1948

NEW ZEALAND

LOCAL GOVERNMENT COMMISSION

(REPORT OF THE) FOR THE YEAR ENDED 31ST MARCH, 1948

Presented to both Houses of the General Assembly pursuant to Section 27 of the Local Government Commission Act, 1946

Wellington, 21st June, 1948.

SIR,—

I have the honour to forward you herewith, in terms of section 27 of the Local Government Commission Act, 1946, the first annual report of the Local Government Commission for the year ended 31st March, 1948.

Yours faithfully,

I. J. GOLDSTINE, Chairman.

The Hon. Minister of Internal Affairs, Wellington.

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REPORT

I. ESTABLISHMENT OF COMMISSION AND APPOINTMENT OF PERSONNEL

THE necessity to redraw the boundaries of many local authorities in the Dominion has been recognized for several decades, and on a number of occasions Parliament has been asked to provide machinery to achieve this object. Until 1944, however, no exhaustive survey of local government in the Dominion had been attempted. In that year the House of Representatives appointed a Select Committee charged with the responsibility of surveying existing conditions and making recommendations to Parliament as to any necessary changes.

The report of this Committee was presented to the House in October, 1945. It covered a wide variety of topics, but in terms of the necessity for some redrawing of administrative boundaries of local authorities the report contained an unqualified recommendation that reform was urgently required. It then proceeded to consider the machinery by which such reform could be implemented, and stated that the detailed investigations which were necessary were so extensive as to require a body to devote its full time thereto for a considerable period. It accordingly recommended the setting-up of a Local Government Commission, a permanent institution, charged with the responsibility of investigating local-government boundaries in the Dominion and of recommending such changes as may be considered necessary.

In so far as this latter proposal is concerned, Parliament in 1946 approved of the Local Government Commission Act, which gave legislative sanction to the setting-up of the Local Government Commission. The Act provided that the Commission was to consist of a Chairman, who was required to have the qualifications necessary for appointment as a Judge of the Supreme Court, and who "as to tenure of office, salary, emoluments, and privileges would have the same rights and be subject to the same provisions as a Judge of the Supreme Court"; the second member was to be appointed by the Governor-General in Council, and was required to have a "special knowledge of local government"; two further members were to be appointed "from a panel of persons nominated by the nominating Associations each of which Associations may from time to time nominate one person for that panel. One of the persons appointed shall be a person having special knowledge of urban local government and the other shall be a person having special knowledge of rural local government."

By Proclamation of the Governor-General dated 28th January, 1947, the following Associations were declared to be nominating Associations for the purposes of the Local Government Commission Act, 1946:—

The Municipal Association of New Zealand (Incorporated).
The New Zealand Counties' Association.
The Electric-power Boards' and Supply Authorities' Association of New Zealand.
The Hospital Boards' Association of New Zealand.
The Harbour Boards' Association of New Zealand.

On the 30th January, 1947, the various nominating Associations were requested to exercise their rights under the section above referred to of nominating one member each for a seat on the Commission. Subsequently a communication was received signed by the Secretary of each of the above nominating Associations in which it was indicated that Mr. J. W. Andrews was nominated by the Municipal Association of New Zealand, the Harbour Boards' Association of New Zealand, and the Hospital Boards' Association of New Zealand. Mr. Andrews' nomination also had the support of the New Zealand

Counties' Association and Electric-power Boards' and Supply Authorities' Association of New Zealand. Mr. Andrews was nominated as a person having experience in urban local government.

Mr. G. A. Monk was nominated by the New Zealand Counties' Association and the Electric-power Boards' and Supply Authorities' Association of New Zealand. Mr. Monk's nomination also had the support of the Municipal Association of New Zealand, the Harbour Boards' Association of New Zealand, and the Hospital Boards' Association of New Zealand. Mr. Monk was nominated as a person having experience in rural local government. These were the only nominations received.

On the 16th April, 1947, an Order in Council was issued setting up the Local Government Commission consisting of the following members :—

Israel Joseph Goldstine, Esq., O.B.E., of Auckland, who was appointed Chairman of the Commission.

William Charles Edgar George, Esq., who was appointed a member of the Commission having special knowledge of local government.

John William Andrews, Esq., Lower Hutt, who was appointed a member of the Commission as a person having special knowledge of urban local government.

George Alexander Monk, Esq., who was appointed a member of the Commission as a person having special knowledge of rural local government.

Mr. I. J. Goldstine was a barrister and solicitor of the Supreme Court of New Zealand practising in Auckland. He was for nearly sixteen years Mayor of One Tree Hill, had been President of the Auckland Suburban Local Bodies' Association, Vice-President of the Municipal Association of New Zealand, Chairman of the Auckland Metropolitan Milk Council, member of the Auckland and Suburban Drainage Board, member of the National Patriotic Fund Board, and had been associated with many other public bodies.

Mr. W. C. E. George was a member of the Huntly Town Board for nine years, five of which he was Chairman, and was Mayor of the new Borough of Huntly for the first ten years. He was also a member of the Central Waikato Electric-power Board and various other local authorities.

Mr. J. W. Andrews had been Mayor of Lower Hutt for fourteen years, had been on the Executive of the Municipal Association for ten years, and had been President for nearly two and a half years. He had been a member of the Wellington Harbour Board, the Hutt Valley Electric-power Board, the Hutt River Board, the Town-planning Board, the Board of Health, the Soil Conservation and Rivers Control Council, the Wellington Hospital Board, and many other local authorities.

Mr. G. A. Monk had been a member of the Horowhenua County Council for thirty-five years, for thirty-two years of which he was Chairman, Chairman of the Horowhenua Electric-power Board for twenty-five years from its inception, a member of the Palmerston North Hospital Board for twenty-five years, a member of the Wellington Hospital Board for two years, a member of the Executive of the New Zealand Counties' Association for twenty-two years, and was at the time of his appointment Senior Vice-President thereof. He was also a member of the Board of Health, the Soil Conservation and Rivers Control Council, and had been a member of the executive of the New Zealand Electric-power Boards' and Supply Authorities' Association for twenty-one years.

It can thus be seen that the Commission is composed of men who have given a lifetime of service to local government and who have between them experience on practically every type of local authority in the Dominion.

As will appear in the sequel, the experience which the members have had in local-government work prior to their appointment has been invaluable to them in their work as members of the Local Government Commission, dealing, as it does, with every type of local authority.

The Commissioners took their oath of office on the 20th May, 1947.

II. FUNCTIONS OF THE COMMISSION

The general functions of the Commission are set out in section 12 of the Local Government Commission Act, 1946, as follows :—

> The functions of the Commission shall be to review from time to time the functions and districts of local authorities and to inquire into proposals and prepare schemes for the reorganization thereof and generally to review and to report to the Minister upon such matters relating to local government as may be determined by the Commission or referred to it by the Minister.

Its powers are more specifically defined in section 13, as amended in 1947, where it is authorized to draw up a reorganization scheme to provide for any one or more of the following matters :—

(*a*) The union into one district of two or more adjoining districts, whether districts of the same kind or not.
(*b*) The merger of any district in any other district.
(*c*) The constitution of a new district or districts.
(*d*) The abolition of any district or districts.
(*e*) The transfer of all or any of the functions of any local authority to any other local authority.
(*f*) Any alteration of the boundaries of adjoining districts.
(*g*) The conversion of a district into a district of a different kind.
(*h*) The inclusion in any district of any area adjoining that district.

Subsection (3) of section 13, however, restricts the powers of the Commission in respect of trading undertakings of counties, boroughs, or Town Boards. A trading undertaking for this purpose is defined as follows :—

> "Trading undertaking" means any tramway service, ferry service, or other service for the conveyance of passengers or goods, any gas or electric-light undertaking, any power-supply undertaking, any milk-supply undertaking, and such other undertakings as may from time to time be declared by the Governor-General by Order in Council to be trading undertakings for the purposes of this Act.

In so far as these trading undertakings are concerned, the Commission is prohibited from transferring the whole or any part of such trading undertakings from any county, borough, or Town Board except on the union, merger, or abolition of the district of such local-governing authority.

The effect of this provision is that the Commission, for instance, could not transfer the electric-power undertaking of a borough to a Power Board. Neither could it set up a Tramway Board to undertake the work of a tramway controlled by a Borough Council.

Most of the general enactments providing for the incorporation of specific types of local authorities provide machinery whereby adjustments of boundaries, amalgamations, and such-like reorganizations can take place. Under the Municipal Corporations Act, if it is desired that a certain area should be brought into a borough, the residents in that area may petition His Excellency the Governor-General requesting that the area be incorporated in the borough. The content of the petition is advertised, and if objections are received a special Commission is set up consisting of a Magistrate, a Commissioner of Crown Lands, and a District Valuer to hear evidence on the petition and objections thereto. The report of such special Commission is submitted to His Excellency the Governor-General, following which, if the report is favourable, an Order in Council is issued making the desired adjustment. Similar provisions occur in several of the other statutes, although there are minor differences of procedure.

In view of the setting-up of the Local Government Commission, it was obviously desirable that there should be some uniformity of procedure. Even small boundary adjustments may involve important issues which may subsequently become the subject of investigation by the Local Government Commission. Section 24 of the Local Government Commission Act therefore provided that all such applications shall be referred to the Local Government Commission for general consideration. If the Commission so

decides, it can recommend that the existing procedure be allowed to continue or, alternatively, it can consider the proposal as a proposal under the Local Government Commission Act and adopt the procedure set out therein.

Quite apart from any other factor, this uniformity of procedure has been a very desirable reform. Boundary adjustments, amalgamations, and such-like reorganizations in all types of local authorities can now be dealt with in a similar fashion, and the result has been definitely to simplify the local-government administrative procedures.

Furthermore, where a different Commission is set up for each boundary adjustment there is no guarantee of co-ordinated development. For instance, in Christchurch since 1939 there have been thirty-three boundary adjustments. In 1939 there were three, in 1940 there were four, in 1941 there were three, in 1942 there were three, in 1943 there were none, in 1944 there were four, in 1945 there were eight, in 1946 there were three, and in 1947 there were five. Even during 1947 three further applications for boundary adjustments were received. It must be obvious to even the most casual observer that this condition of affairs in Christchurch indicates the necessity for some thorough-going reorganization of boundaries of the City of Christchurch, quite apart altogether from any reorganization of local government in the Christchurch metropolitan area. The basic reason for these applications is that building activity has " spilled over " from the urban areas into the rural areas, which latter are subject to county control. The powers of County Councils in relation to urban developments are not sufficiently wide to enable them to provide their urban residents with all the amenities demanded by residential development. It is obvious, therefore, that owners of these areas—in many cases the Housing Division—have been desirous of having their areas included within the boundaries of a municipal corporation so that they can obtain the advantage of the services provided by such municipal corporation. Similar developments are taking place in many other areas.

Under the procedure laid down in the Local Government Commission Act, there can be more co-ordination and more long-term provision for development such as is not possible under the statutes previously governing these alterations.

It can thus be seen that the Local Government Commission has, in terms of its enabling statute, three principal functions :—

(1) To review from time to time the functions and districts of local authorities and to inquire into the proposals and prepare schemes for the reorganization thereof (section 12 of the Local Government Commission Act, 1946).

(2) To consider proposals for boundary adjustments, amalgamations, and such-like reorganizations of local-authority districts as have arisen under the provisions of any other statute (section 24 of the Local Government Commission Act, 1946).

(3) To review and report to the Minister upon such matters relating to local government as may be determined by the Commission or referred to it by the Minister (section 12 of the Local Government Commission Act, 1946).

As to (1) above, the Commission has interpreted its responsibilities in this regard as involving the redrawing, where necessary, of the boundaries of local authorities in the Dominion so as to provide a series of administrative areas which will enable the local authorities to give to their inhabitants the maximum service without destroying that important factor of the local self-interest which is the basis of all local government. This is obviously a long-term programme. It cannot be proceeded with except after exhaustive investigations, and it is important to remark at this stage that the Commission has not approached its task with any preconceived idea as to the necessity for any specific change. It considers that the interests of the people of New Zealand as a whole should be paramount. While it does not consider that vested interests should stand in the way of necessary changes, it realizes that local government can become too distant from the people it serves and hence become possibly bureaucratic rather than democratic in essence.

Later in this report we will set out some of the steps we have taken towards the fulfilment of this long-term objective of providing for a better framework within which local overnment as a whole may operate in the Dominion.

As to (2) above—namely, proposals under other enactments submitted to the Local Government Commission—a considerable number of these proposals have been considered by the Commission throughout the year, and it is recognized that these proposals will come to hand from time to time and must be dealt with. The concensus of opinion of such local bodies as have been involved in such proposals during the past twelve months has been that the Local Government Commission provides a much better background against which these proposals can be considered than was available under the existing statutes.

As to (3) above, several important investigations have been carried out and some are still being continued. The Commission recognizes that its function in this regard must be purely advisory, and is always willing to place the combined experience of its members at the disposal of the Minister and the Government and of the local authorities throughout the Dominion.

In the sequel, the work of the Local Government Commission during the past year will be discussed in detail.

III. PROCEDURE OF THE COMMISSION

When a proposal is before the Local Government Commission, either as a reorganization scheme under section 12 or as a referred proposal under section 24, the Commission immediately, through its officers, carries out some detailed investigation into the facts of the situation. The mere fact that a request is made for the Local Government Commission to act does not of itself commit the Commission to take any action. The Commission always satisfies itself before it takes any action, even in the direction of holding a public inquiry, that a *prima facie* case exists for some change in the existing structure and that the change would be to the benefit of the local authorities concerned and to the people in the area in particular. In some cases it has appeared that the local authorities and the ratepayers concerned have agreed as to the proposed change being desirable. The Commission, having satisfied itself as to the desirability of the change, has on several occasions without a public inquiry issued a provisional scheme providing for the change. Such a procedure has given to all persons concerned an opportunity to object to the scheme or to suggest desirable amendments thereto. This method has been very satisfactory, in that it has saved time and expense. In other cases where there have been objections to the proposals or where large public issues have been involved, the Commission has exercised the power given to it under section 14 of its Act to hold a public inquiry.

Prior to all public inquiries, full notice is given to all the parties concerned and to all the interested public and semi-public bodies, including the Ministers and Government Departments likely to be concerned, in the area. In addition, public notice by advertisement in newspapers circulating the district is always given. All interests, however remote, are notified of the inquiry and given an opportunity, if they so desire, to appear before the Commission and submit their points of view. Such notice is issued at least one month before the inquiry commences.

The Commission allows all parties to be represented at an inquiry either by counsel or in such manner as the party desires. In general, it has requested the parties to submit their evidence in writing, although there is no objection to such evidence being expanded orally or, in cases of private individuals who have no facilities for submitting their evidence in writing, to their giving the whole of their evidence orally. The various parties are entitled to cross-examine each other's witnesses. Although it is usual for the larger authorities to be represented by counsel, in quite a number of the inquiries no counsel have appeared, the case being conducted by the authorized representatives of the local authorities or parties concerned. Although, as far as possible, ordinary rules as to evidence and procedure are followed, strict adherence thereto is not demanded, for fear that relevant evidence may thus be excluded.

The Secretary of the Commission, who is a solicitor of the Supreme Court, appears at all inquiries to assist the Commission by cross-examination of witnesses to bring out such facts of value as may not have been brought out by the examination or cross-examination of the parties. His function, in general, is not to take sides, but purely to elicit such evidence as may enable the Commission to form a just and sound decision.

A verbatim report of all evidence is prepared for the use of the Commission and is made available to the principal parties engaged in the inquiry. When the inquiry is completed, the Commission proceeds to an examination of the evidence before it, and if it decides that some reorganization is necessary, it prepares, as provided by section 16 of its Act, a provisional reorganization scheme providing for such adjustment as it deems fitting in the circumstances.

In addition, a report is always prepared by the Commission setting out its reasons for any decision it has arrived at. This report and provisional scheme (if one is prepared) is sent to all the parties previously mentioned as well as to Ministers and Government Departments concerned. The general content of the scheme is published in the newspapers. Within one month of the issue of a provisional scheme, any party or other person or body interested has the right to object to the scheme and to give to the Commission notice in writing of such objection and of the grounds thereof. Where objections have merely reiterated matters which have been fully explored at the public inquiry, the Commission, after consideration, has generally decided that such objections do not lie. Where, however, the grounds are that the decision is against the weight of evidence (*weight* of evidence has a different connotation from *volume*) or where new evidence is available, the Commission is prepared to give the parties an opportunity of further discussing the matter. Up to the present time it has not been necessary to reopen an inquiry to consider objections which have been lodged, but one such case is now pending.

The objections having been considered and dealt with, the Commission may issue a final scheme with or without amendments. Such final scheme is transmitted to the Minister of Internal Affairs. Section 20 of the Local Government Commission Act gives to the Governor-General power by Order in Council to implement the scheme under the Local Government Commission Act or "in such manner as may be prescribed by any Act for the time being in force making appropriate provisions in that behalf."

It should be pointed out in passing that no evidence is excluded at any public hearing. The Commission has taken great pains to see that all persons likely to be interested are acquainted not only with the proposals, but also with their rights to appear before the Commission.

In so far as Government Departments are implicated either directly or indirectly in any proposal, opportunity is always given to these Departments to appear and state their case. Frequently Government Departments have, at the request of the Commission, appeared to give technical evidence as to particular issues. In addition, the Commission, through its officers, always has available to it extensive financial and statistical information as to the issues involved. The Commission has also made it a matter of policy that it will personally visit all areas involved in any inquiry so as to acquaint itself with the actual physical conditions. It is thus able to appreciate more adequately much of the evidence given.

One final provision of the Local Government Commission Act should be stated. Where the Commission's recommendations in a final scheme involve the union, merger, or abolition of any borough, county, or Town Board or Road Board in the County of Eden, the Commission may in its final scheme provide that before the scheme is to come into operation a poll of electors of the local-governing authority on the proposal shall be held. If the Commission does not so provide, then a request in writing that such poll be taken signed by not less than 20 per cent. of the electors of the district concerned may be delivered to the Returning Officer of the district at any time within one month

after the date of the final approval of the scheme by the Commission. Such poll must be taken within three months of the date of the approval of the final scheme, and if the electors decide that such local authority should not be joined or merged to another or not be abolished, then the Commission's scheme is of no effect, at least as far as the abolition of that local authority is concerned.

It can thus be seen that the Commission's procedure gives ample opportunity for every phase of a particular problem being examined, while the fullest publicity is given to the proceedings of the Commission. This procedure may be summed up as follows :—

(1) A full investigation by its staff as to the necessity for the change proposed. Only if these investigations establish a *prima facie* case does the Commission proceed to the next stage.

(2) A full public notification to all parties interested, and an individual notification to all those specifically interested, at least one month before the public inquiry is held. This notification sets out in detail the proposals which the Commission is investigating, and gives an indication that all persons or parties interested may, if they so desire, submit evidence at the inquiry.

(3) A public inquiry, open to the public and the press, at which all parties have the right to submit evidence, and at which authorized representatives of the various parties (whether counsel or not) have a right to examine their own witnesses and cross-examine witnesses of other parties.

(4) Verbatim reports of the evidence are prepared and distributed not only to members of the Commission, but also to the principal parties engaged in the inquiry.

(5) A report setting out the reasons for the Commission's decisions, and, where necessary, a provisional scheme, is issued to all parties concerned and is publicly notified in the press.

(6) One month's opportunity is available for objection to the provisional scheme by any interested party.

(7) A final scheme is notified in a manner similar to that for a provisional scheme.

(8) The final scheme is forwarded to the Minister of Internal Affairs for implementation by His Excellency the Governor-General by Order in Council.

IV. BASIS OF COMMISSION'S DECISIONS AS TO PRIORITY OF BUSINESS

In view of the above statements as to the types of investigations which the Commission would have to undertake, it became a question at an early date to determine the order or priority of the various inquiries. Although the report of the parliamentary Select Committee on Local Government was not binding on the Commission as to the order in which it undertook its various inquiries, it did form a very satisfactory background against which the Commission considered the importance of the various problems at issue. The parliamentary Committee had indicated that the reorganization of local-authority districts was very important, particularly as regards the Auckland and Christchurch metropolitan areas and the reorganization of hospital districts. It further stated that county boundaries required some fundamental adjustment.

The Commission has always been desirous of avoiding any action unless thorough investigations by its own officers have proved the necessity for action in any particular case. It will be realized that, as far as the reorganization of county boundaries is concerned, this cannot proceed on a piecemeal basis, but must be part of a definite plan, the basis of which is the constitution of a series of counties large enough to undertake efficiently all the services required by rural residents and yet not so big as to divorce the administration from local interests and local control. The intricacies of the problems in Auckland and Christchurch are such that extensive investigations are required, since there is involved in these cases not merely the question of amalgamation of a series of territorial local authorities, but the possible absorption of certain *ad hoc* bodies so as to create in these areas local authorities able to undertake practically all of the services required by the urban agglomerations. The Commission desires to ensure that every step is soundly based.

The desire to amalgamate contiguous local authorities purely for the sake of size does not appeal to the Commission as the most satisfactory way of solving the admitted local-government problem in the Dominion. Amalgamations may be desirable, but unless it can be proved that the people will benefit not merely in a material way, but also in those intangible ways best summed up by the term "democratic," amalgamations may result in beaurocratic control divorced from local interest.

Local government, to be satisfactory, must retain local interest. This is not to say that large local authorities such as Wellington do not retain that local interest. This remark is merely to indicate that the Commission realizes the importance of this element of our national life and has decided to take it strongly into account in all its investigations.

One of its early decisions, therefore, was that, before any positive steps were taken either to hold a public inquiry or to proceed with any major reorganization, investigations would proceed so that the Commission would have before it all the facts, as far as they are ascertainable, before any formal or final steps are taken.

It will be realized that the collection of such data is not an inconsiderable task, and the officers of the Commission have for a considerable time been engaged, among other things, on the collection of this data necessary for major reorganization schemes. As far as Christchurch is concerned, the investigations had, by the end of the financial year 1947–48, proceeded sufficiently far to warrant the Commission giving public notice that the inquiry into the reorganization of local government in the Christchurch metropolitan area would commence on the 18th May, 1948. It is anticipated that this inquiry will take a considerable time. Every opportunity will be given to all interests to state fully their attitude towards the problems at issue.

One of the difficulties which has emerged during the past year has been that in public inquiries local authorities have, to an undue extent, relied on unsupported opinion. In quite a number of cases there have been no detailed investigations by the local authorities concerned before supporting or opposing any particular proposition. In one case recently, where a proposal for the alteration of the boundaries between two adjacent counties was at issue, neither County Council had made any investigations as to the financial implications of such adjustment. The Commission feels that mere opinions unsupported by facts on questions of this kind are not sufficient to warrant drastic action. In another recent case where a petition for the exclusion of certain lands from a borough was being investigated, it transpired that the borough, although opposed to the proposal, was unable to assist the Commission as to the general lines of development of that particular town. There was no appreciation of the necessity for town-planning surveys, quite apart from the preparation of a town-planning scheme. In general, however, local authorities are appreciating more clearly the necessity to undertake adequate investigations before approaching the Commission.

In connection with the reorganization of hospital districts in North Auckland, which was one of the matters specifically referred to by the parliamentary Select Committee on Local Government, extensive investigations had been carried out in this field for a number of years by various Departments, and hence it was possible, after some further financial investigations by the Commission's investigating staff, to undertake and complete this inquiry within six months of the Commission's appointment.

Other investigations of a major character are still continuing, and, although the Commission realizes the importance of many of these problems, it is felt that until a thorough background is available no hasty decisions should be made.

Apart from these major questions, a number of important proposals have been submitted to the Commission under the provisions of section 24 of the Local Government Commission Act. Practically all of these proposals, which have been investigated either by public inquiry or otherwise, would have involved a separate Commission if the Local Government Commission had not been in existence. The Commission,

however, in exercise of the powers conferred upon it, has at times extended the scope of the inquiry when a particular petition was before it. For instance, during the year the Devonport Borough Council decided that a Fire Board should be constituted for the Borough of Devonport. Investigations by the Commission's staff, and also evidence available on the files of the Department of Internal Affairs, established that the fire-protection services of the North Shore, Auckland, boroughs were inadequate in view of the large residential risks at stake. The Commission accordingly decided that, in addition to hearing the evidence on the petition for the creation of a Fire Board at Devonport, it would investigate the whole of the fire-protection services on the North Shore, with a view to determining whether the fire protection of the North Shore would be more adequately provided for by a united fire district rather than by a series of small, usually ineffective, local fire brigades, or whether the area should be included for fire-protection purposes in the Auckland Metropolitan District. Following a public Inquiry the Commission decided that a united Fire Board should be constituted, and as a result of its decision, the details of which will be given later in this report, a united Fire Board is now in operation in this area.

Another instance of the same character was the decision to investigate the boundaries of the Town District of Otorohanga. A petition had been received praying that a certain area of the Otorohanga County should be included in the town district. The relative frequency with which petitions of a similar character have of recent years been received by the Governor-General suggested that, in order to provide more effectively for the development of many of the growing towns of New Zealand, and to prevent the frequent applications for small areas so to be included, the Commission should ask the Otorohanga Town Board and the Otorohanga County Council to consider the future growth of Otorohanga and to submit proposals, if thought desirable, for redrawing the town district boundaries so as to provide for potential urban development for the next ten years. The Town Board and the County Council eventually agreed to certain adjustments of boundaries, and in addition to hearing evidence on the original petition, the Commission heard evidence as to the desirability of extending generally the boundaries of the Town District of Otorohanga. As a result, a logical boundary has been drawn providing adequate space for expansion of the Town District of Otorohanga.

The case of growing towns raises a very important question. In many parts of New Zealand the district of the boroughs has been practically built up. As a consequence, current residential development is taking place in the adjacent county areas. Subdivisional standards in boroughs and counties are usually widely different. Borough standards, which are decided by the borough itself in terms of its own by-laws or of its own town-planning scheme, are designed for urban conditions, particularly with a view to making easily available and at a minimum cost the services which are required by residential development. As far as subdivisions in counties are concerned, these are controlled under the Land Subdivision in Counties Act, 1946. Such subdivisions require approval of the Lands and Survey Department, and the standards attached to subdivisions in counties, even for residential development, is, in general, lower than in boroughs. In particular, road standards in subdivisions in counties are generally of a county standard and not of a borough standard. For instance, we were informed that in one area adjacent to a large urban area considerable residential development has taken place on county standards. County roading standards usually involve merely the provision of a graded and formed road surface and occasionally footpath construction, while borough standards, where kerbing, channelling, footpath-construction, and the installation of water, sewer, and storm-water reticulation is usually required, are much higher. Other things being equal, there is a strong case for this urban area in the county being included within the borough so that the various amenities can be provided by the borough ; but the borough maintains, with some justice, that if it took over this area it would be involved in a heavy expenditure to bring the roads up to borough

standards, and, further, that the subdivisional standards in the area are such that to provide borough amenities would involve substantial additional costs per unit over the costs within the borough itself. This is not an isolated instance. In all parts of New Zealand similar cases have been brought to our notice. It would appear that to meet these cases some long-term review is necessary so that lands likely to be developed for residential purposes within the not too distant future should be brought within the borough so that the subdivisional work will be up to borough standards.

V. INQUIRIES HELD

A. Boroughs

Several inquiries involving borough problems have been held by the Commission :—

(1) *Change of Status : Mount Roskill Road Board*

A petition under the Municipal Corporations Act having been received by the Governor-General praying that the Mount Roskill Road District be created a borough, the matter was referred to the Local Government Commission. The subject-matter of the petition was considered some years ago by an *ad hoc* Commission set up under the Municipal Corporations Act. At that time the district, although used substantially for residential purposes, contained a large proportion of rural lands used for agricultural purposes. Those opposing the petition in this case substantiated their claim to the satisfaction of that Commission that the district was not suitable for creation as a borough, and as a consequence no change was made.

In the interim, however, very substantial housing development has taken place in the district, chiefly by the Housing Division of the Public Works Department. A substantial proportion of the rural lands has now been developed for urban purposes, and the petitioners agreed that, in the circumstances, borough status should be granted. It should be pointed out in passing that as a road district the electoral franchise was that applicable to counties, under which large property owners were entitled to more than one vote. The petitioners claimed that, in the circumstances, the district was essentially an urban district which should be given all the powers and responsibilities of a municipal corporation and that the retention of plural voting in such an urban area was an anachronism. The petition was not contested by the Road Board, and no opposition to the prayer of the petition was forthcoming at the inquiry. The prayer of the petitioners was granted by the Commission under the provisions of the Local Government Commission Act, and following the issue of the final scheme Mount Roskill was created a borough on the 2nd October, 1947, the first election of the Borough Council taking place on the date of the usual triennial elections for local authorities.

(2) *Extension of Boundaries : Huntly Borough*

A proposal emanating from the Raglan County Council asked that a large area on the west bank of the Waikato River adjacent to the Huntly Borough should be excluded from the Raglan County and included in the borough. This proposal had its origin in an extra-urban planning scheme for the mining areas adjacent to Huntly recently promulgated by the Raglan County Council. As a result of the surveys necessary before the extra-urban planning scheme was issued, it appeared that the life of many of the small mining villages in the environs of Huntly was strictly limited. In several cases the lands on which the villages were at present situated were scheduled for active coal-mining operations. In several other cases the possibility of providing urban amenities at a reasonable cost was very remote, while in other cases again the location of the town was considered unsatisfactory. Further, it appeared that with the development of faster transport the tendency was for the miners to live in the Huntly district and travel each day to their work in the mines. The extra-urban planning scheme envisaged ultimately that by far the larger proportion of miners would live in Huntly ; particularly was this

the case because no provision had been made in the extra-urban planning scheme for the extension of the existing mining villages. It was maintained by the County Council that better living-conditions would be available to the miners if, as a matter of policy, residential development was confined to the Borough of Huntly.

The Housing Division has been active in the Huntly area in providing residences for miners and others living in the environs. The early part of this development took place on the western bank of the river and was incorporated in the borough in 1944. Subsequently the Housing Division commenced operations in the county area just beyond the boundary of the borough on the western bank of the Waikato River. Fairly extensive housing development was proposed in this area.

The Raglan County Council proposed that a large area approximating 1,000 acres should be taken into the borough so as to provide adequate room for future development.

As part of its general policy the Local Government Commission requested information from the Mines Department as to future mining operations in the immediate vicinity of the Huntly Borough, as well as seeking information from the Housing Division and Maori Affairs Department as to their operations in the district. Evidence on all these questions was given at the inquiry held in Huntly on the 16th and 17th February, 1948. From this evidence it appeared that some portion of the areas proposed to be included in the Borough of Huntly would be used in the immediate future for opencast mining. Other evidence showed that another portion of the area was swamp and liable to periodic flooding. Still another portion of the area was so located that drainage and sewage works would present extreme difficulties. The Huntly Borough indicated that it was prepared to take over such area as could be developed for residential purposes within a reasonable period, and considerable evidence was adduced as to the possible future development of Huntly.

The decision of the Commission was that an area much smaller than that proposed by the Raglan County Council, but still adequate to provide for the possible expansion of the Borough of Huntly for the next ten years, should be added to the borough. It was subsequently indicated that this decision was acceptable to both the borough and to the county.

It should be mentioned in passing that by bringing together the Housing Division, the Mines Department, and other interested Government Departments, the Commission was able to do something towards the co-ordination of the activities of the various Departments operating in this area.

The problems investigated at Huntly are similar to the problems emerging in various parts of the Dominion. In particular, the question as to potential building development was emphasized as an important factor in determining the possible extension of borough boundaries, and the Commission, as part of its findings in the Huntly case, enunciated certain principles which it suggested should have universal application in deciding such applications for alterations of urban boundaries.

We reproduce hereunder an extract from the report of the Commission dealing with these principles :—

PRINCIPLES WHICH SHOULD DETERMINE EXTENSIONS OF BOROUGH BOUNDARIES

The questions which emerged at this inquiry are of more than local interest. Evidence is not wanting to show that in many cases in the Dominion urban population is "spilling over" into county areas, and substantial residential development is taking place in county areas just beyond the boundaries of existing boroughs; in many cases this is taking place because of the non-availability of building sections within the borough, although there is no doubt that in some cases it is taking place because of two other factors :—

(i) The more favourable and less onerous provisions as to subdivision contained in the Land Subdivision in Counties Act than the provisions obtaining in boroughs; and

(ii) The lower standards required for roading and other similar amenities in the county subdivision.

The Commission feels that, for general information, certain principles should be enunciated which should guide local authorities in applications for extensions of borough boundaries and which should also serve to indicate the type of evidence which the Commission requires in such cases. These principles are :—

(1) Where substantial residential building activity has taken place in concentrated areas just beyond the borders of a borough, then a *prima facie* case exists for the inclusion of these areas in the borough.

(2) In order that a borough may plan adequately for its future services such as drainage and water and for town-planning, an area sufficient to cover potential increases in the borough population for a period of ten years should be incorporated within the borough boundaries. This will enable urban subdivisional standards to obtain, including adequate formation of roads and footpaths. Many cases have been brought to our notice where subdivision has taken place in county areas and substantial building activity has commenced or has been completed where roading standards are very low, no facilities are available for ensuring that drainage, sewage, and water can be provided, and where the minimum section is 32 perches or more, which is considerably larger than the minimum section in most borough subdivisions. The net result has been that if such areas are included in boroughs the borough has immediately been faced with substantial expenditure for bringing the roads up to borough standards, in the construction of footpaths, and generally in the provision of borough amenities in this area. In so far as forward thinking can anticipate the direction in which residential and other development is to extend in the next ten years, the boroughs should, in applications for extensions, make provisions for such increases.

(3) In deciding whether or not additional areas should be brought into the borough, consideration must be given not only to the potential housing demands, but also to the question of adequate commercial and industrial areas, together with adequate open spaces. This principle really means that some serious consideration should be given to the general principles of town-planning so that adequate provision can be made for potentialities. Unco-ordinated development, either internal to the borough or as between two co-terminous local authorities, can create problems which are insoluble or soluble only at excessive cost or great inconvenience to the parties concerned. In this particular connection the evidence of the representatives of the Mines Department threw a completely different light on the potential activities of the Housing Division, and, as will be seen in the sequel, we make some suggestions on this particular question.

(3) *Extension of Boundaries: Otorohanga Town District*

As mentioned earlier, a landowner interested in the subdivision of properties in the Otorohanga County adjacent to the Otorohanga Town District petitioned that the area be brought into the town district. In view of its experience elsewhere, the Commission, before hearing the petition, requested that the Otorohanga Town Board and the Otorohanga County Council consider the possible redrawing of the boundaries of the town district so as to (*a*) include in the town district all areas at present developed for residential purposes, and (*b*) provide for a reasonable expansion of the town district to take account of potential development. As a result of conferences between the two local authorities concerned, specific agreed proposals were submitted to the Commission, which considered these proposals at the same time as it heard the evidence on the petition.

The principles enunciated in the Huntly case, quoted earlier in this report, were applied to the Otorohanga case. Not all the proposals of the two local authorities were accepted by the Commission, since it appeared that one area which the two bodies considered should be included in the town district was subject to flooding and otherwise unsuitable for urban development. A small area not proposed by either body was also included in the town district because the Commission, with the approval of the parties, considered that this area would logically be subject to development as the Otorohanga Town District grew. The scheme as ultimately promulgated by the Commission was accepted by all the parties without objection.

A further petition by the Otorohanga Town Board that its status should be raised to that of a borough was deferred meantime, since it did not appear to the Commission that the town district was suffering any disabilities by operating under the Town Boards Act rather than the Municipal Corporations Act.

(4) *Creation of a Borough: Reefton*

A petition was received by His Excellency the Governor-General and referred to the Local Government Commission praying that the Town of Reefton, which is at present administered by the Inangahua County Council, be created a borough. An inquiry was held in Reefton into the prayer of the petition on the 4th February, 1948.

Prior to the inquiry the Commission inspected the whole of the area of the proposed borough. The petitioners prayed not only that the actual Town of Reefton should be included in the proposed borough, but that the borough boundaries should be extended through obvious rural areas for some five miles so as to include several mining properties. In the course of the evidence the only justification the petitioners could find for the inclusion of this mining property was that certain Reefton people worked in these mines. Further, it was argued that the rates from these mines should justly be given to the proposed Reefton Borough rather than to the Inangahua County, despite the fact that to include these mines involved an extension of the boundaries to include large areas of rural land. The case for the petitioners was that, in general, Reefton had not been satisfactorily administered by the Inangahua County. As will appear in the sequel, we have not, up to the moment, been called upon to adjudicate on this particular point.

If the whole of the area proposed by the petitioners had been included in a borough, there is little doubt, as was shown by the evidence, that the Inangahua County would have been unable to carry on. The petitioners did not establish their case that this rural area and the mines should be included in the borough, and in an interim decision given at the conclusion of the inquiry the Commission decided that the rural area and the mines would not be included in the borough, even if it was ultimately decided that one should be constituted.

It was then agreed between the parties that the petitioners would consider whether, in the circumstances, they would proceed with the proposal to form the built-up area into a borough, and the inquiry was adjourned *sine die*. One question for consideration by the petitioners was whether, from such a small area, sufficient revenue would be forthcoming to provide for borough administration. Inangahua County, which had opposed the petition, agreed to consult with the petitioners, who were to inform the Commission whether, in the light of the changed circumstances, they desired to proceed with the petition. To date no further communication has been received from the petitioners, and it therefore must be assumed that they have decided not to proceed.

(5) *Alteration of Boundaries: Feilding Borough*

Two petitions were received from the ratepayers in two different parts of Feilding Borough praying for the exclusion of the areas described in the petition from the Feilding Borough and their inclusion in the County of Oroua, on the grounds that the areas were unsuitable for residential development, that they were, in fact, farm lands, and that they were more suitable for county control. The Feilding Borough indicated that it was opposed to the petition, and was supported in its attitude by the Oroua County Council. The hearing of the case opened in Feilding on 27th February, 1948, when a day was occupied in hearing the case for the petitioners. Their case was, briefly, that part of the land under consideration had on occasions been offered for subdivision for urban building purposes but had not been sold, this indicating that it was not desired for house-building; that the land was not served as adequately as other parts of the borough with borough amenities; that even after the application of the Urban Farm Land Rating Act, 1932, the land as farm land was still more heavily rated than other farm lands in the vicinity which were under the control of the Oroua County Council; and that the town was developing in directions other than those in the areas of land subject to the petitions. The whole question of the prospective development of the Borough of Feilding requires further investigation, and to this end the hearing was adjourned until early in the 1948-49 financial year.

B. Fire District: North Shore, Auckland

The only inquiry involving fire districts was that mentioned earlier concerning fire protection in the North Shore boroughs of Devonport, Takapuna, Birkenhead, and Northcote, commonly known as the North Shore boroughs, Auckland.

The inquiry had its origin in the decision of the Devonport Borough to apply for the constitution of Devonport Borough as a fire district. Negotiations had proceeded some distance before the Commission came into existence. Devonport Borough had taken a poll of the ratepayers on the subject, but the response of the ratepayers was very unsatisfactory. Out of a total electoral roll of 7,400, only 216 electors voted, and the voting was 189 to 27 in favour of the establishment of a fire district.

It should be mentioned in passing that the fire-brigade services in Devonport prior to this date were under the control of the Borough Council. As there was no fire district constituted, the Borough Council did not receive any subsidies from the insurance underwriters. By the creation of a fire district, the borough and the underwriters would contribute equally to the fire-protection service, while a small subsidy would be available from the Government. One of the factors which brought this question to a head in Devonport was the existence of the Devonport Naval Base, which constitutes a very serious fire risk. Negotiations had proceeded for some time with the Government for the handing-over of the protection of the Devonport Base to the civilian Devonport brigade, so releasing the personnel at present engaged by the Navy Department for fire-fighting at the Base. The Devonport Borough was prepared to take over this protection, subject to satisfactory subsidies being available from the Government.

Prior to the application being made to the Local Government Commission, certain tentative proposals had been made to the other boroughs in the vicinity, particularly Takapuna, with a view to arranging for some united fire protection to service both boroughs. No finality, however, was reached. When the proposal to constitute a Devonport Fire District came before the Commission, certain investigations were immediately commenced, and the Commission felt that in all the circumstances there was a *prima facie* case for the establishment of a united fire district covering the area of all the four boroughs.

In addition to the Devonport Borough, Northcote and Takapuna Boroughs each maintained their own fire services. Birkenhead, which had the Colonial Sugar Refining Company's works as a major fire risk in its area, was a fire district under the control of a Fire Board. Birkenhead was therefore the only area where subsidies from the underwriters were available for fire-protection services. The whole question of the fire services on the North Shore, including the protection of the Devonport Naval Base, was thoroughly investigated at an inquiry held by the Commission on 22nd July, 1947, and the following day. All the local authorities, together with several other persons and institutions, gave evidence, and the advantages and disadvantages of united fire control were exhaustively examined.

The decision of the Commission was that a united fire district should be set up comprising the districts of the boroughs of Devonport, Takapuna, Birkenhead, and Northcote, and that the united Fire Board when established should also provide protective services for certain small areas of the Waitemata County contiguous to the above districts. It was also provided that the united Fire Board should undertake the protection of the Devonport Naval Base, subject to certain financial arrangements between the Government and the Fire Board.

Although there were certain objections as to detail, no serious objection was raised, and the united Fire District came into existence on the 1st April, 1948. The position now is that the insurance underwriters are responsible for their proportion of the costs of fire protection over the whole of the North Shore. The boroughs have been relieved of the responsibility for fire-protection services, and in general the services available to the residents will in the future be of a much higher character than formerly and probably at considerably less relative cost.

C. North Auckland Hospital Districts

The parliamentary Select Committee commented, *inter alia*, that there was an urgent need for the reorganization of hospital control in the North Auckland area, where there were six Hospital Boards in operation, none of the districts of which was of a sufficient size to provide finance adequate to undertake all the services commonly required by the population. Shortly after the Commission took office, a specific proposal was submitted to it by the Health Department asking that the Commission consider the amalgamation of these six northern hospital districts into one district so as to provide the basis on which adequate hospital services could be available to the people of Northland.

On the technical side, the information available through the Health Department was quite adequate. The Commission's own investigating staff made extensive investigations into the financial structure of the various local authorities.

A public inquiry of which due notice had been given to all interested parties was held in Whangarei on 22nd October, 1947, and the succeeding days. The inquiry caused very considerable public interest not only among the local authorities concerned, but also among the medical fraternity. Medical witnesses were available to assist the Commission not only from the Health Department, but also from all the hospitals concerned, and, in addition, some expert medical witnesses were available from other parts of the Dominion.

It should be mentioned in passing that several of the Hospital Boards concerned approached the parliamentary Select Committee on Local Government in 1945 asking that some amalgamation of hospital districts in Northland be proceeded with. Subsequent to these submissions to the parliamentary Committee, the Hospital Boards themselves had changed their attitude, due largely, it is thought, to the existence of the recent legislative provisions providing for the maximum hospital rate of ½d. in the pound on capital value. In addition, a joint tuberculosis service had been commenced.

All the issues were exhaustively dealt with at the inquiry.

As showing the value of these public inquiries, one County Councillor, speaking on behalf of practically all the County Councils in the North Auckland district, remarked that had the County Councils known all the facts which had emerged during the hearing they would probably have changed their attitude on the question of the amalgamation of the hospital districts.

After fully considering all the evidence and information available, the Commission decided that a case had been made out for the amalgamation of the Hospital Boards, and provided accordingly in its scheme.

There were some objections to the scheme, particularly by one of the Hospital Boards, but when these objections had been considered in detail the Commission issued its final scheme, providing for amalgamation of the six districts. We felt, however, that the principle of local interest was of vital concern. Concentration merely on questions of administrative efficiency may result in local interest being lost, and we felt that the retention of local interest is vitally necessary if the hospitals are to function effectively as part of the amenities available to the local residents. As a consequence, in addition to finding that the whole of this area should be constituted one hospital district, we recommended that for each of the existing hospitals a local advisory committee should be appointed. We are given to understand that it is not possible to implement this recommendation without special legislation, and pending the passing of this special legislation our information is that the scheme has not been implemented.

D. Catchment Districts

The Soil Conservation and Rivers Control Act, 1941, provided for the administration of flood-control measures and the prevention of soil erosion by local Catchment Boards under general supervision of the national Soil Conservation and Rivers Control

Council. Several Boards had already been set up prior to the appointment of the Commission, and in several other cases negotiations had been commenced to set up further Boards, but for one cause and another these negotiations had not been brought to finality. Consequently, during the year under review, the Soil Conservation and Rivers Control Council proposed to the Local Government Commission that three further catchment districts should be established.

The legislation being what it is—namely, that catchment control should be exercised by Boards, which would derive their revenue from rates, and to some extent from Government subsidy payable through the Soil Conservation and Rivers Control Council—our function in these cases was to determine—

(*a*) Whether problems of flooding and erosion occur in the area under consideration :

(*b*) What area should be included in the Catchment District.

The answer to these questions is determined largely on the basis of the catchments of the rivers concerned, plus the community of interest of the various authorities to the districts involved.

Having decided that there were catchment problems, the function of the Commission was to define the area of the catchment district. In view of the legislation, it was not the function of the Commission to discuss whether or not flood-control and prevention of erosion was a national problem.

There is one point in connection with catchment districts to which we desire to direct attention. The urgency for positive work is not the same in every part of a catchment district. In some areas, regulatory control over land use, burning, and such-like operations is all that is necessary. In other parts of the district positive and possibly costly river works are needed. There is some lack of appreciation throughout the Dominion of the responsibility of ratepayers in a catchment district for the expenses of a Catchment Board. The only uniform rating to which all ratepayers are liable is that for administrative purposes. This is limited to $\frac{1}{8}$d. in the pound on capital value and has no relation at all to the costs of specific works that are undertaken. Where a specific work is required, the Catchment Board is required to prepare a classification scheme for the lands to be benefited, such scheme classifying lands according to the degrees of benefit which various parts of the area will receive. Only those persons immediately benefiting from any work are required to pay the works rate, and this is then paid on a classification basis. For instance, for work required in the lower Clutha River only the residents of the Lower Clutha district will contribute. Ratepayers in Dunedin will not contribute to the cost of these works. As far as this particular instance is concerned, Dunedin will, unless specific works are undertaken in the vicinity of Dunedin, pay only the administrative rate, which, as has been stated above, is a maximum of $\frac{1}{8}$d. in the pound on rateable capital value. We feel that misconceptions on this point have clouded the issue on several occasions.

(1) *Otago Catchment District*

For a considerable time negotiations had been under way between the Soil Conservation and Rivers Control Council and the local authorities in the basin of the Clutha River relative to the establishment of a Catchment Board to control the area. These negotiations had not reached any finality, the local authorities in the district maintaining that Dunedin should be included in the Clutha Catchment District since economically Dunedin was the business and transport centre for the area.

On the appointment of the Commission, the question of the establishment of a catchment district covering this area was referred to it, the Soil Conservation and Rivers Control Council indicating at the same time that at a later date they proposed to recommend the establishment of a catchment district to cover the remainder of Otago, including the City of Dunedin. A public inquiry was held in Dunedin on the 24th September and the succeeding days at which the Soil Conservation and Rivers Control Council and all the local authorities of the district were represented. In addition, numerous institutions such as the Federated Farmers of New Zealand (Incorporated) were also represented.

The local authorities in the Clutha basin, on the grounds set out above, maintained strongly that Dunedin should be included in the Clutha catchment area. It was also apparent that the remainder of Otago excluded from the proposed Clutha Catchment District could claim Dunedin as its economic centre and hence could obtain the advantage of so much of the administrative rate for which the residents of the Dunedin metropolitan area were responsible. After a full and exhaustive inquiry it became evident that the administrative costs of treating the whole of Otago as one catchment district would be considerably less than dividing it into two districts, and, further, that the efficiency of the work would not suffer by creating such an Otago Catchment District. A provisional scheme providing for one catchment district comprising the whole area was accordingly issued.

No objections were received which had not been fully explored at the public hearing, and the Commission's final scheme providing for the setting-up of an Otago Catchment District was issued. The district was established by Order in Council dated 17th March, 1948.

(2) *Wellington Catchment District*

For the southern portion of the North Island two catchment districts have already been established. These are the Manawatu and Wairarapa Catchment Districts. Neither of these districts covered the geographic counties of Hutt and Makara (although a small portion of the northern end of the Hutt County is included in the Manawatu Catchment District). The Soil Conservation and Rivers Control Council, in exercise of the jurisdiction vested in it by the Soil Conservation and Rivers Control Act, 1941, investigated the needs of the geographic counties of Hutt and Makara for catchment control, and came to the conclusion that in order to provide for an effective soil-conservation programme it was necessary to establish a catchment district covering these areas, and asked the Local Government Commission to agree to the setting-up of such a catchment district.

The proposal was considered at a public inquiry in Wellington which commenced on the 10th March, 1948. Witnesses on behalf of the Soil Conservation and Rivers Control Council gave evidence as to the needs of the district, including evidence as to the erosion which was taking place. With the exception of the Upper Hutt Borough Council, the local authorities in the Wellington region opposed the constitution of a separate catchment district on two grounds: first, they maintained that the incidence of erosion in the area was not sufficient to warrant the setting-up of a catchment district, and the only major river-control problem was being effectively dealt with by the Hutt River Board: secondly, they argued that since there was in existence a statutory body—the Wellington City and Suburban Water Supply Board—charged, *inter alia*, with the maintenance of water-conservation reserves, this body should be given the powers of a Catchment Board over the whole area. Most of the local authorities in the vicinity of Wellington are members of this Water Supply Board, the only bodies not being members being Lower Hutt City Council and Petone Borough Council, but evidence was given that under certain conditions these bodies were prepared to rejoin the Water Supply Board.

The case really turned on whether the Wellington City and Suburban Water Supply Board could effectively carry out the work. Evidence was given that the administrative costs of the Water Supply Board were relatively small, since the Wellington City Council undertook most of the engineering and administrative work free of cost. In opposition, however, it was maintained that before the Wellington City and Suburban Water Supply Board could operate effectively as a Catchment Board it would have to have an existence independent of the Wellington City Council, and that the costs of such an independent Board would equal the costs of a separate Catchment Board. Further, it was maintained in opposition to this proposal that the Water Supply Board was not constitutionally fitted to deal with erosion problems, its main, and, in fact, its only, concern being water-supply from a specified small area; that the erosion problems, particularly those in the Makara County, were sufficiently serious to warrant the setting-up of a Catchment

Board to preserve the national heritage in the soil. One final contention in favour of the Wellington City and Suburban Water Supply Board was that if a Catchment Board were constituted another local authority would be created.

It was elicited in evidence that the Wellington City and Suburban Water Supply Board is not a local authority for the purpose of the Local Bodies' Finance Act, 1921–22, Local Bodies' Loans Act, 1926, and the Local Government Loans Board Act, 1926, and has no rating powers, powers in this regard residing in the constituent local authorities. If the Wellington City and Suburban Water Supply Board is to have these powers it would need to be reconstituted, and, in fact, another local authority would in any case be created. If, for instance, it is to exercise the functions of a Catchment Board in relation to soil conservation it would most certainly need rating powers. Hence, to give the Water Supply Board the requisite powers also involves setting up another local authority, for which special legislation would be necessary.

The decision in this case caused the Commission some considerable concern. A provisional scheme providing for the setting-up of a Wellington Catchment District was issued on the 20th April, 1948. The Commission's reasons for not agreeing to recommend that the Wellington City and Suburban Water Supply Board should be given Catchment Board powers are set out at length in its judgment on this particular case. The provisional scheme was promulgated on 20th April, 1948, and subsequently a number of the local authorities lodged objections to the provisional scheme. In view of the important nature of the objections, the Commission has decided to hold a public inquiry to hear submissions and evidence on the objections, and until this further inquiry has been held a final scheme will not be issued.

E. River Districts

(1) *Dissolution of the Manawatu-Oroua River District*

From a period shortly after its inception, the Manawatu Catchment Board has been anxious to commence large-scale capital works on the lower Manawatu River with a view to providing effectively for flood protection in that region. It early took steps under the Soil Conservation and Rivers Control Act to provide for the abolition of the Palmerston North River Board and the Manawatu-Oroua River Board. The Palmerston North River Board was abolished on 3rd December, 1945, and its responsibilities taken over by the Manawatu Catchment Board. Steps were then taken under the Soil Conservation and Rivers Control Act, 1941, to abolish the Manawatu-Oroua River District. Since this latter river district had been constituted by Act of Parliament, it was decided that action to abolish the district was not available under the Soil Conservation and Rivers Control Act, 1941.

In 1946 the Manawatu Catchment Board promoted a local Bill providing for the abolition of this district. Although the Bill was introduced and proceeded to a second reading, it was withdrawn when the Government announced that it was bringing down general provisions under an amendment to the Soil Conservation and Rivers Control Act to provide machinery for the abolition of such districts as were constituted by special Act of Parliament. This legislation was passed in 1946, and provided that if the River Board proposed to be abolished objected to the abolition, then a special Commission consisting of a Magistrate and two Commissioners, one of whom was to be appointed by the River Board, should be set up to inquire into and report on the proposed abolition.

The Local Government Commission Act was assented to on the same day as the Soil Conservation and Rivers Control Amendment Act, 1946, which provided as above. Section 24 of the Local Government Commission Act provides that " Where a request is made under any enactment other than this Act to the Governor-General or to any local authority or other person, whether by petition or in such other manner as may be prescribed or permissible, asking for any action to be taken for the purpose of or with a

view to giving effect to any proposals which could be provided for in a scheme under this Act, the request shall be referred to the Commission, and no such action shall be taken under the enactment unless the Commission so recommends."

The section then goes on to say that the Commission may deal with such proposals under the Local Government Commission Act and may "hold a public inquiry as to whether a reorganization scheme should be prepared to provide for the matters referred to it in the proposals . . . "

Acting under the belief that the Local Government Commission Act gave to the Commission power to hear proposals which had originated under the Soil Conservation and Rivers Control Amendment Act, 1946, the Soil Conservation and Rivers Control Council asked the Local Government Commission to provide for the abolition of the Manawatu-Oroua River District.

The Commission thereupon decided to hold a public inquiry, which was held in Palmerston North on the 25th February, 1948, and the following day. At that inquiry the operations of the River Board and its future proposals for river protection were fully inquired into, and the evidence was conclusive that the River Board was not prepared to carry out in its district the major river-control schemes which had been recommended over a considerable period. It is rather interesting to notice in passing that over the past forty years seven Commissions of Inquiry have considered problems of the lower Manawatu River and practically all have agreed that the only permanent solution was a major diversion scheme. Evidence was available to show that the Manawatu Catchment Board had considered the major scheme and had tentative plans drawn for the operation of that scheme.

At the inquiry the question of the jurisdiction of the Commission, in view of the provision for a special Commission under the Soil Conservation and Rivers Control Act, 1946, was raised. This jurisdictional question was considered by the Commission, and its decision that it considered that it had jurisdiction was incorporated in the provisional scheme subsequently issued by the Commission.

The provisional scheme, which was issued on the 12th March, 1948, provided that the powers and functions of the Manawatu-Oroua River Board should be transferred to the Manawatu Catchment Board, and the River Board dissolved.

Subsequently the Manawatu-Oroua River Board objected to the scheme, on the grounds of lack of jurisdiction of the Local Government Commission. The final scheme was issued on the 26th April, 1948, and transmitted to the Soil Conservation and Rivers Control Council. The implementation of this scheme is a matter for the Council to discuss with the Government.

(2) *Extension of Boundaries: Hutt River District*

A proposal was submitted to the Local Government Commission that the boundaries of the Hutt River District should be extended to include the whole of the Petone Borough. The grounds of this petition were that the Petone Borough had, in terms of the River Boards Act, 1908, received and would continue to receive "substantial benefit" from the operations of the Hutt River Board and therefore it was just and equitable that its ratepayers should contribute towards the cost of the operations of the River Board in proportion to the benefits they received.

It should be mentioned that for a number of years a small part of Petone immediately abutting the lower reaches of the river on the western bank has been in the river district.

The case turned on the substantiality of the benefit which Petone had received and would receive from further works which are to be carried out. The Commission considered that Petone had derived substantial benefit, and will derive still further substantial benefit when the additional proposed works are completed, and therefore decided that the balance of the Petone Borough should be incorporated in the river district. It was also provided that the various small streams running through Petone which up to the present had been the responsibility of the Petone Borough should in future become the responsibility of the Hutt River Board, thereby relieving Petone of that liability.

As part of its decision the Commission recommended that the Hutt River District should in future be divided into two subdivisions, one to consist of the Borough of Petone and the other to consist of the remainder—that is, the whole of the Lower Hutt City. For the Petone subdivision, two members should be elected, and for the Lower Hutt subdivision, four members.

A provisional scheme incorporating the above-mentioned details was issued on the 20th April, 1948.

Subsequently two objections which do not go to the root of the scheme were received. One such objection asks that the representation of the Hutt subdivision should be increased from four to five, on the grounds that the population and rateable capital value of the Hutt subdivision warrants this increase. The other objections were of a technical character related to the assumption by the Hutt River Board of the responsibility of the streams in the Petone Borough.

Petone Borough itself requested that until the next triennial local-body elections the members on the Hutt River Board should be appointed by the local authorities whose districts are concerned, so as to avoid the necessity for holding another election. These objections have not yet been considered by the Commission.

F. Proposed Domain at Lake Karapiro

Consequent upon the construction of the hydro-electric dam at Karapiro, a large lake has been formed extending some fifteen or sixteen miles up the Waikato River. Several propositions had been submitted to the Government for the ultilization of the Karapiro Lake and the surrounding land for recreational purposes. In 1946 the Government set up an inter-departmental committee to report on the utilization of these facilities. This committee suggested that certain relatively small areas of land should be acquired by the Government and handed over to the local bodies for development as public domains. The Local Government Commission was asked to consider the setting-up of a Domain Board to develop the area, which it was informed was to be looked on as a Waikato regional recreational reserve. The proposal was that those local authorities whose residents would use the lake should contribute towards the cost of development (subject to some Government subsidy) in direct proportion to their population and in inverse proportion to their propinquity to the lake. In order that opportunity should be given for the local authorities to express their views as to the necessity and desirability for such a Domain Board, a public inquiry was held in Hamilton on 28th, 29th, and 30th August, 1947. With the exception of those local authorities whose districts immediately abut the lake, none of the local authorities in the Waikato were prepared to assume any responsibility for the development of the area. The general objections to this proposal were two; first, that the lake and its environs could not be used for recreation or holiday purposes; and secondly, that even if they were to be so used, the responsibility for developmental work was a national one. It was obvious at the end of the inquiry that no agreement could be reached. At the request of the Commission the Mayor of Hamilton called a conference of local authorities in the Waikato to ascertain if some agreement as to relative responsibilities could be reached. The conference was abortive, and the matter is therefore still under consideration.

VI. DECISIONS WITHOUT PUBLIC INQUIRIES

From time to time various proposals where the local authorities involved were in complete agreement were submitted to the Commission under section 24 of its Act. In these cases there was no necessity for a public inquiry, but the Commission always gave an opportunity for interested parties to object by issuing and advertising a provisional scheme, which gave a month within which the proposals could be considered.

A list of such schemes is set out hereunder :—

A. Ellesmere Land Drainage District

A petition was received from the North Canterbury Catchment Board praying that the Ellesmere Land Drainage Board be dissolved and its functions assumed by the Catchment Board. The Drainage Board agreed with the proposal, and a provisional scheme was issued on 2nd August, 1947. There being no objections, a final scheme was issued on 2nd September, 1947.

B. Pyramid Block Drainage District and Benmore-Limehills, Upper Winton, and Winton River Districts

Applications were made under the Soil Conservation and Rivers Control Act, 1941, by the Southland Catchment Board for the abolition of the above four internal drainage or river districts. No objections were lodged to the provisional schemes, which were issued on—

Benmore-Limehills, Upper Winton, and Winton River Districts : 22nd December, 1947 :

Pyramid Block Drainage District : 27th November, 1947 :

and the final schemes were issued on the following dates :—

Benmore-Limehills, Upper Winton, and Winton River Districts : 2nd February, 1948 :

Pyramid Block Drainage District : 20th January, 1948.

C. Rotorua Borough : Boundary Adjustments

A proposal was made by the Rotorua Borough that a small boundary adjustment should be made as between the Rotorua Borough and the Rotorua County, and the county being in agreement, a provisional scheme was issued on 7th January, 1948. No objections being received to the provisional scheme, the final scheme was issued on 11th February, 1948.

D. Balclutha Borough : Boundary Adjustment

A petition was lodged with His Excellency the Governor-General praying that a small area in the Bruce County adjacent to the Balclutha Borough and being used for housing purposes should be included in the borough. The petition having been referred to the Local Government Commission, and the local authorities being in agreement, a provisional scheme was issued on the 16th February, 1948. No objections being received to the provisional scheme, the final scheme was issued on 19th March, 1948.

E. Rabbit Districts

Following the passing of the Rabbit Nuisance Amendment Act, 1947, some progress has been made in the reorganization of existing rabbit districts and the formation of new rabbit districts. Approval has been given to the extension of the Pongakawa and Orepuke and Waimatua Rabbit Districts and also to the formation of the Kawhia and Glencoe Rabbit Districts.

An agreement has now been entered into with the Rabbit Destruction Council whereby the proposals will be submitted by the Council to the Commission, and if no difficulties are apparent the Commission will agree, under section 24 of the Local Government Commission Act, to action being taken under the Rabbit Nuisance Act.

In a recent proposal for the adjustment of boundaries between the Kiwitahi and Maungakawa Rabbit Districts there was some objection by one of the landholders concerned. In this particular case negotiations are still proceeding, but as there were objections the Commission is dealing with the matter under the Local Government Commission Act.

VII. OTHER INQUIRIES

Under section 12 of the Local Government Commission Act the Commission is enabled, either at the request of the Minister or of its own motion, to report to the Minister of Internal Affairs on other matters relating to local government.

The parliamentary Committee on Local Government made some comments on the problems of rabbit-destruction throughout the Dominion, and suggested that possibly this could best be undertaken by existing County Councils, involving the elimination of existing Rabbit Boards. For some time a revision of the Rabbit Nuisance Act to provide for better administrative control has been in contemplation. A draft Bill in this connection was prepared early in 1947 and was referred by the Minister of Agriculture through the Minister of Interal Affairs to the Commission for its general comments. The Commission heard evidence relative to the problem from the Department of Agriculture, the North and South Islands Rabbit Boards' Associations, individual members of Rabbit Boards, the New Zealand Counties' Association, and also from several members of County Councils. It also considered the draft Rabbit Nuisance Bill. After a full investigation, the Commission decided that the provisions of the Rabbit Nuisance Bill did provide a more adequate administrative structure for rabbit control than was at present in existence. Its report on this question was referred through the Minister of Internal Affairs to the Minister of Agriculture.

VIII. INVESTIGATION WORK

The staff of the Commission are actively engaged in investigations for forthcoming inquiries. Special attention is being paid to the present structure of county government in the Dominion, but it is expected that this work will take some considerable time. The Commission desires to complete these investigations before it undertakes any specific reorganization of counties.

When the parliamentary Select Committee on Local Government was sitting in Christchurch, evidence was placed before it by the Banks Peninsula Electric-power Board pointing out the economic difficulties under which that Power Board was operating. Evidence was also available to show that the Malvern Electric-power Board was also under severe economic stress. Malvern Power Board is one of the few remaining Power Boards which still has to levy a rate in addition to the ordinary electricity charges in order to maintain its operations. Shortly after the Commission took office, it was approached by the Malvern Electric-power Board with a view to ascertaining when the Commission proposed to take action in relation to electric-power distribution in these areas. The Commission's jurisdiction is restricted because of the provisions of section 13, subsection (3), of the Local Government Commission Act, 1946, which provides that the Commission cannot transfer the trading undertaking of any county, borough, or town district unless such local-governing authority itself is abolished or dissolved. It would appear that, although the Springs-Ellesmere Power Board is financially fairly stable, the position of the Banks Peninsula Power Board and Malvern Power Board is less satisfactory, due largely to the scattered nature of the settlement in these areas and difficulties of the terrain.

The Commission's investigating staff have made exhaustive inquiries into the financial position of the Power Boards in this area, and it is proposed to discuss the results of these investigations with the Ministers and Government Departments concerned prior to any action being taken.

A proposal has been submitted to the Commission that the Waihi Beach Township, which administratively is part of the Waihi Borough, should secede therefrom and be formed into a separate township. This area is some seven miles from Waihi Town and is connected thereto by a road, the road only being in the borough, not the adjoining land.

Waihi Beach and Waihi Borough therefore are co-terminous solely because of this connecting road. A legal difficulty arises in that legislation provides that no town district shall be created out of the district of an existing borough. There are also some serious financial problems involving Waihi Beach which must be solved before action can be taken to constitute a Waihi Beach Town District.

These matters are the subject of investigation by the Commission at the present time.

Two small local authorities adjacent to Auckland have petitioned for the constitution of their areas as boroughs. These are the Mount Wellington Road District and Glen Eden Town District. The Commission has made certain investigations into these matters, but considers that the future of these districts is so closely bound up with the future local government of the Auckland metropolitan area that it does not propose to take action pending a full inquiry into the Auckland metropolitan problem.

IX. OTHER ACTIVITIES

(*a*) *Pokeno.*—Certain residents of Pokeno petitioned praying that the district be created a town district. After an inspection of the area and investigations of financial and other matters, the Commission decided that the smallness of the population and the relative smallness of the rateable value did not warrant the constitution of a town district, and the petitioners were advised accordingly.

(*b*) A proposal that Leeston Town District should be absorbed by the Ellesmere County, emanating from some residents in Leeston, was fully investigated by the Commission. It was decided, however, that, pending a thorough review of county government, no action should be taken.

(*c*) Representations were made that, since certain areas of the Tinwald Town District were becoming highly urbanized and a portion of the town district was likely to be used for industrial purposes by industrial concerns in the Ashburton Borough, the urbanized or potentially urbanized portion of the Tinwald Town District should be absorbed by Ashburton Borough, and the remainder of the town district revert to the Ashburton County. The Commission has been in communication with the local authorities concerned, and is informed that conferences between the various local authorities are at present being held. Action has been delayed pending information as to the result of these conferences.

(*d*) A petition was received from certain residents of the Levels County adjacent to the Timaru Borough praying that the area should be included in the Timaru Borough. After having visited the area, the Commission conferred with representatives of the Timaru Borough and the Levels County. It was indicated that substantial housing developments were likely to take place in the near future, and that in all probability residential development in the Timaru region would be largely in the county area. The two local authorities agreed to co-operate in redrawing the boundaries of the Borough of Timaru. The borough has indicated that it desires to incorporate in the borough those lands likely to be used for residential purposes within the next ten years. Investigations by the local authorities concerned are still proceeding, and when the specific proposals from the two local authorities come to hand the Commission will undertake a public inquiry to determine the new boundaries of Timaru.

X. FUTURE WORK

As giving some indication of the work before the Commission, fixtures have been made which will engage the Commission until late November, 1948. No fixtures have been made for 1949 as yet, but already quite a number of proposals have been

submitted to the Commission which will involve investigation as soon as the time is available. The following list gives an indication of the inquiries to be held in the ensuing year :—

(A) A proposal that a Bay of Plenty Catchment District be established.

(B) A proposal for boundary adjustment between Whakatane and Opotiki Counties.

(C) A proposal that the Onerahi Dependent Town District be created an independent town district.

(D) A proposal that certain areas of land be excluded from the Howick Town District and included in Manakau County.

(E) *Tawa Flat, Porirua, Titahi Bay, Paremata, Plimmerton, and Pahautanui Area.*—The large-scale housing construction at present being planned by the Housing Division of the Public Works Department in the Tawa Flat, Porirua, Titahi Bay area has created a very urgent and important question as to the future local government of this area. Already a considerable portion of the area is fairly highly urbanized, and when the work of the Housing Division is completed a large town will be located in this district. The Makara County Council has indicated that it does not consider that county government is suitable for the area, and it considers it should be transferred to some authority able to exercise municipal functions. The Commission has been requested to consider the local government in this area, and expects to commence a public hearing on the question within the next financial year. Included in the question is the future of the Johnsonville Town District, which abuts the Wellington City area.

(F) A proposal that the local government of the Christchurch metropolitan area be reorganized.

(G) A proposal that the boundaries of Whangarei be extended and that Kamo Town District be absorbed by the Whangarei Borough.

(H) A proposal that the boundaries of Nelson City be extended and that the Tahaunuui Town District be absorbed by Nelson City.

(I) A proposal that the boundaries of the City of Hamilton be extended.

(J) A proposal that the boundaries of the City of Palmerston North be extended.

(K) A proposal that there be an adjustment of boundaries between the Port Chalmers and West Harbour Boroughs.

(L) A proposal that a Waikato Catchment District be constituted.

(M) A proposal that the boundaries between the Rotorua County and Tauranga County be adjusted.

(N) A proposal that the boundaries between the Tauranga County and the Tauranga Borough be adjusted.

(O) A proposal that the boundaries between Rotorua County and the Taupo County be adjusted.

(P) A proposal that the boundaries between Port Chalmers Borough and Waikouaiti County be adjusted.

XI. CONCLUSION

One very pleasant feature of the work of the Commission during the year has been the steady and increasing co-operation which has been received from local authorities of all types. It is becoming increasingly apparent that the Commission is filling an important place in the local-government structure of the Dominion. Local authorities are referring their problems to the Commission not merely for inquiry, but for advice as to procedure and as to administrative detail, and the Commission is happy to assist where possible.

The Commission has been asked by several of the national associations of local authorities to attend their annual Conferences and discuss with the Conferences the general work of the Commission. These visits have been of great value to the Commission and have developed that spirit of co-ordination and co-operation which the Commission feels is essential to the successful conclusion of its work.

The relationship between the Commission and the Department of Internal Affairs, the Department charged with the administration of the various Acts involving local authorities in the Dominion, has been close and cordial. Many Government Departments have during the course of the year assisted the Local Government Commission in its work, and we desire to pay a tribute to the assistance which these Departments have given to the Commission not merely in its public inquiries, but also in relation to its general administrative responsibilities.

The Commission further desires to express its appreciation of the services rendered to it by the Secretary and staff.

In conclusion, we desire to say that our whole aim is to provide a local-government structure for New Zealand which will be in keeping with the economic and social progress which the country is making and which will also preserve those inherent democratic rights which are basic of all real progress.

F. B. STEPHENS, Secretary
April, 1948.

I. J. GOLDSTINE, Chairman.
W. C. E. GEORGE, Commissioner.
J. W. ANDREWS, Commissioner.
G. A. MONK, Commissioner.

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