

**DRAFT BOUNDARY REORGANISATION SCHEME
FOR MANAWATU DISTRICT AND PALMERSTON NORTH CITY**

For the Longburn, Kairanga, Bunnythorpe and Ashhurst Areas

Including amendments approved on 2 November 2011

NOVEMBER 2011

**DRAFT BOUNDARY REORGANISATION SCHEME
FOR MANAWATU DISTRICT AND PALMERSTON NORTH CITY**
For the Longburn, Kairanga, Bunnythorpe and Ashhurst Areas

Pursuant to Clause 12 of Schedule 3 of the Local Government Act 2002, the Joint Boundary Committee of Manawatu District Council and Palmerston North City Council has jointly prepared the following Draft Reorganisation Scheme for a boundary alteration between the Manawatu District and Palmerston North City and has, pursuant to Clause 18 of the said Schedule, adopted the Draft Reorganisation Scheme with amendments on 2 November 2011, these amendments being incorporated in this Scheme:

1. TITLE

This Draft Reorganisation Scheme may be referred to as the Draft Boundary Reorganisation Scheme for Manawatu District and Palmerston North City for the Longburn, Kairanga, Bunnythorpe and Ashhurst areas.

2. INTERPRETATION

In this Scheme, unless the context otherwise requires:

(a) **Councils** means the Councils of MDC and PNCC;

MDC means Manawatu District Council;

Manawatu District means the area administered by Manawatu District Council as at 1 July 2011;

PNCC means Palmerston North City Council;

Palmerston North City means the area administered by Palmerston North City Council as at 1 July 2011;

Scheme means Draft Boundary Reorganisation Scheme for Manawatu District and Palmerston North City for the Longburn, Kairanga, Bunnythorpe and Ashhurst areas.

(b) **Area A** means the area marked as Area A on Map 1 attached to this Scheme, and **Areas B, C, D and E** have the corresponding meaning, and also includes those areas as shown on Maps 2, 3 or 4 as appropriate.

3. COMMENCEMENT

Subject to Clause 13, this Scheme, if approved, shall come into force on 1 July 2012.

4. BOUNDARY ALTERATION

(a) The boundaries of Manawatu District and Palmerston North City are altered by excluding areas A to E inclusive from Manawatu District and including them in Palmerston North City.

- (b) Where the proposed boundary line follows roads, the boundary between Manawatu District and Palmerston North City will be the centre-line of the road.
- (c) The proposed boundary conforms with the boundaries of statistical mesh block areas determined by Statistics New Zealand, and used for parliamentary electoral purposes, except in the Longburn, Bunnythorpe and Ashhurst areas. Statistics New Zealand has given approval for mesh block boundaries to be adjusted to conform with the boundary line shown on the maps.

5. REPRESENTATION

- (a) Area A (Longburn and surrounds) is excluded from the Kairanga Ward of Manawatu District and included in the Awapuni Ward of Palmerston North City.
- (b) Area B (Kairanga and surrounds) is excluded from the Kairanga Ward of the Manawatu District and included in the Takaro Ward of Palmerston North City.
- (c) Area C (Bunnythorpe and surrounds) is excluded from the Kairanga and Kiwitea-Pohangina Wards of the Manawatu District and included in the Papaioea Ward of Palmerston North City.
- (d) Area D (northern Ashhurst) is excluded from the Kairanga Ward of Manawatu District and included in the Ashhurst-Fitzherbert Ward of Palmerston North City.
- (e) Area E (northern Ashhurst) is excluded from the Kiwitea-Pohangina Ward of Manawatu District and included in the Ashhurst-Fitzherbert Ward of Palmerston North City.
- (f) Except in the circumstances specified in Clauses 1-4 inclusive of Schedule 7 to the Local Government Act 2002, the members of MDC and PNCC continue to be elected members of those Councils, as if there had been no boundary alteration. This is in accordance with Clause 67(j) of Schedule 3 of the Local Government Act 2002.
- (g) The representation arrangements stated in this Clause apply for the present term of the Councils which concludes with the next Local Government Elections to be held on 12 October 2013. The representation arrangements for those elections will be determined by the separate representation reviews to be carried out by MDC and PNCC.

6. TRANSITIONARY PAYMENT

- (a) A transitional payment will be paid by PNCC to MDC under the arrangements set out in this clause.
- (b) The transitional payment will be made in acknowledgement of the expectation that the boundary alteration will result, for a number of years, in a net annual revenue reduction for MDC and a net annual revenue increase for PNCC. The transitional payment will be made by PNCC to MDC each year for ten years.
- (c) For the purposes of this clause:

All calculations shall be based on the operating budget of MDC and the rates set by MDC for the year immediately preceding the implementation of this Scheme.

The **estimated annual net revenue reduction** for MDC represents the amount (GST exclusive) of the MDC rates assessed on those properties to be transferred to Palmerston North City (Areas A to E inclusive), plus other estimated operating revenue receivable by MDC in relation to Areas A to E inclusive, to be transferred, less any operating expenses (GST exclusive) it is estimated will no longer be incurred by MDC when the areas are transferred to PNCC.

- (d) The amount of the payment in each of the first five years shall (subject to Clause 6(g) below) remain constant and equate to the estimated annual net revenue reduction for MDC. GST, if applicable, will be added to the amount of each payment.
- (e) The amount of the payment in each of the following five years shall (subject to Clause 6(g) below) remain constant and equate to one half of the estimated net revenue reduction for MDC. GST, if applicable, will be added to the amount of each payment.
- (f) Payments to be made under this agreement will be paid as quarterly sums at the end of each quarter.
- (g) Notwithstanding anything in this Clause 6, all payments required to be made shall be adjusted automatically to reflect changes to the Local Government Cost Index for New Zealand applicable to operating expenditure.

7. RATING

- (a) PNCC will set and assess rates on those properties transferred to Palmerston North City (Areas A to E inclusive) in the same manner as like properties within the current City boundary, except for any targeted rate to cover the costs of upgrade to the industrial wastewater system in Longburn.
- (b) PNCC and MDC currently have different dates of valuation so it will be necessary either to revalue the properties transferred or equalise the rateable values through another mechanism such as amendments to the rating systems.

8. RESOURCE MANAGEMENT

- (a) In accordance with section 81 of the Resource Management Act 1991, on the date this Scheme comes into effect the operative Manawatu District Plan shall be deemed to be part of the operative Palmerston North City District Plan, in so far as it applies to Areas A to E inclusive. Within a period of 2 years from the date this Scheme comes into effect, PNCC will promote a Plan Change to include provisions for Areas A to E inclusive.
- (b) All proceedings or appeals in relation to provisions of the Manawatu District Plan affecting Areas A to E inclusive that have been commenced¹ prior to the date this Scheme comes into effect will continue to be the responsibility of the MDC until resolved. All proceedings or appeals in relation to provisions of the Manawatu District Plan deemed to be part of the Palmerston North City District Plan affecting Areas A to E inclusive that are commenced² on or after the date that this Scheme comes into effect will be the responsibility of PNCC. The status of the operative Palmerston North City District Plan shall not be compromised by any proceedings or appeals in relation to provisions of the Manawatu District Plan deemed to be part of the Palmerston North City District Plan.
- (c) All resource consents pertaining to Areas A to E inclusive for which applications have been submitted prior to the date this Scheme comes into effect will continue to be the responsibility of MDC until:
 - (i) For subdivision consents section 224(c) certificates are issued; or
 - (ii) For land use consents the resource consent is deemed to have commenced under section 116; or
 - (iii) The resource consent is otherwise terminated.

All resource consents for which applications are submitted in relation to Areas A to E inclusive on or after the date that this Scheme comes into effect will be the responsibility of PNCC.

¹ Publicly notified under clause 5(1), Schedule 1, RMA 1991

² See footnote 1.

9. DEVELOPMENT CONTRIBUTIONS

- (a) All developments in Areas A to E inclusive, for which applications are lodged prior to the date this Scheme comes into effect, will be assessed under the MDC Development Contributions Policy. If applicable, development contributions will be payable to the Manawatu District Council, in accordance with the rates and methodology set out in the MDC Development Contributions Policy.
- (b) All developments in Areas A to E inclusive, for which applications are lodged on or after the date this Scheme comes into effect, will be assessed under the PNCC Development Contributions Policy. If applicable, development contributions will be payable to the PNCC, in accordance with the rates and methodology set out in the PNCC Development Contributions Policy.
- (c) Two-thirds of all development contributions received by MDC on or after the date this Scheme comes into effect for developments located within Areas A to E inclusive will be transferred to PNCC.

10. BUILDING CONSENTS

- (a) All building consents for works in Areas A to E inclusive for which applications have been submitted prior to the date this Scheme comes into effect, will continue to be the responsibility of MDC until the final inspection is completed and, where applicable, a Code Compliance Certificate issued. Notwithstanding this, it is acknowledged that since 1 December 2007 PNCC has been providing to MDC certain building related services pursuant to the following Contracts:
 - (i) Contract for Provision of Services: Building Control Authority (BCA) Functions dated 12 April 2011; and
 - (ii) Contract for Provision of Building Services dated 12 April 2011;("the Contracts").
- (b) All building consents for works in Areas A to E inclusive for which applications are submitted on or after the date this Scheme comes into effect will be the responsibility of PNCC.
- (c) Subject to Clauses 10(d) and 10(e) below, MDC shall be responsible for and indemnify PNCC in full for any liability incurred by PNCC relating to:
 - (i) Any leaky building (as defined within the Weathertight Homes Resolution Services Act 2006); and
 - (ii) Any other claims involving a building (as defined within the Building Act 2004);within Areas A to E inclusive.
- (d) MDC shall be liable under Clause 10(c) above:
 - (i) During any period from when a building consent has issued by MDC prior to the date this Scheme comes into effect until:
 - (iii) During any period when MDC is responsible under Clause 10(a) above;until the date:
 - (A) Ten (10) years subsequent to the issue of a Code Compliance Certificate in relation to the building; or

- (B) Ten (10) years subsequent to the date of the issue of the building consent for that building;

whichever date shall be the later.

- (e) Notwithstanding Clauses 10(c) and (d) above, in the event MDC is responsible to indemnify PNCC in accordance with Clause 10(c) above and the claim against PNCC arises in relation to any building services which PNCC has provided under the Contracts ("the services") then the extent of such indemnity shall be reduced to take into account any negligence by PNCC in performing the services or any breach by PNCC of the Contracts.

11. BYLAWS

In accordance with Clause 67(e) of Schedule 3 to the Local Government Act 2002, all bylaws made by MDC that are in force on the date this Scheme comes into effect will, in relation to the areas being transferred to Palmerston North City, be deemed to be bylaws of PNCC and will apply to those areas until altered or revoked by PNCC.

12. SEPARATE AGREEMENT FOR APPORTIONMENT OF ASSETS AND LIABILITIES, AND FOR OTHER SPECIAL ARRANGEMENTS

- (a) Except for those matters set out in this Scheme, MDC and PNCC will enter into separate arrangements for the apportionment of assets and liabilities, including any arrangements that may need to be made for the Longburn and Bunnythorpe areas.
- (b) These agreements will be negotiated separately, but if no agreement is reached within three months of this reorganisation order coming into force, either MDC or PNCC will be able to apply to the Local Government Commission for a determination under Clause 69 of Schedule 3 to the Local Government Act 2002.

13. ARBITRATION AND MEDIATION

- (a) In the event that any matter is not included in this Scheme or in Schedule 3 to the Local Government Act 2002, or some other question or dispute arises, MDC and PNCC will endeavour to settle such matter by agreement, or failing agreement, by arbitration.
- (b) Any such arbitration will be undertaken in accordance with New Zealand law and the current Arbitration Protocol of the Arbitrators' and Mediators' Institute of New Zealand Inc. The arbitration will be conducted by one arbitrator agreed upon by MDC and PNCC and should those Councils fail to agree within 21 days from the date upon which the matter is referred to arbitration, then the arbitrator will be appointed by the President of the Manawatu District Lawyers Standards Committee or their nominee. The decision of the arbitrator shall be final and not subject to review by either court or the Local Government Commission.
- (c) In addition to the above procedure, the Councils may, if they determine, first refer the matter to non-binding mediation.

14. TRANSITIONAL PROVISIONS

For the purposes of the following matters, this Scheme comes into force on the day after the day of the publication of the Order in Council in the *New Zealand Gazette*:

- (a) The review of representation arrangements under Part 1A of the Local Electoral Act 2001; and
- (b) The preparation and adoption of Long Term Plans and Annual Plans under sections 93 and 95 of the Local Government Act 2002 for the period commencing 1 July 2012; and

- (c) The setting of rates under the Local Government (Rating) Act 2002 for the financial year commencing 1 July 2012 including, if necessary, amendments to valuation rolls either by a revaluation or another mechanism to equalise values.

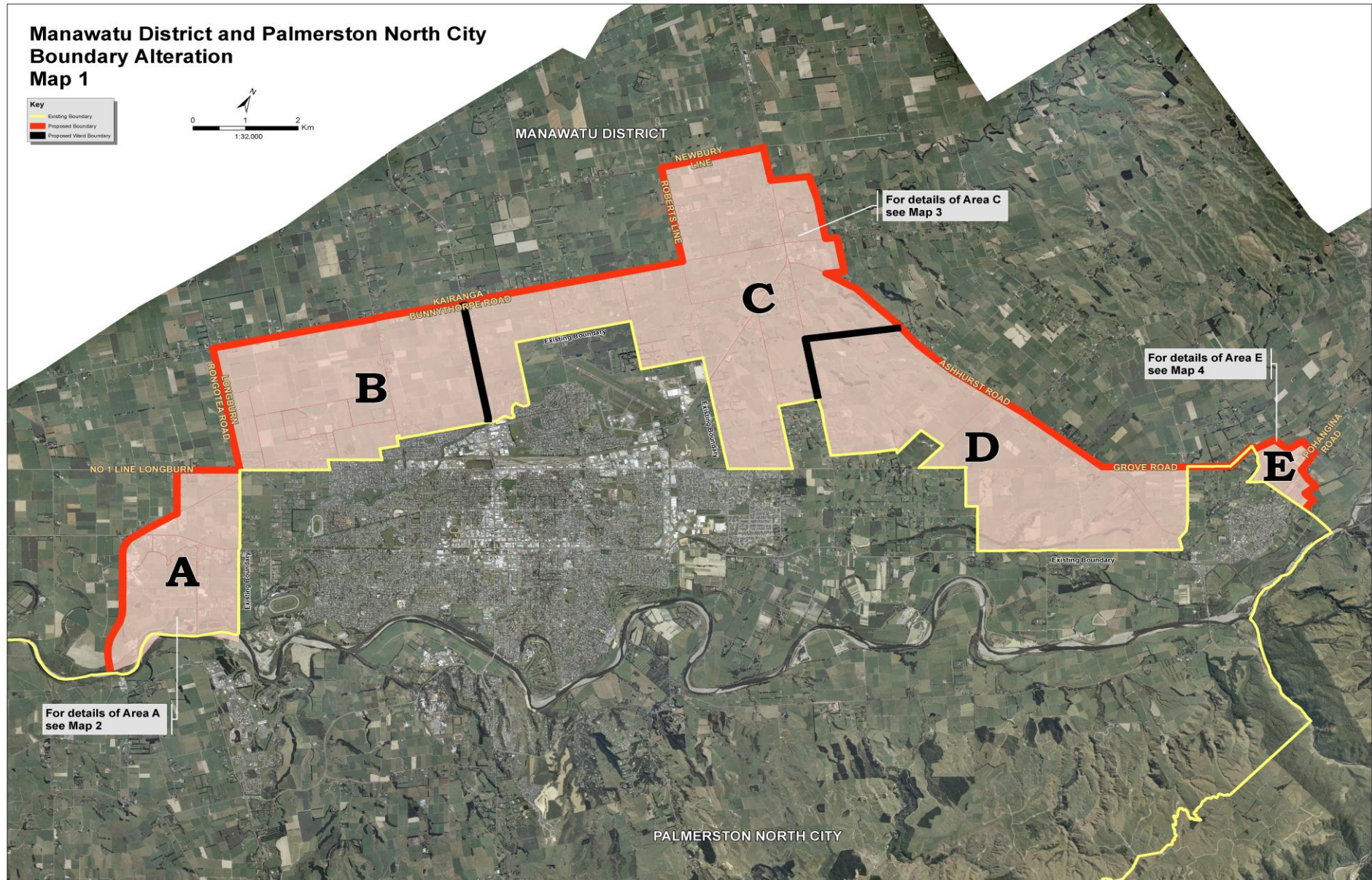
15. INCLUDED PROVISIONS

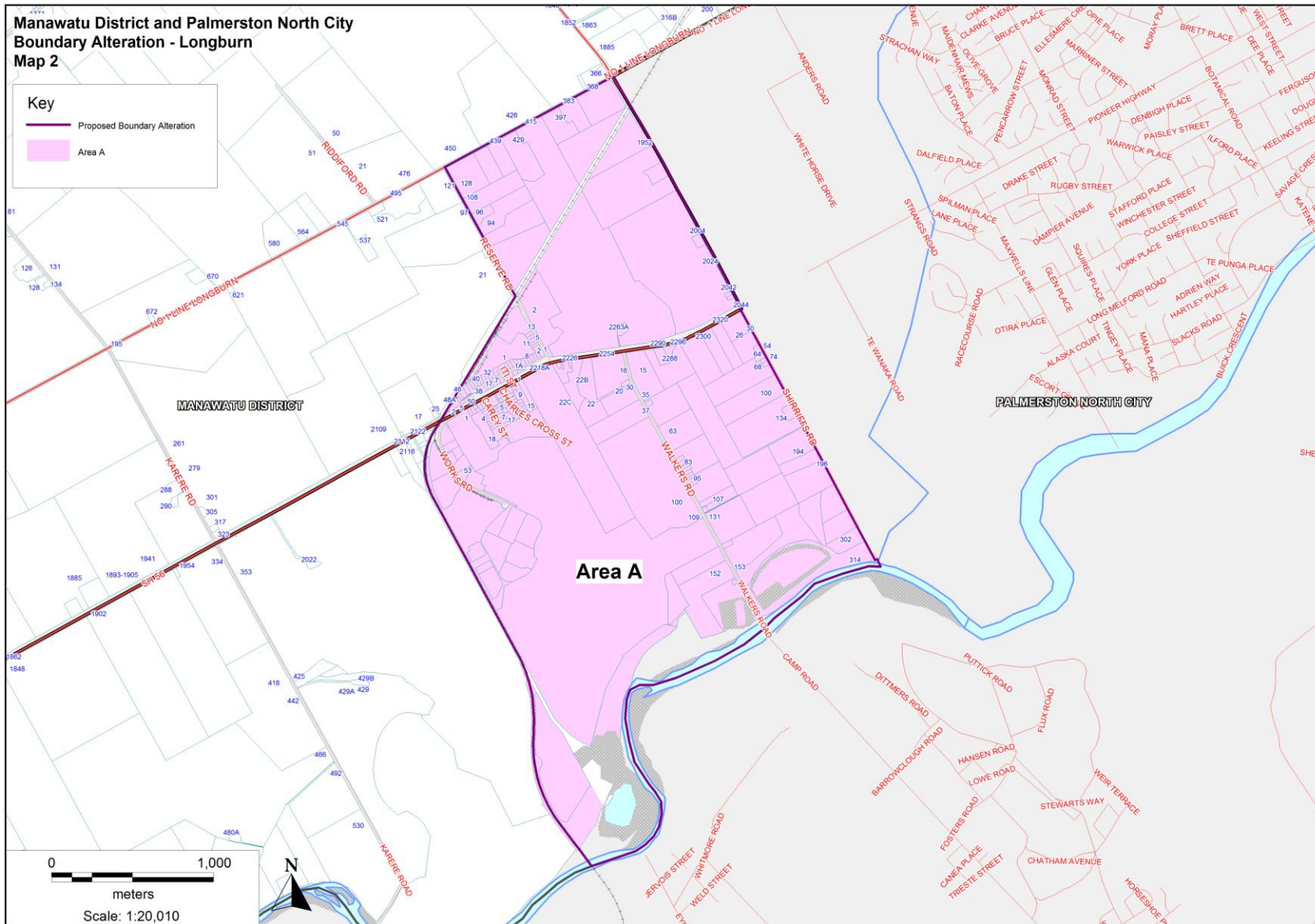
In this Scheme the provisions of Schedule 3 to the Local Government Act 2002, with the exception of Clause 67, shall apply. In relation to Clause 67 of Schedule 3 to the Local Government Act 2002, it shall apply to the extent recorded in Attachment B.

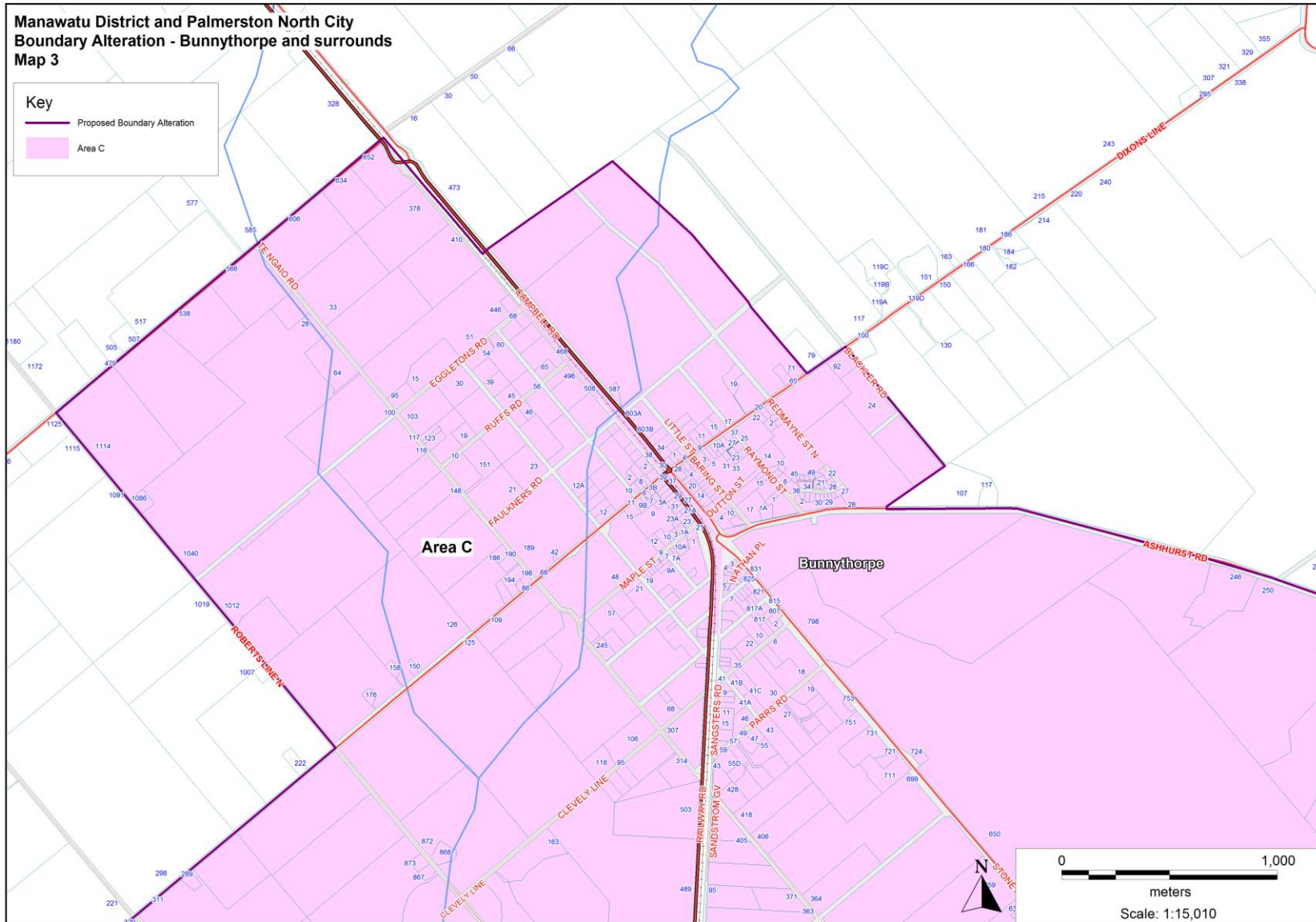
ATTACHMENT A

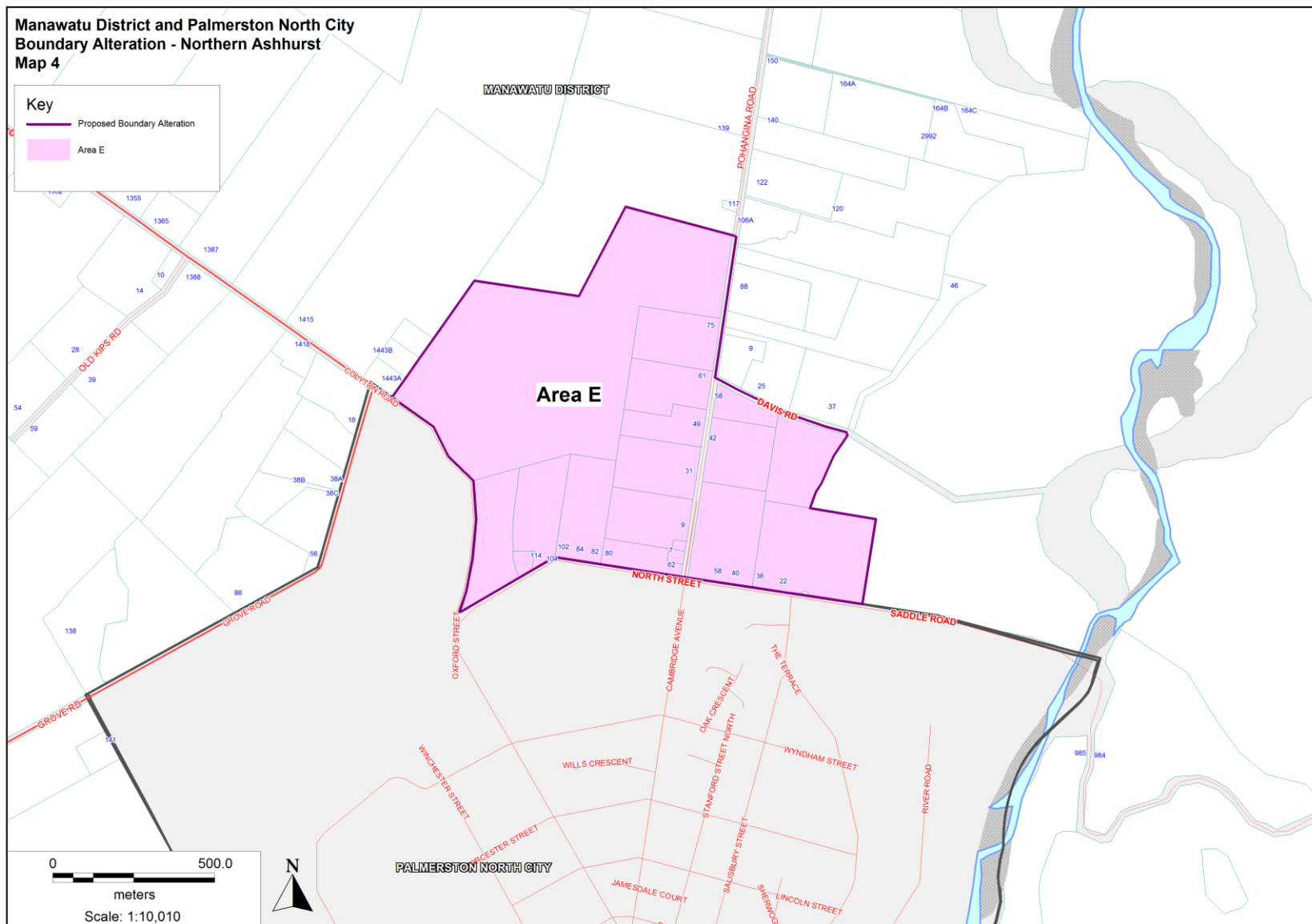
MAPS

- Map 1.** Manawatu District and Palmerston North City Boundary Alteration
- Map 2.** Manawatu District and Palmerston North City Boundary Alteration – Longburn
- Map 3.** Manawatu District and Palmerston North City Boundary Alteration – Bunnythorpe and surrounds
- Map 4.** Manawatu District and Palmerston North City Boundary Alteration – Northern Ashhurst.









ATTACHMENT B

Provisions from Clause 67 of Schedule 3 to the Local Government Act 2002 which apply to this Reorganisation Scheme

The following provisions apply to each reorganisation scheme unless amended or declared not to apply by a reorganisation scheme:

- (a) the local authority that assumes, under the scheme, jurisdiction over an area formerly comprising or forming part of a separate district or region, or that takes over the responsibilities of a local authority, has, and may exercise, and is responsible for:
 - (i) all the powers, duties, acts of authority, and responsibilities that were previously exercised by the former local authority, or that would have been exercised by it if it had remained in existence or in control of that area:
 - (ii) all the liabilities, obligations, engagements, and contracts that were previously the responsibility of the former local authority, or that would have been its responsibility if it had remained in existence or in control of that area:
 - (iii) all the actions, suits, and proceedings pending by or against the former local authority, or that would have been its responsibility if it has remained in existence or in control of that area:
- (b) the responsibilities, duties, and powers of the chairperson and the chief executive of the former local authority must be exercised by the chairperson and chief executive of its successor:
- (c) *Does not apply*
- (d) a local authority that assumes jurisdiction over an area that was formerly part of a separate district or region has, subject to all existing encumbrances, vested in it all the land situated in that area that was vested in the local authority that formerly had jurisdiction over that area:
- (e) *Is amended in its application to the Draft Reorganisation Scheme*
- (f) all rates or levies and other money payable in respect of an abolished local authority, or of an area of land included in the district or region of another local authority, are due and payable to the new local authority:
- (g) *Does not apply*
- (h) the rights or interests of creditors of a district or region must not be affected:
- (i) the valuation rolls, electoral rolls, and rate records in force in the district or region of an abolished local authority, or in relation to any part of the district or region of a local authority included in the district or region of another local authority, continue in force in the district or region of the new controlling local authority until those rolls or records are made by that local authority, and, until that time, the Local Government (Rating) Act 2002 applies:
- (j) except in the circumstances specified in clauses 1, 2, 3, or 4, if part of a district or region is excluded from that district or region and included in another district or region, the members of the local authority of the first-mentioned district or region continue to be members of the district or region as if that part had not been excluded from the district or region:
- (k) if an area is included in the district of another territorial authority, the civil defence emergency management group plan for the district in which the area is included applies to the area so included and is the only operative local civil defence plan to apply in that area
- (l) *Does not apply*