



ORDINARY MEETING of Council AGENDA

Time: 9:30 am

Date: Wednesday, 5 August 2026

Venue: Greater Wellington Regional Council,
34 Chapel Street, Masterton

MEMBERSHIP

Mayor Bex Johnson (Chairperson)

Councillor Craig Bowyer

Councillor Gary Caffell

Councillor Waireka Collings

Councillor Brent Goodwin

Councillor David Holmes

Councillor Andrea Jackson

Councillor Stella Lennox

Councillor Tim Nelson

Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

Whakamana Tangata	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

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The Chairperson will open the meeting with the karakia

Karakia timatanga

Kia tau ngā manaakitanga a te mea ngaro	Let the strength and life force of our ancestors
ki runga ki tēnā, ki tēnā o tātou	
Kia mahea te hua mākihikihi	Be with each and everyone of us
kia toi te kupu, toi te mana, toi te aroha, toi te Reo Māori	Freeing our path from obstruction
kia tūturu, ka whakamaua kia tīna! Tīna!	So that our words spiritual, power, love and language are upheld
Hui e, Tāiki e!	Permanently fixed established and understood
	Forward together

At the appropriate time, the following karakia will be read to close the meeting

Karakia whakamutunga

Kua mutu ā mātou mahi	Our work has finished
Mō tēnei wā	For the time being
Manaakitia mai mātou katoa	Protect us all
Ō mātou hoa	Our friends
Ō mātou whānau	Our family
Āio ki te Aorangi	Peace to the universe

1 CONFLICTS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2 APOLOGIES

The Chair invites notice from members of:

- leave of absence for future meetings of Masterton District Council
- apologies, including apologies for lateness and early departure from the meeting where leave of absence has not previously been granted.

3 PUBLIC FORUM**4 ITEMS NOT ON THE AGENDA**

The Chairperson will give notice of items not on the agenda as follows:

Matters requiring urgent attention as determined by resolution of the Council

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters relating to the general business of Council

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

5 CONFIRMATION OF COUNCIL MINUTES**5.1 MINUTES OF COUNCIL MEETING HELD ON 24 JUNE 2026**

File Number:

Author: Harriet Kennedy, Governance Team Leader

Authoriser: Kym Fell, Chief Executive

RECOMMENDATION

That the Minutes of Council Meeting held on 24 June 2026 be received and confirmed as a true and correct record of that meeting.

ATTACHMENTS

- 1. Minutes of Council Meeting held on 24 June 2026**



MINUTES

**Ordinary Council Meeting
Wednesday, 24 June 2026**

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**MINUTES OF MASTERTON DISTRICT COUNCIL
ORDINARY COUNCIL MEETING
HELD AT GREATER WELLINGTON REGIONAL COUNCIL, 34 CHAPEL STREET,
MASTERTON ON WEDNESDAY, 24 JUNE 2026 AT 9:33 AM**

PRESENT: Mayor Bex Johnson, Deputy Mayor C Bowyer, Councillors G Caffell, B Goodwin, D Holmes, S Lennox, T Nelson, W Collings and A Jackson

IN ATTENDANCE: Iwi representatives Mhirangi Hollings and Robin Potangaroa, Chief Executive, Group Manager Strategy, Director Commercial, Chief Financial Officer, Group Manager Infrastructure, Group Manager Corporate and Community, Roding Services Manager, Strategic Planning Manager, Economic Lead, Manager Community Development, Pou Arataki, Governance Team Lead

1 CONFLICTS OF INTEREST

Iwi representative Mhirangi Hollings declared a conflict in relation to 7.3 and left the room for that item.

2 APOLOGIES

There were no apologies. Mhirangi Hollings left the meeting at 10.30am

3 PUBLIC FORUM

- Tuia Programme Representative - Rose Haira-Harmon

Rose spoke to Council about her experience as the Masterton District Council representative in the Tuia Programme. Rose had attended two wānanga with other young Māori from around the country which had been a wonderful experience. Rose will report back on the next wānanga which will be in Blenheim in August.

[Note to minutes: The Tuia Programme is an initiative aimed at empowering young Māori leaders across New Zealand and includes a one on one mentoring relationship with the Mayor, opportunities for peer networking, leadership training and a community project.]

- Masterton District Youth Council (represented by Chelsea Jacobs and Bella Rankin)

Chelsea and Bella spoke to Council about the work of the Youth Council and their plan for the year. The Masterton District Youth Council is made up of 13 young people ranging from 14 to 19 years old and from a range of Masterton colleges.

[See Minutes Attachment 1 – Youth Council Presentation]

4 ITEMS NOT ON THE AGENDA

There were no late items.

5 CONFIRMATION OF COUNCIL MINUTES

5.1 MINUTES OF COUNCIL MEETING HELD ON 13 MAY 2026

RESOLUTION 2026/47

Moved by Councillor B Goodwin

Seconded by Councillor S Lennox

That the Minutes of the Council Meeting held on 13 May 2026 be received and confirmed as a true and correct record of the meeting.

CARRIED

5.2 MINUTES OF COUNCIL MEETING HELD ON 27 MAY 2026

RESOLUTION 2026/48

Moved by Councillor G Caffell

Seconded by Councillor C Bowyer

That the Minutes of the Council Meeting held on 27 May 2026 be received and confirmed as a true and correct record of the meeting.

CARRIED

5.3 MINUTES OF EXTRAORDINARY COUNCIL MEETING HELD ON 10 JUNE 2026

RESOLUTION 2026/49

Moved by Councillor W Collings

Seconded by Councillor D Holmes

That the Minutes of the Extraordinary Council Meeting held on 10 June 2026 be received and confirmed as a true and correct record of that meeting.

CARRIED

5.4 MINUTES OF COUNCIL MEETING HELD ON 17 JUNE 2026

RESOLUTION 2026/50

Moved by Councillor C Bowyer

Seconded by Councillor D Holmes

That the Minutes of Council Meeting held on 17 June 2026 be received and confirmed a true and correct record of that meeting.

CARRIED

6 COMMITTEE REPORTS

6.1 HEARINGS COMMITTEE MEETING - 20 MAY 2026

that Council confirms the Report of the Hearings Committee held on 20 May 2026 including the following resolutions:

RESOLUTION 2026/51

Moved by Councillor C Bowyer
Seconded by Councillor B Goodwin

That Council confirms the Report of the Hearings Committee held on 20 May 2026 including the following resolutions:

Deliberations on the Proposed Street Tree Policy

That the Hearings Committee:

1. **notes** the Committee has been provided with the full set of submissions as part of the Hearings Report on 15 April 2026;
2. **considers** the community feedback received and advice from staff;
3. **notes** minor changes to the proposed Street Tree Policy: Kaupapa Here Rākau Tiriti to amend the criteria for street tree removal, include a policy statement around sourcing new trees locally, consider natives for new trees (rather than prioritise), and emphasise that Council is committed to retain healthy and mature trees.
4. **recommends** the Council adopt the proposed Street Tree Policy: Kaupapa Here Rākau Tiriti (Attachment 1) and gives public notice of the making of the Policy;
5. **notes** that subject to adoption, the proposed Street Tree Policy: Kaupapa Here Rākau Tiriti will come into force on 1 July 2026.
6. **notes** that the Street Tree Policy 2010 will be revoked from the time the proposed Street Tree Policy: Kaupapa Here Rākau Tiriti comes into force.

CARRIED

RESOLUTION 2026/52

Moved by Councillor S Lennox
Seconded by Councillor W Collings

That Council confirms the Report of the Hearings Committee held on 20 May 2026 including the following resolutions:

That the Hearings Committee:

7. **recommends** that Council undertakes a district wide canopy assessment and scopes an Urban Forest Strategy

CARRIED

RESOLUTION 2026/53

Moved by Councillor S Lennox
Seconded by Councillor D Holmes

That Council confirms the Report of the Hearings Committee held on 20 May 2026 including the following resolutions:

That the Hearings Committee:

8. **recommends** that Councils scopes the establishment of a Tree Advisory Group

CARRIED

RESOLUTION 2026/54

Moved by Councillor D Holmes
Seconded by Councillor S Lennox

That Council confirms the Report of the Hearings Committee held on 20 May 2026 including the following resolutions:

Deliberations on the Alcohol Control Bylaw

That the Hearings Committee (the Committee):

1. **notes** the Committee has been provided with the full set of submissions as part of the Hearings Report on 15 April 2026;
2. **considers** the community feedback received and advice from staff;
3. **notes** minor changes are proposed to the Alcohol Control Bylaw: Ture ā-Rohe Whakahaere Waipiro to address the transportation of alcohol, and use of te reo Māori names for Riversdale Beach and Castlepoint in response to community feedback;
4. **agrees** that these minor changes do not require any amendment to the considerations and determinations made by the Council on 18 February 2026, being that Council:
 - (i) **determines** that in accordance with section 155 of the Local Government Act 2002 (the LGA), a bylaw is the most appropriate way of addressing the perceived problem;
 - (ii) **determines** that in accordance with section 155(2)(a) of the LGA the proposed bylaw is the most appropriate form of bylaw;
 - (iii) **determines** that in accordance with section 155(2)(b) of the LGA the bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990.
5. **recommends** the Council adopt the proposed Alcohol Control Bylaw: Ture ā-Rohe Whakahaere Waipiro (Attachment 1) and gives public notice of the making of the Bylaw;
6. **notes** that subject to adoption, the Alcohol Control Bylaw: Ture ā-Rohe Whakahaere Waipiro will come into force on 1 July 2026; and
7. **notes** that the Alcohol Control Bylaw will next be due for review in 2035/36

CARRIED

7 REPORTS FOR DECISION

7.1 ADOPTION OF THE ALCOHOL CONTROL BYLAW:TURE Ā-ROHE WHAKAHAERE WAIPIRO

The report providing the Alcohol Control Bylaw: Ture ā-Rohe Whakahaere Waipiro for approval following community consultation was presented by the Strategic Planning Manager.

RESOLUTION 2026/55

Moved by Councillor G Caffell
Seconded by Councillor C Bowyer

That Council:

1. **agrees** to the Hearings Committee recommendation that:
 - (a) the Council adopt the proposed Alcohol Control Bylaw: Ture ā-Rohe Whakahaere Waipiro (Attachment 1) and gives public notice of the making of the Bylaw;

2. **notes** that subject to adoption, the Alcohol Control Bylaw: Ture ā-Rohe Whakahaere Waipiro will come into force on 1 July 2026; and
3. **notes** that the Alcohol Control Bylaw will next be due for review in 2035/36.

CARRIED

7.2 ADOPTION OF THE STREET TREE POLICY: KAUPAPA HERE RĀKAU TIRITI

The report providing the Street Tree Policy: Kaupapa Here Rākau Tiriti for approval following community consultation and deliberations was presented by the Strategic Planning Manager.

Members discussed the option of scoping the establishment of a Street Tree Advisory Group. An alternative was proposed to instead scope the establishment of a Group to support the development of the proposed Urban Forest Strategy. A Strategy would look at the bigger picture and the vision, aspiration and future direction of what Masterton would look like rather than being limited to operating within the parameters of the Policy.

Some members supported the establishment of a Street Tree Advisory Group in the interim before the Urban Forest Strategy Group was scoped, as the community had been strongly in support of that during the submission process, and were also of the view that there was value in establishing a group which could advocate and help support Council in the community, provide help with communications, external funding and communication out to the community.

An addition to recommendation 4., to include the scoping of an Urban Forest Strategy Advisory Group, was proposed to reflect the discussion.

RESOLUTION 2026/56

Moved by Councillor C Bowyer
Seconded by Councillor D Holmes

That Council:

1. **agrees** to the Hearings Committee recommendation that:
 - a) the Council adopt the proposed Street Tree Policy: Kaupapa Here Rākau Tiriti (Attachment 1) and gives public notice of the making of the Policy;
2. **notes** that subject to adoption, the Street Tree Policy: Kaupapa Here Rākau Tiriti will come into force on 1 July 2026;
3. **notes** that the Street Tree Policy: Kaupapa Here Rākau Tiriti will next be due for review in 2030/31;

CARRIED

RESOLUTION 2026/57

Moved by Councillor C Bowyer
Seconded by Councillor S Lennox

In relation to the additional Hearings Committee recommendations:

4. **notes** an Urban Forest Strategy and a district wide canopy assessment will be considered as part of the Environment Portfolio review; and

CARRIED

RESOLUTION 2026/58

Moved by Mayor B Johnson

Seconded by Councillor S Lennox

- 4(b) **agrees** to scope an Urban Forest Strategy Advisory Group as part of the development of the Urban Forest Strategy

CARRIED

RESOLUTION 2026/59

Moved by Mayor B Johnson

Seconded by Councillor C Bowyer

5. **agrees** to focus on improved communication and engagement regarding street trees; and to explore broader community input and expertise when opportunities arise to support future significant decisions or strategy development relating to street trees.

CARRIED

Mihirangi Hollings left the meeting at 10.25am

7.3 RANGITANE O WAIRARAPA MANA WHAKAHONO A ROHE INITIATION LETTER

The report presenting the Mana Whakahono ā Rohe initiation letter received from Rangitāne Tū Mai Rā Trust, Rangitāne o Wairarapa Charitable Trust and other interested Rangitāne o Wairarapa parties ("Rangitāne") to Council for acknowledgement was presented by the Strategic Planning Manager.

In relation to whether Council could initiate a similar agreement with Ngāti Kahungunu it was advised that the iwi would need to do that.

RESOLUTION 2026/60

Moved by Mayor B Johnson

Seconded by Councillor C Bowyer

That Council:

1. **receives** the Rangitāne Mana Whakahono ā Rohe initiation letter (Attachment 1);
2. **acknowledges** Rangitāne's request to initiate a Mana Whakahono ā Rohe;
3. **notes** Councils that are invited to initiate a Mana Whakahono ā Rohe agreement are required to convene a hui within 60 days of receipt of the letter to discuss the process and timelines; and
4. **notes** the initiation of a Mana Whakahono ā Rohe requires an agreement to be concluded within 18 months, unless all participating parties agree otherwise

CARRIED

7.4 USE OF PUBLIC PLACES BY ADJOINING BUSINESS PREMISES POLICY

The report summarising the intent and key elements of the Use of Public Places by Adjoining Business Premises Policy (the Policy) and seek its adoption for implementation was presented by the Strategic Planning Manager and the Economic Development Lead.

Members discussed the proposed Policy and agreed that they would like more information presented in a workshop before they made a decision on the Policy, including more information on

the proposed fees.

An alternative recommendation was put.

RESOLUTION 2026/61

Moved by Councillor T Nelson

Seconded by Councillor B Goodwin

That Council:

1. Receives the report.
2. Defers consideration of the Use of Public Places by Adjoining Business Premises Policy.
3. Requests officers facilitate a workshop for elected members on the proposed policy, including its purpose, implementation, operational implications, enforcement considerations, and any alternative options considered.
4. Requests officers report the policy back to Council for consideration following the workshop.

CARRIED

The meeting adjourned at 11.18am reconvened at 11.26am

All members were present when the meeting reconvened.

7.5 APRIL 2026 WEATHER EVENT - RECOVERY FUNDING APPROVAL

The report updating Council on the funding application to Waka Kotahi, the response efforts and planned recovery works following the severe weather event from 20 to 22 April 2026 and seeking Council's approval to progress all identified recovery works to restore the roading network back to the previous acceptable level of service was presented by the Roading Services Manager.

RESOLUTION 2026/62

Moved by Councillor D Holmes

Seconded by Councillor G Caffell

That Council

1. Receives the April 2026 Weather Event – Recovery Funding Approval report.
2. Acknowledges that an application for central Government funding has been submitted to NZTA Waka Kotahi to assist with the costs of the initial response and recovery efforts for the April 2026 weather event, totalling \$1,919,136 (Phase 1 response \$774,365 and Phase 2 Recovery \$1,144,771).
3. Notes that Phase 1 response work has been completed or is in progress, total expenses of \$774,365
4. Notes the need to draw \$340,720 from the Flood/Storm Damage Fund to cover the Council's share of the response costs
5. Approves progressing the remaining recovery works once approvals from NZTA are received, estimated at \$1,144,771.
6. Acknowledges that Council's share of the response and recovery costs, assuming the Waka Kotahi funding application is successful, will be 44%
7. Approves the further drawing on the Flood/Storm Damage Fund to source Council's share of

recovery costs, estimated at \$503,700.

CARRIED

8 REPORTS FOR INFORMATION

8.1 MASTERTON DISTRICT COUNCIL WATER CONSERVATION MANAGEMENT PLAN

The report providing Council with the Masterton District Council Water Conservation Management Plan was presented by the Group Manager Infrastructure.

RESOLUTION 2026/63

Moved by Councillor C Bowyer
Seconded by Councillor D Holmes

That Council receives the Masterton District Council Water Conservation Management Plan 2026

CARRIED

8.2 INFRASTRUCTURE ACTIVITY REPORT

The report providing Council with an update from the Infrastructure Group was presented by the Group Manager Infrastructure.

In response to questions: in relation to footpaths, it was advised that all funding for 2025/2026 was going to the CBD and less work had been done elsewhere; in relation to NZTA targets and whether Council was below in relation to footpaths, rehabilitation and reseals, it was advised that there would be a workshop in early July where the statistics and proposals would be provided; in relation to the organics feasibility study, which Council had not supported in the past, whether there was an opportunity to revisit it, it was advised that it was part of the Regional Waste Management and Minimisation Plan, but it could be looked at; that in relation to the increase in service requests for water and what they related to, it was advised that staff would investigate; in relation to the increase in clean fill and demolition material, it was advised that staff would investigate; in relation to water storage it was advised that more land would be needed for potable water storage; in relation to the new parking meter infrastructure, it was advised that there would be meters available to show people how to use them and people on the street to assist; in relation to the town hall activation space, it was advised that if required, the trees in the ground could be moved; in relation to the town hall next steps, a fully costed design was expected at the end of July; in relation to the Queen Street premises, it was expected to be completed in October; in relation to traffic management it was advised that the car parks on the side streets of the CBD were needed by the contractors to ensure access, for safety, and to speed up the work, but that parking times were being enforced to ensure turnover; in relation to the town hall budget it was confirmed that the \$25m budget would include the demolition, the activation space, removal of the activation space, all the planning all the scope and the delivery of a completed town hall; in relation to fuel price increases, it was advised that contracts have escalation clauses which were reviewed quarterly and that also covered when prices decreased; in relation to the library basement and whether the project included waterproofing the basement it was advised that that would need to be confirmed.

(Councillor Lennox left the meeting at 12.05pm and returned to the meeting at 12.06pm)

(Iwi representative Robin Potangaroa left the meeting at 12.10pm)

In relation to questions: in relation to the Stadium and the next steps on that, it was advised that

the figures needed to be double checked then options would be brought back to Council; in relation to the Ngāti Te Korou Reserve project and whether there would be play equipment it was advised that the next stage was up to the hapū; in relation to the toilet at Riversdale it was advised that it was in the Riversdale Beach Community Plan to make it more accessible; and, in relation to the Panama land, it was advised that an EOI to go to market was being prepared;

Iwi representative Mihirangi Hollings returned to the meeting at 12.21pm

RESOLUTION 2026/64

Moved by Councillor A Jackson

Seconded by Councillor D Holmes

That Council receives the update from the Infrastructure Group.

CARRIED

8.3 CORPORATE AND COMMUNITY ACTIVITY REPORT

The report providing Council with an update from the Corporate and Community Group on key projects and activities was presented by the Group Manager Corporate and Community.

In response to questions, it was advised that there were around 100 attendees at the Wairarapa Funders Forum and that the Volunteer Shout Out had 85 RSVPs but fewer attendees. A suggestion was made to run the event on a weekend, to allow more to attend.

RESOLUTION 2026/65

Moved by Councillor S Lennox

Seconded by Councillor B Goodwin

That Council receives the update from the Corporate and Community Group on key projects and activities.

CARRIED

8.4 STRATEGY, POLICY AND GOVERNANCE ACTIVITY REPORT

The report providing Council with an update from the Strategy, Policy and Governance Teams was presented by the Group Manager Strategy.

In relation to a question about the scheduling of an extraordinary meeting on 30 June to adopt the Annual Plan it was advised that Council was required by statute to adopt the Annual Plan by 30 June to allow the rates to be set for the following year.

RESOLUTION 2026/66

Moved by Councillor C Bowyer

Seconded by Councillor W Collings

That Council receives the update from the Strategy, Policy and Governance Teams.

.CARRIED

8.5 MEETING REPORTS FROM COUNCILLORS

Councillors are appointed to a number of external groups and organisations as representatives of

Masterton District Council. This agenda item allows Councillors to report back on meetings attended in that capacity.

Councillor Lennox had attended a meeting of the Te Āwhina Board and noted that grant funding was more difficult to access each year. She also advised that Kims Way fell under the governance wing of Te Awhina but were in the process of becoming their own Incorporated Society.

Councillor Lennox had been unable to attend the previous quarterly meeting of the Refugee Steering Group, but noted that a community group would be formed to focus on education and events to help the new residents integrate into the Masterton community.

Councillor Nelson advised he would be attending the Netball Wairarapa Board Strategy day in a couple of weeks and had attended two meetings of the Pūkaha Board.

Deputy Mayor Bowyer had attended meetings of the Waiti Waters Stakeholders forum, the Hood User Group, the GWRC Regional Transport Committee, a couple of meetings of the Wairarapa Combined District Plan Joint Committee, and a meeting of the Wairarapa Road Safety Council.

8.6 MAYOR'S REPORT - ACTIVITY 13 MAY-23 JUNE 2026

The Mayor spoke to her report and added a recommendation for the appointment of Councillor Jackson to Te Āwhina Board in place of Councillor Lennox and to the Hearings Committee to fill the vacancy left on the resignation of Councillor Falloon.

RESOLUTION 2026/67

Moved by Mayor B Johnson

Seconded by Councillor W Collings

That Council appoints Councillor Jackson as Council's representative on the Te Āwhina Board and as a member of Council's Hearings Committee.

CARRIED

9 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION 2026/68

Moved by Mayor B Johnson

Seconded by Councillor A Jackson

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Public Excluded Minutes of Council Meeting held on 13	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would

May 2026	subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
9.2 - Public Excluded Minutes of Council Meeting held on 17 June 2026	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

The Meeting moved into public excluded at 12.47pm

The Meeting moved out of public excluded at 12.49pm

The Meeting closed at 12.49pm

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 5 August 2026.

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CHAIRPERSON

MASTERTON DISTRICT YOUTH COUNCIL PRESENTATION

1. Introduction – Bella

Kia ora Your Worship, Councillors, and Council staff.

My name is Bella Rankin, Chair of the Masterton District Youth Council, alongside my Co-Chair Aleah Mitchell from Solway College. I attend Chanel College.

I joined the Youth Council because I wanted to help ensure young people have a genuine voice in decisions that affect our community. Too often, decisions are made about young people without young people being part of the conversation.

Today, Chelsea and I are here to share who we are, what we've been working on, and what we've heard from young people across our district.

2. Who We Are – Chelsea

My name is Chelsea, and I attend Chanel College. I am proud to be a member of the Masterton District Youth Council.

The Youth Council is made up of 13 young people aged between 14 and 19. We come from a range of schools and colleges across the district, including Wairarapa, Chanel, Solway, Rathkeale, Te Kura Kaupapa Māori o Wairarapa, and Makoura. Together, we represent a diverse range of experiences and perspectives from young people across Masterton.

I joined the Youth Council because I wanted to represent the voices of young people, contribute to positive change in our community, and develop my leadership skills while learning more about local government.

3. What Youth Council Is – Chelsea

The Youth Council gives young people an opportunity to share their ideas, have their voices heard, and connect with local decision-making. It also helps members develop leadership skills and gain a better understanding of local government and community issues.

4. What We Have Started This Year – Chelsea

This year, we've focused on building a strong foundation for the Youth Council and identifying where we can make the greatest impact.

We've begun working alongside Councillor Waireka Collings, who supports us during our quarterly meetings. We'd also like to acknowledge Councillor Stella Lennox for her long-standing support of young people and the Youth Council.

We've also started providing feedback on Council plans and local bylaws.

5. What We Learned From Our First Wānanga – Chelsea

During our first wānanga, we identified several challenges facing young people.

Many felt their opinions are not always heard or valued, and there is limited understanding of how local government works and how Council decisions affect their lives.

To help address this, we plan to increase youth engagement through social media, provide information in clear and accessible ways, and create opportunities for young people to learn about and participate in local government.

6. Local Context – Bella

As many of you know, discussions around local government reform and possible regional amalgamation are ongoing.

I believe that joining the 3 councils is a great idea because it brings larger opportunities to the Wairarapa region

i also don't think our towns would benefit from joint its Wellington council as we feel we would be forgotten and neglected as a region

These conversations could have significant impacts on young people, yet many feel disconnected from them or unsure of what they mean. We believe the Youth Council can help bridge that gap by making information more accessible and ensuring youth perspectives are included in wider community discussions.

7. What We Heard During Youth Week – Bella

One of our most valuable opportunities this year was engaging with young people during Youth Week.

We held our first Youth Council consultation at the Youth Hub and Skate Park, inviting young people to complete a survey in exchange for a free sausage and entry into a spot prize draw. This gave us valuable insight into what matters most to youth in our district.

What Young People Love About Masterton

Young people described Masterton as a friendly, welcoming community with great parks, reserves, playgrounds, and outdoor spaces. They value the strong sense of community, opportunities to spend time with friends and whānau, and the fact that it feels like a safe and comfortable place to grow up.

Many young people want future generations to have the same positive experience growing up in Masterton and see opportunities to build on these strengths as the town continues to grow.

Eg more job opportunities, housing

The Future of Our Kids' Playground

The playground is seen as a fun, safe, and inclusive space that young people strongly support continuing to develop.

Suggestions included bigger slides, longer flying foxes, climbing walls, trampolines, water play areas, additional shade, and more seating.

Accessibility was a major focus, with young people wanting features such as wheelchair-friendly equipment, sensory play elements, NZSL signage, and clearer navigation to ensure children of all abilities can enjoy the space.

The Future of Masterton

Young people want to build on what already makes Masterton a great place to live by creating a cleaner, safer, and more vibrant community.

Suggestions included more youth events such as sports tournaments, music festivals, and community movie nights, along with improved public spaces, increased housing and employment opportunities, and greener community areas.

and although many find Masterton a safe place during daylight hours there is still a need for a safe place to go at night time/evening for teens to socialise and important make connections.

Young people also highlighted the importance of better engagement through platforms like Instagram and TikTok and would like Council information and policies explained in simple, youth-friendly language so they can better understand and participate in local decision-making.

8. Why This Matters For Council – Bella

Many of the issues raised align closely with Council priorities, including community wellbeing, public spaces, safety, and creating a district where people want to live, work, and participate.

The Youth Council provides an ongoing opportunity to bring youth perspectives into these conversations.

9. How We Want To Work With Council – Chelsea

Moving forward, we want to continue building a positive and collaborative relationship with Council.

This includes regular opportunities to share youth perspectives, provide feedback, and contribute ideas that help strengthen our community.

10. Our Focus This Year – Chelsea

Our focus this year is building stronger connections with young people across the district.

We want to keep listening to their ideas, help them better understand how Council works, and create practical opportunities for youth voices to be included in decision-making.

11. What We Hope To Achieve – Chelsea

By the end of the year, we hope the Youth Council is better known across the community and that more young people feel their opinions matter and that they have meaningful opportunities to get involved.

12. Closing – Bella

Thank you for giving us the opportunity to speak today.

Being part of the Masterton District Youth Council is a privilege, and we are excited about strengthening the relationship between young people and Council.

Young people are not only the future of Masterton we are part of its present. By working together, we can build a community where young people feel heard, valued, and empowered to contribute.

Thank you for your time, and we look forward to working with you.

5.2 MINUTES OF EXTRAORDINARY COUNCIL MEETING HELD ON 30 JUNE 2026**File Number:****Author:** Harriet Kennedy, Governance Team Leader**Authoriser:** Matt Boulton, Group Manager Corporate & Community**RECOMMENDATION**

That the Minutes of Extraordinary Council Meeting held on 30 June 2026 be received and confirmed as a true and correct record of that meeting.

ATTACHMENTS

1. Minutes of Extraordinary Council Meeting held on 30 June 2026



MINUTES

**Extraordinary Council Meeting
Tuesday, 30 June 2026**

Order Of Business

1	Conflicts of Interest	3
2	Apologies	3
3	Items not on the Agenda	3
4	Reports for Decision.....	4
4.1	Adoption of the 2026/27 Annual Plan	4
4.2	Rates Resolution 2026-2027	4
5	Public Excluded	11
4.1	Appointment of Temporary DLC Commisisoner	11

**MINUTES OF MASTERTON DISTRICT COUNCIL
EXTRAORDINARY COUNCIL MEETING
HELD AT REAP HOUSE, 340 QUEEN STREET, MASTERTON
ON TUESDAY, 30 JUNE 2026 AT 9:00 AM**

PRESENT: Mayor Bex Johnson, Deputy Mayor C Bowyer, Councillors G Caffell, B Goodwin, D Holmes, W Collings and A Jackson

IN ATTENDANCE: Iwi representative Mhirangi Hollings, Acting Chief Executive, Chief Financial Officer, Director Commercial, Group Manager Strategy, Group Manager Infrastructure, Economic Development and LTP Lead, Strategy Group Coordinator, Governance Team Lead.

1 CONFLICTS OF INTEREST

The Mayor declared an interest in relation to the public excluded item Appointment of Temporary DLC Commissioner.

2 APOLOGIES

RESOLUTION 2026/58

Moved by Mayor B Johnson

Seconded by Councillor C Bowyer

That the apologies received from Councillor Nelson and Councillor Lennox be accepted

CARRIED

3 ITEMS NOT ON THE AGENDA

The meeting was advised of the following items for inclusion in the agenda:

- Appointment of Temporary DLC Commissioner (Public Excluded)

This item had not been available for inclusion with the agenda and could not be held over until a later meeting.

RESOLUTION 2026/59

Moved by Mayor B Johnson

Seconded by Councillor D Holmes

That in terms of section 46A(7) of the Local Government Official Information and Meetings Act 1987 the items be dealt with at this meeting.

CARRIED

4 REPORTS FOR DECISION

4.1 ADOPTION OF THE 2026/27 ANNUAL PLAN

The report presenting Council's 2026/27 Annual Plan and Schedule of Fees and Charges for adoption was presented by the Chief Financial Officer.

Members acknowledged staff for the work they had put in to make sure the Plan was ready in time. Requests were made for commercial properties to be included in the rates examples and for a note to be added that Masterton had voted to retain the Māori ward

The Mayor also acknowledged staff and elected members for the work that had been done and noted that the rates rise was down as far as it could go without impacting on services.

RESOLUTION 2026/60

Moved by Councillor G Caffell

Seconded by Councillor C Bowyer

That Council

1. **Adopts** the Masterton District Council 2026/27 Annual Plan (as per Attachment 1);
2. **Adopts** the associated 2026/27 Schedule of Fees and Charges (as per Attachment 2);
3. **Adopts** the Lease Charging Framework fees;
4. **Notes** that the Fees and Charges for Use of Public Spaces by Adjoining Business Premises will be adopted by resolution later in 2026;
5. **Delegates** authority to the Chief Executive to approve minor edits prior to publication of the 2026/27 Annual Plan document; and
6. **Notes** that the final 2026/27 Annual Plan will be published within one month of its adoption.

CARRIED

4.2 RATES RESOLUTION 2026-2027

The report seeking Council agreement to set the rates, due dates, and penalties regime for Masterton District Council for the 2026-2027 financial year was presented by the Chief Financial Officer.

RESOLUTION 2026/61

Moved by Councillor W Collings

Seconded by Councillor C Bowyer

That Council

- (i) Receives the *Rates Resolution 2026-2027* Report
- (ii) Having adopted its 2026-27 Annual Plan, sets the rates, due dates for payment and penalties regime for the 2026-27 financial year as follows:

2026-27 MASTERTON DISTRICT COUNCIL RATES RESOLUTION

That, pursuant to the Local Government (Rating) Act 2002, the Masterton District Council hereby sets the rates and charges as set out in this resolution in respect of ratable properties in the Masterton District for the period of one year commencing on 1st July 2026 and ending on 30th June 2027.

The Council has adopted its Annual Plan, including a Rating Funding Impact Statement for 2026-27. The Rating Funding Impact Statement puts into effect the Revenue and Financing Policy and it contains definitions of "Rural rating area", "Urban rating area" and "differential groups U1, U2 and

R1” and “separately used or inhabited part of a rating unit”. The resolution below will enable the Council to generate rating revenue to fund the services and activities as outlined in the 2026-27 Annual Plan (Year 3 of the 2024-34 Long Term Plan).

RATES HEREBY SET IN THE DISTRICT:

Rates quoted are inclusive of GST.

GST has been added at the prevailing rate of 15%.

Total dollars being raised are also stated inclusive of GST and have generally been rounded to nearest \$1,000.

All section references are references to the Local Government (Rating) Act 2002.

1. TARGETED RATES SET ACROSS THE DISTRICT

A series of targeted, differential rates set under section 16(3)(a) and (4)(b) set as described:

1.1 ROADING RATE – per dollar of **land value as follows:**

U1	\$0.001780 per dollar of land value raising	\$3,895,000
U2	\$0.003560 per dollar of land value raising	\$1,290,000
R1	\$0.001940 per dollar of land value raising	\$6,328,000
Total		<u>\$11,513,000</u>

1.2 REPRESENTATION & DEVELOPMENT RATE – per dollar of **capital value as follows:**

U1	\$0.000420 per dollar of capital value raising	\$2,124,000
U2	\$0.000840 per dollar of capital value raising	\$ 633,000
R1	\$0.000145 per dollar of capital value raising	\$ 733,000
Total		<u>\$3,490,000</u>

1.3 REGULATORY SERVICES RATE – per dollar of **capital value as follows:**

U1	\$0.000629 per dollar of capital value raising	\$3,179,000
U2	\$0.001258 per dollar of capital value raising	\$ 948,000
R1	\$0.000218 per dollar of capital value raising	\$1,097,000
Total		<u>\$5,224,000</u>

1.4 SUNDRY FACILITIES & SERVICES RATE – per dollar of **capital value as follows:**

U1	\$0.000558 per dollar of capital value raising	\$2,815,000
U2	\$0.001116 per dollar of capital value raising	\$ 841,000

R1	\$0.000240 per dollar of capital value raising	\$1,209,000
	Total	<u>\$4,865,000</u>

2. TARGETED ANNUAL CHARGE (TAC)

A differential targeted rate [referred to as a Targeted Annual Charge in the Funding Impact Statement] set in accordance with section 16(3)(a) and (4)(b) on each separately used or inhabited part of a rating unit, with a differential between urban and rural properties based on allocation of costs between rating areas, as detailed in the Revenue & Financing Policy and as follows:

U1 & U2	\$590.50 per part of rating unit, raising	\$6,197,000
R1	\$700.00 per part of rating unit, raising	\$2,875,000
	Total	<u>\$9,072,000</u>

3. TARGETED CIVIC AMENITIES RATE

A differential targeted rate set under sections 16(3)(b) and (4)(b), assessed in the urban rating area only, for civic amenities costs allocated to that area as per the Revenue and Financing Policy and as follows:

Civic Amenities Rate – per dollar of **capital value** as follows:

U1	\$0.000709 per dollar of capital value raising	\$3,582,000
U2	\$0.001418 per dollar of capital value raising	\$1,069,000
	Total	<u>\$4,651,000</u>

4. DIFFERENTIAL TARGETED ANNUAL CHARGE (ROADING CHARGE)

4.1 A differential targeted roading charge set in accordance with sections 16(3)(a) and (4)(b) 17 and 18. This rate is in addition to the (land value) Roding Rate and is set on each separately used or inhabited part of a rating unit.

4.2 The Differential Targeted Roding Charge is as follows:

U1& U2	\$ 102.30 per part of rating unit, raising	\$1,074,000
R1	\$ 661.00 per part of rating unit, raising	\$2,713,000
	Total	<u>\$3,787,000</u>

5. TARGETED URBAN WATER SUPPLY RATES AND CHARGE

Targeted on a Uniform Basis and a Capital Value Rate

5.1 According to sections 16(3)(b) and (4)(a) and (4)(b), and 19, a differential targeted Capital Value Rate applying to connected and serviceable rating units (excluding those rural properties charged by metered rate) plus a Uniform Charge for water supply for each separately used or inhabited part of a rating unit throughout the

served area where the rating unit is connected to the Masterton urban water supply scheme.

Note: urban connected properties will be liable for both rates, rural connected properties will be liable for the uniform charge and a volume-based charge (as per 5.3 below).

- 5.2 The rates are as follows:

UNIFORM URBAN WATER SUPPLY CHARGE

(i) Connected **\$ 193.30** Raising \$ 2,028,000

URBAN WATER SUPPLY RATE (with Differential) - per dollar of **capital value** is:

U1	\$0.000702 per dollar of capital value raising	\$3,581,000
U2	\$0.001404 per dollar of capital value raising	\$1,149,000
	Total	<u>\$4,730,000</u>

The Rate and the Charge raising a total of \$ 6,758,000

Metered Water Supply

- 5.3 A targeted rate for water supplied to metered rural and out-of-district properties from the urban water supply, based on volumes of water supplied through water meters (and in addition to the Uniform Water Supply Charge in 5.2 above).

- 5.4 The metered rates are as follows:

- (i) Minimum charge for use per quarter for 50 cubic mtrs or below **\$92.00**
- (ii) Price per cubic mtr for consumption between 50 and 100 cubic mtrs
per quarter **\$2.22**
- (iii) Price per cubic mtr for consumption over 100 cubic mtrs
per quarter **\$2.88**

6. TARGETED URBAN WASTEWATER RATES AND CHARGE

Targeted on Uniform Basis and Capital Value Rate

- 6.1 According to sections 16(3)(b) and (4)(a) and (b), 17, and 18 Council will set a targeted capital value rate on connected and serviceable rating units, plus a uniform charge for wastewater services on each separately used or inhabited part of a rating unit throughout the Masterton serviced area where rating units are connected to the urban sewerage system.

Note: connected properties will be liable for both rates.

- 6.2 The rates are:

UNIFORM WASTEWATER CHARGE

(i) Connected **\$ 281.50** Raising \$ 2,903,000

WASTEWATER RATE (with Differential) - per dollar of **capital value** is:

U1 & R1*	\$0.001001 per dollar of capital value raising	\$ 5,136,000
U2	\$0.002002 per dollar of capital value raising	<u>\$ 1,639,000</u>
	Total	\$ 6,775,000

The Rate and Charge raising a total of \$ 9,678,000

**R1 connected properties that are outside the urban area are subject to the U1 differential for this rate.*

7. TARGETED RECYCLING COLLECTION CHARGE

7.1 According to sections 16(3)(b) and (4)(a), a uniform targeted rate for kerbside recycling collection on the following basis:

- (i) Urban – on every separately used or inhabited part of a rating unit situated within the urban area of Masterton to which Council is prepared to provide the service;
- (ii) Rural – on every separately used or inhabited part of a rating unit situated within the rural area of Masterton to which Council is prepared to provide the service.

7.2 The uniform charge is: **\$100.00** Raising \$ 1,035,000

8. RURAL TARGETED SERVICES RATES & CHARGES

8.1 A targeted rate for the **Tinui Water Supply** on connected residential rating unit.

The uniform targeted charge for 2026-27 is: **\$665.00**

Raising a total of \$ 19,300

8.2 A targeted rate for the **Riversdale Beach Sewerage Scheme** on each assessed residential equivalent (RE) (based on Sch 3, cl 8 of the LG (Rating) Act 2002) of each connected rating unit (including those that will be connected during the year).

The Targeted RBSS charge for 2026-27 is: **\$789.00** per RE

Raising a total of \$ 340,000

8.3 A targeted rate for the **Riversdale Beach Sewerage Scheme** on each serviceable but not connected rating unit within the serviced area of the scheme.

The targeted uniform charge for 2026-27 is: **\$180.00**

Raising a total of \$ 11,300

8.4 Riversdale Beach Sewerage Capital Contributions

Based on the Capital Project Funding Plan adopted in 2010, targeted rates for the Riversdale Beach Community Sewerage Scheme (RBCSS) capital contributions for the 2026-27 year are charged on the basis of connected residential equivalents (REs) within the scheme area, on those properties that elected the 20 year time payment option, or were defaulted to that option, payable via property rates.

A **RBCSS 20 Year time payment** charge per residential equivalent connection for 2026-27 (year 17 of 20) of **\$1,643.40**

Estimated to be charged on 29 REs, raising a total of \$ 47,600

- 8.5 Targeted rates for the **Tinui Sewerage Scheme** for the 2026-27 year, on the basis of connected rating units and elected capital contributions. There have previously been three separate rates, two covering the capital contributions and one covering operating costs. The last charge for the capital contributions was in the 2025-26 financial year and accordingly this year there is only operating charge rate as follows:

The **Tinui Sewerage Operating Costs** rate per residential connection (and including Tinui School as 5 connections based on assessed usage) for 2026-27 is: **\$672.00**

Raising a total of \$12,800

- 8.6 A targeted rate, known as the **Beach Refuse & Recycling Collection Charge**, on those rating units in the Riversdale Beach and Castlepoint localities to which the Council is providing refuse bag and recycling collection services:

Targeted uniform charge for 2026-27 is: **\$289.20**

Raising a total of \$ 160,000

- 8.7 A targeted rate for the **Castlepoint Sewerage Scheme** on each separately used or inhabited part of a rating unit (SUIP) connected to the scheme:

Targeted uniform charge for 2026-27 is: **\$759.00**

Raising a total of \$ 158,000

- 8.8 A targeted rate known as the **Sewage Treatment Charge** on each connected rating unit in the rural area that is allowed to discharge effluent from septic system outflows to the urban sewerage system and including Rathkeale College assessed per residential equivalents (RE assumed to be 600 litres/day) based on estimated flow volumes.

The targeted uniform charge is: **\$585.00** per residential equivalent

Raising a total of \$40,400

9. OUT-OF-DISTRICT WATER & WASTEWATER/SEWERAGE CHARGES

Council will set the following charges (to be assessed by Carterton District Council) for non-metered water supply and wastewater/sewerage services which are supplied from Masterton District to properties in the Carterton District on the following basis:

- (i) Water supply - a Uniform Water Charge of \$193.30 on all connected rating units plus water usage measured by water meter and charged as per 5.4 above, both charged by Carterton District Council.
- (ii) Wastewater – a capital value rate per dollar of Capital Value at \$0.002002 on all serviceable rating units, plus a Uniform Wastewater Charge of \$281.50 on all connected rating units, both charged by Carterton District Council.
- (iii) Trade Waste bylaw charges (as listed in the schedule of fees and charges) if Trade Waste Charges are applicable.

10. GOODS & SERVICES TAX (GST)

GST has been added to the rates at the prevailing rate of GST and will be included in each instalment notice/tax invoice when it is raised.

11. INSTALMENTS, PENALTIES

Invoice Dates and Due Dates: The rates are to be assessed in four equal instalments as follows:

	<u>Month of Invoice</u>	<u>Last Day to Pay</u>
(i)	1 st instalment	July 2026
(ii)	2 nd instalment	October 2026
(iii)	3 rd instalment	January 2027
(iv)	4 th instalment	April 2027

Penalty Charges - Pursuant to section 57 and 58(1)(a) a penalty as listed below will be added to such part of each instalment of rates which remain unpaid after the due date stated above, to be added on the penalty date for that instalment, as follows:

	<u>Penalty %</u>	<u>Date Penalty Added</u>
(i)	1 st instalment	10%
(ii)	2 nd instalment	10%
(iii)	3 rd instalment	10%
(iv)	4 th instalment	10%

Penalty on Arrears - Pursuant to section 58(1)(b) an additional penalty of 10% will be added to all rates outstanding from the previous financial years and remaining unpaid as at 7 July 2026. The penalty will be applied on 8 July 2026.

Roundings - The Rates Statements will be subject to rounding. The rates due will be calculated to the nearest cent but rounded to the nearest 10 cents for ease of payment

.CARRIED

5 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION 2026/62

Moved by Councillor D Holmes

Seconded by Councillor A Jackson

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
4.1 - Appointment of Temporary DLC Commissioner	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

The Meeting moved into public excluded at 9.11am

The Meeting closed at 9.16am.

The minutes of this meeting were confirmed at the Ordinary Meeting of the Masterton District Council held on 5 August 2026.

.....
CHAIRPERSON

6 COMMITTEE REPORTS

Nil

7 REPORTS FOR DECISION

7.1 ADOPTION OF WAITI WATERS STATEMENT OF EXPECTATIONS

File Number:

Author: Tyler Ross, Group Manager Infrastructure

Authoriser: Kym Fell, Chief Executive

PURPOSE

This paper recommends Council approves the adoption of the Waiti Waters 2026-2036 Statement of Expectations.

EXECUTIVE SUMMARY

The Statement of Expectations is an important part of the legislative accountability framework for new water organisation. A Statement of Expectations is prepared every three years and must have a 10-year focus.

Under s224 of the Local Government (Water Services) Act 2025 (the Act), the purpose of the Statement of Expectations is to set out the shareholders' expectations of the water organisation and guide decisions of the water organisation and the preparation of its Water Services Strategy. A water organisation's Water Services Strategy must 'give effect to' the Statement of Expectations, making it the primary way the shareholders exercise influence in the company.

The responsibility for developing the Waiti Waters Statement of Expectations sits with the Stakeholders' Forum. Council is represented by Cr Bowyer and Cr Caffell in the forum. The Forum has developed an appended Statement in line with the requirements in the Shareholders' Agreement and the Act and now recommends its adoption by the four shareholding Councils.

Following approval of the Statement of Expectations by all four shareholding Councils, Waiti Waters will develop its Water Services Strategy. The strategy will be provided to the Stakeholders' Forum for review later this year. Waiti Waters will carry out public engagement on the Strategy in early 2027 to ensure communities across the region understand the change from Council service delivery to Waiti Waters and how it will affect them.

RECOMMENDATIONS

That Council:

1. **Note** the attached Waiti Waters Statement of Expectations has been developed by the Stakeholders' Forum in line with requirements of the Local Government (Water Services) Act 2025 and Waiti Waters Shareholders' Agreement and is recommended by the Forum for adoption by shareholding Councils
2. **Adopt** the attached Waiti Waters Statement of Expectations 2026-2036
3. **Note** that following adoption by shareholding Councils, the Programme Director will issue the Statement of Expectations to the Chair of the Waiti Waters Board, the Chief Executive, and the Stakeholders' Forum, as required by s12.2 of the Shareholders' Agreement.

CONTEXT

Under the Local Government (Water Services) Act 2025 (the Act), shareholders of a water organisation are required to prepare a Statement of Expectations six months (or earlier) before the water organisation is required to have a Water Services Strategy in place – Waiti Waters is required to adopt its Waters Services Strategy by the beginning of the 2027/28 financial year.

The Statement of Expectations is an important part of the new legislative accountability framework for water organisations. A Statement of Expectations is prepared every three years and must have a 10-year focus. Under s224 of the Act, the purpose of the Statement of Expectations is:

- a) to set out the shareholders' expectations of the water organisation; and
- b) to inform and guide—
 - (i) the decisions and actions of the water organisation; and
 - (ii) the water organisation's preparation of its water services strategy, including its strategic priorities.

A water organisation's Water Services Strategy must 'give effect to' the Statement of Expectations, making it the primary way the shareholders exercise influence in the company. The company's required regulatory reporting, including to the Commerce Commission and Taumata Arowai, is then directly linked to its Water Services Strategy, hereby providing a clear line of sight between the Statement of Expectations and regulatory monitoring and enforcement.

The Act sets out several requirements for a Statement of Expectations, including that it must:

- Relate to a period of at least 10 consecutive financial years
- Be consistent with a water organisation's legislative and regulatory obligations
- Be consistent with a water organisation's governing documentation (in this case the Waiti Waters Constitution and Shareholders' Agreement)
- Include the mandated content set out in s227 and can include the optional content set out in s227, and
- Not include expectations that compromise the financial independence of the water organisation or direct its operational activities.

The process being taken to develop a Statement of Expectations must be made available to the public. Information on the process followed for Waiti Waters was set out on the Waiti Waters website and is available here [Key Documents | Waiti Waters](#)

DISCUSSION

Development process

As set out in the Waiti Waters Shareholders' Agreement, the responsibility for developing the Waiti Waters Statement of Expectations sits with the Stakeholders' Forum (s12.2 of the Shareholders' Agreement sets out the process to be followed, Schedule 4 provides the Terms of Reference for the Stakeholders' Forum and Schedule 8 summarises the matters to be included). Once developed and approved by the Stakeholders' Forum, it is adopted by the shareholder Councils and issued to Waiti Waters.

Under the Local Government (Water Services) Act 2025 (s229), a copy of the draft Statement of Expectations must be provided to the water organisation with sufficient time for the organisation to provide feedback, and then the views of the water organisation must be considered in finalising the Statement.

This process has been followed by the Stakeholders Forum who provided the Waitī Waters Board with a draft of the Statement on 22 May 2026 and met with the Board on 5 June 2026 to discuss the draft. The Board then considered the Statement at its meeting on 5 June 2026 and provided the attached letter (Appendix 2) in response on 16 June 2026.

The process followed by the Stakeholders' Forum in developing the Statement of Expectations is in line with these Shareholders' Agreement and legislative requirements.

Waitī Waters Statement of Expectations

The attached Waitī Waters Statement of Expectations 2026-2036 (Appendix 1) has been developed to closely reflect the key legislative objectives of water organisations –

- Providing reliable water services
- Meeting customer expectations
- Ensuring financial sustainability
- Operating transparently and responsibly, and
- Being accountable to people and place.

As the first Statement of Expectations, the document includes expectations that relate to the initial establishment period for Waitī Waters as well as expectations that will apply to the full ten-year period.

The document is structured in three key parts:

- **Strategic direction and outcomes for Waitī Waters** – these outcomes and priorities must be reflected in the Water Services Strategy, which will be developed by Waitī Waters following receipt of the Statement of Expectations
- **Relationship between Stakeholders' Forum and Waitī Waters** – the way in which the Stakeholders' Forum wishes to work with Waitī Waters
- **Expectations for Waitī Waters** – the establishment and enduring expectations structured according to the legislative objectives set out above.

The key outcomes for Waitī Waters which now need to be reflected in the Water Services Strategy are:

- Effective establishment of a **“one-organisation” regional entity**, and seamless transition of the delivery of water services from the four Councils to this entity
- Effective operation, maintenance, renewal and development of the three water networks to ensure **statutory compliance**, and meet public health, environmental and economic **regulatory standards**
- Building a **customer-focused** organisation with a strong community **presence across the region**

- Building towards **best-practice infrastructure asset management** practices and the development of a regional capital programme that balances necessary infrastructure investment with affordability for customers
- While meeting financial sustainability requirements, a strong focus on **efficiency improvement**, and affordability **and value-for-money** for communities.

Water Services Strategy

Following receipt of the approved Statement of Expectations, Waitī Waters will now develop its Water Services Strategy, which will be provided to the Stakeholders' Forum in draft form later this year for review and comment.

Waitī Waters will carry out public engagement on the Strategy in early 2027 to ensure communities across the region understand the change from Council service delivery to Waitī Waters and how it will affect them and have an opportunity to provide feedback on the Strategy. The four shareholding Councils and Waitī Waters will consider how consultation processes for upcoming LTPs can be coordinated with consultation on the Water Services Strategy.

ATTACHMENTS

1. **Waitī Waters Statement of Expectations** [↓](#)
2. **Waitī Waters Board Response Letter** [↓](#)

Waiti Waters Statement of Expectations 2026-2036

Background to Waiti Waters

South Wairarapa, Tararua, Masterton and Carterton District Councils, together with Rangitāne and Ngāti Kahungunu, are establishing a Water Services Council Controlled Organisation named Waiti Waters under the Local Government (Water Services) Act 2025 to deliver water services to the region.

This three-waters company will manage approximately 25,000 connections and be responsible for drinking, waste and stormwater services. Responsibilities for water services will transfer from the Councils to Waiti Waters on or before 1 July 2027.

Waiti Waters is being established to serve the Wairarapa and Tararua regions. Throughout this document we reference 'the region' – this refers to the service area covered by Waiti Waters at establishment and refers to the combined area of Wairarapa and Tararua.

The Stakeholders' Forum notes that the local government structures within the region may change during the life of this Statement of Expectations, including through amalgamation, or other local government reorganisation. If such changes occur, the Stakeholders' Forum will review this Statement as soon as reasonably practicable to determine whether amendments are required to ensure it remains aligned with the governing documents.

A regional entity with an intergenerational focus

The decision by Councils and iwi to establish a regional water services company came after engagement with the community and careful consideration of the costs and benefits of other approaches. The Councils have similar sized communities, geography and climate and face similar infrastructure challenges and opportunities. Rangitāne and Ngāti Kahungunu are mana whenua iwi across Wairarapa and Tararua, and both iwi also have general and specific rights and interests in fresh-water bodies across our region arising from their respective Treaty Settlements. These circumstances make a grouping of these four Councils and two iwi a logical and impactful choice when it came to considering the future of water services delivery.

Councils and iwi partners are seeking to establish a truly regional organisation (not simply an aggregation of four current districts) that operates with an intergenerational perspective. We want to see this regional focus prioritised and driving Waiti Waters from day one, and building over time, to ensure that Waiti Waters delivers for customers the full range of benefits anticipated by the Local Water Done Well reforms.

In particular, the Water Services Delivery Plans identified the following expected benefits from change:

- more affordable (relative to other options) and resilient water services for communities,
- increased access to finance to enable delivery of necessary investment programmes,
- operational efficiency and cost savings resulting from a single entity planning, contracting and delivering works across the region,
- regional employment opportunities from a larger, locally based infrastructure provider, and
- enabling a professional infrastructure entity solely focused on water services delivery.

Overview of this Statement of Expectations

This document sets out the Stakeholders' Forum's expectations of Waiti Waters as required by s224 of the Local Government (Water Services) Act 2025. Under the Waiti Waters Shareholders' Agreement, the statement is developed by the Stakeholders' Forum and issued to Waiti Waters by Shareholding Councils.

This Statement of Expectations relates to the period 1 July 2026 to 30 June 2036. As the first Statement of Expectations, it has a dual focus on success in two time periods. Note the foundation phase includes the 2026/27 year of transition and first two years of operation.

The Stakeholders' Forum anticipates reviewing this statement at the conclusion of the foundation phase to determine if any changes should be made following the experience from early years of operation. The Forum also notes the extent of current change in the wider local government sector, which may require change to the statement outside of this anticipated review period.

YEARS 1-3 **FOUNDATION** **PHASE**

This phase focuses on establishing the new organisation's core foundations - governance, systems, workforce, data, and delivery capability - while maintaining reliable service to communities.

YEARS 4-10 **TRANSFORMATION** **PHASE**

This phase focuses on shifting from establishment to long-term transformation - scaling capital delivery, improving network performance, strengthening resilience, and maturing into a stable, financially sustainable regional water provider.

The Stakeholders' Forum notes that Waiti Waters' first Water Services Strategy is required under Local Government (Water Services) Act 2025 to give effect to this Statement of Expectations, and the Forum looks forward to receiving the draft Strategy for review and comment. In addition to the obligation on Waiti Waters to prepare the Strategy, this Statement asks Waiti Waters to respond to the Forum with its intended plan to deliver on this Statement.

The Stakeholders' Forum acknowledges that during the foundation phase, as Waiti Waters seeks to establish itself and transition into full operational business-as-usual, it may require assistance from Councils in relation to some of the expectations set out in this statement. Councils will provide all reasonable (non-financial) assistance as is identified to be required. Where any support extends beyond July 2027 in the form of an agreed service provision arrangement (e.g., transitional billing support), the costs of this support will be recovered by Councils from Waiti Waters.

Beyond the foundation phase, the Councils commit to partnering and providing support to Waiti Waters on an ongoing basis, consistent with each organisation's roles and responsibilities in ensuring effective water services delivery for the region.

Document structure

This Statement includes:

- **Strategic direction and outcomes for Waiti Waters** – which the Stakeholders' Forum expects to be reflected in the Water Services Strategy and guiding the organisation's decision making
- **Relationship between Stakeholders' Forum and Waiti Waters** – the way in which the Stakeholders' Forum wishes to work with Waiti Waters

- **Expectations of the Stakeholders' Forum for Waiti Waters** – transition and enduring expectations structured according to the legislative objectives of Water Services Providers.

Strategic direction and outcomes

Waiti Waters' purpose is to deliver drinking water, wastewater and storm water services within the region. It is to do this in accordance with the objectives of water services providers in section 17 of the Local Government (Water Services) Act 2025.

Waiti Waters is to deliver high-quality water services in a manner that is efficient, safe and reliable, financially and environmentally sustainable and affordable for the region's current and future customers. It must plan for and manage infrastructure assets with a long-term focus, befitting an organisation that is a critical part of the community and region, and here to make an intergenerational difference.

The strategic priorities for the period of this Statement of Expectations that the Stakeholders' Forum expects to see reflected in the Water Services Strategy are:

- Effective establishment of a "one-organisation" regional entity, and seamless transition of the delivery of water services from the four Councils to this entity
- Effective operation, maintenance, renewal and development of the three water networks to ensure statutory compliance, and meet public health, environmental and economic regulatory standards
- Building a customer-focused organisation with a strong community presence across the region
- Building and maturing towards best-practice infrastructure asset management practices and the development of a regional capital programme that balances necessary infrastructure investment with affordability for customers
- While meeting financial sustainability requirements, a strong focus on efficiency improvement and affordability and value-for-money for communities.

Working relationship between the Stakeholders' Forum and Waiti Waters

The Stakeholders' Forum is seeking to create a strong and constructive working partnership with Waiti Waters, with both parties focused on the successful transition from current Council water services arrangements and on the long-term delivery of high-quality water services for the region.

It is important to the Stakeholders' Forum that this relationship is based on:

- Openness, honesty, integrity and professionalism
- Respect for each other's role in the delivery and oversight of water services for the region
- Transparency, accountability, good faith and no surprises
- Early identification of disagreements or differences of view, and a commitment to rapid resolution, always seeking to maintain a long-term collaborative relationship.

The expectations that follow in this statement set out the anticipated meeting and reporting arrangements between the Stakeholders' Forum and Waiti Waters and include a combination of informal and formal arrangements.

Expectations for Waiti Waters

The Local Government (Water Services) Act 2025 sets out the core purpose and five key objectives for water services providers. We have structured our expectations according to these five objectives –

1. reliable water services,

2. meeting customer expectations,
3. financial sustainability,
4. transparent and responsible,
5. accountable to and reflective of people and place

describing in each case what success looks like to us during the early foundation phase and over the full ten-year period. Unless otherwise identified under the foundation phase heading, all expectations relate to the full ten-year period covered by the Statement.

These expectations do not explicitly address Waiti Waters' legislative and regulatory obligations or the foundations for Waiti Waters set out in governing documentation; these obligations are taken as given and this statement focuses on areas of priority or emphasis expected by the Stakeholders' Forum.

Reliable water services – what does this mean to us?

The Stakeholders' Forum expects that:

Foundation phase

- Waiti Waters must “hit the ground running”, ensuring service continuity for customers across the transition period. Waiti Waters must deliver safe, compliant water services over the transition and early years of operation, with no degradation of performance.

Service delivery and continuity

- Waiti Waters' top priority must always be the delivery of safe, reliable water services, reflecting their value as an essential community service and public good.
- Waiti Waters must at least maintain levels of service and consistently seek to optimise service levels across our region over time. Waiti Waters will develop clear and consistent performance measures of service quality, by July 2027, that apply across the region (with reference to external reporting requirements e.g., Taumata Arowai, Commerce Commission, and others as required). These will be developed following an audit/baseline of current performance for 2025/26.
- Waiti Waters and Councils will be strong and active partners in areas of shared service delivery or responsibility, with those areas of shared responsibility to be reflected in the Transfer Agreements (e.g., stormwater management).

Resilience and risk management

- Waiti Waters will plan and deliver water services that are resilient to future challenges, including the impacts of climate change, natural hazards and other localised risks.
- Waiti Waters will be an essential infrastructure provider under the new Emergency Management Act and is expected to lead water community resilience before, during and after any emergency event. Waiti Waters must have clear operational plans in place to fulfil this role.
- Waiti Waters will build best practice asset management capability and maturity to ensure high-quality asset data supports well-planned and timely infrastructure investment over asset life.

Meet customer expectations – what does this mean to us?

The Stakeholders' Forum expects that:

Foundation phase

- Waiti Waters will operate as a fully customer facing organisation from Day 1, as long as it does not introduce unnecessary risk to achieving a successful establishment and transition. Any interim support that may be required from Councils if this expectation cannot be achieved should be:
 - For an agreed, finite period
 - Be appropriately scoped and documented in a service level agreement (or similar)
 - Have a clear and agreed plan to migrate off Council support
 - With costs recovered by Councils from Waiti Waters
- Waiti Waters will develop a customer communications strategy, to be agreed with Councils, to support the lead up and cutover of service delivery responsibility, with a particular focus on the change of billing responsibility, responsiveness to network faults, and new connections.

Customer focus

- Waiti Waters will operate as a customer-focused service organisation, with a focus on transparency, accountability and responsiveness to customer expectations through a strong and consistent presence across our region
- Waiti Waters must work towards the adoption of consistent service levels, standards and targets across the region to provide a common customer experience (refer service delivery expectations)
- Waiti Waters will maintain a focus on service efficiency and value-for-money for communities
- Waiti Waters will have appropriate policies, processes or mechanisms (which are proactively communicated) for customers to:
 - understand their services and charges
 - raise and manage disputes
 - manage financial hardship and payment
 - engage directly with Waiti Waters on critical priorities/issues
- Waiti Waters will develop a Customer Charter that is the basis for its relationships with its customers and is the customer-facing version of this Statement of Expectations. This Charter will be developed prior to July 2027 (or at the earliest opportunity following July 2027), with a draft to be discussed with the Stakeholders' Forum as part of the regular quarterly meetings.
- Waiti Waters will build and maintain its presence in the community and its social licence to operate through proactive customer communication and demonstration of early results.
- Waiti Waters will develop appropriate regular and proactive reporting on service performance (e.g., service level targets, project delivery etc) and customer satisfaction direct to its customers as part of delivering a high-quality service. This will include the publication of a plain-English annual report for customers.

Financial sustainability – what does this mean to us?

The Stakeholders' Forum expects that:

Pricing and affordability

- Waiti Waters' charges will follow the principles in the Shareholders' Agreement, and will reflect the cost to serve each Council district, at incorporation, for nine years (unless otherwise agreed by shareholders, following advice from Waiti Waters)

- While maintaining cost to serve pricing (as well as regulatory and other requirements), Waiti Waters should carefully consider current and future community affordability as it sets its capital programme and operating costs.

Efficiency

- Waiti Waters must deliver services as efficiently as practical for customers, and customers in all parts of our region should share in efficiency gains achieved
- Waiti Waters' charges should move to a standard pricing structure (tariff structure), while maintaining consistency with cost to serve, by a date to be agreed between Waiti Waters and the Stakeholders' Forum during the transition and ensure:
 - Large price changes/spikes are avoided in the transition period
 - Charging structures consider the ability of different groups of customers to pay for water services
 - Growth related costs are fully recovered
- Volumetric charging, along with supporting customer education in relation to demand management, must be introduced to promote efficient water use, with Waiti Waters to confirm a feasible date and approach for this transition. This introduction should be supported by adequate levels of maintenance work to reduce water loss through leaks.

Capital programme

- Waiti Waters must develop a capital programme that has a whole region perspective and:
 - At all times ensures regulatory and compliance requirements are met
 - Phases investment across our region in a way that balances affordability and infrastructure investment need
 - Seeks maximum efficiency gains in programme delivery
 - Takes a long-term view consistent with best practice infrastructure asset management and minimisation of whole-of-life costs.
- Waiti Waters must explore opportunities to determine if there are ways to use other investment funding and financing tools or syndicated procurement options to deliver the region's capital programme most efficiently, including with iwi partners, National Infrastructure Funding and Financing Company, and others as appropriate.

Transparent and responsible – what does this mean to us?

The Stakeholders' Forum expects that:

Adopting best practice

- Waiti Waters will operate in accordance with governance best practice and sound business practices that promote community, customer and shareholder confidence.

Regulatory compliance

- Waiti Waters must ensure it maintains compliance with all environmental, economic and other regulatory requirements over time (noting these are minimum standards expected, not a benchmark to aim for). Any non-compliance should be well signalled to the Stakeholder Forum and relevant regulators early, along with clear plans to address and return to full compliance.
- Waiti Waters should work towards more "real-time" regulatory and standards compliance, as opposed to historical performance reporting, to promote transparency for the community, customers, regulators and shareholders.

Improvement focus

- Waiti Waters actively explores opportunities for innovation/improvement in service delivery to improve customer, financial or regulatory outcomes.
- Waiti Waters will be an active participant in the wider/national water sector seeking to be part of sector performance improvement and influencing policy and/or sector debate in a way that benefits smaller, regionally based water services providers and their customers.

Reporting and performance

- Waiti Waters must formally report to the Stakeholders' Forum on its intended approach to demonstrating it is delivering against the expectations in this statement including:
 - how performance against expectations will be monitored and reported to the Forum
 - aligning reporting with regulatory reporting requirements to ensure the Forum maintains visibility of regulatory performance and to enable efficiency in reporting processes.
- The relationship between Waiti Waters and the Stakeholders Forum will be managed through:
 - Quarterly meetings focused on progress, delivery of major projects, operational and network performance, service standards, emerging risks, and relationship issues. The frequency of meetings could reduce over time, by agreement, once confidence in the new organisation has been built. If required by either party, these meetings will be more frequent during the transition.
 - Regular/informal meetings between the Chairs of Waiti Waters and the Forum.
- Waiti Waters will formally report to the Stakeholders forum six-monthly including on:
 - financial and operational (including health and safety) performance, including network performance and service standards
 - delivery against the Water Services Strategy capital programme
 - regulatory compliance and other consenting issues (including plant capacity issues)
 - strategic and operational risks
 - progress and results delivered by way of efficiency improvement
 - benefits of Waiti Waters' operations to the region in terms of growth aspirations, economic, social, environmental (including climate change) and cultural impacts
 - if/where developed during transition, maturity/improvement plans for areas of organisational performance (to be reported on for an agreed period of time)
 - any other reasonable matters identified by the Stakeholders Forum and advised to Waiti Waters in the quarterly meeting prior to the presentation of the six-monthly report.

Accountable to and reflective of people and place – what does this mean to us?

The Stakeholders' Forum expects that:

Foundation phase

- Beginning in the transition period, Waiti Waters will seek to establish itself both internally and externally with a "one organisation" focus – not an organisation of four parts – and to build this focus into its culture, strategy, operations, management and governance.
- Waiti Waters will work with Councils and the Stakeholders' Forum to manage establishment and transition risk as a priority; considerations of future service and/or organisational transformation should not affect achievement of a successful transition.
- Waiti Waters will engage with, and support, affected Council staff through the transition, with a particular focus on providing continuity of employment for water services operational staff.

Regional perspective and presence

- Waiti Waters is a critical part of the regional community. It is expected to govern and manage water services in the interests of the region as a whole, not the current individual Council Districts, and in the interests of current and future consumers. It must have a strong and consistent presence (in terms of governance, leadership and operations) throughout the region.

Partnerships

- Waiti Waters will, to the extent consistent with its roles and responsibilities, uphold Treaty settlement obligations and principles, as outlined in the following pieces of legislation:
 - Rangitāne Tū Mai Rā (Wairarapa Tamaki nui-ā-Rua) Claims Settlement Act 2017
 - Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua Claims Settlement Act 2022
 - Te Rohe o Rongokako Joint Redress Act 2022
- Waiti Waters will have appropriate arrangements in place at governance and operational levels that reflect the role of mana whenua as kaitiaki of water resources and meaningful partnership with Rangitāne and Ngāti Kahungunu and their associated hapū and organisations in the management of the region's water resources and services
- Waiti Waters Board and Rangitāne and Ngāti Kahungunu will work together to develop a shared view of the most effective ways to give effect to this commitment to partnership.
- Waiti Waters will be an organisation with community presence across the region, building relationships to support organisational success.

Working together for regional growth and environmental outcomes

- Waiti Waters will actively enable housing growth across the region, with a particular early focus in areas where this is currently constrained due to water infrastructure capacity
- Waiti Waters will actively work with shareholders on relevant regulatory matters, including resource management and land use planning, development of Council growth strategies and Long-Term Plans (e.g., Tararua Growth Strategy, Tararua District Plan, Carterton Eastern Growth Strategy, Combined Wairarapa District Plan, MDC Development Plan, SWDC Spatial plan, the Rangitāne Tū Mai Rā Iwi Environmental Management Plan, Kahungunu Pae-Tata Kahungunu Pae-Tawhiti Taiao Management Plan, or other subsequent revised/new strategies), and in any coordination with the development community
- Waiti Waters will seek opportunities to contribute to regional growth and the local economy through its contracting, supplier management, procurement practices wherever possible, as long as that is consistent with delivering quality services efficiently and affordably for customers
- Waiti Waters will act as steward of the environment, pursuing improvement in environmental outcomes and seeking to mitigate adverse effects to the extent reasonably practical.

Workforce

- Waiti Waters will develop and maintain a regionally-present skilled, safe and high performing workforce that enables Waiti Waters to meet its legislative and regulatory obligations, partnership commitments with iwi, and deliver high-quality services to customers.
- Waiti Waters will consider how it can develop employment pathways to support regional workforce sustainability over time.



16 June 2026

Waiti Waters Statement of Expectations

Tēnā koutou,

Thank you for the opportunity to meet with the Stakeholders' Forum on 5 June to discuss the draft Waiti Waters Statement of Expectations. We found the discussion valuable both to understand your priorities and to begin to develop the close and constructive partnership we are all seeking, and which we know is essential for Waiti Waters' success.

We acknowledge the journey the Councils and iwi partners have been on over several years to progress water reform and the strong basis that your groundwork provides to move forward. We also acknowledge and support your focus on establishing a truly regional water organisation with a long-term focus on current and future customers and communities, and on the specific benefits identified in your Water Services Delivery Plans that you are seeking to achieve from this change.

We note under the Local Government (Water Services) Act 2025 (s229), the Stakeholders' Forum is required to provide a draft of the Statement to Waiti Waters, with sufficient time available to provide feedback. This letter confirms that we been provided with the draft, that the process the Forum has followed has provided us with sufficient time to consider the document and, based on our discussion, that we are comfortable that the draft provides a clear articulation of your expectations of us and our organisation.

In confirming our comfort with the Statement and our firm commitment to work towards its delivery, we do want to take this opportunity to acknowledge the challenges ahead, including:

- complying with new, comprehensive regulatory regimes and performing well under increasing, and justified, regulatory scrutiny,
- balancing regulatory requirements for financial sustainability and the need for significant investment in the network with the Stakeholders' Forum and community expectations of affordable water services,
- meeting customer expectations of service delivery and responsiveness, which will rightly grow in response to necessary price increases, and supporting customers through coming change (e.g., the introduction of volumetric charging),
- building new ways of working between ourselves and Councils to co-deliver areas of shared interest and responsibility (e.g., stormwater, infrastructure planning and regional growth), and
- bringing together parts of four organisations into one new regional entity and building new systems, processes, capabilities and culture to enable success.

We valued the chance to discuss these challenges with you and appreciate that you share our view on the size of the job, and the sustained effort and careful balancing act that will be required. To succeed, we will need to prioritise – we will communicate clearly with you on our choices and focus, including how these priorities change over time as our organisation matures. Maintaining a view of the Statement of Expectations as a living document that we continue to discuss between our organisations will support this.



The Board will now move forward over the coming months to develop the draft Water Services Strategy, in line with the strategic priorities and the specific expectations you have identified for the next 10 years. We note the additional expectation included to formally respond to you with our plan to deliver on the Statement. We will provide this to you alongside the draft Water Services Strategy, once we are further through our transition work and have had the opportunity to develop our organisational strategy and priorities with our incoming Chief Executive.

Following the Councils' adoption of the Statement, which we understand to be planned for meetings in late July/early August, we will publish the finalised Statement and this letter on the Waiti Waters website.

Nā mātou noa, nā

A handwritten signature in blue ink, appearing to read "A. Young-Cooper".

Adrienne Young-Cooper
On behalf of Waiti Waters Board

7.2 ELECTORAL SYSTEM FOR THE 2028 LOCAL GOVERNMENT ELECTION

File Number:

Author: Karen Yates, Group Manager Strategy

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to give Council the opportunity to consider, in relation to the 2028 local government election, whether to continue to use the First Past the Post electoral system or to change to the Single Transferable Vote system, or whether to hold a poll of electors on a proposal that a specified electoral system be used for the next two triennial elections.

EXECUTIVE SUMMARY

The Local Electoral Act 2001 (the LEA) provides for local authorities and their communities to choose either First Past the Post (FPP) or Single Transferable Vote (STV) as their electoral system for local elections.

Electoral systems can be changed by either a resolution of council or by a poll. A poll can be demanded by electors or can be initiated by a council resolution.

The LEA also sets out timeframes for these decisions to be made. It is not mandatory for Council to make a decision, however, if Council do wish to change the current electoral system, it must resolve to do so by 12 September 2026, so the resolution and a statement that a poll is required to countermand it, can be publicly notified by 19 September 2026.

If Council decides to retain FPP as the electoral system to be used, the right of electors to demand a poll on the electoral system to be used still needs to be publicly notified by 19 September.

RECOMMENDATIONS

That Council

1. Receives the report on the Electoral System for the 2028 Local Government Election
2. Agrees to **[EITHER]**
 - (a) continue with the status quo, First Past the Post electoral system **[OR]**
 - (b) change to the Single Transferable Vote electoral system for the next two triennial elections and for this decision to be publicly notified by 19 September 2026; **[OR]**
 - (c) undertake a poll of electors on the electoral system to be used for the next two triennial elections.
3. Notes that the community will be publicly notified, by 19 September 2026, of its right to demand a poll on the electoral system to be used for the next two triennial elections.

CONTEXT

The FPP and STV electoral systems are described in Sections 5A and 5B of the LEA.
(See Attachment 1).

FPP is the most used electoral system for local authorities, used by 62 of the 78 local authorities in the 2025 elections. Under FPP, voters may vote for the number of vacancies on an issue (e.g. in the last election voters on the general roll could cast votes for the three Masterton/Whakaoriori At Large vacancies and four Masterton District Council Masterton/Whakaoriori General ward vacancies. Those on the Māori roll could vote for one vacancy). Candidates with the most votes are then declared elected. When an FPP result is announced, candidates are listed in order of the votes received so it is easy to see who won and lost and how many votes each candidate received.

STV was used by 14 local authorities and two regional councils in the 2025 local election. The STV system requires voters to rank candidates in order of preference. Voters can rank as many or as few candidates as they wish. To get elected, candidates need to reach a quota of votes, which is worked out with a formula based on vacant positions and total votes received.

A guide prepared for Taituarā — Local Government Professionals Aotearoa, to assist Councils in deciding which system to use (see *The Local Government Electoral Option 2023*¹ in Attachment 2) sets out the advantages and disadvantages of each system:

“No electoral system is perfect, and different people will have different views on what is ‘fair’. Both FPP and STV have advantages and disadvantages.

The advantages of FPP relate to its characteristics as a plurality voting system: the simplicity of the voting process including the ways votes are cast, counted and announced.

The disadvantages of FPP relate to:

- *disproportional election results, including the generally ‘less representative’ nature of FPP councils*
- *the obstacles to minority candidate election that do not help to elect a candidate*
- *the number of “wasted votes” (that is, votes that do not help to elect a candidate).*

The advantages of STV, on the other hand, relate to its characteristics as a proportional voting system: a potential reduction in the number of “wasted votes” and majority outcomes in single-member elections. Research shows that STV increases the chances for women to get elected.

The disadvantages of STV relate to:

- *the public might be less familiar with the system and voter education might be required*
- *matters of process such as the way votes are cast and counted (for example perceived complexity may discourage some voters)*
- *the way election results are sometimes communicated.*

¹ NOTE this guide was prepared for the 2025 election and hasn't yet been updated

Deciding which electoral system is best for your community may come down to deciding which is more important: process, or outcome. Unfortunately, neither electoral system can claim to achieve well in both.

More detail on the differences between the two systems and their advantages and disadvantages are included in Attachment 2 - Extract from Taituarā — Local Government Professionals Aotearoa, *The Local Government Electoral Option 2023*².

Masterton District Council has used FPP in its elections to date. Council last considered the matter in 2023 for the 2025 elections and at that time resolved to continue with FPP.

Council is not required to make a decision but needs to be aware that the option to make a change exists. If no decision is made, the default is to use the existing system. For Masterton District Council this would be FPP.

Masterton District Council's Electoral Officer has advised that running an STV election would cost around \$8,000 more than a FPP election due to the nature of the vote processing.

In the 2025 election, Masterton District voters used FPP for the Mayoral, Council, and the Masterton Trust Lands Trust elections. There were no elections for the Masterton Community Trust or the Montfort Trimble Foundation as the number of candidates was the same as the number of vacancies, however if there had been, FPP would have been used. In the Greater Wellington Regional Council 2025 election STV was used.

The 2023 [Future for Local Government Report](#) considered the way the current representation and electoral systems worked and recommended STV be adopted as the nationwide method for local elections. The Report noted that while ethnic diversity was increasing, councils remain predominantly made up of older European/Pakeha members with an average age of 56-60.

“STV can be more representative of voters’ choices because a vote can be transferred if a preferred candidate does not meet a certain threshold. This transfer of votes avoids wasted ballots. Early research demonstrates that STV leads to improvements in the representation of women (Vowles and Hayward 2021). However, the representative benefits of STV work best when there is a large pool of candidates and wards with more than one seat being contested.” (page 87)

Legislated Process and Timetable

The LEA provides three ways for changing the electoral system:

- By council resolution (Section 27)
- By poll demanded by 5% of electors (Section 29)
- By a poll initiated by Council resolution (Section 31)

Council resolution

Council has the option to resolve to change the electoral system for the next two triennial elections. Any resolution to this effect needs to be made by 12 September 2026.

² NOTE this guide was prepared for the 2025 election and hasn't yet been updated

A resolution to change the electoral system would take effect for the 2028 and 2031 elections and continue in effect after that until either another resolution is passed or there is a poll of electors.

The Council resolution can be countermanded by a poll demanded by 5% of electors.

Poll by Demand of Electors

Council is required to give the public notice of the right to demand a poll on the electoral system to be used for the elections of the local authority by 19 September 2026 (LEA Section 28).

If Council passed a resolution to change the electoral system, the public notice would need to include notice of that resolution and a statement that a poll is required to countermand that resolution.

Five percent of electors enrolled as eligible to vote at the previous general election of the local authority may demand that a binding poll be held on a proposal that a specific electoral system be used at the elections. For the Masterton District, that would be 1006 valid electors (5% x 20,108 electors on the 2025 roll). A demand for a poll would need to be received by 11 December 2026.

When electoral system change resulting from a poll takes effect depends on when the demand for a poll is received (e.g. from the next triennial election, or the one after that) (LEA Section 33).

Poll by Council resolution

Council can resolve that a poll on the electoral system question be held. For the results of a poll initiated by Council resolution to take effect for the 2028 local election, Council would need to make that decision before 11 December 2026 and the poll would need to take place within 89 days of that date. Council's Electoral Officer has advised that the cost of a stand-alone poll for the Masterton District would be around \$100,000.

Masterton District Council could decide to hold a poll in conjunction with the 2028 election if it wanted the community to decide whether FPP or STV should be used for Masterton District Council elections. Masterton District Council's Electoral Officer has advised that for Masterton to run a poll alongside the election would cost around \$15-20,000. This is based on present day costs so would likely be more by 2028. Any poll would determine the electoral system to be used for the 2031 and 2034 elections.

An example of a poll run alongside an election is that run by [Hutt City Council](#) in 2025 on the question of whether FPP or STV should be used for future elections (the poll determined that FPP was the preferred option).

DISCUSSION AND OPTIONS

As stated above, detail on both electoral systems and their advantages and disadvantages is set out in Attachment 2.

Options

- i Council could decide to retain the status quo and simply give public notice by 19 September 2026 that electors have the right to demand a poll on the electoral system to be used for the next two triennial elections. If no demand for a poll is received the status quo remains and FPP will continue to be used

for future elections until a resolution for change is passed, or a successful poll of electors on a proposal for change takes place.

- ii Council could make a decision to change the electoral system to STV and give public notice of this and the electors right to demand a poll on the decision by 19 September 2026. If no poll is demanded to countermand council's decision the electoral system would change to STV for the 2028 and 2031 elections and continue after that until a further resolution is passed or a poll takes place.
- iii Council could make a decision (before 11 December 2026) to hold a poll of electors on the issue (the poll would need to be held no later than 28 March 2027). The result of the poll would apply to the 2028 and 2031 elections and continue after that until a resolution of council is passed or another poll takes place. If Council decided to hold a poll in conjunction with the next local election, the result of that poll would apply to the 2031 and 2034 elections.

Supporting Information

Strategic, Policy and Legislative Implications

Council has the option under the Local Electoral Act (LEA) to decide which electoral system is to be used for local elections.

The principles in the LEA are designed to implement the following:

Section 4 (1)

- (aa) representative and substantial electoral participation in local elections and polls:
 - (a) fair and effective representation for individuals and communities:
 - (b) all qualified persons have a reasonable and equal opportunity to—
 - (i) cast an informed vote:
 - (ii) nominate 1 or more candidates:
 - (iii) accept nomination as a candidate:
- (c) public confidence in, and public understanding of, local electoral processes through—
 - (i) the provision of a regular election cycle:
 - (ii) the provision of elections that are managed independently from the elected body:
 - (iii) protection of the freedom of choice of voters and the secrecy of the vote:
 - (iv) the provision of transparent electoral systems and voting methods and the adoption of procedures that produce certainty in electoral outcomes:
 - (v) the provision of impartial mechanisms for resolving disputed elections and polls.

Section 4 also provides that

- (2) Local authorities, electoral officers, and other electoral officials **must**, in making decisions under this Act or any other enactment, take into account those principles specified in subsection (1) that are applicable (if any), so far as is practicable in the circumstances.

Significance, engagement and consultation

A decision to change Council's electoral system would not amount to a significant decision in terms of Council's Significance and Engagement Policy as there is likely to be only minor community interest in the decision and, although any decision would be in place for the next two triennial elections, the decision is not irreversible.

Financial considerations

Based on 2025 costs, estimated cost of running an STV election would be approximately \$8,000 more than a FPP election. The cost of a poll has been estimated at approximately \$100,000 (or around \$15-20k if a poll were to be held alongside the 2028 election). There is currently no budget provision for any of these amounts.

Treaty considerations/implications for Māori

There are no direct Treaty considerations or implications for Māori. One of the potential benefits of the use of STV in elections is more diversity which may benefit Māori, however *The Local Government Electoral Option 2023* guide in Attachment 2 notes that "until a greater variety of people stand for local body election and a wide diversity of people vote, no representation system will be able to improve the diversity or representatives elected."

Communications/engagement plan

If Council resolves to change the electoral system, or to have a poll of electors, a communications and engagement plan will be required.

Environmental/climate change impact and considerations

There are no environmental/climate change impacts or considerations arising from the electoral system to be used by Council.

ATTACHMENTS

1. **Attachment 1 - Extracts from the Local Electoral Act** [↓](#)
2. **Attachment 2 - Extract from Taituara - Local Government Professionals Aotearoa, The Local Government Electoral Option 2023** [↓](#)

EXTRACTS FROM THE LOCAL ELECTORAL ACT 2001

5A General description of First Past the Post electoral system

For local electoral purposes, the First Past the Post electoral system,—

- (a) in the case of an election, has the following features:
 - (i) voters may cast as many votes as there are positions to be filled:
 - (ii) where a single position is to be filled, the candidate who receives the highest number of votes is elected:
 - (iii) where more than 1 position is to be filled, the candidates equal to the number of positions who receive the highest number of votes are elected:
- (b) in the case of a poll, has the features specified in paragraph (a) as if, with all necessary modifications, every reference to a candidate were a reference to the matter or matters that are the subject of the poll.

5B General description of Single Transferable Voting electoral system

For local electoral purposes, the Single Transferable Voting electoral system,—

- (a) in the case of an election for multi-member vacancies, has the following features:
 - (i) voters express a first preference for 1 candidate and may express second and further preferences for other candidates:
 - (ii) a quota for election is calculated from the number of votes and positions to be filled:
 - (iii) the first preferences are counted and any candidate whose first preference votes equal or exceed the quota is elected:
 - (iv) if insufficient candidates are elected under subparagraph (iii), the proportion of an elected candidate's votes above the quota is redistributed according to voters' further preferences, and—
 - (A) candidates who then reach the quota are elected; and
 - (B) the candidate with the fewest votes is excluded:
 - (v) the excluded candidate's votes are redistributed according to voters' further preferences:
 - (vi) if insufficient candidates are elected under subparagraphs (iv) and (v), the steps described in subparagraphs (iv) and (v) are repeated until all positions are filled:
- (b) in the case of an election for a mayoral or single member vacancy, has the following features:
 - (i) voters express a first preference for 1 candidate and may express second and further preferences for other candidates:
 - (ii) an absolute majority of votes for election is calculated from the number of votes and positions to be filled:
 - (iii) the first preferences are counted and, if a candidate's first preference votes equal or exceed the absolute majority of votes, that candidate is elected:
 - (iv) if no candidate is elected under subparagraph (iii), the candidate with the fewest votes is excluded and that candidate's votes are redistributed according to voters' further preferences:
 - (v) if no candidate is elected under subparagraph (iv), the steps described in subparagraph (iv) are repeated until a candidate is elected:
- (c) in the case of a poll, has the features specified in paragraphs (a) and (b) as if, with all necessary modifications, every reference to a candidate were a reference to the matter or matters that are the subject of the poll.

*Electoral systems for elections***27 Local authority may resolve to change electoral systems**

- (1) Any local authority may, not later than 12 September in the year that is 2 years before the year in which the next triennial general election is to be held, resolve that the next 2 triennial general elections of the local authority and its local boards or community boards (if any), and any associated election, will be held using a specified electoral system other than that used for the previous triennial general election.
- (2) A resolution under this section—
 - (a) takes effect, subject to paragraph (b), for the next 2 triennial general elections of the local authority and its local boards or community boards (if any), and any associated election; and
 - (b) continues in effect until either—
 - (i) a further resolution under this section takes effect; or
 - (ii) a poll of electors of the local authority held under [section 33](#) takes effect.
- (3) This section is subject to [section 32](#).
- (4) In this section, and in [sections 28 to 34](#), **associated election**, in relation to any 2 successive triennial general elections of a local authority (and its local boards or community boards (if any)), means—
 - (a) any election to fill an extraordinary vacancy in the membership of the body concerned that is held—
 - (i) between those elections; or
 - (ii) after the second of those elections but before the subsequent triennial general election;
 - (b) an election of the members of the body concerned called under [section 258I](#) or [258M](#) of the Local Government Act 2002 that is held—
 - (i) between those elections; or
 - (ii) after the second of those elections but before the subsequent triennial general election.

28 Public notice of right to demand poll on electoral system

- (1) Every local authority must, not later than 19 September in the year that is 2 years before the year in which the next triennial general election is to be held, give public notice of the right to demand, under [section 29](#), a poll on the electoral system to be used for the elections of the local authority and its local boards or community boards (if any).
- (2) If the local authority has passed a resolution under [section 27](#) that takes effect at the next triennial election, every notice under subsection (1) must include—
 - (a) notice of that resolution; and
 - (b) a statement that a poll is required to countermand that resolution.
- (2A) Despite subsections (1) and (2), if, on or before the date referred to in subsection (1), the local authority has passed a resolution under [section 31](#) and has specified a date for the holding of the poll that is on or before 28 March in the year before the next triennial general election, subsection (1) does not apply.
- (3) This section is subject to [section 32](#).

29 Electors may demand poll

- (1) A specified number of electors of a local authority may, at any time, demand that a poll be held on a proposal by those electors that a specified electoral system be used at the elections of the local authority and its local boards or community boards (if any).
- (2) This section is subject to [section 32](#).
- (3) In this section and [sections 30 and 31](#),—
demand means a demand referred to in subsection (1)
specified number of electors, in relation to a local authority, means a number of electors equal to or greater than 5% of the number of electors enrolled as eligible to vote at the previous general election of the local authority.

30 Requirements for valid demand

- (1) A demand must be made by notice in writing—
 - (a) signed by a specified number of electors; and
 - (b) delivered to the principal office of the local authority.
- (2) An elector may sign a demand and be treated as one of the specified number of electors only if—
 - (a) the name of that elector appears,—
 - (i) in the case of a territorial authority, on the electoral roll of the territorial authority; and
 - (ii) in the case of any other local authority, on the electoral roll of any territorial authority or other local authority as the name of a person eligible to vote in an election of that local authority; or
 - (b) in a case where the name of an elector does not appear on a roll in accordance with paragraph (a),—
 - (i) the name of the elector is included on the most recently published electoral roll for any electoral district under the [Electoral Act 1993](#) or is currently the subject of a direction by the Electoral Commission under [section 115](#) of that Act (which relates to unpublished names); and
 - (ii) the address for which the elector is registered as a parliamentary elector is within the local government area of the local authority; or
 - (c) the address given by the elector who signed the demand is—
 - (i) confirmed by the Electoral Commission as the address at which the elector is registered as a parliamentary elector; and
 - (ii) within the district of the local authority; or
 - (d) the elector has enrolled, or has been nominated, as a ratepayer elector and is qualified to vote as a ratepayer elector in elections of the local authority.
- (3) Every elector who signs a demand must state, against his or her signature,—
 - (a) the elector's name; and
 - (b) the address for which the person is qualified as an elector of the local authority.
- (3A) If a valid demand is received after 11 December in the year that is 2 years before the next triennial general election, the poll required by the demand—
 - (a) must be held after 28 March in the year before that election; and
 - (b) has effect in accordance with [section 34\(2\)](#) (which provides that the poll has effect for the purposes of the next but one triennial general election of the local authority and the subsequent triennial general election).
- (4) The chief executive of the local authority must, within 2 working days after receiving it, give notice to the electoral officer of every valid demand for a poll made in accordance with [section 29](#) and this section.
- (5) This section is subject to [section 32](#).

31 Local authority may resolve to hold poll

- (1) A local authority may, no later than 11 December in the year that is 2 years before the year in which the next triennial general election is to be held, resolve that a poll be held on a proposal that a specified electoral system be used for the elections of the local authority and its local boards or community boards (if any).
- (2) A resolution may, but need not, specify a date on which the poll is to be held.
- (2A) The date specified for the holding of a poll must not be a date that would require deferral of the poll under [section 138A](#).
- (3) The chief executive of the local authority must give notice to the electoral officer of any resolution under subsection (1),
—
 - (a) if no date for the holding of the poll is specified in the resolution, within 2 working days after the resolution is made;
 - (b) if a date for the holding of the poll is specified in the resolution, at an appropriate time that enables the poll to be conducted in accordance with [section 33\(3\)](#).
- (4) This section is subject to [section 32](#).

32 Limitation on change to electoral systems

[Sections 27 to 31](#) do not apply if—

- (a) a poll on the proposal described in [section 29](#) or [section 31](#) held under [section 33](#) took effect at the previous triennial general election of the local authority or takes effect at the next triennial general election of the local authority;
- (b) another enactment requires a particular electoral system to be used for the election of members of a local authority.

33 Poll of electors

- (1) If the electoral officer for a local authority receives notice under [section 30\(4\)](#) or [section 31\(3\)](#), the electoral officer must, as soon as is practicable after receiving that notice, give public notice of the poll under [section 52](#).
- (2) Despite subsection (1), if an electoral officer for a local authority receives 1 or more notices under both [sections 30\(4\)](#) and [31\(3\)](#), or more than 1 notice under either section, in any period between 2 triennial general elections, the polls required to be taken under each notice may, to the extent that the result of those polls would take effect at the same election, and if it is practicable to combine those polls, be combined.
- (3) A poll held under this section must be held not later than 103 days after the date on which—
 - (a) the notice referred to in subsection (1) is received; or
 - (b) the last notice referred to in subsection (2) is received.
- (3A) Subsection (3) is subject to subsection (2), [section 30\(3A\)](#) and [section 138A](#).
- (3B) Voters at a poll held under this section decide the proposal or proposals that are the subject of the poll by voting for one of the electoral systems named in the voting document or, as the case may require, expressing a preference in respect of each of the electoral systems named in the voting document.
- (4) Every poll under this section that is held in conjunction with a triennial general election or held after that election but not later than 28 March in the year immediately before the year in which the next triennial general election is to be held determines whether the electoral system to be used for the next 2 triennial general elections of the local authority and its local boards or community boards (if any) and any associated election is to be—
 - (a) the electoral system used at the previous general election of the local authority; or
 - (b) the electoral system specified in any resolution under [section 27](#); or
 - (c) the electoral system specified in any demand submitted within the appropriate period of which the electoral officer has received notice under [section 30\(4\)](#) and, if notice of more than 1 such demand is received, one of the systems specified in those demands and, if so, which one; or
 - (d) the electoral system specified in any resolution of which the electoral officer has received notice under [section 31\(3\)](#).
- (5) Every poll under this section that is held at some other time determines whether the electoral system to be used at the next but one triennial general election of the local authority and its local boards or community boards (if any) and any associated election is to be—
 - (a) the electoral system used at the previous general election of the local authority; or
 - (b) the electoral system specified in any resolution under [section 27](#); or
 - (c) the electoral system specified in any demand submitted within the appropriate period of which the electoral officer has received notice under [section 30\(4\)](#) and, if notice of more than 1 such demand is received, one of the systems specified in those demands and, if so, which one; or
 - (d) the electoral system specified in any resolution of which the electoral officer has received notice under [section 31\(3\)](#).

34 Effect of poll

- (1) If a poll is held under [section 33](#) in conjunction with a triennial general election or held after that election but not later than 28 March in the year immediately before the year in which the next triennial general election is to be held, the electoral system adopted or confirmed must be used—
 - (a) for the next 2 triennial general elections:
 - (b) for any associated election:
 - (c) for all subsequent triennial general elections, elections to fill extraordinary vacancies, and elections called under [section 258I](#) or [258M](#) of the Local Government Act 2002, until a further resolution under [section 27](#) takes effect or a further poll held under [section 33](#) takes effect, whichever occurs first.
- (2) If a poll is held under [section 33](#) at some other time, the electoral system adopted or confirmed must be used—
 - (a) for the next but one triennial general election and the following triennial general election:
 - (b) for any associated election:
 - (c) for all subsequent triennial general elections, elections to fill extraordinary vacancies, and elections called under [section 258I](#) or [258M](#) of the Local Government Act 2002, until a further resolution under [section 27](#) takes effect or a further poll held under [section 33](#) takes effect, whichever occurs first.

ATTACHMENT 2 - extract from *The Local Government Electoral Option 2023*, prepared for Taituarā by Professor Janine Hayward, Politics/Tōrakapū, University of Otago

1. The Choice: First Past the Post (FPP) or Single Transferable Voting (STV) ?

(a) How do the two electoral systems work?

FPP	STV
FPP: casting a vote You place ticks equal to the number of vacancies next to the candidate(s) you wish to vote for. In multi-member wards/constituencies you cast one vote for each vacancy to be filled, as above. In single-member wards/constituencies you cast one vote.	STV: casting a vote You cast a single vote regardless of the number of vacancies. You cast this single vote by consecutively "ranking" your preferred candidates beginning with your most preferred candidate ('1') your next preferred candidate ('2') and so on. In multi-member wards/ constituencies you cast a single vote by ranking as few or as many candidates as you wish, as above. In single-member wards/constituencies you cast a single vote by ranking as few or as many candidates as you wish.
FPP: counting votes The candidate(s) with the most votes win(s). A winning candidate might not have a majority of votes, just the largest number of votes cast.	STV: counting votes The candidate(s) are elected by reaching the "quota" (the number of votes required to be elected).³ Vote counting is carried out by computer.⁴ First preference votes ('1s') are counted. Candidates who reach the quota are "elected". The "surplus" votes for elected candidates are transferred according to voters' second preferences. Candidates who reach the quota by including second preferences are "elected". This process repeats until the required number of candidates is elected.⁵
	In multi-member constituencies, despite voters casting only a single vote, a voter may influence the election of more than one representative (if part of their vote is transferred to another candidate according to the voter's preferences).

³ The quota is calculated by dividing the total number of valid votes cast by the number of vacancies to be filled plus one

⁴ The New Zealand method of STV uses the 'Meek method' of counting votes. Because this method transfers proportions of votes between candidates, it requires a computer program (the STV calculator).

⁵ If at any point there are no surplus votes left to transfer, the candidate with the lowest number of votes is excluded and their votes redistributed according to voters' next preferences. For further information on the details of vote counting, see, for example, STV Taskforce, 'Choosing Electoral Systems in Local Government in New Zealand: A Resource Document', (May 2002).

FPP	STV
FPP: announcing results FPP preliminary results can usually be announced soon after voting ends. Official results are announced and published showing the total votes received by each candidate.	STV: announcing results Because all votes must be processed before counting can begin, STV results might take longer to announce. Official results are announced and published showing elected candidates in the order they reached the quota and unsuccessful candidates in the order they were excluded.

(b) What is the difference between the two electoral systems?

FPP is a “plurality” electoral system; this means that to get elected a candidate must win the most votes, but not necessarily a majority of the votes. FPP is a simple system for voters to use. In multi-member constituencies, like local government elections, voters cast multiple votes. As a plurality system, FPP is not designed to produce proportional results; that is, the election results do not necessarily reflect the preferences of the broad community of voters.

STV is a “proportional” electoral system; this means that to get elected a candidate must win a proportion of the overall votes cast (or “meet the quota”). In multi-member constituencies like local government elections, a voter casts a single vote by ranking his/her preferred candidates. As a proportional system, STV is designed to produce proportional results that reflect the preferences of the broad community of voters.

2. What are the Advantages and Disadvantages of Each System?

No electoral system is perfect, and different people will have different views on what is ‘fair’. Both FPP and STV have advantages and disadvantages.

The advantages of FPP relate to its characteristics as a plurality voting system: the simplicity of the voting process including the ways votes are cast, counted and announced.

The disadvantages of FPP relate to:

- disproportional election results, including the generally ‘less representative’ nature of FPP councils
- the obstacles to minority candidate election that do not help to elect a candidate
- the number of “wasted votes” (that is, votes that do not help to elect a candidate).

The advantages of STV, on the other hand, relate to its characteristics as a proportional voting system: a potential reduction in the number of “wasted votes” and majority outcomes

in single-member elections.⁶ Research shows that STV increases the chances for women to get elected.⁷

The disadvantages of STV relate to:

- the public might be less familiar with the system and voter education might be required
- matters of process such as the way votes are cast and counted (for example perceived complexity may discourage some voters)
- the way election results are sometimes communicated.

Deciding which electoral system is best for your community may come down to deciding which is more important: process, or outcome. Unfortunately, neither electoral system can claim to achieve well in both.

(a) More detailed advantages and disadvantages

FPP	STV
FPP: casting votes FPP is a straightforward system of voting. FPP is familiar to most people. "Tactical" voting is possible; votes can be used with a view to preventing a candidate from winning in certain circumstances.	STV: casting votes STV is a less straightforward system of voting. There is a need for more information for people to understand the STV ranking system of candidates. It is virtually impossible to cast a "tactical" vote under STV. As a result, voters are encouraged to express their true preferences.
FPP: counting votes FPP is a straightforward system for counting votes. Votes can be counted in different locations and then aggregated. Election results are usually announced soon after voting ends.	STV: counting votes STV vote counting requires a computer program (the STV calculator). Votes must be aggregated first and then counted in one location. Election results will usually take a little longer to produce.

⁶ For further discussion, see Graham Bush, 'STV and local body elections – a mission probable?' in J. Drage (ed), *Empowering Communities? Representation and Participation in New Zealand's Local Government*, pp 45–64 (Wellington: Victoria University Press, 2002).

⁷ Jack Vowles & Janine Hayward (2021) "Ballot structure, district magnitude and descriptive representation: the case of New Zealand local council elections", *Australian Journal of Political Science*, 56:3, 225–244, DOI: [10.1080/10361146.2021.1935449](https://doi.org/10.1080/10361146.2021.1935449)

FPP	STV
FPP: election results Official results show exactly how many people voted for which candidates. Results are easy to understand. A “block” of like-minded voters can determine the election of multiple candidates in multi-member wards/ constituencies, without having a majority of the votes, thereby ‘over-representing’ themselves. The overall election results might not be proportional to voters’ wishes, and might not reflect the electoral wishes of the majority of voters, only the largest group of voters who may not be the majority. In single-member elections, the winner does not need to have the majority of votes, just the largest group of votes. There might be more “wasted” votes (votes that do not contribute to the election of a candidate).	STV: election results Official results will identify which candidates have been elected and which have not and in which order. They do not show how many votes candidates got overall, as all successful candidates will have the same proportion of the vote (the quota). This information, at stages of the count, can still be requested. Results can be easy to understand if presented appropriately. STV moderates “block” voting as each voter casts only one single vote, even in multi-member wards/constituencies. The overall election results are likely to reflect the wishes of the majority of voters in proportion to their support for a variety of candidates. In single-member wards/constituencies, the winner will have the majority of votes (preferences). Every vote is as effective as possible (depending on the number of preferences indicated) meaning there are likely to be fewer “wasted” votes (votes that do not contribute to the election of a candidate).

3. Common Questions and Concerns

(a) FPP ain’t broke: so why fix it?

For councils that are used to voting with FPP, it can appear that there is nothing wrong with this system and there is no need for change. But the Local Electoral Act 2001 requires councils to engage in this process in good faith, and encourages councils to consult with their communities about the electoral system they prefer.

(b) FPP is easy to understand. I can’t trust a complicated system like STV.

It is often said that FPP is easy and STV is complex. A post-election survey has found, however, that most people have found it easy to fill in the STV voting document and rank

their preferred candidates.⁸ The way STV votes are counted is complicated. That is why it requires a computer program (STV calculator). The STV calculator has been independently certified and voters can trust that it only transfers a vote according to a voter's preferences ranked on his/her voting documents. Nothing (and no person) can influence the transfer of votes set out on voting documents.

(c) Won't voters be put off if the voting system is too complicated?

Voter turnout (the number of people voting) in STV local body elections has been mixed. Some councils' turnout was higher than the national average, and some lower.⁹ Turnout for District Health Board (DHB) elections (which had to use STV) was seen to be influenced by a range of factors including elections being at large for seven vacancies, the number of candidates (who are often less well-known than council candidates) and the fact this issue is usually at the end of the voting document.

Overall, voter turnout has been on the decline for many years. It is possible that more voters would turn out to local elections in the future if they feel with STV they have a better chance of electing a representative who better represents them than FPP has in the past.

(d) Won't there be more blank and informal votes under STV, which is not good for democracy?

Despite voters saying in the Local Government Commission survey that they generally found STV an easy way to vote, some voters did cast an invalid vote in STV elections (including DHB elections). A small proportion of these voters seemed confused by the voting system. But most blank and informal votes are thought to be due to two different voting systems (FPP and STV) appearing on the same voting document and to other factors, rather than being due to the way STV votes are cast.¹⁰

(e) STV won't work for our council because of our ward/at large system.

There is no 'rule' about the need or otherwise for wards or constituencies, but STV can be seen to provide the greatest benefit in wards or constituencies electing between three and nine candidates. If there are fewer than three candidates, the benefits of the transferable vote in terms of proportionality are not likely to be evident. In single member constituencies (mayoral elections) STV ensures that the winning candidate has a majority of the votes. If voters have a very large number of candidates to choose from when ranking their preferences, they may find it a more difficult task (although there is no need to rank all candidates).

⁸ Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), p 14

⁹ Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), p 13

¹⁰ Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), pp 13–18

(f) STV hasn't made any difference to the diversity of representation in STV councils

Until a greater variety of people stand for local body election and a wide diversity of people vote, no representation system will be able to improve the diversity of representatives elected. There has been some change in the gender, ethnicity and age of some members elected by STV.¹¹ Recent research shows that STV increases the chances for women to get elected.¹² But it will take some time for a diversity of candidates to see the opportunities of standing in an STV election and more voters to see the potential benefits of voting under a proportional representation system.

¹¹ Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), pp 18–1

¹² Jack Vowles & Janine Hayward (2021) "Ballot structure, district magnitude and descriptive representation: the case of New Zealand local council elections", *Australian Journal of Political Science*, 56:3, 225–244, DOI: [10.1080/10361146.2021.1935449](https://doi.org/10.1080/10361146.2021.1935449)

7.3 WAIRARAPA CONSOLIDATED BYLAWS PART 6A: TRAFFIC CONTROL SCHEDULE – PROPOSED CHANGES FOR QUEEN STREET NORTH

File Number:

Author: Karen Yates, Group Manager Strategy

Authoriser: Kym Fell, Chief Executive

PURPOSE

This paper seeks a Council decision on options to address parking issues on Queen Street North. Subject to Council's preferred option, it also seeks approval to amend the Wairarapa Consolidated Bylaws Part 6A: Traffic Control Schedule to give effect to that decision.

RECOMMENDATIONS

That Council:

1. Receives the Wairarapa Consolidated Bylaws Part 6A: Traffic Control Schedule – Proposed Changes for Queen Street North Report.
2. **EITHER**
 - (a) Agrees to designate the area outside 8 Queen Street for three parallel carparks with a P60 limit; and
 - (b) Agrees to amend the Wairarapa Consolidated Bylaws Part 6A: Traffic Control Schedule to give effect to this decision; and
 - (c) Notes that the bylaw changes will be notified through our website and Antenno.

OR

- (a) Agrees to consult on designating Queen Street from Bruce Street to the northern roundabout as a P120 zone.

CONTEXT

Wairarapa Consolidated Bylaw, Part 6: Traffic

The three Wairarapa Councils have a consolidated bylaw including Part 6: Traffic. This sets the requirements for parking and control of vehicular or other traffic on any road in the Masterton, Carterton and South Wairarapa districts, including state highways located within the urban boundaries that are otherwise controlled by the New Zealand Transport Agency (NZTA).

Under clause 22 of Part 6: Traffic, each of the councils are responsible for maintaining schedules of traffic control measures in their respective districts. Council has the power to amend this bylaw schedule by resolution publicly notified under clause 21.

Issue with Parking in Queen Street North

On 19 June 2026 tenants of the block of shops located at 8 Queen Street contacted Council, through a service request, regarding the availability of parking on the northern end of Queen Street. It was advised that vehicles are often parking in the spaces outside these businesses for much of the day, making it difficult for customers to find convenient parking when accessing these businesses. They asked if consideration could be given to time limiting the car parks in this area.



Since 19 June, Council staff have monitored the area and observed similar patterns, with vehicles frequently remaining parked for extended periods with limited turnover throughout the day. These observations suggest that parking in this area is being used more for long-stays reducing parking options for shorter customer visits. A solution to mitigate the impact on these businesses would be to introduce time-limited parking.

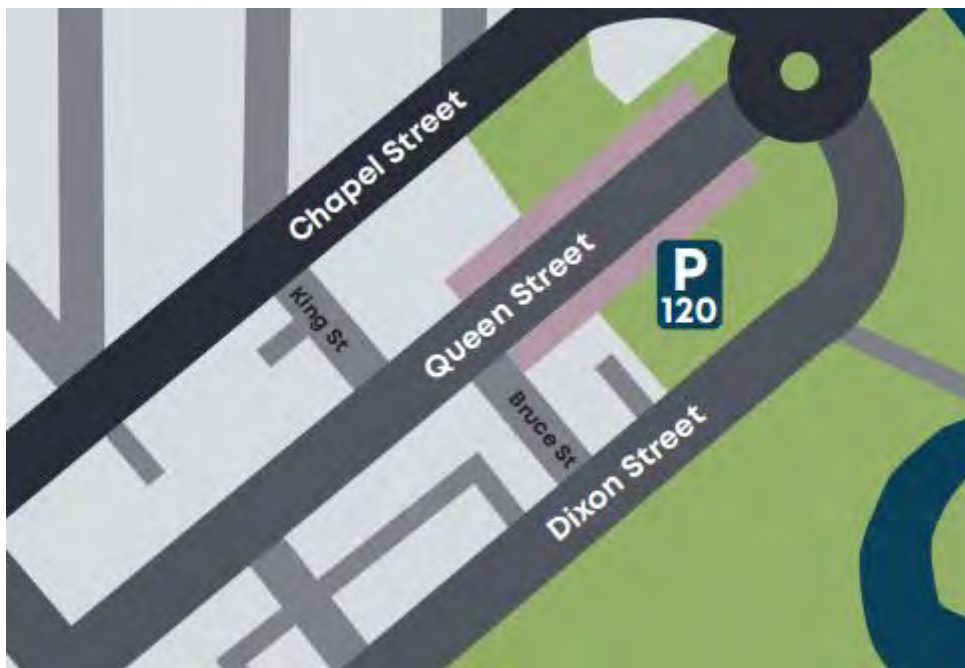


Top: Map showing the three car parks in question. Above: The building that houses three businesses, including Heads and Tails Dog Groomers

2025 Parking Consultation

In 2025, Council consulted on a range of proposed parking changes across Masterton aimed at improving consistency and managing parking demand in key areas. The proposals included introducing time-limited parking in known hotspot locations, creating a more consistent approach to on-street parking time limits, and aligning time restrictions across some off-street parking areas.

One of the areas considered was Queen Street North, being the section of Queen Street between Bruce Street and Dixon Street/Chapel Street (the northern roundabout). For this area, Council proposed introducing a 120-minute parking limit, bringing it into line with other sections of Queen Street adjoining the town centre where time limits are already in place to support customer access and parking turnover.



Above: map of Queen Street and Bruce Street.

A total of 48 submissions were received on the wider parking consultation, with 37 submitters commenting specifically on the proposal for Queen Street between Bruce Street and Dixon Street/Chapel Street. Views were closely divided, with 19 submitters opposed and 18 in support. Those supporting the change generally saw value in creating a more consistent parking approach across the town centre and considered a two-hour time limit appropriate for supporting shopping, business visits and other short-term activities. Those opposed raised concerns about the impact on nearby workers who rely on this section of Queen Street for all-day parking, particularly staff working early or late shifts who may need to park further away from their workplace if restrictions were introduced.

Following consideration of the submissions and feedback received through the hearings process, the Hearings Committee recommended that the proposed P120 time limit not be implemented on Queen Street North. The recommendation reflected concerns raised by employees and business owners about the availability of alternative parking and the potential safety implications of staff having to park further away from their workplaces. On 27 August 2025, Council resolved not to

proceed with the proposed changes for this section of Queen Street, noting the concerns raised through the consultation process.

ANALYSIS AND ADVICE

The request received highlights a tension between two competing parking needs on Queen Street North. Businesses rely on convenient short-term parking for customers and visitors, while employees working in the area rely on unrestricted parking for longer stays during the workday. Staff monitoring has confirmed limited turnover in the parking spaces outside this block of shops at 8 Queen Street, supporting the concerns raised about customer access.

One option to mitigate this issue would be to introduce P60 time limited parking for the three car parks outside this block of shops. This would be a targeted response to address the specific issue for these businesses and would have minimal impact on parking in the wider area.

The alternative would be to revisit the proposal to introduce P120 time limited parking in Queen Street North. As Council made a relatively recent decision (2025) not to implement time-limited parking in this area, further engagement and consultation with affected businesses, employees and the community would be required to change this decision.

These options are summarised below:

Option 1: Targeted Response

Option 1 is to designate the three parallel parking spaces outside 8 Queen Street as P60 parking. This option directly addresses the issue raised and is supported by staff observations of low parking turnover in these spaces. Designating these parks as a P60 area is also consistent with our approach to time-limited parking directly outside other businesses in Queen Street, that are outside the metered parking area. Where carparks are outside the metered area but not directly outside businesses, P120 time restrictions are generally applied.

The impact of this proposed change would be relatively limited, affecting only three parking spaces in the Queen Street North area, while leaving the majority of parking in the surrounding area unrestricted.

A significant amount of unrestricted on-street parking would remain available nearby, along with additional capacity in the Horseshoe Bend car park, which typically experiences low levels of utilisation. As a result, employees and long-stay parkers would continue to have access to nearby parking options.

This targeted approach would improve the availability of convenient short-term parking for customers and visitors to the businesses at 8 Queen Street, while avoiding many of the concerns that were raised during the 2025 consultation regarding wider parking restrictions.

This targeted approach would improve the availability of convenient short-term parking for customers and visitors to businesses in the immediate area, while avoiding many of the concerns that were raised during the 2025 consultation regarding wider parking restrictions.

Option 2: Revisit Proposal to introduce P120 parking in Queen Street North

Option 2 is to revisit the broader approach considered through the 2025 parking review and consult on introducing a P120 parking zone on Queen Street North. This would provide a more consistent parking management approach across the area and may improve parking turnover for a larger number of businesses. However, this option would time limit considerably more parking spaces (approximately 60) and would likely prompt many of the same concerns raised during the previous

consultation process. Given Council's recent 2025 decision not to proceed with wider restrictions, consultation and engagement with affected parties is recommended if Council wish to reconsider a broader P120 area.

While staff observations indicate that this area is heavily used for longer term parking, no other concerns have been raised regarding parking in Queen Street north beyond the parking outside this block of businesses. There is no evidence that there has been a notable change in parking behaviour since the 2025 consultation.

Cost Implications

From a financial perspective, either option can be accommodated within existing operational budgets, however there would be a greater opportunity cost associated with Option 2.

Costs for Option 1 would primarily relate to signage changes, updates to the Traffic Control Schedule, public notification, and ongoing enforcement.

Costs for Option 2 would be similar, but there would be additional costs associated with undertaking a consultation process. Staff time would also need to be invested in managing the consultation process presenting an opportunity cost.

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Option		Advantages	Disadvantages
1	Introduce a P60 time limit for the three parking spaces outside the block of shops located at 8 Queen Street	• Directly addresses the concerns raised regarding parking outside the block of businesses in Queen Street north. • Time restrictions are supported based on staff observations that show low parking turnover in these spaces. • Aligns with P60 restrictions outside other businesses on Queen Street that are outside the metered area. • May improve parking turnover and customer access for these businesses. • Has a limited impact on broader parking options in the area, restricting only three parking	• A small reduction in the number of unrestricted parking spaces available in the immediate area for employees and long-stay parkers. • Requires signage changes and ongoing monitoring for enforcement.

		spaces. • Retains substantial unrestricted parking in the surrounding area, including nearby on-street parking and the Horseshoe Bend car park. • Directs all day parking to areas set aside for that purpose. • Can be implemented through a simple amendment to the Traffic Control Schedule. • Does not require Council to revisit a recent decision via broader community consultation	
2	Consult on introducing a P120 parking zone on Queen Street North (Bruce Street to the northern roundabout)	• Provides a more consistent parking management approach across the wider area. • May improve parking turnover and customer access for multiple businesses. • Aligns with parking controls already in place elsewhere along Queen Street. • Directs all day parking to areas set aside for that purpose. • Allows the community and affected stakeholders to provide feedback before a decision is made.	• Would require further consultation and engagement with affected businesses and employees. • Affects a much larger number of parking spaces than the issue currently identified. • May recreate concerns previously raised about employee parking availability and safety for staff working early or late shifts. • More time and resource intensive than a targeted response. • There is no evidence to suggest that parking behaviour has changed since the 2025 consultation.
3	Status Quo (Do Nothing)	• No implementation, consultation, signage or enforcement costs.	• Does not address the concerns raised regarding parking

		• No impact on existing parking arrangements for employees and long-stay parkers. • Consistent with Council's 2025 decision not to introduce wider parking restrictions in this area.	outside the block of businesses located at 8 Queen Street. • Parking turnover outside 8 Queen Street is likely to remain low. • Customer access may continue to be constrained during busy periods. • Does not respond to staff observations confirming the issue identified by the business. • May lead to further requests for intervention in this area
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RECOMMENDED OPTION

Option 1, introduce a P60 time limit for the three parking spaces outside the block of businesses located at 8 Queen Street, is recommended as it balances the needs of local businesses and their customers and the needs of employees and other users of the wider parking network.

This option provides a targeted and proportionate response to the issue that has been identified and confirmed through staff observations. Introducing a P60 time limit for the three parking spaces directly outside the business is expected to increase parking turnover and improve access for customers making short visits, while limiting the impact on other parking users.

Unlike a wider parking restriction for Queen Street North, this option affects only a small number of parking spaces and leaves substantial unrestricted parking available in the immediate area. This includes both on-street parking and the nearby Horseshoe Bend car park, which currently experiences low levels of utilisation. As a result, employees and other long-stay parkers would continue to have access to nearby parking options.

Council considered and consulted on wider parking restrictions for Queen Street North in 2025 and ultimately resolved not to proceed with those changes. A targeted P60 restriction outside 8 Queen Street addresses the specific issue that has been raised without needing to revisit a recent consultation outcome or undertake further consultation on a wider area.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Option 1 1 supports Council's community outcomes of a thriving and resilient economy and efficient, safe and effective infrastructure. In this location, parking is currently unrestricted, and introducing a time limit would support greater turnover of parking spaces for customers and visitors accessing nearby businesses. This approach is consistent with other shopping areas, including the Town Centre, Kuripuni and Lansdowne, where time-limited parking helps ensure convenient access and availability for short-stay users. The proposal represents a targeted and practical

management of existing parking infrastructure, ensuring it continues to meet the needs of local businesses, customers and the wider community.

Any changes to parking restrictions must be reflected in the Wairarapa Consolidated Bylaws Part 6A: Traffic Control Schedule. Under Part 6: Traffic of the Wairarapa Consolidated Bylaw, Council has the authority to amend the Traffic Control Schedule by resolution and public notification.

The proposed P60 restriction for the three parking spaces outside 8 Queen Street can be enabled via Council's powers under the bylaw and represents a targeted approach to managing parking turnover in response to an identified issue.

Significance, Engagement and Consultation

Option 1 is considered to be of low significance, as it involves a minor change affecting three on-street parking spaces and is unlikely to have broader district-wide impacts.

Option 2 is considered to be of greater significance, as it would involve revisiting a decision made by Council within the last 12 months.

Council previously consulted on parking restrictions for the wider Queen Street North area as part of the 2025 Parking Consultation. Following community feedback, Council resolved not to proceed with the proposed parking restrictions between Bruce Street and Dixon Street/Chapel Street.

Option 1 is distinct from the 2025 proposal, as it relates to a specific location where parking concerns have been identified and verified through staff observations. Given the limited scale and localised nature of the proposed change, staff do not consider formal public consultation necessary.

In contrast, Option 2 would involve reconsidering parking restrictions across the wider Queen Street North area. As this would revisit a recent Council decision, staff recommend further public consultation before any changes are considered.

Financial Considerations

The financial impact of the option 1 is expected to be minor and can be accommodated within existing operational budgets.

Costs would primarily relate to:

- Updating the Wairarapa Consolidated Bylaws Part 6A: Traffic Control Schedule;
- Installation of parking signage and any associated road markings; and
- Public notification and communication of the change.

Option 2 would have higher cost and resourcing implications as outlined in the body of the report.

Implications for Māori

No specific implications for Māori have been identified.

The decision relates to local traffic and parking management and is not expected to have a disproportionate impact on Māori compared with the wider community. The recommendation does not affect Māori land, Treaty settlements, sites of significance, or Council's partnership arrangements with mana whenua.

Communications/Engagement Plan

If Council approves option 1, staff will update the Wairarapa Consolidated Bylaws Part 6A: Traffic Control Schedule and undertake public notification as required.

The change will be communicated through Council's usual channels, including publication on Council's website and notification through Antenno. Staff will also advise the affected business and neighbouring businesses of the change.

If Council instead wishes to consider wider parking restrictions for Queen Street North (option 2), a separate engagement and consultation process would be developed and brought back to Council for consideration.

Environmental/Climate Change Impact and Considerations

The decision is not expected to have any significant environmental or climate change impacts.

The recommendation for either option relates to the management of existing parking spaces and does not require construction works or changes to transport infrastructure. Any impacts on vehicle movements are expected to be minor and localised.

NEXT STEPS

Subject to Council's decision, staff will undertake the following actions:

If Council agrees to Option 1:

- Update the Wairarapa Consolidated Bylaws Part 6A: Traffic Control Schedule to reflect the approved parking restrictions.
- Inform the businesses at 8 Queen Street of the upcoming change.
- Complete the required public notification of the bylaw schedule amendment.
- Arrange for the installation of any required parking signage and road markings.
- Communicate the change to affected businesses and through Council's usual communications channels, including the Council website and Antenno.
- Monitor parking utilisation and turnover in the area following implementation to assess whether the change is achieving its intended outcome.

If Council chooses instead to consider wider parking restrictions on Queen Street North (Option 2), staff will develop a consultation and engagement approach and report back to Council with the outcomes and recommendations. approach and report back to Council with the outcomes and recommendations.

ATTACHMENTS

Nil

7.4 NGĀTI TE KOROU FUNDING ACCESS

File Number:

Author: Tyler Ross, Group Manager Infrastructure

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to:

Seek approval to access funding set aside in the Long-Term Plan 2024-34 for the implementation of the Ngāti Te Korou Reserve Master Plan.

RECOMMENDATION

That Council:

- **Approves** the capital expenditure to the value of up to \$181,000 to enable progressing Phase 2 of the Ngāti Te Korou Reserve Master Plan development

CONTEXT

The Ngāti Te Korou Reserve is a recreation area nestled within the Lansdowne suburb of Masterton, and forms part of the Lansdowne Recreation trail network. The current name 'Ngāti Te Korou Reserve' was given by local iwi in honour of their tūpuna - Retimana Te Korou who was the primary Rangatira for the establishment of Masterton.

The descendants of Retimana Te Korou approached Masterton District Council a number of years ago to discuss working collaboratively on the Reserve, so the space could acknowledge the history and importance for mana whenua to express their identity.

Boffa Miskell were engaged to work with the descendant's and created a Master Plan for the Ngāti Te Korou Reserve, which detailed the mana whenua aspirations, cultural design elements and spatial planning concepts for the area.

The descendants presented the Master Plan to Council during the 2024-34 Long-term Plan public submission phase, seeking funding support to help bring elements of the Master Plan to fruition.

When the LTP was ratified by Council on 20 June 2024, funding was set aside across the first three years of the LTP to support the work, 'Resolution 8' was added during the meeting which made release of funding conditional on the presentation of a business case and Council approval to release funds to implement the Ngāti Te Korou Master Plan.



Image 1 - Aerial photo – Ngāti Te Korou Reserve

ANALYSIS AND ADVICE

The 1.17 hectares of land set aside as Ngāti Te Korou Reserve is gazetted as Recreational Reserve and owned by Council. It was originally set aside when L.J Murray purchased a large block to develop State Housing. The northern end holds part of the remains of the Lansdowne Dam which failed in 1924 during a cyclone. Its land parcel title became Murray Block/Retimana Reserve, until Iwi sought to change this to acknowledge Retimana Te Korou's link to the area.

The Ngāti Te Korou Reserve has four pedestrian access points and forms a short part of the Lansdowne recreation trail network. There is no current amenity value in this space, and the current trail network only requires one to two minutes to pass through the north-east corner.

There has been limited investment in this space over the years, with increased vegetation making the area between Third and Fourth Street unappealing, combined with anecdotal evidence of fly-tipping and wildlife carcass disposal.

The Opaki Stream which traverses the Ngāti Te Korou Reserve forms part of the open stormwater network for Lansdowne and makes commercial or residential development of the area less feasible.

If Council were to consider disposal of the site, reversing the gazetted Reserve status would need Central Government approval through the Minister, as well as other administrative hurdles. Its cultural significance to mana whenua would also be a key part to consider.

When the LTP funding was set aside, the descendants were tasked with reviewing the Ngati Te Korou Master Plan to prioritise how the site could be developed over two stages, Phase One has approaching completion.

Phase two works include establishing formal trail and pathway routes through the Reserve from Third Street, including a boardwalk; introducing a formal Waharoa entranceway with information panels at the Fourth Street and Third Street entrances; establishing Pā Whakamātau test planting beds for native species; and creating an amphitheatre. Any surplus soil generated will be used to develop 'mara hūpara' play areas.

Trust House have lodged a Resource Consent to develop one of their properties which sits adjacent to the Ngati Te Korou Reserve. Officers have hosted a meeting between the descendants and Trust House to ensure all parties are aware of each other's plans. The Trust House housing development will provide opportunities for collaborative development of the Ngati Te Korou Reserve. Future tenants would help provide capable guardianship over the space.

Services for the Trust House development can be factored in early so there is no conflict to the work being planned for Ngati Te Korou Reserve.

The planned enhancements will create a tranquil setting, easily accessible to Lansdowne residents to the east and west of Opaki Road, and for the growing communities which Cashmere Oaks and the recent Arvida development are creating.

The future vision for Ngati Te Korou Reserve will provide Masterton - Whakaoriori with a unique space, that acknowledges the importance and influence Retimana Te Korou had on enabling early European settlement, a space that celebrates Te Ao Maori and nature.



Image 2 – Phase Two design – Ngati Te Korou Reserve

FINANCIALS

The LTP 2024-34 allocated \$100,000 per year towards the Ngati Te Korou Reserve for the first three years, bringing Council's total allocation to \$300,000.

The source of this allocated funding is through Reserve and Development contributions, so has no bearing on Council's Rates requirement. Council's Reserve and Development Contributions have sufficient funds to cover this commitment.

Phase One design elements are now nearly complete, with the harakeke beds currently under construction. Council officers have estimated the cost to complete all aspects of Phase two, including contingencies, at \$181,000 — the remainder of the approved funds. Officers will manage the procurement of contractors and will seek to identify efficiencies and leverage opportunities through existing relationships, such as the Parks and Open Spaces maintenance contract. The Design elements being introduced can be capitalised and depreciated.

The descendants are actively exploring alternative funding sources to support the creation of story panels and an entrance structure. They are also propagating and supplying eco-sourced native plants, including the correct type of harakeke for future flax weaving activities.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The proposed development of Ngati Te Korou Reserve is in keeping with approved activities and development of a gazetted Reserve in accordance with the Reserves Act 1977.

The proposed development of Ngati Te Korou Reserve supports Council's long-term strategic plan He Hiringa Tangata, He Hiringa Whenua: My Masterton Our People, Our Land.

Ngati Te Korou Reserve supports cultural development, and features in our Wellbeing Cultural Development Strategy (Page 13). Investment in the Ngati Te Korou Reserve ensures we meaningfully deliver on building pride in our identity and cultural heritage.

The Master Plan vision for introducing medicinal and traditional craft related plants into Ngati Te Korou Reserve also supports our commitment to delivering towards the Parks and Open Spaces Strategy 2021, which outlines that a thriving community needs resilient, healthy parks, sustainable environments, and healthy biodiversity.

Significance, Engagement and Consultation

There are no Significance, Engagement and Consultation implications from the implementation of Phase 2. Financial Considerations

An estimation of \$181,000 is required from Reserve and Development contributions to implement the Phase Two design for Ngati Te Korou Reserve.

Implications for Māori

The significance of Retimana Te Korou to Māori is evident throughout Masterton, Library Square has an information panel highlighting his relationship with Joseph Masters, the Peace Sculpture in Queen Elizabeth Park honours his influence in bringing peaceful settlement to Masterton-Whakaoriori, and he is symbolically buried in the Archer Street Cemetery, rather than the more traditional Hapu Urua.

Iwi added support to the naming of Ngati Te Korou Reserve, and due to the high-standing his descendants have, both Iwi have respectfully left design and consultation for the development of Ngati Te Korou Reserve to the descendants to manage.

If Council withdraw support for the development of Ngati Te Korou Reserve, this will be contrary to the intent of cultural elements within the relevant strategic plans and could seriously impact the collaborative relationship Council has developed with the Hapu and Iwi.

Communications/Engagement Plan

Engagement with the descendants (Hapu) is ongoing, communication with any affected persons through the development is also ongoing. There will be a communication strategy developed in consultation with the descendants to celebrate any development milestones.

Bilingual signage at the entry points will be installed, with the Ngāti Te Korou Reserve to be also identified as 'Te Whenua Tāpui o Ngāti Te Korou'.

Environmental/Climate Change Impact and Considerations

There are no specific Climate Change Impact implications, the aim of Ngāti Te Korou is to enhance the environment to create a Wananga space, enabling education on Tikanga and Te Ao Maori through the creation of medicinal planting beds, development of a suitable harakeke source for weaving and to restore the area through the natural removal of noxious weeds, and to regenerate native plants.

Option	Advantages	Disadvantages
1 Agrees: To approve the release of up to \$181,000 in reserve and development contributions to enable implementation of the Phase One design for Ngāti Te Korou Reserve	- Provides the opportunity to develop an under-utilised public reserve - Creates a space that provides amenity value to all residents of Masterton-Whakaoriori - Creates a space that acknowledges our cultural heritage - Enables Council to provide evidence of delivering on strategic plans. - No impact on Ratepayers or Council's Rates requirement	None identified
2 Does not agree: To approve the release of up to \$181,000 in reserve and development contributions to enable implementation of the Phase One design for Ngāti Te Korou Reserve	None identified	- Ngāti Te Korou Reserve remains an under-utilised green space to manage. - Potential impact on Council – Hapu & Iwi relationship - Miss an opportunity to deliver on strategic plans. - Reserves & Development contribution funds are unspent

ATTACHMENTS

Nil

7.5 USE OF PUBLIC PLACES BY ADJOINING BUSINESS PREMISES POLICY

File Number:

Author: Karen Yates, Group Manager Strategy

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to summarise the intent and key elements of the Use of Public Places by Adjoining Business Premises Policy (the Policy) and seek its adoption for implementation.

Executive Summary

Commercial use of Public Places can support economic vitality and place-making. The Policy enables this while safeguarding public safety, accessibility, amenity values, and fair competition.

The Policy establishes a clear, consistent, and transparent framework for managing commercial use of Public Places; and provides the strategic and regulatory foundation for decision-making, ensuring alignment with the Wairarapa Consolidated Bylaw and relevant Council policies and strategies.

The report also proposes a charging framework for the commercial occupation of public places. The framework establishes a consistent and transparent approach to recovering costs where businesses receive a private commercial benefit from the use of public space. It applies a user-pays principle to businesses who use public spaces, while also recognising that activities such as outdoor dining, retail displays and similar initiatives can contribute positively to the amenity, vibrancy and economic activity of the town centre. The recommended fee framework is broadly aligned with comparable councils, remains below local commercial lease rates, and is considered to provide an appropriate balance between cost recovery, economic activation and public amenity outcomes.

Overall, the Policy and charging framework balance enabling commercial activity and vibrancy with Council's stewardship of public assets. Together they provide a practical, transparent and legally robust framework for managing increasing demand for the commercial use of Public Places while supporting Council's long-term strategic outcomes for the district.

RECOMMENDATIONS

That Council:

1. Receives the report, and:

- (a) **Approves** the Use of Public Places by Adjoining Business Premises Policy
- (b) **Agrees** in alignment with Clause 32, Schedule 7 of the Local Government Act 2002, to:
 - (i) Establish a Use of Public Places by Adjoining Business Premises Policy sub-committee.
 - (ii) Appoints the GM Strategy and GM Infrastructure and Councillor <INSERT> to that sub-committee.

- (iii) Delegate authority to the sub-committee to: by resolution publicly notified, amend Part 6A (Traffic Bylaw Schedule) of the Ngā Ture ā-Rohe Tōpu o Wairarapa - Wairarapa Consolidated Bylaw to reflect any changes required in response to the approval of a Licence to Occupy that is within scope of the Policy.
- (c) **Approves** the charging framework for the use of public places as detailed in the Policy and approves the inclusion of the fees in the Fees and Charging Schedule 2026/27.
- (d) **Agrees** to establish the commencement date of the Policy on 6 August 2026.
- (e) **Agrees** to an initial review of the Policy 12 months after its commencement date, or 6 August 2027.

THE POLICY

Context

In the past year there has been increasing interest in commercial use of Public Places, particularly in the Town Centre and primarily for outdoor dining. Factors influencing this include growth in our population (an increase of 4,000 people since 2015) and changing consumer expectations creating more demand for outdoor dining opportunities, and business owners seeking new and creative approaches to provide a range of experiences for both local consumers and visitors. Retail trade, accommodation and food services contribute \$163.3 million to Masterton's GDP, or roughly 9%. These industries have grown approximately 2.5% annually since 2015.

The Masterton Town Centre Summit and community-led Masterton Town Centre Strategy (December 2025) emphasised the need to develop an adaptable commercial environment, as well as creating a welcoming and inclusive town centre. Feedback in early community engagement for the Development Plan also signalled our community's desire for a more vibrant CBD. Commercial use of public places, in particular, for outdoor dining experiences, can contribute to these outcomes.

The increase in requests for use of public places, has driven the need for a policy to support consistent assessment of requests. Without a policy, the approach to managing applications is ad hoc, applying 'case-by-case' decision-making. This leads to risks of operational inefficiency, unclear requirements and duplicated effort; and the potential for lost cost recovery if fees and charges are not systematically applied. The lack of a policy also creates legal vulnerability, increasing the risk of unlawful or unmanaged use of public places, and makes it difficult to enforce compliance or removals when needed.

Analysis and Advice

The proposed Policy establishes a consistent framework for managing requests from businesses and property owners to use public places, including roads, footpaths, berms, carparks, and associated airspace.

The Policy is consistent with the Wairarapa Consolidated Bylaw (the Bylaw) and is designed to balance opportunities for economic activity and enhanced vibrancy with public safety and accessibility.

The Policy includes clear statutory definitions (e.g. road, parklet, outdoor dining area) to support public understanding and consistent interpretation.

The Policy enables business premises adjoining public places to apply to carry out Outdoor Dining, Sale of Goods, and Ancillary Commercial Use activities in the following areas (see Schedule 1 of the Policy which includes maps):

- Town Centre and side streets
- Kuripuni and Lansdowne retail areas.

The Policy will regulate the use of public places by requiring the holding of a Licence to Occupy for any use that is more than minor. The Policy outlines criteria that applicants would be assessed against. This is discussed in more detail in the following sections of this report.

Transitional arrangements will allow the use of a public place established before the commencement of this policy, whether formally authorised or informally permitted by the Council, to continue in accordance with its existing conditions up until six months after the commencement date of the Policy. This is on the condition that an application is submitted within the first three months of this policy being operational, the applicant continues to diligently progress the application in good faith and complies with all reasonable requests, requirements, and timeframes imposed by the Council. This ensures we have a fair and equitable approach to considering new applications and allows for existing arrangements to transition to the Policy.

Through the Policy, we can support activity that creates a more vibrant CBD, while also balancing this with the need for community accessibility and safety.

Key elements of the Policy include:

Purpose and Objectives

The Policy intent is to:

- Enable appropriate management of the use of Public Places within the Policy Areas by Adjoining Business Premises for Outdoor Dining, Sale of Goods, and Ancillary Commercial Use while maintaining public health, safety, and accessibility standards.
- Ensure fair, equitable, and transparent decision-making.
- Recover costs associated with commercial occupation of Public Places, including footpaths and carparks, through fees and licence conditions.
- Clearly outline Council's approval and decision-making processes.

Application and Approval Process

The Policy establishes three classifications of use enabling a risk-based and proportionate response:

Minor	Where the area is less than or equal to 2m ² and the use is low-impact, temporary and fully reversible; has no subsoil penetration; has minimal or no airspace encroachment; includes the placement or use of Items that are non-permanently fixed and readily removable; and does not materially affect pedestrian movement, accessibility, safety, or amenity.
Standard	Where the area is greater than 2m ² and up to the threshold determined by the Council for Major classification, and the use is low-impact, temporary and fully reversible; has no subsoil penetration; has minimal or no airspace

	encroachment; includes the placement or use of Outdoor Dining Infrastructure, Display Items, or Ancillary Commercial Use Items that are non-permanently fixed and readily removable; and does not materially affect pedestrian movement, accessibility, safety, or amenity.
Major	Where the area exceeds the Standard classification threshold; involves one or more of the following: subsoil penetration, structural anchoring, substantial airspace encroachment or occupation of a Time limited or metered carpark; and the use includes the placement or use of Outdoor Dining Infrastructure, Display Items, or Ancillary Commercial Use Items that are fixed, anchored, semi-permanent, or not readily removable without alteration to or reinstatement of the Public Place; materially affects one or more of the following: pedestrian movement, accessibility, safety, amenity, surrounding environment, or use of Metered or P120 Restricted or Unrestricted Parking Spaces/on-street parking in the permitted areas.

The approval process and fee structure will reflect the complexity of the activity, with fees increasing relative to complexity. More complex projects will also require more supporting information with the application.

When an application is classified as Minor, it will be authorised by way of a permit or written authorisation issued by the Council. When an application is classified as Standard or Major, it will be authorised by way of the granting of a Licence to Occupy to be entered into by the applicant and the Council.

Standard and Major Licence to Occupy applications must be made by the owner or occupier of the Adjoining Premises using the Taking Care of Business process. This process encourages a pre-application discussion to provide initial advice on the application and approval process, timeframes, and specific requirements for the proposal.

Additional information requirements will depend on the nature and extent of the proposal but could include the requirement to consult affected parties. See further discussion below.

Where an application is non-compliant, the applicant would be advised. The applicant could address the reason for non-compliance and re-submit.

Consultation with Consultation Parties

Where required by Council as part of the application process, applicants must consult relevant consultation parties before lodging their application. Consultation parties could include owners and occupiers of adjoining premises; businesses or tenancies in the same building or public place that may be affected, including upper or lower floors; and any other directly affected property owners or occupiers, particularly where the proposal may affect views or amenity, road frontage access, parking, loading, operational access, or economic impacts.

Consultation should provide enough information about the proposal, its design, and potential impacts so affected parties can understand it and give feedback. The purpose is to ensure views are considered by Council during assessment, although consultation does not guarantee approval.

Consultation must match the scale and likely impacts of the proposal and give affected parties a fair opportunity to respond before a decision is made. If Council considers consultation inadequate, it may require additional consultation or information or delay the application process.

The final decision on granting an authorisation remains entirely at Council's discretion, having considered the views of consultation parties.

Policy Settings for Use of Parking Spaces

There are 244 metered parking spaces in the Masterton Town Centre, with 140 on Queen Street and the remainder on adjacent streets from Jackson Street through to King Street. In addition, there are 80 P120 Restricted car parks in the permitted areas.

The 140 metered parking spaces on Queen Street are distributed as follows:

Queen Street Block	West	East
Jackson to Perry/Bannister	24	16
Perry/Bannister to Lincoln/Church	10	18
Lincoln/Church to Park	12	24
Park to King	16	20
Total	62	78

The 2023/24 Parking Study undertaken by Stantec on behalf of Council found the average occupancy of the metered carparks was 71% across the day (higher at peak times of 11am-2pm but still below 85%), with some variation based on exact location relative to services. A target occupancy of 85% is an industry standard that represents an efficient use of the parking resource. This translates to around two in every ten spaces being consistently available.

For any application that requests the use of a metered, P120 Restricted or Unrestricted car park, the impact on parking would be assessed. The following principles are proposed, as outlined in the Policy, to guide decision making in relation to metered/time limited parking in the first twelve months:

- The draft Policy proposes up to twelve metered/P120 Restricted carparks in the permitted areas be made available for occupation initially (and no more than one per application).
 - o This equates to less than 3.7% of metered or time limited carparks in the permitted areas - there are currently 244 metered carparks and 80 P120 Restricted carparks in the permitted areas. Additional parking will become available near the Town Centre activation space soon; and near the new Library when that is completed.
- It is proposed that the twelve metered/P120 restricted carparks be evenly distributed, particularly through the areas of Queen Street that are included in the permitted area. To achieve that, the Policy states that no more than two carparks in any block of Queen Street (within the permitted area) can have a Licence to Occupy at any time. Applications would be considered on a 'first in' basis. There are four blocks in the Queen Street CBD area and with two carparks each, this equates to a maximum of eight carparks being potentially available to occupy.
 - o If all eight potential carparks were occupied, this would equate to a reduction of around 5% of metered carparks for most blocks.
- To ensure we don't restrict potential opportunities for enhancement and development in the permitted areas, any applications that require a Bylaw amendment and do not meet the

Policy criteria would be elevated to Council for decision. For clarity, this would include any applications seeking to occupy more than one carpark or any application received after the threshold (for each block or overall) is met. This enables Council to consider proposals that may benefit Masterton but fall outside the scope of the initial Policy settings.

This approach supports enabling vibrancy in the Town Centre, while mitigating the impact on access to parking, particularly in the CBD. As noted, a further mitigating factor is that additional off-street parking will be made available near the library on Queen Street, and outside Waiata House, which will lift the number of available parks in the CBD.

Parking spaces that have Restrictions of less than P120 have been excluded from the Policy. These spaces are in locations that have been identified as requiring greater turnover of parking for specific reasons, hence shorter time limits apply, such as P5, P15 or P60.

Approval Process for a Licence to Occupy

Applications for a Licence to Occupy would be facilitated through the Taking Care of Business Process, with oversight from the Economic Development Lead.

Enabling Timely Implementation

Part 6A (Traffic Bylaw Schedule) would need to be amended to reflect any approvals that are approved relating to the use of a metered or P120 Restricted or Unrestricted parking space in the permitted areas. The amendment process requires a Council resolution, publicly notified.

Schedule 7 Clause 32 of the Local Government Act enables Council to delegate decisions to a sub-committee. Council cannot delegate the making or amending of a Bylaw but can delegate amendments to the Traffic Bylaw schedule.

For operational efficiency, and to enable more responsive customer service, it is recommended that Council establish a Use of Public Places by Adjoining Business Premises Policy sub-committee, and delegate to that sub-committee:

- the authority to resolve amendments to Part 6A (Traffic Bylaw Schedule) of the Bylaw in response to the approval of a Licence to Occupy that is within scope of the Policy.

It is proposed that the GM Infrastructure, the GM Strategy and one elected member be appointed to that sub-committee.

Without a sub-committee, Bylaw schedule amendments would need to go to the next Council meeting. This could mean a wait of up to six weeks through the year, and up to two months over the December/January summer period.

Any application to occupy a parking space that requires an amendment to the Bylaw, or a request to occupy a parking space that requires a Policy exception, would need to be escalated to Council for decision.

Conditions of Licence

Responsibility for maintenance, compliance, and removal of structures rests with the licence holder, while ownership of the road space/land remains with Council.

Licences to Occupy a public place may be approved with conditions. Common conditions would include the requirement for the licence holder to:

- Remove any structure with reasonable notice – for example to enable Council to require removal to undertake maintenance or renewal work on infrastructure in the vicinity of the adjoining business premise.
- Reinstate the public place to its original condition – for example if an area of footpath needed to be repaired after a structure was removed.

In most situations, a licence would not be granted for more than three years at a time; and the applicant would be required to renew the licence at the end of that period.

Longer term agreements generally require a lease to occupy which has more complex legal considerations including public liability and insurance requirements.

To provide some assurance for more substantive investments, renewal subject to compliance with the terms of the licence could be signalled.

Compliance and Enforcement

The Policy establishes that the use of any part of a Public Place for Outdoor Dining, Sale of Goods or Ancillary Commercial Use that is more than minor without a current Licence to Occupy issued by the Council is prohibited, noting transitional arrangements apply to provide an opportunity for businesses who do not currently hold a Licence to Occupy.

Implementation of the Policy

The proposed Policy will be implemented by the Council through a set of operational procedures, to:

- Translate the Policy's principles and assessment criteria into day-to-day operational decision-making.
- Set structured thresholds for the Policy criteria.
- Provide staff and applicants with clear expectations and responsibilities.
- Ensure applications are handled consistently, transparently, and defensibly across Council teams.
- Support Council objectives evident in its long-term development planning.

The procedures are being developed within the operational framework of the Council, based on subject matter expert advice and input. The procedures will be approved by ELT prior to the Policy's commencement date.

Policy Exceptions and Policy Review

Overall, the draft Policy and procedures are expected to provide Council with a robust, transparent, and defensible framework for managing growing demand for the commercial use of Public Places, while safeguarding public interests and aligning with wider Council strategies.

It is recommended that an initial review of the Policy be undertaken after twelve months. This provides a period to test the new policy and make adjustments if evidenced.

CHARGING FRAMEWORK

Context

Council does not currently have a charging framework that specifically applies to the commercial occupation of public places by adjoining businesses.

The proposed charging framework establishes a consistent methodology for determining charges where an adjoining business receives a commercial benefit through the occupation of public space. It has been developed having regard to local commercial lease rates, the value of occupied parking spaces, existing Council charging practices, and charging approaches adopted by other local authorities. Examples of Council charges for other commercial activities on public land include temporary occupation fees for mobile operators, occupation agreements for commercial activities operating from parks and reserves, and seasonal commercial use arrangements. These arrangements demonstrate precedent in that where a private party derives a commercial benefit from the use of public land, a charge for that use is generally appropriate. The following factors have been considered in the development of the framework:

Consideration	Assessment
Administrative costs	The Council administrative cost for similar activities (e.g. assessing applications for permits, other licences etc) is charged at \$135 per hour
Commercial lease rates	Average CBD commercial lease rates are approximately \$250/m ²
Parking value	A fully occupied Queen Street metered parking space generates \$2,236 per annum
Equity considerations	Occupancy of public space for commercial use can provide private benefit while reducing public access
Vibrancy and amenity	Occupation of public spaces can contribute to activation, economic activity and a more vibrant town/shopping centre
Benchmarking	Comparisons undertaken with Auckland, Christchurch, Wellington, Nelson, Queenstown and Napier

The proposed framework seeks to balance user-pays principles with Council's broader objective of supporting economic activity and activation within public spaces, while ensuring those receiving private commercial benefit make an appropriate contribution towards the value of the public space being occupied noting they derive benefit from that use.

Analysis and Advice

The framework introduces categories based on the scale and impact of occupation.

Category	Description	Charge
Minor	Occupation of 2m ² or less with minimal impact on public space	No application fee and no annual charge
Standard	Occupation greater than 2m ² that is low-impact, temporary and fully reversible	Application fee plus annual area charge
Major	Occupation involving fixed infrastructure, occupation of parking spaces, or significant impacts on public access, safety or amenity	Application fee plus annual area charge

Parking Space	Charge where occupation displaces a public parking space	Annual parking occupation charge - note the annual area charge will not be applied to the area covered by the parking space.
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Benchmarking Against other Councils

Council	Application Fee	Annual Renewal Fee	Area Charge	Parking Charge
Auckland	N/A	\$456	\$173 m ²	Carparks not covered, but carparks for works are \$105 per day
Christchurch	N/A	N/A	Minimum \$690 annual charge	N/A
Wellington	\$240.50	\$121.50	\$115/m ²	\$236 application fee \$119.50 Annual Fee under Parklet Rules
Nelson	N/A	N/A	\$200/m ²	\$1,000 parking space deposit
Queenstown	\$450	N/A	\$600/m ²	N/A
Napier	N/A	\$197	No charge up to 3m ² \$321 3m ² to 10m ² \$454.00 10.1m ² to 20m ² \$679 greater than 20m ²	N/A

Benchmarking demonstrates there is no single approach across New Zealand. Councils use a mixture of application fees, annual charges, renewal fees and parking-related charges. Officers recommend taking a comparatively simple approach consisting of a one-off application fee, an annual occupation charge and a parking occupation charge where applicable as outlined below.

Options for charging

Officers have developed options for charging for standard and major encroachments, and for the occupation of a parking space. The proposals, with different fee levels, seek to recognise the commercial benefit derived by operating in public places, while ensuring that any charge is not disproportionate.

Component	Proposal 1	Proposal 2	Proposal 3	Proposal 4
Application Fee, in line with the administration fee charged for similar applications	\$135	\$135	\$135	\$135
Annual Area Charge per m ²	\$90	\$180	\$220	\$250
Parking Occupation Charge, recognising the cost associated with the loss of public parking and the associated revenue	\$2,236	\$2,236	\$2,236	\$2,800

The advantages and disadvantages of each proposal are set out below.

Proposal	Advantages	Disadvantages
Proposal 1: Lower Fees	• Lower cost to occupiers. • May encourage greater activation of public places. • Supports vibrancy and business activity through lower charges. • Reduced financial impact on small businesses	• Lowest levels of revenue. • Less reflective of the commercial benefit derived from occupation.
Proposal 2: Mid-range Fees	• Aligns with Council's user-pays principles. • Reflects the commercial benefit obtained from occupation of public space. • Recognises the amenity, activation and vibrancy benefits that can be generated through uses such as outdoor dining. • Balances affordability and revenue.	• Higher cost to occupiers than lower fees options. • Higher cost might reduce existing public space use.
Proposal 3: Higher Fees	• Generates higher levels of revenue. • May more accurately reflect the commercial value of the occupied public space.	• Higher financial impact on occupants. • Increased likelihood of discouraging occupation and activation of public space.
Proposal 4: Commercial Rate	• Most accurately reflects commercial lease rates within the Masterton CBD. • Maximises the value of revenue received.	• Highest cost to occupants. • May discourage investment and activation initiatives. • Potentially creates a barrier to use of public places for commercial purposes.

Comparative Weekly and Annual Charges

Size of Area	Proposal 1 \$90/m ²	Proposal 2 \$180/m ²	Proposal 3 \$220/m ²	Proposal 4 \$250/m ²
Shop area 8m ²	\$16.44/week \$855.00/year	\$27.70/week \$1,440.00/year	\$36.45/week \$1,895.00/year	\$41.06/week \$2,135.00/year
Seating area 20m ²	\$34.62/week \$1,800.00/year	\$69.23/week \$3,600.00/year	\$84.62/week \$4,400.00/year	\$96.16/week \$5,000.00/year

Carpark Buildout 15 m ²	\$43.00/week \$2,236.00/year	\$43.00/week \$2,236.00/year	\$43.00/week \$2,236.00/year	\$53.85/week \$2,800/year
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Recommendation

It is recommended that Council adopt Proposal 2 comprising:

Charge Type	Fee
Minor Occupations (≤2m ²)	No charge
Application Fee (Standard and Major Occupations)	\$135
Annual Occupation Charge	\$180/m ²
Parking Occupation Charge	\$2,236 per parking space per annum

Proposal 2 provides a balance between recognising the commercial benefit derived from occupation of public space and supporting activation, vibrancy and economic activity within Masterton's public places. The proposed charge is broadly aligned with comparable councils, remains below local commercial lease rates, and avoids the introduction of annual renewal fees commonly used in other districts.

The proposed charges are also broadly in line with our existing charges for using space in parks and reserves, which have a \$72 application fee, a \$40 a day charge for use of area/space in reserve for up to 10 m², and bond fees of \$200 - \$5,000 where applicable.

The recommendation is considered to provide the best balance between:

- User-pays principles
- Recovery of the value associated with occupation of public space
- Encouraging economic activity and business investment
- Supporting public amenity and vibrancy outcomes
- Administrative simplicity and transparency.

The fees adopted for this report will apply for the 2026/27 financial year. Fees will be set on an annual basis however, if an agreement covers part of a financial year, then they will be set on a pro rata basis.

Fees for subsequent financial years will be considered as part of the annual fees and charges setting process and adopted as part of the Annual Plan/Long-Term Plan process.

If Councillors wish to pursue another option, officers recommend not setting fees above the recommended rate. There is a possibility that the higher fees options will stifle business appetite for occupying public space, and current businesses may also reconsider their use of public space.

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Policy

Option	Advantages	Disadvantages
1 Approves the proposed Use of Public Spaces by	The approved Policy will provide the regulatory	Not all community members will agree with all authorised use of

Option	Advantages	Disadvantages
Adjoining Business Premises Policy; and the establishment of a Sub-Committee that can amend the Traffic Schedule within the scope of the Policy.	structure for fair and consistent assessment of applications for use of Public Places. The proposed Policy supports a more vibrant town centre while balancing this against compliance, health and safety and accessibility needs. Licences to Occupy would have associated fees and charges that reflect the commercial benefit to the relevant business of being able to use a Public Places, enabling Council to generate revenue from use of these public assets. A twelve-month review will enable Council to test the Policy and make changes if necessary. The Sub-Committee will enable more efficient administrative processes, and more responsive customer service.	public place.
2 Approves the draft Use of Public Spaces by Adjoining Business Premises Policy, and associated sub-committee, with amendments.	The approved Policy will provide the regulatory structure for fair and consistent assessment of applications for use of Public Places Further advantages would depend on what amendments were proposed.	Not all community members will agree with authorised use of public place. Further disadvantages would depend on what amendments were proposed.

Option		Advantages	Disadvantages
3	Status quo - do not approve the proposed Policy, which would mean no need to establish the Sub-Committee.	None identified.	Ad hoc decision-making regarding applications for use of Public Places. Risk of operational inefficiency, with staff relying on informal practices, precedent, or case-by-case judgment rather than clear processes. Risk of increased time and cost per application, due to unclear requirements, rework, and duplicated effort. Risk of lost or inconsistent cost recovery, as fees, rentals, and administration charges are not applied systematically. Risk of inconsistent or legally vulnerable decision-making. Higher risk of unlawful activities. An increased risk of accumulating several applications without clear internal ownership Difficulty enforcing removals or compliance, particularly where historic or informal approvals exist without documented processes.

Charging framework

Option		Advantages	Disadvantages
1	Approves Proposal 2 as the charging framework for the use of public space under the Policy	Establishes a consistent and transparent charging framework. Aligns with Council's user-	Introduces additional costs for some occupiers seeking to use public space, noting the charges are relative to the space occupied.

Option		Advantages	Disadvantages
		pays principles, and Council's ability to recover costs as set out in the Local Government Act. Balances the commercial benefit derived from public space and the amenity and vibrancy benefits generated for the community. Provides certainty for applicants and Council.	May discourage some applications that would otherwise proceed.
2	Approves another approach to a charging framework for the use of public space under the Policy	Advantages will be dependent based on the approach	Disadvantages will be dependent on the approach
3	Does not approve a charging framework for the use of public space under the Policy	No additional costs imposed on occupiers. Avoids implementation of a new charging regime.	No consistent methodology for charging commercial occupation of public places. Limits Council's ability to apply user-pays principles equitably. Potential for inconsistent decision-making and charging outcomes. Does not allow Council to recover costs associated with the use of public space.

RECOMMENDED OPTION

Option 1 is recommended for both the Use of Public Places Policy and the charging framework. This would adopt the Policy, and Proposal 2 for the associated charging regime.

Adoption of the Policy will provide Council with a clear and consistent framework for managing applications to occupy public places, supporting a more vibrant town centre while establishing criteria and standards that protect public safety, accessibility and amenity.

In addition, the establishment of the subcommittee will enable more efficient administrative processes, more responsive customer service, and more consistent decision-making regarding applications to occupy public places.

Adoption of Option 1 (Proposal 2) of the charging framework will provide a transparent and equitable approach to charging for the occupation of public space. The recommended charging

framework balances user-pays principles with the wider public benefits generated through activated and vibrant public spaces, recognising both the commercial benefit received by occupiers and the amenity, economic activity and vibrancy created for the community.

The recommended charging framework is broadly aligned with comparator councils, remains below local commercial lease rates, and avoids the introduction of ongoing annual renewal fees. It also provides a consistent methodology for determining charges and improves equity between users of public space.

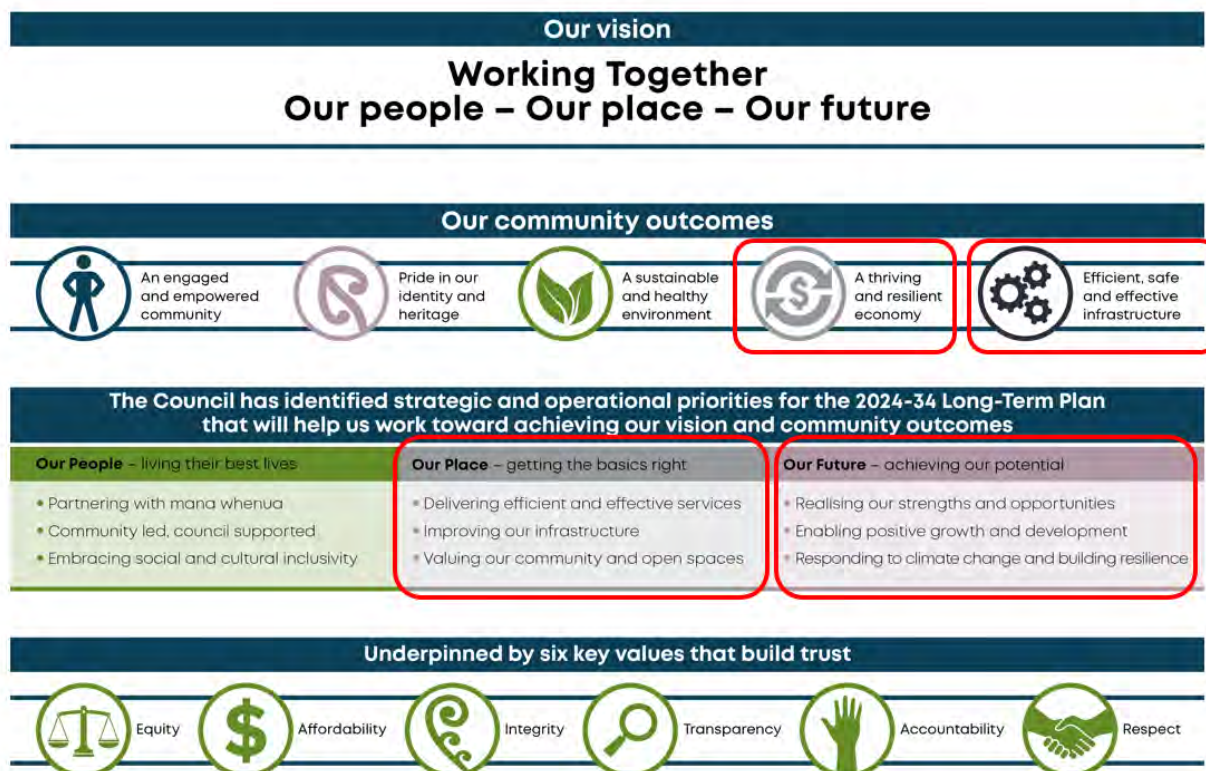
SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

This Policy aligns with the following documents:

- *Long-Term Plan 2024-34 Tō Wāhi, Tō Mahere: Your Place, Your Plan.*
- *Ngā Ture ā-Rohe Tōpu o Wairarapa Wairarapa Consolidated Bylaw*, in particular:
 - o Part Two: Public Places (including Parks and Reserves).
 - o Part Three: Sale of Goods in Public Places
 - o Part Six: Traffic
- *Wairarapa Combined District Plan*

The Policy aligns with Council's strategic direction, improving our infrastructure and economic and community outcomes; and enabling positive growth and development for our future:



It also aligns with the views of the community as expressed in the early engagement on the Masterton Development Plan where feedback included a desire for a more vibrant town centre.

Significance, Engagement and Consultation

As the proposed Policy is operational, no consultation or engagement is required prior to Council adoption. Consultation is undertaken in relation to each application as necessary.

The Policy requires applicants to consult with affected businesses, property owners, and other stakeholders (including Mana Whenua where relevant), consistent with a resource consent process and/or in accordance with Section 156 of the Local Government Act if the proposal relates to use of a carpark that is listed in Part 6A (Traffic Bylaw Schedule) and is assessed as requiring consultation.

The Policy also allows Council to require additional engagement in accordance with the Significance and Engagement Policy where this is considered necessary.

Financial Considerations

The approval of this Policy will allow Council to recover costs from new, and potentially existing users (if existing users convert to a Licence to Occupy), of Public Places. For this purpose, a proposed fee structure has been developed and will come to Council for consideration as part of the Adoption of the Annual Plan.

The proposed Policy enables consideration of occupying up to 12 metered or time limited carparks. This equates to 3.7% of all 324 potentially eligible metered (244) and P120 Restricted (80) car parks in the approved areas. Any requests to occupy a parking space that required a Bylaw change, or a Policy exception, would be elevated to Council for decision.

To support an even distribution, it is proposed that no more than two car parks can be allocated in any section of Queen Street that is located in the Policy Area. Any exceptions would be elevated to Council for decision.

Any lost revenue from the approved use of a carpark, along with any other costs associated with establishing the Licence, would be recovered via the associated Licence to Occupy fee.

Implications for Māori

The Policy requires applicants to seek the views of mana whenua when required. Beyond this, we have not identified any implications specific to Māori by approving this Policy.

Communications/Engagement Plan

The following operations teams have been engaged in the development of this Policy: Animals and Bylaws, Roading team, Building team, Project team, Planning team, and Parks and Open Spaces team.

Officers have made initial contact with those businesses that operate in a manner covered by this policy and will undertake follow up visits to businesses if the Policy is adopted by Council.

Officers will also make contact with businesses that have shown an interest in utilising the space outside their business, and set out the next steps.

Environmental/Climate Change Impact and Considerations

Adopting a Policy to formally allow the use of Public Places will enable the community to have more opportunities to spend time outside and create vibrancy within the CBD, which could result in favourable environment outcomes. In other towns and cities there are examples of authorised projects having a positive impact in the environment space through planting installations, shade

structures, and in some cases, locally grown herbs and greens. The benefits of spending time outside on human health have been well versed.

Next Steps

Once adopted, the Policy will be available to staff and published on the Council website on 1 July 2026; the aligned Sub-Committee would be established; and the Use of Public Spaces by Adjoining Business Premises Procedures will be finalised to support the operational teams implement the Policy.

ATTACHMENTS

- 1. Use of Public Spaces by Adjoining Premises Policy** [↓](#)

Use of Public Places by Adjoining Business Premises Policy



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Policy Reference: MDC 061

First Adopted	5 August 2026
Latest Version	Version 1 (August 2026)
Adopted by:	Council
Review Date	2026/27 (9 February 2027)

Horopaki | Context

Public Places, including Roads, form an important part of the Council's town centre and retail areas. Public Places are used for movement, access, and public amenity. In some locations, they adjoin commercial premises and can accommodate commercial activities associated with Adjoining Business Premises, including Outdoor Dining, Sale of Goods and Ancillary Commercial Use.

The use of Public Places for commercial activities associated with Adjoining Business Premises can enhance the vibrancy and attractiveness of town centres but must be managed to ensure safe, accessible, and equitable public access.

This policy supports the implementation of Council's Public Places Bylaw and Sale of Goods in Public Places Bylaw by providing a framework for assessing and managing applications by Adjoining Business Premises to undertake Outdoor Dining, Sale of Goods, and Ancillary Commercial Use within the Policy Areas.

Kuputaka | Definitions

Ngā Ture ā-Rohe Tōpu o Wairarapa: Wairarapa Consolidated Bylaw (1 November 2025) (Bylaw) introduction (Part One) establishes definitions that apply across the entire bylaw. This policy adopts and applies those overarching defined terms where relevant, while also introducing and defining additional terms specific to the policy context within this definitions section.

Accessways	Has the meaning given to it in section 215 of the Local Government Act 1974.
Adjoining Business Premises	Means a commercial Premises within the Policy Areas that is located in a building that shares a boundary with a Public Place. This includes any separately occupied commercial tenancy within that building, whether located at ground level, above ground level, below ground level, or to either side within the building.
Amenity Values	Means those natural or physical qualities and characteristics of an area that contribute to people's appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes.
Ancillary Commercial Use	Means the use of an Ancillary Commercial Use Area for ancillary, supporting, or associated commercial purposes connected with that Premises, where such use is not Outdoor Dining or the Sale of Goods and does not involve the service or consumption of food or beverages or the display, offering, promotion, or sale of Goods as a primary purpose.

Ancillary Commercial Use Area	Means a clearly identified area located in front of the relevant Adjoining Business Premises (including one or more frontages of the Premises if applicable as determined by the Council), within which an Ancillary Commercial Use by an owner or occupier of an Adjoining Business Premises may be undertaken, being an area of a size and configuration determined by the Council to ensure safe and accessible pedestrian movement and maintain public amenity.
Ancillary Commercial Use Items	Means items placed within an Ancillary Commercial Use Area in connection with an Ancillary Commercial Use (not including Sign and Signage, which is excluded under this policy), that are temporary, moveable, and not permanently fixed to the Public Place.
Authorisation	In this policy, references to an authorisation include a permit, written authorisation, or Licence to Occupy, as applicable.
Berm	Has the meaning given to it in section 2 of Part Two of the Bylaw.
Commencement Date	Means the commencement date of this policy which is 1 July 2026.
Consultation Parties	Means: - the owners and occupiers of Premises adjoining the Adjoining Business Premises, including those immediately adjacent on either side; and - the owners and occupiers of any separately occupied tenancy or Premises used for business or commercial activities within a building that directly fronts or shares a boundary with the same Public Place as the Adjoining Business Premises, including Premises located on upper or lower floors of that building, where those Premises may be directly affected by the proposal; and - any other identifiable property owners or occupiers who are directly affected by the proposed use of a Public Place for an Outdoor Dining Area, Sale of Goods, or other Ancillary Commercial Use, including where such use may result in: - impacts on significant vistas or Amenity Values associated with their Premises; - obstruction or reduction of road frontage serving their Premises; or

- material economic, access, or operational impacts on their Premises (including access, loading, or on-street parking); as determined by the Council.

Council or the Council	Masterton District Council (and includes any officer authorised to exercise the authority of the Council).
Display Area	Means a clearly identified area within a Public Place for the Sale of Goods by an Adjoining Business Premises, located in front of the relevant Adjoining Business Premises (including one or more frontages of the Premises if applicable as determined by the Council), within which the Sale of Goods by an owner or occupier of an Adjoining Business Premises may be undertaken, being an area no longer than the length of the relevant frontage or combined frontages unless otherwise approved by the Council, and of a size and configuration determined by Council to ensure safe and accessible pedestrian movement and maintain public amenity.
Display Items	Means items placed within a Display Area in connection with the Sale of Goods that are temporary, moveable, and not permanently fixed to the Public Place, including (but not limited to) shelves, stands, racks, tables, display units, cabinets, or similar items used to facilitate the Sale of Goods.
Existing Terms	Includes the manner extent, location, and conditions under which the use or occupation has historically occurred or been permitted by the Council (whether formally or informally).
Footpath	Has the meaning given to it in section 315 of the Local Government Act 1974.
Licence	Has the meaning given to it in section 4 of Part One of the Bylaw.
Licence to Occupy Part of a Public Place	For the purposes of this policy, a Licence (as defined in the Bylaw) issued for the purpose of authorising a right to occupy a part of a Public Place for Outdoor Dining, the Sale of Goods, or Ancillary Commercial Use by Adjoining Business Premises is referred to as a Licence to Occupy Part of a Public Place, or a Licence to Occupy.

Metered Parking Space/s	Has the meaning given to it in section 2 of Part Six of the Bylaw and as identified in the Traffic Control Schedule (Part 6A) of the Bylaw.
Outdoor Dining	Means the use of an Outdoor Dining Area for service or consumption of food or beverages supplied by that Premises to customers of that Premises.
Outdoor Dining Area	Means a clearly defined area within a Public Place for Outdoor Dining by an Adjoining Business Premises, located in front of the relevant Adjoining Business Premises (including one or more frontages of the Premises if applicable as determined by the Council) within which Outdoor Dining by an Adjoining Business Premises may be undertaken, being an area no longer than the length of the Premise frontage (unless otherwise approved by the Council) and of a depth determined by the Council to ensure safe and accessible pedestrian access and maintain visual amenity.
Outdoor Dining Infrastructure	Means all furniture, fittings, and structures, placed within an Outdoor Dining Area in connection with Outdoor Dining, that are not permanently fixed to the Public Place and are capable of being removed without significant alteration to the Public Place, including (but not limited to) tables, chairs, heaters, umbrellas, planter boxes, temporary landscaping features, waiting stations, barriers, railings, awnings, canopies, screening devices, Parklets, access ramps, steps, platforms and decks or other similar items used to facilitate Outdoor Dining. Outdoor Dining Infrastructure does not include building accessways, driveways, or site development works not installed for the purpose of Outdoor Dining.
Parking Space	Parking space has the meaning given to it in section 2 of Part Six of the Bylaw and as identified in the Traffic Control Schedule (Part 6A) of the Bylaw.
Parklet	Areas that are part of a Public Place that have been constructed in spaces that were intended for on-street parking.
Policy Areas	Means those areas identified on the maps in Schedule One of this policy.

Property	Means an estate or interest in land (such as a lease) within the legal boundary of a site including any buildings or structures on that land, that is privately owned or lawfully occupied by a Person.
Public Benefit	Occurs when there is an identifiable benefit available to the public or a sufficient section of the public and it is not primarily for private advantage, for example pedestrian or vehicle access.
Public Place	Has the meaning given to it in section 4 of Part One of the Bylaw.
Queen Street Block	Means the section of Queen Street between two consecutive intersecting streets measured from the centreline of one intersection to the centreline of the next intersection.
P120 Restricted Parking Space	Means a parking space where a P120 restriction has been applied.
Road	Has the meaning given to it in Part One of the Bylaw. In summary, Road includes (but is not limited to): • the carriageway (formed road); • Berms; • Footpath; • land that is legally road but not currently formed as carriageway or Footpath (sometimes referred to as "unformed road"); • subsoil below the Road; and • airspace above the Road.
Sale of Goods	Means the use of a Display Area for the display, offering, promotion, or sale of Goods in connection with that Premises, where the primary purpose of the activity is the retail or transactional exchange of Goods with customers of that Premises, and does not include Outdoor Dining or Ancillary Commercial Use.
Sandwich Board	Has the meaning given to it in section 2 of Part Two of the Bylaw.
Sign and Signage	Has the meaning given to it in section 2 of Part Two of the Bylaw.

Transition Period	Means the period beginning from the day after the Commencement Date up to and including 9 February 2027.
Unrestricted Parking Space	Means a Council owned parking space where no restriction has been applied.

Pūtake | Purpose

This Policy establishes a framework for managing the use of Public Places within the Policy Areas by Adjoining Business Premises for Outdoor Dining, Sale of Goods, and Ancillary Commercial Use. Authorisation for such use is granted through a Licence to Occupy or other approval mechanism provided for under this Policy and the Bylaw.

This policy establishes the criteria and decision-making approach for the assessment and determination of applications, to ensure the safe, accessible, and equitable use of Public Places.

Whāinga | Objectives

1. To enable the activation and efficient use of Public Places within the Policy Areas through controlled use by Adjoining Business Premises.
2. To ensure Public Places are used in a safe, accessible, and orderly manner.
3. To manage and mitigate the impacts of Outdoor Dining, Sale of Goods, and Ancillary Commercial Use on public amenity, accessibility, and safety.
4. To ensure that the use of Public Places by Adjoining Business Premises is consistent with Council bylaws, policies, strategies, and the District Plan.
5. To ensure appropriate cost recovery for Council's administration, maintenance, and management of Public Places used for commercial purposes.
6. To support transparent, consistent, and equitable decision-making in the assessment and approval of applications for the use of Public Places within the Policy Areas by Adjoining Business Premises for Outdoor Dining, Sale of Goods, and Ancillary Commercial Use.

Whānuitanga | Scope

This policy applies to the regulation and authorisation of the use of Public Places within the Policy Areas for Outdoor Dining, Sale of Goods and Ancillary Commercial Use by Adjoining Business Premises from the Commencement Date.

Adjoining Business Premises located within the Policy Areas may undertake Outdoor Dining, the Sale of Goods and Ancillary Commercial Use in a Public Place only where authorised under this Policy.

The form of authorisation under this Policy may take the form of a Licence to Occupy, a permit, written approval, or other form of Council authorisation.

To clarify, this policy does not apply to:

- the use of Public Places by Adjoining Business Premises outside the Policy Areas;
- the Sale of Goods by Mobile Traders regulated under Part Three of the Bylaw;
- the Sale of Goods undertaken in the Masterton Permitted Areas identified in Schedule A of Part Three of the Bylaw, including locations identified in Schedule A as permitted areas for Mobile Traders, regulated under Part Three of the Bylaw;
- Sale of Goods undertaken by a Person in a Public Place who is not an Adjoining Business Premises. Such activities are regulated under Part Three of the Bylaw;
- Public Places that are classified as reserves under the Reserves Act 1977 within the Policy Areas, including any land held, managed, or designated by the Council for reserve purposes, or intended for such use notwithstanding that classification processes under the Reserves Act 1977 or other relevant legislation are not yet complete;
- Public Places that are parks as defined under relevant New Zealand legislation or used principally for community, recreational, environmental, cultural, or spiritual purposes;
- Sign and Signage, including Sandwich Boards, regulated under Section 8 of Part 2 of the Bylaw and the Wairarapa Combined District Plan;
- any activity that is unlawful or prohibited under the Wairarapa Consolidated Bylaw, the District Plan, or any other applicable statutory or regulatory instrument, including relevant management plans.

Whakaritenga Taupua | **Transitional Arrangements**

Transitional Continuation of Use

Any use of a Public Place by an Adjoining Business Premises for the purpose of Outdoor Dining, Sale of Goods, or Ancillary Commercial Use within the Policy Areas that was in place immediately before the Commencement Date, whether formally authorised or informally permitted by the Council (including by tolerance or acquiescence), may continue during the Transition Period.

Such use must not be expanded or intensified beyond the scale, footprint, location, or intensity as existed immediately before the Commencement Date and is subject at all times to compliance with applicable law and any direction, requirement, or condition imposed by the Council.

The Council may at any time require modification, suspension, or cessation of any use of a Public Place that was in place immediately before the Commencement Date where necessary for safety, accessibility, asset protection, amenity, or statutory compliance.

Application Requirement

Within three months from the Commencement Date, the owner or occupier of the relevant Adjoining Business Premises must apply to the Council for authorisation of

that use under this policy if they wish to continue that use beyond the Transition Period.

Failure to submit an application within the required timeframe requires that the use cease at the end of the Transition Period.

Temporary Continuation Pending Determination

Where a valid application has been lodged within the required timeframe and remains undetermined at the end of the Transition Period, such use may continue on a temporary basis until the application is determined, provided that:

- the applicant continues to diligently progress the application in good faith; and
- complies with all reasonable requests, requirements, and timeframes imposed by the Council.

The Council may suspend or terminate such temporary continuation where it considers that the application is not being diligently progressed or is being unreasonably delayed by the applicant.

Determination of Application

Where an application is determined:

- if approved, the use may continue only in accordance with the authorisation issued under this Policy and the Bylaw;
- if refused, the use must cease immediately upon notification of the refusal decision.

Post Transition Requirement

On the expiry of the Transition Period, and subject to any permitted temporary continuation under this Policy, an Adjoining Business Premises may only use a Public Place for Outdoor Dining, Sale of Goods, or Ancillary Commercial Use where authorised under a current authorisation issued under this Policy and the Bylaw.

Ara Whakatutuki Tono, me te Pepa Tuku Mana | Applications, Processing Pathways, and Form of Authorisation

Applications will be assessed and classified by the Council as Minor, Standard, or Major having regard to the scale, nature, and effects of the proposed Outdoor Dining Area, Display Area, or Ancillary Commercial Use Area.

The classification of an application determines the applicable processing pathway, the level of application form, information requirements, assessment pathway, and complexity of assessment to be undertaken by the Council, and the type of authorisation required under this Policy.

The Council will determine whether the applicant must submit their proposal using the application form and pathway corresponding to the classification determined under this Policy.

Applicants are encouraged to engage with the Council's pre-application process prior to lodging an application to obtain initial guidance on requirements, timeframes, and assessment considerations.

The classifications and associated criteria are set out below.

- **Minor means use of a Public Place for Outdoor Dining, Sale of Goods or Ancillary Commercial Use** where the Outdoor Dining Area, Display Area, or Ancillary Commercial Use Area is less than or equal to 2m² and the use:
 - is low-impact, temporary and fully reversible;
 - has no subsoil penetration;
 - has minimal or no airspace encroachment;
 - includes the placement or use of Outdoor Dining Infrastructure, Display Items, or Ancillary Commercial Use Items that are non-permanently fixed and readily removable; and
 - does not materially affect pedestrian movement, accessibility, safety, or amenity.

Examples include a small removable table and chairs, an umbrella (including freestanding or weighted bases), a small freestanding display stand, placed within the relevant area.

- **Standard means use of a Public Place for Outdoor Dining, Sale of Goods or Ancillary Commercial Use** where the Outdoor Dining Area, Display Area, or Ancillary Commercial Use Area is greater than 2m² and up to the threshold determined by the Council for Major classification, and the use:
 - is low-impact, temporary and fully reversible;
 - has no subsoil penetration;
 - has minimal or no airspace encroachment;
 - includes the placement or use of Outdoor Dining Infrastructure, Display Items, or Ancillary Commercial Use Items that are non-permanently fixed and readily removable; and
 - does not materially affect pedestrian movement, accessibility, safety, or amenity.

Examples may include (but are not limited to) tables and chairs, umbrellas (including freestanding or weighted bases), small portable heaters, planter boxes used for demarcation (non-fixed), small freestanding display stands, placed within the relevant area.

- **Major means use of a Public Place for Outdoor Dining, Sale of Goods or Ancillary Commercial Use** where the Outdoor Dining Area, Display Area, or Ancillary Commercial Use Area:
 - exceeds the Standard classification threshold;
 - involves one or more of the following: subsoil penetration, structural anchoring, substantial airspace encroachment or occupation of a metered or P120 Restricted or Unrestricted parking space/on-street parking; andthe use:
 - includes the placement or use of Outdoor Dining Infrastructure, Display Items, or Ancillary Commercial Use Items that are fixed, anchored, semi-permanent,

or not readily removable without alteration to or reinstatement of the Public Place; and

- materially affects one or more of the following: pedestrian movement, accessibility, safety, amenity, surrounding environment, or use of Metered or P120 Restricted or Unrestricted Parking Spaces/on-street parking.

Examples may include (but are not limited to):

- barriers, bollards, or setbacks used to define an Outdoor Dining Area, Display Area, or Ancillary Commercial Use Area;
- cantilever umbrellas, awnings, canopies, or other overhead Outdoor Dining Infrastructure requiring structural fixing or building interface attachment;
- parklets, raised decks, platforms, or built-out dining extensions, including modular or structural installations with anchoring or subsoil penetration;
- enclosed or semi-enclosed Outdoor Dining Areas or prefabricated structures or pods; and
- fixed or anchored Display Items or Ancillary Commercial Use Items, including racks, shelving, or other installations involving ground fixing, anchoring, or substantial airspace occupation.

Where subsoil penetration, structural anchoring, or substantial airspace encroachment is proposed, the classification shall be Major regardless of area.

Any increase in the scale or extent of an authorised use may require reclassification and new authorisation.

Form of Authorisation

Applications will be authorised in accordance with their classification as follows:

- an application classified as Minor will be authorised by way of a permit or written authorisation issued by the Council; and
- an application classified as Standard or Major will be authorised by way of the granting of a Licence to Occupy to be entered into by the applicant and the Council.

Mana Whakatau a te Kaunihera, Herenga Raihana me ngā Herenga Whakahaere | **Council Discretion, Licence Conditions and Administrative Terms**

The Council may grant or refuse an application at its discretion. Where an authorisation is issued, it is subject to compliance with this policy and any terms and conditions imposed by the Council.

An authorisation is subject to compliance with this policy may include any terms and conditions the Council considers necessary, to ensure the safe, accessible, and appropriate use of the Public Place. These may include (without limitation) insurance requirements, suspension, termination, review, variation, renewal, cancellation, reinstatement, fees, and make good rights and obligations.

The granting of an authorisation under this policy (whether that authorisation be a permit, written authorisation, or Licence to Occupy) does not confer any property

right or exclusive interest in the Public Place, and all authorised use remains subject to ongoing compliance with the conditions of the authorisation.

Variation of Authorisation

An application to vary an authorisation must be made by written request to the Council and will be assessed in accordance with this policy, the Bylaw, any relevant provisions relating to the management and control of the Public Place and having regard to the nature and significance of the proposed variation.

Variations to a Licence to Occupy must be recorded by deed of variation between the Council and the holder of the authorisation. Variations to a permit or written authorisation may be recorded by written agreement or written confirmation issued by the Council, or in such other form as the Council considers appropriate.

The Council may determine, having regard to the scale, nature, and effects of the proposed variation, that a variation to a permit or written authorisation instead requires a new application to be lodged and assessed under the applicable classification and application pathway.

The Council may require the reasonable costs of preparing and executing any application to vary an authorisation to be met by the applicant.

Use of Metered or P120 Restricted or Unrestricted Parking Spaces

To ensure equitable distribution and to maintain accessibility for the public to parking along Queen Street, the Council may determine the circumstances in which Metered or P120 Restricted or Unrestricted Parking Spaces may be used by Adjoining Business Premises for Outdoor Dining, Sale of Goods, or Ancillary Commercial Use, so that:

- no more than 12 of Metered or P120 Restricted Parking Spaces are used under a Licence to Occupy at any one time; and
- within each Queen Street Block in the Policy Areas – no more than two Metered or P120 Restricted Parking Space may be used under a Licence to Occupy.

Where an application proposes the use of a Metered or P120 Restricted or Unrestricted Parking Space for Outdoor Dining, Sale of Goods, or Ancillary Commercial Use, it is automatically classified as Major and the granting of a Licence to Occupy is subject to any necessary amendments to the Traffic Control Schedule (Part 6A) in accordance with Part 6 of the Bylaw (in particular clause 21.1) that the Council determines are necessary to give effect to the approved use. Any such amendments shall be undertaken in accordance with the consultation and notification requirements of the Traffic Bylaw, including clause 21.2 where applicable.

The baseline for determining availability will be the number of relevant carparks identified in the Traffic Control Schedule within the Policy Areas, as at the Commencement Date of this policy.

Applications for use of a Metered or P120 Restricted Parking Space will be considered on a 'first in, first served' basis by the relevant Council decision-making body.

Ngā Paearu i ngā Tukanga Whakataunga | **Criteria Considered in Decision-Making Process**

The information provided in support of an application for a Licence to Occupy under this policy will be used by the Council to assess each application against the criteria set out below.

The Council's decision on whether to approve a Licence to Occupy and grant an authorisation will be made following a multiple criteria framework, comprising an initial assessment against minimum criteria, followed by consideration of other relevant criteria where the minimum criteria are satisfied. Satisfaction of the minimum criteria does not create any entitlement to the granting of an authorisation.

Applications must satisfy the Council that they meet all minimum criteria in order to proceed to further assessment. Where an application does satisfy the minimum criteria, the applicant may be advised of the reasons and given the opportunity to amend and resubmit the application.

Minimum criteria for assessment are listed below:

- **Compliance with Council bylaws, policies, strategies** and the District Plan. The extent to which the application is consistent with those instruments.
- **Health and safety.** The extent to which the application appropriately manages risks including nuisance effects (including noise), potential or imminent hazards, pedestrian safety, traffic safety, and compliance with any applicable bylaws, local policies and national standards.
- **Accessibility.** The extent to which the application maintains safe and reasonable pedestrian movement within the Public Place and access to adjoining properties, and the extent to which it impacts the safe and efficient use of a Public Place, including parking and transport infrastructure.

Where the minimum criteria are satisfied, the Council may also have regard to the following additional criteria in its assessment:

- **Impact on Council Assets.** This includes underground infrastructure, street trees, and public amenities (such as seating and rubbish bins), and the extent to which these assets can be accessed for maintenance and renewal.
- **Sustainability.** The extent to which the application integrates sustainable, eco-friendly practices throughout the project and for maintaining these practices after the works have concluded. For instance, whether the application addresses covered areas for the public, or degrades significant vegetation.
- **Strategic alignment.** The extent to which the application reflects or aligns with the Masterton District Council's strategies and broader strategic direction.
- **Economic and cultural development.** The extent to which the application supports the development of commercial activities in the area that contribute to vibrancy, activity, and local identity of the district.

- Fairness and competition effects, to which the Council may have regard, including relevant guidance issued the Competition Assessment Guidelines developed by the Commerce Commission.¹

Wānanga tahi ki ngā Pāti Whiriwhiri | **Consultation with Consultation Parties**

Where required by the Council, the applicant must undertake consultation with all Consultation Parties prior to submission of the application.

Consultation must involve providing sufficient information to Consultation Parties to enable them to understand the nature, design, and potential effects of the proposal and to provide feedback on the proposal. The purpose of the consultation is to inform Consultation Parties of the proposal and to enable their views to be considered by the Council as part of its decision-making process.

Prior to undertaking consultation, and during the pre-application stage, the applicant must engage with the Council to confirm the applicable consultation requirements for the application. This includes the identification of Consultation Parties relevant to the specific site and circumstances, and any Council expectations for the scope and manner of consultation.

The Council may provide guidance; however, responsibility for undertaking consultation in accordance with this policy remains with the applicant.

The applicant must provide evidence to the satisfaction of the Council that reasonable steps have been taken to notify Consultation Parties of the proposal and to seek their feedback, including details of any responses received, any written support or objections and any changes made to the proposal as a result of that feedback. Written support or agreement, where obtained, should be provided as part of the application but does not determine or limit the Council's decision.

Consultation must be proportionate to the scale and potential effects of the proposed Outdoor Dining, Sale of Goods, or Ancillary Commercial Use and must be undertaken in a manner that provides Consultation Parties with a reasonable opportunity to consider and respond to the proposal prior to the application being determined.

The Council may determine that consultation has not been adequately undertaken and may require further consultation, additional information, or defer consideration of the application until consultation requirements are satisfied. Consultation forms part of the information considered by the Council in its assessment of the application and does not confer any right to approval.

The granting of an authorisation under this policy remains at the sole discretion of the Council.

Ngā utu Takahi Kaupapa Here | **Consequences for Breach of Policy**

Except as provided for under the Transitional Arrangements section of this policy, the use of any part of a Public Place for Outdoor Dining, Sale of Goods or Ancillary

¹ [Competition Assessment Guidelines | Commerce Commission](#)

Commercial Use without a current authorisation is prohibited. This includes the establishment or operation of any Outdoor Dining Area, Display Area, or Ancillary Commercial Use Area or the associated use of Outdoor Dining Infrastructure, Display Items, or Ancillary Commercial Use Items in those areas.

Any unauthorised use of a Public Place, including use occurring where an authorisation has expired, been suspended, revoked, or otherwise ceased to have effect constitutes a breach of the Bylaw. Such a breach may result in enforcement action under the Bylaw, including prosecution as provided for under section 242 of the Local Government Act 2002, which prescribes penalties for offences against bylaws.

Further, where applicable, the Council may exercise its authority under section 163 of the Local Government Act 2002 to remove or alter works in breach of the Bylaw and recover associated costs from the person responsible.

The owner or occupier of the Adjoining Business Premises associated with the Outdoor Dining, Sale of Goods, or Ancillary Commercial Use is responsible for obtaining all required approvals and ensuring a valid authorisation remains in place at all times.

Policy Exceptions

Any exception to this Policy must be approved by Council resolution.

[Arotake Kaupapa Here](#) | **Review of Policy**

This policy can be reviewed, amended or revoked at any time. An interim review will take place after 12 months of the commencement date. After concluding the interim review, the Policy must be reviewed every five years.

[Tuhiinga Hāngai](#) | **Related Documents**

- Ngā Ture ā-Rohe Tōpu o Wairarapa - Wairarapa Consolidated Bylaw (1 November 2025) (Bylaw), in particular:
 - Part One - Introductory
 - Part Two - Public Places (including Parks and Reserves) and applicable sections, in particular:
 - o Section 3 - Public Safety and Nuisances
 - o Section 5 - Obstructing Public Places
 - o Section 6 - Damage to Public Places
 - o Section 8 - Signage
 - o Section 9 - Outdoor Dining
 - o Section 10 - Exposing Articles for Sale

- o Section 15 - Awnings and Blinds
- o Section 16 - Projections on Public Places not Permitted
- o Section 19 - Animals in Public Places
- Part Three - Sale of Goods in Public Places
- Part Six - Traffic
- Wairarapa Combined District Plan

Whakahaere Kōnae | **Version Control**

Version	Date	Summary of Amendments	Approved By
1	August 2026	New Policy approved	Council

Rārangi Hōtaka | **List of Schedules**

- Schedule 1: Policy Areas:
 - Policy Areas - One: Town Centre and side streets including Dixon and Chapel Street
 - Policy Areas - Two: Retail areas in Kuripuni
 - Policy Areas - Three: Retail areas in Lansdowne

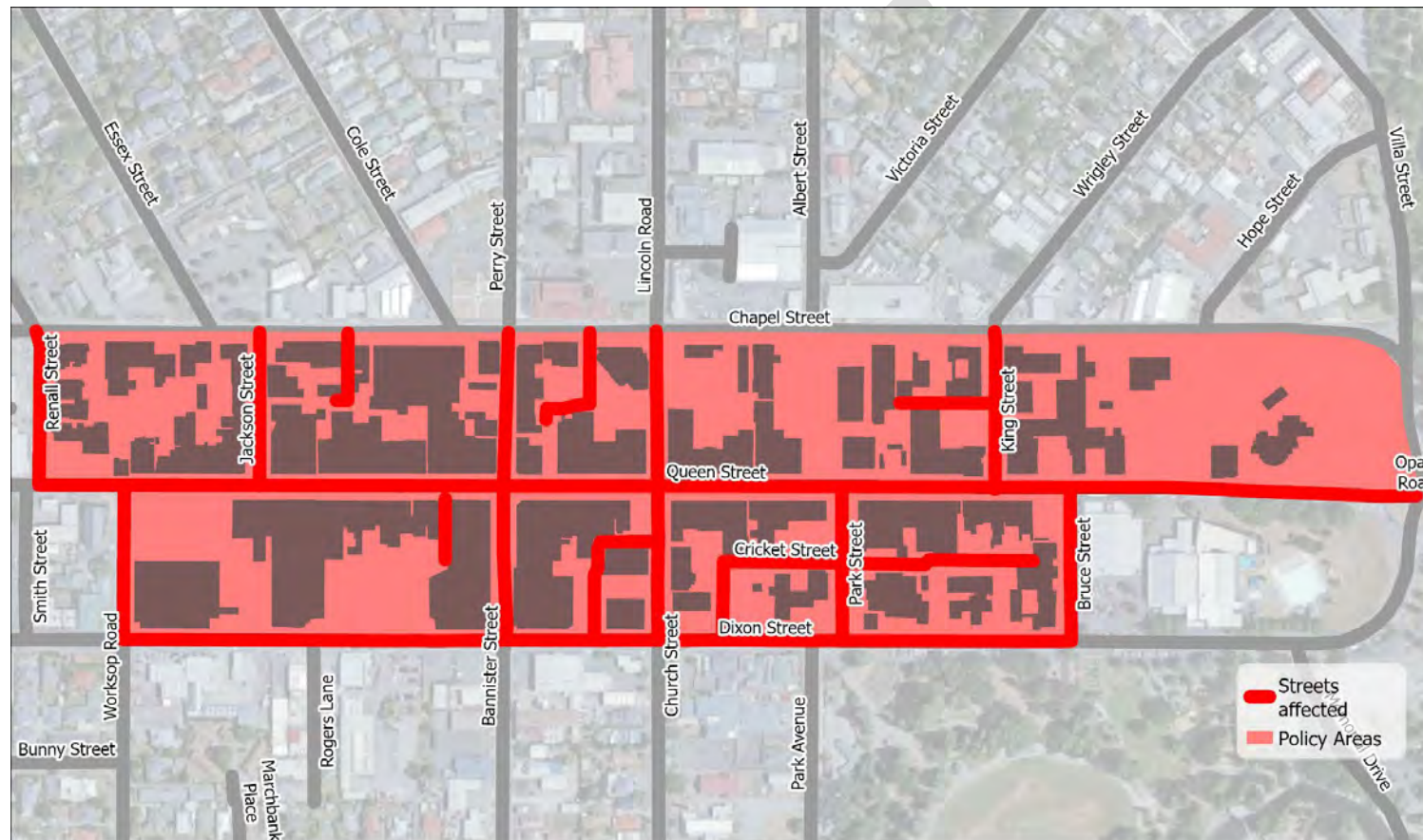
Āpitihanga 1: Whaitua o te Kaupapa Here | Schedule 1: Policy Areas

The Policy Areas listed here are indicative only. They are intended to reflect the purpose and scope of the policy, rather than to form part of the policy itself, and should be interpreted as guidance rather than a definitive statement of inclusion or exclusion.

These areas are outlined below:

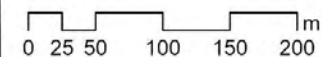
- **Policy Areas - One: Town Centre and side streets**
 - Queen Street (From the Northern Roundabout connecting with Chapel and Dixon Street through to the intersection of Queen Street and Renall Street)
 - Dixon St (Workshop Rd to Bruce St)
 - Bruce St (all)
 - King St (all)
 - Park St (all)
 - Lincoln Rd (between Queen St and the eastern side of Chapel St)
 - Church St (between Queen St and Dixon St)
 - Perry St (between Queen St and the eastern side of Chapel St)
 - Bannister St (between Queen St and Dixon St)
 - Jackson St (between Queen St and the eastern side of Chapel St)
 - Workshop Rd (between Queen St and Dixon St)
 - Renall St (between Queen St and the eastern side of Chapel St)
- **Policy Areas - Two: Retail areas in Kuripuni**
 - Queen St (425 Queen St to Crayne St)
 - Queen St (Crayne St to Waltons Ave)
 - Queen St (Crayne St to Kuripuni St)
 - Crayne St (all).
- **Policy Areas - Three: Retail areas in Lansdowne**
 - North side of First St (1B - 3D First St)
 - South Side of First St (Opaki Rd - Cooper St).

Wāhi o te Kaupapa Here - Tahi: Pokapū Tāone me ngā tiriti i ōna taha, pēnei me ngā tiriti o Dixon me Chapel | Policy Areas - One: **Town Centre and side streets including Dixon and Chapel Street**



Use of Public Spaces by Adjoining Business Premises
Town Centre and side streets including Dixon and Chapel Street

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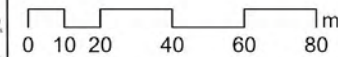
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Wāhi o te Kaupapa Here - Rua: Ngā wāhi kaihokohoko ki Kuripuni | Policy Areas - **Two: Retail areas in Kuripuni**



Use of Public Spaces by Adjoining Business
Premises
Retail areas in Kuripuni

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Wāhi o te Kaupapa Here - Toru: Ngā wāhi kaihokohoko ki Lansdowne | Policy Areas - **Three:** Retail areas in Lansdowne



		Use of Public Spaces by Adjoining Business Premises Retail areas in Lansdowne	DISCLAIMER: The Masterton District Council accepts no responsibility for actions or projects undertaken or loss or damages incurred, by any individuals or company, or agency, using all or any of the information provided on this map. The Masterton District Council does not provide interpretation of this information or advice on how to interpret, or value this information. Your own independent and appropriate professional advice should be sought. The information displayed on this map may contain errors or omissions or may not have the spatial accuracy required for some purposes.	
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7.6 HEAD START PROPOSAL

File Number:

Author: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to seek Council's decision on a Head Start proposal and outlines next steps should Council support a proposal.

RECOMMENDATIONS

That Council:

1. **Receives** the Head Start Proposal report.

2. **Agrees**

EITHER

to participate in the Head Start pathway for Simplifying Local Government

OR

not to participate in the Head Start pathway for Simplifying Local Government.

If Council agrees to participate in the Head Start pathway:

3. **Agrees** to submit

EITHER

the Wellington Wairarapa Unitary Head Start proposal (Attachment 3)

OR

the Wairarapa Unitary Head Start proposal (Attachment 4).

4. **Delegates** authority to the Mayor and Chief Executive together to negotiate with participating councils, make minor amendments, and submit the final Head Start Proposal to Government for consideration when agreed.

5. **Agrees** to continue development of the Head Start proposal following submission.

CONTEXT

Simplifying Local Government and Head Start

In November 2025, the Government announced its Simplifying Local Government reform programme and undertook public consultation, which closed in February 2026. The programme proposed the disestablishment of Regional Council governance bodies and the establishment of a Combined Territorial Board (CTB) comprising the mayors of territorial authorities, to undertake regional functions and prepare a reorganisation plan for the region.

On 5 May 2026, following consideration of public feedback, Cabinet agreed a revised Simplifying Local Government reform programme comprising a voluntary Head Start pathway and a future compulsory backstop reform pathway. The Head Start pathway enables groups of territorial authorities to submit outline proposals for future governance arrangements for consideration by Government ahead of wider reforms from 2028.

The Head Start pathway announced on 5 May 2026 invited the submission of outline proposals by 9 August 2026.

The Cabinet decision establishes a staged process. The first stage involves submission of outline proposals only and not fully developed reorganisation schemes. An outline proposal is expected to identify the preferred future governance structure for a region, explain how it responds to the Government's reform objectives, and identify matters requiring further work. Government has indicated that proposals submitted in August 2026 will be considered by Cabinet in September before the November general election. Cabinet will determine which proposals progress to a detailed design phase.

For proposals accepted by Cabinet, a detailed design phase is intended to continue through to March 2027. This phase would further develop matters including governance arrangements, representation models, financial implications, implementation requirements, transition planning, partnership arrangements with mana whenua and community engagement approaches. Following completion of the detailed design phase, Cabinet would determine whether legislation should be developed to implement a proposal, with any resulting changes intended to take effect before the 2028 local elections.

Cabinet has agreed that proposals can be submitted by groups of 2 or more territorial authorities, representing a majority of the impacted territorial authorities or a majority of the impacted population. They may include territorial authorities from different regions. The proposals are intended to be an outline of a potential reorganisation structure for a region or sub-region.

Cabinet has indicated that Head Start proposals should be based on unitary authority models aligned with existing regional boundaries. Guidance notes that more than one unitary authority within a region is likely to be considered only where a region is large, faces complex issues, and the proposed arrangements would not result in the fragmentation of key regional functions and services. Proposals are therefore expected to demonstrate how their preferred governance model supports integrated regional decision-making while maintaining effective local representation and voice.

Assessment Criteria

Proposals will be assessed against the following criteria:

Supports the new planning system: Shows clear support for implementing the new planning system – including progress on spatial and natural environment plan development – and avoids or minimises disruption to that work.

Simplifies local governance: Proposes more efficient regional governance arrangements, consolidating decision-making and improving alignment between a region's councils.

Economies of scale: Supports regional strategic planning and effective delivery of key regional functions (such as transport and catchment management), and demonstrates responsible and affordable asset management, infrastructure investment, and service delivery.

Maintains local voice: Demonstrates fair and effective representation for communities of interest and how decisions will be made at the local level, balancing urban and rural interests.

Deliverability: Proposals are realistic and demonstrate how new arrangements can be implemented in a timely manner.

Iwi/Māori

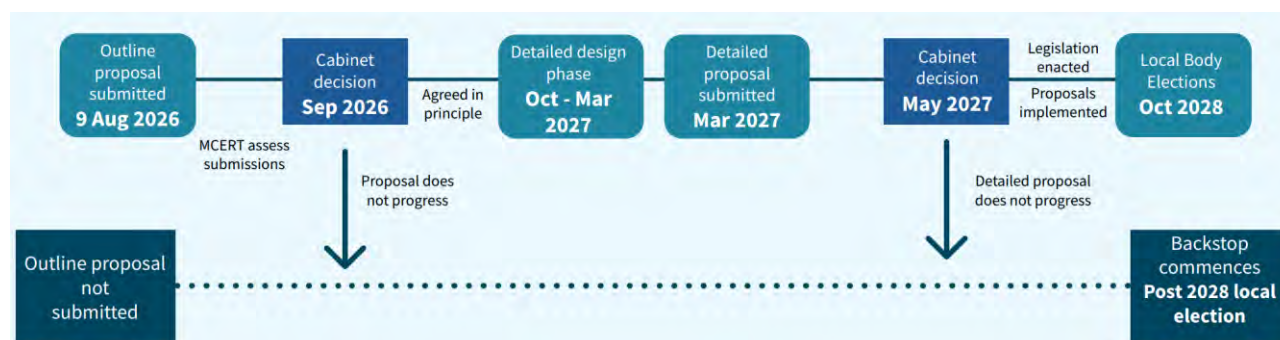
The Government has not provided any guidance on iwi/Māori representation for Head Start proposals. It acknowledges that any Treaty settlement arrangements that councils have with Post-settlement Governance Entities (PSGEs) must be upheld with the same or equivalent effect through the Head Start process. Proposals must:

- explain how existing Treaty settlement arrangements could transfer to new unitary authorities with equivalent effect; or
- propose a plan to work with affected PSGEs to determine how existing Treaty settlement arrangements can be given equivalent effect in the new unitary authority.

The Wellington region is home to iwi who hold mana whenua and whose rohe/takiwā cross existing territorial authority boundaries. Providing for an enduring mana whenua partnership, including participation in decision-making, is an agreed core principle across the region.

Iwi have engaged through the collective forum Te Kāhui Whakarehunga. This gives iwi a shared space for discussion, whilst preserving each iwi's distinct mana, mandate and autonomy. A series of hui have been held, and iwi representatives have participated in the discussions on the development of proposals. Te Kāhui Whakarehunga have written to Councils outlining their position on the Head Start proposals (see Attachment 1).

Government Timeline



Regional council function review

During the reform process, the Government carried out a review of regional council functions to identify opportunities for centralisation of functions. The RMA Expert Advisory Group had already recommended that in the new planning system, compliance and enforcement functions be transferred to a national regulator with regional compliance hubs. That proposal is being progressed following enactment of the Planning and Natural Environment Bills.

The review concluded that other functions are still best delivered at a regional or local scale. The Government has emphasised that regional transport functions, proposed interim arrangements for the new planning system and river catchment management should be considered in Head Start proposals. GWRC functions and services are described in their [Long Term Plan](#).

DISCUSSION AND OPTIONS

Community engagement

The Government's tight timeline prevented Council from developing a detailed business case and consulting with the community on specific proposals. Instead, Council sought feedback on what was important to the community to help inform the development of options.

An initial survey was undertaken to gauge community sentiment, views, and priorities, acknowledging that there was no benchmarking data available to inform respondents at that stage.

The survey received 559 responses, comprising 558 online submissions and one response by email. The results indicated strong support for a Wairarapa local option; however, this support was not at any cost. Key community concerns focused on value for money, costs, and the delivery of local services. While there was a strong preference for locally delivered services, respondents also expressed broad support for regional coordination of transport, economic development and tourism, and emergency management. There was particularly strong support for local delivery of parks and open spaces, community facilities, and community development activities such as grants and funding. This has been made available to the public on the Masterton District Council website. See detailed feedback in Attachment 2.

Following receipt of the benchmarking reports and modelling for both the Wellington Wairarapa Unitary and Wairarapa Unitary options (discussed below) and recognising that the modelling was based on a number of assumptions and remained subject to change, Council undertook a further round of community engagement over a six-day period. This sought to understand whether community sentiment regarding a preference for a Wellington Wairarapa Unitary or Wairarapa Unitary had changed in light of the new information. The results of this engagement will be made available as a late item ahead of the Council meeting on 5 August.

Head Start Options

Officers, Chief Executives and Mayors have been working with consultants both at Wellington Regional and Wairarapa levels to develop options for a Wellington Wairarapa Unitary and a Wairarapa Unitary council option for Council consideration. The options are detailed in the attached proposals. Both proposals acknowledge that structural change is needed to manage financial, capability, capacity and resilience pressures. In developing the options, key design principles, lessons from past reorganisation proposals and analysis of communities of interest have been considered. The proposals outline the case for change, eligibility and approach to the proposal development, governance and representation arrangements, how the proposal meets the Government's criteria, deliverability, Treaty of Waitangi considerations, risks and benefits.

Key elements of the options are explained below, along with the option not to submit a Head Start proposal and take the backstop route to reform.

Option 1: Do not submit a Head Start proposal

The Head Start process is voluntary. Not submitting a proposal would mean that Government will determine the future governance structure through the backstop process after the 2028 local elections, unless the Council is otherwise included in a proposal (see Decision-Making and Submission Process, below).

Regional councillors will be replaced at the 2028 local elections with an interim body, such as a board of mayors, Crown commissioners or a combination of both. The precise model will be

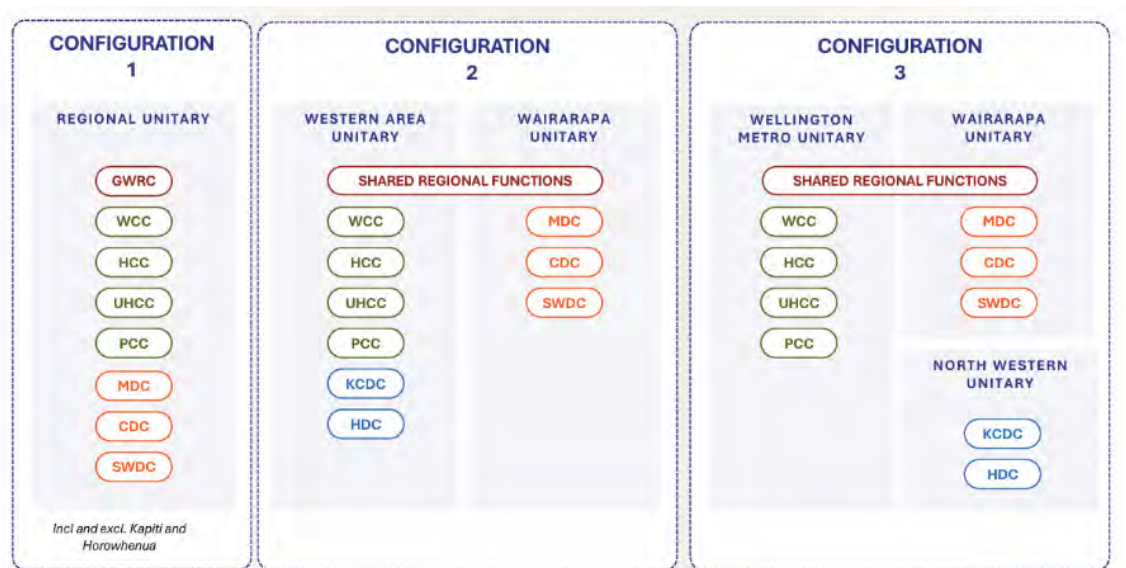
confirmed in 2027 when successful Head Start proposals are approved. Legislation for the backstop will be enacted before nominations open for the 2028 local elections to ensure candidates understand any new roles and responsibilities.

Option 2: Wellington Wairarapa Unitary Authority

The Wellington Mayoral Forum has taken the lead in progressing a joint Head Start proposal on behalf of the Wellington region. The reform working group is made up of the Mayors and the Regional Council Chair within the Greater Wellington land area, and includes Kapiti, Porirua, Wellington, Lower and Upper Hutt, the three Wairarapa Councils and GWRC. A parallel forum made up of Iwi Chairs and leaders worked alongside the Mayoral Forum supporting the regional conversations. The Mayors and Chair are supported by Council CEs and a staff working group.

In developing the Head Start Proposal, the Mayoral Forum did not begin with a preferred governance structure. Instead, councils worked collectively to assess a range of possible configurations and governance models against the Government's Head Start criteria, particularly the requirement to maintain local voice while simplifying local governance and supporting integrated regional decision-making. This work was undertaken on an "all-in" basis with impacted territorial authorities participating in the process, recognising that any future proposal needed to be capable of working across the region as a whole.

Three configurations were assessed – one unitary for the whole region, two unitaries (Western Area and Wairarapa) and three unitaries (Wellington Metro, Wairarapa, North-Western).



Financial modelling was carried out on each of these configurations (see discussion in Financial Assessment as part of the Key Considerations below).

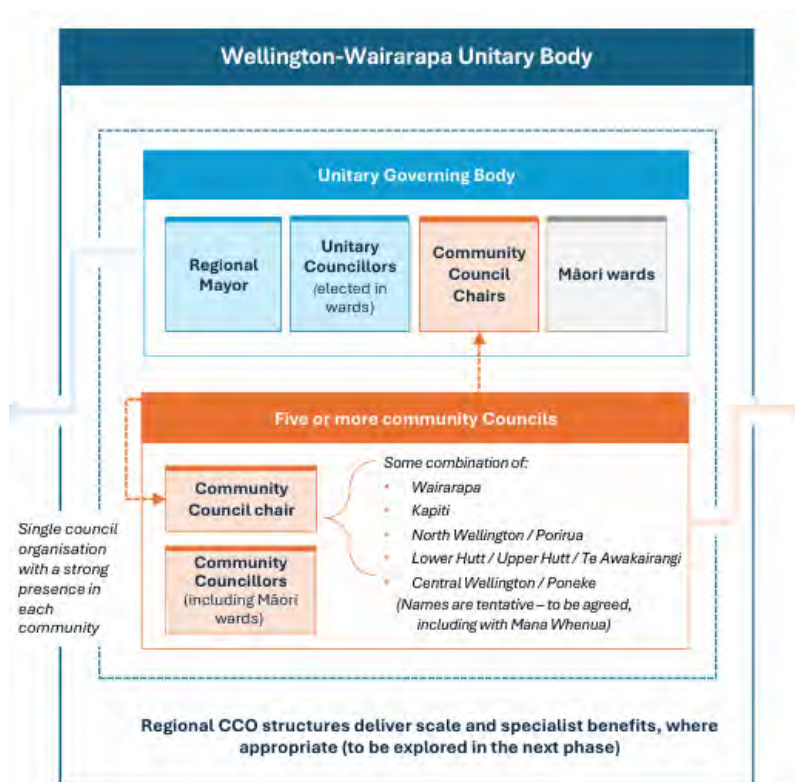
The preferred option for the Wellington regional Head Start proposal is Configuration 1: a single unitary authority. The Wellington Wairarapa proposal is attached at Attachment 3.

The Wellington Wairarapa Unitary would be represented by: a Mayor (elected at large), councillors (between 16-24 elected in wards); Community Council chairs (at least 5). This would provide for a total representation on the governing body of between 22-30. This could provide for an elected member to population ratio of around 1:15,000 to 1:25,000, compared to the current situation which ranges from 1:2,000 in South Wairarapa to 1:14,000 in Wellington City. Auckland Council

currently has 21 councillors. Options could be explored during the detailed design phase to identify a required 'super-majority' of voting for specific decisions of significance, to provide a further check and balance to protect minority interests.

Community Councils would be provided for in legislation to provide local voice. It is envisaged that they would have a budget allocation (based on an agreed formula) and would deliver a wide range of services at the local level. Representation would be provided by elected members and an elected Chair who would also sit on the governing body of the Unitary Authority. Whilst the exact number of Community Councils has not yet been confirmed, it is assumed to be at least five, based on catchment boundaries. The number of elected members on each Community Council would be determined by a population-based formula, but recognising Wairarapa geography. Local service centres would be maintained in each Community Council area, with staff providing services out of these.

Māori wards would provide for Māori electoral representation, including matawaka, within the unitary authority. Enabling legislation will be sought that expressly carries over all obligations arising from Treaty settlements, joint management agreements, statutory acknowledgements and co-governance arrangements affecting the disestablished councils, and that provides for mana whenua representation in the governance of the new entity on terms agreed with iwi.



Option 3: Wairarapa Unitary Authority

A stand-alone Wairarapa Unitary would undertake all existing TA functions (except Three Waters) as well as take over all the Regional Council functions that need to be delivered. The proposal for this option is included in Attachment 4.

The Council would have one elected Mayor with a number of councillors from across the region and include mana whenua representation. Local voice would be provided through a local mechanism, such as community/local boards, committees or community forums.

Some functions are unable to be fully separated from GWRC and devolved to a Wairarapa Unitary, such as Public Transport which relies on a national rail network and procurement contracts that span long timeframes and achieve savings due to being at scale. Other functions may be devolved or provided through contracting, shared services, or other arrangements. The relationship between the Wairarapa Unitary and a Western Area Unitary for the rest of the existing authorities is identified in Configuration 2, above.

Should a proposal be submitted the following are the areas that would still need to be worked through:

- the number and boundaries of wards
- whether councillors are elected by ward only, at large or through a mixed model
- the number and design of Māori representation
- whether ward names and boundaries should be catchment-based, place-based or district-based
- how Masterton, Carterton, Featherston, Greytown, Martinborough, rural communities and coastal communities are represented
- how smaller community representation avoids being overshadowed by larger communities
- how communities influence local priorities, community funding, town centre matters, parks, reserves, facilities and service levels
- whether local committees, advisory panels, community forums or other deliberative mechanisms are needed
- how service centre access and customer contact will be maintained
- how iwi relationships, Treaty settlement obligations, Māori representation, partnership forums and mana whenua involvement in planning and environmental management are protected or redesigned
- how functions currently provided by GWRC will be devolved, integrated and funded.

Wairarapa Unitary Council



Elected Members



Mayor

KEY CONSIDERATIONS

Financial Assessment

A high level financial model was developed by Martin Jenkins to assess the three different configurations for the Wellington/Wairarapa options. This is using base data from each local authority and GWRC for the 2025/26 financial year and the following 10 years as well as projections for capital expenditure including in the Infrastructure Strategy for 30 years. Modelling was projected to 25 years and excluded the water activities of the councils.

Their report (Attachment 5) calculates cost savings (pages 34 & 35) and calls them 'Effective efficiency' delivered over 25 years that come out at 3.8% for a Wellington Wairarapa Unitary and 7.1% for a Wairarapa Unitary. The savings are assumed to be phased in from FY2030. That indicates the smaller scale of the Wairarapa's 3 council's duplicated costs will generate a slightly better percentage of efficiency savings.

For their configurations 2 and 3 (multiple unitaries) an estimated allocation of income, expenditure and debt from Greater Wellington Regional Council was made to form the basis of the smaller unitary financial model. This is based on the best available information for this stage of the process, using cost allocation data from Greater Wellington and previous reorganisation assessments undertaken by the Local Government Commission, with modified assumptions. One of these is that current costs for providing regional services could be reduced by 10% through efficiencies – essentially by combining regional and local service delivery. This is on the lower side of conclusions reached by Morrison Low in their separate benchmarking report that was produced for the Wairarapa councils (see discussion below).

Assumptions for one-off transition costs were included in the financial modelling and tested against a review of previous reorganisation proposals both in NZ and overseas. These costs will eventually be offset by efficiencies, but the efficiency savings were deliberately kept at a conservative level to reflect previous experience that reorganisation proposals rarely deliver significant cost savings, especially in initial years (per Martin Jenkins report).

For configurations where separate unitary authorities are created for Wairarapa and Kāpiti/Horowhenua, there is recognition that the allocated GWRC costs are not fully funded by the rates collected in these sub-regions. The Martin Jenkins report flags the potential for increased rates requirement to fully fund regional services. The current funding model of GWRC produces a degree of cross-subsidisation from Wellington ratepayers. The funding of public transport services is the most obvious example where the GWRC Revenue and Financing Policy targets the Wellington CBD to reflect the relative benefit received.

The Martin Jenkins model assessed the relative strengths and weaknesses of the three configurations in relation to revenue, expenditure, borrowing, debt headroom and affordability and provides an assessment of relative financial sustainability, risks and challenges.

The findings of the modelling are that collectively, the councils of the Wellington Region face significant financial headwinds, including rising input costs, high asset replacement costs, significant demands on investment, limited ability to increase user charges and increasing debt servicing costs (as debt is used to fund capital projects). These headwinds translate into increasing rates while the community's ability to afford those higher rates worsens. Collectively, the regions councils expect rates revenue per rating unit to increase by an average of 5.7% per annum, with rates as a share of total revenue increasing from 49% to 62% over the next 10 years.

Councils also face significant exposure to risk from natural hazards, extreme weather and asset failure. The analysis indicates several smaller councils, and the most indebted councils, are vulnerable to even moderately sized shocks and could exceed their borrowing limits and/or exhaust their remaining borrowing headroom in a disaster event scenario. Borrowing capacity is not always located where risk is concentrated.

The reorganisation configurations considered have a range of potential financial benefits and costs. All the configurations offer the potential for savings net of transition costs, but the extent of benefits varies with the scale and complexity of the option. On a per rating unit basis, the net present value of net savings over 25 years falls within a narrow range of \$3,900 to \$4,500 across the options and averages between \$156 and \$180 per year in rate reductions. However, the loss of intra-regional subsidies could offset those savings for Wairarapa ratepayers, resulting in a significant funding gap of some \$22.5 million. The Martin Jenkins report concludes that while a Wairarapa Unitary Authority would have choices about how to close that gap, it is plausible that rates revenue would need to increase to balance the budget.

Limitations

The Martin Jenkins financial analysis is directional only. The report is based on high level modelling assumptions and is not a substitute for detailed due diligence.

Martin Jenkins have relied on input as supplied by the respective Wellington region councils including capital and operating cost forecasts from LTPs, and in turn calculates rates required.

As with all longer-range financial forecasts, outcomes predicted can be materially affected through key assumptions on interest rates, growth, inflation and non-rates revenue (e.g. NZTA subsidies).

Savings from cost efficiencies are assumed to begin two years after establishment and phase in over three years, while establishment and integration costs are front-loaded and assumed to be loan-funded. Implementation risks, delays, and lifting Levels of Service to higher standards may reduce or eliminate forecast savings, while reducing levels of service may reduce costs and revenue requirements.

Wairarapa Unitary Council Benchmarking

In order to better understand the costs of delivering regional council services in the Wairarapa, Morrison Low was engaged by the three Wairarapa Councils to undertake a benchmarking comparison of similar sized Unitary and Regional Council entities. The analysis used data available from Statistics NZ and Council Annual Reports and drew data from Marlborough, Tasman and Nelson unitary councils as the most relevant comparators. Further information was gained from Gisborne Unitary, Taranaki, Environment Southland and Hawkes Bay Regional Councils.

The benchmarking report is included in Attachment 6. They added an appendix where a Wairarapa unitary including Tararua District was considered.

The authors conclude that a Wairarapa unitary authority is operationally feasible and could potentially deliver territorial and regional functions at lower cost than the current costs that have been identified in the GWRC cost allocation modelling.

The benchmarking identified the environment and catchment management functions of Marlborough and Tasman as broadly comparable. Excluded were the costs of public transport.

Overall, the modelling indicates that, for those functions, a Wairarapa Unitary Authority could operate at 5–25% lower total cost than the current combined TA + GWRC model. That equates to

\$10–\$40 million in potential cost reductions, but does not identify any specifics around differing service levels between GWRC and the benchmarked Councils.

There may be valid reasons why costs of delivering these services in the Wairarapa differ from those unitary authorities, including land area, land use, river catchments, coastline length and community expectations of the levels of service. Additionally, GWRC's delivery of these functions is "institutionally more complex" given the proximity and connectedness to the large metropolitan region through commuting patterns and transport links.

Limitations

Similar to the Martin Jenkins report, the Morrison Low benchmarking assessment stresses that Wairarapa currently benefits from a substantial cross-subsidy from the Wellington metropolitan rating base. If Wairarapa became a standalone unitary authority, that wider rating base would not be available, requiring cost reductions or additional revenue (assumed to be rates) to fund the shortfall.

The range of potential change in rates revenue to a combined Wairarapa entity is noted in the report as -9% to +15%.

The report also excludes public transport costs, specifically the cost of Metlink passenger rail services and bus services. Cost allocations for the Wellington rail network have been undertaken by GWRC and they identified the costs of delivering the services in the Wairarapa, the fee income that is generated by users and the rates revenue requirements versus the public transport rates collected from Wairarapa ratepayers. Set out below is a summary of the figures.

Public Transport	\$ millions	Costs	User Revenue	
GWRC - Gross Cost to Serve 2024/25	\$ 375.6	\$ 92.8	24.7%	Total region
Wairarapa Council - cost allocation	\$ 24.6	\$ 2.2	8.9%	Fares revenue covers lower % of costs
Wairarapa as a % of total costs		6.5%		

Wairarapa Public Transport

Amount of funding required	\$ 22.4	
PT rates collected in Wairarapa (2024/25)	\$ 4.7	
Effective NZTA subsidy (50%)	\$ 11.2	
Effective subsidy from Wgtn	\$ 6.5	Subsidy may not be available under a new unitary structure
		Options: increase fares and/or increase rates to cover lost subsidy

Note: Numbers are out-of-date and do not represent 2026/27 costs or revenues.

The current GWRC Revenue and Financing Policy allows for allocation of the rated costs of public transport to be weighted to areas of relative benefit using differentials. The continuation of that approach is not guaranteed under any future scenario, but is more likely under a Wellington Wairarapa Unitary. There is a good argument that, under a Wairarapa Unitary there should be no change to the current rates policy settings. If the subsidy is lost, options to make up a funding shortfall include increasing fares, increasing rates or asking the Government to subsidise the services on the basis that there is a national public good in maintaining Wairarapa public transport service levels.

Finally, the cost of transition and establishment of a Wairarapa Unitary has not been included in the Morrison Low benchmarking conclusions. Martin Jenkins has estimated the cost of transition for the Wellington Region, placing the cost for a Wairarapa Unitary at approximately \$42m (at page 33).

Masterton Financial Analysis

MDC staff have undertaken high level financial analysis to test what the extra rates impacts could be for a Wairarapa Unitary. The work mirrors the Martin Jenkins modelling, but at a much higher

level. The intention is to validate the conclusions that there are potential impacts on rates in the Wairarapa due to the loss of the ability to spread costs over the wider Wellington rating base.

The methodology used is basic and no substitute for a fully costed business case model. The starting point for the GWRC base costs for the Wairarapa are taken from work done by GWRC using detailed analysis of where costs and revenues fall and is subject to a number of cost allocation assumptions.

In the MDC modelling, several assumptions have been made. These include:

- building in \$42m transition costs (loan funded)
- using the 2026/27 Annual Plan financials
- inflating the GWRC numbers to reflect 2026/27
- making modest initial savings of 4.5% from combining the three district councils
- making savings of 15% on the allocated GWRC Environment function net costs
- making savings of 20% on GWRC Regional Strategy and Partnership net costs
- making savings of 20% on the GWRC overhead costs allocated in their model
- receiving 15% of the returns from the GWRC investment portfolio
- modelling both retaining the Public Transport rates differentials (particularly the Wellington CBD allocation) and losing them
- All figures exclude GST, including rates per property.

The result shows additional rates will be needed, in addition to rates currently collected in the Wairarapa by GWRC. This can be shown as both an average percentage and an average dollar amount. However, there will be significant variations around those averages due to the use of capital value General Rates and Targeted Rates for the likes of catchment schemes.

Without ongoing subsidy support from Wellington ratepayers, Wairarapa ratepayers would need to pay some \$21.2 million more or an average 16.7%. This is close to the conclusion reached in the Martin Jenkins report. This level of increased rates is effectively a doubling (100% increase) in the amount the GWRC currently rates each property. It averages \$802 extra, but the impact will vary based on a property's capital values.

If public transport rating differentials were to continue to be applied, the impact reduces to some \$14.8 million more rates in the Wairarapa or an 11.6% average increase, \$559 per property. This would see an increase of 70% in the amount GWRC currently rates each property.

The conclusion is that rates in the Wairarapa will likely increase between 11% and 17% depending on where efficiencies and cost savings and rates subsidies land for shared regional functions.

Alignment with the new planning system

New Planning and Natural Environment Bills are being considered by Parliament to replace the Resource Management Act 1991 (RMA). RMA reform is a key element of the current Government's agenda. The Bills have passed through the Select Committee stage and are now in the final stage of becoming legislation. It is expected the Bills will be adopted by Parliament and receive Royal Assent prior to the end of the current electoral term.

As currently drafted, the Bills require the development of new regional Spatial plans, Land Use plans, and Natural Environment plans. The definition of a 'region' as drafted, aligns with existing Regional Council boundaries.

The proposals demonstrate how the Government's criteria to support implementation of the new planning system, including progress on spatial and natural environment plan development and avoids or minimises disruption to that work, is met.

Participation in a Wellington Wairarapa Unitary would align closely with planning boundaries, with the possible exception of Kapiti. In this instance no legislative change to planning boundaries needs to occur.

Within a Wellington Wairarapa Unitary, local voice on Wairarapa specific planning issues will occur through Wairarapa representatives on the Unitary Council. Officers note the current ratio of Wairarapa representation on Wellington region committees and councils is not expected to materially change under a Wellington Region Unitary Authority, although the actual number is.

Super-majority decisions (where 75% majority is required to pass) could be required for key resource planning decisions, along with Long-Term Plans, budgets, and changes in Governance representation. This would ensure that smaller Communities of Interest are not overruled by sheer numbers.

The creation of a Wairarapa Unitary would add complexity to the proposed planning system and additional arrangements to ensure effective participation in regional planning and delivery would need to be considered. Alternatively, amendments to the Bills (or Acts) to re-align the planning boundaries to the Wairarapa Unitary boundary could be proposed.

Officers note the issue of planning boundary alignment will not be limited to Wairarapa. Other combinations of Territorial Authorities joining together into new Unitary Authorities will also face the same issue. Given this, requesting that Government makes a legislative amendment for a Wairarapa Unitary Authority – should this be the preferred option - is likely to receive due consideration by Cabinet.

Transport and Metlink

The proposals demonstrate how they meet the Government criteria of achieving economies of scale in that they support regional strategic planning and effective delivery of key regional functions such as transport.

Public Transport services in the Wairarapa are delivered through GWRC. This includes the bus network and the Metlink passenger rail network. Public transport services are necessarily interlinked.

Participation in a Wellington Wairarapa Unitary would align closely with existing transport provisioning and would be more easily integrated with regional spatial and investment planning.

For a Wairarapa Unitary, similar considerations to regional resource planning would need to be given to ensure that public transport services remain integrated.

See above for discussion on transport funding.

Decision-making and submission process

Each city and district council in the country is making its own decision on a Head Start proposal. At the time of writing in our locale Carterton District Council has agreed to submit a Wairarapa Unitary Head Start proposal and Tararua District Council has decided not to submit any proposal. South

Wairarapa District Council will be making a decision on the same day as Masterton District Council.

The Government's Head Start Guidance provides for the situation where councils do not agree about being part of a proposal. It allows the submission of a proposal that has support from councils that represent a majority of the population within an impacted area or a majority of impacted councils.

All councils in the Wellington region will have made their decision by 5 August 2026. Following this, the Mayoral Forum will meet on 7 August 2026 to discuss the decisions and determine the way forward.

There are essentially three alternative courses of action.

Firstly, if a majority of councils in the impacted area (in this case, Wairarapa or Wellington regions) or councils representing a majority of the population in an impacted area support either the Wairarapa Unitary or the Wellington Wairarapa Unitary proposal, then those proposals could continue to be submitted to Government. The views of those Councils that do not support it could be summarised in the proposal. Further discussions could be held with the incoming Government to finalise the shape of any reorganisation proposal, including trying to resolve any outstanding concerns from other Councils. The Wairarapa councils could therefore be included in both proposals and the Government would need to decide which proposal it prefers.

Secondly, either the Wairarapa Unitary or the Wellington Wairarapa Unitary proposal are not submitted to Government because there is insufficient agreement. If neither are submitted, the Government's backstop process would apply to the councils across the Wellington region. The Government could still choose to apply the backstop process to the Wairarapa despite a Wairarapa Unitary proposal being submitted, if it prefers to treat the Wellington region as one, through backstop.

Thirdly, if there is insufficient agreement to submit the Wairarapa Unitary or the Wellington Wairarapa Unitary proposals, a different grouping of councils could submit an amended sub-regional proposal. For example, if a Wairarapa Unitary proposal is submitted, the Wellington councils may decide to submit a proposal that excludes the Wairarapa councils. This is, in effect, configuration 2 outlined in the Wellington Wairarapa Unitary proposal. Given the tight timeframes this would require the participating councils to have a suitable mandate and to re-use the majority of the material already prepared for the Head Start Proposal.

Given the complexity and timing of decision-making, officers recommend that if Council decides to submit a Head Start proposal, it delegates authority to the Mayor and Chief Executive together to negotiate with participating Councils, make minor amendments, and submit the final Head Start Proposal to Government for consideration when agreed. Council may also wish to give further direction to the Mayor and Chief Executive on any conditions it would apply to the submission, or not, of any proposal.

Strategic, Policy and Legislative Implications

The Government's Simplifying Local Government reform and Head Start pathway provide for local government amalgamation proposals to be considered for the 2028 elections. Further information is available on the Ministry for Cities, Environment, Regions and Transport website [here](#). The Head Start pathway is voluntary and Council needs to consider whether to participate, and if so, whether to be part of a Wellington Wairarapa Unitary proposal or a Wairarapa Unitary proposal. Cabinet will consider what proposals to take forward at its meeting in September 2026.

Significance, Engagement and Consultation

A decision on whether or not to amalgamate with other councils is an important one and the community will have a high interest in the general matter. However, the decision sought in this paper is to submit a proposal which indicates Council's support for a particular model. The decision to progress any particular model, and Council's involvement in that model, rests with the Government. There will be an opportunity for public consultation to be carried out as part of the detailed design phase. It is unclear what consultation will be required, if any, on the backstop pathway.

Council's Significance and Engagement Policy also provides for decisions that need to be made urgently, as in this case, and states that Council will either not engage at all, or that we may tailor engagement to suit the circumstances. While Council did not have the time to consult with the community on a decision that was fully supported with the information in this report, the community had the opportunity to engage with the Council on matters they consider important in the amalgamation process, including potential financial implications of the two models.

Community engagement has also been undertaken at a regional level. A community reference panel has been utilised to test views of key issues and opportunities. This comprised a panel of around 100 people from across all parts of the Wellington region. Responses from the panel have been provided to Council (Attachment 7).

Questions have been asked in three phases, focussing on: (a) regional principles; (b) what should be done regionally or locally; and (c) where decisions are made. The responses showed respondents wanted a focus on achieving better outcomes including core services and financial efficiencies, retaining a strong local voice, transparency and accountability. There was some support for regional delivery of major infrastructure and shared back-office services, provided local representation is protected.

Implications for Māori

There are significant implications for Māori through this process. The Head Start pathway makes provision for Treaty of Waitangi settlement arrangements but does not provide for iwi/Māori representation. Both proposals outline iwi/Māori representation and decision-making through arrangements to be determined through detailed design. However, this requires Government approval. Officers note recent Government policy announcements on restricting voting to elected members³ and not transferring existing Mana Whakahono ā Rohe agreements into the new planning system.⁴

Communications/Engagement Plan

A communications plan will be developed to progress either proposal through detailed design.

Environmental/Climate Change Impact and Considerations

The matters for decision are administrative in nature and do not have any direct climate implications.

NEXT STEPS

The next steps following Council's decision are outlined in the Decision-Making Process section above. If a proposal is submitted, officers recommend that the councils continue to develop a

³ [Council voting to be restricted to elected members | Beehive.govt.nz](https://www.beehive.govt.nz/news/council-voting-to-be-restricted-to-elected-members)

⁴ [Better planning for growth and environment | Beehive.govt.nz](https://www.beehive.govt.nz/news/better-planning-for-growth-and-environment)

programme for the detailed design phase. This would require a working group to continue and for the Chief Executive (working with other Chief Executives from participating councils) to report back by early October on the programme, funding and resources. Detailed design is due to continue until early-mid 2027 and would include: refinement of the preferred governance option; impact assessment and further financial analysis; community consultation and engagement; and transition planning.

The final proposal will be circulated to elected members and Iwi representatives prior to submission to the Government. Iwi will be given the opportunity to have a statement of their own position appended to any Head Start Proposal submitted to Government as will Greater Wellington Regional Council.

ATTACHMENTS

1. **Te Kāhui Whakarehunga - Letter to Councils** [↓](#)
2. **Community Survey Feedback - Future of Local Government Part 1** [↓](#)
3. **Wellington Wairarapa Head Start Proposal** [↓](#)
4. **Wairapapa Head Start proposal** [↓](#)
5. **Martin Jenkins Financial report - Wellington Region Head Start** [↓](#)
6. **Morrison Low Wairarapa Benchmarking Report** [↓](#)
7. **Cross-Council Amalgamation Community Reference Group** [↓](#)

TE KĀHUI WHAKAREHUNGA

29 July 2026

To the Mayors, Chairs and Councillors of the councils of Te Upoko o Te Ika.

He kupu ki ngā kaunihera o Te Upoko o Te Ika

*Kei te pū
Kei te weu
Kei te aka
Kei te tāmōre
Tēnā te ruruku ka ū
Tēnā te ruruku ka mau
Tēnei te ruruku o Te Kāhui Whakarehunga*

Tēnā koutou katoa,

Each of your councils will soon decide its position on the Head Start proposal. Your mandates are your own, and we respect them without reservation, as you do ours.

Through this process, as iwi and hapū, we have built something together: shared principles, a picture of the takiwā, and a way of working that did not exist a year ago. We have affirmed that:

- settlements and existing arrangements must be protected;
- Māori wards must be provided at all tiers (regional and local);
- partnership arrangements will be co-designed with iwi throughout the detailed design process;
- subsidiarity must be a core pillar;
- alignment of iwi and council boundaries should be sought, as able;
- councils operate, ultimately, within our takiwā;
- a mana whenua forum akin to Houkura be provided for; and
- Tiriti principles must be tied through all layers.

That is the foundation of the whare we would build together. Provided as an Annex to this letter the Kāhui sets out further detail with respect to how mana whenua wish to partner and participate in this process with Councils moving forward.

Much of what this Government has done has brought the ire of iwi, and this reform is no exception. We hold some alignment with its intent. The process has been imperfect, and the Crown of late has not been the partner that Te Tiriti promises. But our long journey with the Crown has taught us a discipline: frustration is not a strategy. We play the long game, for our iwi,

our uri, matāwaka and all of the people of this region, and for the whenua and wai that sustain us.

We would lift our eyes together. This is not a restructure of councils. It is a rare chance to build something new, and to build it well. The decisions in front of us are mokopuna decisions. The people who will live longest inside what we choose are not yet in any of our rooms, and they will not ask which council held which preference in 2026. They will ask whether we built them a region that works: a whare they can afford, wai they can swim in, whenua that is cared for, and a partnership that endures. If we make our choices with their faces before us, the politics of the moment get smaller and the work gets clearer.

The proposal before you reflects one region, and we know councils hold their own preferences on the form the amalgamation should take. That is not a breach of kotahitanga. It is rangatiratanga at work, and we honour it. And each iwi and hapū grouping within Te Kāhui Whakarehunga, similarly hold to their own rangatiratanga and their own perspectives on the form and shape of the region. However, on the form itself we offer no comment at this time, other than this: whatever the shape, our principles must hold within every layer and whatever form the reorganisation our takiwā takes. And we are clear on one thing in every scenario: this region should be holding the pen on its own future, and holding it together. Whatever shape you promote, promote it at the shared table. Iwi and hapū do not move when boundaries do. This is our takiwā.

Whatever you decide, our kotahitanga continues. One council or several, the iwi of this takiwā will stand together in each, carrying an aligned kaupapa. But we say one thing without softening it: the shape of this takiwā must not be decided about us, without us. That is the one outcome we could not accept.

So let us hold each other up. Where a council carries a hard decision, we will not make it harder for the sake of it. Where mana whenua carry concerns, we ask the same of you. Kotahitanga is not the absence of difference. It is the way difference is carried so that everyone arrives. Working together, we can reach outcomes for our people and our places that none of us can reach alone.

Nā mātou noa, nā

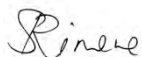
Te Kāhui Whakarehunga



Helmut Modlik
Tumu Whakarae | CEO
Te Rūnanga o Toa Rangatira



Kura Moeahu
Tiamana
Te Rūnanganui o Te Āti Awa ki te Upoko o te
Ika a Māui



Sonya Rimene
Te Turu Chair
Rangitāne Tū Mai Rā Trust



Te Whatanui Winiata
Chair
Taranaki Whānui ki te Upoko o te Ika



Piri Te Tau
Chair
Rangitāne o Wairarapa Trust



Heitia Raureti
Tumuaki/Chair
Ngā Hapū o Ōtaki



Ray Hall
Group CEO
Te Pātaka o Rongokako
Ngāti Kahungunu ki Wairarapa Tamaki-nui-
a-Rua Settlement Trust



Helena Gerretzen Parata
Tumuaki/Chair
Ātiawa ki Whakarongotai Charitable Trust

TE KĀHUI WHAKAREHUNGA

Annex: our principles in practical form

These are the expectations of Te Kāhui Whakarehunga for any future model, whatever form the region chooses. Whatever the shape, we expect the new arrangements to provide:

1. The partnership named in the purpose of the establishing legislation and constitution, not carried in a schedule at the back.
2. Every Treaty settlement and existing arrangement carried through with equivalent effect, expressly, including those that name existing councils, strengthened where the new system would otherwise deliver less, and whatever boundaries are finally drawn.
3. The partnership carried into the entities the council owns or controls, the water entities among them, so no iwi holds two tables for the same awa.
4. Te Upoko Taiao, or a successor with the same level and scope of participation, continued through the natural resources and planning functions.
5. Māori wards durably provided for within the representation arrangements, at both regional and local levels.
6. A mana whenua body mandated by iwi, one seat per iwi, settled and unsettled on the same footing, participating in decision-making through the new entity's structures, and provided for in the establishing legislation rather than by resolution.
7. The iwi and hapū of each rohe at the table wherever decisions touch their whenua and their wai.
8. Mana whenua participation properly resourced, so partnership does not depend on what iwi can afford to donate.
9. Local decision-making that is real, delegated with authority and secured in the legislation.
10. The relationships that sit beyond settlements, marae, hapū and mātāwaka institutions, Māori land trusts and incorporations, and Māori data, information and mātauranga interests, carried through on no lesser terms.
11. Iwi recognised as economic partners in the growth of the region, as investors, developers and employers, not only as cultural voices.
12. Mana whenua as active participants in the transition itself, including the care of its people and culture through the change.
13. Arrangements that can grow: reviewed together over time, independently reported on with a response required, with room held for settlements still to come, and participation arrangements entered when iwi and hapū seek them, whatever form the law of the day gives them.
14. And the partnership arrangements not finalised without the agreement of the iwi of this region.

Tēnā te ruruku ka ū. Tēnā te ruruku ka mau.

Community Survey – Future of Local Government Feedback



Overview

This document highlights the key themes and insights gathered from the recent Community Survey on the Future of Local Government for Masterton. It outlines the priorities identified by the community in relation to a potential amalgamated council entity.

Background

In May 2026, the Government announced a proposed change programme to simplify local government through amalgamation into unitary authorities. As part of this, the Government introduced the *Head Start* pathway, giving councils 12 weeks to develop and submit their own amalgamation proposals for consideration. The Government will make the final decision on any received proposals.

Councils that do not participate in *Head Start* will fall under the *Back Stop* pathway. Under this process, central government will determine what amalgamation will look like for those councils following the 2028 local government elections.

Alongside independent benchmarking and general conversations with Elected Members, Masterton District Council invited the community to provide feedback on their priorities for the future of local government. Feedback closed at 11.59pm on Friday 19 June.

Summary: Top three takeaways

1. Local voices matter

The community wants to ensure a strong Wairarapa based voice informs any final model

The clearest signal in the data is that respondents want Masterton to stay connected to a Wairarapa voice and decision-making structure.

This is reinforced by:

- 80.5% supporting a single Wairarapa authority with Carterton and South Wairarapa versus 11.5% supporting a wider Wellington authority.
- Strong free-text opposition to being absorbed into a Wellington-based structure.
- Repeated concerns about rural needs, local priorities and Wairarapa identity being overshadowed by urban interest

If the Council proceeds under the Head Start pathway, the community feedback provides a strong mandate to prioritise a solution that prioritises a Wairarapa voice, with clear safeguards for Masterton's voice and rural/community representation.

If the Council proceeds but as part of a broader Wellington model, protection of Masterton's voice and rural/community representation should be prioritised as part of any final structure and governance or delegation provisions.

2. Cost is key

Support for change is conditional on proving value for money and financial fairness. Respondents are focused on whether amalgamation will genuinely improve affordability and reduce duplication while protecting service levels.

Key signals include:

- Value for money was the highest-rated priority at 4.06/5.
- Quality infrastructure and services followed closely at 4.03/5.
- Top concerns included services becoming less locally focused, potential cost increases, and reduced responsiveness.
- Written responses repeatedly raised concerns about rates, debt, transition costs, subsidies, and whether a Wairarapa-only model could fund services currently supported through Greater Wellington Regional Council.

Any proposal needs a strong financial case. The community will expect evidence on rates impacts, transition costs, debt, subsidies, infrastructure funding and service levels. A Wairarapa model is favoured, but it needs to be credible, transparent and above all affordable.

3. Locals value local

People want local services and accountability retained, even if regional coordination improves.

The data shows a clear preference for services to remain locally managed where they directly affect community life, while recognising that some services may benefit from broader regional coordination.

Key signals include:

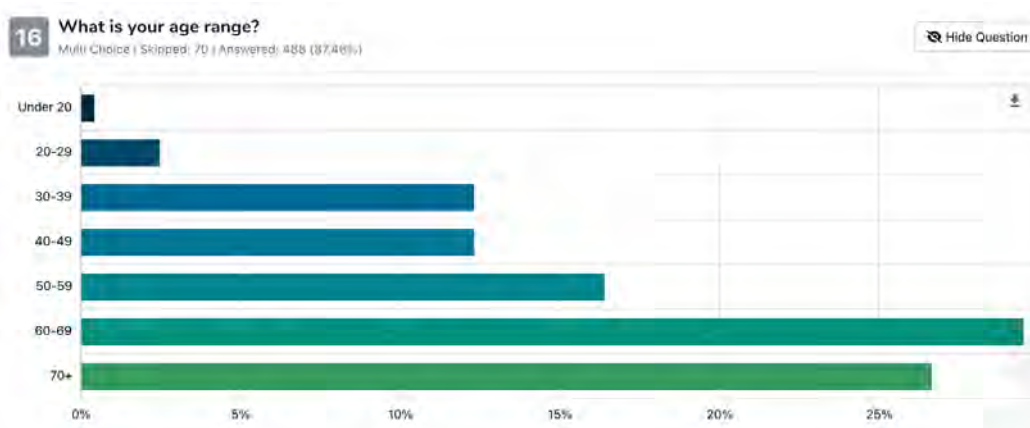
- More than 50% of respondents preferred all listed services to be managed locally.
- The strongest local delivery preferences were:
 - o Community facilities: 91.4%
 - o Parks, reserves and open spaces: 87.8%
 - o Community development: 86.2%
- Regional delivery was more accepted for:
 - o Public transport: 39.3%
 - o Emergency management and resilience: 36.7%
 - o Economic development: 30.1%
- For representation, the strongest priority was clear accountability for local decisions at 4.16/5.

The responses indicate they want the Council to consider governance and service design options that keep community-facing services close to people, while using scale where it improves infrastructure planning, resilience, transport, environmental management or economic development.

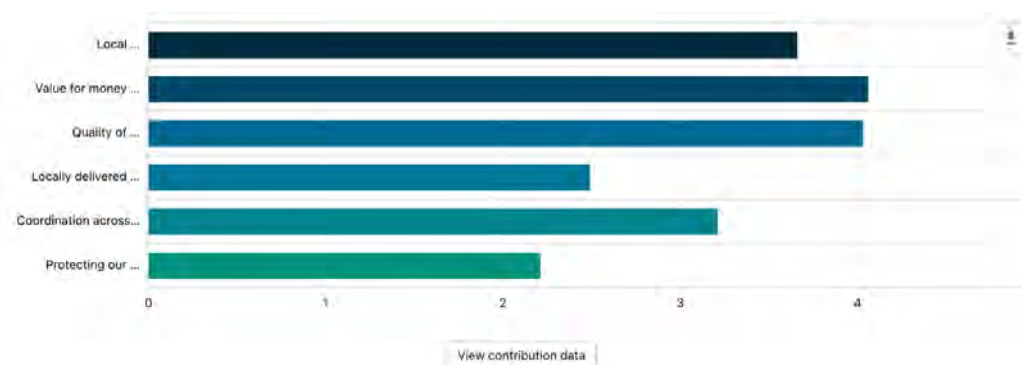
Report

In total, we received 559 submissions from 487 submitters. Submitter numbers are based on a unique account or device. For example, if 10 submissions were made from one device, this would count as 10 submissions but only one submitter. This disparity is attributable to paper-based submissions later entered online by council officers.

While personal data was optional and therefore not included in this report, 87.4% of respondents answered the age range question. This is shown below and provides an indication of the spread of responses across different age groups.



What matters most about how local government works in our area



We asked contributors to prioritise what matters most about local government in our area.

The six areas offered for ranking by priority were:

- Local decision making close to the community
- Value for money (keeping costs down)

- Quality of infrastructure and services
- Locally delivered infrastructure and services
- Coordination across the Wairarapa region
- Protecting our district's voice and character

The highest scoring priority was value for money (keeping costs down) at 4.06/5, followed closely by quality of infrastructure and services (4.03/5), and local decision making close to the community (3.66/5). The two lowest scoring areas were locally delivered infrastructure and services (2.49/5) and protecting our district's identity and character (2.21/5).

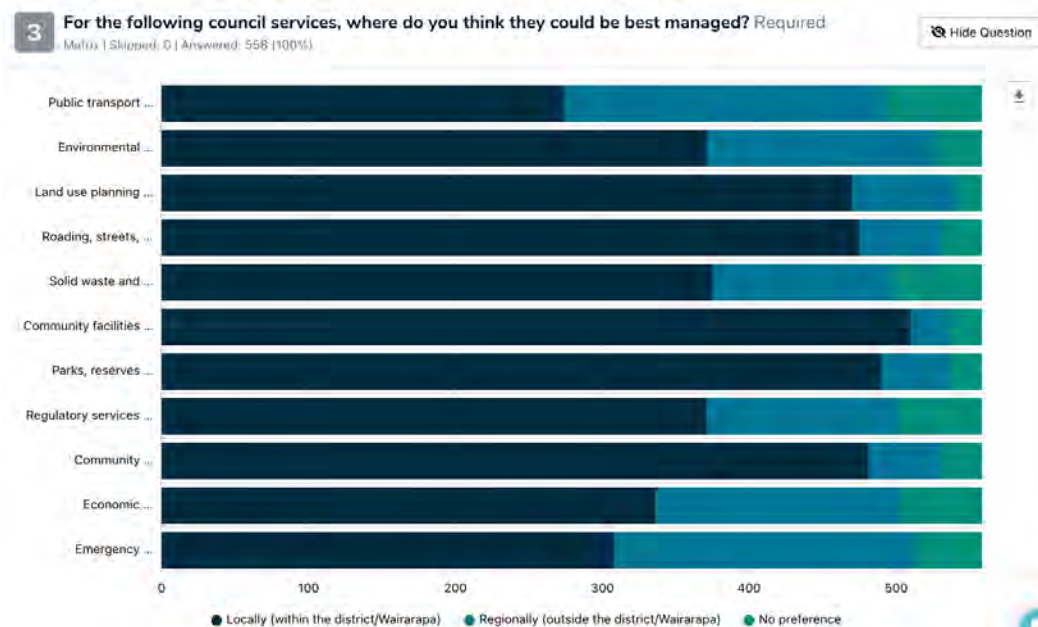
Participants were asked if they wanted to share anything further on what matters most for local government in a free-text box. Written feedback shows a strong overall desire for local control, voice, and independence, with many contributors emphasising that decisions should be made by and for the Wairarapa.

There was a clear theme of resistance to being merged into Wellington, driven by concerns about losing local voice, maintaining rural identity, and retaining influence over local priorities. At the same time, people want a council that is approachable, accountable, and genuinely listens to the community, with transparent communication and meaningful engagement shaping decisions.

A second major theme centred around efficiency, affordability, and capable governance. Rising rates and perceived waste are key concerns, with frequent calls to reduce duplication, improve cost-effectiveness, and ensure value for money. Respondents want a streamlined, well-run council with skilled leadership, good decision-making, and a focus on delivering core services well. Views on amalgamation are mixed, but there is general agreement that any structural change should be carefully planned, driven by community benefit, and designed to improve efficiency rather than protect existing systems or staffing.

Finally, there is a strong focus on infrastructure, sustainability, and long-term regional outcomes. Essential services such as water, transport, and flood protection are seen as top priorities, alongside better long-term planning and investment. People also emphasise environmental protection, coordinated regional approaches where appropriate, and support for local communities, businesses, and vulnerable groups. Overall, contributors want a future-focused council that balances regional coordination with local delivery, protects the environment, strengthens the local economy, and ensures equitable access to services across the Wairarapa.

For the following Council Services, where do you think they could be best managed



This question focused on where certain services should be delivered from. Given the proposal for a unitary authority, where councils would deliver both local and regional functions, this question was designed to explore which services people wanted delivered locally, which could be delivered regionally, and which they had no preference for.

The services offered for consideration included:

- Public transport
- Environmental management (rivers, land, biodiversity)
- Land use planning (district plans, zoning)
- Roothing, streets, footpaths, and parking areas
- Solid waste and recycling services
- Community facilities (pools, libraries, sports fields, customer service centres, etc.)
- Parks, reserves, and open spaces
- Regulatory services (building consents and licences)
- Community development (grants, local funding agreements, community support, events)
- Economic development and tourism
- Emergency management and resilience

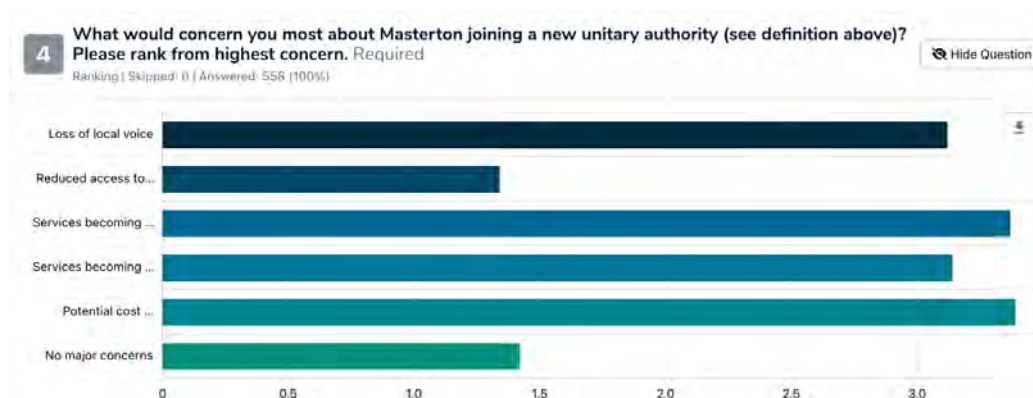
The x-axis shows the number of respondents, with preferences indicated by the colour of each bar. Overall, more than 50% of respondents indicated a

preference for all listed services to be managed locally (within the district or Wairarapa).

The strongest preference for local delivery was for community facilities, with 91.4% of respondents wanting these managed locally, followed by parks, reserves, and open spaces (87.8%), and community development (86.2%).

For regional delivery, public transport had the highest level of support, with 39.3% indicating it could be delivered regionally, followed by emergency management and resilience (36.7%) and economic development (30.1%).

What concerns you the most?



The community was asked to rank their biggest concerns from a list of five key topics or indicate that they had no major concerns about the proposed amalgamation.

The topics offered for ranking were:

- Loss of local voice
- Reduced access to elected members
- Services becoming less locally focused
- Services becoming less responsive
- Potential cost increases

Services becoming less locally focused (3.21/5) and potential cost increases (2.93/5) ranked the highest, followed closely by loss of local voice (2.73/5) and services becoming less responsive (2.67/5). Fewer respondents indicated that they had no major concerns (1.9/5) or were concerned about reduced access to elected members (1.12/5).

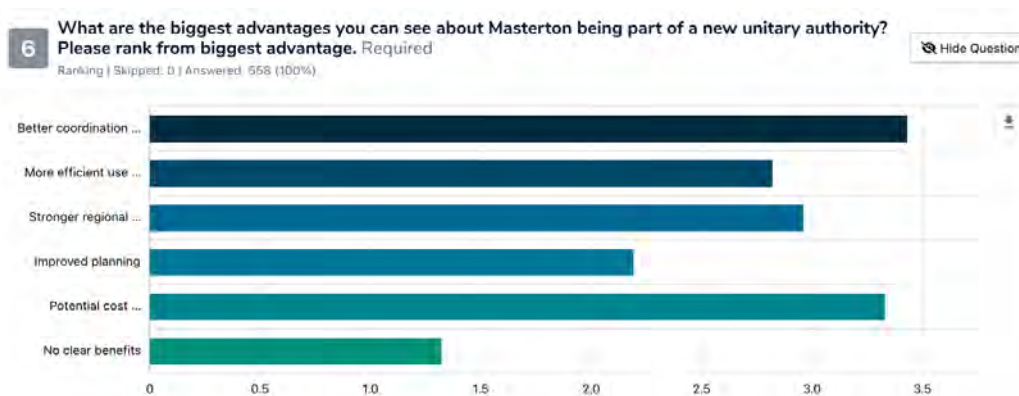
Participants were also given the opportunity to share additional comments. The responses highlighted strong concerns around costs, funding, and financial sustainability. Many people are worried about losing subsidies currently provided through Greater Wellington Regional Council, particularly for public

transport, flood protection, and environmental management. There is uncertainty about whether a Wairarapa-only model could maintain current service levels, alongside concerns about rising rates, transition costs, or being required to take on debt or infrastructure costs from other areas. At the same time, some respondents see potential efficiency gains from amalgamation, provided it genuinely reduces duplication and delivers better value.

A second key theme is representation, local voice, and identity. There is significant concern that joining a larger Wellington-based structure would dilute the Wairarapa's influence, with urban priorities potentially outweighing rural needs. Many respondents emphasised the importance of maintaining local accountability, responsiveness, and strong community representation, particularly for rural and coastal areas. Protecting the Wairarapa's distinct voice and ensuring decisions are made by people who understand local issues are seen as critical. There are concerns that larger governance structures could reduce engagement and weaken the community's voice.

Finally, respondents raised issues around service delivery, governance quality, and the risks associated with change. These include concerns about reduced service levels, increased bureaucracy, job losses, and the ability to attract skilled staff or manage expanded responsibilities such as transport and environmental functions. Some also highlighted the risks of rushed decision-making, limited detailed analysis, and an uneven distribution of costs and benefits across districts. Overall, respondents want any changes to prioritise effective, locally responsive services, fair distribution of resources, and a well-planned implementation that avoids unintended negative outcomes.

Biggest advantages for Masterton being part of a new unitary authority



This question asked participants to prioritise what they saw as the biggest advantages of becoming a unitary authority, or to indicate that they did not see

any clear benefits. Responses were totalled and averaged to produce the results.

The advantages listed were:

- Better coordination of infrastructure and planning
- More efficient use of rates
- Stronger regional decision making
- Improved planning
- Potential for cost savings/economies of scale
- No clear benefits

There is a strong view from the community that the main advantages would be better coordination of infrastructure and planning (3.44/5) and the potential for cost savings from becoming a unitary authority (3.29/5). This was followed by stronger regional decision making (3.13/5) and more efficient use of rates (2.42/5), indicating general support for the concept of economies of scale and using these to improve efficiency and reduce costs for ratepayers. There was less support for improved planning (2.01/5) as a standalone benefit, and some respondents indicated that they did not see any clear advantages to a unitary authority (1.33/5).

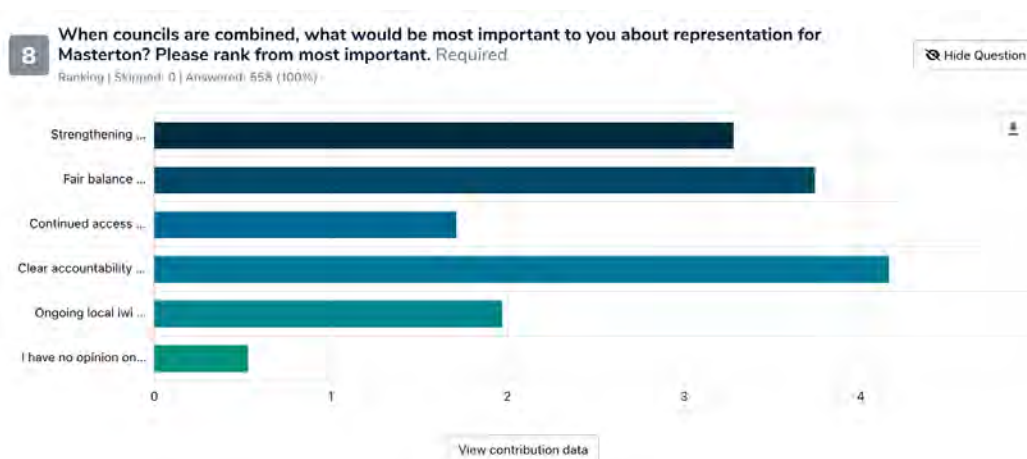
Participants were also given the opportunity to share written feedback. Responses show a mixed, and often sceptical, view of the potential advantages, with many people either unsure or believing there are limited or no real benefits to amalgamation. A common theme is a concern that promised efficiencies may not be realised. Many emphasised the need for clearer evidence around costs, savings, and service impacts before supporting any change.

Where advantages were identified, they focused on efficiency, capability, and scale. This includes reducing duplication across councils, lowering administrative overheads, sharing resources, and potentially achieving cost savings. Some respondents also see benefits in being able to recruit more specialised staff, improve planning and technical expertise, streamline processes such as consenting, and deliver services more consistently. A larger or unified structure is also seen as potentially strengthening the region's advocacy, improving access to funding, and better coordinating infrastructure, transport, and economic development.

Another key theme is the desire to strengthen a unified Wairarapa identity and voice, particularly through a Wairarapa-only model. Respondents highlighted benefits such as greater local control over decision-making, the ability to present a cohesive regional strategy (including tourism and investment), and improved collaboration across the region. However, these benefits are often seen as conditional on good implementation, with many stressing that any new

structure must remain efficient, locally focused, and clearly demonstrate real value to ratepayers.

What is the most important thing to you about representation for Masterton when combined?



This question asked people to prioritise what is most important about Masterton's representation in a bigger entity. The categories included;

- Strengthening community-level representation
- Fair balance between rural and urban areas
- Continued access to elected members
- Clear accountability for local decisions
- Ongoing local iwi representation

A clear lead priority in this area is the clear accountability for local decisions (4.16/5), ensuring the Masterton voice is at the table for local decisions to be made. This is followed strongly by a fair balance between rural and urban areas (3.75/5) and strengthening community level representation (3.24/5). There was a lower priority given to ongoing local iwi representation (1.95/5), and continued access to elected members (1.59/5), with a small percentage not having an opinion on this (0.53/5).

Additional information responses focused on the importance of elected members having voting rights and clear accountability to their communities as part of a bigger entity. There is a clear desire for strong, capable leadership and improved engagement with the public, including more accessible processes and opportunities for community input. Some also highlight the need for greater transparency in decision-making.

A major theme is ensuring fair and balanced representation across different groups and areas. This includes strong calls for rural representation, ensuring Masterton and other districts each have a fair voice, and avoiding domination by any single area (urban or otherwise). There are also mixed views around Māori representation. Additional ideas include youth representation, ward-based structures, and ensuring diverse community perspectives are included.

Finally, there is concern around equity, identity, and maintaining local voice. Respondents want to ensure that well-managed areas are not disadvantaged by being combined with others, and that local priorities, funding, and voice are preserved. Many stress the importance of staying locally focused (particularly east coast / Wairarapa-focused) and avoiding being overshadowed by larger regions like Wellington. Overall, people want a governance model that is fair, locally responsive, inclusive, and representative of all communities, while maintaining strong accountability and protecting local interests.

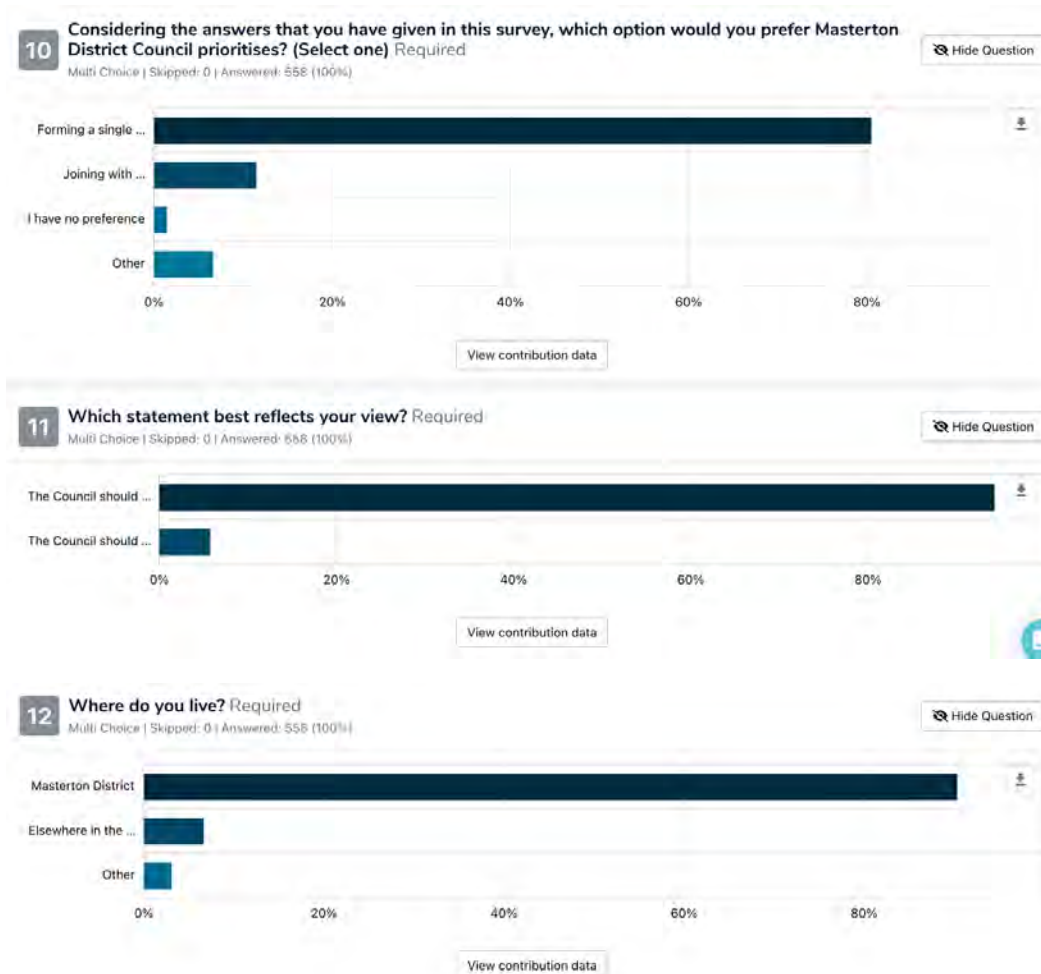
Council Priorities

The final questions looked at what Council should prioritise in what a future unitary authority should look like, and whether Council should take advantage of the *Head Start* pathway.

80.5% of people believe Council should form a single authority in the Wairarapa with Carterton and South Wairarapa, with 11.5% supporting a wider Wellington authority. The remaining respondents either didn't have a preference or indicated a different option but didn't indicate what they would look like.

94.3% supported Council taking advantages of the *Head Start*, with only 5.7% encouraging the *Back Stop* pathway.

A majority of respondents (90.3%) indicated they live in the Masterton district, with 6.6% living elsewhere in Wairarapa and 3.1% living outside of Wairarapa. Respondents outside of Masterton were included in this survey as while they may not live in the district, they may have relatives, own business or actively participate in the Masterton community.



Respondents were given the opportunity to share any further thoughts at the end of the survey. These responses emphasise strong concerns about financial sustainability, affordability, and the fair distribution of costs. Many contributors stress the need for careful analysis of funding, including subsidies (particularly from Wellington), and the true cost of delivering regional services such as transport, flood protection, and environmental management. There is a consistent call for transparent financial information, clear cost-benefit analysis, and equitable rating systems. Concerns were frequently raised about potential rate increases, cross-subsidising other districts, and inheriting debt or underinvestment from other councils.

A second major theme is the importance of local control, identity, and representation. Many respondents strongly favour keeping decision-making within the Wairarapa and resisting integration with Wellington. This is driven by concerns about losing local voice, being overlooked, or having decisions made by those unfamiliar with local or rural needs. Protecting the region's distinct

identity, community character, and local autonomy is seen as critical, alongside ensuring fair representation across all areas and maintaining strong connections between councils and residents.

Finally, there is a focus on getting both the structure and the process right. Respondents call for better planning, more detailed information, and meaningful community engagement before decisions are made. There is also emphasis on the need for a well-managed transition, including retaining skilled staff and ensuring clear operational planning to avoid service disruption. Some respondents suggest hybrid or staged approaches, such as sharing services at a regional level while maintaining local delivery. Overall, there is a clear expectation that any reform should prioritise efficient delivery of core services, long-term resilience (including infrastructure and climate preparedness), and strong accountability to ratepayers.



Wellington Wairarapa Head Start Proposal

Draft Report

24 July 2026

Commercial in Confidence

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Executive summary

A proposal for a stronger Wellington and Wairarapa region

A region positioned for growth and opportunity

Wellington and Wairarapa have the foundations to be one of New Zealand's most successful and liveable regions. The region combines a strong and diverse economy, nationally significant infrastructure, distinctive urban and rural communities, and a rich natural environment. Over the next 30 years, it is expected to accommodate substantial population growth, new housing demand and continued economic development.

Meeting these opportunities will require governance arrangements that can support growth, protect the environment, strengthen regional prosperity, and deliver high-quality services for communities.

The vision underpinning this proposal is for a region that can grow, thrive and adapt to future challenges through stronger regional leadership, effective local representation, enduring partnerships with mana whenua, and financially sustainable service delivery.

Why change is needed

While the region increasingly functions as a single economic, environmental and social system, it continues to be governed through a fragmented structure comprising one regional council and eight territorial authorities.

People, businesses, infrastructure networks and natural systems regularly operate across council boundaries, yet

strategic decisions often require coordination across multiple organisations.

Councils are also facing increasing financial pressures, infrastructure investment requirements, capability constraints and growing expectations from communities. These challenges are expected to intensify as the region grows and as the new planning system is implemented.

A new model for regional success

This proposal seeks Government approval under the Head Start pathway to establish a Wellington–Wairarapa Unitary Authority supported by five empowered Community Councils. The model is designed to combine the benefits of regional scale with strong local representation and decision-making.

A directly elected Regional Mayor and Unitary Governing Body would provide unified regional leadership, while Community Councils would retain responsibility for local priorities, community outcomes and place-based decision-making. Community Councils would also play an important role in catchment-based planning and environmental management.

Delivering better outcomes

The proposed model would create a single integrated planning framework that brings together growth, infrastructure, transport, environmental management and investment decisions. It would strengthen financial resilience, reduce duplication, improve organisational

capability, and provide clearer accountability for regional outcomes.

The proposal also embeds a positive and constructive relationship with mana whenua and protects Treaty settlement commitments. Independent financial analysis indicates that amalgamation can improve long-term financial sustainability while significantly increasing resilience to future shocks.

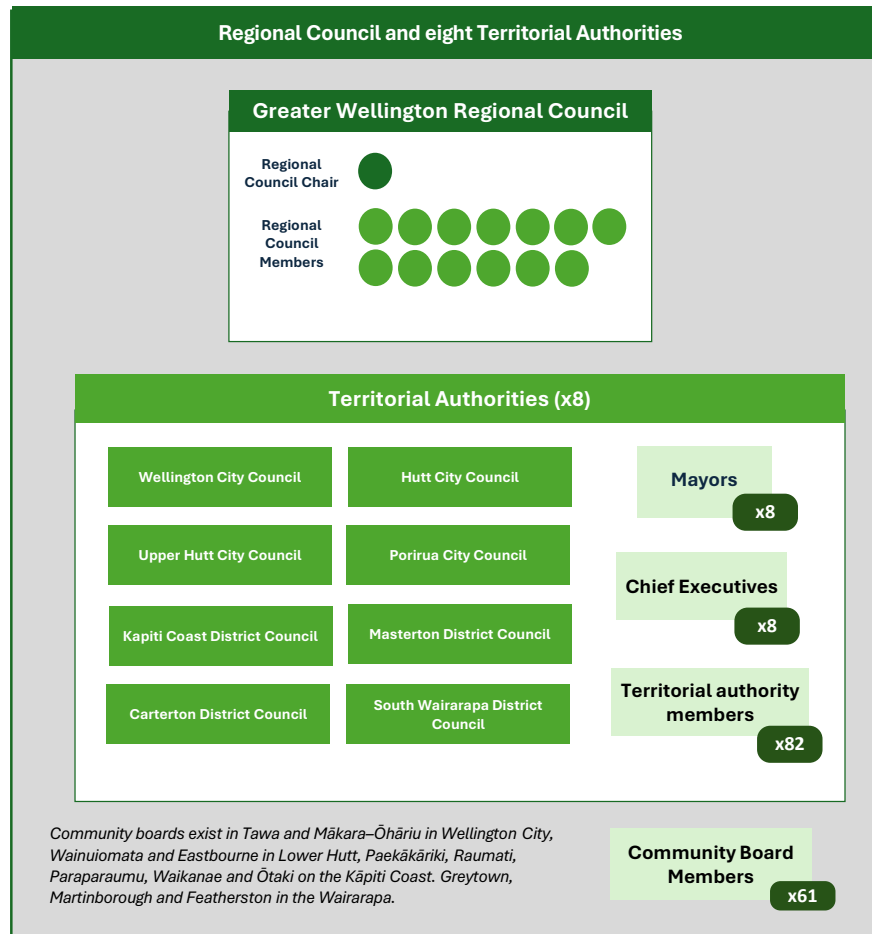
A practical and deliverable pathway

Assessment against the Government's criteria indicates that the proposal strongly supports planning reform, simplifies local governance, enables economies of scale, maintains local voice and is deliverable within the Government's timeframe.

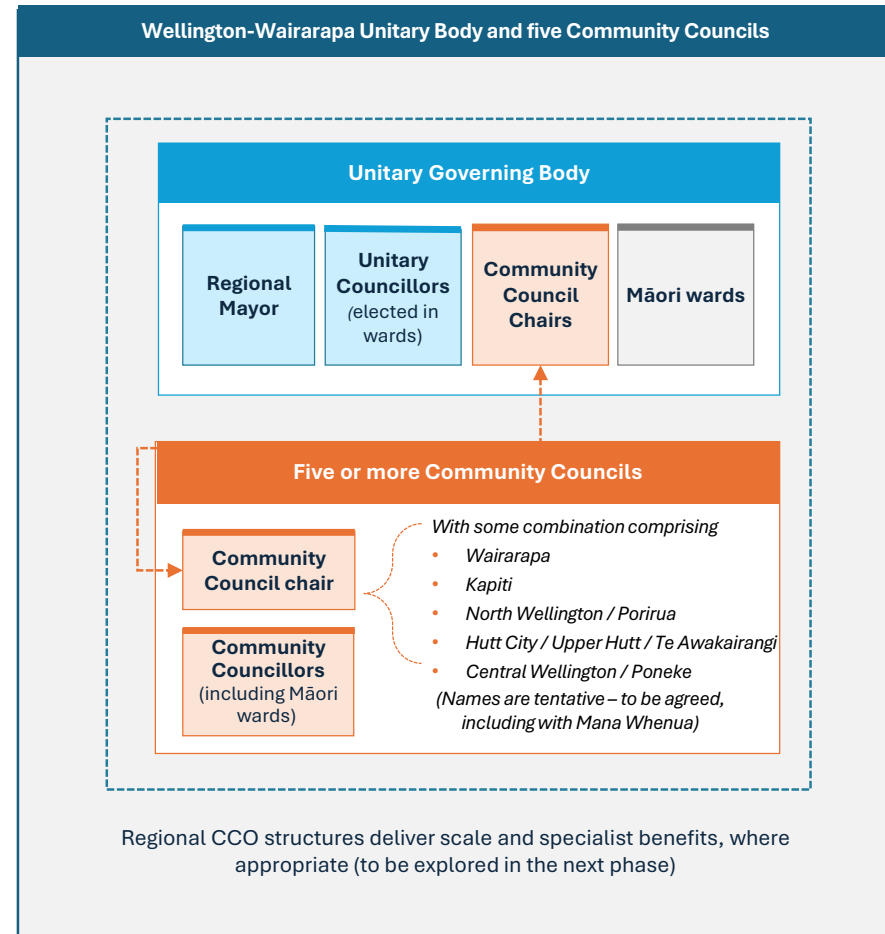
The proposal therefore seeks Government agreement to proceed to detailed design and implementation planning, supported by enabling legislation, transition arrangements and a collaborative pathway to establishment by the 2028 local elections.

From fragmented governance to a unified regional model

Current



Proposed



Our case for change

How we developed this proposal

The Head Start pathway compresses a process that has historically taken years into three months. The participating councils consider themselves best placed to determine the arrangements that will serve their communities and have chosen to put forward this proposal rather than wait. In doing so, they can shape the policy, legislative, and funding settings for delivering services in the best way.

Purpose

This proposal is submitted to Cabinet under the Head Start pathway established in Simplifying Local Government (May 2026). It sets out a proposal from [participating councils] to establish a new unitary body covering [proposed area] within the Wellington and Wairarapa region, in place for the 2028 local elections.

The proposal asks Government to:

- **Accept** this proposal into the detailed design phase, on the basis that it meets the five assessment criteria.
- **Agree** in principle to the governance arrangements and coverage set out in Sections [X-Y].
- **Confirm** the support needed to progress the proposal, including officials' engagement, data access, and transitional arrangements.

Developed jointly by the participating councils through the Wellington and Wairarapa Region Mayoral Forum, the proposal draws on community testing, iwi and Post-Settlement Governance Entity engagement, and analysis against the five Cabinet criteria. It reflects a shared regional view that structural change is both necessary and deliverable within the Head Start timeframe, and that participating councils are best placed to lead rather than await the legislative backstop.

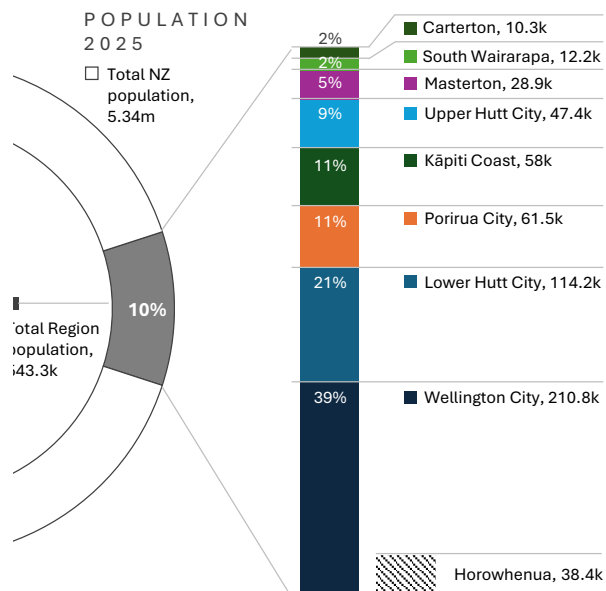
The process we followed

This proposal builds on work commissioned by the Wellington Region Mayoral Forum from December 2025, including the 8 May 2026 Case for Change workshop, subsequent Mayoral Forum decisions, and parallel iwi and Post-Settlement Governance Entity engagement through a dedicated workstream. Community engagement, led by individual Councils, also took place though this was limited by the timeframe. Horowhenua District Council participated in the process as an out-of-region observer.

The proposal reflects regional principles tested against the five Cabinet criteria, analysis of communities of interest, and assessment of financial sustainability and model choices.

[If required] The participating councils acknowledge that not all councils in the region are at the same point. The proposal is structured to enable [describe approach to non-participating councils, e.g., later inclusion, clear boundaries, observer arrangements], consistent with the Head Start eligibility rules. Attached explanatory statements from those Councils.

The demographic, economic and land-use patterns that define the region



Regional population is densely concentrated in the urban core with 60% residing in Wellington City and Lower Hutt City. Medium population growth projections mostly track and retain current population distribution.

Table 1. Median population growth projection, 2025-2053

TA	Growth (n) to 2053	Growth (%)
Wellington City	19,700	9%
Lower Hutt City	15,700	14%
Porirua City	8,400	14%
Kāpiti Coast	7,300	13%
Upper Hutt City	7,300	15%
Masterton	5,400	19%
South Wairarapa	2,850	23%
Carterton	1,750	17%
Horowhenua	10,700	28%
Region total	68,400	13%

LAND USE

Table 2. Land use patterns and characteristics

Wellington City	Concentrated residential, commercial, and industrial land use. Limited space for primary production.
Urban Core	
Lower Hutt City	Mix of residential, commercial, and industrial land use. Urban intensification is a planning focus.
Urban Valley	
Porirua City	Residential, some rural land, multicultural communities, family-oriented suburbs.
Mixed urban/suburban	
Kāpiti Coast	Rural, horticultural, lifestyle blocks, coastal settlements, recreational land use.
Productive soils	
Upper Hutt City	Residential and suburban development, some rural land.
Urban Valley	
Masterton	Primary production (agriculture, horticulture, forestry), rural and lifestyle blocks.
Highly productive rural	
South Wairarapa	Primary production, lifestyle blocks, smaller scale settlements.
Rural	
Carterton	Primary production, lifestyle blocks, smaller scale settlements.
Rural	
Horowhenua	Primary production, industrial development, and residential growth along key transport corridors.
Rural	

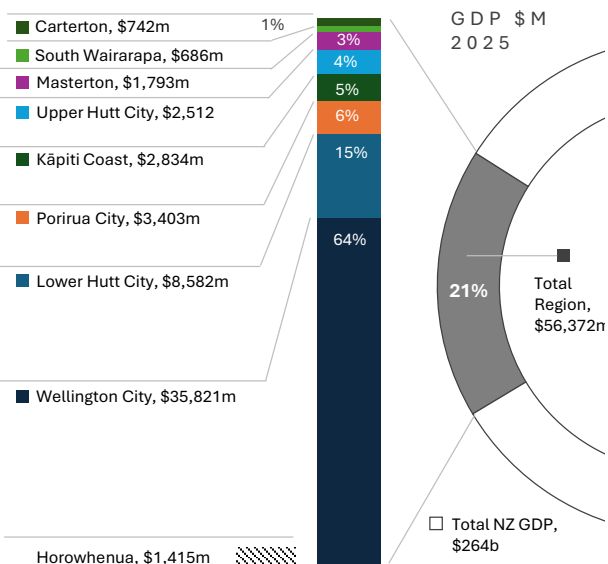
DEMOGRAPHICS

The urban core is younger than the rural areas. The region is ageing overall, with a decrease in under 18s and a 30% increase in aged 65+ in the last 10 years.

Population by change in the last 10 years



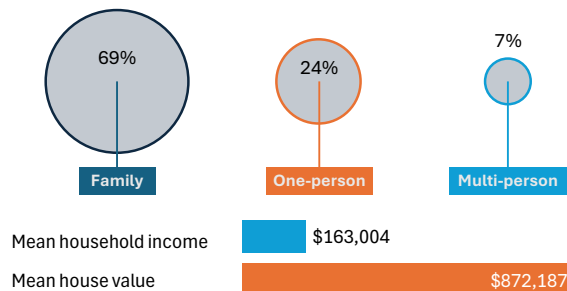
ECONOMIC PERFORMANCE



HOUSEHOLDS & INCOME

The Wellington/Wairarapa region's population is concentrated in urban centres, with Wellington City and Lower Hutt making up 60% of the total.

Graph 1. Household composition and income, 2025



The region operates as a multi-layered system of communities of interest

We undertook an initial communities of interest analysis to inform this proposal.

If approved by Government, further work will be undertaken during the detailed design phase to inform the consideration of administrative boundaries, governance arrangements and local representation models.

Communities of interest do not align neatly with existing territorial authority boundaries

The analysis indicates that the Wellington Region operates as a multi-layered system of communities of interest, with connections and identities that exist at regional, sub-regional and neighbourhood scales. It also highlights that communities of interest do not align neatly with existing territorial authority boundaries or regional systems, instead operating across multiple spatial scales.

Mana whenua relationships, iwi rohe, Treaty settlement arrangements and statutory acknowledgements form additional spatial layers that extend across administrative boundaries and must also be recognised in any future design work.

Regional systems coexist with strong local identities

At a regional level, there is a high degree of integration across economic activity, infrastructure and service systems. People regularly travel across territorial authority boundaries for work, education, services and recreation. Key networks such as transport, health, water and energy operate across the region, while major assets including Wellington Airport, CentrePort and Wellington Regional Hospital serve communities well beyond their host territorial authorities.

High levels of daily commuting, particularly along the

western corridor linking Kāpiti Coast, Porirua, Wellington and the Hutt Valley, demonstrate that much of the region functions as a single labour market. Similar functional connections extend east through Upper Hutt into the Wairarapa and north towards Horowhenua.

The region also contains **distinct sub-regional communities of interest**, including the Hutt Valley, Wellington-Porirua corridor, Kāpiti Coast and Wairarapa. These areas reflect shared patterns of service use, economic activity, geography and community identity.

At a more local level, neighbourhoods are the strongest expression of day-to-day community identity. These places shape social connection, civic participation and people's lived experience.

Catchments reflect functional relationships better than administrative boundaries

Catchments provide a functional geography that often better reflects how environmental systems, hazards and infrastructure networks operate in practice. Unlike territorial authority boundaries, catchments frequently span multiple jurisdictions, requiring coordinated planning, investment and management across council boundaries. This is particularly evident in water, flood management and natural hazard planning. Drawing on catchment geographies can therefore help align governance and decision-making with the systems being managed.

The region faces challenges that the current system is not designed to solve

Why is change needed?

1. **The region operates as an integrated system, but is governed as nine separate parts:** People, businesses and infrastructure operate across council boundaries every day, but governance and decision-making remain fragmented. Businesses face different rules across jurisdictions for the same issues, strategic decisions require coordination across multiple councils, and mana whenua engage repeatedly with multiple councils on the same matters.
2. **Financial pressures are tightening, and the current structure makes them harder to manage:** Financial headroom across local government is tightening at a pace the sector has not faced in a generation. Reform does not automatically deliver savings, but better-aligned governance can support more sustainable investment, reduce duplication across corporate and regulatory functions, and avoid costs being shifted to the next generation of ratepayers.
3. **Capability, capacity and resilience are stretched across too many organisations:** Councils are competing for the same specialist skills while managing increasingly complex responsibilities. The pending planning system changes sharpen this challenge. A Regional Spatial Plan, a new Combined Plan and aligned Regional Land Transport and Long-Term Plans will require integrated data, common processes and consistent regulatory practice across what are currently nine separate operating environments.
4. **Local democracy and trust need to be rebuilt, and structural change is an opportunity to do that:** Public trust in local government has been declining for decades, with recent local election turnout sitting around 42%. While our communities are amongst the most engaged in the country there is room to strengthen connection to community.

What is our vision of success?

- ✓ **We want to see the region grow and communities thrive:** Over the next 30 years, the region is expected to accommodate around 200,000 additional residents and 99,000 more homes. Meeting this challenge will require more land for housing, business and industry, new community facilities and services, and significant investment in the infrastructure needed to support current demand and future growth.
- ✓ **Our Te Tiriti partnership is embedded throughout the model and transition:** Mana whenua seek a future where Te Tiriti partnership is embedded in how the region is governed, planned, and developed. Any future model must uphold Treaty settlements, protect existing rights and responsibilities, and provide meaningful opportunities for mana whenua to participate in decision-making as partners, rights holders and kaitiaki.
- ✓ **A model that delivers for Wellington and Wairarapa:** Our ambition is a region that can grow, thrive and adapt to future challenges, supported by effective governance, strong local representation and enduring partnerships with mana whenua. Our reform framework defines both the outcomes sought for the region and the characteristics of a successful model. This framework has guided the development of options and the identification of the preferred proposal.
- ✓ **Reform is delivered through a fair, transparent and trusted transition:** Change is delivered in a way that maintains continuity of services, builds public confidence, provides opportunities for community input, and protects the interests of communities, mana whenua and stakeholders.

Lessons from past reforms shaped our design

Strong local voice and regional coordination work best when designed together

Effective governance arrangements balance regional integration with local decision-making. Local boards, community councils, and other place-based structures are most effective when they have meaningful authority, clear responsibilities, and the resources needed to represent and respond to their communities. They require defined powers and independent or delegated budgets. Advisory-only models tend to undermine overall design.

Lasting reform is built on a compelling case for change and community confidence

Successful reform depends on community mandate as much as technical design. Building legitimacy requires a clear rationale for change, meaningful engagement, transparency, and a strong understanding of communities' interests and priorities. Support for reform is strongest when communities understand the benefits, costs and trade-offs of the proposed changes.

Implementation determines whether reform delivers its intended benefits

Structural change alone does not improve outcomes, and Transition complexity is often underestimated, making dedicated implementation capacity and effective change management critical to success. Effective implementation requires strong leadership, disciplined programme management, careful transition planning, and sustained focus on integrating people, systems, and services.

Effective systems balance integration with subsidiarity.

To find balance, unitary models require strong local mandate, two-tier models require strong coordination mechanisms, and hybrid models need clear triggers for regional action. Regional and local functions are best defined by comprehensively understanding communities of interest.

There needs to be clear accountability and roles

Roles should be clearly defined, particularly between regional and local decision-making. Decision-making should be open, with clear accountability for performance, spending, and the stewardship of public assets. Where functions are delivered through entities such as CCOs, roles, expectations, and oversight must be clearly defined to maintain alignment with strategic priorities and democratic accountability.

Where roles, responsibilities, or decision rights are unclear or overly complex, systems default to informal workarounds. This risks embedding fragmentation rather than resolving it, so collaboration and coordination mechanisms need to be built into the structure, not left to discretion.

What this means for our model

- ✓ **The case for change is region-wide:** the proposals need to focus on the real benefits of a region wide leadership anchored in planning system, economic, and wider environmental and social/cultural context.
- ✓ **Design must maximise democratic participation and modernised representation:** arrangements must reflect diverse communities of interest, balancing local autonomy with the scale needed for regional outcomes (rural and urban).
- ✓ **Local or community layers need enough heft and authority:** devolution and delegation needs to be matched with funding and accountability in substance. This needs to be matched by a good line of accountability back to a Governing Body as well as communities.
- ✓ **Make financial planning transparent and credible:** robust financial analysis is important but with conservative assumptions, including transition costs. The real benefit is long term financial sustainability.

Our reform framework guided the design of the proposal

PURPOSE:

The proposal seeks to establish local government structures for the Wellington and Wairarapa region that strengthen a unified regional voice while collectively delivering for growth, the environment, and all communities. This proposal will amplify shared regional priorities underpinned by a strong planning system. This will enable us to partner more effectively, incorporate strong local representation and voice, and include mana whenua in decision making consistent with Treaty partnership. The proposal will also position the region as a place of opportunity, creativity, and innovation, while supporting enduring financial sustainability and resilience for our communities.

REGIONAL OBJECTIVES:

What the reform needs to achieve for the region

1

Improved effectiveness and efficiency in supporting population and economic growth and environmental protection

2

Effective local representation

3

Mana whenua included in governance, consistent with Treaty settlements and obligations

4

Promote and enhance the region's reputation as a place of opportunity, creativity and innovation

5

Ensure affordability for ratepayers and long-term financial sustainability

DESIGN PRINCIPLES:

What a good model should look like for our communities

1

Regional where it adds value, local where it matters most

2

Local voice and democratic legitimacy

3

Affordable and financially sustainable over time

4

Active partnership with mana whenua

5

Capability to deliver including people, systems, and knowledge

The principles that will guide transition and implementation

Councils have also endorsed the approach to the transition as this process is important for enduring success. These ways of working would shape the deliverability of the proposal and guide any transition beyond August.

1

A clear and consistent case for change

The case for change must be clear, future-focused, and communicated consistently across the councils and their communities. People need to understand what will be better and why it matters to their daily lives or not. The case for change should be carried through every engagement, document, and decision point, in plain language that connects to communities.

2

Community trust and confidence

Sustainable change requires community understanding, trust, confidence and involvement. This is built through engagement and continues through implementation. Communities should see how their input will be able to shape design, and where it has not, why. Trust is earned through process as well as outcome and is the biggest determinant of whether reform beds in or is contested for years.

3

Protect what communities rely on

Reliable services for communities is the baseline condition for reform, not a trade-off against it. The community is the reason for change and must stay at its centre, which means uninterrupted delivery is the test against which each transition decision is weighed. Transition should be planned, sequenced and resourced so that disruption is anticipated and managed.

4

A fair process for people and place

Structural change has real consequences for people's jobs, for suppliers and contractors, and for the local economies built around current arrangements. A fair process means transparent decision-making, genuine consultation with staff. Fairness in how the change is done is part of its legitimacy.

5

In partnership with mana-whenua

Sustainable reform requires partnership with mana whenua from the outset, with a clear transition pathway that protects existing rights, maintains settlement integrity, and strengthens partnership arrangements through change.

Our proposal

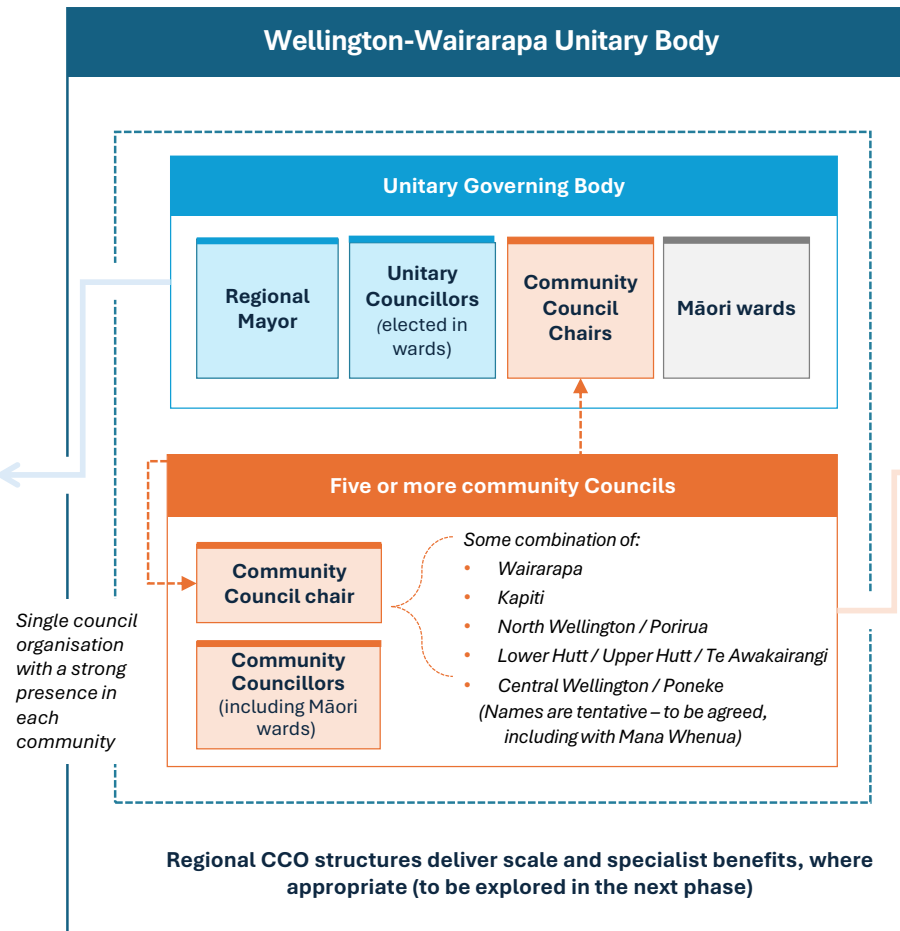
Our preferred model is a unitary body with empowered local governance

A region-wide Unitary body would be established as the primary governing entity for the region.

This would be led by a **Regional Mayor who is elected at large and has executive powers** (with appropriate disciplines).

They would be supported by a governing body that comprises of **Unitary Councillors**, and **Community Council Chairs**. Community Council Chairs would be elected at large from the Community Council area, and Unitary Councillors would be elected from wards within the Community Council area.

The Unitary Governing Body would be responsible for setting strategic direction, making region-wide investment decisions, establishing minimum service levels, and delivering services at the scale that best serves communities.



Five Community Councils would form part of the governance structure.

Community Councils would comprise **elected councillors and a Chair**. The **Chair would serve on both the Community Council and the Unitary Body** (and would be elected on that basis). The final nature of the relationship between these layers and the basis of election would be dependent on the final model.

They would have clearly defined decision-making responsibilities and devolved funding to support local priorities, local service delivery, and community outcomes.

They would also play a key role in catchment-based governance and planning, with delegated responsibilities for matters such as spatial planning, environmental management, freshwater and flood protection consistent with the new planning system.

This catchment level interaction is a key basis for a strengthened relationship with mana whenua, including as required by Treaty settlements.

How the model would operate in practice

Strong regional leadership would provide a unified voice and clear accountability for the region

A region-wide Unitary body would be established as the primary governing entity for the region, led by a directly elected Regional Mayor with executive powers (with appropriate disciplines) and supported by a governing body responsible for setting strategic direction, making investment decisions, establishing service levels, and delivering services at the scale that best serves communities. The Regional Mayor would provide visible regional leadership, and drive delivery of key priorities

Regional functions would be brought together to improve capability, consistency and long-term performance

Functions that benefit from scale, consistency, specialist capability and long-term planning would be brought together within an organisation. The Unitary Body would be responsible for the long-term plan, overall financial strategy, infrastructure planning and investment, regional transport, environmental management, regulatory services, economic development, climate change response, and the region's broader strategic direction.

A balance sheet, integrated planning framework, consistent service standards and shared corporate services would strengthen capability, improve efficiency, support financial sustainability and provide a stronger platform for the region's long-term growth, resilience and prosperity.

Community Councils would provide strong local leadership, decision-making and community voice

Community Councils would form an integral part of the governance structure, with clearly defined decision-making responsibilities and devolved funding to support local priorities. They would provide local representation and engagement, shape local and community priorities, allocate devolved budgets, oversee local placemaking and community development initiatives, and influence the local delivery of regional services.

To strengthen alignment between regional and local decision-making, representatives could be elected through a dual-mandate model, with councillors serving on both the Unitary Council and their respective Community Council.

Community Councils would also act as catchment-based planning and environmental governance bodies

Community Councils would have a dual role as both local governance bodies and catchment-based planning and environmental committees. In addition to overseeing local service priorities and community outcomes, they would provide a forum for place-based decision-making across natural catchments and communities of interest. They would play a key role in shaping local spatial planning priorities, informing environmental management, freshwater and flood protection decisions, and helping integrate land-use, infrastructure and environmental considerations at the local level.

Community Councils would also help determine local parks and facilities investment, local events and grants, town-centre initiatives, local transport priorities, waste minimisation activities and other community-focused services. Through their governance and catchment functions, they would provide a formal mechanism for incorporating local knowledge, community priorities and place-based perspectives into regional decision-making while maintaining a coordinated region-wide approach.

The model delivers the outcomes that the region needs

A unified regional voice that can act at the scale its challenges demand

Allows the region to speak and act as one on the matters that cross boundaries, and amplifies shared priorities. Lets the region partner more effectively with central government, investors and mana whenua, rather than negotiating through nine separate mandates. A simplified local government structure also provides greater clarity about who is responsible for regional outcomes, reducing fragmentation and enabling more consistent decision-making across the region.

Integrated planning that gives effect to the new planning system

Combines regional and territorial functions in one organisation, aligning governance with how the new planning system is designed to work. It removes the seams between the Regional Spatial Plan, the Combined Plan and Long Term Plans, so that growth, transport and land use decisions are made once and made together. Bringing functions together at scale also creates opportunities to reduce duplication, share specialist capability and realise economies of scale in planning, policy and corporate services.

Local voice protected where it matters most

Consolidation at the regional tier does not require the loss of local identity. The framework applies subsidiarity, keeping decisions local where they turn on community character, place and local relationships, while lifting to regional scale only those decisions that genuinely benefit from it. Effective local representation and democratic legitimacy are treated as design requirements, not afterthoughts.

A durable Treaty partnership with mana whenua

The proposal embeds mana whenua in governance consistent with Treaty settlements and obligations. By engaging post settlement governance entities early and providing for existing settlement arrangements to transfer with equivalent effect, the new authority can carry forward and strengthen these relationships rather than disrupt them, supporting an active and enduring partnership.

Financial sustainability and affordability over the long term.

Councils across the region face growing financial pressure from rising operating and asset renewal costs, significant infrastructure investment requirements, declining operating performance, and increasing debt servicing costs. These pressures are contributing to higher rates, affordability challenges, reduced financial flexibility, and weaker resilience to shocks. A consolidated council model would enhance financial resilience by creating a larger, more diversified balance sheet and strengthening the region's capacity to manage risk, absorb shocks, and fund future investment.

Capability to deliver, and a stronger regional reputation

A larger, better resourced organisation can attract and retain the specialists, systems and knowledge that smaller councils struggle to sustain alone. That capability underpins delivery across infrastructure, climate adaptation and housing growth, and it positions the region more credibly as a place of opportunity, creativity and innovation.

Summary financial metrics

- Councils sought high-level, indicative financial advice to inform their consideration of Head Start options. However, this analysis relies on a number of high-level assumptions that may not be applicable once proposals are more fully developed. A conservative approach was therefore taken which is prudent given the timeframe available.
- Amalgamation options offer the potential for savings net of transition costs. All amalgamation options have the potential to be net beneficial, but the extent of benefits varies with the scale and complexity of the option and depend on the assumptions made. On a per rating unit basis, the present value of net savings over 25 years falls within a narrow range of \$3,900 to \$4,500 across the options.
- The largest configurations offer the greatest financial resilience benefits. Under a \$150 million shock, the Single Regional Unitary and Western Area Unitary configurations retain approximately \$2.1-\$2.6 billion of borrowing headroom, compared with \$103 - \$208 million for the North Western and Wairarapa unitary configurations. A shock of this size would represent a much smaller share of annual revenue for the larger unitary options (around 6-7%) than for the Wairarapa (77%) or North Western (41%) unitary options.

See the separate Independent Financial Sustainability Report for more detail

Functions would sit at the level best placed to deliver them

We undertook a functional analysis to determine which functions are best delivered at a regional scale and which are best delivered locally. Our functional analysis informed the design of the proposed governance model and the allocation of responsibilities between the Unitary Authority and Community Councils.

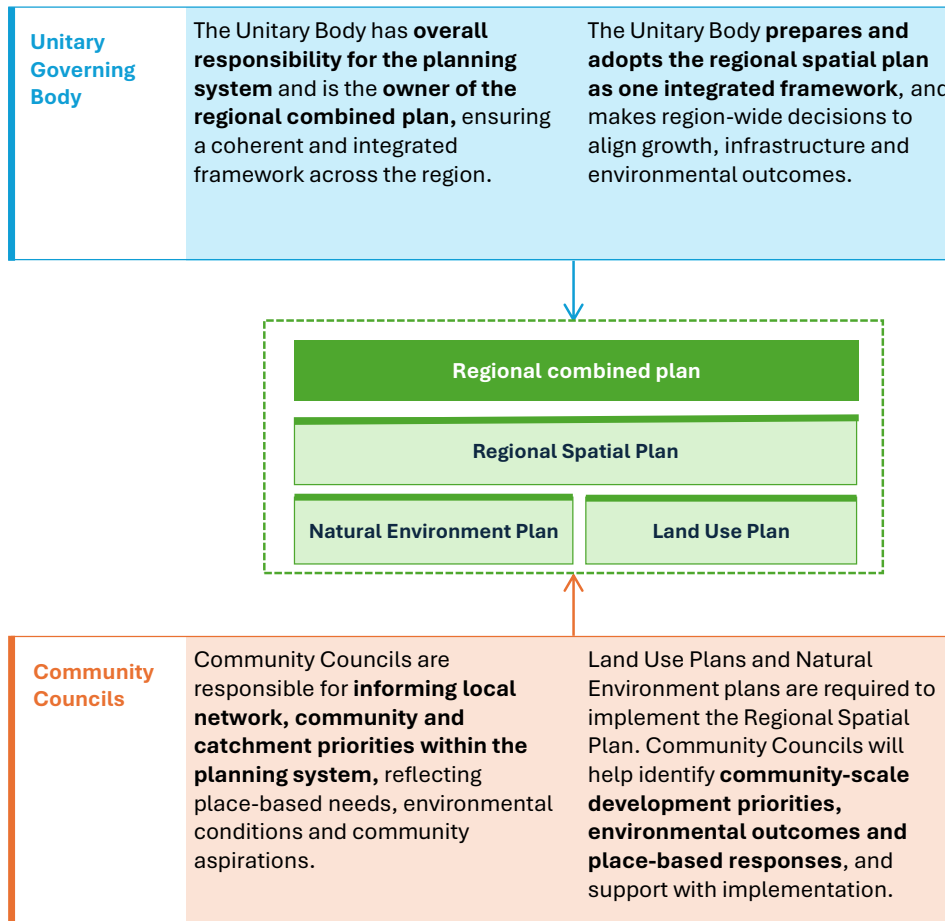
Key outcomes of our analysis:

- Functions that benefit from scale, specialist capability, long-term planning, network optimisation and purchasing power would sit with the Unitary Authority.
- Functions that depend on place-based decision-making, local relationships and community preferences would sit with Community Councils.
- Functions that require both regional coordination and local input would be supported through sub-regional and catchment-based arrangements, ensuring local conditions and priorities inform decision-making within a consistent regional framework.
- Functions need to be allocated to the level best placed to make decisions, reducing duplication while maintaining strong local influence.

The table opposite provides an example of how our functional analysis informed the allocation of governance and strategy responsibilities between regional and community levels. The indicative allocation of other functions is set out in **Technical Appendix 1**.

FUNCTION	COMMUNITY LEVEL	REGIONAL LEVEL
GOVERNANCE AND STRATEGY		
Strategy, planning and finance	Local and community priorities feed into the long-term plan and financial strategy that supports it. Allocate a local share of discretionary capital and operating budgets invested in local communities, and trade-offs between local projects within an allocated envelope.	The long-term plan and overall financial strategy, region-wide infrastructure strategy, the revenue and financing policy, treasury, borrowing and the consolidated balance sheet, group-wide asset management, and the rating framework and rates harmonisation pathway.
Representation and engagement	Local or community plans and agreements, local engagement, and advocacy to the governing body on behalf of the community.	The overall governance and committee structure, region-wide consultation, and the representation review framework.
Emergency management	Local response delivery arrangements, community resilience initiatives, local welfare and recovery priorities.	The group plan, coordination, and region-wide readiness and response capability.
Regulatory functions	Local bylaw provisions where local conditions justify variation, local enforcement priorities (such as dog control or freedom camping), and the local deployment for services.	A regional building consent system. Other systems like environmental health, alcohol licensing administration, animal control, and the bylaw framework run as consistent region-wide system. While services are deployed locally, they also maintain a point of accountability, consistent standards, capability, and fairness across the region.

The model is designed to drive momentum for the new planning system



An integrated planning system that provides certainty and simplifies delivery

One regional framework aligns spatial planning, infrastructure, transport and environmental management, replacing fragmented plans with a consistent system that improves clarity, reduces duplication and strengthens the link between growth and infrastructure.

Clearer governance that enables faster, more consistent decisions

The authority provides clear accountability, reduces decision-making layers, and enables more timely and consistent planning decisions, while offering a point of engagement for government and key partners.

Maintaining momentum and providing confidence through transition

Existing planning work continues within a unified structure, maintaining momentum, reducing disruption and duplication, and providing stability and a clear direction through the transition.

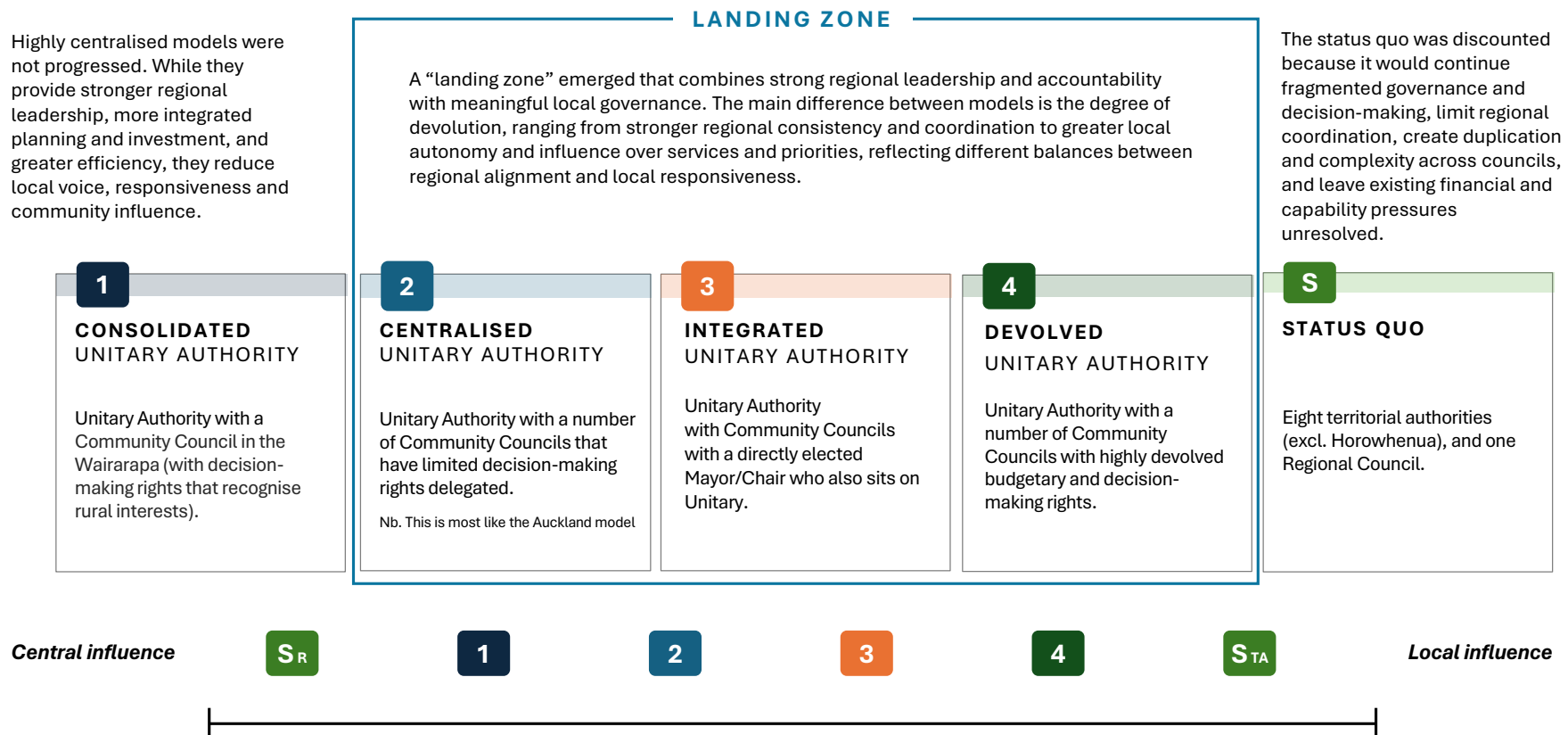
Managing natural systems at the right scale to improve environmental outcomes

A regional and catchment-based approach enables coordinated responses to cross-boundary challenges such as water quality, hazards and climate resilience, while still incorporating local conditions and perspectives.

See **Appendix 4**.

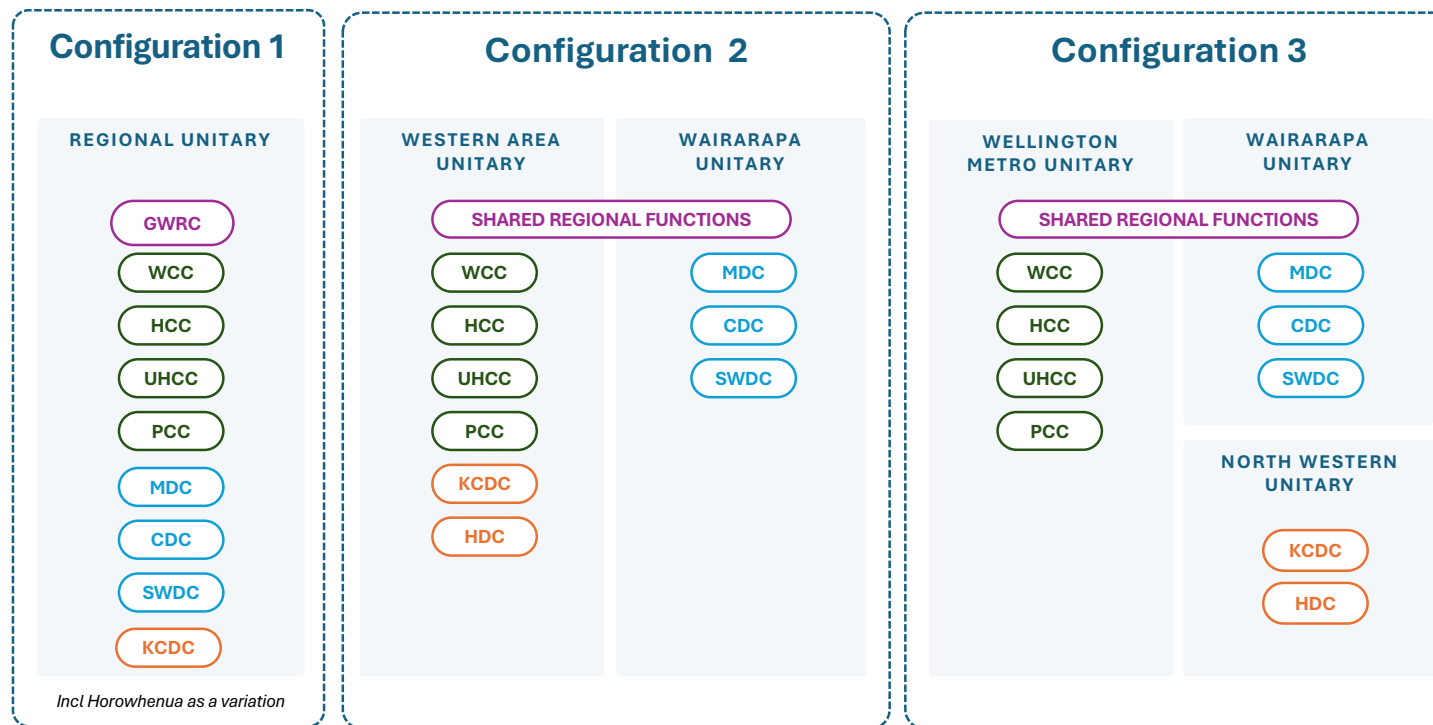
We considered a range of options before selecting a preferred model

A range of structural options were explored, from maintaining current arrangements through to more centralised or more highly devolved unitary models.



In considering the options, councils undertook financial analysis informed by three different configurations

These configurations were financially viable. Configuration 1 best meets the Government's assessment criteria and is therefore presented in this proposal. Configurations involving multiple unitary authorities were less consistent with the Government's assessment criteria, especially those supporting a coherent planning framework and a simpler local government system.



**Horowhenua District Council participated in the regional discussions in an observer capacity as they are within the Horizon Council boundary.*

Note: These configurations assume the functions of each organisation. They also assume the use of CCOs, and mana whenua representation and participation

MARTINJENKINS

Assessment

The preferred model performs strongly against the Government's assessment criteria and meets the eligibility criteria

Eligibility criteria

- ✓ This proposal is submitted by **[participating councils]**. Together these councils represent a majority of directly affected territorial authorities and a majority of the population across directly affected districts **[add population]**
- ✓ This proposal provides for the establishment of a Unitary Body as the primary governing entity for the region.
- ✓ Protecting Treaty settlements and maintaining partnership arrangements is a core part of this proposal. Councils have worked closely with mana whenua to identify the arrangements that must be preserved and strengthened through the transition. Technical Appendix 2 outlines the key partnership and settlement arrangements that would guide implementation of any future model.

#	ASSESSMENT CRITERIA	RATING	KEY POINTS	COMMENTARY
1	Supports the new planning system	HIGH	- Creates one integrated planning system Aligns growth, infrastructure and environmental outcomes - Supports more consistent rules and decisions	Unitary authority would bring spatial, land use and environmental planning into one coherent regional framework. This reduces fragmentation between current planning processes and provides clearer line of sight from regional strategy through to delivery.
2	Simplifies local governance	HIGH	Replaces multiple councils with one structure Clarifies regional and local roles Reduces duplication and complexity	The model simplifies governance by creating one regional body for region-wide decisions, while retaining Community Councils for local priorities and place-based input. This creates a clearer system for communities, iwi and partners.
3	Economies of scale	HIGH	Consolidates functions, assets and funding - Builds specialist capability and purchasing power - Supports more efficient investment and service delivery	Bringing functions into one organisation supports regional-scale planning, procurement and asset management. A single balance sheet also strengthens financial resilience and enables investment decisions to be made based on regional need rather than local boundaries.
4	Maintains local voice	HIGH	- Establishes Community Councils with defined roles Keeps local priorities visible in decision-making Balances regional scale with local responsiveness	The model retains local voice through a structured local layer. Community Councils would provide a mechanism for local representation, local priority-setting and community input into regional decisions, helping preserve place-based knowledge within a wider regional system.
5	Deliverability	HIGH	- Provides a clear end-state model - Can be staged through transition planning - Needs detailed implementation work	The model gives a clear destination for transition. Deliverability will depend on a credible implementation pathway, including sequencing for governance, staff, systems, assets, funding and service continuity ahead of the 2028 local elections.

It also aligns with the Government’s wider goals

This proposal directly supports the Government’s objective to simplify and modernise local government by replacing fragmented arrangements with an integrated regional system. It aligns structural reform with the new planning system and other reforms already underway, reducing duplication and creating a more coherent framework for planning, infrastructure and service delivery.

It supports the Government’s focus on delivery, financial discipline and infrastructure outcomes.

The model is designed to be implementable within the 2028 timeframe, with targeted legislative support, and creates a platform for more coordinated investment in transport, housing and infrastructure.

Aligning local government reform with wider system transformation

Enables an integrated regional system aligned with planning, environmental and spatial reform already underway. Aligns local government reorganisation with wider system reforms to reduce duplication and transition complexity.

Delivering reform at pace within national timeframes

Implementation by the 2028 local elections is achievable with timely secondary legislation and regulatory clarity. Early decisions are required on governance arrangements, transition structures, and establishment settings.

Strengthening partnership between central and local government

Strengthens alignment between central and local government across infrastructure, housing, transport and investment planning. Creates opportunities for joint governance and funding models, particularly for transport and major infrastructure systems.

Managing transition in a financially sustainable and practical way

Supports more efficient transition through approaches such as streamlined Long Term Plan processes and reduced audit requirements. Enables rates transition pathways (glidepaths) to manage establishment costs while maintaining service levels.

Positioning the region for longer-term national partnerships and investment

Positions the region to enter into a Regional Deal with central government. Supports alignment of economic development, housing delivery and long-term infrastructure investment priorities through integrated regional planning.

Treaty obligations and the views of mana whenua

The Head Start guidance sets out that any Treaty settlement arrangements that councils have with Post-settlement Governance Entities (PSGEs) must be upheld with the same or equivalent effect through the Head Start process. We have engaged with mana whenua (including PSGEs) to inform our proposal.

Our approach

As part of the work to develop this proposal, councils have worked closely with Iwi Māori (and PSGEs) through Te Kāhui Whakarehunga to arrive at a joint view.

This work has confirmed that any future model would inherit more than functions and services. It would also inherit Treaty settlement commitments, statutory responsibilities, mana whenua relationships, iwi planning documents, Māori data interests, and wider Te Tiriti partnership obligations. These are core transition settings that will need to be carried forward with their full intent, effect, governance, resourcing and accountability preserved.

What must be protected through the transition

- **Treaty settlements and settlement redress continue to operate with their full intent and effect** recognising that many arrangements rely on governance structures, planning processes, decision-making rights, and established relationship.
- **Existing partnership commitments and Mana Whakahono ā Rohe agreements are maintained and strengthened** with clear pathways for how they will operate within the future model.
- **Governance arrangements must provide meaningful opportunities for mana whenua participation and Te Tiriti partnership** providing

clear opportunities for involvement in decision-making, oversight, and strategic direction.

- **Statutory boards, co-governance arrangements, and other settlement-derived mechanisms are preserved or provided for through equivalent arrangements** including Te Ūpoko Taiao and the Wairarapa Moana Statutory Board derived from existing Treaty settlements.
- **Future arrangements balance regional coordination with iwi and hapū authority** ensuring local relationships, representation, and place-based responsibilities remain visible and effective within any larger structure.
- **The future model remains capable of accommodating future settlements and protecting the interests of unsettled iwi** recognising that transition is part of a longer-term reform journey.

These obligations are set out in Technical Appendix 2.

Developing a partnership transition plan

The Head Start guidance requires Councils to propose a plan for working with affected PSGEs on how existing Treaty settlement arrangements can be given equivalent effect in the new unitary body. A key focus will be a partnership transition plan with mana whenua that identifies how existing settlement commitments are protected, strengthened, and carried forward. Councils and Mana Whenua of the region have put in place a

mechanism to support this work. It will also need to balance regional coordination with the protection of iwi and hapū authority, ensuring future arrangements continue to support meaningful participation, decision-making influence, and place-based relationships across the region.

Specific mechanisms will be provided for

Councils have confirmed they will provide for two key mechanisms to support Treaty obligations, with the detailed design to be developed with iwi in the next phase of work. These mechanisms would be provided for in the establishing legislation, consistent with the direction of the System Improvements reforms:

- **Māori wards** within the representative model, with a specific focus on mātāwaka and general Māori voice.
- **A Mana Whenua Governance Forum** being an appointed mana whenua body built on the model established through the Local Government (Auckland Council) Act 2009 and adapted to this region's Treaty settlement arrangements. The Forum would provide for mana whenua participation in decision-making consistent with Treaty settlement obligations and existing mechanisms.

The establishing legislation would also include a consequential amendments schedule to ensure existing Treaty settlement arrangements that reference the Wellington Regional Council continue to have equivalent effect under the new structure. This would include, among other provisions, those relating to Te Ūpoko Taiao, the Wairarapa Moana Statutory Board, and the Whitireia Park Board.

The way forward

The transition can be delivered by the 2028 elections, but we need the Government's support

Our high-level implementation plan demonstrates that the transition is achievable

Delivering the proposed model in time for the 2028 local body elections will require a significant programme of work across multiple councils. Participating councils have developed a high-level implementation plan to demonstrate that the transition is achievable and to provide confidence that the new arrangements can be established within the proposed timeframe.

A critical dependency is the passage of enabling legislation by the end of 2027. This will provide the mandate and certainty needed to commence key transition activities, establish new governance and operating arrangements, and prepare for implementation by the 2028 election. Any delay to legislative timeframes would increase delivery risk and require the indicative timeline to be revisited.

The timeline on the following page outlines the key workstreams, milestones and decision points that would need to progress in parallel, together with indicative timing. Further detail on deliverability, including transition principles and key risks are set out in Technical Appendix 1.

We need Government's support for the transition

- **Provide a clear transition pathway** by passing enabling legislation with proper safeguards that includes establishment arrangements, transition outcomes, and mana whenua representation arrangements. A detailed list of potential legislative amendments to support this proposal is set out in Technical Appendix 1.
- **Align local government, spatial planning and environmental reform programmes** to avoid competing change processes and enable a smoother transition pathway.
- **Streamline 2027 Long Term Plan requirements** so councils can complete core planning and financial strategies without undertaking a full review that may be superseded by a new entity.
- **Provide financial assistance for transition and establishment to support implementation of an approved Head Start proposal**
- **Pause Long Term Plan Audit requirements to lower costs**
- **Establish rates glidepaths and a clear timeframe** to reach any designated rates cap so that transition costs and service harmonisation can be managed without creating abrupt impacts on communities.
- **Provide support to deliver the 2028 elections** through the Electoral Commission to support the establishment of new electoral arrangements and

public education.

- **Pause statutory representation reviews** until final proposals have been confirmed. Any new structure will presuppose new representation processes and make any current reviews that would normally be undertaken before the 2028 elections redundant.
- **Create mechanisms for joint Crown-local governance and investment in regional transport infrastructure** to enable coordinated planning, funding and delivery across rail, public transport, state highways and local roads.

There is also an opportunity for a future Regional Deal

We seek Government's agreement in principle to proceed with detailed planning for a future Regional Deal. Successful establishment of the new entity would create a platform for central and local government to better align planning, investment and delivery across the region. By bringing together regional spatial planning and infrastructure investment within an organisation, the region would be better positioned to support:

- Integrated transport networks and major infrastructure projects
- Housing growth and spatial development
- Economic development, innovation, science and education
- Capital city revitalisation, civic facilities and major events planning

Strong transition governance will be critical to successful implementation

Lessons from Auckland indicate that successful transitions depend as much on implementation and governance arrangements as they do on the final operating model. Strong leadership, clear decision-making authority, dedicated transition capability, and disciplined programme management all play a critical role in maintaining momentum and managing complexity. Poorly defined governance arrangements can create uncertainty, duplication and delays, while clear governance structures can provide focus, pace and confidence.

The governance arrangements established for transition will play a significant role in determining how effectively implementation can be led, coordinated and delivered. Governance arrangements need to provide clear accountability, timely decision-making, effective coordination across participating councils, and confidence that implementation remains aligned with the agreed transition principles.

Mayoral Forum to oversee proposal and Government decision making phase

We recommend that the Mayoral Forum continues to provide governance through these phases to support engagement with central government, including whether the proposal is accepted.

Establishment phase

Once a proposal is accepted, a new model of oversight and governance would be required.

Bespoke enabling legislation

The Wellington – Wairarapa establishment approach will require bespoke enabling legislation. The reorganisation provisions of the current Local Government Act are not designed to stand up a Unitary council of this scale on a fixed timetable, and the Auckland precedent shows that a dedicated establishment statute, paired with transitional provisions, is the more reliable vehicle.

Drawing on the Auckland model

That precedent should be drawn on deliberately rather than replicated wholesale. Auckland demonstrated the value of a transition body able to make binding decisions that predecessor councils must give effect to, while also exposing the risk of settling consequential structural choices through an appointed agency before the elected body takes office.

Elected member oversight and independence

The legislation will need a clear approach to elected member oversight, defining where the transition body's mandate ends and the incoming council's begins, and how sitting councillors discharge their winding-down role. A degree of independence for the transition body is likely to be necessary to manage coordination and capture risks, particularly for decisions taken during the transition period ahead of the 2028 election, when no electoral mandate for the new council yet exists.

Decision-making limits and major transactions

That independence must be bounded. The statute should specify the limits of the transition body's decision-making authority and that there needs to be discipline on the decision-making rights on unelected officials.

The transition must also impose clear rules across all participating councils governing major transactions during transition: significant new commitments, borrowing, and material asset decisions should require sign-off so that no legacy council can prejudice the successor entity in a manner that disadvantages other communities or future generations. Calibrating these constraints against democratic legitimacy will be the central design judgement.

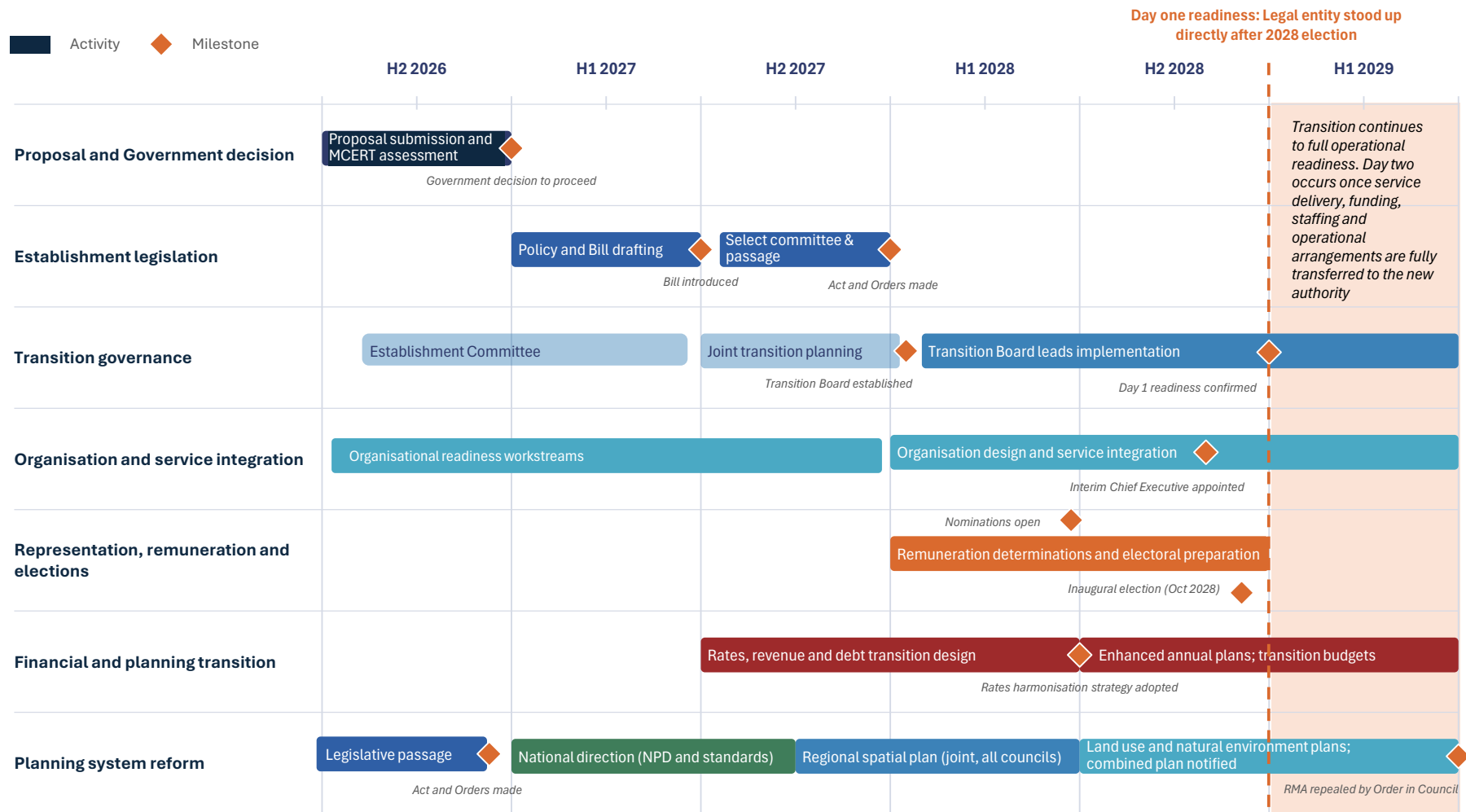
Building Community Confidence

Building and maintaining community confidence will be critical to the success of any transition. While the Head Start timeframe has limited the level of engagement possible before submission, the detailed design phase will provide an opportunity to consider how communities, mana whenua and partners are engaged as the proposal is developed further. This work will help shape the approach to implementation and support transparency throughout the transition process.

Mana whenua participation

Mana whenua have clearly signalled their desire to be an active participant in this transition and establishment phase. This should be endorsed.

We have planned for a phased transition that relies on the passage of enabling legislation



COMMERCIAL IN CONFIDENCE

WELLINGTON WAIRARAPA HEAD START PROPOSAL

Signed on behalf of

Logo of each Council and Mayor/Chair
signature

Technical Appendix 1

Assessment against the Government criteria

Supports the new planning system

Shows clear support for implementing the new planning system – including progress on spatial and natural environment plan development – and avoids or minimises disruption to that work

The proposal meets the Government's criteria to support the new planning system

An integrated regional planning system, shaped locally through community and catchment perspectives

Regional direction sets an integrated planning framework

Under the proposed model, spatial planning, land use planning and environmental planning operate as an integrated system, delivered through the Unitary Body and informed by Community Councils.

At the regional level, the Unitary Body is responsible for setting direction, making trade-offs, and maintaining a coherent planning framework for the region. This includes preparing the Regional Spatial Plan, which establishes the long-term spatial strategy for growth, infrastructure sequencing, environmental limits and key constraints. The land use and natural environment plans are prepared to ensure that spatial direction is translated into consistent zoning, rules and regulatory provisions across the region.

Community Councils connect catchments and communities to planning decisions

Spatial planning within this system is explicitly informed by a catchment-based approach, recognising that natural systems such as water, hazards and ecosystems operate across administrative boundaries. The Regional Spatial Plan applies this catchment lens to spatial strategy, shaping where growth occurs, how infrastructure is sequenced, and how environmental

limits are applied across the region.

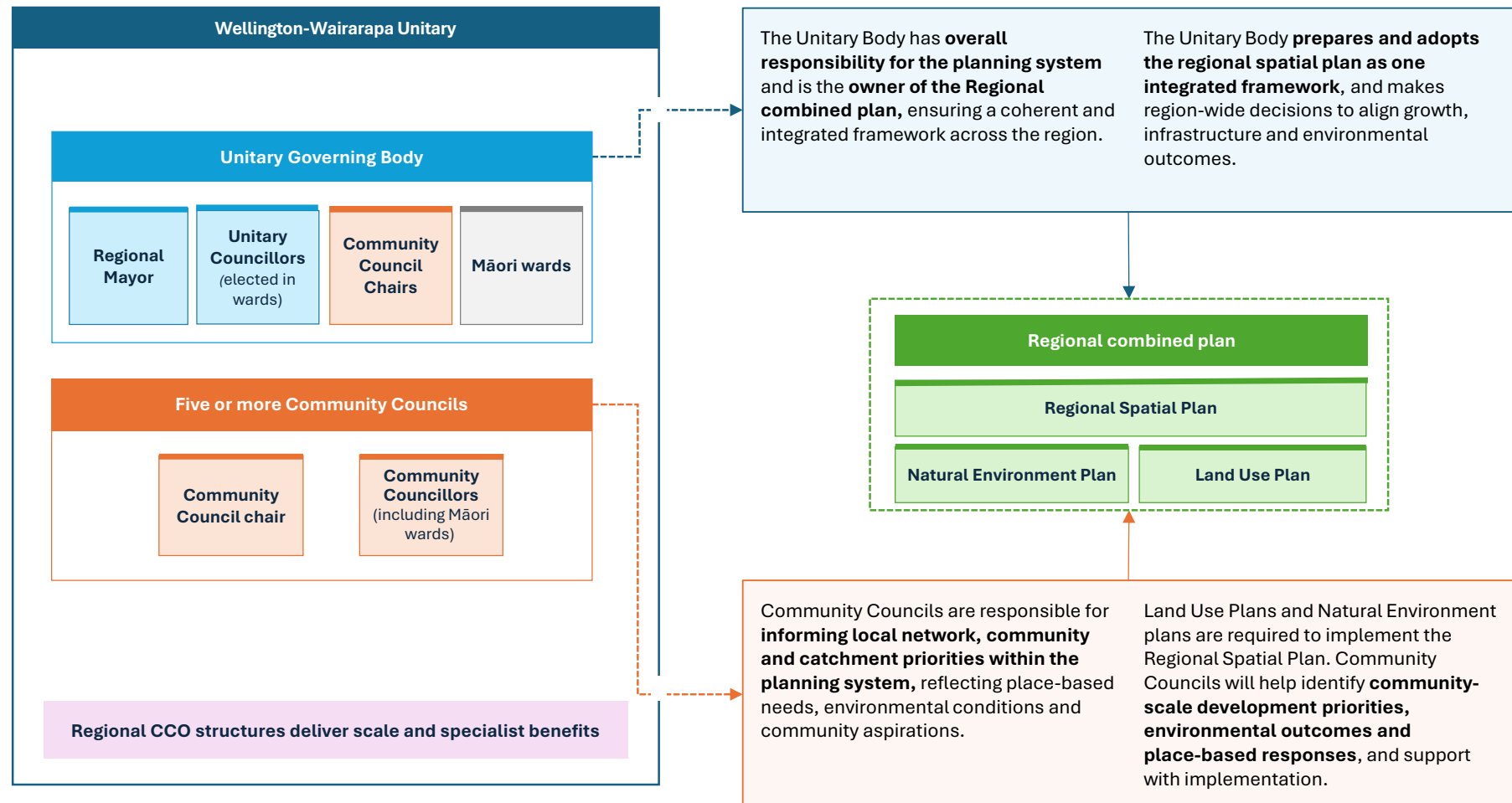
Community Councils are the primary mechanism through which the catchment-based approach is applied in practice. Their geography and roles enable them to reflect both communities of interest and the characteristics of local catchments. They provide structured input into spatial planning priorities, local growth patterns, environmental management priorities and resilience responses, grounded in an understanding of how catchments function within their areas. In doing so, Community Councils ensure that catchment dynamics and local conditions directly inform regional spatial planning and plan development, without requiring separate catchment governance structures.

One system from strategy to delivery, with clear roles and accountability

Environmental planning operates through the same integrated model. The Unitary Council sets region-wide environmental outcomes, limits and regulatory framework (including freshwater, natural hazards, coastal management and climate response) while Community Councils help shape how these are interpreted and applied locally, informed by catchment conditions and community priorities. This ensures environmental management reflects the realities of natural systems while maintaining consistency across the region.

Overall, the model establishes a unified planning system with a clear line of sight from strategy to delivery, where a catchment-based approach is embedded throughout. The Unitary Council sets regional direction and ensures integration across spatial, land use and environmental planning. Community Councils operationalise the catchment lens by providing place-based and catchment-informed input, ensuring that planning outcomes are both regionally coordinated and responsive to how natural systems and communities function on the ground.

How the planning functions across the model



The proposal will support the reform of planning system in Wellington and the Wairarapa

An integrated planning system that provides certainty and simplifies delivery

Bringing responsibility for spatial planning, transport, infrastructure, environmental management, and long term financial planning together creates a fundamentally more coherent planning system. Instead of fragmented plans and investment decisions across multiple councils, the region would operate under a integrated framework that sets clear direction for growth and development. This enables a unified regional growth strategy that aligns land use, infrastructure, and environmental outcomes.

The primary benefit of this approach is clarity and certainty for system users. Developers, infrastructure providers, iwi, and national agencies would operate within one consistent set of rules, definitions, and expectations. This reduces the current complexity created by multiple planning systems and removes inconsistencies between metro and rural areas. Similar issues such as natural hazards, intensification, transport corridors, and infrastructure upgrades would be treated consistently across Wellington, Porirua, the Hutt Valley, Kāpiti, and Wairarapa.

A regional plan also strengthens the link between growth and infrastructure capacity. Growth decisions can be aligned with the availability of critical infrastructure such as water networks, rather than

responding to constraints after they emerge. This provides a more predictable pathway for development and supports better sequencing of investment. It also reduces duplication across plan reviews, freshwater planning, climate adaptation work, and growth strategies, improving efficiency across the system.

At a regional level, this integrated approach enables more effective responses to shared challenges, including harbour water quality, sedimentation, and climate resilience. By aligning land use, transport, economic development, and environmental management, the system supports more coordinated and sustainable outcomes for the region as a whole.

Clearer governance that enables faster, more consistent decisions

A streamlined governance model supports more effective and timely decision making by reducing the number of decision making layers and providing a clear regional focus. Consolidating planning responsibilities establishes clear accountability for delivering growth, infrastructure, and resilience outcomes. This contrasts with the current system where responsibilities are distributed across multiple councils, often leading to slower and less consistent decisions.

The simplification of governance arrangements improves the day to day operation of the planning

system. A plan, supported by standardised rules and integrated infrastructure planning, enables faster and more predictable consenting and plan implementation decisions. System users benefit from clearer expectations and greater consistency in how policies are interpreted and applied.

The model also improves coordination with key partners. Central government, iwi, and major infrastructure providers such as Waka Kotahi, KiwiRail, water service organisations, and Kāinga Ora would have a point of engagement and a clearer long term regional signal. This improves alignment of investment decisions and provides greater stability for major infrastructure programmes.

Reducing the number of committees and political processes also simplifies engagement and decision making. Stakeholders no longer need to navigate multiple local processes, and decisions can be made at the scale that reflects the issues being addressed. This supports a more strategic approach while still allowing for local input where it is needed.

The proposal is designed to reduce disruption and uncertainty

Maintaining momentum and providing confidence through transition

The proposal is designed to maintain momentum in implementing the new planning system while reducing disruption and uncertainty. Preparatory work is already underway across the region, coordinated through the Wellington Regional Leadership Group secretariat. This work is identifying knowledge gaps, aligning approaches, and ensuring readiness to begin the formal planning processes once legislation is confirmed.

Providing a point of governance for the Regional Spatial Plan reduces fragmentation and political variability during the transition period. Instead of multiple councils progressing planning work independently, the region would have a clear decision making structure that supports consistent direction and prioritisation. This helps ensure that planning, infrastructure, and growth sequencing are aligned from the outset.

The region is already investing in spatial planning, building on the Future Development Strategy and adapting ways of working to improve integration. Ongoing engagement with tangata whenua and neighbouring areas supports alignment and shared understanding. This positions the region to transition into the new system with continuity, rather than resetting or duplicating work.

The proposal also reflects the functional reality of the region. People live and work across council boundaries, particularly along key corridors such as the western corridor. A coherent regional approach, including the potential to incorporate Horowhenua within the spatial planning footprint, supports more effective planning for housing, transport, and employment. Reducing political change across multiple councils provides a more stable environment for long term investment and decision making.

Managing natural systems at the right scale to improve environmental outcomes

An integrated regional model strengthens the management of natural systems by aligning planning with how catchments and environmental processes operate in practice. Bringing together land use, freshwater, stormwater, and coastal planning enables a more complete and coordinated approach to environmental management.

Managing issues at a regional scale is particularly important for cross boundary challenges. Flooding, sedimentation, water quality, and coastal change do not align with council boundaries. A planning framework enables these issues to be prioritised and addressed consistently across the region, rather than being managed in separate and potentially conflicting ways.

The integration of catchment management with growth and infrastructure planning also improves outcomes. Water infrastructure constraints can be addressed alongside decisions about where and how growth occurs, rather than responding after capacity issues arise. This supports more efficient investment and ensures that environmental limits and development capacity are considered together.

The model also strengthens engagement with iwi by providing a , integrated planning interface, while still enabling local input to reflect community characteristics and priorities. A coordinated regional approach, supported by local perspectives, improves the ability to respond to environmental challenges while maintaining the distinct attributes of different parts of the region.

Some elements need to be resolved in the detailed design phase

Transitioning to an integrated planning system is the first critical step

While the proposal establishes a clear direction for an integrated regional planning system, a number of detailed design matters will need to be worked through to support effective implementation. These relate primarily to ensuring a smooth transition from the current system, establishing clear governance and partnership arrangements, and designing the operational settings required for a coherent planning framework.

A key area of focus will be the transition pathway for existing plans and programmes. This includes district plans, regional natural resource plans, freshwater planning processes, and climate adaptation work. Decisions will be needed on how these workstreams are sequenced, combined, or progressed within the new system to avoid duplication and maintain momentum. A phased and clearly communicated transition approach will be important to ensure continuity of statutory processes while moving toward an integrated plan.

This must be supported by clear governance and roles

Governance arrangements will also require further definition, particularly in relation to strategic planning, regulatory functions, and iwi partnership roles. This

includes clarifying how decision making responsibilities are allocated within the new structure and how iwi are engaged as partners in both plan development and ongoing system operation. Establishing clear and enduring governance settings will be critical to maintaining confidence and ensuring effective collaboration across the region, with work already underway start preparing a process agreement, principles and ways of working ahead of the new legislation being enacted.

Effective delivery will rely on aligned systems, structures and implementation settings.

Operational integration will also need to be addressed. This includes aligning consenting processes, digital platforms, and data standards across the region to support consistent and efficient system performance. Clarity will be needed on the future roles of existing entities, such as water service organisations, including how they operate within the new system during the transition and in the longer term.

Further consideration will be required on how potential boundary changes are managed. This includes how Horowhenua could be incorporated into the Regional Spatial Plan in a way that is legally and practically workable, and whether there is scope to include other adjacent areas. Any changes to boundaries would

require legislative adjustments and will need to be carefully sequenced to avoid disruption to planning processes.

Finally, detailed design will need to address the development of region wide approaches to key policy areas, particularly natural hazards and coastal retreat. Establishing consistent frameworks for these issues under a unified authority will improve clarity and effectiveness, but will require detailed technical and policy work to ensure alignment with national direction and local conditions.

In some cases, legislative change may be required to support implementation. This could include adjustments to enable boundary changes, support a clean transition from existing plans to a integrated framework, and avoid the need for dual system operation. These matters can be progressed alongside detailed design work to ensure the new system can be implemented efficiently and with minimal disruption.

Simplifies local governance

Proposes more efficient regional governance arrangements, consolidating decision-making and improving alignment between a region's councils.

The proposal meets the Government's criteria to simplify local governance

A simpler and more accountable governance model

The proposal would significantly simplify local governance across the Wellington Wairarapa region by replacing the current multi-council structure with a region-wide Unitary Authority, while retaining strong local decision-making through empowered Community Councils. Compared with the status quo, where responsibilities for transport, environmental management, infrastructure, spatial planning, economic development and local services are split across councils, the proposal brings these functions together within a Unitary Authority with clear accountability for regional outcomes.

A key strength of the proposal is the creation of a governing body led by a directly elected Regional Mayor with executive powers (with appropriate disciplines). This provides a regional voice and a point of accountability for strategic direction, investment decisions, service levels and long-term outcomes. Bringing regional and territorial functions together within one organisation removes duplication, reduces fragmented decision-making and enables competing priorities, such as housing growth, transport investment, environmental management and infrastructure provision, to be considered through a planning and investment framework. A consolidated

balance sheet, integrated planning system and shared corporate services would further reduce complexity and improve organisational capability and efficiency.

Decisions are made at the appropriate level

While regional functions would be consolidated, local decision-making would remain close to communities through empowered Community Councils. Rather than acting in an advisory capacity, Community Councils would have defined responsibilities, devolved budgets and accountability for local priorities, facilities, placemaking and community development.

The model establishes a clear distinction between regional and local responsibilities. Decisions that benefit from regional scale and consistency would sit with the unitary authority, while decisions requiring local knowledge and community input would be delegated to Community Councils. This approach simplifies governance without reducing local influence.

The governance model is easier for communities to understand

The proposal introduces an innovative approach to local governance that goes beyond current local government arrangements. Under a dual-mandate model, Community Council Chairs would sit on both the Community Council and the Unitary Governing Body. This creates a direct link between local and regional

decision-making, reduces governance silos and ensures local perspectives are incorporated into regional decisions. It also creates a governance structure that is easier for communities to understand, with a clear line of accountability between regional decision-makers and local representatives.

Trade-offs and further design work

The principal trade-off associated with a simpler governance structure is the potential perception that decision-making becomes more distant from local communities. The proposal mitigates this risk through empowered Community Councils, devolved decision-making and strong local representation, including Māori wards.

Further design work will be undertaken to refine the allocation of responsibilities between the unitary authority and Community Councils, confirm representation arrangements, determine delegated authorities, and explore the future role of regional CCOs and other specialist delivery entities. Engagement with communities, mana whenua and stakeholders will help ensure the final model achieves the right balance between regional coordination and local voice.

Economies of scale

Supports regional strategic planning and effective delivery of key regional functions (such as transport and catchment management), and demonstrates responsible and affordable asset management, infrastructure investment, and service delivery.

The proposal meets the Government's criteria to support economies of scale

Scale brings stronger capability and more efficient service delivery

A large unitary authority as proposed, is better placed to attract and retain specialist capability, invest in systems and data, and deliver services consistently across the region. Functions that benefit from scale, specialist expertise and long-term planning would be consolidated within the unitary authority, including transport, environmental management, regulatory services, infrastructure planning and investment, climate adaptation and economic development.

A single balance sheet, common service standards, integrated planning processes and shared corporate services would reduce duplication and improve organisational capability. The consolidation of governance, planning, finance, procurement, asset management and support services would create opportunities for efficiencies while strengthening service delivery and resilience over time.

Better management of transport, catchments and regional infrastructure

The proposal would improve the delivery of functions that require coordination beyond current council boundaries. Transport planning and investment would be considered through a regional lens, allowing land use, housing growth, public transport, state highways, local roads and major infrastructure projects to be planned together. This would create opportunities for

more integrated investment decisions and stronger alignment with central government priorities.

Similarly, catchment management would benefit from a more coordinated approach. Community Councils would act as catchment-based governance bodies, helping shape local environmental priorities, freshwater management and flood resilience, while the unitary authority would provide region-wide coordination, investment and technical capability. This combines the benefits of regional integration with local knowledge and place-based decision-making.

Stronger financial sustainability and asset stewardship

The proposal would improve the region's ability to manage major infrastructure assets and respond to long-term challenges. A larger rating base, consolidated balance sheet and broader revenue base would strengthen financial resilience and borrowing capacity, enabling more strategic investment decisions and greater flexibility in managing future infrastructure needs.

Bringing infrastructure planning, asset management and investment decisions together within a unitary authority would support more consistent asset stewardship, prioritisation of investment and long-term financial planning. It would also provide a stronger platform for managing growth, climate adaptation and infrastructure renewal across the region.

Supporting innovation, growth and regional prosperity

A large region-wide Unitary Authority would be better positioned to pursue economic development opportunities, partner with central government and attract investment. The proposal creates a platform for a future Regional Deal, allowing central and local government to align planning and investment across transport, housing, infrastructure, economic development and capital city revitalisation. The combination of greater scale, stronger capability and integrated planning would improve the region's ability to innovate, respond to emerging challenges and support long-term economic growth and prosperity.

Trade-offs and further design work required

The principal trade-off associated with greater scale is the risk that service delivery becomes less responsive to local needs. The proposal mitigates this risk by including empowered Community Councils with devolved responsibilities and funding, ensuring local priorities continue to inform decisions and service delivery.

Further work will be undertaken during detailed design to quantify potential efficiency gains, assess financial impacts, confirm future arrangements for regional CCOs and specialist delivery vehicles, and refine the allocation of responsibilities between regional and local governance.

Summary of key findings from independent Financial Sustainability Report

Current context and outlook

The Head Start process requires councils to assess their current governance and service delivery arrangements and demonstrate responsible and affordable asset management, infrastructure investment, and service delivery.

Collectively, the councils of the Wellington/Wairarapa Region face significant financial headwinds, including rising input costs, high asset replacement costs, significant demands on investment, deteriorating operating budgets, and increasing debt servicing costs. These headwinds translate into increasing pressure on rates and worsening affordability.

Looking ahead, these pressures are forecast to continue, with councils' current projections indicating that, collectively, they expect rates revenue per rating unit to increase by an average of 5.7% per annum, with rates as a share of total revenue increasing from 49% to 62% over the next 10 years.

Councils also face significant exposure to risk from natural hazards, extreme weather and asset failure. Our analysis indicates several smaller councils, and the most indebted councils, are vulnerable to even moderately sized shocks.

Under a conservatively assumed \$50 - \$150 million shock, and in the absence of central government support, some councils would exceed their borrowing limits and/or exhaust their remaining borrowing headroom, while larger councils would face significantly diminished financial capacity. Of relevance to the amalgamation options under consideration, borrowing capacity is not always located where risk is concentrated.

Financial assessment of options

The amalgamation options under consideration have a range of potential financial benefits and costs that vary across the different configurations. The key findings of our assessment include:

- **Amalgamation options offer the potential for savings net of transition costs** - All amalgamation options have the potential to be net beneficial, but the extent of benefits varies with the scale and complexity of the option and depend on the assumptions made. On a per rating unit basis, the present value of net savings over 25 years falls within a narrow range of \$3,900 to \$4,500 across the options.
- **The potential loss of intraregional subsidies could offset any savings benefits for Wairarapa ratepayers** - Within the region, there are apparent mismatches between the amount of regional council rates revenue collected from Wairarapa ratepayers, and the regional council's estimated cost of delivering activities within those areas. This mismatch is most significant for Wairarapa. Even after reducing the level of regional costs and increasing the share of Centrepoint dividends allocated to Wairarapa, a significant funding gap remains.
- **While a Wairarapa Unitary Authority would have choices about how to close that gap, it is plausible that rates revenue would need to increase to balance the budget.** A future Wairarapa authority would need to weigh its options carefully, including considering changes to levels of service, finding greater savings, and/or increasing revenue. Given the size of the funding gap, an increase in rates could

outweigh any amalgamation-related savings under stand-alone configurations.

- **Amalgamation offers significant scope to increase financial resilience and reduce vulnerability to shocks.** This is probably the most certain financial benefit from amalgamation, with balance sheet consolidation relieving borrowing constraints for smaller councils and councils with higher levels of indebtedness. Given the significant risk profile across the region, amalgamation offers greater financial resilience through diversification of risk across geographies. These benefits are dependent on an amalgamated authority using this greater flexibility wisely.
- Our analysis indicates **all amalgamation options could absorb a significant shock while remaining within their LGFA debt limits and retaining borrowing headroom.** This indicates a significantly greater capacity to absorb unplanned costs relative to the status quo.
- **The largest configurations offer the greatest financial resilience benefits.** Under a \$150 million shock, the Single Regional Unitary and Western Area Unitary configurations retain approximately \$2.1-\$2.6 billion of borrowing headroom, compared with \$103-\$208 million for the North Western and Wairarapa unitary configurations. A shock of this size would represent a much smaller share of annual revenue for the larger unitary options (around 6-7%) than for the Wairarapa (77%) or North Western (41%) unitary options.

Maintains local voice

Demonstrates fair and effective representation for communities of interest and how decisions will be made at the local level, balancing urban and rural interests.

The proposal meets the Government's criteria to maintain the local voice

Local voice is both a regional objective and a design principle

Maintaining local voice was a core consideration throughout the development of the proposal. Within the reform framework, it was identified both as a regional objective through the goal of effective local representation, and as a design principle through the commitment to local voice and democratic legitimacy. Together, these principles helped shape the assessment of options and informed the selection of the preferred model.

Under the proposed model, regional functions would be consolidated within a single Unitary Authority, while communities would continue to have meaningful influence over decisions that affect their places, priorities and identity. The model is founded on the principle of subsidiarity, with decisions made at the lowest appropriate level and only lifted to the regional tier where there is a clear benefit from scale, consistency or regional coordination. This approach recognises that strong regional leadership and effective local representation are complementary objectives that must be designed together, rather than treated as competing priorities.

Representation arrangements support communities of interest

The proposed representation model combines regional leadership with strong local representation. The Regional Mayor would be elected at large across the region and supported by a Unitary Governing Body comprising Unitary Councillors and Community Council Chairs. Unitary Councillors would be elected from wards aligned with Community Council areas, while Community Council Chairs would be elected at large from within their respective communities. Final ward arrangements and representation ratios would be confirmed during detailed design following further community and mana whenua engagement.

The model has been informed by analysis of communities of interest and recognises that Wellington and Wairarapa contain distinct urban, suburban, coastal and rural communities whose identities do not always align neatly with existing council boundaries.

The proposed Community Council areas: Wairarapa, Kāpiti/Horowhenua, North Wellington/Porirua, Hutt Valley/Te Awakairangi and Central Wellington/Pōneke reflect communities of interest and provide a practical geography for place-based planning and decision-making. Their boundaries recognise the transport, housing, employment and environmental connections that shape how communities function in practice, while

also aligning with the catchments and natural systems that underpin spatial planning, freshwater management and climate resilience.

Community Councils are proposed at a catchment scale because this is the scale at which many kaitiakitanga, statutory acknowledgements, and existing freshwater and harbour co-governance arrangements already operate.

The proposal ensures local and regional decision-making remain connected and strengthens Te Tiriti partnership arrangements

Community Councils provide meaningful local decision-making

Community Councils would form an integral part of the governance structure rather than acting in an advisory capacity. They would comprise elected members and a Chair and be supported by clearly defined responsibilities, delegated decision-making powers and devolved funding. This would enable communities to continue influencing decisions relating to local facilities, placemaking, community development, local events, grants, local transport priorities and other place-based services.

The functional analysis undertaken as part of the proposal demonstrates a deliberate allocation of responsibilities between regional and local governance. Functions that depend on local knowledge, community relationships and local priorities would sit with Community Councils, while functions requiring regional scale and consistency would sit with the Unitary Authority. This approach maintains local responsiveness while avoiding duplication and fragmentation.

Local and regional decision-making remain connected

The proposal introduces an innovative dual-mandate model to ensure local perspectives remain visible within regional decision-making. Community Council Chairs would sit on both the Community Council and the Unitary Governing Body, providing a direct link between local and regional governance. This arrangement strengthens accountability, reduces governance silos and creates a clearer pathway for community priorities to influence regional decisions. It also avoids the creation of additional governance layers by embedding local representation directly within the wider governance structure.

Māori participation and partnership arrangements are strengthened

The proposal provides multiple mechanisms to support Māori participation in local government decision-making. Community Councils would include Māori wards as part of the representative structure, ensuring Māori communities have direct representation within local governance arrangements. Councils will also explore a statutory Mana Whenua Governance Forum to provide mana whenua participation in governance and strategic decision-making, building on existing regional arrangements.

Beyond representation, the proposal seeks to maintain and strengthen existing relationships, Mana Whakahono ā Rohe agreements, governance arrangements and other mechanisms that support iwi and hapū participation in decision-making.

Community Councils would also play an important role in catchment-based planning and environmental governance, creating opportunities for local and mana whenua perspectives to inform environmental management, freshwater planning and resilience planning.

Further design work is required

Detailed design work will be required to finalise ward boundaries, representation ratios, Māori representation arrangements, Community Council powers and delegations, and the relationship between Community Councils and any future regional CCOs.

Further engagement with communities, mana whenua and stakeholders will help refine these arrangements and ensure the final model delivers fair and effective representation for communities of interest across the region.

Functional analysis

Our functional analysis informed the design of the proposed governance model and the allocation of responsibilities between the Unitary Authority and Community Councils.

We undertook a functional analysis to determine which functions are best delivered regionally or locally

A region-wide Unitary Council would bring together the scale, capability and strategic focus needed to address regional challenges, while ensuring communities continue to shape local priorities, services and place-based delivery.

A region-wide Unitary body would combine the benefits of regional scale with the responsiveness and local knowledge that communities value. Under this model, functions that benefit from consistency, specialist capability, long-term planning and purchasing power would be brought together into a regional body.

Strategic planning, infrastructure investment, financial management, regulatory services, environmental management, transport, waste, and major community facilities would operate through one organisation with a balance sheet, consistent service standards, and clear accountability. This would be complemented by greater alignment of core corporate and support functions, including areas such as legal, communications, human resources, information technology and procurement.

This aims to strengthen capability, improve efficiency and provide a stronger platform to plan and invest for the region's long-term growth, resilience and prosperity.

For functions such as environmental management and spatial planning, sub-regional and catchment-based arrangements would ensure decisions reflect local conditions while remaining part of a coordinated regional approach.

At the same time, the model recognises that communities are different and that decisions are often best informed by local knowledge and priorities.

Community Councils would play a significant role in shaping local priorities, influencing regional decisions where appropriate, allocating devolved funding, and overseeing the local delivery of services.

They would help determine local placemaking, parks and facilities investment, community development initiatives, and local economic priorities. They would also play a key role in the deployment of regional services within their communities.

The result is a council that is unified where scale matters, but locally responsive where community voice, local relationships and place-based delivery are critical to achieving better outcomes.

These functions would be supported by a council organisation, making the Unitary body a significant employer in the region. This would create a depth of capacity and capability and strong career pathways for staff. Arrangements would be put in place in a future operating model to ensure a strong local presence in communities was retained.

Indicative allocation of governance and strategy functions

FUNCTION	COMMUNITY LEVEL	REGIONAL LEVEL
GOVERNANCE AND STRATEGY		
Strategy, planning and finance	Local and community priorities feed into the long-term plan and financial strategy that supports it. Allocate a local share of discretionary capital and operating budgets invested in local communities, and trade-offs between local projects within an allocated envelope.	The long-term plan and overall financial strategy, region-wide infrastructure strategy, the revenue and financing policy, treasury, borrowing and the consolidated balance sheet, group-wide asset management, and the rating framework and rates harmonisation pathway.
Representation and engagement	Local or community plans and agreements, local engagement, and advocacy to the governing body on behalf of the community.	The overall governance and committee structure, region-wide consultation, and the representation review framework.
Emergency management	Local response delivery arrangements, community resilience initiatives, local welfare and recovery priorities.	The group plan, coordination, and region-wide readiness and response capability.
Regulatory functions	Local bylaw provisions where local conditions justify variation, local enforcement priorities (such as dog control or freedom camping), and the local deployment for services.	A regional building consent system. Other systems like environmental health, alcohol licensing administration, animal control, and the bylaw framework run as consistent region-wide system. While services are deployed locally, they also maintain a point of accountability, consistent standards, capability, and fairness across the region.

Indicative allocation of planning and environment functions

FUNCTION	COMMUNITY LEVEL	REGIONAL LEVEL
PLANNING AND ENVIRONMENT		
Spatial planning	Spatial planning input aligned to planning system reforms. Government planning system changes will require a clear sub-regional/catchment-based approach within a regional planning system.	Regional spatial planning, future development strategy functions, urban growth planning, housing and business land capacity, strategic infrastructure sequencing, region-wide planning frameworks and zoning approaches, structure planning, and the preparation and administration of planning instruments. Sub-regional or catchment standing committees could operate with delegation.
Natural resource management and environmental regulation	Local input into catchment priorities and works programme, and local advocacy on environmental outcomes that matter to a community. Sub-regional or catchment approach will be likely be required for environmental management (for example pest/predator, coastal, flood management).	A whole-of-region function: the regional policy statement, regional plans, freshwater allocation and quality, air quality, coastal management, soil conservation, flood protection and river control, biosecurity and pest management, consenting and compliance for regional matters. Sub-regional or catchment standing committees will inform the regional approach.
Climate change response	Local climate adaptation priorities, community resilience initiatives, and local input on the impacts of climate risks and transition planning.	A single region-wide climate change and natural hazard response framework, including emissions reduction and adaptation strategies, climate risk assessment, resilience planning, funding and investment decisions, monitoring and reporting, and coordination of responses to significant climate impacts and natural hazards across the region.

Indicative allocation of community and local services functions

FUNCTION	COMMUNITY LEVEL	REGIONAL LEVEL
COMMUNITY AND LOCAL SERVICES		
Parks, reserves and open space	Invest in local parks, reserves and playgrounds, local service levels and renewals, naming, and local placemaking and amenity choices in line with devolved funding arrangements. Funding provided through a clear devolved budget envelope.	Plan for regional parks, major sportsgrounds and destination facilities, and network-wide open space strategy, investment plan and standards.
Community facilities and services	Invest to meet local facility service levels, hours and programming, local hall and venue management, and which local facilities to invest in or divest within a devolved budget.	Network strategy and standards for libraries, pools, recreation and community facilities, including minimum service standards and equitable access across the region; shared back-office functions and procurement; a employer model; and decisions on major or region-serving facilities.
Waste management	Local waste minimisation initiatives, community education programmes, local input on service needs and facility provision, and the local deployment of waste and recycling services.	Waste management and minimisation planning, waste collection and recycling services, resource recovery, processing and disposal services, infrastructure planning and investment, procurement and contracting, and service standards delivered through a consistent regional system. While services are deployed locally, they maintain consistent standards, capability, efficiency and accountability across the region.

Indicative allocation of economy and people functions

FUNCTION	COMMUNITY LEVEL	REGIONAL LEVEL
ECONOMY AND PEOPLE		
Economic and community development	Invest in local economic and town-centre initiatives, local events, grants, community development priorities, and local identity and promotion, while informing and influencing regional economic development priorities. Funding provided through a clear devolved budget envelope. The needs of the rural and urban communities need to be reflected direction in any regional wide approach.	A stronger, region-wide approach to economic growth and development is needed, supported by a clear regional economic development framework that balances the distinct opportunities and needs of both urban and rural communities. This should focus on lifting productivity across key sectors, including services, technology, manufacturing, and the primary industries, while fostering innovation, business growth, investment (including partnerships with iwi investors), and talent attraction. It should also promote a coordinated regional tourism offer and lead major sector development, precinct, and economic transformation initiatives. This could be explored as a CCO as part of the next phase.
Transport	Local road amenity levels, local street upgrades and streetscape, traffic calming, local parking management, and prioritisation of the local works programme, reflect local conditions and community priorities.	A significant improvement in region-wide transport investment and service delivery is needed, underpinned by strong alignment with the region's spatial planning framework. This should be delivered through a regional transport system responsible for strategic and arterial networks, public transport, network-wide standards and policies, regional transport planning, and major capital investments, while ensuring services are delivered locally to reflect community needs and priorities. A public transport CCO could be explored as part of the next phase.

Deliverability

Proposals are realistic and demonstrate how new arrangements can be implemented in a timely manner.

The transition will require a strong working relationship between Councils and Government

To support the transition, we developed an agreed set of transition principles and guardrails

TRANSITION PRINCIPLES:

What the transition needs to achieve

1

Maintain service continuity and reliability for communities

Maintain reliable services through the transition by preserving relationships, knowledge and capability.

2

Clear accountabilities and decision-making authority

Decision-makers should have sufficient authority to deliver a successful transition.

3

Provide flexibility to adapt over time

Enable decision-makers to respond to changing circumstances and lessons learned during implementation.

4

Uphold partnership with mana whenua

Ensure continuity of Treaty obligations and partnership arrangements

5

Build on existing strengths and capability

Draw on existing people, systems and knowledge to be ready from day one and drive transformation over time.

GUARDRAILS TO MANAGE THE FINANCIAL TRANSITION:

Guardrails seek to balance fairness, a smooth transition and financial efficiency

- 1. Fair approach to the financial transition:** In the future, charges faced by communities should rest on fair services and charges, adjusted only for genuine differences in the cost to serve, not on legacy council boundaries.
- 2. Orderly transition:** Movement to the agreed end-state should occur over a defined, time-limited period (10 years is preferred to align with existing planning horizons), with limits on year-on-year change. Any objectives related to long term harmonisation need to be workable if a statutory rates cap is introduced, not reliant on headroom a cap may remove.
- 3. Financial efficiency over time:** Efficiency will accumulate over time. We should seek to manage the amalgamated balanced sheet to lower the cost of borrowing.
- 4. Shared regional benefit:** The benefits of amalgamation should be shared across the region. Financial gains from scale, efficiency and a stronger balance sheet should support better outcomes for all communities, while recognising different starting points and service needs.

We have identified key risks and mitigations associated with the transition

TIMING RISKS

1

Risk: The Head Start pathway compresses what has historically been a multi-year reorganisation. Insufficient time to develop a credible model, test it with communities, complete iwi and PSGE engagement, and assemble full financial analysis has constrained the proposal.

Mitigation: Should the proposal be supported, Councils will require active support from Central Government, establishment of a dedicated programme office, early engagement with DIA officials and dedicated funding.

INSUFFICIENT REGIONAL ALIGNMENT

2

Risk: The proposal requires a majority of directly affected councils or population to be eligible. Councils across the region are at genuinely different stages. Fragmented or contested support could undermine the proposal's credibility and legitimacy.

Mitigation: Continue to use the Mayoral Forum to build alignment. Secure early Government support for additional areas of support or exploration through regional or city deal arrangements.

TREATY PARTNERSHIP RISKS

3

Risk: The Government criteria do not sufficiently address Treaty obligations, yet meaningful engagement and Mana Whenua partnership are essential to a legitimate proposal. Insufficient time, inadequate engagement processes, or proposals that do not give effect to existing Treaty settlements could weaken both political and community support.

Mitigation: Ensure mana whenua are involved in a meaningful way in partnership with Councils and that the Government works actively to support its Treaty obligations directly.

COMMUNITY LEGITIMACY AND ENGAGEMENT RISK

4

Risk: Structural change requires community endorsement, but the Head Start timeframe limits formal engagement before the deadline. This gives rise to risks including in terms of currently Local Government Act requirements.

Communities may perceive the process as rushed or imposed, particularly where local identity is strong.

Mitigation: Councils have undertaken informal community testing during the work programme (within the timeframe provided) to surface concerns and shape the model. Transitional LTP and consultation provisions may be required to support any change proposals.

FINANCIAL AND TRANSITION RISK

5

Risk: Reorganisation carries real transition costs, including systems consolidation, change management and potential stranded costs. Optimistic savings claims or underestimated transition costs, could damage credibility with communities and are exacerbated by the timing that has been provided.

Mitigation: High level financial modelling has been conservative. Further work will need to be undertaken to present transition costs and benefits transparently with sensitivity analysis; benchmark against prior reorganisations; and build a phased implementation plan that sequences systems consolidation and capability transfer to manage cashflow and delivery risk.

Indicative legislative amendments to support our proposal (1/3)

AMENDMENT SOUGHT	HIGH LEVEL DESCRIPTION	PRIMARY LEGISLATIVE VEHICLE
ESTABLISHMENT AND STRUCTURAL ARRANGEMENTS		
Bespoke establishment legislation and restructuring Orders	Empower the reorganisation through bespoke legislation, regulation or restructuring Orders, following the 1989 precedent of Orders in Council giving effect to final reorganisation schemes under section 36 of the Local Government Act 1974, and the Auckland precedent of dedicated establishment Acts. Instruments would specify the boundaries of the new authority, the transfer of functions, assets, liabilities and staff, and the disestablishment of existing councils.	New Act and/or Orders in Council; modified application of Local Government Act 2002, Schedule 3
Statutory Transition Board	Establish a Transition Board in legislation with defined membership, powers and decision rights to lead implementation ahead of establishment day, including authority over organisation design, appointments and transition budgets (consider the Auckland Transition Agency precedent).	Bespoke establishment legislation
Governance structure specified in legislation	Specify in legislation the number of elected members at each layer of the new regional structure, the voting system, and boundaries and representation arrangements. The existing representation review timeline, process and public consultation requirements cannot be accommodated within the Head Start timeline to 2028, so these matters must be settled directly by the establishment instruments.	Bespoke establishment legislation; disapplication of Local Electoral Act 2001 representation review provisions
Community council powers and participative democracy arrangements	Specify in legislation the powers, functions and delegations of community councils and the associated participative democracy arrangements, rather than leaving these to post-establishment decisions of the new authority. This provides certainty to communities about the local layer before the inaugural election (compare the local board provisions in the Auckland legislation).	Bespoke establishment legislation
Mana whenua and Maori representation arrangements and Treaty settlements	Provide bespoke mana whenua and Maori representation arrangements in legislation, recognising that the standard statutory processes for establishing Maori wards and constituencies cannot be completed within the Head Start timeline. Include any bespoke arrangements related to existing Treaty settlement legislative requirements with a focus on those arrangements that impact decision making rights, committee structures and governance arrangements.	Bespoke establishment legislation; modified application of Local Electoral Act 2001, potential Treaty settlement legislation amendments (unless new mechanism created)

Indicative legislative amendments to support our proposal (2/3)

AMENDMENT SOUGHT	HIGH LEVEL DESCRIPTION	PRIMARY LEGISLATIVE VEHICLE
ELECTORAL TIMING AND PROCESS		
Deferral of current representation reviews	Relieve affected councils of the requirement to undertake representation reviews currently scheduled under the Local Electoral Act 2001, avoiding abortive effort and public consultation on arrangements that will be superseded by amalgamation.	Amendment to, or Order modifying, Local Electoral Act 2001
Timing of inaugural election	Consider providing for the inaugural election of the new authority (organisation rather than representation) in mid 2029 rather than at the October 2028 triennial election, aligning establishment day with the financial year and providing a longer implementation runway. This would require consequential extension of the terms of existing elected members or interim governance arrangements.	Bespoke establishment legislation; modification of Local Electoral Act 2001 triennial election provisions
Expedited remuneration determinations	Require the Remuneration Authority to make expedited determinations of remuneration for elected members at each layer of the new regional structure, within timeframes specified in legislation, so that remuneration is settled before nominations open for the inaugural election.	Direction in bespoke establishment legislation; Remuneration Authority Act 1977; Local Government Act 2002, Schedule 7
Modification of poll provisions	Current poll requirements could delay or prevent implementation of Head Start proposals. Consider either suspending the poll requirement for Head Start proposals, making poll results non-binding, or requiring a minimum participation threshold (for example 60% voter turnout) before a poll is binding.	Amendment to Local Government Act 2002, Schedule 3
FINANCIAL AND PLANNING TRANSITION		
Deferral of rates capping implementation	Delay the application of the proposed rates capping framework to affected councils and to the new authority for a defined transition period, so that transition costs and rates harmonisation can be funded and managed without breaching the cap.	Transitional provisions in rates capping legislation or bespoke establishment legislation
Deferral of long-term plan preparation	Defer the statutory requirement for disestablishing councils to prepare and adopt long term plans falling due before amalgamation, with the new authority preparing its first long term plan after establishment. Enhanced annual plans could apply in the interim, avoiding significant expenditure on plans that would be immediately superseded.	Modification of Local Government Act 2002, Part 6 (Auckland transitional provisions precedent)

Indicative legislative amendments to support our proposal (3/3)

AMENDMENT SOUGHT	HIGH LEVEL DESCRIPTION	PRIMARY LEGISLATIVE VEHICLE
IMPLEMENTATION SUPPORT AND OVERSIGHT		
Local Government Commission role and resourcing	Clarify and resource the role of the Local Government Commission in supporting implementation, including any function in hearing objections and appeals on Head Start proposals, with an associated statutory mandate and appropriation.	Amendment to Local Government Act 2002; Budget appropriation
Transport related implementation	Integrating Transport infrastructure planning and investment – this group of assets is a significant regional investment and current spread across multiple agencies including the Crown. The governance structure for transport in a new model should consider the opportunity for greater Crown and local alignment around funding and operational decisions. This could include joint governance models.	Potential changes to regional land transport committees or funding arrangements in transport

Technical appendix 2

Te Tiriti partnership and settlement obligations

Mana whenua of the region

Mana whenua relationships across the region span the urban centres and the Wairarapa and extend well beyond the current administrative boundaries. They are place-based, not bounded the way council boundaries are. Multiple iwi may hold mana whenua in relation to the same places, particularly along the Kāpiti coast and around Te Whanganui-a-Tara, where settlement history, migration and Treaty arrangements recognise overlapping interests.

Iwi	Location (broad)	Entity
Taranaki Whānui ki te Upoko o te Ika	Wellington City and the Hutt Valley	Port Nicholson Block Settlement Trust
Ngāti Toa Rangatira	Porirua, Kāpiti, and across Cook Strait into Te Tau Ihu	Te Rūnanga o Toa Rangatira
Te Ātiawa ki Whakarongotai	Waikanae and the Kāpiti coast	Ātiawa ki Whakarongotai Charitable Trust
Ngāti Raukawa ki te Tonga / Ngā Hapū o Ōtaki	Ōtaki and the northern Kāpiti coast, into Horowhenua	Ngā Hapū o Ōtaki
Rangitāne o Wairarapa	Western and central Wairarapa	Rangitāne Tu Mai Ra Trust
Ngāti Kahungunu ki Wairarapa	Eastern and southern Wairarapa	Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua Settlement Trust
Muaupoko	Horowhenua heartland (Horizons region); in scope only if the district is included	Muaupoko Tribal Authority
Rangitāne o Manawatū	Northern Horowhenua and the Manawatū	Rangitāne o Manawatū Settlement Trust
Ngāti Tūkorehe	Kuku, southern Horowhenua	Te Iwi o Ngāti Tūkorehe Trust
Ngāti Wehi Wehi	Manakau, across the regional boundary	Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi
Te Tūmatakahuki	Horowhenua, Raukawa ki te Tonga collective	Te Tūmatakahuki (Inc.)

Mana whenua entities extend beyond the post-settlement structure

Mana whenua standing is not held through post-settlement governance entities alone. It is also carried by representative rūnanga, by ahu whenua land trusts, and by marae. Several of these hold Treaty-like relationships with councils through Tākai Here memoranda of partnership. They are not PSGEs, but they are mana whenua, and the new model must carry these relationships through.

Entity	Type	Tākai Here (relationship)	Note
Te Rūnanganui o Te Āti Awa ki Te Upoko o Te Ika a Māui	Representative rūnanga for Te Āti Awa, not a PSGE	Wellington City and Hutt City	Represents Te Āti Awa in Te Whanganui-a-Tara. The settlement entity for the same people is the Port Nicholson Block Settlement Trust.
Wellington Tenths Trust	Ahu whenua (Māori land) trust	Hutt City	Beneficial owners descend from the Te Āti Awa, Ngāti Tama, Taranaki and Ngāti Ruanui hapū of 1839. About 81 hectares.
Palmerston North Māori Reserve Trust	Ahu whenua trust, 1866 origin	Hutt City	Sister trust, created when the Crown exchanged Te Āti Awa land interests in Wainuiomata and Lower Hutt for land now in central Palmerston North.
Te Tatau o Te Pō and Waiwhetū marae	Marae	Hutt City	Marae as Tākai Here partners in their own right

Most iwi in the region carry settlement legislation

Most iwi in the region carry Treaty settlement legislation and the relationship instruments that sit alongside them. These settlements are already in law. They sit outside local government reforms and cannot be removed by a council decision or an ordinary law change. Not every iwi in the region has settled. Where a settlement is not yet in place, the same durability must be carried by the establishing legislation for the new entity, and the door must stay open for later settlements to be recognised on the same footing.

The following table was compiled as a desktop exercise in June 2026. Figures provided are approximate, statuses change, and it is not a substitute for engagement. This list must be confirmed with each iwi before being relied on.

Iwi / entity	Act and status	Key redress and co-governance
Taranaki Whānui ki te Upoko o te Ika Port Nicholson Block Settlement Trust	Port Nicholson Block Claims Settlement Act 2009. Settled.	~\$25m financial; sale-and-leaseback and deferred selection incl. Shelly Bay; 13 statutory acknowledgements incl. Wellington Harbour and Hutt River; 18 sites vested incl. Matiu, Mokopuna, Makaro and Parangarahu lakebeds; 8 place names; 100-year RFR; Harbour Islands Kaitiaki Board (equal with DOC).
Ngāti Toa Rangatira Te Rūnanga o Toa Rangatira	Ngāti Toa Rangatira Claims Settlement Act 2014. Settled.	~\$70.6m financial incl. \$10m for Cook Strait maritime domain; statutory acknowledgements over Cook Strait, Te Awarua-o-Porirua and Wellington Harbour; Poutiaki kaitiaki redress and Cook Strait Forum; Whitireia Park joint board; 21 place names; long-term RFR; full ownership of Kāpiti and Mana Islands vested 31 Dec 2024.
Te Ātiawa ki Whakarongotai Ātiawa ki Whakarongotai Charitable Trust	No comprehensive settlement. Within Wai 2200. Tribunal Waikanae report (2022) urged negotiation.	Pre-settlement. Crown relationship still being formed. Recognised iwi authority under the RMA. Confirm status with the iwi.
Ngāti Raukawa ki te Tonga / Ngā Hapū o Ōtaki	No comprehensive settlement of Ngāti Raukawa ki te Tonga. Within Wai 2200. (Distinct from the Waikato Raukawa settlement.)	Pre-settlement. Confirm status and entity with the iwi.
Rangitāne o Wairarapa Rangitāne Tu Mai Ra Trust	Rangitāne Tu Mai Ra (Wairarapa Tāmaki nui-a-Rua) Claims Settlement Act 2017. Settled.	~\$32.5m financial; right to buy 30% of Ngaumu Forest; statutory acknowledgements over the Ruamahanga and Manawatu rivers; Pukaha / Mount Bruce vested and gifted back; Rimutaka corrected to Remutaka; shared Wairarapa Moana co-governance.
Ngāti Kahungunu ki Wairarapa Kahungunu ki Wairarapa Tāmaki nui-a-Rua Settlement Trust	Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua Claims Settlement Act 2022. Settled.	~\$115m financial and commercial; right to buy 70% of Ngaumu Forest; 27 sites vested; ~30 place names; statutory acknowledgements across the eastern Wairarapa; bed of Lake Wairarapa jointly vested; shared Wairarapa Moana co-governance.

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Treaty settlements continued

Iwi / entity	Act and status	Key redress and co-governance
Muaupoko Muaupoko Tribal Authority	No comprehensive settlement. In negotiation since Terms of Negotiation in 2013; not yet at Agreement in Principle. Tribunal priority report 2017.	Pre-settlement. The 2017 Tribunal report recommended legislated kaitiaki governance of Punahau, Lake Horowhenua, and the Hokio Stream, still outstanding. A future settlement is likely to create a statutory lake-governance entity. In scope as Horowhenua is under consideration for inclusion. Confirm status with the iwi.
Rangitāne o Manawatū Rangitāne o Manawatū Settlement Trust	Rangitāne o Manawatū Claims Settlement Act 2016. Settled.	About \$13.5m financial and commercial; 11 sites vested as conservation land; statutory acknowledgements and protocols. Rohe centred on the Manawatū, reaching into northern Horowhenua; primary regional partner is Horizons
Ngāti Tūkorehe Te Iwi o Ngāti Tūkorehe Trust	No comprehensive settlement. Within Wai 2200.	Pre-settlement. Horowhenua District Council partner, based around Kuku, south of Levin. Confirm status with the iwi.
Ngāti Wehi Wehi Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi	No comprehensive settlement. Within Wai 2200.	Pre-settlement. Horowhenua District Council partner, based at Manakau; rohe extends across the Greater Wellington boundary.
Te Tūmatakahuki (Inc.)	No comprehensive settlement. Within Wai 2200 ambit.	Represents 12 hapū and marae of Ngāti Raukawa ki te Tonga in Horowhenua. Horowhenua District Council partner; memorandum of partnership signed December 2024.

Co-governance and co-management arrangements are in place

A range of co-governance and co-management arrangements already operate across harbours, lakes, islands and catchments, most of it created by settlement and sitting in statute. Any new entity would inherit these arrangements.

Arrangement	What it is, and who sits on it	Basis
Wairarapa Moana Statutory Board	Guardian of Wairarapa Moana and the Ruamahanga catchment. Ten members, an even iwi and Crown/council split: four Ngāti Kahungunu, one Rangitāne, two Minister of Conservation, two Greater Wellington, one South Wairarapa. Inaugural meeting March 2024.	Te Rohe o Rongokako Joint Redress Act 2022
Harbour Islands Kaitiaki Board	Co-governs the Mātiu, Mokopuna and Makaro island reserves in Wellington Harbour. Equal Department of Conservation and Taranaki Whānui membership.	Port Nicholson Block Act 2009
Whitireia Park joint board	Controls Whitireia Park and adjacent reserves at Porirua. Members appointed by Greater Wellington and Ngāti Toa.	Ngāti Toa Act 2014
Parangarahu Lakes comanagement (Ropu Tiaki)	Co-management of Lakes Kohangapiripiri and Kohangatera in East Harbour Regional Park between Greater Wellington and Taranaki Whānui. Plan adopted 2015.	Port Nicholson Block Act 2009
Te Wai Ora o Parirua / Porirua Harbour Accord	A multi-party accord to restore the mauri of Te Awarua-oPorirua. Signed Waitangi Day 2025 by Ngāti Toa, Greater Wellington, Porirua City, Wellington City and Wellington Water. A shared-vision accord, not a statutory body.	Relationship accord, Feb 2025
Cook Strait Forum / Poutiaki Plan	Recognises Ngāti Toa as kaitiaki of Cook Strait. Cochaired by Greater Wellington and Marlborough, with a Poutiaki Plan councils must consider.	Ngāti Toa Act 2014
Te Kauru floodplain management	Collaborative Greater Wellington subcommittee for the upper Ruamahanga, with Masterton, Carterton, Ngāti Kahungunu ki Wairarapa and Rangitāne. A collaborative body, not statutory co-governance.	GWRC subcommittee, 2014
Lake Horowhenua Accord (Punahau)	Collaborative restoration of Punahau, Lake Horowhenua and the Hokio Stream, led by the Lake Horowhenua Trust (the Muaupoko-owned lakebed) with the Horowhenua Lake Domain Board, Horowhenua District Council, the Department of Conservation and Horizons. A restoration partnership, not the statutory co-governance the Waitangi Tribunal recommended in 2017.	Relationship accord, 2013; Tribunal recommended statutory governance still Outstanding.



Letter from Mayors

Dear Minister



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Executive summary



Executive summary

This proposal seeks agreement to establish a single Wairarapa unitary authority through the amalgamation of:

- South Wairarapa District Council
- Carterton District Council
- Masterton District Council, and
- the transfer of relevant regional council functions currently exercised by Greater Wellington Regional Council in the Wairarapa.

It is jointly submitted by the three Wairarapa territorial authorities. This initiative is a locally led response to the Government's Head Start pathway and reflects a strong preference for these councils to shape their own future governance arrangements. Community testing indicates support for a Wairarapa-based model and for councils to lead reform through the Head Start pathway (80.5% of respondents supported the Wairarapa unitary option).

Wairarapa functions as a distinct region separate from the rest of Wellington, with significant land area and its own catchments, service patterns, economic relationships and mana whenua connections. The Wairarapa is a distinct community of interest with unique challenges, opportunities and strengths. These are best met through the formation of a single Wairarapa unitary authority.

The proposal meets the Government's five assessment criteria and presents a practical, locally led pathway to establish one accountable Wairarapa authority for Wairarapa-focused matters:

- **Supports the new planning system** by building from the Wairarapa Combined District Plan and existing planning collaboration. A Wairarapa unitary authority would provide one integrated framework for land use, spatial, natural environment, infrastructure, freshwater, catchment and flood protection planning.
- **Simplifies local governance** by replacing split accountability across three district councils and Greater Wellington Regional Council with one authority responsible for Wairarapa-focused decisions. Limited regional interfaces would remain where wider scale or network coordination is required (e.g. public transport).
- **Delivers economies of scope and practical scale** by bringing local and regional functions into one organisation, strengthening capability, eliminating remaining duplication and providing operational resilience.
- **Strengthens local voice** by designing representation around Wairarapa communities of interest including towns, rural communities, coastal communities, catchments, and Māori. Local voice is a core design condition. A proposed Wairarapa regional boundary also matches the rohe boundaries for Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa.
- **Is deliverable** because the proposed authority has a clear end-state and builds from existing shared services, joint planning arrangements, and mature working relationships. It is further supported by the previous amalgamation in 2013 and 2017 work and the transfer of water services to Wāiti Waters. This reduces transition complexity and provides a strong foundation for design and implementation of this undertaking.



Benchmarking indicates that Wairarapa is at a feasible scale for a unitary authority, particularly when assessed against comparable existing rural and provincial unitary councils.

Unification will deliver improved accountability, capability, alignment of decision making and the long-term sustainability of local government services for the Wairarapa.

Key issues to address are public transport, the Wairarapa Wellington inter-regional cross subsidiary and levels of service for the Wairarapa.

A dedicated transition governance arrangement would be established immediately following Government approval to oversee detailed design, manage risks and prepare for implementation.

The proposal uses a staged transition: governance is established first, the delivery organisation is then stood up by the 2028 local elections. Systems, services and operating arrangements are integrated over time. This approach supports service continuity and implementation of other reform most notifiable the new planning system.

The Wairarapa councils believe this proposal represents a practical, credible and locally supported opportunity to simplify governance, strengthen accountability and create a governance model that better reflects how the Wairarapa functions as a distinct region. The proposal is therefore recommended for progression to the detailed design phase of the Head Start pathway.



Summary of the Government's criteria

Criteria	Met	Key points
1 Supports the new planning system		✓ Builds from the combined district plan and existing Wairarapa planning collaboration and leveraging a Combined District Plan. ✓ One planning system for Wairarapa matters. ✓ Aligns land use, infrastructure, freshwater, flood protection and growth planning.
2 Simplifies local governance		✓ Replaces split accountability with one Wairarapa authority for Wairarapa-focused matters. ✓ Reduces duplicated governance, remaining policies, consultation, reporting and administration. ✓ Moves existing collaboration toward unified governance.
3 Economies of scale		✓ Creates economies of scope by bringing territorial and regional functions together. ✓ Improves capability, procurement, asset planning and specialist workforce resilience. ✓ Uses existing shared services and systems as a transition base.
4 Maintains local voice		✓ Representation through wards/catchment model to best reflect communities of interest. ✓ Treats local voice as a design condition, not an implementation detail. ✓ Requires practical input for towns, rural communities, coastal communities, iwi and mana whenua.
5 Deliverability		✓ Has a clear end-state by the 2028 local elections. ✓ Builds from existing Wāiti Waters transition and previous amalgamation proposals. ✓ Uses day one service continuity as the central test.

Overview and eligibility



Eligibility

This proposal is eligible for the Head Start pathway because it is a joint proposal from the three Wairarapa territorial authorities.

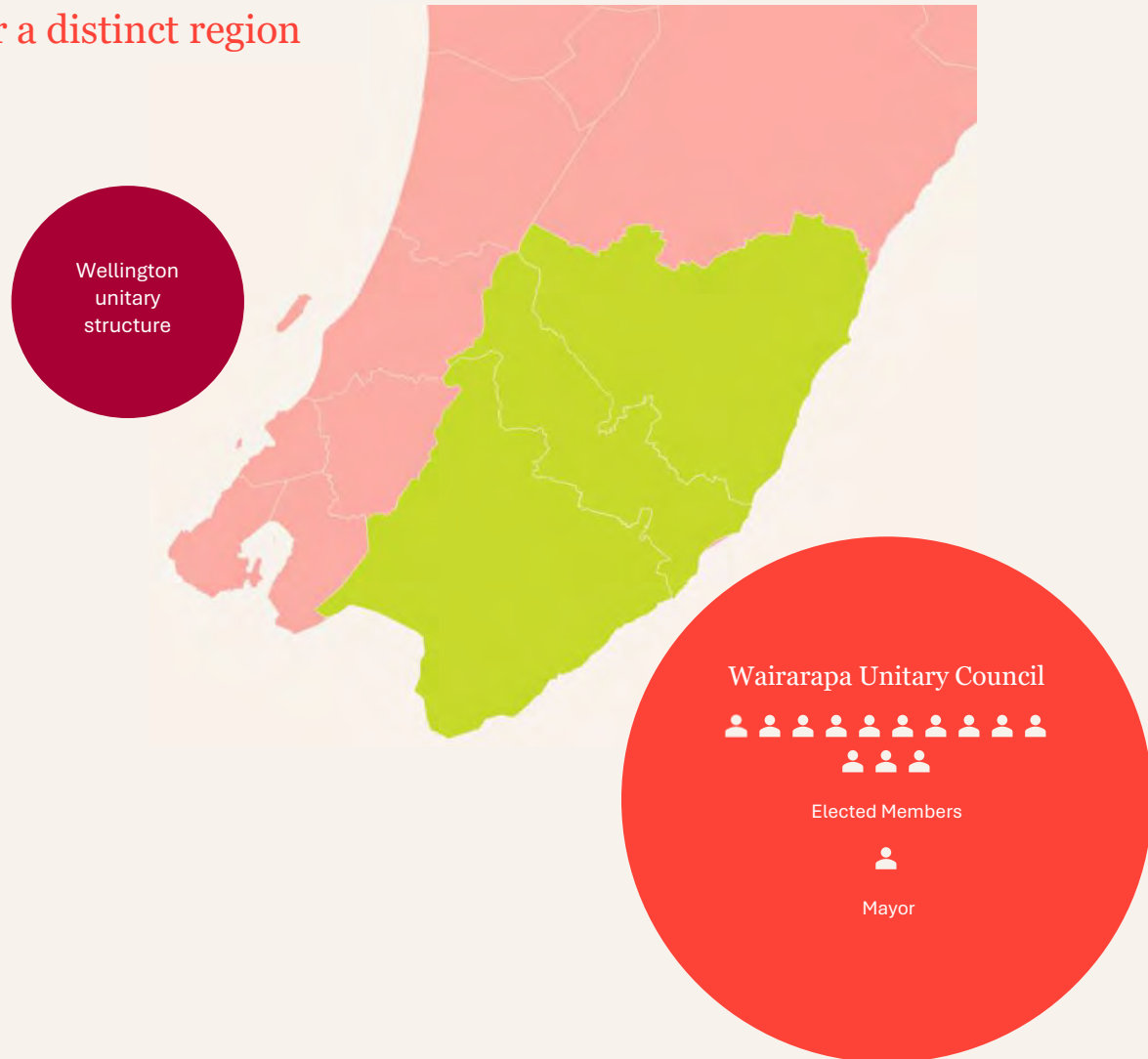
Requirement	Meets	Rationale
Joint proposal	✓	Submitted by Masterton District Council, Carterton District Council and South Wairarapa District Council. Together, they represent all directly affected territorial authorities in the proposed Wairarapa area.
Majority support test	✓	The three submitting councils represent 100% of the directly affected territorial authorities in the proposed area. This satisfies the Head Start majority test.
Creation of a unitary authority	✓	Establishes a new Wairarapa unitary authority by combining territorial authority functions with relevant regional council functions for the Wairarapa.
Fewer local authorities overall	✓	Replaces three territorial authorities with one Wairarapa unitary authority and transfers relevant regional functions into that authority.
Regional function delivery	✓	Relevant regional council functions currently exercised by Greater Wellington Regional Council in the Wairarapa would transfer, be shared, or be otherwise provided for, through the new model.
Avoids fragmentation of key regional functions	✓	Functions needing wider scale, including public transport, regional transport planning, emergency management, resilience and cross-boundary planning or environmental matters, would be addressed through formal regional interfaces.
Treaty partnership and settlement continuity	✓	Proposed boundaries align with regional rohe and the proposal has iwi support. Treaty settlement redress, statutory obligations, partnership arrangements and mana whenua relationships would be preserved and enhanced through detailed design with affected iwi and Post Settlement Governance Entities (PSGEs).

Wairarapa unitary body fit for a distinct region

The model is one Wairarapa council for Wairarapa matters.

It would bring the three district councils together with the regional functions that are best managed at a Wairarapa scale. The Wairarapa land area is 74% of the Greater Wellington Region. Wairarapa communities of interest have significantly different focus, priorities and challenges from those of metro areas, which needs to be reflected in local representation. One council would give this significant region one governance system, one accountable organisation and a clearer way to plan, fund and deliver services for Wairarapa communities.

The model is a strong fit because the Wairarapa already functions as a distinct and connected region. Its towns, rural communities, catchments, economy, iwi and mana whenua relationships and service patterns are linked across current council boundaries. The proposal turns that reality into a practical governance model, with one Wairarapa authority for Wairarapa matters and formal regional interfaces where wider Wellington coordination remains necessary.





Regional function allocation

The starting proposition is that Wairarapa functions should be delivered by the Wairarapa unitary authority unless there is a clear reason for a wider inter-regional arrangement.

Most regional functions exercised in the Wairarapa have a strong Wairarapa focus and can be delivered by a Wairarapa unitary authority. Wider interfaces would be retained only for limited functions where network integration, specialist capability or funding scale is required, such as public transport, harbourmaster functions and emergency management.

Function	Proposed treatment	Justification	Detailed design issue
Spatial, land and natural environment planning	Delivered by the Wairarapa unitary authority	Aligns with territorial authority functions	Align spatial plan boundaries with unitary boundary
Freshwater and catchments	Delivered by the Wairarapa unitary authority	Fits with catchment-based planning systems	-
Emergency management	Delivered locally and supported by contracted arrangement	Existing WREMO capability	Confirm service agreement and accountability
Environmental monitoring	Delivered by the Wairarapa unitary authority	Requires technical capability	Confirm data, systems, hydrology and monitoring arrangements
Compliance and enforcement	Delivered by the Wairarapa unitary authority	DIA guidance notes a possible national regulator	Maintain flexibility pending national policy decisions
Public transport and investments	Likely joint arrangement (CCO) as discussed in Greater Wellington Mayoral Forum	Wairarapa rail and Metlink interfaces	Confirm funding, service levels and governance
Maritime regulation and harbourmaster functions	Joint arrangement to be confirmed through detailed design	Specialist function where wider capability may support effective delivery	Confirm coastal service levels and accountability



Our approach to developing this proposal

A locally led proposal

This proposal has been developed jointly by the participating councils through the Wellington and Wairarapa Regional Mayoral Forum and the Wairarapa councils working group.

It reflects a shared regional view that councils are well placed to lead the design of future arrangements through the Head Start pathway and shape a model that reflects Wairarapa conditions.

The proposal has been shaped by:

- community testing
- iwi and Post-Settlement Governance Entity (PSGE) engagement
- existing Wairarapa collaboration and shared service experience
- evidence on communities of interest, service patterns, catchments, transport, affordability and financial sustainability
- assessment against the five Cabinet criteria for Head Start proposals.

It reflects a shared regional view that reform can be delivered in a practical, staged way within the Head Start timeframe.

Community testing and public sentiment

Community testing indicates a clear preference for a Wairarapa-based model over integration into a wider Wellington authority.

The key messages from community feedback are:

- **strong support for a Wairarapa authority**, with 80.5% of survey respondents supporting a single, unified Wairarapa authority
- **strong support for councils leading the process**, with 94.3% of respondents supporting councils taking control through the Head Start pathway rather than waiting for government intervention
- **high value placed on local delivery**, particularly for community facilities, parks, reserves and community development
- **clear accountability for local decisions** identified as the highest-ranked representation priority
- **value for money and quality of infrastructure and services** identified as the top community priorities.

The proposal has also been informed by engagement with Māori and relevant PSGEs. It is supported by Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa.

The intention is that reform strengthens these relationships rather than disrupts them and provides the opportunity for far stronger alignment of decision making, investment, and services for the Wairarapa community.



Options considered

The councils considered a range of options to test the right scale for future governance. The preferred model is a Wairarapa unitary authority because it best matches the region's communities, catchments, service patterns and existing collaboration. It provides one accountable council for Wairarapa matters, while retaining regional arrangements where wider Wellington scale is still needed.

The councils considered several broad options before identifying a Wairarapa unitary authority as the preferred model.

Status quo with continued collaboration

Retains the three Wairarapa district councils and Greater Wellington Regional Council's current regional role.

Continued collaboration would build on existing Wairarapa relationships, but would still require separate plans, decisions, systems and funding processes for issues that operate across the whole Wairarapa.

Wider Wellington-Wairarapa unitary authority

Creates one larger unitary authority for the wider region.

A wider Wellington Wairarapa model would provide greater regional scale, but would need deliberate safeguards to maintain Wairarapa visibility, local service settings, rural and catchment based priorities, and effective representation.

Wairarapa + Tararua unitary model

Recognises natural relationships north and east of the Wairarapa, including rural economy, service, infrastructure and resilience connections with Tararua.

This may be a logical future option, including for one of the two main PSGEs whose interests extend from north of Dannevirke down to Cape Palliser. Tararua is not in a position to commit at this stage. It is therefore not proposed for the current Head Start timeframe, though the three councils would welcome Tararua's future involvement if desired.

Legislative backdrop

The Head Start pathway gives the Wairarapa councils the opportunity to lead the design of a model that reflects local conditions, including rural catchments, smaller towns, mana whenua relationships, local service centres and community preference.

The timing is strategic, building on Wairarapa amalgamation work in 2013 and 2017, and by the transfer of water services to Wāiti Waters. This reduces transition complexity and provides a stronger foundation for implementation.

A Wairarapa unitary council as the preferred option

For the Wairarapa, the key question is “what is the right scale and focus for the functions, communities and systems that already operate across the Wairarapa?”

The Wairarapa case is that scale should match the functions, communities and systems being governed.

Benchmarking of other regional and unitary councils shows that scale can matter for some activities, particularly where there are fixed costs, specialist capability requirements or opportunities to reduce duplication. However, it also shows that the benefits of scale are not unlimited and that larger arrangements can create their own costs, complexity and accountability challenges.

Wairarapa appears to be a feasible unitary structure comparable to existing South Island unitary councils in size (population, land and rural/urban need).

Right-sized

The Wairarapa case is not that bigger is better. It is that the model is large enough to support unitary functions and specialist capability, focused enough to keep Wairarapa priorities visible in planning, investment and service decisions.

Focused

The model keeps rural land use, catchments, flood protection, town-based services, mana whenua relationships and local infrastructure visible within one Wairarapa-focused council.

Connected

The model preserves regional interfaces where Wellington scale is still needed, including public transport, regional transport planning, emergency management, resilience and cross-boundary matters.

Accountable

It gives Wairarapa one clearer point of accountability for Wairarapa-wide decisions, instead of relying on coordination across three district councils and a wider metropolitan regional council.

Our case for change



Building from strong Wairarapa collaboration

The case for change is not that existing councils have failed to collaborate. They have built a strong platform of shared arrangements. The next step is to align that operational collaboration with one governance framework for Wairarapa wide decisions.

Why a single Wairarapa council is the next step?

- **Governance can better reflect how the Wairarapa works.** Wairarapa functions as one rural and provincial subregion with decisions currently split across three district councils and Greater Wellington Regional Council.
- **Clear accountability for Wairarapa wide matters.** A single Wairarapa authority would make it easier for residents to understand who is responsible for decisions that affect more than one local community and would support more direct, timely decision making.
- **Wairarapa and metropolitan Wellington have different planning and service profiles.** Wairarapa needs are rural, catchment-based and town-focused, while wider Wellington priorities are strongly urban (e.g. housing growth, congestion, public transport and network renewal).
- **Existing collaboration provides the foundation for unified governance.** The Wairarapa councils have existing shared services, joint arrangements and some aligned systems. The issue is not whether they can work together. They already do.
- **Decision-making can be more direct and easier to understand.** Important choices often require alignment between several governance bodies, officer groups, consultation processes, funding decisions and implementation plans.
- **A single organisation can strengthen specialist capability.** Three smaller councils are competing for the same specialist skills in planning, regulation, infrastructure, finance, digital, environmental management and transition delivery.
- **The Wairarapa council model can strengthen financial sustainability.** Bringing rating, investment and service decisions into one Wairarapa organisation would allow funding choices to be tested against local priorities, assets and affordability. This would support clearer trade-offs, more targeted investment in Wairarapa infrastructure and resilience, and a stronger focus on the issues that matter most to Wairarapa communities.
- **Infrastructure and resilience settings require integrated planning.** Wairarapa has a large road network, rural infrastructure, resilience and flood protection costs and settlement spread relative to its population.
- **A unitary model would align accountability with delivery.** Bringing core decisions and delivery into one organisation would make Wairarapa-wide choices clearer and easier to implement.



Existing Wairarapa shared services, joint arrangements and aligned systems

These arrangements show that the Wairarapa councils are already working at a Wairarapa scale. This provides an important foundation for transition because the proposal is not starting from a blank sheet. It is building on established Wairarapa-wide ways of working.

Planning	Wairarapa Combined District Plan and associated shared support and technical advisory services	Systems	ePlan hosting GIS hosting
Bylaws	Wairarapa Consolidated Bylaws	Visitor economy	Destination Wairarapa funding
Regulatory settings	Wairarapa regulatory policies	Business support	Business Wairarapa funding
Alcohol licensing	Wairarapa District Licensing Committee joint list	Dark sky initiative	Dark Sky coordinator funding
Solid waste	Three-council Wairarapa solid waste contract	Employment initiatives	Mayor's Taskforce for Jobs joint service delivery model
Shared roading	Shared roading services between South Wairarapa and Carterton	Building consent	Processing of consents
After hours services	Animal management	Insurance	
Emergency management	Emergency Management Wairarapa	Utilities procurement	Electricity
Water services	Wāiti Waters together with Tararua District	Economic development	Wairarapa Economic Development Strategy



A model built for a distinct Wairarapa

A Wairarapa region is connected to metropolitan Wellington, but it is not simply an eastern extension of the city. Its communities, catchments, economy and service patterns point to a coherent Wairarapa community of interest. The evidence shows two complementary but different regional systems.

Wairarapa is a rural and provincial community with distinct catchments, service patterns, mana whenua relationships and affordability considerations. Metropolitan Wellington has a larger urban population, different growth pressures, major public transport networks and significant infrastructure renewal needs. A Wairarapa unitary authority would allow each set of priorities to be addressed at the scale that best fits the communities and functions involved, while retaining regional interfaces where they add value.

Indicator	Wairarapa	Wellington urban
Population and scale	51,400 people 9% of regional population about 6,000 km ² about 9 people per km ²	433,900 people 80% of regional population about 1,400 km ² about 310 people per km ²
Growth to 2053	19.7% (average)	13%
Age and dependency	Older age profile, dependency ratio 72.6%	Younger working-age profile, dependency ratio 48.7%
Economic role	\$3.2b GDP 5.7% of regional GDP 21,862 filled jobs 6.8% of regional jobs	Wellington City \$35.8b GDP 63.5% of regional GDP 188,385 jobs 58.5% of regional jobs
Income and affordability	Average earnings \$63,714 Housing affordability: 4.7	Average earnings: \$83,350 Housing affordability 4.7
Movement and connectivity	Wairarapa to Upper Hutt: 10,202 daily crossings SH2 and Wairarapa rail line 86% of Wairarapa resident spend stays in Wairarapa	Kāpiti to Porirua: 45,131 daily crossings Wellington CBD attracts about 40% of commuter trips Wellington residents spend 81% in Wellington City



Indicator	Wairarapa	Wellington urban
Local spend	75% of spend in Wairarapa merchants comes from Wairarapa residents 86% of Wairarapa residents' spend is in Wairarapa	59% of spend in Wellington City merchants comes from Wellington residents 81% of Wellington residents' spend is in Wellington City
Environment and catchments	Ruamāhanga River system Wairarapa Moana large rural catchments productive land, freshwater and floodplain management	Wellington Harbour Porirua Harbour Hutt River urban stormwater, contaminants and network capacity
Mana whenua and settlements	Rangitāne o Wairarapa Ngāti Kahungunu ki Wairarapa Wairarapa Moana and Te Rohe o Rongokako arrangements	Ngāti Toa Rangatira Taranaki Whānui ki te Upoko o te Ika Te Ātiawa ki Whakarongotai Ngā Hapū o Ōtaki

Several points are particularly important:

- Masterton is the main subregional service centre, supporting employment, education, retail, public services and health access for the wider Wairarapa.
- Wairarapa Hospital in Masterton anchors the local health catchment for Masterton, Carterton, South Wairarapa and outlying rural communities.
- The Wairarapa has transport links in more than one direction, with Wellington connections through State Highway 2 and the Wairarapa rail line, and practical northern links to Tararua and Palmerston North.
- Public transport is a regional interface that should be tested through detailed design.
- Investment decisions can and are being made in the Wairarapa. Examples include Hood Aerodrome, the Waingawa Industrial Park, and strategic water and flood protection infrastructure. These assets have planning, operational, investment and resilience considerations that are closely linked to Wairarapa communities, economic development and service delivery outcomes. Decisions regarding their future development and funding are therefore primarily matters of Wairarapa interest and accountability.
- Consumer spend and service access patterns show that much of the everyday activity remains within the Wairarapa.

Approach to transition

The transition is credible if it is staged, disciplined and focused on the hard issues early. The proposal should not assume that all functions, systems, rates and service levels are harmonised on day one. The better approach is to establish one Wairarapa authority with clear governance, service continuity and regional interfaces, then integrate systems and settings over a managed post-establishment period.

The first transition task is to stand up governance and decision-making arrangements for the new authority. Management, systems and operational consolidation would then be sequenced underneath that governance structure, with day one service continuity as the test.

Wairarapa's shared arrangements provide a practical foundation for transition and reduce the risk of starting from a blank sheet

Transition principles

The following principles would guide the transition:

- Maintain service continuity
- Resolve the hard issues early
- Ensure community trust and confidence through engagement
- Use staged integration
- Keep inter-regional interfaces clear
- Minimise business-as-usual disruption
- Manage structural transition transparently

Priority matters for detailed design

■ Affordability and service levels

Test rating impacts, service levels, transport costs, transition costs and any Crown support needed to avoid sudden rate shocks.

■ Transport

Confirm the future governance and funding model for rail, buses, fares, regional transport planning, CentrePort and Wellington International Airport access, including whether Wairarapa participates in a wider regional transport CCO or equivalent arrangement. This is significant for Wairarapa because changes to cost allocation, ringfencing or cross-subsidisation could create material rating impacts, potentially to a level that is prohibitive.

■ Local voice

Design representation around Wairarapa communities of interest, including wards, Māori representation, catchments, rural and coastal communities, service access and effective local input into Wairarapa-wide decisions.

The reform opportunity is to translate existing Wairarapa collaboration into a single governance model that is clearer, more financially sustainable and better aligned with Wairarapa priorities.

The following section tests that opportunity against the Government's criteria, including planning system alignment, simplified governance, economies of scale and scope, local voice and deliverability.

Government criteria

Supports the new planning system

Improvements to the system

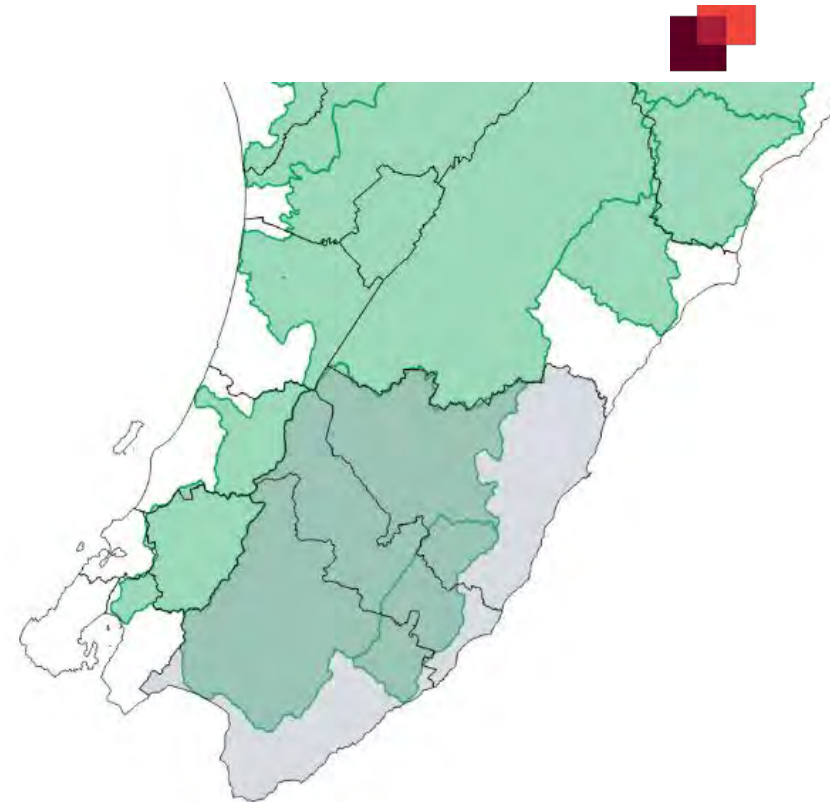
The proposal supports the new planning system by building on the Wairarapa's existing integrated planning platform, including the Combined District Plan and established planning collaboration.

A Wairarapa unitary authority would provide one institutional home for Wairarapa focused land use, freshwater, flood protection, infrastructure and growth planning, while retaining modest regional interfaces where matters extend beyond the Wairarapa (e.g., climate adaptation).

The Wairarapa is shaped by the Ruamāhanga River system and other large rural catchments. These cross current district boundaries but are contained within the Wairarapa. They connect land use, freshwater quality, floodplain management, rural production, biodiversity and climate resilience. A single authority would align planning responsibilities with the way these systems function in practice.

How the proposal improves current arrangements

This proposal reduces the need to coordinate regional and district planning functions across multiple councils. This would support more consistent decision making, reduce duplicated engagement and analysis, and give communities a clearer line of accountability for Wairarapa-wide planning choices.



Wairarapa catchments within the boundaries of the three councils.



Trade-offs and risks

The proposal would substantially simplify planning within the Wairarapa, with only a small number of clearly defined regional interfaces needing to remain. These interfaces are narrow and relate mainly to functions where wider network coordination adds value, such as transport corridors, public transport, commuter flows, emergency management, and any planning or environmental matters that genuinely extend beyond the Wairarapa. These can be managed through clear roles, decision rights and accountability arrangements with the wider Wellington region.

Transition can be managed through a clear, staged approach that protects current planning work and statutory continuity. Planning staff, systems, data, consents, plan changes, monitoring responsibilities and flood protection programmes would transfer under agreed transitional arrangements, with interim decision-making processes in place with GWRC and affected councils where needed. This would allow existing plans, designations, consents and regional workstreams to continue while the new Wairarapa unitary authority is established.

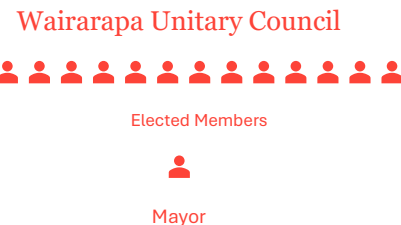
Matters to confirm through detailed design

Detailed design will confirm practical transfer arrangements for regional planning functions, with most Wairarapa planning matters able to move into the new authority in a straightforward way. Current spatial planning, natural environment planning, catchment and flood scheme work can continue, while targeted joint arrangements are confirmed for transport and emergency management.

Simplifies local governance

Improvements to the system

A Wairarapa unitary authority would simplify local governance by bringing Wairarapa-focused territorial and regional responsibilities into one council. This would replace split accountability across three district councils and Greater Wellington Regional Council with one elected body responsible for Wairarapa-wide planning, funding and delivery decisions.



A single Wairarapa authority would reduce duplicated governance, policy, engagement, reporting and administration. It would also make decision making easier to understand, with residents, iwi, businesses and partners having one clearer point of accountability for most Wairarapa matters.

How the proposal improves current arrangements

Current arrangements require communities and partners to work across several councils depending on the issue or function. This can make accountability less visible where decisions affect the whole Wairarapa.

A Wairarapa unitary authority would create one governance and funding framework for Wairarapa matters. It would make it easier to connect land use, infrastructure, environmental management, flood protection, growth, transport access and community services in one place.

This would support clearer trade-offs, more direct decision making and better alignment between strategy, funding and delivery.

Trade-offs and detailed design considerations

The main detailed design task is to balance Wairarapa-wide governance with strong local influence for Masterton, Carterton, South Wairarapa, smaller towns, rural communities and coastal communities. This can be addressed through deliberate representation design, accessible local services and clear mechanisms for local priorities to influence budgets and service levels.

A key matter will be the ratio of population to councillor appropriate for a large land mass and increased responsibilities.

Matters to confirm through detailed design

Detailed design needs to confirm the local representation model, including wards, at-large representation, community boards, local boards, committees, advisory groups, community forums or another local mechanism. It also needs to define the scope of any local delegations, how local priorities would influence budgets and service levels, and how local service access would be maintained across Masterton, Carterton, South Wairarapa, smaller towns, rural areas and coastal communities.

Detailed design will also confirm the limited inter-regional interfaces that need to remain. These should be focused on functions that genuinely require wider scale or network coordination, with clear roles, funding arrangements, decision rights and accountability.



Economies of scale

Improvements to the system

The strongest efficiency case for the Wairarapa unitary authority is economies of scope and practical scale. Bringing territorial and regional functions into one organisation would reduce structural duplication, strengthen specialist capability and improve alignment between planning, infrastructure, environmental management, flood protection and local service delivery.

How the proposal improves current arrangements

Current arrangements require three district councils, alongside Greater Wellington Regional Council, to maintain separate governance, planning, financial, policy, reporting, consultation and corporate processes for issues that often operate across the Wairarapa. Existing collaboration has reduced some duplication, but it cannot remove separate decision-making, statutory accountabilities, systems, budgets and reporting cycles. A Wairarapa unitary authority would move from coordination between councils to one organisation with a single Wairarapa-wide mandate and a single decision making framework.

A single organisation would also create a stronger platform for specialist capability, workforce planning and operational resilience, particularly in planning, environmental management, infrastructure, finance, digital and regulation.

Area	Where duplication reduces
Governance, policy and reporting	Fewer separate strategies, policies, bylaws, consultations, committee processes, reports and accountability documents.
Planning and regulation	One framework for land use, regional planning interfaces, consenting, monitoring and compliance for Wairarapa matters.
Asset management and infrastructure investment	One Wairarapa-wide approach to infrastructure, local roads, flood protection, community facilities and resilience investment.
Procurement and contract management	Fewer duplicated tenders, stronger contract management and clearer market signals for Wairarapa-wide work programmes.
Specialist capability	Less reliance on small teams and key individuals, with stronger shared capability in planning, environmental science, flood management, finance, legal, digital, regulation and infrastructure.
Corporate systems and customer service	Over time, fewer duplicated systems, processes, data sets and service channels, subject to staged integration and transition costs.



Where efficiencies may come from

Efficiencies should be framed carefully. The proposal should not promise immediate rate reductions. However, one Wairarapa organisation will provide a better platform for managing affordability, reducing duplicated processes, prioritising investment and making transparent trade-offs over time. Direct operating savings, transition costs and rating impacts should be tested through detailed design.

The evidence suggests:

- **The Wairarapa model has the strongest efficiency potential where functions already operate at Wairarapa scale**, including planning, catchments, flood protection, regulation, procurement, asset management and corporate services.
- **The Wairarapa model has the greatest potential for efficiencies.** Completed modelling made this finding in relation to the work informing the Greater Wellington Regional process.
- **Operating cost reductions are possible.** Benchmarking suggests potential operating cost reductions of **5% to 25%**, subject to assumptions about duplication, service levels, staffing, systems and regional function allocation.
- **Lower operating costs may not mean lower rates.** Under any scenario, regional rating flows, public transport funding and infrastructure renewal and resilience remain key challenges.
- **Public transport funding is a material consideration** separate from this proposal, including Metlink fares, rail, buses, regional transport planning and whether costs should be ringfenced or managed through a wider regional transport arrangement.
- **Rates, debt and reserves need fair treatment.** Detailed design should confirm what is ringfenced, what transfers, what is shared and what moves over time.

- **Transition costs need to be explicit**, including systems, staff, contracts, assets, liabilities, data and customer channels. These have been estimated as \$20 – 42 million based on 25% – 30% of combined operating costs.

Trade-offs and risks

A Wairarapa authority would strengthen local coherence, accountability and integration by matching governance to the scale at which Wairarapa communities, catchments and services already operate. While a larger model may offer greater organisational scale, it would dilute the Wairarapa focus and reduce the visibility of efficiencies that come from aligning decisions, services and investment around Wairarapa priorities. For this proposal, the right test is not size alone, but whether the model provides the clearest and most effective platform for Wairarapa outcomes.



Maintains local voice

Local voice is a core design condition for the Wairarapa unitary authority. The proposal does not treat representation as a later implementation issue. It assumes that Wairarapa-wide governance must be paired with practical local influence for towns, rural communities, coastal communities, iwi, Māori and other communities of interest.

The outline proposal uses a wards-based model as the starting point. This keeps the structure simple for Head Start while allowing detailed design to test the right ward boundaries, Māori representation, local engagement mechanisms and service access arrangements.

Wairarapa identity operates at more than one scale. There is a strong Wairarapa-wide identity, but there are also distinct local communities.

The indicative model is a wards-only council, with one mayor elected at large and councillors elected from catchments/wards.

A catchment/wards-based model would be supported by practical mechanisms for local input, including:

- local engagement plans for iwi and mana whenua, towns, rural communities and coastal communities
- regular place-based forums for local priorities such as town centres, parks, reserves and community facilities
- clear community funding processes
- accessible service centres and customer channels
- regular reporting back on decisions affecting local areas
- targeted advisory mechanisms where a clear need is identified.

The aim is to give communities visible and practical influence without creating unnecessary governance complexity.

How the proposal improves current arrangements

The current system provides district-level representation, but local influence can be indirect when decisions cut across district and regional responsibilities. A Wairarapa unitary authority would bring those decisions into one accountable Wairarapa system, so local priorities can be considered alongside Wairarapa-wide funding, planning and service choices.

Trade-offs and risks

The shift from three district councils to one Wairarapa authority is a material change, but it is also the opportunity to design local voice deliberately and consistently across the whole region. Previous Wairarapa amalgamation discussions show that communities will need confidence that local access and influence are protected. The proposal addresses this by treating local voice as a core design condition, supported by ward-based representation, accessible service points and practical mechanisms for local priorities to shape decisions.

Matters to confirm through detailed design

For a council of around 50,000 residents, an additional governance layer may add complexity without sufficient benefit. The preferred approach is to make ward design, councillor accessibility, service centres and local engagement strong enough to provide effective local influence without adding unnecessary structure. However, this will be tested as part of detailed design. The aim is a model that provides one accountable Wairarapa authority while keeping local influence clear, practical and close to communities.



Deliverability

The proposal is deliverable because it has a clear end-state and builds from an existing Wairarapa operating base. It would establish a single Wairarapa unitary authority by the 2028 local elections, with territorial and relevant regional functions brought into one organisation.

The starting point is strong. The Wairarapa councils already have a practical transition base through existing shared arrangements, joint planning work and the move to Wāiti Waters.

With a relatively simple structure proposed, the Wairarapa unitary council is likely to need less bespoke legislation.

The Head Start timetable is demanding, but workable if the detailed design phase is treated as an establishment programme.

A dedicated transition body should be established immediately after Government approval. It will have clear authority, milestones, programme support and direct involvement from the participating councils, GWRC, mana whenua and PSGEs, and central government officials.

The transition can be staged. Governance and establishment settings should be confirmed first. Transfer planning, representation, funding arrangements and day one readiness should follow. Operational integration, including systems, service model refinement, rating harmonisation and organisational design, can then be completed over a managed post-establishment period.

Risks

Timing is the main delivery constraint, but it can be managed through early establishment decisions, a dedicated transition body and clear escalation points. The highest priority is to resolve the matters that affect legislation, elections, service continuity and funding before implementation begins.

Matters to confirm through detailed design

Detailed design should focus on the establishment matters that determine deliverability:

- Transition governance: establish the body, authority, milestones and programme support needed to manage the transition.
- Legislation and transfer powers: confirm the statutory changes, transfer instruments and decision rights needed before the 2028 elections.
- Day one readiness: confirm how core services, statutory functions, staff, systems, data, contracts, customer channels and records will continue from establishment.
- Regional function arrangements: confirm delivery arrangements and shared arrangements for a small number of functions which require ongoing inter-regional coordination.
- Representation settings: confirm wards, Māori wards and election arrangements in time for establishment.
- Financial transition: confirm transition costs, rates, debt, reserves, assets, liabilities, service levels and any Crown support.
- Treaty settlement continuity: confirm how existing settlement obligations, statutory relationships and partnership arrangements transfer or continue with the same or equivalent effect.



Critical path to implementation by the 2028 local elections.

The critical path is clear alongside other local government reform. Identified dependencies are manageable if work begins immediately after outline approval and is sequenced through a single transition programme.

Period	Critical milestone	Main dependency
September 2026	Cabinet decision on outline proposals	DIA assessment against Head Start criteria.
October 2026 to March 2027	Detailed proposal developed	Support from councils, GWRC, iwi, PSGEs and central government officials.
March 2027	Detailed proposal submitted	Resolved policy choices and evidence base.
May 2027	Cabinet agreement in principle	Clear transition model, costs, risks and support requirements.
Mid to late 2027	Legislation and establishment settings	Cabinet policy decisions and Parliamentary timetable.
Late 2027 to mid 2028	Transition implementation	Transition body, council resources and Crown support.
Mid 2028	Elections preparation	Legislation enacted before nominations open.
October 2028	New Wairarapa unitary authority established	Day one readiness, service continuity and interim regional arrangements.
Late 2028 onwards	Post-establishment integration	Stable governance, funding pathway and implementation plan.

The way forward



Local Government Reform – Timeline of changes

The timeline below brings together the key national reform milestones that are expected to affect councils between 2026 and 2031. It shows when major policy, legislative and implementation events are expected to occur, with colour coding used to distinguish reform streams such as planning and environment, water services, local government reorganisation, housing and infrastructure, rates caps, building system changes, and climate, emergency and waste.

JULY 2027 – JULY 2030 LTP period		JULY 2030 – JULY 2033 LTP period			
2026	2027	2028	2029	2030	2031
LATE 2026 ONWARDS ■ City and regional deals Further regional deals announced on an ongoing basis					
LATE 2026-2028 ■ Prepare Regional Spatial Plan (provisional on date of enactment)				BY Q1/Q2 2030 (provisional) ■ New plans notified and become operative; old RMA plans replaced	OCTOBER 2031 ■ Local government elections Māori ward referendum results expire
JAN 2026 ■ Granny flats no consent Buildings up to 70m ²	2027 ■ Development levies expected Timing to be confirmed	2028-2030 ■ Natural Environment Plans and District Land Use Plans developed			
17 FEB 2026 ■ Infrastructure Plan 30-year plan tabled	1 JAN 2027 ■ Rates cap transitional period 2 - 4% target range transition begins				
1 JUL 2026 ■ MCERT operational New ministry stood up	2027 – 2028 ■ Regional transport governance Arrangements determined				
20 JULY 2026 ■ Natural Environmental and Planning report Committee report due	MAR 2027 ■ Head Start Detailed Proposals submitted Deadline to submit Head Start proposals	EARLY 2028 ■ New planning system live Consent extensions expire; 17 combined plans	1 JUL 2029 ■ Full rates regulator Permanent regulatory model live		
9 AUG 2026 ■ Head Start Outline Proposals due Head Start outline proposal due to Govt	MAY 2027 ■ Head Start Proposals approved by Cabinet Establishment phase begins Bespoke policy and legislation drafted	MID 2028 ■ Local government nominations open of local authority and unitary elections			
MID SEPTEMBER 2026 ■ Head Start Outline Proposals decided on by Cabinet	MID 2027 ■ Building Amendment Bill Self-certification & BCAs enacted	MID 2028 ■ Backstop process begins	LATE 2029 ■ General Elections		
PRE-ELECTION Potential bill progression ■ Emergency Management bills may pass ■ Local Government (System Improvements) Bill ■ Rate capping legislation introduced ■ Infrastructure Funding and Financing Amendment bill may pass	30 JUN 2027 ■ Water services strategies Each provider adopts first strategy	OCT 2028 ■ Local government elections ■ Head Start arrangements in place ■ Backstop Regional council interim governance models (CTBs) in place			
OCTOBER 2026 – MARCH 2027 ■ Head Start Detailed Proposals developed Detailed design and public consultation		LATE 2028 – EARLY 2031 ■ Regional planning framework transitional period			
1 OCTOBER 2026 ■ Parliament suspended	1 July 2027 ■ Wāiti Waters go live	DEC 2028 ■ Wastewater overflow rules Overflow & bypass rules take effect			
7 NOVEMBER 2026 ■ General Election Central government general elections	2027 ■ Emergency Management changes Anticipated implementation timing				
POST ELECTION ■ Planning and Natural Environment Bills Two new statutes replace RMA may be passed before Parliament suspends but has not been through second reading.					
LATE DEC ■ Building Amendment Bill Self-certification & BCAs report back from Committee					
■ Planning & Environment ■ Water Services ■ Local Government reorganisation ■ Housing & Infrastructure ■ Funding and Financing ■ Building System ■ Local government arrangements ■ Central government arrangements					



Treaty obligations and the views of mana whenua

The settlements of Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua and Rangitāne o Wairarapa and Rangitāne Tāmaki nui-ā-Rua recognise relationships with cultural, environmental and catchment systems across the Wairarapa. A future unitary authority would maintain existing Treaty settlement obligations and provide a more integrated platform for engagement across planning, freshwater management, environmental stewardship and community development.

A Wairarapa unitary authority would provide an opportunity to align local government boundaries more closely with these relationships and to strengthen direct partnerships between mana whenua and local decision makers. This is particularly relevant for freshwater management, Wairarapa Moana, catchment management, land use planning, cultural heritage and environmental stewardship, where many existing relationships and interests already operate across the Wairarapa rather than reflecting current council boundaries.

Treaty settlement arrangements further reinforce the need for governance structures that can engage consistently with mana whenua at a catchment scale, due to the statutory acknowledgements associated with areas such as:

- Ruamāhanga River
- Akitio River
- Wainui River
- Manawatū catchment areas
- Coastal marine areas

Key matters for detailed design include:

- continuity of Treaty settlement redress, statutory acknowledgements and associated governance arrangements
- future arrangements for Wairarapa Moana and related settlement commitments
- treatment of existing regional partnership and advisory mechanisms
- recognition of iwi planning documents and mana whenua interests in freshwater, land use, biodiversity, natural hazards and catchment management
- mana whenua participation in governance, strategic planning and decision making
- resourcing, accountability and monitoring arrangements to ensure partnership commitments are maintained through transition
- A partnership transition plan

Partnership transition plan

A partnership transition plan will be developed with mana whenua and relevant post-settlement governance entities during detailed design.

Detailed design should be undertaken in partnership with mana whenua and PSGEs, with a clear focus on maintaining the same or equivalent effect for existing Treaty settlement arrangements.



Workstream	Purpose	Detailed design output
Settlement obligations	Identify all Treaty settlement redress, statutory acknowledgements, statutory boards and settlement-derived mechanisms affected by the proposal.	Settlement obligation register and agreed approach to same or equivalent effect.
Existing relationships	Map current iwi, Māori and PSGE relationships with the three district councils and Greater Wellington Regional Council.	Relationship transfer plan, including partnership forums, protocols and points of contact.
Planning and environmental roles	Confirm how mana whenua participation will be maintained in freshwater, Wairarapa Moana, catchments, land use, biodiversity and environmental management.	Agreed participation model for planning, monitoring, decision making and advisory roles.
Governance and representation	Confirm how mana whenua voice and Māori representation will operate at Wairarapa-wide and local levels.	Indicative governance settings for Māori wards, committees, partnership forums and local voice mechanisms.
Resourcing and accountability	Ensure partnership commitments are supported through capability, funding, monitoring and reporting.	Implementation plan with resourcing, reporting and accountability arrangements.



Requests of Central Government

Successful implementation will require partnership with central government. The participating councils are seeking support that enables a staged, practical and locally led transition to a Wairarapa unitary authority, while maintaining service continuity and community confidence.

The transition will require timely central government support. Likely support includes:

- bespoke legislation and transfer powers
- transitional governance arrangements
- electoral and representation provisions
- timing relief for Long-term Plans, Annual Plans or representation review requirements, if needed
- support to resolve regional transport
- support for rates and debt transition, where required
- implementation support for day one readiness.

Wairarapa unitary specific requests

Transport and Metlink

Public transport fare and rating settings should not be adversely affected by structural reform. Future arrangements should seek to ensure neither Wairarapa communities nor the remaining Wellington councils are materially worse off. Councils would welcome government support to guarantee future transport governance and funding arrangements, including consideration of a Wellington-wide transport CCO.

Planning management

We request that spatial and regional planning boundaries, as defined in the new Planning and Natural Environment Bills are aligned with the Wairarapa unitary authority boundaries.

Financial, planning and transition support

Councils would welcome targeted support to help manage transition to a Wairarapa unitary authority. This would include flexibility in relation to long-term and annual plans, support for transition costs or resourcing to ensure BAU service delivery, and assistance in establishing appropriate transition governance arrangements.

Rate capping flexibility

We request flexibility in applying rate capping requirements during transition, recognising that establishment, rating harmonisation and service continuity may require temporary transitional settings. We request a delay of three years to meeting the rate capping requirements.



Transitioning outline into detailed design

The detailed design phase will test whether a Wairarapa unitary authority can be implemented in a practical, affordable and deliverable way by 2028. A transition governance arrangement should be established immediately following Government approval to provide clear leadership, oversee detailed design, manage risks and maintain momentum through to implementation.

Priority areas for detailed design include:

- governance, representation and local voice
- delivery of regional council functions
- remaining small inter-regional interfaces
- Treaty settlement continuity and mana whenua participation
- transport governance and funding arrangements
- rates, debt, affordability and financial impacts
- workforce, systems and service transition
- legislative requirements and Government support.

The detailed design phase will identify what must be ready on day one, what can operate through interim arrangements, and what can be harmonised over time. This staged approach will support service continuity while reducing transition risk.

Engagement with communities, mana whenua, PSGEs, staff, elected members, Greater Wellington Regional Council and central government will help test options, refine the preferred model and build confidence in the final proposal.

The outcome will be a detailed proposal that provides Government with a clear implementation pathway, transition arrangements and evidence that the new authority can be successfully established by the 2028 local elections.

Transition governance

The first priority following approval should be the establishment of a transition governance arrangement to oversee detailed design and implementation planning. This arrangement should have sufficient authority while maintaining appropriate oversight by councils, mana whenua and Government. It should also provide a clear framework for programme management, reporting, stakeholder engagement and preparation for establishment of the new authority.

Detailed design should be run as a managed programme, with each workstream having a nominated lead, agreed scope, defined deliverables, reporting rhythm, decision points and dependencies. A programme management office or equivalent function should hold the overall programme view for the critical path to establishment.

This will help ensure the detailed proposal is not a set of disconnected technical workstreams, but a single integrated establishment plan.

**Document Status**

Job #	Version	Written	Reviewed	Approved	Report Date
3160	001	J.Williams-Shigeeda	A.Grace, S.Cross	A.Grace	20 July 2026
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Wellington/Wairarapa Financial Analysis Report

To support a Head Start Proposal
Final Report

MARTIN
JENKINS

24 July 2026

Commercial in Confidence

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We have made reasonable efforts to ensure that the information contained in this report was up to date as at the time the report was published. That information may become out of date quickly, including as a result of events that are outside our control. Further, given the tight timeframes and limited time available to undertake this analysis, we have relied extensively on the information supplied to us by councils and have been unable to verify these inputs.

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Specific limitations of this analysis

This report contains high-level, indicative modelling results to inform councils' consideration of Head Start options. However, as noted throughout the report, it should not be relied upon for decision-making as it is based on unverified information and broad assumptions that may not be applicable once proposals are more fully developed. We recommend further, more detailed financial analysis is undertaken once the final shape of the proposal is further developed.

The findings of this report are significantly influenced by key judgements relating to the level and apportionment of regional council non-rates income and costs, the level and apportionment of central government subsidies and grants, and assumptions about establishment and transition costs and potential for savings. Changes to these assumptions could materially change the findings and conclusions of this report.

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Executive summary

Summary of key findings

Context

The Head Start process requires councils to assess their current governance and service delivery arrangements and demonstrate responsible and affordable asset management, infrastructure investment, and service delivery.

Financial impacts should not be viewed in isolation and, in terms of the case for amalgamation, relative differences in cost efficiency are not the most critical driver of the choice of model. Equal consideration should be given to the wider outcomes sought by councils through reform, including stronger regional leadership, effective local representation, improved service delivery, environmental stewardship and enduring partnerships with mana whenua and community.

Overall position

Collectively, the councils of the Wellington/Wairarapa region face significant financial headwinds, including rising input costs, high asset replacement costs, significant demands on investment, deteriorating operating budgets, and increasing debt servicing costs. These headwinds translate into increasing pressure on rates and worsening affordability.

Looking ahead, these pressures are forecast to continue, with councils' current projections indicating that, collectively, they expect rates revenue per rating unit to increase by an average of 5.7% per annum, with rates as a share of total revenue increasing from 49% to 62% over the next 10 years.

Councils also face significant exposure to risk from natural hazards, extreme weather and asset failure. Our analysis indicates several smaller councils, and the most indebted councils, are vulnerable to even moderately sized shocks.

Under a conservatively assumed \$50 - \$150 million shock, and in the absence of central government support, some councils would exceed their current

borrowing limits and/or exhaust their remaining borrowing headroom, while larger councils would face significantly diminished financial capacity. Of relevance to the amalgamation options under consideration, borrowing capacity is not always located where risk is concentrated.

Financial assessment of options

The amalgamation options under consideration have a range of potential financial benefits and costs that vary across the different configurations. The key findings of our assessment include:

- **Amalgamation options offer the potential for savings net of transition costs.** All amalgamation options have the potential to be net financially beneficial, but the extent of benefits varies with the scale and complexity of the option and depend on the assumptions made. On a per rating unit basis, the present value of net savings over 25 years falls within a narrow range of \$3,900 to \$4,500 across the options.
- **The potential loss of intraregional subsidies could offset any savings benefits for Wairarapa ratepayers.** Within the region, there are apparent mismatches between the amount of regional council rates revenue collected from ratepayers, and the regional council's estimated cost of delivering activities within those areas. This mismatch is most significant for Wairarapa. Even after reducing the level of regional costs and increasing the share of Centreport dividends allocated to Wairarapa, a significant funding gap remains. By comparison, the share of regional rates paid by Kapiti residents is sufficient to meet the costs of regional activities.
- **While a Wairarapa Unitary Authority would have choices about how to close that gap, it is plausible that rates revenue would need to increase to balance the budget.** A future Wairarapa Authority would need to weigh its options carefully, including considering changes to levels of service, finding

greater savings, and/or increasing revenue. Given the size of the funding gap, an increase in rates could outweigh any amalgamation-related savings under stand-alone configurations.

- **Amalgamation offers significant scope to increase financial resilience and reduce vulnerability to shocks.** This is probably the most certain financial benefit from amalgamation, with balance sheet consolidation relieving borrowing constraints for smaller councils and councils with higher levels of indebtedness. Given the significant risk profile across the region, amalgamation offers greater financial resilience through diversification of risk across geographies. These benefits are dependent on an amalgamated authority using this greater flexibility wisely.
- Our analysis indicates **all amalgamation options could absorb a significant shock while remaining within their LGFA debt limits and retaining borrowing headroom.** This indicates a significantly greater capacity to absorb unplanned costs relative to the status quo.
- **The largest configurations offer the greatest financial resilience benefits.** Under a \$150 million shock, the Single Regional Unitary and Western Area Unitary configurations retain approximately \$2.1-\$2.6 billion of borrowing headroom, compared with \$103-\$208 million for the North Western and Wairarapa Unitary configurations. A shock of this size would represent a much smaller share of annual revenue for the larger unitary options (around 6-7%) than for the Wairarapa (77%) or North Western (41%) Unitary options.

This high-level, indicative analysis is sufficient for supporting council decision making at this phase of the Head Start pathway. Further and more detailed analysis would need to be undertaken to ensure any future reform focuses as much on achieving the desired (and consistent) service levels and community outcomes as on pursuing potential efficiency savings.

Introduction

The Head Start process requires councils to demonstrate a sustainable future

Joint councils in the Wellington/Wairarapa region engaged MartinJenkins to undertake an indicative, high-level financial assessment of potential amalgamation options under the Government's Head Start pathway

The Head Start pathway requires participating councils across New Zealand to assess their current governance and service delivery arrangements and demonstrate responsible and affordable asset management, infrastructure investment, and service delivery.

Councils that are willing and able can lead their own reorganisation now. Government has signalled that those that do not come forward will be reorganised through a compulsory backstop process after the 2028 local elections.

Councils also need to consider whether existing arrangements will continue to meet community expectations regarding levels of service, deliver the economies of scale and simplified governance the reforms are intended to achieve, support the new planning system replacing the Resource Management Act, and maintain fair and effective local representation, while remaining affordable for communities.

Financial sustainability is a core test of Head Start proposals

Outline proposals are expected to demonstrate that a new unitary authority can stand on its own two feet. This means that:

- regional and territorial functions are consolidated into a single entity, removing duplication so that ratepayer funding is used efficiently across the combined organisation
- rates and other income generate sufficient revenue to fully-fund the operating and financing costs of the new authority over the medium-term, at levels that remain affordable for communities, and
- investment to maintain and renew assets, to meet future planning and regulatory requirements, and to provide for growth can be funded and financed on a sustainable basis.

A new unitary authority is expected to offer financial benefits compared to retaining the status quo

A larger, consolidated unitary authority has the potential to strengthen its balance sheet and maintain greater aggregate borrowing capacity, thereby contributing significant financial resilience benefits relative to individual councils. This is a particular benefit for smaller and more indebted councils, who are susceptible to financial shocks

under the status quo.

In addition, the greater scale of a combined authority, its ability to smooth investment (geographically and over time), and the potential for rationalisation of duplicated functions, mean there is the potential for cost savings compared with retaining separate councils. The extent to which these savings are realised will depend on the quality of implementation as well as how costs are allocated across the different configurations under consideration.

This report demonstrates how different unitary authority configurations could generate benefits for ratepayers of participating councils, collectively and individually. However, we note the analysis is high-level and indicative in nature and subject to several important limitations. Significant further work would be required to fully understand the financial benefits, costs and risks of any specific amalgamation scenario.

This analysis is high-level and directional, informed by council data and a common set of assumptions

Information inputs

In preparing this analysis, we have relied on information provided to us by participating councils and the modelling is underpinned by high-level assumptions developed in consultation with council officers and endorsed by Mayors and Chair.

Information collected from councils included long-term financial forecasts, capital investment programmes and supporting financial data. Specifically, this included Long-Term Plan and Annual Plan forecast financial statements (FY24–FY34), depreciation forecasts, selected balance sheet information (including debt and cash reserves, excluding water activities), rating unit projections, and long-term capital expenditure programmes (FY24–FY54).

Where councils had not already excluded water services from their forecasts, water activity financial information was obtained to enable these activities to be removed from the analysis. Kāpiti Coast District Council was treated as an exception, as water services will be delivered in-house.

Where required, adjustments have been made to improve comparability across options and consistency of assumptions. Key adjustments include normalisation of interest rates and assumed inflation rates.

Assumptions

The assumptions set out in this report guide the range of modelled outcomes and inform our overall conclusions regarding the financial viability and sustainability of the unitary authorities in each configuration.

In particular, assumptions have been made about inflation, interest rates, as well as fiscal rules (balanced budget approach has been adopted, consistent with LGA requirements). Configuration specific assumptions have also been made for each unitary option, including transition (set up) costs, ongoing efficiencies (savings), and timing of establishment and costs and benefits realisation. These assumptions were agreed by all councils as reasonable prior to commencing the analysis.

Changes to these underlying assumptions could have a material impact on the outcomes presented in this report.

There are several reasons why caution is warranted in interpreting the results

Basis of apportioning regional council costs

Greater Wellington Regional Council (GWRC) costs have been allocated using activity-specific drivers such as population, general rates proportions, work programme effort, and the location of costs and staff. We largely relied upon analysis undertaken by

GWRC, with several noted adjustments. Modelled financial outcomes are sensitive to this cost apportionment and further detailed work would be required to confirm these allocations as part of any future reorganisation.

Basis of apportioning NZTA subsidies

Current public transport funding arrangements include significant NZTA subsidies, with intra-regional transfers reducing the net costs of transport activities for some parts of the region. The modelling assumes these subsidies would be aligned to the underlying cost of service delivery, which has a material impact on estimated funding requirements and rating outcomes.

Level of overhead

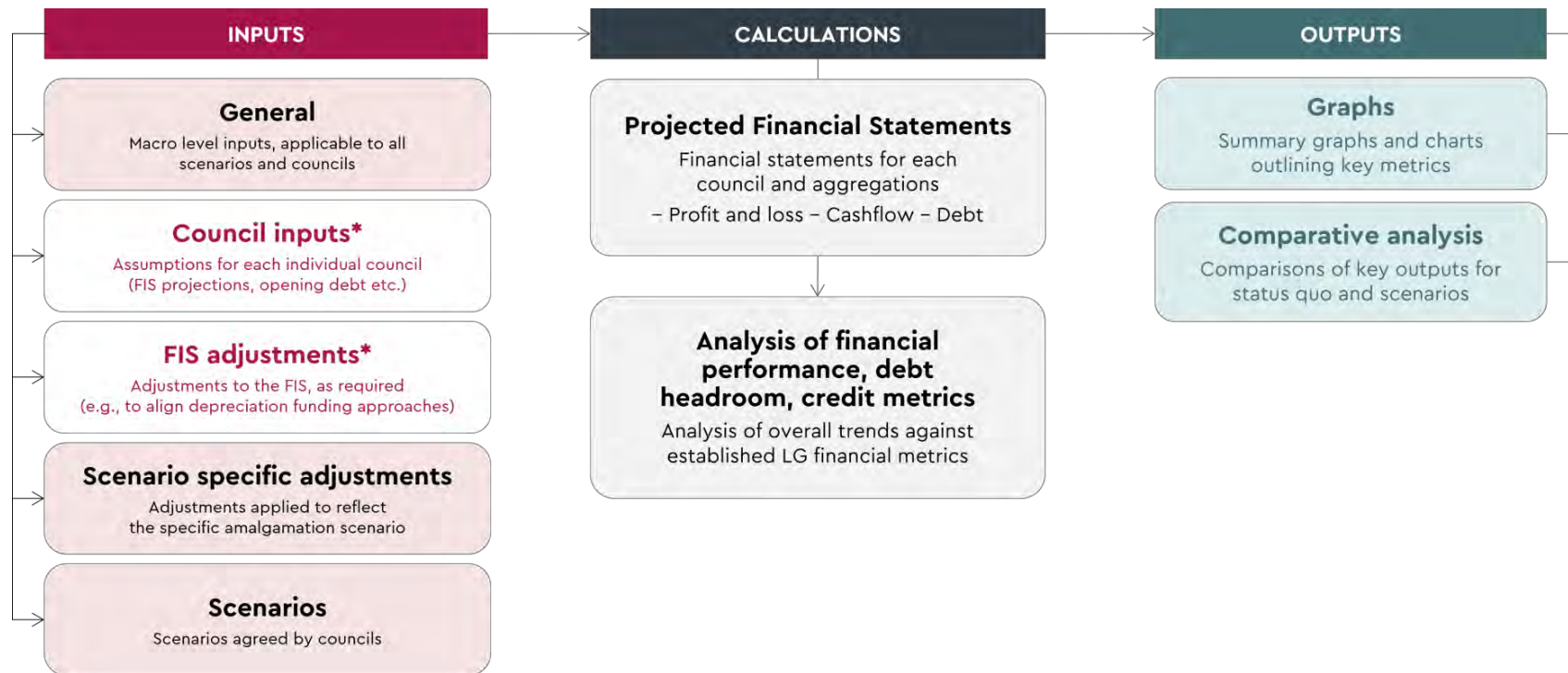
The modelling includes assumptions about future overhead costs and applies adjustments where appropriate. The extent to which governance, management and support costs can be reduced or shared through reorganisation remains uncertain and could materially affect realised savings.

Levels of service differences

The analysis does not account for differences in service levels, standards and delivery models across councils. Changes to service levels, asset standards, or local delivery arrangements following reorganisation could result in costs that are higher or lower than those illustrated in the modelling.

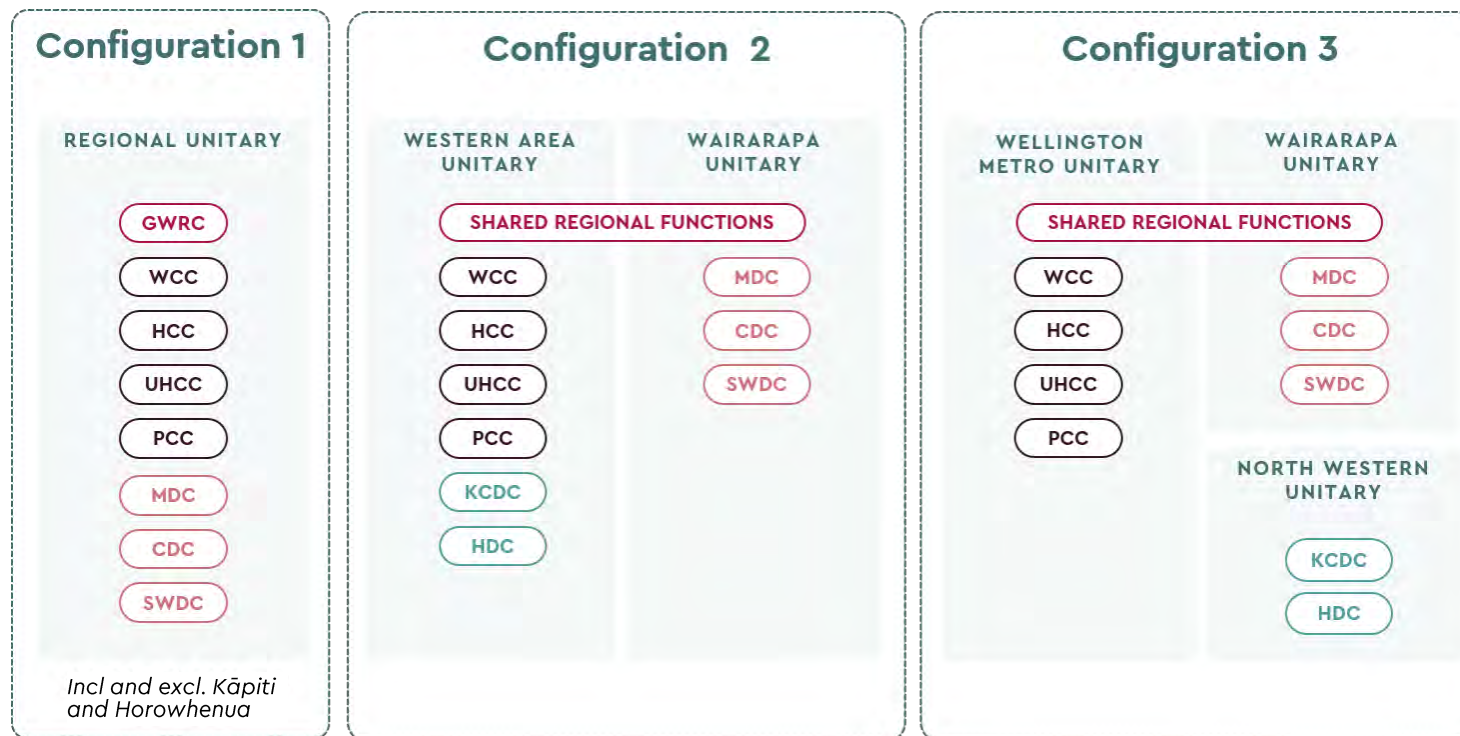
Model architecture

The model aggregates Funding Impact Statements provided by each council, with normalisations as required. It then allocates GWRC's non-rates revenues and expenditures to each district to provide a total cost to ratepayers. For each unitary option, we then add a provision for establishment and transition costs and apply scenario specific efficiency assumptions. The model then solves for required rates revenue to 'balance the budget' after accounting for non-rates revenue sources. The model creates a new funding impact statement and simplified financial statements for each unitary option, which is then used as the basis for comparative analysis across the different configurations. The use of the balanced budget rule and debt funding of capital expenditure (net of capital revenues) ensures application of a consistent financing strategy across the options.



Modelling spans three configurations, six unitary options and two variants

We were asked to model financial implications for six unitary options across three alternative governance configurations across the Wellington / Wairarapa region. The scenarios range from a single regional unitary authority through to multiple unitary authorities supported by shared regional functions. The financial modelling assesses financial outcomes for each unitary option using a common set of inputs and assumptions. For Configuration 1, we have also considered variants with Kāpiti and Horowhenua included and excluded.



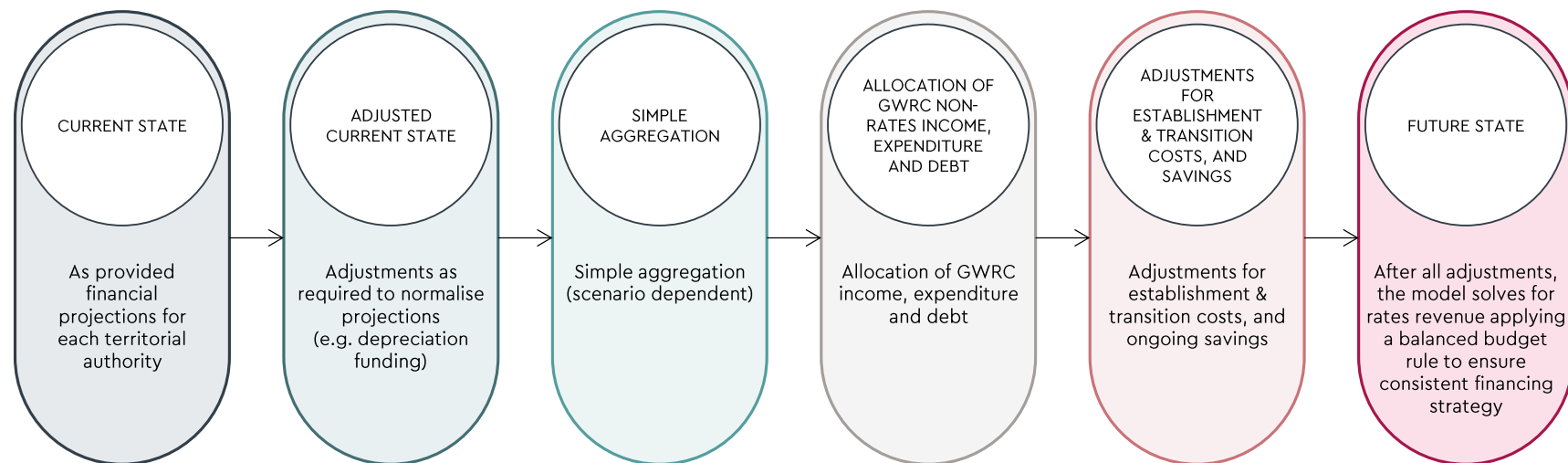
Note: These options assume the functions of each organisation. All options also assume the use CCOs, and mana whenua representation and participation

Modelling financial outcomes for each unitary option

The model builds up a projected future state scenario for each unitary option following a series of steps. We start with projected funding impact statements and starting net debt balances for each territorial authority and then make several minor adjustments to improve consistency of these scenarios. Importantly, these adjustments form part of all options, so they do not affect the comparative assessment of options.

We then construct a simple aggregation of all councils within a particular configuration. Based on information supplied by GWRC, we then allocate non-rates income and costs across the unitary authorities that form part of each configuration. We then make several adjustments, discussed later in this report, to reflect assumptions about establishment and transition costs and the scope for ongoing savings.

The output of these modelled scenarios forms the basis for the comparative options assessment in the report.



Integration costs and ongoing savings

The table below represents our view of reasonable assumptions based on a review of the available evidence including previous studies examining Wellington and Wairarapa local governance reform proposals, other New Zealand reports on local government reform (including analysis undertaken for the Royal Commission on Auckland Governance) as well as relevant international evidence. Further details on the findings of our rapid literature review can be found in the Technical Appendix.

Unitary options	Region	Western	Wellington Metro	Wairarapa	North Western
Characteristics					
No. of councils	8 or 10 + part of Horizons Regional Council (HRC)	6 + part of Greater Wellington Regional Council (GWRC) /HRC	4 or 5 + part of GWRC	3 + part of GWRC	2 + part of GWRC/HRC
Population	~465,000 – 560,000	~510,000	~415,000 – 470,000	~50,000	~90,000
Proposed assumptions					
Opex savings p.a.	3% - 5%	3% - 5%	3% - 5%	5% - 10%*	4% - 8%
Capex savings p.a.	1.0% - 2.0%	1% - 2.0%	1% - 1.5%	0% - 0.5%	0.5% - 1.0%
Integration costs	15-20% of opex	17-22.5% of opex	20-25% of opex	25-30% of opex	25-30% of opex
Timing of savings and costs	Savings are assumed to start two years after establishment and are phased in over 3 years (i.e. full savings by year 5). Half the integration costs are assumed to fall in the year immediately prior to establishment, with the remaining 50% spread over two years following establishment.				

The savings (efficiency) estimates are before accounting for transition costs and only apply to operating costs excluding depreciation and finance costs.

* Efficiency assumptions for Wairarapa do not account for recent analysis by Morrison Low which suggests the costs attributed to Wairarapa by Wellington Regional Council appear high relative to national cost benchmarks for unitary authorities and regional councils. We address this issue by making separate adjustments to the regional council cost allocations rather than through the efficiency assumptions above. These adjustments are discussed in the Technical Appendix.

Historic context

Local government has experienced significant cost pressure

Input costs have increased by more than general inflation

Historically, drivers of operating costs in the local government sector increased more slowly than consumer price inflation, reflecting the greater bargaining power that local councils have compared to households. In the last 15 years, that historical trend reversed. From the mid-2000s, local government input costs, as measured by the Berl Local Government Cost Adjustor, and general consumer prices began to diverge.¹

Over the last 15 years, local government operating and capital costs have increased by an average rate of 2.6% and 2.7% per year respectively, while consumer prices increased by 2.5% per year. This small difference has compounded into a significantly higher cost base over time.

Cost pressures are especially acute in infrastructure services

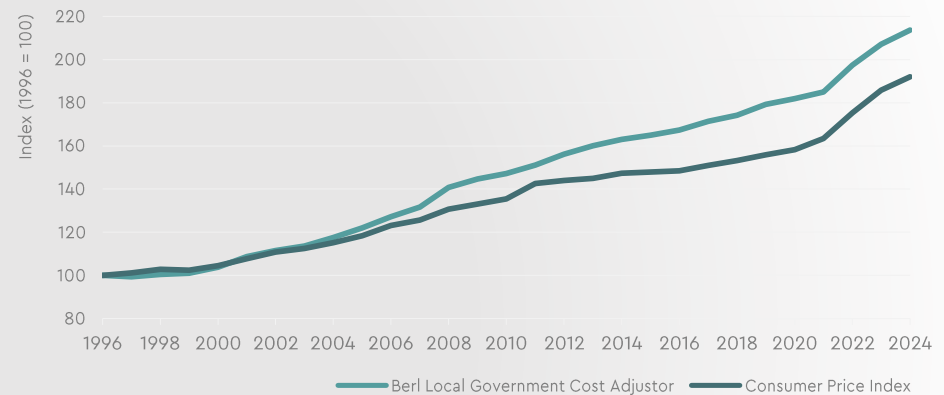
The costs of infrastructure services rose rapidly from 2021 to 2023. Those increases not only compounded the costs of building new infrastructure but translated into significantly higher asset valuations and future replacement costs. These higher costs have added billions of dollars to future operating and capital costs across the country, just to maintain existing asset condition and levels of service. These cost increases also add to the cost of building new infrastructure to provide for population and housing growth.

Like households, local councils are largely price takers when it comes to these costs, with broader economic trends driving the availability of labour, materials, and machinery, and factors such as aging infrastructure and government regulation driving the demand for investment.

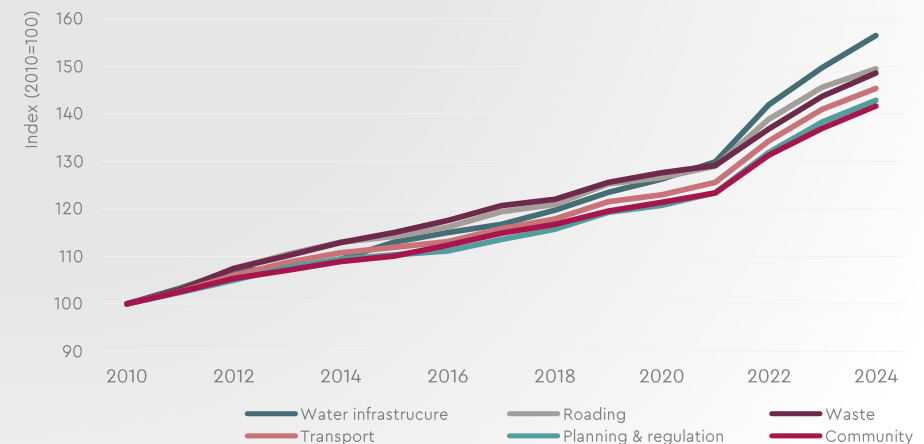
Resource shortages and structural rigidities mean that, despite weakening inflationary pressures, the cost pressures facing local government are likely to persist for some time.

¹ The LGCA is a composite index compiled by Berl that measures the changes in the prices of a basket of goods and services that are bought by local government in New Zealand.

Local government input prices and consumer price inflation



Local government price index by activity group



Operating costs have accelerated over time

Operating costs are rising at an accelerated rate

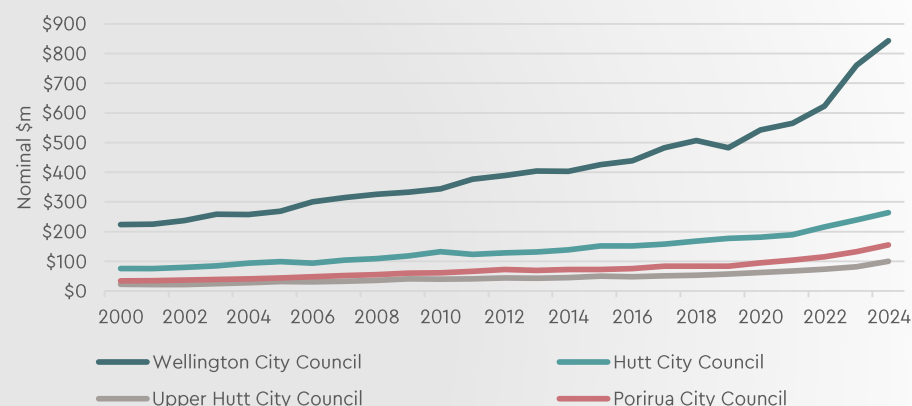
A combination of rising input costs and expansion of activities (including unfunded mandates) has resulted in operating costs for the sector rising over time. Over the ten years to 2024, total operating costs for the local government sector increased by 109%. This followed increases in operating costs of 96% over the previous decade and 56% in the 10 years to 2004.

PERIOD	% GROWTH IN LOCAL GOVT SECTOR OPEX
1995 – 2004	56%
2005 – 2014	96%
2015 – 2024	109%

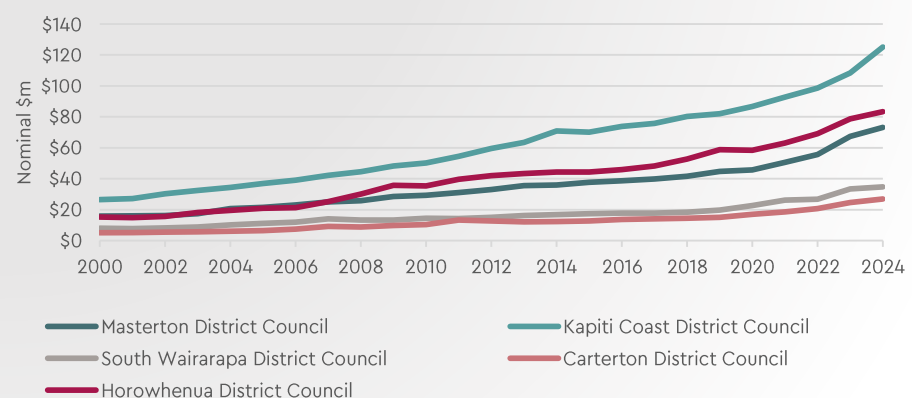
Within the Wellington region, the rate of increase in operating costs has also accelerated, with particularly significant increases over 2022 – 2024.

Horowhenua District has seen the lowest average annual increase over the past three years, at 9.7% per year. Costs at three of the city councils have grown at more than 14% a year, with Lower Hutt the exception at 11.8%. When comparing district councils, Masterton and Carterton have both seen costs increase at more than 13% a year on average.

Combined City Councils operating costs



Combined District Councils operating costs



Rates per dwelling continue to increase

Over the last ten years real rates per dwelling have increased by about 20% on average for the City Councils and 12% on average for the District Councils

Across the country, the combination of increasing operating costs and increasing investment is placing significant pressure on councils to raise revenues. This is exacerbating cost-of-living pressures in communities and putting the affordability of services under the spotlight.

Real rates per dwelling range between \$2,000 and \$3,500. Over the 10 years ending 2023, real rates per dwelling have grown between 0.3% per year (Kāpiti) and 2.6% (Carterton). Other areas that have seen real rates grow in excess of 2% per year on average include Wellington (2.2%), Porirua (2.1%), Horowhenua (2.1%), and South Wairarapa (2.0%).

There is a wide range of service levels occurring across councils funded by this measure of rates per dwelling. Benchmarking these services and their service level standards was outside the scope of this analysis.

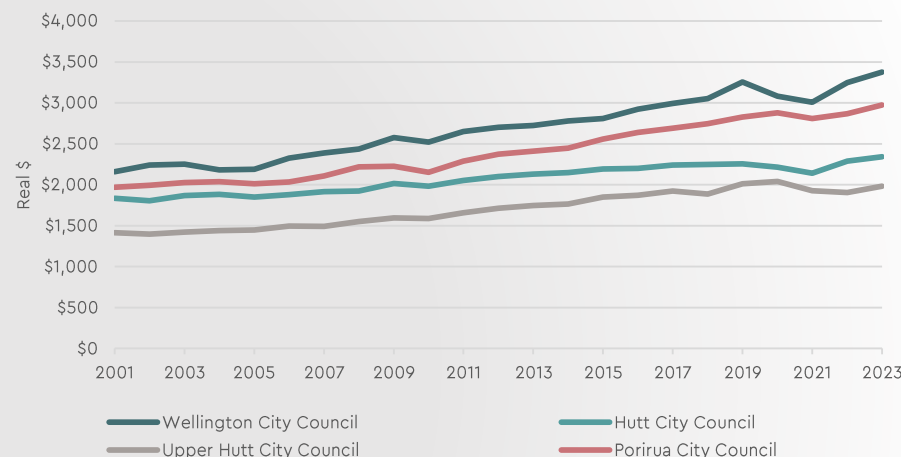
However, rates are decreasing relative to incomes

For the sector as a whole, affordability has been decreasing and is expected to continue in the near term, even as cost pressures moderate, because of increasing investment and forecast increases in water charges.

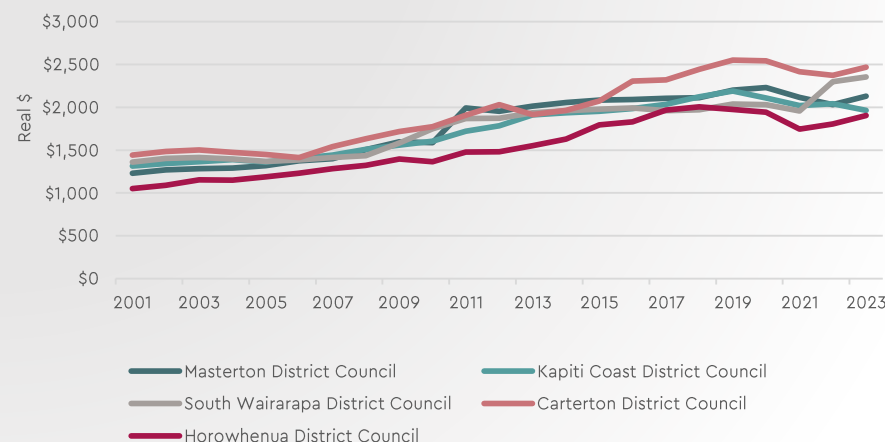
The potential implication of rates capping will have an implication for all councils. Introduction of rates capping without attention being paid to cost control, could require councils to increase borrowing further particularly given the need to invest in network infrastructure.

Balancing the need to maintain critical services and invest in infrastructure with the need to keep rates affordable will be an increasingly difficult challenge and require tough trade-offs.

Real residential rates per dwelling



Real residential rates per dwelling



Operating performance has deteriorated over time

Councils' operating balance has deteriorated over time, with accounting surpluses turning to deficits

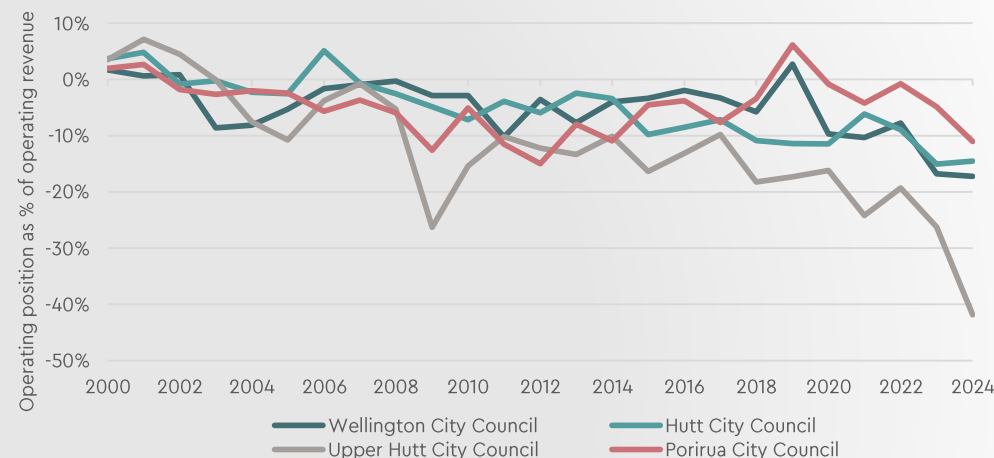
A consequence of operating costs rising faster than revenues is a deterioration in the council's operating balance. As shown in the charts, all territorial authorities in the Wellington region have seen operating performance deteriorate over the last 24 years, with councils generally running small surpluses in the beginning of the period, followed by deficits toward the end of the period.

While the period when deficits began occurring is different, the pattern for the Wellington region broadly matches the pattern for the local government sector as a whole.

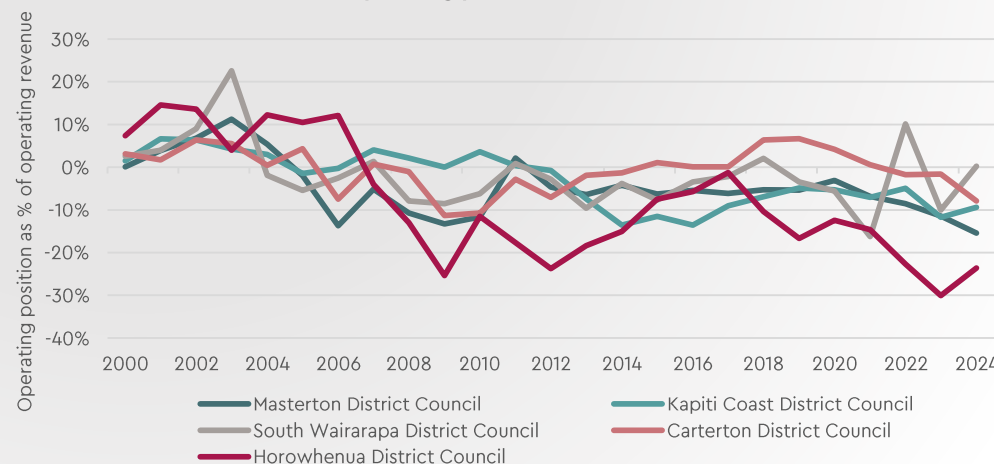
Operating deficits indicate that operating revenues are not sufficient to meet all of councils operating costs after interest costs and depreciation expense are accounted for.

From an intergenerational perspective, operating deficits benefit today's ratepayers at the expense of future generations, since current period revenues are not fully covering the costs of providing services and maintaining assets.

Combined City Councils operating performance



Combined District Councils operating performance



Borrowing patterns have varied over time

Borrowing in the Metro area increased significantly from the late 2010s, with debt rising earlier elsewhere in the region with a flatter profile later in the period

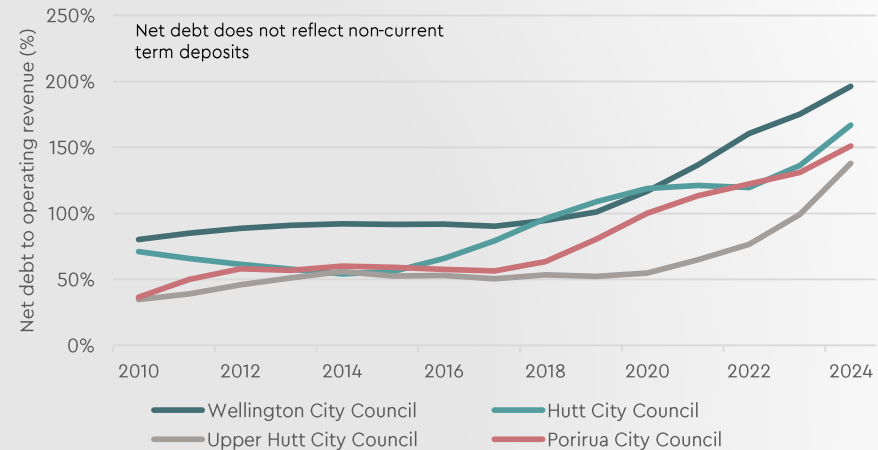
For the sector as a whole, the cumulative effect of cash operating deficits and increased capital expenditure has resulted in a significant increase in debt-to-revenue ratios.

Within the Wellington region, net debt increased by between 70-90% of revenue over the five years to 2024. While borrowing levels have fluctuated more outside of the Metro area, most councils (with the exception of Carterton) have seen rises in net debt, with particularly significant increases in Horowhenua district.

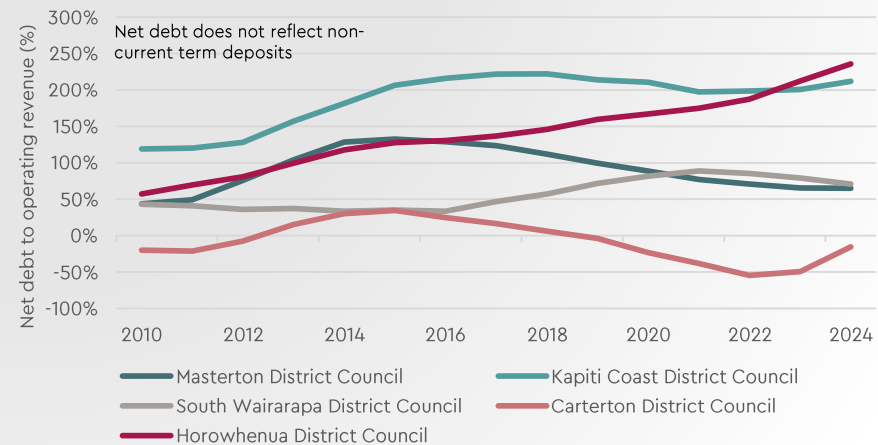
Horowhenua, Kāpiti, and Wellington City have recently had debt to revenue ratios approaching 200% mark, while Porirua, Hutt City, and Upper Hutt have increased from about 50% in 2015 to about 150% recently. Debt to revenue ratios for South Wairarapa, Carterton, and Masterton are similar in 2024 to their respective ratios in 2010.

The transfer of water debt to new water services organisations (Tiaki Wai and Waiti Waters) will result in significantly lower debt-to-revenue ratios for most councils (excluding Kāpiti Coast District Council as they retain water services in-house). However, as shown in the next section, debt levels are projected to increase over the coming decade, with several councils remaining vulnerable to shocks.

Combined City Councils average net debt to operating revenue



Combined District Councils average net debt to operating revenue



Financial outlook

Councils face sustained growth in costs

Operating expenditure is expected to continue growing across the region

Operating expenditure (including depreciation and interest) is projected to increase from approximately \$1.9 billion in FY25 to \$2.8 billion by FY34, representing average growth of around 4.3% per annum.

Growth rates vary across councils. Porirua is projected to experience the strongest operating expenditure growth at approximately 6.8% per annum, followed by Wellington City (5.0%), Hutt City (4.9%) and Upper Hutt (4.9%). By comparison, expenditure growth is more modest in Masterton (2.3%), Carterton (2.5%) and South Wairarapa (2.9%), reflecting differences in underlying assumptions including those related to scale, growth and investment requirements.

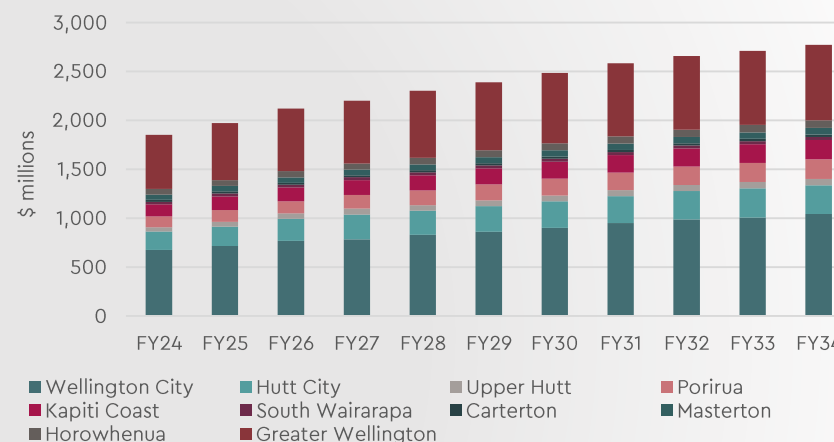
Long-term capital investment requirements remain significant

Councils are projected to undertake substantial capital investment over the medium and longer term to maintain, renew, upgrade and expand infrastructure. Wellington City and Greater Wellington account for the largest share of projected investment and together contribute approximately 63% of total capital expenditure between FY35 and FY52. Across the region, annual capital expenditure is projected to peak at approximately \$1.1 billion in FY49, highlighting the significant infrastructure requirements anticipated over coming decades.

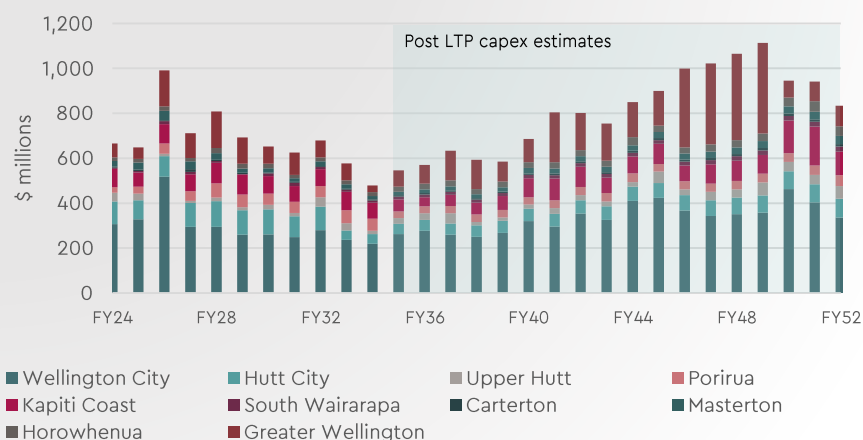
Greater Wellington's projected capital expenditure increases significantly beyond the current LTP period, indicating the potential for major regional infrastructure investment during the 2040s.

Note that the capex estimates for the FY35 – FY52 period were normalised in some instances (some councils recorded very high capital expenditure in 'year 11' while others had steep decreases in spending). In these instances, we smoothed capital profiles. We also adjusted flat capital profiles to reflect our asset revaluation assumptions. With the exception of Kāpiti Coast District Council, the capex projections exclude planned investment in water infrastructure.

Operating expenditure



Capital expenditure



Rates revenue is projected to continue increasing

Rates revenue is projected to increase steadily across the region

Total general and targeted rates revenue across the Wellington / Wairarapa region is projected to increase steadily over the forecast period, reflecting growing expenditure, infrastructure investment and financing requirements.

While all councils contribute to this increase, Wellington City and Greater Wellington are expected to account for the largest share of total rates revenue throughout the period.

By FY34, total rates revenue is projected to reach approximately \$1.8 billion, compared with just over \$900 million in FY24. The cumulative growth rate in aggregate rates revenue over the LTP period is projected to average 7.1% per annum.

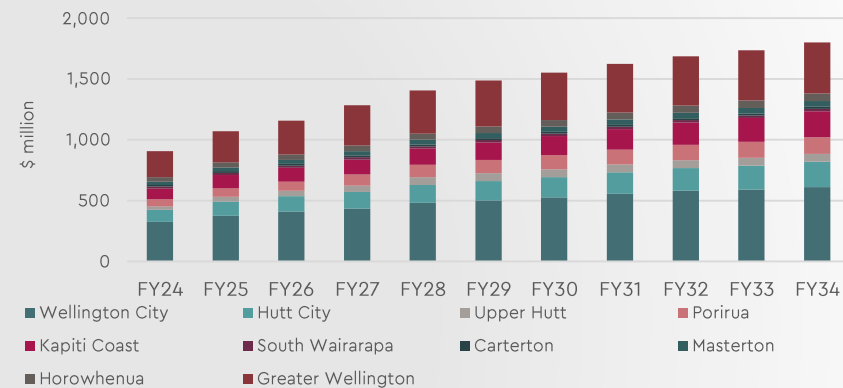
Rates per rating unit are set to increase across all councils

Rates revenue per rating unit is projected to increase across all councils over the forecast period, indicating that revenue growth is outpacing growth in the rating base.

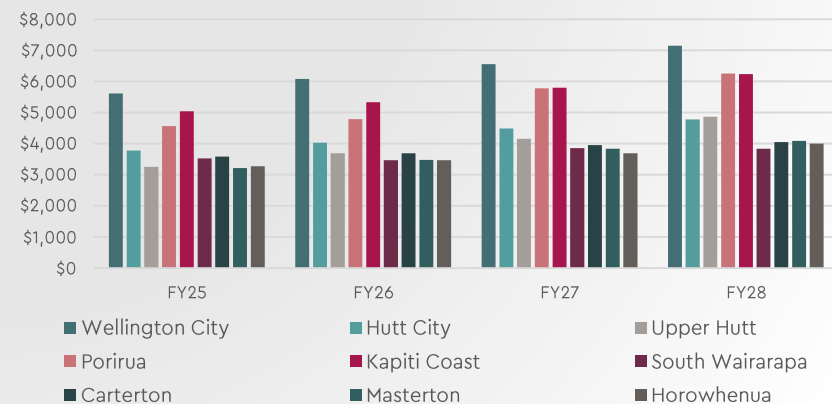
The strongest increases are evident in Wellington City, Porirua and Kāpiti Coast, while growth is more gradual in the Wairarapa councils and Horowhenua.

This reflects both increasing funding requirements and relatively modest projected growth rates across the region.

General and targeted rates revenue



Rates revenue per rating unit (includes GWRC rates)



Note that these figures exclude Horowhenua's "portion" of Horizons revenue

Non-rates revenue is growing slower than rates ...

Non-rates operating revenue is forecast to grow steadily

Non-rates operating revenue is projected to increase steadily across the LTP period, growing from approximately \$800 million in FY25 to \$971 million by FY34.

Growth is broadly consistent across the region, with Wellington City, Greater Wellington and Hutt City accounting for the largest share of non-rates revenue. However, growth in non-rates revenue is expected to be significantly slower than growth in rates revenue, resulting in a higher dependence on rates revenue as a source of council funding over time.

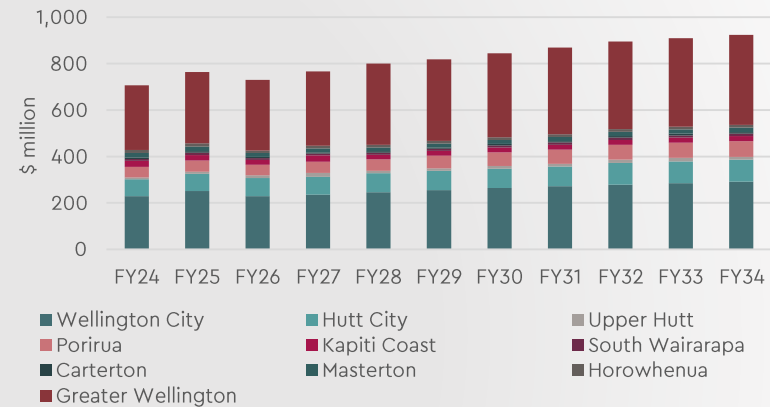
Historically, non-rates revenue has been a more variable and less reliable funding source than rates, limiting its capacity to offset rising expenditure pressures.

Capital revenue varies year-to-year with no clear upward trend

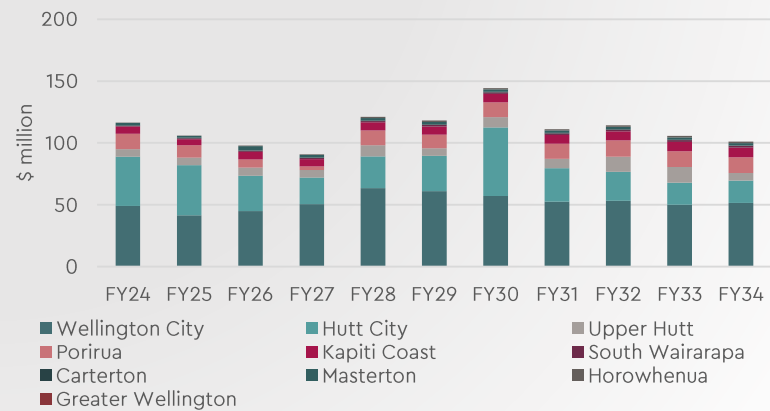
Unlike operating revenue, capital revenue is forecast to fluctuate from year-to-year, reflecting the timing of grants, subsidies, development contributions and other one-off funding sources.

Capital revenue peaks at approximately \$377 million in FY28 before declining to around \$153 million by FY34, with no sustained upward trend over the forecast period. This variability highlights the extent to which councils rely on less predictable funding sources to support capital investment programmes.

Non-rates operating revenue



Capital revenue



... resulting in a changing revenue mix over time

Councils are becoming more reliant on rates as a source of funding

Total revenue across the region is projected to grow steadily over the forecast period, reaching approximately \$2.93 billion by FY34.

However, rates revenue is expected to grow considerably faster than other revenue sources, increasing by an average of 7.1% per annum between FY24 and FY34, compared with 2.6% per annum for non-rates revenue.

As a result, rates are projected to increase from 49% of total revenue in FY24 to 62% by FY34, indicating a growing dependency on rates to fund council activities and investment.

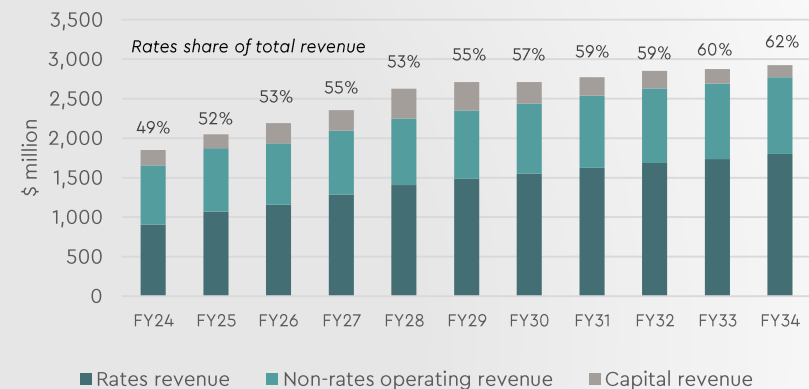
Growth in the rating base is expected to be modest and concentrated in the region's largest urban centres

The number of rating units across the region is projected to increase by 21,282 units between FY25 and FY34, equivalent to average growth of around 1.0% per annum.

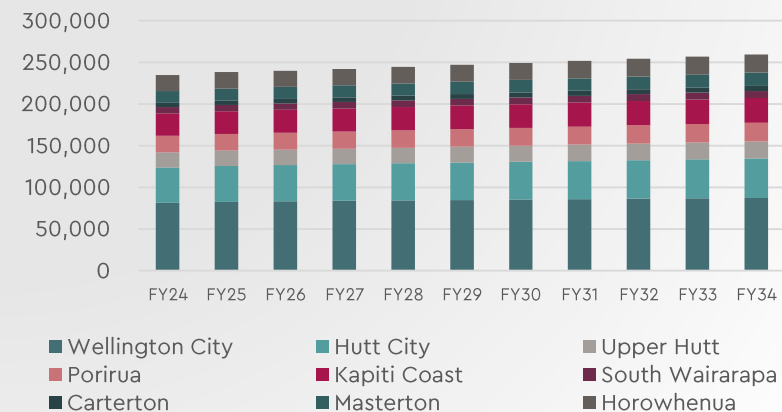
Wellington City and Hutt City account for almost half of this growth, adding approximately 4,800 and 4,000 rating units respectively, while growth in the smaller Wairarapa councils is more modest, with Carterton and South Wairarapa projected to add around 800–900 rating units each.

Overall growth in rating units across the region is projected to average 1.0% per annum between FY24 and FY34.

Increasing dependence on rates



Projected growth in rating units



Revenue growth is needed to improve operating performance and support increased borrowing

Revenue growth is projected to restore a near-balanced operating position

The combined councils are projected to steadily improve their operating position over the forecast period, moving from a deficit of approximately \$105 million in FY27 to near break-even by FY34.

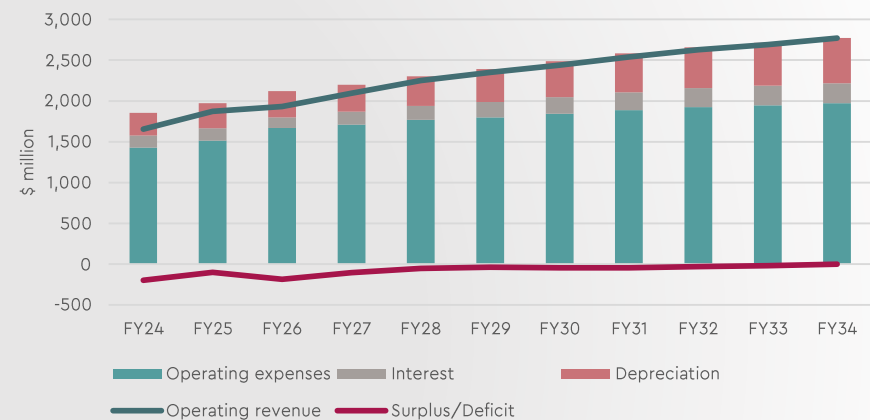
This improvement occurs despite significant infrastructure investment, with depreciation increasing from approximately \$333 million to \$556 million and interest costs rising by around 55% over the period. Revenue growth is projected to outpace the growth in expenditure, depreciation and financing costs, resulting in a progressively smaller operating deficit and an operating position that is broadly balanced by the end of the forecast horizon. This picture masks differences across the region, with Wairarapa councils projected to run persistent operating deficits (see Appendix A for further detail).

Debt increases to support planned investment, with affordability improving over time

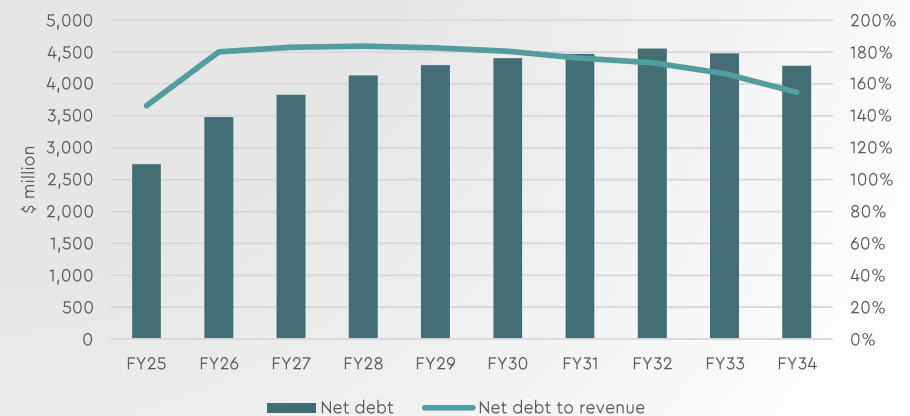
Net debt is projected to increase from approximately \$3.0 billion in FY25 to a peak of around \$4.5 billion in FY31–FY32, before reducing slightly to around \$4.3 billion by FY34.

While borrowing increases in absolute terms, growth in revenue helps maintain debt sustainability, with the net debt-to-revenue ratio remaining broadly stable at around 190% through the middle of the forecast period before declining to approximately 165% by FY34. This reflects projected revenue growth that keeps pace with increased borrowing requirements driven by capital expenditure in excess of depreciation expense.

Operating surplus / (deficit)



Borrowing

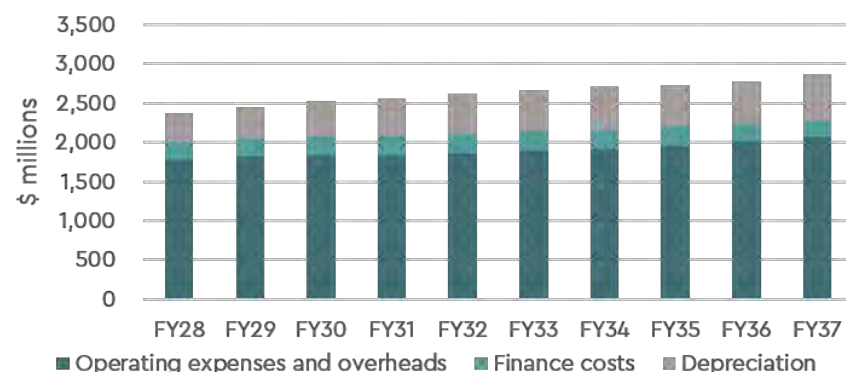


Overview of unitary options

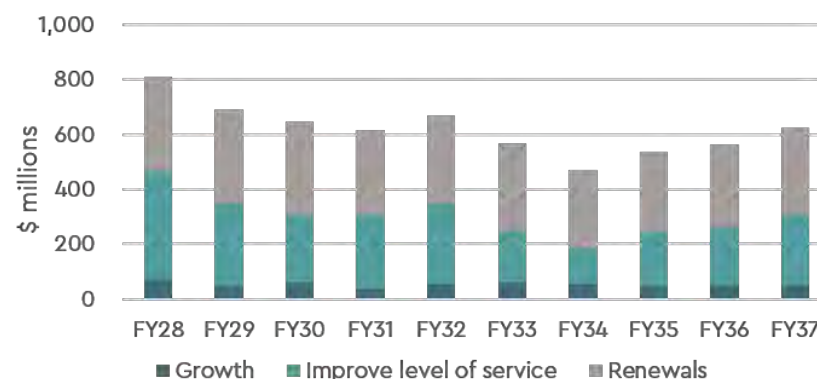
Configuration 1 – Single Regional Unitary incl. KCDC/HDC

Operating expenditure is projected to increase steadily over the forecast period, rising from \$2.4 billion in FY28 to \$2.9 billion in FY37. Operating expenses and overheads account for the largest share of expenditure, increasing from \$1.8 billion to \$2.1 billion, an average growth rate of 1.6% per annum. Capital expenditure is front-loaded, peaking at \$810 million in FY28 before declining to a low of \$470 million in FY34 before rising to \$620 million by FY37. Operating revenue grows from \$2.0 billion in FY28 to \$2.5 billion in FY37, while rates revenue increases from \$1.5 billion to \$1.8 billion over the same period. Borrowing increases in the early years with net debt rising from \$4.2 billion in FY28 to a peak of \$4.6 billion in FY32. Debt levels then improve steadily, with net debt declining to \$3.9 billion by FY37 and net debt-to-revenue reducing from a peak of 181% to 135%.

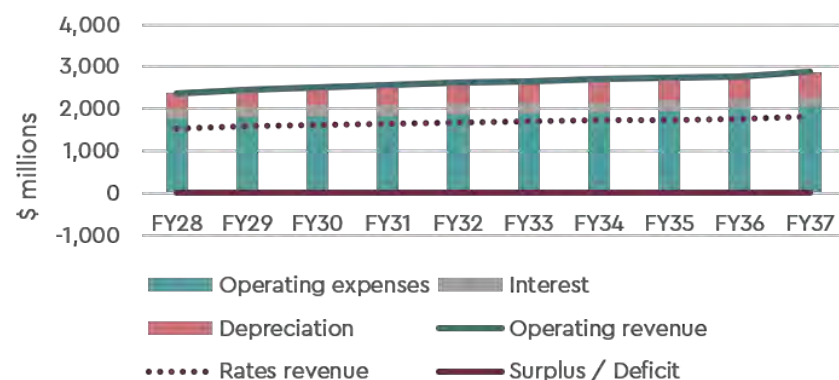
Operating expenditure



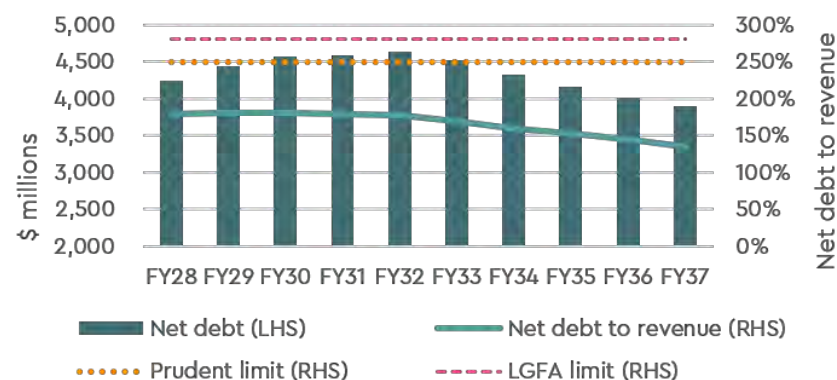
Capital expenditure



Operating performance



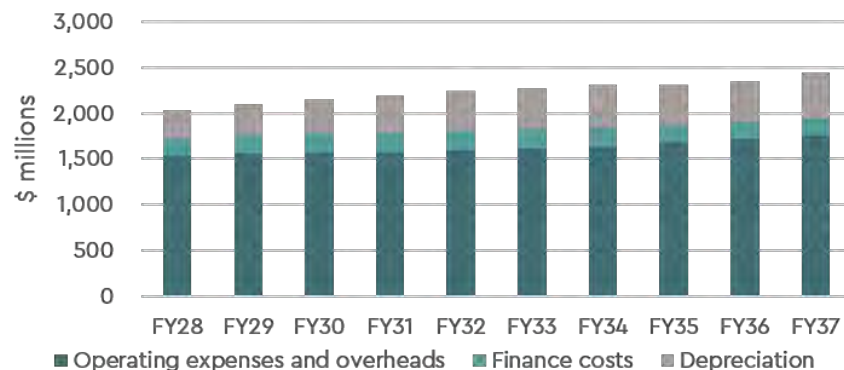
Net debt and net debt to revenue



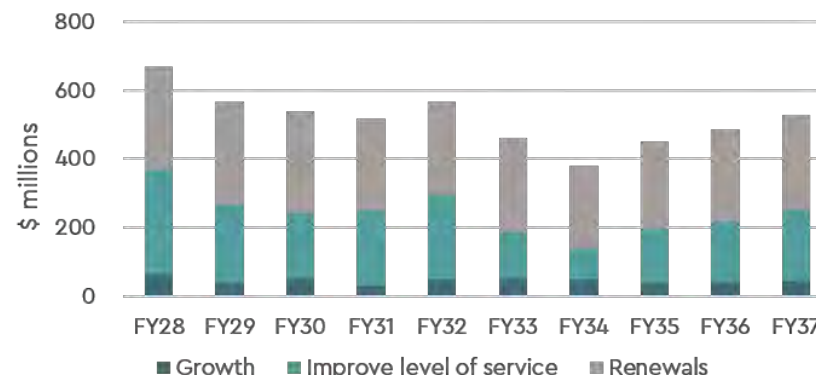
Configuration 1 – Single Regional Unitary excl. KCDC/HDC

Operating expenditure is projected to increase steadily over the forecast period, rising from \$2.0 billion in FY28 to \$2.5 billion in FY37. Operating expenses and overheads remain the largest component of expenditure, growing from \$1.5 billion to \$1.8 billion at an average rate of 1.5% per annum. Capital expenditure is highest in FY28 at \$670 million before declining to a low of \$379 million in FY34 and finishing at \$528 million by FY37. This reflects an overall reduction in capital investment over the period, driven primarily by lower expenditure on growth and level of service improvements. Operating revenue grows from \$2.0 billion in FY28 to \$2.4 billion by FY37, while rates revenue increases from \$1.3 billion to \$1.5 billion over the same period. Borrowing increases in the early years with net debt rising from \$3.6 billion in FY28 to a peak of \$3.9 billion in FY32. Debt levels then decline, with net debt reducing to \$3.2 billion by FY37 and net debt-to-revenue improving from a peak of 178% to 132%.

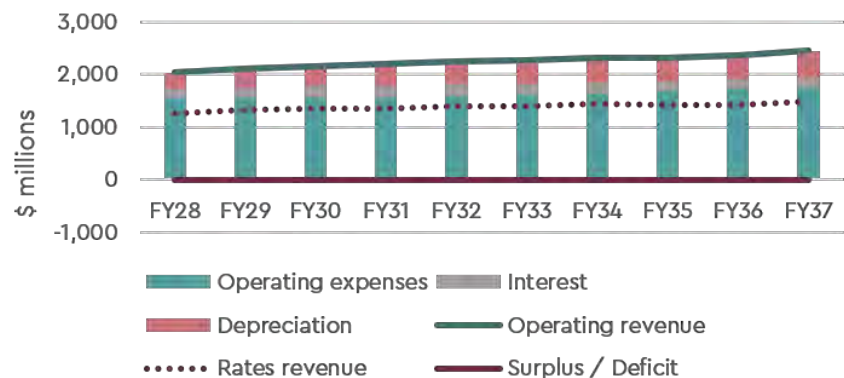
Operating expenditure



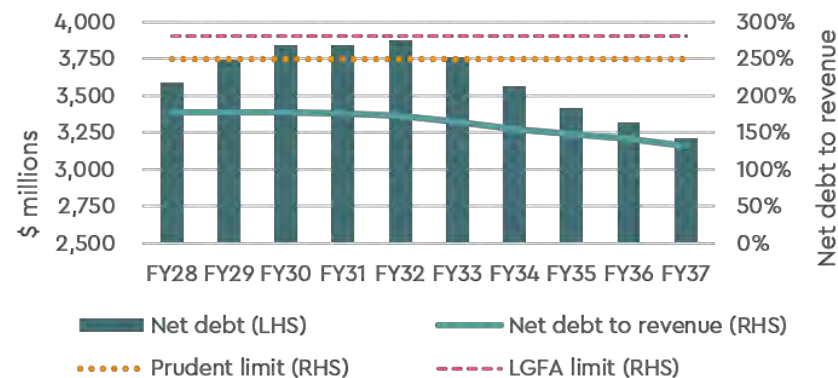
Capital expenditure



Operating performance



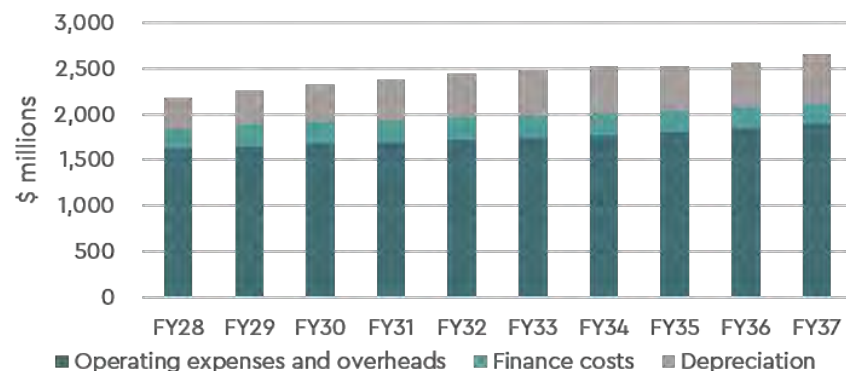
Net debt and net debt to revenue



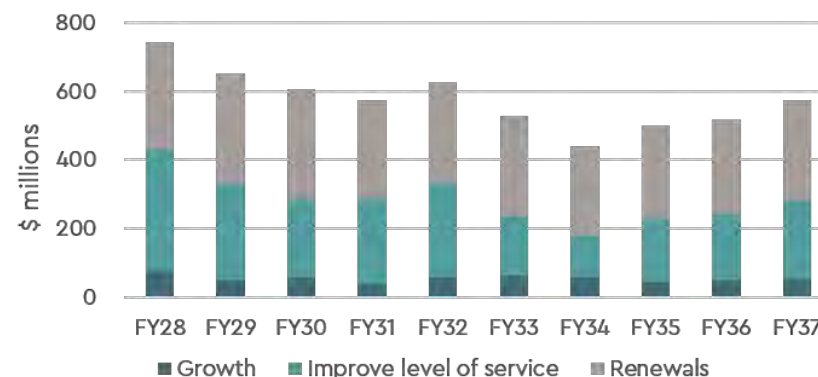
Configuration 2 – Western Area Unitary

Total operating expenditure is projected to increase steadily over the period, growing by an average of 2.2% per annum. Operating expenses and overheads increase gradually (1.6% p.a. on average), while depreciation grows more quickly and accounts for an increasing share of total expenditure, rising from \$336 million in FY28 to \$542 million in FY37 (5.5% p.a.). Capital expenditure is front-loaded, with the highest investment occurring in FY28 before moderating and remaining variable across the forecast period as assets are renewed and service improvements are delivered. Operating revenue grows from \$2.2 billion to \$2.6 billion over the period, while rates revenue increases at a slightly lower average rate of 2.0% per annum. Borrowing increases in the early years to fund integration costs, with net debt peaking at \$4.5 billion in FY32 and net debt to revenue reaching 191%. Debt levels then gradually decline, with net debt-to-revenue reducing to 145% by FY37.

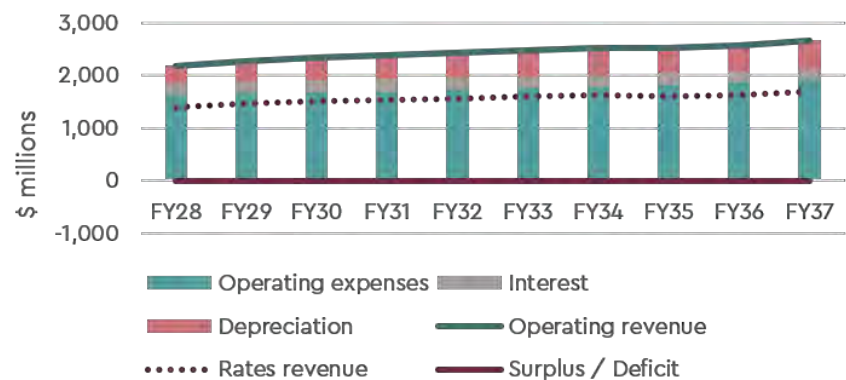
Operating expenditure



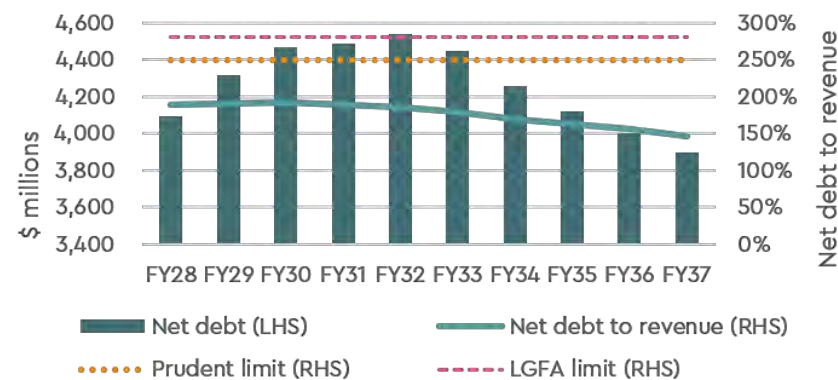
Capital expenditure



Operating performance



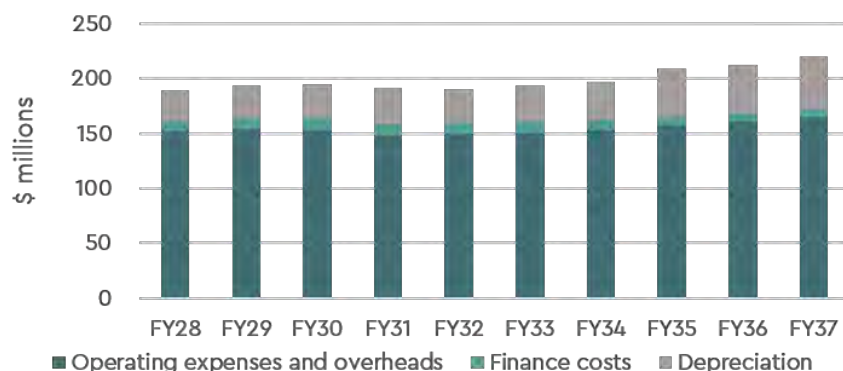
Net debt and net debt to revenue



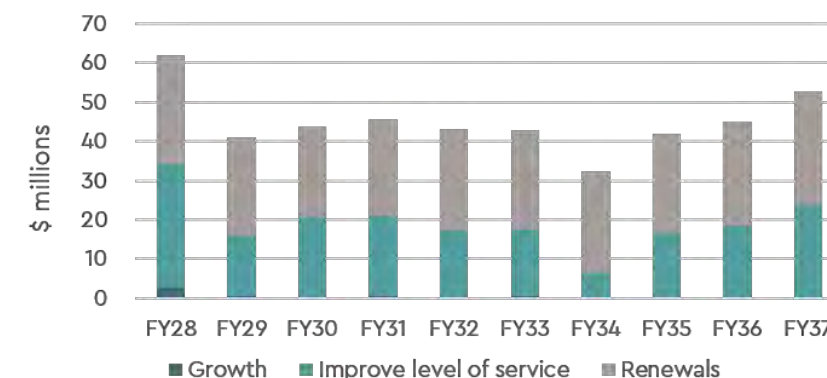
Configuration 2&3 – Wairarapa Unitary

Total operating expenditure is projected to increase from \$189 million to \$220 million over the period (a 1.7% annual growth rate), largely driven by rising depreciation costs. Capital expenditure declines initially before recovering slightly, with investment primarily focused on maintaining and renewing existing assets. Renewals remain relatively stable over time, while expenditure to improve levels of service varies from year to year. Growth-related capital investment is minimal, indicating limited demand-driven infrastructure pressures. Operating revenue increases in line with expenditure, growing from \$189 million to \$220 million, with rates revenue rising from \$130 million to \$146 million. Debt peaks at \$192 million in FY30 before steadily declining to \$100 million by FY37. Net debt reaches 98% of operating revenue in FY30 before falling to 45% by FY37.

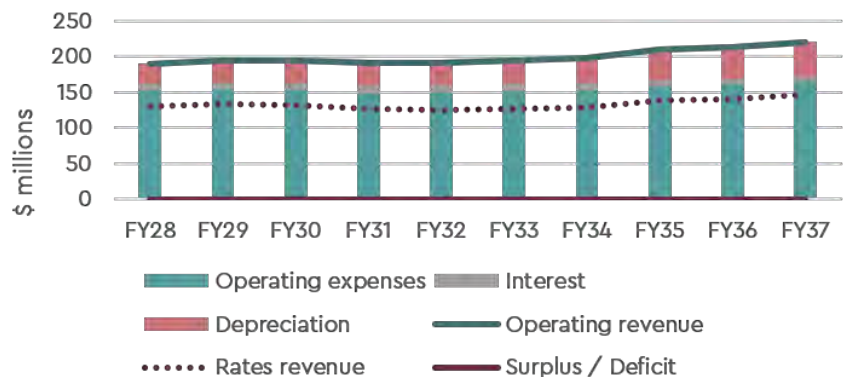
Operating expenditure



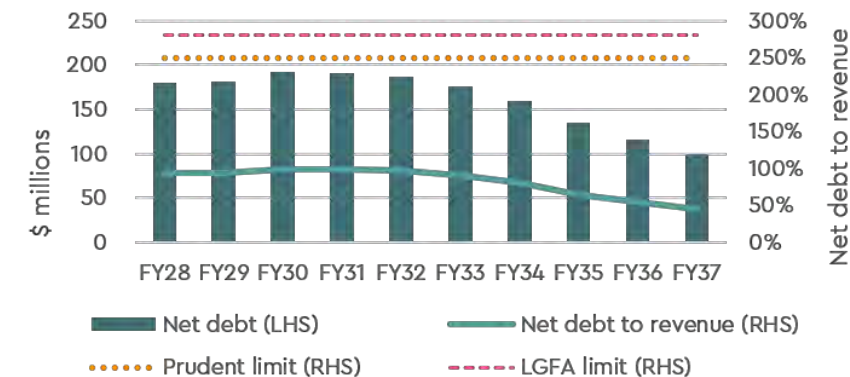
Capital expenditure



Operating performance



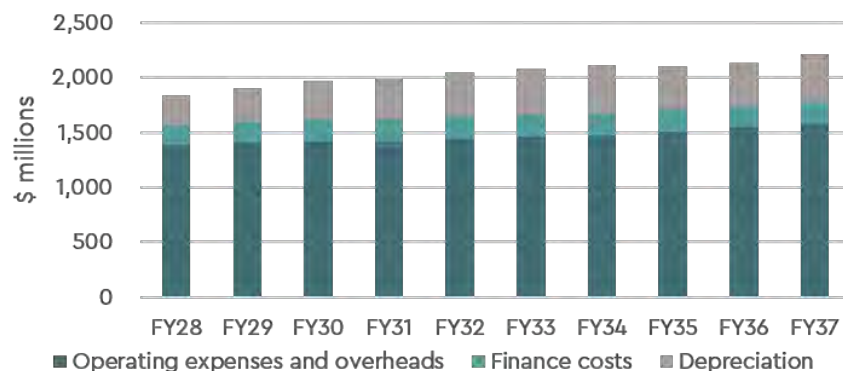
Net debt and net debt to revenue



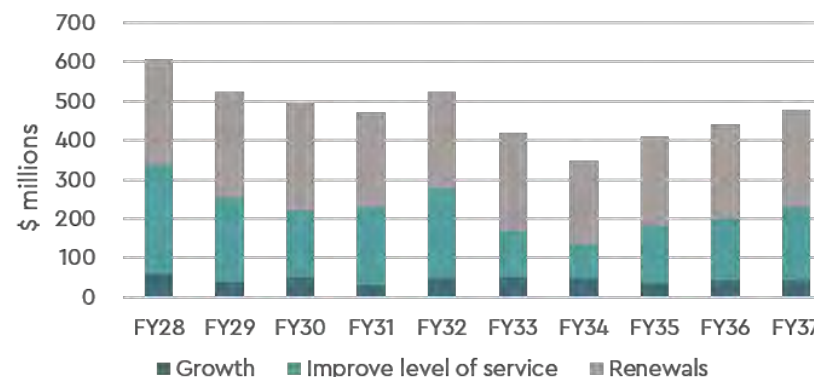
Configuration 3 – Wellington Metro Unitary

Total operating expenditure is projected to increase from \$1.8 billion in FY28 to \$2.2 billion in FY37, broadly in line with growth in operating revenue. Capital expenditure peaks at \$608 million in FY28, remains relatively flat in the early years, then declines before increasing again to \$477 million in FY37. Capital investment is characterised by larger year-to-year fluctuations, particularly in expenditure aimed at improving levels of service, with some variation also evident in renewal programmes. Operating revenue grows from \$1.8 billion to \$2.2 billion over the period, with rates revenue increasing from \$1.1 billion to \$1.3 billion, remaining the council's primary source of funding. Net debt increases from \$3.5 billion in FY28 to a peak of \$3.7 billion in FY32, before declining to \$3.2 billion by FY37. Despite the increase in debt in the early years, the net debt-to-revenue ratio improves over time, reducing from 188% in FY28 to 184% in FY32 and 144% in FY37.

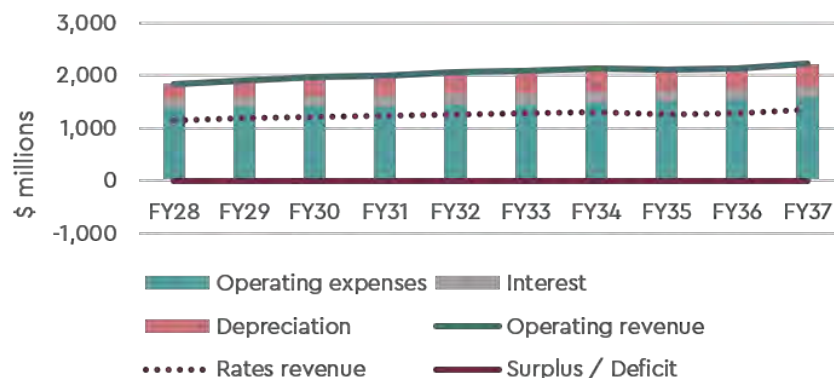
Operating expenditure



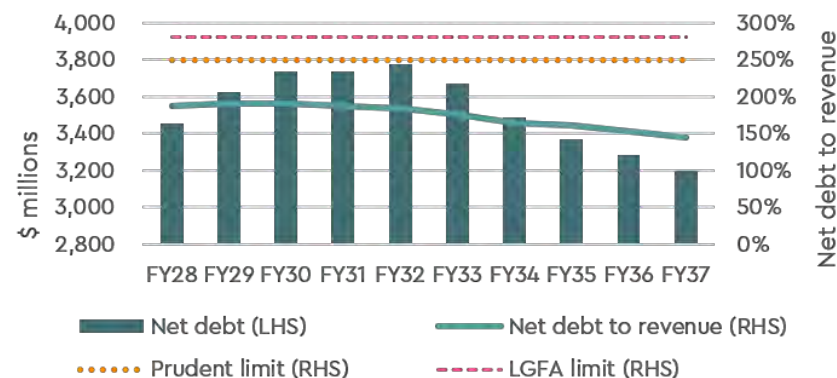
Capital expenditure



Operating performance



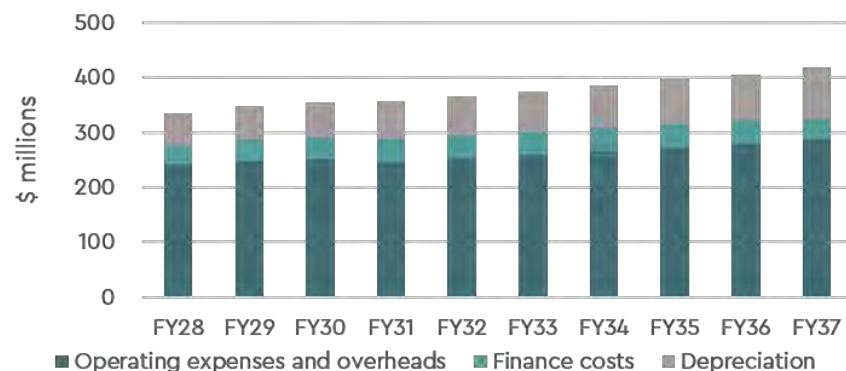
Net debt and net debt to revenue



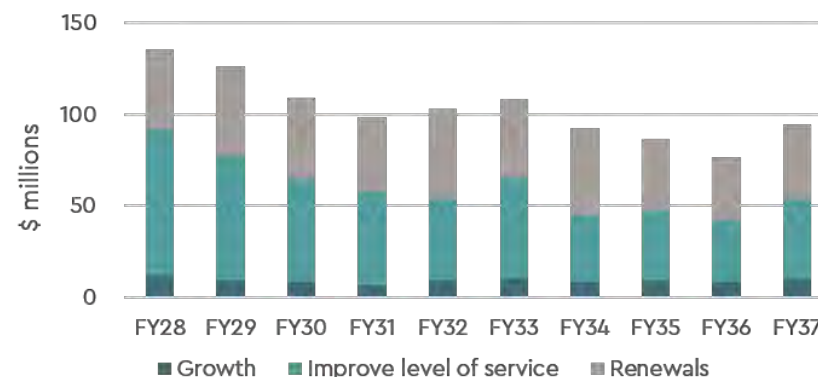
Configuration 3 – North Western Unitary

Operating expenditure increases steadily over the forecast period, rising from \$334 million in FY28 to \$419 million in FY37. Operating expenses and overheads grow by an average of 1.9% per annum, while depreciation increases more rapidly at 5.5% per annum, making up an increasingly larger share of total costs over time. Capital expenditure is highest in FY28 at \$136 million before generally declining, reaching a low of \$76 million in FY36 and ending the period at \$95 million. Operating revenue grows from \$334 million to \$419 million, with rates revenue increasing from \$256 million to \$326 million at an average rate of 2.7% per annum. Borrowing increases in the early years, with net debt rising from \$647 million in FY28 to a peak of \$780 million in FY33 before declining to \$691 million by FY37. Net debt to revenue follows a similar pattern, peaking at 212% in FY31 before reducing to 165% by FY37.

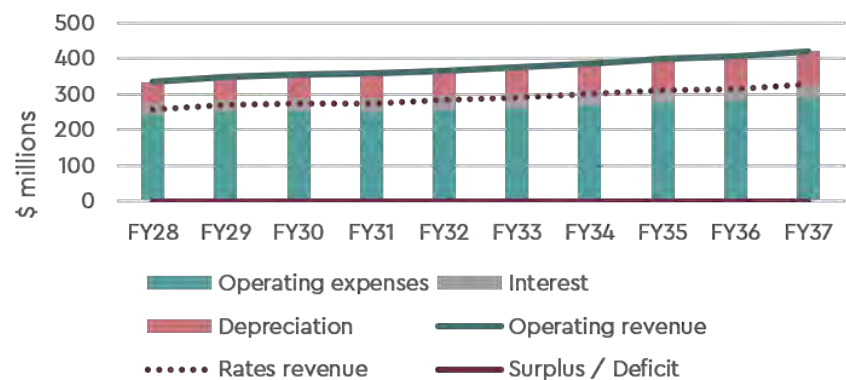
Operating expenditure



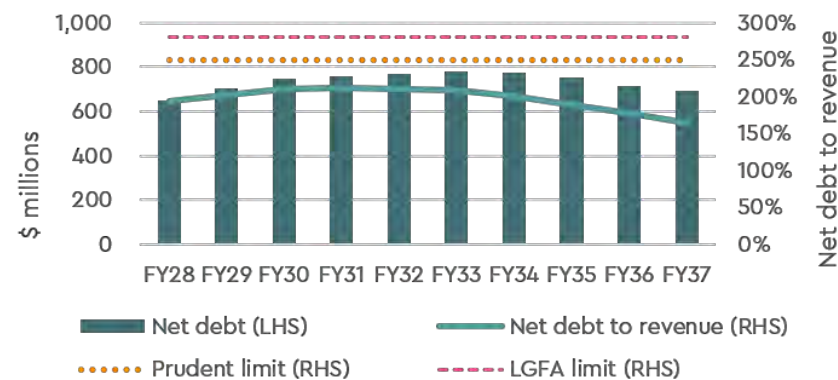
Capital expenditure



Operating performance



Net debt and net debt to revenue



Key findings

Establishment costs are assumed to vary based on the scale and complexity of each option

Estimating establishment and transition costs is challenging because each situation is unique and amalgamations often involve significant IT system integration costs, which are highly dependent on the particular circumstances.

Evidence from large scale amalgamations and other mergers indicates a wide range of potential costs. Obtaining accurate estimates of likely costs requires more detailed planning than is possible within the agreed scope and time available.

Instead, and following approaches used for other local government amalgamation modelling exercises, we include provision for establishment and transition costs based on a (top-down) assumption of a fixed percentage of operating costs.

We assume that half of the total establishment and transition costs fall in FY28, with the remaining half spread evenly over FY29 and FY30. The single unitary has the lowest aggregate costs reflecting the single transition process.

Provision for the cost to establish a single unitary ranges between \$234m and \$312m, while a Wairarapa Unitary is assumed to cost between \$38m and \$46m. Overall, the net benefit analysis is not particularly sensitive to this assumption, so if costs are higher, the payback period is expected to be slightly longer but still positive.

	Unitary option	% of opex (mid-point)	Indicative cost estimate	Total cost for configuration
1	Single regional	17.5% (15-20%)	\$273 million	\$273 million (\$236 million)
	Single regional (excl. KCDC & HDC)	22.5% (20-25%)	\$236 million	
2	Western Area	20% (17.5-22.5%)	\$281 million	\$323 million
	Wairarapa	27.5% (25-30%)	\$42 million	
3	Wellington Metro	22.5% (20-25%)	\$269 million	\$369 million
	North Western	27.5% (25-30%)	\$58 million	
	Wairarapa	27.5% (25-30%)	\$42 million	

Estimated cost savings

We applied different operating and capital efficiencies across the different configurations and unitary options (see slide 12 and Appendix C for further details). This results in a higher aggregate operating efficiency for a three-unitary scenario (\$1.2 billion versus \$1.1 billion under a single unitary). This is driven by higher relative efficiencies assumed for North Western and Wairarapa councils, where higher proportionate savings may be realised from areas with significant fixed costs, such as strategy, policy and regulatory services. This is consistent with studies that indicate diminishing returns to scale in operating costs. Conversely, capital efficiencies are greatest under a single unitary option, where economies of scale are assumed to translate into higher savings across a larger capital programme and due to greater buyer power.

	Unitary option	Operating FY30-FY52			Capital FY30-FY52		
		Operating expenditure (pre efficiency)*	Opex efficiencies*	Effective efficiency	Total capital expenditure*	Capex efficiencies*	Effective efficiency
1	Single regional	\$28.4 billion	\$1,080 million	3.8%	\$8.9 billion	\$128 million	1.4%
	Single regional (excl. KCDC & HDC)	\$24.2 billion	\$925 million	3.8%	\$7.4 billion	\$106 million	1.4%
2	Western Area	\$25.9 billion	\$988 million	3.8%	\$8.2 billion	\$117 million	1.4%
	Wairarapa	\$2.4 billion	\$168 million	7.1%	\$0.7 billion	\$2 million	0.2%
3	Wellington Metro	\$21.9 billion	\$835 million	3.8%	\$6.7 billion	\$96 million	0.4%
	North Western	\$4.0 billion	\$229 million	5.7%	\$1.5 billion	\$11 million	0.7%
	Wairarapa	\$2.4 billion	\$168 million	7.1%	\$0.7 billion	\$2 million	0.2%

Operating expenditure above *excludes* depreciation and interest. Both operating and capital efficiencies are phased in from FY30.

* Efficiencies and expenditure figures have been discounted to 2026 dollars.



Indicative net financial benefits by configuration

All amalgamation options have the potential to be net financially beneficial over a 25-year period, but the extent of benefits varies with the scale and complexity of the option. The single regional unitary authority (Configuration 1) delivers the largest absolute net benefit for a single council option, but all options have the potential to deliver meaningful savings. Whether these savings are realised or not is dependent on the quality of implementation.

On a per rating unit basis, the present value of net savings over 25 years falls within a narrow range of \$3,900 to \$4,500 across the options. The Wairarapa Unitary option appears to generate the highest NPV per rating unit, reflecting the assumed higher relative efficiency benefits. However, as noted on slide 37, the potential savings need to be weighed against the potential loss of the intraregional subsidy, which could outweigh any amalgamation-related savings.

Unitary type		Establishment costs	Cumulative efficiencies	NPV	NPV per rating unit
1	Single (incl. KCDC & HDC)	\$273 million	\$1,211 million	\$937 million	\$3,911
	Single (excl. KCDC & HDC)	\$236 million	\$1,031 million	\$795 million	\$4,113
2	Western Area	\$281 million	\$1,105 million	\$824 million	\$3,891
	Wairarapa	\$42 million	\$170 million	\$125 million	\$4,521
3	Wellington Metro Western Area (excl. KCDC & HDC)	\$269 million	\$930 million	\$662 million	\$3,996
	North Western	\$58 million	\$240 million	\$181 million	\$3,931
	Wairarapa	\$42 million	\$170 million	\$125 million	\$4,521

Notes: Results are modelled over FY28–FY52 and discounted to 2026 dollars using a 4.55% nominal discount rate (2.0% real Treasury SRTP plus 2.5% inflation). Establishment costs, operating and capital efficiencies and transition costs reflect the mid-point of the range of agreed modelling assumptions. Sensitivities to these assumptions are explored on the following slide. The Wellington Metro option is the same as a Western Area (excl. KCDC & HDC) option and so has not been repeated in the table.



Net financial benefits are robust to varying assumptions

We tested the sensitivity of net financial benefits to alternative assumptions. We created an optimistic case, where we used the lowest estimate for integration costs and the highest efficiency rate to derive benefits. We also created a pessimistic case, where we applied the high-cost estimate for integration costs and the low estimate for efficiency rates. We also applied Treasury's higher discount rate to the base case.

The net present value (NPV) remains positive for each alternative scenario, meaning there is a degree of resilience in the options, even when some assumptions are less favourable. It also means that any amalgamation is not dependent on a single optimistic assumption.

Unitary type		Base case (4.6% discount rate)	High discount rate (10.5% discount rate)	Optimistic case <i>Lower integration costs, higher opex and capex efficiencies</i>	Pessimistic case <i>Higher integration costs, lower opex and capex efficiencies</i>
1	Single (incl. KCDC & HDC)	\$937 million	\$330 million	\$1,287 million	\$587 million
	Single (excl. KCDC & HDC)	\$795 million	\$279 million	\$1,093 million	\$496 million
2	Western Area	\$824 million	\$275 million	\$1,143 million	\$504 million
	Wairarapa	\$125 million	\$43 million	\$188 million	\$67 million
3	Wellington Metro Western Area (excl. KCDC & HDC)	\$662 million	\$204 million	\$930 million	\$393 million
	North Western	\$181 million	\$62 million	\$266 million	\$97 million
	Wairarapa	\$125 million	\$43 million	\$188 million	\$67 million

Intraregional subsidies – Wairarapa funding gap

There is an apparent mismatch between the amount of regional council rates revenue collected from Wairarapa ratepayers and GWRC's estimated cost of delivering activities in the Wairarapa. Even after reducing the level of regional costs and increasing the share of Centreport dividends allocated to Wairarapa, a significant funding gap remains.

One way to interpret the GWRC analysis is that Wairarapa ratepayers are recipients of an intraregional subsidy, with rates revenue collected from the Wairarapa falling short of regional expenditure by around \$29.8 million in FY26. However, recent analysis by Morrison Low suggests GWRC costs appear high relative to smaller regional council and unitary authority benchmarks.

To account for this, we have reduced costs associated with regional activities delivered in the Wairarapa by 10%, or \$7.4 million. We have also made a small adjustment to GWRC's assumed ownership share of Centreport, increasing Wairarapa's ownership from 10% to 15.4%, in line with the basis for determining shareholdings at the time Centreport was incorporated. This reduces the estimated intraregional subsidy to \$22.5 million. The apparent funding gap for a Wairarapa Unitary Authority (relative to Budget) is lower, at approximately \$8.0 million, due to Masterton District Council operating a significant surplus.

While a Wairarapa Unitary Authority would have choices about how to close this funding gap, it is plausible that rates revenue would need to increase to balance the budget. A future Wairarapa Authority would need to weigh its options carefully, including considering changes to levels of service, finding greater savings, and/or increasing revenue. Given the size of the funding gap, an increase in rates could outweigh any amalgamation-related savings.

FY26 \$000s	% of GWRC	Wairarapa's share of GWRC	CDC	MDC	SWDC	Total incl. GWRC	Adjustments made to GWRC	Net starting position
Rates revenue	7%	19,968	13,577	33,689	18,319	85,553		85,553
Non-rates revenue, including capital revenues	7%	30,275	7,119	32,741	12,866	83,001	188	83,189
Total revenue		50,243	20,695	66,430	31,185	168,554		168,742
Operating expenses	13%	74,526	16,568	43,438	24,448	158,980	(7,453)	151,527
Finance costs	8%	2,599	203	1,061	544	4,407		4,407
Overheads and support costs	n/a		(1,740)	(3,299)	(980)	(6,019)		(6,019)
Depreciation expense	8%	2,935	4,997	14,805	4,121	26,858		26,858
Total operating expenditure		80,059	20,029	56,005	28,132	184,225		176,773
Net operating position		(29,816)	667	10,425	3,053	(15,672)	7,264	(8,031)
Implied subsidy (expenditure less revenue)		29,816				29,816	(7,264)	22,552

Intraregional subsidies – North Western funding

We also examined whether Kāpiti ratepayers also benefit from an intraregional subsidy in the similar way to Wairarapa ratepayers. Our indicative analysis suggests Kāpiti District ratepayers fully fund their share of GWRC's costs. In 2025/26 financial year, we estimate regional council rates contributed by Kāpiti district ratepayers (after including the district's share of non-rates revenue) exceeded GWRC's estimated costs of delivering services in Kāpiti by \$3.1 million, or approximately 1% of expenditure.

As such, the removal of intraregional subsidies would not be expected to have a material impact on net financial benefits for Kāpiti ratepayers.

FY26 \$000s	% of GWRC	Kāpiti's share of GWRC	KCDC	HDC	Total
Rates revenue	9.4%	26,037	38,024	18,164	114,580
Non-rates revenue, including capital revenues	13.7%	58,392	114,024	43,954	184,015
Total revenue		84,429	152,048	62,118	298,595
Operating expenses	13.4%	76,822	87,247	53,038	209,502
Finance costs	6.4%	2,079	15,464	5,869	23,412
Depreciation expense	6.4%	2,348	37,309	11,002	50,658
Total operating expenditure		81,249	140,020	62,304	283,573
Net operating position		3,179	12,028	(186)	15,022
Contribution to regional subsidy (expenditure less revenue)		(3,179)			(3,179)

Testing financial resilience

Financial resilience is not determined solely by current debt levels. Councils also need the capacity to respond to unexpected costs arising from events such as flooding, infrastructure failures, or major unplanned asset renewals.

Unplanned events and rising investment requirements are increasing financial pressure on councils

Recent events have shown how quickly councils can face major unplanned costs from flooding, storm damage, slips, transport disruption and infrastructure failures. These shocks are occurring alongside rising investment requirements and affordability pressures. Government has [recently](#) proposed changes to ensure councils are managing risks related to natural hazards by requiring councils to plan for how to adapt to climate related natural hazards in the highest-priority areas. Plans must also include the indicative high-level cost estimates of response options, and how the costs are intended to be met.

Risk exposure varies across the region, but all councils face significant long-term pressure

Across Wellington / Wairarapa, councils face different exposure to natural hazards, flood protection, coastal risks, ageing infrastructure and transport disruption. Some smaller councils have narrow rating bases but still face potentially significant environmental and infrastructure risks.

Borrowing capacity and financial resilience are unevenly distributed across the region

Financial capacity is not always located where risk occurs. Some councils are constrained by high debt, while others have modest debt but limited revenue capacity. Collectively, the region has more borrowing capacity than individual councils, but under the status quo that capacity is not evenly distributed.

Shock assessment

We tested the effect of a \$50m shock and a larger, \$150m shock on each council's debt-to-revenue position and remaining borrowing headroom based on FY32 forecasts. This is a conservative assumption.*

A FY32 reference point was chosen because, by then, councils would have incurred all debt-funded establishment and transition costs but would be yet to fully realise the benefits of operating and capital efficiencies. This is likely to be the most financially vulnerable point for the newly amalgamated entities.

The shock assessment provides an indication of how resilient individual councils would be to plausibly sized shocks, by testing their ability to absorb additional costs while remaining within borrowing limits. The analysis demonstrates the uplift in financial resilience available under the various amalgamation options.

* The Treasury estimated the Cyclone Hale, Auckland Anniversary heavy rainfall, and Cyclone Gabrielle events caused between \$9 and \$14.5 billion of physical damage to households, businesses, and infrastructure. For scale comparison, the August 2022 flooding event that impacted Nelson had an total estimated cost of the recovery of \$77.1 million, with an estimated 30% covered by insurance and central government contributions. The weather event affecting Western Bay of Plenty in early 2026 has an estimated recovery bill of \$28.6 million, including approximately \$15.8 million to be funded by Council.

Some councils are more exposed to shocks than others

Financial resilience varies across the region

Some councils are expected to be constrained by relatively high debt levels. Horowhenua is the most heavily indebted council and is projecting net debt in excess of 250% from FY27. Wellington City and Hutt City are also projecting net debt exceeding 200% of revenue. Other councils have lower debt levels but remain vulnerable to financial shocks because of their smaller revenue bases and lower absolute borrowing capacity.

A \$50 million shock would represent between **79% and 225% of annual revenue for the Wairarapa councils**, compared with approximately 6% for Greater Wellington. Under a \$150 million shock, the disparity becomes more pronounced, with a shock of that size equivalent to between **237% and 674% of annual revenue for the Wairarapa councils**, compared with 19% for Greater Wellington.

Under a moderate-to-large shock, and assuming an absence of central government support, several councils would exceed their borrowing limits and/or exhaust their remaining borrowing headroom, while larger councils would retain some borrowing capacity.

Borrowing capacity is not always located where risk occurs

While the region collectively has substantial borrowing headroom, much of that capacity is concentrated in Greater Wellington and Porirua and is not necessarily aligned with where financial risks or unplanned costs are most likely to arise. As a result, councils face markedly different capacities to absorb major shocks. Under the current system, financial capacity and risk exposure are not evenly aligned and the benefits of geographical risk diversification are limited.

Council	FY32 Position		Shock as a % of revenue		Net debt to revenue post-shock		Remaining headroom	
	Net debt-to-revenue limit (LGFA)	Net debt-to-revenue pre-shock	\$50m shock	\$150m shock	\$50m shock	\$150m shock	\$50m shock	\$150m shock
Greater Wellington	280%	163%	6%	19%	169%	182%	\$868m	\$768m
Wellington City	280%	205%	6%	17%	210%	221%	\$632m	\$532m
Hutt City	280%	214%	18%	54%	232%	268%	\$134m	\$34m
Upper Hutt City	280%	99%	63%	190%	163%	290%	\$92m	-\$8m
Porirua City	280%	88%	26%	79%	114%	166%	\$316m	\$216m
Kapiti Coast	280%	184%	25%	74%	208%	258%	\$146m	\$46m
Horowhenua	280%	238%	72%	215%	309%	453%	-\$20m	-\$120m
Masterton	175%	19%	79%	237%	98%	256%	\$48m	-\$51m
Carterton	175%	-66%	225%	674%	159%	608%	\$4m	-\$96m
South Wairarapa	175%	97%	168%	503%	265%	601%	-\$27m	-\$127m



Financial resilience improves under all unitary configurations but is largest under the single regional unitary

Aggregation of balance sheets significantly improves the ability to absorb financial shocks

Financial resilience improves under all unitary configurations. By broadening the revenue base and combining borrowing capacity across a larger rating population, amalgamation reduces the relative impact of unplanned costs, such as on individual communities.

Under a \$150 million shock scenario, **all configurations remain within their LGFA debt limits and retain positive borrowing headroom**, indicating a greater capacity to absorb significant unplanned costs than under the status quo.

Larger configurations retain greater financial flexibility following a shock

While all configurations offer resilience benefits, the greatest benefits are associated with the larger unitary options. Under a \$150 million shock, the single regional unitary and Western Area Unitary configurations retain approximately \$2.1–\$2.6 billion of borrowing headroom, compared with \$103–\$208 million for the North Western and Wairarapa Unitary configurations. A shock of this size would also represent a much smaller proportion of annual revenue in the larger options (around 6–8%) than for Wairarapa (77%) or North Western (41%) unitary options.

This suggests that larger configurations are better able to absorb and diversify risk and maintain financial flexibility following a major shock, although all options remain better positioned than the status quo.

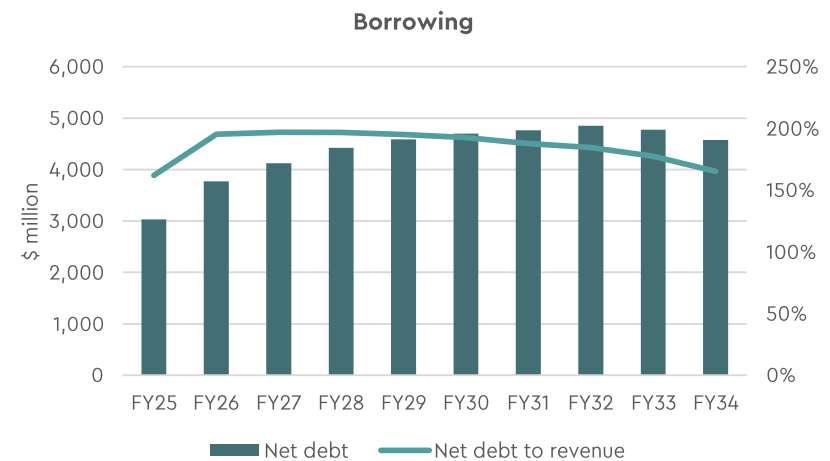
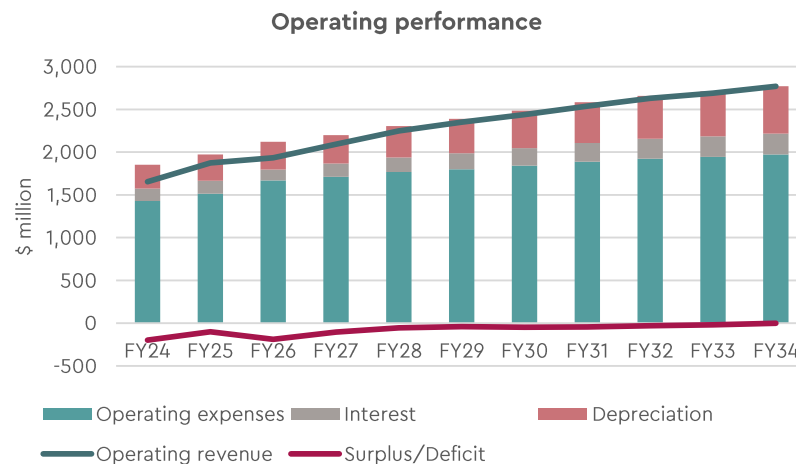
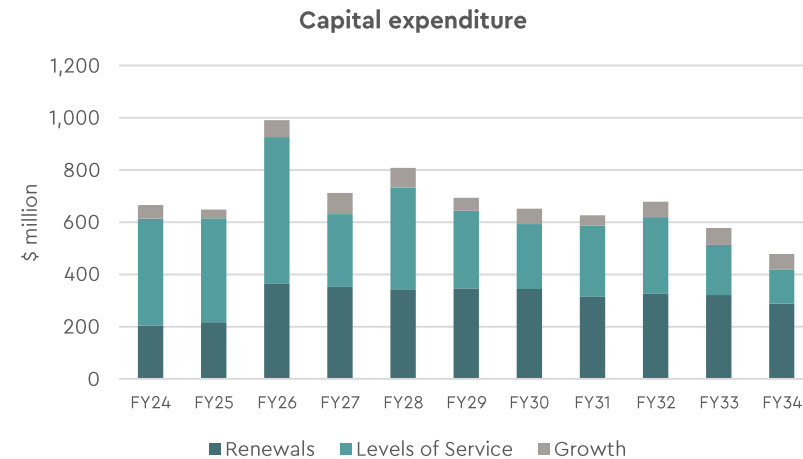
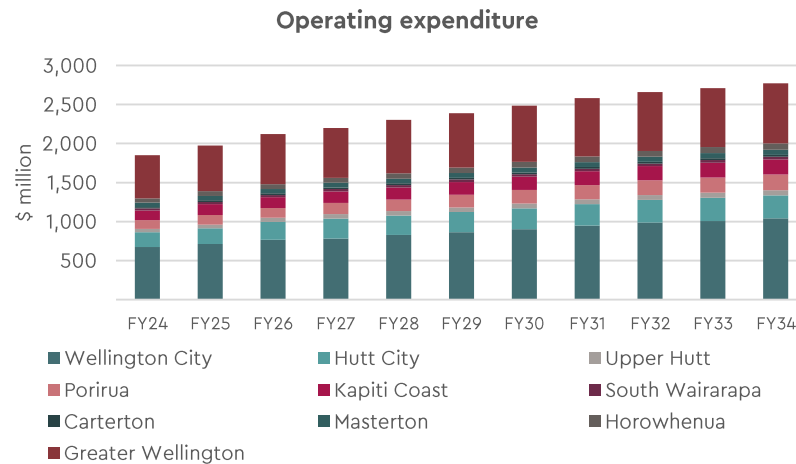
		FY32 Position	Shock as a % of revenue		Net debt to revenue post-shock		Remaining headroom		
		Net debt-to- revenue limit (LGFA)	Net debt-to- revenue pre- shock	\$50m shock	\$150m shock	\$50m shock	\$150m shock	\$50m shock	\$150m shock
	Regional	280%	177%	2%	6%	179%	183%	\$2.7 billion	\$2.6 billion
	Regional ex. KCDC & HDC	280%	173%	2%	7%	175%	180%	\$2.4 billion	\$2.3 billion
	Wairarapa	280%	96%	26%	77%	122%	173%	\$308 million	\$208 million
	Western Area	280%	186%	2%	6%	188%	192%	\$2.2 billion	\$2.1 billion
	Wellington Metro	280%	184%	2%	7%	187%	191%	\$1.9 billion	\$1.8 billion
	North Western	280%	211%	14%	41%	225%	252%	\$202 million	\$103 million

Appendix A

Status quo financial projections

All Councils (Status Quo)

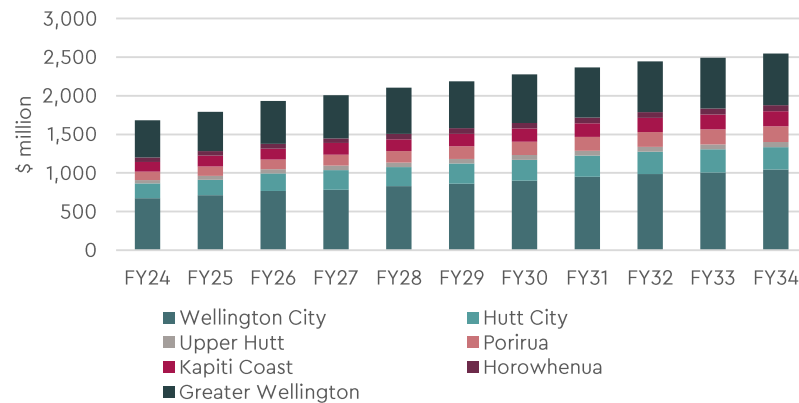
All councils see total operating expenditure (including depreciation and interest) increase from \$1.9 billion in FY24 to \$2.8 billion by FY34. Capital expenditure peaks in FY26 with a spend of \$991 million and gradually declines to \$478 million by FY34. Renewals taper slightly, but investment in levels of service decreases markedly over time. Operating performance improves over the period, reaching a small deficit of \$1.1 million in FY34, versus a deficit of \$198 million in FY24. Net debt to revenue peaks at 197% in FY27, with borrowing reaching a maximum of \$4.8 billion in FY32.



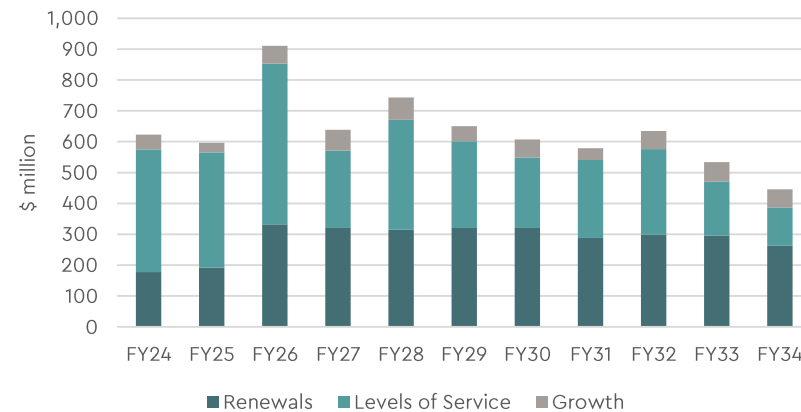
Western Councils (Status Quo)

Operating expenditure is projected to increase steadily over the forecast period, rising from \$1.8 billion in FY25 to \$2.6 billion in FY34, an average annual increase of 4.0%. Capital expenditure declines from FY28 to FY34, with a short break in the trend expected in FY32. Operating revenue grows from \$1.7 billion in FY25 to \$2.6 billion in FY34, while rates revenue increases from \$1.0 billion to \$1.7 billion over the same period. Borrowing increases in the early years with net debt rising from \$2.7 billion in FY25 to a peak of \$4.4 billion in FY32. Debt levels then improve steadily, with net debt declining to \$4.2 billion by FY34 and net debt-to-revenue reducing from a peak of 190% to 162%.

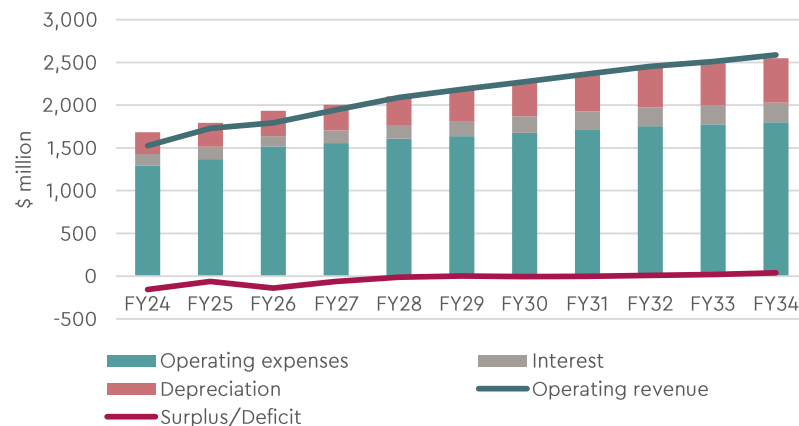
Operating expenditure



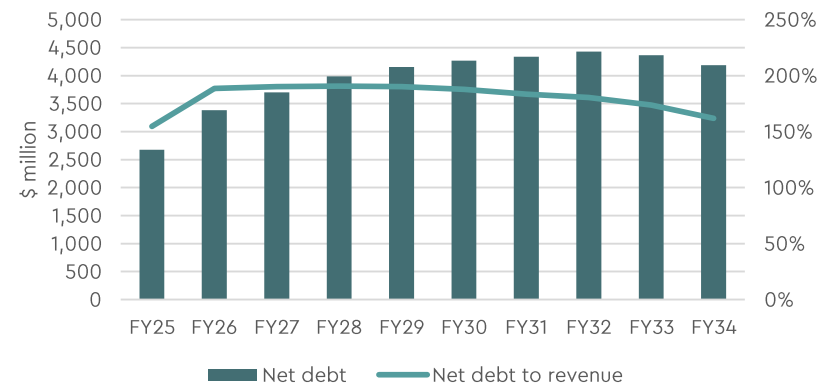
Capital expenditure



Operating performance

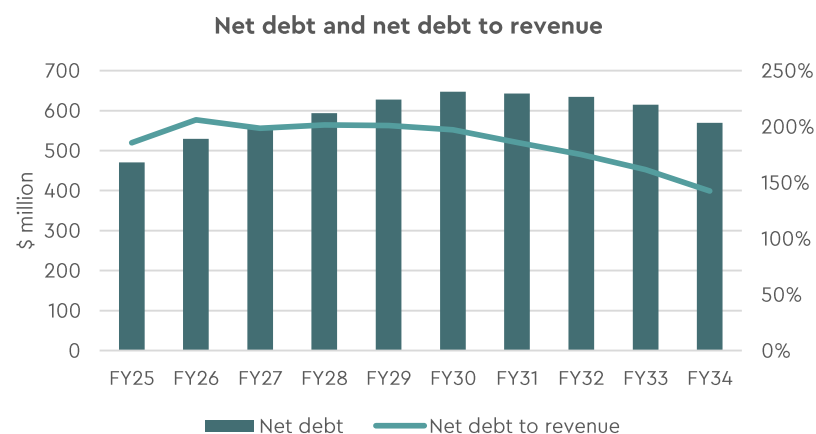
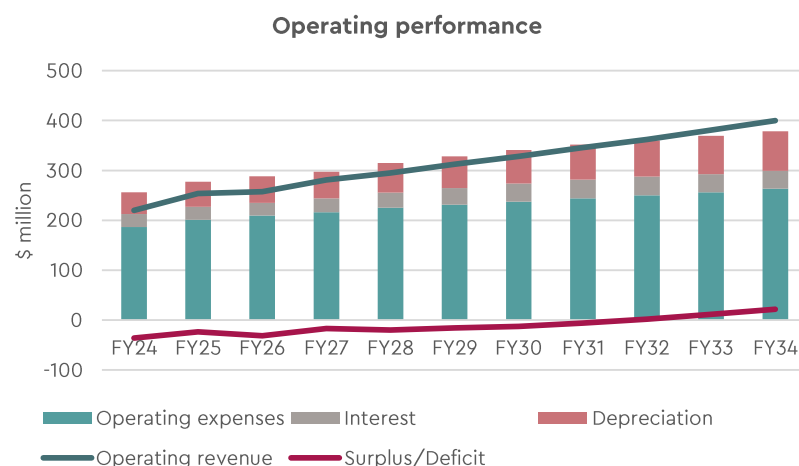
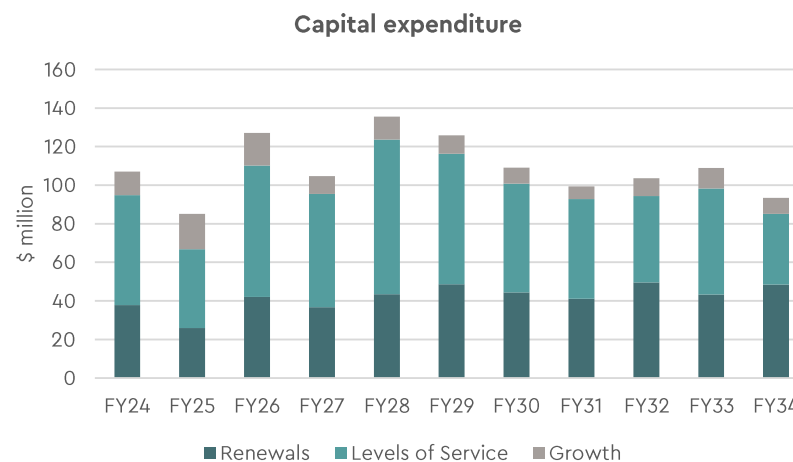
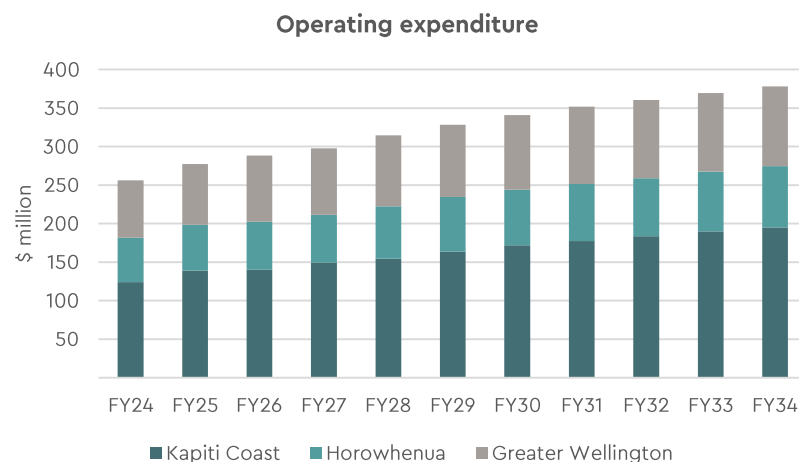


Net debt and net debt to revenue



North Western Councils (Status Quo)

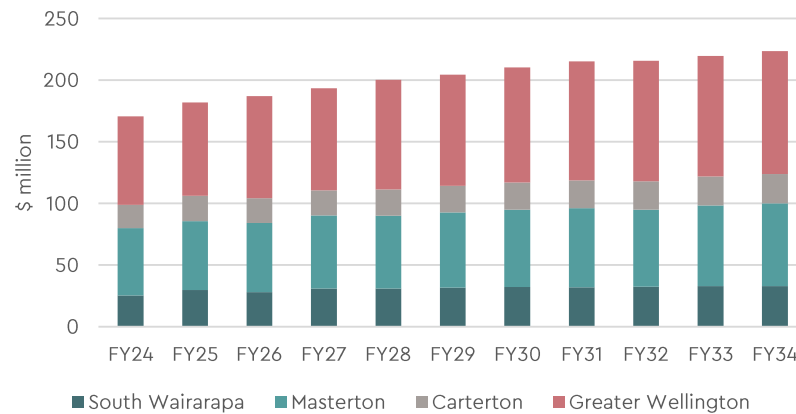
Operating expenditure is projected to increase steadily over the forecast period, rising from \$280 million in FY25 to \$380 million in FY34, an average annual increase of 3.5%. Capital expenditure generally declines from the peak in FY28, with a short break in the trend in FY32 and FY33. Operating revenue grows from \$250 million in FY25 to \$400 million in FY34, while rates revenue increases from \$175 million to \$315 million over the same period. An operating deficit is achieved annually until FY32. Borrowing increases until FY30, but net debt-to-revenue is generally flat over this period, before reducing from 200% to 142% in FY34.



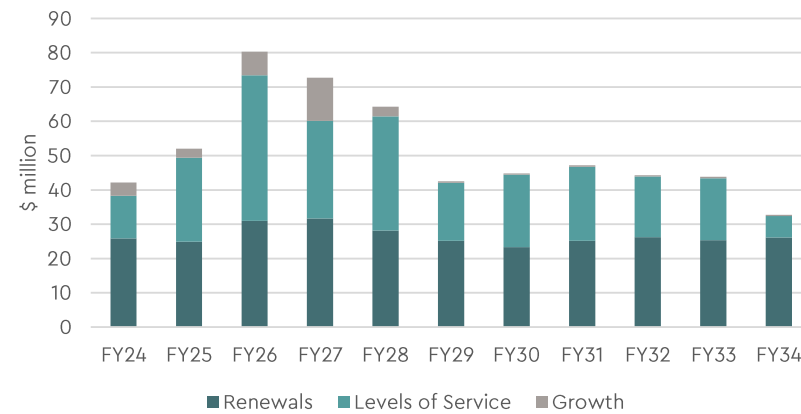
Wairarapa Councils (Status Quo)

Opex increases from \$146 million in FY28 to \$175 million in FY34 (2.0% p.a.), while capex declines from an \$80 million peak in FY26 to \$33 million by FY34, mainly due to lower levels of service investment. Operating revenue grows from \$143 million to \$183 million and rates revenue from \$62 million to \$68 billion (1.1% p.a.). Operating deficits range from \$39 million in FY25 to as much as \$48 million in FY26. Net debt peaks at \$147 million in FY28 before reducing to \$84 million by FY34, improving net debt-to-revenue from 93% to 45%.

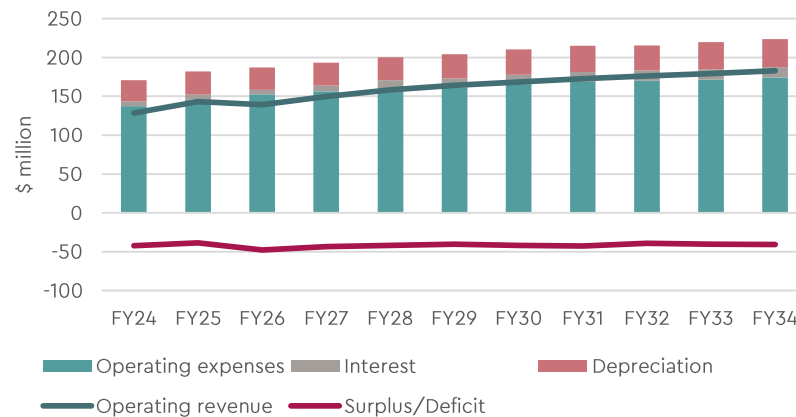
Operating expenditure



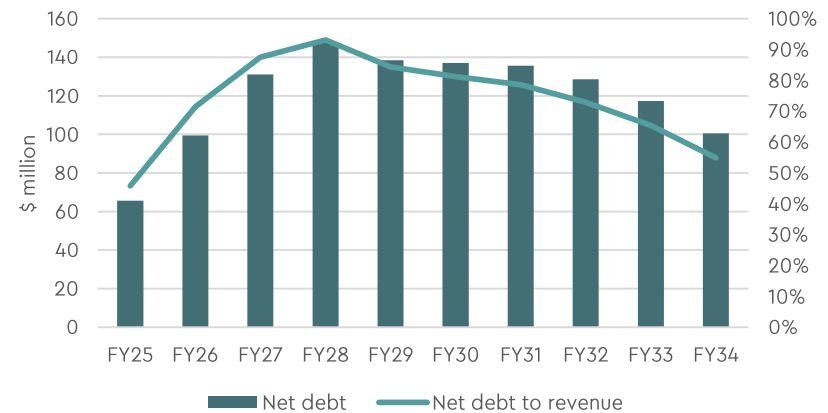
Capital expenditure



Operating performance

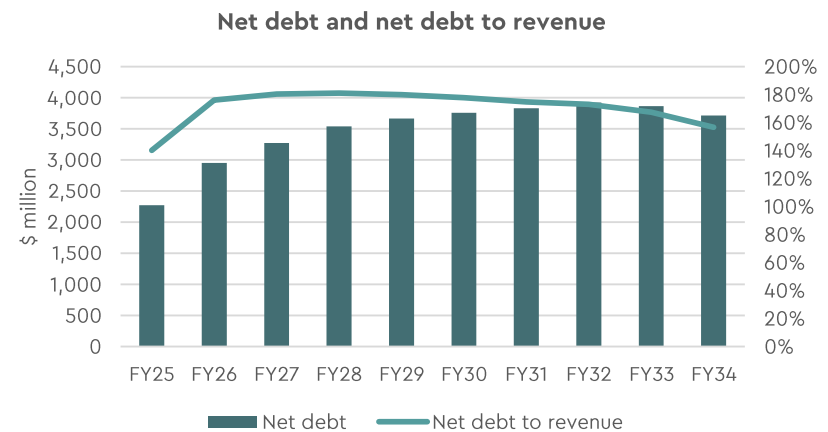
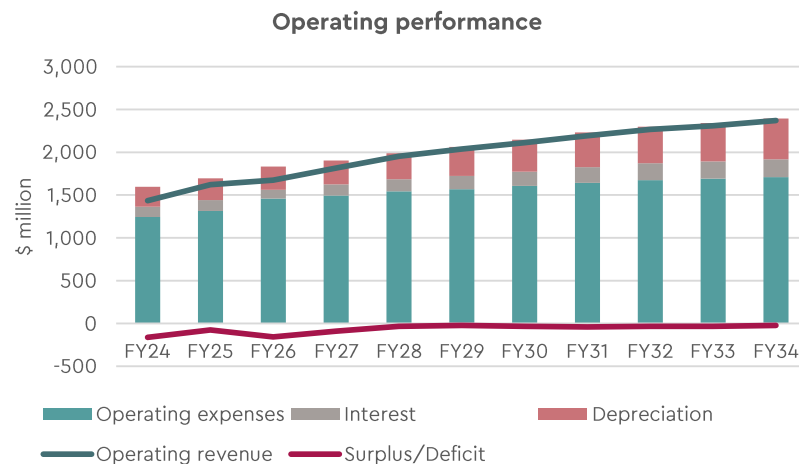
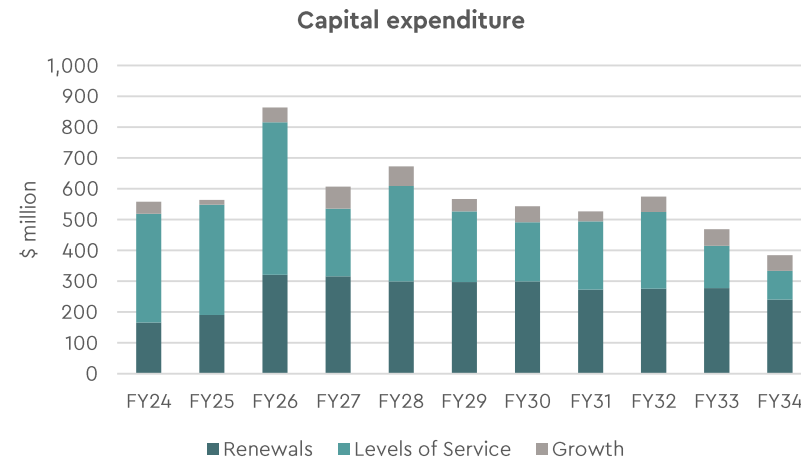
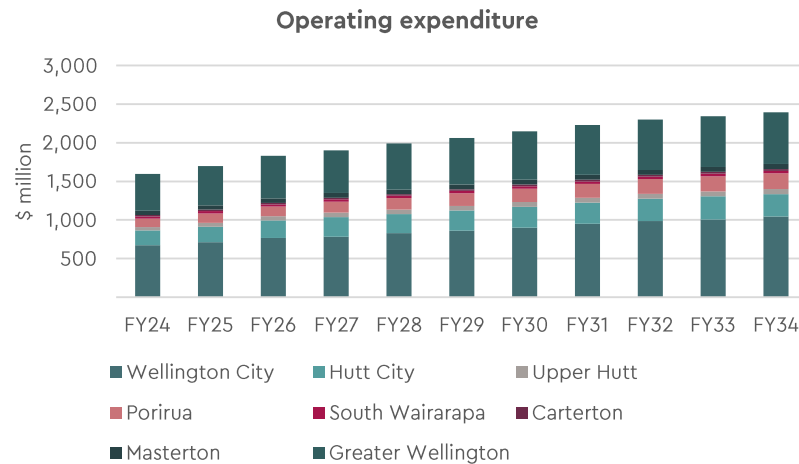


Net debt and net debt to revenue



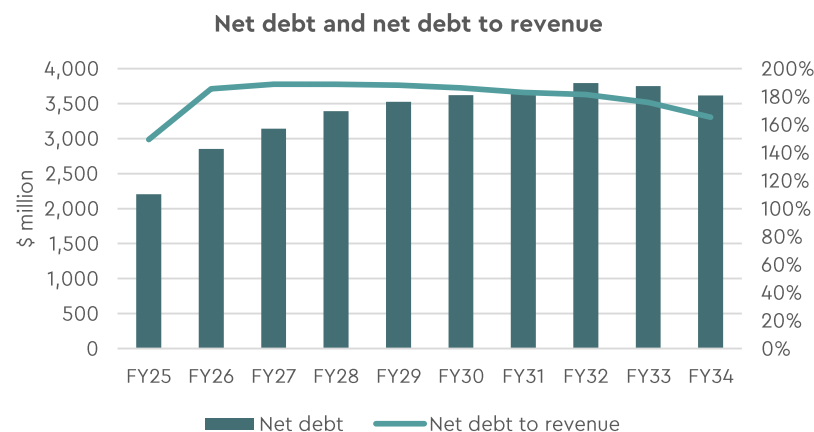
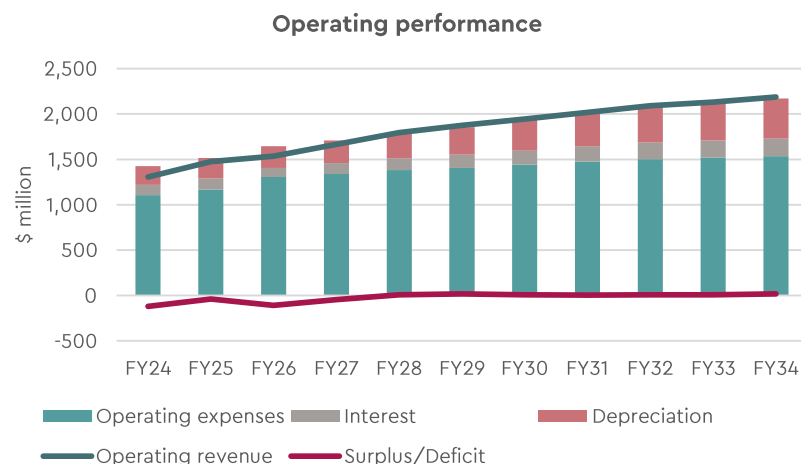
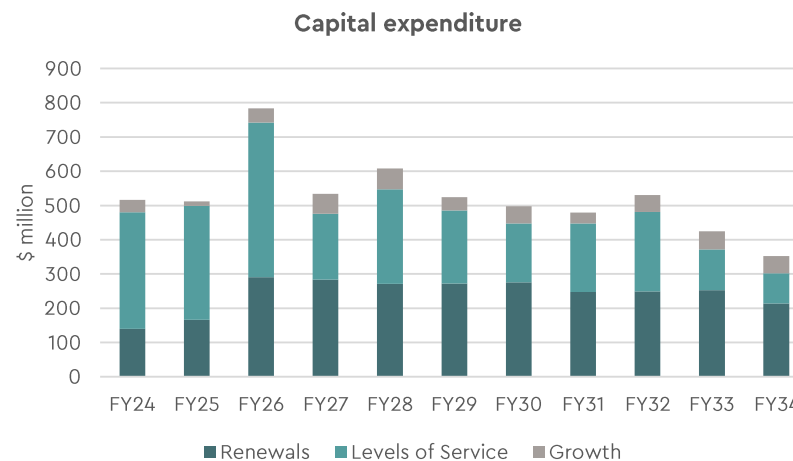
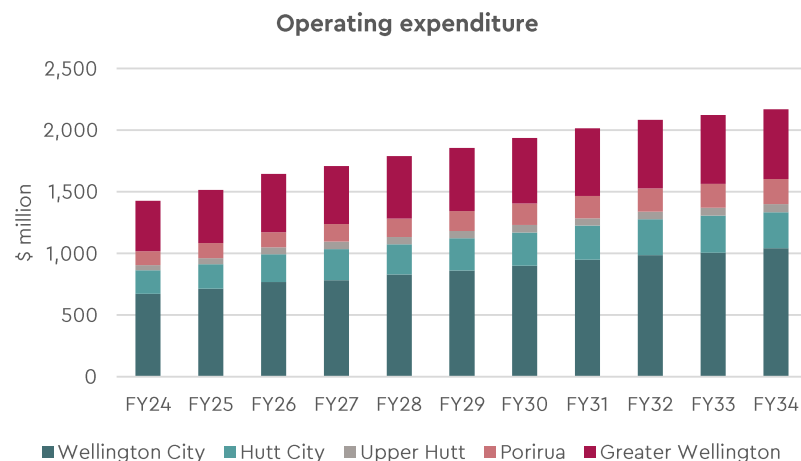
All Councils excl Kāpiti and Horowhenua (Status Quo)

Opex increases from \$2.0 billion in FY25 to \$2.8 billion by FY34 (3.0% p.a.), while capex declines from a \$864 million peak in FY26 to \$385 million by FY34, mainly due to lower levels of service investment. Revenue increases at a faster rate, with operating revenue growing from \$1.6 billion in FY25 to \$2.4 billion by FY34, and rates revenue from \$897 million to \$1.5 billion (5.8% p.a.). Net debt peaks at \$3.9 billion in FY32 before reducing to \$3.7 billion in FY34. The operating deficit narrows from \$77 million in FY25 to \$23 million by FY34.



Wellington Metro Councils (Status Quo)

Opex increases from \$1.5 billion in FY28 to \$2.2 billion in FY34 (4.3% p.a.), while capex declines from a \$783 million FY26 peak to \$352 million by FY34, mainly due to lower levels of service investment. Revenue keeps pace, with operating revenue growing from \$1.5 billion to \$2.2 billion and rates revenue from \$851 million to \$1.4 billion (5.9% p.a.). Operating deficit is \$38 million in FY25, improving to an operating surplus of \$18 million by the end of the period. Net debt peaks at \$3.8 billion in FY32 before reducing to \$3.6 billion by FY34, improving net debt-to-revenue from 189% to 165%.



Appendix B

Basis for allocating regional council costs and non-rates revenue

Allocating regional costs (excl Metlink)

GWRC provided us with their analysis of regional cost attribution for Wairarapa and Kāpiti areas. This is based on an approach applied in previous Wellington region local government reform processes, including analysis for the Local Government Commission in 2013.

The table below summarises the findings from a rapid assessment of cost allocations to Wairarapa and Kāpiti respectively undertaken by GWRC for the purpose of the Head Start process. It is based on estimated costs for 2025/26 and a rapid review of cost drivers.

Both MartinJenkins and GWRC note further more detailed work would be required to further test and refine this. However, we consider the cost allocation exercise is a suitable basis for the purposes of this indicative, high-level financial modelling exercise.

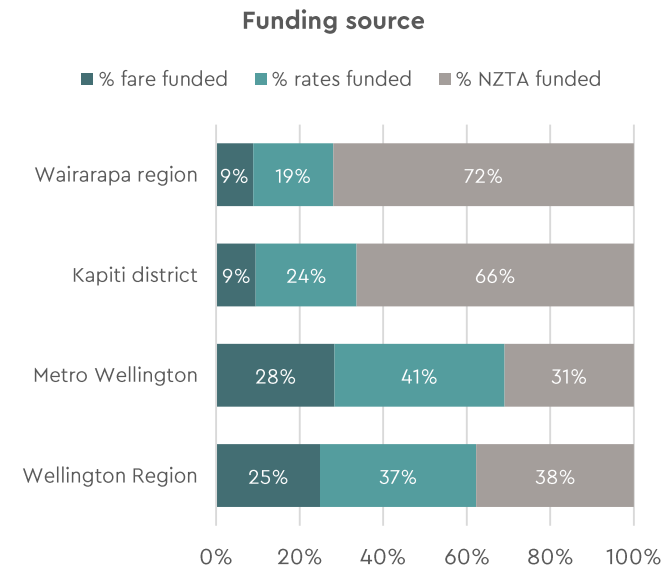
Metlink costs are excluded from the table below, as these have been further analysed by Metlink and are presented on the following slide.

		Wairarapa		Kāpiti		
		Opex \$m	Allocation %	Opex \$m	Allocation %	Allocation basis
Regional strategy and partnerships		\$3.3	10%	\$3.7	11%	Population and location of iwi
Investments		\$1.0	10%	\$1.1	11%	General rates proportion
Environment and Flood Protection	Environmental strategy and policy	\$6.3	30%	\$3.2	15%	Proportion of work programme
	Environmental restoration and recreation	\$19.1	38%	\$6.4	16%	Proportion of work programme, location of cost and staff
	Integrated catchment management	\$3.1	42%	\$1.1	19%	Proportion of work programme, location of cost
	Environmental knowledge and insights	\$7.1	30%	\$3.7	15%	Proportion of work programme
	Flood protection and control works	\$7.8	19%	\$1.9	6%	Location of cost, proportion of work programme

Allocating Metlink revenues and costs

According to analysis undertaken for the Head Start process by Metlink, expenditure for both the Wairarapa and Kāpiti is disproportionately higher than the number of service kilometres provided, with train track access and maintenance costs the primary driver. More than 70% of the net cost for both Wairarapa and Kāpiti is funded via NZTA subsidies, which exceeds the benchmark 49%. This results in a lower level of rates revenue required under the current model, with the implied intra-regional subsidy totalling an estimated \$15.4 million.

	Wairarapa	Kapiti	Metro Wellington	Total
% of expenditure	7%	12%	82%	100%
% of service kilometres	2.8%	8.5%	88.7%	100%
Total expenditure	\$24.6m	\$43.2m	\$304.9m	\$372.6m
% of net cost NZTA funded	79%	73%	43%	50%
Implied intra-regional subsidy	\$6.4m	\$9.0m	(\$15.4m)	
Normalised % of GWRC funding required	8%	14%	78%	100%



Adjustments to regional council revenues and costs

While we are broadly comfortable with the cost allocation approach and assumptions used by GWRC, there are two areas where we consider adjustments are warranted as part of our analysis, to the benefit of the Wairarapa region.



CentrePort dividend

Applying the original basis for apportioning ownership implies ~15% allocated for Wairarapa, an increase on GWRC's assumed 10% allocation. We note this may have tax related implications (associated with the current structure) which we explored with relevant Chief Executives and Chief Financial Officers.

We do not propose to attribute Centreport ownership to Kāpiti, since we assume if Kāpiti does not form part of a Wellington Unitary, it will form part of a Unitary that currently forms part of the Horizons Regional Council area, which is a Centreport shareholder. Kāpiti did not have a specific representation in 1989 when the current Councils were allocated their shareholdings.



Reduction of GWRC costs

Recent analysis by Morrison Low concluded that costs incurred by GWRC for the Wairarapa are higher than what would otherwise be expected. This is consistent with the conclusion of earlier work in 2013 by MartinJenkins and TDB Advisory.

For the Wairarapa Unitary, we have reduced GWRC operating costs (including overheads) by 10%, consistent with the lower end of the band in the Morrison Low report.

We consider this to be prudent given work on service levels and standards has not yet been undertaken and was not benchmarked in the Morrison Low analysis.

Other assumptions

Discount rate – Following New Zealand Treasury guidance, we calculate net present values using 2.0% real rate for non-commercial activity plus inflation. This compares to the current LGFA 10 year rate of about 5.3%. As a sensitivity test, we use a 8% real rate plus inflation.

Population/rating units – outside the LTP period, we have used StatsNZ population forecasts and historical ratios to derive projected rating units.

Amenable opex – outside of the LTP period, operating costs have assumed to grow by 2.5% p.a.

Capital expenditure – outside of the LTP period, councils' capex projections have been inflated to reflect assumed asset revaluation rates.

Integration costs – fully debt funded, and treated as an 'Increase in investment' on the Funding Impact Statement

Depreciation – outside of the LTP period, depreciation is calculated on the 30 year infrastructure strategy capex projections using the existing weighted average useful life.

Borrowing – we assume that capex will be financed with debt, offset by capital revenues and depreciation, and that debt-to-revenue is maintained at no more than 210%, leaving headroom for unforeseen circumstances.

Finance costs – we assume a flat rate of 5.5% per annum, based on a base rate of 5.25% and a margin of 0.25%.

Non-rates revenue – Non-rates revenue is projected forward at 2.5% p.a. growth.

Rates revenue – the model solves for rates revenue required to achieve a balanced budget.

Appendix C

Evidence on costs and benefits of amalgamations

Evidence base

We undertook a rapid targeted review of the literature including:

Previous reports and studies examining Wellington and Wairarapa local governance reform proposals

Other New Zealand reports, notably analysis undertaken for the Royal Commission on Auckland Governance

International evidence on local government reforms in Australia, Canada and the UK

While far from definitive, this evidence base offers guidance as to the range of potential financial outcomes that might be expected, and which can help inform broad assumptions regarding:

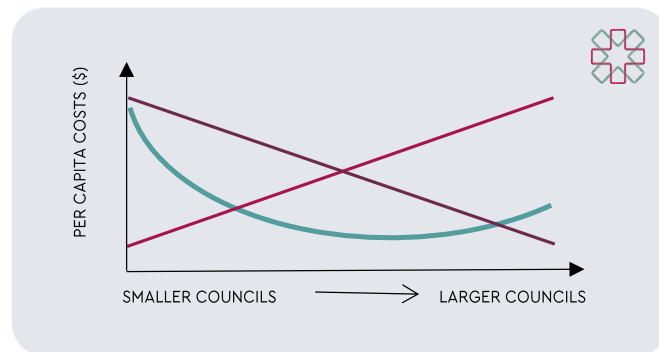
- Operating and capital savings
- Integration costs
- Timing of costs and benefits

The following slides summarise the key findings from the targeted review.

Optimal size of local government

There is no consensus on the optimal size of local government.

Some studies find **smaller councils are more efficient**, while others find that **larger councils are more efficient**. Several studies find a **U-shaped cost curve** (where per capita costs first decline with population, then level off, consistent with diminishing returns to scale).



New Zealand studies find no evidence of an unequivocal relationship between size and cost-effectiveness in local government.

Previous analysis of governance options for the Wellington and Wairarapa Regions found:

there are likely to be efficiency gains from combining councils of up to around 50,000 people

But, beyond that, there is no evidence of additional (relative) efficiency gains from amalgamation. Larger scale amalgamations are expected to generate efficiencies, but only up to a point.

Evidence suggests that, despite efficiency and productivity improvements, **amalgamation does not necessarily translate into lower overall costs due to offsetting factors** (e.g., harmonisation of employment terms and conditions at higher levels, standardisation of service levels at higher levels, pressure to standardise fees and charges at lower levels).

Scope for functional efficiency

Evidence suggests that **when considering the optimal structure of local government, it is necessary to differentiate between different functions of local government.**

Previous analyses of the scope for local government amalgamation in New Zealand has concluded that:

For capital and expert-intensive activities, like transport, roading and water services, economies of scale merit regional or network scale delivery models. This is regardless of the structure of other local government functions.

For activities where there is scope for standardisation, common systems and processes, and workflow optimisation (e.g., some strategy and planning activities, certain regulatory functions), there is scope for both economies of scale and scope.

For locally-based, labour-intensive activities and services, there is limited scope for efficiency and potential for diseconomies of scale.

Larger councils have greater potential to realise efficiencies through procurement and supply chain rationalisation.

Whether improvement in cost-effectiveness can be realised across functions that do not exhibit scale economies depends on non-structural considerations including leadership, culture, technology, and organisational management.

Assumptions from previous NZ studies

WELLINGTON/WAIRARAPA

In a 2013 analysis, MartinJenkins/TDB assumed a total level of savings of 3% from amalgamation of Wairarapa Councils. This was applied across total operating expenditure with no allowance for capital efficiencies. But the study made significant adjustments to reduce GWRC's estimated "Wairarapa subsidy" in four areas: forestry costs; CentrePort dividends; resource management (based on benchmarked costs for other unitary authorities); and democratic services.

In a separate 2013 analysis, TDB analysis suggested:

- a single authority could result in an overall cost saving of around 3%
- a Wairarapa unitary authority could result in a cost saving of around 14%

The Wellington Region Local Government Review Panel (Palmer report) estimated savings of between 2.5% and 3.5% arising from local government reform. A separate Joint Working Party examining Wellington region local government reform estimated operating savings of 3 to 4%.

AUCKLAND GOVERNANCE REFORMS

Advice to the Royal Commission projected savings on total expenditure from the formation of Auckland Council in the range of 2.5% to 3.5%, with \$81 million of savings in year 1 and a total of \$1.7 billion in savings over 10 years.

- These estimates were based on an estimated potential for total operating expenditure savings of 3 to 4%, and capital expenditure savings of 2 to 3%.
- Estimated operating savings on 'amenable expenditure' – i.e., operating expenditure excluding depreciation and interest costs - are higher at 5 to 7%, meaning it is important to match the assumed rate of efficiency with the appropriate expenditure base.

International evidence on efficiencies

EVIDENCE FROM AUSTRALIA

The Victorian State Government claimed amalgamation would yield direct cost savings of 20%, but studies reported net savings were around 8.5%, most of which was derived from competitive tendering rather than restructuring.

In South Australia, the authorities promised savings of 17% but only achieved 2%. A report by the Local Government Boundary Reform Board argued recurrent savings were conservative because it had been agreed there would be no reduction in staffing levels and because efficiencies were offset by an increase in service levels rather than leading to rates reductions.

In Queensland, a sweeping 2008 amalgamation (which halved the number of councils) saw some initial savings, but these were offset by medium-term costs increases leaving little sustained financial benefit a decade on.

EVIDENCE FROM THE UK

The Gershon Efficiency Review in the United Kingdom targeted 7.5% in cumulative operating savings (2.5% p.a. for three years), although subsequent analyses and surveys suggest realised savings of only 5% were achieved, largely through IT and shared services.

The international literature contains several cautionary findings:

- Cost savings are often over-estimated and are often delayed
- Transition cost are often under-estimated
- Cost savings achieved in one area are often applied elsewhere, rather than resulting in rates reductions

Timeframes for upfront costs and savings

EVIDENCE

Even where there are expected ongoing net savings from amalgamation, the costs of change can be significant and are front-loaded.

Estimating costs is challenging because each situation is unique and amalgamations often involve significant IT systems integration costs which are case dependent.

A UK study of local service mergers found transition costs equalled between 18% and 59% of the first two years' of estimated savings.

Large scale amalgamations in other industries, for example banking, typically cost 1.5 to 2 times the estimated full year efficiency gains.

Post-merger reviews report that first-year and second-year savings are small or negative, with mergers often resulting in a "dip" in performance until new structures settle.

Larger amalgamations were found to have slower pay-back periods, with 5-10 years a realistic payback period.

ASSUMPTIONS

In advice to the Royal Commission on Auckland Governance Reform, TDB made the following assumptions:

1

Integration costs were assumed to fall within the range of one to two times the aggregate level of efficiency gains

2

Costs were distributed 15% in the 18 months prior to establishment; 25% in each of years 1-3; and 10% in year 4

3

Reorganisation benefits (savings) were assumed to accrue as follows, expressed as a cumulative percentage of total savings: 0% in year 1, 10% in year 2, 25% in year 3, 50% in year 4, and 100% in year 5 onwards

Other considerations

Analysis of financial benefits, costs and risks of amalgamation also need to consider:

DISTRIBUTIONAL IMPACTS

Assuming that any new council transitions over time to setting rates more uniformly, then territories that have relatively high rates (e.g. relative to property value) are likely to see their rates reduce in relative terms, while territories with relatively lower rates will pay more.

Even with operating efficiencies, it is unlikely these redistributive impacts will be enough to fully offset the distributional impacts.

Rating differentials and rates transitions therefore need to be considered carefully.

TREATMENT OF CROSS-SUBSIDIES

For services provided by regional councils, there can be a significant mismatch between the cost of providing services within a given territory, and the revenue collected from ratepayers in that territory.

In previous analysis of Wellington and Wairarapa amalgamation options, studies concluded the financial impacts on Wairarapa ratepayers will depend on the level of efficiency gains achieved and whether the current regional subsidy benefitting the Wairarapa continues. Depending on the funding model for regional activities, these subsidies could have a material impact on financial outcomes under different amalgamation scenarios.

BALANCE SHEET IMPACTS

An often overlooked benefit from previous analyses of the financial impacts of amalgamation are the positive balance sheet impacts, including strengthened borrowing capacity for some individual authorities, and greater financial resilience to absorb shocks. This was confirmed in the recent LGNZ Lessons from Auckland session.

Recent analysis for of Wellington, Porirua, Lower Hutt, Upper Hutt and Wellington Regional Council indicated that the combined councils would have \$2 billion in aggregate borrowing headroom which provides significant capacity to absorb shocks. This would increase to \$2.6 billion with reference to LGFA's 280% lending limit.



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Unitary Benchmarking Assessment

Wairarapa Councils

JUNE 2026



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Executive Summary

This benchmarking assessment indicates that a Wairarapa unitary authority could be operationally feasible and could potentially deliver combined territorial and regional council functions at a lower underlying operating cost than the current arrangement. The main issue, however, is not operating cost alone. Greater Wellington Regional Council (GWRC) currently allocates materially more cost to Wairarapa than it collects from its ratepayers. This suggests the current model includes a significant benefit from the wider Wellington rating base. If Wairarapa were to operate as a standalone unitary authority, that benefit would fall away and mean that a unitary model could still require further revenue to be raised locally, even if the total cost of service delivery is lower.

Marlborough, Nelson, and Tasman are the most relevant comparators for this assessment because they are existing South Island unitary councils of a broadly similar population scale and with a mix of rural and urban service responsibilities. Their actual operating costs provide a useful sense check on the benchmark cost range for a potential Wairarapa unitary authority. However, they are not direct proxies. Wairarapa differs in geography, settlement pattern, current governance arrangements, and, importantly, its financial relationship with GWRC. Gisborne is less useful as a current cost comparator because recent costs are materially affected by cyclone recovery and response activity. Comparator evidence should therefore be treated as indicative, not determinative.

The assessment also highlights that governance design would be critical. A unitary model may be structurally feasible, but its acceptability and long term effectiveness would depend on how it maintains local voice across the districts, including decisions on representation, Māori wards, and the future role of community boards or local boards. Broader hybrid or federated models may be conceptually relevant, but they do not appear to be the primary structures being tested through the current Head Start pathway.

When thinking about Council Controlled Organisations (CCOs and CCTOs equivalent in costs in Nelson) and shared services, the model of governance must consider the requirements of other legislation such as the Land Transport Management Act 2023. Similarly, governance models should be assessed on how well they support an integrated planning and environmental management system under the new planning framework, rather than on structural simplicity alone. The strongest model will be the one that keeps planning, water management, environmental protection, infrastructure and spatial planning working together at the right scale, while maintaining clear accountability, manageable transition risk, sufficient capability, and meaningful local representation. In practice, this means favouring arrangements that align with catchments and communities of interest, avoid fragmented responsibilities, and are workable to implement under the new statutory regime.

This report is a preliminary benchmarking assessment, not a full business case. It does not include transition costs, implementation costs, detailed service redesign, or a developed governance model.

Further assessment will consider the Wairarapa unitary option in combination with a fourth council, Tararua District. This will be provided by way of an update to this report in a separate Appendix.

We set out to answer four questions. These are summarised, with their responses below.

Is there a relationship between cost and scale?

We analysed a national data set collected by Statistics New Zealand and compared costs to a range of key cost drivers that were able to be collected from publicly available information. Of the 13 activities that we considered, we found that 9 had a statistically significant relationship with at least a moderate correlation between scale and cost.



This means we can use scale measures as a reasonable indicator of the potential future costs for a combined unitary authority.

How do GWRC costs for Wairarapa compare to benchmarking across other councils?

The costs that have been allocated to the Wairarapa area by GWRC were compared to:

- Data provided by Nelson City Council. This indicated that GWRC's costs were significantly higher than the equivalent costs in Nelson. However, we note that the urban form, population density and land use in Nelson is significantly different to the Wairarapa area.
- The costs of smaller regional councils, including Environment Southland, Taranaki Regional Council and Hawke's Bay Regional Council. This indicated that costs allocated to the Wairarapa region were materially higher than those smaller regional councils.
- Our national data benchmarking, which indicated that costs incurred by GWRC to service the Wairarapa area were higher than we would expect based on national benchmarking.

Overall, in our view the costs that are currently incurred by GWRC for the Wairarapa are materially higher than the costs that we would expect to be incurred by a unitary authority servicing the same area.

Are unitary authorities cheaper?

We compared the costs derived from our benchmarking with the actual costs incurred by Gisborne District Council, Marlborough District Council, Nelson City Council and Tasman District Council.

The work identified that our benchmarked costs were 20 – 25% higher than the actual costs of Nelson and Tasman, and 7% lower than the actual costs for Marlborough.

While actual costs for Gisborne were significantly higher than our benchmarks, these costs are heavily influenced by cyclone recovery costs.

Overall, while there may be some indication unitary authorities cost less than a simple aggregation of territorial authority and regional council functions, there is insufficient evidence to draw any firm conclusions on this matter.

What could a Wairarapa unitary authority cost?

We compared our benchmarking to a simple aggregation of the existing costs for the Wairarapa councils and share of GWRC functions. This work indicated that the total combined costs of providing district and regional services in the Wairarapa could be between 5% - 25% lower (or \$10 million – \$40 million) than the current cost.

However, GWRC currently collects only \$14 million of rates (once the contributions to public transport and the stadium rate have been removed) from Wairarapa ratepayers, compared to an estimated \$46 million of allocated costs. GWRC also collects approximately \$10 million of grants, subsidies, fees and charges in relation to services delivered in the Wairarapa.

The existing flow of rates from the urban Wellington councils to the Wairarapa, means that any potential savings or efficiencies that would arise due to amalgamation of territorial authority functions and regional council functions in the Wairarapa are unlikely to be passed on to ratepayers in full (or in part). We estimate that, based on 2024/25 costs, a Wairarapa unitary authority would have to collect between 9% less and 15% more revenue than is currently collected (assuming full funding of depreciation). In dollar terms, that equates to between a \$430 reduction to a \$675 increase per rateable property in the Wairarapa.



Introduction

This work provides a preliminary assessment of whether the three Wairarapa district councils could operate together as a unitary authority. In particular, it considers whether the benchmark cost of delivering regional council functions would be materially lower than, similar to, or higher than the current arrangements through Greater Wellington Regional Council (GWRC).

The assessment has been prepared in the context of broader consideration of future local government arrangements. The alternative to a unitary model is continued participation in a Wellington regional arrangement, whether through the current GWRC structure or any successor regional form that may emerge through reform.

This assessment is intended to support consideration of participation in the Head Start programme by providing an early view of the potential cost implications of a Wairarapa unitary model relative to remaining within the Wellington region. As part of this assessment, the relative similarities of the combined councils with reference to existing unitary councils are presented as well as high level governance considerations.

This assessment is a preliminary piece of analysis only. It does not assess the full range of matters that would need to be considered as part of any formal reorganisation or implementation process, including actual governance design, statutory requirements, transition costs, service integration, and delivery risks.

The work has been prepared to meet programme timing requirements and to inform the next stage of discussion and analysis by the respective councils. More detailed work would be required if councils wished to test the feasibility of a unitary option beyond this initial assessment.

Approach and methodology

The detailed methodology for our estimate of a unitary authority cost base for the Wairarapa Councils can be provided. However, at a high level, it involved:

- Identifying a range of potential cost drivers that are readily available from public information.
- Comparing against cost categories from Statistics New Zealand Local Authority Financial Statistics for the 2024/25 year to identify trends and potential relationships between cost and scale.
- Separating Territorial Authority (TA) functions and regional council functions and analysing these independently.
- Excluding interest and depreciation costs – these are inherited upon amalgamation and therefore would be the simple sum of the parts. There may be minor adjustments to these over time as estimated lives for assets are aligned across the new council area, or if the combined entity is able to attract a lower borrowing cost.
- We then compared the results of our benchmarking model against actual costs to determine fit. This gave us some confidence that our approach was appropriate within the Wairarapa context and that where our approach differed from actual costs, actual costs were typically lower than those produced by our model.



Separately, we were provided with information from GWRC which allocated costs for the 2025/26 year to the Wairarapa based on their professional judgement. We used this data to:

- Compare costs with the costs for the same activities in Nelson City Council which is a unitary authority.
- Compare costs with small regional councils operating elsewhere in the country.

For comparisons with the benchmarking, we adjusted GWRC's cost information to 2024/25 values by referencing its actual 2024/25 results.

Public transport costs have been excluded from all of the analysis in this report.

Profile

This preliminary assessment indicates that a Wairarapa unitary authority would be broadly comparable in scale to several existing unitary councils, particularly Marlborough, Nelson, Tasman, and Gisborne, although each differs in important ways such as geography, settlement pattern, and service context. The existing unitary councils demonstrate that regional functions can be sustained in a unitary model at a broadly similar scale.

On key scale measures, Wairarapa is similar in population to Marlborough, Nelson, and Gisborne, and slightly smaller than Tasman. It is much less densely populated than Nelson, with 8.6 residents per km², placing it closer to the other councils including in terms of rural area. The Wairarapa also has a relatively large road network for its size, suggesting a comparatively high infrastructure servicing burden.

The comparison also suggests that Wairarapa has a relatively active regulatory and development profile due to higher growth than the comparative low growth unitary councils. Over the last five years combined, Wairarapa recorded 1,976 building consents, or 38.4 per 1,000 residents. This is higher than Marlborough (24.8), Nelson (22.5), and Gisborne (14.4), and close to Tasman (39.6). That pattern is consistent with the report's wider finding that consents are a strong predictor of planning and regulation costs.

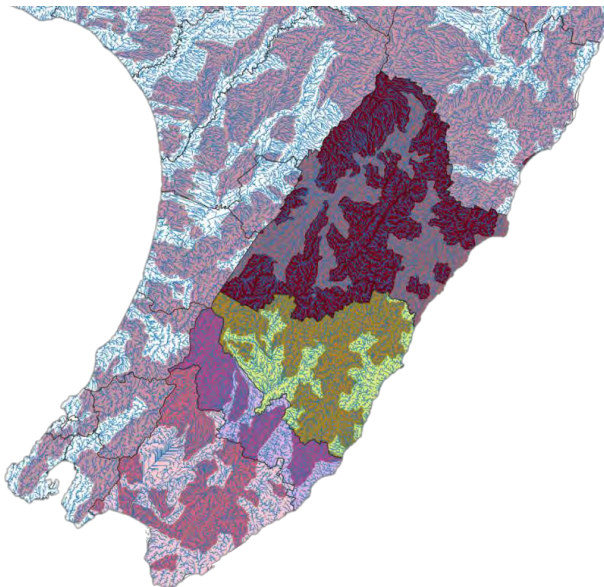


Figure 1 The Wairarapa councils (including Tararua district at the top) across existing catchments



The Wairarapa is more spatially integrated than some of the comparator councils. It is largely organised around the Ruamāhanga catchment and wider Wairarapa Moana floodplain, creating a connected land, water, flood, and groundwater system across the sub-region. This contrasts particularly with Marlborough and Tasman, which operate across multiple catchments with more geographically dispersed communities. In that sense, Wairarapa may be somewhat simpler to think about as a single regional environmental system, even though it remains institutionally more complex because regional functions are currently delivered through GWRC.

There are also important differences between the Wairarapa and the existing small unitary councils that affect any comparison. In particular, the Wairarapa is more closely connected to a larger metropolitan region through commuting patterns and transport links.

A full comparison breakdown is provided in Appendix One.

Financial analysis

Is there a relationship between cost and scale?

To answer this question, we completed an analysis of the Local Authority Financial Statistics data collected by Statistics New Zealand. This was used because:

- It has a consistent grouping of activities¹
- It is a publicly available, national, data set
- It has been compiled by a reputable organisation.

We compared this to a range of potential cost drivers that were selected because:

- They were publicly available
- We considered that they may be relevant to the underlying cost structure of one or more of the activities carried out by territorial authorities and regional councils.

We analysed this data to identify any relationship between our set of potential cost drivers and the actual costs incurred for each activity in the national dataset. Regression analysis was completed to determine whether any findings were statistically significant.

Overall, however, we found that 9 of the 13 activities that we examined had a statistically significant relationship between cost and scale with at least a moderate correlation between the two.

Table 1 Activities that have a relationship between scale and total cost

Activity	Cost driver
Environmental protection	Urban Land Area
Planning and regulation (regional councils)	Number of consents
Roading	Population
Solid waste/refuse	Population
Culture	Urban Population
Recreation and sport	Urban Population
Property	Infrastructure asset value

¹ A detailed definition of activities used by Statistics New Zealand can be provided.



Activity	Cost driver
Planning and regulation (territorial authorities)	Consents
Community development	Urban Population
Economic development	Urban Population

Table 2 Activities that have no significant relationship between scale and total cost

Activity	Alternative approach
Governance	Compared to existing costs with allowance to reduce duplication
Emergency management	Sum of existing costs from each council
All other activities	Sum of existing councils, adjusted for observed efficiencies across benchmarked costs when compared to actual results

The analysis found that across all the activities considered, costs increase linearly with scale, each with a fixed and variable component.

- The variable component reflects how much a cost increases for each additional person (or other cost driver).
- The fixed component represents the minimum or “base” cost, regardless of the number of people.

When scale increases, the fixed cost is spread over more people, while the variable costs increase by a consistent amount.

This means that as population grows there are diminishing benefits of scale. While each new head of population adds some cost, it also funds a share of the base cost.

It is hard to separate base costs with confidence from the national data so instead we have used Masterton to represent the fixed / base costs with variable costs scaled with the inclusion of other councils.

To test the validity of our approach, we compared the results of our benchmarking approach with actual costs for each of the Wairarapa councils.² The results of this are shown in the chart below, it shows:

- Average benchmarked costs were 20% higher than Carterton’s actual costs.
- Average benchmarked costs were 9% higher than Masterton’s actual costs.
- Average benchmarked costs were 3% lower than South Wairarapa’s actual costs.
- At the combined level (simple sum of the above), average costs under our projections were 8% higher than the sum of the individual councils’ costs.

This indicates that our benchmarking, while not a perfect fit for the individual councils in Wairarapa, is a reasonable fit at the combined level, producing, if anything, costs that may be conservatively overstated.

² For this exercise we used the base costs that were derived from the benchmarking work rather than Masterton’s costs. When Masterton’s costs are used as the base costs instead, the variance for the sum of the parts reduced to 1%.

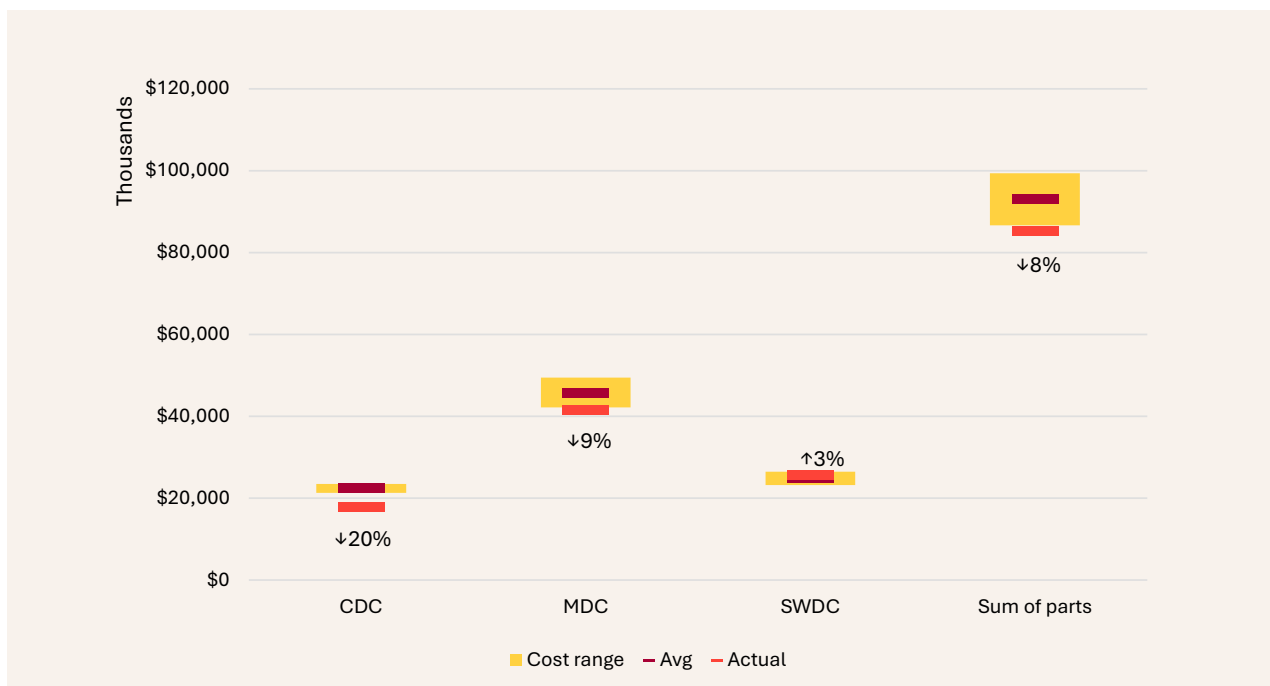


Figure 2 Comparison of benchmarked costs (using identified cost drivers, and actual costs from Stats New Zealand data set - Territorial Authority Functions only (excl 3 Waters)

How do GWRC's costs for Wairarapa compare to benchmarking across other councils?

We compared our expected costs for a regional council that services the Wairarapa area with the GWRC's estimated cost allocation for the Wairarapa and compared this to the GWRC rates take for Wairarapa. The data shown in the chart below shows:

- When adjusted to reflect GWRC's overall increase in costs in the 2025/26 year, costs allocated to Wairarapa councils are only 3% higher than the top of our benchmarked costs. However, they are approximately 30% higher than the average benchmarked cost, and over 80% higher than the lower end of the benchmark.
- When adjusted to reflect GWRC's overall increase in rates in the 2025/26 year, rates taken from Wairarapa councils are approximately 40% lower (or \$4 million lower) than the lowest of our benchmarked costs.
- Total income (including grants etc) collected from, or relating to services provided in, the Wairarapa is approximately 15% higher than the lowest of our benchmarked costs, and 15% below the average.

The cost range shown in the chart mainly relates to activities grouped as "other activities" in the Statistics New Zealand Local Authority Financial Statistics. The lower end of the range represents GWRC's cost of "other activities" allocated to the Wairarapa councils based on population, while the upper end of the range represents those same costs allocated based on land area. We were unable to identify an obvious cost driver for "other activities" due to the varied nature of the activities contained within that category.

The difference between the high and low end of these costs accounts for \$11 million of the \$17 million cost difference in the band shown.

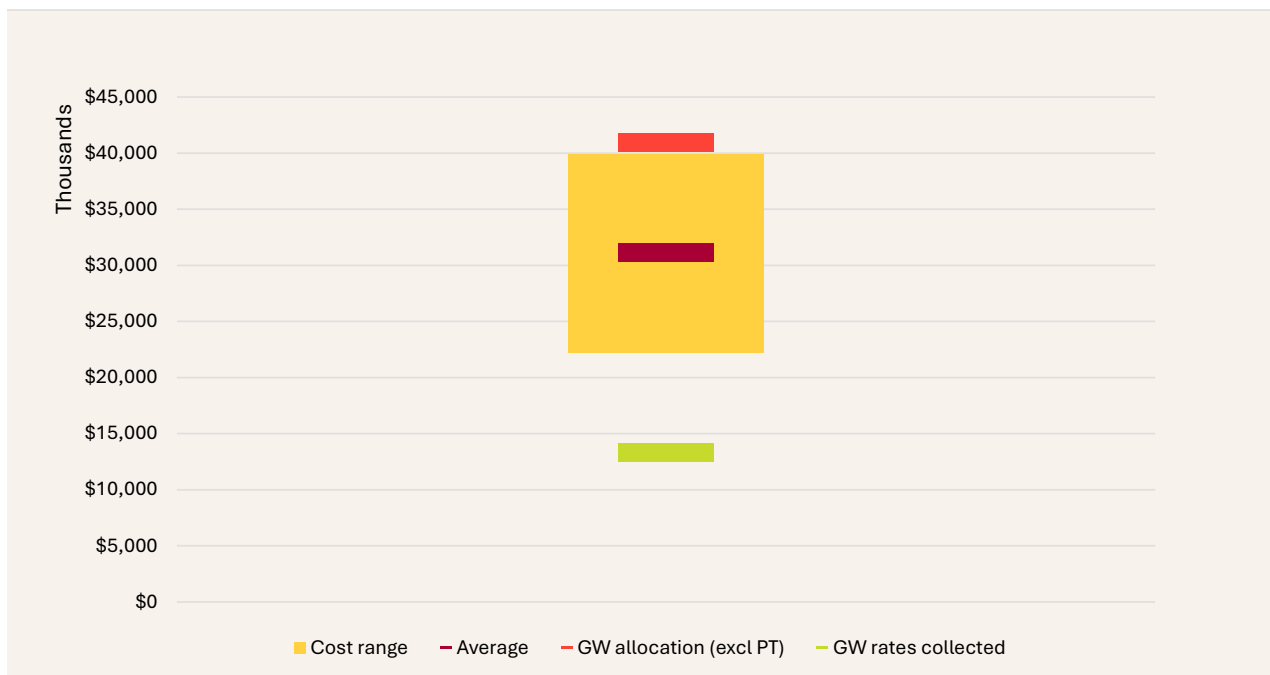


Figure 3 Estimated costs for regional functions based on national benchmarking compared to GWRC cost allocation

We also compared GWRC costs to small regional councils elsewhere in New Zealand. The costs in the table below exclude any public transport costs (for all councils), which we understand may be delivered through a Council Controlled Organisation.

Councils used in our comparison were chosen as they had the lowest population bases (other than West Coast Regional Council which was excluded due to its geography and relative isolation).

The costs show that the cost allocation from GWRC for services delivered in the Wairarapa exceed the total operating costs for Taranaki Regional Council and are only 7% higher than the total operating costs for Environment Southland.

Table 3 Cost allocation from Greater Wellington Regional Council

	Costs (000s)	Land area	Population
GWRC - Wairarapa share only	\$46,609	5,867	51,400
Taranaki Regional	\$43,182	7,254	130,300
Hawke's Bay Regional	\$68,671	14,138	179,700
Environment Southland	\$49,975	13,1023	104,800

On both a per square kilometre of land basis, and a per head of population basis, the GWRC costs that have been allocated to the Wairarapa Councils are materially higher than the next highest cost regional council that has been compared.

³ Excludes National Park land

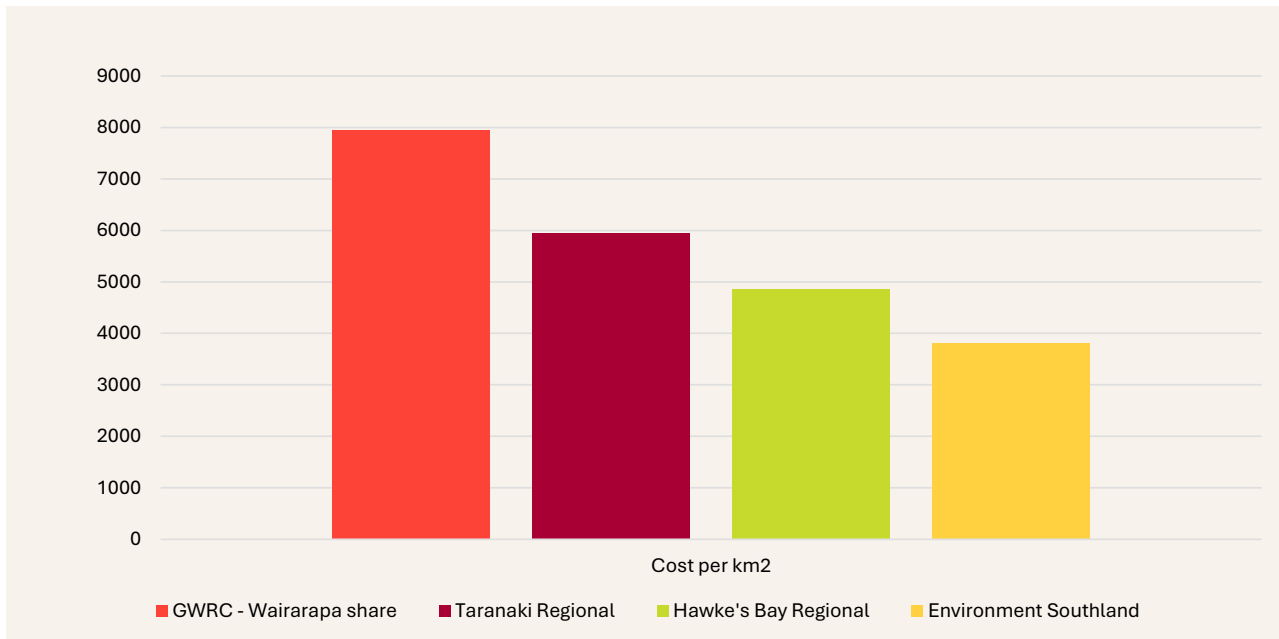


Figure 4 Costs per km² of land excluding public transport

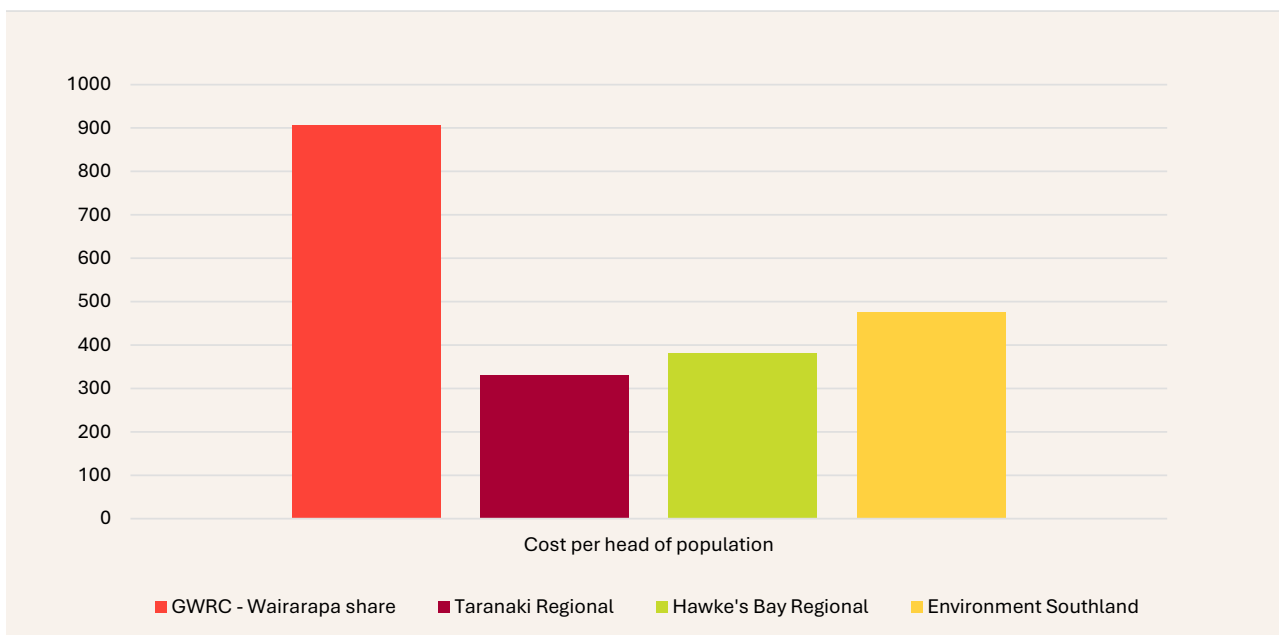


Figure 5 Costs per head of population excluding public transport

Summary of Greater Wellington cost comparison

The combination of our benchmarking approach, and direct comparison with other regional councils shows:

- Based on benchmarking, the costs allocated to Wairarapa by GWRC are between 3% - 80% higher than expected, with an average of 30%.



- On a per square kilometre of land area basis, the costs of GWRC services in Wairarapa are more than 30% higher than the next most expensive council in our sample.
- On a per head of population basis, the costs of GWRC services in Wairarapa are approximately 90% higher than the next most expensive council in our sample.

There may be other reasons why the costs of delivering services in the Wairarapa are higher than elsewhere. However, the combined evidence base would indicate that there is scope for some efficiencies to be achieved through amalgamation and establishment of fit for purpose regional council functions within a Wairarapa unitary authority.

Are unitary authorities cheaper?

The benchmarking approach that we have adopted allows us to consider the combined cost of:

- A territorial authority of equivalent scale to the combined Wairarapa councils.
- A regional council that services a community of the equivalent scale of the combined Wairarapa councils.

While our approach ensures that we do not include costs where clear duplication would exist (primarily governance costs), it does not include any efficiencies that may arise from combining functions or applying an alternative organisational structure.

However, it would be reasonable to expect that a unitary authority would adopt a distinctly different operating model and organisational structure than a simple combination of a regional council and a territorial authority. This is particularly likely in the planning, policy, regulation and consenting functions.

We have considered the extent to which efficiencies may be derived from this reorganisation in two ways:

- By comparing the actual costs of unitary authorities with our benchmarked costs.
- By examining the headcount and organisational structure of unitary authorities compared to GWRC.

Financial analysis

The financial analysis should be reviewed with caution. The four unitary councils that were reviewed are all of a similar scale and share many similar attributes in terms of our identified cost drivers. This means that we cannot identify any relationship between costs and scale among this group independently.

The graph below compares our benchmarked costs for Gisborne District Council, Marlborough District Council, Nelson City Council, and Tasman District Council. It shows that:

- The combined actual costs for a unitary authority in Wairarapa, are higher than the actual costs of Nelson, Tasman and Marlborough District Council (Marlborough District Council is the most similar to Wairarapa in terms of land area and population).
- The combined actual costs for a unitary authority in Wairarapa are lower than the actual costs of Gisborne, which has significant expenditure relating to emergency management and response.
- The benchmarked costs under our modelling are not a good match for the costs in Gisborne.
- Our benchmarked costs typically produce a cost range that is higher than the actual costs in the unitary councils.

- Our benchmarked costs for a unitary authority in the Wairarapa are broadly consistent with the actual costs of Marlborough District Council, Nelson City Council and Tasman District Council.

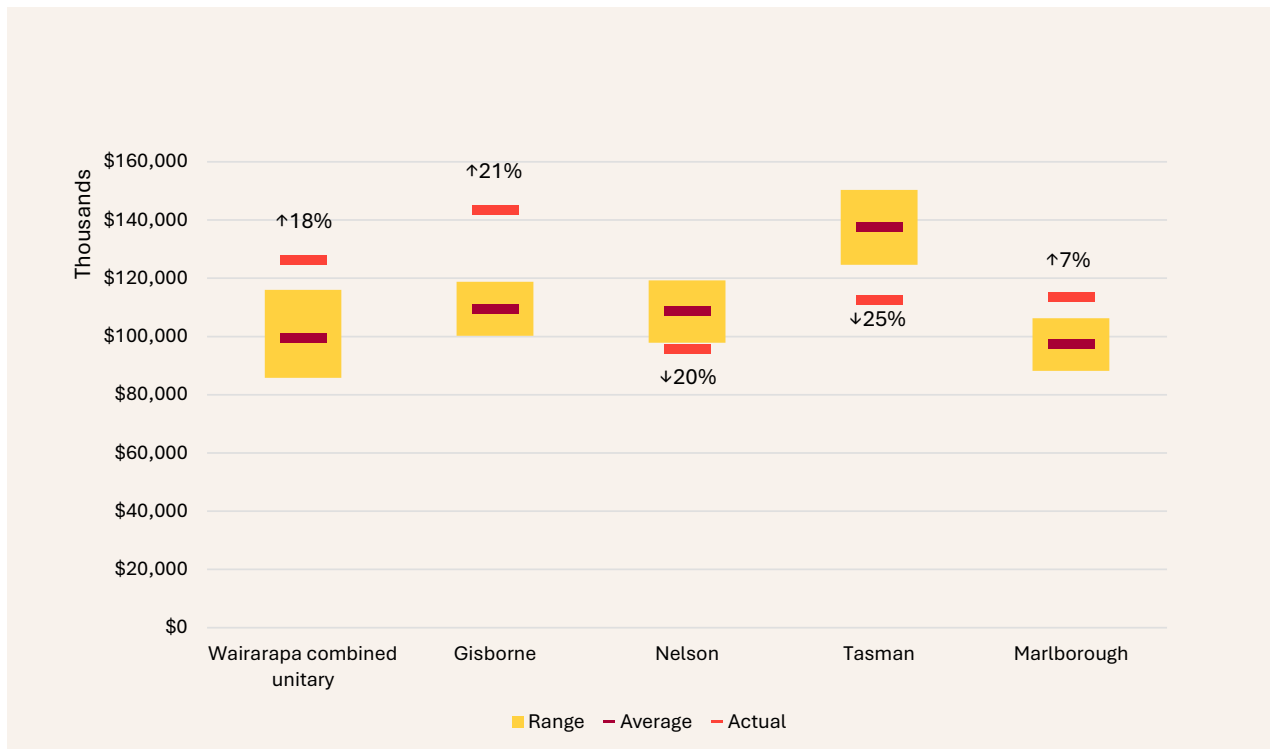


Figure 6 Comparison of unitary authority costs based on benchmarking versus actual costs

In our view, when considered together there may be some evidence that costs to deliver regional council and territorial authority functions through a unitary authority model are lower than they would be expected to be through simple aggregation. However, given the small sample size we would be cautious in drawing strong conclusions from this information.

Consistency between our benchmarked costs for a Wairarapa unitary and the actual costs for Marlborough, Nelson and Tasman gives confidence that our benchmarking is reasonable.

Organisational design and headcount differences

A combined Wairarapa unitary council could be approximately 358-391 FTE staff. This estimate is based on combining the three TA current staffing with an assumed regional component (187 FTE, representing 29% of GWRC's 646 FTE based solely on cost allocation), then applying efficiency reductions of 8-15% for organisational integration, and removing the transport allocation (33 FTE, being 29% of Metlink's 115 staff).⁴

This possible staffing level is comparable to similar unitary authorities: Marlborough (319 FTE), Gisborne (389 FTE)⁵, and Nelson (287 FTE). If a future Wairarapa unitary were to require between 358 and 391 FTE, the staffing ratio would increase to between 6.96 and 7.61 FTE per 1,000 population.

⁴ **Please note:** these reductions have only been applied to headcount analysis and not benchmarked costs.

⁵ Noting Gisborne's FTE is larger due to substantial recovery work. By way of illustration, Nelson's staff numbers have recently increased to 380 to address recovery work (the precise FTE increase is not known).



That range would place Wairarapa above Marlborough, broadly in line with or above Tasman, Gisborne, and well above Nelson (see Appendix One).

For a Wairarapa unitary, the regional environmental functions would merge with the existing TA associated teams from the Wairarapa. The comparative analysis of organisational structure across available unitary and regional councils suggests that a Wairarapa unitary would be a mid-sized unitary authority, with meaningful efficiency gains achievable through integrating consenting, compliance, policy, and planning functions across regional and territorial responsibilities as demonstrated, for example, by Marlborough's combined consents and compliance group and policy and planning model.

Further efficiency gains have not been factored into the benchmarking costs analysis done here alongside levels of service because of uncertainties around other costs and decision making.

Is there a reason Gisborne's costs are higher than our model predicts?

Comparison of modelled costs for Gisborne per cost activity, and the actual costs for those same activities reveals that the three most significant cost differences⁶, when compared to the benchmarked costs, for Gisborne are:

Table 4 Comparison of modelled costs for Gisborne

	Actual cost	Benchmarked cost (max)	Difference
Roading	\$32.6 million	\$15.2 million	\$17.4 million
Solid waste	\$29 million	\$9.2 million	\$19.8 million
Property	\$2.1 million	\$11.8 million	(\$9.7 million)

When considering Gisborne District Council's roading and solid waste costs, it is worth noting that Gisborne suffered extensive damage in Cyclone Hale and Cyclone Gabrielle and has a different level of service for solid waste. In particular, with respect to the cyclone, Gisborne District Council's Annual Report notes:

- There were eight bridges destroyed, and 54 bridges that suffered major damage.
- Over 3,000 faults on the roading network were registered, including over 200 major dropouts.
- There was an estimated total damage of \$465 million.
- There was 169,762m³ of large woody debris cleared in 2024/25, with an estimated total cost of \$154 million.
- The annual report notes that expenditure for the Solid Waste activity was \$7.5 million over budget due to the costs of large woody debris removal.
- There has been significant government funding provided to Gisborne District Council to assist with cyclone response work.

There may also be other reasons, such as the relative geographical isolation of Gisborne, that influence costs within Gisborne District. This suggests that:

- Gisborne District Council's costs are likely to be higher than they otherwise would under a "business as usual" scenario.

⁶ In absolute dollar terms



- Gisborne District Council is not a useful comparator for potential costs for a Wairarapa unitary authority.

What could a Wairarapa unitary authority cost?

Based on our benchmarking analysis, we consider that the total costs for a Wairarapa unitary are unlikely to be as high as the combination of the existing costs of each council and the Wairarapa share of regional council costs.

In our view, the data presented demonstrates that our benchmarking will result in a conservative estimate of future potential costs for a Wairarapa joint unitary authority, because:

- Benchmarked costs for the existing territorial authorities in Wairarapa are broadly consistent with the actual observed costs for those same councils.
- When compared to existing unitary authorities, benchmarked costs are typically close to, or higher than, actual observed costs for the same councils.
- The costs incurred by GWRC to deliver services in the Wairarapa are higher than observed in other, small, regional councils. Despite this, the upper end of our benchmarked costs for regional council functions is only 3% lower than the actual costs incurred by GWRC.

While there may be some (limited) scope for further efficiencies in delivery, we do not consider it to be prudent to include these in any cost estimation.

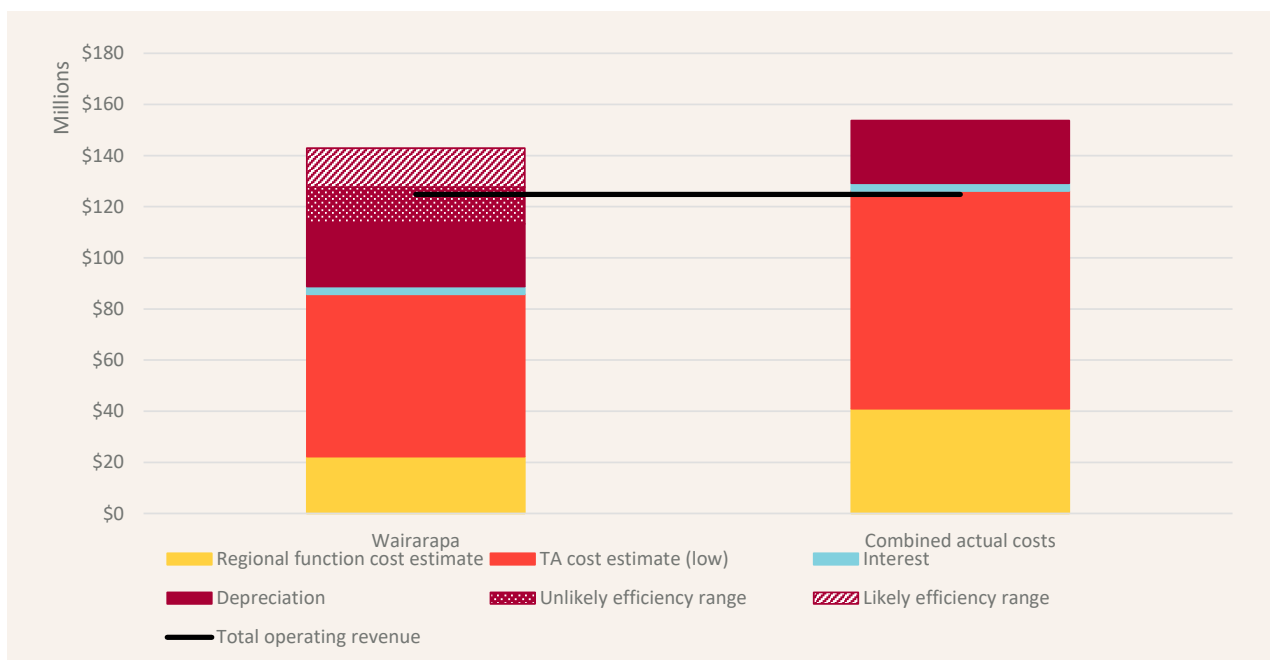


Figure 7 Benchmarked costs for a Wairarapa unitary authority compared to rates take

As shown in the chart above, our analysis indicates:

- Total costs for operating a joint unitary authority in the Wairarapa could be between 5% - 25% lower than the combined costs of the three councils plus GWRC's share of operating costs⁷

⁷ Note no depreciation expense has been included in either set of costs for GWRC as this data has not been provided. This would impact both scenarios equally.

- The total revenue take from Wairarapa may be able to be reduced by up to 9% under the most optimistic scenario if depreciation was to be fully funded. If costs are instead at the upper end of our benchmarked cost range, total revenue would need to increase by 15%. In dollar terms, that equates to between a \$430 reduction to a \$675 increase per rateable property in the Wairarapa.
- Remaining with delivery through the GWRC (or some equivalent future body) would provide opportunities for the Wairarapa councils to continue to receive rates subsidies from areas with larger population bases (as they do currently).

To assist in comparing information with other reports, and with the Annex produced that includes Tararua within the proposed unitary authority, we have also provided our benchmarking analysis on a per rateable property basis in the chart below.

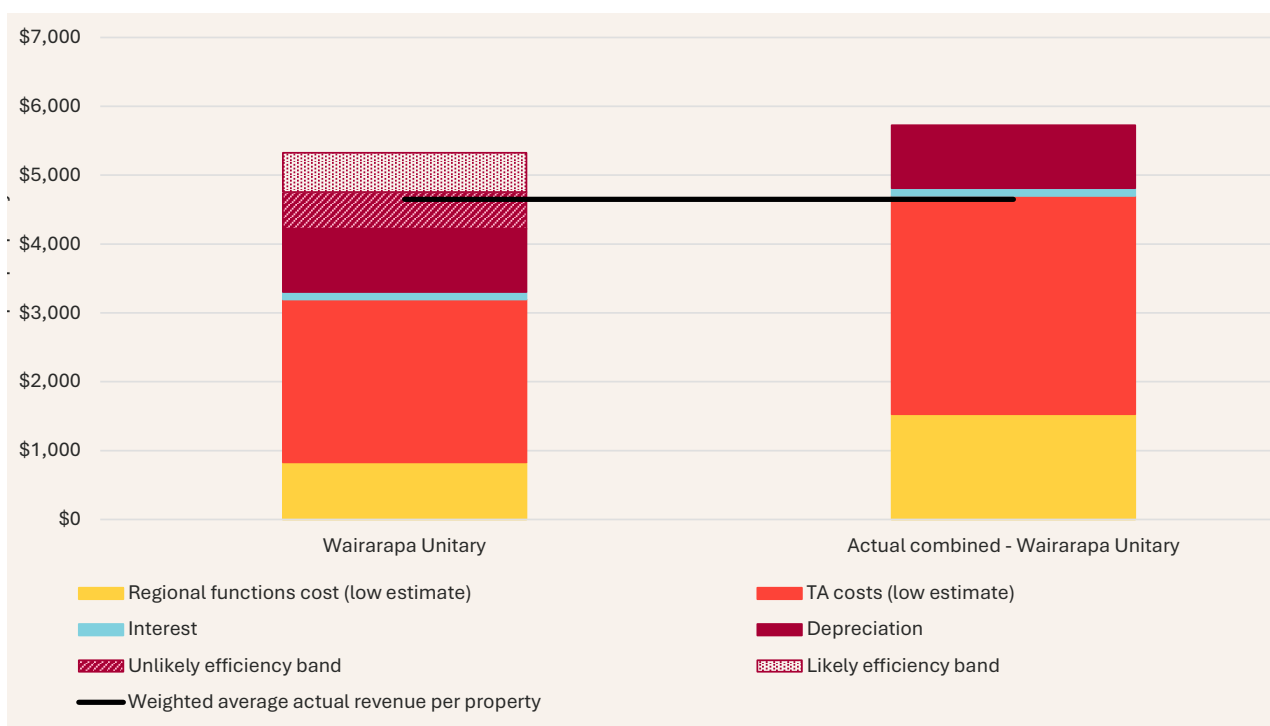


Figure 8 Benchmarked costs for a Wairarapa unitary authority compared to rates take on a per rateable property basis

Governance considerations

This section moves to outline the main governance issues that would need to be resolved under a Wairarapa unitary model, including representation, local voice, sub local governance, and any continuing role for shared services or other regional delivery arrangements.



What are the current representation approaches?

The following Table 5 shows the current governance models for the Wairarapa councils:

Table 5 Wairarapa Councils' current governance models

Council	General Wards	Māori Wards	Community Boards	Number of Councillors	Population per Member
Masterton District	Yes + at large	Yes	No	8	3618
Carterton District	No	No	No	8	1286
South Wairarapa District	Yes	Yes	Yes	9	1216

There are some similarities in the approaches to governance models adopted by the three District Councils and also some key differences: Two councils have a ward based electoral model, with Carterton representation being elected at large.

- Two councils have Māori wards.
- Only South Wairarapa has community boards and do not use a subdivision model to elect community board members.
- In addition to ward-based representation, Masterton District Council electors elect three additional members at large across the total council area. While this is less common amongst New Zealand territorial authorities there are a significant number who use this model.
- The electoral population per elected member ranges from 1216 in South Wairarapa District Council and 3618 at Masterton District Council.
- The three councils' electors benefit from an ability to access elected representatives than many other councils, due to the lower population to councillor ratio compared with larger cities.⁸
- In South Wairarapa District all residents reside within a community board area.

Comparison with the four small existing unitary councils, Gisborne, Tasman, Nelson, and Marlborough, suggests that a Wairarapa unitary would be operating at a comparable population scale. These councils generally have between 12 and 14 elected members, which provides a useful reference point for thinking about the size of a possible Wairarapa unitary council.

Tasman is the main comparator that uses community boards. This likely reflects its large geographic area, dispersed communities, and strong sub regional differences.

Ward based representation in the comparator councils ranges from 3,606 to 4,531 general electors per representative. A Wairarapa unitary with 13 elected members would sit within a broadly comparable range at around 3,953 electors per representative.

Overall, the comparison suggests there is no single standard governance model for councils of this scale. However, the small unitary councils provide useful reference points for a future Wairarapa

⁸ By comparison, *Auckland Council* has 20 ward councillors representing a population of about 1.15 million, which is roughly 57,500 residents per councillor.



unitary authority, particularly in relation to council size, representation mix, and whether any form of sub local representation should be retained.

Why is local voice important?

The Government's Head Start programme includes maintaining local voice as a core assessment criterion. For consideration of a Wairarapa unitary proposal, this means considering how the governance would preserve community identity, provide fair and effective representation, and remain practical to operate. Defined communities of interest necessitate understanding how people identify with place, how they use services, and whether the proposed structure would allow different communities to be represented fairly and effectively.

- The functional dimension focuses on service catchments, travel patterns, employment, shopping, and other day to day interactions.
- The perceptual dimension, residents value local identity and belonging.
- The political dimension, whether a council can represent diverse interests, reconcile tensions, and retain public confidence.

What does this mean for possible models?

A future representation model design would need to decide:

- Whether members are elected at large, by wards, or through a mixed model.
- The total number of councillors and how they are distributed across the area.
- Whether community boards, local boards, or another sub local structure are needed to preserve local voice.
- How Māori wards would be treated as part of the overall design, rather than added later.

The main structural choice is between wards, at large representation, and a mixed model. In general, at large representation suits places with a strong shared identity and compact geography, wards suit places with distinct communities of interest, and a mixed model can help balance region wide leadership with local representation.

The model should support access between residents and elected members, avoid splitting recognisable communities without good reason, and use boundaries that are logical and defensible. Population equity remains important, but it is not the only consideration.

Any representation model needs to explicitly resolve:

- Regional efficiency versus local identity
- Population equality versus community integrity
- Scale versus accessibility
- Technical compliance versus community acceptance.

What are the options for sub-local governance?

There are two types of sub-local governance; community boards and local boards. The key difference is that community boards are used across most of New Zealand and local boards are available to unitary authorities and used only in Auckland Council currently. A territorial authority that assumes the responsibilities and powers of a regional council becomes a unitary authority. There are 110 community boards around the country and 21 local boards in Auckland.



Community boards

Community boards are not a local authority in their own right; they are created at the discretion of the territorial authority and governed under the Local Government Act 2002 Part 4 Subpart 2. They are primarily advisory and advocacy focused to:

- Represent community interests
- Make submissions to council
- Provide local feedback
- Monitor services in their area.

Their decision-making authority is limited and variable as powers are delegated by the parent council and can vary significantly between councils.

Local boards

Local boards can be established as part of the unitary councils “shared governance” model under the Local Government Act 2002, Part 4, Subpart 1A and are a formal part of Auckland Council’s governance structure (Local Government (Auckland Council) Act 2009 Part 2, Section 6).

A local board is an unincorporated body. A local board is not a local authority, a community board, or a committee of a governing body and does not have separate legal standing from the unitary authority and therefore, without limitation, may not:

- acquire, hold, or dispose of property; or
- enter into contracts; or
- appoint, suspend, or remove employees; or
- commence, or be a party to, or be heard in legal proceedings.

They have clearly defined statutory responsibilities and act alongside the governing body (Mayor and councillors).

The intent with local boards is to have a greater and more consistent authority than community boards with:

- Shared governance responsibilities
- Responsibility for local services and decision-making
- Input into regional strategies
- Local boards can also:
 - influence or propose bylaws
 - in some cases, raise targeted rates for local priorities.

They are not just advisory, rather they are part of formal decision-making.

Key differences between the two

The key differences between community boards and local boards are summarised in the table below.



Table 6 Differences between community boards and local boards

Dimension	Community boards	Local boards
Geographic coverage	Most NZ councils	Auckland and Unitary Councils
Legal basis	LGA 2002, discretionary	LGA 2002 and Auckland governance legislation, embedded
Relationship to council	Subordinate, advisory	Shared governance partner
Powers	Delegated, inconsistent	Statutory, more consistent
Decision-making	Limited	Significant local decision-making
Funding influence	Limited	Can influence budgets, targeted rates
Strategic role	Local voice, advocacy	Local governance and delivery

Ultimately the key issue for councils creating unitary authorities to consider when weighing up community or local boards is:

- Do they want a formal structure for local input (community board model), or
- Do they want local decision-making authority (local board model), or
- Do they want a combination of both community boards and local boards to fulfil different communities' needs?

What other delivery options are available for regional services?

If Wairarapa were to become a unitary authority but wished to retain some delivery at a wider regional scale, options are available under the current Local Government Act 2002 including a joint committee, a jointly owned CCO, a lead authority model, or a contracted shared service arrangement.

Like water service delivery there are models which would allow planning and delivery, for example, to remain coordinated across a wider geography, while separating other regional functions into a Wairarapa based unitary structure. The most suitable option would depend on whether the main objective is network integration, delivery efficiency, funding alignment, or governance simplicity.

For planning, the current Planning Bill draft requires a single plan for each region, including a regional spatial plan, although the practical implications of what constitutes a region for these purposes will depend on the final legislative settings. On that basis, a key issue for Wairarapa would be whether the current GWRC planning geography remains the most appropriate basis for future planning, or whether a distinct Wairarapa planning area should be proposed. That question is material because planning boundaries influence not only plan making, but also institutional design, accountability, and how land use, infrastructure, and environmental decisions are integrated over time. The legislation is still before Parliament and may change through the select committee and House processes, so any conclusions at this stage should be treated as provisional.

Some councils are also exploring whether planning functions could sit within a council-controlled organisation. If that approach were considered, it would need to be tested carefully against the wider governance model. There is a risk that layering a regional planning CCO over local boards with sub-regional governance arrangements could blur accountability, weaken the link between local place-based priorities and statutory planning decisions, and create a more complex decision path. For Wairarapa, the stronger design principle may be keeping planning governance as direct and transparent as possible, unless there is a clear case that a different delivery model would materially improve capability, consistency, or regional coordination.



Catchment management and transport are the two key issues to be addressed if a region is changing. The difference with public transport is that it operates under a more specific statutory framework, so the critical issue is not only governance but also who would hold the formal transport role and how Wairarapa would influence decisions. If Wairarapa were to become a unitary authority but retain transport delivery at a wider regional scale, this would likely require a joint governance arrangement alongside a clearly defined lead authority, CCO, or shared service model.

What about hybrid models?

The Future for Local Government review 2023 previously proposed a structure called a combined network approach in which local councils retain place-based leadership and service delivery, while a combined regional council carries out functions that cross local boundaries or require specialist capability, supported by shared services where that adds value.

The combined network model, or broader hybrid or federated models such as the Greater Manchester style approach explained in Appendix Two are not the primary structure being tested through Head Start⁹, even though they still could be relevant as a broader system reform or backstop concept.

Other versions in this vein include Local Leadership Authorities aligned to a major community of interest or sub region and framed as a core part of governance, not a second local governance layer like a local board. These would be led by a Chair and several elected members where some of these members would then sit at the regional level, carrying local voice into regional decisions. A presumption could be made that powers under legislation be part of the conversation to address communities of interest at a sub-regional scale but this would need statutory defined decision-making authority. LLAs are closer to a sub-regional local council within a unitary framework, even though it would not necessarily be a separate legal authority. It is being designed to have:

- Stronger leadership
- Stronger fiscal tools
- More formal decision rights
- A direct role in regional governance
- A wider sub-regional identity base.

That is stronger than a local board model is usually understood, because local boards operate within a shared governance framework, but this concept is being pushed further towards a more explicit sub-regional decision-making tier.

⁹ The Department of Internal Affairs Head Start guidance frames the pathway around outline proposals for new unitary authorities, rather than broader hybrid or federated models. See Department of Internal Affairs, *Guidance for Head Start outline proposals* (May 2026), via [Simplifying Local Government](#).



Appendix One Comparative unitary model council metrics

Metric	Combined TA Wairarapa	Marlborough	Nelson	Tasman	Gisborne
Population	51,400	50,800	54,300	59,900	55,700
FTE per 1,000 population	5.31	6.28	5.29	7.03	6.98
Total land area (km ²)	5,960.3	10,786.0	491.3	9,853.7	8,385.3
Urban land (km ²)	63.3	39.6	72.4	121.8	37.5
Rural land (km ²)	5,826.9	10,419.1	394.0	9,549.7	8,347.6
Population density (residents per km ²)	8.6	4.7	110.5	6.1	6.6
All building consents (five years)	1,976	1,258	1,222	2,372	804
All building consents per 1,000 residents	38.4	24.8	22.5	39.6	14.4
Average annual consents (5 year)	395.2	251.6	244.4	474.4	160.8
Average annual consents per 1,000 residents	7.7	5.0	4.5	7.9	2.9
Road network length (km)	1,927.7	1,517.9	279.6	1,683.5	1,889.4
Road network length per 1,000 residents (km)	37.5	29.9	5.1	28.1	33.9
Rural road length (km)	1,696.9	1,310.7	52.1	1,474.9	1,661.6
Urban road length (km)	230.8	207.2	227.5	208.6	227.8
Urban population	34,908	36,036	50,556	34,134	36,912
Rural population	14,694	13,380	2,028	23,691	14,223
Businesses	6,609	7,380	6,804	7,899	5,703
Businesses per 1,000 residents	128.6	145.3	125.3	131.9	102.4
Dwellings	23,337	24,324	22,626	25,755	19,314
Dwellings per 1,000 residents	454.0	478.8	416.7	429.9	346.8



Metric	Combined TA Wairarapa	Marlborough	Nelson	Tasman	Gisborne
Māori population share (%)	18.5	14.5	11.5	9.6	50.3
Median age	45.0	38.1	44.0	46.8	36.7
Home ownership %	74.6	74.0	71.2	77.4	62.9
Deprivation 1 to 3 %	29.8	13.8	9.4	9.1	5.0
Deprivation 8 to 10 %	25.4	9.5	10.1	12.0	63.5
Animal management requests for service (2024/25)	1,193	2,505	1,245	1,155	1,385
Animal management requests per 1,000 residents	23.2	49.3	22.9	19.3	24.9
Animal management requests per 1,000 registered dogs	97.5	233.5	209.4	92.2	154.4
Registered dogs	12,241	10,726	5,947	12,531	8,968
Registered dogs per 1,000 residents	238.2	211.1	109.5	209.2	161.0

*Some of these are figures taken from the last annual report, others are the average annual activity by 5 year total from Stats NZ



Appendix Two The Greater Manchester Model

The Greater Manchester Combined Authority (GMCA) is a “combined authority” rather than a merged single council or unitary model and therefore is not a model which will be considered as part of the Head Start process.⁵

It consists of 10 constituent councils (each retains full legal autonomy) with 1 directly elected Mayor. The governance body comprises 11 members in total, 10 council leaders (one per council) and the mayor.

This is fundamentally a two-tier model with the local tier where councils retain local services and a regional tier where the combined authority handles strategic functions. This is similar to the current regional/district council model that is being replaced.

The mayor chairs the combined authority and has a direct electoral mandate across the region. The council leaders form the Mayor’s Cabinet and typically lead a policy portfolio (e.g. transport, housing). Decision-making is collaborative and collective with the mayoral leadership layered on top, not replacing councils⁶.

Local councils retain “place-based” services (e.g. waste, local planning, libraries), local accountability and identity, while the combined authority controls strategic, cross-boundary functions such as:

- Transport
- Spatial planning
- Economic development
- Skills and employment
- Housing and regeneration

The GMCA employs over 2000 staff, with around 1500 (72%) working solely for Greater Manchester Fire and Rescue Service. The other 600 are working directly for the Combined Authority. The GMCA has eight directorates:

- Digital
- Education, work and skills
- Economy
- Environment
- Place making
- Public service reform
- Police, crime, criminal justice and fire
- Corporate functions; Finance / Audit / Core Investment; IT services; People Services Procurement & Contracts; Waste; Legal / Governance / Information Governance/Business Support; Strategy; Research; Communications & Engagement

The model creates a functional split between local service delivery and regional strategy and investment. The model is strengthened by central government devolving powers and funding; therefore, it is not just a governance reform but governance, fiscal and functional devolution.



The model emerged from a long history of voluntary collaboration between councils and the desire to act as a single economic region while retaining local democratic identity. The councils had been voluntarily entering into ‘deals’ on key regional decisions.

The model is seen as successful because it preserves local identity while enabling scale, thus avoiding the community and political resistance of full amalgamation. It allows greater coordination, alignment and funding for activities like:

- Region-wide transport planning
- Housing growth alignment
- Economic strategy

This is particularly relevant for growth corridors, housing supply and infrastructure integration and providing strong regional leadership where the region can “speak with one voice” to central government. In addition, it enables pooled funding and prioritised regional investment.

While the model is touted as successful, it is not without disadvantages and risks:

- The governance model is complex with multiple layers, local councils, the combined authority and the mayor. This can be difficult to understand and hard to attribute accountability.
- It is dependent on collaboration and trust and works because GM councils had decades of prior collaboration but in other areas there are risks of a stalemate or stalled decisions and conflict among parochial interests.
- There is a question about the democratic legitimacy of a non-elected (except the mayor) leadership group.
- There can be an uneven balance of power from larger or more influential councils.
- There is limited fiscal autonomy as the authority is reliant on central government funding.
- Scale versus local voice tension can still exist.

The Greater Manchester model is more akin to a federation of councils with a shared strategic authority. It is a two-tier model that sits between full amalgamation and loose collaboration that is based on a high level of trust and a strong history of collaboration between the constituent councils.

What the GMCA proves is that regional scale and coordination can be achieved without abolishing councils with strong mayoral leadership. But it is not a simple model and requires high trust and maturity, nor does it eliminate representation tensions.



Appendix Three Representation comparison

Comparative representation for Wairarapa councils (as at 2025).¹⁰

District	Māori Electoral Population	General Electoral Population	Total Population	Total Members (Current)	Number of General Wards ¹¹	Number of Māori Wards ¹²	Number of General Members	Number of Māori Members	Population per General Electoral Member	Māori Electoral Population per Māori Electoral Member	Number of Community Boards	Māori Ward Members ¹³	Māori Ward Members (Rounded)
Masterton District	3,440	25,500	28,940	8	1	1	4	1	3,643	3,440	0	0.95	1
Masterton District (at large)							3		9,647				
Carterton District	690	9,600	10,290	8	0	0	8	0	1,200	0	0	0.54	1
South Wairarapa District	910	11,250	12,160	10	3	1	9	1	1,250	910	3	0.75	1
Total	5,040	46,350	51,390	26	4	2	24	2	8,825	4,350	3	2.24	2
Average	1,680	15,450	17,130	9	1	1	8	1	2,942	1,450	1	0.75	1

¹⁰ <https://www.lgc.govt.nz/assets/Resources-Representation-Review/MEP-and-GEP-statistics-2025-estimates-2023-base-2025-membership.xlsx>

¹¹ [Ward 2025 | Stats NZ Geographic Data Service](#)

¹² [Ward 2025 | Stats NZ Geographic Data Service](#)

¹³ LGC indication of possible proportional calculation of Māori members based on the number of Māori electors to general electors.



Comparative representation for small unitary councils (as at 2025)¹⁴

District	Māori Electoral Population	General Electoral Population	Total Population	Total Members (Current)	Number of General Wards ¹⁵	Number of Māori Wards ¹⁶	Number of General Members	Number of Māori Members	Population per General Electoral Member	Māori Electoral Population per Māori Electoral Member	Number of Community Boards	Māori Ward Members ¹⁷	Māori Ward Members (Rounded)
Gisborne District	19,900	32,800	52,700	13	1	1	8	5	4,100	3,980	0	4.91	5
Tasman District	2,780	57,100	59,880	14	5	1	13	1	4,392	2,780	2	0.65	1
Nelson City	3,570	50,800	54,370	12	2	1	8	1	4,618	3,570	0	0.53	1
Nelson City (at large)							3		18,123				
Marlborough District	3,900	46,900	50,800	14	3	1	13	1	3,608	3,900	0	1.07	1
Total	30,150	187,600	217,750	52	11	4	45	8	34,842	14,230	2	7.16	7
Average	7,538	46,900	54,438	13	3	1	11	2	8,710	3,558	1	1.79	2

¹⁴ <https://www.lgc.govt.nz/assets/Resources-Representation-Review/MEP-and-GEP-statistics-2025-estimates-2023-base-2025-membership.xlsx>

¹⁵ [Ward 2025 | Stats NZ Geographic Data Service](#)

¹⁶ [Ward 2025 | Stats NZ Geographic Data Service](#)

¹⁷ LGC indication of possible proportional calculation of Māori members based on the number of Māori electors to general electors.



Comparative community local board representation for Wairarapa councils (as at 2025)¹⁸

District	Community /Local Board Area & Subdivision	Population	Members	Population- member ratio
Masterton District	No communities	28,900		
Carterton District	No communities	10,300		
South Wairarapa District	Greytown Community	4,220	4	1,055
	Featherston Community	3,800	4	950
	Martinborough Community	4,170	4	1,043
	Total	12,190		

¹⁸ <https://www.lgc.govt.nz/assets/Representation-Reviews/Representation-tables-2025-estimates-2023-census-base-2026-boundaries-v2.xlsx>



Document Status

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Qualifyr™

Project Overview:
Our review of the findings

Cross-Council Amalgamation Community Reference Group

Summary of community engagements

20 July 2026

Introduction

The following report summarises three separate research projects, done on behalf of local councils in the Wellington region. The three projects were designed to help engage with residents to better understand their thoughts, expectations, and concerns, to help inform discussions and the development of proposals on local council amalgamation as part of the Government's Head Start process.

The following councils chose to participate in this research:

- Hutt City Council
- Greater Wellington Regional Council
- Porirua City Council
- Upper Hutt City Council
- Horowhenua District Council
- Masterton District Council
- Carterton District Council.

The research was done using Qualifyr, an AI-powered qualitative research tool, with support on planning and execution from the Qualifyr team. Using our custom built AI interviewer, participants in this research were asked a series of open-ended questions in a back and forth text based conversation, with the results summarised by AI. Interviews and the reports themselves were reviewed by the Qualifyr team.

The reports summarise the cohort of respondents, and their answers to the questions, which are listed under each engagement.

Participants were recruited using Dynata - a global panel of nearly 70 million people. Participant numbers were allocated broadly in line with population (number of people living in each council area), while ensuring smaller communities were represented. While participants may have come from all participating council areas, not every participant responded to every round or question.

Each engagement was conducted over the following timelines:

- **Engagement One:** 16 June to 26 June 2026
- **Engagement Two:** 01 July to 08 July 2026
- **Engagement Three:** 13 July to 16 July 2026

More information about Qualifyr is included at the end of the report.



qualifyr.ai

Overall Summary

Engagement with residents was done over three separate projects, each one with a distinct goal.

For the First Engagement, we focused on testing a set of ideas which councils would consider during the amalgamation process. You can read these on the Project One Report below. Reactions from residents on these ideas were mixed: Many respondents accepted the ideas as presented, but withheld firm support until they could see more detail on how the changes would affect their rates, services, and day-to-day lives, and so support was often conditional rather than outright. Many respondents engaged constructively with the ideas presented, focusing on cost, accountability, and the balance between regional efficiency and local decision-making. A substantial group dismissed the material as vague “management speak” or expressed a broader distrust of councils’ ability to deliver on stated intentions, regardless of the specific ideas represented.

The Second Engagement focused on building on the last engagement, re-engaging with the same group of respondents to continue the conversation, and learn more about their thoughts and feelings towards potential changes to local government. Within this project, respondents discussed what services they feel should be operated within the community at a local level, what services they think could be better handled at a regional level, and what would give residents confidence that changes to their local government would lead to better outcomes. Cost and rates increase dominated concerns, raised by the large majority of respondents in some form. Major infrastructure such as water, transport, and roading were widely seen as suited to regional delivery, while parks, community facilities, and other local services were seen as best kept local. Overall confidence in the reforms delivering better outcomes was low, with transparency and accountability over council spending seen as central to building trust. Representative structures that protect smaller places were raised by a small number of respondents, such as community board representation, local committees with decision-making power, and local elected representation within any new authority, alongside concerns that larger structures could favour larger or wealthier areas.

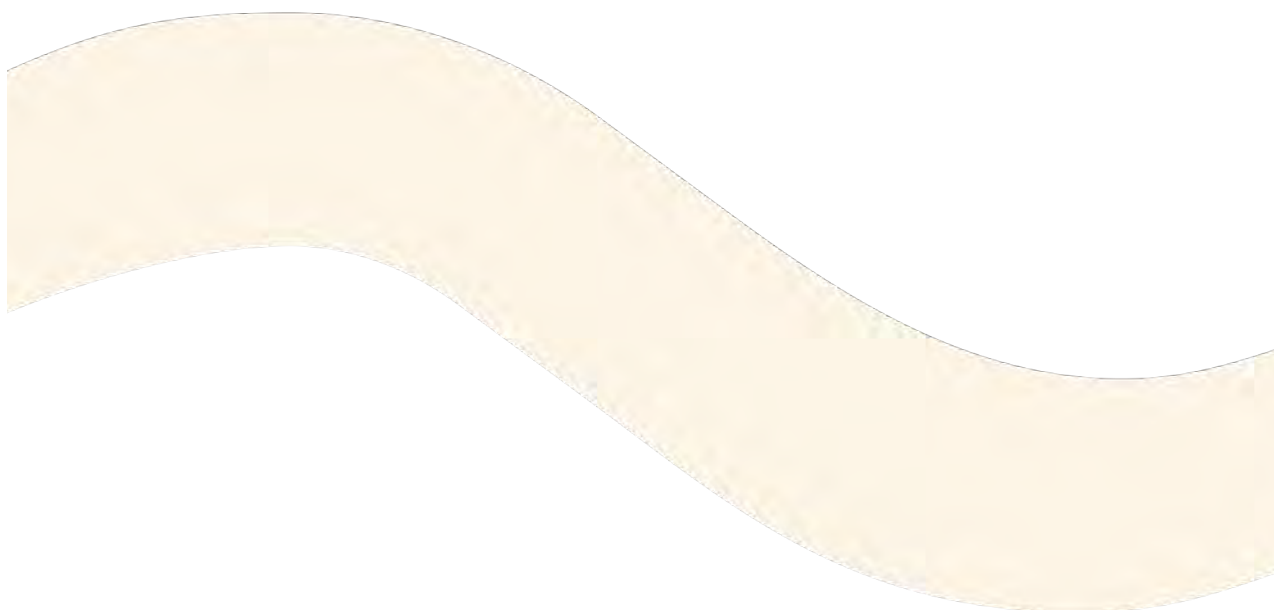
For Engagement Three, we introduced the idea of Community Councils, went into more detail on the regional and local service split, and asked what would give people confidence as changes happen to local councils. This group was opened up to both new and returning respondents. Reactions to Community Councils were split: Many respondents were open to the idea, seeing it as a way to keep local representation and a direct line into regional decision-making, while a substantial group worried it

would add another layer of cost, duplication, or bureaucracy without changing how decisions actually get made. The regional and local split of decisions was seen as sensible by a slight majority, similar to the second engagement's findings. When asked what would give them confidence going forward, many respondents wanted communication that was clear and honest as changes happen, and a number specifically wanted to be engaged before a direction had already been set, rather than after.

Across all three engagements, transparency and financial accountability were the most consistent demand: Respondents in every round wanted clear, itemised costs, budgets, and rates impacts. Confidence in any reform was consistently linked to visible follow-through rather than to stated intentions. Local representation and local funding mattered throughout, with respondents wanting guarantees that smaller communities would not be outvoted or deprioritised by larger centres.

Views on splitting services between regional and local delivery were consistent across all three rounds: Major infrastructure such as water, transport, and roading was widely seen as suited to regional delivery, while parks, community facilities, and other place-based services were seen as best kept local, though respondents wanted this boundary defined with specific examples rather than stated as a general principle.

Scepticism about consultation with residents ran through all three engagements. Respondents wanted proof that engagement with the community happens early enough to help shape decisions, rather than after a direction has already been set.



Key Themes

Several themes recurred across the three engagements. The clearest of these are outlined below.

Rates and household costs were mentioned by close to half of respondents in the First Engagement, and by a clear majority in the Second, then dropping to close to a third in Engagement Three. A majority of respondents wanted clarity on what any change would cost households, while a smaller number specifically asked for public reporting of budgets against actual spending.

Communication was a consistent theme across all three engagements, though the specific ask changed as the ideas became more concrete. In the First Engagement, respondents repeatedly described the material as "wordy" or overly complicated and asked for shorter, clearer statements with practical examples. In the Second Engagement, this became a request for visual, non-technical materials such as charts, diagrams, and photos, alongside a demand from just over a quarter of respondents in this engagement for real consultation, not a 'tick-box exercise,' with visible proof that community input changed decisions. By Engagement Three, communication became the dominant theme: Close to half of respondents said clear, honest communication as changes happen would help them feel confident, and a number specifically wanted to be engaged before a direction had already been set, rather than after.

Major infrastructure, such as water, transport, and roading, was seen as suited to regional delivery by just over half of respondents in the Second Engagement's open-ended question, and a slight majority there also saw place-based services such as parks and local facilities as best kept local. In Engagement Three, where the question itself set out this same regional-local split using those examples, a slight majority of respondents found the split sensible.

Engagement One Report

Ideas presented

1. Regional where it adds value, local where it matters most

Some services and decisions are better handled and delivered across the region, where working together with other councils helps provide better consistency and improve outcomes for everyone.

Some services and decisions are more effectively handled locally, and so collaboration with other councils should be complemented by strong local delivery where place-based services, identity and relationships matter most.

2. Local voice and democratic legitimacy

Any future arrangement must strengthen public confidence, participation and community trust. Local voice across both rural and urban areas is meaningful, and should be exercised where it has the greatest impact.

It should also be clear how communities influence decisions, and how accountability is maintained. Accountability should be clear and, where possible, simple.

3. Affordable and financially sustainable over time

Future options should be affordable, transparent, financially sustainable, and make good use of public money.

This includes reducing duplication of services, supporting efficient and prioritised investment, and ensuring future generations are not left with higher costs as a result of inaction. Trade-offs between service levels, cost, and investment should be transparent.

4. Active partnership with Mana Whenua

Engagement with Mana Whenua should be simplified, strengthened, and embedded in governance arrangements in ways that are consistent with Treaty settlements and obligations, and that support effective and active partnerships.

5. Capability, resilience and capacity to partner

Councils should have the people, skills, systems and resources needed to meet current and future challenges. This means attracting and retaining the best talent, building a strong and well-supported workforce, and using AI alongside modern digital systems to extend what people can do.

Respondent Breakdown

Location	n
Wellington City	46
Lower Hutt	19
Upper Hutt	8
Kapiti Coast	15
Masterton	6
Carterton	4
South Wairarapa	2
Horowhenua	1
Total	101

Objectives

- What are your initial thoughts after reading these? What in particular stands out to you about them? You can scroll up to re-read them as needed.
- How confident are you that these ideas are focused on the right things when discussing potential changes to local government? What makes you feel this way?
- What would you hope to see improve in your community as a result of these potential changes? What makes these improvements important to you?
- Focusing specifically on these potential changes, what concerns, if any, would you have for your local community? What makes you concerned about this?
- What's something you'd add or change about these ideas to make them better? What about the change would make them better? Is anything missing?
- Do you have any final thoughts you'd like to provide?

Overall summary

1 - Overall feedback

- Overall reactions were mixed: many agreed with the ideas presented, but a substantial group dismissed them as generic “management speak” without enough practical detail.
- Cost, rates and financial accountability dominated feedback, with frequent scepticism that any reform would be implemented well or reduce waste.
- A recurring tension was how to gain regional efficiency (including amalgamation/shared services) without losing local voice or smaller communities being deprioritised.
- Across the responses, there was a strong call to refocus on core services (especially water and roads) and improve trust through clearer communication and transparency.

2 – Pros

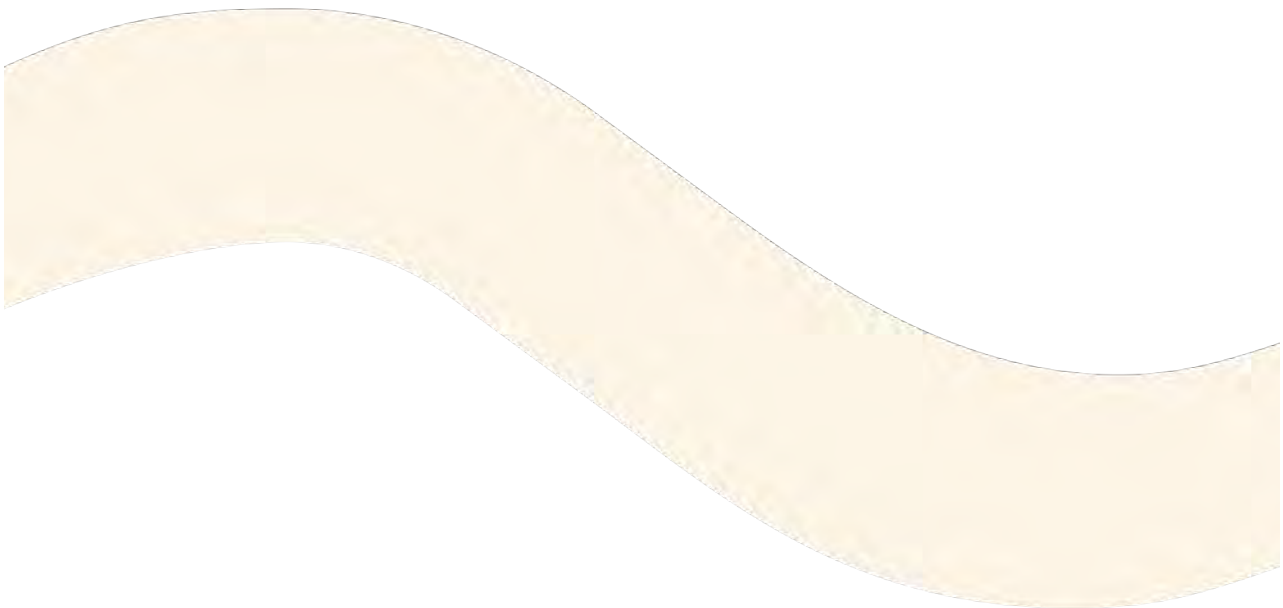
- Broad support for the overall idea of balancing regional coordination with local decision-making, particularly where regional delivery adds value (e.g., public transport and shared infrastructure).
- Many welcomed a stronger emphasis on financial sustainability, transparency and accountability for spending, including clearer justification of trade-offs and project costs.
- A frequently cited potential benefit of amalgamation/shared services was reducing duplication, improving consistency, and potentially lowering rates or slowing rates growth.

3 – Cons

- Many felt the ideas presented were too high-level, vague, and overly wordy, lacking concrete examples, clear definitions, and practical implementation detail (including how savings would be achieved).
- A number of respondents expressed concern that reforms could increase bureaucracy, disrupt delivery, or create costly restructuring without improving outcomes for ratepayers.
- A strong risk raised was losing local voice and fair resourcing—especially smaller towns/suburbs being overlooked in favour of larger centres under regional structures.
- AI references prompted concern for a number of respondents (e.g., job impacts, environmental footprint, and unease about replacing human decision-making), with several wanting AI limited or removed.

4 - Research objectives

- **Initial thoughts and standout aspects:** The main standout themes were affordability/rates, accountability for spending and project overruns, and the regional-versus-local balance, with many also saying the statements were too generic or “management speak”.
- **Right focus for government changes:** Most felt the right themes were identified but confidence depended on credible delivery, with common scepticism due to past failures and the lack of practical detail on how changes would work.
- **Improvements hoped for in communities:** The most common hopes were better delivery of core infrastructure (especially fixing water leaks/pipes and improving roads), more efficient services with improved value for money, and lower or slower-growing rates.
- **Concerns for communities:** The dominant concerns were increased rates or cost-shifting, loss of local representation/voice (particularly for smaller areas), and money being wasted or diverted from core services.
- **Suggestions for improvement:** The most frequent request was for clearer, simpler communication backed by specific examples, transparent costs, and explicit accountability/financial controls so the public can see how benefits and savings would be achieved.
- **Final thoughts:** Overall sentiment was “good on paper” but trust is low, and respondents want visible follow-through on core services and finances before believing structural changes will help.



Research objectives - detailed summary

Initial thoughts

- Affordability and financial proof dominate first reactions. Initial responses repeatedly stress that the ideas presented are being discussed without the information needed to judge them. People want clarity on likely rates impacts, transition and technology costs (including systems integration), and what “good use of public money” means in practice—particularly in light of perceived past waste and cost blowouts.
- Strong scepticism: “generic”, “management speak”, “box-ticking”. Many interpret the statements as familiar, high-level messaging that sounds good but lacks substance. A common view is that councils and decision-makers ‘know what to say’ but do not follow through. Many also asked for more operational detail to understand what would actually change in practice.
- Basics first: fix core infrastructure and day-to-day services. Water leaks/pipes are the most consistently raised “must-fix” issue, often linked to potholes and repeated roadworks. Roads/footpaths are also repeatedly named and should be prioritised over discretionary projects. Public transport reliability was also mentioned, though less frequently than roads/footpaths.
- Amalgamation is contested, with clear “right size” concerns. Some support merging (especially where small populations fund multiple councils) to reduce duplication and improve economies of scale. Others oppose mergers, fearing higher rates, transition disruption, job losses, added bureaucracy, and poorer outcomes if an entity becomes “too big to function”.
- Regional vs local split is understood, but people want clearer boundaries. Many accept that some functions work better at regional scale (commonly transport and major infrastructure), while others should remain local (amenities, planning/zoning). However, people want more clarity on what “regional” and “local” mean, how representation will work, and how smaller communities avoid being deprioritised.
- Mana Whenua partnership draws both strong support and objection. Supportive views frame partnership as an obligation under Te Tiriti and as beneficial for community and environmental outcomes. Critical views were raised by some, who argue it is not democratic or should not confer perceived “special status”.
- The mention of AI in the ideas presented drew concern from a number of respondents, who found it off-putting or unnecessary. Concerns raised included environmental impact, job losses, and unease about replacing human judgement. A small number wanted human oversight retained and final decisions left to elected representatives.
- Plain English is repeatedly requested. The material is often described as “wordy”, overly complicated, or too distilled to be meaningful without examples. People ask for shorter, more clear and direct statements, or even practical examples so they can understand implications and trade-offs.

Confidence in focus

- Confidence is conditional: “only if it is followed through”. Some feel the ideas presented “cover the bases” at a high level, but confidence commonly depends on whether they will be implemented with discipline, measurable targets and visible results.
- Lack of operational detail reduces confidence. People repeatedly say they cannot judge the proposal because it does not explain how it will work: what services change hands, what governance looks like, what happens to staffing and systems, and how savings would be realised (and evidenced).
- Trust deficit remains a major barrier. A recurring view is that councils and politicians do not listen, prioritise poorly, or avoid consequences for failure. This pushes people to demand stronger accountability and transparency as a prerequisite for buy-in.
- Implementation difficulty is acknowledged as real and potentially costly. Even supportive voices note that building capability, retaining specialist expertise, and integrating systems across councils takes time and significant investment. There is concern about rushed change causing disruption and overlooked issues, including impacts on staff and service delivery.
- Concerns about process and timing affect legitimacy. Some express unease about rushed timelines and insufficient time for submissions, consultation and due diligence, particularly when major structural change is proposed.

Desired improvements

- Respondents often framed desired improvements as what they'd like to see improved within their community, rather than specifically focusing on improvements as a result of amalgamation.
- Fix water infrastructure and stop leaks. This was the most frequently mentioned improvement by respondents. Water pipes/leaks and water wastage are repeatedly framed as urgent and foundational. People link this to reduced road damage, fewer potholes, and less prolonged disruption from repeated works.
- Better roads and footpaths, with safer pedestrian environments. Priorities include faster repairs, better maintenance planning, footpaths suitable for prams and older residents, and safer street design (crossings, speed management, and lighting).
- More reliable, more frequent, and more affordable public transport. Although much less frequently than water, and other infrastructure improvements, this was mentioned by a number of respondents. People want improved frequency (including weekends), and better regional connections between towns.
- Rates restraint and clearer, fairer charging. Many want capped or reduced rates increases, clearer breakdowns of where money goes, and in some cases more usage-based charging for water rather than a flat amount.
- Faster decision-making and delivery. A consistent expectation is that streamlined structures should reduce delays and “waiting times” for repairs and decisions, with speed of implementation seen as a key performance indicator.

- More consistent outcomes and standards across councils. Some seek demonstrable consistency in service quality and better value for money, including clearer infrastructure standards and maintenance strategies.
- Place and community improvements once essentials are secure. Suggestions include revitalising struggling suburban centres, improving parks/green spaces, climate change preparation and resilience, and more social housing/community support.

Concerns

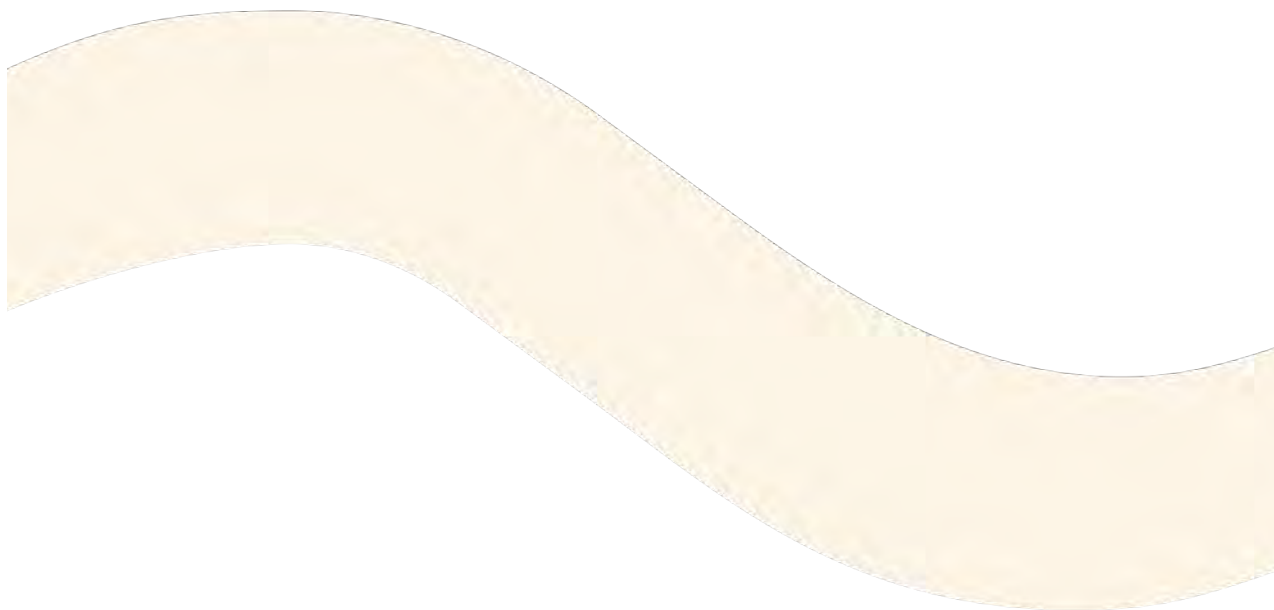
- Amalgamation could increase costs and bureaucracy. A prominent concern is that mergers create expensive transitions, ballooning back-office structures, and less productivity—resulting in higher rates rather than savings.
- “Too big to function” risk. People worry that a large “super council” could become less responsive, slower, and unable to maintain specialist capability across diverse communities unless deliberately designed.
- Cross-subsidisation, debt transfer, and unfair burden sharing. There is concern from a few respondents that communities with manageable costs could inherit other councils’ liabilities (often discussed in relation to water infrastructure). They want clear rules on debt/liability treatment and how costs will be shared fairly.
- Loss of local voice and smaller communities being deprioritised. Many fear decisions and resources will concentrate in larger centres, with rural/peripheral communities overlooked and locally raised revenue spent elsewhere.
- Poor spending priorities and “nice to have” projects. Some respondents cite frustration at spending on projects perceived as non-essential while pipes, roads and other basics deteriorate. Disruption from prolonged works is also linked to concerns about impacts on local businesses and access.
- Weak accountability for mistakes and cost blowouts. Some respondents mentioned they want to know who signs off budgets and procurement, who monitors delivery, and what consequences apply for repeated failure or waste.
- AI risks: environmental impact, unemployment, and decision integrity. AI is seen by some as unnecessary or inappropriate. Concerns include environmental impacts, job losses, reduced human accountability, and discomfort with AI influencing decisions.
- Rushed process and insufficient consultation. A few respondents worry change is being pushed through too quickly, risking harm, overlooked details, and poor implementation, alongside calls for longer submission timeframes and more accessible engagement.

Suggestions for improvements

- Publish clear financial modelling and definitions of “good use of public money”. Provide upfront information on rates impacts, transition costs, IT/systems integration costs, ongoing operating costs, and debt/liability treatment. Define what “good use” means, how it will be measured, and how subjectivity will be managed.
- Specify what is regional vs local, with practical examples and boundaries. State which services move to regional delivery versus remain local, why, and what “region” and “local” mean (including whether boundaries change). Include examples (commonly expected: transport and major infrastructure at regional scale; planning/zoning, libraries/amenities and local places at local scale).
- Build hard accountability into governance and delivery. Clarify who approves projects and budgets, procurement expectations, cost monitoring, and consequences for poor performance. People want transparency on sign-off responsibility and visible follow-through when projects fail or overrun.
- Create guardrails for “core services first”. Introduce decision rules and financial controls that prioritise things like water, roads/footpaths, and public transport before discretionary projects. Some views support requiring explicit ratepayer approval for non-core spending.
- Protect local representation and local reinvestment. Include mechanisms to ensure smaller communities retain influence, urban and rural areas are fairly represented, and locally raised revenue is transparently allocated (including expectations about being spent locally).
- Clearly define Mana Whenua partnership. Define what “active partnership” means in day-to-day decision-making: when it applies, and how the public can see it as an active partnership.
- Clarify AI: purpose, limits, and safeguards. If AI remains referenced, explain why it is needed, what it will and will not be used for, how environmental impacts and employment risks will be addressed, and how human oversight and final decision-making are guaranteed.
- Plan implementation realistically and phase change. Address capability risks explicitly: how specialist expertise will be retained, how staff and knowledge will be protected, what systems will be integrated and at what cost, and how change will be paced to avoid disruption.
- Use plain English and restructure for accessibility. Reduce length, avoid jargon, and provide bullet-point summaries. Add specific examples and scenarios so people can understand trade-offs, practical impacts, and what success looks like.
- Improve public participation and access to information. This was mentioned by a few respondents. Make it easier to find supporting detail while answering questions, and provide clear contact details, meeting information, and submission pathways. People also want to be kept informed when changes happen and where to go for more information.

Final thoughts

- Overall, reactions on these ideas were mixed, with many respondents broadly accepting the ideas as presented, but withholding firm support until they could see more detail on how the changes would affect their rates, services, and day-to-day lives. Support was often conditional rather than outright.
- The decisive test remains delivery on core services. People repeatedly return to fixing water leaks and maintaining roads/footpaths. If reform does not tangibly improve basics, it is likely to be seen as another exercise in rhetoric.
- Affordability, rates restraint, and fairness are make-or-break. Support rises when people believe duplication can be removed and savings returned through lower rates or better services. Opposition hardens when there is fear of higher rates, cost blowouts, or communities being forced to cover others' liabilities.
- Trust and accountability underpin legitimacy. Across views, there is a strong demand for transparency, clear responsibility for spending decisions, and consequences for failure. Without this, confidence remains low regardless of how well the ideas read.
- Regional efficiency must not come at the expense of local voice. While many accept regional delivery for some services, there is persistent concern about losing local influence, slower responsiveness, and smaller communities being overlooked. Durable support depends on explicit protections for representation and local reinvestment.



A selection of respondent quotes

- *"Greater scrutiny of the costs of implementing all of these. Transparency is particularly important given recent council blowouts. I'm sure all these were theoretically in place previously but they have no impact. Needs accountability."*
- *"The infrastructure cost of water in Wellington is crippling and I would not like this cost passed on to Kapiti where our costs are reasonable."*
- *"I like the amalgamation as council fees are currently out of control."*
- *"I appreciate the identification of the importance of including Mana Whenua as a partner. Responsibility to Te Tiriti is vital. I also believe it is important to maintain the local as outlined. Smaller centres have an important role in regional success."*
- *"Trust, we need to trust what you are doing and that our voices are going to be heard."*
- *"I think it all sounds pretty logical and obvious - of course we should be doing everything as efficiently as possible and delegating resources where they are most needed."*
- *"I like the idea that council needs to be transparent with funding decisions, as we the ratepayers deserve to know where our money is going. I agree that many matters are best handled at a local level."*
- *"I support a lot of regional based services. Local voice must always be available for input and consideration. I agree and support a strong and active partnership with Mana Whenua. I agree that core services should be adaptive over time. Human resources and material resources must be top notch."*
- *"The proposed changes are unnecessary. All this is happening under the current system."*
- *"I think they focus on the right things but I think the issue is always whether it can be implemented efficiently and without wasting taxpayer money."*
- *"I think in some of the professional areas it is hard for smaller councils to retain sufficient expertise, so pooling these resources across councils there could be some cost savings and better decision making."*
- *"I think these are key issues, but would need more detail about how each issue is presented. I support these being core issues though."*
- *"I think infrastructure standards should be developed across the country which sets guidelines for the standard of development and maintenance so we don't end up with the ongoing issues like water management."*
- *"I think public transport needs to be cheaper."*
- *"I think this overall will be a good thing in the long run."*
- *"Don't get me wrong - local government probably does need reorganising - but was it necessary to start doing this so late in the parliamentary term? Without proper consultation and time to consider alternatives?"*
- *"I think it is too rushed. The government is pushing things through before the election, just like the water provider changes. The public are outraged. If they do this rushed also will be too much too soon. People will continue to go without and fall through the cracks."*

Engagement Two Report

Respondent Breakdown

Location	n
Wellington City	32
Lower Hutt	15
Upper Hutt	5
Kapiti Coast	10
Masterton	3
Carterton	3
South Wairarapa	2
Total	70

Objectives

- Last time, many said they wanted more confidence that changes to local government would lead to better outcomes. What would help you feel more confident about a proposal for changes to local government? Why would this help?
- Many told us they wanted more practical information about how changes could work. Thinking about things like costs, council services and how local decisions would be made, what would you need to know to help you understand any future proposals? What questions would you want answered?
- One of the strongest messages from the last round was the importance of keeping a strong local voice. If changes were made to local government, what would help you feel your community still had a real say in local decisions?
- Many told us they thought some services could work well regionally, while others should stay local. For example, you might think about things that could benefit from councils working together, sharing resources, or reducing duplication. Thinking about that, what services/decisions do you think could work well across the region? What makes you say that?
- We also heard that some decisions that are important to be made locally because they affect individual communities. What services/decisions do you think are important to be handled locally or within the community? What makes you say that?
- As councils develop proposals for changes to local government, what do you think should be their top priority? What advice would you give councils as they develop proposals? Why is that important?

Overall summary

1 - Overall feedback

- Overall confidence was low without clear evidence that changes will deliver better outcomes, particularly through cost savings and maintained services. A handful of respondents also wanted evidence that decisions would be made, and changes delivered, more quickly than under the current system.
- Transparency and accountability were central to trust: A portion of respondents want clearer understanding of council spending and a better understanding of who is responsible for outcomes, and a handful specifically wanted clear rationales for decisions.
- The most common information need, raised by the large majority of respondents, was practical detail: What exactly will change, when, who will do what, and what it will cost households (especially rates impacts).
- A strong theme was fear of higher rates and service loss. Within that, a handful of respondents specifically worried about costs shifting between areas, most often around water infrastructure, where they did not want to end up paying for problems in other districts.
- Some wanted consultation that is accessible and demonstrably influences decisions. A few respondents specifically described past consultation as a "tick-box" exercise where the decision felt already made.
- Views varied on regionalisation: A slight majority supported regional scale for major infrastructure, while a small number of others were sceptical due to past amalgamation experiences and risks of bureaucracy.

2 - Points in support of sharing services regionally

- Regional delivery of major infrastructure, especially water, transport, and roading, was the most common answer to what could work well regionally, named by just over half of the respondents. A smaller number spelled out specific reasons, most often reducing duplication or accessing specialist capability.
- A handful of respondents saw shared back-office functions (e.g., HR, finance, payroll, IT, procurement) as a practical route to efficiency and potential savings.
- A portion of respondents welcomed stronger governance discipline, meaning clear goals, measurable outcomes, sticking to budgets, and improved value for money for ratepayers.
- A small number of respondents saw better communication and engagement, particularly regular updates and public meetings, would help build trust and encourage participation. A separate handful of respondents asked for clear, easy to understand explanations and visual, non-technical materials such as charts, diagrams, and photos.

3 - Concerns with sharing services regionally

- Cost and rates risk dominated concerns, raised by the large majority of respondents in some form. Within that, one respondent specifically worried about hidden or underestimated merger costs, describing project budgets that doubled or tripled after approval, and a separate handful were worried about costs being shifted between areas, including paying for other districts' problems
- Loss of local voice was a recurring concern, expressed broadly as wanting a genuine say in decisions. Within that, a small number specifically worried that smaller towns or suburbs could be outvoted, neglected for investment, or lose local service centres and responsiveness.
- Wasteful spending was raised by a small portion of respondents, and a small number, not all the same people, went further, saying explicitly that they had lost trust in councils or government, or felt past promises had not been kept.
- A small number of respondents raised concerns about bureaucracy and "bloat," including fear that amalgamation adds layers and increases headcount rather than reducing it. A few pointed specifically to the Auckland Supercity merger as evidence this can happen.
- Doubts about consultation quality were a recurring theme, with a number of respondents wanting visible proof that feedback changes outcomes. A small number went further, saying they believed decisions were already made before the public had a real chance to weigh in.

4 - Research objectives

- Overall Confidence: Confidence increases when proposals clearly demonstrate value for money, measurable outcomes, and budget discipline, points raised by a portion of respondents, alongside maintained or improved core services, raised by some respondents.
- Local Voice: Local voice was most often linked to guaranteed local representation, raised by a small number of respondents, such as ward or community board presence and local service centres, though respondents also proposed a range of other mechanisms, from more frequent meetings to binding local votes.
- Public consultation: Most want consultation that happens early enough to genuinely influence decisions. A couple of respondents suggested specific ways to do this, one an online portal to supplement town hall meetings, another published "you said, we did" reporting showing what changed as a result of feedback.
- Costs and services: The main requirement, raised by the large majority of respondents, is clear household-level cost impacts. A small number also wanted assurance that savings would flow through without service cuts, and clarity on how costs are allocated across areas.
- Practical information: People want specific detail on what is changing, responsibilities and accountabilities, delivery plans with timelines/milestones, and transparent rationales for decisions. One respondent specifically wanted to see the options considered, including the option of doing nothing, and why the chosen option was preferred.

Research objectives - detailed summary

Measures to build confidence in proposals for changes to local government

- Stronger accountability for delivery, linked to confidence, was mentioned by a small portion of respondents: clear commitments to outcomes, consequences for failure, and assurance that decision-makers can be held to account. A few respondents went further, suggesting councillors' pay be tied to performance, or that councillors and staff resign if project costings turn out to be significantly under-scoped.
- A handful of respondents wanted a clear, evidence-based rationale before decisions are made: confidence increases when proposals show the problem to be solved, the options considered, and why the chosen option is better than the status quo. Separately, one respondent specifically wanted "doing nothing" listed as one of the options for comparison.
- Real consultation, not "tick-box" engagement: just over a quarter of respondents wanted assurance that community input is sought before proposals are finalised and that there is visible proof it changed decisions.
- Proof and comparators: several asked for case studies/scenarios showing how similar changes have worked elsewhere (and where they have not), including lessons from prior amalgamations.
- Focus on "the basics" was a recurring condition for trust for a number of respondents, particularly core infrastructure and everyday services (water, roading, pipes, footpaths, lighting, rubbish collection). A handful specifically raised scepticism about spending perceived as non-essential, most often cycleways and diversity-related initiatives.

Needs for practical information: costs, council services, and decision-making processes

- Household-level cost impacts were central for the large majority of respondents: people wanted to know how proposals would change rates and charges for typical households. A couple of respondents suggested specific formats for this, one an annual percentage increase, another a side-by-side "now vs future" comparison.
- Transparent budgets and spend reporting were requested by a small portion of respondents: open-book budget detail, regular reporting (a couple of respondents specifically suggested a quarterly budget-versus-actual cycle), explanations for cost changes, and clarity on what is being funded in each local area.
- A handful of respondents wanted clarity on merger/amalgamation costs, raising examples including the cost of integrating IT systems and disposing of surplus offices. One respondent specifically asked whether central government would help fund the transition. A couple of respondents also wanted costed options and cost/benefit analysis: proposals should outline multiple scenarios with expected costings, benefits, disadvantages, and how benefits will be measured.

- A handful of respondents specifically asked for clear, easy to understand explanations and visual, non-wordy materials (charts, diagrams, photos, stats, quotes) to make costs, impacts, and progress easy to understand.
- A handful of respondents raised procurement and contractor transparency: interest in who is involved (consultants/contractors), why they are used, what they cost, and how competitive bidding and contract management will demonstrate value for money.
- A few respondents wanted service delivery expectations and protections: assurance that service levels will not drop (e.g., refuse collection maintained, response times not worsening) and that complaints can be dealt with promptly, with accessible points of contact.
- A couple of respondents wanted clarity on responsibilities: who will be responsible for what, who will charge for what, and how services will be funded and costs passed on (including where new entities are created).

Maintaining a strong local voice

- Representative structures that protect smaller places were raised by a small number of respondents: community board representation, local committees with decision-making power, and local elected representation within any new authority, alongside concerns that larger structures could favour bigger or wealthier areas. One respondent specifically wanted council seats "locked in" for smaller towns so they could not be outvoted.
- A handful of respondents raised fair share and local funding protection concerns: wanting confidence that local funding would not be diverted to other areas, with clear reporting of what local projects are funded and how allocations are decided (e.g., population-based vs even splits).
- A few respondents suggested binding or meaningful public influence: local votes or referendums for major or contested projects, mechanisms to trigger a vote when concern is high, and an expectation that strong local opposition should stop or reshape proposals.
- A portion of respondents wanted more frequent, more accessible engagement: regular local meetings, community events, and ongoing progress updates. One respondent specifically suggested an online portal or forum to supplement town hall meetings.
- A few respondents raised local connection and capability of representatives: emphasising residency requirements and relevant experience/competence so decision-makers understand local needs and live with the consequences of decisions.

Services beneficial from regional collaboration and those best handled locally

- Common candidates for regional coordination included transport/public transport, roading networks, and water infrastructure/services, most often justified by economies of scale, shared demand across boundaries, and reduced duplication. A couple of respondents also discussed emergency response, though views were mixed: one saw it as suited to a regional setup, while another wanted response teams kept local even if procurement were centralised.
- Rubbish collection was also raised, with a handful favouring regional delivery for consistency and cost, against two respondents who wanted it kept local, one to support a local business and keep costs down, the other for its role in connecting people within the area.
- Strong support for local delivery where place matters was common, raised by a slight majority of respondents: parks/reserves and local facilities (libraries, pools, sports/leisure), community events, community centres, local rules affecting neighbourhood life, and decisions requiring deep local knowledge (e.g., some consenting decisions).
- Back-office consolidation was identified by a handful of respondents as a low-risk area for savings: HR, finance, payroll, IT, analytics, rating notices/payments, enforcement, and centralised procurement/contracting, provided this does not create additional bureaucracy.
- Caution that a single regional approach would not suit every area: a small number of respondents stressed that local needs vary between urban and rural areas or between different suburbs and towns, with a couple describing this using the phrase "one size fits all."

Priorities for councils developing proposals

- Demonstrate value for money: proposals should prioritise affordability for ratepayers, quantify savings, show where money will be redirected, and avoid wasteful spending. Around a third of respondents wanted clear evidence that changes will reduce duplication and not increase costs.
- Protect and improve core services first: some respondents placed a strong emphasis on delivering basics reliably (water/pipes, roads, footpaths, lighting, rubbish collection, utilities).
- A handful of respondents wanted councils to publish costed options and implementation plans: timelines, milestones, delivery responsibilities, and risks/downsides. One respondent specifically wanted realism about what they called the "realities of amalgamation," and how disruption will be managed.
- Build a credible governance and accountability framework alongside any structural change: a point raised by a portion of respondents. Within that, a couple specifically wanted transparency of voting and decision rationale, and one respondent wanted mechanisms to ensure consultation has visible impact.
- Safeguard local representation and equitable investment: a small number of respondents wanted councils to ensure smaller towns/suburbs are not ignored, keep accessible local service centres/contacts, and make allocation rules explicit so all areas can see they are receiving a fair share.

A selection of respondent quotes

- *"I want the local council to be transparent in everything especially when it comes to the costs."*
- *"I would like to feel any changes would result in a stronger will by councillors to control costs and listen to concerned residents."*
- *"A guarantee that rates and other council-related costs are reduced significantly to allow homeowners to be able to afford to keep and stay in their own homes. Accountability for those with wasteful spending, and the contractors Tiaki Wai water are governed with lowering their rates also. We the public are not happy at all."*
- *"There needs to be a clear statement as to how performance will be monitored post change and feedback mechanisms to enable corrections to systems to return underperforming councils back on track."*
- *"A good plan needs to show real facts on how it saves cash and improves services, without drowning out the voices of smaller towns."*
- *"I think that it would be important that it isn't a one size fits all scenario. We have a number of councils around Wellington, so what might fit here might not work elsewhere."*
- *"The promise of openness in decision making and the real opportunity to meet and discuss at community meetings where some form of consensus can be reached."*
- *"Trust, this would probably come about with better communication and transparency."*
- *"Being transparent about plans, costs and budgets.. in particular being clear about what is being done, why, and when it will be completed."*
- *"The showing of less money being spent."*
- *"Clarifying the advantages of these changes would make me feel more confident."*
- *"The ability to make the right decisions at the council and more local level having regard to all of the necessary facts. It's important because it shows robust decision making but shows that everyone is listened to and it's a balanced reasonable decision."*
- *"I lived in Auckland when it changed into a 'Supercity' and that was a disaster."*
- *"That there is a firm commitment to reducing complexity of what the council does and that head count of employees in back office roles not focussed on actual deliverables is capped. I remember with Auckland council that this did not occur and bloat was the result."*
- *"How is a large council going to cater for the needs of all suburbs? Or is the plan just to worry about the main hubs like Lower Hutt Centre, Wellington, Porirua centres? We already are forgotten!!"*
- *"Ensure that costs from other councils' water issues are not passed on to Kāpiti."*
- *"All elected and senior employed officials are personally liable for costs of failure and poor outcomes. Pay is based on agreed outcomes and not salary for just keeping a seat warm."*
- *"A big thing I see a lot is people hiring 'consultants' - from people I speak to, the consultants usually cost a lot of money and don't actually do anything worthwhile - often the problems could be better solved in-house."*
- *"If it isn't broken don't mess with it."*
- *"It is important to know that your dollars are being spent substantially for the needs of your community and not hijacked for another probably more influential area."*
- *"I would say ask the staff in greater Auckland on how that worked when it was put together, what worked and what did not."*

Engagement Three Report

Respondent Breakdown

Location	n
Wellington City	29
Lower Hutt	33
Upper Hutt	11
Porirua	4
Kapiti Coast	14
Masterton	4
Carterton	2
South Wairarapa	4
Horowhenua	1
Total	102

Objectives

- One idea being explored is for each community to elect a Community Council. Community Councils could make decisions about local matters, have their own budget for local priorities, and have a direct role in representing their community in regional decision-making through their Chair being part of the regional Governing Body. What are your initial thoughts on this idea? What, if anything, do you think would need to change for this to work effectively?
- Another idea being explored is that decisions could be made at the level where they have the greatest impact. This could mean decisions affecting the whole Wellington region, such as long-term planning, public transport, water infrastructure and environmental management, are made regionally. Decisions that mainly affect individual communities, such as local parks, community facilities, neighbourhood improvements and local events, could continue to be made locally. How do you feel about an approach like this? Are there any types of decisions that you think sit best elsewhere? What makes you feel this way?
- Considering the ideas from the previous questions, where a community council is elected by the community to represent their interests, and where some decisions are made locally, while others regionally. Does this feel like it creates the right balance between regional/local decision-making, and representation? What makes you say that?
- If changes like these were to progress, they would take time to implement. Throughout that time, councils would need to continue delivering services while keeping communities informed about what is changing and why. What would you/your community need to feel confident as changes happen? How would this help?
- If these ideas continue to be developed through the Government's Head Start process, there will be further opportunities for communities to have input before final decisions are made. What advice would you give councils about how they should work with communities during that next stage of the process?

Overall summary

1 - Overall feedback

- Overall views on Community Councils were split: Just over half of the respondents liked the principle of stronger local voice and decision-making, while a smaller minority questioned the added value versus existing councils and boards and worried it would create an extra layer.
- Splitting decisions by scale and impact, keeping some decisions local while handling some at scale, was seen as sensible by a slight majority of respondents. A similar share felt this looked much like the current split between local and regional councils, and wanted clearer, agreed definitions of exactly which decisions would sit at each level, rather than just the general principle.
- Cost, duplication, and bureaucracy were recurring concerns. Around a third of respondents raised cost, salaries, or rates, and a smaller minority raised duplication of services or felt this recreates existing structures. A small number specifically called for demonstrated efficiency or warned against "double work" and bloated structures, though this was not a widely repeated ask.
- Communication and transparency mattered to confidence: Close to half of the respondents wanted clear plans, timelines, and costs, and a small number wanted evidence that feedback is actually acted on, rather than being consulted after decisions have already been made.

2 - What's connecting with people? - Strongest points of connection:

- Close to half of the respondents said clear, honest communication as changes happen would help them feel confident, though most described this in general terms rather than naming specific content. A small number specifically wanted information on costs, and a similar number wanted information on timelines.
- The regional/local decision-making split made intuitive sense to a slight majority of respondents. Most simply agreed with the principle as stated, while a couple of respondents specifically framed it as decisions sitting with whoever is most affected by them.
- The balance between regional and local decision-making felt right to a slight majority of respondents, though their reasoning varied, citing local knowledge, cost savings, reduced bureaucracy, or simply not trusting regional bodies to reflect local needs, with no single reason standing out as dominant.
- The core Community Council concept resonated with a modest number of respondents, driven by a belief that local people understand local needs better than a regional body would.

3 - What concerns did people have? - Strongest points of concern:

- Cost was the single biggest concern, raised by a notable minority of respondents. A couple of respondents were worried about salaries, and concerns about flow-on rate increases were noted from a handful of respondents.
- Duplication was a smaller minority concern, with a recurring view that this just recreates existing councils, wards, or community boards under a new name.
- A modest number worried that fairness across communities, including funding equity, would not be resolved by this proposal, with some questioning how funding would be calculated and allocated between areas in practice.
- A small number of respondents worried that, once changes start, councils won't follow through on commitments, and a similar number separately doubted that community feedback would actually shape decisions.
- A small number were sceptical the new community councils would have any real decision-making power at all.

4 - Research objectives

- Initial thoughts on Community Councils: Just over half of the respondents supported the idea for stronger local voice and locally controlled priorities, while a smaller minority saw it as duplication that could increase bureaucracy and costs unless authority and value are clearly proven.
- Balancing regional vs local decision-making: A slight majority of respondents felt splitting decisions by scale and impact makes sense in principle, though a small number of the same respondents also asked for clearer, agreed definitions of which decisions would sit where.
- Community involvement and communication: Close to half of respondents said the approach will only work with clear, honest communication as changes happen. Smaller numbers specifically named costs or timelines, and some also wanted early, genuine opportunities to influence decisions.
- Concerns and challenges: The most frequently raised concerns were cost and bureaucracy (a notable minority of respondents) and duplication with existing structures (a smaller minority), followed by a modest number raising the risk of unfair funding and unequal influence across communities, and smaller numbers still raising unclear delegated powers or low trust in decision-makers.
- Advice for councils during the Head Start process: Advice centred on transparency about costs and trade-offs and early, genuine engagement with communities, each raised by a modest number of respondents, with smaller numbers wanting easier participation and more time.

Research objectives - detailed summary

Initial thoughts on Community Councils

- Just over half of the respondents supported the concept of Community Councils as a way to keep decision-making close to residents. A modest number specifically framed this as local representatives being more aware of day-to-day realities and community needs.
- A smaller minority of respondents questioned whether the proposal is meaningfully different from the current system, describing it as duplication of workers/services, or an extra layer of governance rather than genuine reform.
- Cost was a recurring concern for a notable minority of respondents. Most expressed this in general terms, simply flagging worry about extra cost or the risk of rates rising, while smaller numbers pointed to specific drivers: new salaries and staffing, concern about wasteful spending, and affordability given the current cost of living.
- A small number of respondents raised trust and credibility, questioning whether local bodies would have real authority or would simply be ignored or overruled, and whether new structures would change outcomes if the same patterns of decision-making continue.

Effectiveness and changes needed

- Defining "community" and boundaries: A small number of respondents raised questions about how communities would be defined, including where boundaries should sit and how big an area should be. Individual respondent suggestions included making areas somewhat smaller than current wards, and ensuring areas aren't so small they exclude distinct populations or become narrow interest groups.
- Early community involvement: A small number of respondents mentioned communities should be involved from the start of decision processes rather than being consulted after key decisions appear to have already been made.
- Democratic robustness and accessibility: A couple of respondents called for strictly democratic processes and fair elections, and a small number separately wanted participation options that do not rely solely on digital access.
- Representation and capability: A couple of respondents raised diverse representation (for example, a mix of backgrounds and life experience), and one raised independence from party politics and political bias. A small number separately questioned capability and called for strong governance, oversight, and clear accountability for performance of Community Councils or their elected members.

- Real influence, not symbolic roles: A couple of respondents linked confidence to Community Councils having meaningful delegation, including on spending priorities, rather than being consultative-only.
- Other one-off suggestions: A small number of respondents raised single, isolated ideas, including capped or preset budgets, shared "back office" functions, a small dedicated budget for local projects, and explicit parameters on what Community Councils can and cannot decide. Though none of these were repeated across multiple respondents.

Decision-making at different levels

- A slight majority of respondents supported the general principle that decisions should be made at the level where they have the greatest impact, though a small number were sceptical, mainly on cost or fairness grounds, and a couple specifically wanted exceptions for water to stay local regardless.
- Typically seen as regional: Transport and public transport, major roading, and core infrastructure were the most commonly cited examples; long-term planning was raised by a few respondents, climate and environmental preparation by a small number, and housing zoning by just one respondent.
- Typically seen as local: Parks and playgrounds were raised by a handful of respondents as examples of place-based services, alongside an isolated mention from one respondent of community events and markets.
- Water attracted mixed views, raised by a distinct minority of respondents. Some supported a regional approach given cross-boundary impacts and scale, while others argued for local control based on perceived better local performance, fairness of charging, or concern that regional decision-makers do not reflect local conditions.
- A couple of respondents said clear delineation (what is local versus regional), using practical criteria such as who is impacted and where impacts fall, was an important supporting condition.

Balance between regional and local decision-making

- The balance between regional and local decision-making felt right to a slight majority of the respondents, though their reasoning varied. Respondents cited things like local knowledge, cost savings, reduced bureaucracy, or simply not trusting regional bodies to reflect local needs, with no single reason standing out as dominant. A small number however said outright that it does not create the right balance.
- A modest number of respondents raised a concern that it could replicate what already exists (local councils plus a regional council), with a couple specifically calling it over-engineered or warning of "double work."

- A modest number of respondents highlighted the importance of fairness across communities, particularly how funding and resources would be allocated between areas.

Confidence during changes and communication

- Close to half of respondents said clear, honest communication as changes happen would help them feel confident, though most described this in general terms rather than naming specific content.
- Transparent costs and budgets: A small number of respondents wanted transparent reporting on costs and on where rates or funds are going, including regular breakdowns.
- Timelines and milestones: A small number of respondents wanted clear timelines, step-by-step implementation plans, and measurable milestones, including acknowledgement that delays can occur.
- Communication channels: A small group of respondents named one or more specific channels, including social media, email, radio, newspapers, and public meetings; no single channel came up notably more than another.
- Honesty and accountability: A modest number of respondents expected frank communication about trade-offs and impacts, and wanted accountability where commitments are not met.

Advice for councils during the Head Start process

- Listen to and communicate honestly with communities: Close to half of respondents' advice came down to some version of genuinely listening to and being honest with the community, rather than treating consultation as a formality or a box-ticking exercise.
- Engage early and meaningfully: A small number of respondents said councils should seek input at the start of major decisions, not after a direction appears set.
- Make participation easier and broader: One respondent wanted accessible tools, including online and non-digital participation options. A handful of other respondents wanted well-advertised public meetings with adequate time for attendees to speak.
- Be transparent about benefits, trade-offs, and costs: A few respondents wanted councils to clearly set out what will improve, what will change, and what it will cost.

A selection of respondent quotes

- *"I think it sounds great, having people who live locally represent the community"*
- *"I like the idea. It gives more focus on a smaller group therefore more productive outcomes. Do it!"*
- *"Yes I agree with that, people from Island Bay don't know what's going on locally in Stokes Valley"*
- *"I think it is a brilliant idea. This way all councils get equal involvement."*
- *"Good idea, as local person knows local needs to base decisions about local matters on."*
- *"I definitely think we do need something like a community council. People who do not live or in fact know the local area cannot possibly make decisions on things they do not know. A community council would then be able to address things that matter to their local community."*
- *"The secret is timely and accurate communications. No hidden agendas, and if promises are made but not kept, individuals need to be held accountable."*
- *"I like this concept because at least there is autonomy at a regional level"*
- *"I think it is always good for the Council to ask feedback from its Rate Payers as well as the Community for any changes in the City"*
- *"I think it just recreates the same situation we have now with duplication. I can see the benefit but wonder how it is any different from the current arrangement"*
- *"I don't see how that's any different from having separate councils - seems like extra bureaucracy"*
- *"I do not like this idea because it will increase the cost of running the country by establishing so many Community Councils. The taxpayers' money should be spent wisely and carefully."*
- *"We already have community councils as part of the structure in Kapiti Coast - they are ineffective and parochial - so why would they work in the future - a BIG NO from me"*
- *"It may work but I need more detail before making a commitment"*
- *"I think talk is cheap and actions speak far louder. Even progress on small things can be effective. Eg more rubbish bins and collected regularly, or stormwater drains not clogged with leaves and rubbish and never cleared or regular inspections by local council staff on facilities and their condition ... say in children's playgrounds"*
- *"I think it's a good balance the smaller issues communities face can be dealt with by people in the community but bigger regional issues can require people with a greater level of expertise"*
- *"Far better communication, real involvement and discussion, and consultation, with decisions only made after community agreement."*
- *"I like the idea of community councils, but I'd want to make sure that they have sufficient delegation to make local decisions"*
- *"Genuinely listen. Previous consultations have just been box ticking exercises."*
- *"I don't like this idea, another layer of authority and how will it be funded."*

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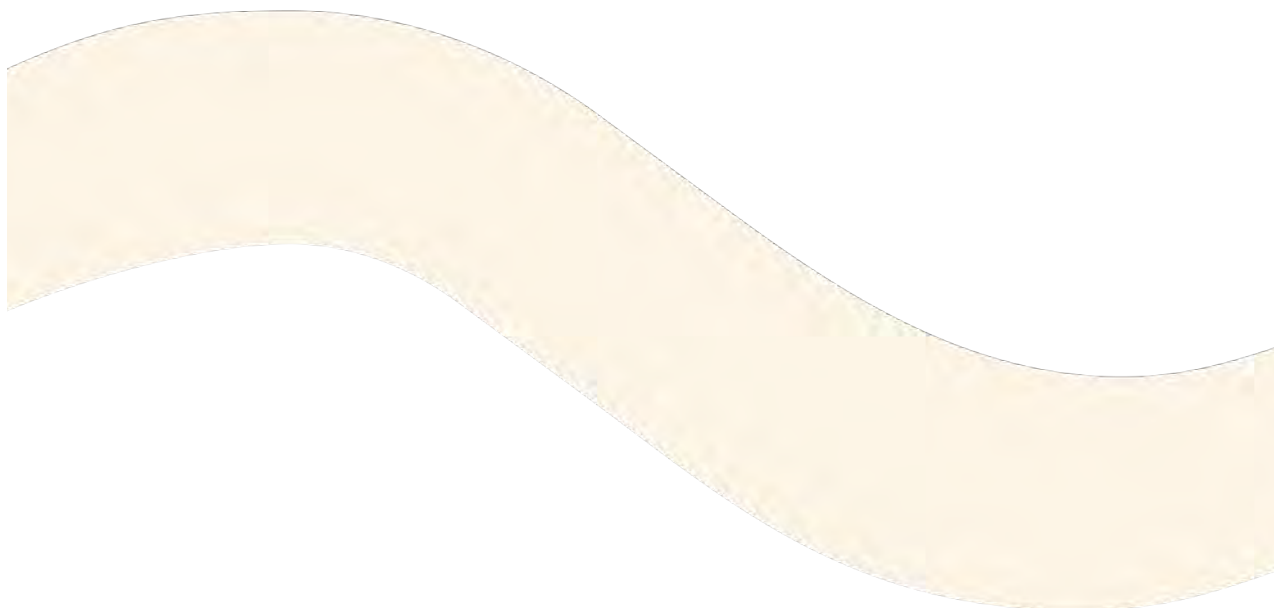
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8 REPORTS FOR INFORMATION

8.1 INFRASTRUCTURE ACTIVITY REPORT

File Number:

Author: Tyler Ross, Group Manager Infrastructure

Authoriser: Kym Fell, Chief Executive

PURPOSE

This report provides Council with an update from the Infrastructure Group (see Attachment 1).

RECOMMENDATION

That Council receives the update from the Infrastructure Group.

ATTACHMENTS

- 1. Infrastructure Activity Report** [↓](#)

Roading

Reporting Period: June - July 2026

On track/low impact

At risk/medium impact

Behind plan/high risk

Summary Update

- Recent June and July storms have compounded road damage from earlier this year. Repair response work will take another two to three months to complete. Additional funding is needed for this recovery, and a full report will be prepared and provided to leadership and councillors on this.
- Maintenance teams. Asphalt Surfacing: Laid 9,056m² of asphalt across Masterton Castlepoint Road, Colombo Street, the Marist Rugby Clubrooms, Panama Village, and the Riverdale carpark.
- Funding Submission: Planning the draft submission of the subsidised roading programme bid for government NLTF funding, due August 2028.
- Over 452 tonnes of maintenance aggregates have been added to the network in the last month.
- Annual Achievement return to NZTA are being prepared for submission current rates are summaries some rates of renewals archived The Annual Achievement Return to NZTA is currently being prepared for submission. Summarised below are the current rates of renewals achieved:
 - Sealed Network Surfacing: Completed on 5.84% of the network.
 - Pavement Renewal: Achieved a 0.85% renewal rate across the network.
 - Footpath Renewals: Delivered as an integrated component of the CBD project.
 - Drainage & Edging: Renewed 254 meters of culverts and 608 meters of kerb and channel.
 - Maintenance Metalling: Completed 220 km of road maintenance, utilizing 7,268 tonnes of maintenance metal.

Top Issues and Risks	Impact Details	Mitigations	Impact
Budget & weather	Delays, reduced scope/quality, potential contractual dispute	Monitor & Report, some funding has been reallocated from roading improvement projects. Seeking further funding NZTA.	
Asset deterioration	Consequential damages to vehicles Increase in complaints Increase in backlog	Review programme Reallocation of Council road safety improvement budget into other roading maintenance, operations & renewals (MOR)	
Further deterioration EW sites and ground movement /consenting delays	Cost, approvals, work programme scheduling , resourcing	Monitor & report. Seek Geotech expertise if significant	

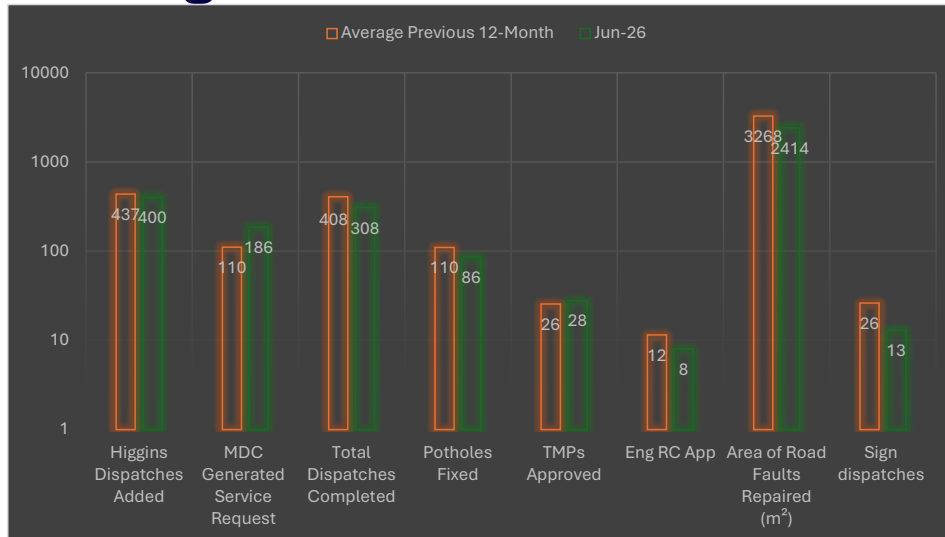
PROJECTS

1. Roothing Renewals	Overall Status:
Road Resurfacing: The 2025/26 programme is complete. Planning and preparation for the 2026/27 season is underway. Footpaths Planning: Renewals is planned for Makoura Road (Johnstone Street–Kuripuni Street), South Road (South Belt–Devon Street), Bannister Street (Masonic Street–Keaton Street), Devon Street (South Road–Harley Street), Surrey Street (Solway Street to both Durham Street & Derby Street), Derby Street (Surrey Street–High Street), Herbert Street (Makoura Road–Colombo Road), Cole Street (Coradine Street–Pownall Street), Dixon Street (Bannister Street–#91), Mary Street (Paul Street–Kibblewhite Road), and McKenna Street (Dixon Street–Hogg Crescent). Urban Drainage: Planning is also underway to install new kerbing in Kibblewhite Road. Pavement Rehabilitation: The 2025/26 programme is complete. Planning and preparation for the 2026/27 programme is underway for Masterton Castlepoint Road sites (Masterton Stronvar Road Intersection and Tauweru), Te Ore Ore Bideford Road, Dreyers Rock Road sites (two sections), with works scheduled to start in November. Unsealed Roads: Phase 1 of the dust seal reinstatement programme was completed following resealing in March–April 2026. The remaining sites will be completed when weather conditions are more favourable for sealing next summer. Culverts: The culvert clearing programme is underway. A number of culverts were blocked by debris from the recent weather events. Unsealed Maintenance: A total of 60 km has been graded across the Ngahape and Miki Miki areas. Vegetation Control: High Cut on rural roads scheduled for July.	
2. Capital Improvements	Overall Status:
Bridge Replacements: Contract for the Upper Waingawa Road and Grahams Road bridge replacements is well underway. The new Grahams Road bridge is nearing completion and works on the Upper Waingawa Bridge is scheduled to commence in August. Stormwater Resilience: This forms part of a wider 10-year programme addressing 15 high-risk sites identified following recent cyclones. Phase one and phase two have been completed which included four different sites on Masterton Castlepoint, Ngaumu, Langdale Road. Phase three (Blairlogie Langdale Road) will be released for tender in September.	

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Roading

Reporting Period: June - July 2026



Roading Dashboard

Higgins Dispatches Added: Tracking close to the 12-month average (400 vs. 437), reflecting a steady baseline of network maintenance requests.

MDC Generated Service Requests: Trending higher this period (186 vs. 110) due to increased public reporting following recent severe weather events.

Total Dispatches Completed: Down this month (308 vs. 408), as resources and field crews have been diverted to emergency response and weather-related disruptions.

Potholes Fixed: Below the 12-month average (86 vs. 110), consistent with the seasonal shift and immediate weather response demands prioritising other roading hazards.

Engineering RC Applications: Down this month (8 vs. 12), showing a minor dip compared to the stronger growth trends seen in previous months.

Sign Dispatches: Below the 12-month average (13 vs. 26), reflecting a positive reduction in localised vandalism which had previously driven up dispatch volumes.

Emergency/Resilience & Strategy

Overall Status:

- **Mataikona River Slip:** The retaining wall and anchoring works have been completed. Some rock rip-rap works are still required but are currently on hold pending a consent variation.
- **Mataikona Resilience Works:** A Crown funding package has been developed for resilience improvements in the area. Road widening and Sandy Bay resilience works have been awarded to 1GEO. All physical works are nearing completion, including improvements to the Sandy Bay dune areas.
- River resilience works to protect the road along the upper and lower Mataikona River (via Groyne construction) are progressing through detailed design and consenting. Consenting is also underway for a global consent covering minor infill rock rip-rap maintenance along the coastal route. Physical works will not commence until consents are secured and remaining funding is confirmed.
- February and April 2026 Weather Events: Remaining response works from the February and April events have been scheduled for June/July. Funding approvals have now been granted for the more complex recovery works, allowing these projects to proceed.
- June and July 2026 Weather Events: Response works to address the immediate damage from the recent events are currently underway across the network. Applications for funding are being prepared.
- **Dropout Site Monitoring:** Approximately 60 sites are currently being monitored. These sites are being reassessed and prioritised for further intervention where required.

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I & A – Utilities

Reporting Period: June - July 2026

On track/low impact	At risk/medium impact	Behind plan/high risk
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Water Supply – Operations & Projects	Overall Status
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Water Projects

- **Nikau reservoir tank** – Funding approved by Council. Tender is on GETS.
- **District Metered Area (zoning)** – Delivery of meters is approximately 5 months. Physical works will take place in late 2026 and into 2027.
- **Water Storage** – Investigation into land options for raw and treated water storage underway in the Upper Plain area. Co-location of raw and treated water at Upper Plain Road should remove the need for land acquisition. Geotechnical assessments are progressing well.
- **High Street Water Rider Main** (Fleet Street – Vivian Street)– 95% completed.
- **Tinui Raw Water** – Supply pipe across river and supporting structure was swept away in April flooding. New supports and pipe have been installed. Completed.
- **Derby Street water main** – Replace 300m x 10mm of water main. Contract awarded. Physical works will start mid-August.
- **Millard Ave water main** – Install 500m x 100mm of water main. Contract has been awarded. Physical works will start approximately mid-August.

Unplanned Maintenance Analytics (Citycare work)	Overall Status:
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The current water service requests have increased from last month but not significantly. Note that these figures exclude the service requests lodged for the end of June weather event. These will be captured in the next month's report.

The number of completed requests are in line with the last reporting period:

- Water – 99 (last month) v 67 current
- Waste – 12 (last month) v 17 current
- Stormwater – 14 (last month) v 11 current

Service Requests

Completed Service Requests	April		May		June	
Water	71	↓	99	↑	67	↓
Wastewater	9	↓	12	↑	17	↑
Stormwater	13	↓	14	↑	11	↓
Open Service Requests	84	↑	8	↓	7	↓

Stormwater – some work of interest

The following stormwater work has been completed or is in progress:

- **Allenby Street** – Stream clearing & installing new wingwalls to pipework. Completed.
- **Gordon Street** – 600mm x 100m bypass pipe is being installed. 95% completed.
- **Waterhouse Street** – retaining wall in waterway being installed. 95% completed.
- **Oxford Street** – Clearing out 2nd stage of waterway about to start.
- **Flooding** – Team dealt with stormwater issues on the night of the June/July flooding.

Wastewater – some work of interest	Overall Status:
------------------------------------	-----------------

- **Westside Project** – the relining of Olive Street, Perry Street, River Road & Grey Street – Completed
- **Tinui** – Boundary inspection kits installed on sewer laterals to residents that are on the community septic tank scheme to enable stormwater infiltration to be determined. Inspection carried out with recent rain and found one property directing stormwater into the sewer system. We have also replaced 2 sewer manholes.
- **Waipoua Bridge** – replacing and upsizing steel pipes across bridge from 150mm to 225mm dia – in progress
- **Homebush** wastewater treatment plant irrigation flow meter has failed; replacement has been ordered. Flow currently calculated by alternative means. Physical works for install happening this month.

Top Issues and Risks	Impact Details	Mitigations	Impact
Health & safety	Incidents & injuries	Update procedures, implement audit programme and H & S operational training	
Failure of critical assets	Loss of service delivery	Asset Management System, Condition Assessments, Demand Management NOTE – This moves from red to Amber as we progress with uploading asset data into the new Asset Management System	
Approving new supplies without understanding network capacity	Scope creep, poor quality & over budget	PM methodology and contract management process being reviewed	

Green Arrow = Positive Trend / Red Arrow = Negative Trend

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I & A Utilities

Reporting Period: June - July 2026

On track/low impact At risk/medium impact Behind plan/high risk

Waste Management Minimisation - Regional Projects		
Progress updates on the major regional and projects have been provided below. These are the four current major projects that the Wairarapa Councils are directly involved in are: (R = Regional, RC = Regionally Consistent)		
	Project	Status
R3	Strengthening the Wellington Waste Forum	G
R5	Waste Management in Emergencies	G
R6	Future of Residual Waste Disposal	G
RC3	Regional Solid Waste Bylaw implementation	G

Progress Update – Year 2 of the Action Plan	
We are currently in the second year of the six year action plan. The following regional projects are yet to be initiated 2025/26.	
- Business Engagement – Wairarapa will take a similar approach, considering the use of a nationwide programme adapted to better align with our capacity. - Network Opportunities – this has not been specific to a project but continues to be ongoing through regional and nationwide opportunities to engage within the sector by huitima's, workshops, WasteMinz Conference, Regional Waste forums. - Litter/illegal dumping – This project is on hold until Central Government announce the changes to the Waste Minimisation Act and The Litter Act 1979 as it has a focus on changes to enforcement.	
An additional three regional projects are scheduled through 2026-2029.	

Solid Waste	
The following work in relation to the solid waste function has been undertaken or in progress:	
• The Wairarapa Waste Management and Minimisation Contract In negotiations with a preferred contractor from the procurement process. • A new digital display showing the various charges for customers at Kiosk entrance is currently under procurement and installation should be completed by the end of August. • A Review of Waste at Events templates have been completed	
Tables on right show refuse volumes at Masterton Transfer Station for the last two months.	
SWAP – Solid Waste Analysis Protocol to audit both kerbside and transfer station waste materials draft report has been received end of July. The data will be used to inform Councils waste minimisation and operational planning for the transfer stations and kerbside. Recording volumes of varying waste materials and minimising diversion to landfill.	
Organics Feasibility Study – developing a scope of work for a potential pilot is currently paused. Focus would be on localised community composting initiatives.	

May 2026 – Totals at Mstn Transfer Stn

Incoming Waste (tonnes)		
Cleanfill	364.5	↑
Domestic Kerbside	16.7	↑
Construction & Demolition	281.3	↑
Urban Recycling	101.9	↑

Outgoing Waste (tonnes)		
eWaste	0.0	—
Paint	1.2	↑
Glass	29.7	↓
Kraft	101.0	↓
Paper	196.9	↑
Metal	29.2	↓
Plastic	85.2	↓

June 2026

Cleanfill	276.3	↓
Domestic Kerbside	21.8	↑
Construction & Demolition	225.8	↓
Urban Recycling	82.1	↓

Outgoing Waste (tonnes)		
eWaste	5.0	↑
Paint	1.6	↑
Glass	194.8	↑
Kraft	80.5	↓
Paper	51.2	↓
Metal	86.2	↑
Plastic	0.0	↓

Green Arrow = Positive Trend / Red Arrow = Negative Trend

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I & A Compliance & Assets

Reporting Period: June - July 2026

			On track/low impact At risk/medium impact Behind plan/high risk			
Compliance	Update	Status:	Top Issues and Risks	Impact Details	Mitigations	Impact
Resource Consents	Note; Changes to legislation which came into effect on 15 December have extended the duration of all Consents to 31 December 2027.		Accuracy of planning and funding documents	Inaccurate due to low level of data collection or confidence.	Asset Management Plans being developed with external support (Solid Waste, Parks & Open Spaces, Property and Facilities). Progressing on time. Note 3 waters Asset Management Plans being developed by Waiti, not individual Councils.	
	Opaki Water Race – A report went to Council 17 June 2026 to consider the submissions that had been received on the race. At that time Council resolved to maintain the race for a further 12 months to June 2027, but not to rate the users for the costs of the operation.		Backlog of 3 Waters Asset Data to be captured	New assets not captured in the AMS for revaluation purposes	GIS project – Migration to Online GIS format ongoing.	
	Staff have prepared and shared an SOP with the users to document how the race will be maintained within the existing budget for the next 12 months.				Back capture of 3 Waters Asset data complete and full updated dataset provided for revaluation process.	
Drinking Water Standards	Global Stormwater Consent – Work continues to meet the conditions of MDC's Global Stormwater Consent. First round of sediment sampling completed, and 2 rounds of event based sampling. Draft Kaitiaki Monitoring Framework shared with Iwi environmental teams. Support still required for Stormwater Management Strategy to be developed later this year.		Orphaned systems post-3 Waters changes.	Parks Asset team looking at options for post -3 Waters.	Staff investigating options for future asset management system.	
	Masterton technical issue in January with data loss, but fully compliant year to date for council managed schemes otherwise. Technical issues being rectified as they occur.		Critical Assets	AM work to increase confidence in critical stock items.	Revaluation process for Water Assets will occur outside of the AMS, but the AMS data will support the process.	
	New compliance system has streamlined work and reporting.					
	Reporting requirements for Taumata Arowai completed.					
	Taumata Arowai currently developing updated Regulations for reporting. However, these will not come into effect until 1 July 2027, at which time it will be Waiti Waters responsibility to comply.					
	The Drinking Water Quality Assurance Rules state specific requirements for mixed use schemes.					
	New regulations require additional protections to their network, including backflow prevention and reporting. Meeting with the Wainuioru Committee was held 28 April. Further work on investigations and data capture required by committee is ongoing.					
	Note: This risk has been maintained at Amber. Reliant on Wainuioru Committee to meet TA requirements, limited ability of MDC to influence.					

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I & A Projects

Reporting Period: June - July 2026

On track/low impact	At risk/ medium impact	Behind plan/ high risk
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Town Hall – Demolition	Overall Status:	
• Activation space: Activation Space open to public. Site Fencing reduced to new carpark space only. Asphalting expected by end of July (once it has dried out from the June rain event) • Town Hall: Design Feasibility – concept presented to Council. Next steps are to receive completed report with costs (end of July). Council Workshop proposed for 12 August to review.		
Breathing New Life Into our Whare Pukapuka	Overall Status:	
• Demolition work on site is on track and progressing well. • Meeting was held with Iwi on 7 July to discuss the process of naming the library, a small workshop with Iwi reps will be held to progress this. • Risk: project will remain amber until the easement issue is resolved.		
Animal Shelter	Overall Status:	
• Final CCC documentation submitted.		
Queen Street Municipal Building	Overall Status:	
• Installation of wall linings & ceiling framing is ongoing. • Internal plastering is nearing completion. • Water leaks occurred into 161 Queen Street & Spark during recent heavy rain; initial inspection shows work is required to the internal guttering and HVAC units. Options and costs are being prepared. (Outside the project scope but has a direct impact.) • On track to be complete early October		
CBD Infrastructure Upgrade	Overall Status:	
• Good progress is being made on phase two: ✓ Concrete footpaths are continuing to be poured as weather allows. ✓ Planting of the large (1000L) trees outside Strada & House of Travel was completed Tuesday 21 July. ✓ Water laterals are being connected to the new mains. • Planning is in progress for one traffic lane and some parking to open on the west side at the end of July.		

Memorial Park	Overall Status:		
• The grandstand roof replacement has been completed. • The southern end windows have been replaced, and all exposed steel-work has been treated and painted. • Project now closed.			
Raw and Treated Water Storage	Overall Status:		
• Combined project report for raw and treated water storage with the preference to co-locate both at 797 Upper Plain Road. • Geotech investigation site work at 797 Upper Plain Road is almost complete. • Concept design & principal’s requirements request for quote has gone out to nine companies, an extension of time was requested, this is now due on 22 July. • An offer of service has been received from SLR for planning & resource consents, currently in review.			
Kids Own Playground	Overall Status:		
• Principles and requirements workshop was held 15 July • Procurement approach in development.			
Parking Infrastructure Replacement (New)	Overall Status:		
• Contracts under review by Legal. • Working through delivery plan for parking with preferred supplier. • Delivery of parking meters expected early August with installation to follow. • Dates for drop-in sessions for the public to teach them how to use the new meters TBC.			
Top Issues and Risks	Impact Details	Mitigations	Impact
Price volatility due to fuel crisis	Reputation Long Term Plan project Exceed budgets	• PM framework, recurring PM mtgs and oversite by GM. Frequent internal reporting.	

I & A Facilities & Open Spaces

Reporting Period: June - July 2026

Summary Update

Facilities

- Driveway resurfacing and road-marking at Panama Village has been completed to tie in with the previous rear carpark extension upgrade.
- The annual maintenance shut-down of the THRC main pool will commence 25 July, re-opening 27 August, plans are in place to limit the impact on pool users and keep the swim programmes running.
- The management contract for Mawley Holiday Park has been extended one year with Belgravia, the flood protection position of GW is still not settled, the Holiday Park continues to show a positive trend in occupancy rates, being much higher than the same periods in 2025. Visitor feedback has also been positive.

Open Spaces

- The Lansdowne and Henley Lake recreation trails have been heavily impacted by recent weather events, with deep ruts now present. Officers are exploring repair options with a view to add stormwater protection where possible.
- New park signage has been installed in QEP, extra directional signage is being fabricated, new signage for Henley Lake is being designed.
- With the arrival of the H5N1 highly pathogenic bird flu to the Wgtn region, MDC Officers and our Parks Contractor will attend Training developed by Massey University to manage the handling and disposal of dead birds, GW have organised signage and supplied instructions on PPE requirements. MPI are the lead Agency.
- Storm related maintenance work to trees along Memorial Drive in QEP required several days to complete.
- Officers have commissioned a full street tree network assessment to gain a detailed understanding of their condition, canopy coverage, and environmental benefits, scheduled for September 2026.

Upcoming work

- Ongoing review of Council's building and property portfolio for potential disposals.
- Strategic plans and policy updates in progress.
- Commencement of review and update of Asset Management Plans for the next LTP.
- Kids Own Playground community engagement review, formulate key themes for the RFP development.

Top Issues and Risks	Impact details	Mitigations	Impact
Wilful Damage of park assets, and toilet facilities.	Graffiti of the QEP Band Rotunda, 4WD damage to reserve areas (Percy's Reserve the latest), attempted arsons at South Park Bannister Street toilets.	Quick reporting and removal of graffiti. Notification's to Wairarapa Police, and Masterton CPNZ for preventative patrolling support.	

On track/low impact	At risk/medium impact	Behind plan/high risk
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PROJECTS

QEP – Toilet replacement	Overall Status:
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The QEP Exeloo toilet facility has been decommissioned, and parts salvaged to extend the life of the Kuripuni Exeloo. The site has been prepared for the new Permaloo replacement toilet, which has been craned into place. Next phase is to connect services and complete the concrete surrounds.

Playgrounds	Overall Status:
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New Solway Playground The construction of the playground is complete. A successful opening was held to coincide with the start of the school holidays on 6 July, approximately 300 parents and children attended.

QEP Swing-bridge refurbishment	Overall Status:
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Work to the Swing-bridge is scheduled to start 4 August, the bridge will be closed for an extended period to enable work to be carried out safely, alternative bypass routes have been implemented, the abutments and anchors are first on the schedule, the weather and supply of materials could impact the extent of closure.

Ngati Te Korou Reserve	Overall Status:
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The implementation of the first phase of the Ngati Te Korou Reserve master plan is close to completion, the harakeke planting beds and native planting has been impacted by recent weather events. Officers will seek approval to access the balance of LTP funding to progress with Phase 2.

Panama Land - Disposal	Overall Status:
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EOI document has been reviewed, further changes are being made to simplify the process to two stages, recommendation to pre-empt a geo-technical assessment and traffic impact assessment being actioned.

Climate Action Plan & CCERP - UPDATE

Climate Action Plan

Action 9 – 18,200 natives planted at Southern Reserve (2023–25) and 350 at Northern Reserve for stream bank stabilisation.

Action 10 – Solway Residents Assn linked with GWRC for pest eradication; traps made by Men's Shed, Henley Trust are also supporting pest control at Henley lake.

Corporate Carbon Emission Reduction Plan

Action 9 – Solar panel feasibility for THRC; EECA have no current subsidies. Quotes received for AP guidance.

Action 23 – Belgravia have adopted Emplive App at THRC for paperless HR processes.

Action 23 – Cleaning Contractor – OCS providing Environment & Sustainability reporting.

Action 26 – Regenerative Turf Study completed; recommendations being implemented.

Action 37 – eRoad tech added to Park Contractor vehicles for route efficiency.

Waiti Water

Reporting Period: June - July 2026

On track/low impact	At risk/medium impact	Behind plan/high risk
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Summary Update

Transition and Establishment Context:

The Water Service Entity – WTW is being developed by the WTW Programme Team. The Programme team consist of a Programme Director, Programme Manager and six workstream leads. In MDC we have the corresponding Workstream Leads. While WTW handles the establishment of the entity, the role of the MDC Leads are to support, provide information and influence on behalf of our community.

Board of directors:

Adrienne Young-Cooper (chair), Clive Rundle, Jo Hayes, Maria Robertson, Sir Paul Collins,

WTW Programme Team:

The Programme team has grown numbers and capability with most workstream leads appointed:

1. Programme Director: Katherine Meerman
2. Programme Manager: Pat Randles
3. Communications: Lee Cowan (Avalon)
4. Operations and Service Delivery: Tim Hammond
5. Finance and Corporate: Mike Chatterley (Martin Jenkins)
6. People and Capability: Jessie Larsen (Martin Jenkins)
7. Digital and Systems : Rebecca Chenery (Blue Beacon)
8. Governance, Regulatory and Partnerships: Jetta Hikuroa

MDC Internal Workstream Leads:

MDC is fortunate to have a capable and experienced team that is looking after the interest of Masterton, MDC employees and supporting the establishment off, and transition to the WTW.

The Leads are as follows:

1. Transition Manager: Johannes Ferreira
2. Communications: Lewis Young
3. Operations and Service Delivery: Steve Watt
4. Finance and Corporate: David Paris
5. People and Capability: Gina Imlach
6. Digital and Systems: David Mundy
7. Governance: Karen Yates
8. Partnerships: Deborah Davidson

Key Milestones achieved

- **Transition Pathways confirmed** – Affected staff, have received confirmation of their individual Pathway under the Waiti Waters Staff Transition.
- **Statement of Expectations** – The Statement of Expectations have been completed and will be presented for council's consideration on the 4th of August meeting..
- **Chief Executive Recruitment** – Applications for the Chief executive closed on 29 May 2026. The Board is near the end of the process and aims to make an announcement soon.
- **WSDP Quarterly Report Submitted to DIA**– The Q2 2026 report on WSDP progress was submitted to DIA 31 July 2026.
- **Asset Management Plan** – A maturity assessment of the 4 AMP's have been completed as part of the development of the consolidated AMP.

Upcoming

- **Staff Transition Guidelines and Organisational design** to be completed by June 2026.
- Development of **transfer agreement** including Debt and Assets.
- Development of the day 1 Operational Readiness strategy
- Development of the customer service strategy.
- Development of Water Service Strategy

Overall Programme Status

Overall Status:

The establishment and transition is progressing well, with MDC workstream leads getting the opportunity to participate and shape the future Waiti Waters.

8.2 CORPORATE AND COMMUNITY ACTIVITY REPORT**File Number:****Author:** Matt Boulton, Group Manager Corporate & Community**Authoriser:** Kym Fell, Chief Executive**PURPOSE**

The purpose of this report is to provide Council with an update from the Corporate and Community Group on key projects and activities (See Attachment 1).

RECOMMENDATION

That Council receives the update from the Corporate and Community Group on key projects and activities.

ATTACHMENTS

1. Corporate and Community Activity Report [↓](#)

CORPORATE & COMMUNITY ACTIVITY REPORT - 5 AUGUST 2026

Library and Archive

Archive Activity (July 2025-June 2026)		
Visits (in person)	1037	↑6.7%
Visits (online)	728	↑18.6%
Visits (phone)	244	↓13.5%
Social Media Engagement	15,383	↑40.8%
Interviews	44	↓6.4%
Publications (newspapers or magazines)	48	↓37.7%
Presentations (speaking engagements)	21	↓36.4%
Picture Wairapa (additions to searchable database of images)	596	↑53.6%
Items Digitised	7,198	↓47.5%
Donations	115	↑12.7%
Public Computers (hours)	13.54	NA
Total Archive Use	25.428	↓6.3%

Other Information

- Masterton District Library participated in the 2026 Out on the Shelves national display competition with a community-created display inspired by *The Dot* by Peter H. Reynolds. More than 500 decorated dots were contributed by local schools, organisations and residents, demonstrating strong community engagement and creativity and highlighting the library's commitment to inclusion and community connection.
- The floorplan for the refurbished and expanded library was publicly released, providing the community with its first detailed look at the new layout and facilities. The design includes improved accessibility, dedicated spaces for programmes, research and children's activities, and flexible community areas, reinforcing the library's role as a modern community hub.

Library Use (July 2025-June 2026)		
Issues (Physical)	142,083	↓22.8%
Issues (e-Items)	34,956	↑9.6%
Issues (e-Resources)	27,449	↑34.0%
Wi-Fi Access	23,261	↓72.3%
Public Computers (connections)	3,774	↓40.0%
Total Library Usage	231.523	↓29.1%

Library Visits (July 2025-June 2026)		
Physical Visits	101,264	↓26.6%
Average Dwell Time (min)	14	↓25.0%
Website Visits	99,422	↓9.0%
Library App Use	45,016	↑17.9%
Social Media Engagement	22,360	↑85.0%
Homebound	779	↓11.4%
Total Library Visits	268.841	↓9.9%

Programmes (July 2025-June 2026)	Number	Attendance
Early Childhood	36	493
Children	20	1,852
Adult	21	265
Seniors	112	2,042
Impact Area	Number	Attendance
Social Impact	159	4,305
Cultural Impact	4	159
Economic Impact	26	188
Total Programmes and Attendees	189	4,652

Library and Archive (continued)

What's On: June – July 2026

- **Matariki Winter Reading Challenge 2026** (29 June to 11 August) - Open to children and young people aged 0–18 years. Participants are encouraged to read five books to complete the challenge. Each child who finished receives a \$20 Hedley's book voucher, enabling them to select a book of their choice and are invited to the finale celebration on 13 August at Go Zone.
- **Masterton Cultural Festival** - As part of this year's festival, the library will begin community engagement to incorporate cultural designs into the refurbished library. Community members will be invited to submit cultural pattern designs for the shelving end panels, with up to 30 unique designs selected to represent the diverse cultures that call Masterton home, creating a lasting community legacy.

Storytime with the Mayor

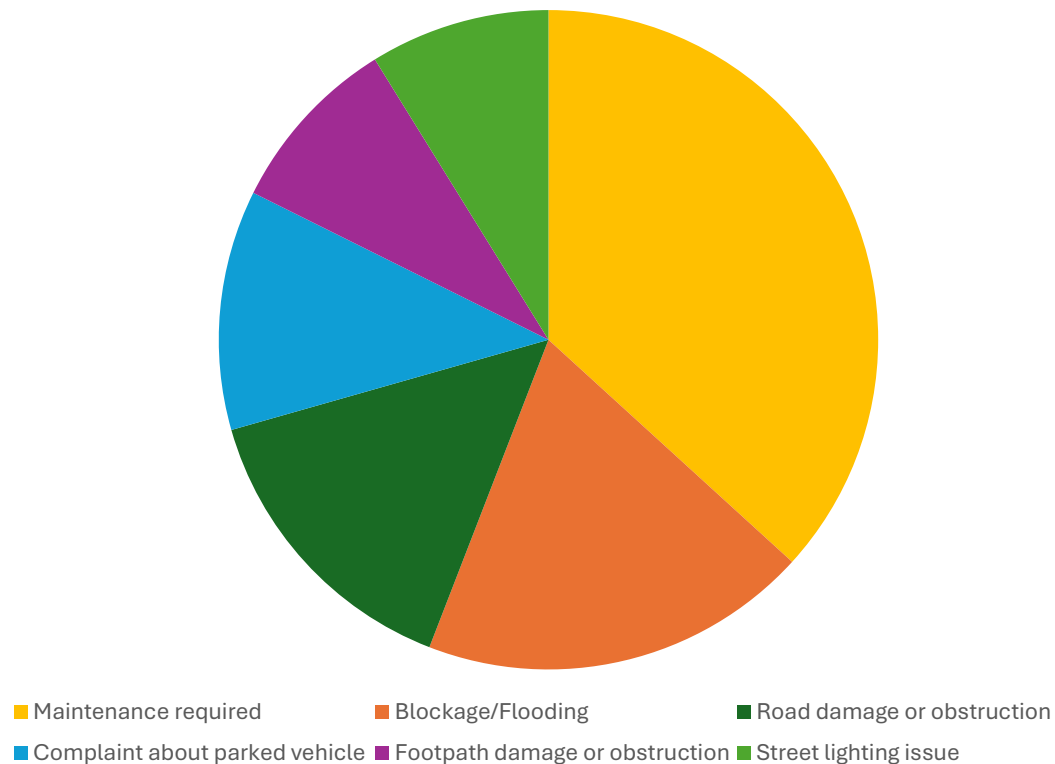


Matariki crafts co-hosted with Aratoi



Customer Services

Common trends reported through Antenno - June



Customer Services and Call Centre Team

Customer Services

- 803 team-raised Service Requests (SRs) from 5 June to 5 July 2026, including:
 - 167 - Water
 - 130 - Urban Roding
 - 99 - Animal Services
 - 64 - Rural Roding
 - 60 - Roding

Call Centre

- 2046 calls were received in the main call centre
- 98 breached calls (4.57% breach ratio*)
Most breach calls were due to the high call volumes and extended time taken with calls following the weather events in June.

Walk-ins

- Remain steady, with general enquiries for various issues being discovered in the community, average 23 walk-ins per day.

After Hours Call Centre

- Primary trend of afterhours calls has been for noise related complaints to various areas across Masterton. Generally, stereo noise. 1,068 calls received via Afterhours

Complaints and Compliments – 6 month review

- Complaints - 49 raised over the period, four of which are in the process of being resolved
- Compliments - seven over the past six months

** Call breaches relate to calls either not being answered or being terminated by the caller within the initial 20 seconds of connecting to the call centre. Unanswered calls with a voice message during business hours will be returned within an hour, or the next working day for afterhours voice messages.*

Communication and Engagement

Update summary

- **EOC support** – Communications supported with the weather event at the end of June, with local communications updates and EOC deployment as required. This included both day and night shifts as required by the EOC staffing roster.
- **Library upgrade murals** – As part of the library upgrade work, over 20 art panels have been sent out to local schools, along with paint provided by Guthrie Bowron to create decorative murals on the hoardings beside the library. Collection and install of these will happen through terms 3 and 4.
- **Head Start** – Communications supported the analysis and reporting of the feedback received through the Future of Local Government community survey. Ongoing communication support has continued throughout the Head Start pathway development process
- **Design of Queen Elizabeth Park signage** - New signage has been designed and is being installed across the park, including refreshed maps and wayfinding signage.

Media activity

Key media activity has centred around:

- Whakatiki Hotel alcohol licence
- Roaming dog attacks on livestock
- Library floor plan
- Sale of rural halls
- Flooding incidents following the heavy rain
- Head Start / amalgamation
- Total staffing cost over a Wairarapa Council
- Elected Member pay increases

Support for strategic projects

- **Queen Street upgrade** – Face to face engagement with retailers continue as we progress well into stage two. Signage remains available, and we respond were appropriate to requests from retailers.
- **161 Queen Street office relocation** – Communications support as required. Branding requirements for the site confirmed with install closer to the opening date
- **Queen Elizabeth Park signage** – Installation underway.
- **Town Hall activation space** – Responded to media enquires around the space opening, preparing for ongoing questions around what is next for the space.
- **Kids Own Playground** – Engagement complete, ensuring we keep the community up to date as the project progresses, taking direction from the projects team.
- **Masterton District Library** – Supporting with murals for boards outside, offering regular communication updates to the community as appropriate.
- **Parking meters** – Social pinpoint page launched around the upgrade of parking meters around Masterton, ongoing support as required.
- **Swing bridge works** – Social pinpoint page being set up to support with the swing bridge upgrade works. Signage also developed.

Community Development

Events

- Big Shout Out – Held on 19 June from 10am -12pm at the Lighthouse Church, this community morning tea was co-hosted by council and the Wairarapa Community Centre Trust to recognise and celebrate the contribution volunteers make across the district. Around 60 volunteers attended, across 30 organisations, and the event was a great opportunity to connect and acknowledge the impact of their mahi.

Community

- Community Association Meeting - The group met on 7 July and brought together representatives from local community associations and council staff. The meeting included updates from each association, a council update from the mayor, and a discussion on community resilience following recent weather events. Members also received updates on council policy, funding opportunities, reserve projects, and the Castlepoint video trail initiative.
- Masterton Disability Advisory Group Meeting – The group met on 27 July for its second meeting of the year. Members reviewed and confirmed the Terms of Reference and appointed a Chair and Co-Chair. The group discussed the key issues they would like to focus on over the coming term and identified priorities where they can provide advice to Council. The council's project manager presented the findings from the Kids Own Playground community engagement, before the meeting concluded with a discussion on next steps and measures of success for the group.
- Youth Council – The Youth Council met on 3 July, with Cr Waireka attending for her quarterly workshop with the group. Cr Waireka shared her journey into council, her role, and current priorities. The group reflected on their recent presentation to council and discussed next steps for turning their key messages into action.

Upcoming Events

- Cultural Festival – 5 September; 10.30am - 2pm, at the green space at Queen Elizabeth Park. Trust House Foundation funding has been confirmed, a second funding application with Masterton Trust Lands Trust is pending, and registrations are now open for food vendors, community groups, and information stalls.
- Masterton Christmas Parade - Registrations will open before the end of July for the November parade. Due to the CBD upgrade, this year's parade will follow a revised route along Dixon Street.
- Halloween - Planning is underway for the 31 October community event at Queen Elizabeth Park, including continued support for the Wairarapa Theatre Company's Haunted House.

Pou Arataki

- Tuia Programme - Rose Haira-Harmon will attend the third Tuia wānanga in Blenheim from 7 to 9 August 2026.
- Cultural Competency
 - o Thirty staff have enrolled in te reo Māori classes, with two beginner classes and one intermediate class running over a 10 week period from 20 July 2026.
 - o Planning is underway to engage Kuwaha Ltd to deliver Te Tiriti o Waitangi training for Tier 3 and 4 managers and public facing staff.
 - o Pronunciation training for public facing staff will also commence.

Community Development ... continued

Climate and Environment

- **Nga Waipikopiko Rau o Whakaoriori:** – The Ngā Waipikopiko Rau o Whakaoriori project concluded at the end of June, with awa name signs for streetside culverts to be installed over the coming months. The project is being nominated for the SuperLocal Awards in the SuperCollab category, recognising partnerships that deliver outcomes through collaboration across organisations, iwi, community groups and the public.
- **Makoura Eco Stream Project** - Fish passage work is progressing with a Pownall Street developer to investigate removing a culvert and daylighting a section of the Mākoura Stream to improve fish passage and reduce water flow. Discussions with UCOL have progressed the next stage of the stream naturalisation project, with concept designs currently being developed for consideration by the UCOL leadership team.

Grants and Funding

- **Climate Action Fund** – The Fund is now open, with \$130,000 available to support community projects that reduce emissions, strengthen climate resilience, conserve water, enhance biodiversity, and encourage climate innovation.
- **Community Wellbeing Grant** – This grant opened on 1 July and will close on 31 July 2026. Funding of \$103,903 is available for community wellbeing projects. Allocations of funding will be determined by the Full Council at an extraordinary council meeting to be held on 9 September 2026.
- **Masterton Arts Fund** – Applications have opened and this fund will close on 21 August 2026 with funding available of \$12,545 for the 2026-27 year.
- **Community Events Fund** – Applications opened on 1 July and will close on 31 July 2026. Funding of \$67,100 is available for community events. Allocations of funding will be determined by the Full Council at an extraordinary council meeting to be held on 9 September 2026.
- **Masterton District Creative Communities Scheme** – Seven applications requesting \$21,243 were received for the final round of the 2025-26 funding year, with \$9,158 available for allocation. Three applications were awarded funding of \$6,660 for the following projects; a weekly singing group, workshop for youth on comedy/public speaking and subsidised studio hire for artists. Round 1 for the 2026-27 funding year is open now and closes on 21 August 2026.

8.3 STRATEGY, POLICY AND GOVERNANCE ACTIVITY REPORT**File Number:****Author:** Karen Yates, Group Manager Strategy**Authoriser:** Kym Fell, Chief Executive**PURPOSE**

The purpose of this report is to provide Council with an update from the Strategy, Policy and Governance Teams (see Attachment 1).

RECOMMENDATION

That Council receives the update from the Strategy, Policy and Governance Teams.

ATTACHMENTS

1. Strategy Policy and Governance Activity Report [↓](#)

STRATEGY, POLICY AND GOVERNANCE ACTIVITY REPORT



Central Government Reform

1. The wider Local Government sector reform programme including the “Head Start” pathway are being progressed and is being discussed at the Council Meeting on Wednesday 5 August. Please refer to Report 7.6.
2. The Building Amendment Bill, which introduces a regime of proportionate liability for defective building work and makes changes to better enable the voluntary aggregation of building consent authorities, had its first reading and was referred to the Transport and Infrastructure Select Committee. The Bill is now open for submissions until 15 November 2026. Staff are preparing a response.
3. The following bills passed their second reading in July and are now awaiting Committee of the Whole House where all Members of Parliament will examine and debate the Bill in detail, before moving onto the third reading. Updates will be provided in due course:
 - Local Government (System Improvements) Amendment Bill contains reforms to the local government framework, including changes to council responsibilities, decision-making, performance reporting, and public accountability.
 - Infrastructure Funding and Financing Amendment Bill that seeks to improve and streamline infrastructure funding and financing mechanisms for urban development, making it easier for councils and developers to fund essential infrastructure needed to support growth and housing development.
 - Building (Earthquake Prone Buildings) Amendment Bill that proposes a more risk-based approach to managing earthquake-prone buildings and
 - Emergency Management Bill that will replace the Civil Defence Emergency Management Act 2002 proposes a new framework for how emergencies are planned for, managed, and coordinated across the country.
4. The Government is proposing to introduce mandatory activity grouping for Council accountability documents under the Local Government Act (LGA). Accountability documents include the Long-Term Plan, Annual Plan and Annual Report.
 - These changes would require us to amend our financial model, levels of service, and performance framework to align with the mandatory groupings.
 - The new groupings would come into effect after the System Improvements Bill has passed, most likely in time for the 2027-37 Long Term Plan.

- Draft guidance on the proposed groupings was released by the Ministry for Cities, Environment, Regions and Transport (MCERT) with feedback due on 31 July. A copy of the MDC feedback is attached.
5. On 30 June Minister Watts shared his expectations concerning climate change assumptions in council planning, infrastructure investment, asset management and regulatory decision-making. Subsequently, the Commerce Commission has released draft guidance on resilience principles for investment decision-making. The guidance will be a useful tool for our infrastructure planning. Staff will not provide feedback on the guidance. The Climate Change Response Amendment Bill Government Bill that was introduced in July is included under “Environment”.

Corporate Planning

2026/27 Annual Plan

6. The Annual Plan was adopted on 30 June 2026 and published on the Council website on 20 July within one month of adoption as required by legislation.

2025/26 Annual Report

7. The 2025/26 Annual Report is underway. End of year non-financial performance data will be reported to Finance, Risk and Assurance on 12 August. Audit New Zealand is expected to be on-site to conduct their final audit from the end of September, with the Report scheduled to be adopted on 28 October.

2027-37 Long-term Plan

8. Work has started on the 2027-37 Long-term Plan with a number of scene setting workshops; and to initiate the review of relevant financial policies.
9. Infometrics growth projections for the Masterton district have been received and were workshopped with Council on 8 July. These projections will inform the 2027-37 LTP growth assumptions. It is projected that Masterton experiences 0.8% annual growth over the 10-year LTP horizon, in line with South Wairarapa and slightly higher than Carterton (0.7%). More detailed analysis will be included in the growth assumptions.
10. A review of the Revenue and Finance Policy, which sets out the revenue sources used to fund the range of services the Council provides, is currently underway with consultation expected to take place over September and October. More details on this review are provided later in the report.
11. Support for the review of draft Asset Management Plans is underway, noting these documents inform the Long-Term Plan.

Strategic Planning

Our Future Our Story: Masterton's Vision Towards 2050

12. A workshop is being planned to seek Elected Member input on where and how growth should occur over the next 30 years. The workshop will consider feedback from the community and developers, population growth, and housing and business capacity assessment findings.

Wairarapa Sub-Regional Sport and Recreation Spaces and Places Plan

13. The Wairarapa Sub-Regional Sport and Recreation Spaces and Places Plan is progressing. A Project Steering Group is being created and will include staff from the three councils. The process for drafting the Plan comprises two phases: Phase one - Strategic context (due for completion in October), and Phase two - Planning principles and network analysis (to be completed in 2027).

Economic

Tourism Policy Statement

14. The Minister for Tourism and Hospitality attended a Destination Wairarapa-hosted roundtable on 13 July to present the recently released New Zealand Tourism Policy Statement. The session was attended by officer and elected representatives from the three Wairarapa district councils, iwi and tourism industry stakeholders. It provided an opportunity to discuss the Government's long-term direction for the visitor economy.
15. The Policy Statement sets out the Government's ambition to double the value of New Zealand's tourism exports by 2034. The Statement focuses on sustainable tourism growth, high-quality visitor experiences, stronger regional outcomes and improved coordination between central government, local government, iwi and industry. While it establishes a clear policy direction, it specifically does not commit additional funding, with future investment decisions and funding arrangements to be considered through subsequent work programmes and policy reviews.
16. The Statement confirms local government's role in destination management, place-based planning, events development, domestic destination marketing, and the provision of visitor-related infrastructure. It also signals a greater emphasis on partnerships between central and local government to support tourism growth and regional development, while recognising the need to balance tourism objectives with community priorities, infrastructure capacity and affordability considerations.
17. For Masterton District Council, the statement aligns with opportunities to grow the visitor economy through events, food and beverage tourism, cycling, dark skies and Māori tourism. While there may be future opportunities arising from destination management initiatives, events system reform and potential tourism funding mechanisms, there remains no commitment to new central government funding. This presents an ongoing challenge for councils seeking to grow visitor expenditure while managing competing priorities, infrastructure demands and the prospect of greater financial constraints on local government.
18. During the discussion, participants highlighted a number of issues affecting the Wairarapa visitor economy, including the importance of strategic transport infrastructure such as the Remutaka Hill Road and Waihenga Bridge. There was also strong advocacy for a greater central government role in supporting regional tourism development, both through direct investment and through policy, regulatory and other non-financial mechanisms that enable regional growth and connectivity.

Infometrics Update

19. Interest Rates: The outlook for interest rates has eased slightly. While some increases are still expected, rates are now forecast to peak lower than previously anticipated. This reflects signs that inflation pressures are moderating and may help reduce pressure on households and businesses over time.
20. Inflation outlook: Inflation remains above the Reserve Bank's target range and is expected to stay elevated for several months. However, lower fuel prices have reduced some of the inflation concerns seen earlier in the year. Inflation is expected to gradually ease, although higher transport costs, import prices, and global uncertainty remain risks.
21. Oil prices and fuel costs: Fuel prices have fallen from the highs reached during the Middle East conflict, providing some relief for households, businesses, and transport operators. However, prices remain above pre-conflict levels and have started to rise again in recent weeks. International tensions and ongoing supply chain disruptions mean there is still uncertainty around fuel costs.
22. Economic Growth and Demand: The economic outlook has improved compared with earlier forecasts, with growth expected to strengthen during 2027. Lower fuel prices and a more moderate interest rate outlook are expected to support household spending and business activity. However, economic conditions remain challenging in the short term, and the recovery is expected to be gradual rather than rapid.
23. Labour market trends: The job market remains soft, with businesses generally taking a cautious approach to recruitment. Unemployment is expected to remain relatively steady over the next year before gradually improving. While widespread job losses are not anticipated, slower employment growth may continue to affect household confidence and spending.
24. Business and Government Investment: Business investment has held up better than expected, particularly in machinery, equipment, and other productive assets. However, financial pressures on both central and local government are likely to limit growth in public infrastructure spending, particularly for transport projects.
25. Primary sector outlook: The primary sector continues to provide important support to the New Zealand economy, although some challenges remain:
 - Dairy sector performance remains relatively strong.
 - Lower fuel prices have eased some cost pressures for farmers and rural businesses.
 - Export-focused industries remain exposed to changes in global markets and trade conditions.
 - Rural confidence remains positive overall but has softened slightly.
1. Ongoing international uncertainty continues to create risks for commodity prices and export returns.

Environment

National

Letter from Hon Simon Watts

26. The Minister for Climate Change and Local Government wrote to Mayors, Chairs and Chief Executives on 30 June regarding the use of climate change assumptions in council decision-making. Specifically, he has stated that using high emissions scenarios (such as SSP5-8.5, a less likely, extreme scenario) should not be used as the standard baseline for decision making. This aligns with current thinking at Council.
27. In the 2024-34 LTP, scenarios were modelled on the *2019 NIWA Wellington Region Climate Change Extremes and Implications Report*¹. The assumptions used in that LTP discuss the range of scenarios and potential implications of those, using RCP methodology - the complimentary equivalent of the newer SSP methodology². The Climate Change Assumptions for 2027-37 will be based on newer information: *2025 Earth Sciences Report Wellington climate change and variability*³. This will result in a new range of scenarios for the 2027-37 LTP.
28. Separately, the letter explicitly states that “every dollar spent on resilience measures is a dollar that cannot be spent on fixing roads, upgrading water infrastructure, improving community facilities, or reducing pressure on rates.” Officers fundamentally disagree with this statement. It is contrary to the intended Local Government responsibilities for climate adaptation, which is all about resilience.
29. Resilience is the ability to recover from, or adjust easily to, misfortune or change. From a Council perspective, investing in improving roads, water infrastructure and community facilities build resilience and reduces long term pressure on rates. Building resilient assets is a critical part of adapting and responding to climate change and the increased frequency and severity of weather events. It is paramount for keeping people safe and forming a resilient community.
30. Failure to build asset resilience gives ratepayers less value for money and could result in a catastrophic outcome. Not taking responsibility for building resilient assets early will have significant, unfair repercussions on future generations and goes against our strategic direction; our community outcomes and operational priorities.

Climate Change Response Amendment Bill

31. The Government have introduced the Climate Change Response Amendment Bill, which has repercussions for local authorities. Councils will be required by law to create adaptation plans for climate related natural hazards in the highest priority areas, spanning at least 30 years. The plans will lay out the steps for implementing actions, as well as identify triggers, thresholds and include estimated costs.

¹ <https://www.gw.govt.nz/assets/Documents/2021/11/GWRC-NIWA-climate-extremes-FINAL3.pdf>

² Representative Concentration Pathways (RCP) methodology is an older methodology used to define the atmospheric greenhouse gas levels and warming – it maps physical risk. Shared Socioeconomic Pathways (SCP) modelling is a newer methodology, that gives a more complete picture of climate risk. It takes into account socio-economic assumptions that drive future greenhouse gas emissions. This includes population growth, GDP, education, urbanisation and technology.

³ https://www.gw.govt.nz/assets/Documents/Documents/2025/09/GWRC_CMIP6_Report_Final.pdf

32. The Bill does not give certainty as to how adaptation measures will be funded, the government has indicated that direction around funding mechanisms is intended for the next term of government. Funding is critical to effective adaptation.
33. Officers plan on submitting to the proposal when the opportunity arises.

Local

34. The Mataikona Coastal Adaptation Working Group met for the first time in July. The group is facilitated by Professor Bruce Glavovic and comprised of six people: a representative from each iwi, two representatives from Mataikona, and an officer-level representative from GWRC and MDC. The initial meeting was to set the foundation for the two-year project and get an understanding of the project.
35. The Mataikona Coastal Adaptation Governance Group also met for the first time in July. The group is also facilitated by Professor Bruce Glavovic, and includes Deputy Mayor Bowyer, Cr Holmes, Iwi Representative Mhirangi Hollings, Iwi Representative Robin Potangaroa, and the GM – Strategy.

Policy

Regional

No regional policies or bylaws are currently under review.

District

Use of Public Places by Adjoining Business Premises Policy

2. Following the Council workshop on this policy, the final draft Policy is being presented to Council for adoption, please see Report 7.5 included in this agenda.
36. A supporting internal procedure, application form, and key website information are being developed. These will be ready for implementation of the Policy after its approval.
37. Officers will meet with key businesses as part of the transition to the new Policy and application requirements over the coming months.

Significance and Engagement Policy and Submission Policy Review

38. As reported in our last update, the Council's Significance and Engagement Policy (S&E Policy) and Submission Policy are being reviewed in the lead up to the Long-Term Plan. Work is progressing to ensure they remain fit for purpose, legally robust, and aligned with current operating arrangements and best practice. Key changes to the S&E Policy include the removal of references to water assets, reflecting the transfer of water services to Waifā Waters.

Revenue and Financing Policy Review

39. The Revenue and Financing Policy outlines the Council's funding mechanisms for all its activities, such as animal control, refuse disposal, community development, economic development and parks, reserves and sports fields. It is a required policy under the LGA in association with the preparation of the Long-Term Plan.

40. The Policy states the funding sources, such as rates, fees and charges, or borrowing, used to pay for the various activities, and the proportion of funding from rates vs other sources. It also outlines Council's consideration of the impact of those funding sources on community well-being, and how that has influenced Council's allocation of rates, fees and charges and borrowing.
41. Council workshops on the policy took place on 10 June and 15 July. Further workshops are scheduled for August.
42. Once the key updates are agreed, officers will present a final draft policy to council for consideration and approval for community consultation. This is scheduled for September/ October.

Governance

Greater Wellington Regional Council By-Election

43. Voting in the Greater Wellington Regional Council By-election (to fill the vacancy in the Wairarapa Constituency seat) opened on 20 July. Voters can place their completed votes into the orange bins at various locations around the Wairarapa. If voters have not received their voting papers in the mail by 3 August, or have damaged or lost their papers, or are not on the final published electoral roll, they can come and make a special vote at the Masterton District Council office at 27 Lincoln Road up until the close of voting at midday on 21 August 2026.

Local Government Official Information and Meetings Act Requests

3. For the period 16 June to 13 July 2026, Council received a total of 12 Local Government Official Information and Meetings Act (LGOIMA) requests.

Requests in Progress

Subject	Requester	Date Received	Due Date
Barking dog complaints	Individual	30/04/2026	18/08/2026
Outdoor dining	Bosch Property Management	13/07/2026	10/08/2026
Playground surfacing data	Invercargill City Council	13/07/2026	10/08/2026
Details of specific resource consent	Councillor Lennox	13/07/2026	10/08/2026
Te Whiti Road complaints	Individual	09/07/2026	07/08/2026
Telecommunications facility - Building Act query	Individual	08/07/2026	06/08/2026
Fees and charges	Labour Leaders Office	01/07/2026	30/07/2026

Subject	Requester	Date Received	Due Date
Traffic islands and driveways outside specified address	Toan Law	21/05/2026	20/07/2026
Actual spending on recovery from weather related natural disasters	Individual	15/06/2026	20/07/2026
Minutes and resolutions of specified council meeting	Individual	20/06/2026	17/07/2026

Requests Completed Since Last Report

Subject	Requester	Date Received	Days to respond
Telecommunications facility clarification	Individual	08/06/2026	24 (within extension)
Outdoor seating	Bosch Property Management	19/06/2026	14
Publicly accessible toilets	Individual	22/06/2026	12
Phone call	Organisation	16/06/2026	10
Resource consent documents for specific consent	Individual	27/05/2026	20
Noise complaints for specified address	Individual	26/05/2026	20
Building work at specified address	Individual	08/05/2026	31
Subdivision consent conditions for specified resource consent	Individual	12/05/2026	29
Properties without Code Compliance Certificates	Individual	17/06/2026	4
Telecommunications facility – Engineering safety evidence	Individual	19/06/2026	2
Resource consent condition query for specified consent	Individual	23/04/2026	Partial response 36, second part of response 39 (partially within extension)
Rural hall communications	Individual	20/04/2026	42 (partly within extension)

Subject	Requester	Date Received	Days to respond
Council housing rents in 2023 and 2026	Labour Leaders Office	26/05/2026	17
Barking complaint precedent	Individual	15/05/2026	22
Road reserve outside specified address	Individual	19/05/2026	19
Hood Aerodrome rents and leases income	Individual	21/05/2026	17
Opaki Water Race	Individual	29/05/2026	11

SUMMARY (by financial year)	2026-2027 (year to date)	2025-26	2024-2025
Total Received	6	167	133
% sent in timeframe (including extensions)	3 requests completed to date. 3 were sent within timeframe (100%).	86%	83%

Privacy Act Complaints

44. No Privacy Act complaints have been received for the period 16 June to 13 July 2026.

45. No Privacy Act requests were received for the period 16 June to 13 July 2026.

Ombudsman Investigations

46. There are no investigations in progress.

Use of the Masterton District Council Seal

47. The Masterton District Council Delegations Register (adopted by Council in April 2026) requires all use of the Common Seal to be reported to Council.

- The Masterton District Council Common Seal, signed by Mayor Bex Johnson, and Chief Executive, Kym Fell, was used on Wednesday 17 June 2026 to authorise a Warrant of Appointment for a Parking Warden and Enforcement Officer.
- The Masterton District Council Common Seal, signed by Mayor Bex Johnson, and Chief Executive, Kym Fell, was used on Tuesday 30 June 2026 to authorise a Warrant of Appointment for an Enforcement Officer.
- The Masterton District Council Common Seal, signed by Mayor Bex Johnson, and Chief Executive, Kym Fell, was used on Monday 28 July 2026 to authorise a Warrant of Appointment for a Dog Control Officer, Animal and Bylaw Services.

Report writers:

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8.2 MEETING REPORTS FROM COUNCILLORS**File Number:****Authoriser:** Bex Johnson, Mayor**PURPOSE**

Councillors are appointed to a number of external groups and organisations as representatives of Masterton District Council. This agenda item allows Councillors to report back on meetings attended in that capacity.

ATTACHMENTS**Nil**

8.5 MAYOR'S REPORT 24 JUNE 2026 TO 31 JULY 2026**File Number:****Author:** Bex Johnson, Mayor**RECOMMENDATION**

That Council receives the information contained within the report.

ATTACHMENTS

1. Mayoral Meetings 24 June to 31 July 2026

MAYORAL ACTIVITY**From 24/06/26 to 31/07/26**

GWRC CE Information Meeting

Footloose Production at Rathkeale College

Emergency Response update x 3

Harcourts Breast Cancer Fundraiser

Wairarapa Youth Orchestra 'Fate and Hope'

Regional Mayoral Forum x 2

Meeting with Wairarapa Four Wheel Drive Club

Wairarapa Mayors / Deputy Mayors / CEs Meeting

Masterton South Rotary Changeover

Members of Community Meetings x 2

LGNZ Online Briefings x 2

Business Wairarapa Summit

Gold Awards in Wellington

Festival of Christmas at Greytown

Te Kāhui Whakarehunga update on Head Start Pathway x 2

Wairarapa Dark Skies Reserve AGM

Riverstone Playground Opening

Bi-Annual Community Association Meeting

Storytime at Masterton Library

Meeting with Minister Upston

Pasifika o Wairarapa Board Meeting

Kaumatua Group Meeting

Meeting with Ken Laban, Mayor of Lower Hutt

Community stormwater meeting

WBRU Club Life Members Luncheon

Councillor Briefing on Financial Modelling Results for Head Start Proposal

Business After Five with Forsyth Bar at Aratoi

Opening of The Tool Shed Masterton

9 PUBLIC EXCLUDED
RESOLUTION TO EXCLUDE THE PUBLIC
RECOMMENDATION(S)

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Public Excluded Minutes of Council Meeting held on 24 June 2026	s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	
9.2 - Public Excluded Minutes of Extraordinary Council Meeting held on 30 June 2026	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
9.3 - Wairarapa Waste Management and Minimisation Contract	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7