

Proposed Boundary Alteration between Horowhenua District and Palmerston North City at Tokomaru and Ōpiki

Submission of Horowhenua District Council

March 2021

DRAFT

Subject to minor amendments and pending Council endorsement.

Introduction

- 1 This submission responds to the Commission's investigation into the local government reorganisation application it received on 4 October 2018 (amended application received on 5 November 2018) for a boundary alteration between Horowhenua District and Palmerston North City in the areas of Tokomaru and Ōpiki.
- 2 The Horowhenua District Council appreciates the Commission's notification and subsequent consultation and thanks you for the opportunity to provide comment. We wish to be heard in support of this written submission.

This submission is made by the following:

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1 Executive Summary

- 1.1 The Horowhenua District Council is *unanimous* in opposing the application from the 'Tokopiki' Boundary Change Group for the secession of the Tokomaru/Ōpiki area from the Horowhenua District, for inclusion into Palmerston North City.
- 1.2 The history of the Tokomaru/Ōpiki area is intrinsically linked to Horowhenua and the Council submits that the community of interest and rural nature of the area is better linked with Horowhenua than with Palmerston North City.
- 1.3 Current and future services provided, and the rating for those services by Horowhenua, is quantifiable and understood. It is unclear what might eventuate if the area is included in Palmerston North City therefore direct comparisons and assumptions of advantages are premature.
- 1.4 The Council refutes the contention that the Tokomaru/Ōpiki area has been treated poorly and that services and representation will be better in this area if it is joined with Palmerston North City. All local authorities need to make balanced decisions when considering the competing demands and priorities of the various communities that make up their territory.
- 1.5 The Council contends that its experience in supporting rural communities with similar service requirements will provide for better local government for the Tokomaru/Ōpiki area than the adjacent City will by attaching this small rural node to the bustling regional urban, commercial and industrial hub.
- 1.6 The Council's view is that the proposal will not provide for more effective governance, including decision making, nor would it facilitate more effective planning for the immediate and long term needs for the Tokomaru/Ōpiki area. Compared with the Horowhenua focus on rural needs, this area might become 'lost' in the more complex urban needs and demands that the Palmerston North City contends with.
- 1.6 The Council has not identified any significant productivity improvements, efficiency gains or cost savings should the application be approved.
- 1.7 The Council has identified that it will have some difficulty recognising a separate community of interest for the balance of Miranui Ward should the application be approved. This means that the opportunities, needs and circumstances, and representation of the whole of Miranui Ward, which the Council contends should be regarded as the 'affected area', will be adversely impacted.
- 1.8 A change to the local authority administration for this area will impact on the relationships iwi have with the respective local authorities. In particular, Ngāti Whakatere and Ngāti Raukawa ki te Tonga will need to develop a relationship with Palmerston North City Council and will have expectations to be involved in decision making. For the both Ngāti Whakatere and Ngāti Raukawa ki te Tonga iwi, that will mean duplication of effort. For the Palmerston North City it will mean involving both iwi, Ngāti Raukawa ki te Tonga and Rangitāne o Manawatū, in decision making and consultation and that may lead to duplication and confusion. This should be explored with both iwi to ensure their interests are not affected or in fact eroded.

- 1.9 The influence of Palmerston North as a large regional centre is as profound as many other regional areas in New Zealand and that influence impacts on the concept of communities of interest. Horowhenua provides a rural and coastal playground, economic opportunities, provision of supplies, transport inter-connectivity, etc, for the people of Palmerston North too. The concept of community of interest is not limited to urban functions and an inverse recognition needs to be acknowledged.
- 1.10 The planning and implementation of water and wastewater infrastructure in the Tokomaru/Ōpiki area is not indicative of the Council neglecting this area which has benefitted significantly from rating harmonisation of the Three Waters that was introduced in 2009.
- 1.11 Historical and planned incremental increases in roading expenditure are also not indicative of the area being neglected by the Council.
- 1.12 The Council requests that these significant matters should convince the Local Government Commission that the application for the secession of the Tokomaru/Ōpiki area from Horowhenua for inclusion into Palmerston North City, not be approved.

2 Background

2.1 The application specifically requests that the boundary of Palmerston North City be moved south to include the township of Tokomaru, the rural locality of Ōpiki and the surrounding areas. The amended application subsequently received did not affect the substance of the application with respect to the relevant statutory requirements.

2.2 At its meeting on 29 November 2018, the Commission considered the application and made the following decisions pursuant to Schedule 3 of the Act:

- (a) It **agreed** that the “affected area” in respect of the reorganisation application is the area bounded by the Manawatū River, Okuku Road, Kingston Road and the Tararua ranges which forms part of the Miranui ward of Horowhenua District;
- (b) It **agreed** that the affected local authorities are Horowhenua District and Horizons Regional Council;
- (c) It **agreed** that there are no grounds to decline the application under clause 7, and that it contains the necessary information specified in clause 5;
- (d) It **agreed** to assess the application and to notify the applicant, the affected local authorities, and Palmerston North City Council of the decision under clause 6;
- (e) It **agreed** under clause 8(1) that it has sufficient information to be satisfied there is demonstrable community support in the district of each affected territorial authority for local government reorganisation in the affected area;
- (f) It **agreed** to meetings with the applicants, affected local authorities, and Palmerston North City Council before deciding to publicly notify the application and call for alternative applications under clause 9.

2.3 The Commission has given the following reasons for its decision:

- (a) The Commission was required under clause 6 of Schedule 3 to consider the application as soon as practicable after receiving it, which was on 4 October 2018, and to decide whether or not to assess the application.
- (b) Clause 7 sets out the grounds on which the Commission may decline to assess an application. The Commission found that none of these grounds applied in respect of the “Tokopiki Boundary Change Group” application.
- (c) Among other things, the Commission was required to consider information provided demonstrating community support in the district of each affected territorial authority for the application. In order to satisfy itself on this requirement, the Commission needed to determine which are the affected territorial authorities.
- (d) An affected territorial authority under the Act is a territorial authority that contains an affected area. An affected area is defined under clause 2 of Schedule 3 and includes an area that would be included in a new or

different local authority if the reorganisation were to proceed. The Commission may, under specified circumstance, declare that the whole of the district containing such an area is affected area. The Commission did not consider there were grounds to do so.

- (e) Accordingly the affected local authorities are Horowhenua District Council (the “affected territorial authority”) and Horizons Regional Council. While Palmerston North City Council is not an affected local authority in terms of the statutory definition, the Commission intends to ensure that it is appropriately included in the process.
- (f) The Commission was then in a position to assess whether there was the required information demonstrating community support in the district of the affected territorial authority (Horowhenua District) for the application. For this purpose it considered the following information it had received:
 - a collection of 307 signatures supporting the application, mainly from residents of the affected area;
 - accounts of attendance, and views expressed, at public meetings called to discuss a proposed boundary change in Tokomaru and Opiki.

On the basis of the above information, the Commission came to the conclusion that there was sufficient information demonstrating community support for the application in the district of the affected territorial authority.

- (g) As there were no further grounds to decline to assess the application, the Commission agreed it would assess the application.
- (h) Prior to proceeding to assess the application, however, the Commission must first be satisfied, under clause 8(1) of Schedule 3, that there is demonstrable community support in the district of each affected territorial authority for local government reorganisation in the affected area. The Commission considered that it did have sufficient information to satisfy itself of this.
- (i) The basis for this decision was the information referred to in paragraph 10. The Commission was conscious that the evidence demonstrating community support does not need to indicate a particular level or type of support, such as whether there was majority support, as this is not a requirement in the Act.
- (j) As part of its future consideration of whether to proceed to issue a draft reorganisation proposal and then a final proposal, the Commission will need to continue to assess levels of community support for local government reorganisation in the affected area, and for particular options that may be identified during the process. At each step in this process the Commission will need to continue to satisfy itself on the existence of demonstrable community support.

2.4 The Commission adopted a reorganisation investigation process in July 2020 and proceeded to meet with the community in Tokomaru and Opiki, on 13 October 2020. The final process was advised to Council in November 2020.

2.5 The Commission, in doing its assessment to determine if the information provided with the application demonstrated community support for the application advised that there was a collection of 307 signatures supporting the application “mainly from residents of the affected area”.

The Council has determined that there are 816 enrolled electors in that affected area, therefore the number of signatures, presuming they came from the affected area, represents 38%. The Council concedes that is a significant number of people concerned about local government for their area.

Coincidentally, about the same number of people voted in the 2018 local elections – 323 voting papers were returned, that is 39.58%. This is less than the 43.34 % in the whole of the Miranui Ward who voted.

The Council’s view is that in both the affected area and the whole of the Miranui Ward, this is a poor return and it will continue to work hard to encourage its electors to participate in local democracy.

3 The Council's View

3.1 Historical Context

- 3.1.1 The history of the area goes way back before the local government reforms of 1989. The alignment of this area with the Horowhenua catchment was established in 1885, over 135 years ago.
- 3.1.2 The Council will refer to the area identified by the Commission as Tokomaru/Ōpiki.
- 3.1.3 The Horowhenua County Council was formed in 1885 from the southern part of the Manawatū County. The first meeting of the Horowhenua County Council was held 24 January 1885. The Palmerston North Borough Council was formed just before Horowhenua County in 1877, also splitting off from Manawatū County.
- 3.1.4 As first established, the Horowhenua County had three ridings: Ōtaki (area surrounding Ōtaki township), Te Horo (southern portion of county around Waikanae) and Whirokino (northern portion of county including Levin, Shannon and Tokomaru). In 1893 part of Whirokino Riding was split off to form Tokomaru Riding which started just south of Shannon and covered the northern most part of the county. So Tokomaru was an established part of Horowhenua as early as 1885 and has been a separate identity since 1893.
- 3.1.5 The Shannon Borough Council was constituted on 1 August 1917 from Horowhenua County. In 1966 the Borough amalgamated back into the county and a county town committee was formed for the town.
- 3.1.6 In 1989 as part of the Local Government reorganisation the Horowhenua County amalgamated with Levin Borough, Foxton Borough and part of the first Manawatū District Council to form the Horowhenua District Council. At that time, the southern part of the County around the Waikanae and Ōtaki areas became part of the new Kāpiti Coast District Council.
- 3.1.7 The applicants' emphasis on one of the options considered in the 1989 reforms as being evidence of an historical connection with Palmerston North in a local government administrative sense and a significant reason for the proposed shift is inaccurate. The historical connection as part of Horowhenua was still relevant at that time.
- 3.1.8 The inclusion of the Tokomaru/Ōpiki area in Horowhenua District in 1989 recognised the community of interest that existed at that time and still exists today. According to the main requirements that guided the Commission in implementing the 1989 reforms the defined area for Horowhenua, including Tokomaru/Ōpiki, "corresponded with and served existing rather than historical communities of interest".

3.2 Rating

3.2.1 The rating examples used in the application are as at this particular point in time, and do not take into account what might happen in the future:

- (a) The Tokomaru/Ōpiki area has a standalone water supply with rating charges harmonised across the Horowhenua District. Palmerston North City has a single water supply system throughout the city. It is unclear if the Palmerston North supply would be extended and what the cost of that might be.
- (b) Palmerston North City Council has a waste disposal strategy with \$350M assigned to implement a disposal system. It is unclear whether Tokomaru and Ōpiki would be included within the scope of that strategy and the extent of cost that might be borne by those communities.

Horowhenua has “harmonised” the Three Waters rates meaning there is District wide subsidisation of the Tokomaru Township (especially for water and wastewater). The applicants do not accept this. The main reason for the move to harmonisation of these rates in 2009 was to make these services more affordable for small towns like Tokomaru. That resulted in a sizeable reduction to the rates applicable at that time that continues with the harmonisation policy still being applied today.

- (c) Horowhenua currently provides a waste collection service with a recycling component (currently \$126). To date Palmerston North City has not made a decision to provide a recycling service and the costs are not included in the rating examples provided. It is unclear what the cost of such a service would be if provided to the townships.
- (d) The application states that “according to the 2018 League Tables produced by the Taxpayers Union the average residential rates in Horowhenua District are \$2,311” and that “we are advised that Ōpiki pays the highest rural rates per hectare in the country”. The latest New Zealand Taxpayers’ Union league tables released in 2019 report that the average residential rates in Horowhenua are \$2,369 compared with the national average of \$2,460. For Palmerston North City, the average residential rates are reported as \$2,634, higher than the national average.

There are no rural or farm rates included in the 2019 report but the average non-residential rates for Horowhenua are \$1,575 compared with the national average of \$5,995. The average non-residential rates for Palmerston North City are reported to be \$6,504, again higher than the national average.

A direct calculated comparison for a rural farm property in Horowhenua with one in Rangitikei District for instance, with the same

land and capital values, shows that the ratepayer would pay less in Horowhenua.

These examples indicate that Horowhenua rates are not as exorbitant as implied by the rating information and comments contained in the application.

The total rate income for Horowhenua for the current year is \$41,454,000. If the Tokomaru/Ōpiki area is excluded then the rate income would be \$39,683,000 – a loss to Horowhenua District of \$1,771,000.

The effect of this on an ‘average’ Levin residential property with land value of \$180,000 and a capital value of \$360,000 would be a decrease in the current annual levy of \$16.62 (\$2,533.26 compared with \$2,516.64).

The effect on an ‘average’ rural farm property with land value of \$3,220,000 and a capital value of \$3,340,000 would be an increase in the current annual levy of \$1,803.24 (\$7,383.39 compared with \$9,186.63).

3.3 Backwater contention

- 3.3.1 The Horowhenua District Council refutes the contention that the Tokomaru/Ōpiki area has been treated as a backwater “providing minimal services in Tokomaru and mostly none in Ōpiki”.
- 3.3.2 The Tokomaru water supply upgrade is a prime example. An innovative and clever engineering solution brought the project forward 8 years. Originally included in the Long Term Plan for 2024 at a cost in excess of \$2M, it was constructed in 2016 at a cost of \$350,000. In addition, the ‘China’ solution advocated by the applicant of a water supply treatment solution at even less cost was assessed and rejected by the Council and its specialist consultants as not being suitable for Tokomaru source water.
- 3.3.3 The Council engages with the community to develop its long term plans every three years and assesses priority needs basing decisions on the requirements described in sections 76 to 81 of the Local Government Act 2002 and the principles set out in section 14 of that Act. For completeness, Appendix 1 is a copy of the relevant sections. The decision making process is complex and the Council is required to take into account a multitude of factors and considerations. Despite efforts to secure broad community support around Council plans and proposals, it is not always possible to satisfy all community expectations in respect to levels of service.

3.4 Better All Round

- 3.4.1 The submitters contend that Palmerston North City will provide better services.

- 3.4.2 They also contend that with elections at large across the City, Palmerston North will better represent the interests of the small number of people in the Tokomaru/Ōpiki area. Being able to vote for more elected members in an at large system does not by itself support the contention that those in this small rural area will be better represented.
- 3.4.3 The applicants also suggest that the Palmerston North City Council is better run, will make better decisions and provide services more to their liking.
- 3.4.4 There are many examples in New Zealand of people living in proximity to a large urban centre but belonging in an adjacent rural community. That often leads to comparisons being made about the services provided, the quality of those services and the cost of delivery.
- 3.4.5 Regardless of whether the Tokomaru/Ōpiki area is included in the Horowhenua District or Palmerston North City, any decisions relating to that area have to be balanced with the needs and priorities of the rest of the District or City.
- 3.4.6 It is generally understood that in larger organisations, it becomes much more difficult for individual members of the public to be familiar with and understand the many and varied activities which the council undertakes, or to exercise effective influence. This is contrary to the views expressed in the application.
- 3.4.7 The question for all local authorities is: how do we balance the demands of those in the community for a say in how their community is run with the required objective of enhancing efficiency?
- 3.4.8 The application states that “a lot of people have bought houses in Tokomaru and work in Palmerston North, regarding the Tokomaru location being a good compromise between affordability and access to the City”. This is a choice we make when deciding where to live and there are many factors that influence and/or contribute to that decision.

3.5 Better Local Government

- 3.5.1 The Council contends that its experience in supporting rural communities with similar service requirements will provide better local government for the Tokomaru/Ōpiki area than the adjacent City will by attaching this small rural node to the bustling regional urban, commercial and industrial hub.
- 3.5.2 The Council has not assessed any significant productivity improvements for Horowhenua District should the application be approved.
- 3.5.3 The Council has not identified any significant efficiency gains or costs savings for Horowhenua District should the application be approved.
- 3.5.4 The Council will continue to have the resources necessary to enable it to effectively perform and exercise its responsibilities, duties and powers regardless of whether the application is approved or declined.

- 3.5.5 The Council has identified that it will have some difficulty recognising a separate community of interest for the balance of Miranui Ward should the application be approved. This means that the opportunities, needs and circumstances of the affected area (the whole of Miranui Ward, as the Council contends it should be) will be adversely affected.
- 3.5.6 The Council's view is that the effectiveness, efficiency and sustainability of Horowhenua District will be unaffected, and therefore not enhanced.
- 3.5.7 Support for the ability of the local and regional economies to develop and prosper will, in the Council's opinion, not be better.
- 3.5.8 The Council considers that Horowhenua is better placed to meet the changing needs of this rural community for governance and services into the future. Horowhenua is more experienced in providing services and support to rural communities than the larger urban regional city of Palmerston North.
- 3.5.9 The area seeking to be transferred to Palmerston North City will be too small to be recognised in that local authority as a separate rural community of interest whereas it is so recognised as part of the rural Miranui Ward in Horowhenua. Therefore, in the Council's view, the proposal will not provide for a more effective representation of its community of interest.
- 3.5.10 The Council's view is that the proposal will not provide for more effective governance including decision making, nor would it facilitate more effective planning for the immediate or long term needs for the area concerned. Compared with Horowhenua's focus on rural needs this area might become 'lost' in the more complex urban needs and demands that the City contends with.

4 Iwi Relationships

4.1 Potential Impacts

4.1.1 Ngāti Raukawa ki te Tonga is a local iwi with strong ties and a developing relationship with Horowhenua District Council. While Council does not have an official Memorandum of Partnership with Ngāti Raukawa ki te Tonga, as a recognised iwi partner, regular hui take place with hapū representatives from across the district. Environmental, planning, infrastructure projects and significant issues are a priority for Ngāti Raukawa ki te Tonga and Council. This relationship is key to input into Council's decision making process.

4.1.2 Whakawehi Marae (also known as Poutu Pā) is located just outside of Shannon, within the Miranui Ward. This is the marae of Ngāti Whakaterere, a hapū of Ngāti Raukawa ki te Tonga. The relationship with Ngāti Whakaterere as well as other hapū of Ngāti Raukawa ki te Tonga, is valued by Council and again, key to Council's decision making process.

Discussions between Council and Ngāti Whakaterere representatives have taken place where they have indicated their opposition to the proposal, which would see a split in their rohe between two territorial local authorities.

Ngāti Whakaterere informed that they are to meet with The Commission and in addition, make a submission to the proposal.

4.1.3 Rangitāne o Manawatū - there is a Memorandum of Partnership between Horowhenua District Council and Tanenuiarangi Manawatū Incorporated, approved by Horowhenua District Council on 3 September 2008, the first of its kind in Horowhenua to be signed with iwi. Consultation with representatives of Rangitāne o Manawatū takes place regarding environmental and planning issues.

The partnership document enables both parties to work on environmental and planning projects where there is mutual benefit for their respective communities of interest, consult with each other on issues of significance and develop opportunities that allow Rangitāne o Manawatū to share in the relevant decision making processes with the Council.

4.1.4 Muaūpoko are also an iwi of the Horowhenua District. Council has a Memorandum of Partnership with Muaūpoko which sets the platform for the relationship which focuses on, environmental issues, infrastructure planning and issues of significance to both parties. Council values this partnership which assists in the decision making process.

4.1.5 The application states that the rohe, other inter-iwi concerns and their interests cross local authority boundaries, and will be unaffected by the proposal.

4.1.6 Council recognises the importance and special position of tangata whenua within the district. Rangitāne o Manawatū, Ngāti Raukawa ki te Tonga and

Ngāti Whakarete have strong interests in the Tokomaru/Ōpiki area and a change to the local authority administration for this area will impact on the relationships of both iwi with the respective local authorities.

In particular, Ngāti Raukawa ki te Tonga and Ngāti Whakarete will need to develop a relationship with Palmerston North City Council and will have expectations to be involved in decision making. For the both Ngāti Raukawa ki te Tonga iwi and Ngāti Whakarete, that will mean duplication of effort. For the Palmerston North City it will mean involving both iwi and hapū in decision making and consultation and that may lead to duplication and confusion. This should be explored with both iwi to ensure their interests are not affected or in fact eroded.

- 4.1.7 The Council's view is that, from its perspective, it can effectively provide for any co-governance or co-management arrangements that might be established by legislation. It is also the Council's view that iwi views should be sought on how they consider any co-governance or co-management responsibilities might be impacted, from their perspective, should the application succeed.

5 Representation Issues

5.1 Affected Area and Representation

5.1.1 The Council contends that the affected area determined by the Commission is too narrow. As with iwi relationships, there are many more in the community affected by this application than those within the area sought to be transferred to Palmerston North City.

5.1.2 At the last representation review in 2018, the Council determined that combining the Miranui Ward with the Kere Kere Ward would divide communities of interest and therefore adopted representation arrangements that recognised this.

Wards	General Electoral Population	Number of councillors per constituency	Population per councillor	Deviation from district average population per councillor	% deviation from district average population per councillor
Kere Kere	5,780	2	2,890	-356	-10.96
Miranui	3,080	1	3,080	-166	-5.11
Levin	16,950	5	3,390	144	4.44
Waiopahu	6,650	2	3,325	79	2.43
Total	32,460	10	3,246		

5.1.3 The Local Government Commission agreed with the Council's view and supported the Kere Kere Ward remaining separate with 2 elected members even though the % deviation from the district average per councillor exceeded 10%.

5.1.4 The Growth Strategy for Horowhenua predicts Miranui to be the slowest growing ward in Horowhenua. The number of electors in the area determined by the Commission to be affected as at 30 June 2020 is 816 (779 on the General Roll and 37 on the Māori Roll). Those remaining in the portion of the Miranui Ward that is not the subject of this application (if approved), will have their representation affected and their community of interest no longer recognised and therefore local government, for them, will be significantly changed and the Council's responsibility impacted upon. For that reason the Council believes the broader Miranui Ward residents are affected in accordance with clause 2 (b) of Schedule 3 of the Local Government Act 2002.

5.1.5 If the Commission approves the secession of the area it determines to be the affected area to Palmerston North City then based on the current population statistics as at 30 June 2020 the representation for Horowhenua, retaining 10 councillors and four wards (with one being a reduced Miranui Ward), before and after the secession would look like this:

Before secession:

Wards	General Electoral Population	Number of councillors per constituency	Population per councillor	Deviation from district average population per councillor	% deviation from district average population per councillor
Kere Kere	6,400	2	3,200	-408	-11.31
Miranui	3,480	1	3,080	-528	-14.63
Levin	18,200	5	3,640	32	0.89
Waiopahu	8,000	2	4,000	392	10.86
Total	36,080	10	3,608		

After secession:

Wards	General Electoral Population	Number of councillors per constituency	Population per councillor	Deviation from district average population per councillor	% deviation from district average population per councillor
Kere Kere	6,400	2	3,200	-326	-9.25
Miranui	2,664	1	2,664	-862	-24.45
Levin	18,200	5	3,640	114	3.23
Waiopahu	8,000	2	4,000	474	13.44
Total	35,264	10	3,526		

5.1.5 The population changes since the last representation review, before secession would still leave a strong argument to retain separate representation for Miranui (and in fact all exiting four wards) whereas, after secession, would almost certainly mean the raw population only factor for fair representation would dilute the communities of interest argument for Miranui to be recognised separately and create doubt that Waiopahu would retain its identity.

5.1.6 The Council's perception from attending public meetings in the area in recent times is that the level of support, in the area determined by the Commission to be affected, is divided.

5.1.7 If it is accepted that all of the people in the Miranui Ward are affected (as described above), then in the Council's view, there is insufficient evidence that there is a clear, quantifiable majority support for the proposal.

5.2 Introduction of Māori Wards

- 5.2.1 The enactment of the Local Electoral (Māori Wards and Māori Constituencies) Amendment Act 2021 gives Horowhenua District Council the opportunity to review whether or not to introduce Māori wards. There is a transition period until 21 May 2021 for the Council to make a determination in time for the introduction at the 2022 local elections.
- 5.2.2 If the Council decides to introduce Māori wards the entitlement, based on Māori electoral population and General Electoral population, is one Māori Member.
- 5.2.3 If that decision is made then the Council must carry out a representation review.
- 5.2.3 Should the Council decide to retain 10 elected members in total, there will be one Māori member elected at large (across the whole District) by those on the Māori Electoral Roll and nine elected members elected either at large, partially at large and by wards, or by wards.
- 5.2.4 Assuming that the Council decides to retain a total of 10 councillors with one Māori Councillor and the other nine general councillors elected from the existing wards, this is what the situation will look like, based on the latest population estimates provided by the Department of Statistics (note, these figures differ from the 2018 figures shown in 5.1.2 above):

Wards	General Electoral Population	Number of councillors per constituency	Population per councillor	Deviation from district average population per councillor	% deviation from district average population per councillor
Kere Kere	5,480	2	2,740	-707	-20.51
Miranui	2,840	1	2,840	-607	-17.61
Levin	15,500	4	3,875	428	12.42
Waiopahu	7,200	2	3,600	153	4.44
Total general	31,020	9	3,447		
Māori	5,060	1			
Total	36,080	10	3,608		

- 5.2.5 In this example, three wards are non-compliant as they breach the + or – 10% threshold. The Council would have to alter the number of elected members or include the election of some members at large. Should the Commission approve the secession of the Tokomaru/Ōpiki area to Palmerston North the situation then looks like this:

Wards	General Electoral Population	Number of councillors per constituency	Population per councillor	Deviation from district average population per councillor	% deviation from district average population per councillor
Kere Kere	5,480	2	2,740	-620	-18.45
Miranui	2,061	1	2,061	-1,299	-38.66
Levin	15,500	4	3,875	515	15.33
Waiopahu	7,200	2	3,600	240	7.14
Total general	30,241	9	3,360		
Māori	5,023	1			
Total	35,264	10	3,526		

5.2.6 This example shows that changes to the numbers of elected members will not enable Miranui to reach a fair representation based on the legislative compliance issues.

5.3 Community of Interest

5.3.1 The influence of Palmerston North as a large regional centre is as profound as many other regional areas in New Zealand and that influence impacts on the concept of communities of interest.

5.3.2 Communities of interest are often based on assumptions of people's behaviour and characterised by their frequent interactions such as employment, shopping, banking, recreation, education and social activities within that urban centre.

5.3.3 Palmerston North's sphere of influence extends way beyond the Tokomaru/Ōpiki area.

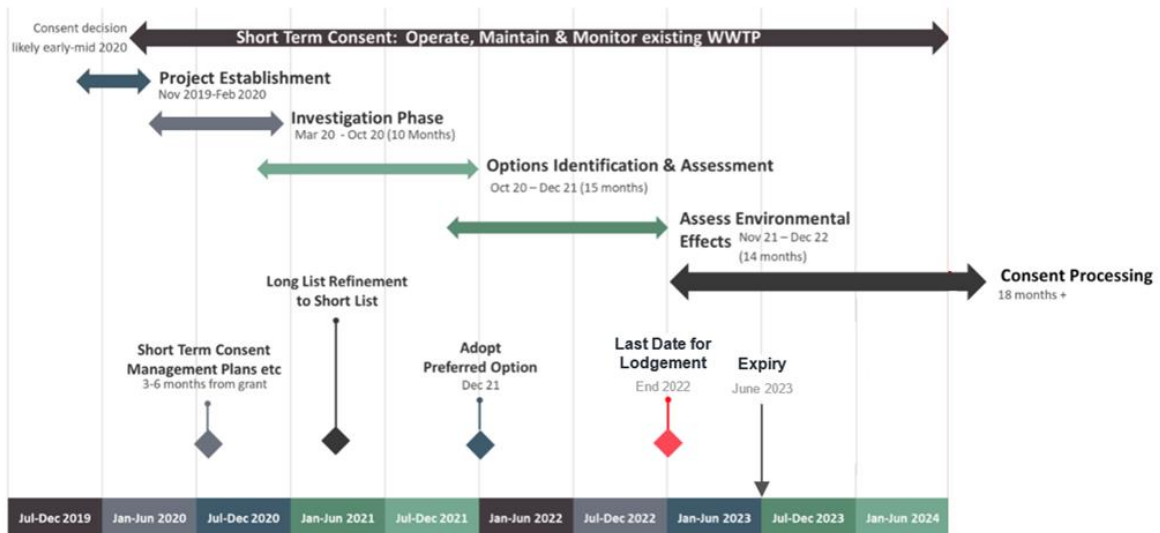
5.3.4 Horowhenua provides a rural and coastal playground, economic opportunities, provision of supplies, transport inter-connectivity, etc, for the people of Palmerston North too. The concept of community of interest is not limited to urban functions and an inverse recognition needs to be acknowledged.

5.3.5 The telephone free calling area is now much less of a factor with the continuing developments of the mobile telephone and data transmission networks.

6 Infrastructure Issues

6.1 Wastewater:

- 6.1.1 The Council harmonised the rating of the Three Waters in 2009. Wastewater rating in the Tokomaru/Ōpiki area has benefited by this harmonisation policy.
- 6.1.2 The Tokomaru wastewater system is subject to an enhancement project that is currently underway.
- 6.1.3 The Wastewater project's aim is to:
- a) Agree on a renewed five (5) year discharge consent to water with Horizons Regional Council and key stakeholders;
 - b) With the community and key stakeholders, agree on a long term treatment and discharge option before 2022.
- 6.1.4 A short term consent was sought for the ongoing operation of the wastewater treatment plant while the long term option was determined. A hearing was held on 28 July 2020 and consent was granted on 31 July 2020. The consent has been granted with conditions which had previously been agreed by the Horowhenua District Council.
- 6.1.5 The Council has made a commitment to work with iwi and the community to investigate and implement a long term land-based treatment option. Stakeholder (Working Party) feedback has been that they wish to ensure all options to remove wastewater discharge to water are explored.
- 6.1.6 Central Government (Ministry for the Environment) funding was secured and this has assisted Council to purchase land which is considered suitable for the purpose.
- 6.1.7 The investigation phase commenced in March 2020 and is ongoing. A key part of this work includes inflow and infiltration assessments (as requested by stakeholders), as well as planning as to how growth areas may be serviced and impacts on wastewater flows over the life of the long term solution. Current work is focused on including measures to accelerate the project to reach a preferred solution and lodge applications as soon as practicable.
- 6.1.8 Tokomaru Wastewater Working Party (TWWWP) meetings are being held twice yearly during the course of the work programme.
- 6.1.9 The project in schematic form is:



6.1.10 The planning and implementation of this project is not indicative of the Council neglecting this area.

6.2 Water Supply

6.2.1 Without the harmonised water rating introduced by the Council in 2009, the area that is provided with a water supply in the Miranui Ward would have had considerable difficulty meeting the costs without further subsidisation if actual location-based costs were used. Small rural water supplies that comply with all requirements for potable water are very expensive and the small number of users of the service struggle to meet both the capital and the ongoing maintenance and treatment costs.

6.2.2 Palmerston North City has a single water supply provided for the whole city whereas Tokomaru/Ōpiki water supply is a standalone system. It is unclear what the costs of supply of water would be

6.2.3 Three Waters Reforms - Central Government is reviewing how to improve the regulation and supply of drinking water, wastewater and stormwater (the three waters) in New Zealand. This is to give New Zealanders confidence that drinking water is safe to use, sources of drinking water are adequately protected, and wastewater and stormwater are managed in environmentally sustainable ways. Once the reforms are implemented, this will impact on the delivery of Three Waters in the Tokomaru area.

6.3 Roothing

6.3.1 Plans for the next 3 years include expenditure of \$11.72M on roading (21/22 \$3.665M, 22/23 3.925M and 23/24 \$4.13M). The incremental increase is 7 and 5% respectively.

6.3.2 This expenditure includes metalling unsealed roads, resurfacing sealed roads, drainage renewals, sealed roads pavement rehabilitation, structure

component replacement, bridge and structure renewals, traffic services renewals and footpath renewals.

6.3.3 This is an increase of \$2.86M on the expenditure of \$8.86M (32%) spent over the last three years on the same infrastructure.

6.3.4 Both the historical and the planned spend are not indication of an area being neglected by the Council.

6.4 Parks and Property

Several projects have been identified including replacing toilet facilities at Horseshoe Bend in the next 3-5 years. Council also has some seminal plans to resurface Tokomaru Hall carpark (next 2-3 years), install some drainage and potentially a play area on the adjacent reserve.

Note that Council has not yet consulted with the community on the plans, and there are no budgets either now or in the current LTP (21-24) for the works.

Appendix 1 – Relevant sections of the Local Government Act 2002 (refer clause 3.3.3)

Section 14 Principles relating to local authorities

- (1) In performing its role, a local authority must act in accordance with the following principles:
- (a) a local authority should—
 - (i) conduct its business in an open, transparent, and democratically accountable manner; and
 - (ii) give effect to its identified priorities and desired outcomes in an efficient and effective manner:
 - (b) a local authority should make itself aware of, and should have regard to, the views of all of its communities; and
 - (c) when making a decision, a local authority should take account of—
 - (i) the diversity of the community, and the community's interests, within its district or region; and
 - (ii) the interests of future as well as current communities; and
 - (iii) the likely impact of any decision on each aspect of well-being referred to in [section 10](#):
 - (d) a local authority should provide opportunities for Māori to contribute to its decision-making processes:
 - (e) a local authority should actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes; and
 - (f) a local authority should undertake any commercial transactions in accordance with sound business practices; and
 - (fa) a local authority should periodically—
 - (i) assess the expected returns to the authority from investing in, or undertaking, a commercial activity; and
 - (ii) satisfy itself that the expected returns are likely to outweigh the risks inherent in the investment or activity; and
 - (g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and
 - (h) in taking a sustainable development approach, a local authority should take into account—
 - (i) the social, economic, and cultural well-being of people and communities; and

- (ii) the need to maintain and enhance the quality of the environment; and
- (iii) the reasonably foreseeable needs of future generations.

- (2) If any of these principles, or any aspects of well-being referred to in [section 10](#), are in conflict in any particular case, the local authority should resolve the conflict in accordance with the principle in subsection (1)(a)(i).

Sections 76 to 81: Decision Making

76 Decision-making

- (1) Every decision made by a local authority must be made in accordance with such of the provisions of [sections 77](#), [78](#), [80](#), [81](#), and [82](#) as are applicable.
- (2) Subsection (1) is subject, in relation to compliance with [sections 77](#) and [78](#), to the judgments made by the local authority under [section 79](#).
- (3) A local authority—
- (a) must ensure that, subject to subsection (2), its decision-making processes promote compliance with subsection (1); and
 - (b) in the case of a significant decision, must ensure, before the decision is made, that subsection (1) has been appropriately observed.
- (4) For the avoidance of doubt, it is declared that, subject to subsection (2), subsection (1) applies to every decision made by or on behalf of a local authority, including a decision not to take any action.
- (5) Where a local authority is authorised or required to make a decision in the exercise of any power, authority, or jurisdiction given to it by this Act or any other enactment or by any bylaws, the provisions of subsections (1) to (4) and the provisions applied by those subsections, unless inconsistent with specific requirements of the Act, enactment, or bylaws under which the decision is to be made, apply in relation to the making of the decision.
- (6) This section and the sections applied by this section do not limit any duty or obligation imposed on a local authority by any other enactment.

77 Requirements in relation to decisions

- (1) A local authority must, in the course of the decision-making process,—
- (a) seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - (b) assess the options in terms of their advantages and disadvantages; and
 - (c) if any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

- (2) This section is subject to [section 79](#).

78 Community views in relation to decisions

- (1) A local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.
- (2) *[Repealed]*
- (3) A local authority is not required by this section alone to undertake any consultation process or procedure.
- (4) This section is subject to [section 79](#).

79 Compliance with procedures in relation to decisions

- (1) It is the responsibility of a local authority to make, in its discretion, judgments—
- (a) about how to achieve compliance with [sections 77](#) and [78](#) that is largely in proportion to the significance of the matters affected by the decision as determined in accordance with the policy under [section 76AA](#); and
 - (b) about, in particular,—
 - (i) the extent to which different options are to be identified and assessed; and
 - (ii) the degree to which benefits and costs are to be quantified; and
 - (iii) the extent and detail of the information to be considered; and
 - (iv) the extent and nature of any written record to be kept of the manner in which it has complied with those sections.
- (2) In making judgments under subsection (1), a local authority must have regard to the significance of all relevant matters and, in addition, to—
- (a) the principles set out in [section 14](#); and
 - (b) the extent of the local authority's resources; and
 - (c) the extent to which the nature of a decision, or the circumstances in which a decision is taken, allow the local authority scope and opportunity to consider a range of options or the views and preferences of other persons.
- (3) The nature and circumstances of a decision referred to in subsection (2)(c) include the extent to which the requirements for such decision-making are prescribed in or under any other enactment (for example, the [Resource Management Act 1991](#)).
- (4) Subsection (3) is for the avoidance of doubt.

80 Identification of inconsistent decisions

- (1) If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify—
 - (a) the inconsistency; and
 - (b) the reasons for the inconsistency; and
 - (c) any intention of the local authority to amend the policy or plan to accommodate the decision.
- (2) Subsection (1) does not derogate from any other provision of this Act or of any other enactment.

81 Contributions to decision-making processes by Māori

- (1) A local authority must—
 - (a) establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and
 - (b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
 - (c) provide relevant information to Māori for the purposes of paragraphs (a) and (b).
- (2) A local authority, in exercising its responsibility to make judgments about the manner in which subsection (1) is to be complied with, must have regard to—
 - (a) the role of the local authority, as set out in [section 11](#); and
 - (b) such other matters as the local authority considers on reasonable grounds to be relevant to those judgments.