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Corporate Plan Output: Legal Advice	

The purpose of this report is to seek Council confirmation of the funding to be allocated for advertising in the amalgamation poll period.

With the Commission having given public notice of the draft reorganisation scheme, the Council must resolve how much money it proposes "...to spend on advertising that promotes or opposes the implementation of that scheme or of any provision of that scheme and is to be published, broadcast, issued, distributed or displayed in the poll period."

The Local Government Commission has received the submissions which closed on 20 May 1999 and has held hearings on those submissions. It may issue a final reorganisation scheme if it decides to continue with the amalgamation proposal. If it decides to continue it will then give public notice of polls to be held in Banks Peninsula District and in Christchurch City. Within 80 days of that public notice the polls must be held. That period between the public notice and the dates of the polls is the "poll period" and there are statutory controls in the Local Government Act on expenditure by territorial authorities during that poll period in promoting or opposing the amalgamation proposal.

The Local Government Act specifies that the financial limits, based on population size, for such spending for Christchurch City are \$30,000 and for Banks Peninsula District \$10,000.

Given the Council's recent decision to support the amalgamation if approved by both polls, the Council must resolve how much it proposes to spend on advertising that promotes the amalgamation or any provision of it and that is to be published in the poll period.

The Local Government Act provides that this limit on advertising does not apply to the costs of any investigation or research undertaken by the Council relating to the reorganisation proposal, the making of submissions or other representations to the Commission, the cost of the labour of any person employed by the Council, or the publication of any news or comment relating to the reorganisation proposal in a newspaper or on radio or television, or any costs which would have been incurred if the reorganisation scheme had not been proposed.

The Act also provides that the Council must also meet, up to the amount that it sets by resolution, the costs incurred by a representative (as determined by the Local Government Commission) of those promoting the reorganisation. If that representative is involved in publishing material in the poll period, then that person is entitled to reimbursement by the Council to an amount equal to the amount set by the Council by resolution. Costs incurred by that representative in the poll period can be met either directly or by way of reimbursement.

At its Annual Plan meeting the Council provided for a sum of \$20,000 being available for amalgamation advertising in the poll and divided equally between the Council and the proponents.

It is recommended that this sum of \$10,000 (excluding GST) must be formally adopted by the Council. The Council will then be liable to pay the same amount to the proponents of the amalgamation proposal.

There are also requirements for the Council to make a return to the Audit Office after the poll period, identifying advertising and the costs involved.

Recommendation: That for the purpose of section 37ZZZIC(2) of the Local Government Act 1974 the Council resolve that the amount of money it proposes to spend on advertising in the poll period be \$10,000 (excluding GST).