



LOCAL GOVERNMENT COMMISSION

Determination

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

Background

1. The Grey District Council (“the Council”) elected at the 2004 local election comprises eight members and the Mayor. The eight members were elected as follows:

<i>Wards</i>	<i>Population</i>	<i>Number of members per ward</i>	<i>Population per member</i>	<i>Deviation from the district average population per member</i>	<i>Percentage deviation from the district average population per member</i>
<i>Northern</i>	1650	1	1650	38.25	+2.37%
<i>Central</i>	6468	4	1617	5.25	+0.33%
<i>Southern</i>	3018	2	1758	146.25	+9.07%
<i>Eastern</i>	1758	1	1509	-102.75	-6.38%
<i>TOTAL</i>	12894	8	1611.75		

Note: These figures are obtained from the 2001 Census, in accordance with section 19X(1)(a) of the Local Electoral Act 2001.

2. Elections were also held for the Northern Ward Community Board (“the Board”) in 2004. The Board comprises four elected members and two appointed members. There are no subdivisions within the community.
3. In April 2005, the Council undertook a review of the representation arrangements for the Council and of community boards under sections 19H and 19J of the Local Electoral Act 2001 (“the Act”). On 15 April 2005 the Council resolved the initial proposed electoral arrangements which are to apply for the 2007 local election. These were publicly notified on 19 April 2005.
4. The Council proposed to:
 - (a) Abolish the Northern Ward Community Board; and
 - (b) In every other respect, retain the same representation arrangements that had applied for the 2004 local election.

5. The Council received five submissions on its initial proposal. Following consideration of them, the Council confirmed its initial proposal as its final proposal. This was publicly notified in August 2005.
6. Four appeals were lodged against the final proposal. Each of these appeals related to the Council's decision to abolish the Board. No other matters were raised in appeals.

Hearing

7. The Commission met with the Council and the two appellants who had expressed a desire to be heard by it, in Greymouth, on 4 April 2006. The Council was represented by the Mayor, Tony Kokshoorn and, Chief Executive Officer, Paul Pretorius. The appellants were Mr W. van Wylen and Ms Alice Noble on behalf of the Board. The Commission also allowed Ms Noble to call Keith Teasdale and Mavis Kitchin as witnesses.

Matters Raised in Appeals and at the Hearing

8. The main arguments presented by the Council in support of its decision to abolish the Board were that:
 - The costs of the Board would impose a prohibitive rates burden on Northern Ward ratepayers;
 - The Council had received fourteen submissions on its 2004/05 Annual Plan calling for the abolition of the Board;
 - The Northern Ward is represented effectively by one Member;
 - Representation of the Northern Ward by one Member is fair and in proportion to the overall representation of the Grey District;
 - The existence of the Board creates over-representation of the Northern Ward within the Grey District; and
 - The historical reasons given for the continuation of the Northern Ward do not relate to the criteria contained in the Act.
9. The main arguments presented by appellants in support of their appeals against the decision of the Council to abolish the Board were that:
 - The Council provided insufficient opportunity for public consultation on its decision, and failed to provide adequate reasons for the abolition of the Board as part of its consultation;
 - The Council's 2005 decision to set a targeted rate to meet the costs of maintaining the Board created some resident antipathy toward the Board. In setting this targeted rate, the Council failed to explain how the amount of the targeted rate was arrived at, and what ratepayers were actually paying for;
 - The petition that the Council identified as a reason for promoting the abolition of the Board was a sharp reaction to the targeted rate of \$125.68 (since reduced) identified in the initial draft of the District's 2004/05 Annual Plan;
 - The area of the Northern Ward Community remains a distinct and historical community of interest;
 - The Runanga community has a history of effective governance structures, including the Board and the Runanga Borough Council which operated before the constitution of the Grey District in 1989;

- The Board enables local issues to be resolved or brought to the attention of the Council;
- The Board facilitates interaction amongst community groups;
- Representation of the Northern Ward Community would be uncertain if the Board were abolished; and
- The Council has failed to consider appropriate delegations to the Board, which has undermined the Board's potential effectiveness.

Matters for Determination

10. The statutory provisions in respect of these appeals and objections are contained in sections 19R, 19I and 19J of 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.*

19W. Factors in determination of matters in relation to community boards—

In determining the matters specified in paragraphs (a) to (i) of section 19J(2), the territorial authority and, where appropriate, the Commission must ensure—

- (a) That, in the case of the matters specified in paragraphs (a) to (g) of section 19J(2), it has regard to such of the criteria as apply to reorganisation proposals under the Local Government Act 1974 or the Local Government Act 2002 as the territorial authority or the Commission considers appropriate in the circumstances; and*
- (b) That the election of members of the community board, in 1 of the ways specified in subparagraphs (i) to (iii) of section 19J(2)(h), will provide effective representation of communities of interest within the community and fair representation of electors; and*
- (c) That the boundaries of every community, and of every subdivision of a community, coincide with the boundaries of the current statistical meshblock areas determined by Statistics New Zealand and used for parliamentary electoral purposes.*

11. When applying the provisions detailed above, the principles of the Act (set out in section 4 of the Act) need to be taken into account, particularly the principle of fair and effective representation for individuals and communities.

Consideration by the Commission

Proposed abolition of the Northern Ward Community Board

12. The only issue of dispute in respect of the Council's final representation arrangements to apply for the 2007 local elections is the proposed abolition of the Board.
13. In reviewing community boards the Commission is first required to consider whether there should be community boards within the district. In doing so, section 19W(a) requires it to have regard to any of the criteria for considering reorganisation schemes, contained in subpart 2 of Schedule 3 of the Local Government Act 2002 ("the LGA") as it considers appropriate. These are:
 - Will the proposal promote the good local government of the parent district and the community area concerned?
 - Would the district and the community have the resources necessary to enable them to carry out their respective responsibilities, duties and powers?
 - Would the district and the community encompass an area that is appropriate for the efficient and effective exercise of their responsibilities, duties and powers?
 - Would the district and the community contain a sufficiently distinct community of interest or sufficiently distinct communities of interest?
 - Would the district and the community be able to meet the decision-making requirements of section 76 of the LGA, to the extent that they are applicable?

14. In considering this matter, the Commission has been mindful of the overriding principle, contained in section 4(1)(a) of the Act, of fair and effective representation for individuals and communities within the Grey District.

Would the district and the community have the resources necessary to enable them to carry out their respective responsibilities, duties and powers?

15. One of the main contentions between the Council and appellants related to:
- (a) The ethics of the Council's decision to set a targeted rate on properties within the Northern Ward Community to cover the full servicing and remuneration costs of its Community Board, as part of the Council's 2004/2005 Annual Plan; and
 - (b) The accuracy of the calculations used by the Council to arrive at the figure of the targeted rate, which amounted to \$97.85 per property. This figure was later reduced to \$89.77 following a further review of the calculations, and a decision made by the Board to limit the number of official and serviced meetings it held each year to six.
16. The Commission also heard conflicting views, and was presented with conflicting evidence, on whether residents of the Northern Ward Community are prepared to pay the targeted rate of \$89.77 per property set by the Council for the retention of the Board.
17. Clause 38 of Schedule 7 of the LGA provides for the provision of administrative and other facilities for community boards, as follows:
- "A territorial authority within whose district the community of a community board is situated must provide the necessary administrative and other facilities for that community board."*
18. Clause 39(1) of Schedule 7 of the LGA provides for the expenses of community boards:
- "The expenses of the performance and exercise by a community board of its responsibilities, duties, and powers must be paid by the territorial authority within whose district the community is situated out of the general revenues of the district."*
19. These provisions highlight the view that community boards are best considered as part of the overall governance structure of a district, and should not be seen as independent of, separated from, or additional to, the district-wide representation provided by a council. Indeed, it would seem difficult to separately apportion the costs of community boards from that of wider governance. However, the Local Government Rating Act 2001 does provide councils with flexible powers to set, assess, and collect rates to fund specific local government activities.
20. While it is not unreasonable to argue that it is only the residents of the community who benefit from having a community board, it is more consistent with good local government to argue that a community board that is well integrated within the wider governance framework of a district will be to the benefit of the entire district. Many councils within New Zealand regard their community boards in this way, and do not set targeted rates on specific communities to cover the cost of their community boards. Governance

expenditure is treated by the majority of councils as a cost to be met by the whole district.

21. The debate between the Council and the Board highlights an unhelpful relationship, and lack of integration, between them. However, the issue has limited relevance to the Commission's consideration of the proposal against the criteria identified above.
22. The Commission is satisfied that the Council and the Northern Ward Community would have the resources necessary to enable them to carry out their respective responsibilities, duties and powers, regardless of whether or not the Council continued to set a targeted rate on residents of the Northern Ward Community for the cost of its Board.

Would the district and the community contain a sufficiently distinct community of interest or sufficiently distinct communities of interest?

23. It is clear that the township of Runanga is a community of interest with a strong history of community governance. The Northern Ward Community was constituted as part of the 1989 reorganisation of local government that resulted in the constitution of the Grey District. Both the Council and appellants made the point that, at that time, the various parties involved agreed that the previous Runanga Borough should maintain some form of independent governance structure. As a result, the Runanga Borough formed the core of a larger Northern Ward Community.
24. Runanga is the largest township in the Northern Ward Community. It is interconnected with Dunollie and is closely connected to the smaller settlement of Rapahoe. At the time of the 2001 census, the population of Runanga-Rapahoe was 1305. This marks a decrease from 1392 residents in 1996, and 1404 residents in 1991.
25. Barrytown, located approximately 20 kilometres north of Runanga, has a population of 195, and contains the only other concentration of population in the Northern Ward Community. The total population of the Northern Ward Community is 1650.
26. Runanga is located approximately 8 kilometres from Greymouth, which is the only large urban centre in the Grey District. While the Council operates a service centre in Runanga, the township has no banking, secondary schooling, or emergency or medical facilities. Most residents of Runanga would travel to Greymouth to avail themselves of these services and other sporting, professional, and essential services and facilities available there.
27. The residents of many other townships and settlements in the Grey District also rely on travel to Greymouth. As with Runanga, many of these townships have strong associations with the mining industry.
28. Appellants argued that Runanga township was distinct from other areas in the Grey District because of the size of its residential area and population. However, in the Commission's view, the size of the population of Runanga township is comparable to the network of townships within easy proximity to each other and Greymouth in the Grey Valley in the Eastern Ward. The following table illustrates the populations and relative distances from Greymouth of other townships in the Grey District:

<i>Grey Valley townships</i>	Population*	Approximate distance from Greymouth (km)
Dobson	747	15
Taylorville	117	15
Stillwater	114	20
Ngahere	72	30
Blackball	324	32
Ahaura	411	50

*These figures are obtained from the 2001 census.

29. In the Commission's view, Runanga and the Northern Ward's community interests and needs are similar to those of the communities of interest in the neighbouring Grey Valley townships in the Eastern Ward. The Commission could not identify a need for representation on the part of the Northern Ward that was greater or different than required for the Eastern Ward.

Would the district and the community encompass an area that is appropriate for the efficient and effective exercise of local government responsibilities, duties, and powers?

30. Greymouth is a central focal point of the Grey District in the sense that it is the location of services and functions that are not available in the smaller, surrounding townships. Grey District's roading network provides easy access to Greymouth, and the majority of townships and settlements in the District are located within one-hour drive to it.
31. The Commission considers that the sorts, and degree, of demand on local government services and functions in Runanga and the wider area of the Northern Ward Community would be similar to those in neighbouring townships in the Grey Valley in the Eastern Ward, as well as other areas of the Grey District.
32. No arguments were presented to the Commission to suggest that the Northern Ward Community was in any way isolated from Greymouth or other areas of the Grey District. Neither were any arguments presented to the Commission to suggest that the Council would not continue to efficiently and effectively exercise its local government responsibilities, duties, and powers in respect of the Northern Ward Community if the Board were abolished.
33. While, at present, the Board performs the role, prescribed under section 52 of the LGA, of monitoring, and reporting to the Council on matters relating to the Northern Ward Community, the Board does not have any delegated authority to exercise more extensive local government responsibilities, duties, and powers.
34. Based on the above considerations, the Commission is of the view that the continuation of the Board is not necessary to the efficient and effective delivery of local government responsibilities, duties, and powers to the area of the Northern Ward.

Would the proposal promote the good local government of the parent district and the community area concerned?

35. While 'good local government' is not defined in the Act or the LGA, the Commission considers that the purposes of local government, as contained in section 3 of the LGA, and the principles relating to local authorities, as contained in section 14, should be taken into consideration. The Commission has also had regard to the provisions of the LGA dealing with community boards, these being Schedule 7, and Subpart 2 of Part 4.
36. At present, the responsibilities of the Board are limited to the reporting and monitoring roles of community boards prescribed under section 52 of the LGA. While it is clearly good practice to do so, there is no statutory requirement for the Council to report to the Board on matters impacting on the Northern Ward Community.
37. Clause 32 of Schedule 7 of the LGA enables councils to consider the appropriate delegation of responsibilities and functions to the community boards in its district. The failure on the part of the Council to consider appropriate delegations to the Board, despite attempts made by the Board to raise the issue, may have undermined its effectiveness.
38. At present, the Board serves a similar role to community associations, community groups, and ratepayer and resident associations that operate within the Grey District. The primary distinctions between these groups and the Board are that:
 - (a) The Board has elected members;
 - (b) The role of the Board is prescribed under section 52 of the LGA;
 - (c) Board members are paid by the Council; and
 - (d) The Board receives administrative support from the Council.
39. A fundamental intent of the LGA is to enable councils to develop effective, long-term relationships between themselves, community members and groups, as well as other organisations within their districts. Implicit here is the understanding that one of the most effective tools for promoting community well-being is the meaningful utilisation of local knowledge. The LGA also recognises that, because of the diversity of communities across New Zealand, different sorts of strategies for building and maintaining community-council relationships will be appropriate in different circumstances. Section 3 of the LGA sets out the primary purpose of this Act, which is to "provide for democratic and effective local government that recognises the diversity of New Zealand communities".
40. Having considered the proposed abolition of the Board against the purposes of local government, and the principles relating to local authorities, the Commission has come to the view that the Board is not the most appropriate governance structure to ensure good local government for the Northern Ward or the Grey District. In particular, the Commission considers that the Council's decision to abolish the Board accords with the principles contained in sections 14(1)(c) and 14(1)(g) of the LGA. These principles require councils, when making decisions, to –

- *in the case of section 14(1)(c), take account of*
 - (i) *The diversity of the community, and the community's interests, within its district; and*
 - (ii) *The interests of future as well as current communities; and*
 - (iii) *The likely impact of any decision on the social, economic, environmental, and cultural well-being of its communities*
 - *in the case of section 14(1)(g), ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district.*
41. As previously noted, the Commission considers that the area of the Northern Ward is similar to many other areas of the Grey District, and that its close proximity, and ease of access, to Greymouth ensures that the Council is able to best provide efficient and effective local government responsibilities, duties, and powers in respect to the area of the Northern Ward. In the Commission's view, while the Board currently serves a monitoring and reporting role, it would not be able to provide local government services to the area of the Northern Ward more effectively than the Council does at present.
42. In reaching its decision, the Commission acknowledges the many examples presented to it of the Board's contributions to community governance in the Northern Ward. In particular, the Board has provided a forum for the expression of community views, and has facilitated relationships within the community. Based on the long history of community governance in Runanga township, and statements made by appellants and community members, the Commission believes that many residents of the Northern Ward will continue to act as advocates for their communities, and will continue to monitor, and report to the Council on, matters relating to Runanga, Barrytown, or the wider Northern Ward area.
43. The Commission further notes Mayor Kokshoorn's statement that the Council has a high regard for the community knowledge and contributions to governance made by the community associations and ratepayer and resident groups within the district.

Other Matters

44. The Act enables the Commission to consider the wider matters relating to fair and effective representation within the Grey District. These issues relate to:
- Membership of the Council;
 - The ward structure for elections, or whether elections should be held at large; and
 - Ensuring proposals provide for fair and effective representation for individuals and communities within the Grey District.
45. The Commission notes that each of these issues were considered by the Council in its review of representation arrangements prior to the 2004 local elections. There is no evidence of changes to the population of, or communities within, the district since 2004 to justify an alteration to these arrangements. No appeals were made in respect to the Council's decisions on these matters, indicating general community satisfaction with existing arrangements. The proposal conforms to the statutory requirements contained in sections 19A and 19V of the Act. The Commission considers that the future of the Northern Ward Community Board will have no impact on

these aspects of the District's representation arrangements. It is satisfied that the representation arrangements proposed by the Council provide for the fair and effective representation of individuals and communities within the Grey District. On this basis, the Commission upholds the decisions made by the Council in respect to the above matters.

Determination

46. Under section 19R of the Local Electoral Act 2001, the Commission determines that for the general election of the Grey District Council to be held on 13 October 2007, the following representation arrangements shall apply –
- (1) Grey District as delineated on S.O. Plan 11457 deposited with Land Information New Zealand, shall be divided into four wards;
 - (2) Those four wards shall be -
 - (a) The Northern Ward, comprising the area delineated on S.O. Plan No. 12558 deposited with Land Information New Zealand;
 - (b) The Eastern Ward, comprising the area delineated on S.O. Plan No. 12537 deposited with Land Information New Zealand;
 - (c) The Southern Ward, comprising the area delineated on S.O. Plan No. 12560 deposited with Land Information New Zealand;
 - (d) The Central Ward, comprising the area delineated on S.O. Plan No. 12559 deposited with Land Information New Zealand;
 - (3) The Council shall comprise the Mayor and eight members, elected as follows -
 - (a) One member shall be elected by the electors of the Northern Ward;
 - (b) One member shall be elected by the electors of the Eastern Ward;
 - (c) Two members shall be elected by the electors of the Southern Ward; and
 - (d) Four members shall be elected by the electors of the Central Ward; and
 - (4) The Northern Ward Community shall be abolished, and there will be no Communities within the Grey District.
47. As required by sections 19T(b) and 19W(c) of the Local Electoral Act 2001, the boundaries of the above wards 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)

2 May 2006