



Meeting Date:
28 August 2008

REPORT TO: Council

Subject: Kaikoura Abolition Proposal

Report by: CEO

Signature: Author Manager

Summary Report

A group called "Concerned Citizens" in Kaikoura are proposing the abolition of the Kaikoura District Council and its inclusion into the Hurunui District. The group has obtained enough signatories on its petition to have the matter considered by the Local Government Commission (the Commission). Hurunui District Council now needs to form a view on the matter. It is recommended a report be prepared which incorporate any views the Mayor and Councillors currently have, and that once this has been considered at the Council's next meeting, a submission is made to the Commission setting out the Council's views.

Recommendation

THAT THE INFORMATION IS RECEIVED AND THAT A FURTHER REPORT ON THE MATTER BE PREPARED FOR THE COUNCIL'S 25 SEPTEMBER MEETING.

BACKGROUND

Earlier this year Gordon Cockerell, a resident of Kaikoura initiated a petition of Kaikoura District electors in accordance with relevant local government legislation, proposing the abolition of the Kaikoura District and its inclusion in the Hurunui District.

The petition was undertaken on behalf of a group called 'Concerned Citizens'. In total the group obtained 360 signatures (13.7% of the total number of registered electoral voters in the Kaikoura District). This exceeded the 10% threshold required by local government legislation and has been validated by Kaikoura's Electoral Officer, Mr Warner Lamp (352 signatures after checking of names of signatories against the electoral roll).

The specific concerns that the group promoting the abolition proposal have, are proported as follows:

- Kaikoura is the smallest District Council in mainland New Zealand with a population base of approximately 3,618 and approximately only 2,241 rateable properties. The argument is that with such a small population base covering an area of 2,048 sq kilometres, the District is just too small to be on its own.
- Significant growth within the last five years has placed considerable pressure on infrastructure. Kaikoura District Council and its ratepayers may struggle to meet the costs of services resulting from projected growth.
- There is concern that ratepayers are facing unsustainable rates rises such as a 13.3% increase in 2007.
- There is concern about the Kaikoura District Council's proposed capital works programme. The Council is proceeding with its decision to build a new office building in Scarborough Street at an estimated cost of \$3.19 million.
- There is concern about the District's lack of strategic direction. Existing planners are fully committed with District Plan and RMA matters and have little or no time for strategic planning.
- Since the 2002 reform of the Local Government Act, small councils have had to take on additional responsibilities with attendant demands on staff time and costs.
- As pressures increase, central government may be forced to consider further local government reforms.
- Concern about the sustainability of the District. They consider that an enlarged Council may be better resourced to deal with issues of long term economic and environmental sustainability, maintenance of infrastructure (an economies of scale argument), and provide more staff skills and expertise that would enable the Kaikoura area to progress in a more strategic direction than is currently occurring.

Some of the issues the group thought may be relevant to possible abolition of the Kaikoura District Council were:

- Kaikoura receives many of its services from Canterbury, e.g. District Health Board and Environment Canterbury;
- Strong tourism interests link Hurunui, Hanmer Springs and Kaikoura

- through the Alpine Pacific Triangle marketing strategy;
- Community interest with the Marlborough region for policing, social services, medical, radio and newspapers, and conservation management.

The group feels that a discussion needs to be held to consider the merits of bringing about amalgamation with the Hurunui District. To have the matter considered, the group initiated the petition.

The Commission is now calling for submissions on the proposal for the abolition of Kaikoura District and its inclusion in Hurunui District.

Submissions may be made on any matter relevant to the proposal, including:

- whether or not the proposal should proceed;
- whether some variation of the proposal should be adopted; and
- if a proposal is implemented, details such as boundaries, representation and community board structures and functions.

The Commission may consider how the proposal affects the system of local government in any district and region affected by the proposal. This could include:

- which system of local government in the district best meets the criteria in Subpart 2 of Schedule 3 of the Local Government Act 2002, which relates to the promotion of good local government (refer Appendix One);
- whether or not good local government would be promoted by the inclusion of any of the Kaikoura District in the Marlborough District;
- whether or not the systems of representation in the affected districts will meet the criteria in Clause 5 of Schedule 3 to the Local Government Act 2002, such as the requirement for fair and effective representation (refer Appendix One);
- whether or not good local government of the district would be best promoted by a system of community boards and their responsibilities; and
- any other matters the Commission considers appropriate.

Apart from wanting to consult with this Council, the Commission is also consulting with other affected or adjoining local authorities, the proposer, relevant government agencies, and iwi.

The closing date for submissions is 13 October 2008. It is the Commission's general policy to make submissions publicly available on request. The Council can request to appear before the Commission. No hearings dates have been set yet.

After the closing date for submissions the process is as follows:

- The Commission provides the submissions received to the proposer and provides the opportunity for the proposer to withdraw the proposal.
- In addition to calling for submissions the Commission may make any

- further inquiries and investigations that it considers appropriate.
- If the proposal is not withdrawn the Commission decides whether to issue a draft reorganisation scheme (based on the proposal or on some modification or variation to the proposal) or not to proceed with the proposal.
 - If the Commission issues a draft reorganisation scheme it invites submissions on the draft scheme.
 - The Commission considers any submissions received and decides whether to issue a final reorganisation scheme based on the draft scheme (with or without modifications) or to decline to proceed with the scheme.
 - If a final reorganisation scheme were issued, a poll of electors of the Kaikoura District would be held. A scheme is put into effect if a majority of those who vote in the poll are in favour of the final scheme.

Hurunui District Council Submission

Council amalgamations or proposals to that effect are a regular occurrence within the New Zealand local government landscape. Recently Banks Peninsula District Council was amalgamated into Christchurch City Council. Councils in South Canterbury are currently investigating the feasibility of breaking away from Environment Canterbury Regional Council.

At this point in time the Hurunui District Council has not discussed the Kaikoura abolition proposal and has no set view on the matter.

This Council now needs to form a view about the abolition proposal. It is recommended that a report be prepared for consideration at the Council's 25 September 2008 meeting in order to help it form a view and prepare a submission to the Commission.

The work required to form a view could include consideration on the following matters:

A high level assessment of any obvious operational and financial issues, pros and cons, associated with the proposal based on existing knowledge from within this Council (i.e. no assistance from consultants is requested at this stage or approach to be made to Kaikoura District Council for information). This could include consideration of:

- functions and activities, service levels and service centres
- funding, including depreciation and rating systems
- regulatory compliance/monitoring activities
- undertaking of essential or recommended works
- ability to meet the requirements of the Local Government Act and other legislation

The work could also address (again at a high level):

- variation options/boundary considerations
- community of interest considerations/identity
- representation options
- promotion of good local government

- retention of the Kaikoura District Council

Any views Councillors have at this time that they believe should be considered in the report for the September Council meeting, should now be highlighted.

The Kaikoura District Council's position on this proposal is that they unanimously, (in the words of their Mayor, Kevin Hayes) “oppose it vehemently!” and the Mayor is confident that the outcome will see the continuation of that Council.

The position other affected adjoining local authorities are taking on the matter is unknown.

The Council's CEO has arranged for the CEO of the Commission, Donald Riezebos to attend the Council's 28 August meeting to discuss the proposal and process.

Options Considered

Do Nothing

This is not an option. The Council needs to take a position on the matter as it could have a significant effect on its constitution, responsibilities and duties.

1st Option

That a report is prepared which pulls together any obvious issues or pros and cons regarding the proposal, for the Council's 25 September meeting and the Council then, having considered this report, submits its view/s to the Commission.

Policy and Plan Consideration

At this early stage there are no Policy or Plan Considerations identified.

Significance

At this early stage there are no Significance considerations that need to be identified.

Maori Implications

At this early stage there are no obvious Maori Implications to be identified.

CONCLUSION

A proposal to abolish the Kaikoura District Council and have it join the Hurunui District now requires this Council to form a view on the matter. It is recommended that a report be prepared for the Council's next meeting, to assist it form a view and make a submission to the Commission.

Appendix One

Local Government Act 2002, Subpart 2 of Schedule 3 and Clause 5 of Schedule 3