

Mayor and Councillors
COUNCIL

23 AUGUST 2012

Meeting Status: **Public**

Purpose of Report: For Information

LOCAL GOVERNMENT REFORM OPTIONS: SURVEY RESULTS

PURPOSE OF REPORT

- 1 This report informs Council of the results of the phone and postal surveys recently conducted in the District and across the Wellington region on options for changes to the structure of local government in the region.

SIGNIFICANCE OF DECISION

- 2 This report does not trigger the Council's Significance Policy.

BACKGROUND

- 3 The Government introduced an amendment to the Local Government Act 2002 into Parliament on 30 May 2012. This Bill was the subject of a Council submission to the Local Government and Environment Select Committee which the Environment and Community Development Committee considered at its 19 July meeting.
- 4 Among other things, measures in the Bill are designed to streamline procedures for local government reorganisation. The stated aim is to provide the Local Government Commission "with greater flexibility to develop reorganisation proposals, and makes it easier for community-led proposals to proceed".
- 5 Following the reforms in Auckland in 2009, the Wellington regional Mayoral Forum has had lengthy discussions on the likely Government interest in seeing similar reforms in the Wellington area and on what shape those reforms might potentially take. These discussions included commissioning a report from PriceWaterhouseCoopers (PWC) who reported in October 2010 on their review of the current local governance arrangements to establish whether they were optimal for the Wellington region and its communities into the future. The report included an outline of 6 options they identified as possible for the region:
 - Status quo;
 - Strengthened Regional Council;
 - Logical clusters;
 - Two tier local government;
 - Sub-regional unitary authorities; and

- A single unitary authority.
- 6 Subsequently, each of the nine councils in the region held a consultation process on the PWC report to gauge reaction. Only 165 were received across the region in total, and only 1 (from Grey Power) from Kāpiti. Martin Jenkins was commissioned to analyse the submissions and reported back in August 2011 but was unable to draw any reliable conclusions given the low response rate.
 - 7 In October 2011 a “group of Wellington regional councillors” circulated a discussion paper entitled *Some ideas on local government reform in Wellington – neighbourhood decisions with pan-regional strategy*. The paper proposes a single council in charge of all regional and cross-boundary issues and able to raise rates. Responsibility for local issues would remain with local councils. Essentially this was seen as a repeat of the Auckland “super-city” model.
 - 8 There was opposition to engaging with this paper from the various territorial authorities (TAs). In May 2012 the Regional Council, in partnership with Porirua City Council, appointed an independent panel to investigate local government reform in the Wellington region and to progress the development of a proposal for new arrangements.
 - 9 The panel has had one discussion with this Council and indicated it would like to have further interactions. It is due to report back to the Regional Council in October 2012.
 - 10 In parallel with the Porirua City/Greater Wellington Regional Councils’ work, the remaining seven TAs agreed to survey their residents and ratepayers on four options for change ranging from no boundary changes but greater inter-council collaboration through to the model originally proposed by GWRC.
 - 11 The seven councils conducted both phone and postal surveys. Porirua City (PCC) also participated in the phone survey. Some councils altered the survey slightly to respond to their particular circumstances.
 - 12 Both surveys asked respondents whether they thought the way the councils in the Wellington region were organised should remain the same or change. Respondents who opted for change were then asked which of four options they supported. In Kāpiti, Option 1 was subdivided into two sub-options (see below for details). The phone survey also asked respondents for a second preference if their first was not available and asked those who opted for remaining the same which change option they would support if forced.
 - 13 The change options in Kāpiti were as follows (see Appendix 2 for full descriptions):
 - **Option 1A:** no boundary changes but enhanced shared services and collaboration with other councils. GWRC continues in existence.
 - **Option 1B:** no boundary changes but Kāpiti Coast becomes a stand alone unitary authority, absorbing the functions of the Regional Council.

- **Option 2:** all existing councils merge into three unitary authorities – Wellington/Porirua/Kāpiti, a single Hutt Valley authority, and a single Wairarapa authority.
- **Option 3:** all existing councils merge into two unitary authorities – a single Wairarapa authority and a second unitary authority west of the Rimutaka divide.
- **Option 4:** all existing councils merge into a single unitary authority with 10 local councils.

CONSIDERATIONS

Survey results

- 14 The Kāpiti Coast postal survey elicited 878 results from residents and ratepayers (including non-resident ratepayers), of which 856 were valid (i.e. the submitter included their name and address). The random sample for the phone survey, conducted by Colmar Brunton, was 500 Kāpiti Coast District residents which gave the survey a 4.2% margin of error. The phone survey was conducted in all 8 TA areas which gave a total sample of 3,300. The results for the region are contained in Appendix 1.
- 15 As with the survey results for most other councils, there is a noticeable difference between the results from the two surveys. Figure 1 shows the results for the Kāpiti Coast District.

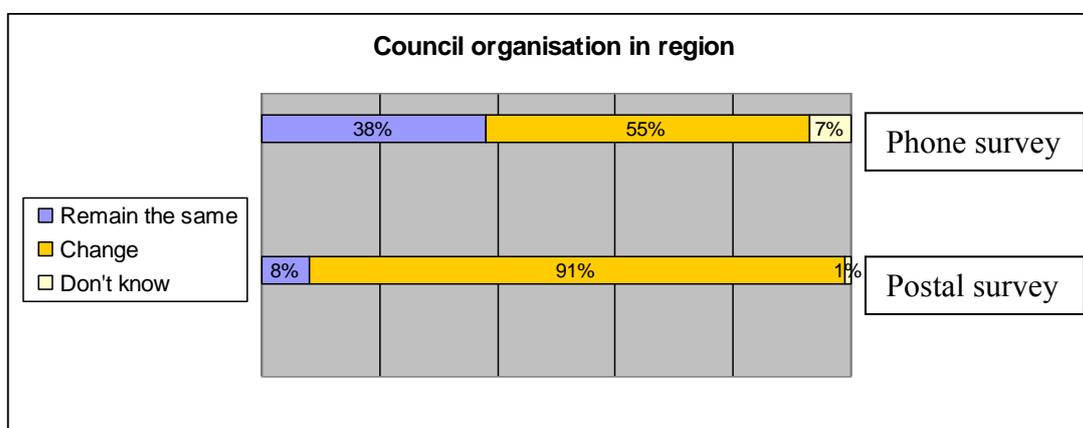


Figure 1: Survey results for question on whether respondents want change or not

- 16 In both surveys, those who indicated they wanted change were asked to indicate a preference for one of the four options. In the Kāpiti, respondents were offered a variation on Option 1 so that they chose between no change to boundaries but increased inter-council collaboration and a second version which, in addition, also turned the Council into a unitary authority – Options 1A and 1B. Figure 2 summarises the results of the options selection.

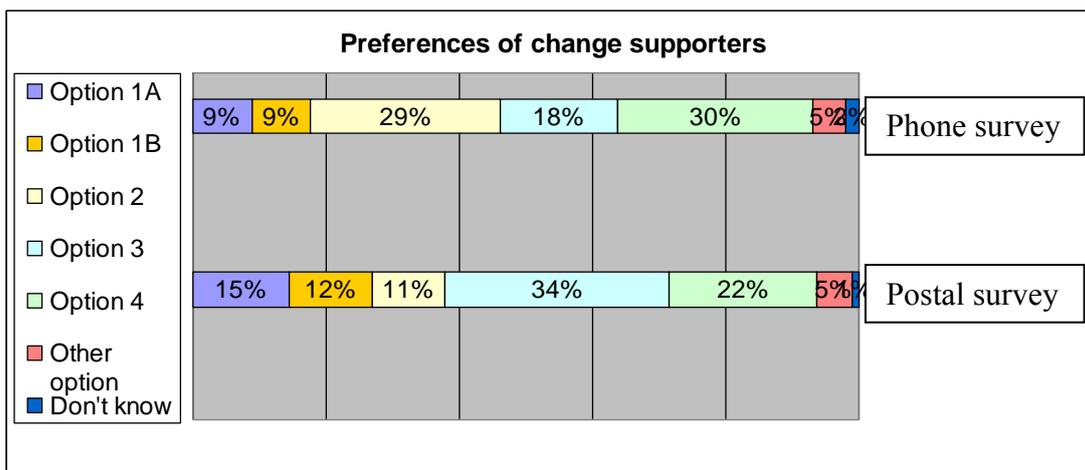


Figure 2: Preferences of those who indicated they want change

Note: Phone survey respondents opting for Option 1 (A or B) only numbered 53, of whom a few were unsure of which version to choose. As a result of the low numbers and the margin of error factor, the choice between Options 1A and 1B was almost evenly split from a statistical point of view (See Appendix 1 for full details).

17 An analysis of preferences relating to boundary changes has been conducted for both surveys. Results from the remain the same question have been combined with those for Option 1 (both A and B) to identify what proportion of residents favour amalgamation with one or more other councils as compared to those who want to retain a separate Kāpiti Coast “footprint”. Results for this analysis are shown in Figure 3. A significant number on both surveys would rather not see any boundary changes in Kāpiti. In the case of the telephone sample, the difference between those wanting amalgamation and those opposed falls within the margin of error, i.e. there is no statistical difference between the numbers in each group across the district as a whole.

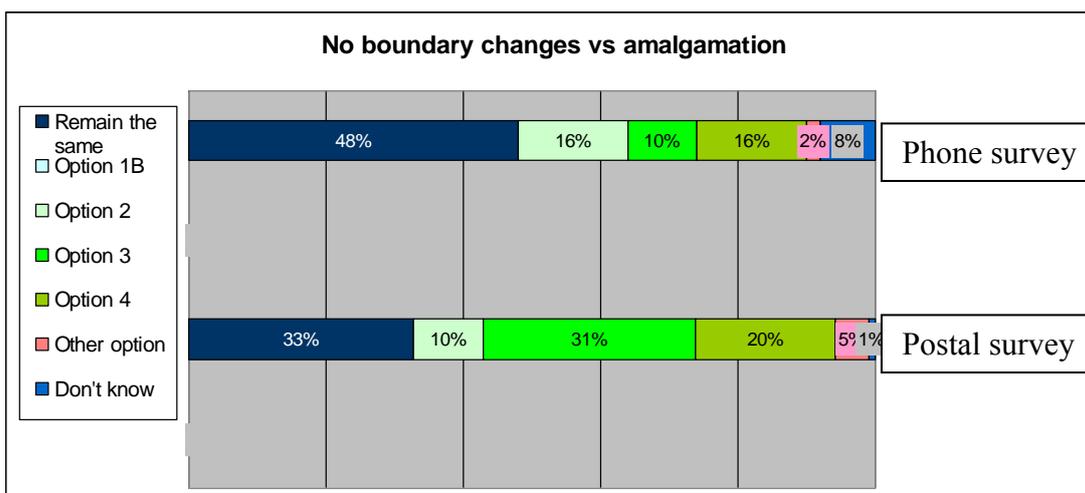


Figure 3: Preferences for no boundary change vs. change options

Specific phone survey results

- 18 Colmar Brunton have been able to conduct some detailed analysis of the Kāpiti-specific results of the phone survey they conducted. The Council does not have the resources or tools to conduct such an analysis of the postal survey results. Some detailed results from the phone survey are discussed below. Full details are in Appendix 1.
- 19 Phone survey respondents who indicated a preference for remaining the same were also asked which change option they would choose if change were “forced”. Unsurprisingly perhaps, Option 1 was the preference of 63% of these respondents which breaks down to 42% for 1A and 20% for 1B.
- 20 If change was inevitable, 36% of Kāpiti residents (all respondents including those who prefer remaining the same) favour Option 1 (21% for 1A, 14% for 1B and 1% unsure).
- 21 The Kāpiti sample was also asked to indicate a second preference if their first was unavailable (no other district was asked this question). Results of this question are shown in Figure 3.

Original preference:	Remain the same	Option 1a	Option 1b	Option 1 (both 1a & 1b & don't know for 1a vs. b)	Option 2	Option 3	Option 4	Other option	All Kapiti respondents (minus those who did not know their original preference)
2 nd choice option:	(n=177)	(n=26)	(n=30)	(n=63)	(n=86)	(n=62)	(n=88)	(n=21)	(n=497)
Remain the same	n/a	11%	8%	12%	8%	3%	1%	19%	4%
Option 1a	42%	n/a	33%	16%	15%	4%	5%	-	22%
Option 1b	20%	11%	n/a	4%	15%	1%	6%	15%	12%
Option 1 (not sure a vs. b)		-	-	-	3%	-	-	-	1%
Option 2	21%	30%	28%	25%	n/a	47%	20%	23%	20%
Option 3	3%	7%	-	4%	22%	n/a	45%	14%	14%
Option 4	6%	4%	10%	7%	18%	32%	n/a	5%	10%
Other	8%	13%	3%	11%	4%	5%	4%	8%	7%
None – no 2 nd preference	-	24%	16%	18%	13%	6%	19%	14%	10%
Don't know	*	-	2%	2%	4%	2%	-	3%	1%

Figure 3: Second choice vs. original choice

- 22 As can be seen, most chose an option closest to their original choice in response to this question with those who opted for Options 2 or 3 selecting the other multi-council option as their second preference and those who preferred Option 4 nominating Option 3 as their second choice. Bucking this trend were those who opted for Option 1A originally whose major second choice selection was for Option 2. The highest second choice preference was for Option 1A (22%) when all results are aggregated.

- 23 It is worth noting that quite a number of respondents made no second choice although the significance of this is unclear.
- 24 The numbers of respondents choosing remain the same as their preferred option were high enough across the region for the survey company to do a statistical breakdown of the *unprompted* reasons for that choice. Figure 4 shows the results for Kāpiti. Other details can be found in Appendix 1. Sample sizes for other choices were too small to permit statistically robust analysis at an individual council/individual option level.

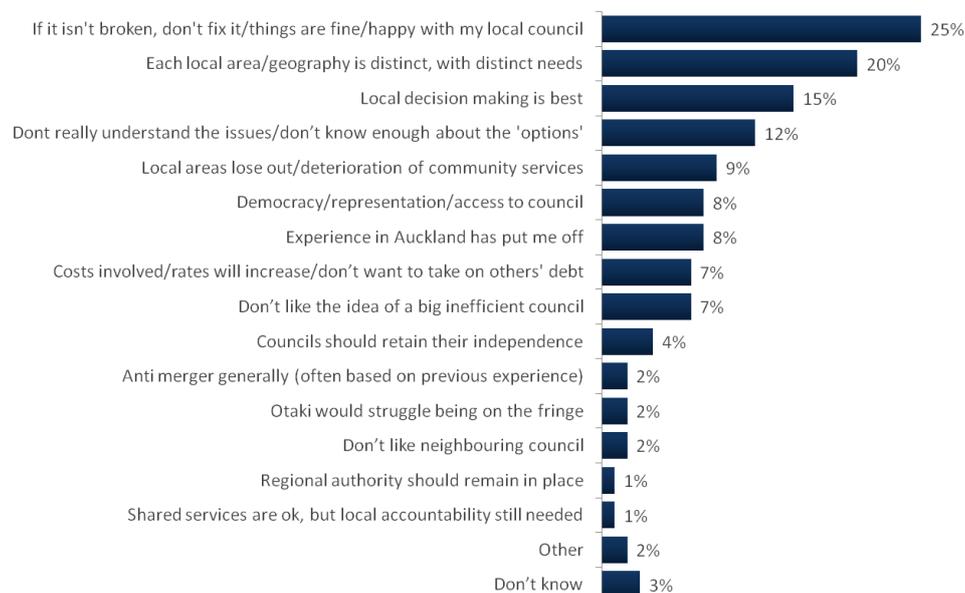


Figure 4: Reasons for wanting to remain the same among Kāpiti phone survey respondents

- 25 While we have no Kāpiti-specific analysis of unprompted reasons for change choices, it is worth noting that the regional data shows that the same drivers appear associated with each of the options. This indicates that people broadly share concerns across all the groups but differ in their views as to how to address them.
- 26 A structured question was asked offering seven possible drivers for choices. Respondents could choose more than one of these in their answers. Figure 5 shows the breakdown of responses to this question at the regional level. The report at Appendix 1 shows a breakdown of how these drivers affected option choice.

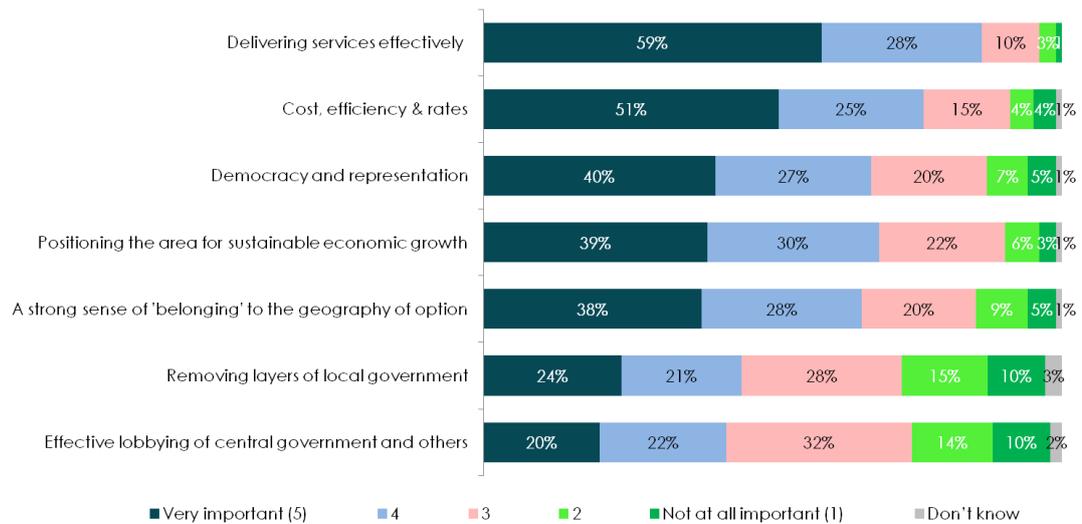


Figure 5: Prompted reasons for making a decision about preferred option – regional analysis

Specific postal survey results

- 27 Of the 856 valid submissions received by mail, email and online (the postal survey), nine out of ten favoured change. Within this group, over half preferred Options 3 or 4 (34% for Option 3 and 22% for Option 4). No second preference question was asked in this survey. A copy of the survey is attached at Appendix 2.
- 28 Statistical results of the survey which the Council has the ability to analyse are shown in Figures 1, 2 and 3. While resources do not permit a full statistical analysis of the questions in this survey about choice drivers and concerns relating to those choices, a good deal of valuable qualitative data has been drawn from it. Councillors have already seen all submissions in response to this survey.
- 29 Respondents were asked “What is the main reason that you chose this option?”. Responses are very varied but the following themes stand out:
- Efficiency and economies of scale
 - Dissatisfaction with current Council and senior management
 - Preservation of local democracy and identity
 - There are too many councils for the size of population (cf. overseas)
 - Opposed to water meters (68 submissions)
 - Desire to get more competent staff
 - Fear of being made responsible for other councils’ debts
 - A number of Ōtaki residents are fearful of losing their small town identity

- 30 There is a clear belief among a number of submitters that bigger will be more efficient and result in economies of scale. However, some also make the point that this is not necessarily true.
- 31 As with the phone survey, choice drivers were shared across the spectrum of option preferences – any differences are found in the views as to how to address the issues.
- 32 With regard to the concerns expressed relating to the implementation of the preferred changes, by and large submitters did not differentiate between the two separate questions focusing on general implementation issues and absorption of regional council functions by new authorities. A range of themes emerge, most of which occurred in the responses to both questions:
- Representation:
 - numbers might not be fully proportional to population
 - Kāpiti’s local voice may not get adequate coverage
 - Wellington city may swamp all the others
 - The rating system to be used (3 submissions suggest a new alternative)
 - Current councillors should not be re-elected (some submissions suggest current Councillors should be barred from standing for election)
 - Costs could increase rather than decrease
 - Their views as put forward in this consultation will not be heard
 - Security of water supply and ownership issues
 - Implementation will not happen fast enough
 - Existing council debts will become the responsibility of other areas (several submissions suggested that rates levied to cover existing debt at the date of amalgamation should be ring-fenced)
 - The submission analysis will not be independent
 - Information on the options is inadequate
 - This is just empire building
- 33 An open ended question was asked offering submitters the opportunity to suggest an alternative option to the ones put forward in the survey. Forty-one submitters (5%) made alternative proposals of which the most notable are:
- 13 proposed amalgamation with Horowhenua and/or Manawatu
 - 7 suggested a more natural grouping would be Porirua/Kāpiti
 - 2 submitters proposed a Kāpiti/Porirua/Horowhenua grouping be considered

- 34 Other options proposed were:
- Wellington City stands alone and all others combine
 - Either option 2 or 3 but retain the Regional Council
 - 1 council covering Wairarapa and Hutt Valley cities and one covering Kāpiti/Porirua/Wellington
 - 3 councils covering Kāpiti/Porirua/Upper Hutt, Wellington/Hutt City, and the 3 Wairarapa councils
 - 4 unitary authorities: Wairarapa, the Hutts, Wellington, Kāpiti/Porirua

Issues

- 35 A survey of a random sample with the results analysis carefully weighted for comparability by professional statisticians will always be more *statistically* reliable than the results from a self-selecting group of committed respondents where the analysis has been conducted at a relatively simple level.
- 36 For this reason, the analysis of percentages from the phone survey is more robust as a representative sample of the Kāpiti community than that of the postal survey. However, the results from the postal survey provide valuable information on the perspectives of those who have strong views on this issue – in total 83% felt quite either strongly (25%) or very strongly (58%) about their preferred option. This compares to a regional result of 74% in the phone survey (28% felt very strongly and 46% quite strongly about their choice). No Kāpiti-specific breakdown is available on this question from the phone survey.
- 37 Combining the qualitative data from both of these surveys provides the Council with a good picture of what underpins the Kāpiti community's views about the idea of change in local government structure in the District and the wider region.

Conclusion and next steps

- 38 Given the differing results from the two surveys, it is hard to say with any certainty that the Kāpiti community has a majority view for either keeping existing boundaries or amalgamating with one or more other councils. In the statistically more robust phone survey, results are 48% for no boundary change and 42% for some version of amalgamation. This difference is statistically insignificant. This indicates any proposal will generate a sizeable group in support and an equally sizeable group is likely to oppose it
- 39 There is, however, a clear view from both surveys that some change in the direction of enhanced collaboration with other councils at the very least is favoured. Residents and ratepayers are keen to see economies of scale and efficiency gains while avoiding being swamped in a larger city or losing their local voice.
- 40 There is also a clear message of disgruntlement with the current council, senior management and, to some degree, staff from respondents to the postal survey and this has driven some of their choice of options.

- 41 It is virtually certain that at least one proposal (from the Greater Wellington Regional Council) for local government reorganisation in the Wellington region will be submitted to the Local Government Commission once the enabling legislation is passed. This leaves a short timeframe of approximately 3 – 4 months to prepare any other reorganisation schemes should this or other councils not wish to support that proposal.
- 42 The Council has indicated it is committed to canvassing community support for any eventual proposal. The timing of such a survey/poll/referendum will need to be carefully worked out. In the meantime, Councillors have indicated that they would like to see a region-wide workshop of councillors to assess how much commonality of views there is and preferably to agree on one or two options to be taken to the community for their input. Officers will work towards getting this workshop convened.
- 43 Given the budget and resource constraints on the Council organisation at the present time, it is not in a position to work up any reorganisation proposals independently, nor to put significant resources into assisting with developing the technical aspects of any joint proposal with other councils. However, if other councils develop a proposal or proposals which align sufficiently with either the “no boundary change” or the “change to achieve efficiencies while preserving local identity and representation” views of residents, the Council could support such a proposal. Whatever the proposal, the Council will focus its efforts on an eventual submission to the Local Government Commission and will vigorously advocate for a poll to assess community support for it.

Financial Considerations

- 44 There are no financial considerations at this time.

Legal Considerations

- 45 There are no legal considerations.

Delegation

- 46 No decisions are required.

Policy Implications

- 47 No policy implications are presented by these issues.

Tāngata Whenua Considerations

- 48 Te Whakaminenga will be briefed before the Council meeting and an oral update given.

Publicity Considerations

- 49 A press statement will be released after the Council meeting.

RECOMMENDATIONS

50 That the Council note the information in this report.

Report prepared by:

Approved for submission by:

Alison Lash

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Chief Executive

ATTACHMENTS: APPENDIX 1: ANALYSIS OF PHONE SURVEY

APPENDIX 2: COPY OF POSTAL SURVEY

APPENDIX 1: PHONE SURVEY RESULTS

APPENDIX 2: POSTAL SURVEY