

REPORT

TO: Council

MEETING DATE: 13 August 2018

TITLE: Review of Representation Arrangements

DATE: 31 July 2018

AUTHOR/S: John Annabell, Legal Counsel, Finance

APPROVED BY: Grant Elliott, Chief Financial Officer

RECOMMENDATION(S) TO COUNCIL

1. That submissions made on the representation review, including oral submissions at the meeting of the Council to be held on 13 August 2018, be received.
2. That the Chief Executive be instructed to report to the Council meeting to be held on 27 August 2018 with recommendations concerning the Council's formal proposal for representation arrangements, that report to be based on indicative decisions made by the Council at the meeting held on 13 August 2018 with regard to the following questions:
 - Whether Councillors should be elected on a ward basis, or on a city-wide basis, or on the basis of a mixture of both systems.
 - The total of Councillors (other than the Mayor) to be elected and, if appropriate, the arrangements for wards, including indicative boundaries and names of individual wards and the number of Councillors to be elected for each ward, and on a city-wide basis if a mixed system is chosen.
 - Whether or not a community and community board or boards should be established, and if so, decide upon the names and boundaries of those communities together with board membership arrangements.
 - Expressing any preferences addressing how Council can enhance Māori participation at Council.

SUMMARY OF OPTIONS ANALYSIS

Problem or Opportunity	How should Councillors be elected?
OPTION 1:	City-wide
Community Views	This option was supported by 53.3% of submissions received.
Benefits	Enable all voters to have a say in electing all Councillors.
Risks	Might lead to Councillors coming from one part of the city.
Financial	No change to present position.
OPTION 2:	Wards
Community Views	This option was supported by 26.7% of submissions received.
Benefits	May provide a more even spread of Councillors across the city.
Risks	Some voters will not be able to vote for their most-preferred candidates who are standing in other wards.
Financial	No change to present position.
OPTION 3:	Mix of City-wide and Wards
Community Views	This option was supported by 13.3% of submissions received.
Benefits	Enables voters to elect local Councillors together with city-wide Councillors.
Risks	There may be some initial confusion with electors.
Financial	No change to present position.
The recommendations contribute to Goal 5: A driven and enabling Council	
The recommended option contributes to the outcomes of the Driven and Enabling Council Strategy	
Contribution to strategic contribution	It is for Council to decide which option chosen will best contribute to effective decision making by the Council.

Problem or Opportunity	How many Councillors should there be?
OPTION 1:	The Same Number (15)
Community Views	This option was supported by 50.0% of submissions received.
Benefits	This number of Councillors has worked reasonably well since 1989.
Risks	The number might be seen as being too large and may be a risk to efficient decision-making.
Financial	No change to present position.
OPTION 2:	More than Current
Community Views	This option was supported by 6.7 % of submissions received, but only to the extent of there being one additional member.
Benefits	There would be a greater number of Councillors to share the workload, including membership of committees and other groups and liaison with the public.
Risks	The Council may become too large for effective decision-making.
Financial	Additional costs of about \$45,000 to cover the salary of each additional Councillor.
OPTION 3:	Fewer than Current
Community Views	This option was supported by 36.7% of submissions received.
Benefits	Council may be able to function more efficiently and with fewer committees.
Risks	There may be a loss of diversity of Councillors and the ideas and suggestions that a greater number might be able to generate.
Financial	Reduced costs of about \$45,000 for the salary of each Councillor less than the present number.
The recommendations contribute to Goal 5: A driven and enabling Council	
The recommended option contributes to the outcomes and actions of the Driven and Enabling Council Strategy	
Contribution to strategic contribution	It is for Council to decide which option chosen will best contribute to effective decision making by the Council.

Problem or Opportunity	Should any communities and community boards be established?
OPTION 1:	Yes
Community Views	This option was supported by 26.7% of submissions received, but received qualified support from another 20.0% of submissions.
Benefits	Help communication between the community and Council and provide a focus on local issues.
Risks	Establishment of a separate rating area may increase local costs.
Financial	Additional costs to cover administration of each Board established.
OPTION 2:	No
Community Views	This option was supported by 36.7% of submissions received.
Benefits	Matters of local concern can be communicated directly to Council by other means.
Risks	Local issues might not get to be considered at a political level.
Financial	No change to present position.
The recommendations contribute to Goal 5: A driven and enabling Council	
The recommended option contributes to the outcomes of the Driven and Enabling Council Strategy	
Contribution to strategic contribution	It is for Council to decide which option chosen will best contribute to effective decision making by the Council.

1. RATIONALE FOR THE RECOMMENDATIONS

- 1.1 The Council is required to finalise its representation proposal by the end of August 2018. This proposal covers matters including whether or not a ward system should be used for electing Councillors, the number of Councillors, and whether or not a community board or boards should be established.

2. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 2.1. The Council is required by the Local Electoral Act 2001 (the Act) to review its representation arrangements at least once every six years, the last review being carried out in 2012. This review must include the following:

- The number of elected members (within the legal requirement to have a minimum of six and a maximum of 30 members, including the Mayor).
- Whether the elected members (other than the Mayor) should be elected city-wide, or whether the city will be divided into wards for electoral purposes, or whether there should be a mix of “city-wide” and “ward” representation.
- If election by wards is preferred, then the boundaries and names of those wards and the number of members that will represent each ward.
- Whether to establish communities and have community boards and if so how many, their boundaries and membership and whether to subdivide any community for electoral purposes.

2.2. Matters already decided for the next elections include the continued use of the Single Transferable Voting (STV) electoral system and the non-introduction of a Māori ward or wards, the latter being the outcome from the Māori ward poll held in May 2018.

3. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

3.1. The Council must follow the procedure set out in the Act when conducting a review, and should also follow guidelines published by the Local Government Commission. In broad outline, the Council is required to decide on the matters set out above by 31 August 2018 at the latest. Following that decision, members of the public will then have a further opportunity to make submissions to the Council and speak in support of their submission. Council is required to consider those submissions and then make a further decision. After that further decision, there is an opportunity to appeal the Council’s decision to the Local Government Commission, which then makes a final decision. That decision must be made and notified by 10 April 2019 at the latest. If there are no submissions made on the Council’s formal or further proposal, the proposal becomes final at that time without reference to the Commission.

3.2. The Council last completed a representation review in 2012 when the present arrangements were decided upon by the Local Government Commission. In doing so, the Commission adopted Council’s proposals for a Council comprising 15 Councillors (other than the Mayor) and for the non-establishment of any community boards. However, the Commission overturned the Council’s proposal for five wards to be established, preferring city-wide voting instead.

3.3. In making decisions on Representation, the Council must consider *communities of interest, effective representation, and fair representation*. This does not mean that every separate community of interest in Palmerston North should elect its own separate representative. If this were to be the case, the Council would need a greater number of Councillors than there are at present. Rather, communities that

have a similar outlook can be grouped together. This could mean not having a ward system at all, as is currently the position for five city councils (Upper Hutt, Nelson, Dunedin, Invercargill and Palmerston North), and six district councils. Some Councils have as few as two wards, whilst five councils have a mixed system for electing Councillors. These include Tauranga and Napier City Councils.

- 3.4. The term “community of interest” is not defined in legislation, but such areas might have the following characteristics:
- Similarities in democratic, social/economic and/or ethnic characteristics.
 - Similarities in economic or social activities.
 - Distinctive physical and topographic features.
 - A distinctive local history and local Iwi.
 - Dependence on shared amenities, including schools, recreational, culture and retail amenities.
- 3.5. In ensuring that there is effective representation of communities of interest, this involves recognising residents’ familiarity and identify with an area, avoiding splitting communities of interest, avoiding grouping commonalities of interest together that have few commonalities of interest, and considering the accessibility of the population to elected members and the ability of members to attend meetings throughout the area they represent. Thus, within Palmerston North, it could be said that communities of interest might be regarded as including individual suburbs within the city, for example, Kelvin Grove, Highbury, West End, Terrace End and Aokautere, to name a few.
- 3.6. In achieving fair representation of electors, this is ensuring that, if possible, populations of wards per member fall within 10% of the average of the whole population of the city. However, if the Council thought it necessary to depart from the 10% requirement because of the need to avoid splitting communities, then this might be achievable, but that decision would need to be approved by the Local Government Commission. Other exceptions to the 10% requirement that are based on island or isolated communities would not apply to Palmerston North.

4. DESCRIPTION OF OPTIONS

- 4.1. The detailed options open to the Council in reviewing its representations are described in the background above and were also outlined in the discussion document entitled *Representation Review* which is appended as Attachment 1 to this report. This document formed the basis of the consultation already undertaken.

- 4.2. If the Council decides to establish a ward system for electing councillors, it will also need to give consideration to the boundaries and names of wards and the number of members that will represent each ward.
- 4.3. There are many possible options for electing councillors on a ward basis, these include:
- An option based on five wards, with the boundaries being as they were as at 1 July 2012 (after the boundary change with Manawatu District) but with adjustments to ensure that the 10 percent requirement is met if possible. In particular, this would mean shifting parts of Papaioea Ward to another ward or wards.
 - Two wards, comprising a central urban ward including most of the urban population, and a surrounding rural ward, which would include the townships of Linton, Longburn, Bunnythorpe and Ashhurst.
 - Two wards, but based on dividing the city either east and west or north and south.
 - 15 wards, with each ward generally having a focus on a local primary school or relevant community centre and being represented by one Councillor.
 - Some other options(s) which might be suggested by submitters.

The above options could also be incorporated in a mixed system, in which some of the Councillors are elected city-wide and the rest on the basis of wards.

With regard to setting ward boundaries, the chosen boundaries will need to recognise communities of interest, avoid splitting communities of interest, and if possible meet the requirements of the 10 percent rule, as referred to previously in this report. Otherwise approval of the Local Government Commission would be necessary.

5. ANALYSIS OF OPTIONS

- 5.1. Information about the advantages and disadvantages of the various options was included in my memorandum to Council dated 7 June 2018 and in the discussion document that was attached to that report.
- 5.2. As a result of the submission process just undertaken, 30 submissions were received. These submissions are separately attached to the agenda for this meeting of the Council, with an analysis of submissions appended to this memorandum as Attachment 2.
- 5.3. With regard to the basis of election of Councillors, the submissions received indicate most support for voting to be undertaken on a city-wide basis. This approach recognises that the city broadly comprises a single community of interest which has

a clear central focus, and there are no distinctly strong secondary communities of interest that would justify separate representation. Indeed, some electors prefer to be able to have a say in electing all Councillors rather than just some of them.

- 5.4. Similarly, with regard to the number of Councillors, there is a clear preference for the status quo of 15 Councillors, as this was seen as a reasonable number to represent the city. There was, however, some support for a reduction in the number of Councillors, partly for financial reasons.
- 5.5. With regard to the possible establishment of a community and community boards, the number of responses supporting community boards, either in full or on a qualified basis, slightly exceeded the level of support for there being no community boards. The establishment of community boards was seen as a means to promote more local decision-making in bringing Council and residents closer together.
- 5.6. With regard to comments on how Council might enhance Māori participation, a diverse number of submissions were received it would be appropriate for these to be considered by officers preparing a report outlining options for improved engagement and participation of Māori with Council. This report is currently being prepared for the Community Development Committee, with an estimated report date of December 2018.

6. CONCLUSION

- 6.1. A formal Council decision on representation requirements is required to be made by 31 August 2018 at the latest. The required decisions include:
 - The basis of election;
 - The number of Councillors and ward arrangements if applicable; and
 - The possible establishment of community and community board(s).
- 6.2. In making these decisions, the Council needs to take account of statutory requirements and comments made as an outcome of consultation carried out to date.
- 6.3. At its meeting being held on 13 August 2018, the Council needs to instruct the Chief Executive to prepare a further report setting out the detailed content of the Council's formal proposals required to be finalised by the end of August. It is important that the Council indicate its preliminary views on the matter to be decided, so that the Chief Executive will have an opportunity to prepare appropriate reasons that will be part of the resolution, and also further investigate and report on ward boundaries and the like should this be necessary.

6.4. Following the Council’s formal decisions on representation, there will be further opportunities for people to make submissions on the proposed. This provides the Council with an opportunity to review its proposed arrangements, and for these reviewed arrangements to be appealed to the Local Government Commission. The closing date for submissions on the Council’s formal proposed for representation arrangements is likely to be in mid-October 2018, with the Council required to hear these submissions, and publicly notify the outcome, by late November or early December 2018.

7. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

7.1. Submissions on questions related to the representation review were invited for the period commencing Friday 8 June and concluding Monday 2 July 2018. The invitation to make submissions was set out on the Council’s website and publicly notified by notices published in local newspapers and in media statements, including social media. As previously decided by the Council, a submission document was made available both on the Council’s website and in printed format and submitters were able to make submissions by completing a submission form, writing or emailing a response, or completing an online submission form.

7.2. Overall, 30 submissions were received, most of these being lodged by email or by using the online submission form.

COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No

ATTACHMENTS

1. Representation Review Booklet
2. Analysis of Submissions