

**QLDC Council  
14 June 2018****Report for Agenda Item: 4****Department: Corporate Services****Representation Review 2018****Purpose**

To gain Council agreement on the initial proposal for which consultation on the 2018 Representation Review will be undertaken.

**Recommendation:**

That Council:

1. **Notes** the contents of this report;
2. **Adopts** for the purposes of public consultation that:
  - a. All Councillors are elected in wards;
  - b. The names of the wards shall be: Queenstown-Wakatipu, Arrowtown and Wanaka;
  - c. The boundaries of each ward will be as at present except that Queenstown-Wakatipu Ward will lose meshblocks MB3039711 and MB3039806 which will become part of the new and enlarged Arrowtown Ward with boundaries that will now take in MacDonnell Road and the area of Millbrook;
  - d. Six Councillors will be elected by the voters in the Queenstown-Wakatipu Ward; one Councillor will be elected by the voters in the Arrowtown Ward; and three Councillors will be elected by the voters in the Wanaka Ward;
  - e. There will be a Wanaka Community Board comprising four members elected directly by voters in the Wanaka Ward and the three Wanaka Ward Councillors appointed by Council;
3. **Agrees** that submissions shall be received on the proposal and that the Council will meet as a Committee of the Whole on 13 August 2018 to hear submissions on this initial proposal; and
4. **Notes** that the final proposal will be considered at the Council meeting scheduled for 6 September 2018.

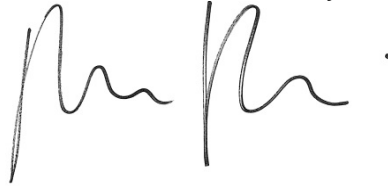
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29/05/2018

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1/05/2018

## Background

- 1 Councils are required by the Local Electoral Act 2001 ['LEA'] to review their representation arrangements at least once every six years. Queenstown Lakes District Council [QLDC] is due to undertake this review in 2018 for the 2019 triennial election. The process is known as the 'Representation Review' and enables Council to reassess the structure of its membership and the way Councillors and Community Board members are elected.
- 2 The Council last undertook a review in 2012. Various options were considered as part of this review but Council elected to retain the status quo. It was not appealed to the Local Government Commission, and Council's decision stood.
- 3 The present ward structure has been in place since 2006 and has been used for four elections (2007, 2010, 2013 and 2016).
- 4 The Arrowtown Ward is outside the +/-10% variance allowable under the LEA. It did not comply at the time of the last review in 2012 and several alternative options were considered at that time, but none were adopted. As Council's decision was unopposed, this non-compliance was not subject to further consideration by the Local Government Commission.
- 5 Legislative change introduced in 2013 now mandates any decision by the Council not to comply with the +/-10% rule to be referred to the Local Government Commission for determination, whether opposed or not. The referral is treated by the Commission as an appeal under LEA.

## Comment

- 6 Section 19H of the LEA requires the Council to consider:
  - The basis of election (by wards, at large or a combination);
  - The number of Councillors;
  - The names and boundaries of wards;
  - Community Boards (should there be community boards and if so, the nature of any community and the membership and structure of any community board).

The position of Mayor is not part of this review and is always elected at large.

## Timeline

- 7 The representation review is a statutory process under the LEA which directs consultation, hearings, decision-making and appeal/objection processes. There is some latitude within the legislation for commencing the review, but, once started, it must follow prescribed timeframes. These have been plotted as follows:

First Council resolution (Can be any time between 1 March and 8 Sept)	Thursday, 14 June
Consultation questionnaire goes live	Thursday, 14 June
Media release	Friday, 15 June
Within 14 days of the above process, issue public notice	Thursday, 21 June (Mountain Scene) Thursday, 21 June (Wanaka Sun) Saturday, 23 June (ODT)
Consultation period open for at least one month	Close of submissions: Monday, 16 July at 5pm
Hearing of submissions and determination of final proposal (full Council meeting as a committee of the whole) NOTE: Must occur within 6 weeks after the end of the period allowed for the making of submissions.	Monday, 13 August
Recommendation of hearings panel considered at full Council meeting	Thursday, 6 September
Media release announcing opening of appeal/objection period	Thursday, 6 September
Public Notice of final proposal and appeal rights (must be open for at least one month)	Saturday, 8 September (ODT) Thursday, 13 September (Mountain Scene) Thursday, 13 September (Wanaka Sun)
Closing date for appeals and objections	Monday, 8 October at 5pm

## Statutory principles

- 8 In reviewing their representation arrangements, councils must have regard to the following three principles:

- Communities of interest,
- Effective representation of communities of interest, and
- Fair representation of electors.

These principles are discussed below.

### ***‘Communities of interest’***

- 9 Community of interest is not defined in the LEA but good practice guidelines suggest that a community of interest is a three-dimensional concept involving:

- Perceptual - a sense of belonging to a clearly defined area or locality
- Functional - meets the community's requirements for physical and human services
- Political - the ability of the elected body to represent the interest and reconcile the conflicts of all its members.

- 10 Further, a community of interest has:

- A sense of community identity and belonging reinforced by:
  - Distinctive physical features

- Similarities in economic or social activities carried out in the area.
- Similarities in demographic, socio-economic and/or ethnic characteristics of the residents
- Distinct local history of the area
- Dependence on shared facilities – such as schools, recreational and cultural facilities, retail outlets, transport, and communication links.

11 During a representation review, councils need to determine:

- Any identifiable communities of interest below the district level
- Whether these communities of interest are located in identifiable geographic areas, justifying the establishment of wards, or are spread across the district.

***‘Effective representation of communities of interest’***

12 Best practice guidelines suggest that key factors for consideration here are the size, nature and diversity of the district. This part of the review requires the Council to determine if the election is undertaken by wards, at large (i.e., over the whole district) or in a combination of both.

13 LEA does not express a preference for either approach but best practice suggests that councils which have opted for elections at large have the following characteristics:

- (a) A relatively compact geographic area; and/or
- (b) A shared common community of interest at the district level; and/or
- (c) Communities of interest that are spread across the district rather than being geographically distinct.

14 Other key considerations when determining effective representation are:

- avoiding arrangements that may create barriers to participation, for example, not recognising residents’ familiarity and identity with an area during elections;
- not splitting recognised communities of interest between electoral subdivisions;
- not grouping together two or more communities of interest that have few common interests;
- local electors’ identification with a specific area
- accessibility, size, and configuration of an area, including:
  - the population’s reasonable access to its elected members and vice versa
  - the elected members’ ability to:
    - effectively represent the views of their electoral area; and
    - attend public meetings throughout the area, and provide reasonable opportunities for face-to-face meetings.

15 The district is not a compact area and there are different communities of interest spread across the district. It is also considered that electors identify with a particular geographic area and that division of the district by ward is important to ensure the population’s reasonable access to its elected members. Accordingly, it is recommended that QLDC continue the practice of electing Councillors by ward.

### **‘Fair representation of electors’**

- 16 Section 19V details the factors to be applied to achieve fair representation of electors. Key to this is the provision under Section 19V(2) known as the ‘+/- 10%’ rule:

*For the purposes of giving effect to subsection (1), the territorial authority or regional council and, where appropriate, the Commission must ensure that the population of each ward or constituency or subdivision, divided by the number of members to be elected by that ward or constituency or subdivision, produces a figure no more than 10% greater or smaller than the population of the district or region or local board area or community divided by the total number of elected members (other than members elected by the electors of a territorial authority as a whole, if any, and the mayor, if any).*

- 17 There are four grounds under the LEA for not complying with the above. They are:

To provide for effective representation of communities of interest within:

- a. Island communities (e.g. Stewart Island);
- b. Isolated communities;

Where compliance would limit effective representation of communities of interest by:

- c. Dividing a community of interest;
- d. Grouping together communities of interest with few commonalities.

### **Discussion of Proposals<sup>1</sup>**

#### *Option 1: Current situation (Status quo)*

- 18 The current situation is the **status quo** option but it is problematic as the Arrowtown ward does not comply with S19V(2) (+/-10%) as the following table shows:

	Population	Members	Pop/mem ratio	Difference from quota	% diff from quota
Queenstown-Wakatipu Ward	22,600	6	3,767	54	1.45
Wanaka Ward	11,600	3	3,867	154	4.14
Arrowtown Ward	2,930	1	2,930	-783	-21.09
<b>District</b>	<b>37,130</b>	<b>10</b>	<b>3713</b>		

-+/-10% = 3,342 - 4,084

- 19 Council can choose not to comply for the reasons detailed under paragraph 17, but must still refer the matter to the Local Government Commission for determination.
- 20 Arrowtown is neither an island community nor isolated. Anecdotally most Arrowtown residents use the shopping, leisure and cultural facilities in the wider Wakatipu basin and many work in Queenstown. Arrowtown is not separate from

<sup>1</sup> The population figures used in these calculations are Statistics NZ population estimates as at 30 June 2017 for wards, communities, local board areas, subdivisions and constituencies. Under S19X of LEA the types of population that can be used are either (a) the population from the most recent census (which is not yet available); or (b) a more recent population estimate “as assessed by the Government Statistician”. The use of population projections is not permitted.

the wider Wakatipu in terms of transport or communication links and the residents are neither demographically nor ethnically separate.

- 21 However Council can justify a decision not to comply with the rule by using reason (c) namely, that Arrowtown represents its own unique community of interest.
- 22 As noted in paragraphs 9 and 10 above, ‘community of interest’ does not have a legal definition, but a series of general concepts and understandings has been developed over time and regarded as good practice. In relation to these, Arrowtown certainly ticks the box in regard to having a ‘perceptual’ community of interest, in that the population generally has a sense of belonging to a clearly defined area or locality. It has a ‘distinct local history’ and some parts of the town have ‘distinctive physical features’, particularly in the historic precinct. There are social activities specific to the area that connect the community (e.g. Arrowtown Autumn Festival, The Loop) and there is a dependence upon some local facilities which are separate from the facilities elsewhere in the district (e.g. Arrowtown School, Arrowtown Volunteer Fire Brigade, Arrowtown Police).
- 23 The District Plan points to the ‘distinctive’ character of Arrowtown, although this mainly refers to the Arrowtown Town Centre Heritage Precinct and the Arrowtown Residential Historic Management Zone. The District Plan stresses the uniqueness of these zones and sets out policies and objectives to preserve their historic character and to protect the compact nature of the town centre.
- 24 Wider than the town centre, the boundaries of Arrowtown are controlled within a discrete area by an urban growth boundary, with policies to provide *“for increased density to contribute to a more compact and connected urban form.”* Further, Objective 4.2.5 seeks to manage the scale and location of urban growth in the Arrowtown Urban Growth Boundary in order to *“limit the spatial growth of Arrowtown so that:*
- *Adverse effects of development outside the Arrowtown Urban Growth Boundary are avoided*
  - *The character and identity of the settlement, and its setting within the landscape is preserved or enhanced.”*
- 25 Accordingly, it is reasonable to conclude that the District Plan sees Arrowtown as a distinct community and seeks to maintain it as such.

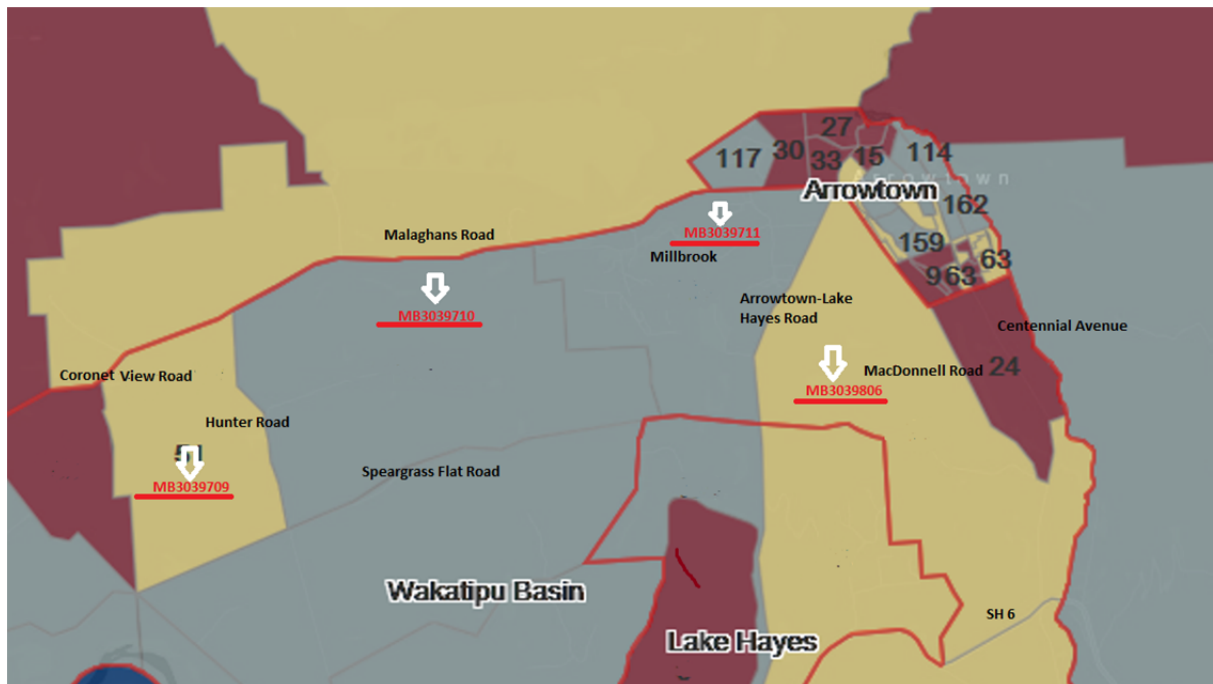
*Option 2: Enlarge the Arrowtown ward with four neighbouring meshblocks (MB3039711, MB3039710, MB3039709 and MB3039806) from Queenstown-Wakatipu to increase population; Wanaka Ward and Wanaka Community Board to remain unchanged.*

- 26 To become compliant, the Arrowtown ward needs at least 412 more people as the following calculation demonstrates:

	Population	Members	Pop/mem ratio	Difference from quota	% diff from quota
	3,342	1	3,342	-371	-9.99%

- 27 If Council wishes to retain Arrowtown as a separate ward electing one Councillor, it can become fully compliant by adding other meshblocks to it from the present Queenstown-Wakatipu ward that are in the vicinity of Arrowtown. This would not affect the number of Councillors elected from the Queenstown-Wakatipu ward, which would remain at 6. The following areas have been identified as possible options for adding meshblocks to the Arrowtown Ward:

Meshblock number (2013)	General area (2013 census boundaries)	2013 Census population	Stats NZ 2017 estimated population
MB3039711	Millbrook from Millbrook corner to just past Streamside Lane	111	220
MB3039710	Malaghans Road (on Millbrook side) up to Hunter Road	108	110
MB3039709	Malaghans Road (on Millbrook side) up to just past Coronet View Road	51	50
MB3039806	Across the road from Millbrook - area encased by Arrowtown-Lake Hayes Road and MacDonnell Road through to SH6	75	80
		345	460



- 28 In this scenario, the difference from the quota would be -8.7% which is fully compliant and would remove the need to refer the matter to the Local Government Commission:

	Population	Members	Pop/mem ratio	Difference from quota	% diff from quota
Arrowtown Ward (+4 meshblocks)	3,390	1	3,390	-323	-8.70%

- 29 Although it complies with S19V(2), this option does carry some risk as extending the boundary too widely could be construed as grouping communities of interest with few commonalities. This option may therefore be open to objection by both the community of Arrowtown in relation to erosion of the special ward and by the wider communities, which may associate more with the wider Wakatipu Ward.

*Option 3: Enlarge the Arrowtown ward with two meshblocks (MB3039711 and MB3039806) from Queenstown-Wakatipu that are located near Arrowtown to increase population.*

- 30 This is a 'half-way house' option that preserves much of the discreteness of the current Arrowtown Ward but brings it much closer to compliance. Furthermore, it adds areas already considered part of Arrowtown, due to their proximity. There has historically been some confusion about which ward these areas are in.

Meshblock number (2013)	Figure #	General area (2013 census boundaries)	2013 Census population	Stats NZ 2017 estimated population
MB3039711	1	Millbrook from Millbrook corner to just past Streamside Lane	111	220
MB3039806	4	Across the road from Millbrook - area encased by Arrowtown-Lake Hayes Road and MacDonnell Road through to SH6	75	80
				310

- 31 The table below shows that this would result in a 12.7% difference from the quota. It would still not be compliant with S19(V)2, but brings it much closer than at present and demonstrates to the Local Government Commission (to which it would still have to be referred) that Council is doing its best to maintain this distinct community of interest, whilst at the same time trying to comply with the law. Further, with a little more population growth (only 102 people), this area will eventually become fully compliant:

	Population	Members	Pop/mem ratio	Difference from quota	% diff from quota
Arrowtown Ward (+2 meshblocks)	3,240	1	3,240	-473	-12.74%

*Option 4: Disestablish the Arrowtown ward and incorporate it into Queenstown-Wakatipu, with voters electing seven Councillors; Wanaka ward and Wanaka Community Board to remain unchanged.*

- 32 This option will address the non-compliance with the Arrowtown Ward and may encourage more local engagement in the electoral process.

	Population	Members	Pop/mem ratio	Difference from quota	% diff from quota
Queenstown-Wakatipu Ward (including old Arrowtown Ward)	25,530	7	3,647	66	1.78
Wanaka Ward	11,600	3	3,867	154	4.14
<b>District</b>	<b>37,130</b>	<b>10</b>	<b>3713</b>		



33 Whilst single-member wards provide a close direct link between local electors and their representative, multi-member wards can provide for:

- greater choice for voters;
- (following the election) greater choice for residents on who to approach on local issues;
- sharing and specialising in responsibilities between ward representatives.

34 There has been anecdotal feedback that voters in the Arrowtown ward do not engage in the triennial council elections because they regularly only have one vote, that being for the district's Mayor, because the single-seat Arrowtown ward is rarely contested. In the last four elections (for which the present ward system has been in place), the Arrowtown ward Councillor has been elected unopposed on all occasions except in 2010. It is interesting to note that when the position was last contested, the voter turnout in the Arrowtown Ward was the highest return in any recent election. By contrast, when the sitting member was re-elected unopposed in 2013, Arrowtown recorded the lowest voter turn-out (only voting for a Mayoral candidate) in recent memory:

Election	Queenstown-Wakatipu	Arrowtown	Wanaka
2016	52.6%	52.1%	56.9%
2013	41.0%	35.5%	53.3%
2010	50.0%	57.0%	48.0%
2007	48.0%	51.0%	51.0%

35 Statistics from recent by-elections also indicate that Arrowtown voters engage when there is an election in their community:

By-election	No. of Candidates	Voter Return
2015 Arrowtown Ward	3	50.52%
2017 Wanaka Ward	4	41.35%
2017 Wanaka Community Board	3	36.71%

### Wanaka Ward

36 In all of the options discussed above, no change is proposed to the boundaries of the present Wanaka Ward and the election of three Councillors from that Ward. The present Wanaka Ward covers the area from the top of the Crown Range through to just beyond Makarora. In line with the rest of the district the population of Wanaka continues to grow but based upon the 2017 population statistics on which this report is based, there is no justification for increasing the number of elected Councillors from the Wanaka Ward from the present three:

	Population	Members	Pop/mem ratio	Difference from quota	% diff from quota
Wanaka Ward (status quo)	11,590 <sup>2</sup>	3	3,883	170	4.6%
Wanaka Ward (additional Councillor)	11,590	4	2,898	-815	-21.95%
Queenstown Lakes District	37,130	10	3,713		

+/-10% 3,342-4,084

<sup>2</sup> Note that 11590 is 10 different from the overall ward population shown in the figures above (11600). This is normal statistical practice and is within the acceptable bounds of standard deviation

### **Queenstown-Wakatipu Ward**

37 Options 2 and 3 will result in a small loss of area and population in the Queenstown-Wakatipu Ward, and the following table models the situation with the loss of two or four meshblocks. Under both options it is recommended that the Queenstown-Wakatipu Ward continue to elect six Councillors.

38 The table also shows that there is not yet the need in Queenstown-Wakatipu to elect seven Councillors, although population growth will require the Council to consider the number of elected members needed to service the population at some stage in the future.

	Population	Members	Pop/mem ratio	Difference from quota	% diff from quota
Queenstown-Wakatipu Ward (- 4 meshblocks)	22,140	6	3,690	-23	-0.62%
Queenstown-Wakatipu Ward (- 2 meshblocks)	22,290	6	3,715	2	0.05%
Queenstown-Wakatipu Ward (-2 meshblocks)	22,290	7	3,184	-529	-14.25%
<b>District</b>	<b>37,130</b>	<b>10</b>	<b>3713</b>		

+/-10% 3,342-4,084

### **Current situation: Community Board/s**

39 As part of the review, Council is required by statute to determine whether, in order to achieve fair and effective representation for individuals and communities:

*(a) there should be communities and community boards; and*

*(b) if so resolved, the nature of any community and the structure of any community board.*

40 Other considerations required in relation to community boards are:

- a. whether one or more communities should be constituted;
- b. whether any community should be abolished or united with another community;
- c. whether the boundaries of a community should be altered;
- d. whether a community should be subdivided for electoral purposes or whether it should continue to be subdivided for electoral purposes, as the case may require;
- e. whether the boundaries of any subdivision should be altered;
- f. the number of members of any community board;
- g. the number of members of a community board who should be elected and the number of members of a community board who should be appointed.

41 In relation to membership, section 19F of LEA requires that:

1. Every community board,
  - a. is to consist of not fewer than four members nor more than 12 members; and
  - b. is to include at least four elected members; and
  - c. may include appointed members.
2. The number of appointed members is to be less than half the total number of members.

- 42 The Wanaka Community Board was formed by an Order In Council in 1986 and its first meeting as the Board took place on 17 November 1989. The Board's current membership is as a result of the 2006 representation review, when the decision was made to change from six elected and three appointed to the current four elected and three appointed.
- 43 Community Boards were established by the Local Government Commission during the reorganisation of local government in 1989. The argument for establishing them was that councils would now be so large that former communities of interest might lose representation. At the time, it was also seen as a way of obtaining the cooperation of small councils that were about to be consolidated. Amalgamation created 159 community boards but according to a recently released study of community boards there are now 110 community boards in New Zealand, down from 144 in 2008.
- 44 A key finding of this study was that 'although publicly elected, most boards are treated in an advisory role to council.' Further, the report concludes that 'if boards continue to have local advocacy and advice as their central role then they will decline further around the country.' The report however, highlights Wanaka Community Board (alongside those in Thames-Coromandel and Christchurch) as being contrary to this trend, being an example of a board that takes 'leadership at the local level.' It has also long been acknowledged that Wanaka Community Board has a high level of delegated authority compared with many of its peers.
- 45 However, as part of the representation review, the Council should examine whether the Wanaka Community Board is needed for the 'fair and effective representation of individuals and communities'. The Council is also required to consider the number of elected and appointed members, currently 4 and 3 respectively.
- 46 The Wanaka ward is made up of the following different communities:

Wanaka	8,450
Hawea	2,640
Matukituki	500
	11,590

- 47 The Wanaka Community Board currently contains four elected members and the member ratio (2017) is 1: 2898. +/- 10% is 2,608-3,188. As noted above the minimum number of members a community board may contain is four. The number of appointed members must be half of the total number of members. Since its official formation in 1989, it has been the practice for all Wanaka Ward Councillors to be appointed members of the Board for the full triennium. However, there is no compulsion for this and the Council could choose instead to allocate each on a one year basis to cover the three years of the Council term.
- 48 The Local Electoral Act 2001 requires the Council to consider as part of its review of community boards whether it should be subdivided for electoral purposes. The current circumstances suggest no compelling reason, statistical or based on LEA principles, to subdivide.

## Summary

- 49 The Wanaka Community Board has extensive delegations which add to its function and value, and this was acknowledged in a 2018 survey of community boards which outlined some regression of community boards over the last decade:

*‘One potential future development of boards is the devolving of services and decision-making as is seen in Boards in Wanaka, Thames-Coromandel and Christchurch City. Under this scenario, local Community Boards take leadership at the local level and council takes leadership of more district or city-wide matters.*

- 50 It is therefore reasonable to conclude that it fulfils its role as a sub-municipal body well, with easy ability to interact with citizens and to resolve localised issues with local solutions. Accordingly, no change is recommended to the Board at this time.

## Options

- 51 This report recommends **Option 3** for addressing the matter because this representation proposal brings the Arrowtown ward closer to the +/-10% rule and demonstrates to the Local Government Commission that the Council is making a constructive effort to comply with the legal requirements, whilst still acknowledging that Arrowtown is a separate community of interest. It is considered that no change to the Wanaka Ward or the Wanaka Community Board is necessary at this time.

### ***Significance and Engagement***

- 52 This matter is of medium significance, as determined by reference to the Council’s Significance and Engagement Policy because it will have a moderate impact upon the culture and the people of the district because it will impact upon the way they vote for the Council and the Wanaka Community Board.

### ***Risk***

- 53 This matter relates to operation risk OR011A Decision Making. The risk is classed as moderate as it the Council’s decision may result in the matter being referred to the Local Government Commission.

## Financial Implications

- 54 The cost of undertaking the Representation Review is covered by operational budgets.

## Council Policies, Strategies and Bylaws

- 55 The following Council policies, strategies and bylaws were considered:

- Significance and Engagement Policy
- Local Electoral Act 2001

56 The recommended option is consistent with the principles set out in the named policy/policies

57 This matter is not included in the Ten Year Plan/Annual Plan because it does not have any financial impact on Council.

### **Local Government Act 2002 Purpose Provisions**

58 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing income to Council and a decision in a timely manner;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

### **Consultation: Community Views and Preferences**

59 The initial proposal that the Council adopts will be subject to public consultation.