



## LOCAL GOVERNMENT COMMISSION

# Determination

of representation arrangements to apply for  
the election of the Central Otago District Council  
to be held on 13 October 2007

### Background

1. The Central Otago District Council (the Council) elected at the 2004 local election comprises the mayor and 13 councillors. The 13 councillors were elected as follows:

Wards	Population*	No. of councillors per ward	Population per councillor	Deviation from district average population per councillor	Percentage deviation from district average population per councillor
Cromwell	4,160	3	1,387	+225.46	+19.41
Manuherikia	870	1	870	-291.54	-25.10
Earnsclough	2,600	2	1,300	+138.46	11.92
Alexandra	4,430	3	1,477	+315.46	+27.16
Maniototo	1,470	2	735	-426.54	-36.72
Roxburgh	1,540	2	770	-391.54	-33.71
<b>TOTALS</b>	<b>15,100</b>	<b>13</b>	<b>1,161.54</b>		

\*These figures are rounded 2005 population estimates provided by the Government Statistician

2. There are five community boards in the District as follows:

Community	Elected Members	Appointed Members	Population
Cromwell	4	3	4,160
Earnsclough - Manuherikia	5	3	3,470
Alexandra	4	3	4,430
Maniototo	4	2	1,470
Roxburgh	4	2	1,540

3. In June 2006 the Council carried out an informal consultation process prior to commencing its formal review of representation arrangements. The five community boards each supported the status quo as their first preference. The Alexandra Community Board suggested the transfer of two small areas from the Earnsclough Ward to the Alexandra Ward. The pre-consultation process also generated the following suggestions:

- the retention of the current level of representation for the Maniototo Ward;

- a separate Manuherikia Community Board;
  - a combined Alexandra-Earnsclough Community Board and a combined Manuherikia-Maniototo Community Board;
  - a combined Alexandra, Earnsclough and Manuherikia Community Board; and
  - subdivision of communities.
4. In August 2006, the Council resolved, under sections 19H and 19J of the Local Electoral Act 2001 (the Act), its initial proposal for representation arrangements to apply for the 2007 local elections. Its proposal was for the continuation of the existing representation and community board arrangements.
  5. The Council received three submissions on its initial proposal. The issues raised in the submissions were as follows:
    - one submission supported the Council's proposal, in particular the level of representation given to the Manuherikia Ward; and
    - two submissions sought the amalgamation of the Alexandra, Earnsclough and Manuherikia Wards.
  6. Following consideration of submissions, the Council confirmed its initial proposal on 27 September 2006 as its final proposal<sup>1</sup>.
  7. The Council received two appeals on its final proposal. The appeals sought the amalgamation of the Alexandra, Earnsclough and Manuherikia Wards and the amalgamation of the Alexandra and Earnsclough/Manuherikia Community Boards.

### **Hearing**

8. The Commission met with the Council, appellants and submitters who had expressed a desire to be heard by it, on 28 September 2006. The Council was represented by the Mayor Malcolm McPherson, councillors and Chief Executive John Cooney. The appellants were S.J. Millis and Sue Edwards (for Daphne Hull).

### **Matters raised in appeals and at the hearing**

9. Both appellants sought the amalgamation of the existing Alexandra, Earnsclough and Manuherikia Wards, and a single community board covering the combined areas of these wards. The main arguments presented in support of this were:
  - ward boundaries have been unchanged since 1989 and no longer provide for distinct communities of interest;
  - the Alexandra urban area clearly extends beyond the boundaries of the Alexandra Ward;
  - a rating policy based on existing community board boundaries is unfair to residents of the Alexandra Ward who subsidise services used by residents of the Earnsclough/Manuherikia Community;

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<sup>1</sup> In resolving its proposal, the Council noted that "financial contributions will be made to recognise the cost of assets shared by ratepayers in the Alexandra and Earnsclough/Manuherikia Communities".

- a combined Alexandra/Earnscliffe/Manuherikia Community would result in better planning, administrative efficiencies and fairer sharing of the costs of services and infrastructure used by all residents of the combined area;
- a restricted rating base has resulted in under-investment in the Earnscliffe/Manuherikia Community;
- there are few essential services in the Earnscliffe/Manuherikia Community. Residents generally access essential services in Alexandra; and
- the majority of the population of the Earnscliffe/Manuherikia Community reside within nine kilometres from Alexandra.

### **Matters for Determination**

10. The statutory provisions in respect of these appeals are contained in sections 19R, 19H and 19J of the Local Electoral Act 2001 (the Act).

**19R. Commission to determine appeals and objections**

- (1) *The Commission must—*
- (a) *Consider the resolutions, submissions, appeals, objections, and information forwarded to it under section 19Q; and*
  - (b) *Subject to sections 19T and 19V in the case of a territorial authority, and to sections 19U and 19V in the case of a regional council, determine, -*
    - (i) *In the case of a territorial authority that has made a resolution under section 19H, the matters specified in that section:*
    - (ii) *In the case of a regional council that has made a resolution under section 19I, the matters specified in that section:*
    - (iii) *In the case of a territorial authority that has made a resolution under section 19J, the matters specified in that section.*
- (2) *For the purposes of making a determination under subsection (1)(b), the Commission—*
- (a) *May make any enquiries that it considers appropriate; and*
  - (b) *May hold, but is not obliged to hold, meetings with the territorial authority or regional council or any persons who have lodged an appeal or objection and have indicated a desire to be heard by the Commission in relation to that appeal or objection.*
- (3) *The Commission must, before 11 April in the year of a triennial general election, complete the duties it is required to carry out under subsection (1).*

**19H. Review of representation arrangements for elections of territorial authorities**

- (1) *A territorial authority must determine by resolution, and in accordance with this Part, -*
- (a) *Whether the members of the territorial authority (other than the mayor) are proposed to be elected -*
    - (i) *By the electors of the district as a whole; or*
    - (ii) *By the electors of 2 or more wards; or*

- (iii) *In some cases by the electors of the district as a whole and in the other cases by the electors of each ward of the district; and*
- (b) *In any case to which paragraph (a)(i) applies, the proposed number of members to be elected by the electors of the district as a whole; and*
- (c) *In any case to which paragraph (a)(iii) applies, -*
  - (i) *The proposed number of members to be elected by the electors of the district as a whole; and*
  - (ii) *The proposed number of members to be elected by the wards of the district; and*
- (d) *In any case to which paragraph (a)(ii) or paragraph (a)(iii) applies, -*
  - (i) *The proposed name and the proposed boundaries of each ward; and*
  - (ii) *The number of members proposed to be elected by the electors of each ward.*
- (2) *The determination required by subsection (1) must be made by a territorial authority -*
  - (a) *On the first occasion, either in 2003 or in 2006; and*
  - (b) *Subsequently, at least once in every period of 6 years after the first determination.*
- (3) *This section must be read in conjunction with section 19ZH and Schedule 1A.*

**19J. Review of community boards**

- (1) *A territorial authority must, on every occasion on which it passes a resolution under section 19H, determine by that resolution, and in accordance with this Part, not only the matters referred to in that section but also whether, in light of the principle set out in section 4(1)(a) (which relates to fair and effective representation for individuals and communities) -*
  - (a) *There should be communities and community boards; and*
  - (b) *If so resolved, the nature of any community and the structure of any community board.*
- (2) *The resolution referred to in subsection (1) must, in particular, determine -*
  - (a) *Whether 1 or more communities should be constituted:*
  - (b) *Whether any community should be abolished or united with another community:*
  - (c) *Whether the boundaries of a community should be altered:*
  - (d) *Whether a community should be subdivided for electoral purposes or whether it should continue to be subdivided for electoral purposes, as the case may require:*
  - (e) *Whether the boundaries of any subdivision should be altered:*
  - (f) *The number of members of any community board:*
  - (g) *The number of members of a community board who should be elected and the number of members of a community board who should be appointed:*
  - (h) *Whether the members of a community board who are proposed to be elected are to be elected -*
    - (i) *By the electors of the community as a whole; or*
    - (ii) *By the electors of 2 or more subdivisions; or*
    - (iii) *If the community comprises 2 or more whole wards, by the electors of each ward:*

- (i) *in any case to which paragraph (h)(ii) applies, -*
- (i) *The proposed name and the proposed boundaries of each subdivision; and*
  - (ii) *The number of members proposed to be elected by the electors of each subdivision.*
- (3) *Nothing in this section limits the provisions of section 19F.*

## **Consideration by the Commission**

### *Fair and effective representation*

11. A review of representation arrangements under the Act is to ensure that:
- the method adopted for the election of members (i.e. at large, wards, or a combination of both) will provide effective representation of communities of interest within the district (section 19T); and
  - in determining the number of members to be elected by each ward, electors of that ward will receive fair representation (section 19V).
12. For the purpose of achieving fair representation, section 19V(2) requires that the population of each ward divided by the number of members to be elected by that ward produces a figure no more than 10% greater or smaller than the population of the district divided by the total number of elected members. The Act does not define 'effective representation' or 'communities of interest'.
13. The steps in the process for achieving effective and fair representation are not statutorily prescribed. The Commission believes that the following approach to determining representation arrangements will achieve a robust outcome that is in accordance with statutory criteria:
- (a) identify the district's communities of interest;
  - (b) determine the best means of providing effective representation for identified communities of interest; and
  - (c) determine fair representation for the electors of the district.

### *Central Otago District*

14. The Council identified distinct communities of interest in the district as follows:
- Alexandra township and its ribbon development;
  - the Clutha Valley between the Clyde Dam and Gorge Creek;
  - the Manuherikia Valley to Chatto Creek;
  - the Cromwell Valley;
  - the Maniototo Valley; and
  - the Roxburgh Valley.
15. The representation review process generated no support for an at large representation model. We support the general sentiment that, in the case of Central Otago District, a ward structure provides a better basis for ensuring the effective representation of the different communities of interest within the district.

16. We note that the district operates through what the Mayor described as “a federal system” of local government. The district has overall coverage of community boards, and the Council has delegated extensive responsibilities and powers to them. These arrangements are well established and appear to be strongly supported by residents. Given this support, we proceed on the assumption of the retention of this approach to local governance in Central Otago District.
17. The district is characterised by significant mountain ranges and rivers. Many residents have a strong sense of association with communities of interest within their existing ward. At this time, we believe it would be difficult to alter the boundaries of the Cromwell, Maniototo and Roxburgh Wards without splitting recognised communities of interest or combining communities with few commonalities of interest.
18. On the other hand, having heard evidence presented to us, we agree with appellants that the boundaries of the Alexandra, Earnsleugh and Manuherikia Wards no longer provide for appropriate groupings of distinct communities of interest. In part, this is because of new subdivision on the fringes of Alexandra township. We note that the district’s ward boundaries were last altered in 1989.
19. Ensuring effective representation of communities of interest is the principal criterion for determining the total number of councillors. In this case, community boards make strong contributions to the governance of their community and the district. They are empowered to make many decisions without referral back to the Council. Because of this, we believe a reduction in Council membership would not compromise effective representation of communities of interest. We believe that a ten-member council will ensure both representation of communities of interest within the existing boundaries of the Cromwell Ward (three councillors), Roxburgh Ward (one councillor) and Maniototo Ward (one councillor)<sup>2</sup> and fair representation of electors. Accordingly we decided to proceed on the basis of ten councillors for the district.
20. Section 19V(2) of the Act requires that the distribution of councillors between wards complies with the requirements for fair representation i.e. the +/-10% rule. Section 19V(3) provides that if the Council or the Commission considers that effective representation of communities of interest within isolated communities so requires, wards may be defined and membership distributed between them in a way that does not comply with section 19V(2). The Council’s proposal does not comply with the requirements for fair representation in respect to the Cromwell, Manuherikia, Alexandra, Maniototo and Roxburgh Wards.
21. The majority of the residents of the Cromwell and Roxburgh Wards are within 25 minutes from the Council’s main offices in Alexandra via State Highway 8 and Highway 85. These roads provide good access. The Council operates service centres in Cromwell and Roxburgh townships. Community boards support local governance in these wards. Given these circumstances, we do not believe, in the case of these two wards, that there are grounds for exemption from the requirements of section 19V(2).

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<sup>2</sup> The remaining five councillors will be distributed between the areas of Alexandra, Earnsleugh and Manuherikia.

22. The majority of residents of the Manuherikia Ward are situated on Highway 85, or have good access to this road. The most populous settlement of Omakau is approximately 20 minutes from the Council's main offices. Alexandra and Clyde are the main service towns for Manuherikia residents. Given these circumstances, we again do not believe, in the case of the Manuherikia Ward, that there are grounds for an exemption from the requirements of section 19V(2).
23. The Maniototo Ward is separated from the remainder of the district by the North Rough Ridge Range and Raggedy Range/Blackstone Hill. The majority of residents of the ward live in Ranfurly and Naseby. It takes approximately 60 minutes to travel from Ranfurly to the Council's main offices in Alexandra. There is an additional travel time for the residents of other smaller settlements and rural areas within the Maniototo Valley. The ward comprises a land area of 2,675 square kilometres. There are two access routes between the ward and the Council's main offices in Alexandra – Highway 85 and the Ida Valley-Omakau Road. We were told that these roads were prone to occasional ice and snow during winter. We believe these circumstances, in the case of the Maniototo Ward, do provide a case for consideration of greater flexibility from the +/-10% fair representation rule. We are required, as a result, to assess if effective representation of communities of interest within the Maniototo Ward requires enhanced representation beyond that allowed under section 19V(2) of the Act.
24. We note that, based on a ten-member council, the Maniototo population to councillor ratio is only fractionally below the district average population to councillor ratio. The Council operates a service centre in Ranfurly and the Maniototo Community Board supports local governance in the ward. These factors satisfy us that it is not necessary to have two councillors elected from the Maniototo Ward, as at present, in order to provide effective representation of communities of interest. We believe one councillor can provide effective representation.
25. We then considered the nature of communities of interest in the Alexandra, Earnsclough and Manuherikia Wards. We agree with appellants that the residents of this combined area share commonalities of interest associated with the fact that Alexandra is the main service town for the area. Clyde township also provides some services, and a social focal point, for outlying residents. Clyde is approximately nine kilometres from Alexandra.
26. We accept that communities of interest in the Manuherikia Ward share distinctly rural concerns and interests. We were also told that residents of this area have well established social and cultural connections with communities in Clyde and Earnsclough. We believe it is preferable, at this time, to ensure specific councillor representation of communities of interest within the Earnsclough and Manuherikia areas.
27. The Manuherikia Ward contains approximately 870 residents. In order to enable the ward to elect one councillor, the total membership of the Council would need to be increased to 17 or 18 councillors. We are not satisfied there is public demand for this, or that such an increase in council membership would enhance effective representation of communities of interest. We found it necessary, as a result, to consider combining the existing Manuherikia Ward with all or part of the Earnsclough Ward.

28. Given that the majority of the population of the Earnsclough Ward reside in Clyde, we believe it is logical to combine the whole of the Earnsclough and Manuherikia Wards. The commonality of interest between these wards is demonstrated by the existing boundaries of the Earnsclough-Manuherikia Community Board.
29. In order to comply with the requirements for fair representation of electors, and for a 10-member council, it is also necessary to expand the area of the Alexandra Ward. We were told that the residents of some areas surrounding Alexandra township shared stronger commonalities of interest with communities in Alexandra than with communities in the Earnsclough-Manuherikia areas. We determine that meshblocks in the areas of Letts Gully, Butchers Dam, Chapmans Road and the Springvale Triangle, will be transferred from the current Earnsclough Ward to the Alexandra Ward.
30. The relationship between our decisions on ward boundaries, the number of councillors, and the requirements of section 19V(2), is illustrated in the following table:

Wards	Population*	No. of councillors per ward	Population per councillor	Deviation from district average population per councillor	Percentage deviation from district average population per Councillor
Cromwell	4,360	3	1,453.33	-56.67	-3.75
Earnsclough-Manuherikia	2,790	2	1,395	-115	-7.62
Alexandra	4,920	3	1,640	+130	+8.61
Maniototo	1,490	1	1,490	-20	-1.32
Roxburgh	1,540	1	1,540	+30	+1.99
<b>TOTALS</b>	<b>15,100</b>	<b>10</b>	<b>1,510</b>		

\*These figures are revised rounded 2005 population estimates provided by the Government Statistician

### *Communities and community boards*

31. The principles of effective representation of communities of interest and fair representation of electors (in the case of electoral subdivisions) continue to apply when considering the constitution or abolition of community boards. In addition, section 19W(a) of the Act requires the Commission to have regard to any of the criteria for considering local government reorganisation proposals under subpart 2 of Schedule 3 of the Local Government Act 2002 (the LGA) that it considers appropriate. The key test is whether the proposal will promote good local government of the district and the community area or community areas concerned.
32. While good local government is not defined in the Act or the LGA, we believe that the Council's community board structure should promote its ability to perform the roles prescribed under section 11 of the LGA. These roles are to:
- (a) enable democratic local decision-making and action by, and on behalf of, communities;
  - (b) promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future; and

- (c) perform the duties, and exercise the rights, conferred on it by or under the LGA and any other enactment.
33. The Commission also has regard to the provisions of the LGA dealing with community boards, these being Schedule 7, and Subpart 2 of Part 4.
34. The Council proposed to retain the existing boundaries and membership of the Cromwell, Roxburgh, and Maniototo Community Boards. These matters were not raised in appeals, and no reasons were provided in support of disestablishing or altering either board at this time. On this basis we believe it is appropriate to uphold these parts of the Council's proposal. We note that section 19F(3)(b) requires that members appointed to community boards must be councillors elected from the ward in which the community is situated. Given our decisions above regarding wards, we determine that one councillor will be appointed to the Roxburgh and Maniototo Community Boards respectively, and three councillors will be appointed to the Cromwell Community Board. Each board will continue to comprise four elected members. We are satisfied that these membership arrangements will continue to provide effective representation of communities of interest.
35. The Council proposed to retain the existing Alexandra and Manuherikia-Earnscliffe Community Boards. Appellants sought the amalgamation of these boards.
36. We believe the separation of the Alexandra and Earnscliffe-Manuherikia Community Boards would be unusual within the context of the district. The Cromwell, Roxburgh and Maniototo communities each encompass a main service town, small settlements and rural areas. We believe that the community diversity within these communities should also be reflected in the Alexandra and Earnscliffe-Manuherikia communities.
37. We agree with appellants that the Council's policy for delegations to, and funding of, community boards, can be seen to be unfair to residents of the existing Alexandra community who effectively subsidise services used by residents of the Earnscliffe/Manuherikia community. As part of its review, the Council mediated an agreement between the two boards whereby the Earnscliffe-Manuherikia Community Board would contribute a proportion of its annual rates allocation to community facilities<sup>3</sup> located in the Alexandra community. The agreement is subject to the Earnscliffe-Manuherikia Community Board having input and representation on any development matters relating to these facilities.
38. We believe this agreement demonstrates a need for some form of joint governance arrangement between the boards in order to provide effective representation of communities of interest. We believe that population growth in the areas surrounding Alexandra and Clyde townships will lead to further public pressure on the Council to mediate additional agreements. We also believe this confuses the intent of the Council's 'federal system', which is to empower its community boards to make decisions on behalf of the community they serve without referral back to the Council.

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<sup>3</sup> The Molyneux Aquatic Centre, Park and Stadium.

39. We believe the Council's agreement creates a complexity in representation arrangements, in addition to the Council and community boards. This may be confusing to residents and community groups who wish to participate in decision-making processes relating to shared community facilities. There is no mechanism to ensure democratic accountability for this governance arrangement. We believe the separation of the boards unduly restricts electors' ability to elect a community board with the authority to make decisions on matters of shared community interest.
40. We do not believe that the amalgamation of the Alexandra and Earnscliffe-Manuherikia Communities will compromise the Council's ability to engage with small communities of interest in the Manuherikia area. Effective community engagement at this level requires contributions from local community groups. We believe a single community board for the Alexandra, Earnscliffe and Manuherikia areas will provide for better community engagement and accountability practices because one democratically elected body will be accountable to residents of the wider community on *all* matters of concern and interest to them. We believe that a single community board, comprising members elected from both the Alexandra and Earnscliffe-Manuherikia Wards, will have the capacity to understand and respond to the local interests and concerns of all communities of interest in the combined area.
41. We are not satisfied that the Earnscliffe-Manuherikia and Alexandra Communities contain sufficiently distinct communities of interests to warrant separate community boards. We do not believe the continued separation of the boards results in a representation arrangement that is appropriately enabling of democratic local decision-making. We believe a single community board for the combined Alexandra-Earnscliffe-Manuherikia Community will provide for a strong local governance structure, capable of promoting the present and future well-being of both the wider community as a whole, and the local communities of interest within it. We believe this is consistent with the general purpose of local government. We determine accordingly.
42. The new community will be named the Vincent Community. In considering the membership of the Vincent Community Board, we had regard to membership arrangements across the district, and to the land area, population, and distribution of settlements and townships within the Alexandra and Earnscliffe-Manuherikia Wards. We determine that the Vincent Community Board will comprise five elected members and three appointed councillors. Three members shall be elected from the Alexandra Ward and two members shall be elected from the Earnscliffe-Manuherikia Ward.

### **Commission's Determination**

43. Under section 19R of the Local Electoral Act 2001, the Commission determines that for the general election of the Central Otago District Council to be held on 13 October 2007, the following representation arrangements shall apply –
  - (1) Central Otago District as delineated on SO Plan 23130 deposited with Land Information New Zealand, shall be divided into five wards;
  - (2) Those five wards shall be -

- (a) the Cromwell Ward, comprising the area delineated on SO Plan 24243 deposited with Land Information New Zealand;
  - (b) the Earnsclough-Manuherikia Ward, comprising the area delineated on SO Plan 24246 deposited with Land Information New Zealand;
  - (c) the Alexandra Ward, comprising the area delineated on SO Plan 386670 deposited with Land Information New Zealand;
  - (d) the Maniototo Ward, comprising the area delineated on SO Plan 24247 deposited with Land Information New Zealand; and
  - (e) the Roxburgh Ward, comprising the area delineated on SO Plan 24244 deposited with Land Information New Zealand;
- (3) The Council shall comprise a mayor and 10 councillors, elected as follows -
- (a) three councillors elected by the electors of the Cromwell Ward;
  - (b) two councillors elected by the electors of the Earnsclough-Manuherikia Ward;
  - (c) three councillors elected by the electors of the Alexandra Ward;
  - (d) one councillor elected by the electors of the Maniototo Ward; and
  - (e) one councillor elected by the electors of the Roxburgh Ward;
- (4) There shall be a Cromwell Community, comprising the area of the Cromwell Ward;
- (5) The Cromwell Community Board shall comprise four elected members and three members of the Council representing the Cromwell Ward and appointed to the Community Board by the Council;
- (6) There shall be a Vincent Community, comprising the areas of the Alexandra and Earnsclough-Manuherikia Wards;
- (7) The Vincent Community Board shall comprise:
- (f) three members elected by the electors of the Alexandra Ward;
  - (g) two members elected by the electors of the Earnsclough-Manuherikia Ward; and
  - (h) three members of the Council representing either the Alexandra Ward or the Earnsclough-Manuherikia Ward, and appointed to the Community Board by the Council;
- (8) There shall be a Maniototo Community, comprising the area of the Maniototo Ward;
- (9) The Maniototo Community Board shall comprise four elected members and one member of the Council representing the Maniototo Ward and appointed to the Community Board by the Council;
- (10) There shall be a Roxburgh Community, comprising the area of the Roxburgh Ward; and
- (11) The Roxburgh Community Board shall comprise four elected members and one member of the Council representing the Roxburgh Ward and appointed to the Community Board by the Council;

44. As required by sections 19T(b) and 19W(c) of the Local Electoral Act 2001, the boundaries of the above wards and communities coincide with the boundaries of current statistical meshblock areas determined by Statistics New Zealand and used for Parliamentary electoral purposes.

## **THE LOCAL GOVERNMENT COMMISSION**

Sue Piper (Chair)

Gwen Bull (Commissioner)

Wynne Raymond (Commissioner)

10 April 2007