

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

**ANNOUNCEMENT OF DECISION ON THE APPEAL BY THE  
SOUTH OF THE MOHAKA RIVER RATEPAYERS GROUP  
AGAINST THE DECISION OF THE WAIROA DISTRICT  
COUNCIL TO NOT PROCEED TO ISSUE A  
REORGANISATION SCHEME**

**11.30AM, FRIDAY 9 JULY 1999  
WAIROA DISTRICT COUNCIL CHAMBERS**

**Your Worship, Derek Fox, Mayor of Wairoa**

**The appellants - the South of the Mohaka River Ratepayers Group**

**Ladies and Gentlemen**

**The purpose for this meeting is for the Local Government Commission to outline its decision regarding the appeal by the South of the Mohaka River Ratepayers Group against the decision of the Wairoa District Council to not proceed with a reorganisation scheme.**

**The scheme sought to move the boundary between the Hastings and Wairoa Districts from the Waikari River to the Mohaka River.**

**I am Sir Ross Jansen, Chairman of the Commission. I am accompanied today by Commissioner Barbara Durbin and Mr Francis Ryan, the Commission's senior advisor. Commissioner Bruce Anderson is unable to be here because of commitments overseas.**

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

**Firstly, the Commission must consider whether a proposal 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 Wairoa District and Hastings District;**
- **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.**

**The Commission has assessed the “South of the Mohaka” proposal as meeting several of the criteria specified in section 37ZQA.**

**In particular, the Commission considers that if the proposal were to proceed the Wairoa District would continue to have a district that is appropriate for the efficient and effective exercise of its functions, duties and powers. In this regard, the Mohaka River, being a distinctive geographic feature of local and regional significance would provide a clear division for responsibility of local authority service delivery in the area of the proposed boundary.**

**Also, the Commission is satisfied that the people in the area south of the Mohaka River are a distinct community of interest. The Commission also recognises the strong linkages between this community and the Hastings District. The Commission is satisfied**

**that if the proposal proceeded both districts would continue to contain distinct communities of interest.**

**For the proposal to proceed the Commission also needed to be satisfied that the Wairoa District Council would have resources necessary to enable it to carry out its functions, duties and powers and that the good local government of both Hastings and Wairoa Districts would be enhanced through the proposal.**

**Little evidence was provided to the Commission to enable it to make a full assessment of the current resource needs of the Wairoa District Council and the Council's future needs in the event that the proposal proceeded. The Commission, however, considered that the small rating base of the Council, the Council's high direct expenditure per head of population, and the ongoing trend of population decrease in the district were matters to be taken into account in assessing this matter.**

**The Commission is of the view that the reduction in rating income to the WDC, if the proposal proceeded, may not be offset by an equivalent reduction in the costs of operating the council. The costs of operating the Council would need to be spread across a reduced rating base. The Commission considers that the Wairoa District Council's ability to further increase the rating burden on its ratepayers is very limited.**

**The Commission is not therefore convinced that, if the proposal proceeded, the Wairoa District Council would have sufficient resources available to it to carry out its functions, duties and powers.**

**For a proposal to proceed it must also promote the good local government of the districts concerned. In this case the Commission is not satisfied that the local government of the Wairoa District will be enhanced if this proposal proceeds. There was little evidence provided to the Commission which demonstrated that the proposal would enhance the ability of the Wairoa District Council to achieve the purposes of local government which are set out in section 37K of the Local Government Act.**

**Having considered the evidence, submissions and appeal made to it and having tested them against the criteria in the Act, the Commission dismisses the appeal.**

**In particular the Commission is not satisfied that the scheme, if implemented:**

- a. would promote the good local government of the Wairoa District**
- b. would provide the Wairoa District Council with the resources necessary to enable it to carry out its functions, duties and powers.**

**There are several issues arising from this appeal which I wish to comment on.**

**The Commission wishes to thank the South of the Mohaka River Ratepayers Group for bringing their concerns to the attention of the Council and then the Commission. I am sure that through this process that the Council is better apprised of the concerns of that community. Given that the Commission has found that the South of the Mohaka community is a distinct community of interest within the Wairoa District the Commission suggests that the Council and community work to develop more effective dialogue on local government issues affecting the community.**

**Submissions made during the hearing process discussed the rating burden of properties either side and near to the border of the Hastings and Wairoa Districts. While this is clearly a matter of concern to the people in the area south of the Mohaka River the incidence of rating levels in one local authority area relative to another does not provide grounds under the Local Government Act for a boundary alteration.**

**The Wairoa District Council has committed itself to undertaking a comprehensive review of its rating structure during the current financial year. The Commission suggests that the Council develop**

**consultation strategies that enable its communities to actively contribute to the review.**

**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.**