



Local Government  
Commission  
Mana Kāwanatanga ā Rohe

# **West Coast reorganisation: identification of reasonably practicable options and determination of preferred option**

Record of Commission decisions and  
officers' advice

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## Record of Commission decisions:

1. At its meeting on 10 November 2017, the Local Government Commission resolved as follows:

### *Previous considerations*

- (a) **notes** on 13 August 2015 the Commission decided to assess a reorganisation application deemed to be for a unitary authority for the West Coast, received under clause 3 of Schedule 3 of the Local Government Act 2002 from Anthea Keenan and Peter Salter supported by a petition signed by 367 people
- (b) **notes** on 28 January 2016 the Commission agreed to enter into a relationship agreement with the West Coast councils to assist them to deliver their 'regional efficiency programme' under which potential efficiencies to be gained by combining services were to be investigated, with planning and roading identified for further work
- (c) **notes** following a community engagement programme on the West Coast, the Commission agreed on 11 August 2016, under clause 8 of Schedule 3, there is sufficient evidence to be satisfied there is demonstrable community support in Buller, Grey and Westland districts for local government reorganisation in the affected area (West Coast Region)
- (d) **notes** on 7 April 2017 the Commission noted 23 responses had been received to the invitation for alternative reorganisation applications and other proposals for change to West Coast local government arrangements and that these were broken down as follows:
  - (i) 14 proposing some form of structural reorganisation
  - (ii) 5 proposing some form of shared service arrangement(s)
  - (iii) 4 either supporting or opposing reorganisation generally, or making comments about council performance or the review process
- (e) **notes** on 7 April 2017 the Commission agreed that the following options be analysed in terms of the requirements for reasonably practicable reorganisation options under clause 11(5) of Schedule 3:
  - (i) a unitary authority for West Coast Region
  - (ii) union of the three West Coast districts (leaving West Coast Regional Council in place)
  - (iii) union of Grey and Westland districts
  - (iv) transfer to West Coast Regional Council of the Buller, Grey and Westland district councils' statutory obligations for preparing district plans under the Resource Management Act
- (f) **notes** MartinJenkins was engaged to assess financial and operational aspects of the four options identified in (e) above in relation to the reasonably practicable criteria and to assess these options and status quo arrangements against aspects of the preferred option criteria under clause 12(1) of Schedule 3, and their draft report was received at the Commission's September 2017 meeting
- (g) **notes** Commission officers have prepared a report on West Coast communities of interest in relation to reasonably practicable options and this report was received at the October 2017 meeting

- (h) **notes** updated information on community support for change to West Coast local government arrangements and on identified options has now been received as a result of a telephone survey conducted between 12 and 22 October 2017

***Statutory decisions required***

- (i) **notes** that clauses 11 and 12 of Schedule 3 require the Commission to make decisions sequentially on:
- (i) the extent to which it identifies the reasonably practicable options
  - (ii) the identification of the reasonably practicable options
  - (iii) determination of a preferred option from amongst the reasonably practicable options (if there is more than one)

***Reasonably practicable options***

- (j) **agrees** that having regard to the matters in clause 11(3), the Commission limits the extent of its consideration of the reasonably practicable options to the identification of options which:
- (i) are confined to West Coast Region as currently defined
  - (ii) have to date attracted a level of community support
  - (iii) will now provide a degree of certainty about West Coast local government arrangements by enabling the Commission to announce its preferred option before the end of 2017
- (k) **notes** that under clause 11(4) the reasonably practicable options must include the existing local government arrangements and may include proposals in the original application, alternative applications, those formulated by the Commission or any combination of these
- (l) **notes** that clause 11(5) requires the Commission to be satisfied that any local authority proposed to be established or changed under any reasonably practicable option will:
- (i) have the resources necessary to carry out effectively its responsibilities, duties or powers
  - (ii) have a district or region appropriate for the efficient performance of its role
  - (iii) contain one or more distinct communities of interest
  - (iv) in the case of a regional council or unitary authority, enable effective catchment-based flooding and water management
- (m) **notes** that clause 11(6) sets out the following further matters the Commission must have regard to in identifying the reasonably practicable options:
- (i) the area of impact of the responsibilities, duties and powers of the local authorities concerned
  - (ii) the area of benefit of the services provided
  - (iii) the likely effects on a local authority of the exclusion of an area from its district or region
  - (iv) any other matters it considers appropriate
- (n) **agrees** that the Commission is satisfied that the following options, in addition to the existing local government arrangements, meet the requirements for reasonably practicable options under clause 11(5) and having regard to clause 11(6):

- (i) transfer to West Coast Regional Council of the Buller, Grey and Westland district councils' statutory obligations for preparing district plans under the Resource Management Act
- (ii) a unitary authority for West Coast Region

***Preferred option***

- (o) **notes** that when two or more reasonably practicable options have been identified, the Commission must determine its preferred option from amongst the reasonably practicable options
- (p) **notes** the West Coast unitary authority option is identified as having the largest gains of the options assessed in terms of infrastructure and services but its requirements for achieving local decision-making have a level of implementation risk at this time given the unfamiliarity of local boards
- (q) **notes** the transfer of statutory planning obligation option would retain existing democratic local decision-making structures on the West Coast along with the proposed addition of a joint committee of the four West Coast councils to be responsible for decision-making in relation to a combined West Coast district plan
- (r) **notes** the transfer of statutory planning obligation would facilitate improved economic performance on the West Coast in terms of productivity improvements and simplified planning as a result of the combined West Coast district plan
- (s) **agrees** that having considered the relevant matters set out in clause 12(1), the Commission's preferred option for the West Coast is the transfer of the statutory resource management district planning obligation to West Coast Regional Council as it is satisfied this will, in the affected area, best promote the purpose of local government and will facilitate improved economic performance
- (t) **agrees** the draft reorganisation proposal to be prepared based on the Commission's preferred option, includes provision for a joint committee of the four West Coast councils to be responsible for decision-making on the combined West Coast district plan

***Next steps***

- (u) **notes** that the Commission is required to give notice of its determination of its preferred option and the reasons for it to each applicant and every affected local authority
- (v) **notes** it is proposed that the Commission's decision be given in person on the West Coast by the Chair and Commissioner Annear in early December
- (w) **notes** the Commission is next required to prepare a draft reorganisation proposal to give effect to its preferred option for public consultation
- (x) **agrees** the Commission officers discuss necessary detail for the draft proposal with the West Coast councils once the Commission's decision has been announced.

## Officers' advice:

### Purpose

2. This report seeks decisions on West Coast local government reorganisation. It seeks agreement firstly on the reasonably practicable options to be identified under clause 11 of Schedule 3 of the Local Government Act 2002 (LGA) and then on the Commission's preferred option determined under clause 12. The report then identifies next steps following these decisions.

### Executive summary

3. On 13 August 2015, the Commission deemed a letter received from two West Coast residents to be an application for a West Coast unitary authority and agreed to assess the application. An engagement programme in June/July 2016 confirmed the requisite community support for reorganisation.
4. In parallel with the reorganisation process, the Commission agreed to enter into a relationship agreement with the four West Coast councils, with the aim of developing a common view on current and future challenges for the region and options for addressing these. Consultants were engaged to prepare reports on resource management planning processes and roading.
5. After considering alternative proposals and other information received in relation to West Coast local government arrangements, the Commission on 7 April 2017 identified four options for assessment as potential reasonably practicable options for the West Coast. These options were:
  - (a) a unitary authority for West Coast Region
  - (b) union of the three West Coast districts (leaving West Coast Regional Council in place)
  - (c) union of Grey and Westland districts
  - (d) transfer to West Coast Regional Council of the Buller, Grey and Westland district councils' statutory obligations for preparing district plans under the Resource Management Act
6. The Commission must now make three decisions:
  - (a) the extent to which it identifies the reasonably practicable options for potential reorganisation (i.e. how wide it casts the net)
  - (b) the reasonably practicable options for potential reorganisation
  - (c) if there are two or more reasonably practicable options, the preferred option
7. This report recommends that the Commission limits the extent it identifies the reasonably practicable options to those that are confined to West Coast Region, have attracted a level of community support and now provide a degree of certainty for the West Coast by enabling an announcement before the end of the year.

8. Commission officers assessment of the options against clauses 11(4)(a) and 11(5) of Schedule 3 of the LGA leads to our recommendation that the options of a West Coast unitary authority and transfer of the district councils' planning obligations be identified, along with existing local government arrangements, as the reasonably practicable options for West Coast local government arrangements.
9. This report assesses the advantages and disadvantages of each of these three options, in order to assist the Commission to be satisfied that its preferred option meets the tests in clause 12 of Schedule 3 of the LGA. The officers have identified the West Coast unitary authority option as having the largest gains in terms of infrastructure and services but its requirements for achieving democratic local decision-making have a level of implementation risk at this time given the unfamiliarity with local boards. The transfer of the district councils' planning obligations option offers more moderate gains, but has a lower level of implementation risk.
10. Determination of the Commission's preferred option requires careful balancing of the options' respective advantages and disadvantages and some subjective weighting of the likelihood of gains and costs actually incurred. Ultimately the decisions to be made require the Commission to exercise its discretion and judgement as to the option which will best promote the purpose of local government and facilitate improved economic performance.

## Background

### Original reorganisation application

11. In a letter dated 23 June 2015, Anthea Keenan and Peter Salter made an application "to involve Government in finding suitable options for a more efficient and economical governance of Buller, Greymouth and Westland District Councils and West Coast Regional Council". The letter was supported by a petition signed by 367 people.
12. The letter included the comment there was reason to believe that three district councils and one regional council with three mayors, one chairman, four chief executives, thirty-six councillors and staff being carried by each council "is extravagant". It went on to say "it would seem to us that a simplified and unified council administration system could be in place to reduce costs, sustain rates and or to maintain the required infrastructure and necessary services here".
13. The letter was deemed to be an application, under clause 3 of Schedule 3 of the LGA, for a unitary authority for the West Coast. This assumption was communicated back to the applicants with no further comment and it has been the basis of subsequent community engagement on the West Coast.
14. On 13 August 2015 the Commission decided, under clause 6 of Schedule 3, that the application should be assessed.

## Relationship agreement with West Coast councils

15. In light of its experiences with previous reorganisation applications including perceived limitations with the legislation, the Commission decided to take what was at the time a new and different approach in progressing the West Coast reorganisation application. This approach, agreed by the Commission on 28 January 2016, involved a collaborative working relationship with both the four West Coast councils and with the West Coast community generally. This was aimed at developing a common view on the current and future challenges for the region and options for addressing these.
16. The new approach included the signing of a relationship agreement between the Commission and the four councils to assist the councils to deliver a 'regional efficiency programme' agreed by them under their 2014-16 triennial agreement and formalised under a memorandum of understanding. The regional efficiency programme was based on a commitment by the four councils to work together collaboratively to achieve regional efficiencies in the delivery of council services.
17. As part of the regional efficiency programme, 15 council services were identified for investigation with two priorities subsequently agreed: resource management planning processes and roading. The Commission drafted terms of reference for pieces of work on these two services and led the process, with council input, for procuring consultants to undertake the necessary work. The Commission funded the two reports.
18. Final reports providing a range of possible options on West Coast planning and roading arrangements were presented to the West Coast Mayoral and Chair Forum in February 2017. The reports are still with the councils for their consideration and action. To date, West Coast Regional Council (WCRC) has led an initiative for development of a combined West Coast district plan under the Resource Management Act 1991 (RMA). Two of the three district councils (Grey and Westland) have agreed in principle to this proposal.

## Community engagement

19. As part of its more collaborative approach, the Commission agreed to an early and extensive community engagement programme on the West Coast. This was carried out in June and early July 2016 to ascertain community views on the current ways their councils are set up and the way services are delivered. The programme was also designed to assist the Commission to determine whether it could be satisfied, under clause 8 of Schedule 3, that there was demonstrable community support in the district of each affected territorial authority for local government reorganisation.
20. Key elements of the community engagement programme included: media releases and information activities; a series of eight drop-in sessions and seven community workshops across the West Coast; stakeholder meetings; and a questionnaire available both in hard copy and on-line (attracting 699 responses). In addition, a number of individual submissions were received. Over the five week engagement period, the Commission met with more than 200 people to listen to their views about local government arrangements on the West Coast.
21. Key findings from the questionnaire were:
  - (a) 54 per cent of respondents considered that council services could be better delivered as shared services over all or part of the region

(b) 44 per cent considered some West Coast councils should be combined.

22. A breakdown of these responses by district is as follows:

	Buller	Grey	Westland
Agreed council services could be better delivered as shared services	111 (50%)	108 (60%)	140 (53%)
Agreed some West Coast councils should be combined	86 (38%)	113 (61%)	101 (38%)

23. As a result of the engagement programme, the Commission agreed at its meeting on 11 August 2016 that there is sufficient evidence to be satisfied there is demonstrable community support in Buller, Grey and Westland districts for local government reorganisation in the affected area (West Coast Region). Accordingly the Commission proceeded to invite alternative applications as it was required to do.

### Alternative reorganisation applications and other proposals for change

24. By the deadline of 15 March 2017, a total of 23 responses to the invitation for alternative reorganisation applications and other proposals for change (i.e. non-reorganisation proposals) were received. These were broken down as follows:

- (a) 14 proposing some form of structural reorganisation
- (b) 5 proposing some form of shared service arrangement(s)
- (c) 4 either supporting or opposing reorganisation generally, or making comments about council performance or the review process.

25. At its meeting on 7 April 2017, the Commission noted the above information and agreed that the following options be analysed in terms of the requirements for reasonably practicable options under clause 11(5) of Schedule 3:

- (a) a unitary authority for the West Coast
- (b) union of the three West Coast districts (leaving WCRC in place)
- (c) union of Grey and Westland districts
- (d) transfer to WCRC of Buller, Grey Westland district councils' statutory obligations for preparing district plans under the RMA.<sup>1</sup>

### Other information as input into Commission decisions

26. To assist the Commission to identify the reasonably practicable options and its preferred option for the West Coast, the next required statutory steps, the Commission engaged MartinJenkins to assess financial and operational aspects of the options. A draft of this report was received at the Commission's September 2017 meeting. A final version has been received with key findings identified in *Appendix A*.

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<sup>1</sup> It should be noted that under the RMA, functions, powers and duties in relation to district plans are described in terms of "preparing, implementing and administering" these plans. This transfer option only relates to the "preparing" aspect of the district plan function.

27. In summary, the MartinJenkins report found the four identified options met financial and operational criteria for reasonably practicable options set out in clause 11(5) of Schedule 3. The report also assessed the four options against aspects of the criteria for a preferred option set out in clause 12(1).
28. A draft report by Commission officers on West Coast communities of interest, another requirement in relation to reasonably practicable options, has also been prepared. This report was noted by Commissioners at their October 2017 meeting. Key findings from the report are set out in *Appendix B*.
29. In summary, the report noted the stability of local government structures on the West Coast with no major changes having occurred since establishment in 1989. This reflects geography, little or no population growth and the strong sense of identity with the West Coast as a whole, and with particular district and local communities of interest.
30. While the three existing districts continue to reflect reasonably distinct communities of interest, distinct more local communities of interest can also be identified. In Buller District a coastal community of interest based on Westport can be identified along with an inland community of interest based on Reefton. Westland District can be seen to also comprise reasonably distinct northern and southern communities of interest.
31. As with all communities of interest, the strength of existing West Coast communities of interest does reduce somewhat at their peripheries. Some adjustments of boundaries could be considered to accommodate changes in particular communities but no proposals for change have been received by the Commission.
32. Given the lapse of time since the engagement programme conducted on the West Coast in 2016, an up-to-date view on levels of support for change to West Coast local government arrangements was needed along with feedback on specific options for change. This has now been gained by way of a West Coast telephone survey conducted by UMR Research Ltd.
33. This survey was conducted between 12 and 22 October 2017 with a sample size of 602 people over the age of 18 across the three districts with a margin of error of +/-4 per cent. Headline results from this survey are set out in *Appendix C* with some key findings across the West Coast as a whole as follows:

Effectiveness of current arrangements	
Not effective	28%
Neutral	40%
Effective	25%

Support for change	
Yes	51%
No	40%
Unsure	10%

Level of support for options	
West Coast unitary authority	27%
Combined West Coast district council	22%
Combined Grey-Westland district council	26%
Transfer of some services between councils	37%
Four councils remain unchanged	37%

Preferred option	
West Coast unitary authority	21%
Combined West Coast district council	9%
Combined Grey-Westland district council	13%
Transfer of some services between councils	19%
Four councils remain unchanged	29%

34. It is noted that, for ease of understanding, the transfer option question was not specifically on transfer of the district plan-making responsibility to WCRC. Also, the unitary authority option did not refer to the further detailed option of local boards.
35. The results can be seen to be in line with responses to the Commission's questionnaire used during the 2016 community engagement programme. In both exercises there is support for change but no agreement on a specific change option particularly if that change affects the respondent's own area. For example, in the UMR survey most support for the Grey-Westland merger option came from Buller District (38 per cent) compared to Grey (20 per cent) and Westland (21 per cent).

## Statutory decisions required

36. Statutory requirements for the Commission to address in making a decision in relation to the West Coast are set out in Schedule 3 of the LGA.
37. In summary, there are three steps to the process which the Commission must work through sequentially when making a decision on its preferred option for local government on the West Coast. Each step has its own set of criteria to be considered. The steps are:
- the extent the Commission identifies the reasonably practicable options (guided by clause 11(3) and (4))
  - identification of the reasonably practicable options which must include existing local government arrangements (guided by clause 11(5) and (6))
  - where more than one reasonably practicable option is identified, determination of the Commission's preferred option (guided by clause 12).

## Extent of identification of the reasonably practicable options

38. Clause 11(3) gives the Commission discretion as to the extent it identifies the reasonably practicable options having regard to:
- (a) the scale and scope of the changes proposed
  - (b) the degree of community support for relevant applications that has been demonstrated to the Commission
  - (c) the potential benefits of considering other options
  - (d) the desirability of early certainty about local government arrangements for the affected area.
39. Clause 11(4) gives further guidance by providing the reasonably practicable options:
- (a) must include the existing local government arrangements
  - (b) may include:
    - (i) the proposals in the original application
    - (ii) the proposals in an alternative application
    - (iii) options formulated by the Commission
    - (iv) a combination of aspects derived from two or more of (a) and (b)(i) to (iii) above.
40. In terms of clause 11(3), it is recommended that the Commission limits the extent to which it identifies the reasonably practicable options for West Coast reorganisation to those which:
- (a) are confined to West Coast Region as currently defined
  - (b) have to date attracted a level of community support
  - (c) will now provide a degree of certainty about West Coast local government arrangements by enabling the Commission to announce its preferred option before the end of 2017.
41. If this is agreed, the options to be considered as potential reasonably practicable options, in addition to existing local government arrangements, bearing in mind clause 11(4), are:
- (a) transfer to WCRC of Buller, Grey and Westland district councils' statutory obligations to prepare district plans under the RMA
  - (b) union of Grey and Westland districts
  - (c) union of all three West Coast districts
  - (d) a West Coast unitary authority.

### Scale and scope of changes proposed – Clause 11(3)(a)

42. Our West Coast communities of interest study confirmed the view of the Commission in 1989 that the West Coast can be seen as “a somewhat special case”. This was based on its geographic isolation, extent of area in public ownership (and hence was not rateable), distinctive physical environment and strongly held sense of regional identity.

43. While some perceptions of links between Buller and the Nelson/Tasman area do exist, these are not backed by strong functional connections. Similarly there are no strong functional connections with other neighbouring areas in either Canterbury or Otago. Accordingly the officers recommend the Commission limits the extent it identifies reasonably practicable options to those confined to West Coast Region.
44. In terms of reorganisation options *within* West Coast Region, the presently identified options range from transfer of one statutory obligation between councils (while keeping the existing councils in place) to a unitary authority combining all four West Coast councils. In terms of clause 11(3)(a), these two options, with two further intermediate options, are seen to represent appropriate scope and scale of possible alternatives for consideration.

### **Community support – Clause 11(3)(b)**

45. While “community support” is not defined in the legislation, the Commission has previously considered this does not require a high level of support early in the reorganisation process. This is in line with the purpose of local government reorganisation (section 24AA) which includes providing opportunities for communities to *participate* in considering alternative local government arrangements for their area. Participation may include submitting either original or alternative reorganisation applications. Clause 8(3)(b) in Schedule 3 makes it clear in respect of original applications, this support does not have to be a majority of the people in the area.
46. As noted above, a level of community support has been demonstrated to date for particular reorganisation options on the West Coast. These include:
  - (a) the original reorganisation application, deemed to be for a West Coast unitary authority, supported by a petition signed by 367 people
  - (b) 699 responses to the Commission questionnaire as part of the 2016 engagement programme with 44 per cent (304 responses) agreeing that some councils should be combined
  - (c) 14 people/groups proposed some form of structural reorganisation in response to the Commission’s invitation for alternative applications and other proposals for change.
47. It is noted responses to the invitation for alternatives also included proposals for multiple unitary authorities to be established on the West Coast (the three district councils becoming unitary authorities, a combined Grey-Westland unitary authority, a combined Buller-Tasman unitary authority). The officers have not previously recommended consideration of these proposals as potential reasonably practicable options given the requirements of clause 11 (5)(a), (b) and (d) relating to necessary resources, an appropriate region for the efficient performance of role, and effective catchment-based flooding and water management.
48. Finally, two responses referred to “unified” or “combined” district planning including a joint submission from the four West Coast councils supported by Development West Coast. While the responses did not refer to a transfer of the statutory obligation for this function, this is the only mechanism to achieve such an outcome as a reorganisation option under existing legislation.

49. The Commission has now completed a community survey on the West Coast to provide updated information on the level of support for the identified change options in local government arrangements on the West Coast. Results of this survey are set out in *Appendix C*.
50. The officers consider the four options identified for assessment as potential reasonably practicable options have attracted an appropriate level of community support. The three structural change options were identified from the original and alternative applications submitted from the community and the transfer of obligation option was formulated by the Commission reflecting proposals for change also submitted by the community and the councils.

### **Benefits of a broader range of options – Clause 11(3)(c)**

51. As noted above, the officers do not consider a broader range of reorganisation options going beyond West Coast Region as presently constituted would be appropriate, nor options involving multiple unitary authorities. Our community of interest study did not suggest to us other reorganisation options at the district level were needed beyond those identified. While minor boundary alterations could be considered, no support has been demonstrated for such alterations at this time.
52. Change options involving more shared services between the current councils or establishment of jointly-owned council-controlled organisations, for example, cannot be considered by the Commission as reorganisation options under existing legislation.

### **Desirability of providing early certainty – Clause 11(3)(d)**

53. Since receiving the original reorganisation application in June 2015, the Commission has undertaken considerable work engaging the West Coast community and local councils. This has included a range of possible options under both the reorganisation process and the councils' 'regional efficiency programme'.
54. The officers consider it is important to now bring a degree of certainty to the councils and community about possible changes to local government arrangements on the West Coast. This would be achieved by limiting the extent of further consideration of reasonably practicable options and proceeding through the necessary steps to enable the Commission's preferred option decision to be announced in December 2017. This is in line with Commission statements the announcement would be made before the end of 2017.

## **Identification of the reasonably practicable options**

55. In identifying the reasonably practicable options, clause 11(5) of Schedule 3 requires the Commission to be satisfied that any local authority proposed to be established or changed under a reasonably practicable option will:
  - (a) have the resources necessary to enable it to carry out effectively its responsibilities, duties and powers
  - (b) have a district or region that is appropriate for the efficient performance of its role as specified in section 11 of the LGA

- (c) contain within its district or region one or more communities of interest, but only if they are distinct communities of interest
  - (d) in the case of a regional council or unitary authority, enable catchment-based flooding and water management issues to be dealt with effectively by the regional council or unitary authority.
56. Clause 11(6) provides that for the purposes of clause 11(5), the Commission must have regard to:
- (a) the area of impact of the responsibilities, duties and powers of the local authorities concerned
  - (b) the area of benefit of services provided
  - (c) the likely effects on a local authority of the exclusion of any area from its district or region
  - (d) any other matters that it considers appropriate.
57. Bearing in mind clauses 11(5) and (6), it is recommended that the Commission identifies the following options, in addition to existing local government arrangements, as reasonably practicable options:
- (a) transfer to WCRC of Buller, Grey and Westland district councils' statutory obligations to prepare district plans under the RMA
  - (b) a West Coast unitary authority.

### **Transfer to WCRC of district council obligations to prepare district plans**

58. Under this option the four existing councils would remain in place. The MartinJenkins report assumed the financial impact of transferring the district planning obligation (including associated staff) would be close to neutral with the councils together having the necessary resources. This was on the basis that WCRC already prepares planning documents under the RMA and the process and expertise for preparing a combined district plan could be supplemented, as required, by resources from the district councils. The additional planning role at WCRC was also seen as likely to be a more attractive employment prospect for planning practitioners than current arrangements.
59. While it was observed that this option may result in some dis-efficiencies for the district councils, in light of the shared responsibilities of some staff, these are expected to be minor given the councils' dedicated district plan-making resources are generally limited. On this basis it can be concluded that the transfer option would meet the criterion for the "changed" local authorities to have the resources necessary to effectively carry out their responsibilities, duties and powers (clause 11(5)(a)).
60. Structurally the region and districts would not change under the transfer option. Accordingly the clause 11(5)(b) criterion of a region/districts appropriate for the efficient performance of local authority roles is presumed to be met.

61. As noted in our communities of interest study, the existing council areas can be seen to reflect reasonably distinct regional and district communities of interest, perceptually, functionally and politically. Given the transfer option would not result in any structural changes to the West Coast councils, this would continue to be the case. Accordingly the clause 11(5)(c) criterion (relating to distinct communities of interest) is met under this option.
62. Given the transfer option does not result in boundary changes, including to the region, clause 11(5)(d) relating to effective catchment-based flooding and water management, is also presumed to be met.
63. In considering whether it is satisfied this option meets all the criteria set out in clause 11(5), the Commission must also have regard to the matters identified in clause 11(6).
64. One matter to be considered in relation to this option is the nature of the district councils' involvement in decision-making on the combined district plan given the areas of impact and the areas of benefit (clause 11(6)(a) and (b) considerations) would cover the three districts individually as well as the region as a whole. This would need to be addressed as part of any clause 12(1) assessment of this option as a possible preferred option and is covered later in this report.

### **A combined Grey-Westland district**

65. This option would see a combined Grey-Westland district while Buller District would remain in place along with WCRC. As with all three structural change options, MartinJenkins concluded this option would meet the criterion for the proposed local authority to have the resources necessary to effectively carry out its responsibilities, duties and powers (clause 11(5)(a)).
66. The option was identified as providing a generally sustainable financial position. This was on the basis that, with status quo service levels and revenue, Grey and Westland combined, over the term of the current 2015-25 long-term plans, would either break even or have a surplus of revenue over expenditure. Both councils are also currently operating well within their debt affordability benchmarks.
67. MartinJenkins also identified this option as resulting in a district appropriate for the efficient performance of the local authority role (clause 11(5)(b)). This was on the basis that the existing councils currently provide services either district-wide or at a more local community level and that the appropriate scale of delivery would continue under any of the structural change options. MartinJenkins noted, however, this would be subject to "suitable arrangements being put in place to ensure responsiveness to localised values and interests" (addressed further below). More generally, it expected the structural options would result in efficiencies through increased council scale.

68. A combined Grey-Westland district would reflect the number of functional connections existing today between Grey and Westland districts, particularly between Grey and the northern area of Westland including Hokitika. It would also reflect some perceptions of the West Coast as actually comprising just these two districts, i.e. distinct from Buller, based on both historical connections and certain West Coast organisational structures. Accordingly this option would reflect strong commonalities existing between the current two district communities of interest and meet the clause 11(5)(c) criterion relating to one or more distinct communities of interest.
69. Given this option does not result in any regional boundary changes, clause 11(5)(d) relating to effective catchment-based flooding and water management, is presumed to be met.
70. MartinJenkins' assessment in relation to clause 11(5)(b) only covered one part of the role of a local authority (i.e. giving effect to the purpose of local government relating to meeting "current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions" (section 10(1)(b) of the LGA)). However, the role of a local authority also includes giving effect to the other part of the purpose of local government which is "to enable democratic local decision-making and action by, and on behalf of, communities" (section 10(1)(a)). This relates to what MartinJenkins referred to as "suitable arrangements being put in place to ensure responsiveness to localised values and interests".
71. The combined Grey-Westland district option would result in a geographically very large district (15,303 km<sup>2</sup>) second only to Southland District the largest district in the country (29,552 km<sup>2</sup>), though with a population of only 22,320. Given the size of a Grey-Westland district as well as its geography and associated increasing degree of isolation the further south one travels, the officers consider a localised representation and decision-making structure would be necessary to give effect to the section 10(1)(a) purpose of local government.
72. The only available mechanism for such a structure under current legislation is that of community boards. Unlike local boards, community boards do not have a prescribed decision-making role, rather their role is one of representation and advocacy with the possibility of receiving delegated decision-making responsibilities from the parent council. Such delegations, however, are at the discretion of the council and may be withdrawn at any time. As a result there is no guaranteed ongoing decision-making role for community boards and indeed community boards themselves may be abolished by a council as part of its periodic representation review.
73. Given these limitations on the role of community boards in a district, the officers do not consider a combined Grey-Westland district meets all the requirements for being a reasonably practicable option. In particular, it would not provide an appropriate district for the efficient performance of the local authority role of enabling democratic local decision-making and action by, and on behalf of, communities. Accordingly we do not recommend the Commission identifies this option as reasonably practicable.

## A single West Coast district

74. This option would see a combined West Coast district mirroring West Coast Region with WCRC remaining in place. MartinJenkins concluded that this option would meet the criterion for the proposed local authority to have the resources necessary to effectively carry out its responsibilities, duties and powers (clause 11(5)(a)).
75. The option was identified as providing a generally sustainable financial position. This was on the basis that, with status quo service levels and revenue, the three districts combined, over the term of the 2015-25 long-term plans, would have a surplus of revenue over expenditure. The three district councils are also currently operating well within their debt affordability benchmarks.
76. MartinJenkins also identified this option as resulting in a district appropriate for the efficient performance of the local authority role (clause 11(5)(b)). This was on the basis that the existing councils currently provide services either district-wide or at a more local community level and that the appropriate scale of delivery would continue under any of the structural change options. MartinJenkins noted, however, this would be subject to “suitable arrangements being put in place to ensure responsiveness to localised values and interests” (addressed further below). More generally, it expected this option, like all the structural options, would result in efficiencies through increased council scale.
77. Under this option the WCRC would remain in place and continue to reflect the distinct regional community of interest that exists on the West Coast today. A single combined West Coast district would also cover the same area again reflecting the existing West Coast regional community of interest, perceptually, functionally and politically and meet the clause 11(5)(c) criterion. It is noted that a distinct regional community of interest can be recognised simultaneously with more local communities of interest within the West Coast.
78. Given this option does not result in any regional boundary changes, clause 11(5)(d) relating to effective catchment-based flooding and water management, is presumed to be met.
79. As noted above, MartinJenkins’ assessment in relation to clause 11(5)(b) only covered one part of the role of a local authority (i.e. giving effect to the purpose of local government relating to meeting “current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions” (section 10(1)(b) of the LGA)). However, the role of a local authority also includes giving effect to the other part of the purpose of local government which is “to enable democratic local decision-making and action by, and on behalf of, communities” (section 10(1)(a)). This relates to what MartinJenkins referred to as “suitable arrangements being put in place to ensure responsiveness to localised values and interests”.
80. The option of a combined West Coast district (involving Buller District in addition to Grey and Westland) would result in an even larger district (23,245 km<sup>2</sup>) though still smaller than Southland District the largest district in the country (29,552 km<sup>2</sup>). It would have a population of 32,500. Again given the size of the district as well as its geography and associated increasing degree of isolation the further south one travels, the officers consider a localised representation and decision-making structure would be necessary to give effect to the section 10(1)(a) purpose of local government.

81. As noted, the only available mechanism for such a structure under current legislation is that of community boards. Unlike local boards, community boards do not have a prescribed decision-making role, rather their role is one of representation and advocacy with the possibility of receiving delegated decision-making responsibilities from the parent council. Such delegations, however, are at the discretion of the council and may be withdrawn at any time. As a result there is no guaranteed ongoing decision-making role for community boards and indeed community boards themselves may be abolished by a council as part of its periodic representation review.
82. The officers also consider it likely that the West Coast community could get confused by the existence of a separate West Coast district council and a West Coast regional council covering exactly the same area. This situation does not occur anywhere else in the country at present. Any public confusion and resulting impact on community participation in council processes, would hinder the effectiveness of local democratic decision-making on the West Coast.
83. Given the limitations on the role of community boards in a district and possible public confusion arising from this option, the officers do not consider a combined West Coast district meets all the requirements for being a reasonably practicable option. In particular, it would not provide an appropriate district for the efficient performance of the local authority role of enabling democratic local decision-making and action by, and on behalf of, communities. Accordingly we do not recommend the Commission identifies this option as reasonably practicable.

### **A West Coast unitary authority**

84. This option would see the three district councils and the WCRC replaced by a single council responsible for both district and regional council functions across the West Coast. MartinJenkins concluded that this option would meet the criterion for the proposed local authority to have the resources necessary to effectively carry out its responsibilities, duties and powers (clause 11(5)(a)).
85. The option was identified as providing a generally sustainable financial position. This was on the basis that, with status quo service levels and revenue, the four councils combined, over the term of the 2015-25 long-term plans, would have a surplus of revenue over expenditure. The councils are also currently operating well within their debt affordability benchmarks.
86. MartinJenkins also identified this option as resulting in a region/district appropriate for the efficient performance of the local authority role (clause 11(5)(b)). This was on the basis that the existing councils currently provide services either region/district-wide or at a more local community level and that the appropriate scale of delivery would continue under any of the structural change options. MartinJenkins noted, however, this would be subject to “suitable arrangements being put in place to ensure responsiveness to localised values and interests” (addressed further below). More generally, it expected the structural options would result in efficiencies through increased council scale.

87. A West Coast unitary authority would cover the same area as the existing WCRC. Given the existing West Coast Region is seen to reflect a distinct regional community of interest, perceptually, functionally and politically, this would still be the case in respect of a West Coast unitary authority. Again this would meet the clause 11(5)(c) criterion. It is noted that a distinct regional community of interest can be recognised simultaneously with more local communities of interest within the West Coast.
88. While all the councils would be combined, this option would not result in any changes to current regional boundaries. Accordingly there would be no impact on effective catchment-based flooding and water management (clause 11(5)(d)) relative to the current position.
89. As noted above, MartinJenkins' assessment in relation to clause 11(5)(b) only covered one part of the role of a local authority (i.e. giving effect to the purpose of local government relating to meeting "current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions" (section 10(1)(b) of the LGA)). However, the role of a local authority also includes giving effect to the other part of the purpose of local government which is "to enable democratic local decision-making and action by, and on behalf of, communities" (section 10(1)(a)). This relates to what MartinJenkins referred to as "suitable arrangements being put in place to ensure responsiveness to localised values and interests".
90. The officers note that a West Coast unitary authority, while representing a population of only 32,500, would cover an area of 23,245 km<sup>2</sup> making it the largest unitary authority by area in the country (the next largest would be Marlborough at 10,458 km<sup>2</sup>). Clearly a localised representation and decision-making structure would be required to achieve the purpose of section 10(1)(a).
91. Unlike with the options of a combined Grey-Westland district or a combined West Coast district, the Commission would have the option of establishing local boards, as distinct from community boards, under the West Coast unitary authority option. Local boards do have a prescribed decision-making role and as a result would address the concerns identified above under the other two structural options relating to community boards. The officers believe establishment of local boards under the unitary authority option should be seriously considered and this matter is addressed later in this report.
92. In considering whether it is satisfied this option meets all the criteria set out in clause 11(5), the Commission must also have regard to the matters identified in clause 11(6). The officers consider there are no further issues relating to area of impact and area of benefit (clause 11(6)(a) and (b) considerations) beyond those addressed above in relation to scale of delivery.

## Summary

93. The four identified potential reasonably practicable options meet financial and operational aspects of the criteria in clause 11(5)(a) and (b) as assessed by MartinJenkins. The financial impact of the transfer option was seen as "close to neutral" and the three structural change options were seen as leading to a "generally sustainable financial position". In relation to efficient performance of the council role, the criterion was also seen to be met, in part, by the four options given the options either preserved or aggregated existing areas which was likely to result in efficiencies through increased council scale.

94. The West Coast communities of interest study found that communities of interest existing today at the regional, district and local levels on the West Coast continue, by and large, to be reflected in current local government arrangements. To the extent that any structural change option involves combining two or more districts, that option can be seen to comprise a grouping of current communities of interest. Accordingly these options can be seen to meet the requirement of clause 11(5)(c), that is they contain one or more distinct communities of interest. Similarly the transfer option can be seen to comply with clause 11(5)(c) given it involves no change to local government boundaries.
95. None of the change options involve changes to regional boundaries and therefore the clause 11(5)(d) criterion, relating to effective catchment-based flooding and water management, is presumed to be met in each case.
96. The clause 11(5)(b) criterion was met only in part, as the assessment by MartinJenkins related to only part of the purpose of local government i.e. 'to good quality infrastructure and services' etc. under section 10(1)(b). The section 10(1)(a) purpose relating to 'democratic local decision-making', however, is equally important. On this criterion the options of a combined Grey-Westland district and a combined West Coast district are seen to fall short given their reliance on community boards to enable local decision-making and the shortcomings of community boards. In contrast, the West Coast unitary authority option could involve local boards and these have a more guaranteed existence and guaranteed decision-making role.
97. Accordingly the officers do not consider the Commission can be satisfied that the combined Grey-Westland district and combined West Coast district options meet all the statutory criteria for being reasonably practicable options for the West Coast. We therefore recommend that only the options of the transfer of statutory obligation and a West Coast unitary authority be identified, along with existing local government arrangements, as reasonably practicable options for the West Coast.

## Determination of preferred option

98. If the Commission identifies two or more reasonably practicable options, clause 11(8) then requires it to determine its preferred option having regard to the criteria in clause 12(1). This clause requires the Commission to be satisfied that its preferred option:
  - (a) will best promote, in the affected area, the purpose of local government as specified in section 10 of the LGA
  - (b) will facilitate, in the affected area, improved economic performance, which may (without limitation) include:
    - (i) efficiencies and cost savings
    - (ii) productivity improvements, both within the local authorities and for the businesses and households that interact with those local authorities
    - (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.

99. Accordingly, subject to the Commission's agreement on the reasonably practicable options, determination of its preferred option for the West Coast requires assessment of:
- (a) existing local government arrangements ('the status quo')
  - (b) transfer to WCRC of Buller, Grey and Westland district councils' statutory obligations to prepare district plans under the RMA
  - (c) a West Coast unitary authority
- against the clause 12(1) criteria.

## Overview

100. Assessment of the three options against the clause 12(1) criteria requires careful balancing of their respective advantages and disadvantages. This involves some subjective weighting of the likelihood of gains being achieved versus costs actually incurred (monetary and non-monetary). Commissioners may weight these differently, depending on the assumptions applied. Ultimately, the decisions to be made require the Commission to exercise its discretion and judgement.

### *West Coast unitary authority option*

101. The unitary authority option is seen by the officers to have clear advantages in terms of achieving the purpose of local government in relation to meeting community needs for good quality infrastructure and services. This is based on expected significant efficiencies/savings in infrastructure activities in particular, by combining the three districts and council organisational capacity. The higher quality services and infrastructure are also expected to provide the most productivity improvements for businesses and households. The savings, however, will be offset in the short term by significant transition costs and a higher potential level of disruption in the provision of services. There may also be some risk for effective service provision to more isolated communities on the West Coast.
102. A unitary authority will achieve the same planning outcome as the transfer option, i.e. one district plan for the West Coast. It is expected it will also lead to a unitary plan i.e. combined district and regional plans/policy statement. Should this occur, this will provide greater gains to businesses and households in terms of simplified planning.
103. Given the above gains, this option is expected to facilitate improved economic performance on the West Coast.
104. A unitary authority will need to be combined with establishment of local boards to enable democratic local decision-making and action, the other purpose of local government. Whether this option will *best* achieve this purpose is a matter of judgement for the Commission. Local boards were only introduced under the new Auckland Council governance model in 2010 and the relationship between the boards and the governing body is still 'settling down' and currently under review. Given their newness and unfamiliarity for most people, resources will be required to explain the role and responsibilities of the local boards to the West Coast community. In addition they will require reasonably significant resources in ongoing support services from the council.
105. The unitary authority option, therefore, offers highest potential for benefits but also comes with a level of risk of implementation failure.

### *Transfer of planning obligation option*

106. The transfer option requires provision for a joint committee to be made so that the district councils can participate equally in decision-making on the new combined plan. Mandatory provision for a combined district plan (by a reorganisation scheme) will avoid any uncertainty about individual council involvement in the process. As a result it is more likely than the status quo option to ensure ongoing gains are made in terms of productivity improvements and simplified planning and, as a result, to facilitate improved economic performance on the West Coast.
107. At this time the transfer option only relates to district plan-making. Greater productivity improvements for businesses and households and more gains from simplified planning could be expected if there was also joint implementation and administration of the plan to ensure consistent interpretation of plan rules and consistent responses to consent applications. A joint committee (under a reorganisation scheme) could provide a platform for the councils to agree this further step at a later date.
108. This option allows the existing councils to remain in place and avoids the transition costs and potential disruptions arising from the unitary authority option. The gains are modest, but risks are low and it may create a platform for greater collaboration in the future.

### *Status quo option*

109. The status quo option will not achieve the improvements in providing good quality infrastructure and services to the community expected to result from a unitary authority. Gains to be made in this area will depend on the commitment and goodwill of the four existing councils to voluntarily enter into more shared service arrangements, an area, in relation to infrastructure particularly, where councils elsewhere in New Zealand have struggled to agree appropriate governance arrangements.
110. Challenges in achieving the necessary commitment and goodwill of all councils on substantive shared service initiatives, as distinct from the likes of back office arrangements, is currently being demonstrated on the West Coast in relation to the proposed preparation of a combined West Coast district plan. Some agreements have been reached, however, in some areas such as in relation to civil defence/emergency management.
111. Like the transfer option, this option allows the existing councils to remain in place and avoids the transition costs and potential disruptions arising from the unitary authority option.

### *Comment*

112. The Commission's preferred option for the West Coast depends largely on the degree of risk it is prepared to take on the community's behalf. The West Coast unitary authority option clearly offers larger gains on infrastructure and services but its requirements for achieving democratic local decision-making, i.e. local boards, come with a level of implementation risk due to the unfamiliarity of these boards. The transfer option offers a 'safer' option with more moderate gains and lower risks.
113. A summary analysis of the three options is presented in the following table and then more detailed assessment follows.

<p>Clause 12(1)(a)</p> <p>The Commission must be satisfied the preferred option <i>best</i> promotes the purpose of local government:</p>	<p>Summary analysis</p>
<ul style="list-style-type: none"> <li>To enable democratic local decision-making and action by, and on behalf of, communities (section 10(1)(a) of LGA)</li> </ul>	<p><b>Status quo:</b> basic local decision-making commensurate with councils' size and resources by:</p> <ul style="list-style-type: none"> <li>three district councils (3 mayors and 26 councillors)</li> <li>one community board in Buller (4 elected members with no delegated decision-making powers)</li> <li>one regional council (7 councillors)</li> </ul> <p><b>Transfer of planning obligation:</b></p> <ul style="list-style-type: none"> <li>no change generally to council decision-making arrangements</li> <li>a joint committee of the councils to make decisions on new combined district plan</li> </ul> <p><b>West Coast unitary authority:</b> potential to attract wider and more diverse pool of talent for elected members arising from greater responsibilities, and for the new council to provide a united voice to advocate and negotiate in the interests of the West Coast as a whole while still retaining local focus, by:</p> <ul style="list-style-type: none"> <li>one governing body (1 mayor and, say, 14 councillors)</li> <li>say five local boards (with 5/6 elected members each with maximum practicable level of allocated decision-making responsibilities in non-regulatory areas and ability to make recommendations on other matters of local interest)</li> <li>but a level of implementation risk due to largely untested nature of local boards</li> </ul>
<ul style="list-style-type: none"> <li>To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.</li> </ul> <p>Where good quality means efficient, effective, and appropriate to present and anticipated future circumstances (section 10(1)(b) of LGA)</p>	<p><b>Status quo:</b></p> <ul style="list-style-type: none"> <li>all councils have acknowledged challenges in their current financial strategies particularly in relation to maintenance and renewal of infrastructure</li> <li>councils initiated a 'regional efficiency programme' to help address the challenges, but limited region-wide commitment to steps to address the two identified priorities (planning and roading) in this programme</li> </ul> <p><b>Transfer of planning obligation:</b></p> <ul style="list-style-type: none"> <li>would ensure progress on the development of a combined district plan</li> </ul> <p><b>West Coast unitary authority:</b></p> <ul style="list-style-type: none"> <li>expected to result in significant efficiencies/savings in infrastructure activities across the three districts but will be offset by significant transition costs in the short term</li> <li>expected to result in significantly enhanced organisational capacity</li> <li>would ultimately result in a West Coast unitary plan under RMA (regional and district plan)</li> </ul>

<p>Clause 12(1)(b)</p> <p>The Commission must be satisfied the preferred option will facilitate in the affected area, improved economic performance which may include:</p>	<p>Summary analysis</p>
<ul style="list-style-type: none"> <li>• Efficiencies and cost savings</li> </ul>	<p><b>Status quo:</b></p> <ul style="list-style-type: none"> <li>• some gains have been made (e.g. AlphaOne, insurance procurement, civil defence/emergency management)</li> <li>• potential for further gains under ‘regional efficiency programme’</li> </ul> <p><b>Transfer of planning obligation:</b></p> <ul style="list-style-type: none"> <li>• initial cost of development (actual additional cost unclear given current council review costs may not be properly picked up)</li> </ul> <p><b>West Coast unitary authority:</b></p> <ul style="list-style-type: none"> <li>• gains in infrastructure area (addressed above)</li> <li>• some modest gains in other areas e.g. management, corporate services</li> <li>• additional costs relating to local boards</li> </ul>
<ul style="list-style-type: none"> <li>• Productivity improvements for council, businesses and households</li> </ul>	<p><b>Status quo:</b></p> <ul style="list-style-type: none"> <li>• potential for gains under ‘regional efficiency programme’</li> </ul> <p><b>Transfer of planning obligation:</b></p> <ul style="list-style-type: none"> <li>• some limited gains with further potential gains if combined plan leads to joint implementation and administration of the plan</li> </ul> <p><b>West Coast unitary authority:</b></p> <ul style="list-style-type: none"> <li>• gains as a result of higher quality services and infrastructure</li> <li>• gains as a result of greater pool of expertise</li> <li>• gains from improved processes e.g. procurement</li> </ul>
<ul style="list-style-type: none"> <li>• Simplified planning</li> </ul>	<p><b>Status quo:</b></p> <ul style="list-style-type: none"> <li>• potential for gains if four councils can agree on development of a combined district plan</li> <li>• potential for gains from other initiatives identified in Boffa Miskell planning report e.g. standardised forms</li> </ul> <p><b>Transfer of planning obligation:</b></p> <ul style="list-style-type: none"> <li>• gains in terms of alignment of district plans</li> <li>• potential further gains if the combined plan leads to joint implementation and administration of plan</li> </ul> <p><b>West Coast unitary authority:</b></p> <ul style="list-style-type: none"> <li>• significant gains in terms of capacity and capability, simplification, strategic alignment, integrated assessment and processing</li> </ul>

## Assessment criteria and input information

114. Based on the wording in clause 12(1), the two tests (under (a) and (b)) have different weights. The Commission needs to be able to satisfy itself that the preferred option *out-performs* other reasonably practicable options in terms of promoting the purpose of local government (clause 12(1)(a)). However it only needs to be satisfied that the preferred option will *also facilitate* improved economic performance, not that it out-performs other options in this regard (clause 12(1)(b)).
115. As already noted, the “purpose of local government” in section 10 has two parts. The first is to “enable democratic local decision-making and action by, and on behalf of, communities”. Commission officers have provided the input for this assessment.
116. The second part is about ability to “meet current and future needs of communities for good quality infrastructure, public services and regulation”. The focus of this part of the assessment relates to questions about capacity and capability for efficient and effective delivery of infrastructure, services and regulation, and whether these are fit for future needs.
117. Martin Jenkins was asked to provide assessment for this criterion given it also relates to the further criterion concerning “improved economic performance” which may include factors of efficiencies and cost savings, productivity improvements and simplified planning processes benefiting businesses and households. We note both efficiencies and cost savings can free up funds for re-investment in council services.
118. Key findings from MartinJenkins assessments of the options against both these criteria are set out in *Appendix A*.

## Approach to the section 10 local government purpose provision

119. In applying the “democratic local decision-making and action” criterion to West Coast communities, we have considered the extent to which the various options enable democratic decision-making and action by and on behalf of the distinct West Coast communities of interest identified in our communities of interest study.
120. In terms of the ‘local’ aspect of decision-making and action, we have taken this as reflecting the subsidiarity principle in that decision-making and actions should be undertaken at the lowest possible level (closest to the people affected by those decisions and actions) consistent with the function being performed. Clearly identification of the ‘lowest possible’ level of decision-making and action-taking is not unqualified. It is seen to require consideration of the second part of the statutory purpose of local government which relates to “*good quality* local infrastructure, local public services and performance of regulatory functions” where ‘good quality’ means “efficient, effective and appropriate to present and anticipated future circumstances” (section 10 of the LGA).
121. We have approached the ‘democratic’ aspect of decision-making and action-taking as meaning the decision-makers/action-takers are elected by and are accountable to the people in the area concerned. Arrangements for their election therefore need to meet the principle of “fair and effective representation for individuals and communities” (see section 4 of the Local Electoral Act 2001 which applies for all local authority elections).

## Assessment of existing local government arrangements (the 'status quo' option)

122. Existing local government arrangements consist of one regional council (WCRC) and three district councils (Buller, Grey and Westland) with the three districts together also covering the region. Profiles of the four councils and their governance arrangements are provided in *Appendix D*.

### *Council collaboration*

123. As noted in their profiles, all the West Coast councils acknowledge the particular challenges they face involving the geography of the area; the small amount of rateable land; and the small, declining and scattered population. In addition, the small size of the four councils, reflecting the low population, results in further challenges relating to resources and technical capacity to carry out required functions. These further challenges have been recognised by the councils through their 'Commitment to Regional Efficiency' agreed by the West Coast Mayors and Chair Forum in 2014.
124. In line with this commitment, the councils have taken a number of initiatives. For example, in relation to their statutory responsibilities for emergency management/civil defence the four councils recently put in place a coordinated delivery structure for this service across the region. This involves agreement for WCRC to employ a civil defence emergency management manager and the district councils seconding staff part-time to support this manager.
125. The four councils and Development West Coast also decided recently to take a greater role in developing the West Coast regional economy with the funding of an economic development agency and a new economic development manager position. In addition, the three district councils previously agreed to form a joint council-controlled organisation, Tourism West Coast, to promote the region as a whole.<sup>2</sup> Other collaborative initiatives by the councils include ones in relation to building consent applications (AlphaOne) and joint council procurement in areas such as insurance.
126. In the area of planning, a local initiative has been taken to consider development of a combined district plan under the RMA. This followed receipt earlier this year of the Boffa Miskell consultant's report on West Coast resource management planning processes (under the 'regional efficiency programme'). To date, three of the four councils have agreed in principle to this proposal. However, Buller District Council has considered this matter several times and to date has declined to endorse the proposal.
127. Some consideration has also been given by the councils to greater collaboration in roading and transport activities, another priority identified under the 'regional efficiency programme'. This has extended to preparation of a combined activity asset management plan for the West Coast with a final plan scheduled to be in place for the 2018/19 financial year. We understand there has also been agreement on the issuing of some combined roading contracts including a Grey-Westland districts road sealing contract.

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<sup>2</sup> It is noted that the Tai Poutini West Coast Growth Study concluded that there was still a need for greater coordination in West Coast economic development and tourism activities and recommended that the latter function be transferred to Development West Coast.

### ***Current position in relation to collaboration***

128. As noted in our 'West Coast communities of interest study at Appendix 1', based on a study of amalgamations in the Netherlands, the form of local identity in a particular area can be used for quite different purposes. The study suggested it can be used to resist proposals for change with a focus on differences with neighbours. Alternatively, neighbours can be seen as allies with different though similar identities, with these used to focus on the need for cooperation and the promotion of shared interests to the outside world to stimulate local economic development.
129. The issue to be addressed when considering 'good local government' arrangements for the West Coast, and possible change options, is the extent to which more cooperative elements of local identity can or should be promoted at the regional level. This would then provide an altered balance between identity, and the efficient, effective and sustainable delivery of a wider range of local government functions e.g. district council functions as well.
130. There is a spectrum of governance options for achieving such an altered balance. At one end is retention of the status quo possibly with the existing councils agreeing to more shared services across the region (an 'enhanced status quo'). At the other end is significant structural change in the form of one unitary authority for the region responsible for delivering both regional and district functions though still able to provide more local decision-making in particular areas.

### ***Conclusion***

131. As part of its consideration of its preferred option, the Commission needs to consider whether the collaborative initiatives taken by the four West Coast councils to date as well as possible future initiatives, demonstrates sufficient progress to address the challenges faced by these councils as identified in this report. If so, the status quo option (with a view to subsequently recommending particular enhancements) could be considered with the expectation that existing and particular new shared service arrangements will make significant advances against the identified challenges.
132. To assist the Commission in its consideration, the officers requested each of the four West Coast councils to provide us with a statement on their current position in regard to existing and future arrangements and proposals for shared services. The council statements are attached as *Appendix E*.
133. Standards in service delivery generally and also public expectations can be expected to continue to rise around New Zealand in respect of local government services. This relates in particular to the section 10(1)(b) criterion for good quality infrastructure and services where "good quality" includes "appropriate to present and anticipated future circumstances". Accordingly the capacity for the West Coast councils to respond to continually rising standards and expectations is an important consideration for the Commission.

134. In this context, the officers note infrastructure planning and maintenance issues that have arisen recently on the West Coast. These include: the tunnel collapse in the Westport gravity-fed tunnel system used to provide water for the Westport and Carters Beach town supply reservoirs; the Franz Josef wastewater treatment plant which is not coping with rising demand as a result of increased tourism and has regularly contravened consent conditions since 2010; periodic ‘boil water’ notices at a number of locations across the West Coast.
135. Given water services, in particular, are localised services on the West Coast, we believe there is limited scope for regional cooperation in this area under the councils’ ‘regional efficiency programme’. The concerns here relate more to individual council capacity and ability to address issues. One approach under the ‘status quo’ option is for the councils to consider combining their individual capacity by, for example, establishing a jointly owned council-controlled organisation. We are not aware of any such suggestions. We also note that councils elsewhere in New Zealand have found establishing such governance structures very challenging.

### **Assessment of option: Transfer of district council obligations to prepare district plans**

136. This option would see the four councils remain in place but with the transfer to WCRC of Buller, Grey and Westland district councils’ obligations to prepare district plans under the RMA. Section 24 of the LGA provides for such a transfer of a statutory obligation between councils as a local government reorganisation.
137. As noted, this option was formulated in response to submissions from the community and councils. While it relates to a district council responsibility, the officers see it as desirable for WCRC to be involved if possible. This is to provide a regional overview and perspective on region-wide issues with a view to achieving the full economic benefits of this option. WCRC will also be able to provide necessary additional resource and capacity.<sup>3</sup>
138. Based on the West Coast councils’ own initiative, this option only relates to *preparation* of a combined district plan with, at least in the short term, implementation and administration of the combined plan continuing to be undertaken by the three district councils separately.

### ***Enabling democratic local decision-making and action***<sup>4</sup>

139.

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<sup>3</sup> We note that the RMA is quite specific in terms of who may be involved in a local initiative of preparing combined planning documents. Section 80(3) provides that two or more *territorial authorities* may prepare, implement and administer a combined district plan. Section 80(6) provides that the regional council and all the territorial authorities in a region may prepare, implement and administer a document that meets all the requirements of the following: a regional policy statement and a regional plan and a (combined) district plan. We understand the West Coast councils’ local initiative *only* involves a district plan and therefore the status of WCRC in this proposal is not clear.

<sup>4</sup> This section of the paper is subject to legal privilege.

140.

141.

142.

***Meeting community needs for good quality infrastructure and services***

143. MartinJenkins addressed this criterion in conjunction with the criteria set out in clause 12(1)(b) and the analysis of this follows.

***Efficiencies and cost savings***

144. MartinJenkins noted “a small cost increase” for all options as a result of making combined district/unitary plans. A transition cost is also expected in Years 1 and 2 to design new plan-making processes. As a result, MartinJenkins assessed a net overall cost over the 7-year period for this option (see summary table in *Appendix A*).

145. We note as a result of subsequent discussions with council representatives that information supplied by the councils to MartinJenkins may have underestimated the costs of the status quo option (i.e. ongoing district plan reviews including subsequent litigation which can be expensive when undertaking a full plan review) and therefore the financial assessment of the value of this option is likely to be greater/more positive than shown in the MartinJenkins’ report.

146. In addition, MartinJenkins did not take into account that the Commission has undertaken to support some of the establishment costs of a joint district plan initiative, as part of the 'regional efficiency programme', which would lower the burden on the councils.<sup>5</sup>

### *Productivity improvements*

147. MartinJenkins noted this option is likely to contribute to some productivity improvements for businesses and households. This will result from simplifying processes and reducing time involved in planning matters. We note further, however, that greater productivity improvements would be achieved from joint implementation and administration of the plan in addition to plan-making. This is because joint implementation/administration would ensure consistency in interpretation of planning rules set out in the combined plan and consistent responses to resource consent applications.

### *Simplified planning processes*

148. MartinJenkins noted that a single district plan would likely provide significant benefits for the operation of regional networks such as that required for tourism infrastructure. It noted significant potential benefits from integrated assessment and processing for businesses that regularly apply for resource consents in more than one district and in respect of significant development proposals such as those in the extractive industries. There would also be some residual benefits of improved regulatory practice realised by households.

149. We note the need for simplification in this area was recognised in the Tai Poutini West Coast Growth Study. The study proposed establishment of a 'single window' for dealing with applications and consents and the subsequent Action Plan prioritised this initiative in relation to mining consents. Given the option before the Commission only relates to district plan-making, it is not seen in any way as conflicting with the 'one window' initiative.

150. Some willingness for joint initiatives by the councils in this area does currently exist with the transfer of responsibility for mining consent applications from Westland District Council to WCRC.

### *Conclusion*

151. This option, including provision for a joint committee, will provide for democratic local decision-making in respect of the preparation of a combined district plan. In all other respects, democratic local decision-making and action would be the same as under the status quo option.

152. Given the existing councils would stay in place, under this option there would not be the quantum of transition costs and implementation risk associated with the unitary authority option and its potential disruption.

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<sup>5</sup> The officers consider that the councils' voluntary work on a combined district plan should continue as such work supports all of the reasonably practicable reorganisation options.

153. The option would provide more certainty than the status quo option that development of a combined district plan would proceed. As a result it would be more likely that gains in terms of productivity improvements and simplified planning would occur.
154. The officers believe further productivity improvements for businesses and households and gains from simplified planning would occur if there was also agreement for combined implementation and administration of the combined plan. This would ensure consistent interpretation of the plan and associated rules across the West Coast and consistent handling and responses to consent applications under the plan.
155. We also consider mandatory provision for combined plan-making could in future provide a platform for the desired next step of combined plan implementation and administration.

### **Assessment of option: A West Coast unitary authority**

156. This option would see the four existing councils abolished and replaced by a single council/unitary authority covering the entire West Coast and undertaking the functions of both a regional council and territorial authority. As previously noted, the officers consider local boards would also be necessary to share decision-making with the governing body of such an authority on a more localised basis.

#### ***Enabling democratic local decision-making and action***

157. A unitary authority covering the West Coast would reflect the strong distinct regional community of interest of the area. However, the officers consider the distinct more local communities of interest would still need to be recognised to enable democratic local decision-making.
158. Our West Coast communities of interest study identified five distinct local communities of interest. These communities of interest are:
- (a) coastal Buller based on Westport
  - (b) inland area based on Reefton in Buller District
  - (c) Grey District based on Greymouth
  - (d) northern Westland based on Hokitika
  - (e) southern Westland covering communities from Ross to Jacksons Bay.
159. Three possible representation scenarios for wards based on these five communities of interest are set out in *Appendix F*. Reflecting the responsibilities of a unitary authority and guided by the principle of 'fair and effective representation' identified in the Local Electoral Act 2001, the officers consider a governing body of a mayor and 14 councillors elected from these five wards would be the most appropriate of the three scenarios.
160. Fourteen councillors representing the five wards would provide reasonably equal representation per councillor (i.e. fair representation) while also taking into account the size and characteristics of the overall area to ensure reasonable access to representatives (i.e. effective representation). This representation arrangement would be in line with those for other unitary authorities such as the Marlborough, Tasman and Gisborne district councils which all have 13 councillors for considerably smaller areas and populations between 45,500 and 50,300 (as compared to 32,540 for the West Coast).

161. Local boards may be established only where there is a unitary authority. Under the LGA, local boards *share* decision-making with the governing body and are equally responsible and democratically accountable for their allocated decision-making responsibilities. This is in contrast to community boards which have no prescribed decision-making role but may be delegated certain decision-making functions. The council, however, remains accountable for these decisions and may withdraw delegations at any time. A council may also propose the abolition of community boards as part of its periodic representation review.
162. The LGA provides that, by default, local boards are to be responsible for the council's non-regulatory decision-making. The governing body must identify particular reasons why this should not occur including where the impact of a decision extends beyond the local board area, or the benefits of a consistent or coordinated approach to decision-making outweigh the benefits of reflecting local needs and preferences.
163. It is noted that local boards are a new structure in New Zealand local government being first introduced as part of the new Auckland Council reforms in 2010. Given this, and also the size of the Auckland reforms involving seven large territorial authorities and a regional council, the structure has unsurprisingly taken a little time to become established and understood. A review of governance relationships between the council's governing body and 21 local boards is currently underway which includes the role and allocated powers of the local boards.
164. We note the understanding and operation of this new structure does require a particular level of sophistication by both elected members and council officers. This is in light of the concept of shared responsibility and democratic accountability for council decision-making, and also quite detailed prescribed processes for the development of local board plans and budgets.
165. Given the nature of the West Coast, a number of local government services are currently provided on a localised basis such as local water and wastewater schemes, along with a limited number of community facilities such as libraries. While region-wide prioritisation and management approaches will be important (and are an important reason for considering the West Coast unitary authority option), local boards can still have an important role in providing input into priorities for council decision-making and monitoring of implementation. Local boards can also be seen as the most appropriate body for an overall place-making role given the dispersed and distinctive nature of West Coast communities.
166. Based on the legislative principles, the officers believe maximum practicable allocation of decision-making responsibility to local boards under the West Coast unitary authority option should be considered. This would reflect the geography and demographics of the West Coast which is a large area with a small population dispersed over quite distinct and physically separated local areas.
167. However, as noted, under the LGA allocation of decision-making powers to local boards does have to be balanced against particular region-wide interests. These include ensuring the most effective and coordinated decision-making on key matters such as infrastructure and funding. It is also important that the appropriate levels of experience and capability are applied to such decisions.

168. Five local boards representing the five communities of interest identified above are suggested under this option with a view to best enabling democratic local decision-making for West Coast communities both as a whole and at a more local level.<sup>6</sup> The minimum permissible number of elected members for local boards is five. Five elected members (or possibly six for the larger areas) plus the ward councillor(s) appears appropriate for the West Coast. (N.B. the MartinJenkins assessment of options under clause 12(1)(b) was based on a standard six members reflecting a desire to allocate the maximum range of responsibilities). The relative cost of this local democratic decision-making is addressed below.
169. In light of comments above, particularly the newness of local boards and resulting unfamiliarity for both the community and councils, the establishment of, say, five local boards on the West Coast does involve a level of risk in relation to successful implementation. Accordingly it would require a reasonably significant level of resources to inform people on the nature of the local board structure and also for ongoing support services.

### *Meeting community needs for good quality infrastructure and services*

170. MartinJenkins addressed this criterion in conjunction with the criteria set out in clause 12(1)(b) and the analysis of this follows.

### *Efficiencies and cost savings*

171. MartinJenkins estimated the West Coast unitary authority option would generate the highest overall efficiency gains of the four options assessed (see Table in *Appendix A* on page 42).
172. The highest net savings were in infrastructure (\$6.3 million over seven years). Approximately 60 per cent of the infrastructure savings are expected from efficiencies in the maintenance of water management assets (e.g. procurement, better processes, combined asset maintenance programme) and 30 per cent from efficiency gains in road maintenance. It is noted this still assumes retention of localised systems in water particularly, with no significant networking of systems.
173. Modest savings (\$0.2 million) were identified in local public services over the same seven-year period primarily resulting from rationalisation in library management staff. MartinJenkins described economic development, tourism and emergency functions as already primarily regional activities and did not identify any efficiencies or savings in these areas as a result of any of the reorganisation options. It also noted the first two were the subject of consideration in the Tai Poutini West Coast Growth Study consideration of which it was noted would proceed independently of any local government reorganisation.

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<sup>6</sup> If five local boards covering all the West Coast were to be established, the Inangahua Community Board would be abolished consequentially as community boards cannot exist within local board areas.

174. In relation to the performance of regulatory functions, MartinJenkins noted there were opportunities for providing a more consistent regulatory framework across the region, pooling of specialised resources and for lifting the performance of particular councils as required, which would benefit the public generally. However it did not identify material savings in council personnel as team leaders and operational staff would generally remain in their current locations across the region. Some standardisation of documentation and sharing of staff resources was already occurring in the building control area under the joint building consent service AlphaOne.
175. MartinJenkins identified some cost savings in the governance and internal corporate services areas but in a number of cases these were offset by new costs. In the governance area savings would arise from reductions in mayors, chairs, councillors and chief executives and also in democratic support services (\$1.7 million), but these would be offset by increased costs in relation to the recommended local boards (\$0.9 million). Some efficiencies have already been made by the councils in the information management area and as a result of collaboration and shared procurement in internal corporate services. However MartinJenkins still considered there were opportunities for further lifts in performance and rationalisation of management roles (and some staff positions) although these would, to some extent, be offset by bigger job sizing and some additional staff roles at least in the short term.
176. Transition costs under this option also need to be considered. MartinJenkins considered these would be significant under this particular option (\$6.1 million incurred over years 1 to 4). It identified these costs as including: change management personnel costs, branding and communications, a revamped website, ICT integration costs and redundancy payments.

### ***Productivity improvements***

177. MartinJenkins identified the unitary authority option as having the highest potential for productivity improvements of the options assessed. It expected this option would result in higher quality services and infrastructure over time as a result of having a greater pool of expertise available, improved and consistent procurement practices and, through the ability to speak with one voice, it will have a stronger ability to negotiate with central government agencies and other partners for co-investment.
178. While MartinJenkins expected the option would result in lower fees and rates overall, the impact on households and businesses would vary. There would also be a reduction in costs and fees for those currently dealing with more than one council, and consistent procurement processes for contractors dealing with more than one council. In addition there would be greater certainty for decision-making for businesses involved in investments across districts, also as a result of fewer plans to understand and work through.
179. MartinJenkins did note, however, there may be a potential loss of expertise through organisational change which may result in some services being less responsive in the short to medium term. It also identified transaction costs with the consolidation of council chambers and the impact on ratepayers' ability to access council meetings. This would be mitigated by the council rotating its meetings around the region and with the possible future assistance of new technology. It is also noted that local board meetings would occur in local areas. In terms of access to council services generally, it is assumed there would be no impact as service centres would exist in each current council area.

### *Simplified planning processes*

180. MartinJenkins identified the unitary authority option as providing the greatest potential benefits of the options assessed relating to four key planning areas:
- (a) capacity and capability: the increased scale has the most potential to attract prospective employees and to allow better matching of staff resources and workflows
  - (b) simplification: benefits would be felt most by resource consent applicants who currently operate across districts
  - (c) strategic alignment (between regional and district plans and between district plans in adjacent jurisdictions): an important determinant of the level of certainty in the regulatory framework
  - (d) integrated assessment and processing: potential benefits include information requirements, notifications and hearings being dealt with together, and would be greatest for businesses preparing significant development proposals such as those in the extractive industries.

### *Conclusion*

181. The West Coast unitary authority option would require establishment of local boards and allocation of significant responsibilities to these boards to ensure this option would enable democratic local decision-making and action by, and on behalf of, West Coast communities (the section 10(1)(a) purpose of local government). Establishment of five boards, matching identified communities of interest, would take some decision-making to a more local level in two of three existing districts.
182. Local boards are, however, a relatively new local decision-making structure introduced in Auckland in 2010. Development of an effective working relationship between that council's governing body and its local boards is taking a little time and this could also be expected on the West Coast. This includes a necessary sophistication in understanding how the shared decision-making status of local boards operates. Public understanding of the role and powers of local boards is also not high at this time. A period of some initial uncertainty and 'settling down' under this option can, therefore, be expected.
183. As a result of the level of implementation risk, the officers are not able to say with certainty that the unitary authority option, including local boards, is the option that would *best* promote that part of the purpose of local government relating to democratic local decision-making.
184. The unitary authority option is expected to provide the highest overall efficiencies of the options assessed. The highest level of savings would occur in the important infrastructure area, with gains accruing from significant efficiencies in the maintenance of water management assets and in road maintenance. Some significant transition costs would occur to be offset against the expected savings. Despite these costs, the officers consider this option would best promote the section 10(1)(b) part of the purpose of local government.

185. This option also has the highest potential for productivity improvements. These would arise from higher quality infrastructure and services over time resulting from a greater pool of expertise, improved and consistent procurement practices and enhanced ability to negotiate with other parties.
186. In light of the expected efficiencies and savings, productivity improvements and significantly simplified planning processes, the unitary authority can be expected to facilitate improved economic performance on the West Coast.

## Next steps

187. Clause 13 of Schedule 3 sets out the steps the Commission must take following its determination of its preferred option for local government on the West Coast.
188. The Commission is required to give notice of its determination and the reasons for it to each applicant and every affected local authority.
189. If the Commission's preferred option is for change, the next steps will include developing a draft reorganisation proposal for public consultation. If the option is for retention of existing local government arrangements, no further action is required beyond the notice of the Commission's decision and the reorganisation process comes to an end.
190. It is proposed that the Commission's decision be given in person on the West Coast.
191. Depending on the nature of the preferred option, the Commission could then consider any further steps it may wish to take under the relationship agreement with the West Coast councils particularly with respect to the councils' regional efficiency programme.

## **Appendix A: MartinJenkins’ key findings in relation to potential reasonably practicable options and preferred option<sup>7</sup>**

### **Assessment of financial and operational aspects of options**

#### **Resourcing to effectively carry out responsibilities, duties and powers (clause 11(5)(a))**

##### *Financial resources*

- MartinJenkins found, based on the four West Coast councils’ 2015-25 long-term plans, there was a combined surplus of projected revenue over expenditure for the period of these plans. Assuming status quo service levels and revenues for the new councils (under the three structural options), revenue would also equal or exceed expenditure over the period to 2025.<sup>8</sup> MartinJenkins also found the three district councils are all currently operating well within their debt affordability benchmarks.
- MartinJenkins considered the three new council structural options (combined Grey-Westland district council, combined West Coast district council, West Coast unitary authority) “appear to have generally sustainable financial positions with balanced income and expenditure” and “under these options the resulting councils would have the financial resources to perform their roles and functions”. In addition it noted this did not take into account any savings that would be expected from achieving economies of scale and/or scope.
- In relation to the statutory transfer option, MartinJenkins assumed the financial impact of transferring this role (including associated staff) “would be close to neutral” and that “the councils would have the resource necessary to carry out district plan making under the RMA”. This was on the basis that WCRC already prepares and maintains a regional policy statement and regional plans under the RMA. It expects “the process and expertise that already exists in this area could be supplemented by resource from the district councils and applied to the preparation of the combined district plan”.

##### *People and capacity*

- MartinJenkins expects that as none of the structural options involve a reduction in the size of any of the councils “the main impact of the options in terms of people and capability would be that larger councils may be more attractive to prospective employees, enabling the councils to more easily attract and retain talent”.
- In respect of the statutory transfer option, MartinJenkins similarly expects that if WCRC had an additional planning role “this would be an attractive employment prospect for planning practitioners”. It did note this option “could potentially have a negative impact on district councils’ ability to attract the required expertise required to perform other roles that currently share capacity with district planning”.

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<sup>7</sup> See MartinJenkins ‘*West Coast Local Government Arrangements Final Report*’ dated 11 October 2017

<sup>8</sup> This does not take into account transition costs of moving to a new council structure. However this is taken into account in the stage 2 assessment of a preferred option.

## ***District or region appropriate for the efficient performance of roles (clause 11(5)(b))***

### ***Efficiency***

- While noting the three structural options would increase the geographic scale over which district council functions were undertaken, MartinJenkins also noted these functions can be structured to be undertaken at a sub-district level and that this occurs now in the three districts with, for example, local water supply and wastewater schemes.
- It said “we are not aware of any compelling evidence to show that the scale of the existing districts, including their distinct sub-district areas, is not appropriate for the efficient performance of their roles” and therefore “all options may be viewed as ‘appropriate’ scales for the efficient undertaking of district council functions, subject to suitable arrangements being put in place to ensure responsiveness to localised values and interests”.
- It also noted that the options would all result in the district council role being undertaken on an enlarged scale by fewer agencies and it expects “this would result in some efficiencies through increased scale – and scope in the case of (the unitary authority) option”.
- In the case of the transfer option, MartinJenkins noted this would mean the district councils would no longer need to resource this function, while additional resources would be required by WCRC. Overall, however, “we would expect that transferring district plan making to WCRC would achieve some efficiencies for the region, given that similar capabilities are required for regional and district planning and these would be brought together to provide attractive employment opportunities”.
- MartinJenkins, however, did “anticipate some minor impact on (and possible dis-efficiencies for) the district councils as a result of the transfer”. This arises from some loss of efficiency for functions that share capabilities with district plan making such as resource consent processing.

### ***Flooding and water management (clause 11(5)(d))***

- MartinJenkins noted none of the options involve a change to the boundaries within which the role and functions of WCRC, including flood management and water management, would be undertaken. It therefore concluded that “to the extent that this role and functions are currently being undertaken efficiently by WCRC, they should continue to be under any of the options”.

### ***Overall summary***

- The MartinJenkins report found that the four identified options (transfer of statutory obligation, combined Grey-Westland district council, combined West Coast district council, West Coast unitary authority) met the criteria in clause 11(5)(a), (b) and (d) for being reasonably practicable options. It noted this was consistent with its general observation that “where larger units of local government are proposed, questions of viability are unlikely to be a limiting factor – questions in these situations more typically revolve around matters such as local democracy, responsiveness and cost of change”.

## Assessment of options in relation to purpose of local government and facilitating improved economic performance

MartinJenkins was asked to assess how well the identified options:

- promote the requirement for local authorities to meet the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is cost effective for households and business (where good quality means efficient, effective and appropriate to present and anticipated future needs)
- facilitate improved economic performance (which may include efficiencies and cost savings, productivity improvements and simplified planning processes).

Taking these two tests together, it conducted its assessment using the following structure:

1. *efficiencies (including cost-effectiveness and the quality of service delivery)* for the local authority relating to:
  - a. infrastructure
  - b. local public services
  - c. performance of regulatory functions
  - d. governance and corporate support services
2. *productivity improvements for business and households that interact with the local authorities*
3. *simplified planning processes for statutory plans*

### Overall summary

MartinJenkins qualitative assessment of expected efficiencies and impacts of the options was as follows.

Assessment summary	Overall impact	Option A (status quo)	Option B (one district plan)	Option C (Westland/Grey only)	Option D (one district council)	Option E (unitary authority)
Infrastructure	High	5 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Local public services	Low	4 <sup>th</sup> =	4 <sup>th</sup> =	3 <sup>rd</sup>	1 <sup>st</sup> =	1 <sup>st</sup> =
Performance of regulatory functions	Low	5 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Governance and corporate services	Medium	4 <sup>th</sup> =	4 <sup>th</sup> =	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Productivity improvements	Low	5 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Simplified planning processes	Low	5 <sup>th</sup>	2 <sup>nd</sup> =	4 <sup>th</sup>	2 <sup>nd</sup> =	1 <sup>st</sup>
<b>Overall efficiency change in comparison to the status quo</b>		<b>Status quo (5<sup>th</sup>)</b>	<b>Low gains (4<sup>th</sup>)</b>	<b>Moderate gains (3<sup>rd</sup>)</b>	<b>Medium gains (2<sup>nd</sup>)</b>	<b>High gains (1<sup>st</sup>)</b>

MartinJenkins quantitative assessments (cost efficiency savings) of each of the options compared to the status quo, net of transition costs, are shown in the following table.

\$000	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total	NPV
	Base year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7		
<b>Costs</b>										
Buller	29,859	30,404	31,798	32,763	33,057	34,123	35,079	35,889	<b>262,972</b>	
Grey	32,970	33,578	33,944	34,829	35,910	36,595	37,567	39,133	<b>284,526</b>	
Westland	21,318	21,759	22,288	22,616	23,252	23,862	24,451	24,957	<b>184,502</b>	
WCRC	8,775	8,962	9,183	9,326	9,559	9,808	10,024	10,278	<b>75,916</b>	
<b>Status quo costs (Option a)</b>	<b>92,922</b>	<b>94,703</b>	<b>97,213</b>	<b>99,534</b>	<b>101,779</b>	<b>104,388</b>	<b>107,121</b>	<b>110,257</b>	<b>807,916</b>	
<b>Savings</b>										
Option B: one district plan	-	(90)	(128)	(144)	-	-	64	132	<b>(167)</b>	<b>(184)</b>
Option C: Westland/ Grey only	(404)	(1,109)	(1,438)	(253)	1,210	1,505	1,584	1,667	<b>2,763</b>	963
Option D: one district council	(649)	(1,551)	(1,641)	124	2,259	2,673	2,832	3,003	<b>7,051</b>	3,448
Option E: unitary authority	(697)	(2,096)	(1,966)	(113)	2,070	2,482	2,635	2,799	<b>5,113</b>	1,978

## (1) Efficiencies

MartinJenkins identified:

- increased efficiency in local government reorganisations as typically achieved through overarching mechanisms including:
  - economies – through combining back-office functions and achieving greater scale economy
  - adopting common regulatory systems and processes that reduce administrative costs
  - being able to exercise greater buying power as a result of amalgamating councils into larger entities
  - enabling more efficient utilisation of staff (more ability to align staff resources with areas of work demand)
- the need to ensure that options deliver good quality services (per section 10(1)(b) of the LGA) can be enhanced by:
  - using the consolidation and reorganisation of staff to release funds that can be used to attract higher quality candidates through higher salaries
  - combining functions that are currently split across councils into single, larger business units, creating bigger and more challenging roles that are more likely to appeal to higher quality candidates
  - using greater scale to create specialised roles in larger organisations – and hiring staff with those specialised skills.

### (a) Infrastructure

MartinJenkins assessed the overall impact of each option on the range of existing council infrastructure services and also identified where the biggest efficiency/quality gains could be expected (summarised in the table above), its findings included:

- local roading:
  - a larger combined roading delivery model, required to support a bigger roading network, would be expected to attract and retain high quality people particularly in management and core planning, and technical roles
  - this could lead to gains in improved key person capability, planning and procurement
  - savings could also be expected through consolidation of some non-technical roles

- Options B (e.g. alignment between resource management and land transport planning) and C (e.g. end-to-end benefits from planning to procurement but only for two districts) have different advantages and disadvantages but are assessed as having a similar outcome
- Option E is likely to realise slightly greater savings than Option D due to streamlining the small number of transport-related activities that WCRC undertakes
- waste management:
  - efficiency and quality gains are likely from consolidation of contract management and procurement activities and the ability to attract and retain high quality staff to a larger organisation
  - these gains are more likely in Options D and E
  - some opportunity may exist for rationalisation of landfill and transfer station assets e.g. tendering the entire needs of the West Coast to one party (in the short term contracts are currently outsourced to different parties)
- water management:
  - the biggest gains are expected from options that offer the greatest economies of scale
  - Options C, D and E would provide an opportunity to structure the management of water services into a different delivery model (ranging from centres of excellence through to shared service arrangements or a CCO)
  - there is unlikely to be any benefit from regulatory alignment as there will need to be a structure in place to ensure that the roles of (district council) compliance and (regional council) enforcement are suitably separated
  - savings can be expected from maintenance, improved investment, reduction in management roles (efficiency gains) and/or increases in capability (quality gains)
  - a larger combined operation would give the region a better chance, over the long-term, to recruit and retain high quality staff
  - consolidation would provide an opportunity to increase the combined councils' leverage in procurement negotiations
  - no additional gains are made on top of Option D
  - it is not expected that the legacy councils' water infrastructure would be connected
- overall quantitative assessment on infrastructure:
  - under Option B no discernible cost savings are expected
  - under Options C to E infrastructure efficiencies are expected to provide the greatest cost savings compared to the status quo
  - Option E is estimated to generate net savings of \$6.3 million over 7 years (\$3.7 million in present value terms); savings are phased over 2-4 years depending on the activity and are offset by transition costs in years 1-3 totalling \$1.2 million; approximately 60 percent of infrastructure savings are expected from efficiencies in the maintenance of water management assets (e.g. procurement, better processes, combined asset maintenance programme); 30 percent of savings is due to efficiency gains in road maintenance

- Option D is expected to result in nominal savings of \$4.6 million (\$2.6 million in present value terms) in the infrastructure area over 7 years with the main difference for Option E being in the need for management roles in both the regional council and district council
- Option C is expected to result in nominal savings of \$1.5 million (\$0.6 million in present value terms) over years, with the main differences compared to Options D and E being lower savings expected from delivery of water and roading services and retention of more management roles.

*(b) Local public services*

MartinJenkins commented it would expect very little change in the delivery of public services across the reorganisation options:

- economic development and tourism activities – are already largely managed at the regional level
- emergency management functions – are now also largely managed at the regional level and while there are emergency management officers at each council, similar arrangements are expected to continue under each option
- libraries – some small efficiencies could be expected at the management level and in procurement, but due to large distances and spread out populations it is not expected there would be any change to sites and assets; no difference would be expected between Options D and E as WCRC has no role in delivery of library services
- overall quantitative assessment – no cost impact is expected for Option B; relatively minor savings are expected for Option C (\$83,000 over 7 years or \$54,000 in present value terms; for both Options D and E expected savings are \$0.2 million for 7 years (\$125,000 in present value terms).

*(c) Performance of regulatory functions*

MartinJenkins said overall, while it expected some improvements in the delivery of regulatory functions across the reorganisation options, these differences are not likely to be significant. Several activities are already managed at the regional level and others present few opportunities for material improvements in cost efficiency:

- general regulatory – reorganisation options combining district councils will provide opportunities to align and streamline bylaws, processes and systems, providing a more consistent regulatory environment for the region; improvements are likely to positively impact the public's use of council services, but not assessed to provide material savings in council personnel, as team leaders and operational staff would remain in current locations to carry out regulatory activities
- building control – three district councils now part of a joint building consent service (AlphaOne); a consolidation of councils would allow for pooling of specialist resources (e.g. fire, structural and other engineers) and enhance the ability to recruit and retain high quality personnel into key positions; locally-based inspection teams would still be needed to service the same level of demand, across the region
- environmental management (consent processing) – across the region there is some potential to standardise processes and procedures – which would be expected to marginally lift the overall performance of this activity; Option B may provide a marginal improvement over the status quo resulting from having one district plan

- environmental health – no change is assumed, as under all the reorganisation options the existing operational staff will continue to be needed to perform the same functions in the same areas
- policy and planning – cost-efficiencies and more effective planning will be greatest in Option E, where all regional planning is performed by a single organisation; Options B and D both have a single district plan and a regional plan, which will also lead to a similar level of efficiency benefits over time; benefits are expected to accrue from capacity and capability improvements, strategic alignment across district and regional planning, and from integrated assessment and processing of plans
- overall quantitative assessment – a shift to combined plans would involve a small cost increase for all options as a result of making one district/unitary plan; for Options B, D and E this would be \$0.16 million over 7 years (\$0.18 in present value terms); for Option C the cost increase would be \$0.10 million over 7 years (\$0.10 in present value terms); a transition cost is expected in Years 1 and 2 to design new plan-making processes for the councils; a small amount of additional planning resource is likely to be required in the short term to give effect to the change, with some duplication of roles likely across councils; over time, councils are expected to realise small efficiency gains from the new plan-making arrangements; it is assumed planning staff would continue to work from their current office locations.

(d) Governance and internal corporate services

- The following assumptions were made about governance arrangements under each option:

	Mayors (and regional council Chair)	Local & community boards	Local & community board members	District councillors	Regional councillors	Chief executives
Option A (status quo)	4	1 community board	4	26	7	4
Option B – one district plan	4	1 community board	4	26	7	4
Option C – Westland/Grey only	3	4 community boards	16	20	7	3
Option D – one district council	2	5 community boards	25	14	7	2
Option E – unitary authority	1	5 local boards	30	14	n/a	1

- Moving from the status quo to a unitary authority, savings will be made through reductions in the number of mayors, chairs, councillors and chief executives; there are also likely to be savings in democratic services, the function that supports councillors and council meetings; some of the savings are offset by the costs associated with the introduction of local boards (Option E) and additional community boards (Options C and D).
- The equal rating of Options D and E reflect our weighing up of their relative costs and benefits – local boards have greater cost than the additional community boards but they also have different decision-making powers.
- The higher costs of the local boards associated with a unitary authority mean that the overall cost savings for that reorganisation option are *lower* than for Option D. However, while this is significant in cost terms, this has had only limited effect on our overall *qualitative* assessment of the governance and corporate services area.

### *Finance, information and general management systems*

- All councils require finance, IT, HR and other management systems (eg planning and regulatory licensing and compliance systems). The councils have previously collaborated in some areas – with shared procurement processes for financial software (in 2011), web mapping (in 2012) and website development (in 2014).
- Each district council has individual people-management policies and procedures. Buller District Council employs 65 staff, 40 of which are employed full time. Westland District Council employs 44 staff (34 full-time). Grey District Council employs 66 staff<sup>9</sup> (44 part-time). The West Coast Regional Council employs 53 staff who work across corporate services, consents and compliance, planning and operations, information services and Vector Control Services Business Unit.
- Although some efficiencies have already been achieved in parts of the information management area, combining councils is likely to provide opportunities for further lifts in performance. Cost savings from rationalisation of management roles (and some staff positions) would to some extent be offset by bigger job sizing and some additional staff roles. It is probable that more significant long-term efficiency/ effectiveness gains would be achieved through providing managers with more effective decision support and control systems.

### *Insurances*

- The councils undertook joint procurement of insurances in 2015 which resulted in substantial savings across the four councils. No further efficiency gains are expected.

### *Overall quantitative assessment*

- No change to cost is expected for Option B, although there will be some increase in the governance load for regional councillors. Under Options C, D and E, cost will reduce due to reductions in the number of governance roles (mayors, chairs and councillors), chief executive roles and corporate services personnel.
- Across the councils' existing corporate services functions, there are different roles and levels of resourcing. A reasonable amount of change is expected to these functions under Options C, D and E due to rationalisation of management roles and some staff positions, bigger job sizing and some additional staff roles. Overall this is expected to result in personnel savings in the order of \$350,000 for Option C, rising to \$450,000 for Options D and E.<sup>10</sup>
- For Options C and D, the savings would be offset to some extent by increases in cost relating to additional community boards. In the case of Option E, local boards would be established and the impact of the increased costs would have a much greater effect on the final savings made. The additional cost of local boards for a unitary authority (\$0.9 million) is more than half of the total expected governance cost savings for this option (\$1.7 million), and makes a significant difference to the relative cost savings assessment for Option E overall.

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<sup>9</sup> Excluding Port, aquatic and gym personnel.

<sup>10</sup> We did not have access to information about the type of resourcing for the West Coast Regional Council's corporate service and were therefore unable to determine whether there would likely be a difference in cost savings between Options D and E.

- Costs associated with transition activities are also included in this area. These are the costs relating to shifting from status quo arrangements (Option A) to one of the reorganisation options (Options B, C, D and E). These costs will vary depending on the reorganisation option finally adopted, and are expected to be substantial for options involving a significant degree of reorganisation. Transition costs include:
  - change management personnel costs
  - branding and communications
  - revamped website
  - ICT integration costs
  - redundancy payments.
- The following assumptions have been made about transition costs:
  - Option E is expected to generate net additional costs of \$1.1 million in the governance and corporate services area over seven years to 2024/25 (\$1.7 million in present value terms). Transition costs are the main component (\$6.1 million), incurred in Years 1–4. Offsetting the transition costs are savings associated with fewer governance roles, chief executives and a net decrease in the cost of corporate services personnel.
  - Option D is expected to result in savings of \$2.4 million (\$0.9 million in present value terms) over seven years. Under this option, transition costs are expected to total \$5.7 million, incurred in Years 1–4. The main differences, compared to Option E, are the lower fees paid to community board members versus local board members, and more governance and chief executive roles.
  - Option C is expected to result in savings of \$1.3 million (\$0.4 million in present value terms) over seven years. Compared to Options D and E, personnel cost savings are expected to be lower due to the need to retain more governance and management roles. Transition costs are also expected to be smaller for Option C (\$4.1 million in total), reflecting the smaller scale of change.

## ***(2) Productivity improvements for business and households***

MartinJenkins assessed potential productivity improvements in terms of:

- improving the quality of and access to infrastructure and services
- reduction in direct costs
- reduction in the costs of transacting with local government
- increasing certainty for decision-making
- improved access to local government supported capability building services.

MartinJenkins found:

- compared to the status quo, Option E has the highest potential for productivity improvements and Option B the least
- Option E would result in the provision of higher quality services and infrastructure over time as a result of having a greater pool of expertise available, improved and consistent procurement practices and through the ability to speak with one voice – it will have a stronger ability to negotiate with central government agencies and other partners for co-investment

- consolidation of the three district councils (Option D) would also provide these benefits, although expertise and purchasing power would be split between the regional council and the joint district council
- it is important to note that under all consolidation options there may be a potential loss of local expertise through organisational change which may result in some services being less responsive in the short to medium term
- although we would expect that consolidation options would result in lower fees and rates than otherwise would be the case (noting that the three options are estimated to result in a higher level of revenue over expenditure compared to the status quo), the impact on households and businesses will vary given varying rates, charges and fees vary across the districts
- in terms of transaction costs, Options C, D or E would see the consolidation of council chambers and this may impact on the ability of ratepayers to access council meetings, depending on the location of the council's chambers and whether council meetings are held in different locations over time – although community and local boards would meet in local areas
- there will be no further impact on ratepayers in terms of the costs of visiting or meeting with council staff as we assumed that service centres will still operate in each of the current districts
- the costs of making applications, paying fees etc. is likely to reduce for a proportion of ratepayers that currently deal with more than one council
- businesses that contract with local authorities in the region (and potentially multiple authorities) for services will be subject to a consistent procurement process and be able to provide services to more than one district or the entire region
- Options D and E will result in improved certainty for decision-making for businesses involved in investments across districts as they will be subject to a consistent set of rules and policies (e.g. covering land, air, coast and water across districts)
- the larger pool of expertise available may also mean that council decision-making processes will be higher quality (e.g. for procurement)
- as with Option B, Option E will also reduce the number of plans for individuals to understand and work through, reducing their costs in undertaking developments and dealing with consents, and likely reducing their need for external advice
- overall, Option E provides the greatest potential for households and businesses to achieve productivity gains but these may not be significant in magnitude; the extent to which this potential is achieved depends on the capability of individuals in the council, the quality of decisions made, and the execution of any initiatives to improve the delivery of infrastructure, services and regulation.

### ***(3) Simplified planning processes***

MartinJenkins identified the potential benefits from streamlined planning processes as likely to be derived from:

- capacity and capability: the ability of councils to attract and retain staff with the necessary range of skills and experience
- simplification: reduced complexity through a consistent approach to the structure, format and, to some extent, content of plans
- strategic alignment: alignment in objectives and policies both vertically (region and district plans) and horizontally (across district plans)
- integrated assessment and processing: the ability to process regional and district resource consents together or district resource consents across two or three districts under the same regulatory practices.

In relation to capacity and capability, MartinJenkins found:

- a potential benefit of increased shared services is the increased scale of the service (inter-district, or regional) to be more attractive to prospective employees; the benefits of this is greatest under Option E, which would enable a unitary plan to be prepared by a single resource management team
- we would expect some efficiencies to be achieved through scale – in particular of plan administration functions such as plan notification and submission processing, where identical functions are required in preparing regional plans and plan changes
- consolidation of the planning processes into one team would allow better matching of staff resources to workflows because a single administrative team would have a higher volume of work (processing plans and plan changes) and greater staff numbers than the current individual teams; this increased scale would provide increased flexibility to manage utilisation across the team, particularly in reducing periods of under- and over-utilisation – by spreading work more effectively across all the available staff
- to the extent the West Coast district councils' plan administration staff perform a range of other similar tasks for other statutory functions some dis-economies could result by consolidating the district plan administration function without re-organising other functions as well
- In summary, there are potential capacity and capability benefits in pooling planning capability by reducing the number of plans; direct benefits will be realised by the district councils; businesses and households should also realise benefits – arising from the councils' ability to undertake plan reviews more quickly, and to progress plan changes more quickly
- the benefits would be greatest under Option E, where a single unitary plan would be prepared and administered by the unitary authority; significant benefits would also accrue from Option D, deriving from the need to only prepare and administer a single district plan; similar benefits, but on a smaller scale, would be available under Option C; Option B has a different mix of benefits as a result of the regional council preparing a single district plan, but each district council retaining responsibility to administer it.

In relation to simplification, MartinJenkins found:

- the benefits of simplification would be felt most by district plan resource consent applicants who operate across multiple jurisdictions on a regular basis (we understand this would only account for a very small number of consent applicants)
- it is unlikely that any material simplification benefits will be realised by households or businesses simply through reducing the number of plans under any of the reorganisation options.

In relation to strategic alignment, MartinJenkins found:

- The degree of alignment is relevant for:
  - significant development proposals that require approvals under both district and regional plans
  - the development and ongoing management of regional networks of facilities
  - businesses whose focus is on developments that span multiple jurisdictions
- on review, the Proposed West Coast Regional Policy Statement (2015) is unlikely to be directive enough to ensure the strategic alignment of the regional and district plans; this is particularly apparent in key areas such as the use and development of resources, and biodiversity and landscape values
- this issue was also apparent in the observations from sector representatives interviewed for the Tai Poutini West Coast Regional Growth Study
- strategic alignment will be most improved by Option E; while it would enable integrated assessment and processing of regional and district resource consent requirements, it would also provide greater certainty for significant development proposals that require approval under other district and regional plans, such as those for the extractive industries
- a single district plan under Options B and D would likely provide significant benefits for the operation of regional networks such as that required for tourism infrastructure; it would also reduce the likelihood of differences in district plans distorting investment decisions and reduce the potential for resources to be poorly allocated.

In relation to integrated assessment and processing, MartinJenkins found:

- regional and district resource consents are likely to remain a requirement for significant development proposals, including for extractive industries; this remains the case under a unitary plan, although the regional and district resource consent requirements could be addressed in parallel through a single application and assessment process
- the potential benefits of integrated assessment and processing are that information requirements, notification and hearings (if required) can be dealt with together; if processed separately, these areas can all result in divergence of regional and district resource consents that have been lodged for the same proposal, resulting in delays and the possibility of variations to one or other consent
- this is the focus of the proposed 'single window regulatory processing initiative' under the West Coast Economic Development Action Plan 2017 which is "focused on identifying and developing, within existing legislative settings, a 'single window' or coordinated process across agencies for information requests and assessments of documentation, public notifications and consultation, support for consent hearings

- integrated assessment and processes across district plans would also have benefits for businesses that regularly apply for resource consents in more than one of the current districts; some residual benefits of improved regulatory practice would also be realised by households
- the potential benefits from integrated assessment and processing are most significant for businesses that prepare significant development proposals – such as those in the extractive industries; the greatest potential for efficiency gains for these businesses arise under Option E; lesser benefits may be realised under Option D from the integrated assessment and processing of district plan resource consent requirements for businesses that regularly apply for resource consents in more than one of the current districts
- the potential to provide integrated assessment and processing of resource consent applications would remain under the status quo; while the benefits would not be as significant, consistency in forms, fees, timeframes and other matters of regulatory practice would likely generate moderate benefits for the businesses that operate across multiple jurisdictions, and generate minor benefits to households.

## **Appendix B: Key findings from West Coast communities of interest study<sup>11</sup>**

### **Distinct regional, district and local communities of interest (clause 11(5)(c))**

- At the regional level, the study confirmed the conclusion of the Commission in 1989 that the West Coast can be seen as “a somewhat special case” based on its geographic isolation, extent of area in public ownership, distinctive physical features and strongly held sense of regional identity. As such it can be seen, in terms of clause 11(5)(c) of Schedule 3, to be a distinct regional community of interest.
- The study also concluded that Buller, Grey and Westland districts all contain one or more distinct communities of interest. At the district level, the degree of distinctness does vary, however, between the districts particularly at their periphery. The districts also comprise groupings of distinct more local communities of interest.
- At the district level, Buller has the most distinct community of interest of the three West Coast districts. This is the result of factors including geography, historical connections to the Nelson/Tasman area and the existence of a number of solely Buller-focussed organisational structures. Buller District can be seen to reflect a balance between an area with which people clearly identify and over which a reasonable range of local government and other public services are provided. This balance is recognised in the jurisdiction of Buller District Council i.e. the political dimension of this community of interest. There is also a reasonable coincidence between the local government structure and the area of interest of a range of Buller special interest groups. The study also identified two more local groupings of communities of interest within the district with one based around Westport and the other around Reefton.
- The study noted that Grey and Westland districts, while historically reasonably distinct district communities of interest in their own right, do now have quite strong functional connections particularly between Grey and the northern area of Westland including its main town of Hokitika. The jurisdictions of Grey and Westland district councils, given the functional connections between the two districts, reflect a degree of overlap that is not as apparent as between the jurisdictions of the Buller and Grey district councils. Given its size, increasing degree of remoteness towards the south and connections to Grey District, particularly in the northern area, Westland District is also seen to have groupings of distinct local communities of interest based in the north and the south of the district.

### **Overall summary**

- The study found that current communities of interest existing at the regional, district and local levels on the West Coast are generally as identified by the Commission in 1988 and on which current local government arrangements continue to be based. To the extent that any change option involves combining two or more districts, it can be seen to comprise a grouping or groupings of current communities of interest or, in terms of clause 11(5)(c), contain one or more distinct communities of interest.

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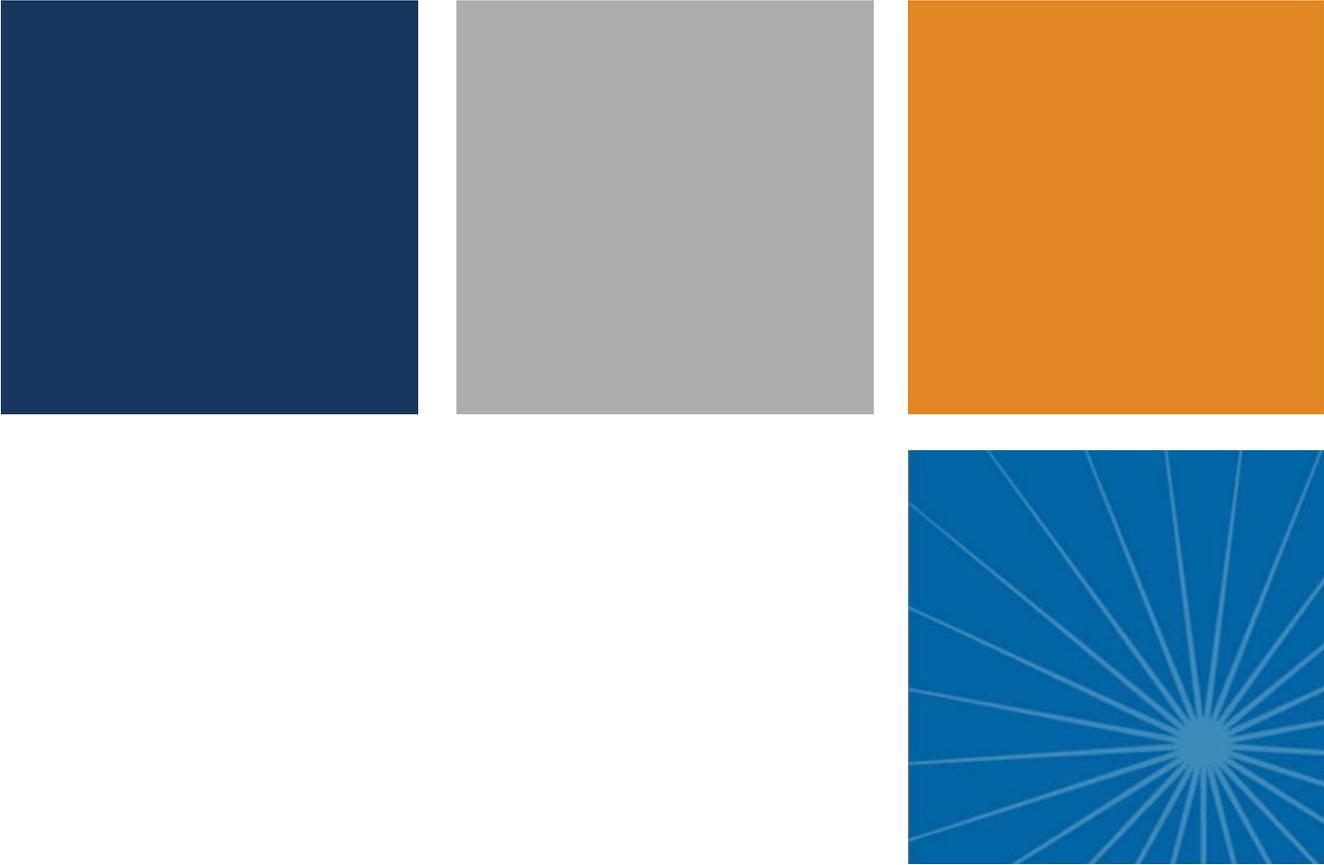
<sup>11</sup> See Local Government Commission, ‘A study of West Coast communities of interest’ dated October 2017.

**Appendix C: UMR West Coast community support initiative – topline tables**

Local Government Commission

West Coast Community support initiative – Topline tables

September 2017



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# Methodology

## Background

The Local Government Commission is an independent body established by legislation. Its main role is to make decisions on the structure of local authorities and their electoral representation. Before the Commission makes any recommendation for change, it must be satisfied that a new structure would promote **good local government**.

Good local government is defined in law and includes:

- Democratic local decision-making by and on behalf of communities.
- Meeting current and future needs for good-quality local infrastructure, public services and regulatory functions.
- Producing efficiencies and cost savings. It must contribute to productivity improvements for local authorities, households and businesses. It must lead to simplified planning processes.

The West Coast councils cover a vast region from Karamea to Haast (the same distance as from Wellington to Auckland) and currently is administered by four councils (Buller, Grey and Westland district councils and West Coast Regional Council), with over 30 councillors, four mayors and four chief executives.

In August 2015, the Local Government Commission received a reorganisation application from two West Coast residents proposing a unitary authority for all the West Coast. A unitary authority for the West Coast would mean one council for all the West Coast undertaking both regional and district council functions. This application was supported by a petition signed by 367 people.

During 2016, the Local Government Commission embarked on extensive community engagement exploring local residents' views on the current way their councils are set up and the way services are delivered. The main objective was to get an understanding of the support for change.

The Local Government Commission are wanting to measure the level of support for the possible reorganisation options on the West Coast including both the proposal for a unitary authority and retention of status quo arrangements. The level of support for the possible options will contribute to the Commission's decision-making process.

### Research objectives

To measure and explore the level of community support for various options or aspects of local government reorganisation on the West Coast.

### Key audiences

The Local Government Commission has indicated that the audience for this research are residents living in each of the three districts on the West Coast districts. These include:

- Buller (10,473)
- Grey (13,371)
- Westland (8,304).

## Methodology

Fieldwork was conducted from the 12<sup>th</sup> to the 22<sup>nd</sup> of October 2017.

The sample of landline phone numbers was randomly generated.

The total sample size was 602 people 18 years and over. The margin of error for a 50% figure at the 95% confidence level for a sample size of 600 is  $\pm 4\%$ .

Oversampling was done in Westland to increase accuracy in this smaller area.

Quotas for age and gender were set in each district based off subnational population estimates from Statistics NZ. Final weighting was performed so the overall results were representative by population across the four districts.

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### Population vs. sample

*Population is of people over 18 years old from subnational population estimates from Statistics NZ*

	Population	Population as percentage	Sample	Margin of error at 50% figure with 95% confidence
Buller district	<b>8450</b>	32.9%	201	$\pm 6.9\%$
Grey district	<b>10460</b>	40.7%	201	$\pm 6.9\%$
Westland district	<b>6800</b>	26.4%	200	$\pm 6.8\%$
<b>Total</b>	<b>25710</b>	<b>100%</b>	<b>602</b>	<b><math>\pm 4\%</math></b>

---

### Note on rounding:

All numbers are shown rounded to zero decimal places.

This means that the specified totals are not always exactly equal to the sum of the specified sub-totals. The differences are seldom more than 1%.

For example:  $2.6 + 2.8 = 5.4$ , if rounded to zero decimal places would appear:  $3 + 3 = 5$

### Note on tables:

Tables have been tested for significant differences.

**Red** arrows indicate a result is significantly lower amongst that group compared to their counterparts

**Blue** arrows indicate a result is significantly higher amongst that group compared to their counterparts

Significant testing is calculated using Pearson’s chi-squared test statistic and is considered significant at 95% confidence.

Topline tables

## Awareness

### How much do you know about local government on the West Coast?

	All	Buller	Grey	West- and
	%	%	%	%
A lot	<b>10</b>	10	8	15
A fair amount	<b>48</b>	48	49	48
A lot + A fair amount	<b>59</b>	58	56	63
Not that much	<b>30</b>	31	31	27
Hardly anything	<b>11</b>	11	13	10
Not that much + Hardly anything	<b>41</b>	42	44	37
Column n	<b>602</b>	201	201	200

### Are you aware there is a local government reorganisation process currently underway on the West Coast?

	All	Buller	Grey	West- and
	%	%	%	%
Yes	<b>60</b>	55	63	61
No	<b>39</b>	43	37	38
Unsure	<b>1</b>	2	0	1
Column n	<b>602</b>	201	201	200

## Effectiveness of current arrangements

On a scale of 1 to 5 where 1 means not effective at all and 5 means very effective, how effective do you think the current West Coast Local Government arrangements are?

	All	Buller	Grey	West- and
	%	%	%	%
1 - Not effective at all	<b>11</b>	16	8	10
2	<b>17</b>	17	18	16
TOTAL Not effective (1+2)	<b>28</b>	33	26	26
3	<b>40</b>	37	44	39
4	<b>19</b>	17	21	18
5 - Very effective	<b>6</b>	7	<b>2↓</b>	10
TOTAL Effective (4+5)	<b>25</b>	24	23	28
Unsure	<b>7</b>	6	7	6
Column n	<b>602</b>	201	201	200

## Support for change

**Do you think there needs to be a change in the way local government is organised on the West Coast?**

	All	Buller	Grey	West- and
	%	%	%	%
Yes	<b>51</b>	43	<b>58↑</b>	48
No	<b>40</b>	<b>49↑</b>	<b>32↓</b>	40
Unsure	<b>10</b>	8	10	11
Column n	<b>602</b>	201	201	200

**Using a scale of 1 to 5 where 1 means strongly oppose and 5 means strongly support can you tell me how strongly you support or oppose the following options (ALL):**

		1 - strongly oppose	2	TOTAL Oppose (1+2)	3	4	5 - strongly support	TOTAL Support (4+5)	Unsure	Row n
A: All four councils are combined into one Unitary Authority.	%	46	13	59	12	10	17	27	1	602
B: Buller, Grey and Westland District Councils are combined into one district council, and the West Coast Regional Council remains a separate council	%	43	19	62	14	13	9	22	2	602
C: Grey and Westland District Councils are combined into one district council, and the Buller District Council and the West Coast Regional Council remain separate councils.	%	37	19	55	16	16	10	26	3	602
D: The four existing councils remain in place but with the responsibility for delivering some services transferred between councils.	%	21	14	36	24	20	17	37	3	602
E: The four existing councils remain unchanged	%	31	14	45	17	17	19	37	2	602

**Using a scale of 1 to 5 where 1 means strongly oppose and 5 means strongly support can you tell me how strongly you support or oppose the following options**

**(TOTAL SUPPORT (4+5) by region):**

	All	Buller	Grey	West- and
	%	%	%	%
A: All four councils are combined into one Unitary Authority.	<b>27</b>	<b>14↓</b>	<b>39↑</b>	24
B: Buller, Grey and Westland District Councils are combined into one district council, and the West Coast Regional Council remains a separate council	<b>22</b>	<b>13↓</b>	<b>29↑</b>	22
C: Grey and Westland District Councils are combined into one district council, and the Buller District Council and the West Coast Regional Council remain separate councils.	<b>26</b>	<b>38↑</b>	<b>20+</b>	21
D: The four existing councils remain in place but with the responsibility for delivering some services transferred between councils.	<b>37</b>	<b>45↑</b>	<b>29↓</b>	40
E: The four existing councils remain unchanged	<b>37</b>	<b>49↑</b>	<b>27↓</b>	37
Column n	<b>602</b>	201	201	200

## Having heard all these options which would you prefer?

	All	Buller	Grey	Westland
	%	%	%	%
Option A - All four councils are combined into one Unitary Authority	<b>21</b>	<b>11↓</b>	<b>32↑</b>	17
Option B - Buller, Grey and Westland District Councils are combined into one district council, and the West Coast Region	<b>9</b>	6	12	7
Option C - Grey and Westland District Councils are combined into one district council, and the Buller District Council a	<b>13</b>	<b>19↑</b>	10	11
Option D - The four existing councils remain in place but with the responsibility for delivering some services transferr	<b>19</b>	21	<b>12↓</b>	<b>27↑</b>
Option E - The four existing councils remain unchanged	<b>29</b>	<b>36↑</b>	23	28
Unsure	<b>9</b>	6	11	10
Column n	<b>602</b>	201	201	200

## Communication

Now, which of the following ways would you like to get information on any potential changes to local government arrangements on the West Coast?

	All	Buller	Grey	Westland
	%	%	%	%
A Pamphlet delivered to your mailbox	<b>77</b>	78	77	75
A Newspaper	<b>75</b>	73	79	72
Information booths in the local community	<b>58</b>	64	57	53
Social media	<b>57</b>	63	56	51
Email	<b>56</b>	52	57	60
A public meeting	<b>52</b>	57	48	54
Local Government Commission posters	<b>45</b>	41	49	45
The Local Government Commission website	<b>38</b>	42	39	33
Column n	<b>602</b>	201	201	200

## Process

On a scale of 1 to 5 where 1 means very dissatisfied and 5 means very satisfied, how satisfied are you with the process the Local Government Commission has undertaken?

	All	Buller	Grey	Westland
	%	%	%	%
1 - very dissatisfied	12	15	8↓	16
2	16	20	15	11↓
TOTAL Dissatisfied (1+2)	28	35↑	23↓	27
3	39	40	39	37
4	15	8↓	19↑	15
5 - very satisfied	8	5	10	9
TOTAL Satisfied (4+5)	23	14↓	29↑	24
Unsure	11	11	9	13
Column n	602	201	201	200

Now on a scale of 1 to 5 where 1 means strongly disagree and 5 means strongly agree how much do you disagree or agree with the following statements:

		1 - Strongly disagree	2	TOTAL Disagree (1+2)	3	4	5 - Strongly agree	TOTAL Agree (4+5)	Unsure	Row n
The process has been carried out as fairly as possible	%	13	11	23	28	21	13	34	14	602
I trust those organising the process	%	13	13	27	28	21	16	36	9	602
The Local Government Commission understands West Coast issues and circumstances	%	21	20	41	25	16	9	25	8	602
I have been closely following the process.	%	30	21	51	22	14	11	24	3	602

Now on a scale of 1 to 5 where 1 means strongly disagree and 5 means strongly agree how much do you disagree or agree with the following statements:

(TOTAL AGREEMENT (4+5) by region):

	All	Buller	Grey	Westland
	%	%	%	%
The process has been carried out as fairly as possible	34	29	42↑	28
I trust those organising the process	36	27↓	43↑	37
The Local Government Commission understands West Coast issues and circumstances	25	18↓	31↑	24
I have been closely following the process.	24	23	24	27
Column n	602	201	201	200

## Appendix D: West Coast council governance arrangements

### West Coast Regional Council

1. West Coast Regional Council (WCRC) is responsible for governance of the West Coast Region. This region was seen as reflecting a distinct regional community of interest when it was first constituted in 1989 and, as shown in the West Coast communities of interest study, this remains the case today.
2. Since 1992, there have been three constituencies for electing members to WCRC corresponding with the three districts also covering West Coast Region, i.e. Buller, Grey and Westland districts. These constituencies elect two, three and two representatives respectively. These arrangements can be seen to have provided fair and effective representation for individuals and communities across the West Coast Region with the council having had, with two exceptions, the highest voter turnout for all regional councils in the country at triennial local authority elections since 1989.
3. Given its relatively small size, comprising seven elected members, the council acting as a whole is the principal decision-making body. As described in its 2015-25 long-term plan, the full council sees its role as to set overall policy direction and oversee the financial policy and performance of the council. It manages through policy direction: the council's operations; river, drainage and coastal protection works; and management of council quarries.<sup>12</sup>
4. WCRC does have a committee, comprising all councillors, to undertake its statutory resource management obligations. This committee also includes a representative of each of the two rūnanga on the West Coast. The council meets other statutory obligations in the required collaborative way through: a regional transport committee comprising two WCRC members plus representatives of the three West Coast district councils and NZTA; and by participation in a West Coast Civil Defence Emergency Management Group also including representatives of the three district councils in the region.
5. WCRC has also taken a collaborative approach with the three district councils in relation to certain other responsibilities. These include joint committees on Greymouth floodwalls with Grey District Council, and on Hokitika seawall with Westland District Council. In addition there are joint working parties on natural hazard responses and other issues at a community level including a Franz Josef group, a Westport group and a Reefton air quality group.

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<sup>12</sup> An updated description of the council's governance role, responsibilities and approach to these matters should be included in a 'local governance statement'. This document is required to be updated and made publicly available following each triennial election (section 40 of the LGA). However the required 2016 WCRC local governance statement is not available on the council's website.

6. While the West Coast Region can be seen to be a distinct regional community of interest, WCRC has, since its constitution in 1989, faced significant challenges in providing services and meeting its statutory obligations. These challenges relate to the size and geography of the region; its small, declining and scattered population; and the fact that, given the amount of land in public ownership, only approximately 15 per cent of the total area is able to be rated for local government purposes.<sup>13</sup>
7. In July 1996 Cabinet agreed to provide financial assistance to WCRC to eliminate the existing financial shortfall on the basis that the council would also increase its rates revenue and expenditure. Cabinet at that time also authorised the Minister of Local Government to request the Local Government Commission to undertake a review of the structure of local government on the West Coast and associated funding issues (see below for the Commission's findings from this review).<sup>14</sup>
8. WCRC's current financial strategy reflects the particular circumstances and challenges it faces, and results in a minimum level of basic services being provided by the council commensurate with the available funding base and mechanisms. The strategy includes a philosophy to charge users of council services wherever this is possible and to minimise cost increases to ratepayers. Increases in the general rate are to match the rate of growth in the region. This generally has resulted in a nil actual annual rate increase to existing ratepayers.
9. Reflecting the user pays philosophy, the council has 26 special rating districts for managing river and flood protection works with additional protection works a cost to the ratepayers of the relevant rating district.

### **Buller District Council**

10. Buller District Council (BDC) is responsible for the governance of Buller District. The district is seen to reflect a distinct community of interest at the district level while also comprising more local communities of interest with varying degrees of connection to Westport the commercial and administrative centre of the district.
11. The district has been divided into three wards since 1989 currently electing a total of 10 councillors. These arrangements can be seen, at least until recently, to have provided for fair and effective representation for individuals and communities with voter turnout being consistently higher than average district council turnout across New Zealand since 1989.

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<sup>13</sup> Initiatives to address these challenges commenced reasonably soon after the constitution of WCRC. These include the Local Government Commission being asked to report to the Minister of Local Government in 1995 on WCRC funding and its ability to carry out its statutory minimum functions and obligations (see *'Inquiry into West Council Regional Council Funding'* dated 29 September 1995). A follow-up report by Michael Gross *'Investigation into West Coast Regional Council Funding'* dated February 1996, recommended a number of initiatives be considered by WCRC including contracting of services from Canterbury Regional Council and consideration of collaborations with other agencies on, for example, river control schemes.

<sup>14</sup> Local Government Commission, *'Investigation into the structure of local government on the West Coast - Report to Minister of Local Government'*, 29 November 1996.

12. BDC employs a committee system to assist it in its decision-making role. The committee structure, membership and any delegated responsibilities are reviewed after each triennial election. The council also has a number of council-controlled organisations to govern and manage particular activities.<sup>15</sup>
13. BDC's current financial strategy, like that of the other West Coast councils, reflects particular challenges the council faces. These challenges include geographical factors; the small amount of rateable land; and the small, declining and scattered population. As set out in the council's 2015-25 long-term plan (p. 20), the current financial strategy includes an expenditure policy for "no more than minimum to maintain services in (the) short term but enough to at least maintain quality and avoid deterioration of assets and capacity" and "allowing for rates increases if this attracts new economic activity and retains the loyalty of existing economic activity".
14. The district has had one community board covering the Inangahua Ward since 1989. This board currently has four elected members. For five of the 10 triennial elections held since 1989, including the last four, no election has been required for the board as the number of candidates has either been less than or equal to the number of positions to be filled. The relatively frequent absence of electoral contests does raise questions about the importance placed by the local community on the role currently played by the board.
15. The Inangahua ward and community board area can be seen to be a distinct community of interest within the district being inland and geographically separate from the rest of the district. The area has a degree of functional self-sufficiency as well as having some connections to Greymouth in neighbouring Grey District. Local services based on Reefton include a community centre and cinema, library, local water supply and wastewater schemes. More local democratic decision-making, or at least direct participation in decision-making, by those with interests in these and possibly other facilities and services appears feasible. For example, more delegated decision-making responsibilities could be made to the existing community board.
16. Other communities within Buller District have stronger connection with Westport although the strength of these connections does reduce with distance travelled from Westport. Accordingly more local communities of interest based around Karamea in the north and Punakaiki in the south can be identified. However as primarily coastal communities they still have more commonalities with Westport than those in the Inangahua ward and community board area. Again structures to provide for more local decision-making, or at least direct participation in council decision-making, for these areas appear feasible.

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<sup>15</sup> An updated 'local governance statement' providing information on these governance matters should have been made publicly available following the 2016 local authority elections (section 40 of the LGA). However, the most recent statement on the BDC website is dated January 2014.

## Grey District Council

17. Grey District Council (GDC) is responsible for the governance of Grey District. The district is seen to reflect a reasonably distinct community of interest at the district level although this identity has traditionally been, and remains today, more connected to its southern neighbour Westland than to Buller in the north. Greymouth is the hub of this community of interest being the commercial and administrative centre of the district and for the region as a whole.
18. The district has been divided into four wards since 1998 electing a total of eight councillors. The comparatively low voter turnout at GDC elections suggests a need to consider the effectiveness of current representation arrangements for communities of interest within the district. This relates particularly to current boundaries between local urban and rural communities of interest.
19. According to GDC's 2016 'local governance statement', the current council has adopted "an informal portfolio system" with individual members given certain portfolio responsibilities. This is an alternative to the more traditional committee system to assist the council in its decision-making role (though it does have three subcommittees). The council has no council-controlled organisations though it does participate in some West Coast-wide organisations.
20. Like the other West Coast councils, GDC has considered the particular challenges in the area in determining its financial strategy. These challenges include geographical factors; the small amount of rateable land; and the small, declining and scattered population. As set out in its 2015-25 long-term plan (p. 34), the current financial strategy has involved "a conscious decision to defer addressing fully funding a number of activities until the capital upgrades have been addressed". These upgrades are for new wastewater (sewerage) systems, water supplies and facilities such as Grey Aquatic Centre.
21. Grey District does have a number of more local communities of interest with varying degrees of connection to Greymouth. However the smaller size of the district and the generally easy access to Greymouth mean there is a stronger community of interest at the district level. This also reflects the small size of communities across the district outside of the Greymouth area.<sup>16</sup>
22. The one and only community board in the district, initially based on Runanga and subsequently extended to the Northern Ward, was abolished in 2007. This reflected the proximity of Runanga to Greymouth and the fact this area was seen as not having any different or greater need for representation than other rural areas and with all townships generally well connected to Greymouth by the roading network.

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<sup>16</sup> Grey District Council notes in its 2015-25 long-term plan (p. 20) that none of the communities outside Greymouth is expected to have a permanent resident population of more than 1,000 by 2019 and that "(t)his raises concerns about how sustainable our communities are in the longer term, especially given the drive for modern service delivery like reticulated water and sewerage".

## Westland District Council

23. Westland District Council (WDC) is responsible for the governance of Westland District. The district is seen to reflect a reasonably distinct community of interest at the district level although this identity has traditionally been, and remains today, connected to Grey District to the north.
24. The district has been divided into three wards since 1992 electing a total of eight councillors. These arrangements can be seen to have provided for fair and effective representation for individuals and communities with voter turnout being consistently higher than average district council turnout across New Zealand since 1989. This includes arrangements that generally reflect the distinction between urban and rural interests in the district while also recognising the size of the district and varying economic interests in the different areas.
25. The current council has adopted a portfolio system under which individual elected members have responsibility for particular council activities. WDC does have one standing committee, a finance, audit and risk committee, the membership of which comprises the mayor and all councillors. The council also has a number of council-controlled organisations. Westland District has had no community boards since its constitution in 1989.<sup>17</sup>
26. Like the other West Coast councils, WDC has considered the particular challenges in the area in determining its financial strategy. These challenges include geographical factors; the small amount of rateable land; and the small, declining and scattered population. The council also notes in its current financial strategy the particular challenges of high seasonal tourist demand for services in Westland. The strategy, as set out in the council's 2015-25 long-term plan (p. 138), cites a comment in the council's infrastructure strategy that "a number of the district's assets are approaching or past their expected useful economic lives" and that as a result "substantial capital expenditure will be required on a renewals programme that will maintain the current levels of service".
27. Westland District also comprises a number of more local communities of interest with varying degrees of connection to Hokitika the commercial and administrative centre of the district. Given the size of the district and increasing degree of remoteness the further south one travels, the communities in the rural area are currently divided into Northern and Southern wards.<sup>18</sup>

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<sup>17</sup> An updated 'local governance statement' providing information on these governance matters should have been made publicly available following the 2016 local authority elections (section 40 of the LGA). However, the most recent statement on the WDC website is dated February 2014.

<sup>18</sup> A reflection of the size of the district was the decision of the current council to appoint a second deputy mayor with one of the Southern Ward councillors designated "Deputy Mayor South".

28. The Southern Ward can be seen to reflect a distinct local community of interest with this area also encompassing well known and distinctive tourist attractions. In light of the characteristics of this ward, a structure to provide for more local decision-making, or at least direct participation in council decision-making, for this area appears feasible.
29. The Northern and Hokitika wards, given their location in the north of the district, can be seen to have some functional connections with neighbouring Grey District and Greymouth in particular. In light of this commonality and also the degree of distance and distinction from the southern area of the district, structures to provide for more local decision-making, or at least direct participation in council decision-making, for these northern areas also appear feasible.

## Appendix E: Responses from West Coast councils to request for information on shared services



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PO Box 332 | Greymouth 7840  
Tel 03 769 0000  
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info@greycoc.govt.nz  
www.greycoc.govt.nz

### OFFICE OF THE MAYOR AF (Tony) Kokshoorn

16 October 2017

Dr Suzanne Doig  
Local Government Commission  
PO Box 5362  
WELLINGTON 6145

By email: [Suzanne.Doig@lja.govt.nz](mailto:Suzanne.Doig@lja.govt.nz)

Dear Suzanne

#### RE: Shared Services

I gladly confirm that my Council remains strongly focused on and committed to the Coast local authorities working together to be more efficient. One of the vehicles for the achievement of greater efficiency is the focus on sharing services.

We are happy that our neighbouring Councils think the same and that a "culture" of cooperation and sharing has developed on the Coast. Where one cannot participate in sharing, that Council is open about the reasons for not being able to and the rest continue with their efforts to better coordinate and share. A recent example of the culture is my Council, at its last meeting inviting BDC, WDC and WCRC to join us in the formation of a Think Tank to pro-actively attend to Climate Change as modern day phenomenon and its impacts on us as coastal Districts.

Council has duly confirmed its in-principle support for a joint District Plan. Obviously a final decision will be taken based on the Joint Plan process as it develops and issues like time and cost. Our experience has been that the environmental movement takes a particular interest in our Plans and that this has translated in longer time and higher cost. However, as a concept it makes perfect sense to us.

Should you have any questions, please do not hesitate to contact me.

Kind Regards

**Tony Kokshoorn**  
Grey District Mayor

*Heart of the West Coast*

**OFFICE OF THE MAYOR**  
Garry Howard

20<sup>th</sup> October 2017

Dr Suzanne Doig  
Local Government Commission  
PO Box 5362  
WELLINGTON 6146

By email: Suzanne.Doig@dia.govt.nz

Dear Suzanne

RE: Shared Services

Buller District Council is very committed to work collaboratively with West Coast councils in the development of shared services. To date we have made progress on the following –

- Waste Minimization & Management Plan – to meet Ministry for Environment statutory review by June 2018 (West Coast – Buller, Grey & Westland)
- Roading Activity Management Plan – aligned to NZTA One Network Road Classification business case requirements - (West Coast – Buller, Grey & Westland)
- One window project for mining consents
- IT – including phones and information management
- Currently working on a shared HR & H&S resource
- Building / alpha one
- Civil Defense

Buller District Council has given consideration to the combined West Coast plan proposal. It has taken consideration of the Boffa Miskell report of October 16 and the recommendation included in 4.4 Future process along with Terms of Reference (Appendix 1), in particular 15 through to 20, with special emphasis on 16. To date Council has not had enough information on cost / benefits and potential structure / administration of the West Coast plan proposal, to support or decline such a proposal. In the absence of such information Buller District Council has decided by resolution not proceed with One District Plan. This does not preclude Council giving further consideration if appropriate information supplied. We understand there may be a further report prepared for LGC by Martin Jenkins. This report may be of assistance to councillors.

Do not hesitate to contact me for any clarification.

Kind regards,



Garry Howard  
**BULLER DISTRICT MAYOR**

## **OFFICE OF THE MAYOR**

**Bruce Smith**

**Phone 021922860**

FILE REF: CCL 7

20 October 2017

Suzanne Doig  
Chief Executive Officer  
Local Government Commission

Wellington

Dear Ms Doig

### **REGIONAL SHARED SERVICES**

Thank you for your letter of 12 October 2017.

I confirm that Westland District Council is committed to shared services between the four Councils on the West Coast.

Council is convinced that there will be real benefits to the Councils and their constituent ratepayers by ensuring the region works collaboratively together.

We fully support the development of a joint District Plan for the West Coast. Such a plan will provided consistency across the region for developers, and enable the Council staff across the region to have a common understanding and knowledge of the plan.

Other areas where real progress has already been made include:

- West Coast Roading Activity Management Plan, which is aligned to the NZTA One Network Road;
- Building consent management, with a common operating platform;
- Waste Minimization and Management Plan;
- Delegation of Westland District mining consents to the West Coast Regional Council so that the consent holder is only dealing with one council;
- District libraries sharing resources.

In addition, we see real opportunities on the following staff resources/services being shared:

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- Human Resources and Health and Safety;
- Payroll;
- Rating;
- Regional archive.

Do not hesitate to contact me if you have any questions or require clarification.

Sincerely



**Bruce Smith**  
**Mayor**

BS/DM



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3 November 2017

Dr Suzanne Doig  
Local Government Commissioner  
P O Box 5362  
Wellington 6145

By email: [Suzanne.Doig@dia.govt.nz](mailto:Suzanne.Doig@dia.govt.nz)

Dear Suzanne,

This letter is to confirm West Coast Regional Council's commitment to regional efficiency within the Local Government sector.

The four local authorities have previously advised the shared services we have implanted and are investigating via the joint submission to the Local Government Commission. These are tracking well with the new civil defence regional structure taking effect as of 1 July 2017. This new structure is delivering civil defence and emergency management across the region, enhancing the previous service through a more streamlined fit for purpose model. This model still sees staff working closely within the three District Councils, ensuring staff in those organisations are training and ready to respond.

I would also highlight the shared service approach in information technology, which has seen the following projects achieved:

- Regional Web Mapping Portal established
- High speed network between all four councils
- Various shared licences, procurement and agreements
- Regional Emergency Management web site
- Offsite backup across network pilot
- New aerial imagery for the whole region

In addition to this the 4 Councils are working towards:

- Shared phone system
- An RFI process for a shared document management system
- Better information management and records storage
- Infrastructure asset monitoring (telemetry)
- Extend the Regional Mapping Portal to include information from Grey and Westland
- GIS for Emergency Management

This has been achieved simply from staff working in a can do positive manner with a focus on achieving the best outcomes for the community.

Another recent initiative that has been proposed through the CFO group is a shared service in HR and Health and Safety. This could potentially extend beyond local government and include Development West Coast as a partner. This will be worked through as part of our Long Term Plan discussions.

Another shared service the four Councils are driving through is the One District Plan project, which seeks to streamline the three current District Plans into one. This project has a lot of merit in ensuring that we have consistency in policy across the region. This project has the support in principle of Grey, Westland and West Coast Regional Council's whilst Buller have raised concerns, which we are working through. Once these concerns are addressed this project could begin in early 2018.

In addition to the above and the shared services outlined in the joint submission, the four Council remain committed to finding new and innovative ways to work together for the betterment of the communities we serve.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A Robb', written in a cursive style.

Andrew Robb  
Chairman

## Appendix F: Possible West Coast unitary authority ward arrangements

Ward	Population	No. of councillors	Population per councillor	Deviation from average	% deviation from average
<b>Scenario 1:</b>					
Westport-Seddon	8,210	4	2,053	+139	+7.26
Inangahua	2,010	1	2,010	+96	+5.01
Grey	13,560	7	1,937	+23	+1.20
Northern-Hokitika	6,710	4	1,678	-236	-12.33
Southern	2,050	1	2,050	+136	+7.10
<b>Total</b>	<b>32,540</b>	<b>17</b>	<b>1,914</b>		
<b>Scenario 2:</b>					
Westport-Seddon	8,210	3	2,737	+413	+17.77
Inangahua	2,010	1	2,010	-314	-13.51
Grey	13,560	6	2,260	-64	-2.75
Northern-Hokitika	6,710	3	2,237	-87	-3.74
Southern	2,050	1	2,050	-274	-11.79
<b>Total</b>	<b>32,540</b>	<b>14</b>	<b>2,324</b>		
<b>Scenario 3:</b>					
Buller	10,220	2	5,100	+451	+9.70
Grey	13,560	3	4,517	-132	-2.84
Westland	8,760	2	4,380	-269	-5.78
<b>Total</b>	<b>32,540</b>	<b>7</b>	<b>4,649</b>		