Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Kaunihera | Council

Agenda

Date	Wednesday 5 August 2026
Time	4.30 pm
Venue	Council Chamber, 838-842 Fergusson Drive, Upper Hutt

Members

Chair: Mayor Peri Zee

Deputy Chair: Deputy Mayor Corey White

Councillors:

Councillor Matt Carey

Councillor Gurpreet Dhillon

Councillor Bill Hammond

Councillor Emma Holderness

Councillor Angela McLeod

Councillor Hellen Swales

Councillor Tracey Ultra

Councillor Daniel Welch

Councillor Dave Wheeler

Livestream: https://www.youtube.com/@UHCCCommunityService.

Contact us: askus@uhcc.govt.nz | 04 527 2169 | www.upperhuttcity.com

Kaunihera | Council

Membership	Mayor and all Councillors.
Meeting cycle	Council meets every eight weeks. Interim meetings may be cancelled where there is no substantive business requiring a decision. Extraordinary meetings may be called by Council resolution or at the request of the Mayor, the Deputy Mayor, or one-third of elected members, in accordance with Standing Orders and legislation.
Quorum	A majority of members, including the Mayor or Deputy Mayor.

Purpose

Council is the governing body of Upper Hutt. It sets the city's long-term strategic direction, outcomes and priorities, and makes significant decisions affecting community wellbeing. Council:

- adopts the Long Term Plan, Annual Plan, bylaws and city-wide strategies
- ensures prudent stewardship of public finances and assets
- maintains oversight of Council-Controlled Organisations
- exercises non-delegable statutory powers
- makes governance-level decisions on matters of high public or legal significance.

Council also ensures compliance with statutory obligations across all functions, provides clear governance leadership, and maintains transparent decision-making processes consistent with the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987.

Non-delegable statutory powers (Local Government Act 2002, Schedule 7, clause 32(1))

Council must decide:

- making a rate (Local Government (Rating) Act 2002)
- making a bylaw (Local Government Act 2002 sections 145–146)
- borrowing money outside Long Term Plan parameters
- purchasing or disposing of assets outside Long Term Plan parameters
- adopting the Long Term Plan, Annual Plan, and Annual Report
- adopting policies required under the Local Government Act 2002 (including section 102 financial management policies, Significance and Engagement Policy)
- appointing the Chief Executive (Schedule 7, clauses 33–36)
- adopting Standing Orders
- adopting or amending the Code of Conduct
- establishing joint committees (Schedule 7, clause 30)
- decisions required to remain with the full Council under any statute (for example Local Electoral Act 2001).
- Making district plan changes or reviews operative under clause 20 of Schedule 1 of the Resource Management Act 1991

These powers cannot be delegated to committees, subcommittees or officers.

Additional responsibilities reserved to Council

These powers are delegable under Schedule 7, clause 32 of the Local Government Act 2002, but Council retains the authority to exercise them:

Policy and strategic governance:

- Adoption of policies with city-wide or strategic focus.
- Direction of the overall policy, bylaw, strategy and planning work programme.
- Approval of draft bylaws, policies and strategies prior to consultation, unless delegated.

District Plan (strategic functions under the Resource Management Act 1991):

- Council retains the authority to adopt District Plan changes
- receive recommendations from Resource Management Act 1991 hearings panels.

Note: Resource Management Act 1991 hearings and decisions requiring accreditation continue to be exercised by hearings commissioners under section 34A.

Representation and electoral matters:

- electoral system
- representation reviews
- arrangements for extraordinary vacancies
- adoption and amendment of the Code of Conduct.

Governance and appointments:

- Appointment of elected and non-elected members to committees.
- Appointments to Council-Controlled Organisations and external organisations/bodies.
- Appointment of the Electoral Officer (Local Electoral Act 2001 section 14).

Council delegates to the Appointments Group the authority to appoint external members to:

- Council-Controlled Organisation boards

- Council-Controlled Trading Organisation boards
- Council committees where external membership is required
- panels and advisory groups established by Council.

Meetings and committees:

- Standing Orders.
- Annual meeting schedule.
- Committee establishment and delegations.

Council-Controlled Organisations, under the Local Government Act 2002 sections 65–72:

- establishment, modification and disestablishment
- approval of Statements of Intent and Statements of Expectation
- governance oversight.

Delegation to Creative Communities Scheme (CCS) Assessment Panel:
Council delegates full decision-making authority for CCS funding to the CCS Assessment Panel. Decisions do not require confirmation by Council and are reported for noting.

Operational matters reserved to Council:

- Civil Defence Emergency Management matters requiring Council input.
- Approval of overseas travel for elected members.
- Matters requiring final approval where delegation has not been granted.

Reporting
Minutes and decisions of all committees are reported to Council. Committees may make recommendations to Council on matters outside their delegations or where statute requires a Council resolution.

Order of Business

Public excluded business

8. Resolution to exclude the public:

Under section 48 of the Local Government Official Information and Meetings Act 1987 (LGOIMA), the public is excluded from the following part of the meeting. This is because making these matters public would likely disclose information that may be withheld under section 7 of the Act.

The table below sets out, for each item, what the matter is about, why the council needs to consider it in a public-excluded session and the legal grounds under s48(1) for excluding the public.

Item	Subject	Reason for excluding the public:	Ground under section 48(1):
9.	Record of the public excluded Council meeting held on 30 June 2026	This report contains information about individuals, commercial interests, measures to prevent or mitigate material loss, and matters that are the subject of ongoing negotiations. Release of this information would prejudice privacy interests, commercial positions, the effectiveness of measures to prevent or mitigate material loss, and the Council's ability to conduct negotiations without prejudice or disadvantage. 7(2)(a), 7(2)(e), 7(2)(b)(ii), and 7(2)(i).	Section 48(1)(a)
10.	Appointment of Upper Hutt City Council Chief Executive	To protect candidate privacy and employment negotiations. Sections 7(2)(a) and 7(2)(i) of LGOIMA apply.	Section 48(1)(a)

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Kaunihera
Council

5 August 2026

Presentation of Petition: Like Upper Hutt, Keep it Local – Oppose Amalgamation

Te pūtake | Purpose of report

1. The purpose of this report is to present the petition titled "Like Upper Hutt, Keep It Local – Oppose Amalgamation – Petition to the Upper Hutt City Council" in accordance with Standing Order 17 and to seek Council's agreement to request a written response from the Chief Executive to the presenting petitioner.

2. Teresa Homan will present the petition to Council. This is a procedural item and does not seek a substantive decision on amalgamation or the matters raised by the petition. Council's consideration of Upper Hutt City Council's participation in the Wellington Region Head Start Proposal will occur under a separate item on this agenda.

He tūtohunga | Recommendation

3. That Council:

    a. receives the petition titled "Like Upper Hutt, Keep It Local – Oppose Amalgamation – Petition to the Upper Hutt City Council", presented by Teresa Homan and containing 365 recorded supporter entries; and

    b. requests the Chief Executive to provide a written response to Teresa Homan, as the presenting petitioner, following the meeting and having regard to Council's resolutions on the Wellington Region Head Start Proposal.

Papamuri | Background

Petition details and assessment

4. The complete petition addressed to Upper Hutt City Council was formally received by the Chief Executive on 21 July 2026. This was before the 29 July 2026 deadline for presentation at the Council meeting on 5 August 2026.

5. The petition concerns the future organisation and delivery of local government services affecting Upper Hutt. The matter falls within Council's responsibilities and is appropriately presented to the full Council.

6. The principal petition statement contains 92 words, excluding its title, organiser information, and supporter information. Its wording is not, on its face, disrespectful, offensive, or malicious.

7. Governance has recorded 365 supporter entries on sheets carrying the principal petition wording, a substantially similar version of that wording, or continuation sheets able to be linked to those versions in the order received. The count has been independently checked.

8. Governance has confirmed that the petition meets the minimum requirements for presentation under Standing Order 17, including the required minimum number of qualifying signatures or marks of support.

9. Teresa Homan confirmed that the differently worded sheets addressed to Upper Hutt City Council were collected as part of the same petition, conveyed the same intended request, and were explained to supporters on that basis. She also confirmed that:

    a. the continuation sheets without petition wording were collected in support of the Upper Hutt City Council petition;

    b. supporters were shown or informed of the relevant petition wording before providing their details; and

    c. where a name was entered by another person, this was done at the named person's request and while that person was present.

10. Governance has treated the differently worded sheets addressed to Upper Hutt City Council as part of one petition because their substance and intended outcome are materially consistent. Together, these sheets contain 365 recorded supporter entries.

11. The 365 recorded supporter entries exclude one duplicate photocopied page and pages comprising a separate petition addressed to the Wellington Regional Mayoral Forum. The separate petition is not addressed to Upper Hutt City Council and will not be presented as part of this item. At the request of the principal petitioner, the Mayor will forward that petition to the Wellington Regional Mayoral Forum for its consideration, in accordance with applicable privacy requirements.

12. Governance has retained an internal verification record identifying the included pages, the entries recorded on each page, and the treatment of duplicate, crossed-out, blank, or materially illegible entries.

13. Teresa Homan has asked to present and speak to the petition. Under Standing Order 17.2, she may speak for five minutes, excluding questions, unless Council resolves otherwise.

14. Teresa and Stewart Homan have consented to their names being published as the principal petitioners. The public agenda attachment contains the principal petition wording, the principal petitioners' names, and the aggregate supporter count.

15. Supporters' names, signatures, and contact information have not been published. The complete petition is retained as a restricted Council record in accordance with Council's privacy, information management, and recordkeeping requirements.

Ngā whai whakaarotanga | Governance considerations

16. The decision to receive the petition is procedural and does not determine Council's position on amalgamation, the Wellington Region Head Start Proposal, or any future regional governance proposal. It does not alter levels of service, transfer control of a strategic asset, commit Council expenditure, or require operational action.

17. The decisions to receive the petition and request a written response are procedural and do not determine Council's position on amalgamation, the Wellington Region Head Start Proposal, or any future regional governance proposal. They do not alter levels of service, transfer control of a strategic asset, or commit Council to substantive action on the matters raised by the petition.

Ngā mahi ka whai ake | Next steps

18. The Chief Executive will provide a written response to the principal petitioner following the meeting, having regard to Council's resolutions on the Wellington Region Head Start Proposal. General Counsel has reviewed the proposed handling of the petition, including Council's obligations relating to the indirect collection of supporter information under information privacy principle 3A, and has confirmed the proposed publication and restricted-record approach.

19. Subject to Council agreeing to recommendation 4(b), the Chief Executive will provide a written response to Teresa Homan following the meeting, having regard to Council's resolutions on the Wellington Region Head Start Proposal.

Ngā āpitihanga | Included attachment

20. Attachment 1: Public version of "Like Upper Hutt, Keep It Local – Oppose Amalgamation – Petition to the Upper Hutt City Council" page 8

Date of report: 30 July 2026

Report writer:

Lisa Kynaston
Principal Governance Advisor

Approved by:

Kate Thomson
Acting Chief Executive | Te Tumu Whakarae Whakakapi

Attachment 1:

Like Upper Hutt, Keep It Local

Oppose Amalgamation – Petition to the Upper Hutt City Council

Petition statement

Officer note: The petition statement below is reproduced exactly as submitted and confirmed by the presenting petitioner. Original spelling and capitalisation have been retained.

We the undersigned oppose amalgamation of the Upper Hutt City council with other councils in the Welington region of any design.

We support the continued development of shared services with other councils where the value to Upper Hutt can be clearly demonstrated through financial savings and improved efficiencies.

We question the Mayor of Upper Hutt entering into discussions regarding amalgamation without a mandate from Upper Hutt residents, and we request that such discussions cease unless and until the Mayor seeks and receives a clear mandate through a majority vote by public referendum.

Principal petitioners

Teresa and Stewart Homan

Support recorded

The petition material received by Council contains 365 recorded supporter entries across sheets carrying the principal wording, substantially similar wording, or linked continuation sheets.

Privacy note

The original petition contains supporters’ names, signatures, and contact information. This information has not been published to protect the privacy of individual supporters.

The complete petition is retained by Upper Hutt City Council as a restricted Council record.

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Kaunihera | Council
5 August 2026

Simplifying Local Government Reform: Wellington Region Head Start Proposal

Te pūtake | Purpose of report

1. This report seeks Council decisions on a proposed Wellington Region Head Start proposal submission and outlines the next steps should Council approve the submission of this proposal.

He tūtohunga | Recommendations

2. That Council:

   a. receives the report titled Simplifying Local Government Reform: Wellington Region Head Start Proposal;

   b. notes that the submission of a Head Start Proposal is an outline of a potential future governance structure and that decisions on whether to proceed rest with the Government, subject to the enactment of enabling legislation. If a Proposal is accepted by the Government, there would be a detailed design phase in which all elements of the model, including representation, as well as delivery would be further developed;

   c. notes that the Government's Head Start eligibility settings allow a proposal affecting a territorial authority to be submitted by councils representing a majority of either the directly affected territorial authorities or the population of the directly affected areas;

   d. notes that some councils are considering alternative Head Start configurations, including sub-regional unitary authority models that may identify Upper Hutt City as part of a Wellington metropolitan unitary authority; and

   e. notes that each council is making its own decision on the Proposal and that the Wellington Regional Mayoral Forum will meet on 7 August 2026 to consider the collective effect of those decisions and determine whether, and in what form, a proposal is submitted to Government.

Decision required - after considering recommendation 2, Council must select one of the following two mutually exclusive pathways. Council may resolve either recommendation 3 or recommendation 4, but not both.

PATHWAY A: APPROVE UPPER HUTT CITY COUNCIL'S PARTICIPATION IN THE WELLINGTON REGION HEAD START PROPOSAL

3. That Council:

   a. agrees to submit a proposal to the Head Start process;

   b. approves the Wellington Region Head Start Proposal (**Attachment 1**) for submission to the Government by 9 August 2026, comprising the following key elements:

i. a single regional unitary authority and at least five Community Councils based around catchment boundaries;

ii. the governing body consisting of an elected regional mayor, elected members and the elected chairs of the Community Councils;

iii. Community Councils comprising elected members and an elected chair;

iv. Māori wards would be included within the unitary authority structure, and potentially Community Councils to provide for Māori electoral representation, including mātāwaka;

v. Mana whenua partnership arrangements would be established at a governance level to recognise iwi as Treaty Partners. The form of those arrangements would be co-designed with iwi during the detailed design phase, on the basis that provision for Māori wards alone does not discharge the region's obligations under Te Tiriti o Waitangi or under treaty settlement legislation; and

vi. an implementation programme that provides for establishment by the 2028 local government elections through enabling legislation, reducing compliance requirements and support for transition including an establishment committee and transition board;

c. authorises the Mayor to:

i. sign the finalised Head Start Proposal;

ii. agree any amendments necessary to the Proposal to reflect the decisions of other local authorities, within the mandate provided by Council, including the inclusion of position statements reflecting the views of each local authority covered by the Proposal; and

iii. submit a Head Start Proposal which meets the Government eligibility criteria;

d. authorises the Chair of the Mayoral Forum to submit the Head Start Proposal to Government on behalf of the councils who have agreed to it by 9 August 2026;

e. notes that Cabinet has indicated that it will make a decision on those Head Start proposals that it will accept before the General Election in November 2026 and that if a proposal is accepted, Government may seek modifications to it;

f. agrees that further work be undertaken to advance planning for detailed design on the preferred option, including programme planning and engagement with the market for future procurement;

g. requests that, if the Head Start proposal at **Attachment 1** is approved by Government, the Chief Executive, working collaboratively with those Councils supporting the Head Start Proposal, report back in early October 2026 with recommendations for a programme of work to develop detailed design, including details of governance arrangements, resources, funding, mana whenua participation and reporting arrangements as well as options for community engagement and communications such as a poll of electors or referendum; and

h. agrees that further discussions be held with any Councils that do not support the Head Start Proposal to explore whether they wish to continue working collaboratively on a regional basis.

PATHWAY B: DO NOT APPROVE UPPER HUTT CITY COUNCIL'S PARTICIPATION IN THE WELLINGTON REGION HEAD START PROPOSAL

4. That Council:

a. does not agree to submit a proposal to the Head Start process;

b. does not approve Upper Hutt City Council's participation in, or the inclusion of Upper Hutt City within, the Wellington Region Head Start Proposal at **Attachment 1**;

c. requests that the Wellington Region Head Start Proposal submitted through this regional process include only those territorial authorities whose councils have formally resolved to approve the Proposal, and that no council or district that has resolved not to approve the Proposal be included;

d. authorises the Mayor, in consultation with the Chief Executive, to:

   i. represent and advocate Upper Hutt City Council's position at the Wellington Regional Mayoral Forum on 7 August 2026; and

   ii. prepare, finalise and agree the inclusion of a position statement on behalf of Council for any Head Start proposal that includes Upper Hutt City as directly affected, provided that statement is consistent with Council's formal resolutions on the Head Start process;

e. confirms that the authority provided to the Mayor in recommendation 4(d) does not extend to:

   i. agreeing to Upper Hutt City's inclusion in a Head Start proposal contrary to Council's resolutions; or

   ii. committing Upper Hutt City Council to any alternative reorganisation model that has not been formally considered and approved by Council; and

f. confirms that Upper Hutt City Council remains willing to work collaboratively with other councils on regional and subregional matters, including shared-service opportunities.

Te tuhinga whakarāpopototanga | Executive summary

5. The Government signalled structural change for local government with the release of its *Simplifying Local Government* proposal in November 2025.

6. In December 2025, the Wellington Regional Mayoral Forum, comprising mayors of all territorial authorities plus the Chair of Greater Wellington, agreed that the region should develop a Wellington region-specific approach to local government reform in response to the Government's reform programme. The Mayoral Forum's intent was that the region should play an active role in shaping its future governance arrangements and develop a preferred regional approach for consideration by Government.

7. On 5 May 2026, Cabinet agreed a new *Simplifying Local Government* policy comprising a voluntary Head Start pathway and a Backstop reform pathway. The Head Start pathway enables groups of local authorities to submit outline reorganisation proposals for consideration by Government ahead of wider reforms from 2028, with approved proposals progressing to a detailed design phase.

8. The introduction of the Head Start pathway provides an opportunity for the region to progress work started in response to the *Simplifying Local Government* programme and submit its own proposal for consideration by Government, rather than rely solely on future reform arrangements determined by Government through the Backstop process.

9. The Government has strongly signaled to councils that local government will be reformed. The decision before the Council is whether it wants to shape the outcome or whether it will let Government direct change.

10. The proposed submission presented for Council approval comprises an outline proposal of a future regional governance structure in accordance with the Head Start policy direction and criteria set by Government. It includes a single regional Unitary Authority and at least five Community Councils indicatively based on current local authority boundaries.

11. In developing the Proposal, a number of configurations and options were considered. Three configurations were assessed – one unitary for the whole region, two unitaries (Western Area and

Wairarapa) and three unitaries (Wellington Metro, Wairarapa, North-Western). A range of structural options were also considered from a centralised model to a highly devolved model.

12. Initial community engagement has been undertaken through individual council engagement processes and at a regional level through a joint Community Reference Panel. More information about the Upper Hutt engagement survey results is available at **Attachment 2**.

13. The report outlines the next steps should Council approve submission of the Proposal. The Proposal has been developed collaboratively through the Mayoral Forum, supported by the Chief Executives Forum and a regional Working Group, and if approved, would be submitted to Government by 9 August 2026.

14. The options presented for decision-making in this report are limited based on the constraints of the Head Start process and criteria set by the Government policy announcement and guidance received:

    a. Option 1 – Council could agree to submit a proposal into the Head Start process and approve the proposed Head Start Proposal developed by the Mayoral Forum for that purpose;

    b. Option 2 – Council could agree to submit a proposal into the Head Start process but agree additions or amendments to the proposed Head Start Proposal developed by the Mayoral Forum and approve the amended Proposal. This would require the Mayoral Forum to consider the decisions made by each council in the region and to agree what is to be submitted.

    c. Option 3 – Council could decide not to submit a proposal into the Head Start process.

15. Submission of this Proposal would enable the region to significantly influence the design of local government reorganisation and to co-design this in partnership with mana whenua.

16. Cabinet has indicated that they will determine which Head Start proposals move forward to a detailed design phase before the 2026 General Election on 7 November 2026. The detailed design phase would run from October 2026 to March 2027, with final policy decisions by Cabinet in May 2027 and changes intended to be enabled through legislation for implementation before the 2028 local government elections.

Papamuri | Background

Simplifying Local Government reform

17. On 25 November 2025, the Government announced its *Simplifying Local Government* reform programme and undertook public consultation, which closed in February 2026. The programme proposed 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. Following consideration of public feedback, Cabinet subsequently agreed a revised reform programme.

18. On 5 May 2026, Cabinet agreed a revised *Simplifying Local Government* reform programme comprising a voluntary Head Start pathway and a future compulsory Backstop reform pathway based on feedback on the Combined Territorial Board model. The Government indicated this included consideration of submission feedback received during the initial *Simplifying Local Government* consultation. 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.

HEAD START PROCESS AND IMPLICATIONS

19. The Cabinet decision establishes a staged process for Head Start proposals. 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.

20. Government has indicated that proposals submitted by 9 August 2026 will be considered by Cabinet before the November 2026 general election. Cabinet will then determine which proposals progress to a detailed design phase.

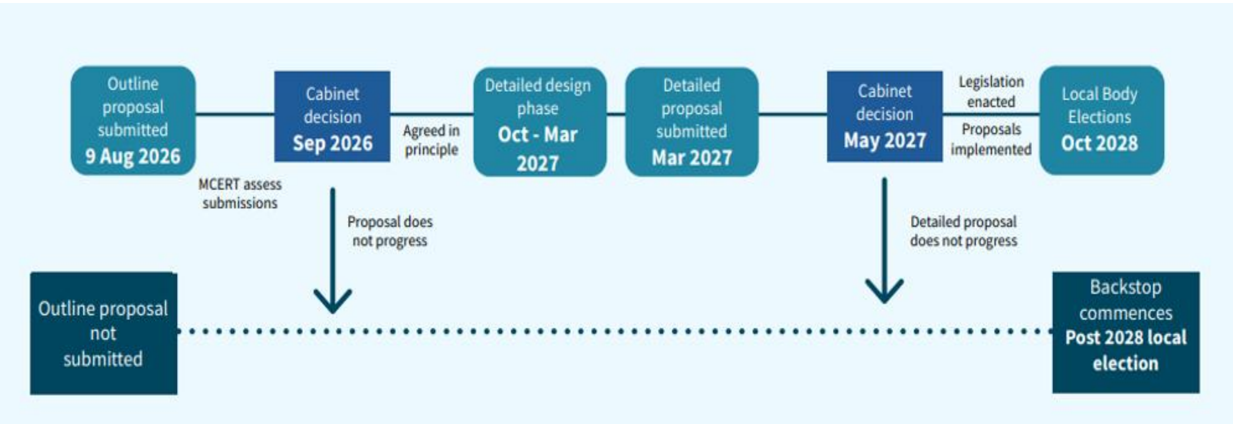
21. Following the outcome from the General Election, the next steps for Head Start will be clarified by the incoming Government. At this stage, for proposals accepted by Cabinet before the election, a detailed design phase is intended to continue through to March 2027. This phase would further develop 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.

22. Cabinet also agreed a compulsory Backstop reform pathway from 2028 to ensure local government reform can continue in regions that do not participate in Head Start, or where a Head Start proposal does not proceed. While the detailed design of the Backstop pathway is yet to be determined, Cabinet has indicated that it would provide a Government-led process for considering future governance arrangements and reorganisation options utilising a similar model to Combined Territory Boards. A Backstop process will therefore be Government directed and would reflect national considerations rather than regional or local considerations – as such it is likely that this may not reflect the unique geography and identity of this region and may not deliver on opportunities to significantly strengthen this region’s economy, environment and resilience.

23. The Head Start pathway therefore provides one pathway for local authorities to develop and submit their own preferred approach to future governance arrangements before consideration shifts to a Government-led reform process. The decision sought through this report is whether Council wishes to support submission of an outline proposal through the Head Start pathway.

24. Under either the Head Start or Backstop pathway, existing local authority governance arrangements would continue until the end of the 2025-2028 triennium. Any future reorganisation would require enabling legislation and transitional governance arrangements, with regional councillors continuing in office until 2028.

Diagram 1: Head Start process timeline



25. Cabinet has agreed that proposals can be submitted by groups of two or more territorial authorities, representing a majority of the affected territorial authorities or a majority of the affected

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.

26. 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.

27. Proposals will be assessed against the following criteria:

    a. **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.

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

    c. **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.

    d. **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.

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

Regional collaboration on the reform

28. At the first Wellington Regional Mayoral Forum (including the Chair of Greater Wellington Regional Council) of the new triennium in December 2025, an initial discussion occurred in response to the release of the Government's *Simplifying Local Government* reform proposal. At this Forum meeting, it was agreed that Mayors and the Chair should each seek support from their respective councils to participate in exploring local government re-organisation options.

29. The Wellington Regional Triennial Agreement has also been drafted following mayoral discussions since the October 2025 election. This Agreement is a statutory document required under Section 15 of the Local Government Act 2002, requiring local authorities within a region to enter into an agreement every triennium that sets out protocols for communication and coordination, processes for new regional council activities, and arrangements for working together on matters of regional significance.

30. The Wairarapa, Kāpiti Coast and Horowhenua councils indicated that they wished to be involved in regional discussions on future local government arrangements while continuing to consider their own alternate options.

31. In February 2026, the Wellington metropolitan councils and Greater Wellington Regional Council considered and approved reports supporting participation in a regional programme to collaborate on the Government's local government reform process. The reports provided for a joint programme of work, including the establishment of a regional Reform Working Group to investigate options and report back on potential future governance arrangements for the region.

32. A regional Reform Working Group was established, comprising senior representatives from all local authorities and supported by a Programme Director appointed from Greater Wellington, with

Horowhenua District Council participating as an observer. The Working Group reports to the joint Chief Executives' Forum and Mayoral Forum, both of which have met regularly throughout the Head Start proposal development process.

REGIONAL RESPONSE TO HEAD START POLICY

33. Following the Government's Head Start announcement, the Wellington Regional Mayoral Forum agreed to accelerate the regional reform work programme to assess whether a Wellington Region Head Start Proposal could be developed, consistent with the intent of the December 2025 discussions that the region should play an active role in shaping its future local government arrangements.

34. MartinJenkins was engaged to support the programme, including preparing financial analysis and modelling and facilitating discussions with elected members at all councils in the region on the shape of a potential proposal. Funding has been provided jointly by participating local authorities.

35. Throughout May to July 2026, participating councils received regular briefings and information packs on the development of the Head Start proposal. These provided elected member updates and information to consider on emerging governance options, design principles and proposal content as it developed. Mayors also held individual council elected member briefings, and a regional elected member briefing on the financial analysis was held on 21 July 2026.

36. Community engagement activities were undertaken separately by individual councils and were reported through each council's own processes, with some councils also choosing to undertake a joint community reference panel engagement process.

37. The Wellington Regional Mayoral Forum advised the Government that the region intended to submit a proposal by 9 August 2026, following its consideration by participating councils.

REGIONAL OBJECTIVES AND WAYS OF WORKING

38. Following the discussions started in December 2025, in early 2026 the Mayoral Forum developed and endorsed a set of regional objectives to guide the work on local government reform:

    a. Improved effectiveness and efficiency in supporting population and economic growth and environmental protection
    b. Effective local government representation
    c. Ensure mana whenua is included in future local authority governance arrangements and representation is consistent with Treaty settlements and obligations under the Treaty of Waitangi
    d. Promote and enhance the region’s reputation as a place of opportunity, creativity, and innovation
    e. Ensuring affordability for ratepayers and long-term financial sustainability.

39. The Mayoral Forum also agreed principles to guide the ways of working through the reorganisation processes:

    a. A clear and consistent case for change
    b. Community trust and confidence
    c. Protect what communities rely on
    d. A fair process for people and place.

REGIONAL DESIGN PRINCIPLES

40. Of particular importance to elected members when considering the Wellington Region’s Head Start proposal are the design principles applied to its development. The design principles are a set of

criteria, agreed by the Mayoral Forum, that help guide the design of organisational and governance arrangements by describing what a well-designed future system should look like.

41. They also provide a framework for making decisions when competing objectives or trade-offs arise. They are therefore an important tool for assessing structural options and ensuring consistency throughout the reform process. They are as follows:

    a. **Regional where it adds value, local where it matters most** – functions and decisions should be undertaken at the scale that best serves communities. This recognises that some activities benefit from regional coordination and consistency, while others are most effective when delivered locally and remain closely connected to communities.

    b. **Local voice and democratic legitimacy** – any future arrangements should strengthen public trust, participation and accountability. Communities should be able to clearly understand how they influence decisions and who is responsible for those decisions.

    c. **Affordable and financially sustainable over time** – proposed arrangements should demonstrate long-term affordability and sustainability, reduce unnecessary duplication, support efficient investment, and ensure that the costs of inaction are not transferred to future generations.

    d. **Active partnership with mana whenua** – Engagement with Mana Whenua should be simplified and strengthened, be less resource intensive for them, and embedded in governance arrangements in ways that are consistent with Treaty settlements and obligations, and that support enduring, effective and active partnerships.

    e. **Capability to deliver** – future structures should have the people, systems, data, institutional knowledge and organisational capacity needed to deliver services effectively, respond to planning reform, and adapt to changing community needs over time.

42. For elected members considering whether to support submission of a Head Start Proposal, it is important to note that these principles do not predetermine a particular structural option. Instead, they provide a currently agreed framework against which options were designed, tested, and compared.

43. The design principles can be used to consider whether the proposed model adequately balances regional effectiveness with local representation, remains financially sustainable, supports partnerships with mana whenua, and has the capability to deliver for communities into the future.

Current Local Governance Context

44. Within the Wellington region there are currently eight territorial authorities and one regional council plus 12 community boards. In terms of representation, there are a total of 106 elected councillors and 55 community board members in the region.

45. The region has a diverse representation ratio (elected member to population), ranging from 1:1,200 in South Wairarapa District Council to 1:14,000 in Wellington City.

46. The region's territorial authorities are highly variable in terms of scale. From an organisational perspective, the smallest is Carterton District Council with a staff establishment of around 70 and the largest is Wellington City Council with over 1,600 staff. In terms of land area, however, the Wairarapa councils are by far the largest, with the three Wairarapa territorial authorities having a total land area of over 5,800 km2 out of the total regional area of 8,000 km2, comprising almost 73% of the region. These unique characteristics need to be reflected in any reorganisation proposals.

Why Local Government Reorganisation

47. The region operates as an integrated system. This is reflected in the economic system, our infrastructure networks, transport, as well as education and health systems. Residents regularly move

across territorial authority boundaries for work, services, recreation, and cultural activity, demonstrating a high level of functional integration. The region functions as a multi-layered system of communities of interest. Strong regional systems coexist with distinct local and neighbourhood communities. No single set of boundaries, including current local government administrative boundaries, fully reflects how communities experience the region.

48. With nine councils within the region, there is significant potential for greater effectiveness through bringing together how services are delivered. Regional and sub-regional planning would be more efficient and integrated through a more joined-up structure. There is also scope for efficiencies, including through a reduction in the number of elected members in the region and senior local government executives.

49. A more integrated local government planning structure would deliver greater consistency for businesses and residents and make it easier to do business in the region, facilitating greater confidence for investment.

50. A combined balance sheet would enable the region to collectively tackle the big issues facing the region, including climate change adaptation at place, withstand significant shocks and enable significant opportunities to be taken to progress the future of this region.

51. A combined Council with a single elected mayor would enable the region to project its voice nationally. This would enable this region to stand alongside other regions, including Auckland and Christchurch, in driving a partnership approach with Government for the benefit of this region.

52. All councils within the region face financial challenges and significant financial headwinds, including rising input costs, high asset replacement costs, significant demands on investment, deteriorating operating budgets and increasing debt servicing costs. These translate into increasing pressure on rates and worsening affordability. Councils also face significant exposure to risk from natural hazards, extreme weather, climate change adaptation and asset failure. The analysis indicates smaller councils and those with greater debt are vulnerable to even moderately sized shocks, which would exceed their borrowing limits and/or exhaust their remaining borrowing headroom. Borrowing capacity is not always located where risk is concentrated.

53. All the reorganisation options considered offer the potential for savings (net of transition costs). Reorganisation also offers significant scope to increase financial resilience and reduce vulnerability to shocks, with balance sheet consolidation offering greater financial resilience through diversification of risk across geographies. Given the inter-dependent nature of the region's economy and networks, a failure in one part of the region would likely affect all other parts of the region – essentially we are in this together.

Lessons from past reorganisation proposals

54. The key lessons from previous reviews of local governance reorganisation proposals and their implementation have been analysed. Some of the key lessons are outlined below.

55. In terms of the design of any reform model, a key tension between regional efficiency and local responsiveness is a common factor in almost all reorganisation proposals. In balancing this tension in a model, it is important to have clarity on roles and accountabilities. In a two-tier structure, the local level of governance needs to have clearly defined powers, funding paths and delegated decision-making to be successful. How functions and services are allocated between regional and local levels should be guided by communities of interest. Where Council Controlled Organisations (CCOs) are used, they need to be carefully designed to ensure democratic accountability and strategic alignment. Note these matters would not be considered in depth until detailed design.

56. In terms of implementation, careful planning of any change needs to go beyond structure and consider: community mandate, staff, systems, and establishment planning and processes. Well-resourced and actively managed transition programmes are critical and transition can take many years to complete. Significant efficiencies can also take many years to materialise.

57. The Auckland Council model was examined in particular detail as this is the most relevant and recent NZ-specific example of a large amalgamated unitary council. The Auckland Council model could be considered to have delivered:

    a. providing strong leadership and a regional voice for working with Government;

    b. achieving some efficiency gains and savings after a number of years;

    c. providing the scale and financial balance strength to address key regional issues and opportunities; and

    d. building in a permanent solution for Māori representation, through the Independent Māori Statutory Board.

58. However, the Auckland Council model is considered to be less effective in:

    a. providing devolved decision-making and funding down to a local level;

    b. ensuring accountability for decision-making by CCOs; and

    c. reflecting a mana whenua partnership in governance.

Te Tiriti Partnerships and Treaty Settlements

59. The Head Start policy requires proposals to outline relevant information about treaty settlements in the proposal area and how this has been considered or may be affected by the proposal, in order to support the Crown to uphold Treaty obligations. This is covered in detail in technical appendix 2 to the proposal document at **Attachment 1**.

60. Councils in the region have a range of established partnerships with mana whenua.

61. Upper Hutt City Council currently has a formal Memorandum of Partnership with the Wellington Tenths Trust and Palmerston North Māori Reserve Trust. In addition, Council actively maintains further strategic and operational relationships with Port Nicholson Block Settlement Trust (known as Taranaki Whānui ki te Ūpoko o Te Ika), Te Rūnanganui o Te Āti Awa ki te Ūpoko o te Ika a Māui Incorporated, Te Rūnanga o Toa Rangatira, and Ōrongomai Marae.

62. Māori have long-held, recognised roles and responsibilities in the care of natural resources. Council has an important legislative role in regulating the use of land and protecting natural resources for the benefit of current and future generations. Council and our mana whenua partners work together through a partnership approach that reflects the enduring relationships between hapū, iwi and their ancestral lands. This partnership is important to us, delivering on our obligations to recognise and support mana whenua in maintaining their role as kaitiaki (guardians) of their ancestral lands.

63. There are now settlements for four iwi within the region, which interact with and shape the planning system, including regional plan development. Through these settlements, the Crown has also acknowledged past Te Tiriti breaches related to local government functions and recommitted to new Te Tiriti-based relationships.

64. Treaty settlement legislation imposes specific and enforceable obligations on named local authorities, noting this currently does not include Upper Hutt City Council. Disestablishing those local authorities and replacing them with a single unitary authority does not extinguish those obligations, but it does change who holds them. The same applies to relationship agreements, joint management

agreements, Mana Whakahono ā Rohe, statutory acknowledgements and existing co-governance entities. These will need to be resolved as part of the detailed design phase and enabling legislation.

65. Enabling legislation will need to expressly provide for the continuation, or the replacement on no lesser terms, of treaty settlement arrangements within the new entity, and the terms of any replacement must be agreed with the iwi who are party to them.

66. Further legal advice will be required on the effect of reorganisation on settlement redress instruments, including rights of first refusal, deferred selection properties and statutory acknowledgements attaching to land and assets held by the councils proposed to be disestablished. The transfer of assets between entities under enabling legislation must not disturb, dilute or trigger these instruments to the detriment of iwi, and iwi must be consulted on the mechanism by which they are preserved.

Communities of Interest

67. An initial analysis of communities of interest has been undertaken to inform the Head Start proposal. This analysis has supported the development of the Head Start Proposal and, if approved by Government, further work would be undertaken to inform the consideration of administrative boundaries and governance arrangements in the detailed design phase.

68. The evidence shows that the Wellington Region functions through a high degree of integration across economic activity, infrastructure and service systems. People regularly move across territorial authority boundaries for employment, education, services, and recreation. Key networks such as transport, health, water and energy operate at a regional or sub-regional scale, with key infrastructure such as Wellington Airport, CentrePort and Wellington Regional Hospital serving the whole region.

69. At the same time, this integration is not uniform. The region has a clear spatial structure, with a concentration of population, employment and higher-order services across Wellington City and the Hutt Valley, connected along key transport corridors extending north to Kāpiti Coast and into the Wairarapa. Wellington City functions as the primary employment and service hub within this system.

70. Physical geography and environmental catchments shape how the region functions, creating distinct sub-regional patterns. The Tararua Range and Remutaka Range represent a significant physical feature separating the Wairarapa and the western part of the region, while infrastructure systems such as water supply and transport corridors operate across, and sometimes within, these sub-regional patterns.

71. Mana whenua relationships, including iwi rohe, statutory acknowledgements and co-governance arrangements, form shared spatial layers that extend across territorial authority boundaries and do not align with administrative boundaries.

72. Social networks, community identity and civic participation operate across multiple spatial scales, from regional to sub-regional to neighbourhood level, reflecting both shared regional systems and strong localised communities.

73. Overall, the initial analysis finds that the region operates as a multi-layered system of communities of interest. Regional-scale systems co-exist with distinct local and neighbourhood communities, and these do not align with current administrative boundaries. The analysis also confirms that iwi rohe form a spatial layer that does not align with current administrative boundaries.

74. This indicates scope for future arrangements to better reflect the way the region functions in practice - maintaining appropriate local representation alongside regional coordination. This has helped shape the proposed Head Start Proposal at an outline level, the proposed Unitary Authority provides the regional governance framework that enables integrated and consistent approaches to regional

challenges and opportunities, the proposed Community Councils provide a governance layer that enables consideration of integrated management at a sub-regional catchment level.

Te matapaki | Discussion

Outline Head Start Proposal

75. The Mayoral Forum has developed a proposed Head Start Proposal (**Attachment 1**) for Council's consideration and approval for submission to Government.

76. This Proposal is only a high-level outline of a potential reorganisation model. If Government accepts any proposal, a detailed design phase would be required to define all elements of this model in more detail and to plan for implementation and transition. This would be developed with Council and iwi.

77. It is also possible during the detailed design phase that changes will need to be made to the shape of any proposed reorganisation proposal. These could be as a result of responding to further information or as a result of the need to harmonise some of the proposed elements of the model following Government feedback. It is unlikely that Government will legislate for a large number of unique governance models across New Zealand and changes may therefore be required to align with other regions.

78. Hui have been held with iwi from across the region and iwi representatives have participated in the Working Group, Chief Executives' Forum and Mayoral Forum. Within the available timeframe, it has not been possible to design a mana whenua partnership model, and this would need to be co-designed with iwi during the detailed design phase.

79. Depending on the decisions of individual councils, there may need to be amendments made to the Proposal – the process for this is outlined in the 'Options' (from paragraph 128) and 'Governance Considerations' (from paragraph 142) report sections below.

80. Some councils are considering alternative configurations to the single regional unitary authority proposal presented at **Attachment 1**. This includes a proposed sub-regional model under which Upper Hutt City could form part of a Wellington metropolitan unitary authority with only Wellington City, Porirua City and Hutt City. Upper Hutt City Council has not undertaken the detailed Upper Hutt-specific assessment required to determine the merits or implications of that alternative.

81. 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 affected territorial authorities participating in the process, recognising that any future proposal needed to be capable of working across the region as a whole.

82. The key features of the Head Start Proposal are outlined in the following sections of the report.

LOCAL VOICE

83. One of the key outcomes desired from the model is to provide a strong level of local representation and local voice. The Auckland model of Local Boards has been reviewed, and whilst they do provide an avenue for local voice, it is considered that they lack sufficient powers and funding certainty and service delivery could be further devolved. These considerations informed the development of the Community Council concept outlined below.

84. The proposed Wellington Region Head Start Proposal provides for a new form of local governance – Community Councils. These would be provided for in legislation, and if the proposal is accepted to proceed to detailed design, further work is required on the details and mechanics of these in the next phase.

85. In initial consideration of this component of the proposal to date, it is proposed that Community Councils are not territorial authorities - they are new local governance entities that provide for local representation and service delivery. It is envisaged that they could have a budget allocation (based on an agreed formula) and 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, providing the important local voice directly into the decisions of the governing body for the region.

86. 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, while recognising the Wairarapa geography. Local service centres would be maintained in each Community Council area, with staff providing services out of these.

87. The Community Councils would provide an important role in maintaining a local voice and representation for rural communities and their unique perspectives and issues, as well as enabling consideration of issues at a catchment level.

88. Local voice would also be provided for in the design of the Unitary Authority itself, through designing this with the potential for a larger number of councillors representing wards and a ratio of elected members to population of around 1:15,000 to 1:25,000.

CATCHMENT MANAGEMENT

89. Community Councils are proposed at catchment scale, representing a population of around 50,000 or more. This would enable effective planning and delivery of environmental and freshwater functions. These critical functions are currently carried out by the Regional Council, but as part of the reorganisation would become the responsibility of the Unitary Authority and Community Councils. Catchments are also the scale at which kaitiakitanga and treaty settlements and statutory acknowledgements operate.

90. It is assumed that if provided for in new planning legislation, Community Councils could also have the ability to directly influence regional planning processes through providing a catchment lens on relevant provisions – this will be important for the spatial planning regime under the new Planning Act. Catchment areas also fit well with the region's growth corridors.

91. As elected members consider the concept of catchment-based Community Councils, it is important to recognise that the current administrative boundaries of territorial authorities do not necessarily align with environmental catchments or appropriately reflect how people actually live, work and recreate within the region.

92. The new Planning Act, to be enacted before the national election in November, requires a fundamental change to how planning functions are carried out in NZ with a Regional Spatial Plan and a Regional Combined Plan, bringing together the environmental and land use planning into a single framework. Any new governance structure within a unitary model will need to respond to this. Catchment-based Community Councils are considered the best approach to manage this.

UNITARY AUTHORITY

93. It is proposed that the single Unitary Authority 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 1:1,200 in South Wairarapa to 1:14,000 in Wellington City. For comparison, Auckland Council currently has 21 councillors.

94. 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.

ELECTED MAYOR

95. A key point of success for the Auckland model, and similar models overseas, has been the creation of an elected mayor for the region with a strong voice to Government to promote the interests of the region. This includes the creation of a mayoral office and executive powers. The Mayor has powers to lead the development of key plans, establish committees and appoint chairs and propose budgets. The Head Start Proposal seeks to explore this during the detailed design phase for the region.

MANA WHENUA PARTNERSHIP AND MĀTĀWAKA

96. 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 of this region's approach.

97. Te Kāhui Whakarehunga is the collective forum through which iwi of the Wellington region have engaged in the development of this Head Start Proposal. 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 Working Group, Chief Executives' Forum and Mayoral Forum.

98. In the time available it has not been possible to develop an agreed mana whenua partnership model. That work is deferred to the detailed design phase. The Proposal recognises partnership is a governance matter, not merely an engagement matter. The partnership model will be developed at governance level and is intended to give mana whenua a meaningful role in how decisions are shaped, going beyond consultation alone, within the Council's statutory decision-making framework and in accordance with treaty settlement commitments.

99. It is proposed that Māori wards would provide for Māori electoral representation, including mātāwaka, within the unitary authority. This reflects that the vast majority of the existing councils in this region already have a Māori ward in place and is consistent with Tribunal recommendations that Māori wards are an important starting point to provide for the principle of equity and options. This is a distinct matter from mana whenua partnership and does not substitute for it.

100. Upper Hutt City does not currently have a Māori ward and is currently undertaking its next representation review which includes consideration of Māori wards.

101. 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.

Regional assessment against Head Start criteria

102. Through the regional work programme, the Proposal has been assessed against the Government's Head Start criteria as shown in Table 1.

103. The regional assessment concluded that a single regional unitary authority, with devolved functions, funding and powers at Community Council level, best meets the Government's Head Start criteria and has the strongest prospect of progressing through the Head Start pathway. The available analysis does not, however, determine the final distribution of costs, benefits, rating impacts or service-level changes for Upper Hutt, as these matters would require further detailed design.

Table 1: Proposal Assessment against Head Start criteria

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.

Financial Analysis

104. The Head Start process does not require financial modelling to be completed. However, high-level analysis of available information and a series of assumptions on hypothetical configurations was undertaken by MartinJenkins.

105. A high-level financial model was developed to assess the three different Configurations. This is based on base data from each local authority 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 – see **Attachment 3** for the financial analysis report.

106. An estimated allocation to each of the three Configurations, of income, expenditure and debt from Greater Wellington Regional Council was made. This is based on the best available information for this stage of the process. The estimates use data from Greater Wellington and previous reorganisation assessments undertaken by the Local Government Commission, with modified assumptions, including a conservative assumption that current costs for providing regional services could be reduced by 10% through efficiencies – essentially by combining regional and local service delivery. This is consistent with the assumptions used by Morrison Low in their separate report for the Wairarapa councils.

107. Assumptions for potential efficiencies and one-off transition costs were developed from a review of previous reorganisation proposals both in NZ and overseas. This included potential efficiencies from bringing together regional and territorial authority functions. For configurations where separate unitary authorities are created for Wairarapa and Kāpiti/Horowhenua, there is an assumption of an increased rates requirement to fund future regional services, to acknowledge the current situation where there is a degree of cross-subsidisation from central Wellington commercial ratepayers for public transport services. The efficiency assumptions were deliberately kept at a conservative level to reflect previous experience that reorganisation proposals rarely deliver cost savings, especially in initial years, especially given transition costs.

108. The 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.

109. The findings of the modelling (**Attachment 3**) 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, 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.

110. 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 would exceed their borrowing limits and/or exhaust their remaining borrowing headroom. Borrowing capacity is not always located where risk is concentrated.

111. 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 present value of net savings over 25 years falls within a narrow range of $3,900 to $4,500 across the options. The loss of intra-regional subsidies could offset any savings benefits for Wairarapa ratepayers, resulting in a significant funding gap.

112. Reorganisation offers significant scope to increase financial resilience and reduce vulnerability to shocks, 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, reorganisation offers greater financial resilience through diversification of risk across geographies.

Model Options Considered and Preferred Option

113. A key consideration of whether to submit a Head Start Proposal is whether this Council wants to be able to significantly influence the shape of any proposed new governance structure. Not submitting a proposal would essentially mean that Government will determine the future governance structure through the proposed Backstop process. A regionally agreed Head Start Proposal could be compelling

for the Government and, if approved, would then enable the development of bespoke legislation for this region.

114. In developing options, the Mayoral Forum did not begin with a preferred governance structure. Instead, the work focused on identifying the outcomes future local government arrangements would need to support, including implementation of planning reform, infrastructure investment, transport, environmental management, financial sustainability and effective local representation. Consideration was also given to communities of interest, mana whenua relationships, and the way people live, work and travel across the region. These factors informed assessment of the scale at which governance and service delivery functions are most effectively exercised.

115. Options for a reorganisation of governance structures in the region are necessarily complex and consist of a number of interlinked elements. All the options considered were developed using a Unitary Authority model consistent with the Government's expectations in the Head Start pathway. It is clear that configurations that do not involve a Unitary Authority model will not be accepted by Government and are therefore not feasible or realistic options.

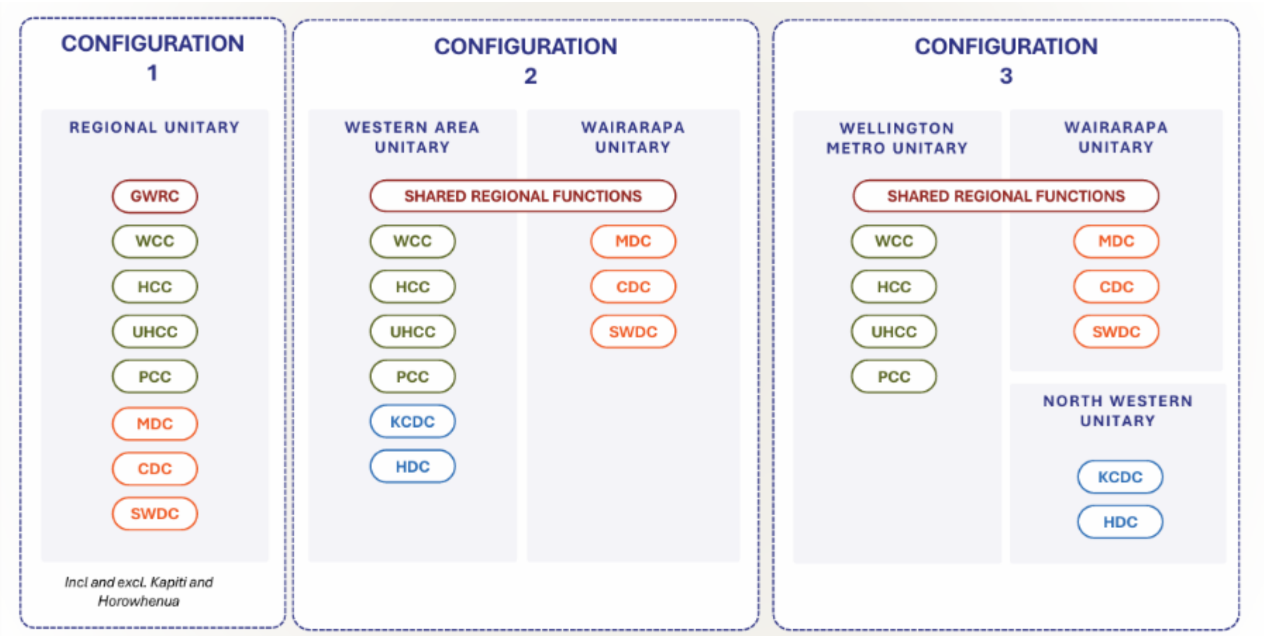
116. The base building block is the configuration of current local authority areas – essentially which local government areas are grouped together. Three core configurations were assessed (see diagram 2):

a. **Configuration 1** – a regional unitary authority covering all of the current region (including a small part of Tararua District falling within the catchment boundary). There are two potential sub-variations on Configuration 1 – the first is the inclusion of the Horowhenua and the second is the exclusion of the Kāpiti Coast;

b. **Configuration 2** – two unitary authorities, comprising a Western area and the Wairarapa;

c. **Configuration 3** – three unitary authorities, comprising a Wellington Metro area, Wairarapa and a North-Western area (comprising the Kāpiti Coast and Horowhenua).

Diagram 2: Configurations of local authority areas



117. Options were then developed by considering four key attributes. These options could be applied to any of the above Configurations. The key attributes are:

a. Representation – the make-up of the governing bodies including mayors, chairs, councillors and the ratio of elected members to population

b. Decision-making – where powers to make decisions sit and delegations, including the partnership with mana whenua

c. Funding – the ability to collect rates and the allocation of funding

d. Functions – who has responsibility for setting service levels and delivering services.

118. Combining these attributes in different ways can lead to a multitude of options. Instead, a spectrum of options was developed, each providing a different balance between centralised control/influence and local control/influence.

a. Consolidated Unitary Council

b. Centralised Unitary Council

c. Devolved Unitary Council

d. Integrated Unitary Council

119. Each of these options could be applied to the three Configurations outlined above.

120. These options were assessed against Government's Head Start Assessment Criteria, as shown in *Table 2 Options Assessment against Head Start criteria* (see next page).

121. The Proposal recommends a single unitary authority for the region (based on Configuration 1). It puts forward an outline of a model that provides for devolved functions, funding and powers to a local community council level as well as centralised functions at a regional level where this is appropriate. This is the option that best meets the Government's Head Start criteria and has the best chance of success through the Head Start pathway.

122. Of the other possible configurations, the financial assessment has shown that a North-Western Unitary (Kāpiti and Horowhenua) is financially viable; however, it would not support the new planning system as effectively, would likely require some current regional functions to be split or delivered through shared services, and is unlikely to deliver significant economies of scale.

123. A Wairarapa Unitary may be financially viable but would likely have to significantly reduce service levels or increase rates to cover the lack of intra-regional subsidy. It would also be vulnerable to shocks and lack financial resilience to respond to emerging cost pressures. This configuration would require some current regional functions to be split or delivered through shared services and is unlikely to deliver significant economies of scale.

124. A Western Area Unitary would be financially viable and financially resilient and could achieve economies of scale but could result in some current regional functions being split or delivered through shared services. To support the new planning system would require joint processes with other unitary councils within the region, unless regional boundaries were redrawn.

Table 2: Options Assessment against Head Start criteria

DESIGN OBJECTIVES	1. CONSOLIDATED UNITARY AUTHORITY	2. CENTRALISED UNITARY AUTHORITY	3. INTEGRATED UNITARY AUTHORITY	4. DEVOLVED UNITARY AUTHORITY	5. STATUS QUO
Regional where it adds value, local where it matters most	**** High degree of benefits from regional approach (including for planning), although very little recognition of local place-based needs and delivery	**** High degree of benefits from regional approach, with some place-based delivery through delegation	*** Increased benefits from regional approach, with some place-based delivery through Community Councils, though a more complex method.	** Modest benefits from regional approach, with a stronger localised delivery but through a more complex method.	** Other than regional council functions, other regional functions are collaborative and have high transaction costs.
Local voice and democratic legitimacy	* Limited support for local voice through a single Community Council, though most decision-making is centralised and local accountability is less visible. Maintenance of Māori wards.	** Community Councils maintain local connection but with limited delegation. Most similar to the Auckland model. Maintenance of Māori wards.	*** Community Councils maintain local connection within a more structured system, with additional governance layer. Representative model may give rise to rural/urban concerns. Maintenance of Māori wards.	**** Community Councils maintain local connection with meaningful devolved decision-making authority. Maintenance of Māori wards.	**** Current Councils maintain high degrees of connection with good levels of civic participation. Maintenance of Māori wards.
Affordable and financially sustainable over time	**** Opportunity for scale benefits.	**** Opportunity for scale benefits and efficiency savings.	*** Opportunity for scale benefits, though may depend on whether it is simple or complex and how many Community Councils eventuate as this may reduce potential efficiencies.	** Limited on scale benefits arising from complex system reducing potential efficiencies.	* Limited scale economies, financial sustainability challenged across the Councils.
Capability to deliver including people, systems, and knowledge	**** Significantly strengthens capacity, capability and systems through a central organisation – harnessing economies of scale in specialist functions.	*** Enables some strengthening of capacity, capability and systems to occur, however capability would be more dispersed through Community Councils.	** Potentially fragmented system. Wide range of capability and capacity, with smaller councils more challenged than larger councils.	** Potentially fragmented system. Wide range of capability and capacity, with smaller councils more challenged than larger councils.	** Wide range of capability and capacity. Smaller councils more challenged than larger councils.
Active partnership with mana whenua	**Enabled under all options. This will be addressed in Treaty advice and mana whenua interests received later in the process**				
SUMMARY ASSESSMENT AGAINST GOVERNMENT OBJECTIVES	Most aligned with Government's preference for a single efficient unitary Council. Cost is weakened connection to community and dominance of urban/population-based influence.	Strongly aligned to the Government's preference for a unitary model for all Councils in a region. Enables clear focus on planning system requirements while maintaining local service delivery.	Good degree of alignment, but closer to the status quo in terms of efficiency and scale benefits.	Structurally aligned but with a higher degree of complexity depending on the design of the representative model. Need to ensure good accountability and ability to fairly share benefits of scale.	Current approach, needs to be assessed against the backstop option that may emerge.

OPTION LANDING ZONE

Asks of Central Government

125. The deliverability of the Head Start Proposal within the Government's timeline for implementation from the 2028 local body elections is challenging and secondary legislation and regulations will be required to enable this timeframe to be met. This could include:

    a. The establishment of local representation models that are included in the proposal including ward boundaries, powers and responsibilities of elected members, and remuneration;

    b. The appointment of an establishment committee and transition board to establish the new operating model;

    c. Establishing mana whenua and Māori representation arrangements and resolving obligations arising from Treaty settlements, joint management agreements, Mana Whakahono ā Rohe and statutory acknowledgements.

126. The proposal is being considered in a period of significant reform and there are opportunities to streamline and simplify administrative processes to ensure successful delivery of the new governance model. This might include:

    a. Reduced compliance requirements for completion of the 2027 Long Term Plans, potentially including reducing Audit requirements for councils accepted into the Head Start process – this could result in a significant cost saving.

    b. An amended pathway to implementation of rates capping for Head Start councils, delaying the start of any rates capping and appropriate implementation glidepaths to reflect the establishment phase of new entities. This would recognise the significant transition costs for establishing the new entities and the long-term process to harmonise service levels.

    c. Establishing new election processes to support the local government elections, including public education for the new model.

    d. Pausing representation reviews until final reorganisation proposals are agreed. Any new structure will result in new representation processes and make any current reviews that would normally be undertaken before the 2028 elections redundant.

    e. A more integrated model for planning and funding transport infrastructure and services. This could provide an opportunity for greater Crown and local alignment, including joint governance models.

127. With potential reorganisation, a new regional entity or entities could also open the opportunity for the region to enter negotiations with Government on a Regional Deal. This could focus on significant opportunities identified in the Regional Spatial Plan required under the Planning Act, including delivery of housing, major infrastructure projects, and economic development opportunities, with support from the Crown for their delivery. It could also replicate the central/local governance structure developed for the Auckland City Deal and explore additional funding and financing tools.

Ngā kōwhiringa | Options

128. The Local Government Act requires decision-makers to identify and assess all reasonably practicable options to achieve the objective of a decision. The options presented for decision-making in this report are limited based on the constraints of the Head Start process and criteria set by the Government policy announcement and guidance received.

129. Because Government has already announced its intention to restructure and likely amalgamate local authorities, the decision before Council is whether to voluntarily take part in that process by submitting a proposal into the Head Start pathway or wait for the Backstop process, where Council

may have less say over what local government reorganisation looks like for its city/district and the people who live in it. There are therefore three options:

a. Council could agree to submit a proposal into the Head Start process and approve the proposed Head Start Proposal developed by the Mayoral Forum for that purpose.

b. Council could agree to submit a proposal into the Head Start process but agree additions or amendments to the proposed Head Start Proposal developed by the Mayoral Forum and approve the amended Proposal. This would require the Mayoral Forum to consider the decisions made by each council in the region and to agree what is to be submitted.

c. Council could decide not to submit a proposal into the Head Start process.

Option 1: Agree to submit the proposed Head Start proposal developed by the Mayoral Forum

130. A key consideration of whether to submit a Head Start Proposal is whether this Council wants to be able to significantly influence the shape of any proposed new governance structure. A regionally agreed Head Start Proposal could be compelling for Government and would then enable the development of bespoke legislation for this region.

131. Council's previous decisions on 18 February 2026 (see paragraph 161) supported the option of taking an active role in reorganisation of local government in the Wellington region by participation in the regional working group.

132. A clear majority of 82.4% of engagement survey respondents supported Council participating in the Head Start process rather than waiting for the Government's yet-to-be-developed Backstop process.

133. For Upper Hutt City Council as the smallest metro council in the region, participating in the Head Start process and proposal submitted is the best opportunity to help shape what the future local governance arrangements will look like to this community.

134. Due to the Head Start eligibility criteria (requiring a majority of the population or the affected territorial authorities), Council does not have the ability to submit an alternative proposal of its own.

135. Submitting a proposal into the Head Start process would enable this region to have a significant influence on the shape of reorganisation, through working alongside Government and ensuring that it responds adequately to our unique context and enables co-design with iwi.

Option 2: Agree to submit an amended Head Start proposal

136. Council could choose to make amendments to the Head Start Proposal developed by the Mayoral Forum and agree to submit an amended Head Start Proposal or express a preference for more than one option. If Council chooses to do this, then the Head Start Proposal agreed to by this Council could differ from Head Start proposals agreed to by other councils.

137. If Council chooses to make substantive amendments to the Head Start Proposal, officers recommend that Council also delegates authority to the Mayor to negotiate and agree with other councils the final form of the Head Start Proposal at the Mayoral Forum on 7 August for submission by the 9 August deadline.

Option 3: Do not submit a proposal into the Head Start process

138. It is a possibility that some Councils support the submission of the Head Start Proposal and some may not. The Government's Head Start guidance provides for this situation and allows the submission of a proposal that has support from a majority of the population or a majority of affected local authorities.

In this situation it will be for those Councils agreeing to Pathway A to determine whether to submit a proposal and the scope of it.

139. Not submitting a proposal would essentially mean that Government will determine the future governance structure through the Backstop process. This would remove the ability for this region to influence the future shape of governance, whilst other regions move ahead.

140. The significant risk of this approach is that a future reorganisation might not enable a solution that responds to our unique context and in particular that the ability to reflect local representation and local voice might be lost. It could also remove the ability for co-design with iwi to enable the structure to achieve a Te Tiriti partnership approach.

141. If Council decides to not submit a Head Start proposal, there are two main risks:

  a. under the Government's Head Start policy there is ability for the other councils in the region who agree to submit a proposal and hold a majority of the population or a majority of affected local authorities to include Upper Hutt in their proposal regardless of this Council's choice not to participate, and

  b. the current default would be that Council would be subject to the Government's Backstop process, of which no details or further information are currently available as this is still in development – meaning the implications of it and what a reorganisation under Backstop may entail are unknown.

Ngā whai whakaarotanga | Governance considerations

142. The decision before Council is whether or not to make a submission to the Government's Head Start process on what local government reorganisation could look like for the Wellington Region.

143. The Government has clearly indicated its intention for structural change and likely amalgamation of councils through *its Simplifying Local Government* reform. If the councils in the Wellington Region agree to put forward a proposal, the Government will decide whether or not to accept that proposal for further detailed design. If a proposal is not submitted or accepted for further detailed design, the Government will determine the future shape of the local government in the Wellington Region through its Backstop process.

144. In making a decision on whether or not to submit a proposal into the Head Start process, Council is also required to consider the views and preferences of affected or interested people. Council is not required by law to undertake any particular form of consultation in respect of submitting a Head Start proposal and it would not be feasible to carry out formal public consultation in the time provided by Government to do so.

145. Within the constraints of the Government's Head Start process and timeframe, Councils across the region have carried out a variety of engagement processes to obtain and understand the views and preferences of people within communities. If Council decides to submit a Head Start proposal and it is accepted into the detailed design stage, the Government has signalled there will be an opportunity to carry out public consultation during that next stage.

146. Each Council in the region (plus Horowhenua District Council) is making its own decision on the Head Start Proposal. If all councils support the submission of the Proposal, this will be submitted to Government by the 9 August deadline and the views of all Councils will be summarised in the appendices to the Proposal.

147. It is however possible that some Councils may decide to support its submission to Government and some may not. Some Councils may choose to approve an alternative option, such as a smaller unitary authority model. The Mayoral Forum is scheduled to meet on 7 August 2026 – after individual council

decision-making is complete - to determine the way forward. There are essentially three alternative courses of action:

a. Firstly, if a majority of Councils in the region (or Councils representing a majority of the population in the region) support the Wellington Region Head Start Proposal, then it could continue to be submitted to Government. The views of those Councils that do not support it could be summarised in the proposal by way of position statements. 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 non-participating councils.

b. Secondly, the Wellington Regional Head Start Proposal is not submitted to Government. This would in effect mean that the region is not participating in Head Start and Government's Backstop process would apply to this region by default.

c. Thirdly, if there is not a majority of supporting councils or population, or if councils are not willing to include non-supporting councils in the Head Start process, a grouping of councils could submit an amended sub-regional proposal. Given the tight timeframes, this would require the participating councils to have a suitable mandate and to reuse much of the material already prepared for the Head Start Proposal.

148. Under the Head Start process, Cabinet will determine which proposals move forward to a detailed design phase before the 2026 General Election, and for those that proceed a detailed design phase will conclude in March 2027. Changes would be enabled through legislation and implemented before the 2028 local elections. For those territorial authorities that do not submit, a Backstop process will be enabled from 2028 that provides for a Government directed process of reorganisation. Regional Councillors continue until the end of the triennium in 2028 and would then be replaced by a transitional governance structure.

149. At this stage no further details of the Backstop process are available as this is still in development by the Government.

150. It is proposed that if a Head Start Proposal is submitted, Councils in the region continue to develop a 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.

151. Depending on which Councils support Pathway A (to submit the Head Start proposal presented at **Attachment 1**), consideration may need to be given to whether there is merit in requesting a revision of regional boundaries by Central Government to reflect this. This could consider two options:

a. resolving the future of a small part of Tararua District that currently sits within the catchment area; or

b. redrawing the regional boundary to a smaller area to reflect those Councils pursuing a collaborative governance structure.

152. The final proposal will be circulated to elected members and Pou Māori/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.

Implications for Māori

153. One of the principles guiding this joint work is to ensure mana whenua representation is consistent with Treaty settlements and obligations under the Treaty of Waitangi.

154. The Local Government Act 2002 requires Council to provide opportunities for Māori to contribute to decision-making processes, to consider ways of fostering the development of Māori capacity to contribute, and to have regard to the views of Māori when identifying options and making decisions of this significance. Given the significance of the decision before Council, these obligations apply to the decision to submit a Head Start Proposal, not only to the detailed design phase that follows.

155. Providing for an enduring mana whenua partnership, including participation in decision-making is an agreed core principle for this region. A series of Kahui with iwi from across this region have been held to better understand how an effective partnership could be designed and iwi representatives have been a part of the regional Working Group, Chief Executives' Forum and Mayoral Forum processes.

156. In the short timeframe available to develop this Head Start Proposal it has not been possible to fully develop a partnership model. This will need to be co-designed at the detailed design phase. This will include how mana whenua are provided for at the Community Council level, including the Wairarapa Moana Statutory Board and how existing co-governance and joint management arrangements are carried into that layer.

157. There is also a requirement to resolve Treaty settlement obligations held by the councils proposed to be disestablished.

158. Iwi intend to provide a letter outlining their views on the region's Head Start Proposal. This can be attached to the Proposal that is submitted.

Upper Hutt specific information

159. Based on the parameters of the Head Start process and Council direction, beyond the joint regional work programme, there has been no specific separate work or planning undertaken for alternative Upper Hutt-specific models or options.

160. Due to the policy settings and parameters of the Head Start process, Upper Hutt City Council cannot submit a proposal of its own and the options for consideration within the policy criteria are very limited.

161. Following Council workshop discussion a request was made to the Mayor to raise consideration of a Hutt Valley unitary authority with Hutt City Council. This was discussed with the Hutt City Mayor and a response received declining this as a viable option for further exploration.

Infometrics report

162. Council commissioned an additional Upper Hutt specific report from Informetrics, titled '*Head Start or Backstop: Upper Hutt's long-term financial sustainability and resilience*' (**Attachment 4**) to give elected members additional information to consider.

163. This report does not present an alternative option or model to the regional Head Start proposal presented in this report.

164. The report considers Upper Hutt's relative position in the Wellington region with a focus on:

    a. Upper Hutt's relative population, GDP, employment, and local government spending share in the Wellington region.

b. Upper Hutt's operating and capital expenditure compared with other councils in the region, excluding water services.

c. The possible implications for Upper Hutt if regional council functions were transferred to local authorities.

d. The strategic risks to Upper Hutt's negotiating position, financial resilience, and service delivery if it remained standalone while neighbouring councils consolidated.

Ngā whakataunga o mua | Previous relevant Council or Committee decisions

165. On 18 February 2026 Upper Hutt City Council considered and made decisions on several matters relating to the Simplifying Local Government reform and regional collaboration in response to it – noting this was prior to the 5 May Government announcement of the Head Start policy:

a. Approved the Wellington Regional Triennial Agreement.

b. Approved a Draft submission on the November 2025 *Simplifying Local Government* proposal.

c. Approved participation in a regional joint working group on future governance arrangements and options, consistent with Wellington Regional Mayoral forum discussion and agreement..

Te tautuhi o ngā whakataunga hārakiraki | Identification of inconsistent decisions

166. There are no inconsistent decisions that have been identified.

Te tino aromatawai | Significance and engagement assessment

Significance

167. The decision is considered high significance in accordance with the Council's Significance and Engagement Policy. While a decision on whether or not to proceed with structural change to Council or to amalgamate with other councils is an important decision, that is not the decision sought by this paper.

168. Government has indicated its intent to reform territorial, and regional authorities and Council can choose to make a submission through the Head Start process or await the Government's consideration of what that looks like through the Backstop process. The decision in this paper is therefore only whether to submit an outline proposal to a policy process being undertaken by the Government, including its signalled intent for enabling legislative change.

Engagement

169. Community engagement has been undertaken at both a regional and local level. A joint communication and engagement plan was developed to guide this phase of the Head Start process, should Council agree to submit a proposal. This seeks to provide clear, simple explanations of the process, the options and what it could mean for communities through consistent messaging.

UPPER HUTT ENGAGEMENT SURVEY

170. Between 2 and 17 June 2026, Council sought community feedback on the future shape of local government in the Wellington region to help inform its consideration of, and work on, the Head Start process. The results were reported back to Council at a briefing on 22 June. The results are available at **Attachment 2**.

171. Overall, community sentiment was cautious but engaged. Residents demonstrated a strong interest in the future of local government and a desire for more information before any decisions are made. While views differed on the merits of reform, there was broad agreement that affordability, local representation, community identity, and transparent decision-making should remain central considerations in any future discussions.

172. From the 455 survey responses received:

a. 82.4% support taking the Head Start pathway over waiting for the Backstop - this is support for being in the room, not necessarily for amalgamation itself.

b. On potential amalgamation specifically:

i. 9.3% support combining councils regardless of outcome

ii. 49.8% are open to change only if outcomes clearly improve

iii. 33.5% do not support combining councils under any circumstances

iv. 12.1% are unsure or need more information

v. 49.2% want Council to participate cautiously; 44.3% want Council to actively shape proposals; 7.8% want Council to stay out.

Note: Questions 2 and 3 allowed respondents to select more than one option. The percentages for those questions therefore reflect selected preferences and do not total 100%.

173. The following themes have been drawn from the free-text survey responses and Facebook Live questions. AI tools were used to assist with initial summarisation, with officer review and judgement applied to the final themes.

a. **Rates and Affordability** - The strongest concern raised by residents was the potential impact of reform on rates and costs. Many respondents questioned whether reform would deliver genuine savings and expressed concern about Upper Hutt ratepayers subsidising infrastructure or debt elsewhere in the region.

b. **Local Representation and Decision-Making** - Residents consistently emphasised the importance of retaining a strong local voice. There was concern that larger governance structures could reduce Upper Hutt's influence over local decisions.

c. **Community Identity** - Many respondents highlighted Upper Hutt's distinct identity and character. Protecting local identity was viewed as an important consideration in any future governance arrangements.

d. **Need for More Information** - Residents frequently stated that more information is needed before they could form a definitive position on reform. Requests included financial modelling, governance details, and clearer explanations of potential options.

e. **Community Involvement** - There was a strong expectation that residents should continue to be involved in future discussions and that community feedback should play a meaningful role in informing Council's position.

f. **Range of Options Considered** - A repeated theme was the desire to see a wider range of options considered before any preferred direction is identified. Residents asked for alternatives to be visibly explored, including remaining independent with enhanced shared services, a Hutt-only model, closer alignment with Kāpiti or the Wairarapa, and a unitary authority option.

JOINT REGIONAL REFERENCE PANEL ENGAGEMENT

174. At the regional level a community reference panel has been utilised to test views of key issues and opportunities. This comprises a panel of around 100 people from across all parts of the region. Response results from the panel have been provided to participating Councils.

175. Questions have been asked in three phases, focussing on: regional principles; what council functions should be delivered regionally or locally; and where decisions should be 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 and local voice are protected.

NEXT STEPS

176. It is noted that the submission of a Head Start Proposal is just the first step in a potential process. If Government were to decide to accept this proposal and work further with the Wellington region, detailed design work would continue until mid 2027 and further implementation processes would follow that.

177. The Government signalled in the Head Start policy announcement that there is an opportunity for public consultation to be carried out as part of the detailed design phase.

178. A poll of electors could also be undertaken at a later date, subject to this being provided for in legislation, to establish community support for any detailed proposal. A poll would have a relatively high financial cost (estimated at around $1.5m for a poll of the whole region) and would require at least three months to deliver.

Rautaki whakauka | Sustainability

179. There are no implications for Council's Sustainability Strategy from the decisions sought at this time.

Mahere pūtea | Financial and resourcing

180. There are no direct financial implications associated with a decision to submit a Head Start proposal. Indicative financial modelling has been undertaken by MartinJenkins on behalf of the councils collaborating on the regional working group (outlined above and in **Attachment 3**). Upper Hutt City Council has not been able to independently test or validate the financial modelling or the underlying assumptions applied by MartinJenkins, as we do not have access to the model.

181. Financial implications will be re-assessed as part of the detailed design phase to follow.

182. Involvement in the regional Reform Working Group process to date has been funded jointly through contributions from participating Councils.

183. If the proposal is approved by Government, the detailed design phase will require additional funding and staff time commitments during 2026/27. This will need to include funding for iwi participation.

184. Council does not currently have any further specific funding budgeted for work on the reform in the 2026/27 Annual Plan.

Ture | Legal

185. The Head Start policy and process sit outside the current pathways in the Local Government Act 2002 for local government reorganisation. It is expected that should outline proposals be accepted, Government will develop specific legislation following the detailed design phase to implement its policy decisions.

186. Cabinet has stated that Head Start proposals do not require full consultation or a poll, and that there will be further opportunity for community consultation during the detailed design phase.

187. Under the Local Government Act 2002 decision-making provisions, Council is required to identify and assess all the reasonably practicable options as part of its decision-making process on whether to submit a proposal into the Head Start process. This includes consideration of the options available for the future high-level shape of the governance structure of the Wellington Region, which are set out above.

188. The options for consideration and inclusion in a Head Start Proposal are limited by the Government's policy process and criteria, including its intentions to disestablish regional councils and expectations that Head Start proposals should include unitary authorities and multiple councils.

Tūraru | Risk

189. The decisions sought in this report regarding the Head Start proposal presented are intended to mitigate the risks of Council not being part of shaping and influencing a future governance reorganisation including potential amalgamation of councils in the region.

190. If Council decides to not submit a Head Start proposal, there are two main risks:

a. under the Government's Head Start policy there is ability for the other councils in the region who agree to submit a proposal and hold a majority of the population or a majority of affected local authorities to include Upper Hutt in their proposal regardless of this Council's choice not to participate, and

b. the current default would be that Council would be subject to the Government's Backstop process, of which no details or further information are currently available as this is still in development – meaning the implications of it and what a reorganisation under Backstop may entail are unknown.

191. If Council were to proceed to submit the attached regional proposal, there is significant further work required in the detailed design phase including with the Government's direction and input. This means the final form and resulting implications of a regional reorganisation resulting from this process may vary materially from what has been presented in the attached proposal.

Ngā āpitihanga | Included attachments

Date of report: 30 July 2026

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Acting Chief Executive | Te Tumu Whakarae Whakakapi

Wellington Wairarapa Head Start Proposal

Draft Report

24 July 2026

Commercial in Confidence

Table of contents

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.

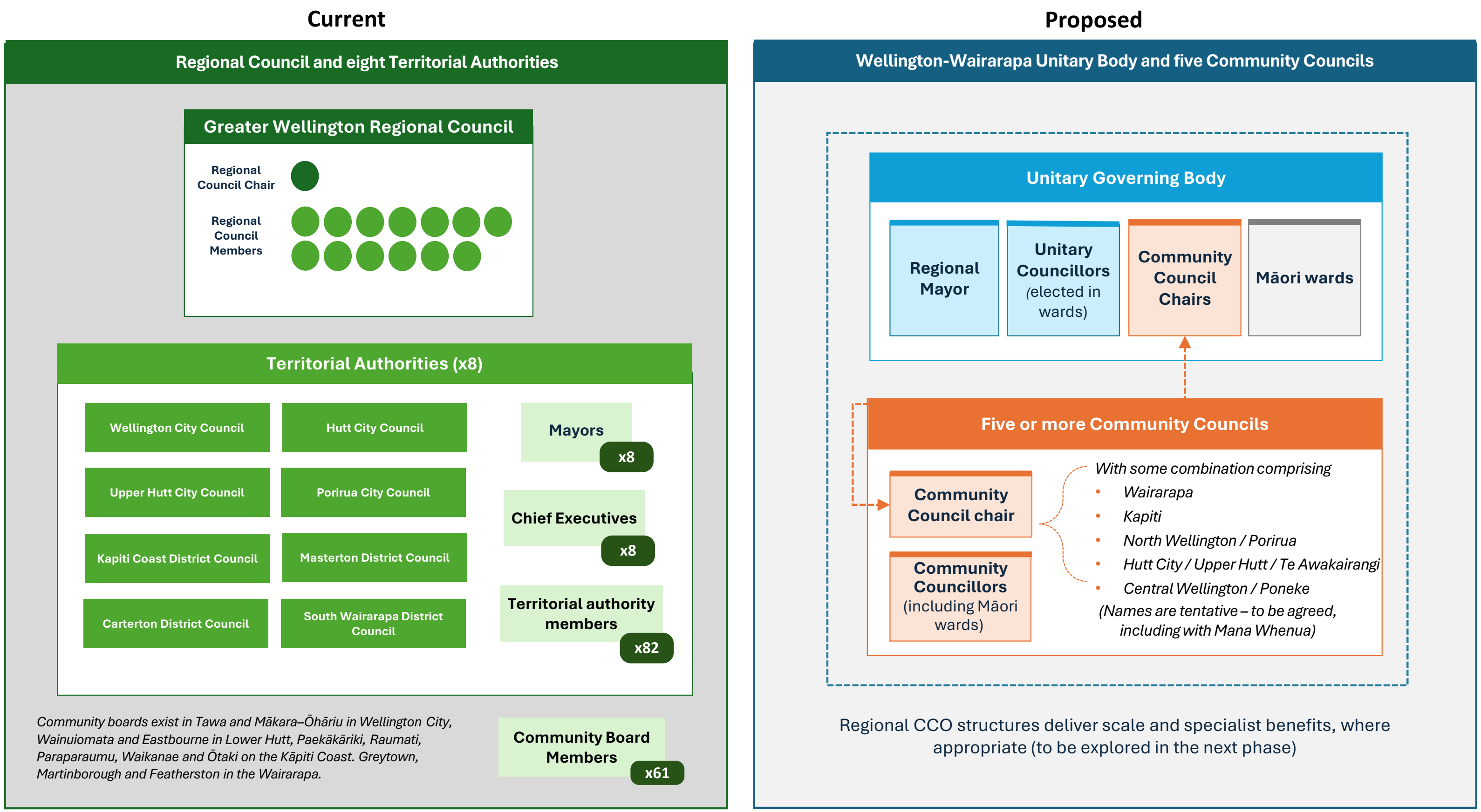
The proposal also embeds a positive and constructive relationship with mana whenua and protects Treaty settlement commitments. Independent financial analysis indicates that amalgamation can improve long-term financial sustainability while significantly increasing resilience to future shocks.

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



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

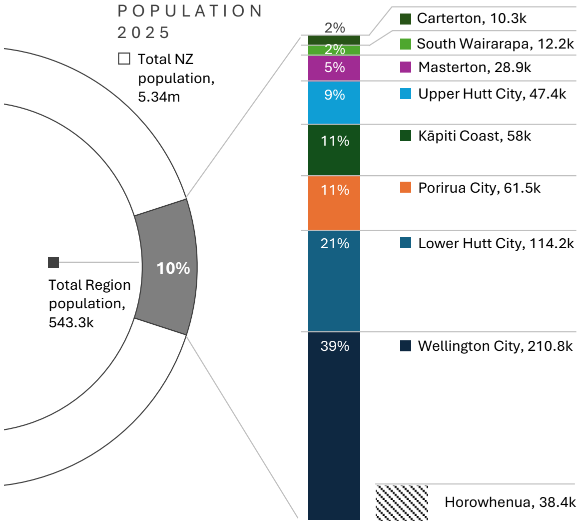
This proposal builds on work commissioned by the Wellington Region Mayoral Forum from December 2025, including the 8 May 2026 Case for Change workshop, subsequent Mayoral Forum decisions, and parallel iwi and Post-Settlement Governance Entity engagement through a dedicated workstream. Community engagement, 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 the those Councils.

The demographic, economic and land-use patterns that define the region

POPULATION 2025



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

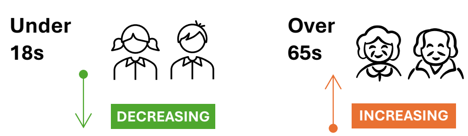
Table 2. Land use patterns and characteristics

Wellington City **Urban Core**	Concentrated residential, commercial, and industrial land use. Limited space for primary production.
Lower Hutt City **Urban Valley**	Mix of residential, commercial, and industrial land use. Urban intensification is a planning focus.
Porirua City **Mixed urban/suburban**	Residential, some rural land, multicultural communities, family-oriented suburbs.
Kāpiti Coast **Productive soils**	Rural, horticultural, lifestyle blocks, coastal settlements, recreational land use.
Upper Hutt City **Urban Valley**	Residential and suburban development, some rural land.
Masterton **Highly productive rural**	Primary production (agriculture, horticulture, forestry), rural and lifestyle blocks.
South Wairarapa **Rural**	Primary production, lifestyle blocks, smaller scale settlements.
Carterton **Rural**	Primary production, lifestyle blocks, smaller scale settlements.
Horowhenua **Rural**	Primary production, industrial development, and residential growth along key transport corridors.

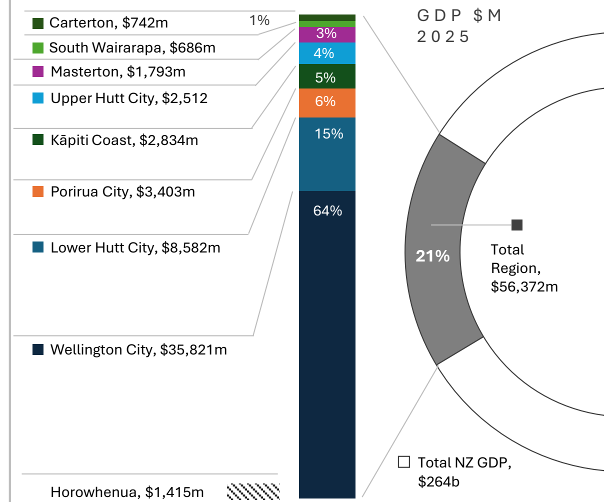
DEMOGRAPHICS

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



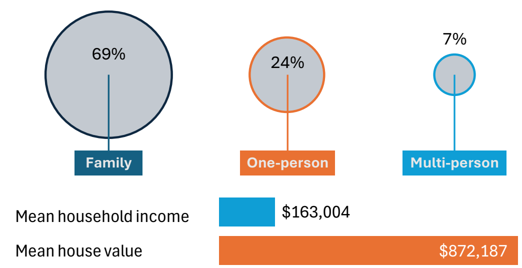
ECONOMIC PERFORMANCE



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



Population, demographic and economic data has been sourced from Statistics New Zealand and Infometrics.

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. he 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 needs 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

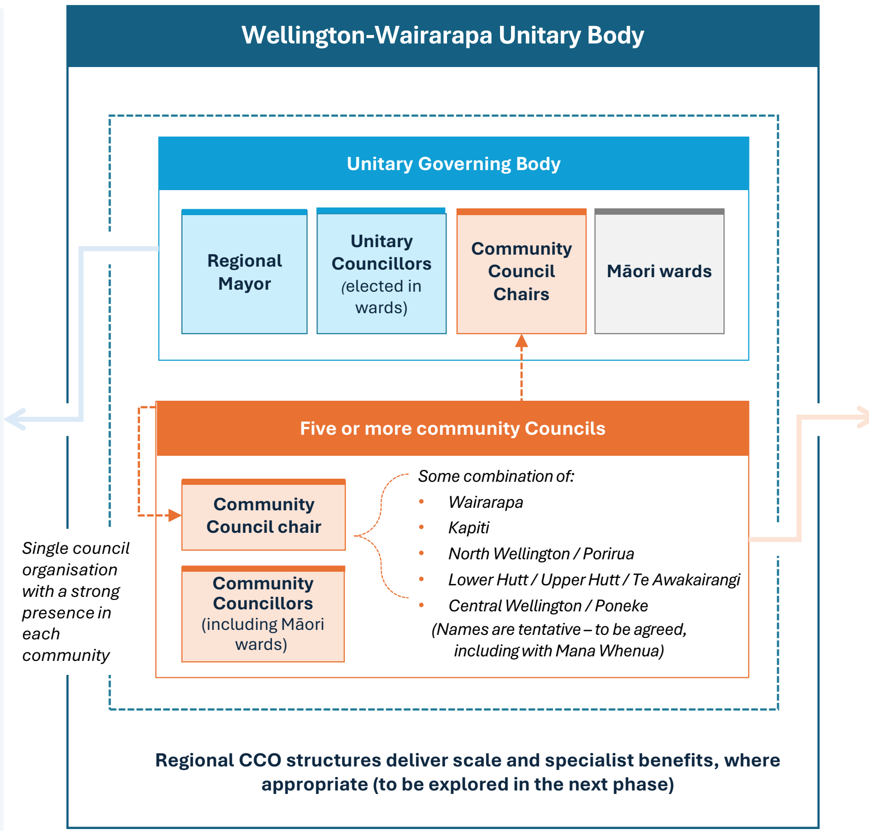
Our preferred model is a unitary body with empowered local governance

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 a 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

See Technical Appendix 1 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.

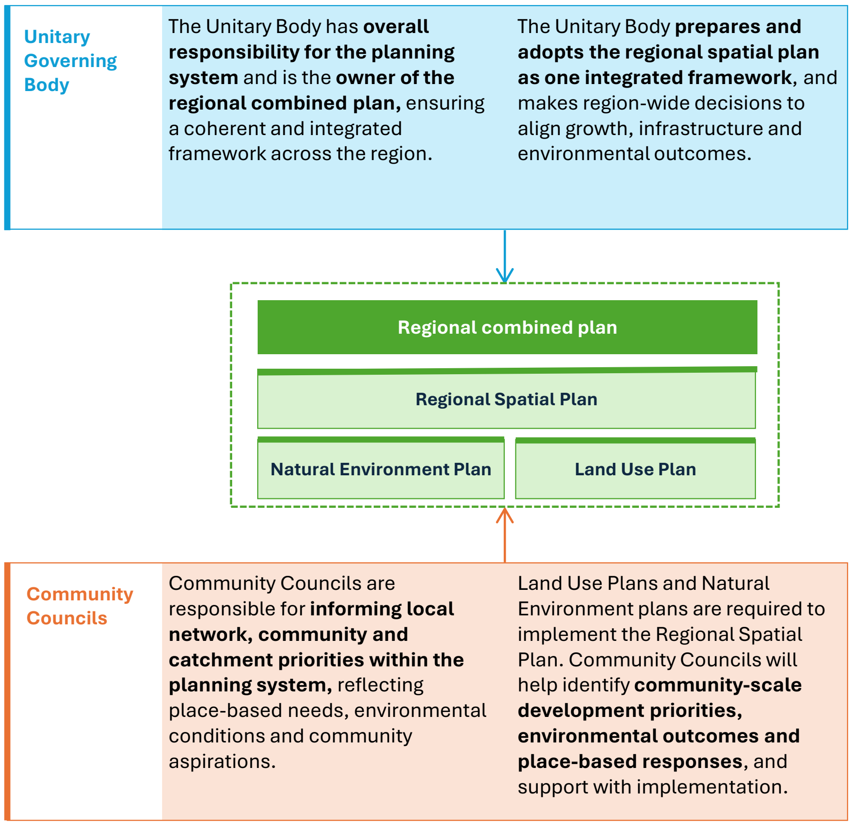
Key outcomes of our analysis:

- 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.

Highly centralised models were not progressed. While they provide stronger regional leadership, more integrated planning and investment, and greater efficiency, they reduce local voice, responsiveness and community influence.

LANDING ZONE

A "landing zone" emerged that combines strong regional leadership and accountability with meaningful local governance. The main difference between models is the degree of devolution, ranging from stronger regional consistency and coordination to greater local autonomy and influence over services and priorities, reflecting different balances between regional alignment and local responsiveness.

The status quo was discounted because it would continue fragmented governance and decision-making, limit regional coordination, create duplication and complexity across councils, and leave existing financial and capability pressures unresolved.

1 CONSOLIDATED UNITARY AUTHORITY

Unitary Authority with a Community Council in the Wairarapa (with decision-making rights that recognise rural interests).

2 CENTRALISED UNITARY AUTHORITY

Unitary Authority with a number of Community Councils that have limited decision-making rights delegated.

Nb. This is most like the Auckland model

3 INTEGRATED UNITARY AUTHORITY

Unitary Authority with Community Councils with a directly elected Mayor/Chair who also sits on Unitary.

4 DEVOLVED UNITARY AUTHORITY

Unitary Authority with a number of Community Councils with highly devolved budgetary and decision-making rights.

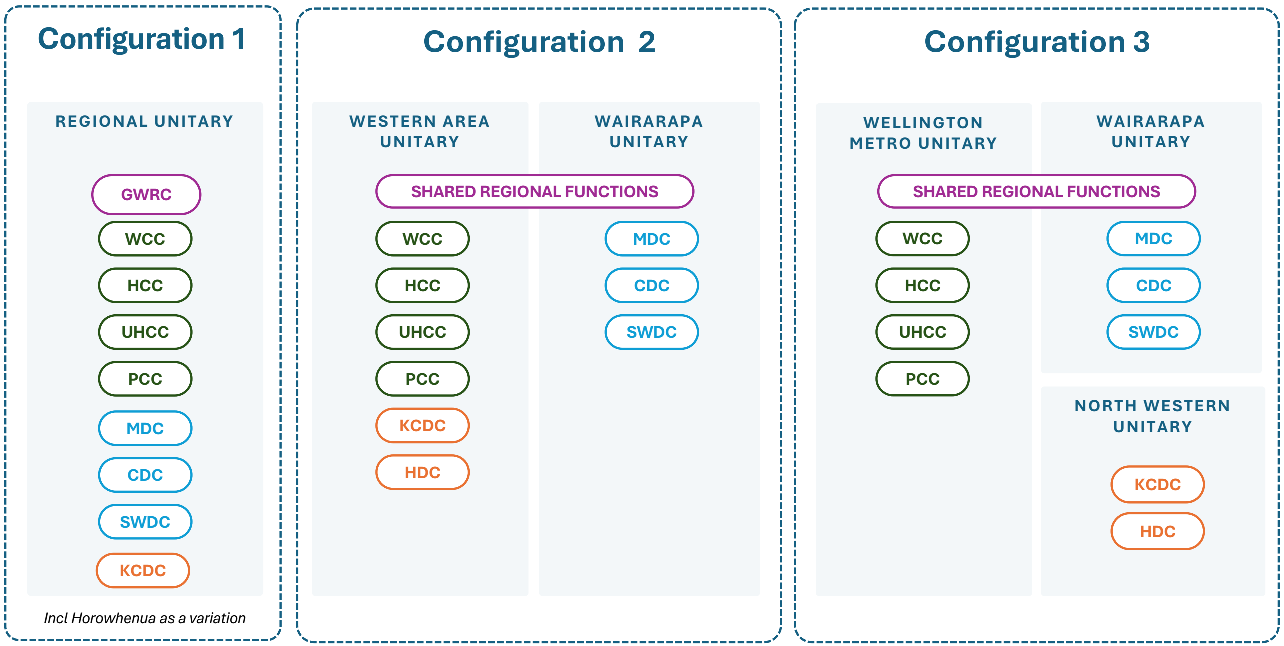
S STATUS QUO

Eight territorial authorities (excl. Horowhenua), and one Regional Council.

Central influence — SR — 1 — 2 — 3 — 4 — STA — ***Local influence***

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

Assessment

See Technical Appendix 1 and 2 for more detail

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.

See Technical Appendix 2 for more detail

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 Upoko Taiao, the Wairarapa Moana Statutory Board, and the Whitireia Park Board.

The way forward

See Technical Appendix 1 for more detail

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.

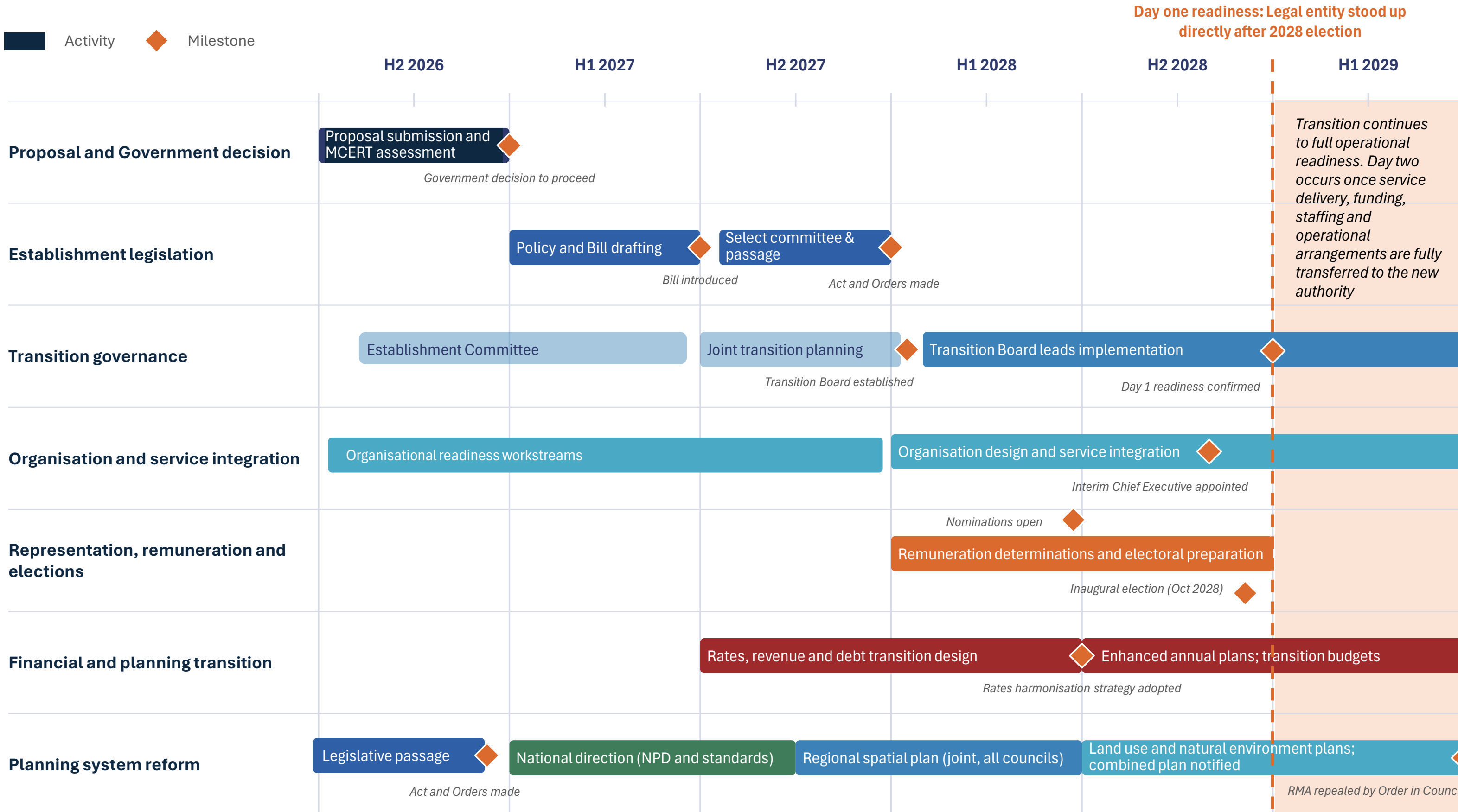
Building Community Confidence

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



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

Wellington-Wairarapa Unitary

Unitary Governing Body

- **Regional Mayor**
- **Unitary Councillors** (elected in wards)
- **Community Council Chairs**
- **Māori wards**

Five or more Community Councils

- **Community Council chair**
- **Community Councillors** (including Māori wards)

Regional CCO structures deliver scale and specialist benefits

The Unitary Body has **overall responsibility for the planning system** and is the **owner of the Regional combined plan,** ensuring a coherent and integrated framework across the region.

The Unitary Body **prepares and adopts the regional spatial plan as one integrated framework**, and makes region-wide decisions to align growth, infrastructure and environmental outcomes.

Regional combined plan

Regional Spatial Plan

Natural Environment Plan

Land Use Plan

Community Councils are responsible for **informing local network, community and catchment priorities within the planning system,** reflecting place-based needs, environmental conditions and community aspirations.

Land Use Plans and Natural Environment plans are required to implement the Regional Spatial Plan. Community Councils will help identify **community-scale development priorities, environmental outcomes and place-based responses**, and support with implementation.

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 Centreport 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	2	3	4	5
Maintain service continuity and reliability for communities	**Clear accountabilities and decision-making authority**	**Provide flexibility to adapt over time**	**Uphold partnership with mana whenua**	**Build on existing strengths and capability**
Maintain reliable services through the transition by preserving relationships, knowledge and capability.	Decision-makers should have sufficient authority to deliver a successful transition.	Enable decision-makers to respond to changing circumstances and lessons learned during implementation.	Ensure continuity of Treaty obligations and partnership arrangements	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 ggovernance 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.

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.

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Council Briefing Memo

22 June 2026

Subject:	Simplifying Local Government Reform Head Start Engagement
To:	Her Worship the Mayor and Councillors
Writer:	Liezel Jahnke, Chief Advisor
Approver:	Kate Thomson, Acting Chief Executive
Date of Memo:	19 June 2026

Introduction

1. This briefing presents a high-level summary of community feedback received through Council's community engagement on the Simplifying Local Government Reform Head Start process.

Background

2. The below information sets out key steps that have occurred in this reform to date, with links to reference information where appropriate.

   A. **November 2025** - The Government announced consultation on its proposal to simplify local government .

   B. **February 2026** – At its meeting of 18 February Council considered several reports related to next steps in response to the reform:

      i. Wellington Regional Triennial Agreement: An approach was agreed to collaborate across the region and reflect this work in the Wellington Regional Triennial Agreement which all councils approved by March 2026.

      ii. UHCC's Draft submission on Simplifying Local Government reform.

      iii. A decision to participate in a regional, joint working group on future governance arrangements and options.

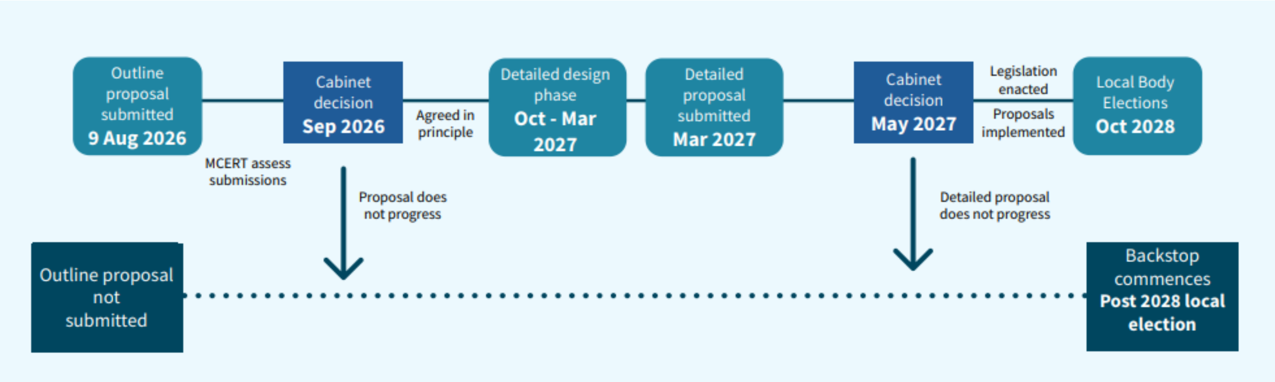
   C. **May 2026** – The Minister for Local Government announced a new voluntary Head Start initiative. This gives councils an accelerated pathway to explore reorganisation before wider reforms planned for 2028.

      i. Councils that choose to take part can start considering changes now, rather than waiting for compulsory Government-led reforms.

ii. At a prearranged hui on 8 May, the Wellington Mayoral Forum met to continue discussions about regional governance reform and released a statement in response to the Government's Head Start announcement.

Head Start process

3. The diagram below shows the high-level steps and timeline for the Government's Head Start process.



Source: Head Start pathway: Simplifying Local Government (PDF, 818KB)

4. The Head Start announcement accelerated the timeframe for councils to work with others in their region to consider how local government could be reorganised. The deadline set by central government for proposals to be submitted is 9 August 2026.

5. Current Government policy indicates these proposals would likely create new unitary authorities responsible for both territorial authority services and regional council functions.

6. Councils that do not participate in the Head Start process may still be affected by future Government-led reform through what is known as the Backstop pathway after 2028. The backstop approach is where decisions are made at a national level for councils which do not put forward proposals within the required timeframe.

7. Under either pathway, final decisions about future local government structures would currently be made by central government.

8. This means future changes to local government structures could still occur regardless of whether councils participate in the Head Start process. By being involved early, Upper Hutt City Council has an opportunity to represent and advocate for the community's interests as discussions develop.

Discussion

9. Between 2 and 17 June 2026, Council sought community feedback on the future shape of local government in the Wellington region to help inform its consideration of, and work on, the Head Start process.

10. Council's engagement was advertised using media release, banner and news story on Council's website (pointing to Let's Korero engagement platform), multiple social media posts including videos and stories, Let's Korero community newsletter database, paid advertising through Neighbourly and Stuff, and promotion of the Mayor's Facebook Live event. Councillor led engagement and events also occurred.

11. Alongside the online survey on Let's Kōrero, hard copies of the survey, Q&As and background information were available at Council Libraries and the Civic Centre reception. An email was sent to members of the Citizen's Panel as a courtesy to remind them when the survey was closing.

12. Feedback for this report was gathered through the Let's Kōrero survey, hard-copy surveys, Facebook engagement, and a Facebook Live question-and-answer session.

13. Overall, community sentiment was cautious but engaged. Residents demonstrated a strong interest in the future of local government and a desire for more information before any decisions are made. While views differed on the merits of reform, there was broad agreement that affordability, local representation, community identity, and transparent decision-making should remain central considerations in any future discussions.

14. The engagement indicates that future communications should focus on providing clear and accessible information, explaining what is known and unknown, and demonstrating how community feedback is influencing discussions. Residents have signalled that evidence, transparency and accountability will be important factors in building confidence in any future proposals.

15. The engagement process demonstrates strong community interest in the future of local government. While opinions differ regarding potential reform, there is broad agreement that any future changes should protect local representation, preserve Upper Hutt's identity, be supported by robust evidence, and deliver clear benefits for residents. Continued engagement and transparent communication will be important as regional discussions progress.

Next steps

16. The regional work on a Head Start proposal is continuing. A series of briefings and workshops are scheduled for UHCC Elected Members throughout June and July, leading to a report and proposal being presented for decision making at the Council meeting currently scheduled for 5 August.

17. The decision that will be presented in early August is whether or not to proceed to submit a Head Start proposal only, any decision will not be about agreeing to any specific changes at this point in time as such.

18. In its policy guidance, the Government has indicated councils will have opportunity to consult with communities before final decisions are made in May 2027 (also see the diagram at paragraph 3 above).

Included attachment

19. Attachment 1: Engagement survey results summary report

Attachment 1

Simplifying Local Government Reform Head Start - Engagement Survey Results Summary Report

Engagement Overview

1. A total of 455 survey responses were received through the Let's Kōrero survey, including 30 hard-copy responses entered into the system. The Facebook Live session attracted more than 1,800 viewers and generated more than 120 comments and questions. Together, these engagement channels provided a broad range of community views, concerns and suggestions.

Overall Community Sentiment

2. The engagement findings suggest that residents are less focused on whether reform should occur and more focused on the outcomes that any future change could deliver.

3. Many respondents indicated they were open to considering change if there was clear evidence of benefits, meaningful community input, and protections for local representation and affordability.

4. A recurring theme across all engagement channels was the desire for greater information, including financial analysis, governance arrangements, and evidence that reform would improve outcomes for Upper Hutt residents.

What the data shows

5. From 455 survey responses:

   A. 82.4% support taking the Head Start pathway over waiting for the Backstop - this is support for being in the room, not necessarily for amalgamation itself.

   B. On amalgamation specifically:

      i. 9.3% support combining councils regardless of outcome

      ii. 49.8% are open to change only if outcomes clearly improve

      iii. 33.5% do not support combining under any circumstances

      iv. 12.1% are unsure or need more information

      v. 49.2% want Council to participate cautiously; 44.3% want Council to actively shape proposals; 7.8% want Council to stay out

Key Themes

6. The following themes have been drawn from the free-text survey responses and Facebook Live questions. AI tools were used to assist with initial summarisation, with officer review and judgement applied to the final themes.

   A. Rates and Affordability - The strongest concern raised by residents was the potential impact of reform on rates and costs. Many respondents questioned whether reform would deliver genuine savings and expressed concern about Upper Hutt ratepayers subsidising infrastructure or debt elsewhere in the region.

B. Local Representation and Decision-Making - Residents consistently emphasised the importance of retaining a strong local voice. There was concern that larger governance structures could reduce Upper Hutt's influence over local decisions.

C. Community Identity - Many respondents highlighted Upper Hutt's distinct identity and character. Protecting local identity was viewed as an important consideration in any future governance arrangements.

D. Need for More Information - Residents frequently stated that more information is needed before they could form a definitive position on reform. Requests included financial modelling, governance details, and clearer explanations of potential options.

E. Community Involvement - There was a strong expectation that residents should continue to be involved in future discussions and that community feedback should play a meaningful role in informing Council's position.

F. Range of Options Considered - A repeated theme was the desire to see a wider range of options considered before any preferred direction is identified. Residents asked for alternatives to be visibly explored, including remaining independent with enhanced shared services, a Hutt-only model, closer alignment with Kāpiti or the Wairarapa, and a unitary authority option.

Facebook Live and Community Discussion

7. The Facebook Live session, hosted by the Mayor and Councillor Holderness, provided an opportunity for residents to ask questions directly and seek clarification on the reform process. Questions focused primarily on financial implications, representation, governance arrangements, and the role of central government. The discussion reinforced many of the themes identified through the survey and highlighted areas where additional communication may be beneficial.

Notes on data considerations

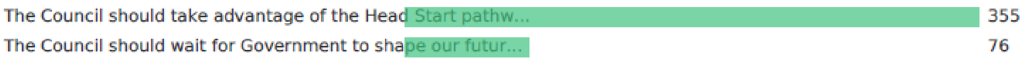
8. Questions 2 and 3 were worded as "select one" but appeared to have been configured as checkbox questions. The number of selections exceeds the number of responses for both questions. Results for these questions should therefore be interpreted as selected preferences rather than strictly mutually exclusive respondent positions.

9. On 4 June, the wording of Question 4 in the online survey was amended to clarify that respondents were required to rank items from 1 (most important) to 9 (least important). Hard-copy surveys had already been printed and retained the original wording. While the question functionality remained unchanged, this minor wording difference should be considered when interpreting responses to Question 4.

10. On 9 June, feedback was received that Question 7 asked respondents to "select all that apply" but was initially configured to allow a maximum of three selections. This was inconsistent with the wording of the question. The selection limit was removed once identified, allowing respondents to select all relevant options. Responses received before this change may not capture the full range of concerns some respondents wished to identify. This should be considered when interpreting the results for Question 7.

Detailed view: Individual survey question results

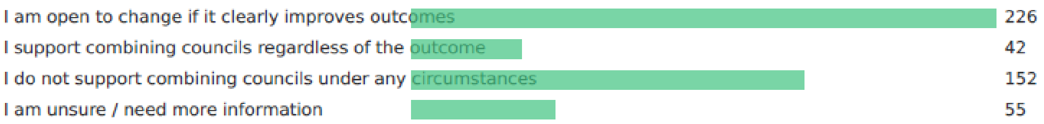
Q1. Which statement best reflects your view? (Select one)



Question options	responses	%
The Council should take advantage of the Head Start pathway and actively explore shaping a new local government structure for the region	355	82.4
The Council should wait for Government to shape our future through the Backstop pathway	76	17.6

Optional question · 431 responses · 24 skipped
Question type : Checkbox Question

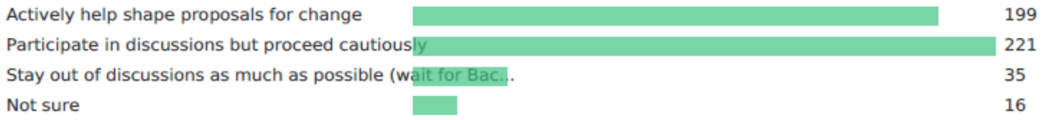
Q2. Views on possible change: Which of the following best reflects your current view? (Select one)



Question options	responses	%
I am open to change if it clearly improves outcomes	226	49.8
I support combining councils regardless of the outcome	42	9.3
I do not support combining councils under any circumstances	152	33.5
I am unsure / need more information	55	12.1

Optional question · 454 responses · 1 skipped
Question type : Checkbox Question

Q3. Role of Upper Hutt City Council: What approach do you think Upper Hutt City Council should take to these discussions? (Select one)



Question options	responses	%
Actively help shape proposals for change	199	44.3
Participate in discussions but proceed cautiously	221	49.2
Stay out of discussions as much as possible (wait for Backstop)	35	7.8
Not sure	16	3.6

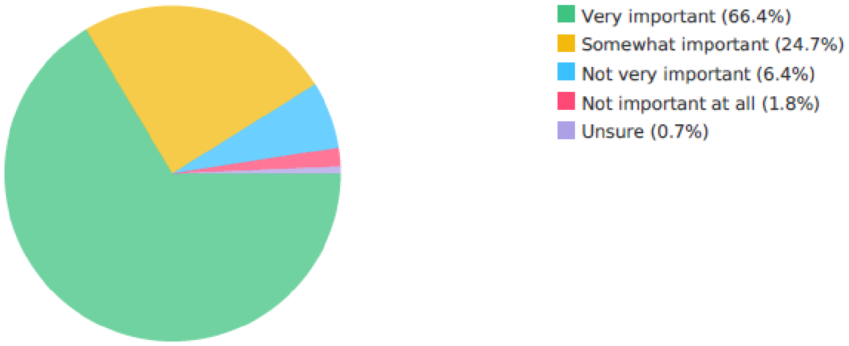
Optional question · 449 responses · 6 skipped
Question type : Checkbox Question

Q4. What matters most to you in regional discussions about the future of local government? Please rank the following from 1 (most important) to 9 (least important).

Question options	Avg rank
Affordable rates and charges	3.13
Reliable infrastructure (transport, water, facilities)	3.31
Strong local voice and representation	3.69
Long-term financial sustainability	4.26
Quality of local services	4.84
Ability to plan for growth and future development	5.14
Protecting Upper Hutt's identity and character	5.53
Environmental protection and sustainability	5.65
Other	7.09

Optional question · 422 responses · 33 skipped
Question type : Ranking Question

Q5. Local decision-making: How important is it to you that decisions about Upper Hutt are made locally? (Select one)



Question options	responses	%
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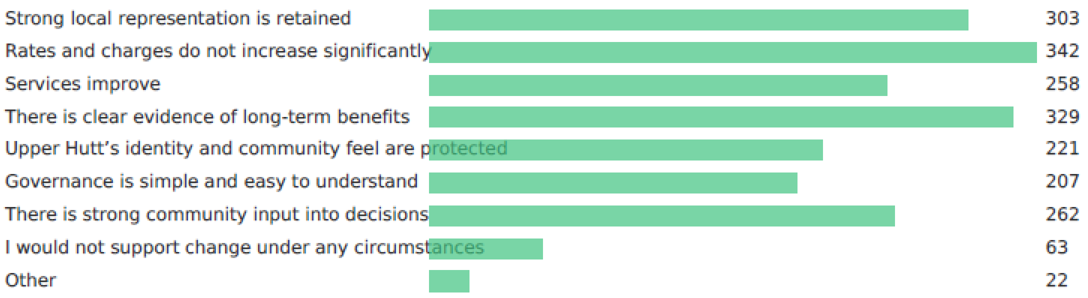
Not very important	29	6.4
Not important at all	8	1.8
Unsure	3	0.7

Optional question · 450 responses · 5 skipped
Question type : Radio Button Question

Q6. Conditions for support: What would need to be true for you to support any changes to council structure? (Select all that apply)



Question options	responses	%
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Upper Hutt's identity and community feel are protected	221	48.8
Governance is simple and easy to understand	207	45.7
There is strong community input into decisions	262	57.8
I would not support change under any circumstances	63	13.9
Other	22	4.9

Optional question · 453 responses · 2 skipped
Question type : Checkbox Question

Q7. Concerns: What concerns you most about possible changes? (Select all that apply)

Question options	responses	%
Loss of local voice and representation	292	65.2
Higher rates or costs	369	82.4
Lack of clear benefits	283	63.2
Impact on local services	222	49.6
Impact on community identity	139	31.0
Increased complexity or confusion	147	32.8
Reduced accountability	188	42.0

Optional question · 448 responses · 7 skipped
Question type : Checkbox Question

Simplifying Local Government: Head Start Update

UHCC Engagement survey results

22 June 2026

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Purpose

- Provide an update from the most recent Mayoral forum.
- Provide the UHCC engagement survey results.
- Recap on next steps and timeframes.

UHCC engagement survey results

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Engagement survey results

Briefing memo provides background on:

- Simplifying Local Government Head Start process
- Engagement overview

Any questions/discussion?

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Engagement survey results

Summary information – from 455 survey responses:

A. 82.4% support taking the Head Start pathway over waiting for the Backstop - this is support for being in the room, not necessarily for amalgamation itself.

B. On amalgamation specifically:
- 9.3% support combining councils regardless of outcome
- 49.8% are open to change only if outcomes clearly improve
- 33.5% do not support combining under any circumstances
- 12.1% are unsure or need more information
- 49.2% want Council to participate cautiously; 44.3% want Council to actively shape proposals; 7.8% want Council to stay out.

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Engagement survey results

Key themes (from free text responses)

- **Rates and Affordability** - The strongest concern raised by residents was the potential impact of reform on rates and costs. Many respondents questioned whether reform would deliver genuine savings and expressed concern about Upper Hutt ratepayers subsidising infrastructure or debt elsewhere in the region.

- **Local Representation and Decision-Making** - Residents consistently emphasised the importance of retaining a strong local voice. There was concern that larger governance structures could reduce Upper Hutt's influence over local decisions.

- **Community Identity** - Many respondents highlighted Upper Hutt's distinct identity and character. Protecting local identity was viewed as an important consideration in any future governance arrangements.

- **Need for More Information** - Residents frequently stated that more information is needed before they could form a definitive position on reform. Requests included financial modelling, governance details, and clearer explanations of potential options.

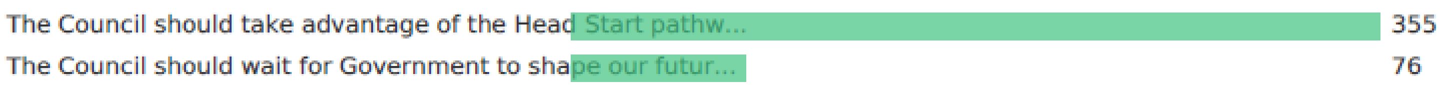
- **Community Involvement** - There was a strong expectation that residents should continue to be involved in future discussions and that community feedback should play a meaningful role in informing Council's position.

- **Range of Options Considered** - A repeated theme was the desire to see a wider range of options considered before any preferred direction is identified. Residents asked for alternatives to be visibly explored, including remaining independent with enhanced shared services, a Hutt-only model, closer alignment with Kāpiti or the Wairarapa, and a unitary authority option.

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Detailed view: Individual survey question results

Q1. Which statement best reflects your view? (Select one)



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Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

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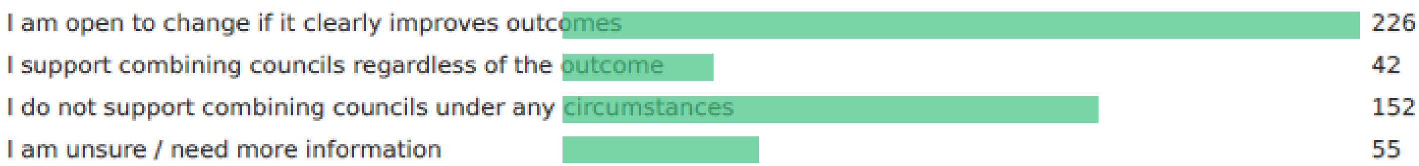

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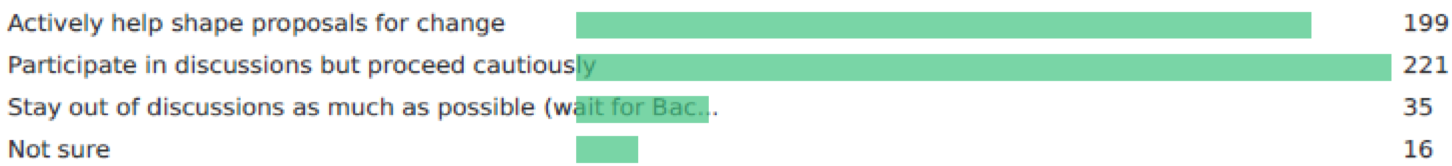

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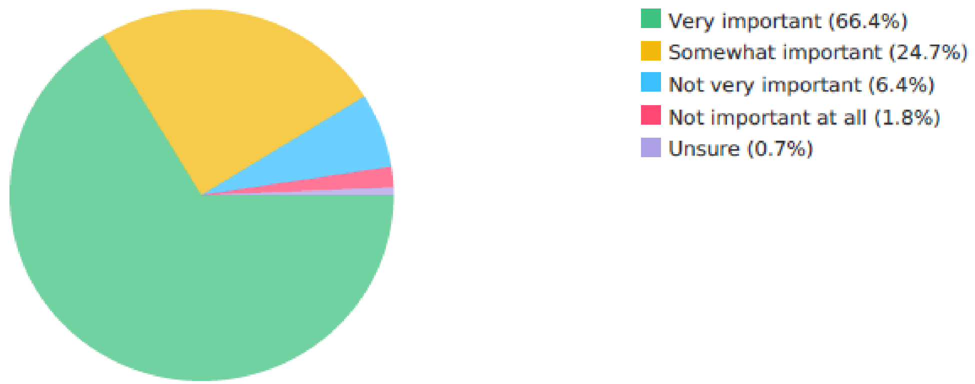

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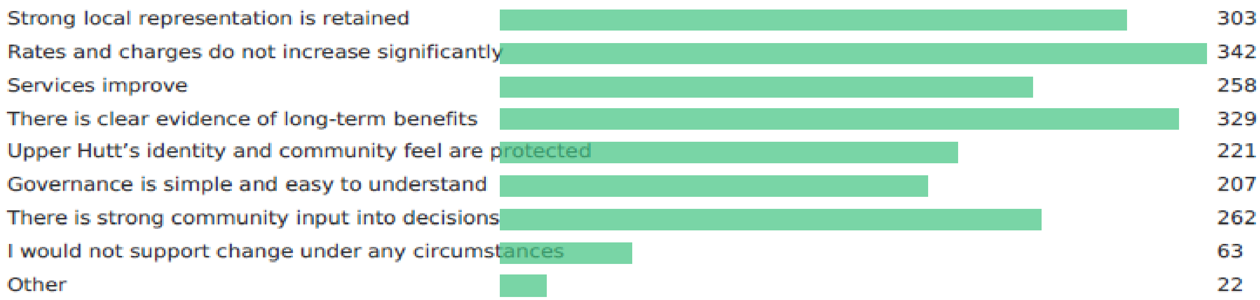
Te Kaunihera o Te Awa Kairangi ki Uta Upper Hutt City Council

Detailed view: Individual survey question results

Q6. Conditions for support: What would need to be true for you to support any changes to council structure? (Select all that apply)



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Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

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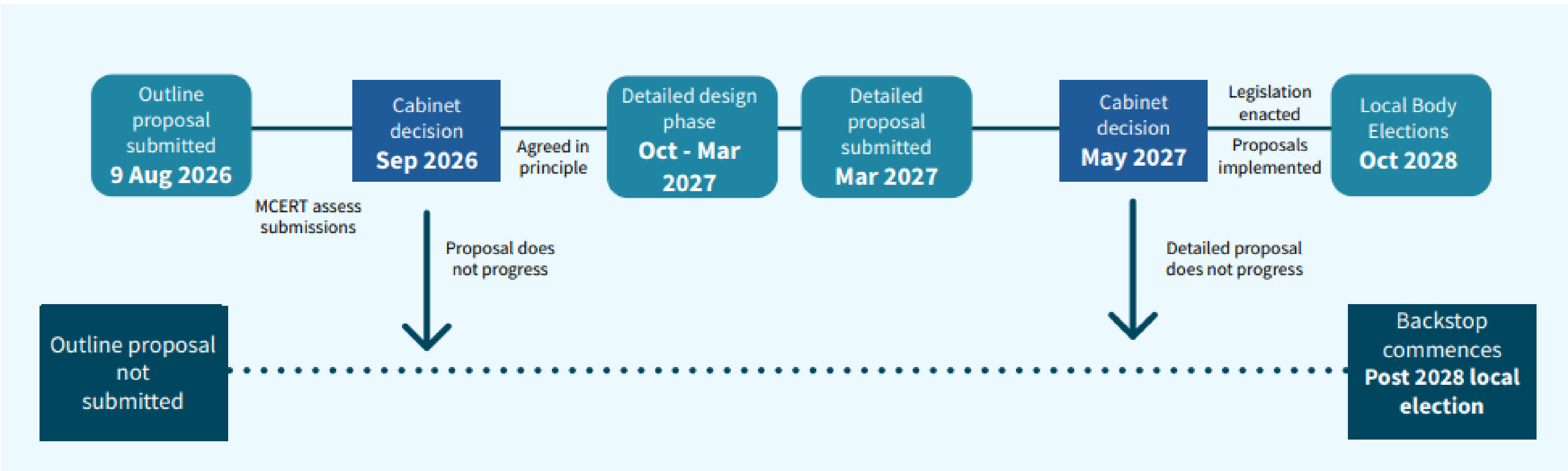
Next steps

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Next steps: Head Start process

Reminder of the Head Start process steps and timeline

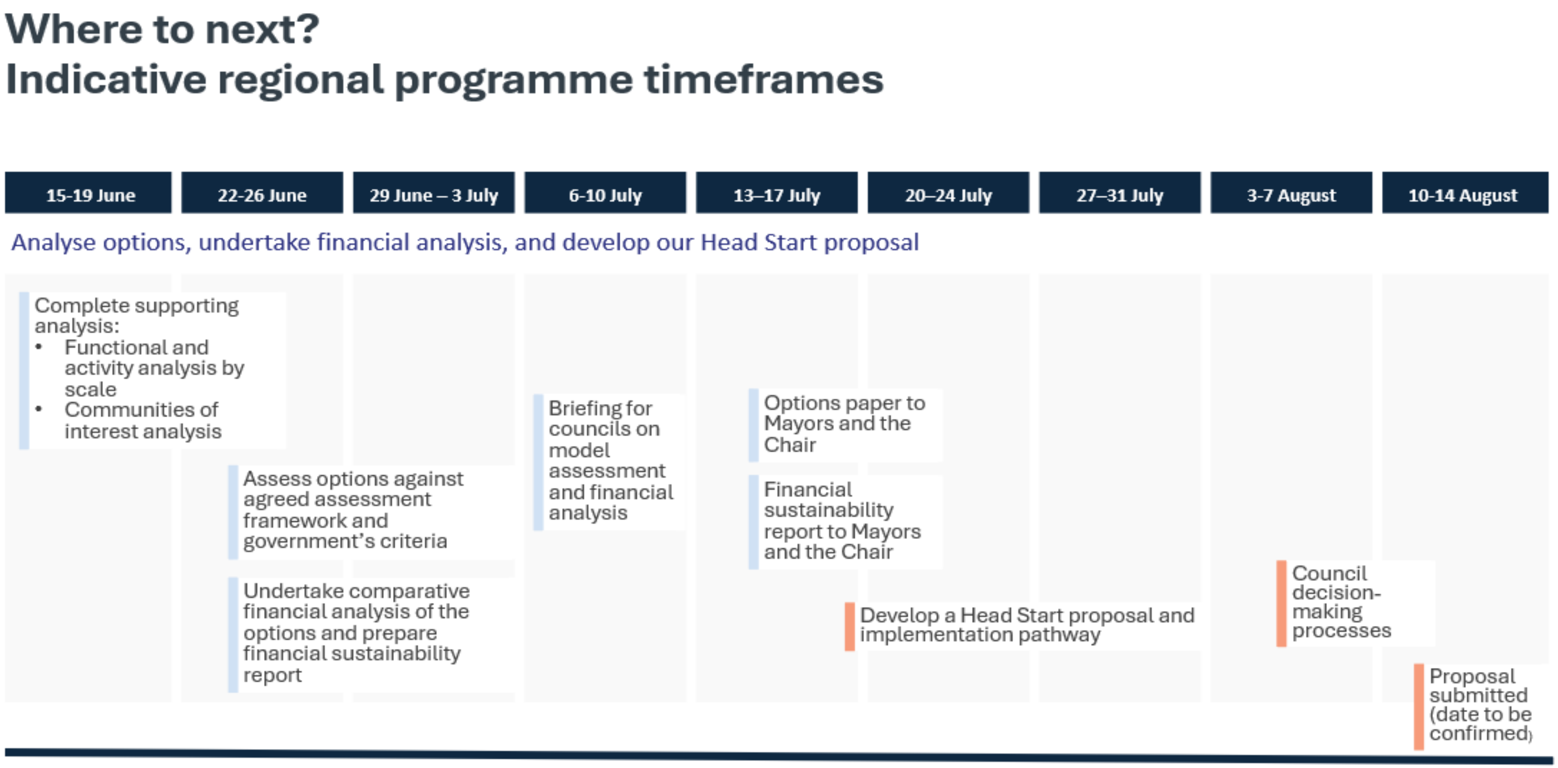


Source: [Head Start pathway: Simplifying Local Government](#) (PDF, 818KB)

Te Kaunihera o Te Awa Kairangi ki Uta Upper Hutt City Council

Next steps: Regional work programme

Reminder of the regional work programme high-level schedule



Source: Council briefing 16 June 2026

Next steps: UHCC Elected Member engagement

Regular briefings (where require included in existing workshop programme) to reflect the cadence of the Mayoral forums and progress of work, ahead of the August Council decision-making and Head Start submission deadline.

Indicative schedule (subject to confirmation)

Mayoral Forum	Councillor briefing/workshop
Friday 19 June	Monday 22 June – including engagement survey results
Monday 29 June	Monday 29 June
	Tues 7 July (potential workshop)
Thursday 9 July	Monday 13 July
	Tues 21 July (scheduled workshop)
Friday 24 July (being moved, new date TBC)	TBC
	(Council meeting: Wednesday 5 August)
Friday 7 August	Friday, 7 August

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Pātai / Questions

Wellington/Wairarapa Financial Analysis Report

To support a Head Start Proposal

Final Report

MARTIN JENKINS

24 July 2026

Commercial in Confidence

Disclaimer

Disclaimer

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Information provided by the client or others for this assignment has not been independently verified or audited.

Any financial projections included in this document (including budgets or forecasts) are prospective financial information. Those projections are based on information provided by the individual council organisations and are based on assumptions about future events and management action that are outside our control and that may or may not occur.

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.

MartinJenkins, and its directors, officers, employees, agents, consultants, and advisers, will not have any liability arising from or otherwise in connection with this report (or any omissions from it), whether in contract, tort (including for negligence, breach of statutory duty, or otherwise), or any other form of legal liability (except for any liability that by law may not be excluded). The client irrevocably waives all claims against them in connection with any such liability.

This Disclaimer supplements and does not replace the Terms and Conditions of our engagement.

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.

Table of contents

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

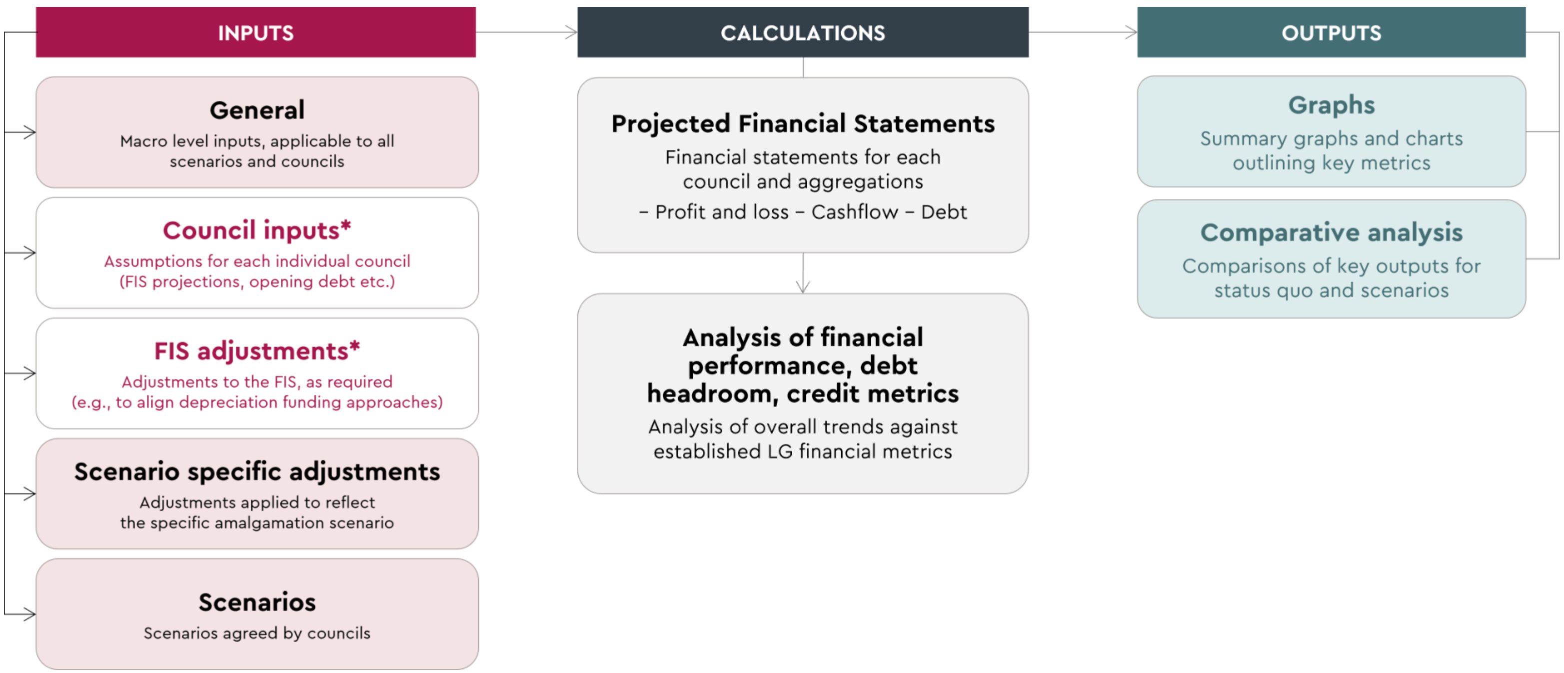
The modelling includes assumptions about future overhead costs and applies adjustments where appropriate. The extent to which governance, management and support costs can be reduced or shared through reorganisation remains uncertain and could materially affect realised savings.

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.

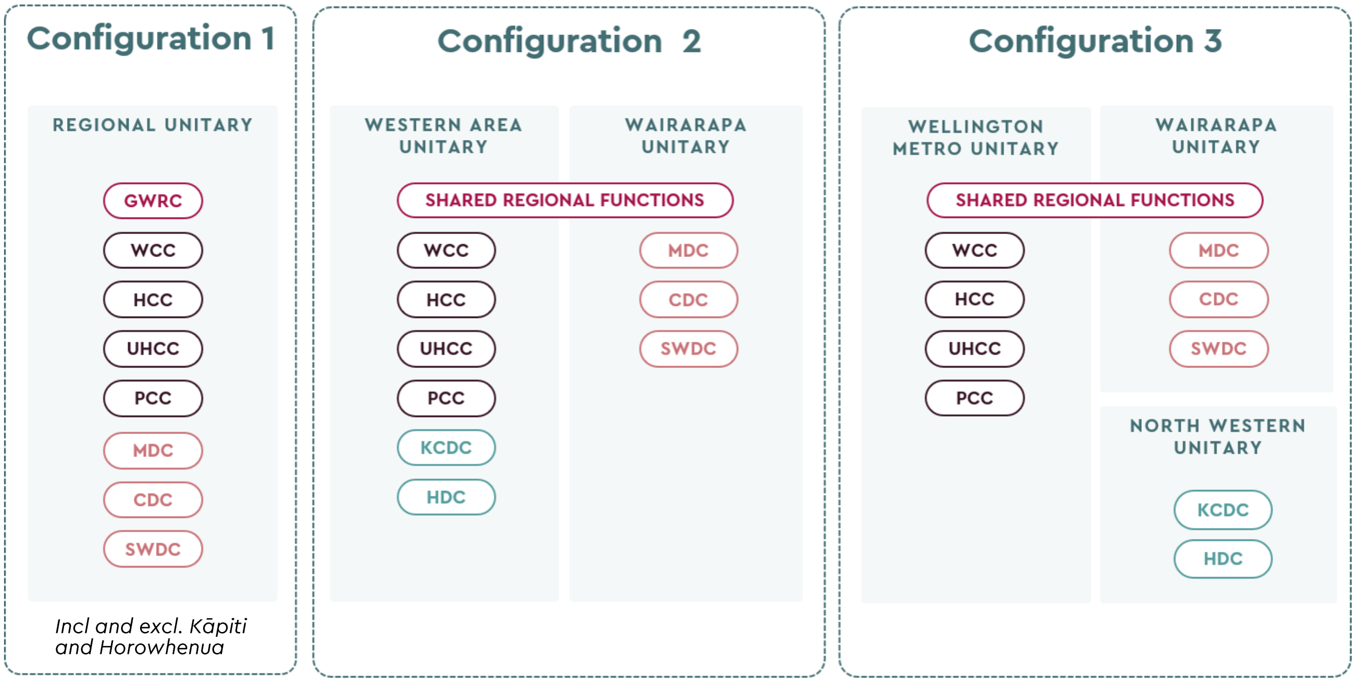
Model architecture

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.



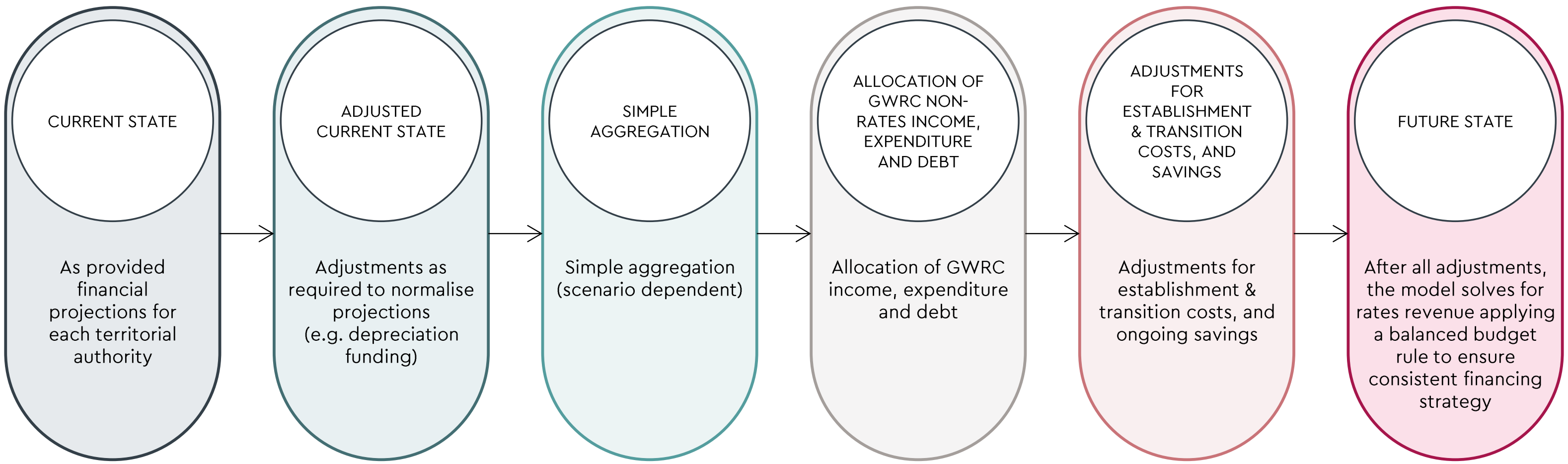
Note: These options assume the functions of each organisation. All options also assume the use CCOs, and mana whenua representation and participation

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.

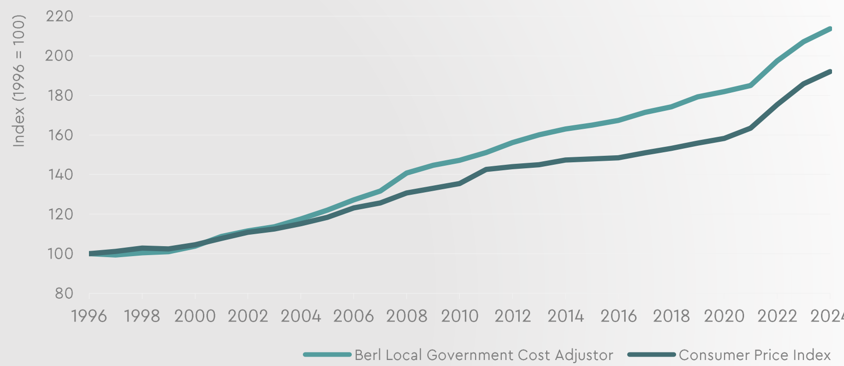
Cost pressures are especially acute in infrastructure services

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.

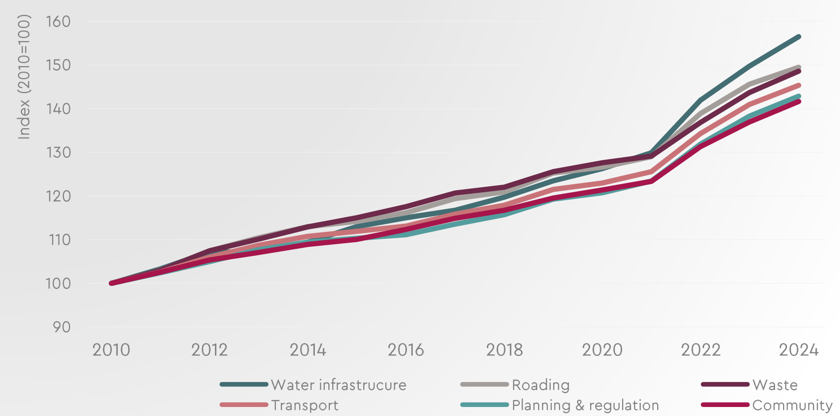
Like households, local councils are largely price takers when it comes to these costs, with broader economic trends driving the availability of labour, materials, and machinery, and factors such as aging infrastructure and government regulation driving the demand for investment.

Resource shortages and structural rigidities mean that, despite weakening inflationary pressures, the cost pressures facing local government are likely to persist for some time.

Local government input prices and consumer price inflation



Local government price index by activity group



[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.*

Operating costs have accelerated over time

Operating costs are rising at an accelerated rate

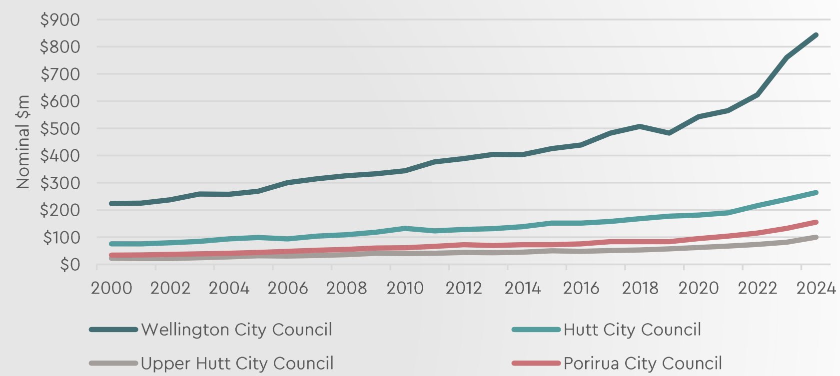
A combination of rising input costs and expansion of activities (including unfunded mandates) has resulted in operating costs for the sector rising over time. Over the ten years to 2024, total operating costs for the local government sector increased by 109%. This followed increases in operating costs 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%

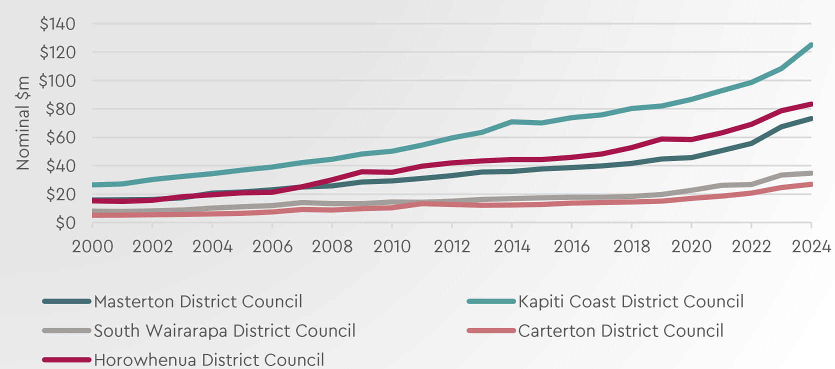
Within the Wellington region, the rate of increase in operating costs has also accelerated, with particularly significant increases over 2022 – 2024.

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%).

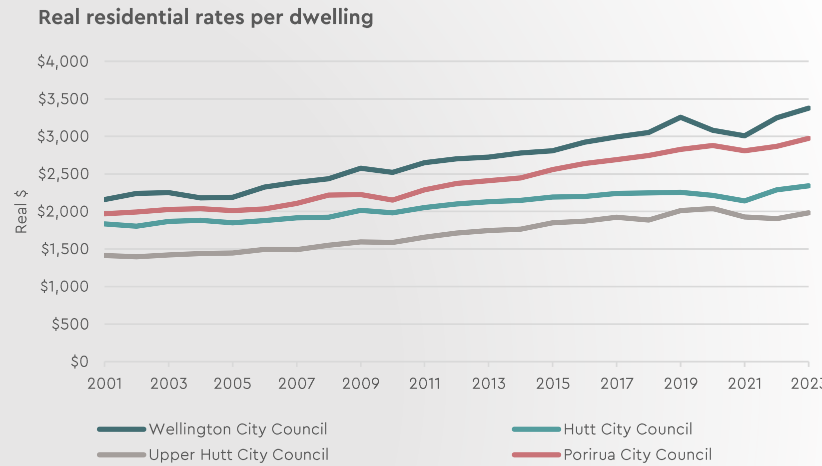
There is a wide range of service levels occurring across councils funded by this measure of rates per dwelling. Benchmarking these services and their service level standards was outside the scope of this analysis.

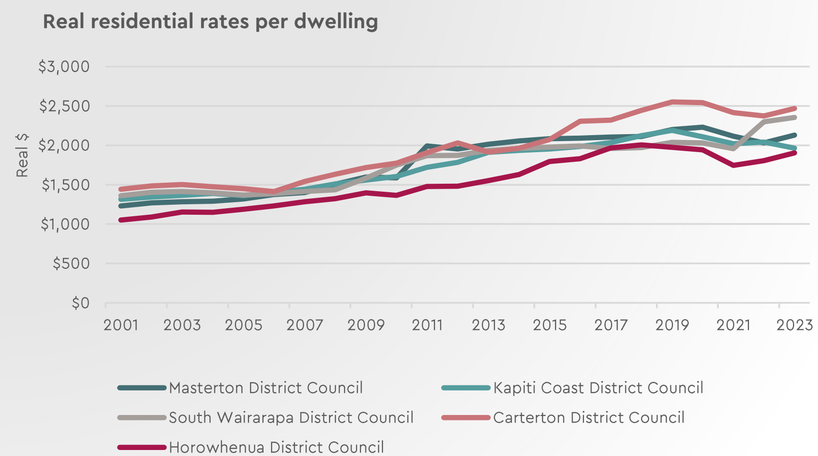
However, rates are decreasing relative to incomes

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.





Operating performance has deteriorated over time

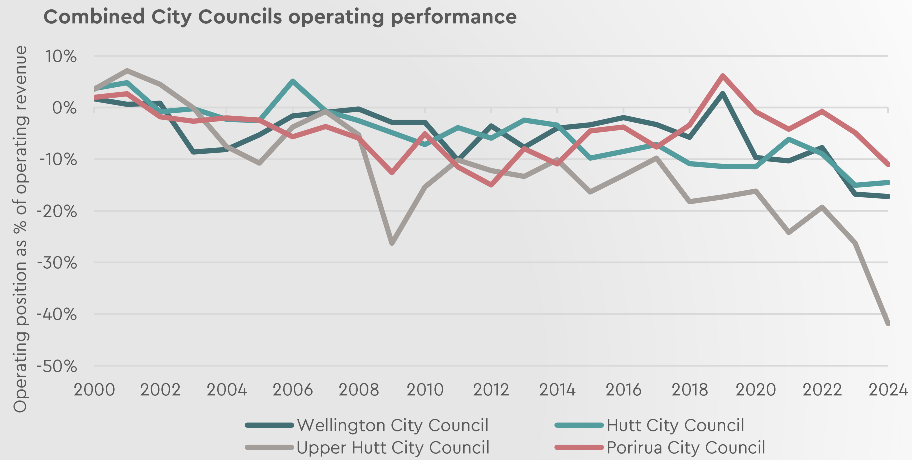
Councils' operating balance has deteriorated over time, with accounting surpluses turning to deficits

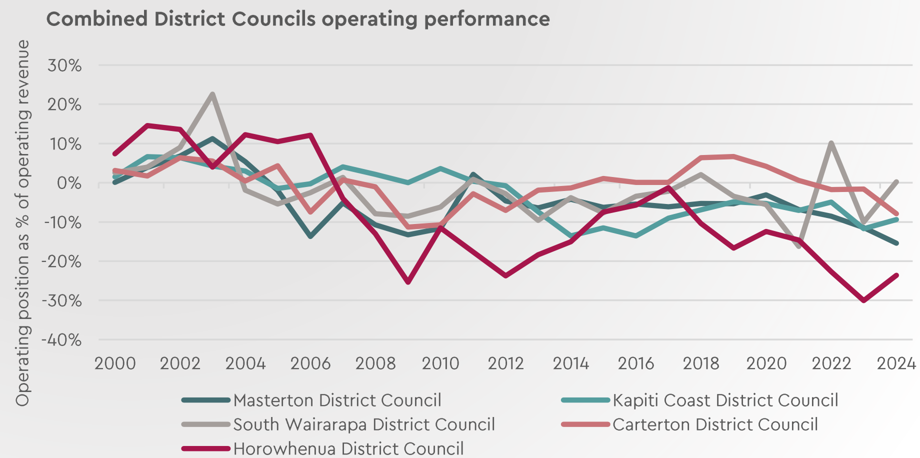
A consequence of operating costs rising faster than revenues is a deterioration in the council's operating balance. As shown in the charts, all territorial authorities in the Wellington region have seen operating performance deteriorate over the last 24 years, with councils generally running small surpluses 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.





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

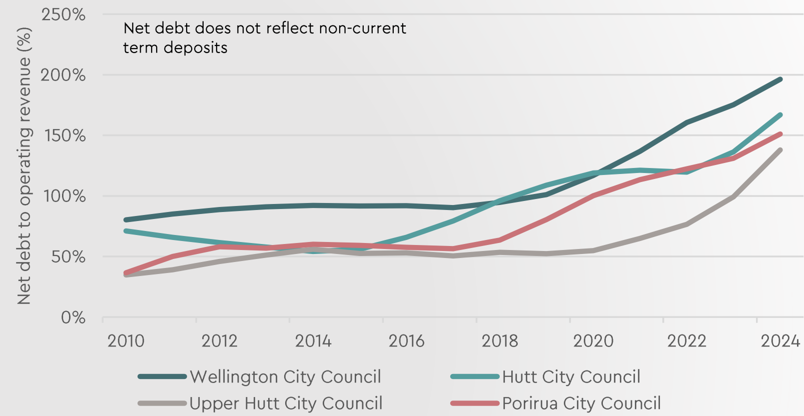
For the sector as a whole, the cumulative effect of cash operating deficits and increased capital expenditure has resulted in a significant increase in debt-to-revenue ratios.

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.

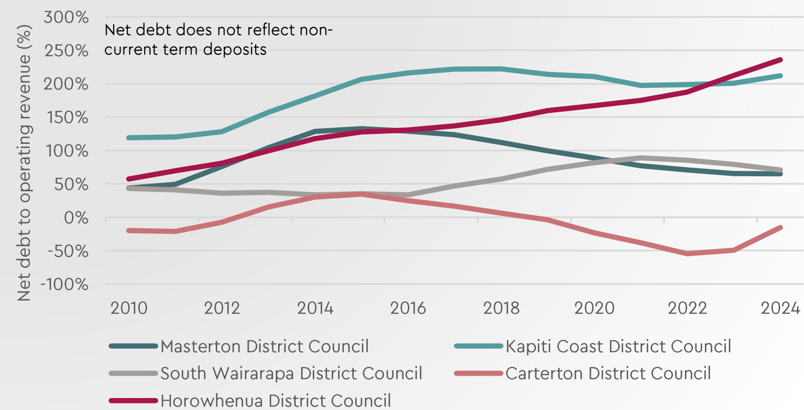
Horowhenua, Kāpiti, and Wellington City have recently had debt to revenue ratios approaching 200% mark, while Porirua, Hutt City, and Upper Hutt have increased from about 50% in 2015 to about 150% recently. Debt to revenue ratios for South Wairarapa, Carterton, and Masterton are similar in 2024 to their respective ratios in 2010.

The transfer of water debt to new water services organisations (Tiaki Wai and Waitī 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 to 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.

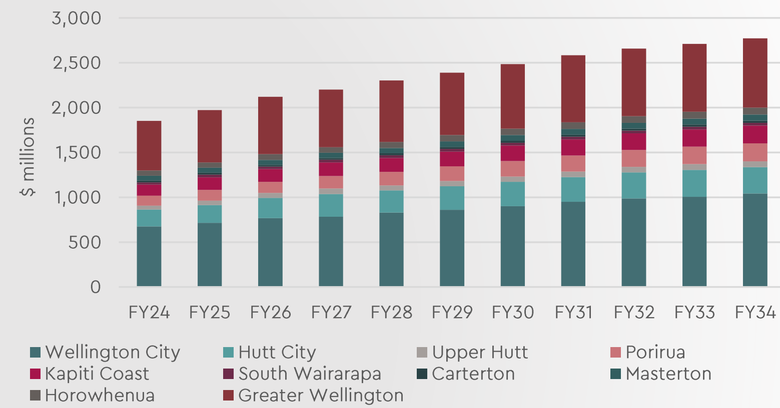
Long-term capital investment requirements remain significant

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.

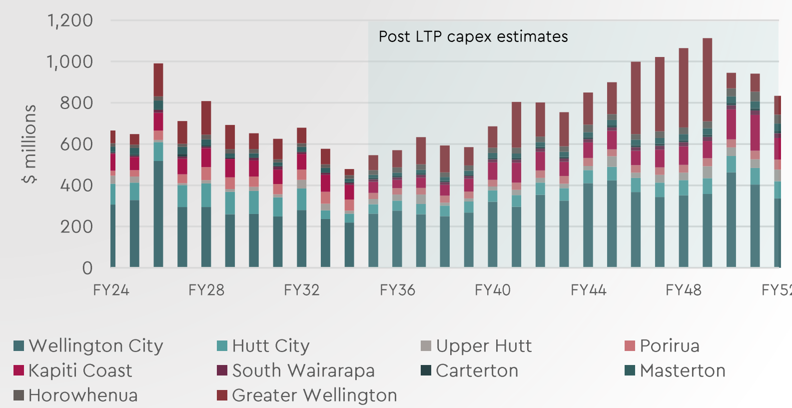
Greater Wellington's projected capital expenditure increases significantly beyond the current LTP period, indicating the potential for major regional infrastructure investment during the 2040s.

***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.

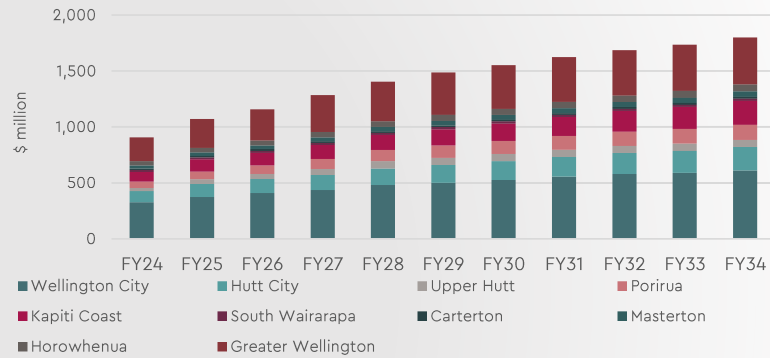
Rates per rating unit are set to increase across all councils

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.

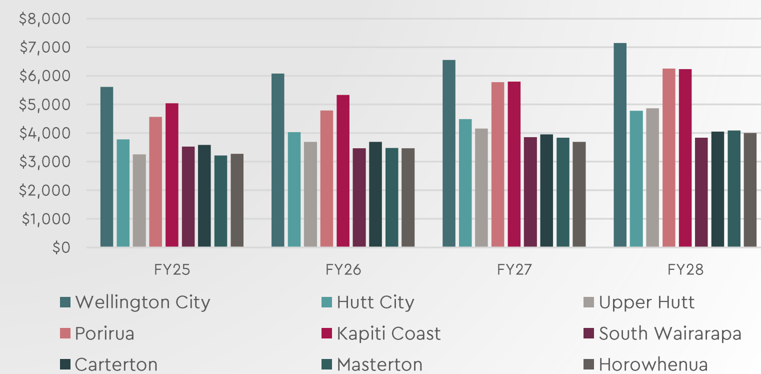
The strongest increases are evident in Wellington City, Porirua and Kāpiti Coast, while growth is more gradual in the Wairarapa councils and Horowhenua.

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.

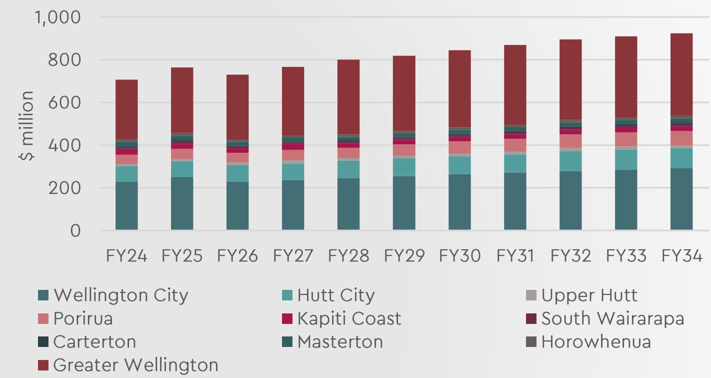
Historically, non-rates revenue has been a more variable and less reliable funding source than rates, limiting its capacity to offset rising expenditure pressures.

Capital revenue varies year-to-year with no clear upward trend

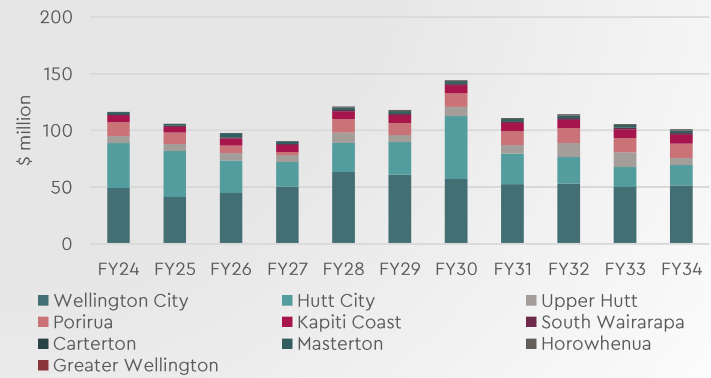
Unlike operating revenue, capital revenue is forecast to fluctuate from year-to-year, reflecting the timing of grants, subsidies, development contributions and other one-off funding sources.

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.

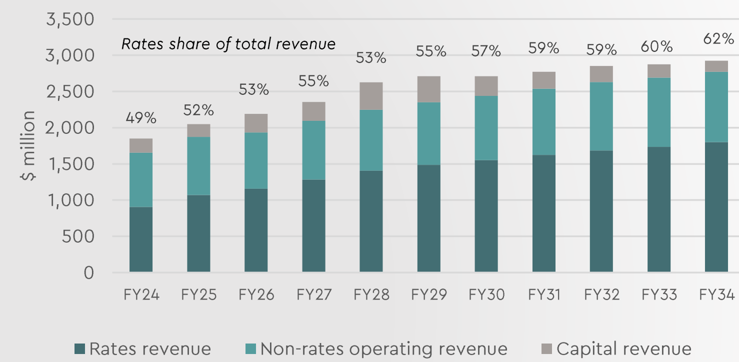
Growth in the rating base is expected to be modest and concentrated in the region's largest urban centres

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.

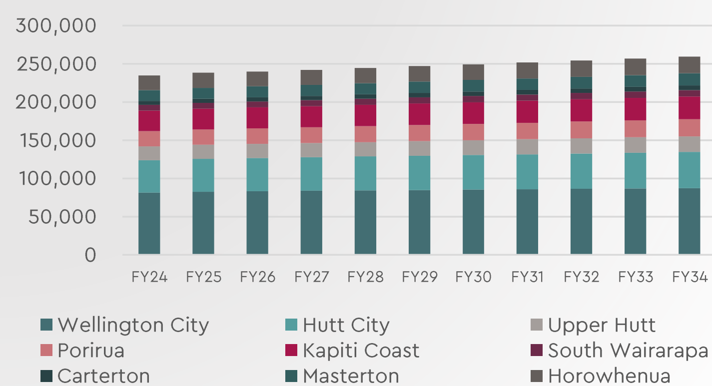
Wellington City and Hutt City account for almost half of this growth, adding approximately 4,800 and 4,000 rating units respectively, while growth in the smaller Wairarapa councils is more modest, with Carterton and South Wairarapa projected to add around 800–900 rating units each.

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.

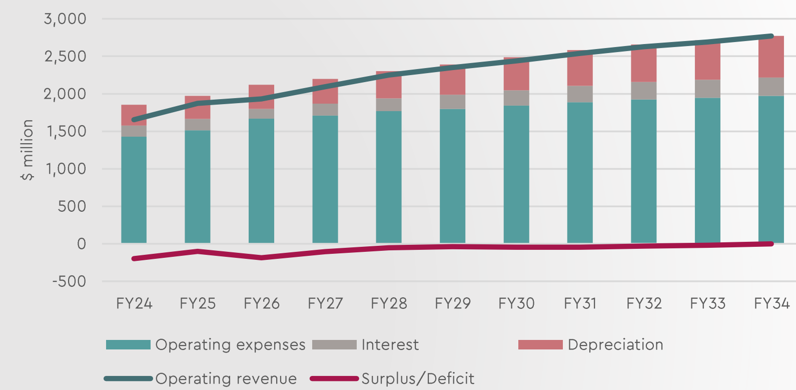
This improvement occurs despite significant infrastructure investment, with depreciation increasing from approximately $333 million to $556 million and interest costs rising by around 55% over the period. Revenue growth is projected to outpace the growth in expenditure, depreciation and financing costs, 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

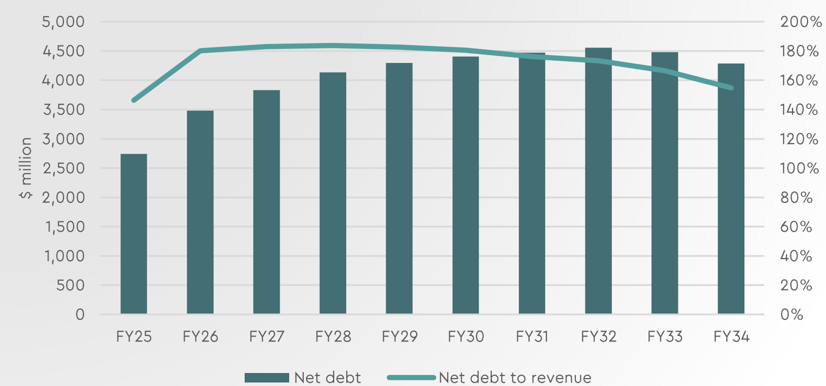
Net debt is projected to increase from approximately $3.0 billion in FY25 to a peak of around $4.5 billion in FY31–FY32, before reducing slightly to around $4.3 billion by FY34.

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

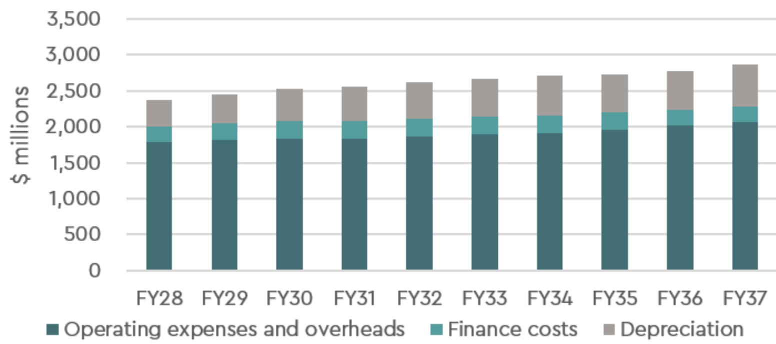


Overview of unitary options

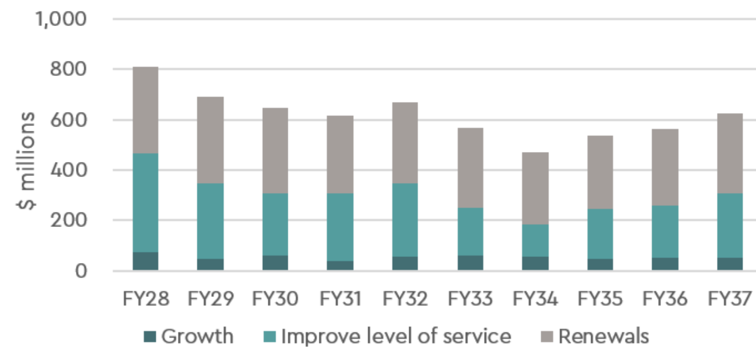
Configuration 1 – Single Regional Unitary incl. KCDC/HDC

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%.

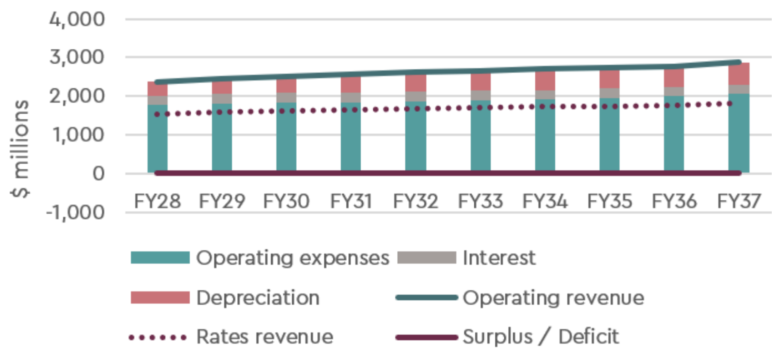
Operating expenditure



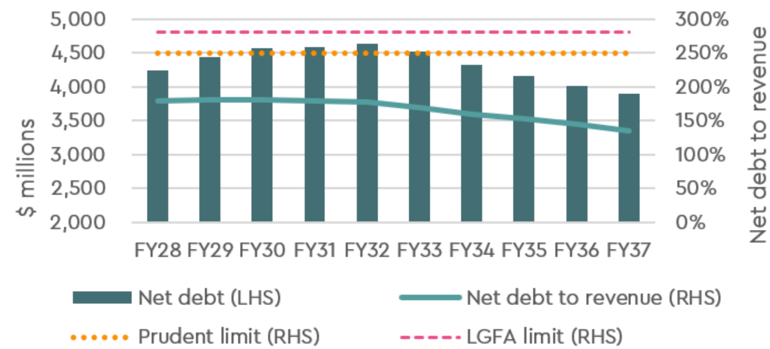
Capital expenditure



Operating performance



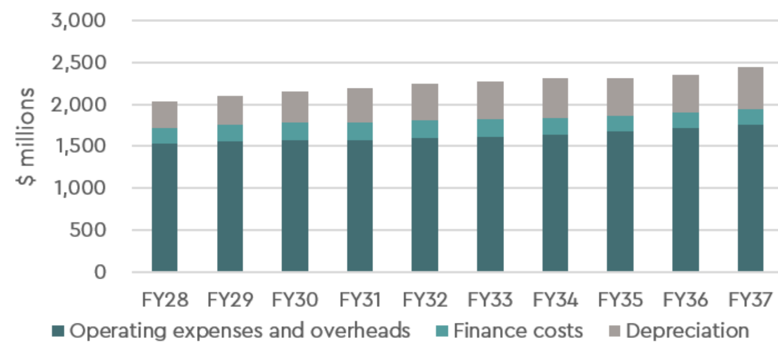
Net debt and net debt to revenue



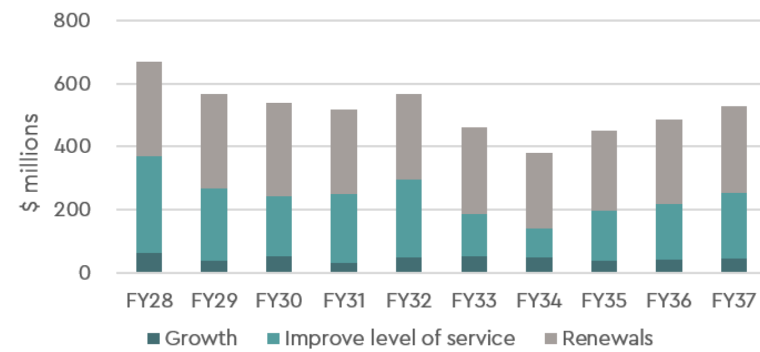
Configuration 1 – Single Regional Unitary excl. KCDC/HDC

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%.

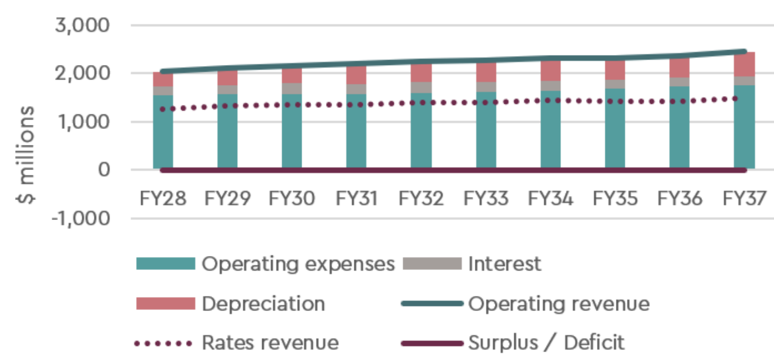
Operating expenditure



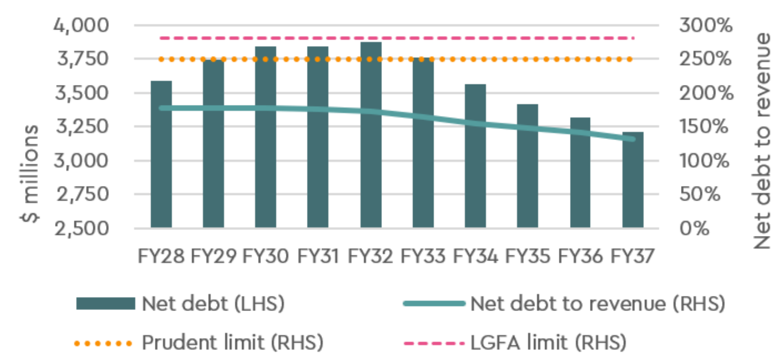
Capital expenditure



Operating performance



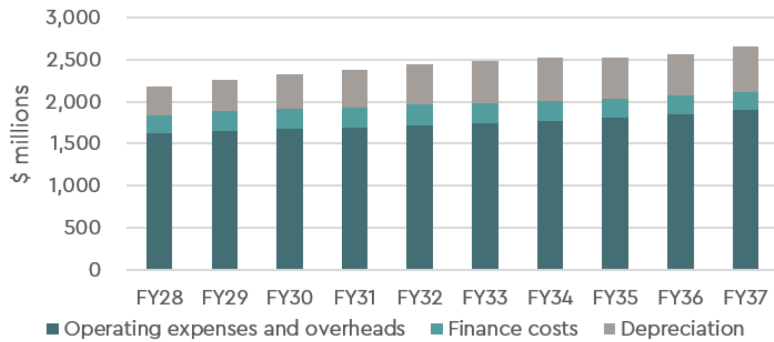
Net debt and net debt to revenue



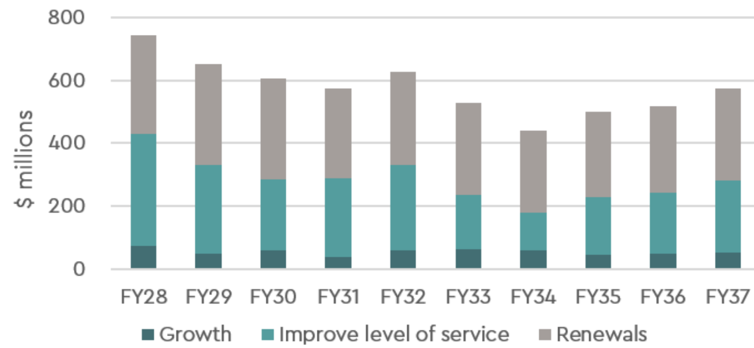
Configuration 2 – Western Area Unitary

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.

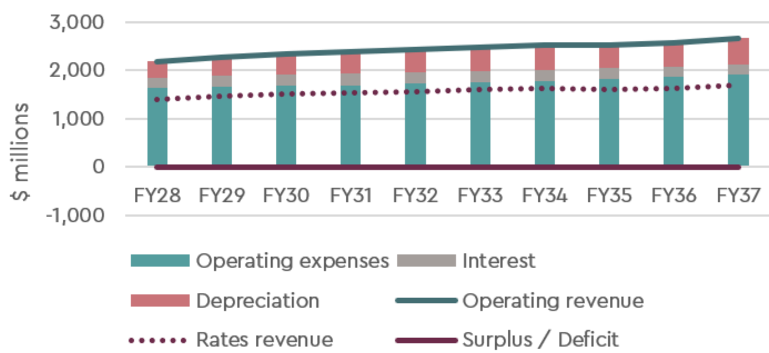
Operating expenditure



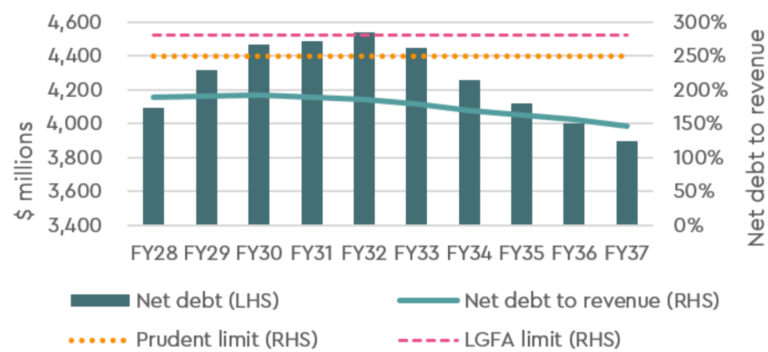
Capital expenditure



Operating performance



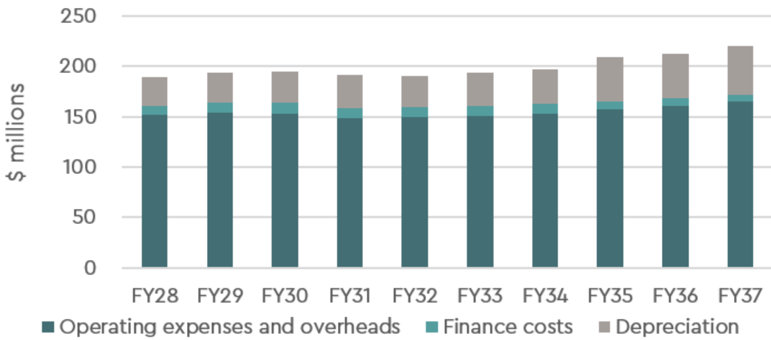
Net debt and net debt to revenue



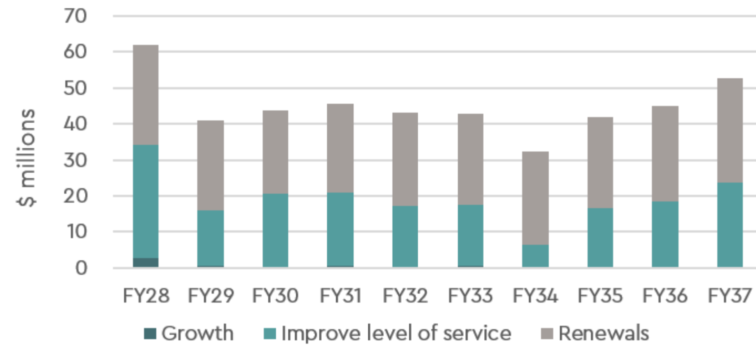
Configuration 2&3 – Wairarapa Unitary

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.

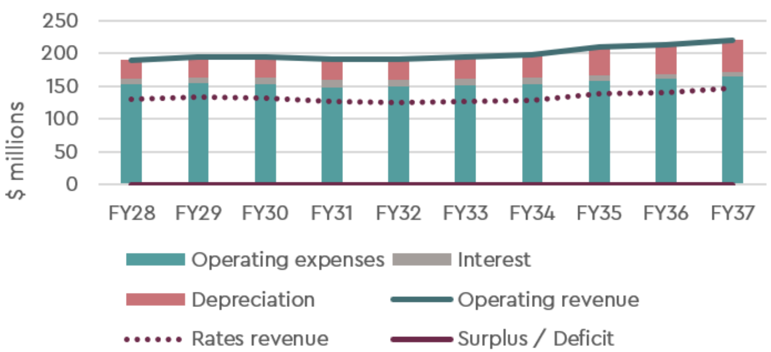
Operating expenditure



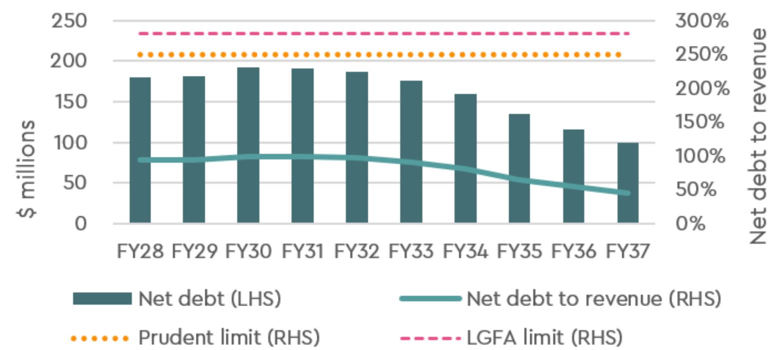
Capital expenditure



Operating performance



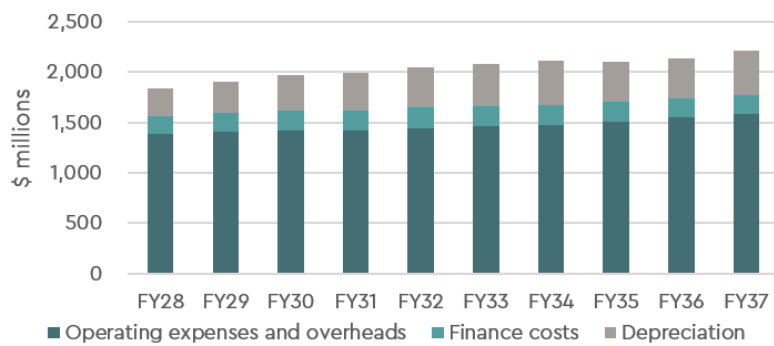
Net debt and net debt to revenue



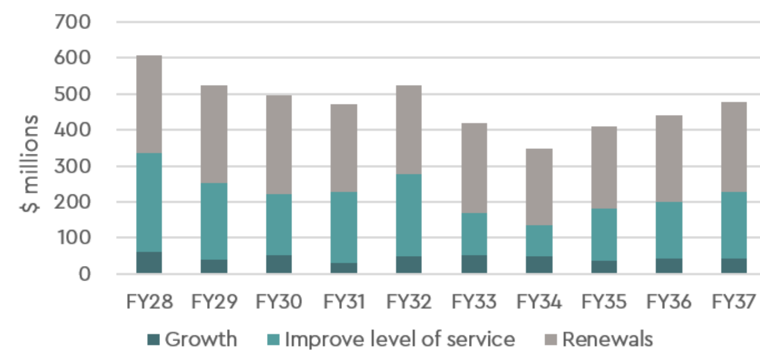
Configuration 3 – Wellington Metro Unitary

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.

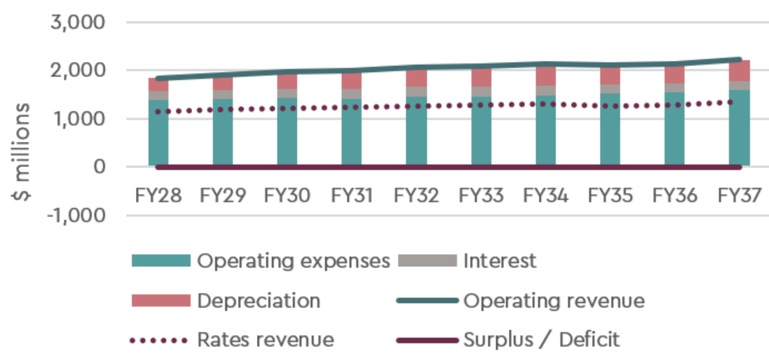
Operating expenditure



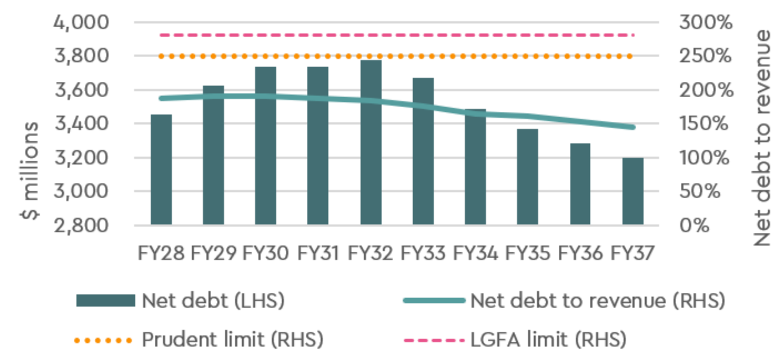
Capital expenditure



Operating performance



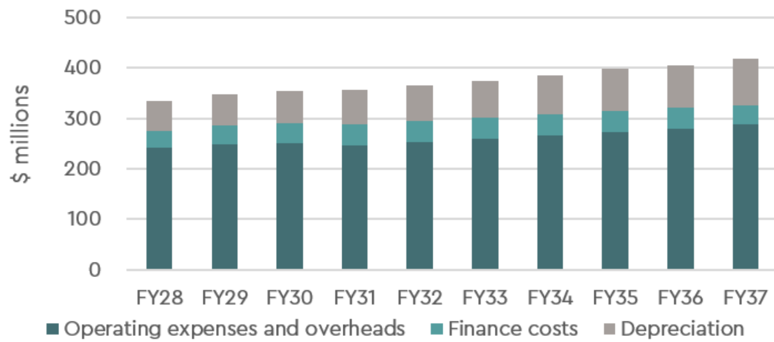
Net debt and net debt to revenue



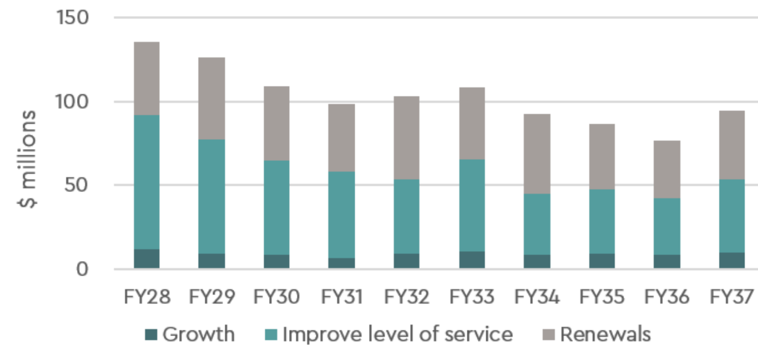
Configuration 3 – North Western Unitary

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.

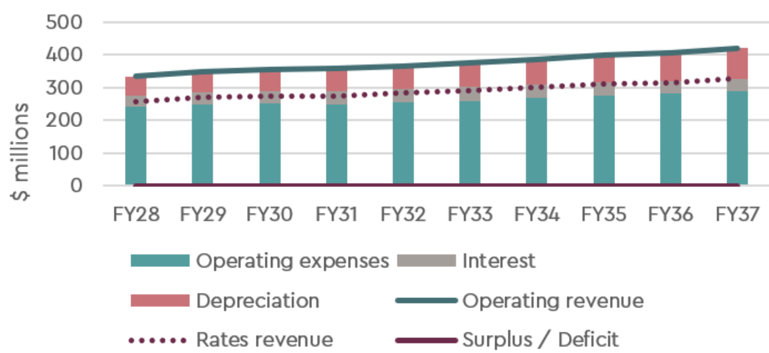
Operating expenditure



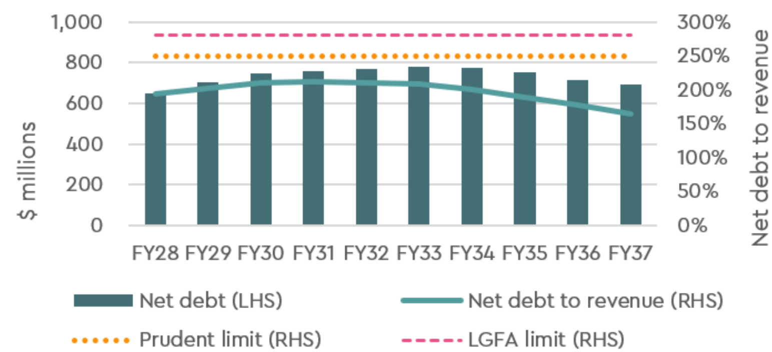
Capital expenditure



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.

		Operating FY30-FY52			Capital FY30-FY52		
	Unitary option	**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%
1	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%
2	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%
3	North Western	$4.0 billion	$229 million	5.7%	$1.5 billion	$11 million	0.7%
3	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 *Lower integration costs, higher opex and capex efficiencies*	Pessimistic case *Higher integration costs, lower opex and capex efficiencies*
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 form 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 pronounceRiskd, 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.

		FY32 Position	Shock as a % of revenue		Net debt to revenue post-shock		Remaining headroom	
Council	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.

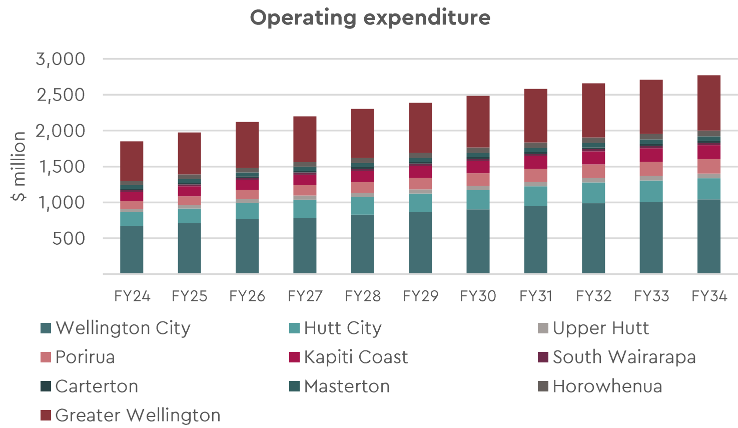
		FY32 Position	Shock as a % of revenue		Net debt to revenue post-shock		Remaining headroom	
	Net debt-to-revenue limit (LGFA)	**Net debt-to-revenue pre-shock**	**$50m shock**	**$150m shock**	**$50m shock**	**$150m shock**	**$50m shock**	**$150m shock**
Regional	280%	177%	2%	6%	179%	183%	$2.7 billion	$2.6 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

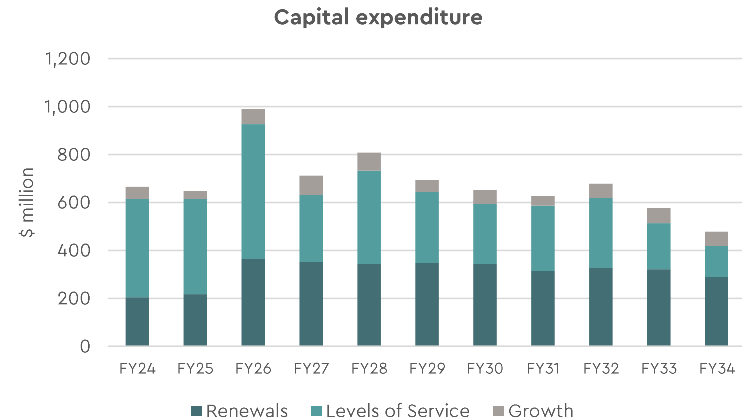
Appendix A

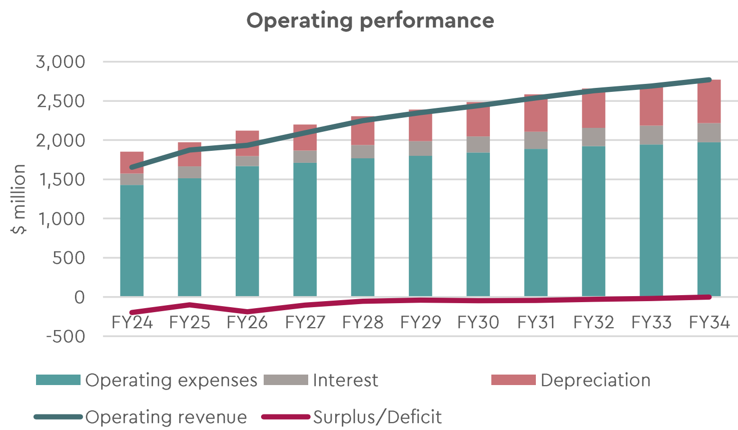
Status quo financial projections

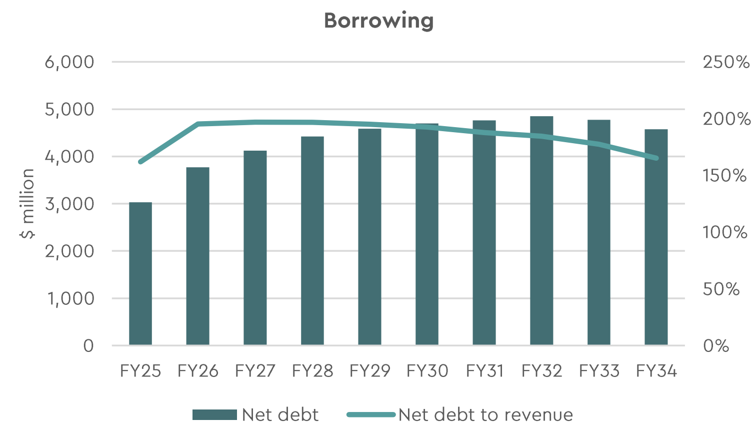
All Councils (Status Quo)

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.





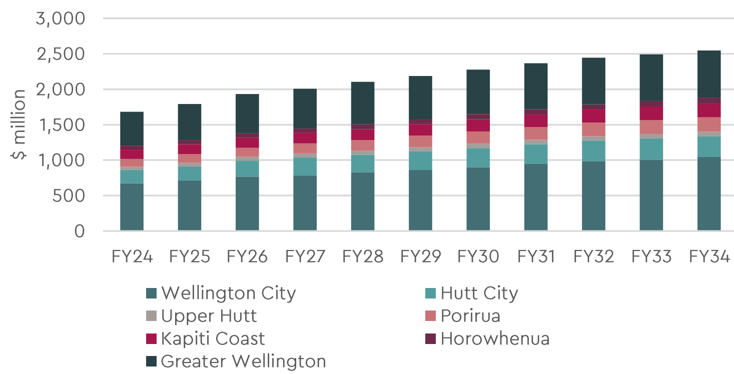




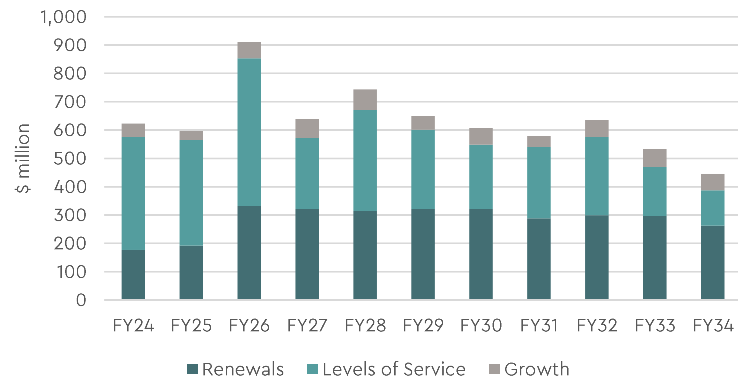
Western Councils (Status Quo)

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%.

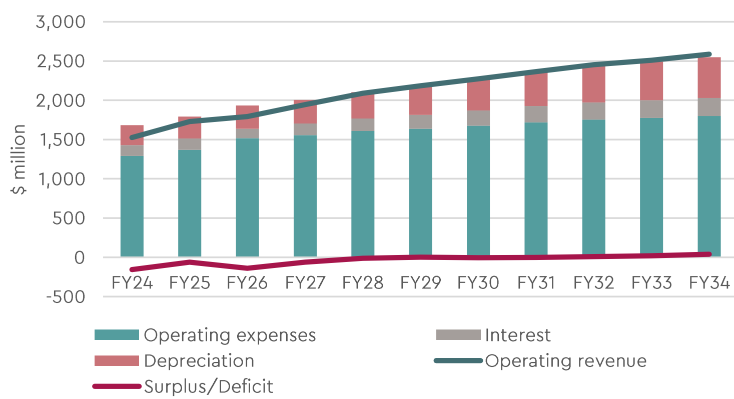
Operating expenditure



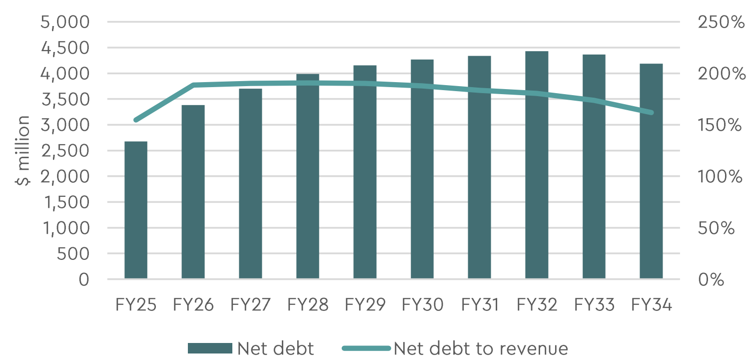
Capital expenditure



Operating performance

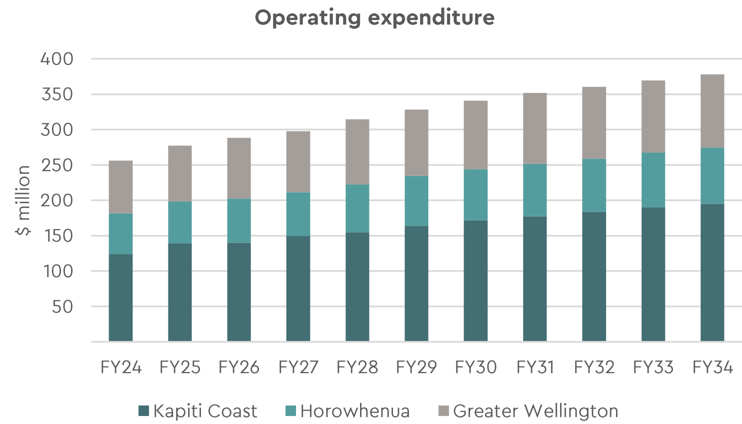


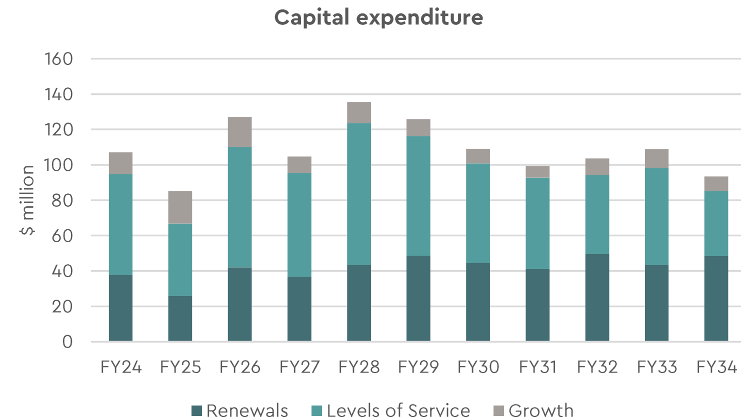
Net debt and net debt to revenue

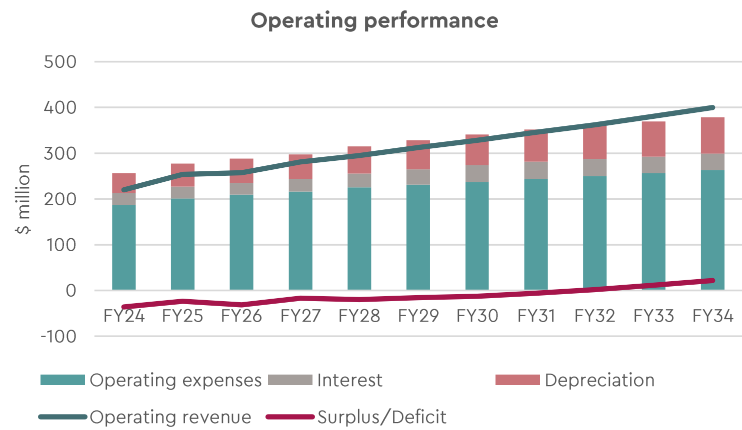


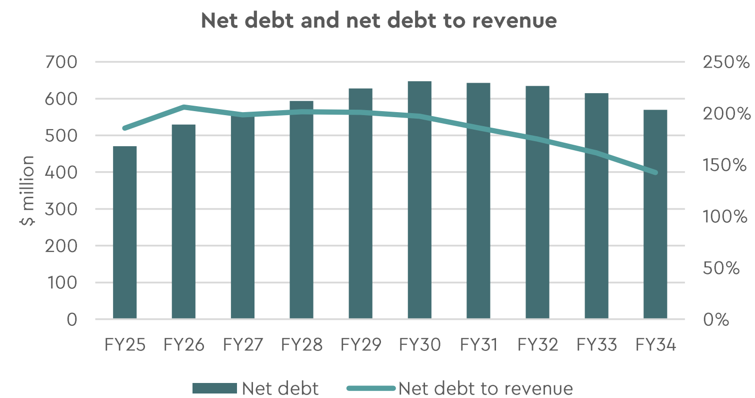
North Western Councils (Status Quo)

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.



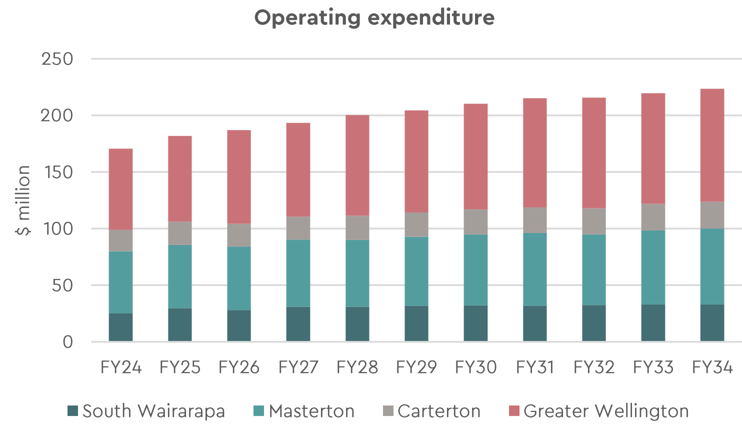


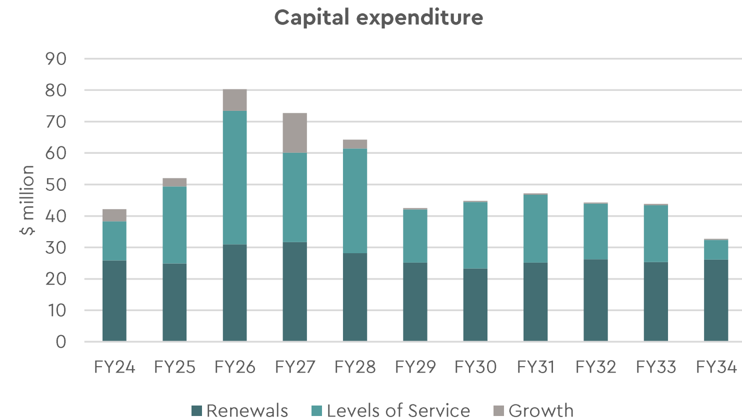


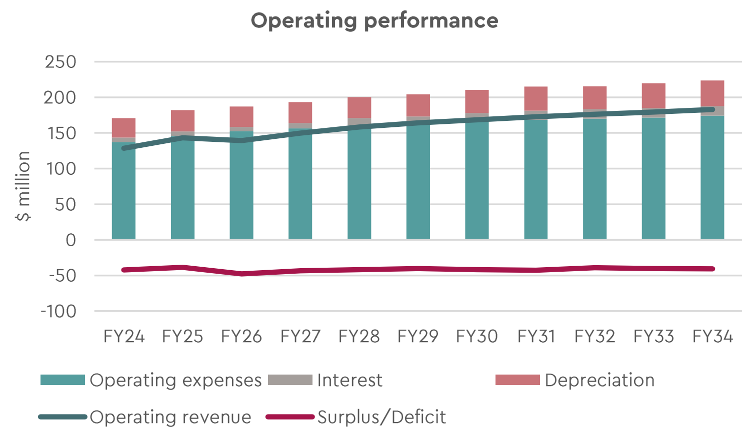


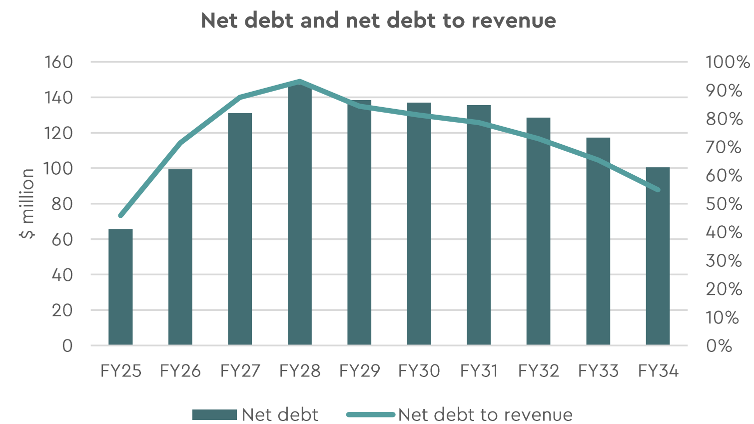
Wairarapa Councils (Status Quo)

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%.



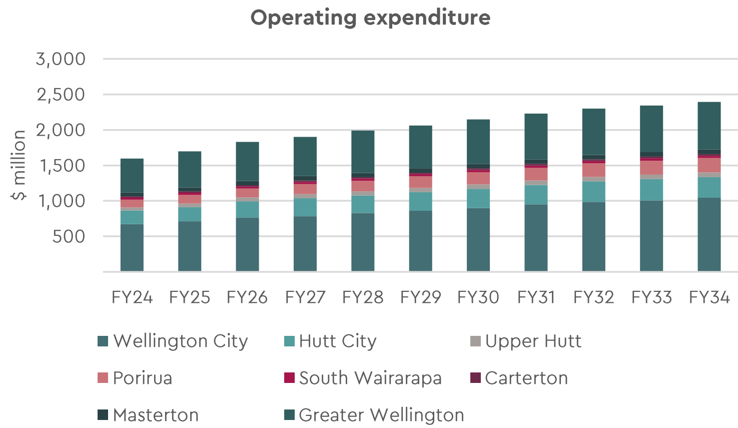


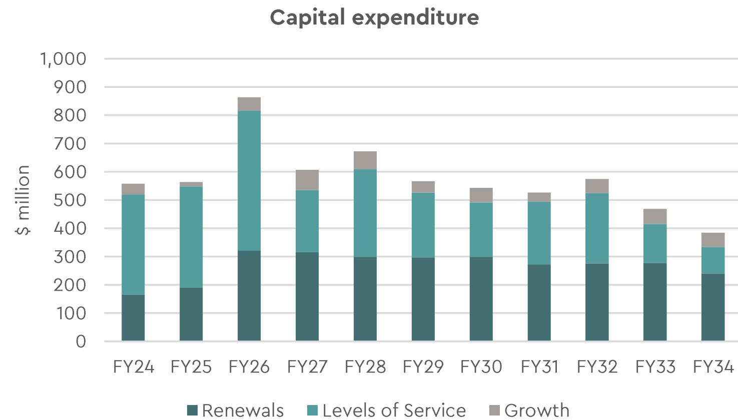


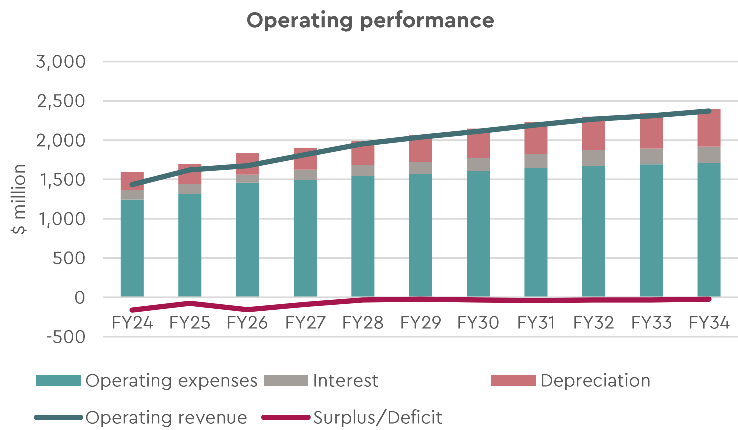


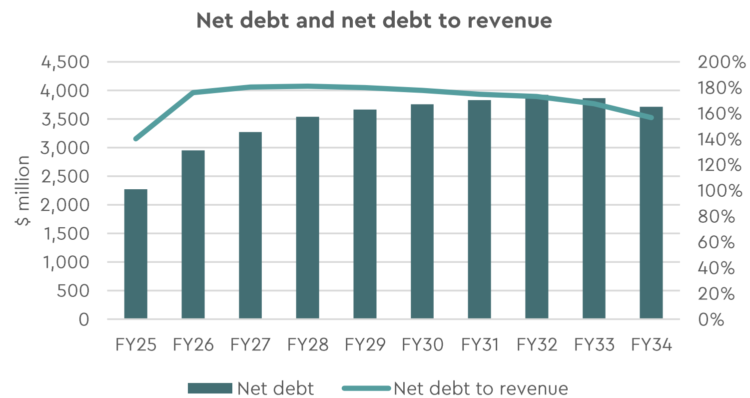
All Councils excl Kāpiti and Horowhenua (Status Quo)

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.



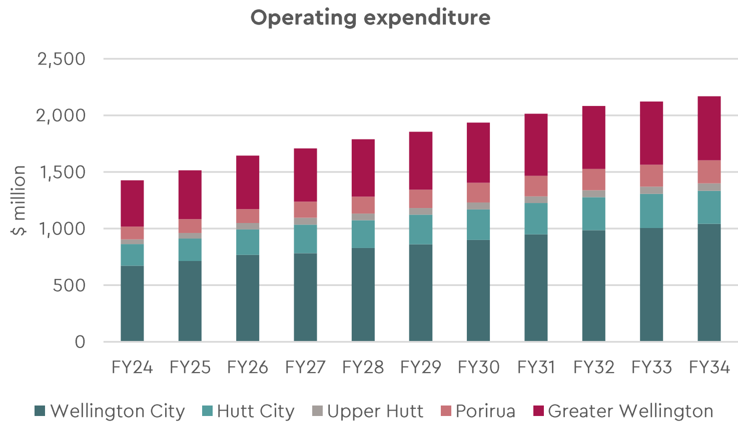


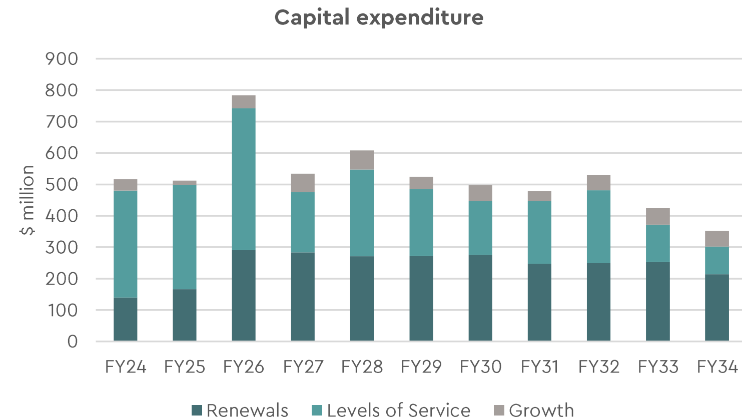


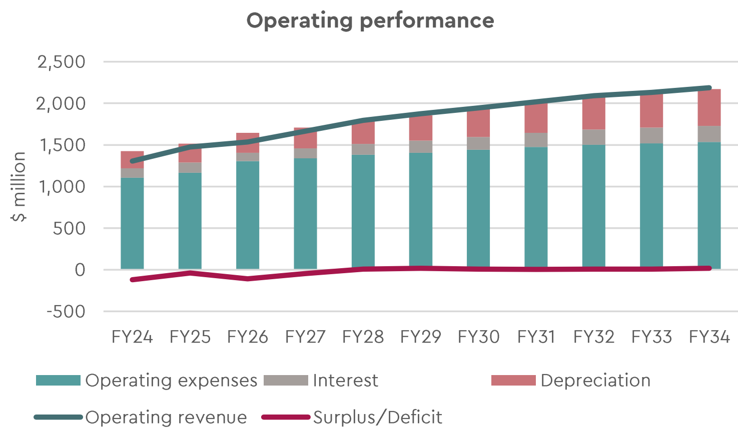


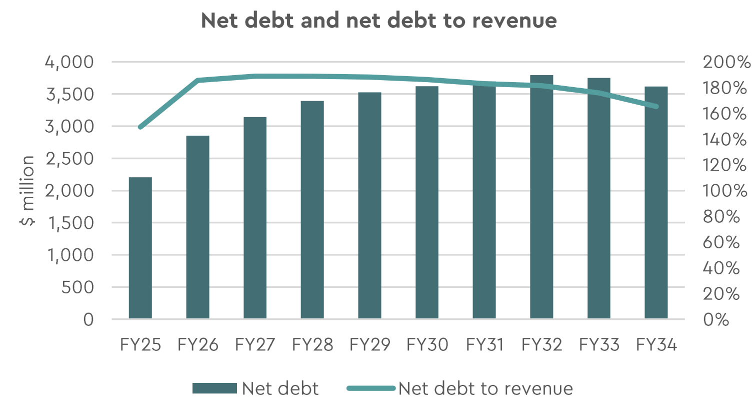
Wellington Metro Councils (Status Quo)

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.

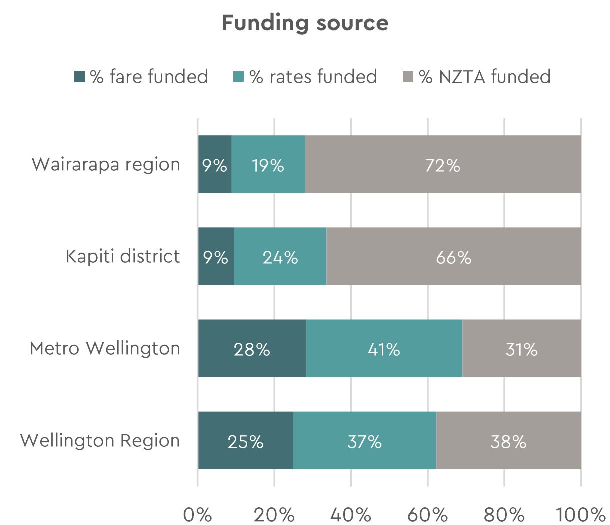
Metlink costs are excluded from the table below, as these have been further analysed by Metlink and are presented on the following slide.

		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:

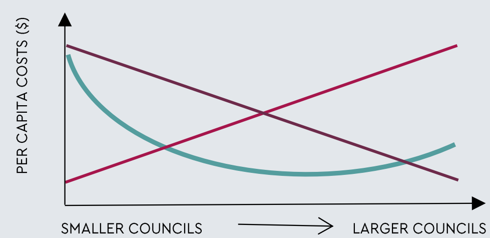
- Operating and capital savings
- Integration costs
- Timing of costs and benefits

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 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 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 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 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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Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Council Briefing Memo

7 July 2026

Subject:	Infometrics report: Upper Hutt's long-term financial sustainability and resilience
To:	Her Worship the Mayor and Councillors
Writer:	Gunther Wild, Group Manager Engagement, Strategy and Planning Services
Approver:	Kate Thomson, Acting Chief Executive
Date of Memo:	7 July 2026

Introduction

1. This briefing provides elected members with an independent report prepared by Infometrics on Upper Hutt's long-term financial sustainability and resilience in the context of the Government's Head Start process and wider local government reform.

2. The report is provided as one input into Council's ongoing consideration of local government reform. It does not seek a decision and does not represent a settled Council position on any future local government structure.

Background

3. The Government's Head Start process provides councils with an accelerated pathway to explore and submit local government reorganisation proposals before wider Government-led reform processes expected after the 2028 local body elections. Further background information is available on the DIA website.

4. Council has already received briefing materials on the Head Start process, including the Government's timeline, the regional context, and the community feedback received through Council's early engagement process.

5. Community engagement to date has shown that residents are interested in the future of local government and prefer Council participate in the Head Start process but want more information before forming firm views on any structural change. Key community concerns include rates and affordability, local representation, Upper Hutt's identity, local services, transparency, and clear evidence of benefits.

6. In that context, Council commissioned Infometrics to provide some high level and independent analysis of Upper Hutt's position in the Wellington region, with a focus on financial sustainability, resilience, and the risks associated with remaining a standalone council if other parts of the region consolidate.

Purpose of the Infometrics report

7. The report, *Head Start or Backstop: Upper Hutt's long-term financial sustainability and resilience* considers Upper Hutt's relative position in the Wellington region using high-level population, economic, and local government financial indicators.

8. The report focuses on:

   A. Upper Hutt's relative population, GDP, employment, and local government spending share in the Wellington region.

   B. Upper Hutt's operating and capital expenditure compared with other councils in the region, excluding water services.

   C. The possible implications for Upper Hutt if regional council functions were transferred to local authorities.

   D. The strategic risks to Upper Hutt's negotiating position, financial resilience, and service delivery if it remained standalone while neighbouring councils consolidated.

Key points from the report

9. Infometrics' analysis identifies that Upper Hutt has just under 9% of the Wellington region's population, but a smaller share of regional GDP and employment. The report notes this reflects Upper Hutt's role as a commuter city, with many residents working elsewhere in the region.

10. The report notes that Upper Hutt currently has the lowest operating expenditure per resident of the Wellington region's local authorities, excluding water services. Infometrics identifies this as a sign of comparatively low day-to-day operating spend, but also notes that lower operating expenditure may mean less flexibility if costs increase.

11. The report also finds that Upper Hutt has had comparatively high capital expenditure per resident over the last five years, excluding water services. This has been driven by major investment such as H2O Xtream and transport-related capital expenditure.

12. Infometrics considers that higher recent capital expenditure will create future operating and maintenance obligations, and that funding future infrastructure investment could become more challenging if Upper Hutt remains standalone in a region where larger neighbouring entities have consolidated (potentially creating a 'cost taker environment for the smaller entity).

13. The report identifies public transport as a particular strategic risk if regional transport responsibilities are devolved. Infometrics notes that Upper Hutt could have less influence over investment decisions, service levels, timetabling, and funding negotiations if it became a small standalone entity within a much larger metropolitan transport network.

14. Overall, Infometrics concludes that while Upper Hutt currently operates with comparatively low operating expenditure, its long-term financial resilience and negotiating position would likely be stronger within a larger governance structure than as an independent council if neighbouring authorities consolidate.

How the report should be read

15. The report is useful independent analysis, but it should be read as high-level comparative evidence rather than a full financial sustainability review or detailed options assessment.

16. The report does not model specific reorganisation options, transition costs, stranded costs, asset condition, future rates impacts, debt transfer arrangements, detailed service levels, or the practical allocation of regional council assets, functions, staff, systems, or liabilities.

17. The report uses population and spending as indicators of relative scale and potential bargaining position. These are useful indicators, but they are not a detailed procurement or market analysis.

18. The report's findings should therefore be considered alongside other work underway, including regional planning, analysis and discussions, Council's own financial and strategic planning, community feedback.

19. The report provides an independent evidence base for elected members as Council continues to consider the Head Start process. The report does not determine what option Council should support. Any future position will need to consider financial evidence, local representation, community identity, service levels, governance arrangements, iwi and community views, transition risk, and the likely position of other councils in the region.

20. Its central value is that it places Upper Hutt into a wider regional context. This is important because decisions about local government reform will not be made in isolation. Upper Hutt's future position will depend not only on what Upper Hutt prefers, but also on what neighbouring councils, the region, and central government do.

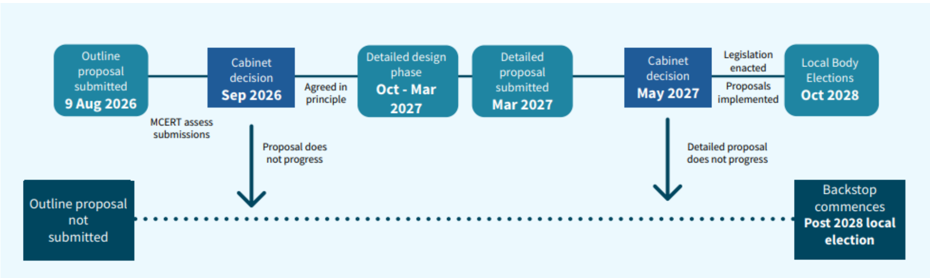
Next steps

21. The regional work on a possible Head Start proposal is continuing.

22. Further briefings and workshops are scheduled for elected members through June and July.

23. A report is expected to be presented to Council at its meeting of 5 August to make a decision on whether or not to submit a Head Start proposal. It will not be a final decision on any specific structural change.

24. The Government's policy guidance indicates councils will have an opportunity to consult with communities before final Cabinet decisions on any changes are made in 2027. The high-level timeline for this process is below for reference.



Source: [Head Start pathway: Simplifying Local Government](#) (PDF, 818KB)

Included attachment

25. Attachment 1: Head Start or Backstop: Upper Hutt's long-term financial sustainability and resilience, June 2026.

Head Start or Backstop: Upper Hutt's long-term financial sustainability and resilience

for Upper Hutt City Council

June 2026

Infometrics
Economics put simply

Authorship

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AGENDA | ITEM 6 ATTACHMENT 4

Table of contents

Key Findings

- Upper Hutt faces strategic risks if it remains a standalone council. Government reforms are expected to result in fewer, larger local authorities, and Upper Hutt's relatively small size would reduce its negotiating power compared with larger neighbouring entities.

- Current government policy is that local councils voluntarily seek to merge together to create scale (Head Start), with a backstop for central government to force mergers. Under the current government's policy, the status quo is unlikely to be an option for Upper Hutt in the future, with Head Start or back stop merger options more likely over the medium term.

- Upper Hutt accounts for just under 9% of Wellington Region's population, making it the fifth-largest territorial authority in the region. However, if surrounding councils merge, Upper Hutt could become the smallest standalone authority in the region.

- The city's economic footprint is smaller than its population share. Upper Hutt has around 9% of the regional population but only 4.5% of regional GDP and 5.1% of regional employment, reflecting its role as a commuter city rather than a major employment centre.

- Upper Hutt has relatively low operating expenditure per resident. At approximately $1,322 per person, operating expenditure (excluding water) is the lowest of any Wellington local authority and around 45% below the regional average. Part of Upper Hutt's comparatively low operating expenditure is due to different service levels, with Upper Hutt (and Kapiti Coast) not providing solid waste and recycling services, while other areas do provide these services.

- Capital investment has been comparatively high. Average capital expenditure over the last five years is the highest in the Wellington region on a per-capita basis, driven by major investments such as H_2O Xtream and increased transport spending. These investments will create higher ongoing maintenance obligations in future years.

- Redistributing Greater Wellington Regional Council functions would materially increase Upper Hutt's operating costs. If regional council responsibilities were transferred on a population basis, Upper Hutt's operating expenditure would rise substantially, although it would still remain below the regional average on a per-capita basis.

- Scale matters for future service delivery and procurement. Larger merged councils would likely have greater bargaining power with suppliers, contractors, and skilled staff, enabling them to secure more favourable pricing and better access to resources than a standalone Upper Hutt could achieve.

- Funding future infrastructure investment is likely to become increasingly challenging if Upper Hutt stands alone. A smaller organisation may face higher construction costs, reduced economies of scale, and greater difficulty maintaining service levels as infrastructure assets age.

- Public transport presents a particular strategic challenge. If regional transport responsibilities are devolved, Upper Hutt risks having less influence over investment decisions, service levels, and timetabling, particularly if neighbouring metropolitan councils operate as a much larger combined authority.
- Overall, our analysis suggests that while Upper Hutt currently has lower operating spending due to lower levels of service, its long-term financial resilience and negotiating position would likely be stronger – in the medium term – within a larger governance structure than as an independent council in a region where neighbouring authorities have consolidated.

Overview

Upper Hutt City Council (UHCC) has commissioned Infometrics to undertake a brief independent assessment of UHCC's long-term financial sustainability and resilience as a standalone territorial authority in the context of the Government's Head Start local government reform process.

Head Start and Simplifying Local Government

On 5 May 2026, Local Government Minister Hon Simon Watts and RMA Reform and Infrastructure Minister Hon Chris Bishop announced Head Start, a streamlined approach to develop and progress reorganisation and amalgamation proposals across local government.[1]

The announcement follows earlier proposals in November 2025 around Simplifying Local Government to collapse city/district and regional levels of local government to one, unitary authority level of local government.[2]

Head Start provides a three-month period, until 9 August 2026, where local councils can submit proposals to reorganise local government in an area, between two or more territorial or unitary authorities. Those proposals will be assessed by officials against published criteria, with Cabinet decisions following in late 2026 ahead of more detailed design and proposals being endorsed in 2027, followed by changes enacted by the 2028 local body elections.[3] The government retains a regulatory backstop to force amalgamation after the 2028 local body elections.[4]

The Wellington regional context

Across the Wellington Region, various ideas and combinations have been promoted, both recently, and in the past. Ideas range from full amalgamation across the entire region, to a Wairarapa-alone entity and a Wellington metro-areas entity, and various other combinations. Councils are both examining options internally and individually, and through existing structures including the Wellington Mayoral Forum.[5]

Approach

Originally, we had hoped to more fully analyse financial projections for Upper Hutt City Council and other related local government entities. This approach would have helped to better understand Council's ability to sustainably maintain and fund its infrastructure, current service levels, renewal and resilience requirements over the medium-to-long term. We would have also analysed the potential implications of UHCC assuming

[1] https://www.beehive.govt.nz/release/councils-invited-fast-track-local-reform
[2] https://www.beehive.govt.nz/release/simpler-more-cost-effective-local-government
[3] https://www.dia.govt.nz/diawebsite.nsf/Files/Local-Government-2026/$file/Head-Start-pathway-policy-document-simplifying-local-government.pdf
[4] https://www.dia.govt.nz/diawebsite.nsf/Files/Local-Government-2026/$file/Guidance-for-Head-Start-outline-proposals.pdf
[5] https://www.rnz.co.nz/news/regions_local-democracy-reporting/594733/no-final-decisions-were-made-wellington-s-mayors-discuss-bombshell-announcement

additional functions currently undertaken by Greater Wellington Regional Council (noting the Government's indication through the Simplifying Local Government Reform programme that regional councils may ultimately be disestablished).

However, the vast array of changes in the local government sector at present makes comparable financial forecasts difficult to validate. Different treatments of water activity classes makes it difficult to get a clear read on the state of current and future finances for local government. Other changes, including RMA reform, rates capping, and levels of services differences, all add to the challenges to accurately determine council financial positions that are able to be compared.

Instead, Infometrics has sought to analyse Upper Hutt City within the context of the wider Wellington Region, examining Upper Hutt's population, and relative high level financial outputs, including comparisons of possible relative negotiating power and spending levels. Specifically, this analysis has included:

- An examination of Upper Hutt's population, and population share of the wider Region, to consider what possible relative negotiating power Upper Hutt may or may not have depending on various regional groupings that could occur under Head Start.
- An examination of total council spending, split by operating and capital expenditure but excluding water spending, for Upper Hutt and other councils in Wellington Region, to better understand the possible negotiating power that Upper Hutt may have relative to other councils in Wellington Region.
- An examination of council spend per capita, split by operating and capital expenditure but excluding water spending, for Upper Hutt and other councils in Wellington Region, to better understand possible funding pressures that could emerge in the future.
- A further examination of per capita spending if the spending by Greater Wellington Regional Council were to be split or spread across remaining local authorities in the future.

A key focus was examining the long-term risks and vulnerabilities associated with UHCC remaining a standalone council, and the potential for Upper Hutt to merge with other areas, either via the Head Start process or the backstop process.

Upper Hutt's position in the region

In the future, current government is clear that elements of local government will be merged. Some of these changes will be more voluntary, through the Head Start process. But areas that do not undertake work to merge are likely to be forced together with other areas as part of the government's backstop powers to achieve the scale and shared connections expected under government policy.

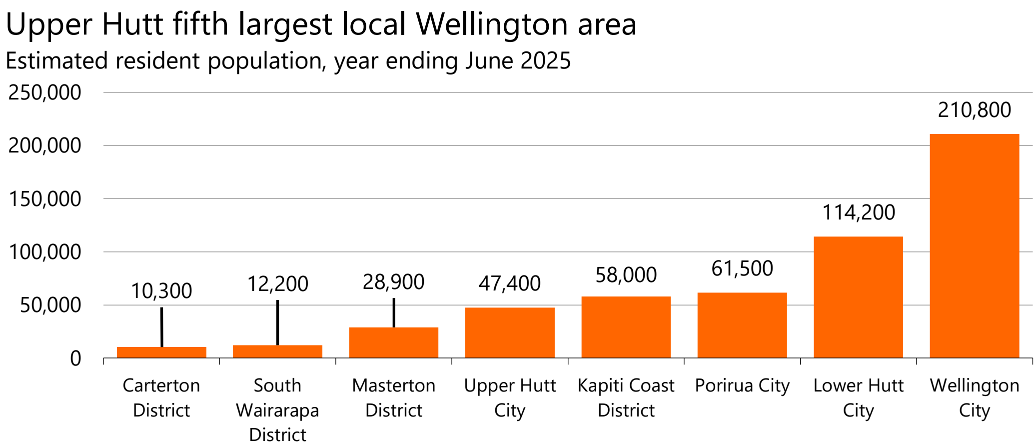
Understanding an area's position within a wider region is important, as this relative position helps provide a view of the relative power and negotiating potential an area may have, either if attempting to go it alone and remain independent, but also within a group of areas under Head Start or backstop mergers.

Upper Hutt has 9% of regional population

As of June 2025, Upper Hutt City had an estimated population of 47,400, just below 9% of the 543,400 estimated resident population for Wellington Region.

This population total makes Upper Hutt the fifth largest territorial authority in Wellington Region – ahead of the three local authorities in the Wairarapa, but smaller than the other cities in Wellington Region, and slightly smaller than Kapiti Coast District.

Chart 1



Source: Infometrics, Stats NZ

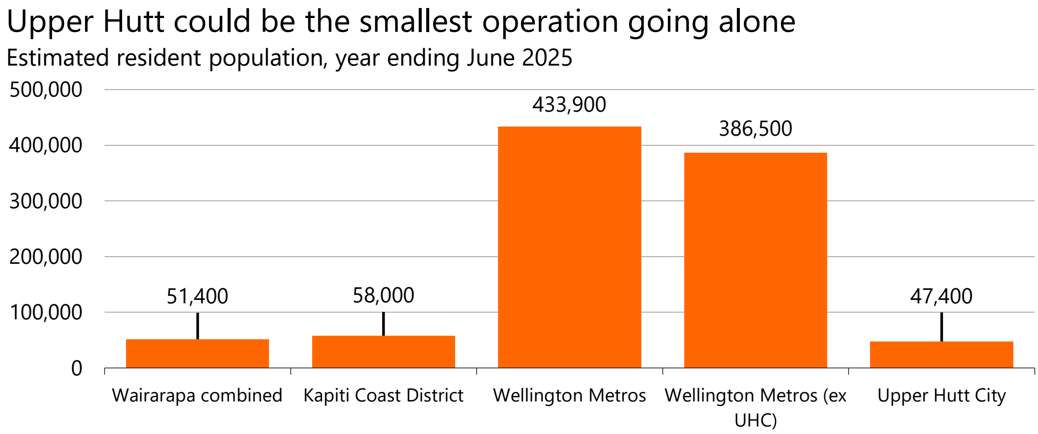
The size of Upper Hutt's population becomes an important metric when considering the potential negotiating ability for Upper Hutt City Council in the future. Generally, areas with larger populations relative to other areas can assert greater negotiating power with suppliers. A few observations are made:

- Depending on other regional scenarios, Upper Hutt could be around the same size (although ever so slightly smaller than) a combined Wairarapa area.
- Upper Hutt would remain smaller than Kapiti Coast District, if Kapiti Coast District stood alone, although merging with Horowhenua District or into the

Wellington Metro area would produce greater bargaining power for Kapiti Coast District.

- A Wellington Metro area with Wellington, Porirua, Lower Hutt, and Upper Hutt cities would have a combined total of over 433,000 people
- Upper Hutt standing alone, while the other regional cities merged, would see Upper Hutt as just 12% of the population size of the combined Wellington Metro area (excluding Upper Hutt), creating a considerable gap in negotiating power between Upper Hutt City and the Wellington Metro area, which could make accessing services more expensive.

Chart 2



Source: Infometrics, Stats NZ

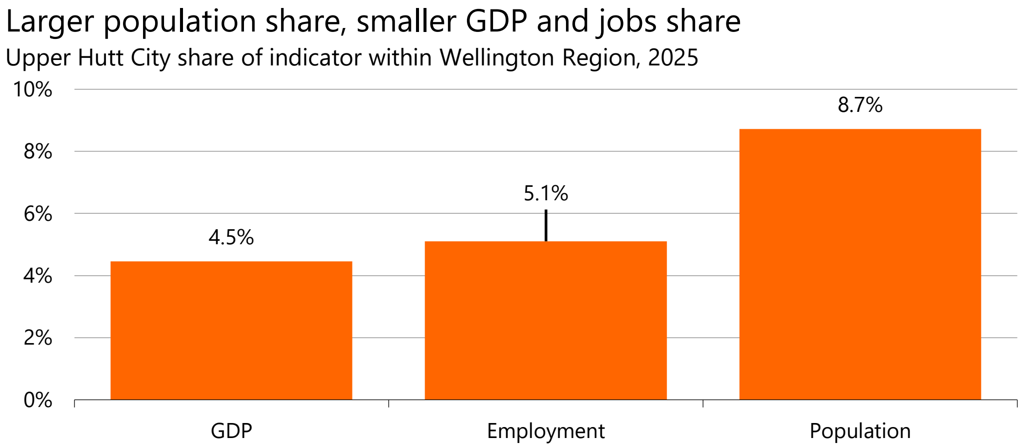
Infometrics population projections show no significant change in the share of population within Wellington that Upper Hutt will have over the next 30 years.

Upper Hutt population share larger than GDP or employment shares

Upper Hutt's population share is considerably higher than the area's share of GDP or jobs within Wellington Region. This difference is explained by the fact that Upper Hutt residents are more likely to commute to jobs within the wider Wellington Region, meaning the GDP and jobs linked to these households sits outside Upper Hutt.

In 2025, Upper Hutt hosted 4.5% of GDP regionally, and 5.1% of regional jobs, but nearly 9% of the population.

Chart 3



Source: Infometrics, Stats NZ

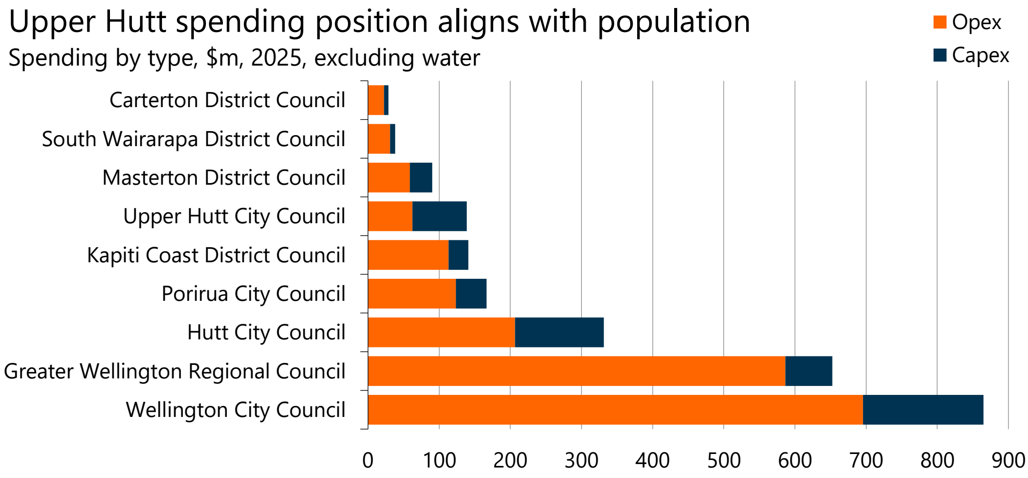
Population is usually a more important metric for examining the relative size and importance of council operations, as generally population will reflect the services needed to be provided by a council, given the population live in the area even if they don't work in the area. Rates are also paid by those that live or occupy land in an area, not who might work or travel into an area, again making population a more important indicator of the possible relative importance of an area.

Council spending shows Upper Hutt's smaller profile

In 2025, regional and local authorities in Wellington Region spent $1,900m on operating expenditure (opex) and $553m on capital expenditure (capex), with a total of $2,453m spent across local government in the region, all excluding water.

Upper Hutt spent $62.7m on opex in 2025, excluding water, equivalent to around 3.3% of total local government spending in Wellington Region in 2025. Upper Hutt's capex spend was a higher proportion of the regional total, with the $76.1m on capex nearly 14% of regional capex spending.

Chart 4



Source: Infometrics, Stats NZ

However, as discussed in more detail further in this report, Upper Hutt's capex spending in the last few years has been considerably higher due to the one-off H_2O Xtream facility refurbishment. On average over the last five years, Upper Hutt's capex spend as a proportion of the regional total has been around 11%.

In total in 2025, Upper Hutt's spending (excluding water) of $138.7m was around 5.7% of total regional spending. Upper Hutt's spending profile shows a smaller combined spend share than Upper Hutt's relative population, with this 5.7% figures smaller than the 8.7% population share figure. This 5.7% share is underweighted by the fact that Greater Wellington Regional Council's spend is included in the total – excluding Greater Wellington still shows Upper Hutt with a 7.7% spending share, which again is likely overinflated by one-off capital spending recently.

Upper Hutt would have limited negotiating power if it stood alone

Within the wider Wellington Region, Upper Hutt standing alone would likely limit Upper Hutt's negotiating power in the future. This more limited negotiating power would likely cause challenges around determining favourable and affordable costs for services provided in Upper Hutt. Limited negotiating power may also limit Upper Hutt's access to services, with other larger areas likely to have better abilities to pay, negotiate terms and rates, and determine more immediate access to services and staff.

This expectation is based on if Upper Hutt did stand alone as a local authority into the future, within a context of other regional mergers. Such regional mergers are likely, given central government's strong policy positioning expecting mergers to occur through a backstop process.

If the Wairarapa councils were to merge together, and the remaining Wellington Metro areas were to merge together, Upper Hutt risks becoming the smallest local authority in the region. Upper Hutt is strongly interconnected with the rest of the Wellington Region, and in particular the Wellington Metros (being the other cities in the region).

There is a reasonable geographic case to be made for a Wairarapa-based entity remaining separate from the rest of the Wellington Region, given the strong interplay across the Wairarapa and the physical separation from the rest of the region at the Remutaka Range. Service provision would likely be provided more locally across the Wairarapa, and so Wairarapa's smaller population size may not fully diminish the combined area's negotiating power, with services potentially being less transferable across the Remutaka Range – at least for physical works.

But Upper Hutt's physical position among the Wellington Metro area would mean that Upper Hutt only had around 10% of the negotiating power for the combined Wellington Metro area. If Upper Hutt stood alone, this 10% relative size of Upper Hutt compared to the 90% heft of the remaining combined Wellington Metro area would likely see Upper Hutt with substantially lower bargaining power, with the much larger organisation having a large enough population and spending base to negotiate favourable terms at scale, and to attract and retain staff. At Upper Hutt's smaller scale, Upper Hutt would struggle to compete and secure access to staff, favourable terms, and more immediate access.

The options ahead

Over the medium-term, the status quo of Upper Hutt going alone for an area like Upper Hutt is likely not viable. Central government have been clear that Head Start provides a voluntary and faster route to merging of local government. But central government has also been clear that it retains a backstop ability to merge local councils in the future to achieve scale.

This view is informed by Upper Hutt's population size, jobs market, economy, and geographic position within Wellington Region. Under current government policy assessments, Upper Hutt is unlikely to achieve a reasonable level of scale relative to neighbouring areas, given that local economies and workforces in the area are so highly integrated between Upper Hutt and rest of the Wellington Metro area.

In short, the status quo is unlikely to be a durable option for Upper Hutt, and participation in Head Start may provide more opportunity to influence future arrangements than waiting for the backstop pathway, which would be expected to occur from 2028.

Financial drivers

Examining current and expected future financial drivers for local councils is complex at present, given water supply and wastewater are being removed from council baselines as these activities move to various other entities.

We have analysed council operating and capital expenditure on the basis that three waters spending is excluded, to provide a clearer view of the financial positioning of spending activity into the future. Infometrics has used Stats NZ's Local Authority Financial Statistics (LAFS) to examine operating and capital expenditure. This data is recorded comprehensively across the local government sector, and is supplied by individual councils to Stats NZ via the Local Authority Census (LAC), but the figures supplied do not always match Annual Reports for each individual council.

Assessing per-capita financials

Infometrics has assessed high-level financial indicators for operating and capital expenditure on a per-person (per-capita) basis, which allows for better comparisons of cost between different local areas, of varying sizes. Levels of service available for various council services are not readily available or benchmarked, meaning that differences in spending per-capita can reflect a variety of outcomes – including different levels of service across areas, different approaches to provision of services, different efficiencies in delivering services, etc.

In our calculations, we have examined total operating and capital expenditure for different councils, divided by the estimated resident population, available from Stats NZ. For operating spending, we have examined the latest operating spending in 2025. For capital spending, we have examined average capital investment per capita over the 2021-2025 period (the last five years, inclusive), as capital investment can be lumpy, with large projects affecting year-to-year totals.

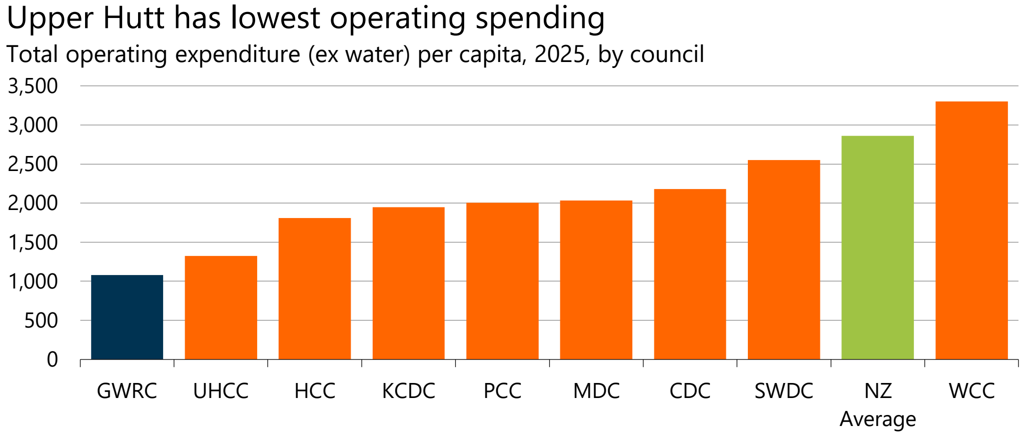
Upper Hutt opex spending is relatively low…

In 2025, operating expenditure (opex) per capita totalled $1,322 per person – around $62.7m in operating spending (excluding water) across 47,400 people.

Upper Hutt had the lowest opex per capita figure of all eight local authorities in the Wellington Region. Wellington City had the highest, at around $3,300 per person, and the Wellington Region weighted average was $2,418 across local authorities. Upper Hutt's opex per capita is 45% lower than the regional average across local authorities.

Most local authorities in Wellington Region also have lower opex per capita than the national average across all local government. Nationally, opex per capita (excluding water) totalled $2,861 per person in 2025.

Chart 5



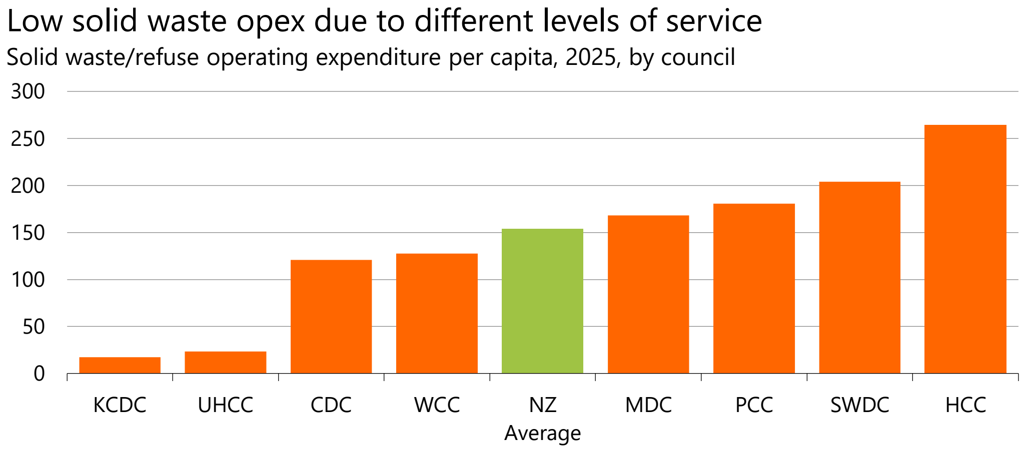
Source: Infometrics, Stats NZ

Greater Wellington Regional Council recorded a $1,079 opex per capita figure, lower than Wellington Regional local authorities due to the different nature of the services that a regional council provides.

However, lower opex per capita doesn't necessarily mean that operations are cheaper or more efficient. That might be the case, but what is provided by a council makes an even larger difference. Different levels of service are challenging to compare, given a lack of benchmarked data across councils around levels of service. However, it is clear that there are some considerable and apparent differences in levels of service within Wellington.

Part of Upper Hutt's lower opex per capita is due to Upper Hutt not providing rubbish and recycling services to residents and ratepayers, with a private company selling these services to the public. As can be seen below, Upper Hutt's solid waste and refuse activity class opex per capita is extremely low, at just $23 per person, compared $154 for the national average and $121-$264 per person across most other local councils.

Chart 6



Source: Infometrics, Stats NZ

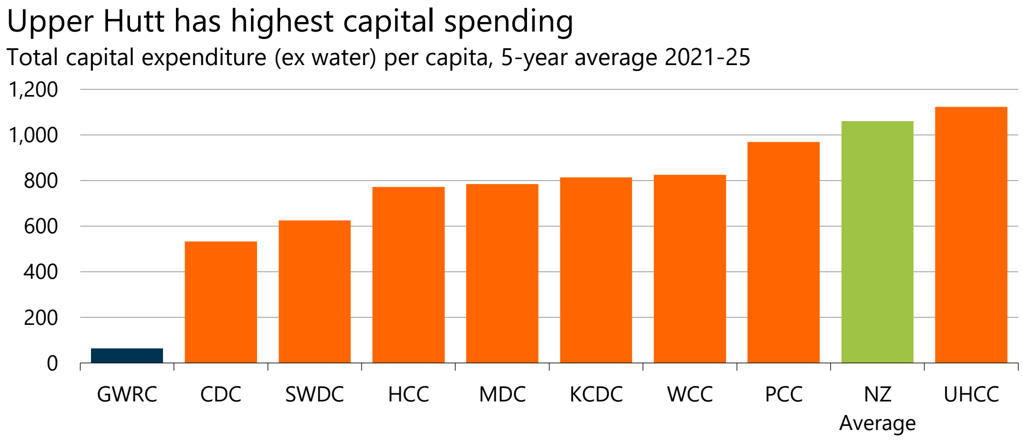
Most other councils provide kerbside rubbish and recycling collection, paid for through a mix of user charges (a per-bag fee) or rates. On the Kapiti Coast, where solid waste and refuse opex per capita is just $17 per person, Kapiti Coast District Council similarly does not provide kerbside rubbish and recycling itself, with private contractors providing this service to households for a fee.

As a result, the likely different levels of service across councils in Wellington means that Upper Hutt's low opex per capita figure is driven in part by providing a different level of service to the community than other areas.

… but Upper Hutt capex spending tops the region

However, capital expenditure (capex) on average over the last five years was the highest – excluding water – of all local authorities in Wellington Region. On average over the 2021-2025 period (inclusive), UHCC capex per capita (excluding water) was $1,124 per person.

Chart 7



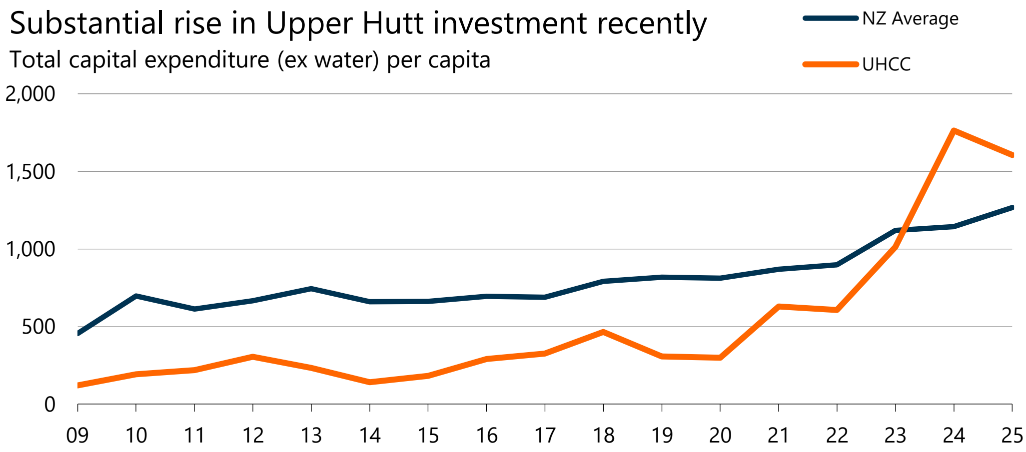
Source: Infometrics, Stats NZ

Upper Hutt's capex per capita figure was higher than all other local authorities in the region, with Porirua City the next highest, at $970 per capita in capex on average over the period. The weighted average across all local authorities in Wellington Region was $844 per capita, meaning Upper Hutt's capex per capita is 33% above the regional average across local authorities.

Upper Hutt's capex per capita was also above the national average of $1,060 across all local government on average for the 2021-25 period.

The high level of capex per capita for Upper Hutt has shown through strongly in the last few years. Capex per capita in Upper Hutt remained below $500 per capita until 2021, and since 2023, Upper Hutt's capex per capita has been above $1,000.

Chart 8



Source: Infometrics, Stats NZ

The increase in capital expenditure in Upper Hutt was driven by some one-off projects, including the H_2O Xtream facility refurbishment, but also higher sustained investment in roading and transport investment. Total roading and transport capex in 2024 and 2025 was, on average each year, more than double investment levels seen on average between 2009 and 2023. Although cost escalation for transport activity will have driven some of this increase, it only partially explains the difference. The fact that national average investment per person hasn't leapt up at the same pace underscores the difference.

Higher capex recently for Upper Hutt will require a higher opex spend over time to maintain these assets. The Infrastructure Commission has published analysis suggesting that for every $10 on new infrastructure, $6 of existing infrastructure wore out, and more funds are needing to be put aside over time to maintain or upgrade infrastructure.

Shifting regional council responsibilities

The government has been clear that it expects to remove a layer of local government as part of its reforms, with regional council functions to be shifted to local authorities, either within merged entities or within existing structures.

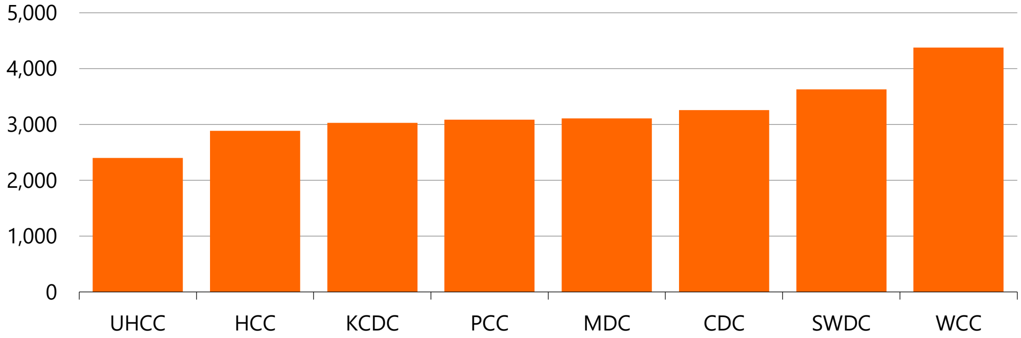
Infometrics has examined what effect this shift might have, if Greater Wellington Regional Council's functions were transferred to local councils. We have not examined the practicalities of this shift, merely high-level financial analysis. If regional council operating expenditure was split across the region on a per-person basis, Upper Hutt's per capita opex would rise relatively more compared to the regional average.

Upper Hutt's per-person allocation of Greater Wellington opex equates to around $51.2m in 2025, which would mean Upper Hutt opex per capita would equal $2,401 – still the lowest of all local authorities in Wellington Region.

Chart 9

Upper Hutt still has lowest operating spending

Total operating expenditure (ex water) per capita, 2025, by council, with GWRC redistributed across areas



Source: Infometrics, Stats NZ

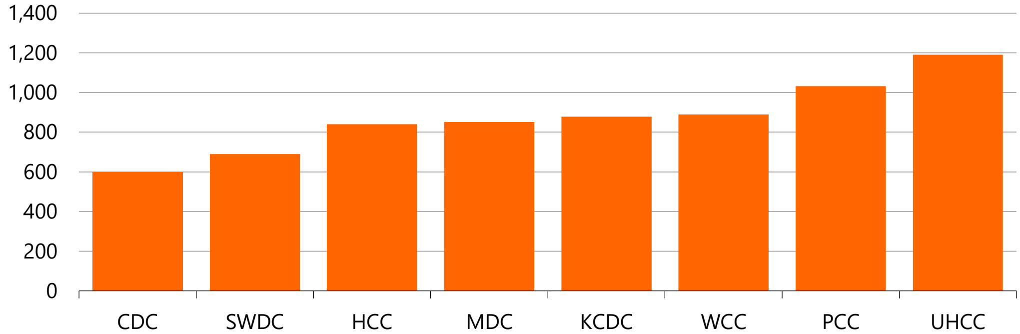
However, the gap compared to the regional average will have reduced, with Upper Hutt's opex per capita being 31% below the regional average, compared to a 45% gap originally.

Upper Hutt's population share of Greater Wellington's five-year average capex spend would equate to around $15m, which would see Upper Hutt's combined capex equivalent to $1,191 per person, on average over the last five years. This per person total for Upper Hutt would remain the highest of all local authorities in Wellington Region.

Chart 10

Upper Hutt still has highest capital spending

Total capital expenditure (ex water) per capita, by council, with GWRC redistributed across areas, 5-year average 2021-25



Source: Infometrics, Stats NZ

Upper Hutt's combined capex per capita would be 31% higher than the regional average capex per person, a slight reduction on the 33% higher gap for Upper Hutt capex without Greater Wellington capex being redistributed.

Funding activity will be challenging if Upper Hutt stands alone

Although Upper Hutt's lower opex per capita could allow Upper Hutt to stand alone in the short term, the status quo is unlikely to remain a durable option for Upper Hutt over the medium term, with the government's backstop to force mergers is likely to see Upper Hutt merged together with other areas in the future.

Part of the reason for Upper Hutt's lower opex per capita is lower levels of service – noticeably in solid waste, and there are ongoing risks to standing alone and attempting to fund services at current levels. In the future, levels of service may be more challenging to maintain, or at least maintain at current prices, if a merged entity with considerably more scale starts to divert resources from Upper Hutt due to the merged area's larger base and ability to determine favourable terms and access.

Additionally, higher levels of service in the merged area compared to Upper Hutt may limit the resources available within the region, and the resulting competition for staff, contractors, and possibly materials, which could again risk higher costs to Upper Hutt of going alone.

Capex is likely to be difficult for Upper Hutt to fund and maintain into the future if Upper Hutt stands alone, particularly if other areas merge to a scale that enables favourable infrastructure investment terms from contractors that would limit prices paid by a merged area. Under that outcome, a smaller relative area like Upper Hutt, strongly connected to a merged area, would likely be faced with more limited unfavourable terms from contractors, with less work volume to offer and less scale to achieve efficiencies.

Although difficult to determine, Upper Hutt would likely face larger challenges standing alone with responsibility for regional council functions, compared to a more combined approach. Including regional council opex is likely to close the current gap that Upper Hutt has for opex relative to the regional average.

Although the increase in overall opex may lift the overall size of council spending to a level that theoretically could bring about more favourable negotiations through more scale, the lift in opex from regional council activities – particularly for public transport – likely has less overlap and scale efficiencies with the current work of the council. In other words, higher spending might help to achieve more scale overall, but if the additional spending is in an activity that doesn't have strong overlap with existing spending, that increase in scale might not be fully achieved.

To this point, Upper Hutt would struggle to maintain parity in public transport services with the wider Wellington metro area, as a small addendum to a much larger network, and of insufficient scale to cost effectively run its own network.

Network connectivity and affordability of transport are vital for Upper Hutt, given the area's large population that works elsewhere in the region, and so difficulties providing public transport services and the risk of higher costs to achieve connectivity would be a key challenge for Upper Hutt if going alone into the future.

In reality, public transport access could see less favourable timetables for Upper Hutt workers, more direct costs of infrastructure and operations passed on locally to Upper Hutt (instead of a more pooled, combined funding approach as is currently taken).

Unlike roads, which are co-funded in a structured way through the National Land Transport Fund, capital funding for Wellington's metro rail network is heavily reliant on negotiating one-off funding from central government. In a future where Upper Hutt is a small addendum to a much larger metro rail network, Upper Hutt could lose influence and therefore funding compared to its larger metro neighbour.

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Kaunihera | Council
Minutes

Record of a meeting of Upper Hutt City Council held in Council Chambers, Level 2, Civic Building, 838-842 Fergusson Drive, Upper Hutt, on Tuesday, 30 June 2026, commencing at 4.30 pm.

Present: Deputy Mayor Corey White (Chair), Councillor Matt Carey, Councillor Emma Holderness (via Zoom), Councillor Angela McLeod, Councillor Hellen Swales, Councillor Tracey Ultra, Councillor Daniel Welch and Councillor Dave Wheeler.

Apologies: Mayor Peri Zee, Councillor Gurpreet Dhillon and Councillor Bill Hammond.

1. Karakia

The Deputy Mayor opened the meeting with a karakia.

2. Apologies

Apologies were received from Mayor Zee, Councillor Dhillon and Councillor Hammond.

MOVED: Deputy Mayor White / Councillor Wheeler

"That Council accepts the apologies from Mayor Zee, Councillor Dhillon and Councillor Hammond."

MOTION CARRIED: C 260201 (2)

3. Declarations of Interest

There were no declarations of interest.

4. Public Forum

Heather Blissett spoke to Item 5 – Setting of Annual Rates 2026 - 2027 on the subject of rates and tabled the document appended as **Attachment 1** to the minutes.

Public Business

5. Setting of Annual Rates 2026 - 2027

The Acting Group Manager of Corporate Services introduced the report and provided an executive summary.

The Acting Group Manager of Corporate Services answered a member's question regarding the overall rates increase from 1 July 2026, advising that the increase adopted through the Annual Plan process was 9.9%.

In response to further questions about the vacant land rating category, the Acting Group Manager advised that Council had adopted a vacant land differential factor of 500 through the Long Term Plan process. Consequently, the rate per dollar was substantially higher than for standard land categories. She further advised that the definition of vacant land was contained in the Annual Plan.

MOVED: Deputy Mayor White / Councillor McLeod

"That Council,

a. Pursuant to sections 23, 24 and 57 of the Local Government (Rating) Act 2002, resolves to set the rates, due dates, and penalties for unpaid rates for rating units in the city of Upper Hutt for the rating year 1 July 2026 to 30 June 2027 as follows:

GENERAL RATE

b. A general rate set under section 13(2)(b) of the LGRA, on the capital value of rating units in the City, assessed on a differential basis as follows (all rates inclusive of GST at the prevailing rate at the time of supply):

(i) A rate of 0.20945 cents in the dollar of capital value on every rating unit in the standard rating category as defined in the Funding Impact Statement;

(ii) A rate of 0.15708 cents in the dollar of capital value on every rating unit in the rural rating category as defined in the Funding Impact Statement;

(iii) A rate of 0.15708 cents in the dollar of capital value on every rating unit in the forestry rating category as defined in the Funding Impact Statement;

(iv) A rate of 0.60739 cents in the dollar of capital value on every rating unit in the business rating category as defined in the Funding Impact Statement;

(v) A rate of 0.62834 cents in the dollar of capital value on every rating unit in the utilities (and three waters utilities) category as defined in the Funding Impact Statement;

(vi) A rate of 0.73306 cents in the dollar of capital value on every rating unit in the corrections facility category as defined in the Funding Impact Statement.

(vii) A rate of 1.04723 cents in the dollar of capital value on every rating unit in the Vacant land category as defined in the Funding Impact Statement.

LAND TRANSPORT RATE

c. A targeted rate for land transport, set under sections 16(3)(a) and 16(4)(b) of the LGRA, on the capital value of all rating units in the City, assessed on a differential basis as follows (all rates inclusive of GST at the prevailing rate at the time of supply);

(i) A rate of 0.06338 cents in the dollar of capital value on every rating unit in the standard rating category as defined in the Funding Impact Statement;

(ii) A rate of 0.04753 cents in the dollar of capital value on every rating unit in the rural rating category as defined in the Funding Impact Statement;

(iii) A rate of 0.04753 cents in the dollar of capital value on every rating unit in the forestry rating category as defined in the Funding Impact Statement;

(iv) A rate of 0.18380 cents in the dollar of capital value on every rating unit in the business rating category as defined in the Funding Impact Statement;

(v) A rate of 0.19014 cents in the dollar of capital value on every rating unit in the utilities (and three waters) category as defined in the Funding Impact Statement;

(vi) A rate of 0.22183 cents in the dollar of capital value on every rating unit in the corrections facility category as defined in the Funding Impact Statement.

(vii) A rate of 0.31690 cents in the dollar of capital value on every rating unit in the Vacant land category as defined in the Funding Impact Statement.

COMPLIANCE RATE

d. A targeted rate for central government compliance costs, set under sections 16(3)(a) and 16(4)(b) of the LGRA, on the capital value of all rating units in the City, assessed on a differential basis as follows (all rates inclusive of GST at the prevailing rate at the time of supply);

(i) A rate of 0.01024 cents in the dollar of capital value on every rating unit in the standard rating category as defined in the Funding Impact Statement;

(ii) A rate of 0.00768 cents in the dollar of capital value on every rating unit in the rural rating category as defined in the Funding Impact Statement;

(iii) A rate of 0.00768 cents in the dollar of capital value on every rating unit in the forestry rating category as defined in the Funding Impact Statement;

(iv) A rate of 0.02969 cents in the dollar of capital value on every rating unit in the business rating category as defined in the Funding Impact Statement;

(v) A rate of 0.03072 cents in the dollar of capital value on every rating unit in the utilities (and three waters) category as defined in the Funding Impact Statement;

(vi) A rate of 0.03583 cents in the dollar of capital value on every rating unit in the corrections facility category as defined in the Funding Impact Statement.

(vii) A rate of 0.05119 cents in the dollar of capital value on every rating unit in the Vacant land category as defined in the Funding Impact Statement.

RATES OF DEFENCE LAND

e. The rates described in this report comply with section 22 of the LGRA, which requires that rates set under s13(2) (general rates) or s16 (targeted rates) of the LGRA not result in land owned or used by the Crown as an air force base, army camp, naval establishment, or other defence area being assessed for an amount of rates that exceeds the amount that would have been assessed if the rates for the district had been calculated on the land value only.

DATES THAT RATES ARE PAYABLE

f. That the Council agrees all property rates be payable in four equal instalments due on the due date stated for the relevant instalment, as follows:

Instalment	*Due date*	*Penalty date*
Instalment One	*1 September 2026*	*2 September 2026*
Instalment Two	*1 December 2026*	*2 December 2026*
Instalment Three	*1 March 2027*	*2 March 2027*
Instalment Four	*1 June 2027*	*2 June 2027*

All payments made will be receipted against the earliest outstanding rate amounts in accordance with authorised accounting procedures.

PENALTIES

g. That the Council apply the following penalties on unpaid rates in accordance with sections 57 and 58 of the Local Government (Rating) Act 2002:

(i) A penalty of 10 percent of the amount of each instalment for the 2026-27 year which remains unpaid after the relevant due date listed in paragraph f will be added on the relevant penalty date for the instalment stated in paragraph f above (section 58(1)(a)).

(ii) A further penalty of 10 percent of the amount of rates set for any previous financial year that is unpaid 5 working days after the date of this resolution. The penalty will be added on 7 July 2026 (Section 58(1)(b)). This is to align with the later date of either Greater Wellington Regional Council or Upper Hutt City Council's rates resolution.

(iii) A further penalty of 10 percent on rates to which a penalty has been added under paragraph g(ii) if the rates are unpaid six [6] months after the penalty in paragraph g(ii) was added. The penalty will be added on 7 January 2027 (Section 58(1)(c)).”

MOTION CARRIED: C 260202 (2)

6. Proposed Financial Carryovers

The Acting Group Manager Corporate Services introduced the report and provided an executive summary.

The Acting Group Manager answered members' questions regarding projects included in Attachment 1 to the report, including the Rural Roading High Priority Safety Upgrades project, the grant-funded component of the carryovers, the Small Land Transport Projects budget, the Blue Mountains bus stop project and the nature of carryovers and associated debt funding.

MOVED: Councillor Ultra / Councillor Wheeler

"That Council delegates authority to the Acting Chief Executive to carry over unutilised funding for the items listed in the Schedule of Financial Carryovers (Option One) appended as Attachment 1 to this report, based on her assessment of the financial position and status of each item as at 30 June 2026."

MOTION CARRIED: C 260203 (2)

7. Council Loan Requirements 2026 – 2027

The Acting Group Manager Corporate Services introduced the report and provided an Executive Summary. She highlighted the support services component of the proposed borrowing programme and advised that, as agreed through the Annual Plan process, approximately $1 million of overhead costs associated with the transfer of water services activities would be loan-funded.

The Acting Group Manager clarified that the project listed as "Adoption of AI, and Risk Management", related to the adoption of artificial intelligence tools and broader risk mitigation initiatives, including software licensing and compliance-related activities across Council.

The Acting Group Manager Corporate Services answered a member's questions regarding the rationale for loan funding certain projects, including library information technology equipment and software-related expenditure, the Local Government Funding Agency (LGFA) borrowing process, the Regional Cycle Trails project, the Payroll Remediation Project and debt headroom and financial risk.

The Group Manager of Operations answered members' questions regarding the CBD Revitalisation Paving project, the available budget, and the process for progressing the project.

The Group Manager of Community Services answered a member's question about the funding for replacement CCTV security cameras.

MOVED: Councillor Ultra / Councillor Welch

"That Council:

- *a. receives the report entitled council loan requirements 2026 – 2027,*
- *b. borrows up to $10,636,538 (the borrowed sum), being maximum amount for the purposes stated in the Council's 2026 – 2027 Annual Plan for the financial year ended 30 June 2027 and carryovers,*
- *c. maintains and utilises an overdraft facility (the overdraft), and may repay and redraw under that facility, for the council's cashflow management up to a maximum outstanding at any time under such facility of $600,000,*
- *d. approves the Chief Executive be hereby delegated authority to negotiate and agree the terms, interest rate payable by Council, frequency of interest payments, timing of drawdowns, number of loans, facilities or issues stock which make up the borrowed sum and the overdraft and all other terms and conditions of such loans or facilities or stock including whether such loans, facilities or stock will be secured under the Debenture Trust Deed, as may be necessary for the obtaining of such loans, facilities or stock on behalf of the Council in accordance with the Upper Hutt City Council Treasury Risk Management Policy,*
- *e. approves the Chief Executive be hereby delegated authority to approve all transactions contemplated by the documents required to facilitate the financing of the borrowed sum and the overdraft,*
- *f. In the event the terms and conditions of the borrowed sum loan require the Council to subscribe to borrower notes, the Chief Executive be hereby delegated authority to borrow in addition to the borrowed sum, the minimum amount necessary to enable the Council to subscribe to the number of borrower notes required by terms and condition of the loan so that the net amount advanced to the Council equals the borrowed sum,*
- *g. Authorises the Chief Executive to negotiate and enter suitable Forward Rate Agreements and any security arrangements required by other party to the Forward Rate Agreement to manage the interest rate risk of the borrowing in accordance with the Treasury Risk Management Policy, and*
- *h. Authorises the Chief Executive be hereby delegated authority to sub-delegate powers, duties and discretions, delegated to them under the resolutions above, to members of the Council's Executive Leadership Team, as they consider appropriate.*

i. Notes that under the Manual of delegations for Council, where an officer is in a position in an acting capacity, the officer may exercise the delegations or sub-delegations applying to that position."

MOTION CARRIED: C 260204 (2)

8. Confirmation of Council meeting minutes

8.1 Council meeting record of the meeting held on 20 May 2026

MOVED: Deputy Mayor White / Councillor Ultra

"That Council confirms that the record of the Council meeting held on 20 May 2026 are a true and correct record of the meeting."

MOTION CARRIED: C 260205 (2)

9. Committee and Panel Meeting Records

9.1 Record of Hutt Valley Services Committee meeting held on 1 May 2026

MOVED: Councillor McLeod / Councillor Welch

"Council notes that the record of the Hutt Valley Services Committee meeting held on 1 May 2026, is a true and correct record of that meeting."

MOTION CARRIED: C 260206 (2)

MOVED: Deputy Mayor White / Councillor McLeod

"That Council receives the record of the Hutt Valley Services (Joint) Committee meeting held on 1 May 2026 and approves the recommendations contained in that record."

MOTION CARRIED: C 260207 (2)

9.2 Confirmation of Creative Communities Assessment Scheme Panel Minutes

MOVED: Councillor Ultra / Councillor McLeod

"That Council notes that the record of the Creative Communities Assessment Scheme meeting held on 7 May 2026 is a true and correct record of that meeting."

Councillor Swales requested that her dissenting vote be recorded

MOTION CARRIED: C 260208 (2)

9.3 Confirmation of Long Term Planning, Performance and Finance Committee Minutes

MOVED: Deputy Mayor White / Councillor Ultra

"That Council notes that the record of the Long Term Planning, Performance and Finance Subcommittee meeting held on 3 June 2026 is a true and correct record of that meeting."

MOTION CARRIED: C 260209 (2)

MOVED: Deputy Mayor White / Councillor Wheeler

"That Council receives the record of the Long Term Planning, Performance and Finance Subcommittee meeting held on 3 June 2026."

MOTION CARRIED: C 260210 (2)

9.4 Confirmation of City Planning, Infrastructure and Environment Committee Minutes

MOVED: Councillor Carey / Councillor Ultra

"That Council notes that the record of the City Planning, Infrastructure and Environment Committee meeting held on 3 June 2026 is a true and correct record of that meeting."

MOTION CARRIED: C 260211 (2)

MOVED: Deputy Mayor White / Councillor Ultra

"That the Council receives the minutes of the City Planning, Infrastructure and Environment Committee meeting held on 3 June 2026".

MOTION CARRIED: C 260212 (2)

9.5 Confirmation of Community and Economy Committee Minutes

MOVED: Councillor McLeod / Councillor Ultra

"That Council notes that the record of the Community and Economy Committee meeting held on 17 June 2026 is a true and correct record of that meeting."

MOTION CARRIED: C 260213 (2)

MOVED: Deputy Mayor White / Councillor McLeod

"That the Council receives the minutes of the Community and Economy Committee meeting held on 17 June 2026".

MOTION CARRIED: C 260214 (2)

9.6 Confirmation of Regulatory Processes Committee Minutes

Councillor Wheeler tabled the minutes of the Regulatory Processes Committee held on 24 June 2026, these are appended as **Attachment 2**.

MOVED: Councillor Wheeler / Councillor Welch

"I table the minutes and ask Council to note that the record of the Regulatory Processes Committee meeting held on 24 June 2026 is a true and correct record of that meeting."

MOTION CARRIED: C 260215 (2)

MOVED: Deputy Mayor White / Councillor Wheeler

"That Council receives the minutes of the Regulatory Processes Committee meeting held 24 June 2026."

Councillors Swales and Holderness requested that their dissenting vote against the motion be recorded.

MOTION CARRIED: C 260216 (2)

10. Resolution to exclude the public

MOVED: Deputy Mayor White / Councillor Wheeler

"That the public be excluded from the following parts of the proceedings of this meeting under section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 (LGOIMA), because the public conduct of those parts would be likely to result in the disclosure of information for which good reason for withholding would exist under the sections listed below:

Item	*Subject*	*Reason for excluding the public*
11.	*Recommendation of Debts to be written off for the year 30 June 2026*	*This report contains personal information about identifiable individuals. Releasing this information would unreasonably interfere with their privacy (LGOIMA 1987 section 7(2)(a)).*
12.	*Whirinaki Whare Taonga Trust – Trustee Appointments*	*This report contains personal information about identifiable individuals. Releasing this information would unreasonably interfere with their privacy (LGOIMA 1987 section 7(2)(a)).*
13.	*Lane Street Studios rates remission*	*This report contains information whereby the release of the information would be likely to unreasonably prejudice the commercial position of a person who supplied or is the subject of the information. Section 7(2)(b)(ii)*
14.	*Confirmation of the minutes of a Public Excluded Council meeting*	*This report contains information about individuals, commercial interests, measures to prevent or mitigate material loss, and matters that are the subject of ongoing negotiations. Release of this information would prejudice privacy interests, commercial positions, the effectiveness of measures to prevent or mitigate material loss, and the Council's ability to conduct negotiations without prejudice or disadvantage. 7(2)(a), 7(2)(e), 7(2)(b)(ii), and 7(2)(i).*
15.	*Confirmation of Long Term Planning, Performance and Finance Subcommittee Public Excluded Minutes*	*This report contains information whereby the release of the information would be likely to unreasonably prejudice the commercial position of a person who supplied or is the subject of the information. Section 7(2)(b)(ii)*
16.	*Confirmation of Regulatory Processes Committee Public Excluded Minutes*	*This report contains personal information about identifiable individuals. Releasing this information would unreasonably interfere with their privacy (LGOIMA 1987 section 7(2)(a)).”*

MOTION CARRIED: C 260217 (2)

Included Attachments: **Page**

The Deputy Mayor closed the public meeting at 5.18 pm. Council moved into public excluded business at 5.24 pm, and the meeting concluded at 6.32 pm.

Signed: Deputy Mayor Corey White | Koromatua Tuarua **Date:**

Pg.6.

Rates Review 2026/2027 C.V. $500,000

0·20945 cents in the dollar of Capital Value - standard $1047.25

0·15708 " " " - rural $785·40

0·15708 " " " - Forestry $785·40

0·60739 " " " business

0·62834 " " " Utilities (Incl. 3 waters)

0·73306 " " " Corrections

1·04723 " " " Vacant Land. $5236·15

Not using services, roads, H_2O, Library, etc.

Patai? Has this increased/decreased/remained the same as last year.

What is classed as vacant land? - Empty section?

$500,000 Capital Value - standard = $1047·25

" " - Vacant Land = $5,236·15

Difference = $4188·90. Why?

Please include Indigenous Vegetation category!

Both pre-existing and new planting!!

Acknowledge the carbon credits.

Significant Natural Areas.

Heather Blissett

Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Komiti Tukanga Whakahaere Ture
Regulatory Processes Committee

Minutes

:ord of a meeting of the Regulatory Processes Committee held in Council Chambers, Level 2, Civic ing, 838-842 Fergusson Drive, Upper Hutt, on Wednesday, 24 June 2026, commencing at 4.30 pm.

t: lor Dave Wheeler (Chair), Mayor Peri Zee, and Councillor Daniel Welch.

ies: lor Gurpreet Dhillon (Deputy Chair) and Councillor Bill Hammond.

1. Opening Karakia

Mayor Zee opened the meeting with a karakia.

2. Apologies

MOVED: Councillor Wheeler / Councillor Welch

Apologies were received from Councillor Dhillon and Councillor Hammond.

"That the apologies received from Councillor Dhillon and Councillor Hammond be accepted and leave of absence be granted."

MOTION CARRIED: C 260201

3. Declarations of Interest

There were no declarations of interest.

4. Public Forum

There was no public forum.

5. Road Naming Part-public - Part-Private Road in the Subdivision at 68F Ward Street.

The Acting Group Manager of Corporate Services introduced the report and provided an executive summary.

MOVED: Councillor Wheeler / Mayor Zee

ıe Regulatory Processes Committee:

a. ***approves Option One, as outlined in this report;***

b. ***notes that Option One is "Druce Lane" – the recommended name for the new part-public, part-private road in the subdivision at 68F Ward Street, Upper Hutt; and***

c. ***authorises officers to make any consequential amendments to this document based on direction provided at this meeting or to correct any minor editorial, typographical, arithmetical, or formatting errors that are identified."***

MOTION CARRIED: C 260202

6. Private Road Naming - Subdivision at 67 Kaitoke Waterworks Road.

The Acting Group Manager of Corporate Services introduced the report and provided an executive summary.

MOVED: Councillor Welch / Mayor Zee

"The Regulatory Processes Committee,

a. ***approve Option 1 as outlined in this report, and,***

b. ***note that Option 1 is "Burrell Lane", the recommended name for the new private road in the subdivision at 67 Kaitoke Waterworks Road, Upper Hutt, and,***

c. ***authorise officers to make any consequential amendments to this document based on direction provided at this meeting or to correct any minor editorial, typographical, arithmetical, or formatting errors that are identified."***

MOTION CARRIED: RPC 260203

7. Hearing of Objection to Menacing Dog Classification

The registered dog owner and the person in charge of the dog at the time of the incident were present for this item (the objectors).

The Chair advised that the Committee was sitting in a statutory and quasi-judicial capacity to determine an objection under section 33B of the Dog Control Act 1996. The Chair confirmed that the Committee's decision was limited to whether to uphold or rescind the menacing classification, and that members were required to approach the matter fairly, with an open mind, and on the information properly before them.

The Chair outlined the hearing procedure, including the opportunity for the Group Manager of Operations, the objectors and the affected party to provide or clarify information. The Chair noted that the hearing would begin in public, and that the Committee may resolve to move into public excluded session if required to consider incident footage, unredacted or identifying material, personal information, or to deliberate.

The Group Manager of Operations introduced the report and acknowledged the difficulty of the matter for all parties. He advised that Council's Animal Management team had considered the information gathered through the investigation, including the incident material, the accounts provided by the parties, the dog's history, the handler's actions, and the relevant statutory test. The Group Manager of Operations acknowledged that the dog was on a lead and harness, that the handler attempted to separate the animals, and that the dog had no previous recorded incident history. He advised that, notwithstanding those factors, the dog's behaviour during the incident, its size and strength, and the seriousness of the incident supported the menacing classification as a proportionate preventative response.

The affected cat owner joined the meeting remotely at 4.45 pm.

The Group Manager of Operations answered questions from members relating to the statutory test under section 33A of the Dog Control Act 1996, the type of evidence that may support a menacing classification, the absence of a detailed veterinary report, and the effect of a menacing classification. The Group Manager of Operations also advised that, based on staff experience and assessment, the dog's behaviour in the incident footage was considered aggressive.

The objectors addressed the Committee in support of the objection. They submitted that the statutory threshold for a menacing classification had not been met. The objectors advised that the dog was on a lead and harness, had no previous history of aggression, and did not initiate the incident. They submitted that the incident was sudden and unusual, that the dog's behaviour was defensive rather than aggressive, and that the available footage was limited and open to interpretation.

The objectors also raised concerns about procedural fairness and the evidential basis for the original classification decision, including the timing of the handler's eyewitness statement and alleged inconsistencies between the original outcome letter and the later hearing material.

Members asked the objectors questions for clarification relating to the incident footage, the sequence of events, the handler's actions, the chronology in the agenda material, and the registered dog owner's knowledge of the incident when first contacted by the Animal Management Officer. The objectors responded to those questions and maintained that the dog remained under the handler's control throughout the incident.

Members asked the affected cat owner questions for clarification. The affected cat owner advised that the cat was elderly, had grown up with dogs, and was taken to the veterinary clinic following the incident.

The Group Manager of Operations was invited to reply and advised that he had nothing further to add. In response to further questions from members, the Group Manager of Operations and the Animal Management Officer clarified the distinction between a dog being leashed and a dog being under effective control. The Animal Management Officer advised that the Dog Control Act requires direct control of a dog at all times, and that, although the handler had attempted to control the dog, she considered the dog was too strong for the handler during the incident. The Group Manager of Operations advised that effective control included a dog being able to respond to the handler's commands.

The objectors responded that there was no evidence that the dog was not under the handler's control or that the dog had shaken the cat. The objectors also queried the basis for the advice regarding the absence of a detailed veterinary report.

At 5.24 pm, Councillor Wheeler, with the support of Councillor Welch, moved that the public be excluded.

MOVED: Councillor Wheeler / Councillor Welch

"That the Committee, pursuant to the provisions of section 48 of the Local Government Official Information and Meetings Act 1987 (LGOIMA), exclude the public from the following part of the proceedings of this meeting, except the Governance Advisors. Section 7(2)(a) states that withholding of the information is necessary to protect the privacy of natural persons."

MOTION CARRIED: RPC 260204

The meeting moved into public excluded session at 5.24 pm. During public excluded session, the Committee reviewed the incident footage and deliberated on the objection, having regard to the information before it and the statutory considerations under section 33B of the Dog Control Act 1996.

At 5.45 pm the Chair resumed the public meeting noting that the committee had deliberated and was ready to deliver the outcome.

MOVED: Mayor Zee / Councillor Welch

"The Regulatory Processes Committee:

a. ***notes that, in accordance with section 33B of the Dog Control Act 1996, the Committee has had regard to:***

    i. ***the evidence which formed the basis for the classification;***
    ii. ***any steps taken by the owner, or person in charge of the dog, to prevent any threat to the safety of persons or animals;***
    iii. ***the matters relied on in support of the objection; and***
    iv. ***any other relevant matters;***

b. determines, pursuant to section 33B of the Dog Control Act 1996, to uphold the classification of the dog as a menacing dog; and

c. delegates authority to the Chair of the Regulatory Processes Committee to issue the written decision and reasons to the parties."

MOTION CARRIED: RPC 260205

The meeting closed with a Karakia at 5.47 pm.

Signed: Chair, Councillor Dave Wheeler Date: