

Executive Summary

The process of assessment of Local Government options for the Wairarapa was undertaken in collaboration with the Carterton District Council, Masterton District Council, South Wairarapa District Council, Greater Wellington Regional Council and the Local Government Commission.

Our project brief was to undertake an assessment of the identified Wairarapa Local Government Options based on robust information, namely the Long Term Plans 2015/2025, Infrastructure Strategies, Asset Management Plans and Annual Reports. At the outset project assumptions were agreed for the purposes of the assessment. The assumptions of Greater Wellington Regional Council on the expenditure for regional activities in the Wairarapa was critical to the assessment as is the assumptions around potential costs to transition the councils to a single information technology system.

The assessment involved bringing together the robust information as provided by the respective councils and identifying the anticipated transition and ongoing costs, and efficiencies associated with Options B to F. The value proposition of increased scale and capacity may provide additional benefits over and above those quantified in our assessment. These would require further study once a preferred option is identified.

Our assessment was based on the current councils' positions and was not about anticipating a future Council's decisions in regard to rating policy, service levels and projects.

The Qualitative Matters

The purpose of our assessment and resulting information was to facilitate an informed discussion in the community. Our analysis would suggest that there are a number of matters to discuss that are qualitative in nature, namely the benefits of:

- A consolidated Wairarapa District Council (Options B, C & D) over the Status Quo (Option A),
- A consolidated Wairarapa District Council with empowerment of committees (Options C & D) against a traditional consolidated District Council (Option B), and
- The greatest autonomy (Options E and F) against the consolidated Wairarapa District Council (Options B, C and D) and the Status Quo (Option A)

A consolidated District Council would provide:

- clarity of voice and purpose,
- improved resilience and resource,
- increased influence on regional activities,
- development of one set of local plans, policies and standards,
- efficiency and consistent service delivery,
- integrated processes, systems and information,
- standardised levels of service, and
- increased scale and capacity, but
- lower representation of district councillors

A larger organisation (Options B to D) makes the council more attractive as an employer and provides for increased:

- depth of resource (financial and staff),
- capability to undertake strategy and planning, and
- ability to attract and retain staff resources.

Options E to F will display similar characteristics to Options B to D except for potential challenges in:

- strategic capability and skills retention for regional activities,
- consistency of regional standards across the greater Wellington region,
- the disaggregation and duplication of Greater Wellington Regional Council activities, and
- ability to participate nationally on regional government matters.

Option F also results in the redefinition of the greater Wellington region.

The Quantitative Matters

Our financial analysis of the options has identified that:

- Options A to D are similar based on the assumptions, and
- Options E and F indicate a funding challenge that would have to be addressed by the Wairarapa.

The financial results for Options A to E are dependent on the continuation of Greater Wellington Regional Council's rating policy and the estimate of future information technology costs.

The financial sustainability of Options E and F would have to be addressed by the future Council, potentially through a mixture of general rates increases, service level reviews and consideration of major projects. The extra total rates requirement from the community would be an average increase of 1.8% for every \$1 million of additional operational expenditure.

The assessment of options allows the community to consider the qualitative and quantitative benefits and disbenefits of Options A to F.