCHEME

- 58 In addition to consequential and minor changes throughout the scheme, substantive changes were made to the following clauses of the draft reorganisation scheme:
- Clause 4 New subclause included, specifying that the boundaries of the Banks Peninsula Ward shall remain unchanged for a period of three years.
- Clause 5 New subclause included, specifying that the membership of the Banks Peninsula Ward shall remain unchanged for a period of three years.
- Clause 8 The financial delegation to each of the Banks Peninsula community boards for discretionary spending is increased to \$15,000 per financial year. New subclauses included, specifying that the delegations apply for a period of three years, and that the Christchurch City Council has discretion to confer additional delegations to the boards during that three year period.
- Clause 10 Wording amended to clarify intent. New subclause included, specifying that the Christchurch City Council has discretion to offer additional public services in the Banks Peninsula Ward during the five year period.

EXPLANATORY STATEMENT

- 59 The Commission was required under clause 42 of Schedule 3 of the Act to prepare an explanatory statement of the advantages and disadvantages of the proposal, as proposed to be given effect to in the draft reorganisation scheme. The Commission included in that statement those advantages and disadvantages that, in its opinion, should be taken into account by any person entitled to vote in the requisite poll.
- 60 Following the submissions and hearings on the draft scheme, the Commission decided, pursuant to clause 47(b) of Schedule 3 of the Act, to issue a new explanatory statement.

FUTURE PROCEDURE

- 61 Not later than one month after the public notification of this scheme, the Commission, after consulting with the Electoral Officer of the Banks Peninsula District Council, will set the date of the poll on the proposal which will be conducted under the Local Electoral Act 2001. If more than 50% of the votes cast in the poll are in favour of the proposal, the reorganisation scheme will proceed.
- 62 If the proposal succeeds at the poll, an Order in Council will give effect to the reorganisation scheme.

APPENDIX TO INTRODUCTORY STATEMENT
- List of submitters on draft reorganisation scheme

1	Mark Soltero
2	D G Illingsworth
3	Rodney Chambers
4	Vanessa Tredinnick
5	Sue Stubenvoll *
6	Brent Seaton
7	Canterbury Conservancy, Department of Conservation
8	Richard Barrett
9	Doug McBride
10	NZ Community Boards' Executive Committee *
11	Gary McKenzie
12	R J F Barnett *
13	Lesley Barnett *
14	K Smith
15	Terence Brocherie *
16	Wairewa Runanga Inc. Soc.
17	Michael de Hamel *
18	Sheila Lovell
19	Beckenham Neighbourhood Association Inc. *
20	Lesley Keast
21	Christchurch Rural Ratepayers Association *
22	David Bundy (Representative of the electors) *
23	Akaroa-Wairewa Community Board *
24	Christchurch Combined Residents Association Inc. *
25	Christopher and Robyn Grigg
26	Christopher Hopman *
27	Claudia Reid
28	Suky Thompson *
29	L A O Thelning *
30	Luke Pickering *
31	K B Neal
32	Jo Rolley *
33	M J & C Boyd
34	Te Hapu o Ngati Wheke (Rapaki) Runanga *
35	Jim Hopkins
36	Alec Ford *
37	D Brailsford & J Cook, L & M Cook *
38	Federated Farmers of New Zealand (Inc) *
39	Pam & Ian Richardson *
40	Linda Rutland *
41	Christchurch 2021 *
42	Victoria Andrews *
43	Christchurch City Council *
44	Claire Findlay *
45	Tim Barnett, MP *
46	David Close *
47	Stuart Bould
48	Bob Parker *
49	Ouruhia Residents' Association Inc
50	Rod Lawrence
51	Nicola Gibbs
52	Canterbury Regional Council
53	Bridget O'Dempsey
54	Lytelton Residents and Ratepayers Guild *
55	Selwyn Council Trading Enterprises Limited *
56	Selwyn District Council *
57	E J Graham *

58	Lyttelton-Mount Herbert Community Board
59	Anne Stonard
60	Lyttelton Harbour Issues Group
61	Claire Thompson
62	Alexander & Norma de Kort
63	Banks Peninsula District Council *
64	Yani Johanson *
65	Douglas Couch *
66	Canterbury Employers' Chamber of Commerce
67	Waimakariri District Council *
68	Canterbury Museum
69	Office of Te Rūnanga o Ngāi Tahu
70	Mick O'Donnell
71	Helen Broughton *

* Appeared before the Commission

SECTION B

***Reorganisation Scheme
for the abolition of
Banks Peninsula District
and its inclusion in
Christchurch City***

REORGANISATION SCHEME FOR THE ABOLITION OF BANKS PENINSULA DISTRICT AND ITS INCLUSION IN CHRISTCHURCH CITY

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Reorganisation Scheme

Pursuant to clause 46 of Schedule 3 of the Local Government Act 2002, the Local Government Commission has prepared a reorganisation scheme as follows:

COMMENCEMENT

1. Commencement

- (1) Except as provided in subclause (2), this scheme shall come into force on the day after the day on which the electoral officer, pursuant to the Local Electoral Act 2001, declares the results of the first election of the members for the Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board constituted by this scheme.
- (2) The provisions of this scheme necessary to provide for the first election of the members for the Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board constituted by this scheme shall come into force on the date fixed by the Order in Council giving effect to this scheme.

CONSTITUTIONAL ISSUES

2. Constitutional Issues

- (1) The district of Banks Peninsula District is abolished.
- (2) The area of Banks Peninsula District is included in the area of Christchurch City.
- (3) The Banks Peninsula District Council is dissolved.
- (4) The existing Lyttelton-Mount Herbert Community and the existing Akaroa-Wairewa Community are abolished.
- (5) The existing Lyttelton-Mount Herbert Community Board and the existing Akaroa-Wairewa Community Board are dissolved.

3. First Election for Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board

- (1) The first election for the Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board shall be held on 25 February 2006.

- (2) For the purposes of the first election for the Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board, the electoral officer for that election shall be the electoral officer of the Christchurch City Council.
- (3) The first election for the Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board shall be conducted by postal voting.
- (4) The names of candidates for the first election for the Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board shall be arranged in random order on the voting documents.
- (5) Voting documents cast in the first election for the Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board shall be processed during the voting period.

4. Wards

- (1) The area of the former district of Banks Peninsula District shall form the Banks Peninsula Ward of Christchurch City.
- (2) The boundaries of the Banks Peninsula Ward shall not be altered for a period of three years.

5. Representation of the Banks Peninsula Ward

- (1) One member of the Christchurch City Council shall be elected from the Banks Peninsula Ward at its first election.
- (2) The representation of the Banks Peninsula Ward shall not be altered for a period of three years.

6. Lyttelton-Mount Herbert Community

- (1) There shall be constituted a community for the area of the former Lyttelton-Mount Herbert Community to be known as “the Lyttelton-Mount Herbert Community”.

- (2) The community board for the Lyttelton-Mount Herbert Community shall comprise:
 - (a) five members elected by the electors of the Lyttelton-Mount Herbert Community; and
 - (b) the person elected, from time to time, as a member of the Christchurch City Council representing the Banks Peninsula Ward and appointed to the community board by the Council.

7. Akaroa-Wairewa Community

- (1) There shall be constituted a community for the area of the former Akaroa-Wairewa Community to be known as “the Akaroa-Wairewa Community”.
- (2) The Akaroa-Wairewa Community shall be divided into two subdivisions for electoral purposes, and those subdivisions shall be:
 - (a) the Akaroa Subdivision, comprising the area of the former Akaroa Ward of Banks Peninsula District; and
 - (b) the Wairewa Subdivision, comprising the area of the former Wairewa Ward of Banks Peninsula District.
- (3) The community board for the Akaroa-Wairewa Community shall comprise:
 - (a) three members elected by the electors of the Akaroa Subdivision;
 - (b) two members elected by the electors of the Wairewa Subdivision; and
 - (c) the person elected, from time to time, as a member of the Christchurch City Council representing the Banks Peninsula Ward and appointed to the community board by the Council.

8. Powers of Community Boards

- (1) The Lyttelton-Mount Herbert Community Board and the Akaroa-Wairewa Community Board shall each have the same delegated powers as are conferred on the existing Christchurch City community boards as at the date this scheme comes into effect, subject to the following variations:
 - (a) each board shall have power to recommend to the Christchurch City Council proposed expenditure from its reserves contributions account; and
 - (b) each board shall have absolute discretion over the use of the discretionary funding allocation of \$15,000 (GST excl.) per

financial year (subject to being consistent with any policies or standards adopted by the Council).

- (2) The powers conferred on the Lyttelton-Mount Herbert Community Board and the Akaroa-Wairewa Community Board by this scheme shall not be altered for a period of three years.
- (3) Nothing in this scheme prevents the Christchurch City Council from conferring further responsibilities on the Lyttelton-Mount Herbert Community Board and the Akaroa-Wairewa Community Board.

RATING SYSTEM

9. Rating

The system of rating in the Banks Peninsula Ward shall be the capital value system.

SERVICE DELIVERY

10. Service Delivery in the Banks Peninsula Ward

- (1) The existing services to the public, provided by the Banks Peninsula District Council in Lyttelton, Little River and Akaroa at the time this scheme comes into effect, shall continue to be provided in those locations for a period of not less than five years from the date that this scheme comes into effect.
- (2) Nothing in this scheme shall prevent the Christchurch City Council from offering additional public services in the Banks Peninsula Ward during the five year period prescribed in subclause (1) of this clause.

TRANSITIONAL MATTERS

11. Resource Management Act

- (1) In accordance with section 81 of the Resource Management Act 1991, the district plan and the proposed district plan under the Resource Management Act 1991 of the Banks Peninsula District Council shall be the district plan, or as the case may be, the proposed district plan of the Banks Peninsula Ward of the Christchurch City Council.
- (2) Any other matters, including proceedings before, or initiated by, the Banks Peninsula District Council under the Resource Management Act 1991, shall have effect as matters before, or initiated by, the Christchurch City Council.

12. Long-Term Council Community Plan

The Long-Term Council Community Plan prepared under the Local Government Act 2002 by the Banks Peninsula District Council shall continue in force in respect of the Banks Peninsula Ward of Christchurch City, until such time as the Christchurch City Council amends its existing Long-Term Council Community Plan to provide for the Banks Peninsula Ward.

13. Transitional Matters

Clause 67 of Schedule 3 of the Local Government Act 2002 shall apply in respect of this scheme.

MISCELLANEOUS PROVISIONS

14. Canterbury Museum Trust Board

The functions exercised by local authorities under paragraph (c) of section 5(2) of the Canterbury Museum Trust Board Act 1993 are to be exercised as if, for that paragraph were substituted the following paragraph:

“(c) One member appointed by the Selwyn District Council.”

15. Summit Road Protection Authority

The functions exercised by local authorities under paragraphs (a) to (c) of section 7(1) of the Summit Road (Canterbury) Protection Act 2001 are to be exercised as if, for those paragraphs were substituted the following paragraphs:

- “(a) 2 members appointed by the Christchurch City Council; and
- (b) 1 member appointed by the Selwyn District Council.”

LOCAL GOVERNMENT COMMISSION

Grant Kirby, Chairman
Sue Piper, Commissioner
Gwen Bull, Commissioner

19 August 2005

SECTION C

Explanatory Statement Relating to the Reorganisation Scheme for the abolition of Banks Peninsula District and its inclusion in Christchurch City

Explanatory Statement Relating to the Reorganisation Scheme for the abolition of Banks Peninsula District and its inclusion in Christchurch City

INTRODUCTION

This statement is issued pursuant to clause 47(b) of Schedule 3 of the Local Government Act 2002. The advantages and disadvantages are those which in the opinion of the Commission should be taken into account by persons entitled to vote in a poll held in respect of the proposal.

ADVANTAGES

Meets the statutory criteria

The proposal will promote good local government. In particular the Commission is satisfied that –

- It would result in an enlarged Christchurch City containing distinct communities of interest.
- It would promote the good local government of the Banks Peninsula area.
- The enlarged Christchurch City will have the resources necessary to enable its local authority to carry out its functions, duties and powers across the enlarged district.
- The enlarged Christchurch City will be appropriate for the effective and efficient exercise of local government functions, duties and powers.
- The Christchurch City Council will have the ability to deliver appropriate services to the various parts of the district in an effective and efficient manner.
- The proposal meets the statutory criteria that the Commission is required to take into account when considering such proposals.

Financial Considerations

The Commission is of the opinion that, in appropriate circumstances, it will be more economic to provide services to a similar standard through one local authority than through two. This would be achieved through avoiding duplication, through economies of scale, ensuring responsiveness to local concerns and having good financial resources and professional administration. The Commission considers that this will apply to the abolition of Banks Peninsula District and its inclusion in Christchurch City.

The independent financial study prepared for the Commission, on which the affected local authorities were consulted and provided input, indicates that if the proposal were to proceed, there would be significant savings to Banks Peninsula ratepayers derived from an application of the Christchurch City

rating system and policies, which take a district-wide approach to areas of benefit. As the Banks Peninsula District Council operates a complex rating policy, the benefits that would accrue to ratepayers will differ from area to area – examples of the rating impact of implementation of the proposal are contained in the Commission's Findings and Decisions document on the initial proposal, issued on 29 April 2005.

The financial study also advises that the impact of an implementation of the proposal on existing Christchurch City ratepayers would be minor. The estimated rates income for the existing Christchurch City in 2005/06 is \$194 million (GST incl.) or an average of \$1,366 (GST incl.) per ratepayer across the current 142,000 Christchurch City ratepayers. The new rating requirement in 2005/06, including the Banks Peninsula area, would be approximately \$204 million (GST incl.) or an average of \$1,360 (GST incl.) per ratepayer spread across about 150,000 ratepayers.

The savings identified in the independent financial study take into account the one-off transition costs of approximately \$863,000 (GST excl.) for staff redundancy costs and \$110,000 (GST excl.) for data conversion.

The ongoing savings would be achieved through not requiring -

- Separate mayors and elected member structures.
- Separate chief executives and administration structures.
- Separate computer systems.
- Separate annual planning, annual reporting and financial management systems.
- Separate roading management structures and reporting arrangements to Land Transport New Zealand.
- Separate district plans under the Resource Management Act.
- Separate administration of the requirements of the Resource Management Act.

Participation in Decision-Making

The provision of a Banks Peninsula Ward in Christchurch City is intended to provide effective representation for Banks Peninsula communities of interest in the enlarged Christchurch City.

The existing Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board will be reconstituted. They will each have the same delegated powers as are conferred on the existing Christchurch City community boards as at the date that any final scheme comes into effect, subject to the following variations:

- each board shall have power to recommend to the Christchurch City Council proposed expenditure from its reserves contributions account; and

- each board shall have absolute discretion over the use of the discretionary funding allocation of \$15,000 (GST excl.) per financial year (subject to being consistent with any policies or standards adopted by the Council).

Residents of the Banks Peninsula area will have a greater opportunity to participate in the planning and development of the enlarged Christchurch City.

Residents of the existing Christchurch City will have a greater opportunity to participate in the planning and development of the Banks Peninsula area.

The Commission is satisfied that a range of administrative arrangements can be made to ensure that local views are taken into account across the enlarged Christchurch City.

Staffing

For a local authority to adequately carry out its functions, duties and powers, particularly those under specific legislation such as the Resource Management Act, there is a need to attract and retain qualified staff.

In the opinion of the Commission, the enlarged Christchurch City will continue to obtain and retain the services of staff with the needed competencies. While the district of Christchurch City will gain a large rural and semi-rural area, giving rise to its own set of issues, the Christchurch City Council, being one of the largest local authorities in New Zealand, will have the capacity to attract and draw on the necessary resources to attend to local issues that arise across the enlarged district.

DISADVANTAGES

There may be a perceived loss of local democracy in the Banks Peninsula area, for instance, through the council for a larger district not necessarily being able to attend in detail to as many matters as the council of a smaller district. This concern can be addressed in part through providing the two community boards in the Banks Peninsula area with wide ranging responsibilities, and by retaining local service delivery and providing appropriate delegations to staff of the Christchurch City Council.

There will be a reduced level of representation in the Banks Peninsula area, from the current 16 elected representatives (Mayor, 7 councillors and 8 community board members), to 11 elected representatives (1 councillor and 10 community board members). However, the proposed level of representation is significant in the context of Christchurch City as a whole, and the Commission is satisfied that the level of representation in the Banks Peninsula Ward will be appropriate to provide effective representation of the interests of that area in the enlarged Christchurch City.

CONCLUSION

The Commission considers that the perceived disadvantages will be significantly outweighed by the advantages listed above and the benefits that will result from the inclusion of the Banks Peninsula area in the district of a large and well-resourced local authority.

SECTION D

***Notes to the Reorganisation Scheme
for the abolition of
Banks Peninsula District
and its inclusion in
Christchurch City***

Notes to the Reorganisation Scheme for the abolition of Banks Peninsula District and its inclusion in Christchurch City

These notes are intended as a guide to the contents of the reorganisation scheme.

Purpose

The purpose of the reorganisation scheme is to provide for the abolition of Banks Peninsula District and its inclusion in Christchurch City.

First election

The scheme provides that the first election for Banks Peninsula Ward, Lyttelton-Mount Herbert Community Board and Akaroa-Wairewa Community Board will be held on 25 February 2006.

Council representation arrangements

The scheme provides for the area of the Banks Peninsula District to become the Banks Peninsula Ward of Christchurch City, electing one member to the Christchurch City Council.

Community boards

Two community boards will be constituted in the area of the Banks Peninsula Ward. The Lyttelton-Mount Herbert Community Board will comprise five elected members and the councillor for the Banks Peninsula Ward. The Akaroa-Wairewa Community Board will comprise five elected members (three members from the Akaroa Subdivision and two members from the Wairewa Subdivision) and the councillor for the Banks Peninsula Ward.

The scheme sets out the powers of the two community boards. The Christchurch City Council will be able to delegate further responsibilities to the community boards if it wishes to.

Rating

The scheme provides that the rating system in the Banks Peninsula Ward will be the capital value system.

Service delivery in the Banks Peninsula Ward

The existing services to the public delivered by the Banks Peninsula District Council in Lyttelton, Little River and Akaroa will continue to be provided in

those locations for a period of not less than five years from the date that the scheme comes into effect.

Legislative provisions

The provisions of clause 67 of Schedule 3 of the Local Government Act 2002 apply to all reorganisation schemes, unless amended or declared not to apply by a reorganisation scheme. This clause deals with the passing of property to the new local authority, continuation of bylaws and other matters that carry over from one local authority to another.

SECTION E

Maps