



LOCAL GOVERNMENT COMMISSION

LICENSING TRUST DISTRICT BOUNDARIES

**A REPORT TO THE MINISTER OF LOCAL GOVERNMENT
PREPARED UNDER SECTION 31(1) OF THE LOCAL GOVERNMENT ACT 2002**

May 2006

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INTRODUCTION

1. This report has been prepared pursuant to section 31(1) of the Local Government Act 2002 (the LGA), which states that the Local Government Commission (the Commission) may report on and make recommendations to the Minister of Local Government (the Minister) on matters relating to local government considered appropriate by the Commission.
2. During the submission process for the Commission's Initial Review of the LGA and the Local Electoral Act 2001 (the LEA)¹, some submitters from the local government sector expressed concern that the boundaries of a number of licensing trust districts do not coincide with meshblocks.² The consequence of this is that local authority electoral officers need to manually, rather than electronically, check and allocate electors from split meshblocks onto the electoral roll for those licensing trusts. This is a time-consuming and costly exercise and has not always been error-free. Additionally, a number of licensing trust ward boundaries do not comply with meshblocks and a similar checking exercise is required to allocate electors to the correct licensing trust ward.
3. The Ministry of Justice administers the Sale of Liquor Act 1989 (the SoLA), which is the legislation governing licensing trusts. Elections for licensing trusts take place at the same time as the triennial local elections and are conducted by territorial authority electoral officers under the provisions of the LEA. Any change to the external boundaries of licensing trusts will require an amendment to the SoLA and any change to licensing trust ward boundaries requires an Order in Council on the advice of the Minister of Justice.
4. The recent submissions to the Commission are not the first time the issue of licensing trust district boundaries has been raised. However, its impact on the effective operation of the LEA and the administration of local elections prompted the Commission to consider it in detail and report to the Minister on this issue.

RECOMMENDATIONS

5. After considering this issue the Commission has decided to recommend to the Minister of Local Government that he:
 - (1) Note the desirability of ensuring that the external boundaries of licensing trust districts and licensing trust wards conform with meshblocks;
 - (2) Note that as a general principle, where possible the following approach should be taken to achieve conformity of boundaries and meshblocks –

¹ Report presented to the Minister on 1 July 2005

² A meshblock is the smallest geographic area used by Statistics New Zealand in the collection and processing of census data. Meshblocks are also used in the compilation of electoral rolls for parliamentary and local elections.

- (a) where possible meshblocks should be split to accommodate existing licensing trust district boundaries;
 - (b) where this is not possible, licensing trust district boundaries are extended to the edge of meshblocks partially within a district to avoid electors being excluded from a district;
 - (c) where no electors are involved the licensing trust district boundary should be altered to conform with the meshblock boundary that achieves the most practical result;
- (3) Recommend to the Minister of Justice that the Sale of Liquor Act be amended to provide for -
- (a) the Local Government Commission to review the boundaries of licensing trust districts and licensing trust wards to ensure conformity with meshblocks;
 - (b) in considering any proposal to change such boundaries, the Local Government Commission to consult with the appropriate licensing trust and electoral officer, and (to the extent required) the affected community;
 - (c) proposals for the alteration of licensing trust district boundaries to be implemented by Order in Council made on the recommendation of the Minister of Justice;
 - (d) proposals for alteration of licensing trust ward boundaries to be implemented by a determination of the Local Government Commission; and
 - (e) where an area of a licensing trust district in respect of which a monopoly exists is expanded to include an area not currently subject to a monopoly, that monopoly shall not apply to the area added to the district.

BACKGROUND

History of Licensing Trusts³

6. The first licensing trust was established by the Invercargill Licensing Trust Act 1944 and the concept further developed as a result of the recommendations of the 1946 Report of the Royal Commission on Licensing. A similar system had been introduced in England and licensing trusts were founded on the belief that, as a public locally elected body, they would be more likely to take account of wider public issues in respect of the sale of liquor and not be motivated solely by concern for profit.
7. Over time a number of different types of licensing trusts were established.
8. Between 1947 and 1963 *District licensing trusts* were constituted, either under their own statute, or under the Licensing Trusts Act 1949. District licensing trusts decided themselves whether or not to establish new premises, their

³ Information taken from "*Liquor Review 1996 – A Discussion Paper*" by Ministry of Justice.

locality and their type (although taverns required consent from the Minister of Justice). They were subject to very few controls. District licensing trusts enjoyed significant monopoly rights in their districts but could not sell alcohol outside the district. Nine district licensing trusts currently exist.

9. In 1963 the first *Suburban licensing trust* was created. Suburban licensing trusts were not required to hold licences and could determine for themselves the number and sites of liquor outlets in their area. Unlike district licensing trusts, however, suburban licensing trusts had to obtain the Licensing Control Commission's consent before opening new outlets. Suburban licensing trusts enjoyed similar monopoly rights as district licensing trusts over liquor outlets in their areas. Four suburban licensing trusts currently exist.
10. *Local licensing trusts* had more in common with private trade than district or suburban licensing trusts. Once the Licensing Control Commission had determined that there was a need for a new licence in an area, local residents or the local authority could request that a poll be taken on whether the licence should be allocated to a local licensing trust. A trust district would be defined once a local licensing trust was formed, for the purposes of electing trust members and distributing profits. Unlike district and suburban trusts, local licensing trusts did not have a monopoly in their district.

The Current Legislation - Sale of Liquor Act 1989

11. The SoLA repealed the various statutes relating to individual licensing trusts and the districts of the licensing trusts existing prior to the SoLA were now constituted under that Act. Licensing trusts have the legal status, rights and liabilities of bodies corporate and natural persons.⁴
12. The principal objects of licensing trusts are:
 - selling and supplying liquor;
 - establishing and conducting premises for the sale and supply of liquor, providing accommodation for the travelling public, and selling and supplying food and refreshment; and
 - conducting other business that, in the trust's opinion, can be carried on conveniently in conjunction with any of the above businesses.⁵
13. A licensing trust may distribute its net profits for the following purposes:
 - promoting, advancing or encouraging education, science, literature, art, physical welfare, and other cultural and recreational purposes;
 - erecting, laying out, maintaining, or repairing buildings or places intended to further any of the above purposes; or
 - any other philanthropic purposes.⁶

⁴ Section 186-188 of the SoLA.

⁵ Section 187(1) of the SoLA.

⁶ Section 189 of the SoLA.

14. Most of the district and suburban licensing trusts, which had enjoyed monopoly rights on the sale and supply of liquor, have lost their monopoly following the conduct of “competition polls” under the SoLA. A competition poll is held if a licensing trust resolves to make a competition proposal, or if a minimum of 15% of the electors of the trust district request a poll.⁷ A majority either for or against the competition proposal determines a poll. If a competition poll fails, another one cannot be held for at least three years.
15. If a competition poll is carried, the licensing trust loses its monopoly on liquor sales in the district. In return, however, the licensing trust acquires the right to extend its business outside the district (consistent with the objects of the trust) and to distribute its profits outside the licensing trust district. Of the 13 existing district and suburban licensing trusts originally enjoying a monopoly on the sale of liquor in their district, only four retain their monopoly rights. Electors in the remaining nine licensing trust districts have voted to open up the sale and supply of liquor to other businesses, thereby allowing the licensing trusts to distribute liquor and profits outside their district. One such example is the Oamaru Licensing Trust which, following a competition poll, now holds four significant liquor licences in Dunedin, including the licence to supply liquor at Carisbrook Stadium.
16. Historically, local licensing trusts did not enjoy monopoly rights but were restricted from operating or distributing profits outside their trust district unless an expansion poll had been carried.⁸ The Sale of Liquor Amendment Act 2004 repealed the provisions relating to expansion polls, thereby allowing local licensing trusts to operate and distribute profits outside their boundaries.⁹ There are currently 10 local licensing trusts to which the 2004 amendment applies.¹⁰

THE PROBLEM OF BOUNDARIES

17. One of an electoral officer’s functions is to compile the local authority’s electoral roll (section 15(2)(a) of the LEA). Under clause 4(c) of Schedule 3 of the LGA, local authority boundaries must coincide with statistical meshblock boundaries. Similarly, under section 19T(b) of the LEA, ward boundaries must also coincide with statistical meshblocks. Statistics New Zealand codes meshblocks with relevant electoral data (such as which local authority district, ward and community the meshblock is in) and this information is passed to the Electoral Enrolment Centre. In turn, the Electoral Enrolment Centre provides electoral officers with a list of electors, coded by that data, which provides the basis for preparing the electoral roll.
18. The current meshblock system was established by Statistics New Zealand in 1976. However licensing trust districts were established before that date.

⁷ Section 215 of the SoLA.

⁸ Sections 217-219 of the SoLA (now repealed).

⁹ Section 7(1) of the Sale of Liquor Amendment Act 2004.

¹⁰The Te Kauwhata Licensing Trust is a local licensing trust which in effect means that the sale of liquor in the area should be open to competition, however the audit report for the years 2001/02 for the Office of the Controller and Auditor General stated that the TKLT is exclusive.

Licensing trust district boundaries were defined in terms of former no-licence districts or in terms of former local government areas (which no longer exist for other purposes). Licensing trust districts are not described in terms of meshblocks and many licensing trust district boundaries differ from meshblocks. The consequence of this is that neither Statistics New Zealand nor the Electoral Enrolment Centre hold information about licensing trusts. This requires electoral officers to maintain their own records about which residents qualify as electors of licensing trusts (and, as a consequence, are eligible to stand for election as a member of the trust).

19. The real difficulty, however, arises because the external boundaries of most licensing trust districts (and a number of internal ward boundaries) do not coincide with meshblock boundaries. This has caused undesirable consequences. Firstly, as a result of development and subdivision over the years, some licensing trust district boundaries dissect individual property boundaries, and a number even run directly through dwellings. The consequence is that electoral officers have to manually, rather than electronically, check and allocate electors from split meshblocks onto the roll for the licensing trust. This manual checking has to be undertaken when both the preliminary and main rolls are compiled and when requests for special votes are made. The complaint of electoral officers is that this is a time-consuming and costly exercise that is not error-free. Electors can either be disenfranchised or incorrectly provided with a voting entitlement.
20. History has shown that electors can be omitted from the roll. An example came to light when in 1974 when an electoral officer was required by the Magistrates Court to re-run an election for the Johnsonville Licensing Trust. A number of electors residing in a particular street were qualified and eligible to vote in the trust election but were omitted from the roll of electors and were not given voting papers in order to cast their vote for members of the licensing trust. Those electors were resident in a split meshblock; a situation still exists today for residents of that meshblock. If the changes recommended by this report are made they will not only be of assistance to the electoral officer concerned but will ensure that electors who are entitled to a vote for a licensing trust are not inadvertently disenfranchised.
21. The Ashburton Licensing Trust provides an example of the work involved for electoral officers in compiling accurate rolls. This district lies predominantly within Ashburton District but also contains a small area in Timaru District with boundaries that do not conform with meshblocks. To determine which Timaru District electors fall within the licensing trust district, the electoral officer for the Timaru District Council first has to physically view the affected area to see if there has been any development or subdivision in that area, and then cross-check this information against the electoral enrolment data provided by the Electoral Enrolment Centre to see if any electors have moved into or away from the affected area.
22. Our enquiries indicate that 20 out of the 23 existing licensing trusts have boundaries that do not conform to meshblocks and we have identified three contexts in which this occurs:

- (a) there are different licensing trust districts within one meshblock;
 - (b) there are different licensing trust wards within one meshblock; or
 - (c) within one meshblock, some properties and dwellings are within the licensing trust boundaries and some are outside of the licensing trust boundaries.
23. The impact on electoral officers will, of course, vary depending on the number of meshblocks that are split by licensing trust boundaries, and the numbers of electors within the relevant meshblocks. The problem will be exacerbated when boundaries cut through dwellings. The table contained in Appendix B lists the affected meshblocks for each licensing trust, based on information provided by electoral officers. It can be seen that for a number of licensing trusts, there are a significant number of affected meshblocks.
24. The information we have received from electoral officers is that the cost of this time-consuming manual checking exercise is absorbed by the territorial authority rather than passed on to the licensing trust. To that extent, the territorial authority is subsidising the cost of the licensing trusts' elections. Electoral officers who have been conducting elections for many years are well aware of the process of undertaking these manual checks and have developed ways of undertaking the exercise as efficiently as possible. Nevertheless, we are informed that this issue is one of the biggest bugbears electoral officers face when preparing for local elections. The situation is complicated further when new electoral officers are appointed and the institutional knowledge held by experienced electoral officers is lost.

CALLS FOR CHANGE

25. As noted above, the recent submission process in the Commission's Initial Review of the LGA and LEA was not the first time the issue had been raised. The Society of Local Government Managers ("SOLGM") approached the Ministry of Justice in August 1996 with proposed amendments to deal with the issue. At the time the Ministry of Justice advised that it would be premature for it to formulate any views on the proposal until the outcome of the Sale of Liquor Act 1989 Advisory Committee report was known. The same issue was raised with the Advisory Committee; however, it made no recommendation in respect of changing licensing trust boundaries. The Ministry of Justice subsequently advised in July 1998 that when the Sale of Liquor Amendment Bill was introduced, consideration should be given to making a submission on the licensing trust boundary issue. The issue of licensing trust boundaries was not dealt with in the 1998 Bill, and accordingly SOLGM raised the issue as part of its submission to the Justice and Law Reform Select Committee in 1999 on the Sale of Liquor Amendment Bill (No 2). The Select Committee did not, however, deal with this issue in the 1999 Bill.
26. Therefore, despite SOLGM's requests over this issue and amendments to the SoLA pursuant to the Sale of Liquor Amendment Act 2004 dealing specifically

27. For that reason, SOLGM, the Auckland City Council, the Waitakere City Council and Independent Election Services Limited (electoral officer for Auckland City, Papakura and Rodney District Councils and several licensing trusts) raised the issue of licensing trust boundaries with the Commission when it undertook its Initial Review of the LGA and the LEA.
28. The Commission's recent report to the Minister commented on the problem electoral officers face with licensing trust districts boundaries and noted that while the issue does not relate directly to the LEA or the LGA, it does impact on the effective operation of the LEA and the administration of local elections. Having undertaken further research into the issue, we remain of the view that licensing trust district boundaries should be aligned with meshblocks prior to the compilation of local authority electoral rolls in July 2007.
29. Similarly, in its recent report to Parliament on the 2004 local elections, the Justice and Electoral Committee recommended that the Ministry of Justice be consulted to determine whether licensing trust boundaries can be defined by meshblocks.¹¹

PROPOSAL FOR CHANGE

30. It is obvious that there is a strong desire within the local government sector for this matter to be addressed. This is more clearly evident following consultation with the affected parties, nearly all of whom have identified similar problems and have indicated change would be welcomed. The Commission agrees that now would be a good time for the issue to be resolved. We believe it is worth taking the time now to ensure licensing trust boundaries conform to meshblocks, to assist the efficient and accurate conduct of elections in the near and long-term future.
31. As licensing trust districts are constituted under the SoLA, it will be necessary for the Minister of Justice to take charge of the necessary legislative amendments¹². The SoLA could be amended to provide a mechanism for the alteration of the external boundaries of licensing trust districts. With that primary legislative change, the boundaries of licensing trust districts could be examined on a case by case basis, and following consultation with the licensing trust and the electoral officer, action taken to ensure that the licensing trust district boundaries conform to meshblocks. (The issues that may be raised during this process are explored in the next section.) Similarly, some licensing trust ward boundaries will need to be amended to ensure they also conform to meshblocks.

¹¹ P.7, Justice and Electoral Committee, Inquiry into the 2004 Local Authority Elections, August 2005.

¹² A number of submissions received as a result of consultation on this report proposed that the SoLA be amended to make the Local Government Commission responsible for reviewing licensing trust district boundaries in the future.

32. In the Commission's opinion, it would be desirable for licensing trust district boundaries (and wards, if applicable) to be reflected in Statistics New Zealand's meshblock pattern on the same basis as local authority boundaries¹³. This will help ensure that the conformity between meshblock and licensing trust district boundaries achieved through the mechanisms described above will be protected from future changes to meshblocks. It would also flow through into the Electoral Enrolment' Centre's system and result in the provision of electoral enrolment data for licensing trust electors in the same manner as for other local authorities.

ISSUES ARISING

33. A change of the nature proposed raises a number of practical and conceptual issues. The obvious practical issue is that an amendment to the SoLA is required and this may need to be undertaken promptly for changes to be made in time for compilation of electoral rolls in 2007. Similarly, once the legislative change is made, the boundaries of each licensing trust district will need to be analysed, requiring cooperation and consultation with the individual licensing trust, the relevant electoral officer and Statistics New Zealand. Some boundary alterations will be relatively minor in nature while some may be more extensive. Where the latter is the case it may be more appropriate to also consult with the community involved.
34. The proposed changes also raise a number of conceptual issues, as changes in boundaries will necessarily change the rights of some electors. These issues are considered separately, firstly in relation to internal ward boundaries, and secondly in relation to the external boundaries of licensing trust districts.
35. In practice, the impact of changing licensing trust ward boundaries will not be that significant. A number of electoral officers have reiterated that point to the Commission. The rights of the elector remain essentially the same. They will still reside within the trust district, be eligible to apply for grants from the licensing trust, and elect members of the licensing trust, although in a different ward. Three licensing trusts greatly affected by nonconforming internal ward boundaries are the Portage, Oamaru and Maitai Licensing Trust Districts.
36. The issues are somewhat different when the licensing trust has external trust boundaries that do not conform to meshblocks. This occurs when some electors within a meshblock reside within a trust district and some fall outside of the trust district, and also where two licensing trusts adjoin each other within one meshblock.
37. Where no electors are involved, we do not envisage any great difficulty. In some cases Statistics New Zealand may be able to change the meshblock boundary or the licensing trust district boundary can be changed (by expanding or reducing the boundary to the nearest complete meshblock. A change of this nature may resolve some of the problems with part meshblocks in the Wiri

¹³ Statistics New Zealand has, after discussion with the Commission altered its meshblock coding system to allow for the inclusion of licensing trust district data in its system.

Licensing Trust District and some of the licensing trust districts located in Wellington City.

38. In the case of other part meshblocks, amending the boundaries of licensing trust districts may have an impact on electors. In this circumstance, there are three options available to bring the boundaries into conformity with meshblocks:
- (1) extending the trust boundary to the edge of the part meshblock, bringing additional electors into the licensing trust district;
 - (2) reducing the licensing trust district boundary to eliminate the part meshblock, disenfranchising some current licensing trust electors; and/or
 - (3) Statistics New Zealand splitting the meshblock into two separate meshblocks, along the line of the licensing trust district boundary.

We consider the issues associated with each of these options in turn.

39. Option one involves extending licensing trust district boundaries to include those parts of meshblocks not wholly within a licensing trust district. This will increase the number of licensing trust electors and these additional electors will acquire a new voting right. There would potentially be a greater number of people applying for grants from the profits of the licensing trust, thereby reducing the pool available to current electors. There may be some concern about this. However, following the Sale of Liquor Amendment Act 2004, local licensing trusts are now able to distribute funds outside of their trust district, so it could be argued that increasing the number of electors will not create rights additional to those authorised in law in any event. Similarly, where competition polls have been carried, licensing trusts are able to operate and distribute profits outside their trust district. The practical impact on electors of these licensing trusts would not be significant
40. The reality is that only four licensing trusts retain exclusive rights to sell and supply alcohol in their trust district. These are Invercargill, Maitara, Portage and Waitakere Licensing Trusts. The Invercargill Licensing Trust District boundary splits only one meshblock. There are about split 10 meshblocks within the Maitara Licensing Trust District. A number of meshblocks within the Portage and Waitakere Licensing Trust districts are part meshblocks and a similar number contain both licensing trusts within one meshblock.
41. The Portage and Waitakere Licensing Trusts have highlighted for the Commission, the great difficulty in preparing electoral rolls where the licensing trust ward boundaries split meshblocks. In some instances the electoral boundaries actually cut through residential dwellings so there is great difficulty in ascertaining the precise place of residence of an elector as the licensing trust franchise is a residential one. For example, they anticipate that in the case of ward boundary adjustments, the ward that has the greater portion of electors within the split meshblock should be allocated a complete meshblock.

42. Any extension to the boundaries of these districts would expand the area over which the trust has a monopoly. If this is considered to be a concern, an option may be for the amendment to the SoLA proposed by this report to provide that the monopoly rights do not apply to the area added to the trust district.
43. Option two is to reduce the trust boundaries to the nearest complete meshblock. The practical implication is that a number of licensing trust electors would be disenfranchised. They would lose their right to elect the licensing trust members but, applying the same analysis as expanding the trust district set out above, unless they are within one of the four remaining exclusive trust districts (and dependent on the terms of the trust deed), they would remain eligible to apply for a grant from the profits distributed by the licensing trust. The Commission does not favour the removal of electoral rights through this process.
44. A third option, which may be appropriate in some cases, is for Statistics New Zealand to split or nudge the meshblock along the licensing trust district boundary. Of course, this will be possible only where the licensing trust boundary follows an appropriate boundary; it will not be possible where the licensing trust boundary runs through individual properties or through dwellings. For example, the Te Kauwhata Licensing Trust boundary splits two meshblocks as it runs around the northern edge of Rangiriri. The township does not lie within the trust district and is home to the Rangiriri Tavern. It may be appropriate for the relevant meshblocks to be split so the licensing trust boundary becomes the boundary of new meshblocks, thereby causing the least disturbance to the status quo.
45. The Commission recommends that, where possible, meshblocks are split to accommodate existing licensing trust district boundaries, but where this is not possible (for the reasons set out above), the general principle should be that licensing trust boundaries are extended to the edge of the part meshblocks. Although this will increase the number of licensing trust electors in some cases, we consider it is a preferable course of action to disenfranchising existing electors.
46. Although the proposed changes will necessitate some changes in rights for electors, we consider that the benefit flowing from this process will exceed any perceived disadvantages. Accuracy will be the most significant benefit. Information will be held electronically and there will be no risk of disenfranchisement of existing electors or incorrect provision of a voting entitlement (as under the current process). There will be a time and a financial saving as a result of the proposed changes: electoral officers will not be

47. Similar, but slightly different, issues arise where there are adjoining licensing trusts within one meshblock. This is an issue for the following licensing trusts (to varying degrees): Matura and Clutha; Geraldine and Ashburton; Johnsonville and Porirua; Otara and Papatoetoe; Wiri and Papatoetoe; Porirua and Rimutaka; and Portage and Waitakere. We also understand that Porirua and Rimutaka Licensing Trust districts actually overlap in some meshblocks, although this only affects a few electors.
48. It would be easiest in such situations where a meshblock is split between two licensing trust districts for Statistics New Zealand to split meshblocks along the licensing trust district boundary, so as to maintain the status quo. However, this will not always be appropriate. In such circumstances and following consultation with the relevant licensing trusts, the boundary of one licensing trust would need to be extended to the edge of the meshblock, encompassing the adjoining licensing trusts' electors. The electors who are included in the new licensing trust district would still be represented by a licensing trust, although there may be an issue if the new licensing trust has different profit levels and different policies on distribution of grants. Nevertheless, we consider that the benefits arising from more logical boundaries identified in preceding paragraphs also apply to this scenario.

CONSULTATION

49. A draft of this report was sent to affected parties for comment. These included the Ministry of Justice, Department of Internal Affairs, Statistics New Zealand, the Electoral Enrolment Centre, electoral officers, licensing trusts, the Society of Local Government Managers and Local Government New Zealand. A list of those responding to the draft report is contained in Appendix C. Overall the comments received supported the Commission's recommendations. Several common themes have emerged as a result of consultation.

Efficiency and Accuracy

50. A number of electoral officers noted that they have raised these issues and requested action over many years, as common problems arise at every election. Common concerns centre on problematic meshblocks that do not coincide with licensing trust district boundaries. Such meshblocks often emerge as a result of development and subdivision in certain areas. This creates a myriad of problems for electoral officers, for example, boundaries that run through the middle of residential dwellings. Electoral officers voiced concern over the difficulties involved in preparing electoral rolls and the considerable expense and time spent on finalising the rolls.

51. The responses indicate a general agreement that the proposed changes will reduce the amount of manual work required, as well as the cost of running an election, and aid the accuracy of the electoral roll. It is also agreed the risk of error, such as electors being inadvertently disenfranchised as a result of human error will also be significantly reduced.
52. In addition, it was commented that the proposed changes would serve to reinforce the key principles that an electoral officer is required to take into account, the essence of which is outlined in section 4 of the Local Electoral Act 2001:
- “Section 4(1)(c)...public confidence in, and public understanding of, local electoral processes through – (iv) the provision of transparent electoral systems and voting methods.”*
53. Overall, the essence of responses was that accuracy in the compilation of electoral rolls and determining correct voter eligibility would provide greater certainty for and confidence in the electoral process.

Governance Issues

54. Several submissions reflected the view that the issue of licensing trust boundaries is a matter that would rest more appropriately with the Local Government Commission rather than the Ministry of Justice. They noted that because the Local Government Commission is responsible for local government electoral boundary issues generally, it would seem appropriate for the SoLA to be amended to make the Commission responsible for determining licensing trust boundaries.
55. Along similar lines, the Society of Local Government Managers has specifically suggested an amendment to the Sale of Liquor Act to provide for the Local Government Commission to be able to recommend to the Minister of Justice the alteration of licensing trusts district boundaries or ward boundaries so that they conform with meshblocks. Such a power would mean that an organisation involved with local authority boundaries as one of its core functions, would have an ongoing brief to recommend to the Minister of Justice alignment of licensing trust district boundaries with meshblocks.
56. The Commission sees merit in the proposal. It would fit well with its existing responsibilities for determining local authority boundaries.

Requests for wider change

57. Both the Porirua and the Masterton Licensing Trusts sought specific boundary changes on a scale wider than just alignment with meshblocks.
58. The Masterton Licensing Trust proposed that its district be increased to include the entire Masterton District and decreased to exclude any area within the Tararua and Horowhenua Districts. In addition, it wishes Statistics New Zealand to adjust the meshblocks of the Carterton District so that the

59. The Porirua Licensing Trust proposed that the boundaries of its district be made contiguous with those of the Porirua City Council, thereby excluding areas in Wellington, Lower Hutt and Upper Hutt cities.
60. Whilst the Commission notes the issues raised by the Masterton and Porirua Licensing Trusts, these requests fall outside the scope of this particular review and outside the scope of the powers of the Commission to report on. These matters need to be taken up directly with the Minister of Justice.

Support for the Status Quo

61. While the great majority of responses supported the proposals in the report, a small number stated that they are content with the status quo. There was concern over potential disenfranchisement of voters, and the need for adequate consultation and agreement was highlighted in order to ensure that no electors are disenfranchised. Responses also favoured meshblocks being either split along the licensing trust boundary or boundaries being extended so that again no voters are disenfranchised or incorrectly provided with a voting entitlement.
62. The Invercargill Licensing Trust's submission commented on 'ownership' as a conceptual issue and argued that the boundaries of a district define ownership of the licensing trust by a specific section of the community. That concept of ownership through boundary definition is reflected in the right to vote and the right to benefit from the distribution of profits by the trust. It was further argued that as the boundaries in question have been in place for a considerable period of time, there is an uneasiness with the suggestion that changes may be made from time to time at Ministerial level simply for electoral purposes.
63. The Commission appreciates the argument but given the extent of likely change involved is not convinced that it is a compelling reason for keeping boundaries as they are. It notes that the former Invercargill Licensing Trust Act provided that the boundaries of the district could be altered from time to time by Order in Council to reflect changes made to the boundaries of Invercargill City¹⁴. Several such changes were made to the boundaries of the Invercargill Licensing Trust District¹⁵. The Commission also notes that the boundaries of four other licensing trust districts were defined on their constitution by reference to the area of a specified territorial authority district "as from time to time constituted"¹⁶. This provided for the boundaries of the licensing trust district to shift over time, as the boundaries of the territorial authority districts changed.

¹⁴ Section 3(1A), Invercargill Licensing Trust Act 1950.

¹⁵ See for example, Invercargill Licensing Trust Order 1974, SR 1974/130.

¹⁶ These were the Birkenhead, Cheviot Mount Wellington and Papatoetoe licensing trust districts.

64. In addition to the precedents cited above the Commission considers that the argument put forward by the Invercargill Licensing Trust ignores the changing nature of communities over time and desirability of changing boundaries to reflect those changes.

65. The last issue, which was echoed throughout many of the responses, was that of timing. It is generally hoped that the work that is needed to be done on the boundary adjustments will be completed in ample time for the 2007 triennial general elections.

CONCLUSION AND RECOMMENDATIONS

66. Undertaking an exercise of the scope proposed will require careful consideration and consultation; however, the Commission considers that the benefits of the proposed changes will outweigh perceived disadvantages and will aid the efficient and effective administration of elections, as well as public confidence in and understanding of the process.

67. Accordingly, the Commission recommends that the Minister of Local Government:

- (1) Note the desirability of ensuring that the external boundaries of licensing trust districts and licensing trust wards conform with meshblocks;
- (2) Note that as a general principle, where possible the following approach should be taken to achieve conformity of boundaries and meshblocks –
 - (a) Where possible meshblocks should be split to accommodate existing licensing trust district boundaries;
 - (b) where this is not possible, licensing trust district boundaries are extended to the edge of meshblocks partially within a district to avoid electors being excluded from a district;
 - (c) where no electors are involved the licensing trust district boundary should be altered to conform with the meshblock boundary that achieves the most practical result;
- (3) Recommend to the Minister of Justice that the Sale of Liquor Act be amended to provide for -
 - (a) the Local Government Commission to review the boundaries of licensing trust districts and licensing trust wards to ensure conformity with meshblocks;
 - (b) in considering any proposal to change such boundaries, the Local Government Commission to consult with the appropriate licensing trust and electoral officer, and (to the extent required) the affected community;
 - (c) proposals for the alteration of licensing trust district boundaries to be implemented by Order in Council made on the recommendation of the Minister of Justice;

- (d) proposals for alteration of licensing trust ward boundaries to be implemented by a determination of the Local Government Commission; and
- (e) where an area of a licensing trust district in respect of which a monopoly exists is expanded to include an area not currently subject to a monopoly, that monopoly shall not apply to the area added to the district.

Local Government Commission

Sue Piper (Chair)

Gwen Bull (Commissioner)

Wynne Raymond (Commissioner)

12 May 2006

APPENDIX A

District and Suburban Licensing Trusts

Trust	Boundaries defined by
Ashburton Licensing Trust	Licensing Trusts Act 1949, Second Schedule
Birkenhead Licensing Trust	Birkenhead Licensing Trust Constitution Notice 1967 (Gaz. 1967, p 521)
Clutha Licensing Trust	Clutha Licensing Trust Order 1955 (SR 1955/186)
Geraldine Licensing Trust	Licensing Trusts Act 1949, Second Schedule
Invercargill Licensing Trust	Invercargill Licensing Trust District Order 1974 (SR 1974/130)
Johnsonville Licensing Trust	Johnsonville Licensing Trust Constitution Notice 1969 (Gaz. 1970, p 10)
Masterton Licensing Trust	Masterton Licensing Trust Act 1947, First Schedule
Mataura Licensing Trust	Mataura Licensing Trust Order 1955 (SR 1955/187)
Oamaru Licensing Trust	Oamaru Licensing Trust Order 1961 (SR 1961/145)
Porirua Licensing Trust	Porirua Licensing Trust District Order 1955 (SR 1955/18)
Portage Licensing Trust	Portage Licensing Trust Constitution Notice 1972 (Gaz. 1972, p 1916)
Terawhiti Licensing Trust	Terawhiti Licensing Trust Constitution Notice 1975 (Gaz. 1975, p 1297)
Waitakere Licensing Trust	Waitakere Licensing Trust Constitution Notice 1972 (Gaz. 1972, p 1916)

Local Licensing Trusts

Trust	Boundaries defined by
Cheviot Licensing Trust	Cheviot Licensing Trust Constitution Order 1954 (Gaz. 1954, p 345)
Flaxmere Licensing Trust	Flaxmere Licensing Trust Constitution Notice 1975 (Gaz. 1975, p 881)
Hawarden Licensing Trust	Hawarden Licensing Trust Constitution Notice 1970 (Gaz. 1970, p 930)
Mount Wellington Licensing Trust	Mount Wellington Licensing Trust Constitution Notice 1952 (Gaz. 1952, p 1849)
Otara Licensing Trust	Otara Licensing Trust Constitution Notice 1969 (Gaz. 1969, p 1278)
Papatoetoe Licensing Trust	Papatoetoe Licensing Trust Constitution Notice 1968 (Gaz. 1968, p 467)
Parakai Licensing Trust	Parakai Licensing Trust Constitution Notice 1969 (Gaz. 1969, p 1838)
Rimutaka Licensing Trust	Rimutaka Licensing Trust Constitution Notice 1970 (Gaz. 1970, p 107)

APPENDIX B

Analysis of Licensing Trust Districts and Meshblocks

Licensing Trust	Territorial Authorities	District/Suburban (exclusive or competition) or Local (competition)	Analysis of split meshblocks		
			Multi-ward	Multi-licensing trust	Licensing trust boundary
Ashburton	Ashburton DC Timaru DC	District but subject to full competition following competition poll in 2004 ¹⁷	No	No	<ul style="list-style-type: none"> • 2746900 ADC • 2747201 ADC • 2745000 ADC • 2757600 TDC
Birkenhead	North Shore CC	Suburban but subject to full competition. Not trading as at 2002 ¹⁸	No	No	No
Cheviot	Hurunui DC	Local – subject to full competition	No	No	<ul style="list-style-type: none"> • 2430300 • 2431300 • 2428600 • 2429000 • 2431000
Clutha	Clutha DC	District but subject to full competition following competition poll in 1992 ¹⁹	<ul style="list-style-type: none"> • 2982400 (Ward 2/ Ward 3) • 2985903 (Ward 2/ Ward 3) 	<ul style="list-style-type: none"> • 2999600 (Mataura/ Clutha) • 3012900 (Mataura/ Clutha) • 3000900 (Mataura/ Clutha) 	<ul style="list-style-type: none"> • 3012900 (Multi-LT and boundary) • 3011601 • 3007700 • 3007402 • 3007300
<i>Flaxmere</i>	Hastings DC	Local – subject to full competition	No	No	No
Geraldine	Timaru DC	District but subject to full competition following competition poll in 2004 ²⁰	No	<ul style="list-style-type: none"> • 2758100 (Geraldine/ Ashburton) (TDC EO) 	<ul style="list-style-type: none"> • 2771602 TDC • 2769402 TDC • 2769500 TDC • 2770500 TDC
Hawarden	Hurunui DC	Local – subject to full competition	No	No	<ul style="list-style-type: none"> • 2433600 • 2434200 • 2434302 • 2434402 • 2434504 • 2436400 • 2436500
Invercargill	Invercargill CC	District - Exclusive	No	No	<ul style="list-style-type: none"> • 3099800
Johnsonville	Wellington CC	District but subject to full competition following competition poll in 1997 ²¹	No	<ul style="list-style-type: none"> • 1922201 (Johnsonville/ Porirua) • 2053501 (Johnsonville/ Porirua) • 2053604 (Johnsonville/ Porirua) • 2053812 (Johnsonville/ Porirua) • 2053816 (Johnsonville/ Porirua) • 2086403 (Johnsonville/ Porirua) 	<ul style="list-style-type: none"> • 1986300 • 1986600 • 1986700 • 1987400 • 1992700 • 1992900 • 1996801 • 2053602 • 2053701 • 2053702 • 2086704 • 2087103 • 2087605 • 2087900 • 2088705 • 2090401 • 2090402 • 2093702 • 2093801 • 2093802

¹⁷ www.grocersreview.co.nz/archives/dec04

¹⁸ “Local Government: Results of the 2001-02 Audits”, Office of the Controller and Auditor General

¹⁹ “Sale of Liquor” Dormer Sherriff Crookston, Brookers

²⁰ www.grocersreview.co.nz/archives/dec04

²¹ “Sale of Liquor” Dormer Sherriff Crookston, Brookers

Licensing Trust	Territorial Authorities	District/Suburban (exclusive or competition) or Local (competition)	Analysis of split meshblocks		
			Multi-ward	Multi-licensing trust	Licensing trust boundary
					<ul style="list-style-type: none"> • 2094400 • 2094500
Masterton	Masterton DC Carterton DC Tararua DC Horowhenua DC	District but subject to full competition following competition poll in 1995 ²²	No	No	<ul style="list-style-type: none"> • 2254102 MDC • 2254500 MDC • 2254602 MDC • 2254701 MDC • 2261400 MDC • 2261500 MDC • 2261600 MDC • 2262500 MDC • 2262600 MDC • 2263600 MDC • 2263100 MDC • 2265100 MDC • 2257500 CDC • 2257600 CDC • 2261400 CDC • 2261500 CDC • 2261600 CDC • 2262500 CDC • 2262600 CDC • 2263000 CDC • 2263100 CDC • 2265100 CDC • 2265800 CDC
Mataura	Gore DC Clutha DC Southland DC	District - Exclusive ²³	<ul style="list-style-type: none"> • 3094800 (Wards 6/7) (SDC) • 3094900 (Wards 6/7) (SDC) • 3094700 (Wards 6/7) (SDC) • 3094600 (Wards 6/7) (SDC) • 3093800 (Wards 6/7) (SDC) • 3093900 (Wards 6/7) (SDC) • 3096600 (Wards 6/7) (SDC) 	<ul style="list-style-type: none"> • 2999600 (Mataura/Clutha) • 3012900 (Mataura/Clutha) • 3000900 (Mataura/Clutha) 	<ul style="list-style-type: none"> • 3052600 SDC • 3088501 GDC • 3051100 GDC • 3051200 GDC • 3012900 (Multi-LT and boundary) (CDC/GDC) • 3013300 GDC • 3004001 CDC • 3011800 CDC • 3051900 SDC • 3054402 SDC • 3054700 SDC • 3054601 SDC • 3088800 SDC • 3089800 SDC • 3164200 SDC • 3087803 GDC • 3087504 GDC
<i>Mt Wellington</i>	Auckland CC	Local – subject to full competition	No	No	No
Oamaru	Waitaki DC Dunedin CC	District but subject to full competition following competition poll in 1992 ²⁴	<ul style="list-style-type: none"> • 2828201 (Ward 1/ Ward 2) • 2848301 (Ward 1/ Ward 2) • 2845900 (Ward 1/ Ward 2) • 2846100 (Ward 1/ Ward 2) 	No	<ul style="list-style-type: none"> • 2863900 DCC • 2863602 DCC

²² “Sale of Liquor” Dormer Sherriff Crookston, Brookers

²³ Competition poll in 2001 – retained exclusive rights. “Local Government: Results of the 2001-02 Audits”, Office of the Controller and Auditor General

²⁴ “Sale of Liquor” Dormer Sherriff Crookston, Brookers

Licensing Trust	Territorial Authorities	District/Suburban (exclusive or competition) or Local (competition)	Analysis of split meshblocks		
			Multi-ward	Multi-licensing trust	Licensing trust boundary
			<ul style="list-style-type: none"> • 2844000 (Ward 1/ Ward 2) • 2842602 (Ward 1/ Ward 2) • 2842200 (Ward 1/ Ward 2) • 2836300 (Ward 1/ Ward 2) • 2837200 (Ward 1/ Ward 2) • 2831100 (Ward 1/ Ward 2) 		
Otara	Manukau CC	Local – subject to full competition	No	<ul style="list-style-type: none"> • 0696805 (Otara/ Papatoetoe) 	NB – Land part of 063419 could be incorporated into 0696900 NB – Land part of 0634340 could be incorporated into 0696101
Papatoetoe	Manukau CC	Local – subject to full competition	No	<ul style="list-style-type: none"> • 0671700 (Wiri/ Papatoetoe) • 0696805 (Otara/ Papatoetoe) 	<ul style="list-style-type: none"> • 0655702 • 0655900 • 0657300 • 0666302 • 0746301 • 0746312 • 0746313 • 0746320 • 0746321
Parakai	Rodney DC	Local – subject to full competition	No	No	<ul style="list-style-type: none"> • 0176700 • 0177000 • 0177400 • 0177700 • 0218101 • 0218200 • 0218300

Licensing Trust	Territorial Authorities	District/Suburban (exclusive or competition) or Local (competition)	Analysis of split meshblocks		
			Multi-ward	Multi-licensing trust	Licensing trust boundary
Porirua	Porirua CC Wellington CC Lower Hutt CC Upper Hutt City	District but subject to full competition following competition poll in 1998 ²⁵	<ul style="list-style-type: none"> • 1903801 (Ward 2/ Ward 3) (UHCC) • 2072205 (Ward 2/ Ward 3) (UHCC) 	<ul style="list-style-type: none"> • 1915700 (Porirua/ Rimutaka) • 1915600 (Porirua/ Rimutaka) • 2072205 (Porirua/ Rimutaka) <p>[nb – the licensing trusts overlap in these meshblocks]</p> <ul style="list-style-type: none"> • 1922201 (Johnsonville/ Porirua) • 2053501 (Johnsonville/ Porirua) • 2053604 (Johnsonville/ Porirua) • 2053812 (Johnsonville/ Porirua) • 2053816 (Johnsonville/ Porirua) • 2086403 (Johnsonville/ Porirua) 	<ul style="list-style-type: none"> • 2053101 PCC • 2053400 PCC • 2053604 PCC • 2072101 PCC • 2072300 PCC <ul style="list-style-type: none"> • 1919502 HCC • 1919600 HCC • 1919400 HCC • 1920002 HCC • 1920100 HCC • 1920001 HCC • 1919702 HCC • 1919801 HCC • 1920400 HCC • 1920500 HCC • 1920600 HCC • 1921100 HCC • 1921000 HCC • 1921200 HCC • 1921303 HCC • 1921302 HCC • 1922001 HCC • 1923000 HCC • 1921800 HCC • 1921700 HCC • 2034902 HCC • 2034903 HCC • 2035500 HCC • 2035600 HCC <ul style="list-style-type: none"> • 1993301 WCC • 1993501 WCC • 1993502 WCC • 1993701 WCC • 1993702 WCC • 1994301 WCC • 1994302 WCC • 1996100 WCC • 1996201 WCC • 1996202 WCC • 1996600 WCC • 2053102 WCC • 2053813 WCC
Portage	Waitakere CC Auckland CC Note: PLT boundaries in Auckland City conform to meshblocks.	-Suburban Exclusive	<ul style="list-style-type: none"> • 0263100 (New Lynn/ Glen Eden) • 0287000 (New Lynn/ Glen Eden) • 0287100 (New Lynn/ Glen Eden) • 0291900 (New Lynn/ Titirangi) • 0292000 (New Lynn/ Titirangi) • 0263002 (New Lynn/ Titirangi) 	<ul style="list-style-type: none"> • 0299900 (Portage/ Waitakere) • 0274500 (Portage/ Waitakere) • 0274700 (Portage/ Waitakere) • 0259700 (Portage/ Waitakere) • 0259800 (Portage/ Waitakere) 	<ul style="list-style-type: none"> • 0266500 • 0267701 • 0286000 • 0286100 • 0270800 • 0269700 • 0303400 • 0303201

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Licensing Trust	Territorial Authorities	District/Suburban (exclusive or competition) or Local (competition)	Analysis of split meshblocks		
			Multi-ward	Multi-licensing trust	Licensing trust boundary
			<ul style="list-style-type: none"> • 0291301 (New Lynn/ Titirangi) • 0291302 (New Lynn/ Titirangi) • 0270202 (Glen Eden/ Kelston West) • 0288301 (Glen Eden/ Titirangi) • 0285400 (Kelston West/ Glen Eden) • 0285301 (Kelston West/ Glen Eden) • 0285200 (Kelston West/ Glen Eden) 	<ul style="list-style-type: none"> • 0259900 (Portage/ Waitakere) • 0282100 (Portage/ Waitakere) • 0282302 (Portage/ Waitakere) 	
Rimutaka	Upper Hutt CC	Local – subject to full competition	No	<ul style="list-style-type: none"> • 1915700 (Porirua/ Rimutaka) • 1915600 (Porirua/ Rimutaka) • 2072205 (Porirua/ Rimutaka) 	<ul style="list-style-type: none"> • 1908601 • 1915201 • 1915202 • 1915500 • 1910000 • 1910200
Te Kauwhata	Waikato DC	Local (ordinarily subject to full competition) but OAG report says exclusive.	No	No	<ul style="list-style-type: none"> • 0934300 • 0934500 • 0934600 • 0936002 • 0938602 • 0934900 • 0939500
Terawhiti	Wellington CC	Suburban but subject to full competition following competition poll in 1997 ²⁶ On 28 April 2004 WCC approved proposal for TLT to wind up and transfer assets to Karori-Brooklyn Society (a charitable trust), ²⁷ however, elections were held for Terawhiti Licensing Trust in October 2004 ²⁸ . Exact current status unknown	<ul style="list-style-type: none"> • 2156700 (Ward 1/ Ward 2) • 2156800 (Ward 1/ Ward 2) • 2156901 (Ward 1/ Ward 2) • 2160000 (Ward 1/ Ward 2) • 2160102 (Ward 1/ Ward 2) • 2160200 (Ward 1/ Ward 2) 	No	<ul style="list-style-type: none"> • 2094700 • 2094800 • 2100300 • 2100400 • 2100800 • 2101800 • 2102101 • 2159900 • 2172700 • 2187301 • 2187303 • 2187403 • 2197202 • 2197302 • 2200100 • 2200500
Waitakere	Waitakere CC Rodney DC	Suburban - Exclusive	<ul style="list-style-type: none"> • 0237901 (Lincoln/ Waitakere) • 0233800 (Lincoln/ Atatu) • 0236701 (Henderson/ Lincoln) • 0236707 (Henderson/ Lincoln) 	<ul style="list-style-type: none"> • 0299900 (Portage/ Waitakere) • 0274500 (Portage/ Waitakere) • 0274700 (Portage/ Waitakere) • 0259700 (Portage/ Waitakere) 	<ul style="list-style-type: none"> • 0230200 WCC • 0249300 WCC • 0282004 WCC • 0282005 WCC • 0282007 WCC • 0214100 RDC

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27 www.wellington.govt.nz/haveyoursay/meetings/title/Council/2004/28Apr1730/pdf/20040428minutes

28 <http://www.wellington.govt.nz/haveyoursay/elections/2004results/final/terawhitilicresults.html>

Licensing Trust	Territorial Authorities	District/Suburban (exclusive or competition) or Local (competition)	Analysis of split meshblocks		
			Multi-ward	Multi-licensing trust	Licensing trust boundary
				<ul style="list-style-type: none"> • 0259800 (Portage/ Waitakere) • 0259900 (Portage/ Waitakere) • 0282100 (Portage/ Waitakere) • 0282302 (Portage/ Waitakere) 	<ul style="list-style-type: none"> • 0215100 RDC • 0216400 RDC • 0219003 RDC
Wiri	<ul style="list-style-type: none"> • Manukau CC • Papakura DC 	Local – subject to full competition	No	<ul style="list-style-type: none"> • 0671700 (Wiri/ Papatoetoe) 	<p>NB – Land part of 0608316 could be incorporated into 0774002</p> <p>NB – Mangroves/sea part of 0774001 could be incorporated into 0608316</p> <p>NB - Water enclosed by causeways in 0608323 could be incorporated in 0769700</p>

APPENDIX C

PERSONS AND ORGANISATIONS MAKING SUBMISSIONS

Dunedin City Council, Electoral Officer
Electoral Enrolment Centre
Geraldine Licensing Trust
Hutt City Council, Electoral Officer
Independent Election Services Ltd²⁹
Invercargill Licensing Trust
Manukau City Council, Electoral Officer
Masterton Licensing Trust
Mount Wellington Licensing Trust
Oamaru Licensing Trust
Otago Licensing Trust
Porirua Licensing Trust
Portage Licensing Trust
Society of Local Government Managers
Southland District Council, Electoral Officer
Statistics New Zealand
Upper Hutt City Council, Electoral Officer
Waitakere City Council, Electoral Officer
Waitakere City Council
Waitakere Licensing Trust
Waitaki District Council, Electoral Officer
Wellington City Council, Electoral Officer

²⁹ Electoral Officer or Deputy Electoral Officer to Auckland City Council, Mount Wellington Licensing Trust, Otago Licensing Trust, Papatoetoe Licensing Trust, Parakai Licensing Trust, Portage Licensing Trust, Wiri Licensing Trust