

# DIRECT ACCESS, DIRECT ACCOUNTABILITY

## ALTERNATIVE REORGANISATION APPLICATION

Response to the Local Government Commission's request  
for alternative applications to the Local Government  
Reorganisation Application for the Wellington Region



**Absolutely**

**POSITIVELY**

ME HEKE KI PŌNEKE  
WELLINGTON CITY COUNCIL **Wellington**

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## Contents

### **3 Introduction**

- 3 Direct access, direct accountability

### **4 Executive summary**

- 4 Proposal summary
- 4 Drivers of change
- 6 Arguments for a single-tier model

### **10 The proposed structure**

- 10 Direct access, direct accountability
- 10 A single tier of decision-making
- 14 Local influence and the role of community boards
- 15 Māori representation
- 15 Council committees
- 16 Advisory bodies
- 16 Resourced councillors
- 16 Asset management
- 17 The Wairarapa

### **18 Assessing the single-tier model**

- 18 The Commission's criteria
- 21 Principles of good governance
- 23 Addressing limitations
- 25 Examples of successful single-tier councils
- 26 Community support

### **30 Assessing other options**

- 30 A single council with two-tiers of decision making
- 33 Multiple unitary authorities

### **36 Conclusion**



## Introduction

### Direct access, direct accountability

In May 2013, the Local Government Commission received an application from the Masterton, Carterton and South Wairarapa district councils for the establishment of a single Wairarapa unitary authority.<sup>1</sup>

In June 2013, the Greater Wellington Regional Council lodged a local government reorganisation application with the Commission for the establishment of a region-wide Super-City style council with two tiers of governance. This meant there were now two applications affecting the current Wellington region.

The Commission subsequently sought responses from affected local authorities in the rest of the Wellington region. This is Wellington City Council's (WCC's) response. It supports the Wairarapa proposal, and sets out its own proposal for a single unitary authority for the Wellington metropolitan region. This is a complementary approach to the Wairarapa's proposal because both reside within the current Wellington region boundary.

Wellington has a once-in-a-generation opportunity to examine its local government structures – to ask whether local government can do better for the people of Wellington. Can we help the region to reach its potential? Can we develop a model that meets residents' expectations, not only now, but well into the future? In considering these questions, it is essential that we learn from others, and develop solutions that are forward-looking.

Our proposal is for a simple, accessible democratic governance arrangement, underpinned by a high-quality customer service

delivery organisation. It is built from the ground up, and represents fresh thinking. It is based not on the structures of the past but on the challenges Wellington is likely to meet in future, and the expectations and aspirations of the region's communities.

It aims to link residents with local decision-makers, without barriers or distance between them. It prioritises local voice and local democracy in a flexible and responsive way that aims to genuinely address community needs. It will deliver more effective leadership, more efficient and effective services, greater resilience, and the ability to meet future challenges head-on. Of the options available, it most effectively achieves the purposes of local government as set out in the Local Government Act 2002. We look forward to the Commission's consideration.

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This application has also been developed in anticipation that residents throughout the Wellington region will be invited to take part in a binding referendum on whether reorganisation should be undertaken or not.

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<sup>1</sup> South Wairarapa, Carterton and Masterton District Councils submitted a reorganisation application to the local government commission on 17 May 2013

## Executive summary

### Proposal summary

This proposal is for a single council for the whole Wellington metropolitan area, with strengthened relationships between councilors and local areas, enhanced checks and balances to strengthen transparency and accountability, and more flexible and effective approaches to representation of local interests.

Specifically, the proposal includes:

- Replacement of the five existing Wellington metropolitan councils and the Wellington Regional Council with a **single unitary Council** made up of a Mayor and 29 councillors elected from small local single-member wards.
- Establishment of **semi-autonomous commissioners** to provide independent oversight of Council activities (including administrative matters and management of the environment).
- **Strengthened support for councillors** so they can more effectively represent their local communities.
- **Flexible and effective approaches to local representation**, which may include community boards and other mechanisms depending on community preferences.

This option proposes changes to decision-making structures; it will enable improvements to the services that are delivered; the ways in which residents engage with their council based on what they need and where they need it.

### Drivers of change

#### **A new focus on efficiency and effectiveness in local government law**

The 2012 amendments to the Local Government Act 2002 focus local government on the provision of good-quality local infrastructure and public services in a cost-effective manner. The Act defines “good-quality” as meaning efficient, effective, and appropriate to present and future circumstances. These changes require a sharper focus on the delivery of core local government services that are value for money – all of which are potentially delivered by changes to local government structures.

The 2012 amendments also made changes to the Act’s local government reorganisation provisions, with the overarching purpose of improving efficiency and effectiveness. Under the amended Act, any person who can demonstrate community support can apply to the Local Government Commission asking it to investigate changes to local government structures.

### **Establishment of a single Auckland Council**

The establishment of a single Auckland Council in 2009 has caused other parts of New Zealand to reconsider their local government structures. The single Auckland Council was established through amalgamation of seven territorial authorities and a regional council into a single unitary authority. It is responsible for the delivery of services to 1.4 million people, its budget reaches in to the billions of dollars, and it is responsible for some of the most significant decision-making at the local government level New Zealand has ever seen.

### **Policy has changed**

In March 2012, the Government released Better Local Government (BLG) – its sister policy to the Better Public Services framework. A two-year programme of reform with 10 action points sets out new expectations about how local government will work.

BLG requires greater emphasis on value for money, greater financial transparency and accountability, and a more regional focus. As part of the programme, taskforces were established on local government efficiency and infrastructure provision, also with an emphasis on efficiency and effectiveness.

### **Communities considering local government reorganisation**

Throughout New Zealand, a number of reviews are under way with respect to local government structures.

In Wellington, this discussion has been underway for some time. Since 2009, various reviews have been undertaken to identify whether there is a better way of doing things including a Mayoral Forum work programme. In 2010, the region's local authorities began work on a range of shared services approaches.

Since that time, discussion has continued among Wellington communities and community leaders about whether current local government structures were impeding progress towards long-term objectives. The various reviews and other initiatives have demonstrated that, without structural change, progress can be fraught with difficulty because of sub-regional viewpoints.

### **Wellington's communities are interested in change**

Residents in Wellington city and throughout the Wellington region have been asked to give their views about whether change is necessary and what kind of change might be the catalyst for our region to perform better.

More than half of Wellington city residents believe that change should be made (WCC Survey) and more than half of submitters from the Wellington region believe that change should be made (Working Party Consultation).

### Arguments for a single-tier model

The single-tier approach proposed in this application:

- is the option that can most effectively achieve the purposes of local government as set out in the Local Government Act 2002
- is the option that most effectively meets the Commission's criteria for consideration of local government reorganisation
- complies with principles of good governance
- has demonstrable community support
- will meet residents' expectations, and
- offers the best, most flexible and therefore most resilient local governance structure to meet the region's future challenges.

Although there are arguments against a single-tier model, in our view these arguments are largely based more on perception than reality and have been addressed through subsequent design refinement.

#### Direct access, direct accountability

This option proposes a single-tier Council, with councillors elected from small local single-member wards. It also proposes to strengthen support for councillors so they can more effectively understand and represent community and resident interests.

**Direct access** means that residents will know who their elected representative is because

they have elected them from their community. Councillors will be the representatives of the people who live in their ward, and they will provide a local voice at the decision-making table.

Being able to influence decision-makers directly is already part of our culture. When we write to the Prime Minister, we get a reply; when we ask a question of our leaders, we get an answer. Each of Wellington's local authorities already offers direct access to decision-makers at a local level.

But, establishment of a single-tier Wellington council provides an opportunity to build on that. It can bring genuine power closer to the people, by providing residents with direct access to decision-makers on a body with genuine clout at regional and national levels.

**Direct accountability** means that residents will be able to hold their councillors accountable for the decisions they make. There will be no confusion about where decision-making responsibilities lie. Councillors will engage directly with their communities, without additional layers of bureaucracy or red tape in the way.

Councillors are elected to be representatives at the decision-making table, they're responsible to residents and ratepayers, and so they should be. There should be nothing between citizens and their councillor, who should be able to talk to their elected representative and trust that their views are accurately expressed before the Council makes a decision.

A second-tier of decision-making diminishes the quality of democratic representation that citizens receive. It means that councillors may not be directly linked to what residents think. With a local board model, residents will not always know who does what – who provides what services, who is responsible for decisions and for how money is spent.

Any model of governance that blurs accountability and allows elected officials to be sheltered from their decisions is a model that should be avoided.

#### **Efficient decision-making, efficient service delivery**

This model proposes one set of decision-makers supported by one organisation. There will be less duplication, fewer overheads, greater ability to use resources where they are needed most, and clearer more transparent decision-making processes.

**Efficient decision-making:** When you elect your councillor, you expect them to make decisions with your best interests in mind, you expect to influence that decision but most of all, you elect them to make decisions in the first place.

A single-tier Council means that there will be one voice for the region, one table of decision-making. Rather than having two or more bodies negotiating and making compromises, there will be one body able to make clear and durable decisions that reflect the region's interests while being directly informed by community views.

**Efficient service delivery:** Councillors make decisions about what services are most important, how much they can afford to spend to make them happen and for holding council officers to account for the quality of services they've been asked to deliver.

A single council organisation will deliver those services right across the region, tailored to communities and neighbourhoods. This will ensure an appropriate, consistent, high standard of service delivery across the region. It will mean that duplication is eliminated, costs can be managed more effectively, and innovations can be harnessed more effectively for region-wide benefit.

#### **A more flexible, responsive approach to community aspirations**

This model provides for genuine, responsive representation of local communities and genuine support for their wishes and aspirations – not a fixed, inflexible structure that purports to represent local needs without having the power to do so effectively.

#### ***More flexible local decision-making***

This approach does not assume that a 'one size fits all' approach will be the best option for all of the region's communities or reflective of specific community identity or preferences. It does not assume that what works for central Wellington apartment dwellers will also work for people in Ohariu Valley or Belmont or the Kapiti Coast. This model also does not assume that the 'board meeting' model of local decision-making will continue to be the best way to support community aspirations in the 21st century.

This approach therefore provides for flexibility, depending on the wishes and aspirations of the local community. Under this model, community boards will be established where there is demand. There will also be greater use of participatory democracy, in which residents and communities are invited to develop their own solutions rather than rely just on councillors and council staff.

This flexible, responsive approach recognises that local communities do not stand still. Issues will come and go. Communities need to be able to express themselves in ways that most suit them as each issue arises – not a single, fixed approach to identifying, supporting and implementing local solutions.

**The future of local services:** It is important to be clear that this option is about how and where decisions are made. Under this option, local communities will continue to have high-quality parks, pools, libraries, and the huge range of other Council-run services and facilities.

Residents expect and deserve to have high quality, value-for-money local services. Under this proposal, the Council will be responsible for determining the service standards that will apply across the Wellington region, and a single Council organisation will be responsible for efficiently and effectively delivering those services.

It is fundamental to this approach that residents will be able to directly influence decision-making about standards of service, and will be able to see the results of their input.

### **Established protection of local voice**

At its simplest, local government has responsibility for decisions on three key matters. It is important to note that 'local voice' and the ability to influence decision-making about issues facing the community is protected by law<sup>2</sup> regardless of the structure of local government. For example:

- *service levels and rates* – residents, households, community organisations and businesses can influence decisions on service levels, the level of rates and borrowings, and who pays for each activity through the long-term plan and annual plan processes. There is a rich history throughout the region of community involvement in decision-making at long-term and annual plan time, and this would not change under a different governance structure.
- *land use* – the District Plan helps the Council manage the development of the city by regulating the environmental effects created by new buildings and activities. The rules that govern the plan are subject to extensive consultation with the community, and non-permitted activities under those rules are subjected to further formal regulatory processes that ensure affected parties have their input. This would not change.

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<sup>2</sup> S78 – Local Government Act 2002

- *regulatory activities* – bylaws regulate specific activities in the city and this can affect local communities. This can range from regulating where liquor outlets are located in a suburb, speed limits in suburbs, to where dogs can walk off the leash. All bylaws have a formal consultation process to ensure local communities can influence the rules of the bylaw before it is adopted.

This proposal ensures that the simplest and most transparent approach to enabling democratic participation on these key facets of local government is being proposed. As is canvassed throughout this proposal, there should be no barrier, distance or bureaucracy that must be managed by the resident to interfere with a resident's ability to influence those decision-making processes.

#### **A stronger regional voice**

A single Council delivers a strong, coherent regional voice, able to advocate for and represent the interests of all parts of the region. It will provide a governance structure that is agile and resilient, and therefore capable of meeting the region's future challenges – economic and environmental – and the many and varied needs of citizens in a fast changing world.

#### **Stronger emphasis on access and accountability**

Under a single-tier Council it will be clearer than in other models where decision-making responsibilities lie, and this will enhance transparency and accountability. But the importance and influence of a single unitary

authority means that additional checks and balances are justified.

This model proposes the establishment of semi-autonomous commissioners, able to report on Council operations and functions, providing additional safeguards on the Council's use of public funds and management of the environment.

#### **Limitations of other models**

Each of the other possible options for Wellington local governance – such as a two-tier or multi unitary model – has positives and limitations. For most of the alternative models, the limitations are significant and compromise their ability to meet the Commission's criteria and comply with principles of good governance. Mostly, these limitations are structural and cannot easily be resolved. The single-tier Council model proposed in this application also has limitations but these are perception-based, not structural.

## The proposed structure

### Direct access, direct accountability

#### Wellington Council

##### 1 Mayor

*Elected by all the people of the metropolitan Wellington area.*

##### 29 Councillors

Elected by residents from small local single member wards.

##### 1 Council Organisation

A single chief executive will head Wellington Council.

This proposal is for a new council, called Wellington Council, which would replace a number of existing councils:

- Wellington City Council
- Porirua City Council
- Kapiti Coast District Council
- Hutt City Council
- Upper Hutt City Council
- Greater Wellington Regional Council.

The proposal does not include Wairarapa. We are strongly of the view that the Wairarapa should determine its own future, and note that Wairarapa residents have given their councils a clear message that they support a single Wairarapa council.<sup>3</sup>

Under the proposal, all services would be delivered and all infrastructure and assets managed by a single Council organisation headed by a chief executive.

### A single tier of decision-making

The proposal is for a single tier of Council decision-making, with flexible approaches to local representation as explained in the sections that follow.

The key advantage of a single-tier decision-making structure revolves around the two key purposes of local government: enabling democratic local decision-making; and meeting current and future community needs for good-quality and cost-effective infrastructure, services and performance of regulatory functions.

A single tier will mean that residents know who their representatives are, ensuring that decision-making is transparent and accountable. A single tier also represents an efficient use of resources. And, it recognises that the vast majority of decisions made by Wellington's local authorities – concerning, for example, infrastructure, environment, transport, urban development, and economic development (including tourism and events) – have regional implications and so deserve consideration by a regional body.

One of the arguments for a two-tier approach is the perceived importance of local decision-making over local services and amenities. However, this argument confuses decision-making with service provision.

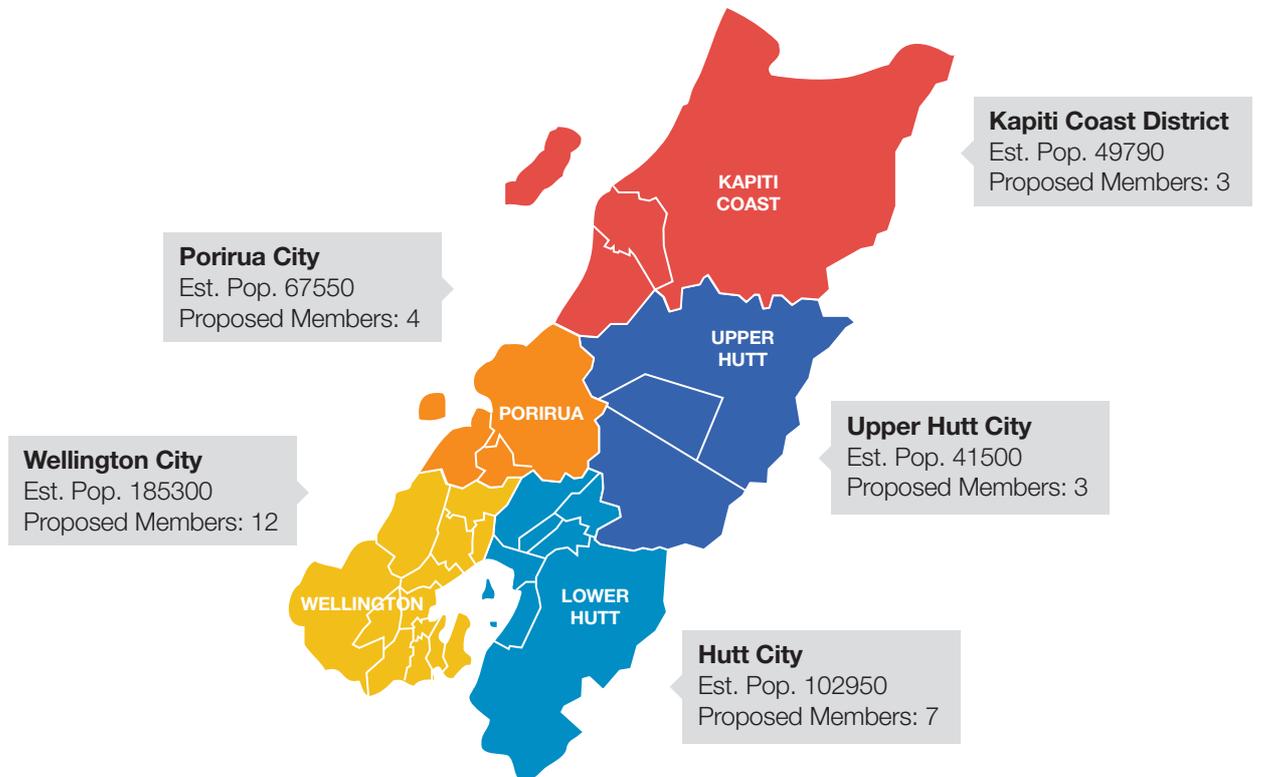
<sup>3</sup> Refer to the WCC Proposal Legislative Compliance Table as attached [Part3, s24(1) Local Government Act 2002]

The provision of high-quality local services and infrastructure for all Wellington communities will remain important no matter what local government structure is adopted. The question is: who should make decisions about those services? Is it necessary to have a second decision-making tier in order to do so?

The reality is that up to 5%<sup>4</sup> of decisions are genuinely local. Examples include decisions about dog control, library opening hours, and the placement of rubbish bins. Under a single-tier model, decisions about service levels can be made by a single Council with input from local communities (through the mechanisms explained in the 'Local influence' section below).

This approach ensures transparency of decision-making and budget-setting, fair and consistent levels of service across the region, and efficiency and effectiveness. It ensures that people know who is responsible for making a decision, and where to go in order to have their say. A second tier merely creates the appearance of local control when in fact the key budget and policy decisions will still be made at regional level. Furthermore, it creates this appearance at the expense of efficiency, transparency and accountability, consistency and fairness across the region, and quality of service.

**Representation – 29 Councillors and a Mayor**



<sup>4</sup> As per the report of the Wellington Working Party

The single-tier model ensures direct access and direct accountability between residents and their councillors. For that reason, it is not proposed that councillors be elected “at large”. Instead, to ensure that direct accountability to residents, our proposal is for councillors to be elected from small local wards.

These wards would generally be based on existing local authority ward boundaries, reflecting broader and existing communities of interest, but with some further granulation to establish 29 individual wards and so ensure direct accountability to residents. The map on page 11 provides an approximate representation of proposed ward boundaries, excluding a fourth ward for the current Porirua area which has not been possible to draw on currently available information.

We recommend the establishment of single-member wards. We believe they are likely to encourage a more diverse range of representation compared with other approaches.

We believe that two-member and at large wards are clearly representative, but barriers can be posed to the election of councillors who are more reflective of their communities<sup>5</sup>.

For example, under the single member ward approach (which results in a 1 councillor to around 15,500 residents ratio), we are of the view that because of the smaller population that candidates are required to engage with, the more intimately communities will come to know those seeking election to the council.

While representation is of course driven by the type of system that is used to elect members to council, smaller local wards as those proposed here will further encourage diversification of representation because the election process can be made cheaper, more local and more direct.

We have worked to ensure that not only will this proposal reflect the special democratic culture of Wellington, but that any proposal put forward for consideration maximises potential democratic engagement of our residents. We believe that by ensuring the wards from which potential councillors are elected are small in terms of

population and geography – for the most part – the intimate nature of the election process could improve democratic participation rates in local government.

### Checks and balances

The single-tier model enhances accountability and transparency by ensuring that it is clear who makes decisions, and ensuring that communities have direct access to those decision-makers. However, a single-tier Council will have significant powers and responsibilities. Additional checks and balances are therefore justified in order to further reinforce transparency and accountability, and to guard against excessive or abusive exercise of executive decision-making power.

For those reasons, we propose the establishment of Council Commissioners. Based on the same approach taken with the offices of Ombudsmen and the Parliamentary Commissioner for the Environment, Council Commissioners would be semi-autonomous officers with powers to ensure that residents are protected and the council is held accountable for its decisions and actions.

As well as providing a check and balance, the Commissioners will also be able to raise issues and advocate on behalf of residents.

Council Commissioners will not be officers of the council organisation; they will be appointed directly by the Wellington Council and supported by the chief executive. As semi-autonomous officers, they will report directly to the council as independent advisors, both proactively in their areas of interest and reactively in response to matters brought to their attention by residents.

We propose that the Local Government Commission expresses its expectation that Council Commissioners would be established by the Wellington Council consistent with the scope outlined below.

<sup>5</sup> WCC acknowledges 2 member wards are possible and we are eager to discuss with the Commission.

### **Commissioner (Environment)**

- Semi-Autonomous
- Appointed by Wellington Council (5 years)
- Supported by the chief executive of Wellington Council
- May undertake investigations of their own volition
- Must undertake investigations as directed by Wellington Council
- May undertake investigations in response to matters raised by residents
- May make recommendations to Wellington Council that:
  - Seek consideration of environmental matters
  - Propose amendments to environmental regulations
  - Inform decision-making as an independent voice
  - Seek consideration of applications from residents on environmental matters
  - Provide independent assurance with respect to obligations under a range of environmental legislation.

### **Commissioner (Administrative Review)**

- Semi-Autonomous
- Appointed by Wellington Council (5 Years)
- Supported by the Chief Executive of Wellington Council
- May undertake investigations of their own volition
- Must undertake investigation of matters arising from applications from residents
- May make recommendations to Wellington Council that the chief executive be directed to:
  - Undertake consideration of service delivery policy and practice, and report back with findings and any remediation steps for implementation
  - Appoint an officer to provide support to any residents whose applications result in a direction from the Commissioner that the chief executive undertake an investigation of service delivery policy and practice
  - May undertake research investigating potential effects of service delivery, policy and/or practice, and make such recommendations as appropriate to Wellington Council consistent with the Commissioner's mandate from the Council.

### Local influence and the role of community boards

It is proposed that the new Wellington Council adopts a flexible and responsive approach to local democracy, depending on community wishes. That approach may include establishing community boards in some areas, but it also may include other approaches that are more in tune with how local communities are likely to express themselves in the 21st century.

Right now, some parts of the Wellington region want to have community boards; others don't. In addition, community boards have a variety of roles; the appropriate role for a community board in, say, Ohariu, may be completely different to the role of a board in Kapiti.

Under the proposed approach, there would be community boards where communities demonstrably want them. Existing community boards would be retained, and any communities who want to have a new community board established will be able to do so. The roles of those boards would also reflect community wishes. Some boards will have a representative role, allowing the local councillor to engage with residents on a range of issues. Some will be delegated special functions or activities and given funding to manage and deliver those activities. The Wellington Council will be expected to support community boards based on what the law says they can do and what communities want them to do (as per the provisions of the Local Government Act)<sup>6</sup>.

This approach recognises that each community is very different, not only in size of population but also in other characteristics such as the extent to which they have a local identity separate from broader Wellington identity, the extent to which they want to do things for themselves, and their technology uptake and preferred methods of engagement and influence. This

flexible, responsive community-oriented approach is therefore the best way to ensure that communities can retain influence over local decision-making and services in the manner most appropriate to them.

Community boards are special and this proposal wants to continue the important role they play in allowing communities to do the things they have asked to do for themselves.

Regardless of where community boards are formed, the new Council would also be expected to explore other opportunities for local input into decision-making. Not all communities will want a 'board meeting' approach to decision-making; many will prefer direct democracy models, such as online participation in decision-making. The approach set out in this proposal is therefore not prescriptive; it does not assume that a 'one size fits all' approach will be the best option for all of the region's communities or for every issue that arises. Rather, it provides for flexibility, depending on the wishes and aspirations of the local community and the nature of the decisions to be made.

Crucially, community boards offer a level of granulation not possible with other approaches such as local boards. Community boards instead enable the formation of communities that may be as small as Ohariu-Makara with fewer than 10,000 residents concerned or as large as Tawa at around 25,000 residents.

Regardless of the populations, those community boards are self-determined and reflective of an almost neighbourhood to neighbourhood approach rather than arbitrary areas with populations of around 65,000 residents as may be the case with local boards<sup>7</sup>.

<sup>6</sup> Refer Part 4, Subpart 2, ss49 – 54, Local Government Act 2002

<sup>7</sup> Refer Schedule 3, Part 2, s15(3) – Local Government Act 2002

## Māori representation

We understand that the Commission is unable to provide for Māori representation in any reorganisation scheme. Nonetheless, we wish to record the importance we place on the partnership between mana whenua Māori and local government, and our wish that arrangements that protect and enhance this relationship are appropriately reflected in any new structure.

The representation arrangements discussed when outlining the small local ward based approach for the election of 29 councillors does not specifically provide for Māori representation on the council. We have met with mana whenua Iwi leaders regarding the proposal to establish a unitary authority in Wellington. Currently, there is no clear consensus within Māori communities as to what form of representation or influence might be preferred.

While some are of the view that Māori seats may be an appropriate mechanism to address Māori representation, others are of the view that the establishment of such seats reduces the influence of local government's partner in this relationship. While a variety of options have been broadly canvassed, there is agreement that there should be no erosion of the special partnership relationship.

As this application is filed, WCC engagement with Māori leaders and Māori communities on the question of governance structures for the Wellington is continuing. We support the Commission engaging with Māori communities as it formulates any draft reorganisation proposal for the region.

If a new Wellington Council were to resolve that Māori should be represented through Māori seats, based on the current population there would be an entitlement for two Māori seats.

## Council committees

A single table of decision-making which is built from communities up and which is enhanced by ensuring there are no barriers, red tape or bureaucracy between residents and their councillors offers clear benefits of efficiency of decision-making, increased transparency and accountability.

However, it is recognised that there will be issues that councillors will take a deeper interest in which reflect the aspirations of their community or which reflect legislative requirements such as financial accountability.

To ensure that Councillors are equipped with the depth of information and expertise they need, Council committees will also be established.

Known as the engine room of Parliament, select committees perform the function of undertaking deeper analysis, hearing from submitters, and providing recommendations to Parliament. The proposed Wellington Council can be expected to also adopt this model as an appropriate mechanism for deeper analysis and decision-making.

Committees would be established in line with the kinds of decisions the council will have to make, in line with its planning, finance, asset management, and administrative responsibilities. This is an approach with which residents will be familiar.

Empowering committees is a feature of this approach because we propose they be more broadly empowered to make recommendations to Council and that they be the place where deeper consideration is given to issues.

Councillors who are members of these committees will be responsible for reporting on issues that the committees have been tasked with investigating; the committees will hear from residents and provide recommendations to Council for consideration.

We propose that the Commission expresses its expectation that a new council will establish its committees consistent with the approach taken in establishing Parliamentary select committees.

### Advisory bodies

Advisory bodies have an important role in enhancing the quality of decisions Wellington Council can make for the region. Our approach would establish a number of bodies that would be empowered to provide advice and expertise independent of council officers.

These bodies would be constituted on a triennial basis, with councillors and others from the community. This would enable clusters of councillors with specific portfolio interests to engage with a broader base from the community that crosses ward boundaries and which reflects a subject matter interest as opposed to a ward or geographic interest. Councillors on these bodies would be expected to act as intermediaries, reporting advisory body views to the council and council decisions and plans to the advisory bodies.

In this way, advisory bodies can form part of a robust decision and policy-making process that is in the best interests of the wider community.

As part of the establishment of advisory bodies, there would be an expectation that councillors and community representatives would develop an annual agreement setting out the shared work programme. Each advisory body would be supported by a Wellington Council officer as an advisor and another officer to act as a secretary.

We propose that the Commission expresses its expectation that a new council will establish, from time to time a range of sub-council bodies consistent with the approach outlined here.

### Resourced councillors

Councillors have responsibilities to their communities to advocate, represent and make decisions. The council organisation has a responsibility to deliver high-quality, value-for money services and activities to residents throughout the region.

To ensure that councillors have freedom to engage as representatives and to fulfil their duties to their communities, our approach would establish Council 'hub' offices in each ward.

Those hub offices would be staffed with Wellington Council officers to deal with a range of administrative matters such as setting up clinic days, making appointments for residents to meet councillors, dealing with customer service delivery enquiries, and other administrative duties similar to the duties carried out by electorate agents in the electorate offices of Members of Parliament.

Hub offices will present a visible community presence for councillors and Wellington Council alike, while also liaising with the community, engaging with residents, and reducing the day-to-day burden on councillors.

Hub offices would be established using the infrastructure of existing territorial authorities, including council offices and community centres, ensuring that communities know where to find councillors and Council offices.

We propose that the Commission expresses its expectation that ward offices and direct resourcing be considered and established in consultation with residents through any transition phase toward the commencement of any new council.

### Asset management

No preference is given in this proposal for whether assets owned by Wellington Council should be operated by Council Controlled Organisations or not. There are a range of options that deserve consideration, but decisions should be left for the Wellington Council if it is established.

Three options should be considered for how Wellington Council's assets and resources are managed:

- Council-operated business units
- Council committee controlled businesses
- Council controlled organisations

Each approach has benefits and risks. A council-operated business unit relies on expertise and management services being available within Wellington Council, whereas a Council Controlled Organisation may be perceived as too far removed from accountability to residents. Council Controlled Organisations however offer potential for greater efficiency.

One of the advisory bodies referred to above would be a specialist business advisory group, which would make specialist business expertise available to councillors and council committees and so assist with asset management.

In our view, decisions about how assets are managed should be left to a new council in consultation with residents to ensure an accurate reflection of local preferences.

## The Wairarapa

We are strongly of the view that the Wairarapa should determine its own future and note that Wairarapa residents have given their councils a clear message that they strongly support a single Wairarapa council.

Consultation (both region-wide and specific to the Wairarapa) almost uniformly shows that Wairarapa residents do not want the Wairarapa to be part of a single Wellington council. We support the proposal for a Wairarapa Unitary Authority.

The establishment of separate unitary authorities for Wairarapa and Wellington reflects the distinct communities of interest in the region, with one having the particular interests and concerns of a rural area, and the other having a predominantly metropolitan focus.

A metropolitan Wellington Council, where all the population growth is occurring, has a different set of strategic drivers and demand for services than the Wairarapa. Wellington, Porirua, Hutt and Kapiti areas also have highly integrated infrastructure, whereas the metropolitan area's links with Wairarapa infrastructure are no greater than its links with the infrastructure of the Horizons region.

Where there are areas of mutual interest, Wellington and Wairarapa unitary authorities would still be able to work together. The regions on both sides of the Rimutakas will always have strong economic, environmental, cultural and social links and both councils will wish to ensure that these are maintained.

By establishing separate unitary authorities for Wairarapa and metropolitan Wellington, the Commission:

- provides for a clearer focus in strategic planning for both distinct areas
- reflects the two distinct communities of interest, one of which is rural and the other which is predominantly urban
- ensures that each unitary authority has the appropriate scale and size to deliver the services their communities expect and deserve
- reflects the preferences of most residents in the Wairarapa and the rest of the Wellington region.

If, however, a Wairarapa unitary authority does not eventuate and while not the preferred approach of residents or WCC, it would be possible to accommodate the Wairarapa within our proposed model. The benefits of doing so include:

- sharing some transport, tourism and economic links
- protecting Wellington's strategic interest in having a well governed and efficiently functioning 'food bowl' and 'rural playground'
- Wairarapa residents benefiting through access to the greater capabilities of a larger council, particularly for 'regional' services
- supporting the Wairarapa's financial sustainability over time.

We recommend that the Commission's proposal include the establishment of separate unitary authorities for Wairarapa and Wellington.

## Assessing the single-tier model

### The Commission's criteria

The Commission's criteria provide a guideline for the nature of improvements that should emerge from any reorganisation proposal.

Any change proposal must facilitate:

- efficiencies and cost savings, productivity improvements and a simplified planning process.

Any change model will:

- have the resources necessary to enable it to carry out effectively its responsibilities, duties, and powers
- have a district or region that is appropriate for the efficient performance of its role
- contain within its district or region one or more communities of interest, but only if they are distinct communities of interest.

The single-tier governance model demonstrably meets these criteria, as explained below.

#### Improved effectiveness and efficiency

The single-tier model will facilitate improved economic performance including efficiencies, cost savings and productivity improvements through:

- Reducing the number of organisations required to deliver local government services throughout the region.
- Streamlined planning processes

- Improved strategic investment capacity and decision-making capability
- Consistency in the application of operational policy and service delivery approaches without impinging upon service level variations that reflect local preferences
- Reduced overheads and operational expenses
- Significantly improved procurement capacity and capability.

#### A more representative, responsive, transparent and accountable organisation

The proposed model will be representative, responsive, transparent and accountable because there will be no barriers, distance and bureaucracy between residents and their elected decision-makers. This is achieved in several ways.

First, Councillors will be elected from 29 small wards. The wards will be of a smaller scale than currently exist in most of the Wellington region. They will virtually reflect suburbs rather than collections of suburbs. This will allow councillors to bring a neighbourhood perspective to the decision-making table. It will ensure that strategic decision-making occurs at the right level – ward residents will have influence over local issues, while strategic and regional decisions will be made at the right level with all perspectives taken into account and appropriately balanced.

Second, the absence of a second layer of decision-making or multiple councils will mean it is clear who is making decisions and therefore clear who residents should speak to if they want

to have a say. Other models, by contrast, have the potential to add a confusing bureaucratic brake on access to and influence of real decision-makers. Councillors will be directly accountable to the people they were elected to represent. This model deliberately provides no shelter from accountability nor any ability to defer responsibility.

Third, the proposed enhanced committee approach will provide additional opportunities for residents to engage, and additional checks and balances against the exercise of the Council's executive powers. The semi-autonomous commissioners will also provide additional accountability, transparency and checks and balances.

#### **A more integrated and coordinated approach**

Under this model, key decisions affecting the Wellington region will be made by a single decision-making body. All perspectives will be appropriately considered and balanced, before clear, durable decisions are made. By contrast, the status quo provides for slow and fragmented decision-making without a clear regional perspective. A single council responsible for the entire region will be able to take local perspectives into account while taking a broad, integrated regional approach.

A single council organisation will also be able to deliver services consistently across the whole region, while ensuring that those services have a specific local flavour where appropriate. The existence of small local wards will give a local flavour to broader regional decision-making.

With regional decisions being made from a local perspective, the level of integration that will be achieved is far greater than either the status quo or any other alternative model can offer. A single organisation will enable a high degree of horizontal management to link the organisation together cohesively.

#### **A more resilient and adaptive organisation**

This model will be resilient and adaptive, because of its simplicity and its greater resource base. Without a second decision-making tier, it will be able to respond quickly to changes in its operating environment where that is necessary.

Because it encourages direct engagement between decision-makers and residents, it will be highly responsive to local preferences yet will not be constrained by cumbersome processes and systems.

The fundamental basis for the simplicity of this proposed structure is that it will deliver high quality democratic engagement through direct access to decision-makers by empowered residents with reinforced influence in a structure that leads to focus on delivering high quality outcomes.

#### **A more appropriate scale and size**

This model will have the size, scale and resources necessary to enable it to efficiently and effectively carry out its responsibilities, because it will combine the assets and resources of the existing five city and district councils as well as a portion of the resources currently vested with the Greater Wellington Regional Council.

As a unitary authority responsible for delivering services to a population in excess of 450,000 people, the council will be of sufficient scale to attract the skilled resources it requires to undertake its activities. The council will also be able to achieve significantly improved commercial arrangements through its improved procurement position.

Given the scale of the new council, not only will it have sufficient resources necessary to carry out effectively its responsibilities and improved procurement outcomes, it will have significantly greater strategic financial investment capacity and capability.

### **Democratic local decision-making**

This model will provide democratic local decision-making and action by, and on behalf of, local communities. This will be achieved through the direct election of councillors from small local wards, requiring them to bring a local perspective to the decision-making table. It will also be achieved through flexible and responsive approaches to local influence and decision-making.

As explained earlier, this will include community boards if that is what residents want, but it will also include other mechanisms for local input into decision-making. This approach will allow communities to determine the arrangements that suit them best, and it will also allow for greater flexibility in response to specific issues and changes in technology. In the 21st century, board meetings may be appropriate for some but by no means all issues and communities; a more flexible, responsive approach is required.

Where community boards are established, it will be crucial that their functions and responsibilities reflect local preferences. Delegations must be agreed between the council and the community, as is the case now. Although this proposal does not prescribe a 'one size fits all' approach, it does recognise that community boards are highly successful in the right circumstances and will remain fundamental to the delivery of high quality democratic engagement and representation.

### **Appropriate boundaries**

The proposed Wellington Council would encompass the entire area from the existing Wellington Region boundary in the north to the Rimutaka Ranges in the east and south to the Cook Strait. These boundaries are appropriate for the efficient performance of the council's role as a unitary authority with sensible physical delineation in the east, complementing the Wairarapa application.

In addition, the proposed boundary reflects provisions in the legislation which allow for distinctions to be made between areas that are predominantly urban and those that are rural.

Consistent with the views of most Wellingtonians, the Wairarapa should be permitted to form its own unitary authority. The areas west of the Rimutaka ranges and south of Wellington region's current northern boundary can reasonably be classified as predominantly urban and should be governed accordingly. The northern-most area which is currently under the jurisdiction of the Kapiti Coast District Council continues to be further integrated into the rest of the urban area through transport links such as Transmission Gully and the electrified rail service.

### **Appropriate water catchment boundaries**

The proposed Wellington Council would be consistent with logical water management areas as well as natural flood zones. The natural physical boundary created by the Rimutaka Ranges separates water catchments and flood zones between Wairarapa in the east and the Wellington metropolitan area to the west.

Management of water services throughout most of the metropolitan area is undertaken through a jointly owned Council Controlled Organisation. Further integration of water management services could be easily achieved under the proposed metropolitan Wellington Council boundary.

### **Many communities of interest**

The proposed Wellington Council would contain within the proposed district numerous communities of interest, ranging from a single Wellington metropolitan community of interest, to existing city and district communities (Wellington city, Hutt Valley, Porirua, Kapiti), to neighbourhoods such as Te Aro, Titahi Bay and Raumati. The proposed structure provides for effective representation of these smaller communities of interest while ensuring that the wider community is able to speak with a single voice.

Communities are no longer just defined by geography alone; changes in movement patterns, society and culture are features of a more diverse view of communities of interest. This can be seen in the consultation process involved with WCC's draft annual plan where sectors and interests

groups are as visible as residents representing a location-based view.

### **Principles of good governance**

This proposal seeks to build on Wellington's special democratic culture. It recognises that Wellingtonians entrust their elected representatives with powers of decision-making, but in return for that trust they expect transparency, accountability and value for money.

This proposal seeks to deliver against those expectations in a new and very real way. By removing barriers and closing perceived distance between residents and their councillors, it will eliminate confusion and complexity while providing for more responsive, more durable, and higher quality decision-making.

Improved accountability mechanisms will demonstrate that residents have been heard and have influenced the decision-making process.

The focus of this proposal is on improving democratic engagement by reducing barriers between residents and decision-makers, and being clear about who makes decisions and is accountable for them.

Based on the work of the Wellington Region Local Government Review Panel (headed by Sir Geoffrey Palmer) and consideration of experiences elsewhere (in Auckland, Christchurch and overseas), several principles of good governance have been identified. In the following paragraphs, this proposal is assessed against those principles.

### **Stronger and more effective regional leadership**

There is currently no single person or organisation empowered to speak on Wellington's behalf. Instead, nine leaders with differing visions and priorities compete for attention and resources. This puts Wellington at a disadvantage when negotiating and working with central government agencies and the private sector, and when promoting the region's economic development.

It also impacts on a range of matters that cross current jurisdictional boundaries including transport infrastructure and services, land development and resilience planning. Stronger regional and strategic leadership is important to support growth and help generate the conditions for the provision of jobs and the region's ongoing success.

A single council is also a better reflection of the existing strong community of interest that exists at the Wellington regional level.

### **A more effective and integrated approach to economic development**

Wellington's economy has recently been in the headlines with the release of two reports. The Wellington Regional Strategy Office reported in April 2013 that Wellington's gross domestic product is behind the national average, and research underpinning the report by economic consultancy *Infometrics* ranked Wellington 15th out of 16 regions for economic growth.

These findings align with the Ministry of Business, Innovation and Employment's Regional Economic Activity April 2013 Report, which put Wellington's employment and population growth behind the rest of the country.

In our view, a single council would enhance economic performance by reducing duplication and competition within the region and enabling key decisions to be made, supported by the prioritised delivery of essential regional infrastructure.

As the former Director of the Australian Centre of Excellence for Local Government (ACELG)<sup>8</sup> Professor Graham Sansom notes: "It is difficult for an outsider to understand the logic of having responsibility for key decisions about the future of the Wellington CBD split between the City and the Regional Council."

<sup>8</sup> Professor Sansom was co-author of ACELG's report 'Consolidation in Local Government: A Fresh Look', published in conjunction with the Local Government Association of South Australia and Local Government New Zealand in May 2011

### **Improved local democracy**

A single, well-resourced council will have an opportunity to provide more authentic neighbourhood level engagement and decision-making on local issues. This will allow local communities to focus on local matters while also being able to inform decisions that span larger areas and affect more people.

As already explained, the small local ward approach will ensure a direct link between councillors and residents. The absence of distance, barriers or bureaucracy will ensure that high quality democratic engagement is fostered. And the absence of a 'one size fits all' approach to community representation will allow a more flexible, responsive approach that reflects the wishes of each community, is appropriate to the issue under consideration, and is responsive to changes in technology and the ways in which communities prefer to engage.

### **Enhanced capability to carry out its responsibilities and meet the demand for world-class infrastructure**

It is possible to achieve more efficient and effective delivery of key infrastructure and services through economies of scale, more integrated planning, better prioritisation of resources, and a greater pool and depth of expertise – but it requires a regional approach. This includes airports, ports, roads and cycleways and infrastructure associated with water supply and drainage. Currently, there are many councils with differing priorities and approaches.

The single-tier model seeks to achieve the optimal balance between making strategic regional decisions while ensuring that they are informed from within a local perspective giving residents the best opportunity to have their preferences reflected in the decision-making process.

### **Reduced duplication with greater efficiency and effectiveness**

A regional approach would eliminate the duplication that currently exists between the region's nine councils. It would also enable more efficient service delivery and cost savings through economies of scale, streamlined plans and processes, reduced compliance costs, more efficient service delivery, and avoiding duplication and waste, which provides better value for money.

As demonstrated in support material provided with this application, we estimate that annual efficiency savings of between \$16 million and \$29 million per annum could be achieved – money that could be prioritised on improving services. This represents a significant opportunity to the region because of a new council's significantly improved strategic financial investment capacity and capability.

Savings are also possible in other models to varying extents. However, we note that we have only counted savings that do not diminish democratic engagement, transparency, accountability and effectiveness. Although some other models will also deliver some savings, these are likely to be less than the savings delivered by a single-tier model.

### **Greater resilience**

WCC's proposal would establish a council that is better resourced, better able to prioritise, and better able to respond to changing circumstances than any other possible model. This will ensure that the council is resilient, agile, and adaptive when dealing with changes in circumstances.

A single-tier council will be able to more effectively improve the region's readiness for natural and other disasters, and environmental and economic challenges. It will be able to draw on the resources of the whole region and make effective decisions throughout the period of recovery following such events.

### **Simpler, faster, clearer planning**

One of the key benefits of the single-tier approach is simplified planning for the region's future development. Instead of a multitude of overlapping and sometimes conflicting plans and priorities, there is an opportunity to develop a single, coherent approach to future growth and development, and to planning and decision-making about specific projects.

Similarly, instead of nine annual plans there would be one, creating more certainty about the region's overall direction and faster, clearer decision-making. Greatly simplified planning processes for statutory and non-statutory plans will deliver more streamlined and integrated results, with greater efficiency and effectiveness.

In our view, adopting single-tier model will make it easier to implement planning and will significantly reduce compliance costs for businesses and residents. As compared with other models, influencing planning decisions will be direct to the decision makers and not through a series of processes.

While meetings of such a large council may take longer than is currently the case in existing Wellington local authorities, the process of decision making will be faster. The benefit of empowered committees, a streamlined process and resourcing of councillors means that focus can be given to decisions rather than the process of making them.

### **Engagement and decision making at the right level**

An important design feature of our proposal is that it provides for direct representative democracy because there is no other layer of decision-making and because councillors are drawn from small local wards.

The proposal establishes a structure with strong and direct accountability between residents and councillors for the decisions they make and the advocacy they offer to the council table. The simplicity of the structural design allows for new and innovative approaches to participation and engagement with communities and partners

who can be adapted over time to more accurately reflect the needs and preferences of residents.

### **A regional view works**

Auckland Mayor Len Brown recently wrote that local government changes in that city had created "a much stronger sense of cohesion", and much less infighting. There had also been major benefits for planning and the pace of change.

Mayor Brown added that "...Agglomeration meant we could deliver change at a much faster pace. With a number of our projects there has been extraordinary momentum. There's no way they'd have been delivered at that pace under the former councils."

Establishing a single council for the Wellington region brings all the current fragmented councils together and would enable Wellington to achieve the cohesion that Mayor Brown sees as an important aspect of Auckland's future success.

Mayor Brown's view has received widespread support from a number of quarters, including Professor Sansom. As discussed in his paper 'The Governance of Wellington: Revisiting the Basis for Change' prepared for WCC during his tenure in 2012 as Victoria University's Don Trow Fellow "The governance implication for Wellington is the need for a structure that can help maximise the City's potential as an economic force in its own right and to complement the growth of Auckland."

### **Addressing limitations**

During consultation and discussion about the single-tier model, some limitations have been identified. However, in our view those limitations are more perceived than real, and where they are real they can be reasonably easily addressed.

We also acknowledge that a number of elements key to the success of the single-tier model are reliant upon the culture of a new council. Where the Commission cannot give specific directions about the design of a new local government structure, we invite it to express its expectations. We also acknowledge that there may be benefits in factoring some flexibility into the Commission's

proposal to ensure that there is sufficient opportunity to be adaptive, agile and responsive over time in responding to the needs of residents.

### **Perceived limitations**

#### *Perception of centralisation of power*

Consultation has shown that residents who oppose change believe that “local representation will decrease, amounting to an erosion of democracy”.<sup>9</sup>

Other objections to the single council model that have been raised are that:

- A single council for the region will inevitably be Wellington city-centric and the needs of the rest of the region will be ignored
- Amalgamation will disempower the average citizen while heightening the power of the business community.

#### *Perception that decision-making is not driven from neighbourhoods and communities*

Consultation has shown that the main concern raised by residents who oppose change is that a larger entity would be “further away from the people and this would make it more difficult for local voices to be heard”<sup>10</sup>.

They also believe:

- smaller local councils are more ‘community-minded’, more responsive and less corrupt than a large conglomerate; and that local government should be just that – local.
- amalgamation will have a homogenising effect, resulting in a loss of individuality and identity for the diverse communities that make up the region
- each local authority area has a different environment and future-focus, as well as distinct issues, demographics and strengths. Putting them all together into ‘the same bucket’ will only result in some having more funding and resources to flourish, and the others falling behind.

### *Elected members’ workloads*

Some residents have expressed some concern that it will not be possible for an elected member to adequately meet the demands of their local community while also dealing with the major strategic issues of a large region.

### **WCC’s responses**

We have responded to these concerns in the following ways:

- Revised the proposed ward structure from multiple councillor wards to small local wards with single members with higher ratios of representation.
- Ensured the inclusion of an expectation that community boards would remain a feature of the Wellington local government landscape where communities want them.
- Ensured the inclusion of an expectation that sub-council advisory bodies would be a feature of a new council to ensure high quality engagement on issues of specific interest or where councillors may benefit from engaging with subject matter experts.
- Empowered committees as the engine-room of the council to ensure that residents and interested parties have opportunities to engage with councillors on an issue-by-issue basis and to further inform council decision-making.
- Established council commissioners as semi-autonomous officers of the council with powers of review and recommendation to act on residents’ behalf in relation to decisions the council has taken.
- Proposed that a direct resourcing approach be developed through the transition phase which would provide support to councillors through a ward office and dedicated staff.

<sup>9</sup> Regional Reform: Analysis of public feedback by the Working Party

<sup>10</sup> Regional Reform: Analysis of public feedback by the Working Party

- It is acknowledged that representation based on population will result in almost half of the total number of councillors being elected from what is currently the WCC territory given the concentration of population in the city, it is also acknowledge that the majority of councillors would be drawn from around the remainder of the region.
- It is acknowledged that WCC in this proposal has made a clear delineation between democratic engagement and decision-making and customer service.

### Examples of successful single-tier councils

Councillors and officers visited Australia in October 2012 to meet with elected members and council staff at Brisbane and Gold Coast City Councils to view first hand how single-tier governance councils operate.

#### Brisbane

Brisbane City Council has an executive Lord Mayor, a parliamentary-style council of twenty-six councillors representing single-member wards of approximately 23,000 voters, and a Civic Cabinet comprising the Lord Mayor and the chairpersons of the standing committees drawn from the council membership.

The Chair of Brisbane Council, Councillor Margaret de Wit, sees the benefits of a single council over a large metropolitan area as “bringing uniformity across the city in terms of planning, economies of scale, and having real influence with the State Government”. Cr de Wit noted that while councillors stood as political representatives, their primary focus was looking after the needs of the city and its residents.

It is also worth noting that residents’ responses to annual client satisfaction surveys have, for consecutive years, continued to report extremely high levels of positive brand recognition with Brisbane Council. This, coupled with extremely high re-election rates for performing councillors indicates that an approach focused on direct

accountability is highly successful from the perspective of residents.

Cr de Wit also believes a single ward system delivers highly transparent accountability – and that if you don’t look after your community you will be “thrown out at the next election”.

Each ward office is supported by staff who deal with all communications coming into the office. Ward councillors also have a personal assistant who deal with more complex issues, manage the office and the councillor’s diary, and manage a ward budget as approved by the councillor.

#### Gold Coast City

Gold Coast City has a population of about 500,000 people. The city council is divided into 14 wards and the Mayor is elected at large. The council’s current boundaries have been in place since 1995. In contrast to Brisbane City Council, councillors are able to act in the interests of their communities with varying degrees of independence from party politics and have a committee structure rather than a cabinet. As is the case in Brisbane, councillors have ward offices and are well resourced.

The Council’s CEO, Dale Dickson, said that a single council for the Gold Coast region allows the city to make the most of its potential “to be the best it can be” and that a critical mass is needed for a city to be economically ‘bullet proof’ and to enhance its liveability.

Having visited Wellington, and being part of the governance debate in Australia, he noted that in considering Wellington’s future, the question was not whether the current structure was ‘broken’, but rather: is the region realising its full potential?

Both Brisbane and Gold Coast councils are examples of how a single-tier governance model can deliver effective local democracy. The Gold Coast City Council in particular illustrates that a single-tier council can work well for a population similar to that of the Wellington region. While Gold Coast residents challenge their elected members in relation to the decisions they make, there has been no strong push by the community, or plans by state government, for structural change.

## Community support

WCC has undertaken wide ranging consultation on local government reform during 2012 and 2013. In May 2012, WCC released a discussion document for public consultation on the question of governance reform in the region.

WCC also commissioned Colmar Brunton to undertake a regional survey of residents in conjunction with all territorial authorities in the Wellington region. Further consultation was carried out in April and May 2013, including a survey of Wellington city residents.

### 2012 consultation results

The purpose of the 2012 engagement was to understand the issues and drivers, and where public sentiment sat, on reform of local government. Submitters were asked for their views on four governance options for the Wellington region:

- **Option 1:** retain existing councils but with shared services;
- **Option 2:** merge all existing councils into three unitary councils;
- **Option 3:** merge all existing councils into two councils, a Wellington council and a Wairarapa Council; and
- **Option 4:** merge all councils into one council for the whole region.

We received 1,209 submissions. These showed that people's views were fairly evenly divided between those in support of keeping current structures (many of whom also wanted enhanced service delivery and collaboration initiatives), and those who support change to the structure.

Submitters were invited to state whether they wanted the current system to change or not. Of the 1,209 submitters, 1,092 (90%) responded to this question. Of those that responded, 23% (252) stated 'no change' and 77% (840) stated 'change'.

Submitters were then invited to select an option for change (or tell us their own), should they wish to do so. A number of submitters that stated a preference for 'no change' then went on to choose an option – mostly, but not always, option 1–. A small number of those who stated a preference for change did not go on to choose an option.

Of the approximately 1,000 submitters that voted for a change option:<sup>11</sup>

- 252 voted for option 1 – all councils remain in place but with more shared services and collaboration (note that this is not the same 252 that stated 'no change', although there is some overlap of about 60 submitters).
- 147 voted for option 2 – three unitary authorities.
- 296 voted for option 3 - unitary authorities for Wairarapa and Wellington.
- 234 voted for option 4 – a single unitary authority covering both Wairarapa and Wellington.
- 68 chose 'another option'.
- 745 chose options 2, 3, 4 or another option, meaning that around 60% of all 1,209 submissions voted for these options and around 40% did not.

A full copy of the report to WCC's Strategy and Policy Committee on 23 August 2012, detailing who the council consulted with, the methodology used, and the results of consultation is attached.

<sup>11</sup>The remaining 200 or so submitters either chose 'no change' or didn't indicate either way.

## 2013 Consultation results

### Submissions

Between 21 March and 3 May 2013, the Local Government Reform Working Party (representing Greater Wellington, Wellington city, Porirua and Kapiti) and WCC consulted with the public on options for local governance reorganisation. We are aware that the Commission needs only to ascertain whether there is demonstrable – rather than significant – support for a reorganisation application, and for change.

Nonetheless, both the Working Party and the Council wished to engage the public in a robust debate about local government structures. During the consultation, people were asked their views on establishment of a single unitary authority for the Wellington region, either as a single-tier council or as a two-tier council with local boards.

During consultation, the public were asked about the importance of each of the principles of good governance referred to earlier (effective leadership, simplified planning processes, efficient delivery of services, integrated planning and delivery of key infrastructure, an integrated and regional approach to economic development, a resilient and adaptive region, and a local voice and access to decision making). Residents were then asked whether they felt a single council would deliver better results in relation to those criteria.

The results showed that people believed that each of the principles of good governance was important. A significant proportion of those who submitted believed that establishing a single council would deliver on those principles.

Specifically, 51% believed a single council would deliver more effective leadership; 52% believed a single council would deliver simplified and more effective planning processes; 50% believed a single council would deliver services more efficiently; 52% believed a single council would deliver key infrastructure more effectively and efficiently; 50% believed a single council would

deliver a more effective and integrated approach to economic development; 47% believed a single council would be more resilient and adaptive to changing circumstances.

The only principle of good governance for which a single council was not favoured was local democracy: asked if a single council would provide a local voice and access to decision-making about their community, 33% agreed and 50% disagreed.

In the context of their answers to the questions about governance principles, people were then asked whether the current structure needs to change. The submission results shows that a total of 58% of submitters in the region support change to the way local government is structured in the region, a further 35% disagree with change and 7% are neutral or don't know<sup>12</sup>.

There are some variations in the region. Most supportive of change are Kapiti (70%) Porirua (64%) and Wairarapa (82%). Least supportive are Upper Hutt (28%) and Lower Hutt submitters (44%). Wellington city – with just under half the regions population – occupies the middle ground with 58% support for change.

In terms of preference for a model of governance, there was a preference for a two-tier model (favoured by 51%) over a one-tier model (favoured by 23%); with 34% having no preference or saying they didn't know). Those who favoured a two-tier model did so because they believed it more effectively protected local voice. (As already explained, we do not believe that a second tier does in fact provide effective local democracy, and nor does it deliver on the other principles of good governance as effectively as a one-tier model.)

People were also asked if the Wairarapa should be included in the Wellington Council. Nearly half of submitters said no, a quarter said yes, and 30% were undecided.

<sup>12</sup>The short form submission form (completed by 333 submitters) showed a higher level of support for change with 70% supporting change, 23% wanting the status quo to remain, and 7% who did not know or no response.

**WCC survey**

To widen the pool of people we heard from, 503 Wellingtonians were surveyed by Colmar Brunton between 22 and 26 April 2013<sup>13</sup>. Of these:

- 52% either agreed or strongly agreed that the current structure of local government in Wellington should change
- 15% did not agree that change is needed
- 30% were neutral.

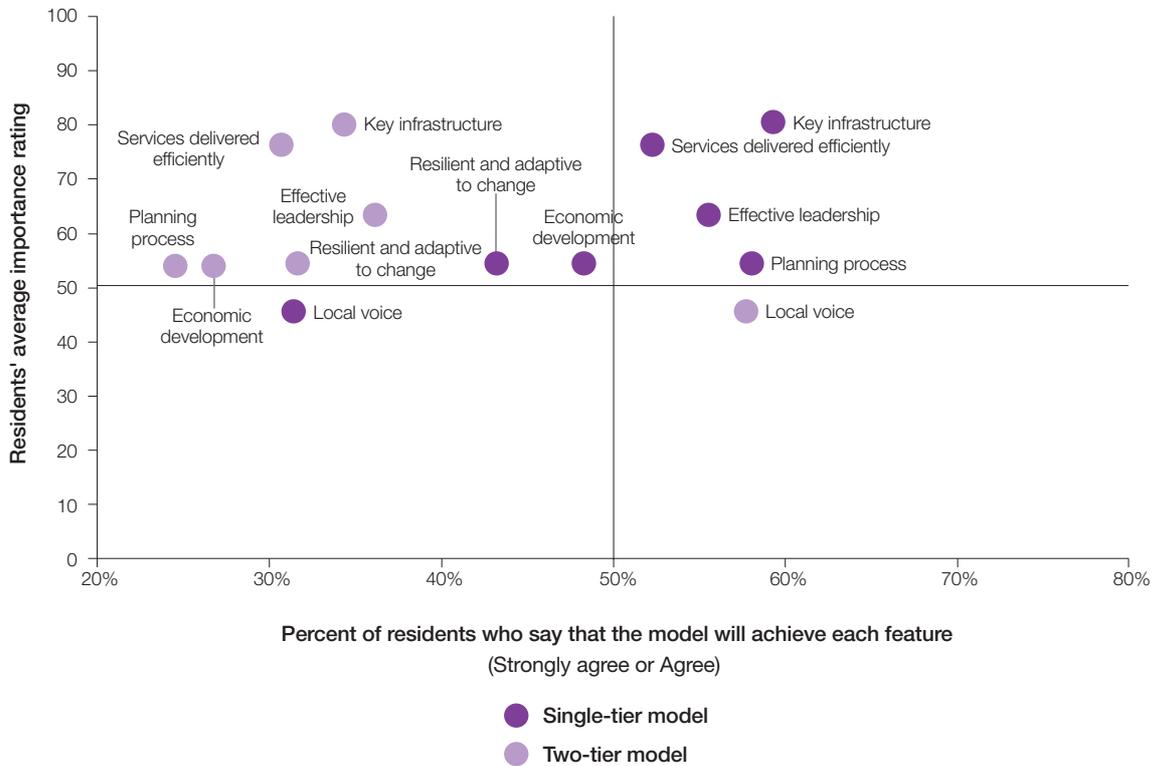
According to Colmar Brunton, residents who favoured change did so because they believed there were too many councils in the region and an amalgamated Council could offer financial efficiencies. Some also wanted to see more regional leadership.

Among all respondents:

- 43% preferred the single-tier model
- 37% preferred two-tier model
- 18% preferred the status quo
- 3% preferred another structure.

When asked which model would best deliver the principles of good governance referred to above, significantly more people favoured single-tier than two-tier for effective leadership, simplified planning processes, efficient delivery of services, integrated planning and delivery of key infrastructure, an integrated and regional approach to economic development, a resilient and adaptive region. More people favoured two-tier for providing a local voice and access to decision making.

<sup>13</sup> The survey has a margin of error of +/- 5%



### WCC focus groups

WCC also used focus groups made up of young people, older people, parents of young children, and people with low incomes and professional people to ensure that we heard from all people – not just those who are passionate about the issue.

Most of the people in the focus groups preferred change, although older people preferred the status quo. Of those who preferred change, the majority were in favour of the two-tier model – although they noted the limitations with two tiers.

The focus group members also saw the Wairarapa as distinct from Wellington. Accordingly they felt the Wellington Council should not include the Wairarapa.

### Public commentary

Wellington's local government arrangements have also been the subject of ongoing media coverage. A wide variety of views from no change, to the establishment of a single Wellington council, have been canvassed in the Dominion Post and other newspapers, and on social networking websites throughout the region.

While it is not possible based on public commentary to draw the conclusion that any one governance model has greater support, a range of people and organisations have expressed support through the media for a Wellington metropolitan unitary council.

### *Shifts in responses between 2012 and 2013*

Support for change has grown since 2012 across the region and in Wellington city. The table below sets out the degree to which people's views have changed:

The proportion of people in the Wellington region who want change has increased since 2012	2012: 41% want change (survey) 2013: 53% want change (questionnaire)
The proportion of people in Wellington city who want change has grown since 2012	2012: 39% want change (survey) 2013: 51% want change (survey)
The proportion of people in Wellington city who don't want change has decreased since 2012	2012: 49% want no change (survey) 2013: 15.3% want no change (survey)
The proportion of people in Wellington city who are neutral about change or don't know has grown	2012: 12% don't know (survey) 2013: 32.8% neutral and don't know (survey)

## Assessing other options

### A single council with two-tiers of decision making

Under this model, proposed by the Greater Wellington Regional Council, there would be one council with two tiers of decision-making – a governing council and local boards. The first tier would be made up of a Mayor elected at large and councillors elected on a ward basis, and the second tier would comprise eight local boards, each with nine members and a chairperson elected by the board members.

In the two-tier model, the governing council represents regional interests and the local boards represent local interests. Local boards would also provide local input into region-wide policies and would be funded through the annual planning process.

The new council would merge all the current territorial councils in the Wellington region, including the Wairarapa councils, and disestablish the Greater Wellington Regional Council.

### Representation and boundaries

<b>The governing council</b>			
	Number of councillors	Population	Population per councillor
Mayor	1 Mayor elected at large		
Lower Hutt Ward	4	93200	23300
Kapiti Coast Ward	2	49900	24950
Porirua Ward	3	68520	22840
Upper Hutt Ward	2	51340	25670
Wairarapa Ward	2	40630	20315
North-Central Wellington Ward	5	118540	23708
South Wellington Ward	3	68000	22667
<b>Totals</b>	<b>22</b>	<b>490130</b>	

### Functions, duties and powers

In this model, the governing body is positioned as focusing on region-wide, strategic decisions and regional scale infrastructure and services, while local boards would represent their local communities and make decisions on a wide range of local issues, activities and facilities.

### WCC's view

We do not believe that the two-tier model will deliver the efficiencies that the Wellington region requires. Rather, it introduces an unnecessary, expensive and additional layer of bureaucracy that will be confusing for residents to understand and engage with, and will slow down decision-making. Under this model, residents will be required to influence two layers of decision-making. Accountability is diminished as councillors may, or may not be, responsible for issues that emerge in communities.

We are aware of the many challenges that Auckland Council has experienced implementing the local board model. Wellington has the opportunity to learn from this experience and, rather than replicate a governance model that was put in place by central government, design a new model that has flexibility to meet the needs of our residents and create the conditions that enable Wellington to flourish.

In the words of one Wellingtonian, local boards are in our view ineffectual 'window dressing' representing incremental change only. Based on WCC's extensive experience of service delivery, we would argue that there are very few purely local issues which would truly fall within the decision-making responsibility of the local boards – we have quantified these as being as little as 3% of the new council's overall operating budget.

There is also the potential for a two-tier single council to become increasingly process-dominated as local aspirations are negotiated between the two layers of decision making. Of the functions allocated to the local boards in the Greater Wellington Regional Council application, many are largely managerial in nature and should remain the responsibility of staff (acting in accordance with council-determined policies and overall service level standards).

The other primary role of local boards would be to advocate to the council on behalf of local communities. While the council will consider the local board's view, it is not required to act on it. Nor do local boards have the ability to rate. They can only propose activities within their areas of jurisdiction and will then be reliant on the council funding.

Many of the arguments for a two-tier model are similar to those for a single tier; however, in our view a single-tier model significantly outperforms the two-tier model in fulfilling the purposes of local government and the principles of good governance.

### Risks of a single council with two-tiers of decision making

The risks associated with a two-tier decision making model can be summarised as follows:

- There is potential for duplication and/or significant variation in the delivery of non-regulatory activity by the local boards
- Transaction costs between the council and local boards in relation to planning and reporting are high

- Confusion arises over accountability and responsibility for activity which may or may not fit within non-regulatory delegation principles
- The council is open to judicial review of decision-making by the local boards
- Service gaps may appear, as has happened in Auckland, where there is a lack of clarity over non-regulatory activity jurisdiction between the local boards and the council
- Residents may perceive that they are distanced from “real decision-makers” which may impact negatively on future local democratic participation and engagement
- There is potential for confusion and inefficiency in the management of operational budgets tagged to assets which also require regional budgetary control and management
- Smaller community identity may be lost within a local board framework.

#### ***Likely limits on local board functions and decision-making powers***

The Auckland Council has experienced problems because of a lack of clarity about what functions would be undertaken by local boards. In light of this, the Working Party attempted to clearly articulate the division of functions between the council and local boards under a two-tier structure.

However, in our view it is likely that local board functions will ultimately be very limited. Under the Local Government Act, a council should retain decision-making responsibilities (rather than delegating them to local boards) if the nature of the activity is such that decision-making on a city-wide basis will better promote community well-being, because: the impact of the decision will extend beyond a single local board area; or effective decision-making will require alignment or integration with other decisions that are the council’s responsibility;

or the benefits of a consistent or co-ordinated approach across the city will outweigh the benefits of reflecting the needs and preferences of the communities within each local board area.

In our view it is highly likely that a new Wellington council, once established, will apply these provisions liberally, leaving the local boards with very few functions, while they will still require significant budget allocation for administration.

We also note that under the two-tier proposal a significant proportion of local board activity is likely to concern the internal processes of reporting and monitoring. While appropriate for the local board structure, this will create heavy administrative burdens without significantly enhancing representation.

Auckland’s experience has highlighted that, while somewhat flawed and cumbersome, local boards are most effective when there is some flexibility in their relationship with the council. In our view, local boards if established must be enabled to make actual decisions rather than to just act as influencers. The proposed local board populations – around 60,000 people – suggest a reasonable degree of autonomy over decision-making. We do however acknowledge some are of the view that a very limited role for local boards is appropriate in order to minimise confusion and complexity.

#### ***Local democracy***

There are risks in having two bodies responsible for different aspects of the same activity. For example, in the Local Government Reform Working Party’s two-tier option it was proposed that swimming pools would be regarded as part of a regional network of service delivery, but local boards would have responsibility for programmes, design and fit out of new facilities, and grants. In our view this arrangement, extended over a wide range of activities, is highly likely to cause confusion for the public and give rise to disputes between the council and the local boards.

### **Community support**

Consultation results show:

- residents see two tiers as a way to protect their local voice
- some residents recognise the issues associated with two tiers of representation and are willing to accept the additional cost and impact on speed of decision-making for enhanced local voice
- others associate local identity with local boards and believe without one they will be subsumed into a larger council and have no voice.

### **Māori representation**

The two-tier proposal includes partnership agreements between iwi and local boards. In our view, this introduces a level of complexity to the relationship between mana whenua iwi and the council, the body with whom iwi will expect to have their primary relationships. We would argue that this further weakens the two-tier model approach.

### **Summary**

The two-tier model fails to meet many of the Commission's criteria and principles of good governance. It is less effective than a single-tier model at delivering effective regional leadership, simplified planning processes, efficient delivery of services, integrated planning and delivery of key infrastructure, an integrated and regional approach to economic development, and a resilient and adaptive region. A two-tier model furthermore has significant limitations, most of which are structural in nature and cannot be mitigated to any significant degree.

The key argument in favour of the second tier is that it is perceived as protecting local voice. We do not agree. In our view, a 'one size fits all' second tier clouds accountability; makes decision-making less transparent; increases the distance between residents and the real

decision-makers; adds an unnecessary layer of bureaucracy; and will in fact provide less effective local representation than the single-tier model, which as explained earlier in this proposal ensures direct access to and accountability of locally elected decision-makers, and provides for flexible and responsive approaches to local influence and decision-making.

### **Multiple unitary authorities**

An alternative restructure model being considered by the Hutt and Upper Hutt City Councils is a separate unitary authority for the Hutt Valley. This implies the disestablishment of the Greater Wellington Regional Council and the establishment of multiple unitary authorities for the region. We do not support this model.

The various parts of metropolitan Wellington are interconnected and inter-reliant in terms of infrastructure, the environment, and economic, social and cultural interests. Major transport and water infrastructure networks are completely integrated across boundaries and the catchment in which both Wellington city and the Hutt Valley are located must be managed in an integrated way to protect the harbour. Any fragmenting of the metropolitan area will not only replicate the disadvantages of the status quo but actually make the situation worse. It will erode regional collaboration and reduce oversight on regional matters as a number of larger unitary authorities with strengthened powers compete for economic success.

If multiple unitary authorities were to be formed, council controlled organisations or some form of joint committees would be needed to manage the regionally-interconnected activities such as public transport and water. This would be inefficient and potentially undermine democratic principles.

In addition, a multiple unitary authority model will fail to deliver most of the principles of good governance referred to earlier. It will not deliver effective regional leadership, simplified planning processes, efficient delivery of services, integrated planning and delivery of key infrastructure, an integrated and regional approach to economic development, or a resilient and adaptive region.

Based on current attempts at regional planning, and due to each council having its own set of priorities and desired outcomes, it will be extremely difficult to agree on a shared vision and strategies. A single spatial plan or economic development strategy under a multiple unitary authority model will be at least as difficult to achieve as under the status quo; in fact, with fewer, better resourced councils, it's likely that competing priorities will be exacerbated.

Nor does a multiple unitary authority approach meet the Local Government Act 2002 performance and productivity, efficiency, and value criteria. While shared services arrangements may be considered, in practice these arrangements have had limited success – as the Commission has already noted in its consideration of the proposed Nelson/Tasman amalgamation. To meet the Act's criteria, a genuinely regional approach is required.

#### ***Assessment of multi-unitary councils against the Commission's criteria***

The following is a summary of our assessment of multiple unitary authorities against the Commission's criteria. The Commission must decide whether the proposed authorities:

Have the resources necessary to enable it to carry out effectively its responsibilities

- There would be some scale constraints, particularly for Kapiti and Porirua
- Having several councils would dilute specialist expertise/talent pool

- Integration of regional and local function across boundaries would require the establishment of new regional bodies, who themselves will require specialist expertise
- Smaller councils would have increased cost pressures through having to undertake regional and local activities; the basis for reallocation of regional rates remains a consideration.

#### ***Have a district or region that is appropriate for the efficient performance of its role***

- Regional planning would be reliant on a shared approach, drawing on agreements of the various unitary authorities
- New statutory bodies, imposing cost and complexity, would be required in some instances for the delivery of regional transport or water services
- Lack of scale is likely to significantly impact service levels for smaller authorities such as a Kapiti unitary authority.

#### ***Enable catchment-based flooding and water management issues to be dealt with effectively***

- Regional planning is reliant on a shared approach, drawing on agreements between the various unitary authorities
- All unitary authority areas would split catchments
- These issues would almost certainly need to be dealt with by new statutory bodies.

#### ***Will facilitate improved economic performance, which includes: productivity improvements, efficiencies and cost savings***

- Regional planning would be reliant on a shared approach, drawing on agreements of the various unitary authorities, which have historically been difficult to achieve

- Planning processes would deliver mixed success and would be highly inefficient
- There is a low to medium potential for savings, even with increased shared services.

***Contain within the district one or more communities of interest***

- Each unitary authority would contain more than one community of interest.

***Are strategic***

- It is highly unlikely that this model would be capable of generating a single vision for the region – instead, each council would bring local interests to the table
- There is little evidence that there would be sufficient scale to achieve improved strategic performance.

***Will ensure engagement and decision making occurs at the right level***

- This model might enable effective engagement and decision making at both regional and local levels, provided there was an effective regional body/committee in existence with delegations to address regional scale issues
- However, access to the regional body/committee is likely to be compromised because it will be one step removed from the local elected councillors
- Neighbourhood level engagement would be free to develop how, and as required, by residents and the method used can change according to the subject and to need.

***Are integrated and coordinated***

- Achieving integration and coordination would depend on shared services and/or joint regional bodies/committees
- Successfully achieving coordination and integration would not be guaranteed and would most likely be sub-optimal

- In particular, integrated and coordinated natural resource planning and public transport provision would be very difficult to achieve under this model
- Unitary authorities are not likely to all be of a scale sufficient to attract and retain the professional capability required.

***Are resilient and adaptive***

- The size of councils may limit their ability to ensure resources and capability are available
- Local neighbourhood resilience can be supported; however, there are limitations at a regional scale
- Coordinating across the authorities on issues such as climate change would be challenging.

***Are representative and responsive***

- The multiple unitary model would enable opportunities for individual citizens to access decision makers and influence decisions
- Where a joint body exists, there may be some difficulty for citizens to access that body, especially if it is in the form of a CCO as these bodies will be at arm's-length from residents
- The councils in each area would have the opportunity to provide all citizens with direct access to decision-makers and the ability to influence decision makers.

***Are transparent and accountable.***

- Local Government Act processes and requirements ensure a high level of transparency and accountability
- The size of the unitary authorities would provide relatively good access for citizens to decision makers.

## Conclusion

We have undertaken an analysis of a range of potential options that have, over time, come down to two potential approaches. The first is a region-wide two tier council and the second is a single-tier metropolitan council.

Our analysis has shown that despite the Government's careful inclusion of provisions in the Local Government Act to allow for predominantly urban areas to entertain the implementation of local boards where population can reach 450,000 or more, there is a question of scale to be considered. At one-third the scale of Auckland, it is our view that this lack of comparable scale presents more problems than opportunity.

Auckland's scale of 1.4 million people warrants an approach separating responsibility for decisions between two tiers of representation. Indeed, we are of the view that Auckland progresses well to greater success as time passes. However, our proposal supports a single tier approach because it is likely to be more successful in reaching our long term objectives.

Our proposal highlights that high quality democratic representation is enhanced through direct access and direct accountability, that regional decision-making will be even more informed by local preferences than any other model because of the small local ward structure and that the simplicity of our approach provides the kind of agility that will enable an even more adaptive and responsive local government for Wellington.

In response to our proposal, some have commented that "Wellington is not ready for the kind of council you are promoting", while others have said the same of New Zealanders in general. It is our view that Wellingtonians expect

and deserve to be offered the best choice possible about the kind of future they want for local government in the region.

It is our view that the proposal set out in this alternative application represents the best possible option for consideration in contrast with the status quo. It brings fresh thinking to the table, draws heavily upon the special democratic culture that exists in Wellington and looks not just at a structure that can endure for the next ten years, but the next century.

But local government reform is not only about structure. This proposal considers the best model to deliver on issues most important to people in the region: transport, economic development, strategic planning and water services and the many other facets of local government service delivery.

Wellington has a once in a generation opportunity to consider a model of local government that is adaptable, responsive and absolutely based upon New Zealand's high quality democratic traditions. This approach does not simply aim to "get over the line with residents", it is our view that this proposal sets out a very real and tangible opportunity to learn from those who have embarked on these processes before us and to look ahead to meeting the challenges that will come in our future.

While simple, we believe our proposal to be enduring, to be about the highest quality democratic relationship between residents and those they elect to represent their views at the decision making table.

We commend this proposal for consideration by the Local Government Commission.

# **Direct Access, Direct Accountability**

## Alternative Reorganisation Application

### **Appendix 1:**

## **Statutory Compliance Checklist**

The Statutory Compliance Checklist matches the legislative requirements for an alternative reorganisation application with the relevant sections of this Application.

## Legislative checklist (Schedule 3 of the Local Government Act 2002)

Please find below a simple legislative checklist that matches legislative requirements to the relevant sections of the alternative application.

<b>Legislative requirement</b>	<b>Alternative application</b>	<b>Synopsis</b>
<p>5 (1) A reorganisation application must include the following:</p>	<p>Inside cover of the alternative application.</p>	<p>Wellington City Council 101 Wakefield Street PO Box 2199 Wellington 6140</p>
<p>(a) the name and address of the person making the application</p>	<p>Inside cover of the alternative application</p>	<p>Kevin Lavery Chief Executive Wellington City Council 101 Wakefield Street PO Box 2199 Wellington 6140</p>
<p>(b) if more than 1 person is making the application, the name and address of the person who is the representative of the applicants</p>		
<p>(c) a description of the proposed changes, including (but not limited to)—</p> <p>(i) which of the matters listed in section 24(1) is being sought</p> <p>(ii) a plan or other description sufficient to identify the affected area or affected areas concerned</p>	<p><b>Page 4</b> Executive Summary Proposal Summary</p> <p><b>Page 10 – 17</b> The Proposed Structure Direct access, direct accountability</p> <p><b>Page 11</b> Representation Map</p>	<p>The changes proposed in relation to s24(1):</p> <ul style="list-style-type: none"> <li>the union of Wellington City Council; Porirua City Council; Kapiti Coast District Council; Hutt City Council; Upper Hutt City Council; and Greater Wellington Regional Council</li> <li>the constitution of a new Wellington region and unitary authority – the Wellington Council</li> </ul>

			<ul style="list-style-type: none"> <li>the abolition of Wellington City Council; Porirua City Council; Kapiti Coast District Council; Hutt City Council; Upper Hutt City Council; and Greater Wellington Regional Council</li> <li>the alteration of the current Wellington region boundary with the establishment of a unitary authority west of the Rimutakas</li> <li>The assumption by the new Wellington Council of the powers of the Greater Wellington Regional Council.</li> </ul>
	<p><i>(d) a full and detailed explanation of what the proposed changes are seeking to achieve and how the changes would be achieved by the approach proposed in the application</i></p>	<p><b>Page 3</b> Introduction Responding to two applications, one from the Wairarapa and a second from the Greater Wellington Regional Council.</p> <p><b>Page 4</b> Executive Summary Drivers of change</p> <p><b>Page 6</b> Arguments for a single-tier model</p> <p><b>Page 10 – 17</b> The Proposed Structure Direct access, direct accountability</p> <p><b>Page 18 – 25</b> Assessing the single-tier model The Commission’s criteria Principles of good governance</p>	<p>A council which provides stronger regional leadership, and is:</p> <ul style="list-style-type: none"> <li>strategic</li> <li>resilient and adaptive</li> <li>democratic with the ability to ensure that engagement and decision-making occurs at the right level</li> <li>integrated and co-ordinated</li> <li>representative and responsive</li> <li>transparent and accountable</li> <li>financially sustainable</li> <li>effective and efficient</li> </ul>

	<p><i>(e) a description of the potential improvements that would result from the proposed changes and how they would promote good local government as described in clause 12</i></p>	<p><b>Page 6</b> Arguments for a single-tier model</p> <p><b>Page 10 – 17</b> The Proposed Structure Direct access, direct accountability</p> <p><b>Page 18 – 25</b> Assessing the single-tier model The Commission’s criteria Principles of good governance</p>	<p>Improvements associated with a single tier region-wide council include:</p> <ul style="list-style-type: none"> <li>• stronger and more effective regional leadership</li> <li>• a more effective and integrated approach to economic development</li> <li>• improved local democracy</li> <li>• enhanced capability to carry out its responsibilities and meet the demand for world-class infrastructure</li> <li>• reduced duplication with greater efficiency and effectiveness</li> <li>• greater resilience</li> <li>• simpler, faster, clearer planning</li> <li>• engagement and decision making at the right level</li> </ul>
<p>5 (2) A reorganisation application may include —</p>	<p><i>(a) any information requested or recommended in any guidelines issued by the Commission;</i></p> <p><i>(b) any other information that the applicant considers relevant to the Commission’s consideration of the application</i></p>	<p><b>Appendix 1</b> Statutory Compliance Checklist</p> <p><b>Appendix 2</b> Colmar Brunton Survey Report</p> <p><b>Appendix 3</b> Litmus Focus Groups Report</p>	<p>The Statutory Compliance Checklist matches the legislative requirements for an alternative reorganisation application with the relevant sections of this Application.</p> <p>The Colmar Brunton Survey Report outlines the results of an independent survey undertaken of Wellington City Council residents seeking to identify their preferences.</p> <p>The Litmus Focus Groups Report demonstrates the results of independently conducted focus groups.</p>

		<p><b>Appendix 4</b> Collaborative Consultation Report</p> <p><b>Appendix 5</b> June WCC Strategy and Policy Committee Paper</p> <p><b>Appendix 6</b> Presentation to Councillors</p> <p><b>Appendix 7</b> WCC Strategy and Policy Committee Paper</p> <p><b>Appendix 8</b> Financial Considerations</p>	<p>The Collaborative Consultation Report is WCC's consideration of results arising from consultation of the Wellington Local Government Reform Working Party.</p> <p>The June WCC Strategy and Policy Committee Paper is WCC's consideration of results from collaborative consultation and the rationale for dropping a range of other models of local government structure from further consideration.</p> <p>The Presentation to Councillors advises the results of a range of consultations.</p> <p>The WCC Strategy and Policy Committee Paper provides an analysis of the remaining models.</p> <p>Financial Considerations have been provided with independent support showing the implications of a single-tier approach and other models.</p>
<p>10 (1)</p>	<p><i>An alternative application must comply with clause 5 as if it were a reorganisation application except in relation to 5(1)(f) – the requirement to demonstrate community support in the district of each affected territorial authority.</i></p>	<p><b>Page 26 – 29</b> Community Support 2012 Consultation Results 2013 Consultation Results</p> <p><b>Appendix 2</b> Colmar Brunton Survey Report</p> <p><b>Appendix 3</b> Litmus Focus Groups Report</p> <p><b>Appendix 4</b> Collaborative Consultation Report</p>	<p>The Application outlines demonstrable community support; in addition, a range of consultation activities are outlined.</p>

# Direct Access, Direct Accountability

## Alternative Reorganisation Application

### Appendix 2:

## Colmar Brunton Survey Report

The Colmar Brunton Survey Report outlines the results of a survey undertaken of Wellington City residents seeking to identify their preferences in relation to possible local government reorganisation in the Wellington region.

The survey, of 503 Wellington City residents, was independently commissioned by Wellington City Council and has a confidence rating of 95%. It identifies that 52% of Wellington city residents either strongly agreed or agreed that the current structure of local government in Wellington should change. In addition only 15% disagree that the structure needs to change and 30% are neutral.

The survey also considered the characteristics of good governance. The results show the comparative strength of the single tier and two tier models. The single tier is shown to deliver more effectively on six of the seven characteristics. The two tier model was strongest on only one characteristics – local voice considered the least important by residents. Changes have nevertheless been made to the single tier model to further enhance its achievement of this characteristic.

The survey was conducted from 22 – 26 April 2013.

**Absolutely**  
**POSITIVELY**  
ME HEKE KI PŌNEKE  
WELLINGTON CITY COUNCIL  
**Wellington**



# WELLINGTON CITY COUNCIL LOCAL GOVERNMENT REFORM 2013

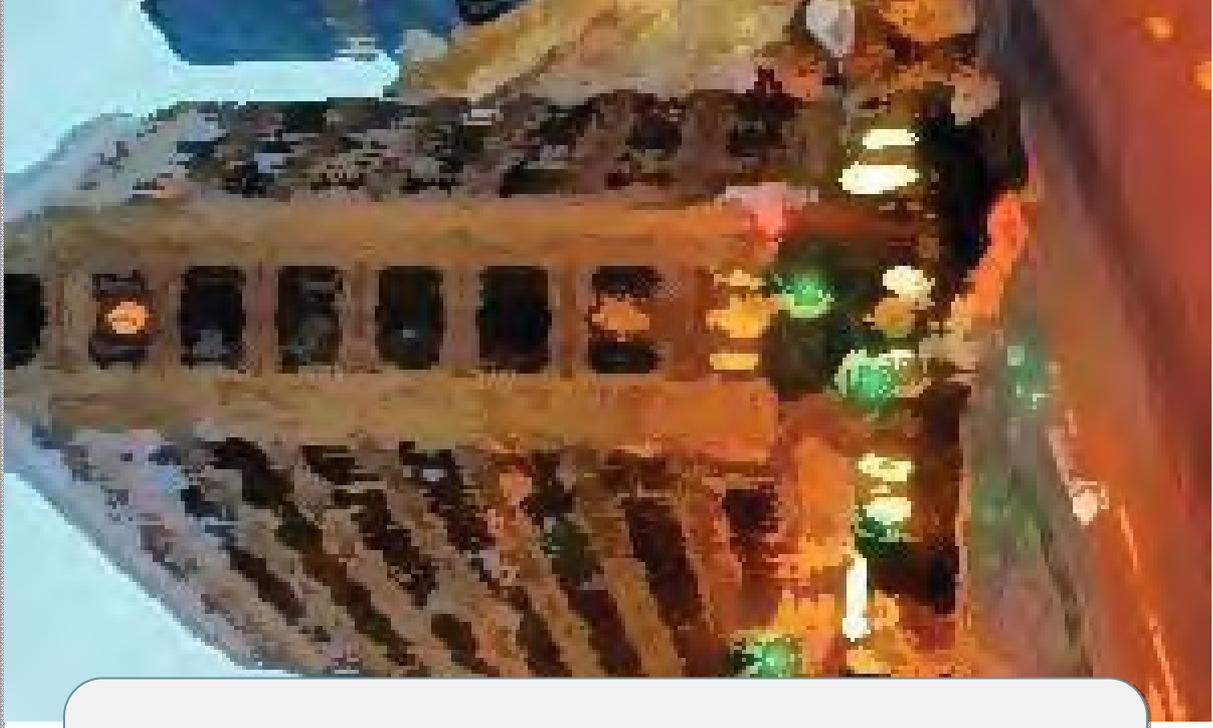
A Colmar Brunton Report

May 2013

Wellington City Council and other councils have been seeking public feedback on a plan for local government reform in the region. As part of this process a leaflet called “Wellington—Your Choice” was distributed. The leaflet describes various models of regional governance—in particular a single-tier model, a two-tier model and the status quo. The public were invited to make submissions on these models.

Submission processes, like those used by the Council, play a crucial role in making decisions about change in the region. However, the people that make submissions are sometimes very passionate about the issues at stake and their views may not represent the wider populace. As such, Wellington City Council commissioned Colmar Brunton to carry out an online survey of Wellington City residents to explore their views on the governance structures covered in the submission documents. We asked a representative sample of 503 residents to complete the online survey which covered the same questions included in the governance submission form.

This report contains the results for the survey and includes analyses aimed at exploring Wellingtonians views of local governance and measuring their preference for local government models in the region. Conclusions and key statistics are provided in the summary on the following pages.



# Conclusions and key results

## Over half of residents agree that the structure of local government should change.

- Fifty-two percent of residents said they either strongly agreed or agreed that the current structure of local government in Wellington should change. These residents hold this view because they think there are currently too many councils and an amalgamated Council could offer financial efficiencies. Only 15% disagree that the structure needs to change and 30% are neutral.

## Wellington residents prefer the Single-tier model of local government.

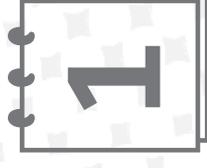
- Forty-three percent of residents prefer the Single-tier model, 37% prefer the Two-tier model and 18% prefer the Status quo.
  - Those residents who prefer the Single-tier model tend to hold their preference more strongly (25%) than residents who prefer the Two-tier model (5%).
  - If change were inevitable (in other words, if residents had to choose an option apart from the status quo), 50% of residents would prefer the Single-tier model, 46% would prefer the Two-tier model and 4% would prefer another model entirely.
- There is a link between pre-existing awareness of the local government models and preference. Those who have some awareness of the models tend to prefer the Single-tier model (47%) over the Two-tier model (35%). Whereas, residents who are unaware of the models prefer the Two-tier model (42%) over the Single-tier model (34%).
- Residents mainly associate important features of local government with the Single-tier model (rather than with the Two-tier model), except for offering a local voice which is strongly associated with the Two-tier model.
- Belief in the importance of economic development and key infrastructure drives desire for change, whereas belief that 'local voice' is important is strongly associated with a desire for the status quo.
- Almost one half (49%) of Wellington residents say they think the Wairarapa should be excluded from a reformed local government structure (only 29% say they think it *should* be included and 22% are unsure).

# Survey methodology

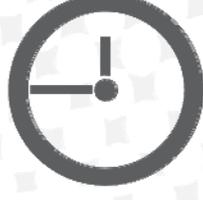
- Five hundred and three Wellington City residents completed the survey online between 22 and 26 April 2013.
- All respondents are members of Colmar Brunton's online panel. The sample was drawn in proportion to Statistics New Zealand age by gender counts for Wellington City residents.
- The questions in the survey were a replication of the Council's submission document and adapted for use as an online survey by Colmar Brunton.
- The average duration for respondents to complete the survey was 11 minutes and 22 seconds.
- The sample includes both ratepayers (68%) and non-ratepayers (30%); a further 2% were unsure if someone in their residence paid rates).
- All subgroup differences mentioned in this report are statistically significant at the 95% confidence level.



503  
online  
interviews



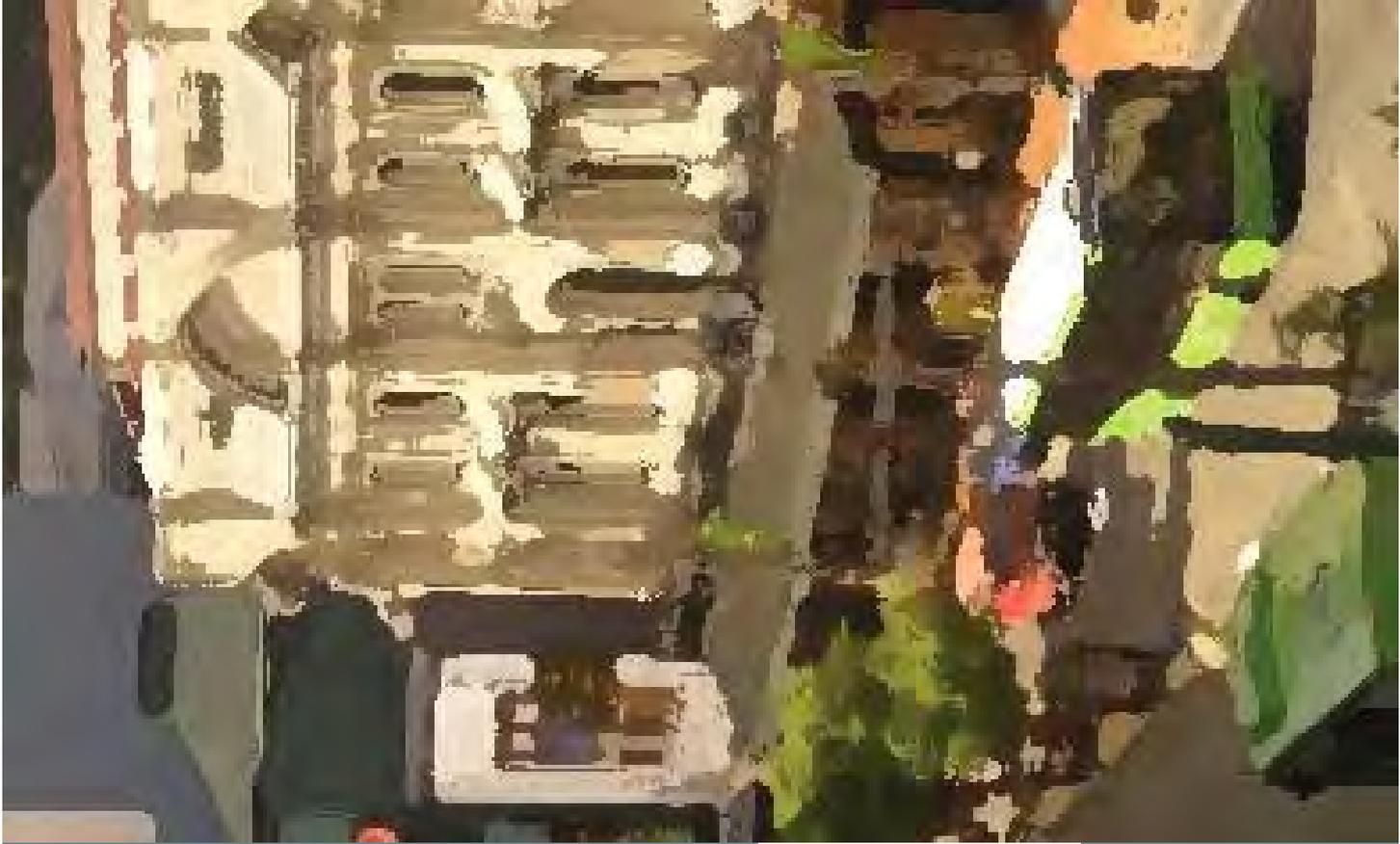
22-26  
April 2013



Average  
duration:  
11min, 22  
sec



68%  
ratepayers,  
30% non-  
ratepayers



# RESIDENTS' PREFERENCES FOR CHANGE

**Absolutely**  
**POSITIVELY**  
ME HEKE KI PŌHEKE  
WELLINGTON CITY COUNCIL

**Wellington**

# Over half (52%) of residents agree that the current local governance structure needs to change

## How much do you agree or disagree that the current local governance structure needs change?



More than half of residents (52%) agree that the structure of local governance needs change. The main reasons for change are:

- Residents believe that there are currently too many councils (33%)
- The cost or financial efficiencies gained from amalgamation (30%)
- Residents believe that there is a need for regional leadership (17%)

Fewer than 1 in 5 residents (15%) disagree that the structure of local governance should change. The main reasons not to change are:

- Residents fear that a loss of 'local voice' or local perspective (30%)
- Residents believe that current structure is working fine (29%)
- Residents fear that a 'one size fits all' approach will not work for everyone in the region (12%)

Source: B3. The region is currently structured so that there are 8 local councils and 1 regional council. How much do you agree or disagree that this structure needs to change? B4. For what reasons did you select... ?

## What do residents say?: Quotes from those who favour change to local governance

“ To make decision making in the region more streamlined and have less bureaucracy holding up progress of economic development. ”

“ Too much duplication of services and numbers of people representing small numbers of people, too much bureaucracy to over come to get Planning Decisions for example. ”

“ Strong leadership and well informed are needed so the region can move ahead. ”

“ Too many cooks spoil the broth. A simpler structure will hopefully make decision making simpler ”

## What do residents say?: Quotes from those who oppose change to local governance

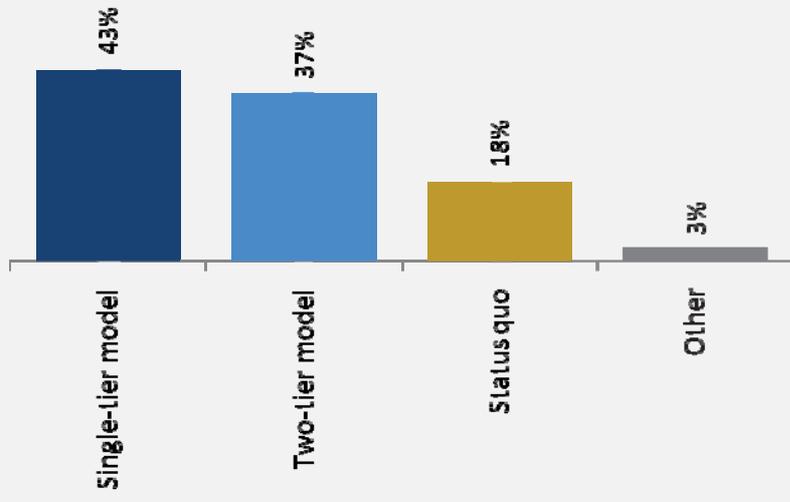
“ Wellington's current city councils are all quite different from each other, socially and geographically. ... there would be little or no benefit from them merging. ”

“ The Wellington region is working well now. A larger Council won't achieve efficiency gains... A larger council will be less democratic and responsive to local conditions. ”

“ The city would lose its suburb identities and 'voice', and current cities would lose the same. There would also be too much emphasis on big projects (that would be over-budgeted and under-delivered), as well as smaller projects losing out (i.e. local parks and services). ”

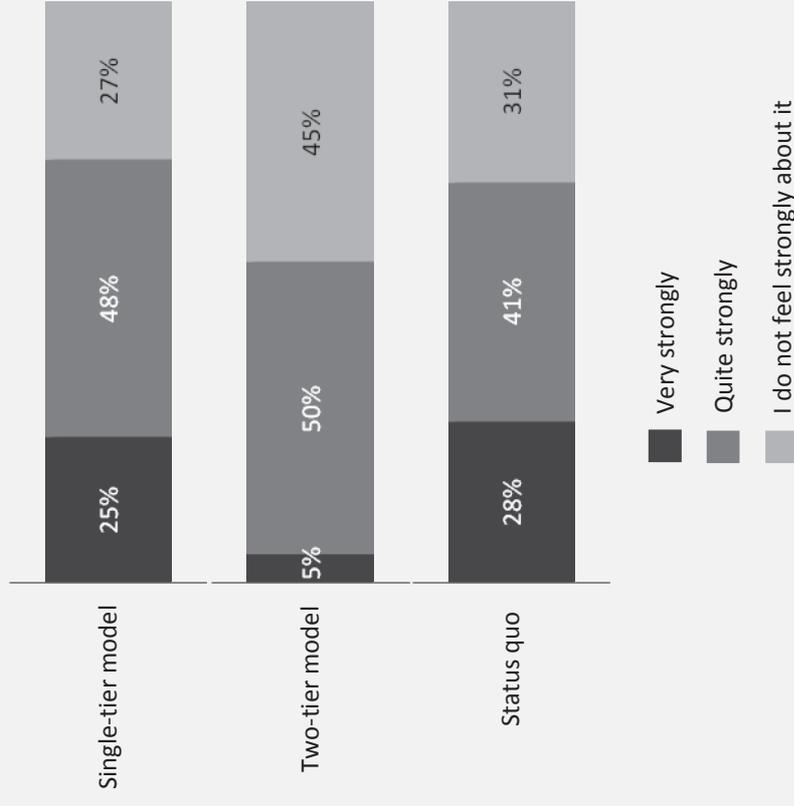
Eight in ten residents would prefer one of the two newly proposed models—33% would prefer the Single-tier and 37% would prefer the Two-tier model

### Which model do you prefer for local government in the Wellington region?

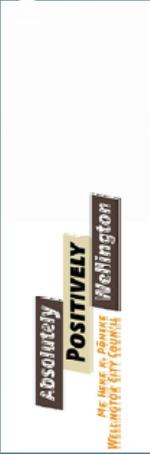


Source: B5. Which do you prefer for local government in the Wellington region?  
Base: All residents (n=503)

### How strongly do you feel about your preference?



Source: B5b. How strongly do you feel about your preference?  
Base: Residents who prefer the Single-tier model (n=216), the Two-tier model (n=187), and the Status quo (n=90)



0% of residents who want change would prefer the Single-tier model. 36% of residents, who initially did not support change, would prefer one of the models once the models have been described to them in the survey.

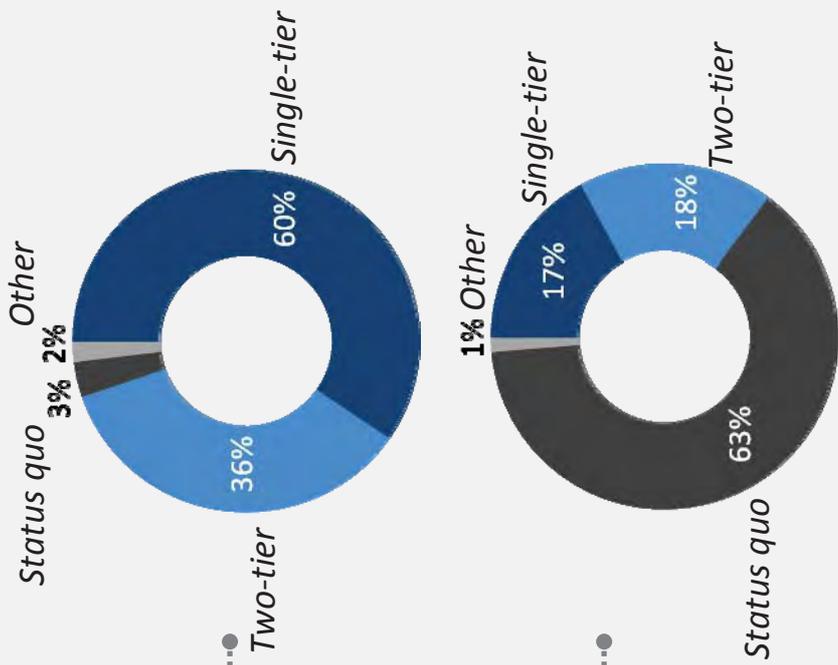
### How much do you agree or disagree that the current local governance structure needs change?



Source: B3. The region is currently structured so that there are 8 local councils and 1 regional council. For what reasons did you select... ?

Base: All residents (n=503)

### Which model do you prefer for local government in the Wellington region?



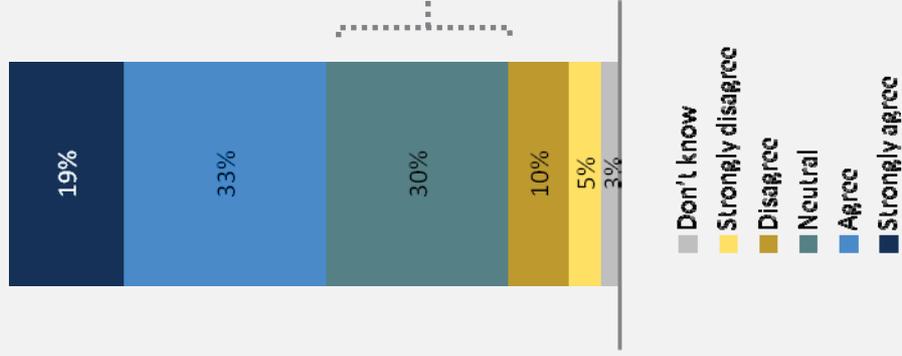
Source: B5. Which do you prefer for local government in the Wellington region?

Base: Residents who Agree that local governance should change (n=26); and those who disagree (n=76)

How much do you agree or disagree that this structure needs to change? B4. For what reasons did you select... ?

Whereas those who are neutral about the need for change tend to support a Two-tier model when asked to review the models (48%).

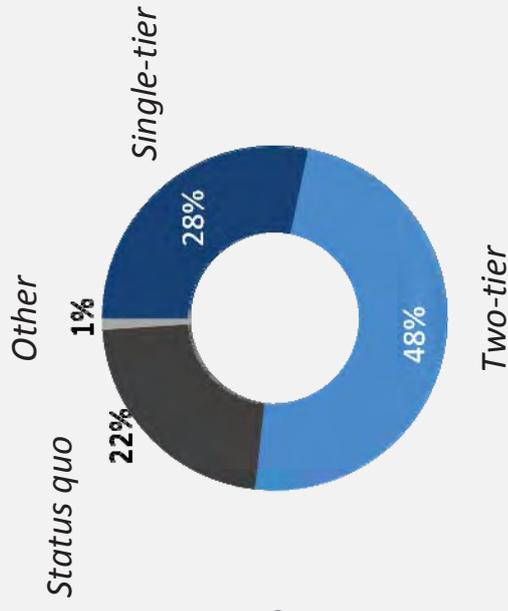
**How much do you agree or disagree that the current local governance structure needs change?**



Source: B3. The region is currently structured so that there are 8 local councils and 1 regional council. How much do you agree or disagree that this structure needs to change? B4. For what reasons did you select... ?

Base: All residents (n=503)

**Which model do you prefer for local government in the Wellington region?**



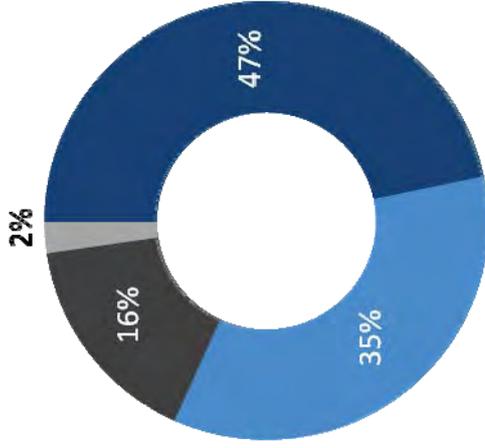
Source: B5. Which do you prefer for local government in the Wellington region?  
Base: Residents who are neutral on the need for change

Source: B3. The region is currently structured so that there are 8 local councils and 1 regional council. How much do you agree or disagree that this structure needs to change? B4. For what reasons did you select... ?

Residents who are already aware of the proposed local government models tend to prefer the Single-tier model, but those who are not aware tend to prefer the Two-tier model

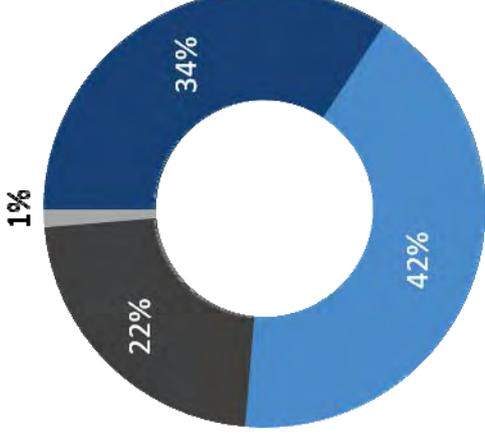
*Pre-existing awareness of local government models is associated with a preference for a Single-tier model*

*Aware of at least one of the models*



Base: All aware of at least one of the two models (n=348)

*Not aware of either model*



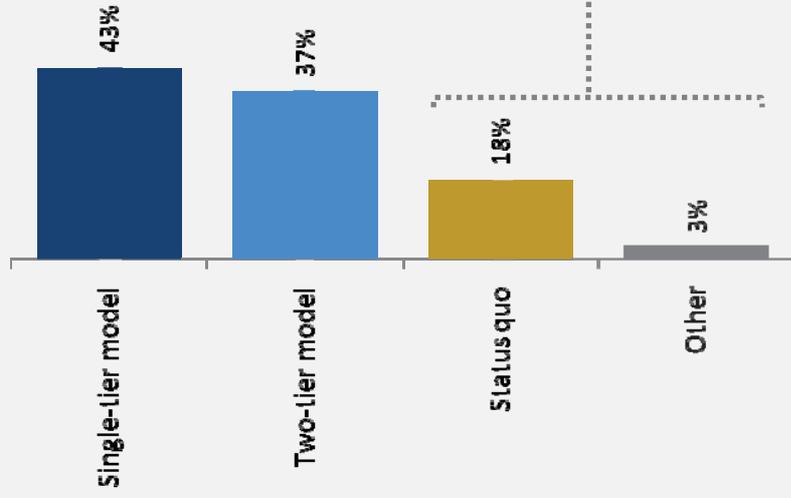
Base: not aware of the models prior to doing the survey (n=152)

- Prefer the Single-tier model
- Prefer the Two-tier model
- Prefer the Status quo
- Prefer another model

**Note: awareness of only one model (which is rare at 3%) is not associated with preference towards it.**

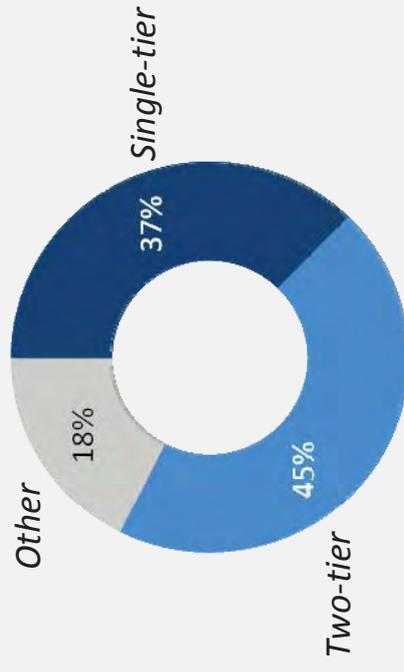
If change were inevitable, those who prefer the Status quo or another model are more likely to prefer the Two-tier model

*Which model do you prefer for local government in the Wellington region?*



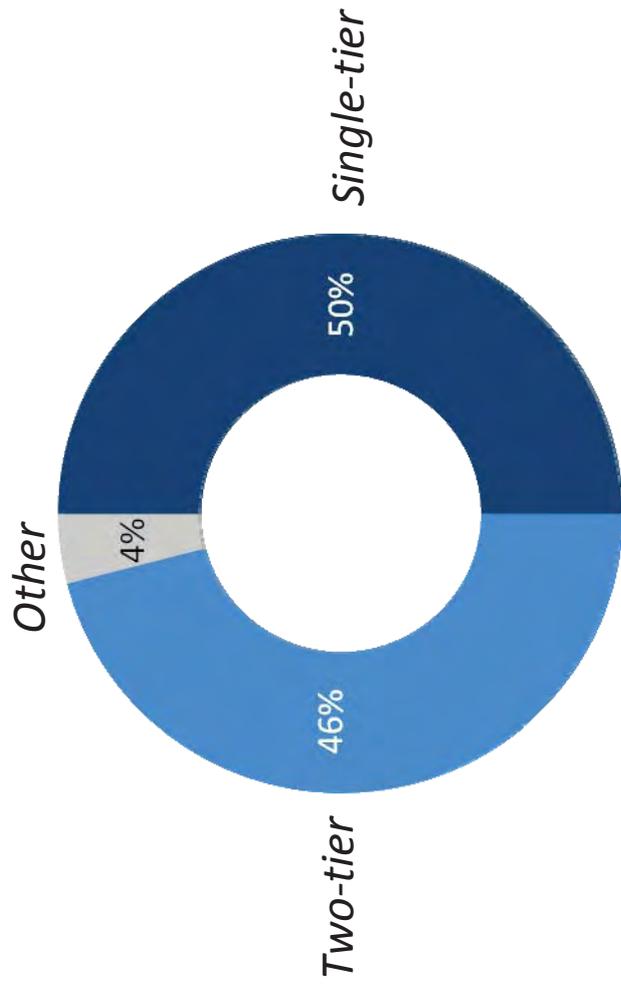
Source: B5. Which do you prefer for local government in the Wellington region?  
 Base: All residents (n=503)

*Which local government model would they prefer if they had to choose?*



Source: B9. Please imagine a scenario where local government had to re-organise and could not remain the same. This scenario may not occur, but if it did, we would be interested to see which option you prefer. If change had to occur you would prefer...  
 Base: Residents who prefer the status quo or another model (n=102)

Taken as a whole, if change were inevitable, half of residents would prefer the Single-tier model, 46% would prefer the Two-tier model and 4% would prefer another model





# RESIDENTS' VIEWS OF THE REFORM FEATURES

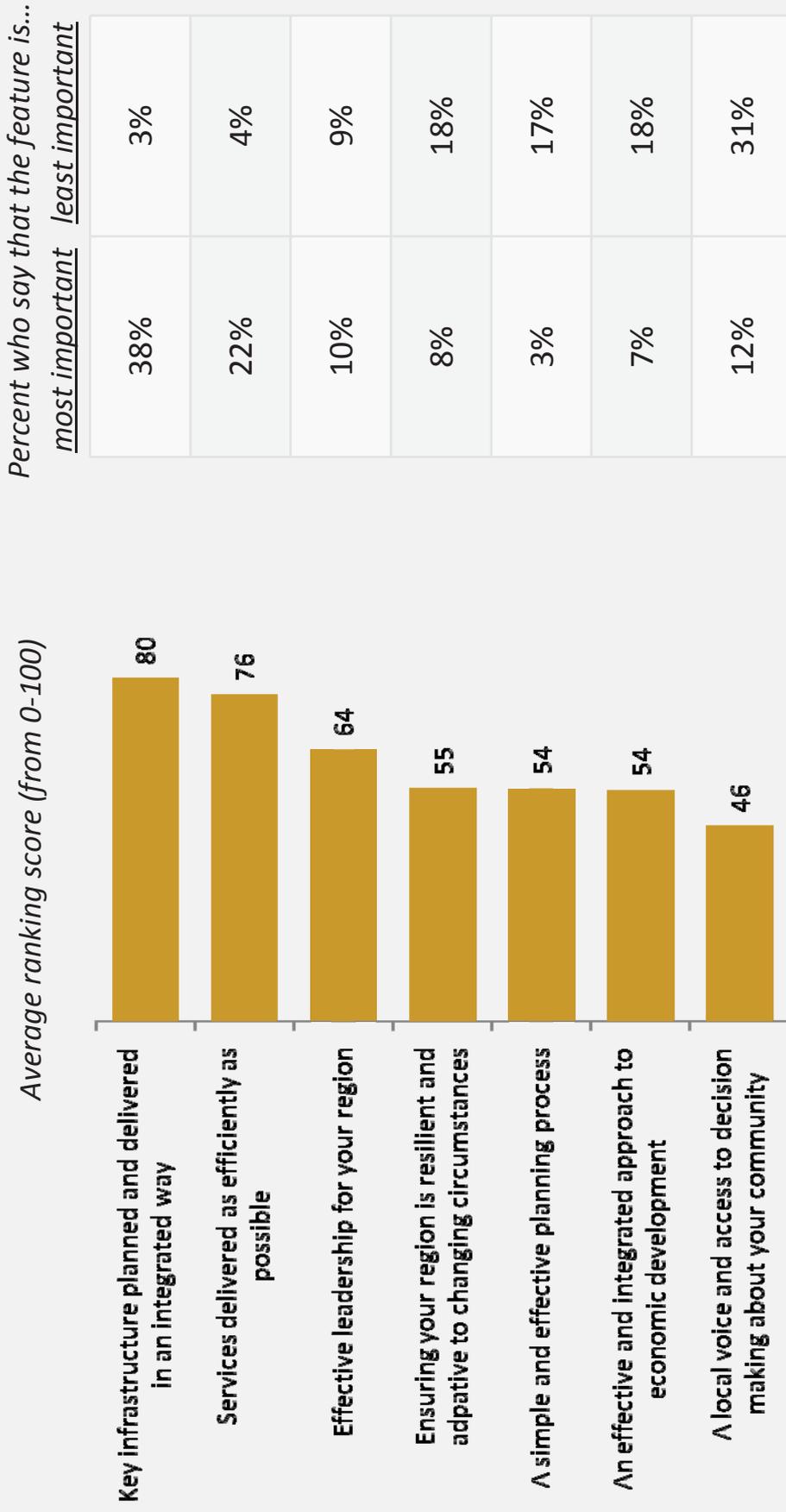
**Absolutely**  
**POSITIVELY**  
ME HEKE KI PŌHEKE  
WELLINGTON CITY COUNCIL

**Wellington**

Residents rank 'Key infrastructure planned and delivered in an integrated way' and 'Services delivered as efficiently as possible' as the most important reform features



### Importance rankings of local government reform features

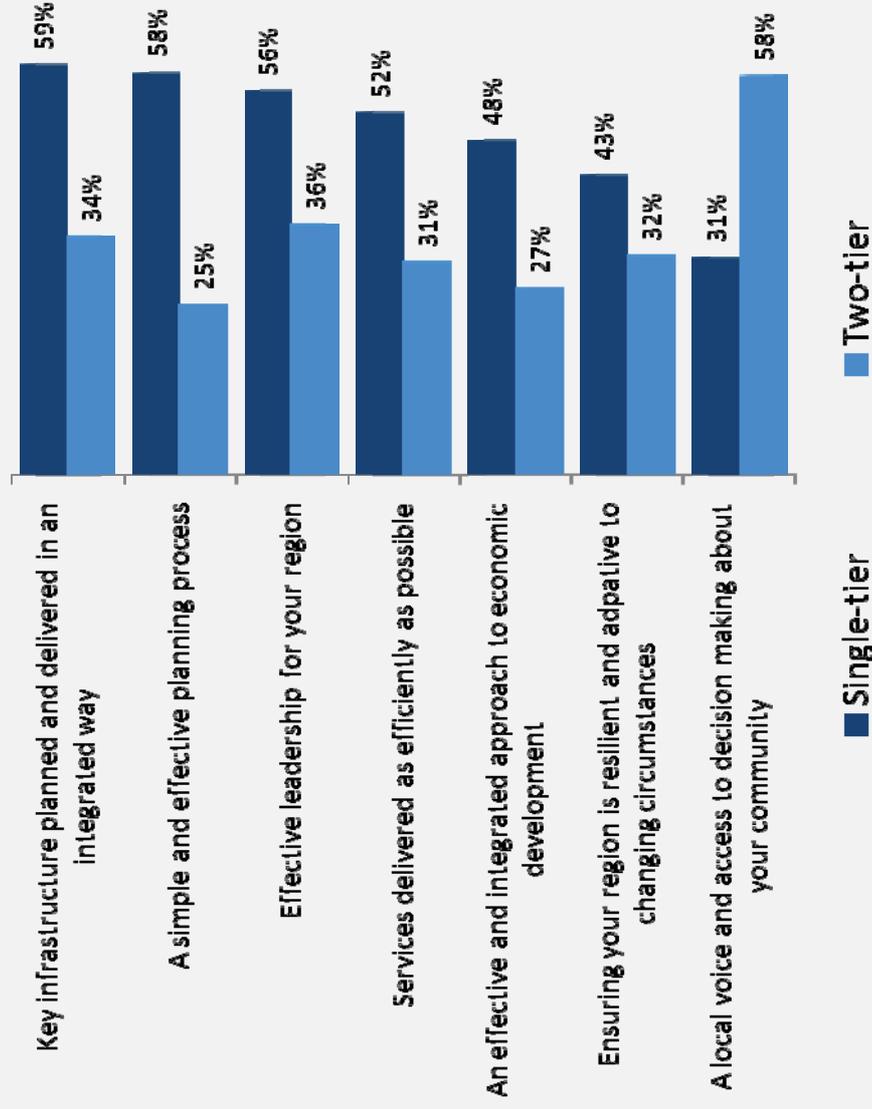


Source: A3 Please imagine that [insert most important] represents 100 because it is the most important, and [insert least important] represents 0 because it is the least important. Now please think about each remaining item below and assign each one a value from 1 to 99 depending on how important it is.  
 Base: All residents (n=503)



Residents say that the Single-tier model is more likely to deliver all reform features than the Two-tier model, except providing a local voice

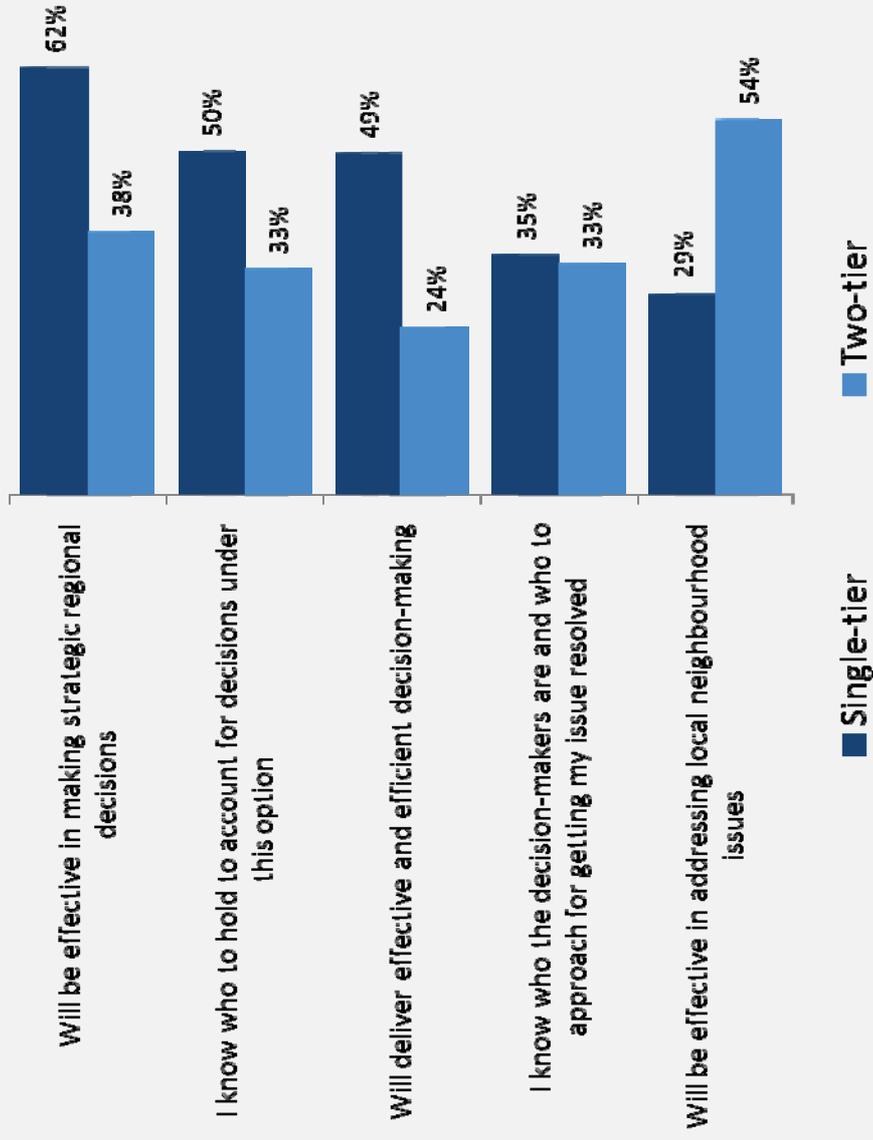
*How much do you agree that each model will deliver...?  
(percent who strongly agree or agree)*



Source: Bloop. Please tell us how much you agree or disagree that each model will deliver ...  
Base: All residents (n=503)

More residents agree that the Single-tier model will be effective for regional decision-making, knowing who to hold to account and delivering effective decision-making compared to the Two-tier model

*How much do you agree that each model will deliver...?  
 (percent who strongly agree or agree)*



Source: C1loop. And how much do you agree or disagree with each of the following statements for each of the options?  
 Base: All residents (n=503)

# AWARENESS OF THE REFORM MODELS



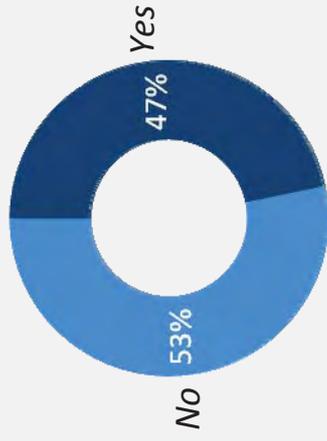
**Absolutely**  
**POSITIVELY**  
ME HEKE KI PŌNEKE  
WELLINGTON CITY COUNCIL

**Wellington**

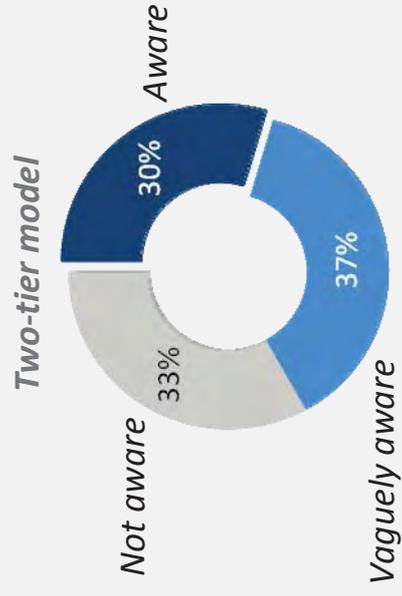
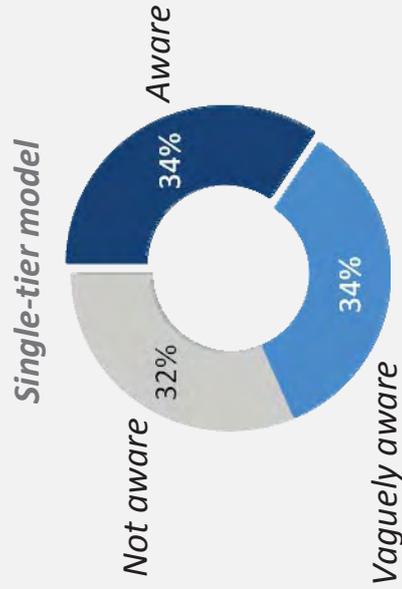
Just under half of residents have seen the leaflet that explains the different models. Slightly more residents are aware of the single-tier model than the two-tier model.



*Recall seeing the leaflet outlining options for local governance*



*Residents' awareness of the single- and two-tier models*



Source: B1. Do you recall seeing a leaflet entitled 'Wellington: Your Choice – options for local governance'. An image of the leaflet is included below. B2. Before doing this survey today, how aware were you of these two options?  
 Base: All residents (n=503)



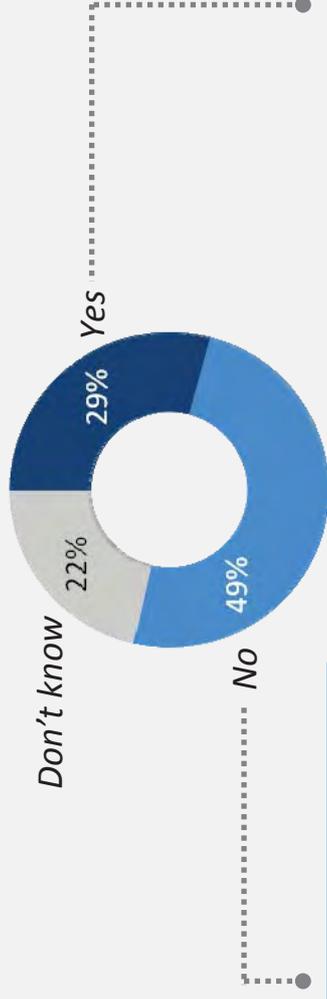
# INCLUSION OF THE WAIRARAPA

**Absolutely**  
**POSITIVELY**  
ME HEKE KI PŌHEKE  
WELLINGTON CITY COUNCIL

**Wellington**

slightly less than half of residents do not think that the Wairarapa should be included in a reformed regional council

### Should the Wairarapa be included in a regional council?



#### The main reasons why residents say Wairarapa should not be included:

- Wairarapa is not sufficiently close geographically to include (37%)
- Wellington and Wairarapa have different issues and priorities (27%)
- Wairarapa is a rural area and Wellington is an urban area (13%)
- Wairarapa is a region or province in its own right (10%)

#### The main reasons why residents say Wairarapa should be included:

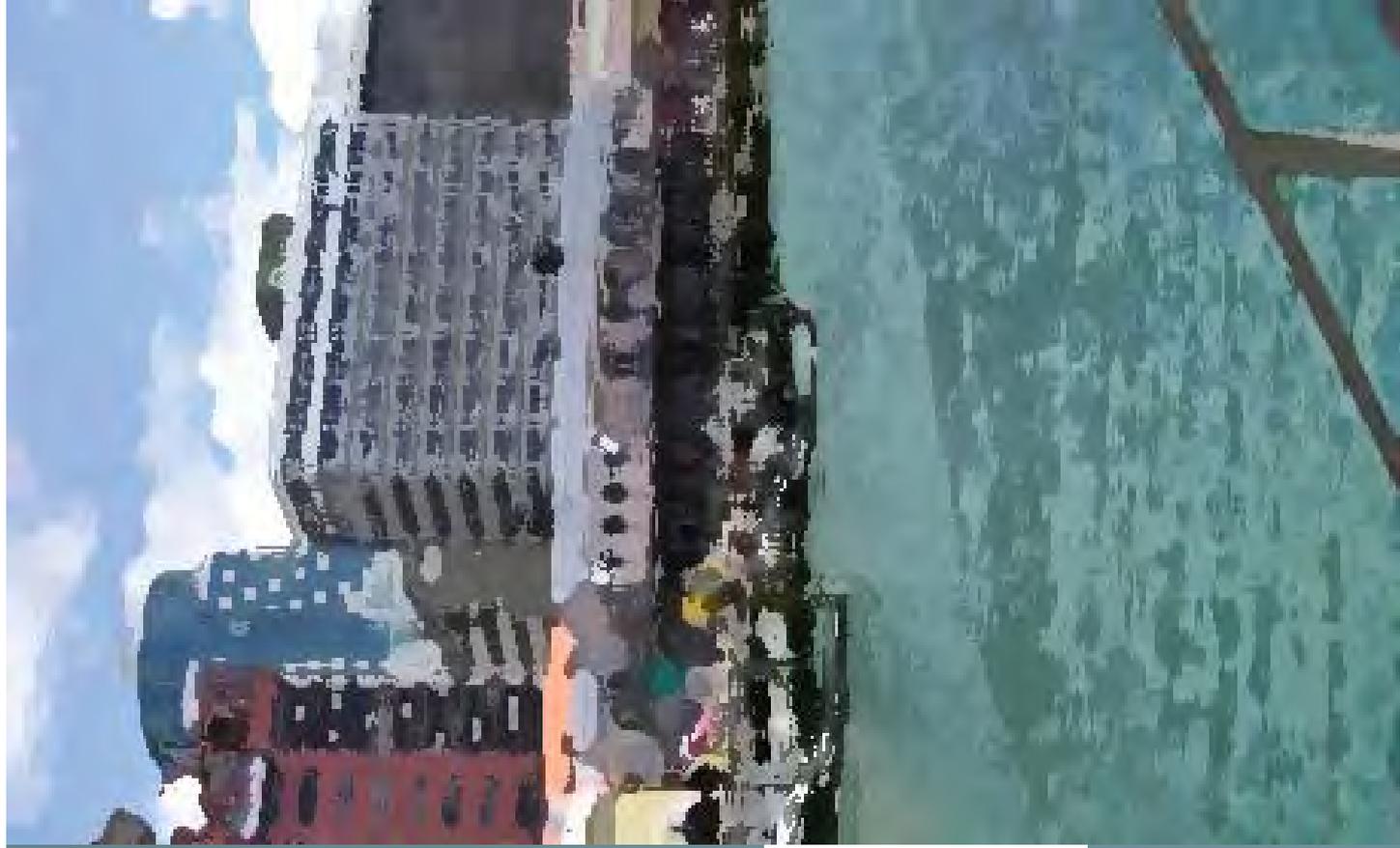
- Wellington and Wairarapa are part of the same region, therefore should share a Council (25%)
- Wellington and Wairarapa share similar issues and priorities (18%)
- Wairarapa is geographically close to Wellington and should be included (14%)
- By including the Wairarapa, it would increase economic benefits across the region (7%)

Source: B7. Regardless of whether or not you prefer change, if change did happen, do you believe the Wairarapa should be included or not included in a regional council for the region?

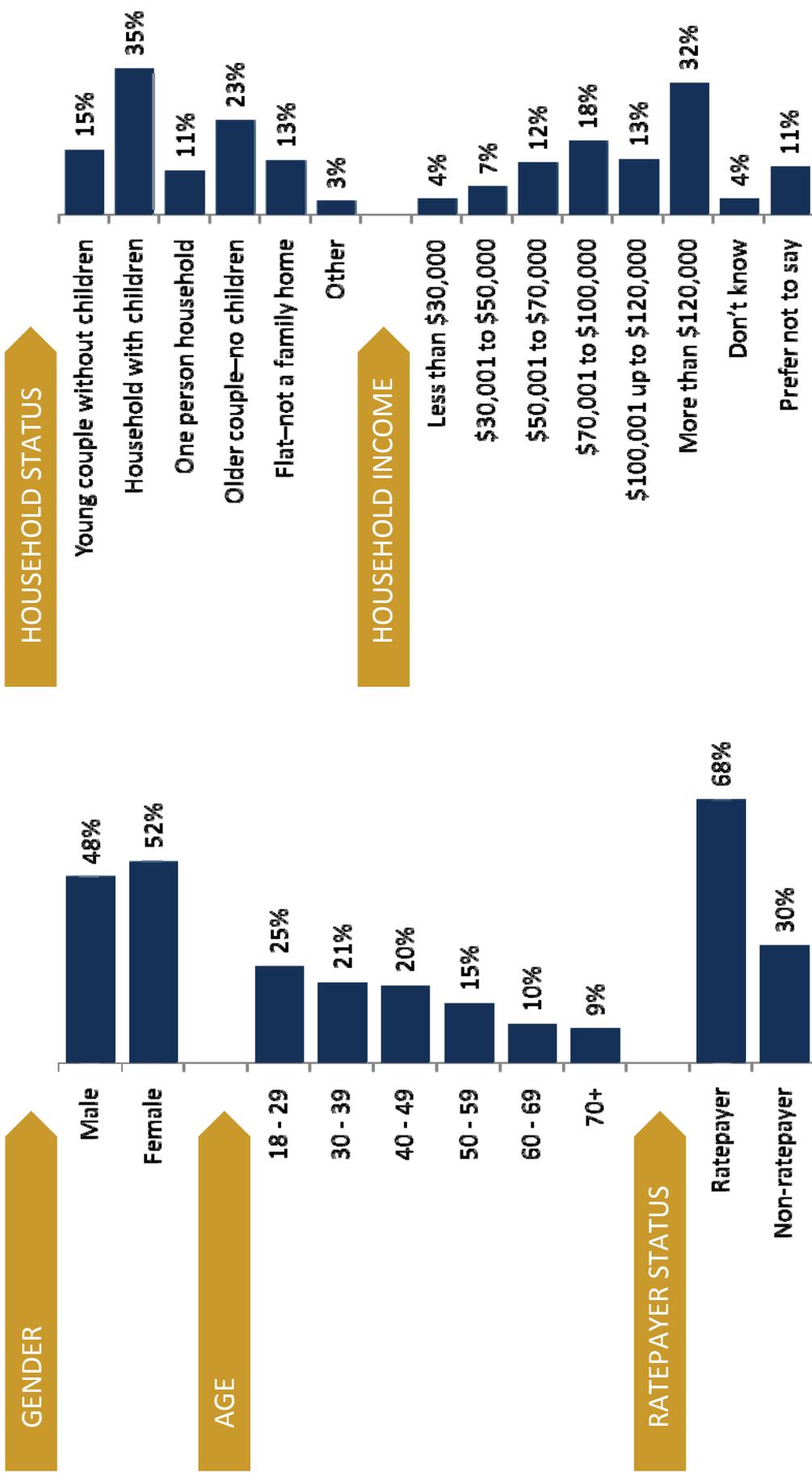
Base: All residents (n=503)

# RESPONDENT PROFILES

## APPENDIX



# Respondent profile



Source: QS4, QS3, and Q17  
 Base: All residents (n=1000)

# Direct Access, Direct Accountability

## Alternative Reorganisation Application

### Appendix 3: Litmus Focus Groups Report

Wellington City Council commissioned Litmus to undertake five focus groups from 16 – 18 April 2013 to help provide a greater understanding about preferences Wellington city residents have when thinking about possible local government reorganisation in the Wellington region.

The results of the focus groups are that most residents support the proposed option of one council for the Wellington Region. The key strengths of the one council model is that it

offers greater accountability, would enable local government to be more responsive to residents, and could lead to cost savings over time.

At a rational level, most residents preferred the single-tier council, as it is considered more efficient and responsive. At an emotional level, residents prefer the two-tier council, with local boards that are considered more likely to represent local views.

# Regional Governance Project

Wellington Resident Focus Groups



Prepared for Wellington City Council

7 May 2013

LITMUS

## Regional Governance Project

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- Four councils have been working together to develop options for how local government could be structured. Depending on the level of support, one of those models may form the basis of an application to the Local Government Commission to reform local government in the region and be tested against the status quo.
- Two options have been proposed and are being consulted on (public submissions close 3 May 2013). Both are for a single council with one chief executive and staff, one mayor elected at large and councillors elected by ward.
  - Option 1: Single-tier council
  - Option 2: Two-tier council

## Focus group research

---

- Wellington City Council (WCC) commissioned focus group research with Wellington residents on the proposed options to compliment the public submission process.
- The overall intent of the research was to gauge the views of the ‘silent majority’ who do not traditionally participate in central and local government public consultation processes.
- Five focus groups (each with around 6 residents) were held in Wellington from 16-18 April 2013. They were 1.5 hours in length and conducted by independent facilitators. Participants received a gift of \$70.

## Focus group research

- The first part of the group discussion focussed on how local council could be structured and governed to meet residents' current and future needs (this information was surfaced via collage – see pages 7-11).
- The second part of the discussion focussed on residents' views on the proposed option for change and whether they preferred a single-tier or two-tier council. Residents were given time to read the consultation pamphlet at the focus groups.



# Focus groups were purposefully selected across life stage and WCC wards

Number	Focus group
1	Older people (65 + years)
2	Young people (18-25 years)
3	People with young children (youngest child under 5 years)
4	Medium/high earners (35-55 years)
5	Low/non earners (30-50 years)

Ward	Number of people
Northern	8
Onslow-Western	6
Lambton	6
Eastern	7
Southern	3
<b>Total</b>	<b>30</b>

## Exclusions:

- People who work for local government/DIA
- People who work in governance roles
- People who have made /intend to make a submission on the Regional Governance Project

# Ideal Local Governance

# Older people

---

**What's important to us**

**Health**

**Grandchildren**

**Community**

**Gardens**

**Old times**

**Ideal local governance**

**'Less chaotic, more focused and easier to deal with'**





# People with young families

---

## What's important to us

Family

Children

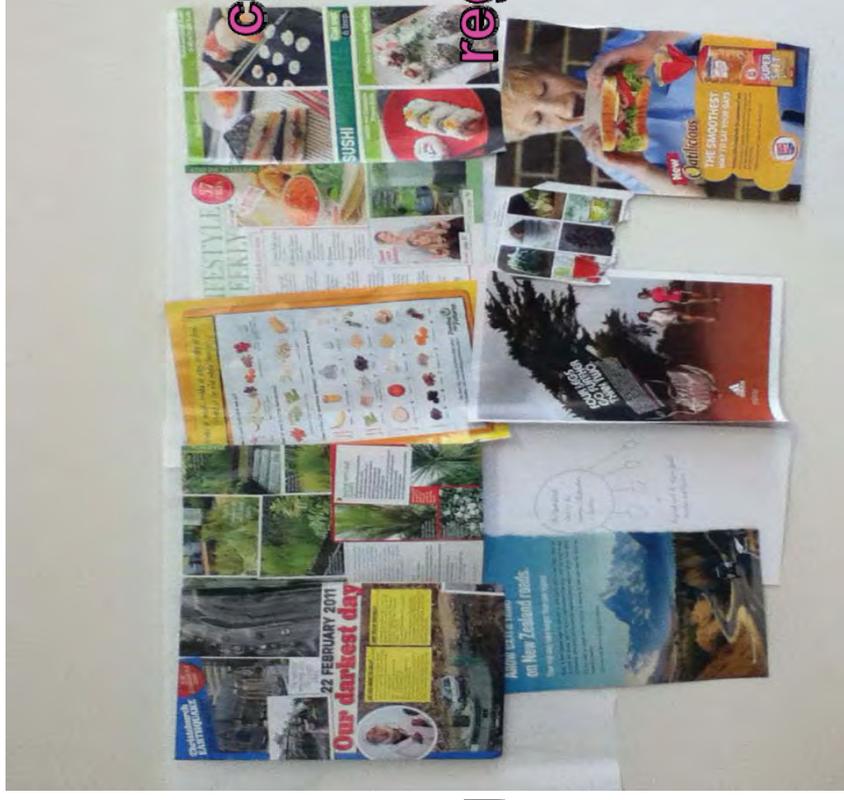
Healthy living

Strong communities

Environment

Ideal local governance

'More centralised, efficient, transparent, has stronger regional representation and reduces duplication'



# Medium/high earners

## What's important to us

Happy kids

Health

Fulfilling work

Nature

Environment

## Ideal local governance

'Provides a more coordinated service, promotes business and employment, is socially responsible and promotes diversity'



# Low/non earners

---

**What's important to us**

**Family**

**Children**

**Employment**

**More options**

**Happiness**

**Lifestyle**

**Environment**

**Ideal local governance**

**'More unified and less confusing, has visible councillors and interacts through technology'**



# **One Council or the Status Quo?**

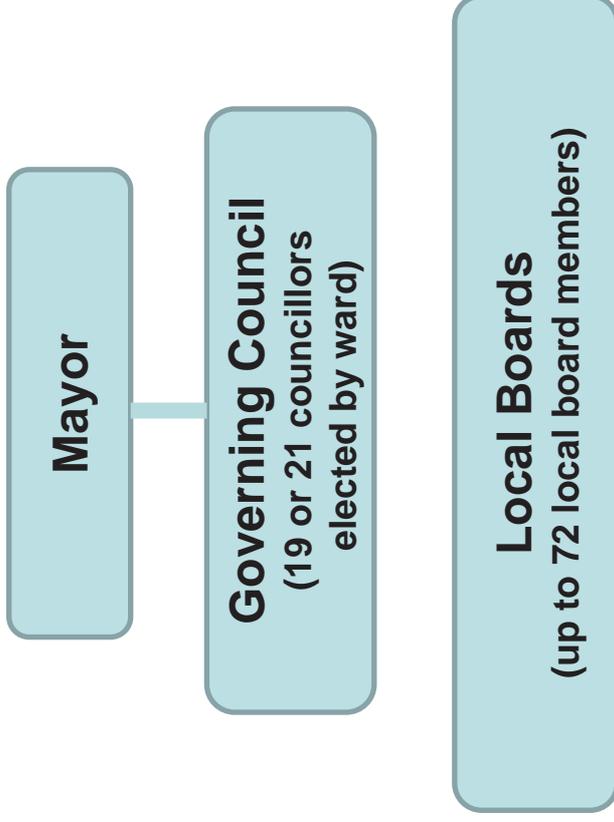
# Proposed options for change

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## Option 1: Single-tier council



## Option 2: Two-tier council



## Awareness of proposed options for change

---

- Most residents were not aware of the proposed options for change before coming to the focus groups, and did not recall receiving the consultation pamphlet in the mail. The few who recall receiving the pamphlet, glanced over it before putting it in the recycling bin.
- Residents generally feel uninformed about the governance of councils, how decisions are made, and the role of local boards.
- Most residents did not vote in the last local government election.

## **All but one resident offered a preference**

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- Despite residents' lack of knowledge of the proposed options before coming to the focus groups, all except one person, felt sufficiently informed after reading the consultation pamphlet to say whether they preferred a one council model or the status quo.

## Most people prefer one council

---

- Young people, families and low/non earners in particular, prefer the one council model over the status quo. They feel that amalgamating resources with stronger leadership and clearer accountability is more likely to result in:
  - Healthy and happy families
  - Preparation for natural disasters
  - Resilience to environment and climate change
  - Business growth and employment opportunities
  - World-class infrastructure and services.

## Older people prefer the status quo

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- Despite older people holding negative views about local governance (chaotic, unfocussed, difficult to deal with), they prefer **fixing** the status quo, rather than moving to a one council model.
- Of all the groups, they are the most sceptical of the proposed change, and feel there is not a clear rationale for the change.

*‘They will become distant from the local community. There will be a loss of local knowledge and local services.’  
(Older people)*

*‘There are no benefits with a single council. It takes us away from the current structure which isn’t broken.’  
(Older people)*

*‘Weasel words. Doesn’t say why we need to change. Don’t know what they are trying to achieve? It’s a load of bullshit.’  
(Older people)*

## Medium/high earners are not ‘closed’ but demand more evidence

---

- Medium-high income earners consider the consultation pamphlet lacks **evidence** to warrant a change from the status quo at this point in time.
- Rather than being ‘closed’ to the idea of a single council for the Wellington Region, they consider that Wellington should review how the Auckland super-city governance arrangements are working before proposing a one council model for Wellington.

*‘We need to know how it has worked for Auckland.  
What are the results and what have been the lessons?’  
(Medium/high earners)*

## Residents note the following strengths of a one council model

---

1. Having one chief executive, one mayor and one governing council elected by ward would offer the Wellington Region **greater accountability**.
2. A single council would allow local government to make **faster decisions** and be **more responsive** to residents.
3. Pooling resources would lead to **cost savings** (in the medium-to-long term) which could result in a rate reduction (in some areas) and improved services (libraries, recreational facilities, etc.).

## Residents note the following strengths of a one council model

---

4. Combining policy functions would lead to one set of **policies** (e.g. building consents and food safety inspections) for the Wellington Region.
5. A single council would provide a more **coordinated and streamlined service** and there would be less red tape.
6. Combining the functions and powers of the regional and local councils would result in **clearer responsibility** and lines of communication for these functions.

## **Residents note the following opportunities of a one council model**

---

1. A single council advocating for the Wellington Region with Central Government would result in greater **bargaining power** with other regions.
2. A single council marketing the Wellington Region domestically and internationally would result in greater **economic growth** in key sectors (e.g. tourism, film, IT and education).

# Strengths and opportunities of a one council model

---

*‘If there was one council, it would be cheaper and the dollar savings might trickle down to us.’*  
(Young people)

*‘There would be more joining together for international events. It would create more options. There are a lot of events that we can’t get as it’s expensive to run.’*  
(Young families)

*‘There would be quicker decisions, greater consistency across the region, economies of scale, more visibility for Wellington and it could improve the status of Wellington as a whole.’*  
(Medium/high earners)

*‘There are different rules for the food and building industries across the councils at the moment – one council would make it more streamlined.’*  
(Young families)

*‘Local government would be more focussed, coordinated and transparent, there would be less red tape, and the larger a body becomes the more accountable it needs to be.’*  
(Low/non earners)

## Residents note the following weaknesses of a one council model

---

- The key concern with the one council model is that **social issues** may be overlooked at the expense of cost savings and other efficiencies. This could result in some communities and groups falling through the cracks.
- Other weaknesses identified include that services could become **impersonal** and lose their local flavour, and that mayors and councillors could become more inaccessible.

## Weaknesses of a one council model

---

*‘People and regions could be left behind e.g. if the capital is doing well they may let Porirua deteriorate.’  
(Young families)*

*‘The mayor may become inaccessible. At the moment you can pop into the Upper Hutt mayor’s office and have a chat.’  
(Medium/high earners)*

*‘Communities could get lost in the cracks and individuality squashed.’  
(Low/non earners)*

*‘Social issues could be overlooked. Money would become a huge driver for decision making. Places with more health and poverty issues may be overlooked.’  
(Young families)*

*‘One mayor brings the risk that they may be biased to one part of the region.’  
(young people)*

*‘May end up talking to machines like IRD.’ (Medium/high earners)*

## Threats

---

- Residents consider a possible threat would be if a rogue mayor or councillors were elected, there would be fewer local politicians to 'balance' their views and ensure fair policies.

## Separate councils for Wellington and Wairarapa

---

- Wellington residents consider that Wellington, Hutt Valley, Porirua and Kapiti Coast have sufficient things in **common** (e.g. proximity to central government, café and museum/arts culture) to come under one council for the Wellington Region.
- However, while there is resident movement between Wairarapa and Wellington Regions for work and play, Wellington residents consider Wairarapa is **distinct** (with a focus on primary industry) and should form its own council.

# Single-tier or Two-tier Council?

## At a rational level residents see the benefit of a single-tier

---

- Residents view single-tier council as more simple and straight-forward, which potentially would result in more **consistent and responsive** decision making. By comparison, decision making under a two-tier council model may be more protracted and lengthier and there could be more red tape.

*'Where do you draw the line for decision making in a two-tier council? What if the councillors don't agree with the boards decisions? It could cause conflict.'*

*(Young families)*

*'Single-tier offers more streamlined decisions, will mean more accountability, decisions will be made quicker and there will be cost savings, and hopefully having more councillors will bring more change.'*

*(Young families)*

*'Single-tier will mean more consistent decisions, more focussed decisions, more coordinated services and it will be cheaper.'*

*(Low/non earners)*

*'It seems as though with the single-tier there is more connection with the people and the top.'*

*(Young people)*

## At an emotional level, residents prefer a two-tier council

---

- The two-tier council model with a tier of elected local boards is considered more likely to be **in tune** with communities' needs and represent residents' views.
- Residents are therefore prepared to **save less** for this second tier.

*'It's nice that money is being saved but in the end we would rather have a better service and pay a bit more to make sure we get heard and make sure our money is going to the right place.'*  
(Young people)

*'As much as you want the number of councils and councillors to come down because it will cost less....but if the numbers come down are we going to be heard?'  
(Low/non earners)*

## A two-tier council mitigates the risks of moving to one council for the Wellington Region

---

- The two-tier council model is seen to be more similar to the status quo (of 9 local councils). It therefore **mitigates the potential weakness** of a single council not being connected to local communities and representing local priorities.

*‘Wellington has distinct geographical boundaries unlike Auckland. A single-tier council might ruin that, and councillors might not know what is going on in their local areas.’  
(Medium/high earners)*

*‘The single-tier puts a greater amount of power in the hands of a small number of people.’  
(Medium/high earners)*

## Benefits of a two-tier council...

*'I like the idea of having local boards from particular areas who know and understand the needs of the areas. They would hopefully find out what people need and take it back because at the moment that doesn't happen. Communication and getting your point across needs to be easier.'*  
(Low/non earners)

*'The two-tier could work if they can make decisions and influence up.'*  
(Older people)

*'More opportunity to have the local voice reflected with up to 72 board members.'*  
(Medium/high earners)

*'More of a chance for the everyday citizen to be listened to if there are 72 board members. Even though you have less at the top you have more at the bottom to push changes.'*  
(Young people)

*'Two tiers offers greater democracy gives a sense of being heard and having a right to have an opinion and having it heard.'*  
(Low/non earners)

*'The whole purpose of the reform is to make it more effective for communities and individuals. It is important that it is easier for people to be heard. This would be better achieved through the two-tier system - two-tier is more representative and one-tier is more accountable.'*  
(Young people)

*'Boards seem to be made up of really local people who know what is going on in the communities. It is more likely that the smaller, but still really important issues will be looked at.'*  
(Young families)

*'Local boards are more the "social bodies". They are the "eyes and ears" of the communities.'*  
(Young families)

## Boards offer a safety net, despite low awareness of their role and function

---

- Residents have **low awareness** of the role and function of community boards under the status quo, and very few have engaged with them.

*‘I have no idea what community boards do. I can’t even name one. Perhaps they advocate for local interest or feed information to local people so everyone knows what is happening?’  
(Medium/high income)*

- While residents say they would be unlikely to vote in their local board elections, or go to their board with an issue, this mechanism offers an important **safety net**.

## Local boards' real value is the feeding up of community issues

---

- In the absence of 9 local councils, local boards offer councillors and counsel staff an important mechanism **‘to tap into’** communities’ priorities and issues and ensure they are included in decision making. Residents believe if this mechanism is not used effectively, then boards could become window dressing.

*‘If the local boards don’t have any real power, they may be a waste of time.’*  
(Medium/high earners)

*‘Why do we need a local board to know how many people are going to a pool? It’s just statistics.’*  
(Low/non earners)

*‘What will local boards actually do? What does ‘many local issues mean?’*  
(Low/non earner)

*‘Are local boards just window dressing? What is their value?’*  
(Young families)

## Is there a place for a single-tier council in future?

---

- A few residents consider that the two-tier council could be **‘an in between step’** before moving to a single-tier council in future. This iterative plan for local governance reform would allow the single council to become embedded with local communities (through boards) before moving to a model which would allow greater efficiencies.

*‘Do the local boards need to be part of the model at all? Maybe they are completely separate. Maybe they can just be made up of really good people in the community rather than funding them under the model.’*  
(Young families)

# Summary

---

## Preference for one council model

- Most residents support the proposed option of one council for the Wellington Region. The key strengths of the one council model is that it offers greater accountability, would enable local governments to be more responsive to residents, and could lead to cost savings over time. Key opportunities of the one council model would be greater bargaining power with central government and could result in greater economic growth.
- The key weakness of a one council model is that it could lose local flavour and a threat could be power and dictatorship.
- A single council representing the Wellington Region should include Wellington, Hutt Valley, Porirua and Kapiti Coast, but exclude the Wairarapa.

# Summary

---

## Preference for two-tier council

- At a rational level, most residents prefer the single-tier council, as it is considered more efficient and responsive. However, at an emotional level, residents prefer the two-tier council, with local boards that are considered more likely to represent local views, and therefore is an important safety net.
- To enable residents to more fully comment and engage on the proposed options for change, there is a need to:
  1. Further outline the rational for the proposal to move away from the status quo, for residents who need more evidence on the need for change.
  2. Further explain the role and function of local boards, how they apply to the two models and how local representation would be maintained under the single-tier model to reassure residents that their priorities/needs won't be negatively impacted.

# Direct Access, Direct Accountability

## Alternative Reorganisation Application

### Appendix 4:

## Collaborative Consultation Report

Wellington City Council joined with the Greater Wellington Regional Council, Kapiti Coast District Council and Porirua City Council to undertake a collaborative consultation across most of the current Wellington region.

The four councils worked to develop a report outlining two proposals; the first, a region-wide or predominantly urban single-tier unitary authority and the second, a region-wide or predominantly urban two-tier unitary authority.

Residents were invited to take part in community meetings run by the council with jurisdiction in the area, they could also make submissions online or in one of two forms of hard-copy submissions.

# WELLINGTON: YOUR CHOICE

## OPTIONS FOR LOCAL GOVERNANCE

### **Regional Reform: analysis of public feedback**

This report will be made available to form part of an application to the Local Government Commission.

#### **Overview**

The cross-council Working Party conducted a process of public engagement to raise awareness and seek feedback on its proposed governance models between mid-March and early-May 2013. A number of different forms of engagement were undertaken across the greater Wellington region.

- **Submissions**

Long and short version submission forms were made available in both an on-line and paper copy format. General submissions were also received by post as well as via the [info@regionalreform.org.nz](mailto:info@regionalreform.org.nz) email account. A total of **1,892** submissions were received, comprising:

- 1,230 long submission forms
- 330 short submission forms
- 332 general submissions

Copies of the forms are attached in Appendix 1.

- **Public meetings**

Porirua City Council, Kapiti Coast District Council, and Wellington City Council each held public meetings in their own areas. Greater Wellington Regional Council held public meetings in Upper Hutt, Lower Hutt, Masterton, Carterton and South Wairarapa.

- **Stakeholder meetings**

Each of the participating councils hosted discussion and information sessions with various stakeholder groups from across the region such as community boards, health providers, education providers, iwi groups, business groups, environmental groups, ethnic councils and charity organisations.

- **Research**

- **Online and telephone surveys**

Porirua City Council, Kapiti Coast District Council and Wellington City Council conducted surveys of residents in their respective areas. This information will be made available as separate reports when the surveys are completed.

- **Focus groups**

Wellington City Council conducted a series of focus groups. The results of these will also be made available.

- **Online discussion forum and ‘Ask a Question’ tool**

The public was invited to discuss issues related to local government reorganisation by joining an online discussion forum on the Regional Reform website. People could also post questions through the website’s Ask a Question function and the answer would then be supplied by a representative of the Working Party. There was not a significant level of engagement with the online tools- around 30 questions and comments were posted, covering a broad range of themes.

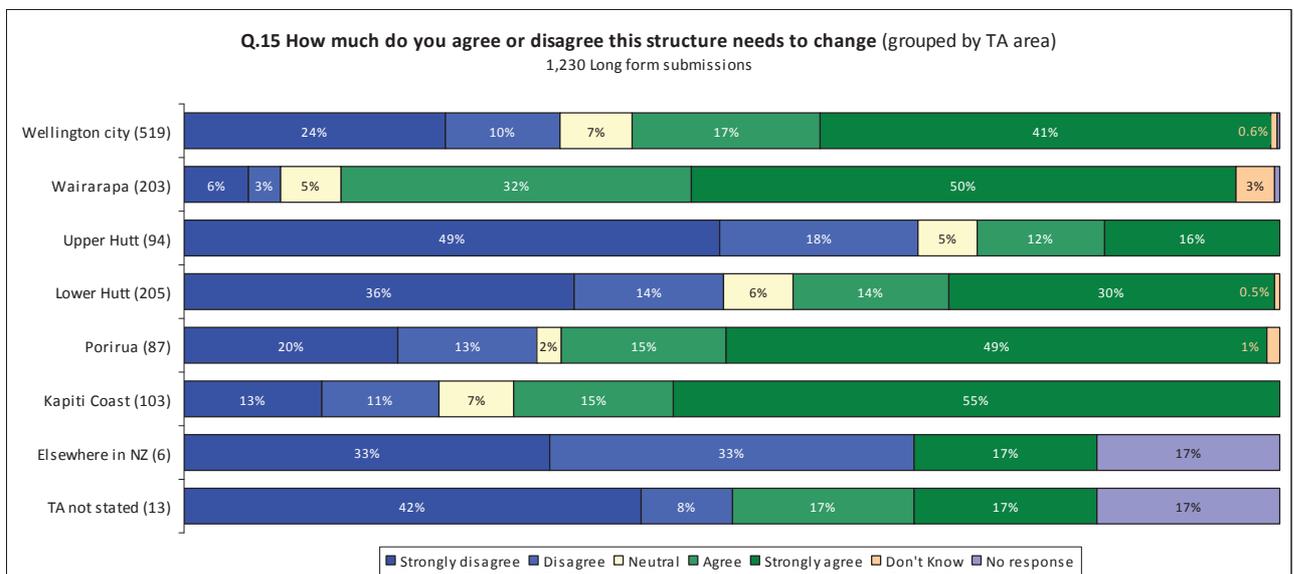
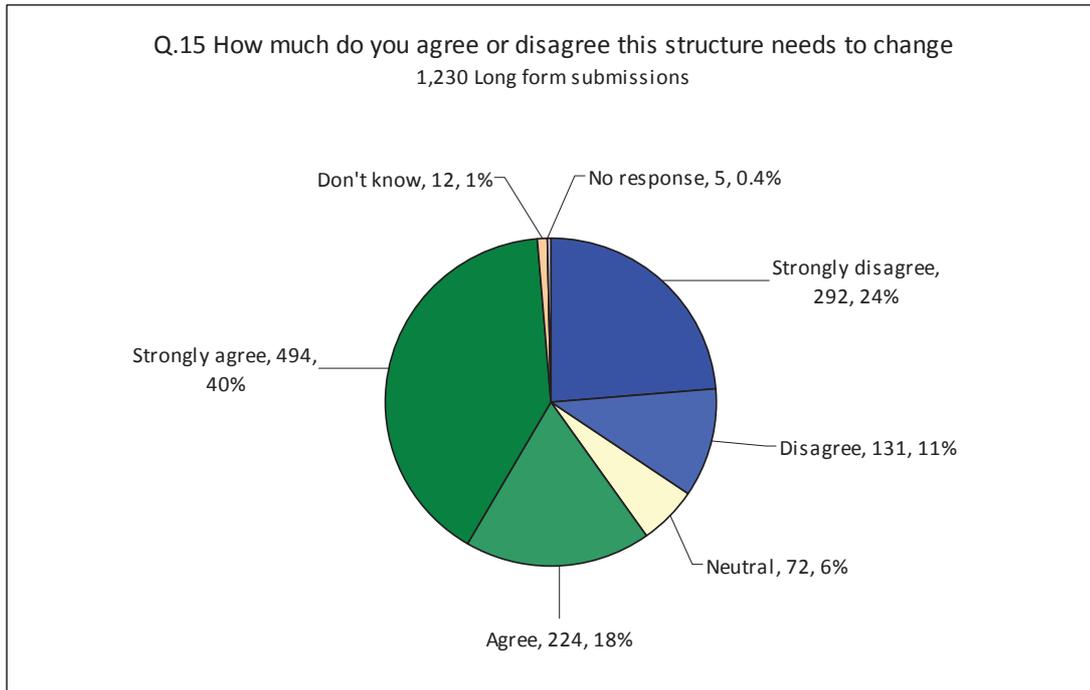
The following analysis is based on public feedback received via each of the engagement mechanisms outlined above with the exception of surveys and focus groups, the results of which have been summarised separately by the respective councils and are attached to this report. Most of the discussion of findings and all of the statistical data presented in graphs in this report is based on feedback from submissions.

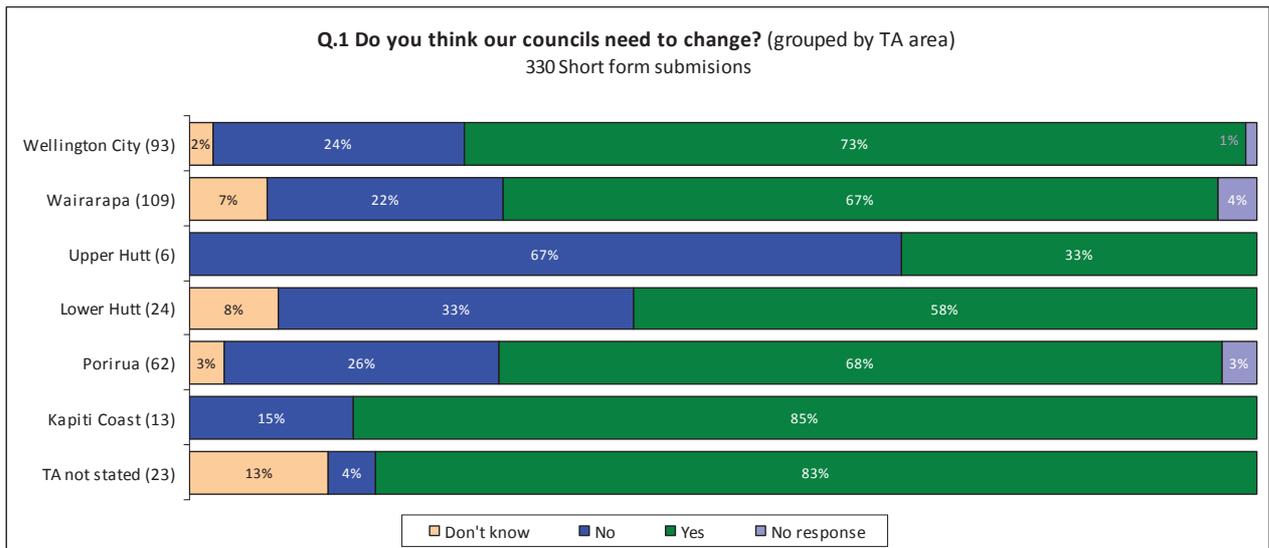
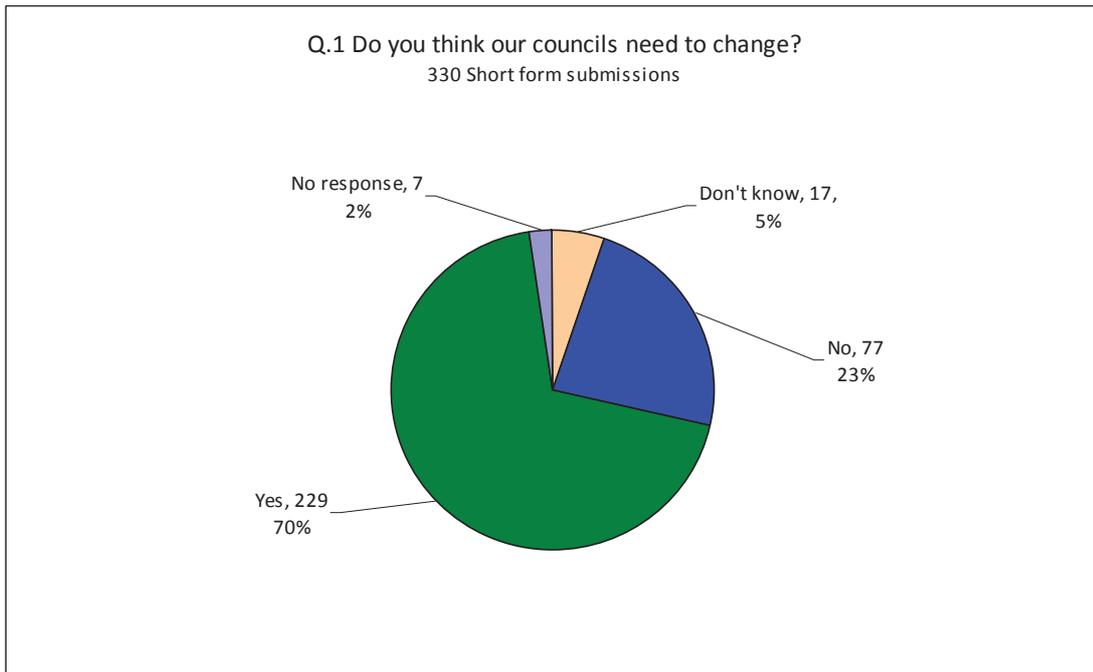
It is important to note that the vast majority of general submissions (total=332) did not express any preference commensurate with questions posed in the long submission form. Therefore, including these submissions in the data presented below would have resulted in very large (and misleading) ‘no response’ fields for those questions. As such, the general submissions were removed for the production of graphs relating to questions in the submission form. Comments from general submissions have been captured in the discussion below.

## **Key findings**

### **Support for change**

Support for change was assessed via responses to a question in the *Wellington: Your Choice* short and long style submission forms (questions one and fifteen respectively). The phrasing of the questions on the long and short style submission forms was different as were the response options provided on each form, and therefore the statistical data from each is presented separately. Overall results indicate that there are more people who support change than those who do not. Support for change was highest in Porirua, Wairarapa, Wellington City and Kapiti Coast and lowest in Lower Hutt and Upper Hutt.





### Why there is a need for change

The most common feedback provided by those in support of change was that change is necessary in order to overcome duplication, address inefficiencies, and avoid wastage of effort, funds and resources. Many people expressed a view that the status quo is untenable and no longer fit for purpose.

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There were numerous other reasons given in support of change that reflect specific criticisms of the current system. The main arguments can be summed up as:

- The current structure is outdated and does not reflect the way people live, work, play and communicate across the region
- There is inefficiency resulting from too many parallel structures; the Wellington region is too small to justify having nine councils and the number of councillors represents an excessive governance regime
- Decisions made in the current fragmented structure are often conflicting and not beneficial to the region as a whole; current councils appear to compete with each other rather than working together to achieve common aims
- The current structure is overly-bureaucratic and uncoordinated across the region and creates silos of information and factionalism
- There is overlap, inconsistency and lack of clarity of roles
- Having so many councils is cumbersome and confusing for the public because of divergent systems, processes and policies
- The current structure is too expensive and unwieldy, imposing unnecessary financial and time costs on a small population
- There is a lack of clear leadership and ownership of problems
- The resilience of the region is compromised because the current governance arrangements make it difficult to collaborate on critical regional issues such as civil defence
- Different imperatives for different areas in the region make for tension and ambiguity and fail to take a holistic view for the whole region. The current structure incentivises self-interest and prevents local body politicians from making brave decisions
- The need to overcome parochialism, patch-guarding and in-fighting in current councils
- Issues of capacity and capability – smaller councils in particular struggle to attract people with the right skill sets, especially for specialised roles

The principal reason why supporters of change were in favour of a single council model was that they believed it would result in a better quality of decision making and a clearer vision and agenda (as opposed to competing agendas) for the region. Many people spoke of the need for a cohesive, strategic plan, which it was felt could only be realised under a unified regional governance structure. Stagnation was seen as an inevitable consequence of the region's failure to change and move in the same direction, rather than pulling in different directions.

Other perceived advantages stemming from a single council structure were:

- Strength in numbers - the ability of one council to speak with a coherent voice to central government and the private sector
- Economies of scale and scope

- It is an opportunity for more coordinated local input into the council
- Clearer accountability on region-wide issues
- It will be a more powerful and influential entity, capable of holding its own against the pull of Auckland and Christchurch
- The ability to take a more coordinated and integrated approach to service delivery, infrastructure, economic development and planning processes
- More effective distribution of resources and delivery of services
- A single council will strengthen inter-connectedness in terms of dealing with cross-over issues like the economy and the environment
- A single authority will be capable of attracting a higher calibre of candidates, providing the necessary skills and expertise to carry out functions and services in an efficient and effective manner.

### **Why there is no need to change the status quo**

Among those who disagreed there is a need for change to the current local government arrangements, the supporting comments fell broadly into two categories: expressions of satisfaction with the status quo on the one hand, and expressions of concern about the implications of a single council structure on the other. The most common sentiment among supporters of the status quo was ‘If it isn’t broken, don’t fix it’ – things are fine as they are so there is no need to change.

Additional reasons given for why the status quo should be maintained were:

- The current councils possess good local knowledge specific to their respective areas. Each local area has different needs and strengths that are best met by local people who are personally invested in their area
- Like knowing who to go to and the more ‘personal touch’ of small local councils, which are more ‘community-minded’ than a large conglomerate. Local government should be just that: local
- Smaller local government is more responsive and less corrupt. There is no need to change the structure, the current councils just need to work together more effectively.

The main concern about a single council model was that a larger entity would be further away from the people and this would make it more difficult for local voices to be heard.

Other objections to the single council model were that:

- A single council for the region will inevitably be Wellington City-centric and the needs of the rest of the region will be ignored
- It will have a homogenising effect, resulting in a loss of individuality and identity for the diverse communities that make up the region

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- Local representation will decrease, amounting to an erosion of democracy
- The purported efficiency gains from amalgamation are illusory and theoretical
- The estimated cost-savings do not take into account the costs of transition and of implementing a new single council structure
- Each local authority area has a different environment and future-focus, as well as distinct issues, demographics and strengths. Putting them all together into ‘the same bucket’ will only result in some having more funding and resources to flourish, and the others falling behind
- Amalgamation will disempower the average citizen while heightening the power of the business community
- Large organisations become inward looking and unresponsive, tending toward bureaucracy and empire building
- The current system is bad enough; the proposed changes will only make things worse

### **Need for change – neutral**

Those who stated they were neither strongly for nor against change often commented that they could see advantages and disadvantages of both the status quo and the single council model. Many stated that the success of local government relies just as heavily on the culture of the council and quality of councillors and staff as it does on the form or structure of the organisation itself and it would be impossible to say in advance whether these things would improve in a new council for the region.

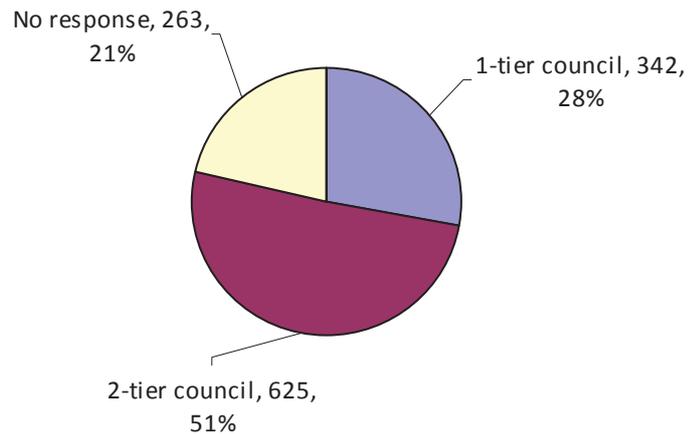
### **Support for the proposed models**

Support for each of the proposed models was assessed via responses to two separate questions in the *Wellington: Your Choice* short and long style submission forms (questions two and eighteen respectively). As with the questions relating to support for change, the phrasing of the questions on the long and short submission forms relating to model preference differs, and therefore the statistical data from each is presented separately.

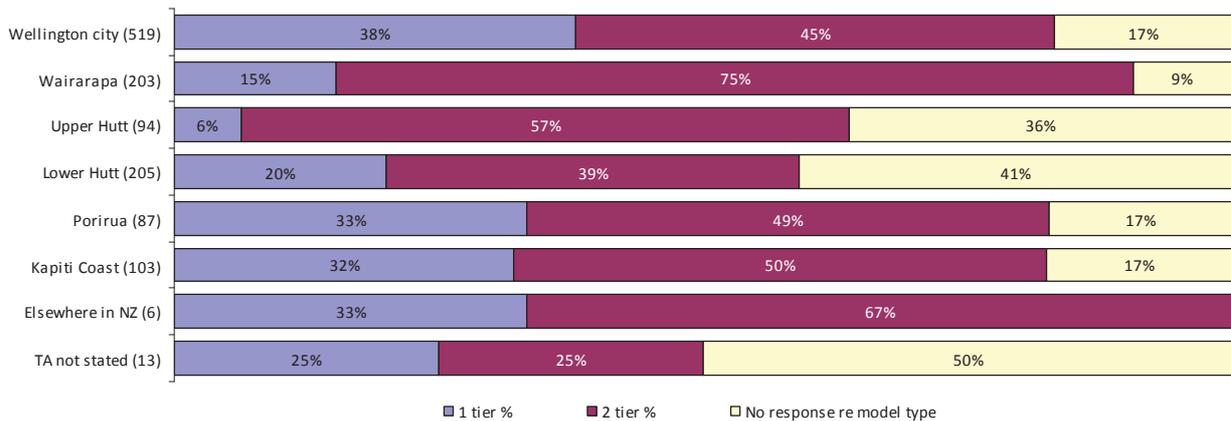
Overall, the results indicate a preference for the two-tier model. This result was consistent across different areas of the region, although among respondents from Lower Hutt and Upper Hutt, significant numbers indicated they did not prefer either of the single council models.

**Q.18 If you had to choose one of these two models of local government for the Wellington region would you choose:**

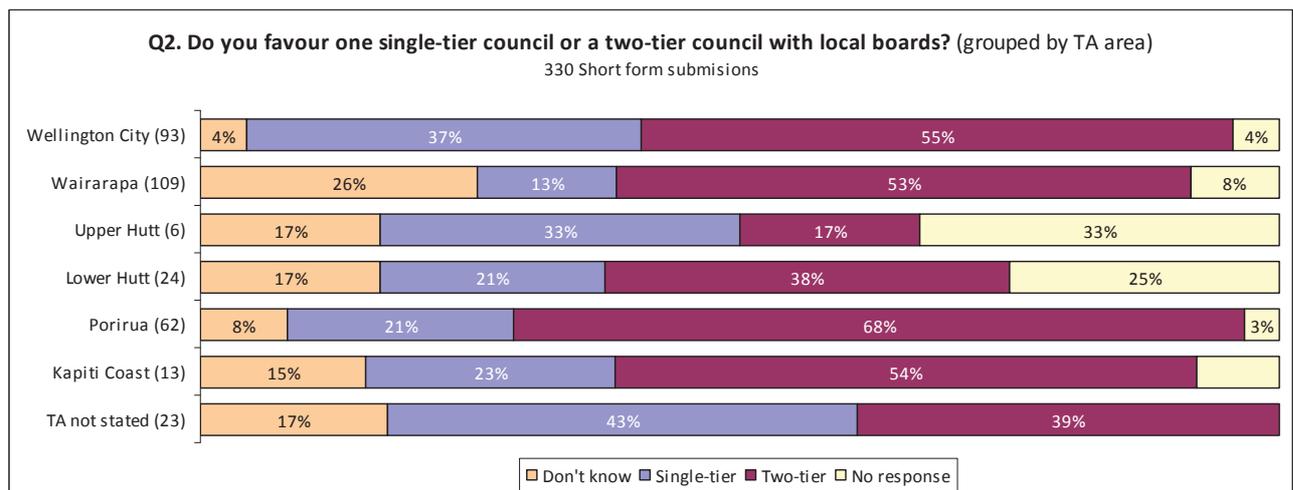
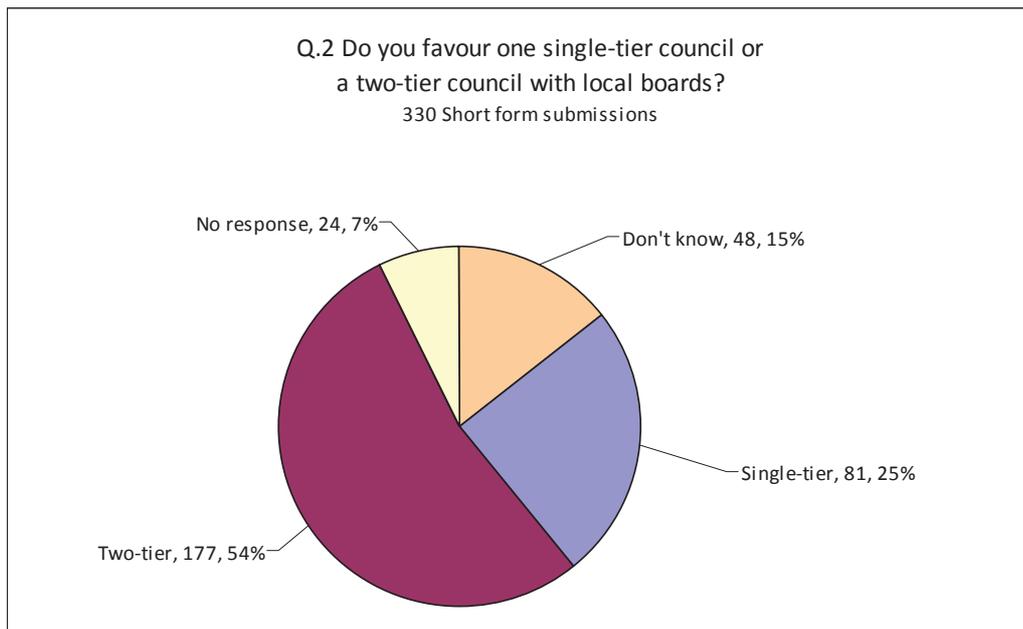
**The 1 tier or the 2 tier?**  
1,230 Long form submissions



**Q.18 If you had to choose one of these two models of local government for the Wellington region would you choose: The 1 tier or the 2 tier? (grouped by TA area)**  
1,230 Long form submissions



Note that this question was optional, and the high number of ‘no responses’ represents those who did not wish to complete the question as they had already indicated support for either the status quo or else a different governance model to those proposed by the Working Party.



**One-tier model**

The one-tier council model was broadly viewed as the most simple and cost effective option. Some submitters commented that having a single tier of governance would be more efficient in terms of both time and resources because decision making would be unified. Some also commented that a single-tier structure would be easier to administer and that there would be less opportunity for local groups to capture council processes.

Some people were worried that moving to a single-tier governance structure would be too radical a change and would run the risk of throwing out much of the value and strengths of the existing structure. In particular a major weakness of the one-tier model was thought to be the potential for it

to weaken local democracy. A suggestion for mitigating this was to have well resourced local (i.e. village and neighbourhood) groups who could lobby, plan and have their say about issues that they care passionately about. This network could be built from existing residents associations and village planning groups etc. A substantial number of submitters commented that the proposed number of councillors under this model (27-29) should be reduced as it could prove cumbersome and unwieldy to reach decisions with 25+ elected representatives around the table.

### **Community Boards**

The majority of submissions that commented on community boards saw them as a useful conduit between local communities and the council. This was particularly true of people from Eastbourne and Tawa. Some viewed community boards as a means for local people to pre-negotiate issues so as to guide their elected representative on the council. Community boards were also seen as a mechanism for ensuring better accountability and transparency, because the council may need to publicly justify decisions if they are contrary to community board recommendations. A very high number of submissions were received from Tawa residents in favour of retaining the Tawa Community Board, which was seen to play a vital role in fostering community cohesion, preserving local identity and providing a strong voice for the Tawa community.

A small number of submissions were less positive about the value of community boards. Those critical of community boards saw them as being not particularly effective in influencing council and therefore an unnecessary tier of administration and cost.

### **Two-tier model**

Those who stated a preference for the two-tier model perceived a key strength to be that it strikes a good balance between the positive aspects of the status quo and the benefits that a single council model could entail. Specifically, the two-tier model was seen to allow strong local input, while providing regional leadership, economies of scale and avoiding duplication of services. A significant number of submissions, especially those from organisations, referred to the principle of subsidiarity - the idea that a central authority should perform only those tasks which cannot be performed effectively at a more immediate or local level. Many commented that they supported the two-tier model because they believed this model allowed for subsidiarity to be the driving ethos, with local decisions affecting local people being made at the local level.

Some submitters commented that a two-tier organisation allows for the separation of functions so that local issues and regional issues can each be dealt with at the appropriate scale. There was concern, though, that if the two-tier option is to be progressed, citizens will need clear information on the role and powers of the local boards, relative to the governing council. An education programme was suggested to help people understand exactly what decisions will be made where, and how they can get involved should they wish to.

Those critical of the two-tier council proposal questioned whether under this model it would simply *look* more democratic, but that in reality the politics of having two-tiers and a division of responsibilities would prove difficult for rate payers to understand and participate in. Another criticism of the two-tier model was that it was not clear whether the benefits for communities in

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terms of local voice and representation would actually prove to be commensurate with the additional funds required to administer a second tier of governance.

### **Local boards**

Many questions about local boards arose in the submissions. People wondered what level of remuneration local board members would receive; whether local board members would be employed part-time or full-time; and what level of support staff they would need. Some queried whether nine members per local board might be excessive, given their remit would be limited to local-level activities. In this vein, some submitters argued that the region is already over-governed for the population size, and that local boards may only lead to cronyism and wastage. One reservation was that, while the local board model may be appropriate for a large unit like Auckland, it may be cumbersome for a relatively small unit with under half a million people, as in the greater Wellington region. Some submitters were of the view that local boards should have no specific areas of policy making responsibility. It was argued that giving local boards executive authority would create division and complexity in policy making and planning processes and encourage competition between wards to get a bigger slice of the rates 'cake'. Critics commented that diversified local boards were likely to be ineffectual, racked with parochial politics and difficult for council officers to effectively and cohesively work with.

Contrastingly, a substantial number of submissions highlighted the value of local boards in enabling community self-determination and argued that local boards should be given the maximum delegation with regards to engaging local communities and implementing plans prepared by the governing council. Additionally, a large number of people who expressed concerns about preserving and enhancing local voice and access to decision making were of the view that local boards would serve an essential purpose in facilitating local democracy.

### **Status quo**

Most submissions pledging support for the status quo commented that they see no real need for change, as they perceive nothing much wrong with the current system. Some did see areas in which improvements could be made, but felt that these could be achieved with 'tweaks' to the status quo, rather than a major structural overhaul. There was a general view among these submitters that while people may take issue with some aspects of their current council, disestablishing all eight territorial authorities as well as the regional council would amount to 'throwing the baby out with the bath water'. There was considerable support for a modified status quo, with greater use of shared services (this is discussed further under 'Service delivery', page 17-18).

Plenty of submitters did, however, think the current nine-structure system leaves much to be desired. Dysfunctional and parochial were often-used terms, and quite a few submissions referred to the status quo as being a situation in which there are 'too many chefs in the kitchen' or words to that effect.

### **Multiple Unitary Authorities**

A significant number of people detailed a different preferred option for restructuring local government in the region to those proposed by the cross-council Working Party. The most common

suggestion was a multiple unitary model comprising three authorities: a Hutt Valley council, a Wairarapa council, and a Porirua-Kapiti Coast-Wellington City council. The main reason given for why several councils for the region was favoured over a single council was to preserve the identities of the different communities within the region. A related reason was that a single Wellington Council would 'swallow up' other distinct areas like the Hutt Valley.

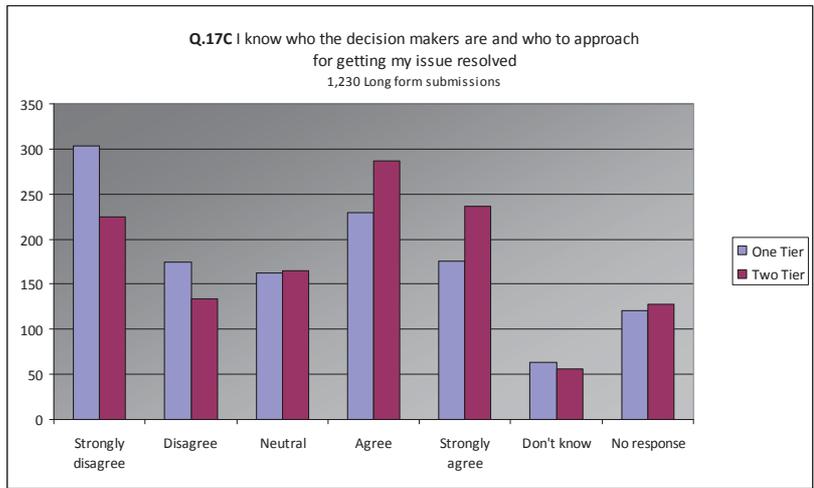
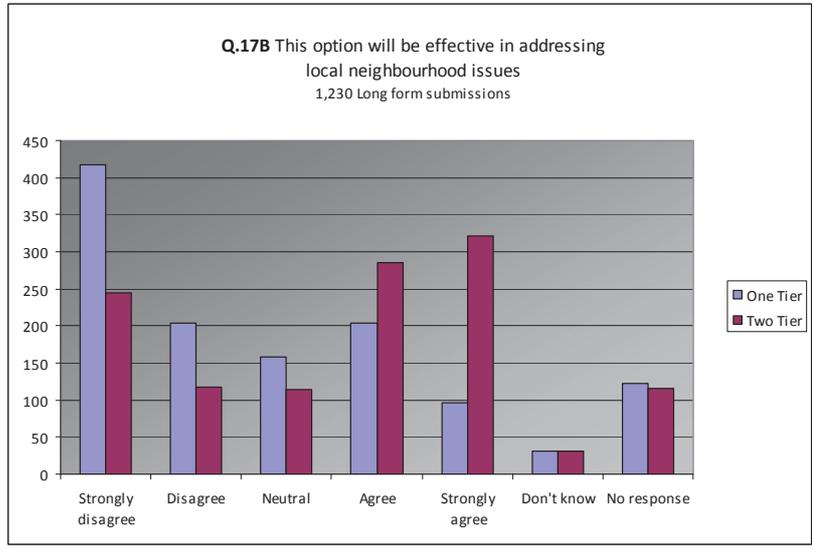
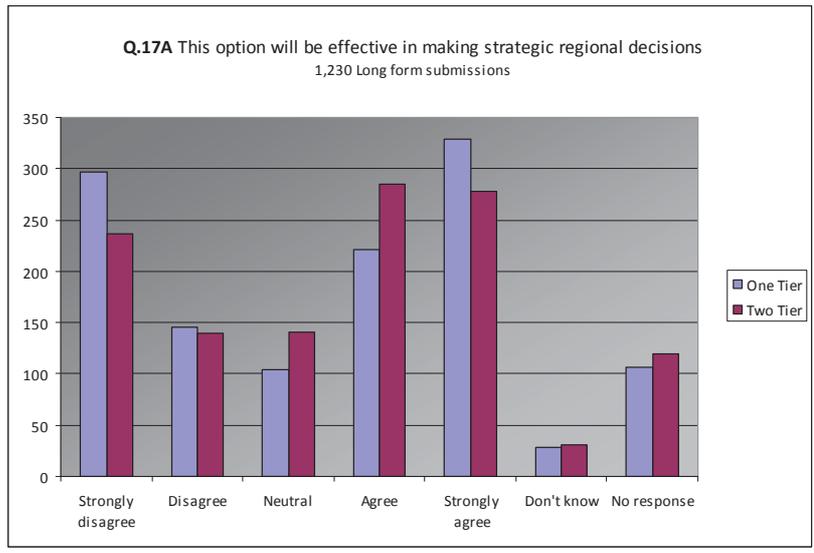
However, there was also concern among some people about the Hutt Valley's preference to form a separate authority. It was suggested that this would disadvantage Porirua and Kapiti because without the inclusion of the Hutt Valley, Kapiti and Porirua would have less influence in regional decisions (i.e. the inclusion of the Hutt Valley would reduce Wellington City's dominance). Additionally, it was suggested that the inclusion of Hutt Valley is important to create a larger council that can attract the best personnel, both elected and administrative. Some feedback, both from within the Hutt Valley and outside of it, suggested that a Hutt Valley Unitary Authority would be an imprudent move economically, given the very high number of Hutt Valley residents that commute into Wellington City and use facilities in the capital.

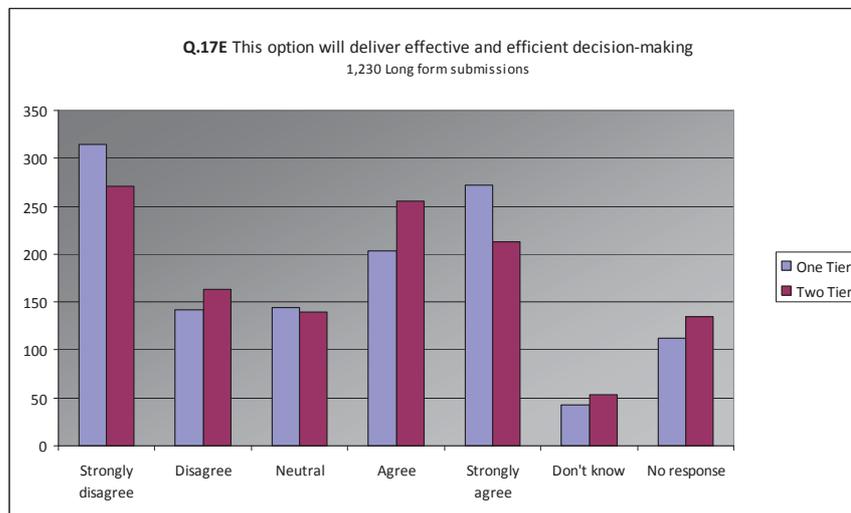
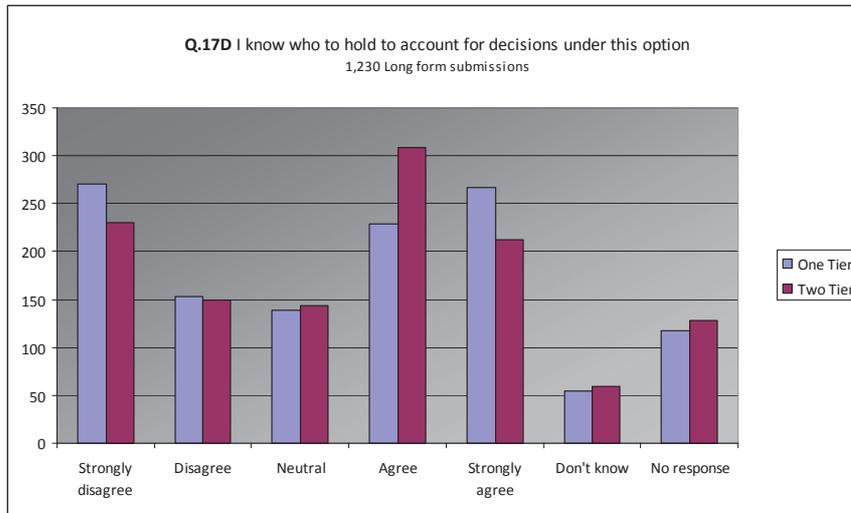
### **Preference for each model based on different factors**

The following five graphs relate to responses to Questions 17a – 17e in the long submission form, relating to:

- regional strategic decision making
- addressing local neighbourhood issues
- getting issues resolved
- accountability
- effective and efficient decision making.

The responses were extremely mixed, making it difficult to draw any firm conclusions. One clear result, which is consistent with comments from submissions, is that people perceive that the two-tier model would be more effective than the one-tier model in addressing local neighbourhood issues.





## Main themes from long-style submission form

### Leadership

Much feedback advocated for coordinated, coherent leadership for the region, with the Wellington region seen to be lacking a decisive and consistent voice and a clear direction. Some people perceived that alternative proposals to form multiple unitary authorities would deny the region the unified leadership and political mass that are vital to its future prospects.

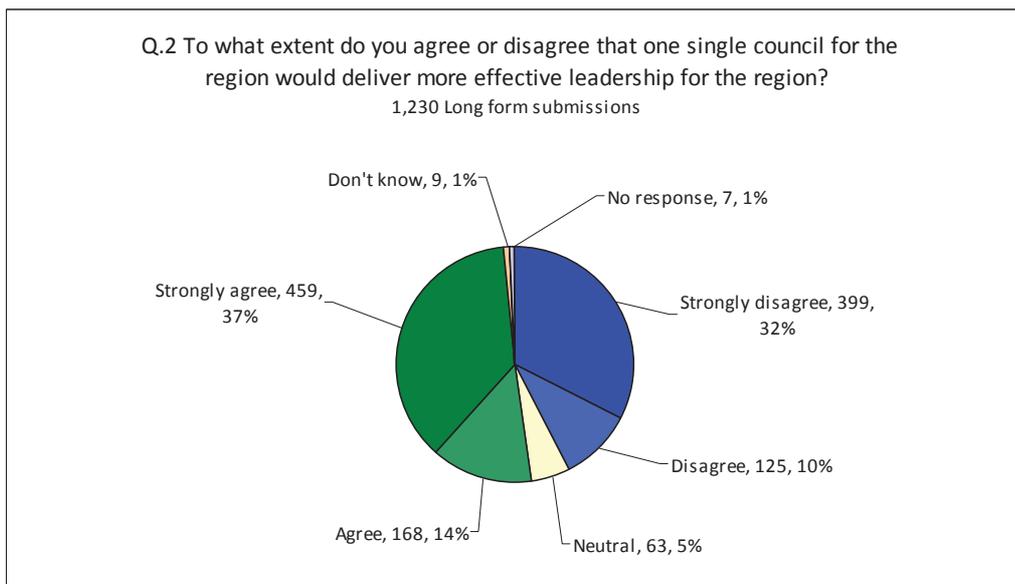
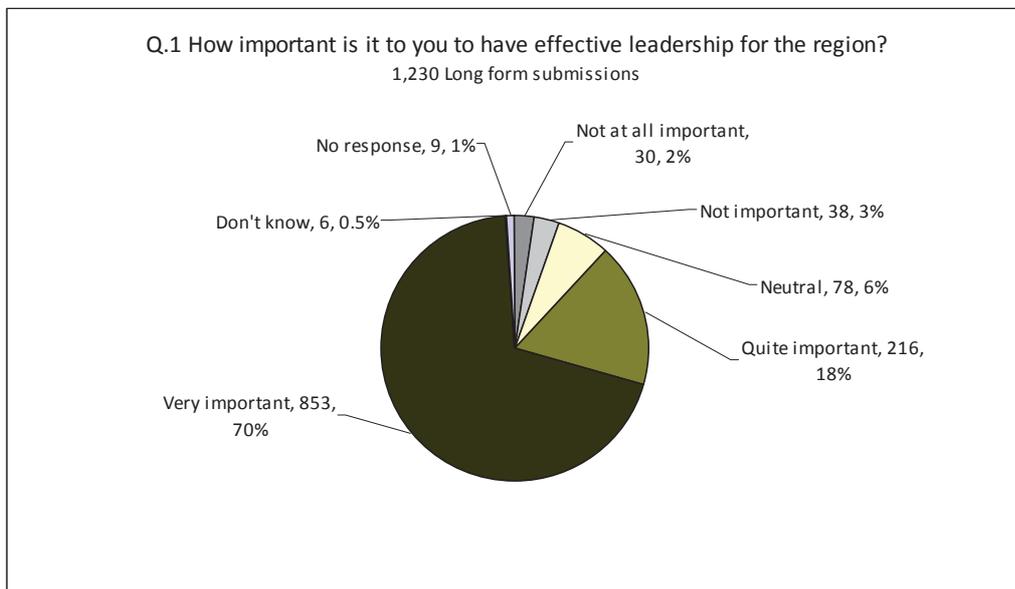
Highlighting the need for flexibility and adaptiveness among the region's leaders, some commented on the rapid changes that are occurring in the types of challenges the region faces and the technology available to address these challenges. In view of this, some feedback stressed the importance of elected representatives being prepared to adapt to changes being thrust upon them.

A lot of feedback progressed the view that a unified front for the region would constitute a far more powerful advocate at a national level than the current nine council system. Some regarded a council

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to be like a business, which should be run as such, with a strong leader supported by a strong but lean executive management team with the skills and vision to deliver on targets for which they are accountable to the rate payers of the region.

However some people cautioned that the danger of a more powerful and concentrated leadership structure was that personal agendas could be played out on a much larger scale, with the strongest personalities ‘bulldozing’ over other voices in a dictatorial manner. For this reason it was considered essential by some that the right people with all the region’s interests at heart were selected to lead. While there was significant support for the idea that a larger council would attract better quality candidates to key leadership roles, a number of people commented that amalgamation is no guarantee of better leadership.

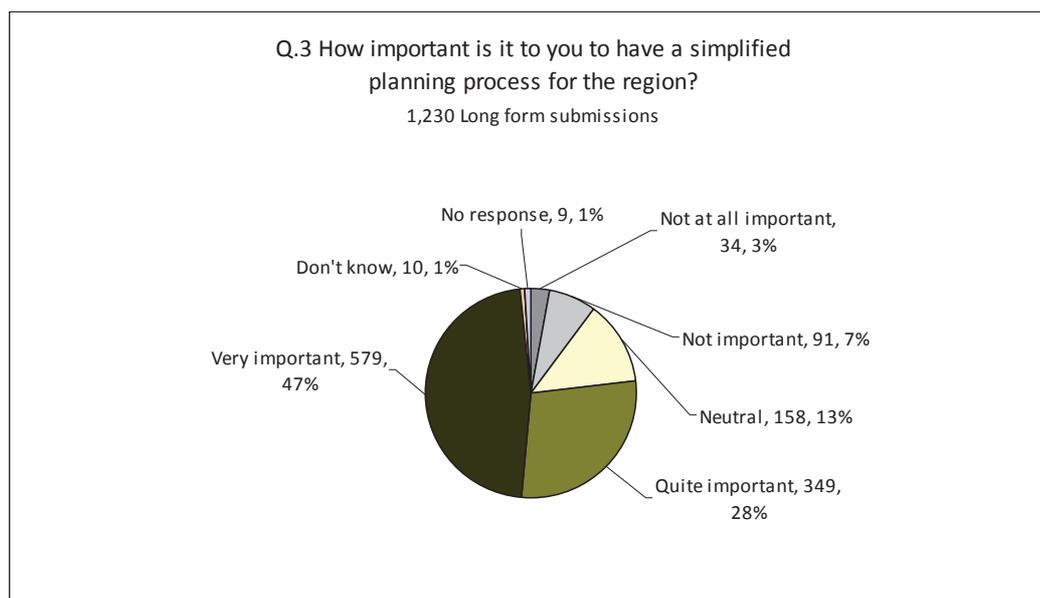


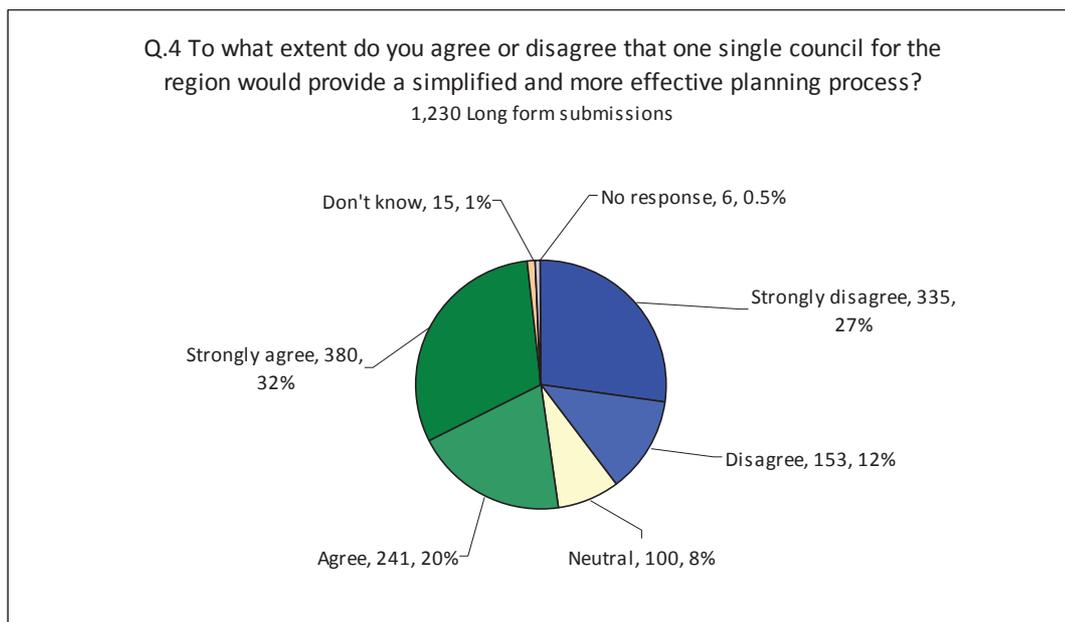
## Planning process

The overwhelming majority of comments on this topic expressed support for a more unified approach to planning. A typical view was that regional planning with a harmonised council would mean that instead of eight councils trying to grow and promote their own 'patches' and thereby replicating plans and, at times, competing with each other for resources, a single council would be able to identify the key attributes of each area and invest in their ongoing success. It was also thought that a single council would bring an overall cohesiveness to planning for region-wide issues including the future use of the region's resources. Further, there was a view that a more integrated spatial planning approach, covering aspects such as waste disposal, commuter systems and water use would result in better environmental outcomes and the achievement of broader collective aims. There was also discussion of other benefits that may result from better regional coordination. One example mentioned in a number of submissions was cycling. It was suggested that a stronger governing body for the region would likely be beneficial for cycling as it would create a more coherent planning system, a more integrated network and one set of standards to be applied across the region.

Some feedback commented that it would be important to provide provisions for local communities to connect into the planning cycle especially on matters of local concern. Some expressed fear that, under a single council model, large region-wide or national-level projects would dominate planning decisions and small projects (that are still important but more locally focused) will be deprioritised.

A final point was that in order to do good planning, robust information is required. Some feared that the region will be headed for a planning crisis if more emphasis is not put on conducting good quality investigations into critical areas such as heritage, biodiversity, flood risk from stormwater, implications of climate change including sea level rise, dealing with seismic risks, slope stability and sustainable urban design.





### Service delivery

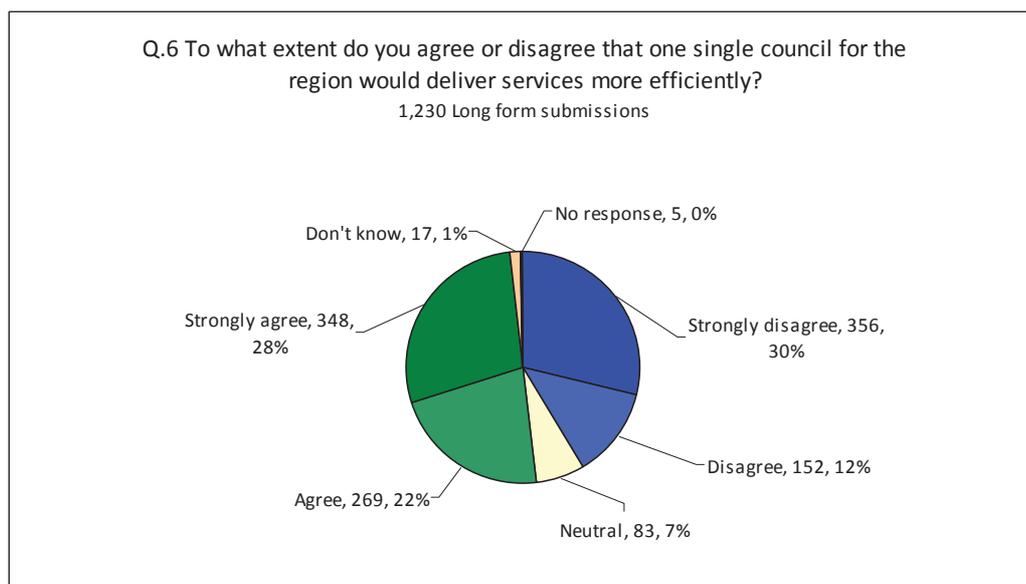
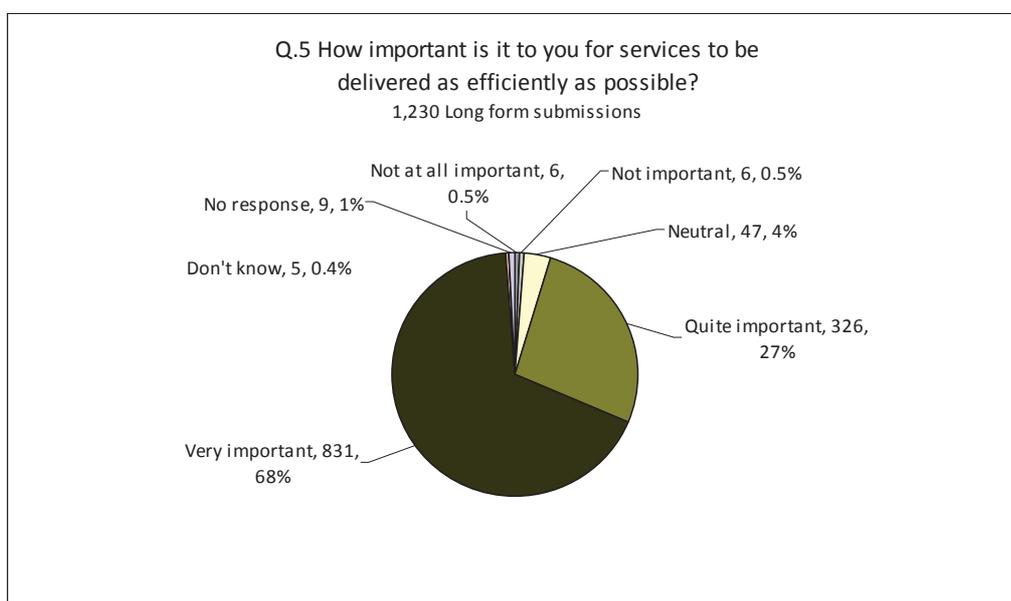
A number of those in favour of the status quo highlighted the benefits of shared services across the region. Some thought this could be done whether there was an overarching regional governance structure or not; some pointed to instances in which this was already the case. However it was observed that progress towards achieving meaningful shared services under the current system seemed to be very slow. Some people believed strongly that structural reform was not the solution and that a solid commitment to shared services among existing councils would achieve the efficiency gains being sought through the amalgamation proposal. However, many had no confidence that renewed commitments to shared services would provide the governance arrangements necessary to ‘future proof’ Wellington in uncertain times.

Many people stated that water was a service delivery area that should be dealt with at a regional level. People also felt that having one library system for the region would make sense. Several submitters believed that councils should focus solely on delivering ‘core’ services such as water and waste to the highest standards, rather than investing in ‘less essential’ activities like social events.

There were different perspectives on delivery of council services by Council Controlled Organisations (CCOs) or other arm’s length entities. A common concern was that CCOs lack accountability and openness to public scrutiny. Some felt that outsourcing of services should only occur where it is difficult or expensive to maintain a capability or expertise. Some individuals and organisations cited international evidence suggesting that over time outsourcing of activities such as waste management and recreation services does not reduce overall costs to councils, but does result in workers’ wages and conditions being eroded and as a result leads to a decline in service delivery and service quality. Another perceived consequence of contracting out services was a loss of experience and skill within councils.

However some people argued that contracting out some services was more economical than keeping everything in-house. It was argued that certain services, such as engineering and legal services, should be regularly tendered out to the open market, the rationale being that maintaining competition for contracts would avoid sole-source providers and keep costs down.

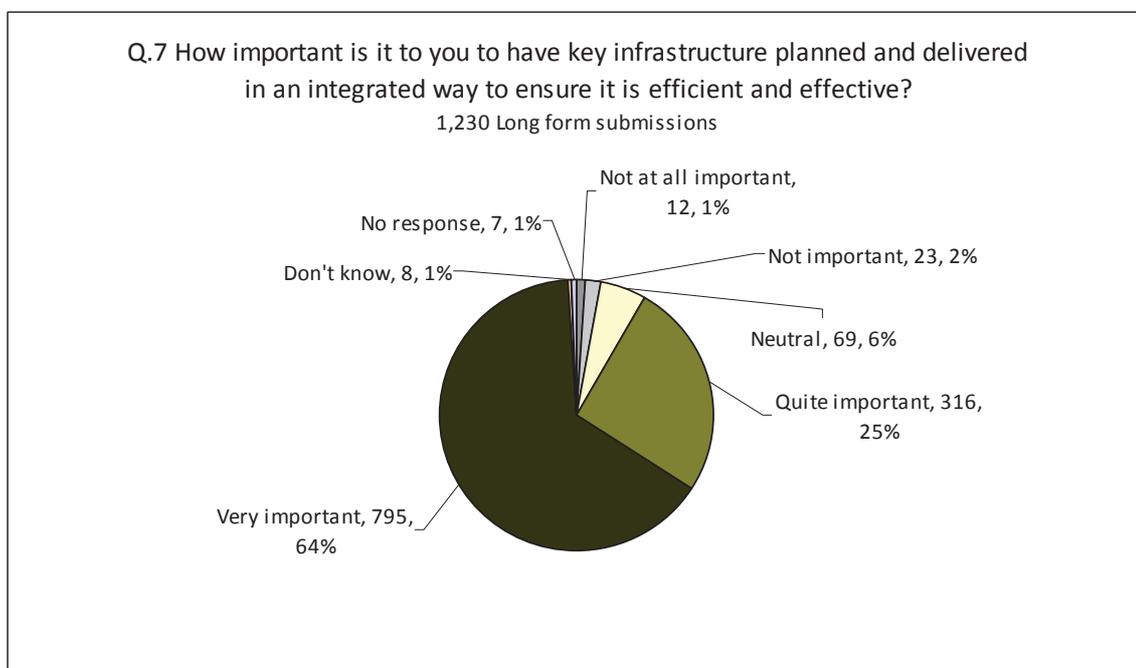
There was considerable support for the idea that a single council model could deliver services more efficiently through sheer economies of scale and scope and also through taking a more integrated, holistic approach. One suggestion was that there should be a focus on informing people of how each neighbourhood can access all council services, in terms of both physical access and removal of barriers. It was thought that this would go a long way to allaying suspicions that moving to a single structure and single set of processes will make the council distant and inaccessible for communities.

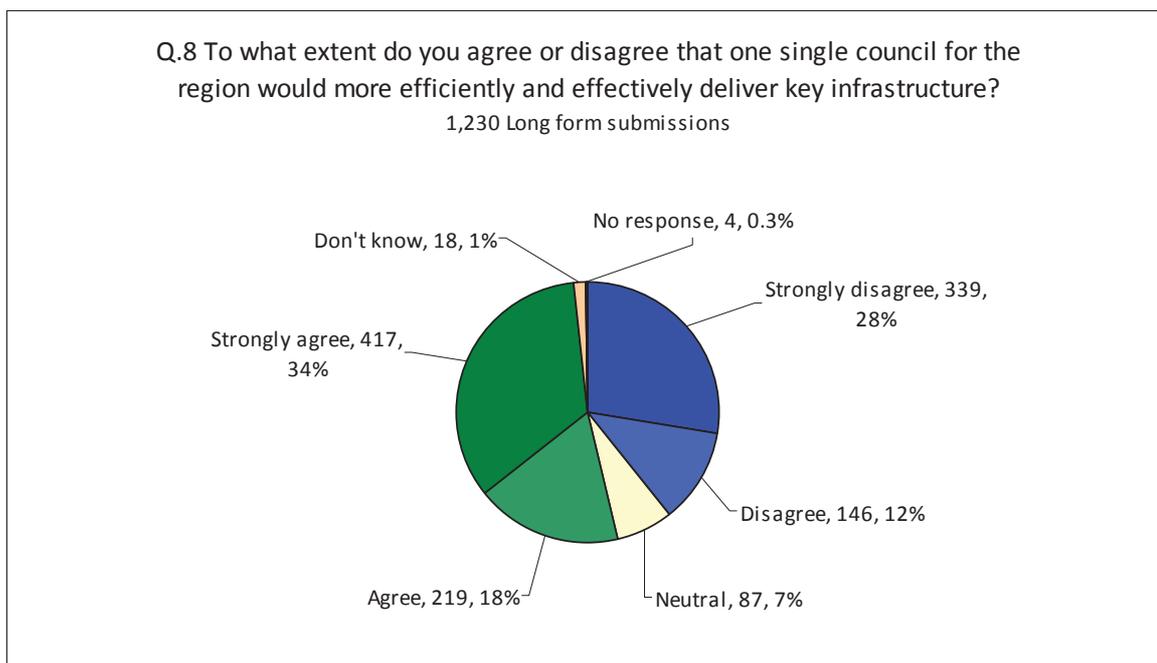


**Infrastructure**

Some Hutt Valley and Kapiti residents were worried that infrastructure projects in those areas would be neglected in favour of Wellington City’s infrastructure priorities under a single council model. However, the majority of people who discussed infrastructure planning and delivery commented that they would like to see a more coherent and consistent approach to infrastructure development across the region. Some people stated that their primary reason for advocating for a change to how local government is structured in the Wellington region was the lack of agreement and coordination on macro infrastructure and planning work across the existing councils. There was a perception that this creates a significant risk to the future relevance and viability of the region’s cities and associated communities. A lot of people thought that a single council for the region would be better equipped (in skills and funding) to undertake complex and expensive infrastructure projects. There was a strong view that major infrastructural expenditure needs a co-ordinated and committed response to avoid delays and drawn-out negotiations between councils. In particular, people identified transport as an important area that requires regional, integrated, long-term planning. A high proportion of comments from Wairarapa residents expressed a view that integrated regional planning for public transport and roading is critical. People also predicted that a region-wide governing body would be more likely to attract funding for transport infrastructure from central government agencies. It was suggested that there is too much city influence and insufficient regional direction of transport developments at present and that key regional access requirements need to be given greater weight.

Core infrastructure for the three waters (water supply, wastewater and stormwater) was also seen to require coordinated regional policy and delivery. Current arrangements were viewed as myopic and costly.





## Economic development

Many comments expressed the view that under the current structure the region has failed economically. A significant number of people believed that too often the politics of rival neighbouring cities and districts result in bad decisions from a regional economic perspective. It was thought that the current economic challenges, such as the shift of large businesses to Auckland, and greater infrastructure funding for Christchurch, cannot be met by each of the eight local councils alone.

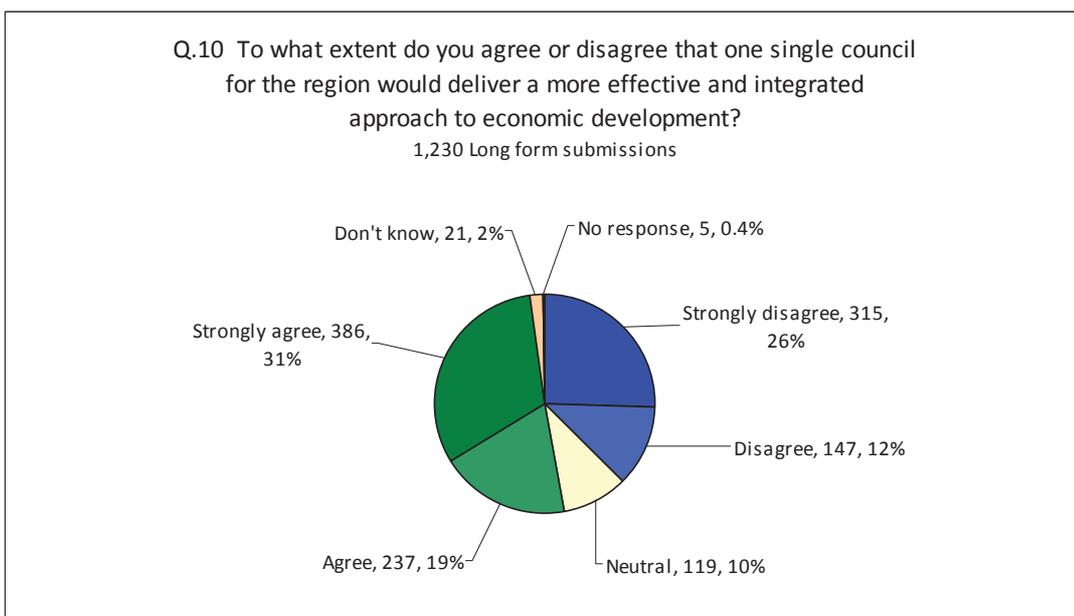
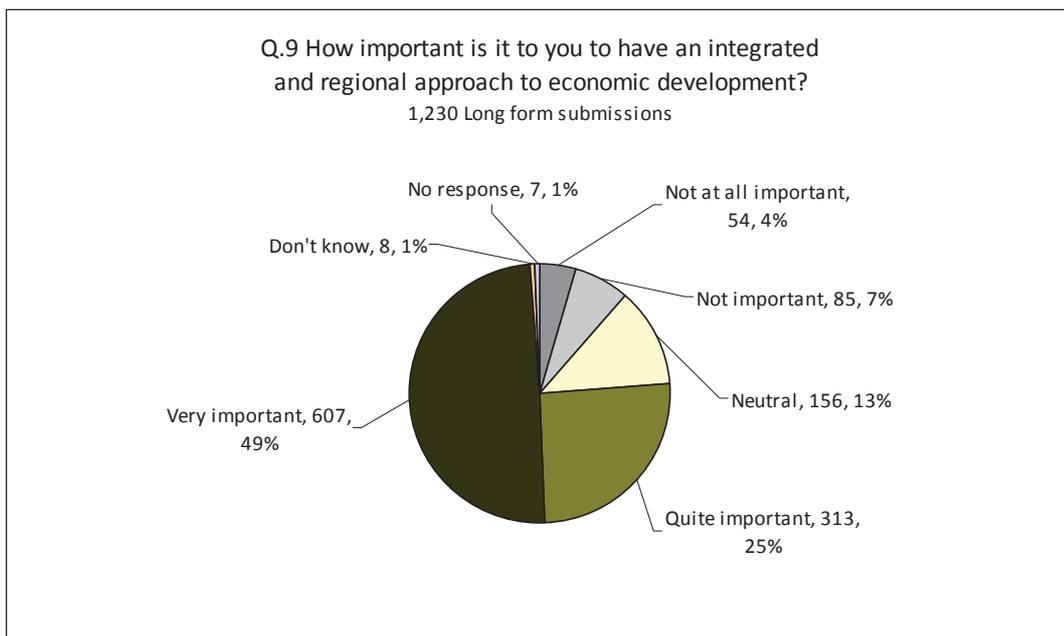
To remedy this it was suggested that local government needs to be positioned to put together a bold and coherent plan that can draw on the combined resources of the region. Some people noted that although the structure of local governance itself doesn't guarantee that such a plan would be forthcoming, it seems more likely than under the current multiple council structure. Some felt there was a degree of urgency with which coordinated regional economic development must happen because of the Wellington region's current economic standing.

A number of people said that an overall vision for the growth of the whole region is desirable providing local input is sought and heard in the framing of that vision. Some stated that if Wellington is to remain competitive as a region and is to attract investment, then it needs to be looked at as an entire region and to show that both urban and rural opportunities can be accommodated. Particularly, it was suggested that a strategic regional approach to domestic and international tourism promotion and initiatives is wise. There were fears that separating the region into a number of unitary authorities would ensure the Wellington region would become an isolated and disconnected economy. Some feedback from businesses highlighted the benefits of having a 'one-stop shop' - a single set of rules and point of contact for businesses and developers operating across the region. It was argued that this would reduce time and effort in understanding the range of rules, district plans and standards emanating from each of the local authorities in the region, as well

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as allowing businesses to streamline their operations accordingly and altogether make it much easier to do business.

A smaller number of people were cynical about the ability of amalgamation to provide effective and integrated approaches to economic development and believed, conversely, that under a larger structure economic development could get tied up in consultations, committees, and bureaucracy. Others stated that it is not the job of local government to support private enterprise and that economic development should be left to the private sector. These submitters indicated they would welcome the removal of economic development as a local government function.

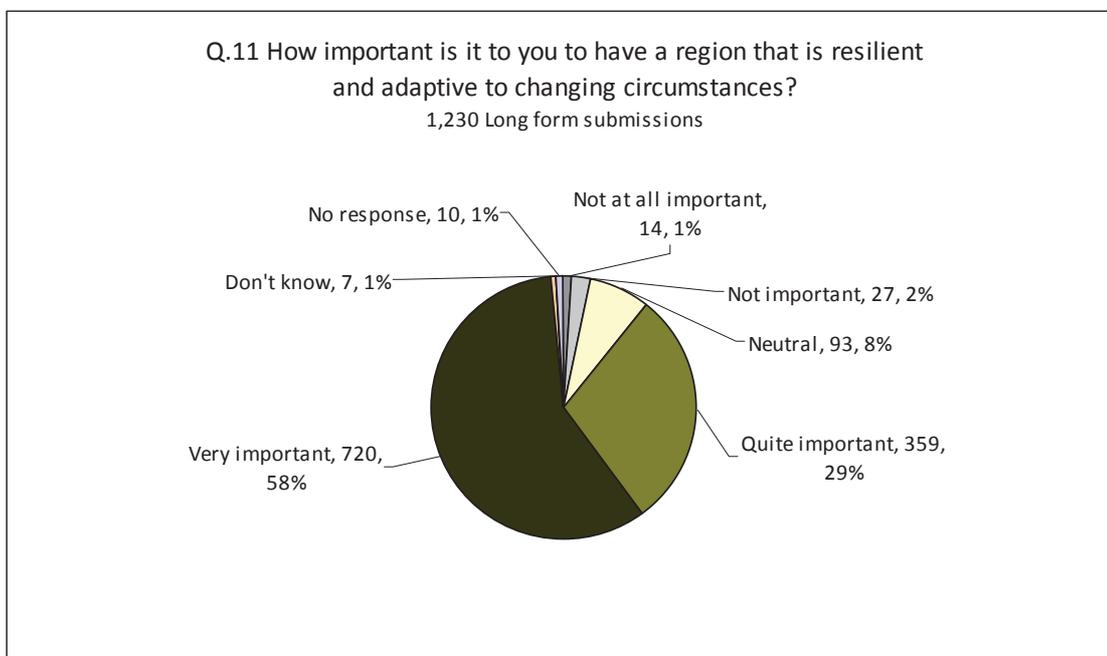


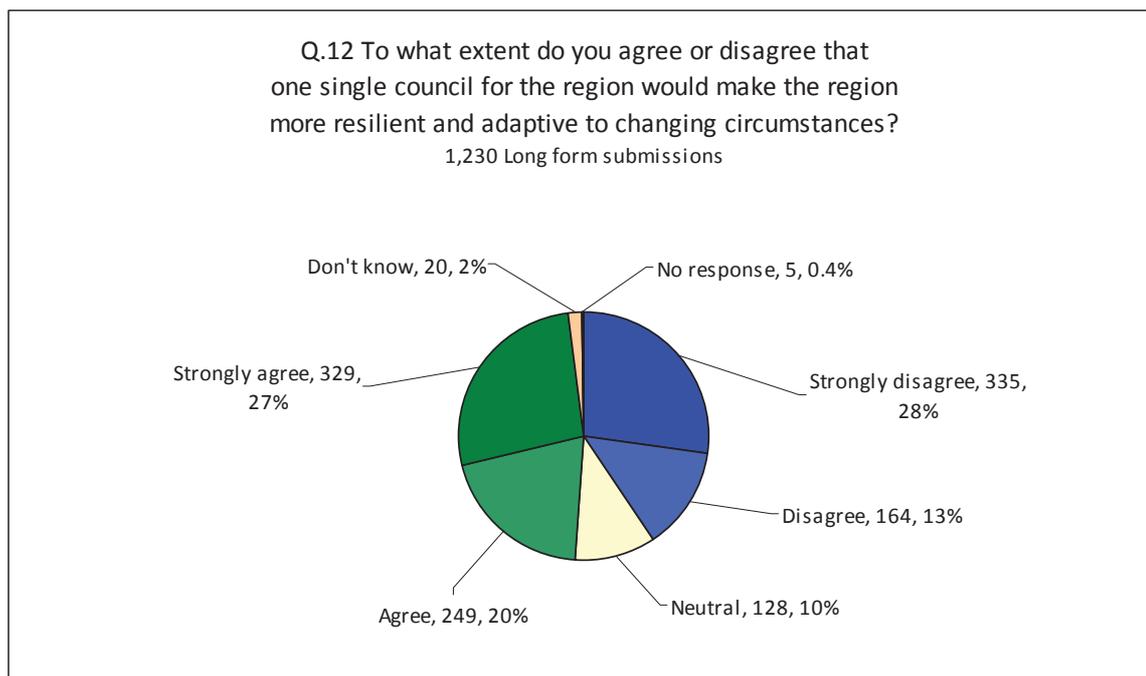
## Resilience and adaptability

Feedback about resilience and the ability of local government to respond to change revealed a diversity of perspectives. There were mixed views on whether a larger, region-wide council structure would be better able to withstand change or recover quickly from challenges. Some pointed to experiences they had had of large and small organisations and observed that smaller organisations seemed better able to evolve and respond to changes, while larger organisations often seemed to become change-resistant and out of touch with their smaller constituent parts. One argument was that super city style structures reduce local involvement and disempower people. It was argued that this compromises resilience because resilience is about empowering local communities. However some people perceived that what is required is a sensible balance between central control and local autonomy - the aim being total regional resilience.

Some submitters were of the definite view that the region will need to have a single effective governing body in order to cope in the event of a major regional disaster such as an earthquake, tsunami, flooding, or a major storm event. This was chiefly because people perceived that integrated planning and unified leadership would be increasingly required to deliver a coordinated response to big challenges such as the wide-ranging effects of climate change. It was posited that the capacity and capability of local government needs to be lifted to meet these growing challenges.

Some people pointed out that centralised governance does not necessarily require centralised location or co-location. It was contended that given Wellington City's earthquake risk, there will be an increased vulnerability if all assets/staff are located within Wellington and, as such, a hub approach would be better.





## Democracy

A very large number of submitters discussed issues of democracy, with several sub-topics emerging within this overarching theme. *Local voice and representation* was the most prevalent of these. Many people spoke of the need for local input on local issues as well as democratic representation at the local level. A common concern was that local communities could lose their voice in a larger centralised council structure and that a bigger organisation would be less agile and therefore less responsive to local needs. Many felt that concentrating power into one body would mean local concerns and issues would receive less attention than in a more decentralised structure. Local representatives were seen by many to possess the requisite knowledge to best serve their local areas. A high proportion of comments from Hutt Valley residents expressed fear that in a single council structure they would not have the same rapport as they do with their current local authorities and residents would end up feeling isolated and disconnected. Some people felt that notions of loss of local identity and voice were simply scaremongering and that local democracy is a valuable safeguard but is not dependant on the ‘artificially-scaled’ city and district councils now operating in the region.

A significant number of submissions were received from Tawa residents who feared their community would lose its voice in a new council structure. Because of this, some Tawa residents advocated for the continuation of the status quo. However, a greater number of Tawa residents did not have strong views on the proposed single council structures but did feel strongly that, whatever the outcome of the local government debate, Tawa should continue to have a community voice.

*Access to decision making* was another area of concern for many. Some commented that, without safeguards, local communities may be left out of the decision-making process in a larger, more

regionally-focused council. There were calls for more localised control and local decision making and concerns about a move away from this towards a system of governance where more power is concentrated in fewer hands. Some predicted that amalgamation would result in communities being unsure of the path to follow in order to have their concerns addressed. A common sentiment was that councillors would be distant and inaccessible and that local issues would get neglected or else delegated to people with limited power to effect change. However, some dismissed fears of local disenfranchisement as myths, saying that local access both to 'shop front services' and councillors and staff would remain. In order to facilitate physical access to decision makers, a number of people suggested that an equitable approach would be for a new council to either be housed, or at least hold meetings, outside of Wellington City.

Some people thought that having elected representatives who were too closely involved with local groups could result in a narrow focus and bad decision making. There was a view that the smaller a local authority, the more likely that lobbying will have an undue effect on decision-makers because councillors of small local authorities may be more susceptible to capture by persistent individuals and interest groups in their community.

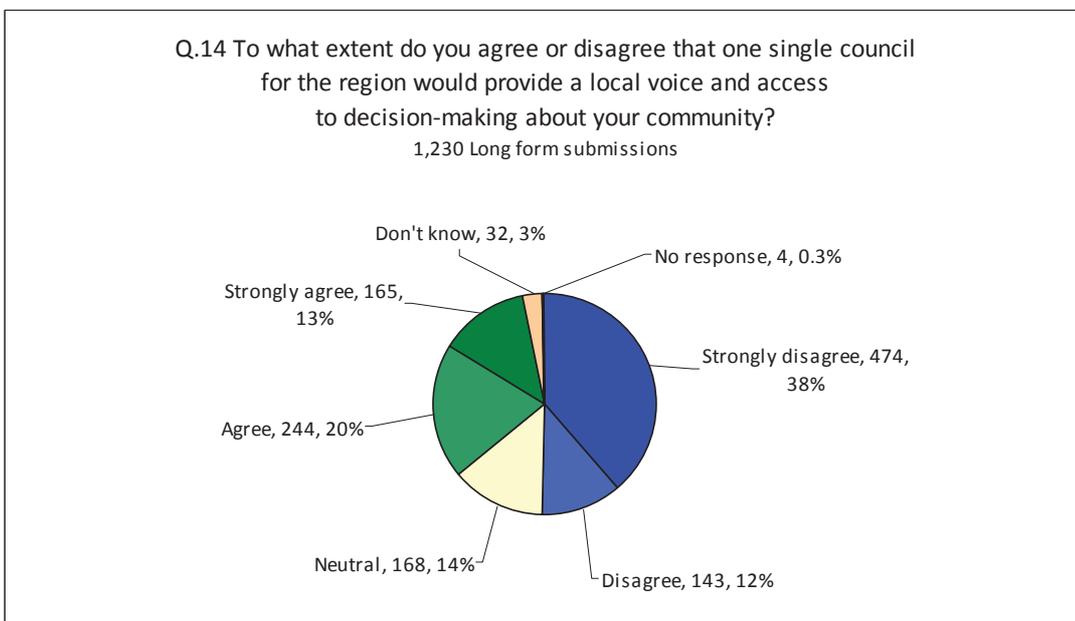
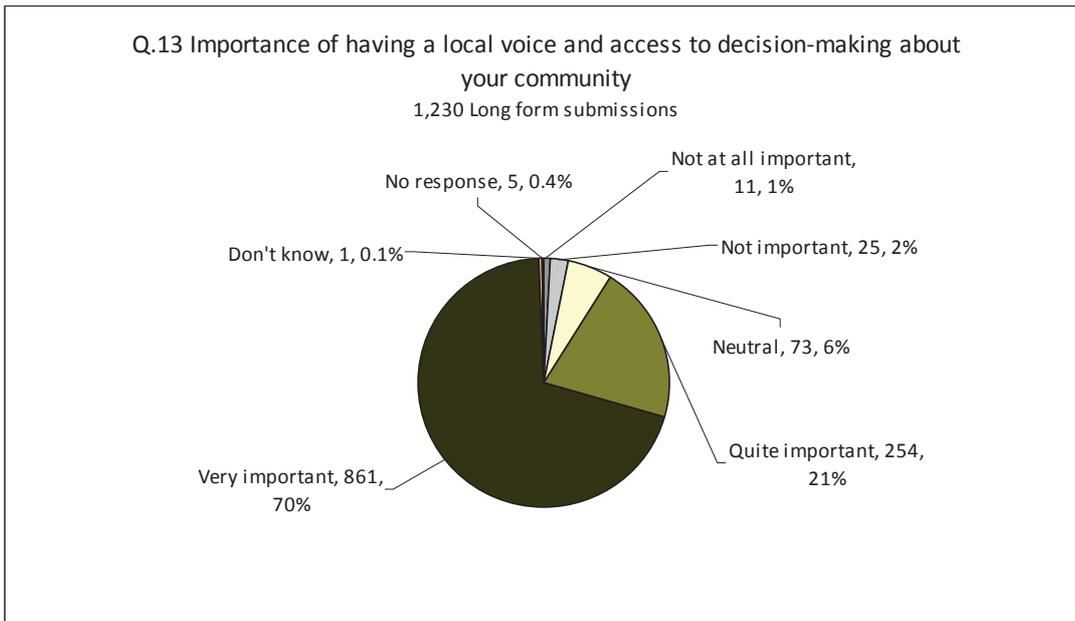
*Fairness and transparency* were concepts mentioned in quite a lot of the feedback received. Having an open and transparent local government structure with clear lines of accountability was viewed by some submitters as being more important than achieving optimum efficiency. Transparency around councillor affiliations to groups or business interests was advocated. It was also thought that a fairer council would be a more interactive one that was capable of reflecting the diversity of the region. The fairness of the current system in terms of constituents across the region being able to have a say in decisions that affect them was questioned. An example was that Wellington City has amenities that are heavily relied upon by the rest of the region, yet the majority of the region's populace have no say in the election of the mayor and councillors who decide how such amenities are developed and function.

A related issue discussed in a number of submissions was *participation*. More e-government, modelled on the Scandinavian style of online referendum, was one suggestion for increasing local government participation; mandatory polls for determining policies on important issues was another. A number of people suggested that local government should be pro-active in utilising new technologies and communication tools to inspire and empower people to engage with local government. Several people outlined the importance of minority voices being heard. It was felt that in the current structure it is generally hard for minority groups to have a say and efforts should be made to avoid disenfranchising minority voices.

*Neighbourhood and village planning* generated some discussion in meetings and submissions. There was some concern that amalgamation could result in communities having little ability to shape the areas they live in. Not everyone shared this concern; those who did not perceived that there would easily be scope to convey community wishes to council through a village planning type framework, as has been successfully implemented in Porirua. It was suggested that if the Porirua model of village planning could be fine-tuned and then duplicated all over the Wellington region then local identity would be strengthened not lost. It was also suggested that village planning could make a valuable contribution to a regional unitary plan.

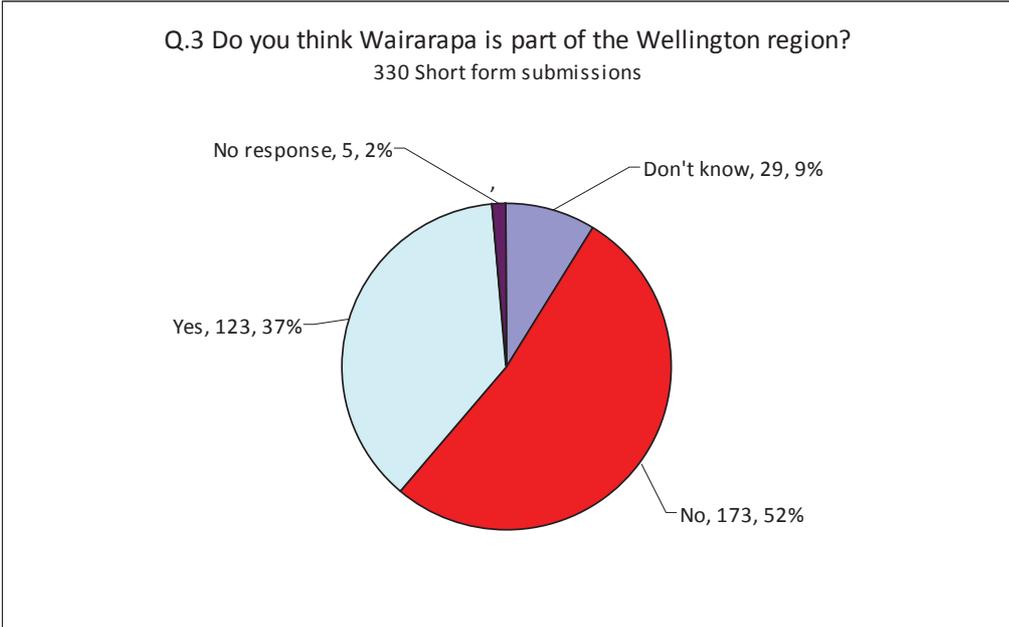
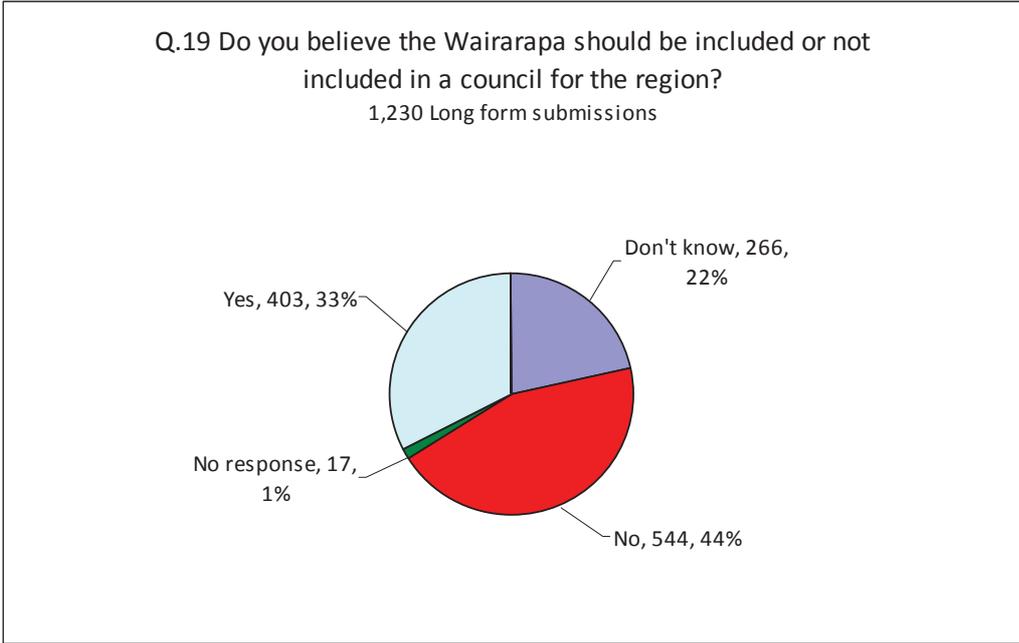
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A final topic related to democracy, which received considerable attention in the public feedback, was the *urban-rural divide*. A common sentiment here was that urban and rural needs can differ significantly and that rural communities within the region will either get neglected or else have poor decisions made on their behalf in a large (urban-based) council structure. A less prominent perspective but one put forward by a number of Wairarapa residents was that the urban and rural aspects of the region should together be considered as a regional advantage, providing balance, strength and resilience.



### Wairarapa

Statistical support for including Wairarapa in a single council for the region was assessed via responses to two separate questions in the *Wellington: Your Choice* short and long style submission forms (questions three and nineteen respectively). As with the questions relating to support for change, and model preference, the phrasing of the questions on the long and short style submission forms relating to Wairarapa differs, and therefore the statistical data from each is presented separately. The most prevalent response was that Wairarapa should not be included as part of the Wellington region, or as part of a region-wide council.



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## Why Wairarapa should be included

A wide variety of reasons for why Wairarapa should be included in a single council for the region were given by submitters in favour of this position. There was a strong view that Wairarapa is too small to go it alone. Further comments given in support for Wairarapa's inclusion in the region can be summarised as:

- The costs of a Wairarapa Unitary Council would be too great for the population base; fiscally it would be unable to support itself
- Economic integration into a more dynamic region will give Wairarapa strength. An isolated Wairarapa would become a backwater with parochial arguments distracting from good decision making
- There are already strong transport connections between Wairarapa and the rest of the region and these can be strengthened under a single council structure. Particularly, strong commuter ties exist already – many people living in Wairarapa work in Wellington – and better access for commuters in an integrated system would open up more opportunities for all
- The small population and large land area mean a Wairarapa Unitary Authority would impose a rating burden which would severely impact on growth – Wairarapa needs the benefit of the larger population to the West to maximise its potential
- Wairarapa is an integral part of the greater region with historical ties established through commerce, employment, infrastructure and recreation
- As part of the Wellington hinterland, Wairarapa is a fundamental source of well being for the whole region, with events such as Toast Martinborough and Wings over Wairarapa attracting large numbers from across the region. Being separate would result in a drop in tourism in Wairarapa
- The substantial investment and expertise required to carry out functions such as irrigation, biodiversity, flood control and land management in Wairarapa would not be manageable without the support of the wider region
- The complementarity of the largely rural Wairarapa and predominantly urban rest of the region means the union between the two under the same structure will be mutually beneficial
- Wellington City and Wairarapa are interdependent and as such having separate decision making bodies opens the potential for inefficient and conflicting decision making
- The Rimutaka Range is a mental barrier for many people but not for the individuals and organisations that use the hill. Residents of Wairarapa commute to work/play in the Hutt Valley, Wellington and even Kapiti. Putting aside the 555m elevation, it is simply a route to travel and takes less time than many routes in Auckland, Christchurch or elsewhere in NZ.
- The wider the region-wide council, the stronger it will be

Most people from Wairarapa who were in favour of Wairarapa's inclusion in a single council for the Wellington region stressed that it would be vital to have the second tier of local boards to ensure that community input from across Wairarapa would be heard.

## **Why Wairarapa should not be included**

The main reason why people said they did not believe Wairarapa should be included as part of regional governance arrangements was that Wairarapa is largely rural, while the Western part of the Wellington region is largely urban and therefore the two respective areas have irreconcilably different outlooks and concerns. The other most frequently cited reason for keeping Wairarapa separate was geographical – it was thought that the Rimutaka Range provides a clear natural barrier dividing Wairarapa and the rest of the region.

Further reasons for why people thought Wairarapa should stand alone were that:

- Decisions made for the greater region will not necessarily be the right decisions for Wairarapa
- Wairarapa has totally different needs, concerns, challenges and strengths from the rest of the region. Its inclusion will not add to either Wellington or Wairarapa
- A centralised body based in the urban part of the region would neither understand nor care about the needs of remote and rural Wairarapa. Wairarapa has its own unique identity that would be lost in a single council structure – it is its own distinct, self-contained and clearly defined community of interest
- Wairarapa has already indicated it wishes to create its own separate authority. It needs to be Wairarapa's choice under a democratic process, not one imposed upon them by others. Also there is no point in including a community that does not want to be part of the Wellington region
- Including Wairarapa as part of a single council would make the region too big to govern effectively. 'Spreading the net too far' would make regional governance unmanageable
- There is no logic in including Wairarapa in the Wellington Council, just as there is no logic in including Hamilton in the Auckland Council. If you are to include Wairarapa, then why not Palmerston North and Levin too?
- Coordination between Wairarapa and Wellington can be achieved without amalgamation

Some people also believed that Wairarapa would more appropriately fit into a new larger central North Island region rather than the greater Wellington region because Wairarapa has a greater affinity with areas with a more agricultural focus such as Tararua and Manawatu or Hawkes Bay.

## **Wairarapa – undecided**

A significant number of people returned a position of 'don't know' regarding the question of whether Wairarapa should be included as part of a single council for the region. It should be noted that of all submissions from Wairarapa (total =396) under 1% of those provided a 'don't know' response to this question (of those who completed the long submission form, 87% were in favour of Wairarapa's inclusion in a council for the region). This indicates that Wairarapa residents hold a

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more decisive position on this issue than others in the region. Almost every submission that was uncertain about the issue gave one or both of the following reasons for that uncertainty:

- Don't know enough about Wairarapa and its needs to make an informed decision
- It should be up to the citizens of Wairarapa to decide whether they wish to be a part of a single council or whether they wish to stand alone

### **Other themes from public feedback**

#### **Auckland super city**

Many comments referred to the changes in Auckland's local government structure. Overall, the majority referred to the Auckland super city in a negative way. For example, some very common views were that:

- The situation in Auckland should act as a warning that bigger does not necessarily mean better
- Amalgamation in Auckland has proven costly, due to high transition costs and major rebranding
- It has not benefited the majority of rate payers
- The Wellington region should not follow Auckland's example as the situations are not comparable; Wellington is not as dysfunctional as Auckland was
- Amalgamation in Auckland has been bad for local democracy. Access to councillors has been jeopardised, which has disenfranchised people, made it much harder for individuals to be heard, and removed power from local communities
- As with Auckland the one with the largest voice - which would be Wellington City in this case - would be treated preferentially
- It seems that the worst features of each former council have dominated the Auckland restructure, rather than the best or most efficient
- As has been demonstrated recently, central government can still intervene and try to overrule Auckland Council's decisions. If they do not have the freedom to make their own decisions, what chance has any other amalgamation of councils?

A smaller number of people (about 15% of all comments about Auckland) referred to the Auckland super city in a positive light, saying that the Auckland model is working well and is leaving all other regions behind by moving forward as a unified force. Some felt that the 'fragmented' Wellington region is at a severe disadvantage compared to Auckland's now one unitary council and noted that the mayor of Auckland has emerged as a strong spokesman for that council and region. Some people who have interacted with the Auckland Council at a central government level commented that, after an inevitable settling in process, they have observed the improvements in delivery cohesiveness and future thinking that Auckland is now achieving from a single city focus and with consistent and

standardised service delivery models. A lot of feedback advised that Wellington ought to watch Auckland with interest to see what lessons from the Auckland experience are yet to emerge. However, quite a few people cautioned that what is needed here is a structure that is fit for purpose in the Wellington region, not something that simply seeks to replicate the Auckland model.

### **Māori representation**

There were mixed views on the issue of Māori representation. While a significant number of people felt that Māori who wished to stand for council should go through the same channels as all other candidates, others believed that specific mechanisms for Māori representation must be established in order to formally provide a voice for tangata whenua and maata waka across the region and give expression to the Treaty of Waitangi. Several submissions stated that iwi need to be visible partners, in line with the provisions of the Treaty. Local iwi that provided feedback during the engagement process indicated they value the relationships that have been established with the various councils over many years and that, under a new structure, iwi in the region would not expect the relationships that are currently in place to be diminished in any way. Local iwi indicated they would participate in discussions on how to enhance Māori and tangata whenua participation with local government.

A handful of submissions supported the establishment of a separate Māori ward or dedicated Māori seats, though it was suggested that this form of representation may not be able to adequately address the diverse nature of Māori opinion.

A small number suggested that some form of advisory board or committee might be an appropriate way for mana whenua iwi to influence decision making, especially where leadership and direction on issues significant to Māori is needed.

### **Rates and council debt**

Rates were a contentious issue. Some people held the adamant opinion that amalgamation would not result in any savings for rate payers of the region. Further, there was an expectation among some people that their rates bill would increase faster under a single council. Some said they felt more comfortable knowing their rates were being invested locally, rather than somewhere else in the region that they seldom or never visit.

There were diverging views about the ability of a single region-wide council to distribute rates fairly. Some speculated that there would be an unfair redistribution of rates to the outlying areas. A common perception was that residents in areas that have been 'fiscally responsible' would be unfairly penalized under a new single rating system for the region as they would be saddled with the debt of other, less frugal councils. However, there were a lot of discrepancies on this point, as feedback from rate payers in different parts of the region revealed that many believed that their local authority had managed debt and investments more responsibly than other local authorities in the region and as a consequence there were highly conflicting views on which areas would be better or worse off under amalgamation. For example, a large number of rate payers from the Hutt Valley

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expressed serious concern that they would be forced to take on the burden of Wellington City and Kapiti Coast's debt in a unified council. In contrast, some Wellington City rate payers commented that, as the longest established city, the capital has paid off much of its historic development cost, and that other areas, especially Porirua, Kapiti and Upper Hutt, have capital investments in roads and facilities that are less paid off. These Wellington City rate payers therefore predicted that cross subsidisation between different ratepayers, especially by Wellington, will occur and will need to be addressed, and that Wellington City ratepayers should not have to pay for local infrastructure outside their city. Another opinion was that it is more sensible for all rate payers to look at the bigger picture, not just next year's rate bill. A high number of Wairarapa residents commented that they fear that the establishment of a Wairarapa Unitary Authority would result in a crippling rates hike for Wairarapa rate payers.

Among those in support of change, many predicted that a single council structure would be able to address the current rates disparity across the region, providing a more equitable system and uniform service delivery. A number of people commented that any change to the current structure will require a careful review of the services provided to different ratepayers and the costs they should be paying and may require much greater usage of differential rating to better reflect the value of services received. People in favour of a single rating system noted that under a single council model administrative and operational overheads should be rationalised enough to ease pressure on rates. There was an acknowledgement that there will inevitably be 'winners' and 'losers' in the process of 'equalising' the rating base. There was some feedback on the type of rating system that should be adopted. A number of people were critical of Capital Value Rating, which they viewed as a penalty tax on investment and improvements. These submitters advocated for either a Land Value Rating system or some other type of incentive rating system that would reward renewal and maintenance of properties and penalise property owners who simply wait for land values to rise. Others argued that Land Value Rating is inequitable and out of step with the substantially increased residential and business development in the region.

There were suggestions for how the transition to a new rating system could be managed and what information should be provided to rate payers in advance of any change. One suggestion was to create a ten year plan including revenue, operating expenditure, assets and liabilities, Capex Projects and debt structure with annual rate changes. There was also a call for a re-balancing plan by ratepayer class and existing local authority, as well as a quality transition plan. Additionally it was proposed that post-change disciplines be set up to ensure the new single council would be financially frugal and would not duplicate central government functions. Several business organisations argued it is imperative to guard against the creation of a large bureaucracy and any resulting rates and spending rises, which they viewed as a risk under amalgamation in spite of the countervailing efficiency gains. These submitters maintained that savings, in general, must be passed back to rate payers.

### **Number of councillors, remuneration, term length and voting**

Among those in support of change, a very clear view emerged that councillor numbers could be significantly reduced from current numbers, and many also thought that councillor numbers could be

further reduced from those proposed in the Working Party's consultation documents. There was concern that the larger the number of councillors, the more difficult to reach consensus and the more cumbersome and ineffective decision making would be. 'Less is more' was a commonly preferred approach. Many people felt that getting a group of more than twenty elected representatives to cohere, trust and work together seemed challenging with a high likelihood of factions. The cost savings that might be expected from a reduction in councillor numbers was seen by a number of people as a positive and even necessary efficiency gain.

However, an opposing view was that fewer representatives would mean more scope for central government and the private sector to coerce councillors into satisfying particular agendas that may not be in the greater public interest. Several people raised concerns about local government senior officials' salaries. Reference was made to the remuneration rates for some of the executives in the Auckland Council, which were seen as unjustifiably high. Some submitters felt that salary caps should be introduced. A number of people also commented on remuneration for elected representatives. There was a concern that equity issues could arise with a single council model because if councillor salaries increase, potential candidates without significant financial resources will be ill equipped to compete against well-resourced candidates with the ability to spend large sums on publicity and campaign materials.

There were quite a few calls for term limits for councillors. Most suggested that a limit of three or four electoral terms would help to bring in fresh energy and ideas and keep personal agendas at bay.

Some feedback discussed the issue of low level of voter engagement in local government elections, and there were suggestions that this was a compelling reason for increased clarity and simplification of governance structures and engagement processes, as excessive complexity may further deter participation. Some believed the problem is that under the current system of multiple relatively small councils there is limited buy-in and interest from local residents. It was proposed that, under a single council model, with considerably more power and influence over regional affairs, there was likely to be a lot more interest and participation in local body elections. The expectation was that this, in turn, should result in better quality candidates or candidates with less parochial attitudes and a broader view of the region.

Some people were critical of the ward system and viewed it as fostering divisiveness and competitiveness. It was suggested that there could be some ward councillors, but also some councillors elected at large so that councillors would hopefully maintain a broader and more strategic outlook. Alternatively, some argued that the ward system could be abolished completely and constituents could vote for every councillor at large, the rationale being that decisions affecting rate payers are made by all councillors, not just the person representing your ward.

## **Boundaries**

There was some support for the idea that the Kapiti Coast district should join with Horowhenua. The main reason provided in support of this position was that there are existing commonalities between Kapiti Coast and Horowhenua, such as being in the same electorate and being comprised of a number of small towns.

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A very large number of submissions from Tawa residents stated a strong preference for Tawa to be part of a Wellington Ward and not part of a Porirua Ward if ward boundaries were to change under a new council structure. (It was proposed by the cross-council Working Party that Tawa and Glenside North, currently in the Wellington City area, be included in the Porirua Ward under a single council model in order to provide fair representation, as required under the Local Electoral Act 2001). The main concern among Tawa residents was that the Tawa Community Board would be disestablished under a new council structure, resulting in a loss of voice for that community. While this was the overwhelming view on this issue, this position was not unanimous. A small number of people commented that including Tawa in the Porirua Ward makes geographic and economic sense particularly in terms of delivery of some services such as refuse collection and water.

A small number of Eastbourne residents raised the possibility of Eastbourne becoming a part of a new Wellington Ward, rather than being part of Lower Hutt.

Some advocates of the single council model suggested that the Wellington region ought to look to form strategic alliances with areas currently outside of the region's boundaries, for instance up the lower western side of the North Island to Palmerston North or even the Rangitikei District. The rationale provided for such an alliance was the transport, power and food supply links that exist between the Wellington region and some of the areas to the near north.

### **Greater Wellington Regional Council**

A lot of public feedback expressed a view on the role and value of the current Regional Council. Broadly speaking, opinions about the Regional Council fell into two categories: those that thought the Regional Council should be abolished and its functions devolved to territorial authorities through shared services or transferred to CCOs, and those that thought the Regional Council works effectively in its current form and should continue as is.

Those in the former group expressed dissatisfaction with too many layers of governance and a perceived lack of accountability and transparency. Those in the latter group argued that the current Regional Council carries out many important responsibilities at present and many expressed concern about how roles and functions such as having an overall environmental oversight in the region and providing public transport networks would be managed if the Regional Council were to be disestablished.

This latter group included many Wairarapa residents who emphasized the importance of the Regional Council's current functions in Wairarapa. They expressed concern that a single Wairarapa Unitary Authority would not have the resources to continue work currently conducted by the Regional Council. Concerns of this kind resulted in calls for either a continuation of the status quo, or Wairarapa's inclusion in a single council for the region.

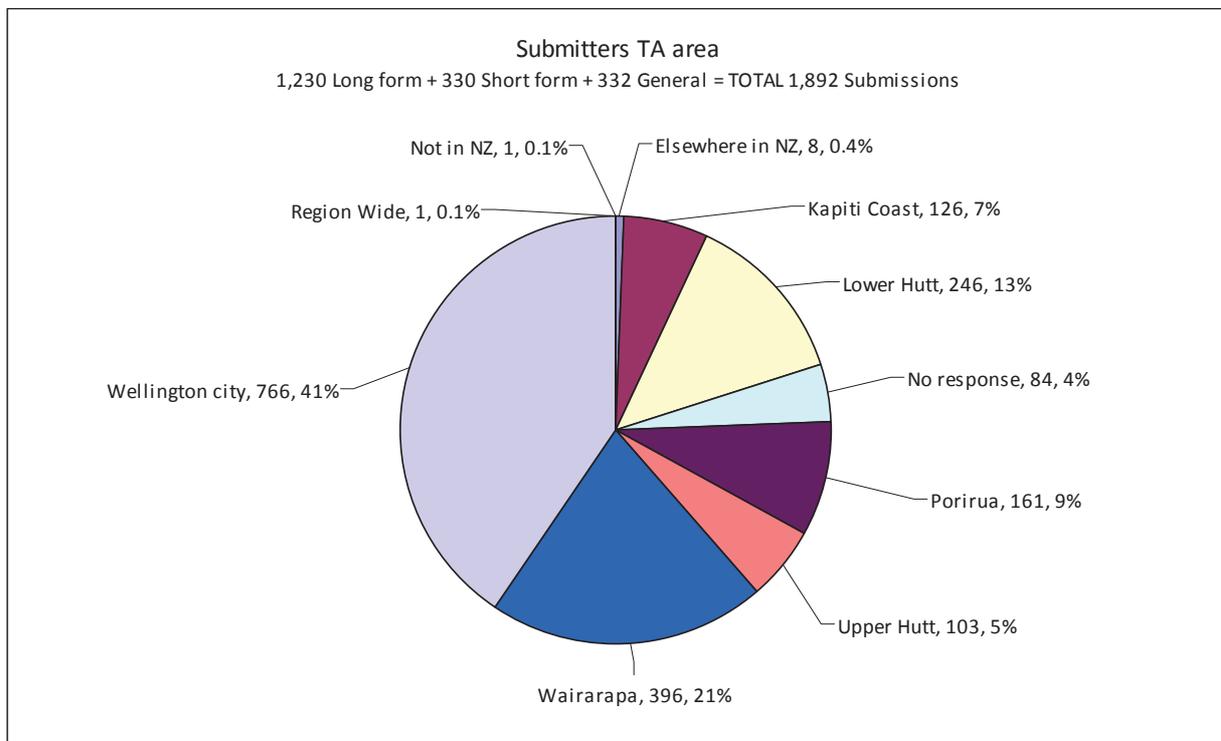
### Comments on submission form/engagement process

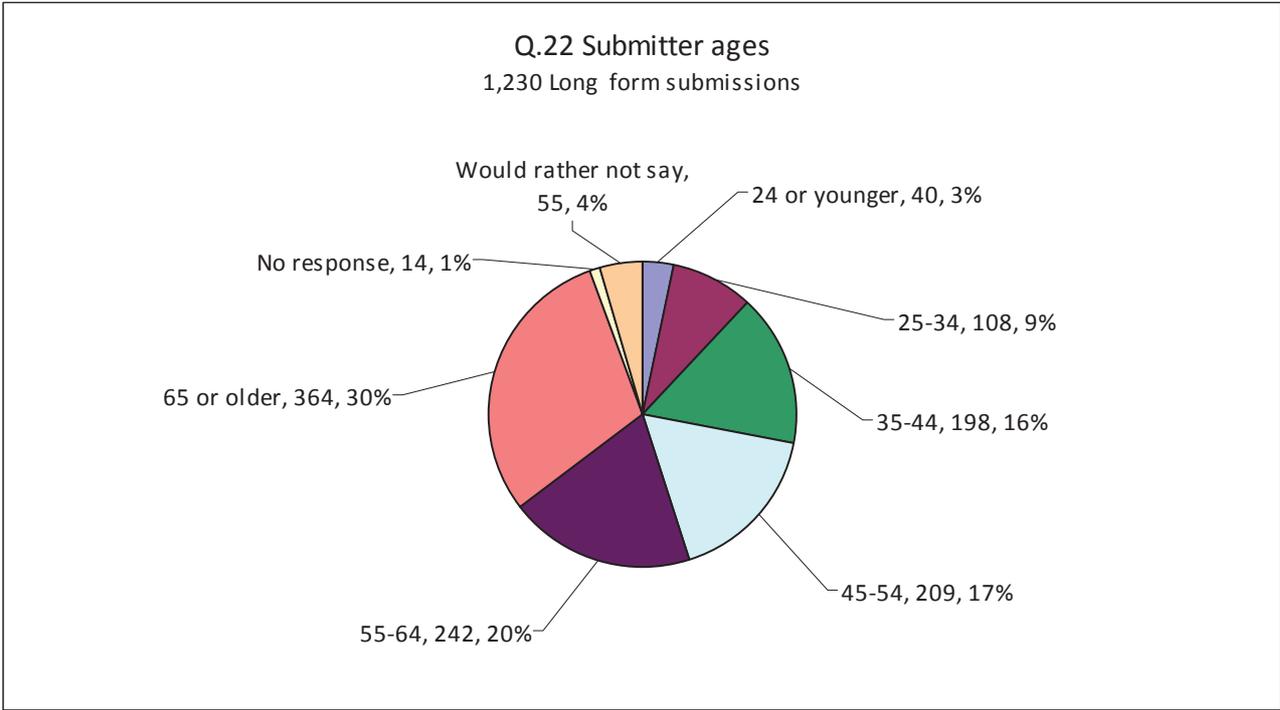
Quite a lot of comments were made about the way the public engagement process was undertaken. A significant number of people at public meetings, in submissions, and on the Regional Reform website criticised the Working Party’s consultation materials on the grounds that they were seen to be biased in favour of change.

### Comments on local government reorganisation process

With regards to proceeding with a reorganisation process from here, two contrasting views emerged: the first was that change must occur rapidly and without hesitation; the other was that if any structural change is to occur, it should be slow and incremental. Those in favour of reorganisation sooner rather than later felt that swift action is necessary in order to address the current challenges facing the region, and the longer a decision is delayed, the more Auckland and Christchurch will forge ahead in the areas where Wellington is being left behind. Those advocating for a more incremental approach argued that smaller, more gradual changes would prevent unnecessary disruption to council staff, communities and overall social harmony.

### Demographics:





# **Direct Access, Direct Accountability**

## **Alternative Reorganisation Application**

### **Appendix 5:**

## **June WCC Strategy and Policy Committee Paper**

Wellington City Council's Strategy and Policy Committee considered a paper on 6 June 2013 that outlined the results of collaborative consultation, an independently commissioned survey and independently conducted focus groups.

The Committee considered that the results of these processes led them to support the submission of an application to the Local

Government Commission of a single-tier council for the areas west of the Rimutaka Ranges.

The Committee approved this alternative application on the basis that it was future focused, allowed for direct access and direct accountability, had demonstrable community support and was considered the best model of governance should change come.



## REGIONAL GOVERNANCE: RESPONSE TO REORGANISATION

### 1. Purpose of report

The Local Government Commission is considering potential changes to the organisation of local government in the Wellington region.<sup>1</sup>

The mechanism to influence the Commission and advance the view of Wellington city residents is through the submission of an alternative application. Any such submission would be made in anticipation that a poll will be held so that Wellingtonians can decide whether change should occur.<sup>2</sup>

This paper, therefore, presents the best alternative model to be considered against the status quo in such a poll – the paper does not require a decision to change.

The single tier metropolitan model proposed in this report:

- best meets the Commission's criteria
- delivers best on the principles of good governance, and
- has demonstrable community support.

The Council has the choice to influence the Commission's considerations or to not submit. Other councils are expected to submit alternative applications.

### 2. Executive summary

The purpose of the report is *not* to advocate for change – because that question is now formally being asked through the Wairarapa reorganisation application – it is simply to outline the best alternative governance model should change come.

It will be the people of the Wellington region who will inform whether structural change is organised in the region following consultation by the Commission. A binding poll of electors is then highly likely to be held which will determine the final outcome for the region.

The governance model that is proposed in this application:

- has demonstrable community support
- builds on earlier models and has been modified to strengthen connections between decision-makers and the local community
- is complementary to the Wairarapa model
- meets all the Commission's criteria for reorganisation

<sup>1</sup> An application for reorganising the region has been made by the Wairarapa. It is expected to be accepted, but their application does not address what structure should be formed in the area west of the Rimutakas. As an affected area, Wellington may make a formal submission (alternative application)

<sup>2</sup> A poll will be held where 10% of registered electors in an affected area demand one through a petition.

- meets the ‘purpose’ intent of the Local Government Act 2002 (the Act) to deliver services as efficiently and effectively as possible
- meets the principles of good governance agreed in the report by the Local Government Reform Working Party (the Working Party) <sup>3</sup>
- will meet most residents’ expectations of what the region needs today, and
- offers the best structural position to meet the challenges of the future.

The proposed governance model is for a single tier unitary council for the metropolitan Wellington area west of the Rimutakas, with strengthened relationships between councillors and local communities, enhanced checks and balances to strengthen transparency and accountability, and more flexible and effective approaches to representation of local interests – ultimately creating a more democratically responsive, agile and effective alternative to consider against the status quo.

Specifically, the proposal includes:

- Replacement of five existing Wellington councils and the Regional Council with a single unitary council made up of a Mayor and 29 councillors elected from 29 single member local wards
- Establishment of semi-autonomous commissioners to provide independent oversight of Council activities (including administrative matters and management of the environment)
- Strengthened support for councillors so they can more effectively represent their local communities
- Flexible, effective and responsive approaches to local representation, which may include community boards and other mechanisms that reflect community preferences.

The proposed alternative application for a single tier governance model is attached as Appendix One.

A summary of community views from consultation and research is included in Appendix Two<sup>4</sup>.

### **3. Recommendations**

That the Strategy and Policy Committee:

- 1. Receive the information.*
- 2. Note that the three Wairarapa Councils have submitted an application to the Local Government Commission to establish a Wairarapa unitary authority.*
- 3. Note that – subject to the application being accepted by the Commission – we are considered affected and will have twenty working days to respond.*

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<sup>3</sup> Comprising Wellington City Council, Porirua City Council, Greater Wellington Regional Council and Kapiti Coast District Council.

<sup>4</sup> The Working Party report on consultation results and the Colmar Brunton Survey results have been previously circulated

4. *Note that the proposed alternative application attached to this report comprises a single tier governance structure that is complementary to the Wairarapa application.*
5. *Note that Wellington City Council's position on reform is that it is a decision for the community to make through consultation, and/or a binding poll, carried out by the Commission.*
6. *Note that submitting this alternative application ensures that the Commission has before it the best alternative governance model to the status quo as part of its determination of a preferred option.*
7. *Agree to the alternative application as outlined in appendix 1 for submission to the Commission to inform its consideration of the best alternative governance model.*
8. *Agree that officers continue to explore opportunities for shared and transferred services, irrespective of the possible process of reorganisation, so that the region can be in a position to deliver efficiencies and services at least cost to households and businesses.*
9. *Delegate to the Chief Executive Officer, the Mayor, and Portfolio Leader (governance) the authority to make any minor editorial changes to the application as part of the submission process.*

### **3. Background**

#### **3.1 The context for reorganisation**

How local government in the Wellington region is governed has been a matter of interest to councils in the region for many years. The establishment of Auckland Council in 2009 was the catalyst for the Wellington region to commence a work programme on a review of governance in the Wellington region.<sup>5</sup>

At the same time central government made legislative changes to the purpose of local government to make it clear that its primary function was to deliver *good quality* services to residents and ratepayers, and defined 'good quality' as services that are delivered in an *efficient* and *effective* way.

Central government also made legislative changes to make local government reorganisation easier, and initiated the *Better Local Government* programme aimed at delivering a broad range of improvements from the local government sector.

Following the establishment of the Auckland Council, the Prime Minister and the then Minister of Local Government stated that the government did not wish to impose governance changes on other regions, and that any reorganisations would need to be community led. However, given the changes to the Act making local government reorganisation easier, it is clear that the government is interested in change to allow councils to deliver 'good quality' services for residents and ratepayers 'at least cost to households and businesses' as required under the amended Act.

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<sup>5</sup> Refer SPC Paper 11 February 2010.

### 3.2 How the region responded

As part of the 2010 review of governance and subsequent work programmes, a number of alternative governance models with a range of benefits and limitations have been discussed with the community. Formal consultation across the region in 2012 on these models received varying levels of community support.

In 2012 the Wellington Region Local Government Review Panel (the Panel) was established by the Greater Wellington Regional Council and Porirua City Council. Following consultation, the Panel identified a single region-wide unitary council as its preferred governance model for the region.

Following on from the Panel's findings, the Working Party concluded that a single unitary council, with or without the Wairarapa, would best deliver on the criteria established by the Commission, and provide the necessary scale to deliver improvements for the region.

Two variations of the preferred model were developed – one with two tiers of representation (incorporating local boards), and the other with a single tier of representation.

These two options were consulted on with the community over a six week period from late March to early May 2013.

Each council is now considering its position based on the findings for their communities.

Throughout this time the Hutt councils have been exploring options and the benefits of those for their communities. Wellington City Council committed to share information with the Hutt and supported their desire to explore options. The Hutt councils are currently consulting on options with their communities that include, enhanced status quo, a united Hutt Valley Unitary Council and a single unitary council for the region.

### 3.3 Consultation and research results – overview

A high level overview of community feedback on key questions is outlined below. More detailed information is available in Appendix Two.

#### *Change from status quo or not*

- Over half of Wellington City residents support change to the way local government is structured in the region.
- Over half of submissions from across the *region* supported change to the way local government is structured in the region.
- Consultation results show that Lower Hutt and Upper Hutt residents are least supportive of change, and Kapiti and Wairarapa residents are most supportive of change.
- More Wellington City residents support change compared to last year and opposition to change has decreased compared to last year.

### *Preferred structure*

- Should changes be made, Wellington City residents prefer a single tier council.
- Should changes be made, most submitters in the *region* prefer a two tiered council.
- The principles of good governance were consulted on with the community and they were seen as important by submitters in the region and by Wellington residents.
- Wellington City residents believe a single tier council will deliver on those principles better than a two tiered council for the region.

### *Boundaries*

- Most submitters and most Wellington City residents believe the Wairarapa should *not* be part of a larger Wellington council.
- The consultation results show that Wairarapa people *do* want to be part of a Wellington region council.
- But this result is in conflict with results from a separate consultation exercise carried out by Wairarapa councils which shows significant support for a separate Wairarapa unitary council.

## **4. Discussion**

### **4.1 The benefits and limitations of the alternative governance models**

The community could clearly identify the benefits of each model, and also their limitations.

The single tier model was seen as more efficient and responsive, and survey results show that Wellington City residents believe that it would be more effective at delivering on the principles of good governance.

The principles of 'good governance' were identified by the Working Party, and the application of these principles is anticipated deliver advantages for the region. The principles include:

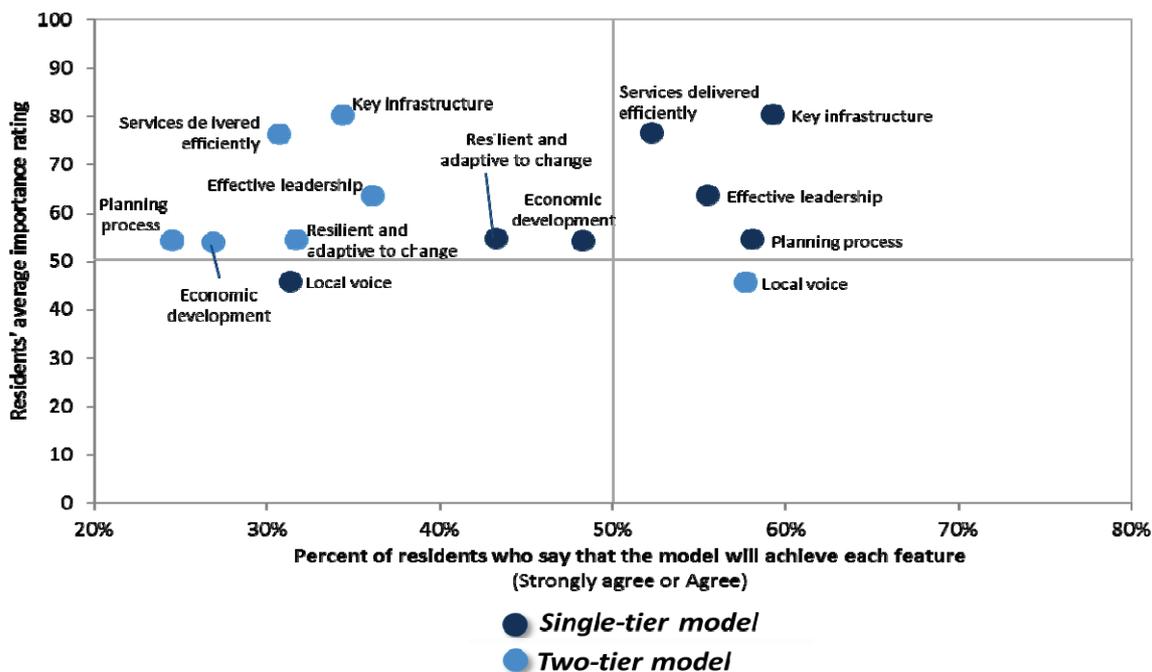
- delivering services efficiently and effectively
- delivering infrastructure in an integrated way
- a simple planning process
- effective regional leadership
- delivering integrated economic development
- ensuring the region is resilient and adaptive to changing circumstances.

The fact that Wellington city residents believe a single tier model will deliver on these principles better than the two tier model is important, because these are the principles of good governance identified by the Working Party before consultation commenced for why structural change should happen in the region in the first place.

The limitation of the single tier model according to the survey results is that it is not considered by the community to be a model that is able to represent 'local voice' and provide access to decision-making about the community. Local voice and access to decision-making is associated with a preference for a two tiered governance model.

While the two tier model is clearly favoured for being better able to deliver 'local voice', the community believes it is not as good as the single tier model when it comes to delivering on the other six principles of good governance.

2013 survey results



What the results show is that while each model is considered to have its limitations, there is a significant gap in perceived performance between the two models.

The key question therefore becomes whether it is possible to modify either of the options to maximise their benefits and reduce their limitations eg: is it possible to:

- modify the single tier model so it is more effective at representing local voice
- or
- modify the two tier model so it can better deliver the principles of good governance identified by the Working Party for why change should happen in the first place.

## 4.2 Possible modifications to the governance models to reflect community feedback

### *Two tier model*

This model was most favoured across the region and is currently also operating in Auckland.

The survey results show that the advantages of moving to a region-wide council are compromised, because the second layer of representation complicates planning and budgeting processes, slows down decision-making, and is administratively more burdensome. It is also seen as a model less able to deliver services efficiently or provide effective regional leadership. Discussions with Auckland City Council confirm that this is the case.

There are options to reduce the number of boards or board representatives and this will result in some efficiency gains, but ultimately the limitations of the model are grounded in its overall structure in that it requires high levels of communication and exchange between the two tiers of representation on an ongoing basis.

At the centre of the two tier model is the principle of subsidiarity, that local decisions are made closest to the community that is impacted by it eg. through local boards. While the principle is sound – in practice drawing an arbitrary line between what is local and what is regional is problematic because there are aspects of all the functions of local government that are both regional and local.

Notwithstanding the difficulties in separating issues into regional and local, the Working Party has done some analysis to determine the extent of decision-making control for the second tier, and it is anticipated that the second tier of representation collectively would only have decision-making powers of *up to 5%* of the overall Council budget – in short, the vast majority of all decisions have a regional component and would be made by the parent Council rather than by local boards in any case. Local boards would in effect have more of an advocacy role, rather than a decision-making role – which is contrary to the principle of subsidiarity.

If the role, powers and functions of local boards was increased and they had greater control over budget decisions this would only further compound a blur in accountability between the two tiers of representation.

### *Single tier model*

Survey results show this model was most favoured by Wellington City residents and was seen to be a model that would be better able to deliver on the principles of good governance that were identified by the Working Party.

Where it was considered less strong was its ability to reflect ‘local voice and decision-making about your community’ and there was also a perception that it centralised power.

It is important to note that ‘local voice’ and the ability to influence decision-making about issues facing the community is protected by law regardless of the structure of local government. For example:

- *service levels and rates* – residents, households, community organisations and businesses can influence decisions on service levels, the level of rates and borrowings,

and who pays for each activity through the long-term plan and annual plan processes. This does not change if the structure changes.

- *land use* – the District Plan helps the Council manage the development of the city by regulating the environmental effects created by new buildings and activities. The rules that govern the plan are subject to extensive consultation with the community, and non-permitted activities under those rules are subjected to further formal regulatory processes that ensure affected parties have their input. This would not change.
- *regulatory activities* – bylaws regulate specific activities in the city and this can affect local communities. This can range from regulating where liquor outlets are located in a suburb, speed limits in suburbs, to where dogs can walk off the leash. All bylaws have a formal consultation process to ensure local communities can influence the rules of the bylaw before it is adopted.

In terms of the perception that the model centralises power, it is important to note that representation is ultimately based on population, and while a considerable proportion of the region's population lives in what is the current the Wellington city boundary, the overall majority of the population resides outside the city itself – and this would be reflected in overall representation levels of any new council for the region.

Notwithstanding the protection provided by the law, and the representation balance across the region, both of these perceived limitations can be resolved by introducing a number of key changes. These are:

- *Enhancing local voice and access to decision-making*

To improve the connection between ward councillors and their constituents, and to ensure local voice in, and influence over decision-making is enhanced, the proposed application includes small local wards with single members offering high ratios of representation

This would mean that there would be 29 wards and one ward councillor would represent approximately 15,500 residents and ratepayers<sup>6</sup>.

The smaller more locally orientated wards mean that residents can enjoy closer relationships with their representatives, will more likely know who their elected representative is because they have elected them from their community, and they will provide a local voice at the decision-making table to reflect that ward.

To ensure that councillors have freedom to engage as a representative and to fulfil their duties to their local communities, it would be necessary to establish hub offices in each ward. Hub-offices will present a visible community presence for councillors and the Council alike, but they will also be liaison officers in the community, engaging with residents out in the community and reducing the day to day burden of councillors. They would be established within the existing infrastructure of current councils or within community centres where possible.

- *Stronger checks and balances*

Under a single tier model it will be clearer where decision-making responsibilities lie, and this will enhance transparency and accountability. But, the importance and influence of a single unitary authority means that additional checks and balances are justified. This is why semi-autonomous commissioners are part of the proposed

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<sup>6</sup> eg. wards would in effect be the size of one or two suburbs eg. Tawa + Grenda North = 14,628 residents; Johnsonville + Newlands = 17,805 residents

governance model. They will be able to report on Council operations and functions, providing additional safeguards on the Council's administrative decision-making and management of the environment.

Based on the same approach taken with the offices of Ombudsmen and the Parliamentary Commissioner for the Environment, Council Commissioners would be semi-autonomous officers with powers to ensure that residents are protected and council can be held to account for its decisions and actions.

### 4.3 Key features of the proposed model

The proposed one tier model metropolitan council would have the following key attributes:

#### *Structure and functions*

There is one metropolitan unitary council with a single tier of decision-making, made up of a mayor elected at large, and 29 councillors. In the single tier model, councillors represent regional and local interests at the decision-making table. The council may delegate functions and powers to community boards or other arm's length entities such as CCOs.

#### *Boundary*

The overall boundary will include all the area currently controlled by the Wellington Regional Council excluding the Wairarapa region eg. it includes the territory of the following Councils: Wellington City Council, Porirua City Council, Lower Hutt City Council, Upper Hutt City Council, and Kapiti District Council.

#### *Wards and representation*

The mayor is elected at large and there will be 29 councillors elected from wards to directly connect strategic decision-making to local community preferences. There will be approximately one councillor for every 15,500 residents<sup>7</sup>.

Ward councillors will have their own ward offices to strengthen the connection between the community, decision-makers and the Council administration.

#### *Checks on power*

The proposed model includes commissioners as semi-autonomous officers of the council with powers of review and recommendation to act on the residents' behalf in relation to decisions the council has taken

#### *Specialist advice*

Community Boards and sub-council bodies such as specialist advisory groups could be a feature of the new council to ensure engagement can occur on issues of specific interest or where councillors may benefit from engaging with subject matter experts.

#### *Decision-making process*

Committees will be the 'engine room' of the council to ensure that residents have the opportunity to participate in the decision-making process.

The new council would be called Wellington Council and it would mean that a number of councils would be abolished, these are:

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<sup>7</sup> Comparisons – Auckland 1:66,000; Christchurch 1:28,000; Minister for Parliament 1:74,000. The application argues for single member wards and acknowledges that two member wards could also work effectively.

- Wellington City Council
- Porirua City Council
- Kapiti Coast District Council
- Hutt City Council
- Upper Hutt City Council
- Greater Wellington Regional Council.

#### **4.3 Key benefits of a single tier model**

Key benefits that will be delivered through the model include:

- stronger and more effective regional leadership and streamlined processes for decision-making
- improved local democracy through direct access to decision-makers and increased accountability for councillors back to residents (compared to a two tier model)
- a single regional decision-maker with increased capacity and capability, increased scale and strategic financial investment capability, and because of scale – greater resilience
- a simpler, faster, clearer planning framework and process for residents and businesses.
- reduced duplication with greater efficiency and effectiveness and because of scale, greater buying power
- enhanced capability to meet the demand for world-class infrastructure and a more integrated approach to economic development.

#### **4.5 How the single tier model delivers on the Commission’s criteria**

The Commission’s criteria articulate the characteristics of good governance. They provide a guideline for the nature of improvements that should emerge from any reorganisation proposal. In short, any change proposal must facilitate: efficiencies and cost savings, productivity improvements and deliver a simplified planning process. The proposed one tier model:

- will facilitate improved economic performance, efficiencies and productivity improvements through scale, improved procurement capacity and a simplified and streamlined structure for decision-making and service delivery
- will provide democratic local decision-making and action by, and on behalf of, communities by having small local wards that connect communities directly with the representatives that make decisions on their behalf

- will be a structure with high levels of integration and coordination and where a single regional view can easily be formed at a scale not seen before in Wellington
- will be resilient and adaptive because of the simplicity and flexibility of its design eg. if additional representation and support is required for a particular community or area in the future, this can be achieved through the formation of a community board
- will be representative, responsive, transparent and accountable because there are no barriers, distance and bureaucracy between residents and their elected decision-makers
- will have the size, scale and resources necessary to enable it to carry out effectively its responsibilities
- has boundaries that are appropriate for the efficient performance of its role. The boundaries are a natural delineation, reflect natural water catchment boundaries, and are supported by communities inside the proposed boundaries, and by those outside which are predominantly rural
- contains within the proposed district a number of distinct communities of interest.

#### **4.6 Consideration of other governance models**

A number of alternative governance models have been discussed over a period of years with the community and all have a range of benefits, limitations and varying levels of community support.

The Local Government Act 2002 requires councils to deliver 'good quality' services at least cost to households and businesses, and 'good quality' is defined in law as services being delivered in an 'efficient and effective' manner.

While many of the alternative models, including multi-unitary, and a two tier unitary council for the region, have a range of benefits, they all have structural limitations that compromises their ability to be as efficient and effective as possible on a regional basis and are therefore less likely to meet the Commissions test for reorganisation.

These structural limitations relate to:

- having to rely on cooperation on regional matters (multi-unitary)
- strategic regional focus is not embedded (multi-unitary)
- process dominated and slow (two tier)
- accountability unclear (two tier)
- blurred accountability for regional decisions (multi unitary, two tier)
- additional governance arrangements required for regional decisions (multi-unitary)

While these other models have a range of benefits, they also have significant trade-offs that mean they are less able to meet the Commission's and the act's requirement to be as efficient and effective as possible.

These trade-offs are rooted in the structure of the models and therefore cannot easily, or effectively, be mitigated.

#### **4.7 Pursuing efficiencies regardless of whether structural change happens or not**

Whether there will be structural change to the way local government is organised in the Wellington region is something that will be determined by the Commission and ultimately by the people of the Wellington region. That decision may be some time away.

By way of indication, the consideration of applications, public consultation, the conducting of a referendum as well as the potential for judicial review of the decision-making processes means it is unlikely the a final decision could be made any sooner than September 2014 but may continue in to 2015. Following this, the establishment of a transition authority, the appointment of a chief executive and policy decisions may mean that it is up to four years before any new council is fully operational. This being the case, it may be six years or more before real and tangible benefits will materialise.

In the interim, it is important to continue to pursue all opportunities that allow services to be delivered at least cost to communities. One way to achieve that is to continue investigations into whether there are shared service opportunities that could be achieved across the region.

While region-wide cooperation on shared-services has to date delivered limited success and is generally slow and cumbersome to achieve, officers will be looking to take a two staged approach going forward which seeks to identify "low hanging fruit" and to gather momentum towards a broader approach where possible.

Pursuing this course of action ensures benefits are achieved for the community regardless of the result of reorganisation. Work is being undertaken to identify opportunities for the development and implementation of a more enhanced approach to the sharing of services that seek to realise opportunities in our procurement practices, the way in which back-office services are delivered and the tangible opportunities that may exist in key areas of potential cooperation throughout the region.

There is some difficulty, as has been experienced to date, in developing a shared services approach in which – at first there may be winners and losers – the intended approach through this work will be to identify opportunities for all parties to be "winners" from the process and to create a robust track record of cooperation.

There are services that can be identified as generic to councils regardless of their scale and scope and those services can benefit from improved coordination and some centralisation without an impact on residents' customer service experiences.

The approach would also be to investigate those opportunities within the region now, leaving the door open to other councils being able to join those processes at a later

date. These value-for-money opportunities may arise through any number of areas but obvious opportunities exist in:

- economic development
- transport
- water management and
- most particularly in councils' corporate services.

Westminster City Council, the London Borough of Hammersmith and Fulham and the Royal Borough of Kensington and Chelsea have already undertaken a shared approach through a Tri-Borough agreement shares £300m per year and deliver savings of around £50m.

The key advantage of this work is to reflect on the potential opportunities that may arise from any potential reorganisation of local government in future and to undertake work that seeks to expose those benefits that are possible under current arrangements and any others in the future. Some initial high-level discussions are being undertaken with other councils with the intention of leading towards firm action this year.

## **5. Conclusion**

An application for reorganisation the region has been made by the Wairarapa. It is expected to be accepted.

The mechanism to influence the Commission and advance the view of Wellington residents on what structure is preferred is through a formal submission (alternative application) to the Commission.

The single tier governance model proposed in this report meets the Commission's criteria, delivers on the principles of good governance, and has demonstrable community support.

*Contact Officers: Strategy Team*

## SUPPORTING INFORMATION

### 1) Strategic fit / Strategic outcome

*The Council seeks to influence parties where their decisions have impact on Wellington city. This report is consistent with that intention.*

### 2) LTP/Annual Plan reference and long term financial impact

*No impacts arise directly from this report.*

### 3) Treaty of Waitangi considerations

*The report includes consideration of mana Whenua participation in any future governance structure.*

### 4) Decision-making

*This report presents a submission and as such does not constitute a significant decision.*

### 5) Consultation

*The paper provides feedback on consultation. The process has included consultation with mana whenua.*

### 6) Legal implications

*Council's lawyers have been consulted during stages of the project.*

# Direct Access, Direct Accountability

## Alternative Reorganisation Application

### Appendix 6: Presentation to Councillors

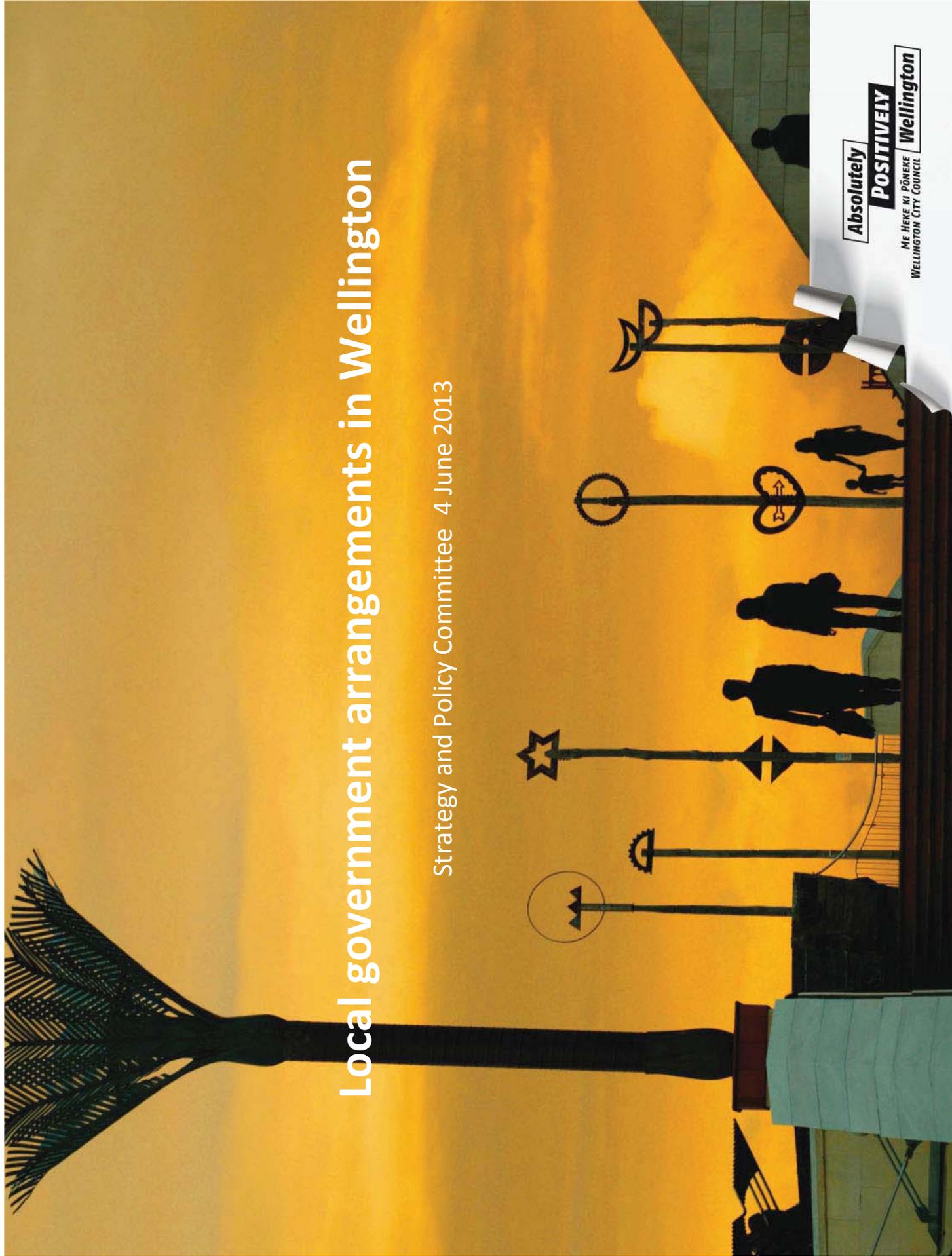
*Strategy and Policy Committee Briefing  
4 June 2013*

Wellington City Council's Strategy and Policy Committee were briefed on 4 June 2013 with results from collaborative consultation, and independently commissioned survey and independently conducted focus groups.

Councillors were advised that not only are Wellington city residents interested in considering changes to the structure of local government in the Wellington Region, they are

also interested in a single-tier predominantly urban council being established in the areas west of the Rimutaka Ranges.

Councillors were asked to consider the results of focus groups which delved further in to the preferences of Wellington city residents which showed that they believe that a single-tier council would deliver the things most important to them.



# Local government arrangements in Wellington

Strategy and Policy Committee 4 June 2013

**Absolutely**  
**POSITIVELY**  
ME HEKE KI PŌNEKE  
WELLINGTON CITY COUNCIL

# Today's decision

**Polling Paper**

The organisation of local government in the Wellington region.

Select your preference

<i>Status quo</i>	<input type="checkbox"/>
<i>Single tier</i>	<input type="checkbox"/>

OR

**Polling Paper**

The organisation of local government in the Wellington region.

Select your preference

<i>Status quo</i>	<input type="checkbox"/>
<i>Two tier</i>	<input type="checkbox"/>



# Overview

- The Commission decides which model is tested against the status quo
- The mechanism to influence the Commission is through the submission of an alternative
  - it ensures we advance the view of the city's residents
- Any submission must
  - meet criteria for reorganisation set by the Commission
  - meet the principles of good governance
  - show demonstrable public support



# Overview

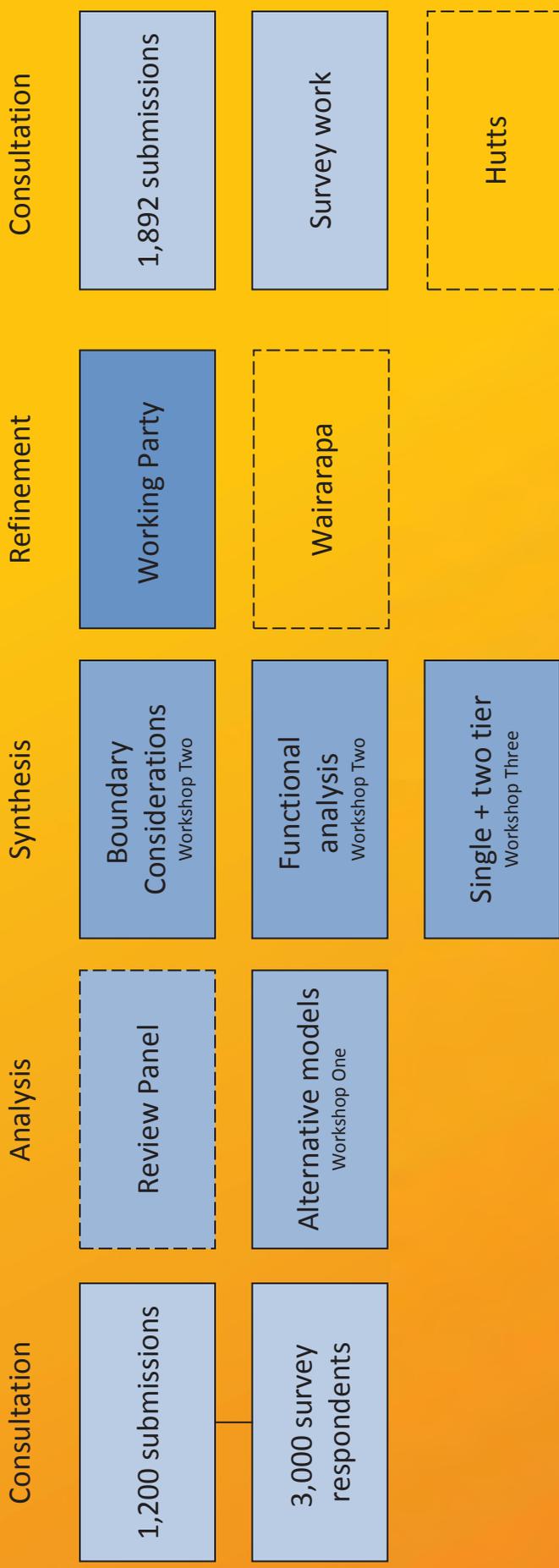
- Wairarapa has made an application to the Commission
  - it is likely to be accepted
  - and Wellington will be affected
- The question of change is therefore now formally before the region
- We need to ensure the best possible alternative to the status quo is considered by the Commission
- Officers believe the best alternative is a single tier model that excludes the Wairarapa (we support their application)
- Wellington City residents agree with that.

**Absolutely**

**POSITIVELY**

ME HEKE KI PŌHĒKE  
WELLINGTON CITY COUNCIL

# Work to date



**Absolutely**

**POSITIVELY**

ME HEKE KI PŌHĀKE  
WELLINGTON CITY COUNCIL

# Community feedback on change

- **Most submitters in the region want change (58%)**
  - 35% disagree with change, 7% are neutral / don't know
- **Most Wellington City submitters want change (58%)**
  - 34% disagree with change, 8% are neutral / don't know
- **More Wellington residents want change than last year**
  - 2012 survey: 39% want change / 49% no change
  - 2013 survey: 52% want change / 15% no change
- **Change will ultimately be decided by the people** (subject to consultation / poll)

**Absolutely**

**POSITIVELY**

ME HEKE KI PŌHĀKE  
WELLINGTON CITY COUNCIL

# Community feedback on options

- The region prefers a two tier model

Viewed as more democratic and representative of the community, but less efficient

But

- Wellington City residents prefer a single tier model

Viewed as simple, efficient and effective. But not so good at representing local voice

Results from consultation:

- Support single tier (28%)
- Support two tier (51%)
- Don't know / no response (21%)

Results from survey:

- Support single tier (43%)
- Support two tier (37%)
- Support status quo modified (18%)

Single tier: 25% very strongly, 48% quite strongly  
Two tier: 5% very strongly, 50% quite strongly  
Status quo: 28% very strongly, 41% quite strongly



# Community feedback on Wairarapa

- Most submitters believe the Wairarapa should *not* be part of a larger Wellington council
  - 44% not part of region, 33% yes it should be, 22% don't know
- Consultation results show that Wairarapa people *do* want to be part of a Wellington region council.
  - 87% of Wairarapa submitters did want to belong to council for the region

But

- This result is in conflict with results from a separate consultation exercise carried out by Wairarapa councils which shows support for a separate Wairarapa unitary council.

Absolutely

POSITIVELY

ME HEKE KI PŌHĀKE  
WELLINGTON CITY COUNCIL

# Community views on principles

- Principles of good governance
  - regional leadership
  - integrated economic development
  - simplified planning
  - efficient / effective service delivery
  - integrated infrastructure delivery
  - local voice

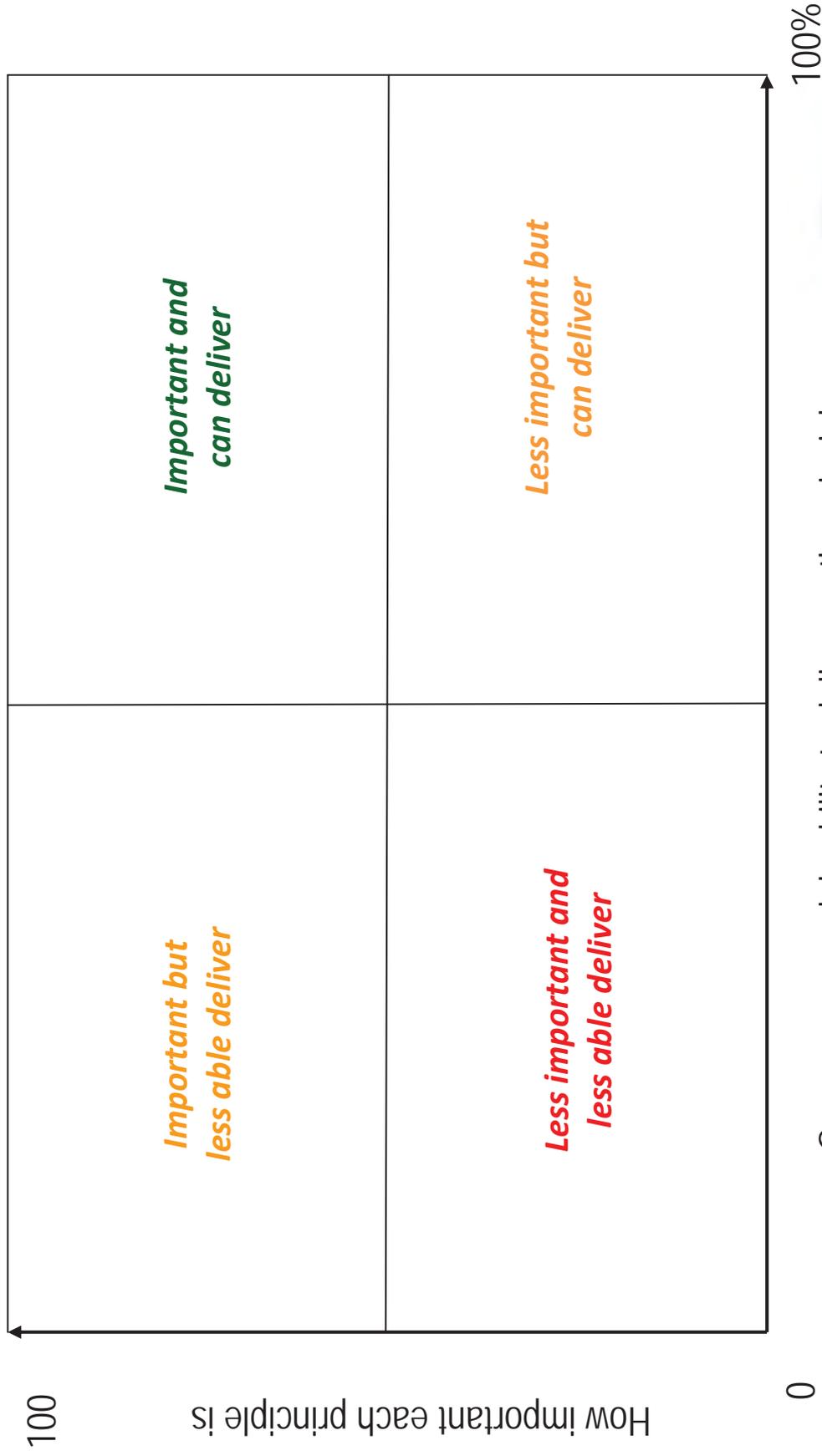
Vast majority of submitters across the region agree they are important.
- Wellington residents thought a single tier council would deliver on the principles better than a two tier model

**Absolutely**

**POSITIVELY**

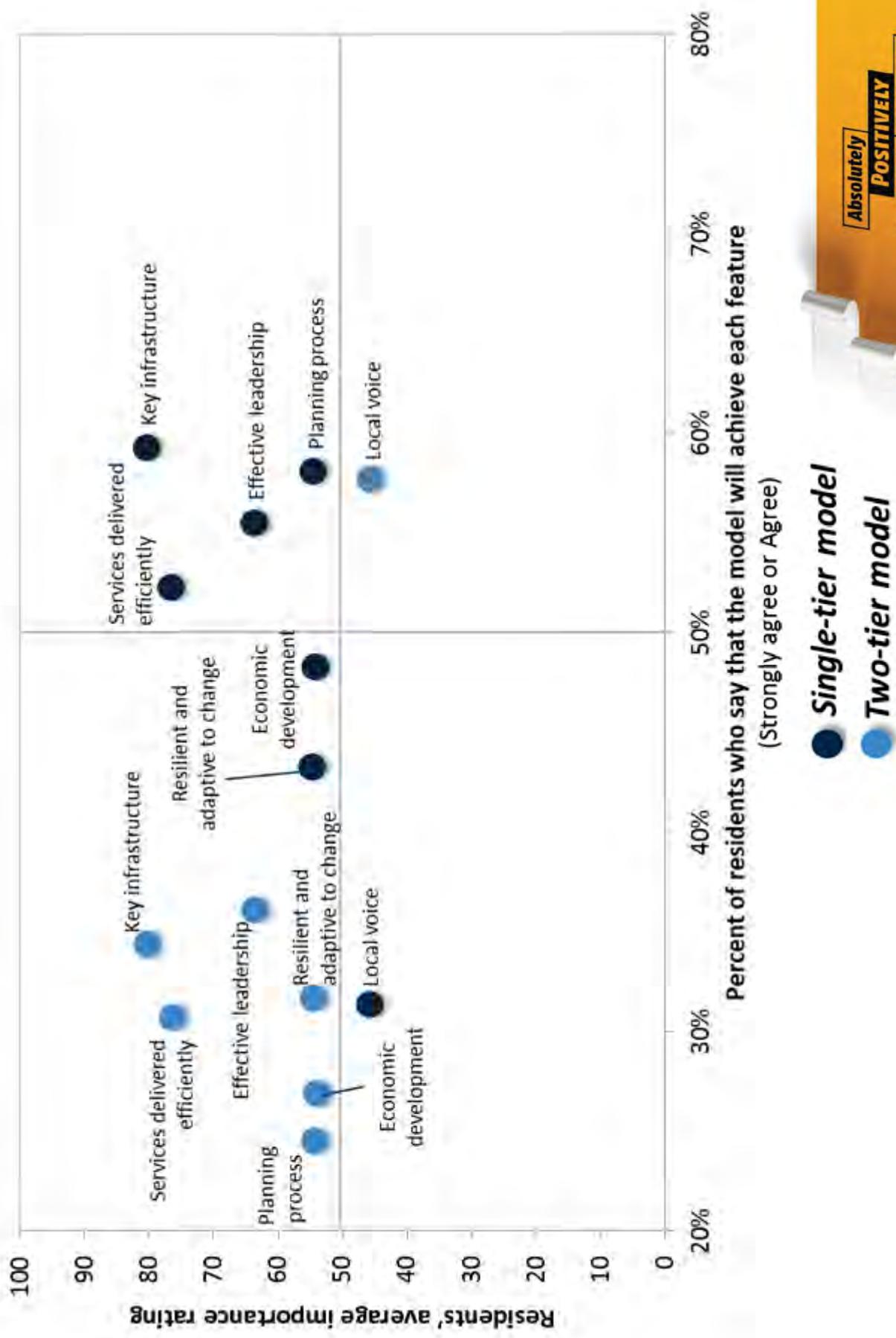
ME HEKE KI PŌHĀKE  
WELLINGTON CITY COUNCIL

# Principles: importance and delivery



Governance models ability to deliver on the principle

# Principles: importance and delivery (survey)



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# Key question

Do you:

- **modify the single tier model**

so it can better deliver:

- local voice

or

- **modify the two tier model**

so it can better deliver:

- regional leadership
- integrated economic development
- simplified planning
- efficient / effective service delivery
- integrated infrastructure delivery



# Updating the model to reflect community views

## Enhancing local voice

- establish smaller local wards (x29)

- improve the connection between ward councillors and their ward
- enhances local voice in, and influence over decision-making
- high ratios of representation
- flexibility ie neighbourhood level + community boards

+

- introduce ward offices

- present a visible community presence for councillors and the Council alike
- model to engage with residents out in the community on daily basis
- reduces the day to day burden of councillors

**Absolutely**

**POSITIVELY**

ME HEVE KI PŌHĀKE  
WELLINGTON CITY COUNCIL

# Updating the model to reflect community views

## Stronger checks and balances

to safeguard use of public funds and management of the environment

- **Commissioner (Environment)**
- **Commissioner (Administrative review)**
- **How they would work**
  - semi-Autonomous, appointed by Wellington Council (5 years)
  - supported by the chief executive of Wellington Council
  - may undertake investigations of their own volition
  - must undertake investigations as directed by Wellington Council
  - may undertake investigations in response to matters raised by residents

**Absolutely**

**POSITIVELY**

ME HEVE KI PŌHĀKE  
WELLINGTON CITY COUNCIL

# Recap of model

- **One Council, one mayor and 29 councillors**
  - excludes the Wairarapa
- **A single tier of decision-making**
  - efficient and accountability is clear
- **Small local wards to support councillors**
  - supported by ward offices
  - flexibility: model can support community boards where there is demand
- **Semi autonomous commissioners to provide independent oversight**
  - review of administrative matters and the management of the environment
- **Direct access, direct accountability**

# Recommendation

**Polling Paper**

The organisation of local government in the Wellington region.

Select your preference

<i>Status quo</i>	<input type="checkbox"/>
<i>Single tier</i>	<input type="checkbox"/>



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## Next steps

- Alternative applications submitted
- Commission prepares a draft
- Consult on draft model
- Finalise
- Petition period
- Hold poll.



# Direct Access, Direct Accountability

## Alternative Reorganisation Application

### Appendix 7:

## WCC Strategy and Policy Committee Paper

*“Report of the Regional Governance Working Party”  
14 March 2013*

Wellington City Council’s Strategy and Policy Committee considered a paper on 14 March 2013 that sought agreement to a collaborative consultation undertaken with the Greater Wellington Regional Council, Kapiti Coast District Council and Porirua City Council across most of the Wellington region.

Councillors also agreed with the report’s recommendations to consult on two options, a region-wide or predominantly urban single-tier council and a region-wide or predominantly urban two-tier council.

The report set out functional and legislative analyses of a range of other proposals including a “multi-unitary” approach which

could establish three or more unitary authorities in the current Wellington region, a Wairarapa unitary authority and the status quo.

The functional and legislative analyses demonstrate that only two options for possible reorganisation to the structures of local government in the region are viable. The analyses also identified that issues present in the status quo are exaggerated by a multi-unitary approach when three or more unitary authorities are being considered.

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## **REPORT OF THE REGIONAL GOVERNANCE WORKING PARTY**

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### **1. Purpose of report**

This report provides the Wellington Region Local Government Reform Working Party's (Working Party) report on future governance options for consideration.

The Working Party recommends that two governance options be consulted on with the community – a single tier unitary council for the region, and a two tier unitary council for the region (using local boards).

This report includes the following appendices:

- *Appendix 1* – analysis of the governance options currently being considered in the region against good governance principles and Local Government Commission criteria.
- *Appendix 2* – description of governance models, and the risks and benefits associated with each model.
- *Appendix 3* – financial considerations.
- *Appendix 4* – the Working Party's report.

### **2. Executive Summary**

The Working Party is comprised of Wellington and Porirua City Councils, Kapiti Coast District Council and Greater Wellington Regional Council. It has undertaken work to identify the best alternative to the status quo for the arrangement of local government in the Wellington region.

The Working Party focused on three key areas: the case for change, what the future boundary should be, and what governance structure options best deliver on the Local Government Commission criteria for reorganisation.

The Working Party has identified that there are opportunities that can be realised by establishing a regional unitary authority, and now seeks Wellington City Council agreement to consult on two governance model options as contained in their attached report. The recommended options for consultation are a single tier unitary Council for the region, or a two tier unitary Council for the region (using local boards).

Each of the two options above can include a variation of having the Wairarapa region included or not.

The multiple unitary authority model (ie. more than two) was considered but limitations around its ability to effectively and efficiently address regional issues meant it has not been recommended as an option for consultation.

A criteria and principle-based analysis of the options, in addition to a review of the benefits and risks associated with each governance model, has found that the two options identified by the Working Party meets the government criteria most closely and are therefore the most appropriate for consultation with residents in the region.

In terms of decision-making in regard to this report, there are three primary options:

- i. Consult with residents on the Working Party's report, and subsequent to that consultation, consider whether to support the lodging of an application to the Local Government Commission.
- ii. Direct an alternative consultation process to be undertaken that asks residents of Wellington City for their views about the two options and any other option (ie. multi unitary authorities). As a consequence of that consultation, the Council may then wish to consider submitting an alternative view to that of the Working Party in May when it is likely to lodge an application with the Local Government Commission.
- iii. Decline to consult on the Working Party's two options and any other option, and consider Council's position once an application is lodged with the Local Government Commission (likely to be in May 2013).

### **3. Recommendations**

It is recommended that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Note officers' analysis of the governance models currently being considered in the region against the good governance principles and Local Government Commission criteria attached as appendix 1.*
3. *Note officers' analysis of the risks and benefits associated with each governance model as outlined in appendix 2*

4. *Note officers' financial considerations as outlined in appendix 3.*
5. *Receive the report of the Wellington Region Local Government Reform Working Party (attached as appendix 4).*
6. *Agree to consult collaboratively with other participating Councils on the basis of the Wellington Region Local Government Reform Working Party's report (option one).*
7. *Delegate to the Mayor and the Chief Executive the authority to sign-off on any consultation material.*
8. *Note that the findings of the consultation will be presented back to the Strategy and Policy Committee for consideration before next steps are decided.*

## **4. Discussion**

### **4.1 Background**

Wellington City Council was invited to join the Wellington Region Local Government Reform Working Party. Its purpose was to identify the best possible alternative arrangement for local government in the Wellington region. Participating Council's included the:

- Greater Wellington Regional Council
- Wellington City Council
- Porirua City Council
- Kapiti Coast District Council.

The Working Party and all councils remain committed to sharing their information and the results of their investigations with each other and the public to ensure any future public debate is well informed.

The Working Party has met several times and considered a significant volume of information. The two areas of focus for the Working Party were:

- what future boundary Wellington might take, and
- what structure might be proposed to sit within that boundary.

The findings of the Working Party have been outlined in their report and is attached as appendix 4.

### **4.2 The context for change**

Auckland became New Zealand's first super-city, a city of 1.4 million people that stretched from Franklin in the south to Rodney in the north. It is comprised of one Mayor, one council, and 21 local boards. This was a catalyst for debate on

local government reform in Wellington and discussion on what opportunities may be capitalised on with a different governance structure in the region.

In March 2012, the government sent its strongest signals that reforms in Auckland were to be viewed as a compass for the local government sector. The government's broad strategy is called *Better Local Government*.

*Better Local Government* makes reorganisations easier and encourages a more strategic regional view. *Better Local Government* asks local government to use its resources more effectively and to consider the long term with clear, simple and easily accessible plans. Significant legislative reform has also been made to the Local Government Act 2002 recently that makes it easier for areas to amalgamate.

The Local Government Commission – who makes decisions about whether reorganisations should happen or not – also has more scope. This means anyone able to show demonstrable community support will be able to apply to reorganise local government in their area. In addition, the Local Government Commission has new criteria that encourage a regional view, a regional voice and simplified strategic regional planning.

#### **4.3 Summary of the Working Party's Report**

The Working Party seeks Wellington City Council's agreement to consult on two options for local government reform in the Wellington region. Those options are:

- a. A single tier unitary Council for the region.
- b. A two tier unitary Council for the region (with local boards).

It is important to note that the Working Party acknowledges that a case is being prepared by the three existing Wairarapa Council's to propose the establishment of a Wairarapa unitary authority and that both options listed above are viable regardless of whether the Wairarapa proposal is successful or not.

The Working Party recommends consulting residents throughout the region on the basis of its report.

The Working Party report outlines a number of critical areas that are crucial to the lodging of any application to the Local Government Commission to consider reorganisation, these are:

- a. a case for change
- b. principles of good governance against which design activity has been guided
- c. descriptions of two proposals

- d. financial implications arising from both proposals
- e. efficiency and effectiveness assessments of a range of proposals currently being formally considered throughout the region.

The outcome of consultation on the two options and subsequent consideration by the Working Party is likely to be an application to the Local Government Commission by one or more participating Councils for reorganisation of local government in the region. An application is likely to be made in May 2013.

#### **4.4 Consideration of other options**

The report of the Working Party recommends the single and two tier governance options for consultation with the community. They considered and eliminated multiple unitary authorities as a viable option as it did not meet the principles of 'good governance' and the assessment criteria of the Local Government Commission to the same level as that of the recommended options.

This officers' report includes analysis of the two recommended options, multi unitary authorities, as well as the status quo against the same principles and criteria. The results of this analysis are included in appendix 1 to this report.

#### **4.5 Recommended next steps**

In terms of decision-making in regard to this report, there are three primary options:

##### *Option One – agree to consult on the Working Party's report*

Consult with residents on the Working Party's findings, and subsequent to that consultation, consider whether to support the lodging of an application to the Local Government Commission.

This option **is recommended**. Council participated in the Working Party process to identify the most appropriate future governance options to consult on with the community. The Working Party identified two options that most strongly meet the principles of good governance, reflect the intention of the Local Government Act, and the views and criteria of the Local Government Commission with respect to reorganisation proposals.

Consultation will be region wide and will be conducted in collaboration with other participating Councils. Each participating Council will take a lead in consulting their own residents and communities in their areas. The consultation will feature a common website, consultation material and submission form, and the costs for consulting and communications will be shared. See section 4.6 of this report for more information.

*Option Two – (i.) determine to consult the public on three options: single and two tier unitary authorities (as described in the Working Party report) plus a multi-unitary authority, and (ii.) work with the Wairarapa and Hutt councils on a consistent multi-unitary authority model for consultation, and (iii.) decline to consult on the Working Party's report.*

Should the Committee determine to consult on a wider range of options than those the Working Party has agreed upon, it must decline the recommendation to be part of the Working Party's consultation process.

This officers' report provides analysis on a multiple unitary authority governance model as a way to demonstrate the risks and benefits of such a model – see appendix 2. If the Committee determined that this model (or any other model) should be consulted on with the community, the Committee would need to agree the specific number of multiple authorities that would be consulted on and how their boundaries were to be constituted<sup>1</sup>.

As a multiple unitary authority model would affect residents in the whole Wellington region it would be necessary to carry out region-wide consultation.

While running a parallel consultation process to that of the Working Party would likely lead to confusion in the community, it would be necessary to take this approach if the Council wished to consider submitting an alternative view to that of the Working Party in May when it is likely to lodge an application with the Local Government Commission. The results of consultation could be used to support the alternative view if Wellington City Council chose to make a submission.

This option is **not** recommended. This officers' report discusses why more than two unitary authorities are unlikely to be successful when considered in light of the Local Government Commission's assessment criteria outlined in Schedule 3 of the amended Local Government Act 2002 and the good governance criteria as outlined by the Working Party. Most importantly it would not be assessed favourably against legislative criteria evaluating the efficiency, cost savings, and productivity and performance potential of any of those options.

Developing a separate consultation process specific to Wellington with a different or broader range of options is likely to be confusing for the community and may ultimately impact on the level and / or quality of feedback received. The most commonly discussed alternative governance model to that being recommended by the Working Party is that of multiple unitary authorities. While it is not supported by the Working Party it is canvassed in its report and residents may therefore comment on that option as part of their submission.

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<sup>1</sup> There are a number of variations to the multiple unitary authority governance model that would need to be agreed prior to consultation e.g. Wellington City unitary authority, Wellington City and Porirua City unitary authority, or Wellington City, Porirua City and Kapiti Coast unitary authority.

### *Option Three – do not consult*

Decline to consult on the Working Party's two options and any other option, and consider Council's position once an application is lodged with the Local Government Commission (likely to be in May 2013).

This option is **not** recommended. The Working Party has explored the need for change and developed two alternative governance options to the status quo that meet good governance principles and the criteria set by the Local Government Commission for regional reform. The Working Party will consult Wellington residents regardless and it is vital that Wellington City Council takes the lead in engaging with their residents, communities and stakeholders on what is a significant issue that that may potentially establish new governance arrangements that could last for the next thirty to fifty years.

#### **4.6 Communication and engagement**

The Working Party has agreed on a joint consultation exercise with common information, common consultation material and a unified approach to engaging with residents within the current territorial areas of each of the participating councils, as well as throughout the remainder of the region. In addition, the Working Party concluded that this consultation exercise would be on the basis of its final report.

The consultation programme agreed by the Working Party includes the following engagement tools:

- A joint website with a description of the two models, background information resources and website links to each local authority
- A flyer (including submission form) that will be delivered region-wide
- Online discussion forum and other engagement tools such as 'Bang the Table'
- Targeted stakeholder engagement through meetings and briefings
- A series of public meetings in each local authority
- Joint advertising such as print advertising, radio and online advertising
- The ability to make submission online and by email
- Hardcopy submission forms.

The Working Party agreed that each local authority can supplement the Working Party consultation process with additional engagement and communication techniques that are specific to that local authority.

In Wellington City it is recommended that at least one public meeting is held in each ward, and that meetings are organised with council reference groups, iwi and key stakeholders. In addition, a 'standing invitation' could be advertised in the *Our Wellington* page for council to attend any regular meeting of

community / resident organisations to provide an overview of the Working Party's recommended options and listen to any feedback.

A similar range of techniques to the consultation could be implemented if the Council directed officers to consult on an alternative range of options.

#### **4.7 Timetable and key dates**

The following timetable and key dates have been prepared by the Working Party:

##### *Consideration/agreement to Working Party report*

- 13 March – Porirua City Council
- 14 March – Wellington City Council
- 14 March – Kapiti Coast District Council
- 20 March – Greater Wellington Regional Council

##### *Consultation material finalised*

- By 20 March

##### *Engagement with residents*

- 21 March – consultation begins
- 19 April – consultation closes

##### *Analysis of findings*

- 19 April – 29 April
- 30 April – draft results available
- 30 April – Working Party meets to consider community feedback

##### *Participating Councils consider community feedback and their next steps.*

- 1 May to 15 May – each Council considers their next step
- 17 May – Working Party finalises approach

##### *Application lodged*

- 31 May 2013

## **5. Conclusion**

This report provides you with a summary of a report released to you for your consideration from the Working Party. It recommends that Wellington City Council consult the community on the options discussed in the report for the future governance of the Wellington region.

## Appendix 1: summary analysis of governance options against principles and criteria

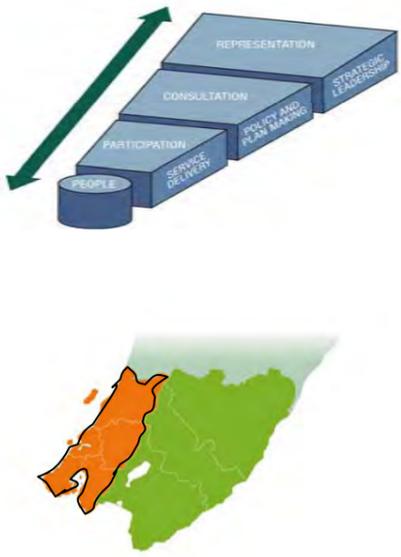
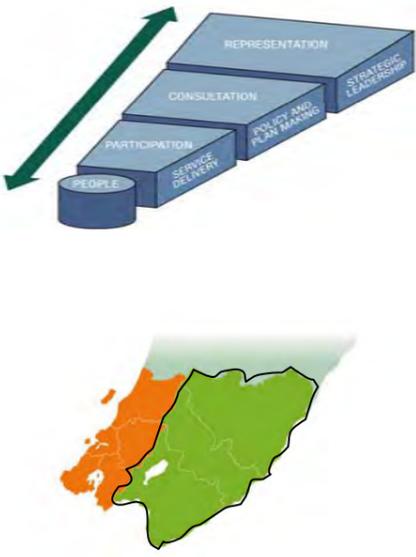
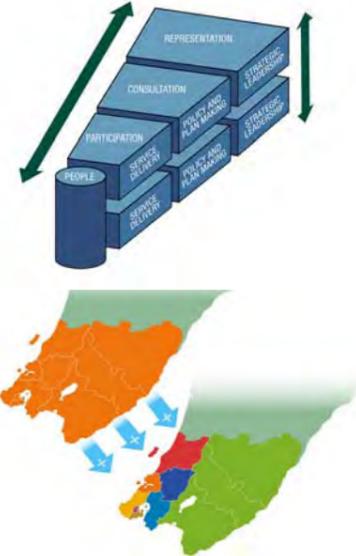
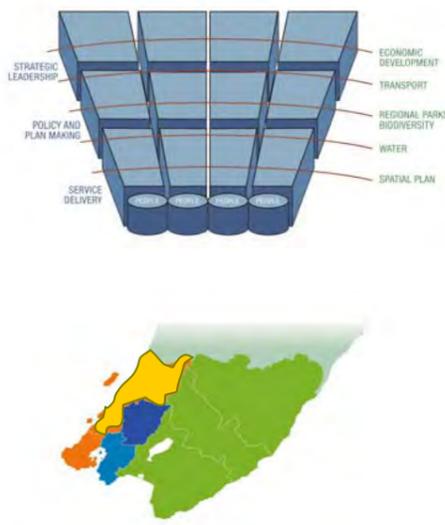
This table provides a summary analysis of how models being considered for local government reorganisation in the Wellington region measure against:

- i. The criteria against which the Local Government Commission will be required to consider as part of any application for reorganisation in the region.
- ii. The characteristics of good governance set out by the Wellington Region Local Government Review Panel headed by Sir Geoffrey Palmer which have subsequently been adopted by the Wellington Region Local Government Reform Working Party (the Working Party).

Table Colour-Code Key

	High compliance with assessment criteria
	Medium–High compliance with assessment criteria
	Medium compliance with assessment criteria
	Low–Medium compliance with assessment criteria
	Low or no compliance with assessment criteria

### Options

Status quo	Single Tier, Unitary Authority	Wairarapa, Unitary Authority	Two tier, single Unitary Authority for whole region with local boards	Multiple Unitary Authorities
				

### LGA Criteria

Have the resources necessary to enable it to carry out effectively its responsibilities.	<ul style="list-style-type: none"> <li>○ Smaller councils demonstrate difficulty in attracting specialist expertise.</li> <li>○ Shared service focus has offered mixed success.</li> <li>○ Territorial sovereignties – barriers to greater growth potential.</li> </ul>	<ul style="list-style-type: none"> <li>○ Sufficient scale to attract specialist expertise.</li> <li>○ Unified regional approach.</li> <li>○ Significantly improved strategic financial investment capability.</li> </ul>	<ul style="list-style-type: none"> <li>○ Improved scale to attract specialist expertise may need to compete from the same pool which is a risk to this approach when assessed on this basis.</li> <li>○ Unified regional approach.</li> <li>○ Improved strategic financial investment capability (compared to fragmentation of current three councils).</li> <li>○ The basis for the reallocation or regional rates remains a factor for consideration.</li> </ul>	<ul style="list-style-type: none"> <li>○ Sufficient scale to attract specialist expertise</li> <li>○ Unified regional approach</li> <li>○ Significantly improved strategic financial investment capability</li> <li>○ Additional resources required to provide sufficient support through statutory reporting and planning processes (compared to single tier).</li> </ul>	<ul style="list-style-type: none"> <li>○ Some scale constraints present, particularly for Kapiti and Porirua.</li> <li>○ The number of councils will dilute specialist expertise/talent pool.</li> <li>○ Integration of regional and local function across boundaries will require the establishment of new regional bodies, who themselves will require specialist expertise.</li> <li>○ Smaller councils will have increased cost pressures imposed through having to undertake regional and local activities. The basis for reallocation of regional rates remains a consideration.</li> </ul>
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Options	Status quo	Single Tier, Unitary Authority	Wairarapa, Unitary Authority	Two tier, single Unitary Authority for whole region with local boards	Multiple Unitary Authorities
Have a district or region that is appropriate for the efficient performance of its role.	<ul style="list-style-type: none"> <li>○ District planning is adequate as local and site variations are necessary. However, service delivery is duplicated and in some cases with significant variance to service levels.</li> <li>○ Regional planning is reliant upon a shared approach, itself drawing on broad agreements that seek to advance the regional interest. This approach has achieved mixed success on small scales or inefficient performance such as the Wellington Regional Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>○ No duplication of service delivery.</li> <li>○ Regional planning streamlined.</li> <li>○ Allows for systems integration over time, delivering a high degree of efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>○ No duplication of service delivery.</li> <li>○ Regional planning streamlined (with emphasis on priorities in the predominantly rural setting).</li> <li>○ Allows for systems integration over time, delivering a high degree of efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>○ No duplication of service delivery.</li> <li>○ Regional planning streamlined.</li> <li>○ Allows for systems integration over time, delivering a high degree of efficiency.</li> <li>○ Clear parameters and community understanding of the role of local boards will be required to ensure efficiency in decision-making processes (eg to avoid double handling).</li> </ul>	<ul style="list-style-type: none"> <li>○ Regional planning is reliant on a shared approach, drawing on agreements of the various unitary authorities.</li> <li>○ New statutory bodies, imposing cost and complexity, will be required in some instances for the delivery of regional transport or water services required between the Hutt Valley and surrounding predominantly urban Western area of the region.</li> <li>○ Lack of scale is likely to significantly impact service levels for smaller unitaries such as a Kapiti unitary authority.</li> </ul>
In the case of a regional council or unitary authority, enable catchment – based flooding and water management issues to be dealt with effectively.	<ul style="list-style-type: none"> <li>○ The regional council currently deals with catchment-based flooding and water management issues across the region.</li> <li>○ TAs are responsible for land use planning. There are some issues integrating planning decisions as land use decisions can impact on natural waterways (including water quality) and require alignment between the council decisions to enable outcomes to be achieved.</li> </ul>	<ul style="list-style-type: none"> <li>○ Flooding and water management issues would be dealt with effectively and be specific to the area defined in this proposal.</li> </ul>	<ul style="list-style-type: none"> <li>○ Flooding and water management issues would be dealt with effectively and be specific to the area defined in this proposal.</li> </ul>	<ul style="list-style-type: none"> <li>○ Flooding and water management issues would be dealt with effectively and be specific to the area defined in this proposal.</li> </ul>	<ul style="list-style-type: none"> <li>○ Regional planning is reliant on a shared approach, drawing on agreements of the various unitary authorities.</li> <li>○ All other unitary authority areas, such as would be the case with a Hutt Valley, Wellington City and/or Kapiti unitary authority would split catchments.</li> <li>○ These issues would almost certainly need to be dealt with by new statutory bodies.</li> </ul>
Will facilitate improved economic performance, which includes: productivity improvements, efficiencies and cost savings.	<ul style="list-style-type: none"> <li>○ Regional planning is reliant on a shared approach, drawing on agreements of the various unitary authorities.</li> <li>○ Multiple councils creates fragmented and incremental decision making. This results in silos and activity based decisions with less focus on alignment of systems (to generate savings and increased productivity)</li> <li>○ There is a low potential for savings, even with increased shared services.</li> </ul>	<ul style="list-style-type: none"> <li>○ A single tier model will be able to provide infrastructure and services in a cost effective way.</li> <li>○ There is the potential for material savings under this model.</li> </ul>	<ul style="list-style-type: none"> <li>○ A single tier model will be able to provide infrastructure and services in a cost effective way</li> <li>○ There is the potential for savings under this model.</li> </ul>	<ul style="list-style-type: none"> <li>○ A two-tier model will be able to provide infrastructure and services in a cost effective way.</li> <li>○ There is the potential for a medium to high level of savings under this model.</li> <li>○ Sufficient clarity in the Local Board Scheme is designed to ensure efficiency is achieved in the local board planning processes – this poses a risk to this approach when assessed on this basis.</li> </ul>	<ul style="list-style-type: none"> <li>○ Regional planning is reliant on a shared approach, drawing on agreements of the various unitary authorities.</li> <li>○ Planning processes deliver mixed success but are highly inefficient in any case.</li> <li>○ There is a low – medium potential for savings, even with increased shared services.</li> </ul>
Contain within the district one or more communities of interest.	<ul style="list-style-type: none"> <li>○ Each of the existing council areas contains more than one specific community of interest.</li> </ul>	<ul style="list-style-type: none"> <li>○ The overall area covered by the council would cover many distinct communities of interest.</li> </ul>	<ul style="list-style-type: none"> <li>○ The overall area covered by the council would cover many distinct communities of interest.</li> </ul>	<ul style="list-style-type: none"> <li>○ The overall area covered by the council would cover many distinct communities of interest.</li> </ul>	<ul style="list-style-type: none"> <li>○ Each of the unitary authority areas would contain more than one specific community of interest.</li> </ul>

## Characteristics of good governance

Options	Status quo	Single Tier, Unitary Authority	Wairarapa, Unitary Authority	Two tier, single Unitary Authority for whole region with local boards	Multiple Unitary Authorities
<i>Strategic.</i>	<ul style="list-style-type: none"> <li>○ There is little or no single directive vision for the region. The participating councils bring to the table their mandate to represent the interests of their areas only.</li> <li>○ The region is not in a strong position to partner with central government and the private sector on regional scale issues.</li> <li>○ Regional planning is reliant on a shared approach, drawing on agreements of the various unitary authorities.</li> </ul>	<ul style="list-style-type: none"> <li>○ This model provides the opportunity for a single directive vision for the predominantly urban part of the region.</li> <li>○ The single tier council would be in a strong position to partner with central government and it would have the mandate to develop partnerships with other key regional players.</li> <li>○ Spatial planning and addressing issues that are of a regional scale like climate change would be enhanced.</li> </ul>	<ul style="list-style-type: none"> <li>○ This model provides the opportunity for a single vision for the predominantly rural part of the region.</li> <li>○ The single tier council would be in a stronger position to partner with central government but may not be able to compete with urban centres.</li> <li>○ Spatial planning and addressing issues that are of a regional scale like climate change would be enhanced.</li> </ul>	<ul style="list-style-type: none"> <li>○ This model provides the opportunity for a single directive vision for the region.</li> <li>○ The council would be in a very strong position to partner with central government and it would have the mandate to develop partnerships with other key regional players.</li> <li>○ Spatial planning and addressing issues that are of a regional scale like climate change would be enhanced.</li> </ul>	<ul style="list-style-type: none"> <li>○ It is highly unlikely that this model would be capable of generating a single directive vision for the region. This is because, as under the current situation, the participating councils bring to the table their mandate to represent the interests of their areas only.</li> <li>○ The wider region would not be in a stronger position to partner with central government and the private sector (that the status quo).</li> <li>○ Sufficient scale is not evidenced for improved strategic performance.</li> </ul>
<i>Ensuring engagement and decision making occurs at the right level.</i>	<ul style="list-style-type: none"> <li>○ This model allows for effective engagement and decision making at both regional and local levels in relation to the specific functions of each council.</li> <li>○ The region-wide decisions that require co-operation between councils are more difficult – this is a significant risk to this approach assessed on this basis.</li> <li>○ Neighbourhood level engagement is free to develop how, and as required, by residents and the method used can change according to the subject and to need.</li> </ul>	<ul style="list-style-type: none"> <li>○ The single tier council mandate will ensure that regional issues are dealt with in an integrated way.</li> <li>○ The model will require the council to be accessible to local communities as local decisions will be made by the single council with greater jurisdiction and responsibility.</li> <li>○ Neighbourhood level engagement is free to develop how, and as required, by residents and the method used can change according to the subject and to need.</li> </ul>	<ul style="list-style-type: none"> <li>○ The single tier council mandate will ensure that regional issues are dealt with in an integrated way.</li> <li>○ The model will require the council to be accessible to local communities as local decisions will be made by the single council with greater jurisdiction and responsibility.</li> <li>○ Neighbourhood level engagement is free to develop how, and as required, by residents and the method used can change according to the subject and to need.</li> </ul>	<ul style="list-style-type: none"> <li>○ This model has the potential to enable effective engagement and decision making at both regional and local levels.</li> <li>○ The region-wide council mandate will ensure that regional scale issues are dealt with in an integrated way.</li> <li>○ Local boards would allow effective engagement and local decision making and advocacy on some local issues.</li> <li>○ Within the two-tier structure neighbourhood level engagement is free to develop how, and as required, by residents and the method used can change according to the subject and to need.</li> </ul>	<ul style="list-style-type: none"> <li>○ This model could enable effective engagement and decision making at both regional and local levels, provided there was an effective regional body/committee in existence with delegations to address regional scale issues.</li> <li>○ However, access to the regional body/committee is likely to be compromised because it will be one step removed from the local elected councillors.</li> <li>○ Neighbourhood level engagement is free to develop how, and as required, by residents and the method used can change according to the subject and to need.</li> </ul>
<i>Integrated and coordinated.</i>	<ul style="list-style-type: none"> <li>○ Achieving integration and coordination depends on shared services and/or joint regional committees.</li> <li>○ The region has struggled to achieve this level of coordination and there are few examples of effective shared services.</li> </ul>	<ul style="list-style-type: none"> <li>○ This model will enable planning and service delivery for most key networks, infrastructure etc in an integrated way as there will be a single organisation in the area making decisions and delivering the services.</li> <li>○ The size of the single tier council organisation will bring the benefits of capacity, scale and capability.</li> </ul>	<ul style="list-style-type: none"> <li>○ This model will enable planning and service delivery for most key networks, infrastructure etc in an integrated way as there will be a single organisation in each area making decisions and delivering the services.</li> <li>○ The size of the Wairarapa organisation will bring the benefits of capacity, scale and capability.</li> <li>○ However there is some risk in being able to attract and retain the professional capability required to deliver all services as they currently stand.</li> </ul>	<ul style="list-style-type: none"> <li>○ A single unitary will enable planning and service delivery for the key networks, infrastructure etc in an integrated way as there will be a single decision making body and organisation making decisions and delivering the services.</li> <li>○ Under a two tier structure, the region wide networks will all be dealt with by the governing body.</li> <li>○ The size of the organisation will bring the benefits of capacity, scale and capability.</li> <li>○ Sufficient clarity in the Local Board Scheme is designed to ensure efficiency is achieved in the local board planning processes – this poses a risk to this approach when assessed on this basis.</li> </ul>	<ul style="list-style-type: none"> <li>○ Achieving integration and coordination would depend on shared services and/or joint regional bodies/committees.</li> <li>○ Successfully achieving coordination and integration would not be guaranteed and would most likely be sub-optimal.</li> <li>○ In particular natural resource planning and public transport provision will be very difficult, if not impossible under this model.</li> <li>○ Unitary authorities are not likely to be of a scale sufficient to attract and retain the professional capability required.</li> </ul>

<i>Options</i>	<i>Status quo</i>	<i>Single Tier, Unitary Authority</i>	<i>Wairarapa, Unitary Authority</i>	<i>Two tier, single Unitary Authority for whole region with local boards</i>	<i>Multiple Unitary Authorities</i>
<i>Resilient and adaptive.</i>	<ul style="list-style-type: none"> <li>○ The size of councils may limit their ability to ensure resources and capability are available.</li> <li>○ Local neighbourhood resilience can be supported. However, there are limitations at a regional scale.</li> </ul>	<ul style="list-style-type: none"> <li>○ The size of the organisation will bring the benefits of capacity, scale and capability.</li> <li>○ The single tier council will be able to design engagement that is flexible, resilient and able to be adapted.</li> </ul>	<ul style="list-style-type: none"> <li>○ The size of the organisation will bring the benefits of capacity, scale and capability.</li> <li>○ However there is some risk in being able to attract and retain the professional capability required to deliver all services as they currently stand.</li> </ul>	<ul style="list-style-type: none"> <li>○ The size of the organisation will bring the benefits of capacity, scale and capability.</li> <li>○ The single tier council will be able to design engagement that is flexible, resilient and able to be adapted.</li> <li>○ Some inflexibility exists with respect to the decision-making scope of local boards which may make them slow to respond.</li> </ul>	<ul style="list-style-type: none"> <li>○ The size of councils may limit their ability to ensure resources and capability are available.</li> <li>○ Local neighbourhood resilience can be supported. However, there are limitations at a regional scale.</li> <li>○ Coordinating across the authorities on issues such as climate change will be challenging.</li> </ul>
<i>Representative and responsive.</i>	<ul style="list-style-type: none"> <li>○ The current model provides opportunities for individual citizens to access decision makers and influence decisions.</li> <li>○ The councils in each area have the opportunity to provide all citizens with direct access to decision-makers and the ability to influence decision makers.</li> </ul>	<ul style="list-style-type: none"> <li>○ The single tier council will be accessible to local communities as local decisions will be made by the single council.</li> <li>○ With representation ratios for the proposed single tier unitary model comparing favourably.</li> </ul>	<ul style="list-style-type: none"> <li>○ The single tier council will be accessible to local communities as local decisions will be made by the single council.</li> <li>○ With representation ratios for the proposed single tier unitary model comparing favourably.</li> <li>○ The Wairarapa makes up 10% of the wider region and 70+% of the land area. A Wairarapa Unitary ensures representative scale for the predominately rural community.</li> </ul>	<ul style="list-style-type: none"> <li>○ A unitary authority with two tiers will enable opportunities for individual citizens to access decision makers and influence decisions.</li> <li>○ With representation ratios for the proposed two tiers comparing favourably.</li> <li>○ Some risk exists in light of potential confusion arising among residents who may not know with who to talk to – mitigation is proposed through clear definition of local board decision-making responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>○ The multiple unitary model will enable opportunities for individual citizens to access decision makers and influence decisions.</li> <li>○ Where a joint body exists, there may be some difficulty for citizens to access that body, especially if it is in the form of a CCO as these bodies will be at arms-length from residents.</li> <li>○ The councils in each area have the opportunity to provide all citizens with direct access to decision-makers and the ability to influence decision makers.</li> </ul>
<i>Transparent and accountable.</i>	<ul style="list-style-type: none"> <li>○ Local Government Act processes and requirements ensure a high level of transparency and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>○ Local Government Act processes and requirements ensure a high level of transparency and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>○ Local Government Act processes and requirements ensure a high level of transparency and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>○ Local Government Act processes and requirements ensure a high level of transparency and accountability.</li> <li>○ Establishing local boards will impose local board accountability for their decision making.</li> </ul>	<ul style="list-style-type: none"> <li>○ Local Government Act processes and requirements ensure a high level of transparency and accountability.</li> <li>○ The size of the unitary authorities would provide relatively good access for citizens to decision makers.</li> </ul>

<i>Financially sustainable.</i>	<ul style="list-style-type: none"> <li>○ In the Wellington region, the nature of the economy and infrastructure networks mean that the more disaggregated the council structure the less financially viable those councils may be.</li> </ul>	<ul style="list-style-type: none"> <li>○ A single tier council will enable efficiency and cost saving through economies of scale, streamlined statutory processes and avoidance of duplication.</li> </ul>	<ul style="list-style-type: none"> <li>○ A Wairarapa council will enable efficiency and cost saving through economies of scale, streamlined statutory processes and avoidance of duplication.</li> </ul>	<ul style="list-style-type: none"> <li>○ A single unitary model will enable efficiency and cost saving through economies of scale, streamlined statutory processes and avoiding duplication.</li> <li>○ It is important that clarity is provided to avoid duplication and complexity.</li> <li>○ There will be some costs associated with local boards.</li> </ul>	<ul style="list-style-type: none"> <li>○ The more unitary authorities there are, the less cost efficient they will be.</li> <li>○ In the Wellington region, the nature of the economy and infrastructure networks mean that the more disaggregated that the council structure and therefore funding arrangements are, the less financially viable those councils may be.</li> </ul>
<i>Options</i>	<i>Status quo</i>	<i>Single Tier, Unitary Authority</i>	<i>Wairarapa, Unitary Authority</i>	<i>Two tier, single Unitary Authority for whole region with local boards</i>	<i>Multiple Unitary Authorities</i>
<i>Effective and efficient.</i>	<ul style="list-style-type: none"> <li>○ The number of authorities in the region means that efficiency is not optimised.</li> <li>○ Efficiency is compromised through duplication of services and functions.</li> <li>○ There is little or no single vision for the region.</li> <li>○ The participating councils bring to the table their mandate to represent the interests of their areas only.</li> <li>○ The region is not in a strong position to partner with central government and the private sector on regional scale issues.</li> <li>○ Preparing and implementing a spatial plan (as Auckland has done) would be very challenging.</li> </ul>	<ul style="list-style-type: none"> <li>○ A single tier council will have a scale that will mean effective delivery of core local government services.</li> <li>○ Efficiency will be achieved through removing duplication of services, and functions such as the administrative and support costs for servicing of decision-making/service delivery.</li> <li>○ The single tier council would be in a strong position to partner with central government and it would have the mandate to develop partnerships with other key regional players.</li> <li>○ Spatial planning and addressing issues that are of a regional scale like climate change would be possible.</li> </ul>	<ul style="list-style-type: none"> <li>○ A Wairarapa council will have a scale that will mean effective delivery of core local government services specific and tailored to the needs of the Wairarapa area.</li> <li>○ Efficiency will be achieved through removing duplication of services, and functions such as the administrative and support costs for servicing of decision-making/service delivery.</li> <li>○ Spatial planning and addressing issues that are of a regional scale like climate change would be possible.</li> </ul>	<ul style="list-style-type: none"> <li>○ A single unitary model will have a scale that will mean effective delivery of core local government services.</li> <li>○ Efficiency will be achieved through removing duplication of services and functions.</li> <li>○ This model provides the opportunity for a single vision for the region.</li> <li>○ The region would be in a strong position to partner with central government and it would have the mandate to develop partnerships</li> <li>○</li> <li>○</li> <li>○ and other key regional players.</li> <li>○ Spatial planning and addressing issues that are of a regional scale like climate change would be possible.</li> </ul>	<ul style="list-style-type: none"> <li>○ The more unitary authorities and the smaller their communities, the less efficient and effective they will be.</li> <li>○ Some efficiency will be achieved through reducing duplication of services and functions.</li> <li>○ It is unlikely that this model would be capable of generating a single vision for the region.</li> <li>○ The wider region would not be in a strong position to partner with central government and the private sector.</li> <li>○ This is due to each community wanting their own representatives to be leading those relationships rather than having a single regional representative.</li> </ul>

## APPENDIX 2

### ANALYSIS OF GOVERNANCE OPTIONS – RISKS AND BENEFITS

This section of the paper analyses the two main options recommended by the Working Party and investigates the benefits and risks associated with multiple unitary authorities.

#### Option 1: A two tier unitary authority

A proposal for a region-wide two tier unitary authority is summarised as follows:

<b>Summary of Proposal</b>
<ul style="list-style-type: none"> <li>• First Tier – Council comprised of 21 councillors elected from multi-member wards and a Mayor elected at large. The first tier is responsible for all functions and can delegate some decision-making for regulatory and non-regulatory functions to the local boards, consistent with s17 of the Local Government (Auckland Council) Act 2009.</li> <li>• Second Tier – 8 Local boards comprised of 9 members who themselves elect a Board Chair. Responsibilities of local boards are as outlined in the Local Government (Auckland Council) Act 2009, specifically ss7, 14-21, and 102.</li> <li>• One organisation supporting both a Wellington Council and Local Boards, with a general manager to support the needs of each Local Board reporting to the Chief Executive.</li> <li>• The proposed boundary of the Wellington Council extends as per the current Greater Wellington Regional Council.</li> </ul>

The risks and benefits of a region-wide two tier unitary authority are summarised in the table below:

<b>Perceived benefits</b>	<b>Perceived risks</b>
<ul style="list-style-type: none"> <li>• Single representative “voice” for the whole of the Wellington region.</li> <li>• Single customer service delivery organisation in support of a new council.</li> <li>• Simplified planning and reporting.</li> <li>• Most decisions made by a single entity.</li> <li>• Limited local level democratic representation and advocacy role enabled.</li> <li>• Reduces the opportunity for duplication of strategic activity.</li> <li>• Improved strategic financial capability.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for duplication and/or significant variation in the delivery of non-regulatory activity by the second tier.</li> <li>• Transaction costs between the governing body and local boards in relation to planning and reporting are high.</li> <li>• Confusion over accountability and responsibility for activity which may or may not fit within non-regulatory delegation principles.</li> <li>• Potential for applications to judicially review decision-making by the governing body which appear to be the jurisdiction of the second tier.</li> <li>• Possible service gaps may appear, as has happened in Auckland, where there is a lack of clarity over non-regulatory activity jurisdiction</li> </ul>

## APPENDIX 2

Perceived benefits	Perceived risks
<ul style="list-style-type: none"> <li>• Reduces complexity of strategic decision-making.</li> <li>• May delegate regulatory functions in addition to an allocation of non-regulatory functions to a second service delivery focused tier with limited decision-making power.</li> <li>• The provision of local boards is structural and can only be removed by an application for reorganisation to the Local Government Commission.</li> <li>• Some clarity as to the intended functions of local boards can be achieved through an application for reorganisation to, and possible release of a proposal from, the Local Government Commission.</li> </ul>	<p>between second tier and the governing body.</p> <ul style="list-style-type: none"> <li>• Potential loss of strategic financial capability in the delegation of activities and associated appropriation of resources which may cause conflicts between service providers and decision-makers.</li> <li>• Residents may perceive that they are distanced from “real decision-makers” with an adverse effect on future local democratic participation and engagement.</li> <li>• Uniformity of second decision-making tier has potential to reduce the level to which community identity is reflected in strategic planning.</li> <li>• Potential confusion and inefficiency in the management of operational budgets tagged to assets which also require regional budgetary control and management.</li> <li>• Possible loss of reflection of community of interest and small community identity within a local board framework</li> </ul>

### *Description of a region-wide two tier unitary authority*

A council of 21 councillors would be elected from multiple-member wards, and the mayor would be elected at-large from across the entire area. The council would have the functions and powers of a regional council and territorial authority.

All the territorial authorities and the regional council in the Wellington region would be disestablished and local boards established following the enactment of the Local Government (Auckland Council) Act 2009 (the Auckland Act).

The Local Government Act 2002 Amendment Act 2012 (the Amendment Act) puts in place the following two conditions that must be met in any reorganisation application to the Local Government Commission:

- a. That local boards can feature in a reorganisation proposal released by the Local Government Commission for where the proposal’s affected area is predominantly urban, and
- b. That the affected area must have a population of 400,000 or more at the time of the application or five years hence.

This means that in the context of any possible reform to Wellington, a proposal seeking to implement local boards must be in relation to an affected

## APPENDIX 2

area that, in the least, includes the current territorial authority areas of Wellington, Porirua, Kapiti, Lower and Upper Hutt.

The proposal of the Working Party is for the creation of 8 local boards with 9 members each. These would be in addition to a council comprised of 21 councillors plus a mayor. This brings the total number of elected representatives in the proposal to up to 94.

With 21 councillors proposed, the councillor to resident ratio is around 1:23,000. With 8 local boards, each board would cover a population of around 55,000 people with the ratio of board member to resident at up to approximately 1:6,000. These figures may vary significantly depending on how wards and local board jurisdictions are defined by the Local Government Commission.

### *Shared Governance through Local Boards*

The proposal to introduce a new local government structure to the Wellington region, built around a single unitary authority with local boards, is based on the principle of *subsidiarity*.

Under the proposed model, the governing council and local boards would share decision-making responsibilities. It is proposed that the governing council would focus on strategic or regional issues, and local boards would focus on improving the well-being and prosperity of their areas in a way that would retain and support their special character and identity.

### *Local Boards - Responsibilities*

The Amendment Act provides for shared decision-making where local boards are proposed by:

- a. *statute* – The Amendment Act sets out, by reference to the Auckland Act, that local boards would be allocated responsibility for activities such as community engagement and advocacy, preparing local board plans through negotiated agreement with the governing council, and reporting to the governing body on any proposals for the creation of by-laws specific to their local board areas
- b. *delegation* – The Local Government Commission in determining its final proposal, would set out an initial allocation of decision-making responsibilities for non-regulatory activities to local boards. The governing council would allocate the final functions and agree the extent to which local boards would continue to undertake those delegations through consultation with the local boards and residents through the Annual Plan process.

The legislation also provides for a special dispute resolutions process where the governing council proposes to change the extent to which local boards are delegated non-regulatory functions to a local board. A local board may apply

## APPENDIX 2

to have that decision reviewed through this process or indeed, through a process of judicial review.

The inflexibility of these structural arrangements may result in the new council being slow to adjust to changes in its operating environment or to the demands of its residents over time.

### *Local Boards – Decision-Making*

The Working Party proposes that local boards have a range of decision-making responsibilities:

- a. Proposed activities as part of the local board plan to be agreed with the governing council.
- b. Proposed neighbourhood or village plans to be agreed with the governing council.
- c. Operational policies such as dog control, gambling and gaming machines, liquor licensing and locations of liquor bans, brothels and control of their location and signage.

The Working Party's proposal outlines a broad range of responsibilities rather than absolute decision-making responsibility as part of an initial allocation of activities. Determination of the scope of these responsibilities is then a matter for consideration by the Local Government Commission.

### *Officer Views – Local Boards*

Officers are of the view that the responsibilities of the local boards as proposed by the Working Party are largely managerial. These do not require democratic decisions by the local boards because:

- a. Local board responsibilities remain reliant upon the agreement of the governing council through the local board's proposed plan.
- b. Local boards have no ability to rate and can therefore only propose activities within their areas of jurisdiction which are consequently reliant upon the sufficient allocation of appropriation of funds from the governing council.
- c. Local boards are required, by the Auckland Council Act, to undertake a range of administrative and statutory duties which relate to advocating for an identified community expression of interest in a particular activity. This approach potentially filters those expressions through two decision-making lenses, first the agreement of the local board and secondly the agreement of the governing council.

### *Local Boards - Functions*

## APPENDIX 2

The Working Party has set out a range of examples for how its proposal for local boards would work in practice. In addition to a range of statutory obligations being struck as a result of needing to be consistent with the Auckland Act, a range of other functions may be delegated by the governing council.

The Working Party is aware that Auckland has experienced problems as a result of there being a lack of clarity about what functions would be undertaken by local boards. In light of this, the Working Party has attempted to clarify which functions should be delegated to local boards, for recommendation to the Local Government Commission.

The risk of this, as with any proposal subject to any final agreement, is that the initial allocation proposed in the Working Party's application may not reflect the proposal of the Local Government Commission or indeed what the governing council may resolve to undertake upon election.

The Working Party has acknowledged this but has attempted to ensure that the allocation of functions is a rational division for each category of functions.

### *Local Democracy*

While final decisions with respect to representation on local boards will rest with the Local Government Commission, the proposal would establish up to 72 elected representatives in the region in addition to 21 councillors and a mayor.

The proposal for a second tier defined by smaller boundaries, is focused on broader communities of interest. With respect to the functions and responsibilities of local boards, residents will have access to a local advocacy body which can influence the strategic planning and decision-making of the governing council.

In addition, it is proposed that the strategic, regional issues will be the purview of the governing council, and that residents will be able to engage with councillors directly to influence these decisions.

There are risks in having two bodies responsible for different aspects of the same activity. It may cause confusion for the public and give rise to disputes between the council and the local boards.

For example, the Working Party proposes that swimming pools will be regarded as part of a regional network of service delivery. The Working Party also proposes that swimming pools are part of the responsibilities of local boards where they will retain responsibility for programmes, design and fit-out of new facilities, funding and grants.

Some consideration must be given back to the Auckland Act under which this structure will be established which notes at s17(2) that the governing council may determine that the decision in question may need to be made a regional decision, the Auckland Act provides:

## APPENDIX 2

- a. The impact of the decision will extend beyond a single local board area, or
- b. Effective decision-making will require alignment or integration with other decisions that are the responsibility of the governing council, or
- c. The benefits of a consistent or coordinated approach across the wider area are more desirable.

These provisions do provide a back-stop to the emergence of such issues and gives the governing council some latitude to “lift delegations” where disputes like this arise. The benefit for residents is that their interests can be reflected through the final decision-making of the council.

### *Asset Management*

With respect to how key regional assets such as the port, water, the airport and other major facilities like the stadium or the Wellington Regional Aquatic Centre would be managed, the Working Party has noted a preference for letting the newly established council make those decisions.

The governing council would have a range of options as to how these are dealt with including in-house business units, council controlled organisations, committee controlled organisations or a range of other region-wide governance structures such as regional committees that it may consider appropriate in consultation with residents and local boards.

### **Option 2: A single tier unitary authority**

A proposal for a single tier unitary authority is summarised in the table below:

<b>Summary of Proposal</b>
<ul style="list-style-type: none"><li>• Unitary Authority comprised of 29 Councillors elected from multi-member wards and a Mayor elected at large.</li><li>• A single organisation reporting to the Chief Executive.</li><li>• Establishment of Council Appeals-Commissioners as semi-autonomous officers reporting to Council supported by the Chief Executive.</li><li>• Establishment of ward offices to support the representative activities of councillors, with staff and other resources to facilitate resident councillor engagement.</li><li>• The proposed boundary to include current Wellington, Porirua, Lower Hutt, Upper Hutt and Kapiti Coast territorial authority boundaries.</li></ul>

The risks and benefits of a single tier unitary authority are summarised in the table below:

## APPENDIX 2

Perceived benefits	Perceived risks
<ul style="list-style-type: none"> <li>• Single representative “voice” for the whole of the Wellington region.</li> <li>• Single customer service delivery organisation supporting the new council, freeing up Councillors to undertake their democratic functions effectively.</li> <li>• Highly efficient, simple decision-making which will carry an increased expectation of performance of the Council’s committees and resident engagement processes to inform strategic decision-making from a neighbourhood level.</li> <li>• Simplified planning and reporting informed by neighbourhood level input without the need for statutory reporting and additional administration.</li> <li>• All decisions made by a single entity which has direct accountability between residents and councillors.</li> <li>• Limited local level democratic representation and advocacy role enabled through community boards, community charters, innovative approaches to engagement that enables residents to engage with the council’s customer service delivery arm as well as its governance body based on their preferences.</li> <li>• Reduces duplication of strategic activity because there is clear delineation between customer service and governance arrangements and no second tier of decision-making .</li> <li>• Improved strategic financial capability through the formation of a much larger single entity empowered to make decisions on a regional basis.</li> <li>• Reduction of complexity for strategic decision-making and clarity for both decision-makers and residents about who is responsible for decisions and who is responsible for the quality delivery of local services and amenities.</li> </ul>	<ul style="list-style-type: none"> <li>• Perceived loss of democratic representation and engagement mechanisms to influence decision-making.</li> <li>• Potential centralisation of power and decision-making that may lead to a loss of community identity in regional planning.</li> <li>• Potential focus on the Central Business District in the decision-making process.</li> <li>• Reliance on Community Boards to ensure advocacy for community identify in strategic planning, requires strong community support for implementation of community boards.</li> </ul>

## APPENDIX 2

### *Description of a single tier unitary authority*

The Working Party has included as an alternative to its preferred approach of a region-wide two tier unitary authority with local boards - a single tier unitary authority with no local boards.

Comprised of up to 29 Councillors elected from multi-member wards and a single mayor elected at large, the proposal would establish a unitary authority by disestablishing a number of existing councils, these are:

- a. Wellington City Council
- b. Porirua City Council
- c. Lower Hutt City Council
- d. Upper Hutt City Council
- e. Kapiti Coast District Council
- f. Greater Wellington Regional Council.

Residents will be familiar with this model because it reflects New Zealand's Parliamentary democracy, with a single decision making body, supported by a range of mechanisms to help do the work of the council while facilitating high-quality public engagement with increased accountability to residents.

One of these mechanisms is community boards, which are provided for under the 2002 Act. Community boards can perform a range of functions from simple advocacy through to undertaking activities that relate to formal delegations they have received from the governing council.

Local boards have an extensive range of statutory obligations to perform for and with the governing council. This proposal contemplates that the same level of decision-making and advocacy can be achieved by communities who want community boards because the law currently provides for it.

In addition to community boards the model relies upon a range of participatory tools which are designed to reflect both the preferences of residents as well as to provide accountability mechanisms between residents and councillors.

Research shows that residents who participate in "consultation" with local government in Wellington feel that these processes are formal and perhaps for some, outdated. That same research identifies that residents who are not already very interested in the range of activities that their council undertakes, are unlikely to participate in consultation.

The proposal sets out an expectation that the governing council would put in place not only tools such as online self-selection engagement tools, but also reporting which shows what impact input from residents has had on decision-making.

## APPENDIX 2

### *Direct Access and Direct Accountability*

The approach is predicated on the basis that direct-access means residents will know who their elected representative is because they have elected them from their community. Councillors will be the representatives of the people who live in their ward, and they will provide a local voice at the decision-making table.

Being able to influence decision-makers directly is already part of our culture and the proposal seeks to build on that. Each of Wellington's local authorities already offers direct access to decision-makers. The proposal argues that it brings genuine decision-making and influencing power closer to residents, by providing them with direct access to decision-makers on a body with genuine clout at regional and national levels.

Supporters of this proposal argue that a second-tier of decision-making diminishes the quality of democratic representation that citizens receive because both organisations may "argue on the side of residents" from different and opposing perspectives. The proposal seeks to eliminate that and require councillors to engage with residents directly to understand their views fully, in the same way an MP must make strategic decisions informed by individual and community views.

### *Addressing Community Aspirations*

While there are clear and obvious benefits to strategic decision-making, vision-setting and giving Wellington a "voice", there are risks that councillors will become distracted from the advocacy aspect of their role for their communities.

The model proposes that councillors be adequately resourced:

- a. To ensure that councillors are "freed up" to undertake their representative duties and are not required to manage customer service delivery process
- b. To ensure that residents have access to their governance or democratic representative to discuss issues related to the decisions they make and the standards they set for council officers. It also ensures that residents can have customer service issues dealt with by an officer at the time the issue is raised.

The proposal would also establish councillor offices in community halls and service centres throughout the region in much the same way that an MP has an electorate office. The purpose of these offices is to enable residents to access their councillors in the communities they serve. The proposal sets out that it expects these offices to be hub-offices and shared by two or three councillors to create a sense of community around the office as a place in the community of the council.

## APPENDIX 2

### *Checks and Balances*

While continuing with existing approaches at both the local and central government levels to support democratic engagement between residents and decision-makers directly, the increased scope and responsibilities of a larger council requires checks and balances to guard against any abuse of power.

The proposal could include the establishment of Council Appeals-Commissioners covering a range of matters including administration, based on the Parliamentary Commissioner for the Environment and the Ombudsman operating in a similar fashion in addressing concerns on policy decision-making between council and residents.

### *Democracy and Customer Services*

The proposal seeks to delineate between what is democratic engagement or governance and what is customer service or management. This is achieved through making a clear split between councillors as decision-makers and officers who are responsible and accountable to councillors and residents for the delivery of high quality services.

The proposal sets out that councillors will be supported, as discussed earlier, with staff, resources and facilities, council's decision-making processes supported with a stronger focus on committees and increased accountability enabled through a range of tools. In addition however, the proposal sets out that the quality of customer services to be delivered will be set by councillors and that officers will be responsible for ensuring they are delivered to the standards set, in the places residents need them to be and managed in an efficient and value-for-money way.

### **Alternative Arrangements – *Wairarapa Unitary Authority***

A proposal for a Wairarapa Unitary Authority is summarised in the table below:

<b>Summary of Proposal</b>
<ul style="list-style-type: none"><li>• Unitary Authority comprised of 12 councillors elected from seven multi-member wards and a Mayor elected at large.</li><li>• Continuation of three community boards at Martinborough, Featherston and Greytown and the establishment of a new community board for Masterton, all consistent with proposed ward boundaries.</li><li>• Establishment of a rural advisory committee.</li><li>• The proposed boundary to include the current South Wairarapa, Carterton and Masterton District Council boundaries, exiting from the current Greater Wellington Regional Council boundary.</li></ul>

## APPENDIX 2

The risks and benefits of a Wairarapa unitary authority with local boards are summarised in the table below:

Perceived benefits	Perceived risks
<ul style="list-style-type: none"> <li>• A unified “voice” for a distinct community of interest.</li> <li>• Cost efficiencies achieved through a common customer service delivery approach.</li> <li>• Simplified planning and reporting with specific focus on provincial priorities, maximising regional comparative advantage.</li> <li>• Direct control over, and prioritisation of, the intent and delivery of both regulatory and non-regulatory activities that relate specifically to the provincial nature of the Wairarapa.</li> <li>• Enhanced strategic financial capability with benefits directly to the Wairarapa that might otherwise be lost under a pan-regional approach or under the status quo or some variant of it.</li> <li>• Consistent with legislative provisions that allow for rural and urban distinctions.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial sustainability arising from service costs currently met by the Greater Wellington Regional Council under the current arrangements.</li> <li>• Service level depletion arising from a possible lack of expertise in areas currently supported by Greater Wellington Regional Council under current arrangements.</li> <li>• Cross boundary issues such as bio-diversity, economic development and cooperation and major transport and infrastructure will require a shared-services or shared management approach.</li> </ul>

### *Description - Wairarapa*

The Working Party has not made specific reference to proposals for a Wairarapa Unitary Authority other than noting that the single tier unitary authority proposal assumes that this approach is viable and desired by those who reside in the Wairarapa.

As the proposal would directly affect a population smaller than the required 400,000 for local boards and because it is largely rural in nature, the proposal may not establish local boards as part of any application for reorganisation.

A single-tier of decision-making is all the law permits to be established for the area if successful. Any Wairarapa unitary authority would, by definition, take on the responsibilities of the regional council and thereby assumes it to be abolished in relation to the Wairarapa.

In addition, the proposal would abolish three councils:

- a. South Wairarapa District Council
- b. Carterton District Council
- c. Masterton District Council.

## APPENDIX 2

Despite any amalgamation of the three councils in the Wairarapa, the combined population is still smaller than any of the remaining councils in the western area of the current Wellington region, though they are responsible for around 80% of the total physical area.

The three Wairarapa councils have established a working party and undertaken several rounds of consultation with their residents. On each round of consultation, including one in cooperation with other councils in June 2012, the number of people who have responded in support of unification in the area has grown.

The Wairarapa Working Party has recently reported that more than 75% of its residents have indicated a preference for a single Wairarapa authority. Based on these numbers, the Wairarapa Working Party believes that residents have a strong sense of community and see Wairarapa as “different” to the rest of Wellington primarily because of its rural nature.

### *Functional Analysis Indications*

In terms of a functional analysis relating to the viability of a Wairarapa unitary authority, the following table summarises the analysis included in a workshop held in September 2012:

*Table 7: Summary of functional analysis – Wairarapa*

Activity/Driver	Discussion	Conclusion
<p><b>Transport</b></p> <p><i>Fits with establishing a Wairarapa Unitary Authority.</i></p>	<ul style="list-style-type: none"> <li>• Functions currently split giving rise to potential replication/redundancy of delivery.</li> <li>• Concentration of activity is focused on an east and west split between Wairarapa and the urban areas of the region.</li> <li>• Electrification of rail and future development of major road infrastructure focused on urban areas.</li> <li>• Does not require co-governance to facilitate greater effectiveness, linkages require cooperation within and external to the region.</li> </ul>	<ul style="list-style-type: none"> <li>• A functional analysis of transport functions concludes on an urban/rural focus. Transport networks are interlinked throughout the country, passenger services do however require a local focus and the analysis results in the likelihood of greater effectiveness being achieved through greater focus on the urban transport network.</li> <li>• Linkages through rail and roading between the Wairarapa and the areas west of the Rimutakas would continue to occur consistent with inter-regional transport arrangements.</li> </ul>

## APPENDIX 2

<p><b>Water catchment and the “3 Waters”</b></p> <p><i>Fits with establishing a Wairarapa Unitary Authority</i></p>	<ul style="list-style-type: none"> <li>• Functions are, in part, being coordinated in the urban areas of the region with heavy reliance on territorial authority commitment to a shared mechanisms.</li> <li>• Variable standards exist by virtue of enduring territorial authority priorities.</li> <li>• 3 distinct catchment areas exist within the region with a shared discharging environment.</li> </ul>	<ul style="list-style-type: none"> <li>• The assumption is that it is unlikely that the Kapiti Coast will assume unitary authority status. Therefore, despite the independent nature of its water management services and network, the degree of integration and cooperation in the western areas and the predominantly independent network and water management services in the Wairarapa, two unitary authorities is most clearly concluded.</li> </ul>
<p><b>Economic development</b></p> <p><i>Fits with establishing a Wairarapa Unitary Authority</i></p>	<ul style="list-style-type: none"> <li>• The Wellington Regional Strategy has demonstrated some success in cooperative efforts to drive strategic economic development activities.</li> <li>• Research into the economic potential under a range of possible reform scenarios for the Wairarapa shows strong potential through unification as either a territorial or unitary authority.</li> <li>• Economic development activities consistent with the nature of the Wairarapa’s economy suggests niche possibilities from which the Wairarapa can leverage. These also outweigh the disadvantages of the economic potential arising out of unification in areas west of the Rimutakas.</li> </ul>	<ul style="list-style-type: none"> <li>• There is strong support for a unified Wairarapa approach through the strength of evidence that has emerged from research investigating the potential economic impacts of unification in the Wairarapa.</li> <li>• Arrangements made by areas west of the Rimutakas have also, to some extent, aligned some strategic decision-making with a regional perspective. Greater effectiveness is possible and structural reform may be one driver for that.</li> <li>• Economic linkages between the rural east and urbanised west do not necessarily require co-governance. Indeed, some independence between the two areas may bring about efficient and more focused decision-making.</li> </ul>
<p><b>Regional and community amenities</b></p> <p><i>Viable for establishing a Wairarapa Unitary Authority, viable for a region-wide unitary authority also.</i></p>	<ul style="list-style-type: none"> <li>• The burden for the majority of funding in respect of regional and community amenities falls upon the Wellington CBD, and continues to despite the formation of the Regional Amenities Fund.</li> </ul>	<ul style="list-style-type: none"> <li>• There is no affect from considering regional and community amenities as a driver for reform in the region. Any number of boundaries are workable.</li> <li>• For how sports and</li> </ul>

## APPENDIX 2

	<ul style="list-style-type: none"> <li>• Attempts to coordinate through the Regional Amenities Fund have shown mixed success with partial or time limited participation. This results in the CBD continuing to bear the majority of the funding burden.</li> </ul>	<p>recreational facilities are considered, a regional unitary authority would provide the benefit of creating an integrated network for more effective management.</p>
<p><b>Spatial planning</b></p> <p><i>Viable for establishing a Wairarapa Unitary Authority, viable for a region-wide unitary authority also.</i></p>	<ul style="list-style-type: none"> <li>• Spatial planning may relate to either the region-wide geographic area or the Wairarapa as a single geographic area.</li> </ul>	<ul style="list-style-type: none"> <li>• Simplicity of planning resulting in a single area plan is met by either a Wairarapa unitary authority or a region-wide authority.</li> <li>• The criteria is not dependent upon scale. Rather it focuses on the simplicity of the planning process and a strategic approach to spatial management.</li> <li>• The approach would therefore be consistent but must be read in line with the Local Government Commission's intention to provide for "regionalism".</li> </ul>
<p><b>Communities of Interest</b></p> <p><i>Supportive of establishing a Wairarapa Unitary Authority</i></p>	<ul style="list-style-type: none"> <li>• Communities of interest can be social, demographic or geo-political in nature.</li> <li>• Investigations undertaken by Martin Jenkins, Morrison Lowe and WCC as part of a wider consultation process in June 2012 have all identified a strong sense of place in the Wairarapa most significantly defined by a natural boundary, but also characteristics of economy and lifestyle.</li> </ul>	<ul style="list-style-type: none"> <li>• The 2002 Act allows for there to be some distinction between communities of interest in considering reorganisation applications.</li> <li>• The Wairarapa has a clearly identifiable community of interest by virtue of its rural nature as well as a number of other social factors; it has its own provincial rugby team, its residents choose to socialise and socially collect in the area, there is strong recognition of identity with the Wairarapa.</li> <li>• Consultations so far indicate a strong</li> </ul>

## APPENDIX 2

		preference for a regional identity that is the Wairarapa.
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Against the functional analysis, which seeks to take the broadest areas of interest from a local government perspective, functional indicators demonstrate consistent support for the establishment of a Wairarapa unitary authority.

### *Legislation – Urban and Rural*

One of the key factors in considering the viability of a Wairarapa unitary authority rests, eventually, with the legislative provisions allowing for reorganisations. There are a number but the Wairarapa Working Party has identified that as well as the factors listed in the table above, there is a clear indication in the 2012 Act supporting that appears to support the proposal.

DLA Phillips Fox, in an opinion to Wellington City Council officers, has noted the following in relation to a 2006 proposal to transfer part of Rodney District (Okura) to North Shore City:

*...In the case of Wellington region, the matters relating to communities of interest may be particularly important, given that the various options reflect the different character of the urban and rural areas involved.*

*...The decision highlights the importance of considering options for reorganisation in terms of the nature of the infrastructure and services expected by residents in rural and urban areas, and also any differences in character involved. It also suggests that those options which involve different arrangements for urban and rural areas may well be well-received.*

Officers agree that the Local Government Commission in considering any application where a Wairarapa unitary authority is proposed would give strong consideration to it, with heavy weighting likely to be given to its previous decisions supporting delineation between rural and predominantly urban areas.

### *Risks and Opportunities*

Key to whether the Local Government Commission can give full consideration to an application which may propose a Wairarapa unitary authority is whether it can demonstrate it has financial viability to do so.

At the time of writing this report, discussions between the Wairarapa Working Party and Greater Wellington Regional council about the value of funding for activities undertaken by the regional council in the Wairarapa had not concluded.

The issue revolves around whether Wairarapa can financially sustain the cost of the activities delivered by the regional council and the extent to which those

## APPENDIX 2

activities is currently determined has not yet been fully quantified. Further work will be required in order for there to be a conclusion to that discussion.

Officers are aware that Martin Jenkins has been instructed by the Wairarapa Working Party to provide advice and analysis with respect to the value of the regional services performed in the area.

Some concern exists by some parties in the Working Party as to whether the Wairarapa should be included as part of any future local government arrangement in the region or whether it could be excluded. The primary concern revolves around whether the area would continue to have capacity and capability for undertaking the regional as well as local activities as they are now.

The proposal of the Wairarapa Working Party concludes that the area can deliver those functions based on an assessment of what the area thinks it needs and the standards its residents demands of any future Wairarapa unitary authority.

Some concern has also been raised by some members of the Working Party that consultation has not been undertaken in the area. The Wairarapa Working Party has consulted progressively for an extended period of time, a range of information has been obtained from residents about their views and most recently that in excess of 75% are in support of a unified Wairarapa Council.

### **Alternative Arrangements – Multiple Unitary Authorities**

A proposal for a multiple unitary authorities is summarised in the table below, using a Hutt Valley Unitary Authority proposal as an example. Officers have considered four options as part of a broad comparison of options against the legislative assessment criteria, good governance criteria and efficiency and costs savings and productivity and performance criteria:

<b>Summary of Proposal</b>
<ul style="list-style-type: none"><li>• The composition of any proposed Hutt Valley Unitary Authority is yet to be determined by the Hutt and Upper Hutt Councils but it must be a single-tiered decision-making structure as per legislation.</li><li>• The proposed boundary to include current Lower Hutt City Council and Upper Hutt City Council boundaries. The proposed boundary would support a new Wairarapa Unitary Authority.</li></ul>

The risks and benefits of a Hutt Valley unitary authority, which implies a multiple unitary authority outcome, are summarised in the table below:

## APPENDIX 2

Perceived benefits	Perceived risks
<ul style="list-style-type: none"> <li>• A unified “voice” for a distinct community of interest.</li> <li>• Cost efficiencies achieved through a common customer service delivery approach.</li> <li>• Simplified planning and reporting with specific focus on provincial priorities, maximising regional comparative advantage.</li> <li>• A local government structure that replicates some sub-regional central government agency coordination and service delivery.</li> <li>• Direct control over and prioritisation of, the intent and delivery of both regulatory and non-regulatory activities that relate specifically to the Hutt Valley.</li> <li>• Enhanced strategic financial capability with benefits directly to the Hutt Valley that might otherwise be lost under a pan-regional approach or under the status quo or some variant of it.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires the formation of Council Controlled Organisations, or other joint arrangements, for common service delivery activities such as regional water, transport, environmental management and other major asset and infrastructure management and monitoring.</li> <li>• Implementation of a regionally focused entity may need to be formed in order to provide guidance and take responsibility for region-wide service delivery activities.</li> <li>• A Hutt Valley unitary assumes the formation of a Wairarapa unitary authority and either a combined Wellington, Porirua and Kapiti Coast amalgamation to form its own unitary authority or separate unitaries, It is considered to be sub-optimal from regional interests because it repeats the disadvantages of the status quo without realising the full benefits of amalgamation.</li> <li>• Is inconsistent with an intended focus on “regionalisation” where reform to the structures of local government in any area is proposed. (refer Local Government Commission statements in relation to a draft Nelson/Tasman proposal – 2012).</li> <li>• Is inconsistent with legislative provisions against which any application would be considered by the Local Government Commission .</li> </ul>

### *Description – Example of a Multiple Unitary Authority Outcome - Hutt Valley Unitary Authority*

A full description of an option being considered by Hutt City Council and Upper Hutt City Council is not yet available. However, like a proposal for a Wairarapa Unitary Authority, a Hutt Valley Unitary Authority may be established but it may not include a structural option for local boards as it does not meet the 400,000 population requirement.

A Hutt Valley Unitary Authority is being considered as complementary to a proposal for a Wairarapa Unitary Authority and is considered to result in the establishment of a “Western Unitary” or a “Wellington Unitary” and a “Porirua Kapiti Unitary”.

## APPENDIX 2

It should be noted that Kapiti Coast District Council Mayor Jenny Rowan has noted that if a Hutt Valley and Wairarapa Unitary Authorities proposal is further developed, Kapiti Coast District Council may want to explore a Kapiti Coast Unitary Authority.

In the case of a multiple unitary approach to local government reform in the Wellington region, an array of outcomes are possible in relation to the current Wellington, Porirua and Kapiti arrangements – assuming the establishment of unitary authorities in both the Wairarapa and Hutt Valley.

A Hutt Valley Unitary Authority involves abolishing the Greater Wellington Regional Council and the Hutt Council and Upper Hutt City Councils and would have consequential affects on the remainder of the region.

In the event the Local Government Commission releases a draft proposal which would result in the establishment of a Wairarapa Unitary Authority and a Hutt Valley Unitary Authority, Wellington, Porirua and Kapiti Councils will need to consider making submissions which include consideration of establishing a number of other unitary authorities.

The Hutt Valley's consultation exercises have identified that over 75% of residents do not want reorganisation to the structures of local government in the region to be undertaken. In the event that changes were to be made, the strongest preference of residents by a significant margin is for the establishment of a Hutt Valley Unitary Authority.

### *Functional Analysis Implications*

In terms of a functional analysis relating to the viability of a Hutt Valley Unitary Authority, the following table summarises an analysis councillors received as part of a Workshop held in September 2012:

Activity/Driver	Discussion	Conclusion
<p><b>Transport</b></p> <p><i>Officers are not supportive of a Hutt Valley Unitary Authority without implementation of new governance structures which may require legislative amendment to the Transport Act.</i></p>	<ul style="list-style-type: none"> <li>• Functions in the region are currently split giving rise to potential replication/redundancy of delivery.</li> <li>• Concentration of activity is focused on an east and west split between Wairarapa and the urban areas of the region.</li> <li>• Electrification of rail and future development of major road infrastructure focused on urban areas.</li> <li>• Does not require co-</li> </ul>	<ul style="list-style-type: none"> <li>• The transport network, unlike a split between unitary Wellington and the Wairarapa, is very heavily integrated.</li> <li>• Strong commuter transfers between the Hutt Valley and Wellington city and with other parts of the Wellington area.</li> <li>• Rail, bus and commuter transport networks are naturally integrated as there are no physical barriers between the Hutt</li> </ul>

*This report is officer advice only. Refer to minutes of the meeting for decision.*

## APPENDIX 2

Activity/Driver	Discussion	Conclusion
	<p>governance to facilitate greater effectiveness, linkages require cooperation within and external to the region.</p>	<p>Valley and Wellington City areas. Arguably, the physical barriers to other parts of the region, except for the Wairarapa, are nominal in any case.</p> <ul style="list-style-type: none"> <li>• Co-governance arrangements for managing, monitoring and enhancing the network (one of the key purposes of the 2012 Act for Local Government) will be required with possible implications requiring amendment to the Transport and 2002 Act to provide for decision-making across borders.</li> <li>• Shared-services or cooperation agreements are both highly undesirable due to a significant reliance on the culture of agreeing councils to remain part of any agreement over such an integrated network and potential inconsistency with good local government arising from such a scenario.</li> <li>• Council controlled organisations are of strong likelihood given reference in the Auckland Act.</li> <li>• Considered by officers to be a highly undesirable outcome for residents.</li> </ul>
<p><b>Water catchment and the “3 Waters”</b></p> <p><i>Not strongly supportive of a Hutt Valley Unitary Authority without the implementation of new governance structures with statutory powers of decision-making.</i></p>	<ul style="list-style-type: none"> <li>• Functions are, in part, being coordinated in the urban areas of the region with heavy reliance on territorial authority commitment to a shared mechanisms.</li> <li>• Variable standards exist by virtue of enduring territorial authority</li> </ul>	<ul style="list-style-type: none"> <li>• Western areas of Wellington, apart from the Kapiti Coast, retain a highly integrated water services network. These services are currently delivered by a Council Controlled Organisation. Abolishing the Regional Council will result in investigations into ensuring that CCO would</li> </ul>

## APPENDIX 2

Activity/Driver	Discussion	Conclusion
	<p>priorities.</p> <ul style="list-style-type: none"> <li>• 3 distinct catchment areas exist within the region with a shared discharging environment.</li> </ul>	<p>be sufficiently empowered to operate effectively across borders given the strength of integration of networks.</p> <ul style="list-style-type: none"> <li>• Co-governance arrangements for managing, monitoring and enhancing the network (one of the key purposes of the 2012 Act for Local Government) will be required with possible implications requiring amendment to legislation to provide for decision-making across borders.</li> <li>• Shared-services or cooperation agreements are both highly undesirable due to a significant reliance on the culture of agreeing councils to remain part of any agreement over such an integrated network and potential inconsistency with good local government arising from such a scenario.</li> <li>• Council controlled organisations are of strong likelihood given reference in the Auckland Act.</li> <li>• Considered by officers to be a highly undesirable outcome for residents.</li> </ul>
<p><b>Economic development</b></p> <p><i>Not strongly supportive of a Hutt Valley unitary without the implementation of new governance structures with delegated decision-making powers.</i></p>	<ul style="list-style-type: none"> <li>• The Wellington Regional Strategy has demonstrated some success in cooperative efforts to drive strategic economic development activities.</li> <li>• Economic development activities consistent with the nature of the Wairarapa's economy suggests niche possibilities from which</li> </ul>	<ul style="list-style-type: none"> <li>• Performance of current initiatives aimed at cooperation between territorial authorities has demonstrated some mixed success. Region-wide strategic decision-making will require significant improvement of performance to be viable, and this will be required as part of any application to the Local Government Commission in</li> </ul>

## APPENDIX 2

Activity/Driver	Discussion	Conclusion
	<p>the Wairarapa can leverage which may also outweigh the disadvantages of the economic potential arising out of unification in areas west of the Rimutakas.</p>	<p>consideration of key performance and efficiency criteria.</p> <ul style="list-style-type: none"> <li>• Shared-services or cooperation agreements are both highly undesirable due to a significant reliance on the culture of agreeing councils to remain part of any agreement over such an integrated network and potential inconsistency with good local government arising from such a scenario.</li> <li>• Considered by officers to be a highly undesirable outcome for residents.</li> </ul>
<p><b>Regional and community amenities</b></p> <p><i>Viable for establishing a Hutt Valley Unitary Authority, viable for a region-wide unitary authority also.</i></p>	<ul style="list-style-type: none"> <li>• The burden for the majority of funding in respect of regional and community amenities falls upon the Wellington CBD, and continues to despite the formation of the Regional Amenities Fund.</li> <li>• Attempts to coordinate through the Regional Amenities Fund have shown mixed success with partial or time limited participation and results in the CBD continuing to bear the majority of the funding burden.</li> </ul>	<ul style="list-style-type: none"> <li>• Performance of current initiatives aimed at cooperation between territorial authorities has demonstrated some mixed success. Region-wide strategic decision-making will require significant improvement of performance to be viable, and this will be required as part of any application to the Local Government Commission in consideration of key performance and efficiency criteria.</li> <li>• Shared-services or cooperation agreements are both highly undesirable due to a significant reliance on the culture of agreeing councils to remain part of any agreement over such an integrated network and potential inconsistency with good local government arising from such a scenario.</li> <li>• Considered by officers to be a highly undesirable outcome for residents.</li> </ul>

## APPENDIX 2

Activity/Driver	Discussion	Conclusion
<p><b>Spatial planning</b></p> <p><i>Viable for establishing a Hutt Valley Unitary Authority, viable for a region-wide unitary authority also.</i></p>	<ul style="list-style-type: none"> <li>• Spatial planning may relate to either the region-wide geographic area or the Wairarapa as a single geographic area.</li> </ul>	<ul style="list-style-type: none"> <li>• Simplicity of planning resulting in a single area plan is met by either a Wairarapa unitary authority or a region-wide authority.</li> <li>• The criteria is not dependent upon scale, rather it focuses on the simplicity of the planning process and a strategic approach to spatial management.</li> <li>• The approach would therefore be consistent but must be read in line with the Local Government Commission's intention to provide for "regionalism".</li> </ul>
<p><b>Communities of Interest</b></p> <p><i>Nominally viable for establishing a Hutt Valley Unitary Authority, viable for a region-wide unitary authority also.</i></p>	<ul style="list-style-type: none"> <li>• Communities of interest can be social, demographic or geo-political in nature.</li> </ul>	<ul style="list-style-type: none"> <li>• The Hutt Valley is a demonstrable community of interest but must be considered as part of any reorganisation application to be read against provisions for a rural and predominantly urban split as well as an intention to provide for regionalism.</li> </ul>

Consideration given to the performance and efficiency aspects of a proposal which would create a Hutt Valley Unitary Authority are crucial as discussed below. However, the implications of such an approach may be a strong desire to further granulate applications as highlighted above with a number of possible applications supporting the implementation of other unitary authorities for Wellington City, Porirua and Kapiti, or Porirua and Kapiti separately.

These outcomes are undesirable for residents as there is a significant loss of efficiency in having to create a range of governing structures to manage and monitor key infrastructure and assets, most notably transport and water. Any such applications are may have difficulty in demonstrating the necessary savings and improvements in performance required to be considered a reasonably practical alternative proposal under the Local Government Commissions assessment criteria.

## APPENDIX 2

The formation of a Hutt Valley Unitary Authority may indeed be seen by residents in the area as desirable from a community of interest perspective. However the success of such an application is unlikely due to the nature of the considerations the Local Government Commission must take on receipt of an application. Most importantly, in light of an application from members of the Working Party it will result in such proposals being demonstrably inferior to more regionally oriented proposals such as the two region-wide unitary authority proposals.

### *Legal Opinion*

While a legal opinion on the potential success of an application to the Local Government Commission on the basis of this approach cannot be declarative, the following opinion has been provided by DLA Phillips Fox:

*The meaning of 'good local government' has, however, been subtly changed, because it is now to be assessed by reference to the new purpose of local government set out in section 10 (which, as you know, is focussed largely on cost-effectiveness), and a number of other criteria relating to economic performance and efficiency. This is clear from clause 12 of the Third Schedule:*

#### **12 Promotion of good local government**

*For the purposes of clause 11(8), the Commission must be satisfied that its preferred option—*

- (a) will best promote, in the affected area, the purpose of local government as specified in section 10; and*
- (b) will facilitate, in the affected area, improved economic performance, which may (without limitation) include—*
  - (i) efficiencies and cost savings; and*
  - (ii) productivity improvements, both within the local authorities and for the businesses and households that interact with those local authorities; and*
  - (iii) simplified planning processes within and across the affected area through, for example, the integration of statutory plans or a reduction in the number of plans to be prepared or approved by a local authority.*

*We think that following the 2012 reforms, the LGC will be focussing primarily on two broad issues when determining its preferred option:*

- Efficiency and costs savings; and,*
- Productivity and economic performance*

Officers agree with this assessment and note that assessments with respect to both sets of those criteria, as well as an assessment of key activities in light of the 2012 Act and its purpose, make such a proposal extremely unlikely to be successful.

## APPENDIX 2

Further, officers are of the view that implementing such an option (or any of the consequential proposals that may arise as a result) is highly undesirable for residents of the region.

Finally, despite those views, it is further unlikely in the light of an application which proposes either a single or two tier unitary authority that the Local Government Commission would consider this approach consistent with its own views.

The LGC issued an *Explanatory Statement of Advantages and Disadvantages of Proposed Union of Nelson City and Tasman District* in response to the draft proposal from those areas early in 2012. The statement says the following:

### ***Advantages***

#### *Regional decision-making and action*

*The draft reorganisation scheme better represents the nature and interests of communities within the Nelson-Tasman area and removes an increasingly artificial boundary between Nelson City and Tasman District.*

*[...]*

*Shared service arrangements between the councils will not achieve this [a truly regional approach<sup>1</sup>] because of their limited scope and dependence on coordinated decision-making by the two councils. The interests of, and accountability to, the two separate communities will remain paramount over the interests of the regional community as a whole. The draft scheme will enhance:*

- the efficiency and effectiveness of council decision-making as a consequence of the ability to take account of truly regional community interests and views*
- community and other stakeholder participation in the planning and development of the region*
- representation of, and accountability to, the region*
- advocacy on behalf of the region.*

*[...]*

*It [the scheme] maintains a ward structure to ensure specific representation of rural and outlying communities. It provides district-wide coverage of community boards to enable decision-making and action by and on behalf of local communities where appropriate.*

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<sup>1</sup> Refers to previous comments in the statement from the Local Government Commission about a regional approach to council-community decision-making and action and that this is required to efficiently and effectively address key issues facing the wider region.

## APPENDIX 2

The clear intention of the legislation is to provide for reorganisation, but the further intention which has been articulated by the Local Government Commission is that reorganisation should look towards the formation of regional entities rather than a granulation of unitary authorities.

# Direct Access, Direct Accountability

## Alternative Reorganisation Application

### Appendix 8: Financial Considerations

#### Proposal summary

Wellington City Council sought independent support in working towards an understanding of the potential financial implications of reorganisation to the structures of local government in the region.

The Financial Considerations outline the broad, strategic financial considerations that can be made at this point, however it acknowledges that any new council will be required to establish its own financial policies which may change the forecast impacts of reorganisation.

Consideration can be given to the impact of a single-tier and a two-tier approach; with a single-tier, predominantly urban council,

Wellington residents could realise savings of between \$22-29m per year, the greatest potential savings when compared to any other model.

Wellington City Council considers that the imposition of a second-tier of Local Boards as proposed by others is ineffective. The joint working party found that they would have only up to 5% of total council budget within their jurisdiction yet have more than three times the elected officials of the governing body. This inefficiency is compounded with no real decision-making being proposed and significant reporting obligations between the second tier and the governing body.

## FINANCIAL CONSIDERATIONS

### **Introduction**

This section of the paper summarises the key financial considerations identified in the Working Party Report and expands on these to include aspects relating to multiple unitary authority options and factors that relate particularly to Wellington City Council and its ratepayers.

Rather than repeating the information contained in the Working Party report this section uses it as a reference point, drawing out specific aspects where appropriate. Accordingly the following should be read in conjunction with Appendix 3 pages 40-54 of that report.

### **Efficiency savings**

Potential efficiency savings from amalgamation of councils in the region are estimated to be in the range of 3% to 4% of operating expenditure annually. The extent to which these savings are likely to be realised depends on the number of councils under each option and their structure. A single tier unitary council for the whole region is expected to deliver the highest savings potential of all options addressed within this report, estimated at \$22m - \$29m per year.

A single unitary council for the region, with a second tier of local boards is estimated to potentially achieve efficiency savings across the region of between \$16m and \$22m per year. This is similar to the estimated savings achievable under a single tier model for the Wellington metropolitan area with a separate unitary council for the Wairarapa.

The estimated \$6m annual difference between the one tier and two tier single council models relates to the additional cost of having more elected representatives, supporting local boards and their relationship with the governing body of the council

It is estimated that a model with four unitary councils might achieve savings in the region of \$8m - \$10m per year above the status quo i.e. \$140 - \$190m less over the 10 years of an LTP, than the single tier unitary council option.

As highlighted in the Working Party report efficiency savings may not result in corresponding rates savings for households and businesses, as initially savings are expected to be offset by transition costs and in subsequent years, savings may be reinvested elsewhere. However, in the middle to long term it is reasonable to expect that savings will reduce average rates increases from that forecast in existing council long-term plans.

### **Local Board budgets**

The Working Party report emphasises the importance of lessons learnt from Auckland. It highlights that in the two tier model, the effectiveness of the local board model depends largely on the clarity with which functions, decisions and associated budgets are allocated to the local board or retained by the governing body (i.e. the Council). In light of this the Working Party made an initial assessment of the activities that might be allocated to local boards.

Officers have used this allocation basis to make an assessment of the existing Wellington City Council operating budgets that might align with the Working Party's assessment. This indicates that, based on the Working Party's assessment of a possible allocation functions and decision-making, local board budgets may equate to around 3% -5% of the total operating expenditure of an amalgamated council. Officers estimate that around a quarter of this budget could relate to governance costs, administration and support for local boards.

The Working Party report emphasises that the size of the budget does not define the value or broader role of a local board, as they would also have influence over council processes and decisions through their community engagement and advocacy roles. This is true, but analysis indicates that if a local board model is to work effectively, through clarity of role between local boards and the governing body, it should be accepted that the budget allocation to local boards is unlikely to be significant.

Like the Wellington Region Local Government Reform Panel, the Working Party has stated its support for the principle of subsidiarity where a decision is made closest to the community that is impacted by it. It also notes that while a structure that includes local boards may provide local communities with a local voice this extra layer of governance comes at a cost.

The alternative option also presented in the Working Party report is for a slightly lower cost model where local decision-making is represented through a ward councillor, as part of a larger council (or in the case of the Wairarapa, possibly a separate council), with the option of community boards to provide local input in an advocacy role.

### **Funding policies**

The financial strategies and funding policies of each council in the region differ. The impact of these differing strategies on various amalgamation options is best illustrated through two key elements: rates and debt, which are summarised under the headings that follow.

## APPENDIX 3

We know that some councils, including WCC, have budgeted for and are rate funding provisions for extra-ordinary items such as weathertightness claims and earthquake strengthening of council owned properties. While there is some risk that future costs for all councils could be higher than currently budgeted, the annual rates impact is not expected to be significant in the context of the overall rates requirement for the region.

The Working Party report highlights that cumulative rates increases forecast by existing councils in the region over the next 10 years, vary between 33% and 75%. What is less easy to identify is the impact amalgamating variable service levels, infrastructure asset quality, depreciation funding strategies and other factors not necessarily reflected in existing plans, will have on future rates obligations.

As was the case with amalgamation in Auckland, assuming the case for change is robust, it will be necessary to look beyond these issues to realise the benefits of a realignment of the region's local government structures – and rely on the funding policy to address any specific transition or equity issues that result. Accordingly the Working Party report proposes that the impact of amalgamating the variable service levels, condition of assets, level of investments and debt will be shared across the region. While this view is supported by Wellington City Council officers, it is relevant to note the following:

- *GWRC funding policy*

The current GWRC funding policy is likely to have a pronounced effect on any option that involves more than one amalgamated council. This is because:

- the services GWRC provide differ from but span the boundaries of the existing territorial (district and city) councils
- their funding policy results in a distribution of rates between existing council boundaries which is not directly aligned to where the expenditure takes place.

For all activities apart from public transport this issue is evidenced by an analysis conducted by Price Waterhouse Coopers (PWC), which assessed that if GWRC expenditure was split purely based on where the expenditure occurred, Wairarapa councils would incur an additional \$7.9m of operating expenditure in addition to what they currently fund through rates. This amount could vary depending on the assumptions used in this allocation such as debt servicing costs. It could also be reduced through changes in the financial strategy and/or funding policy by any new amalgamated council compared to the current GWRC policy.

## APPENDIX 3

The Wairarapa councils have assessed that from a rates perspective the additional impost identified in the PWC analysis could be reduced by \$2.9m (down to \$5.0m) without including the offsetting savings from an amalgamation of Wairarapa councils or any reduction in service levels.

The PWC analysis indicates that the difference between the current rating distribution and where GWRC spend occurs is significantly less for other councils - within a range +/- \$2m, with the exception of WCC, whose ratepayers contribute the approximate \$11m in rates funding that ratepayers in other councils benefit from under current GWRC policy.

It is important to recognise that the PWC analysis excludes the public transport activity. This makes up around 50% or \$47m of the GWRC rates requirement, and is primarily operated as a network across existing council boundaries, so is difficult to split based on the location of services. The Wellington City business sector funds a far higher proportion of this public transport activity than ratepayer sin other councils (38% of the rates requirement from 8% of the region's capital value). This means that any reallocation of funding for the public transport activity could have a greater funding impact in a multi-unitary council option than the balance of activities discussed above.

GWRC have assessed the Wairarapa share of the public transport activity at \$3.32m; Wairarapa council rates fund approximately \$0.7m. Given the nature of the rail network a cross-boundary operational and funding policy will need to be addressed should more than one unitary council for the region. Therefore it is not possible to predict what, if any, change to the existing funding arrangements could occur.

The Wairarapa councils have requested WCC officers (who are conducting the rates modelling of possible options on behalf of the region) to model the rates impact for a separate council for the Wairarapa, incorporating an additional \$5m of rates requirement based on the PWC analysis of \$7.9 reduced by funding policy amendment assumptions of \$2.9m.

Of further interest to WCC is that the rates requirement for public transport is set to double in the next 10 years, which, irrespective of the above, may require a reconsideration of the funding proportion currently payable by the central city business sector.

- *WCC funding policy*

Wellington City makes up around half of the capital value rating base of the region. To avoid significant rates shifts across the region, the substantive

## APPENDIX 3

rating policies of the region will need to be closely aligned to current Wellington City Council policy.

### **Rates impacts**

The Working Party report goes into some detail about the key drivers that will impact on the distribution of the rates between existing council boundaries and business, residential and rural sectors within these boundaries.

Aside from the impact of differences in potential efficiency savings, the distribution of rates will not be significantly different between the one and two tier single unitary council structures proposed by the Working Party.

However, the rates impacts will vary, depending on the number of councils proposed and the existing funding policies of councils within each group of councils proposed to be amalgamated.

WCC officers have completed extensive analysis of the potential impacts of amalgamation of councils within the region on rates. As discussed in the Working Party report, this analysis has concluded that the key drivers of change to rates from amalgamation are likely to be:

- The use of capital value vs land value for setting rateable values
- Variation in general rates differentials
- Current rates levels relative to property values in each existing council area
- The split between general rates and targeted rates within each existing council area
- The relative size (in terms of capital value) of residential, rural and business sectors within each council areas

Modelling of various funding mechanisms (including differentials, targeted rates, uniform annual general charged (UAGCs) and ring-fencing of certain activities within existing boundaries) has shown significant variation in impact for ratepayers dependant on the combination of mechanisms used. This strengthens the view that the impact of any amalgamation option on individual ratepayers will not be able to be accurately assessed until a funding policy is adopted by any new council.

However, the rated modelling completed has enabled officers to assess the degree to which various rating mechanisms might be able to reduce the impact of change.

## APPENDIX 3

The table below provides an example of the impacts on average rates by sector by council of amalgamation into a single council for the region, based on the premise of attempting to minimise the change in rates whilst retaining a simple unified rating policy. It is important to note that these impacts could change with a different funding policy and this ***should not be used as an assessment of what will happen*** if a single council model was adopted. However, it does show that it will be difficult to avoid some level of increases / decreases in rates between council areas and sectors, whilst retaining a simple policy.

*Table 1: Indicative rates impacts*

Sector	Masterton	Carterton	South Wairarapa	Upper Hutt	Lower Hutt	Wellington	Porirua	Kapiti Coast	Total (Rates per \$m)
Residential	Orange	Green	Orange	Red	Orange	Orange	Green	Green	Orange
Rural	Orange	Green	Red	Orange	Red	Green	Green	Orange	Orange
Business	Green	Orange	Red	Red	Green	Orange	Green	Red	Red
Total	Orange	Green	Red	Red	Orange	Orange	Green	Orange	Orange

Key:

	Indicative rates decrease of greater than 10%
	Indicative rates change of less than +/- 10%
	Indicative rates increase of greater than 10%

Rating policy assumptions used in this example include:

- One unitary authority for the region
- Targeted Rates equal to three Waters, Rubbish and GWRC charges ring-fenced within existing council boundaries.
- All other rates classified as general rates.
- Differentials -
  - Commercial:- 2.8 Metro (Wellington, Hutt, Upper Hutt, Porirua) 1.5 Town (Kapiti, Masterton, Carterton, South Wairarapa),
  - Residential 1.0
  - Rural: 0.8

Any potential rates changes resulting from the redistribution of rates under a common rating policy could be further reduced by the use of targeted rates. This would need to be balanced against the additional administrative complexity and potential conflict with the broader amalgamation principles around sharing the rates requirement for the region across its ratepayers.

Irrespective of the above the analysis suggests that a rates transition policy will be appropriate to spread the impact of increases and decreases that are likely to occur as a result of rates redistribution over time.

## APPENDIX 3

### **Borrowing impacts**

As identified in the Working Party report it is important to consider not only comparative debt between councils but also the relationship of debt to investments and debt to assets.

Analysis has confirmed that the impact on ratepayers of amalgamating debt between councils is best reflected by comparing the ratio of net debt (borrowing minus cash and investments) per dollar of rateable capital value in each existing council area. This is because it better reflects the impact that borrowing costs and investment income will have when the rating bases of various councils are combined.

Simply comparing total debt or debt by resident does not reflect the impost on ratepayers that combining debt through amalgamation would have. In particular it does not take into account the share of the debt servicing cost that it met by the business sector. For example Hutt City and Upper Hutt City Councils have the lowest debt per resident ratios of all councils, significantly lower than that of Wellington City. However, on a rate per dollar of capital value basis (which reflects the impact on ratepayers) the ratio for Hutt City is similar to Wellington City Council. The ratio for Upper Hutt is higher than that of Wellington City.

Accordingly, it is ratepayers in those councils with a higher current net debt per dollar of capital value that are likely to benefit from amalgamating debt e.g. Kapiti District and Masterton District Council's; while ratepayers in areas with a lower ratio are more likely to be negatively impacted e.g. South Wairarapa District Council.

For more information refer to the Financial Matters section in the Working Party Report.

### **Summary**

- Estimated cost savings from restructuring local government in the Wellington region could vary between \$8m for a multi-unitary (four) council model and \$ 29m per year for a one tier single unitary authority.
- Under a single tier structure budgets are held centrally by the council. Under a two tier model it is estimated that around 5% of the total operating budget may be allocated to local boards.
- The funding policy for activities currently provided by GWRC is likely to have a significant impact on rates distribution, under a multi-unitary model.

## APPENDIX 3

- WCC makes up around half of the rating base of region. This means that to minimise the impact of rates redistribution, the substantive rates policy of any new unitary authority that
- incorporates the existing WCC boundaries, will need to align closely with current WCC policy.
- The impact on rates distribution in a multi-unitary model is highly dependent on the mix of policies of the councils combining.
- Under any amalgamation model there will be changes in rates distribution. The final decision on who pays and how much will not be made until any new council sets its funding policy
- The annual impact of changes in rates distribution could be reduced through a rates transition policy that spreads changes over a number of years.
- It is anticipated that to be effective, the impact of amalgamating varying service levels, infrastructure quality, financial strategies and debt will need to be shared across those councils combining under any amalgamation scenario.



