

**SPEECH NOTES FOR SIR ROSS JANSEN,
CHAIRMAN, LOCAL GOVERNMENT COMMISSION.**

**ANNOUNCEMENT OF DECISION ON THE APPEALS AGAINST
THE DECISION OF THE CANTERBURY REGIONAL COUNCIL
TO NOT PROCEED TO ISSUE A REORGANISATION SCHEME**

**1.00PM, MONDAY 16 AUGUST 1999
LINDIS ROOM, QUALITY HOTEL BRYDONE, OAMARU**

Ms Louise Rosson, Chairperson of the Otago Regional Council

Mr Richard Johnson, Chairman of the Canterbury Regional Council

The appellants

Ladies and Gentlemen

The purpose for this meeting is for the Local Government Commission to outline its decision regarding the appeals against the Canterbury Regional Council's decision to not proceed with a reorganisation scheme.

The scheme sought to move the boundary between the Canterbury and Otago Regions from a catchment based boundary to the south of the Waitaki River to a boundary along the main stem of the Waitaki River.

I am Sir Ross Jansen, Chairman of the Commission. I am accompanied today by Commissioner Barbara Durbin, Mr Donald Riezebos, Chief Executive Officer and Mr Francis Ryan, Senior Advisor.

The statutory provisions relating to the Commission's hearing, consideration and determination of the appeals are set out in the Local Government Act.

Firstly, the Commission must consider whether the draft reorganisation scheme which is the subject of the decision under appeal meets the criteria specified in section 37ZQA of the Act.

For a proposal or draft reorganisation scheme to proceed the Commission must be satisfied that it:

- will promote the good local government of the districts concerned - in this case the Canterbury and Otago Regions;
- will ensure that the affected local authorities will each have:
 - the resources necessary to carry out their functions, duties and powers
 - will have a district appropriate for the efficient and effective exercise of its functions, duties and powers
 - will contain within its district a sufficiently distinct community of interest or sufficiently distinct communities of interest
 - will be able to meet the requirements of section 223C of the Act - these relate to administrative and governance arrangements within a local authority.

In reaching its decision the Commission has also been required to consider:

- the area of impact of the functions, duties and powers of the local authorities concerned;
- the area of benefits provided; and
- the likely affect on any local authority of the exclusion of any area from its district.

As the proposal is for a change to a regional boundary the Commission is also required under section 37ZR of the Local Government Act to ensure that the boundary conforms, where practicable, with the boundary of a catchment. In this regard, the proposal would involve a move away from a catchment-based boundary for the affected area.

This appeal process has involved eight days of hearings, during which a considerable amount of information was provided to the Commission by the appellants and the Canterbury Regional Council. The Commission has been impressed with the quality of the submissions made and the sincerity of witnesses in presenting their arguments. The Commission has carefully considered all submissions in reaching its decision.

The Commission is of the view that the proposal meets several of the criteria specified in section 37ZQA. In particular, the Commission is satisfied that if the proposal proceeded, both Regional Councils would continue to have the resources necessary to enable them to carry out their functions, duties and powers. The Commission is also satisfied

that the requirements of section 223C of the Act - which relate to governance and administrative arrangements - would continue to be met.

However, the Commission is of the view that the proposal falls short in respect of several key criteria. The legislation requires that the Commission be satisfied that both Regional Councils will have a region that is appropriate for the efficient and effective exercise of its functions, duties and powers. With regard to the area affected by the proposal, the Commission believes that it would not be efficient to introduce a second Regional Council into the management of the Waitaki catchment and Waitaki River. A boundary down the main stem of the Waitaki River would necessitate administrative arrangements between the two Councils that are not required with the current boundary. The proposed river boundary would introduce a range of cross boundary issues - for example, relating to the damming, use and discharge of water - that are not of significance at the present boundary.

Given the significance of the Waitaki River, in terms of its hydro-electric generation capacity and potential, and the use of river waters to irrigate the surrounding countryside the Commission is of the view that the river and its surrounding catchment would be most appropriately managed by one Regional Council.

The issue of community of interest is one that the Commission is of the opinion it must consider from a local government perspective. Strong arguments were put forward by the appellants regarding the community of interest of residents of the affected area. The Commission accepts the arguments of the appellants that they have a community of interest in terms of history, cultural links, social and business activities with the other residents of the Waitaki District and a strong affinity with the residents of the Otago Region, particular northern Otago. This is an important community of interest.

In addition, the Commission has identified a further community of interest that the people of the affected area have in common with the other residents of the Waitaki valley catchment.

The Waitaki valley community as a whole has a common interest in the sustainable management and development of the Waitaki River. The managed use of the water resource of the Waitaki River is critical to the sustainability of the valley community.

These identified communities of interest overlap. They would come into conflict if the Commission was to determine a boundary based solely on community of interest. It was argued that a river boundary would be the most suitable to take into account the community of interest based on cultural, historical, social and business linkages. However, in the view of the Commission, a boundary that includes the Waitaki valley catchment in one region would be best suited to the community of interest based on resource management issues in the catchment.

The Commission believes that the current boundary arrangements put in place by the Commission in 1989 continue to take account of the overlapping communities of interest. It does not consider that good local government would be promoted by dividing what it considers to be a community of interest with common resource management concerns relating to the Waitaki River system.

In considering the proposal the Commission is also required under the legislation to ensure that the proposed boundary conforms, where practicable, with a catchment boundary. The present boundary in the affected area does generally conform with the catchment boundary - the proposal would effectively split the catchment. Having considered all the submissions made to it the Commission is satisfied that a catchment boundary is the most practicable arrangement for this area. The current boundary avoids complex cross-boundary issues that would arise with a river boundary and better enables the Canterbury Regional Council to undertake its resource management responsibilities in an effective, integrated manner.

Therefore, having considered the evidence, submissions and appeals made to it and having tested them against the criteria in the Act, the Commission confirms the decision of the Canterbury Regional Council, as principal local authority, to not proceed with the Local Government (Waitaki River Valley) Reorganisation Scheme 1998.

The Commission wishes to thank the appellants, particularly those of you that initiated the original proposal, for bringing your concerns to the attention of the Canterbury Regional Council and then the Commission. Although your appeals have been unsuccessful, the Commission is sure that through this process the Canterbury Regional Council is better apprised of your concerns.

It is now important that all the parties to this process take time to reflect on this decision and the issues raised during the hearing of the appeals. Clearly, some steps need to be taken to enhance the working relationship between all the parties to the appeals. The Commission suggests that the Canterbury Regional Council take prompt steps to expedite matters in this regard.

Finally, on behalf of the Commission, I wish to thank you all for attending this meeting today. Copies of the Commission's decision will now be circulated.