

The opponents of the application admitted that the Otumoetai area was rated disproportionately to other parts of the county, but they had made endeavours to induce the County Council to agree to a more equitable distribution of finance for the requirements of the area. They considered that the proposed addition to the borough was greater than was necessary for actual or potential population, and relied on the fact that the area was used extensively for the production of fruit and town milk-supply. In view of the development costs for the provision of amenities, they were of the opinion that the rates which would be necessary would in future exceed those at present levied by the county. They further considered that the borough's finances would be strained to cope with the problems which would emerge, and it was unlikely that the proportion of rates received from the area for general purposes would be sufficient for its requirements. It was also contended that the lack of access across the Waikareao Estuary made the centre of administration too far removed to provide adequate maintenance facilities, the distance being some five miles by road from the centre of Tauranga Borough.

After full consideration of the matter, the Commission decided to exclude the north-west corner of the Otumoetai Peninsula north of the railway-line, on the ground that there was no evidence of extensive urban development in that particular area, and also on account of its general usage for considerable fruitgrowing and other small-farming operations.

The second area, bounded on the west by the Otumoetai Road, on the north by the sea, and on the east by the Waikareao Estuary, and to a certain point to the south, had been subdivided for urban development, and it was likely to become highly urbanized. Its inclusion in the borough would necessitate urban standards being adhered to, and it was accordingly included. The third area considered was that south of the railway-line, and west of the Otumoetai Road, and generally south of the above area included. It was evident that it was being used, to a large extent, for farming purposes, and it was accordingly decided to include only a small portion of this area referred to previously.

The Judea area, adjacent to the Tauranga-Waihi State Highway, was already highly developed for residential purposes, and, with the exception of a portion to the south, is very suitable for subdivision. It was accordingly decided to incorporate in the borough the existing urbanized area, together with the potential urban area.

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The area under consideration in this instance, generally known as the Hemo Gorge, is situated at the southern end of the borough, extends to both sides of the main road for approximately a quarter of a mile, and consists of Crown land. The road had not been sealed by the Rotorua Borough Council, due no doubt to the fact that the area was unlikely to become urbanized and was non-rateable. For some time past considerable pressure had been brought to bear on the Borough Council to bring the road up to State highway standards. In view of the fact that its transfer to the county would place the responsibility for its maintenance on the Main Highways Board, it was considered that this was the most equitable and practical solution of the problem. The Borough Council indicated, however, that it was prepared to seal the northern portion of approximately 25 chains, and had in fact already commenced preliminary work on it.

No objection to the proposal was made by the County Council, but it raised the question of potential damage from the reservoir and water-works situated above the road in the Arikikapakapa Recreation Reserve, as the borough's mains crossed the highway to the reservoir. It was submitted by the County Council that an indemnity should be given by the Rotorua Borough Council against any damage which might result from the water-works of the borough, and in deciding to include the area in the county the Commission made provision for an agreement to be entered into between the two local authorities indemnifying the county against any expenditure incurred as the result of such damage.