



LOCAL GOVERNMENT COMMISSION

**DRAFT REORGANISATION SCHEME
FOR THE KING COUNTRY DISTRICT**



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Pursuant to Part IIBB of the Local Government Act 1974, the Local Government Commission has prepared a draft reorganisation scheme as follows:

CONSTITUTION

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 of the Council.
- (2) The provisions of this scheme necessary:
 - (a) To provide for the first election of the members of the Council and the members of the community boards constituted by this scheme, and
 - (b) For the purpose of clauses 13 to 19,

shall come into force on the date fixed by the Order in Council giving effect to this scheme.

2. Constitution

- (1) The districts of Otorohanga District and Waitomo District are united into one district to be known as King Country District (referred to in this scheme as “the united district”).
- (2) There shall be a council for the united district to be known as the King Country District Council (referred to in this scheme as “the Council”).
- (3) The Otorohanga District Council and the Waitomo District Council (referred to in this scheme as the “former Councils”) are dissolved.
- (4) The Otorohanga Community and the Kawhia Community are abolished.

- (5) The Otorohanga Community Board and the Kawhia Community Board are dissolved.

3. First Election of Council

- (1) The first election of the Council shall be held on 11 October 2004.
- (2) For the purposes of the first election of the Council, the electoral officer for the united district shall be the electoral officer of the former Waitomo District Council.
- (3) The first election of the Council shall be conducted by postal voting.
- (4) Voting documents cast in the first election of the Council shall be processed during the voting period.

4. Wards

- (1) The united district shall be divided into seven wards.
- (2) The wards shall be:
 - (a) The South-Western Ward, comprising the areas delineated on S.O Plans 58031, 58032 and 58034 (South Auckland Land District) deposited with Land Information New Zealand;
 - (b) The South-Eastern Ward, comprising the areas delineated on S.O Plans 58029 and 59039 (South Auckland Land District) deposited with Land Information New Zealand;
 - (c) The North-Eastern Ward, comprising the areas delineated on S.O Plans 59038 and 59040 (South Auckland Land District) deposited with Land Information New Zealand;
 - (d) The North-Western Ward, comprising the areas delineated on S.O Plans 58020 and 59037 (South Auckland Land District) deposited with Land Information New Zealand;
 - (e) The Western Ward, comprising the areas delineated on S.O Plans 58030 and 58033 (South Auckland Land District) deposited with Land Information New Zealand;
 - (f) The Otorohanga Ward, comprising the area delineated on S.O Plan 58021 (South Auckland Land District) deposited with Land Information New Zealand; and
 - (g) The Te Kuiti Ward, comprising the area delineated on S.O Plan 58299 (South Auckland Land District) deposited with Land Information New Zealand.

5. Membership

- (1) The Council shall consist of a Mayor and eight members.
- (2) The members of the Council to be elected at the first election of the Council shall be elected as follows:
 - (a) One member shall be elected by the electors of the South-Western Ward;
 - (b) One member shall be elected by the electors of the South-Eastern Ward;
 - (c) One member shall be elected by the electors of the North-Eastern Ward;
 - (d) One member shall be elected by the electors of the North-Western Ward;
 - (e) One member shall be elected by the electors of the Western Ward;
 - (f) One member shall be elected by the electors of the Otorohanga Ward; and
 - (g) Two members shall be elected by the electors of the Te Kuiti Ward.

6. Otorohanga Community

- (1) There shall be constituted a community for the area of the Otorohanga Ward to be known as “the Otorohanga Community”.
- (2) The community board for the Otorohanga Community shall comprise:
 - (a) Four members elected by the electors of the Otorohanga Community; and
 - (b) The person elected, from time to time, as a member of the Council representing the Otorohanga Ward and appointed to the community board by the Council.

7. Kawhia Community

- (1) There shall be constituted a community for the area delineated on S.O Plan 58099 (South Auckland Land District) deposited with Land Information New Zealand, to be known as “the Kawhia Community”.
- (2) The community board for the Kawhia Community shall comprise:
 - (a) Four members elected by the electors of the Kawhia Community; and
 - (b) The person elected, from time to time, as a member of the Council representing the North-Western Ward and appointed to the community board by the Council.

8. Te Kuiti Community

- (1) There shall be constituted a community for the area of the Te Kuiti Ward to be known as “the Te Kuiti Community”.
- (2) The community board for the Te Kuiti Community shall comprise:
 - (a) Five members elected by the electors of the Te Kuiti Community; and
 - (b) The two persons elected, from time to time, as members of the Council representing the Te Kuiti Ward and appointed to the community board by the Council.

9. Functions of Community Boards

The Otorohanga Community Board, Kawhia Community Board and the Te Kuiti Community Board shall each have the following powers, functions and duties within the area of their community:

Planning

- (a) To provide input into the budgetary process of the Council through the Annual Plan process.
- (b) To provide input into the Long-term Council Community Plan.
- (c) To allocate project funding from the Board’s discretionary fund (the quantum of funding to be determined by the Council).

Resource Management

- (d) To provide input into the District Plan.
- (e) To provide input on resource management issues of local significance.

Policy

- (f) To provide input into policy making through the Council’s consultation processes.
- (g) To provide input into the disposal or acquisition of property assets.
- (h) To consult with and make recommendations to the Council on tourism issues of interest to the Board in respect of the Community area.
- (i) To provide input into the development of tourism strategies and initiatives proposed by the Council in respect of the Community area.
- (j) To participate in Council deliberations on any matters impacting on the area of the Community.

Community Development and Consultation

- (k) To consult with, advocate and promote the interest of the community.
- (l) To make submissions to any organisation relating to matters of interest to the Board in respect of the Community area (with any such submission being copied to the Council's Chief Executive at the time the submission is made).

Parks and Reserves

- (m) To provide local input into policy making concerning local parks and reserves.
- (n) To provide local input into the temporary use of local parks and reserves.

Civil Defence

- (o) To participate under delegated authority as part of the Civil Defence Plan.

Traffic Management

- (p) To provide input into policy making.
- (q) To provide input into the temporary use of roads and footpaths.
- (r) To provide input into roading capital works priorities.
- (s) To determine a traffic management plan concerning the placement of road signage, controls on vehicle parking, traffic constraints and controls.
- (t) To approve the temporary use and closure of roads, footpaths and Council owned land for market days, street appeals, stalls and parades and specific events and functions.

COUNCIL ADMINISTRATION

10. Administration Headquarters

The Administration Headquarters of the Council shall be located in Otorohanga.

11. Service Centre

The Council shall establish and maintain a service centre in Te Kuiti at least until the date of the triennial local elections in 2007.

RATING SYSTEM

12. Rating

The system of rating in the united district shall be the Capital Value system.

TRANSITIONAL COMMITTEE

13. Transitional Committee

- (1) The former Councils shall unite in appointing a transitional committee for the united district.
- (2) The transitional committee shall be deemed to be a joint committee of the former Councils.

14. Membership of Transitional Committee

The transitional committee shall consist of:

- (a) Three members appointed by the Otorohanga District Council;
- (b) Three members appointed by the Waitomo District Council; and
- (c) The General Manager of the Otorohanga District Council and the Chief Executive of the Waitomo District Council, who shall be non-voting members of the transitional committee.

15. Chairperson

The voting members of the transitional committee shall appoint a chairperson from their membership.

16. No Casting Vote

The chairperson of the transitional committee or other person presiding at any meeting of that committee shall not have a casting vote in the case of equality of votes.

17. Exclusion of Non-Voting Members

The transitional committee may resolve to exclude any non-voting member of the committee from any meeting or part of a meeting where it proposes to consider any matter that affects that member personally.

18. Functions

The functions of the transitional committee shall be to:

- (a) make arrangements for a person to be the Acting Chief Executive of the Council until a person appointed by the Council takes up the position of Chief Executive;
- (b) undertake preparatory work for the 2005/06 draft annual plan for the Council;
- (c) make recommendations to the Council on its administration structure;
- (d) make recommendations to the Council on general principles of funding and rating policies for the united district;
- (e) make recommendations to the Council on any proposed powers of community boards, which would be additional to those prescribed in the reorganisation scheme for the united district;
- (f) make recommendations to the Council on the quantum of discretionary funding to each community board;
- (g) make recommendations to the Council on whether the Council should have committees, and what the membership and functions of any committee should be;
- (h) make recommendations to the Council on the services to be provided by the Te Kuiti service centre; and
- (i) make recommendations to the Council on such other administrative matters as are required to ensure that the Council is able to function effectively from the day on which it comes into existence.

19. Costs of Transitional Committee

The costs of the transitional committee shall be borne and paid for by the former Councils on an equal basis.

TRANSITIONAL MATTERS

20. Resource Management Act

- (1) The district plans and the proposed district plans under the Resource Management Act 1991 of the former Councils shall be the district plans, or as the case may be, the proposed district plans of the Council.
- (2) Any other matters including proceedings before, or initiated by, the former Councils under the Resource Management Act 1991 shall have effect as matters before, or initiated by, the Council.
- (3) Paragraph 21 of Part II of Schedule 3B of the Local Government Act 1974 shall not apply to this reorganisation scheme.

21. Transitional Matters

Subject to clause 20 (3) of this scheme, Parts II and III of Schedule 3B of the Local Government Act 1974 shall apply in respect of this scheme.

LOCAL GOVERNMENT COMMISSION

Grant Kirby, Chairman
Linda Constable, Commissioner
Kerry Marshall, Commissioner

29 August 2003

EXPLANATORY STATEMENT

STATEMENT OF THE ADVANTAGES AND DISADVANTAGES OF THE UNION OF OTOROHANGA DISTRICT AND WAITOMO DISTRICT

This statement is issued under section 37ZZW of the Local Government Act 1974. It is a statement of the advantages and disadvantages of the union of Otorohanga District and Waitomo District. The advantages and disadvantages are those which in the opinion of the Commission should be taken into account by persons entitled to vote in any polls held in respect of the proposal. It should be noted that the proposal is a draft at this stage and could be subject to change following the Commission's consideration of submissions.

ADVANTAGES

Meets the statutory criteria

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

- It would result in a district containing distinct communities of interest.
- The new district will have the resources necessary to enable its local authority to carry out its functions, duties and powers.
- The new district will be appropriate for the effective and efficient exercise of local government functions, duties and powers.
- The new Council will have the ability to deliver appropriate services to the various parts of the new district in an effective and efficient manner; and
- 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 union of Otorohanga District and Waitomo District.

The independent financial study prepared for the Commission, and to which the affected local authorities were consulted and had opportunities to input, indicates that savings from the union of the Otorohanga and Waitomo Districts would conservatively be in the order of \$857,000 in the first year and approximately \$1 million in subsequent years. If the new Council were to

decide to return these savings to ratepayers this would equate to an average of approximately \$96 per rateable property in the first year and \$113 per rateable property each year thereafter.

The savings identified in the independent financial study take into account the one-off transition costs of approximately \$600,000 that would be incurred through:

- Redundancy payments to staff and redundancy support
- Recruitment and change management
- Disposing of surplus assets
- Combining financial information
- Combining strategy documents, district plans and other information
- Aligning corporate, regulatory and environmental policies
- Rebranding.

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 Transfund 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 ward structure of the new Council is intended to provide effective representation for communities of interest in the new district.

The existing Otorohanga and Kawhia Community Boards will be reconstituted, and a new community board will be constituted for the Te Kuiti area.

The three community boards will have a wide range of functions, duties and powers, including the opportunity to input into Council decision-making.

Residents of the existing Otorohanga District will have a greater opportunity to participate in the planning and development of the existing Waitomo District.

Residents of the existing Waitomo District will have a greater opportunity to participate in the planning and development of the existing Otorohanga District.

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

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 new authority would have an enhanced ability to obtain and retain the services of staff with the needed competencies, because of the larger administrative base.

DISADVANTAGES

There may be a perceived loss of local democracy in the Otorohanga and Waitomo areas, 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 community boards of the new district with wide ranging responsibilities, and through delegations to Council staff.

CONCLUSION

The Commission considers that the perceived disadvantages will be outweighed by the advantages listed above and the benefits that will result from the proposed union.

EXPLANATORY NOTES TO THE SCHEME

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

The purpose of the draft reorganisation scheme is to provide for:

- The union of Otorohanga and Waitomo Districts to form a new district;
- The new Council for the united district to be called the King Country District Council.

It is proposed that the members of the King Country District Council be elected at the 2004 local elections, and that the new Council come into existence when the results of that election have been declared.

Some provisions of the scheme will come into effect as soon as the final reorganisation scheme is implemented by Order in Council – those provisions necessary to arrange the first election of the new Council, and those relating to the establishment of a transitional committee to recommend administrative arrangements for the new Council.

The scheme provides for the following wards and membership:

Ward groupings	Wards of the King Country District	Representation for the Wards of the King Country District
Tainui, Paemako and Aria Wards (WDC)	South-Western Ward	1
Mangaokewa Ward (WDC) and Waipa Ward (ODC)	South-Eastern Ward	1
Wharepungu and Kiokio-Korakonui Wards (ODC)	North-Eastern Ward	1
Kawhia and Tihiroa Wards (ODC)	North-Western Ward	1
Te Anga and Waitomo Wards (WDC)	Western Ward	1
Otorohanga Ward (ODC)	Otorohanga Ward	1
Te Kuiti Ward (WDC)	Te Kuiti Ward	2

(WDC: Waitomo District Council; ODC: Otorohanga District Council)

Three Community Boards will be constituted. The Kawhia Community Board will comprise four elected members and the councillor for the North-Western Ward. The Otorohanga Community Board will comprise four elected members and the councillor for the Otorohanga Ward. The Te Kuiti Community Board will comprise five elected members and the two councillors for the Te Kuiti Ward.

The scheme sets out the powers, functions and duties of the community boards. The new Council will be able to delegate further functions to the community boards if it wishes to.

Maps showing the boundaries of the proposed King Country District, wards and communities are attached to this explanatory statement.

The administration headquarters of the Council is to be located in Otorohanga, and a service centre is to be established and maintained in Te Kuiti at least until the date of the triennial local elections in 2007.

The scheme provides that the rating system in the new District will be the Capital Value system.

A transitional committee will be formed by the Otorohanga and Waitomo District Councils. The purpose of the committee is to make recommendations to the new Council on administrative arrangements and funding and rating policies.

Except for paragraph 21 of Part II of Schedule 3B to the Local Government Act 1974 (which relates to the repealed Town and Country Planning Act), the provisions of Parts II and III of Schedule 3B to the Local Government Act 1974 apply. Part II, which applies to all reorganisation schemes except those specifically excluded, 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. Part III deals with the apportionment of assets and liabilities, loan liabilities and local authorities' petroleum tax, and applies to all reorganisation schemes.

WHAT HAPPENS NEXT?

The procedure from now on is as follows –

- The draft reorganisation scheme is open to submissions until 31 October 2003;
- The Commission meets with those who make submissions;
- The Commission considers the submissions and makes any other investigations or enquiries it considers necessary;
- The Commission decides whether to –
 - Issue a final reorganisation scheme based on the draft reorganisation scheme
 - Issue a final reorganisation scheme, based on modifications to the draft reorganisation scheme; or
 - Not issue any final reorganisation scheme if it considers that the proposal does not meet the Local Government Act's criteria.
- If the Commission issues a final reorganisation scheme, separate polls are held in the Otorohanga District and in the Waitomo District. For the final reorganisation scheme to be successful more than 50% of the votes cast in each poll must be in favour of the proposal;
- If the polls vote in favour of the proposal the final reorganisation scheme is implemented by Order in Council.

SUBMISSIONS

The draft reorganisation scheme is open to submissions until 31 October 2003.

Submissions are to be sent to:

Chief Executive Officer
Local Government Commission
PO Box 5362
WELLINGTON

Fax: 04 4957287

Submissions may also be lodged electronically, through completing the submission form on the Commission's website – www.lgc.govt.nz, or may be emailed to lgc@dia.govt.nz.

Persons making submissions should clearly state whether they wish to appear before the Commission, and should provide a daytime contact telephone number. If no such statement is made the Commission may assume that the submitter does not wish to appear before the Commission.