



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

If calling please ask for: Democratic Services

21 June 2018

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington on:

Tuesday, 26 June 2018 at 9.30am

Membership

Cr Laidlaw (Chair)

Cr Blakeley
Cr Donaldson
Cr Kedgley
Cr Lamason
Cr Ogden
Cr Staples

Cr Brash
Cr Gaylor
Cr Laban
Cr McKinnon
Cr Ponter
Cr Swain

Recommendations in reports are not to be construed as Council policy until adopted by Council

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held on Tuesday, 26 June 2018 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9.30am

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greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 26 June 2018.

Report 18.244

14/06/2018

File: CCAB-8-1657

Public minutes of the Council meeting held on Thursday, 14 June 2018 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9:33am

Present

Councillors Laidlaw (Chair), Blakeley, Brash, Donaldson, Gaylor (until 12:40pm), Kedgley (until 11:47am and from 12:25pm), Laban, Lamason, McKinnon, Ogden, Ponter, Staples, and Swain.

Public Business

1 Apologies

There were no apologies for absence.

2 Declarations of conflict of interest

There were no declarations of conflict of interest.

3 Public participation

Richard Wagstaff, President, New Zealand Council of Trade Unions, outlined union concerns regarding bus driver employment issues associated with the bus operator changes.

4 Confirmation of the Public minutes of 9 May 2018

Moved

(Cr Laidlaw/ Cr Donaldson)

That the Council confirms the Public minutes of 9 May 2018 - Report 18.191.

The motion was **CARRIED**.

5 **Confirmation of the minutes of the Long Term Plan 2018-28 Hearing Committee on 22, 23, 24 and 25 May 2108**

Moved (Cr Donaldson/ Cr Blakeley)

That the Council confirms the minutes of the Long Term Plan 2018-28 Hearing Committee on 22, 23, 24 and 25 May 2018 - Report 18.210.

The motion was **CARRIED**.

Strategy/Policy/Major Issues

6 **Report of the Hearing Committee on the Revenue and Financing Policy, the Long Term Plan 2018-28 and the Rates Remission and Postponement Policies**

Report 18.215

File: CCAB-8-1608

Moved (Cr Donaldson/ Cr Blakeley)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees to adopt the Rates Remission and Postponement Policies, without amendment to the draft policies issued for consultation.*
4. *Agrees to adopt the Revenue and Financing Policy, subject to the Policy incorporating the following amendments to the draft policy issued for consultation:*
 - a. *The Flood Protection funding provisions of the current adopted Revenue and Financing Policy be retained, noting that these provisions provide for up to 50% general rates funding for flood protection*
 - b. *The Public Transport regional CBD differential be reduced to 7*
 - c. *The Public Transport Business (excluding Wairarapa) differential to be reduced to 1.4*
 - d. *Provision for a new Public Transport residential differential for the Otaki rating area of 0.5*
 - e. *Provision for a six year transition period*
5. *Agrees to the finalisation of the 10 Year Plan 2018-28, incorporating changes to give effect to the decision on the Revenue and Financing Policy.*
6. *Agrees to undertake a triennial review of the Revenue and Financing Policy, with specific reference to the affordability of rates to communities and the distribution of benefits.*

The motion was **CARRIED**.

7 **Finalisation of the Long Term Plan 2018-28 Budget**

Dave Humm, General Manager, Corporate Services/Chief Financial Officer, spoke to the report.

Report 18.233

File: CCAB-8-1644

Moved

(Cr Blakeley/ Cr McKinnon)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves the operating expenditure items listed within Attachment 1 of this report to be rebudgeted to 2018/19 and included within the 2018/19 Annual Plan.*
4. *Approves the capital expenditure items listed within Attachment 2 of this report to be rebudgeted to 2018/19 and included within the 2018/19 Annual Plan.*
5. *Approved the expenditure adjustments outlined in section 4.1 of this report within the Long Term Plan 2018-28 (incorporating the Annual Plan 2018/19).*
6. *Approves the rate increase of 6.7% and a bulk water levy increase of 7.1% for the 2018/19 year for inclusion in the Long Term Plan 2018-2028 (incorporating the Annual Plan 2018/19), to be considered by Council on 26 June 2018.*
7. *Notes that the average rates increase per ratepayer is 6.4% taking into account the increase in rating units.*

The motion was **CARRIED**.

Noted: Crs Ogden and Swain requested that their votes against motion 6 be recorded. Cr Ogden requested that his vote against motion 7 be recorded.

8 **Initial representation proposal for the 2019 triennial elections**

Francis Ryan, Manager, Democratic Services, spoke to the report.

Report 18.183

File: CCAB-8-1584

Moved

(Cr Laidlaw/ Cr Ogden)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*

3. *Agrees that the five options outlined in section 3.1 of this report represent the range of reasonably practicable options for consideration.*
4. *Notes that any resolution to change the existing representation arrangements must include an explanation for the reasons for the proposed change.*
5. *Having assessed the five options in terms of the requirements for effective and fair representation, determines that it is necessary to depart from the population formula of section 19V(2) of the Local Electoral Act 2001 in order to provide*
 - i. *effective representation for the distinct communities of interest of Kapiti Coast and Upper Hutt, and*
 - ii. *effective representation for the communities of interest in the Wairarapa through the election of two members for the Wairarapa Constituency, taking into account:*
 - a. *the large land area of the Wairarapa Constituency, being 74% of the area of the Wellington Region*
 - b. *the significant amount of Greater Wellington Regional Council work undertaken in the Wairarapa Constituency, together with the increased focus on water quality and land management issues in the Wairarapa Constituency via Government, statutory and community processes, which is requiring greater elected member involvement*
 - c. *the diverse, relatively sparsely populated and widely spread communities that make up the Wairarapa Constituency.*
6. *Resolves its initial representation proposal for the 2019 triennial elections, providing for a Council of 14 members, elected from six constituencies, as follows:*

<i>Constituency</i>	<i>Number of members</i>	<i>Community of interest represented by the constituency</i>	<i>Population per Councillor</i> <i>(Average: 36,707)</i> <i>(+/-10% range from the average: 33,036 to 40,378)</i>
<i>Wellington</i>	<i>5</i>	<i>The area of Wellington City, excluding the area of the Tawa Community</i>	<i>39,500</i>
<i>Porirua-Tawa</i>	<i>2</i>	<i>The area of Porirua City, and the area of the Tawa Community of Wellington City</i>	<i>35,650</i>

<i>Kapiti Coast</i>	<i>1</i>	<i>The area of the Kapiti Coast District</i>	<i>52,700</i>
<i>Lower Hutt</i>	<i>3</i>	<i>The area of Lower Hutt City</i>	<i>34,900</i>
<i>Upper Hutt</i>	<i>1</i>	<i>The area of Upper Hutt City</i>	<i>43,200</i>
<i>Wairarapa</i>	<i>2</i>	<i>The area of South Wairarapa District, Carterton District and Masterton District, and that part of Tararua District that falls within the Wellington Region.</i>	<i>22,250</i>

7. *Notes that this proposal incorporates the change to the boundary of the Tawa Community as determined by the Local Government Commission on 25 September 2015.*
8. *Agrees that the public notice of Council’s initial proposal should include an invitation for submissions on the inclusion of Māori names for the constituencies.*
9. *Establishes the Representation Review 2018 Hearing Committee and adopts the terms of reference for the Committee, as set out in Attachment 3 to this report.*
10. *Appoints Crs Blakeley, Brash, Donaldson, Gaylor, Kedgley, Laban, Laidlaw, Lamason, McKinnon, Ogden, Ponter, Staples and Swain to the Committee and appoints Cr Donaldson as Chair.*

Moved as an amendment:

Moved (Cr Gaylor/ Cr Brash)

That the following words be added to Part 3 of the motion: “with the addition of a sixth option, being the Status Quo with an additional member for the Kapiti Coast Constituency.”.

Moved as a procedural motion:

Moved (Cr Laidlaw/ Cr Lamason)

That the item of business being discussed does lie on the table and not be further discussed at this meeting.

The motion was **CARRIED**.

Cr Kedgley left the meeting during discussion of item 8, at 11:47am.

9 Proposed submission on Electoral Matters Bill

Report 18.232

File: CCAB-8-1642

Moved (Cr Laidlaw/ Cr Donaldson)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves the proposed submission on the Electoral Matters Bill as set out in Attachment 2 to this report.*
4. *Delegates to the Chair the ability to make minor editorial amendments to the submission.*

The motion was **CARRIED**.

10 **Waiohine Floodplain Management Plan and climate change allowances**

Mark Hooker, Senior Project Engineer, Floodplain Management, spoke to the report.

Report 18.206

File: CCAB-8-1596

Moved (Cr Staples/ Cr Donaldson)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees that climate change allowances for an increase of 10% rainfall intensity to 2031-2050 and 16% rainfall intensity to 2081-2100 be adopted for the Waiohine FMP (with sensitivity analysis on lower and higher allowances).*
4. *Directs officers to work with GWRC's Climate Change Working Group on a recommendation to Council on updating our allowances for climate change.*
5. *Notes that the changes and allowances apply only to the Waiohine FMP.*

The motion was **CARRIED**.

Corporate

11 **Summary report for the third quarter 2017/18**

Report 18.124

File: CCAB-8-1547

Moved (Cr Laidlaw/ Cr Blakeley)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*

The motion was **CARRIED**.

Cr Kedgley returned to the meeting during discussion of item 11, at 12:25pm.

Cr Gaylor left the meeting during discussion of item 11, at 12:40pm.

12 **Health, Safety and Wellbeing update**

Lucy Matheson, General Manager, People and Customer, and David Querido, Manager, Health and Safety, spoke to the report.

Report 18.230

File: CCAB-8-1633

Moved

(Cr McKinnon/ Cr Staples)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Endorses the health, safety and wellbeing approach outlined in this report.*

The motion was **CARRIED**.

Committees/meetings

13 **Report on the Regional Transport Committee meeting, 29 May 2018**

Report 18.219

File: CCAB-16-286

Moved

(Cr Donaldson/ Cr Laidlaw)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*

The motion was **CARRIED**.

14 **Exclusion of the public**

Report 18.231

File: CCAB-8-1640

Moved

(Cr McKinnon/ Cr Brash)

That the Council excludes the public from the following part of the proceedings of this meeting, namely:

- 1. Confirmation of the Public excluded minutes of 9 May 2018*
- 2. Appointments to the Wellington Regional Stadium Trust*
- 3. Request for a remission of rates*
- 4. Chief Executive's Key Performance Indicators for 2018/19.*

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

General subject of each matter to be considered:	Reason for passing this resolution in relation to each matter	Ground under section 48(1) for the passing of this resolution
1. Confirmation of the Public excluded minutes of 9 May 2018	<i>The information in these minutes relate to Integrated Fares National Ticketing Solution, and a request for a remission of rates. Greater Wellington Regional Council (GWRC) has not been able to identify a public interest favouring disclosure of this particular information in the public proceedings of the meeting that would override this prejudice.</i>	<i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(b)(ii) of the Act (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information).and 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).</i>
2. Appointments to the Wellington Regional Stadium Trust	<i>The information contained in this report relates to the proposed re-appointment of trustees to the Wellington Regional Stadium Trust. Release of this information would prejudice each proposed trustee's privacy by disclosing the fact that they are being considered, and have expressed interest in, remaining a trustee of the Trust. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the individuals concerned.</i>	<i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).</i>
3. Request for a remission of rates	<i>The information contained in the report relates to an application for a rates remission. Release of this information would prejudice</i>	<i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good</i>

the applicant's privacy by reason for withholding would exist disclosing the fact that they are under section 7(2)(a) of the Act (i.e. requesting a rates remission for to protect the privacy of natural their property. GWRC has not persons). been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the individual concerned.

4. *Chief Executive's Key Performance Indicators for 2018/19*

The information contained in the report contains information relating to the Chief Executive's Key Performance Indicators for 2018/19. Release of this information would prejudice Greg Campbell's privacy by disclosing details of his Key Performance Indicators. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override his privacy.

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.

The motion was **CARRIED**.

The public part of the meeting closed at 12:54pm.

Cr C Laidlaw
(Chair)

Date:



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 26 June 2018.

The matters referred to in these minutes were considered by Council on 14 June 2018 under public exclusion. The minutes do not require confidentiality and may be considered in the public part of the meeting.

Report RPE18.247

14/06/2018

File: CCAB-8-1659

Restricted public excluded minutes of the Council meeting held on Thursday, 14 June 2018 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 1.17pm

Present

Councillors Laidlaw (Chair), Blakeley, Brash, Donaldson, Gaylor, Kedgley, Laban, Lamason, McKinnon, Ogden, Ponter, Staples, and Swain.

Public Excluded Business

1 Chief Executive's Key Performance Indicators for 2018/19

Cr McKinnon, Chair, Chief Executive Employment Review Committee, spoke to the report.

Report RPE18.218

File: CCAB-8-1630

Moved

(Cr McKinnon/ Cr Donaldson)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Approves the Chief Executive's Key Performance Indicators for 2018/19.*

The motion was **CARRIED**.

The restricted public excluded part of the meeting closed at 1.26pm.

Cr C Laidlaw
(Chair)

Date:



Report 18.255
Date 21 June 2018
File CCAB-8-1662

Committee Council
Author Nicola Shorten, Manager Strategic and Corporate Planning
Mark Ford, Strategic Finance Manager

Report to adopt the Long Term Plan 2018-28, Revenue and Financing Policy and the Rates Remission and Postponement Policies

1. Purpose

The purpose of this paper is to adopt the Revenue and Financing Policy, the Rates Remission and Postponement Policies and the Long Term Plan 2018-28, incorporating the Annual Plan 2018/19.

2. Background

The Local Government Act 2002 (LGA) requires Council to adopt a long term plan prior to the commencement of the first year to which it relates (1 July 2018) covering a period of at least 10 years. The purpose of the long-term plan, as defined by section 93(6) of the LGA is to:

- a) Describe the activities of the local authority; and*
- b) Describe the community outcomes of the local authority's district or region; and*
- c) Provide integrated decision-making and co-ordination of the resources of the local authority; and*
- d) Provide a long-term focus for the decisions and activities of the local authority; and*
- e) Provide a basis for accountability of the local authority to the community.*

As part of its long term plan, Council is also required to prepare and adopt a Financial Strategy for the period covered by the Long Term Plan, and an Infrastructure Strategy for a period of at least 30 consecutive years.

Council must also adopt the following funding and financial policies:

- a) *A revenue and financing policy*
- b) *A liability management policy*
- c) *An investment policy*
- d) *A policy on development contributions or financial contributions*
- e) *A policy on the remission and postponement of rates on Maori freehold land.*

Council may also adopt:

- a) *A rates remission policy*
- b) *A rates postponement policy.*

3. Revenue and Financing Policy

Council has undertaken a major review of its Revenue and Financing Policy, as foreshadowed in the 2015 Long Term Plan.

The LGA requires Council to have a Revenue and Financing Policy, in order to provide certainty about the sources and levels of funding that will be required for each of its activities. The policy specifies Council's policies for funding operating expenses and capital expenditure from sources that include general and targeted rates, fees and charges, grants and subsidies, and reserve funds.

In March 2018, Council released a draft Revenue and Financing Policy for consultation. This reviewed all aspects of the policy and proposed significant changes to the rate funding for the Public Transport and Flood Protection groups of activities. The policy was also re-written to simplify the language, make the analysis clearer and to improve navigation for readers.

The special consultative procedure was followed because of the significance of the proposal.

In May, the Long Term Plan 2018-28 Hearing Committee considered the written and oral submissions on the draft Revenue and Financing Policy (Report 18.185).

On 14 June 2018, the Hearing Committee recommended to Council (Report 18.215) that the Revenue and Financing Policy be agreed, subject to the following amendments to the draft policy issued for consultation:

- a. The Flood Protection funding provisions of the current adopted Revenue and Financing Policy be retained, noting that these provisions provide for up to 50 percent general rates funding for flood protection.
- b. The Public Transport regional CBD differential be reduced to 7.

- c. The Public Transport Business (excluding Wairarapa) differential to be reduced to 1.4.
- d. Provision for a new Public Transport residential differential for the Otaki rating area of 0.5.
- e. Provision for a six-year transition period.

Additionally, the Hearings Committee recommended that the Council agree to undertake a triennial review of the Revenue and Financing Policy, with specific reference to the affordability of rates to communities and the distribution of benefits.

The final Revenue and Financing Policy is attached as [Attachment 1](#).

4. The Long Term Plan 2018-28

Councillors have been through a comprehensive process over the past 18 months to develop the Long Term Plan 2018-28.

Council agreed a strategic framework to set the work programme of Greater Wellington over the next 10 years, including:

- Reviewing and agreeing the community outcomes;
- Setting the vision - An extraordinary region: thriving, connected and resilient;
- Identifying the priority areas for Greater Wellington based on our role and the areas in which we have the ability to make the greatest difference for the region;
- A review of future trends, risks and challenges that are likely to impact the work of Greater Wellington during the life of the Long Term Plan and beyond;
- Agreeing to the principles and approach for the Infrastructure and Financial Strategies;
- Agreeing the Significance and Engagement Policy.

Within the context of this strategic framework a thorough review of Greater Wellington activities including all projects and programmes was undertaken. Council made decisions on the activities to be included in the consultation on the Long Term Plan 2018-28 based on:

- Whether projects or programmes were a “must have” or “nice to have”;
- Possible changes to levels of service;
- Whether a project or programme could be deferred or ceased;
- Budget implications;

- Assumptions on which the work programme was based.

Council considered community feedback into the strategic framework through pre-consultation on the proposed priority areas.

Council approved the consultation document on the Long Term Plan 2018-28 at the Council meeting on 14 March 2018 (Report 18.23). Public engagement in accordance with the requirements of the LGA resulted in 338 submissions being received on the Long Term Plan. The Long Term Plan 2018-28 Hearing Committee considered the written and oral submissions on 22, 23, 24 and 25 May.

As a result of the hearings and deliberations, the Hearing Committee recommended that the proposed Long Term Plan as consulted on be approved incorporating changes that would give effect to the decision on the Revenue and Financing Policy (Report 18.215).

4.1 Comment

The final Long Term Plan 2018-28 is provided in [Attachment 2](#). It includes the Financial Strategy and the Infrastructure Strategy and reflects the recommendations of the Hearing Committee and the budget agreed by Council on 14 June 2018 (Report 18.233).

The funding and financial policies (excluding the Revenue and Financing Policy already provided in Attachment 1) for the Long Term Plan 2018-28 are provided in [Attachment 3](#). These will be published in a separate document. The policies document includes some policies required under s.102 of the LGA that have already been adopted by Council. This includes the Significance and Engagement Policy and the Treasury Management Policy, including the Investment Policy and Liability Management Policy.

Audit NZ has audited the Long Term Plan 2018-28. Their opinion will be tabled at the meeting. The auditors will be present at the meeting to answer any questions.

Greater Wellington considers that it is financially prudent to budget revenue and expenditure as forecast in the Long Term Plan.

5. Rates Remission and Postponement policies

The Rates Remission and Postponement policies were consulted on concurrently as part of the Long Term Plan 2018-28. Three submissions were received. The Hearing Committee recommended that policies be adopted as consulted on (Report 18.215).

6. Communication

A media release was issued on 14 June 2018 outlining the Council's agreement of the Long Term Plan 2018-28 budget. A comprehensive pack of supporting information was provided to councillors to allow them to communicate to the regional community the rates implications and the programme of work proposed.

A further media release will be issued once the Long Term Plan 2018-28 and Revenue and Financing Policy have been adopted.

7. Consideration of climate change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide. The implications of climate change have been a major consideration in the development of the Long Term Plan 2018-28 and associated strategies, with all departments having to consider the impacts of their activities on climate change, as well as what climate change might mean for their activities. As projects and programmes in the Long Term Plan progress, further work on climate change will be required.

8. The decision-making process and significance

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act).

8.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance and engagement policy and decision-making guidelines. Officers recommend that the matter be considered to have high significance.

A decision-making process is explicitly prescribed for this decision by the special consultative process under s. 83 of the LGA.

8.2 The decision-making process

Officers have taken into account the principles set out in section 14 of the Act and the need to manage the Council's resources prudently.

8.3 Engagement

Officers have considered the significance of the decisions taking into account the Council's Significance and Engagement Policy and decision-making guidelines. In addition, consultation is guided by the Local Government Act 2002. Extensive public consultation and engagement was taken in accordance with the significance of the decisions and the requirements of the LGA (Report 18.185).

9. Recommendations

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Adopts the Revenue and Financing Policy.*

4. ***Adopts the Rates Remission and Postponement Policies, including policies on the remission and postponement of rates on Māori freehold land.***
5. ***Adopts the Long Term Plan 2018-28 (including the Financial Strategy, Infrastructure Strategy, and auditor's report), incorporating the Annual Plan 2018/19.***
6. ***Agrees to undertake a triennial review of the Revenue and Financing Policy, with specific reference to the affordability of rates to communities and the distribution of benefits.***
7. ***Delegates to the Chair the ability to make minor editorial changes to the Long Term Plan and Policies prior to publication to correct errors and improve public understanding.***
8. ***Authorises the Chief Financial Officer to enter into any debt facilities, or borrowing that are required to implement the Annual Plan for the 2018/19 year that are in accordance with the Council's Treasury Management Policy.***
9. ***Directs the Chief Executive to send copies of the Long Term Plan to the relevant parties required under the LGA.***

Report prepared by:

Nicola Shorten
Manager, Strategic and
Corporate Planning

Report prepared by:

Mark Ford
Strategic Finance Manager

Report approved by:

Luke Troy
General Manager, Strategy

Report approved by:

Dave Humm
General Manager Corporate
Services/CFO

Attachment 1: Revenue and Financing Policy

Attachment 2: Long Term Plan 2018-28

Attachment 3: Supporting Policies to the Long Term Plan 2018-28

REVENUE AND FINANCING POLICY 2018 Greater Wellington Regional Council

Version Control

Date	Action	Amended by
26 June 2018	Council adopted the policy, effective 1 July 2018	H Gilbert

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Core provisions

1. Introduction

The Revenue and Financing policy describes how Greater Wellington Regional Council (Council) intends to fund its expenditure. It outlines:

- the sources of funding that Council intends to use, and
- the relative level of funding from each source, for each activity.

2. Considerations for this policy

In developing the policy, Council has considered the specific matters required by section 101 (3)(a) of the Local Government Act 2002 (LGA). Council then considered the overall impact of any allocation of liability for revenue needs on the community. The funding indications in the [Funding for Activities](#) section of this policy are the end result of this process.

3. Valuation system

Council has chosen to use capital value as its valuation system for general rates.

Council has chosen to use capital value as the valuation system for the following targeted rates:

- Public transport
- Wellington Regional Strategy
- Some drainage schemes
- Land management rates
- River rates
- Some river management scheme rates

Council has chosen to continue to use land value as the valuation system for some river management scheme rates and drainage scheme rates.

Equalised capital value

Within the region, different territorial authorities undertake general revaluations at different times. To equalise the values, each year Council gets Quotable Value or another registered valuer to estimate the projected valuations of all the rateable land in the districts within the region. This estimation is enabled under s131 of the Local Government Rating Act.

This means that rates are assessed on a consistent valuation basis, regardless of the timing of individual territorial authority revaluations.

4. Operational considerations

Council contracts the territorial authorities within the region to collect regional rates on our behalf. This has several benefits:

- Residents and ratepayers only have to fund one rates collection service, for rates from both the territorial authority and the regional council.
- Information about each property is only captured in one Rating Information Database, so that Councils within the region do not have data coordination and synchronisation issues.
- Ratepayers only have to pay one bill, which may be paid in instalments.

5. Funding for operating expenditure

As a general rule, Council will fund its operating expenditure, including interest on debt, and principal repayments, from:

- rates
- water levies
- grants and subsidies
- fees and charges
- interest and dividends from investments
- and any other source, which may include reserves from time to time.

Council may decide to use debt funding for operating expenditure in the following situations:

- Where the cost or additional cost is expected to be one-off in nature. For example, a spike in insurance premiums.
- Where a loss of revenue is expected to be one-off or relatively short-term in nature. For example, loss of revenue as a consequence of the Kaikoura earthquake in November 2016.
- Where the expenditure will provide a future benefit. For example:

- Council may fund rail track renewals where a third party owns the tracks, to provide a better public transport service.
- Council may use debt to fund its contributions to the Wellington transport planning project “Let’s Get Welly Moving”.

6. Funding for capital expenditure

Council has large infrastructural assets with long economic lives that yield long-term benefits (particularly water supply assets, flood protection assets and rail rolling stock). Debt is an efficient and appropriate mechanism for achieving inter-generational equity, so that current and future ratepayers are liable for funding the value of the assets they use.

Council primarily funds capital expenditure using:

- borrowings (debt)
- proceeds from asset sales
- reserve funds.

On a case by case basis, Council may decide to fund some capital expenditure from operating revenue.

7. Funding sources

Council may use any of these funding sources for its expenditure:

- General rates
- Targeted rates
- Grants and subsidies
- Fees and charges
- Interest and dividends from investments
- Lump sum contributions
- Borrowings
- Proceeds from asset sales
- Any other source (including reserves).

General rate

The general rate is a charge on the community as a whole, to fund Council activities. It is not a charge for the use of a service.

The general rate is mainly used to fund public good activities that benefit the region as a whole. The funding requirement for the general rate is apportioned across the whole region on an equalised capital value basis and then set according to the current rateable capital value of each city or district.

The general rate is used to fund more than 80% of each of the following activities:

- Regional leadership
 - Mana whenua engagement
 - Emergency management
 - Democratic services
 - Wairarapa water use project
- Environment
 - Resource management - Policy and planning
 - Environmental science - State of Environment monitoring
 - Land management advice
 - Biodiversity management
- Flood Protection
 - Understanding Flood Risk
- Parks.

The general also rate funds a portion of these Environment activities:

- Resource management – Compliance and enforcement
- Land management - Farm plans and advice
- Land management - catchment schemes
- Pest management.
- Harbour management.

Uniform Annual General Charge (UAGC)

Council does not use a Uniform Annual General Charge.

Targeted rates

Council may use targeted rates for any of the following reasons:

- to fund rates on properties that receive a particular and direct benefit from an activity.
- to be transparent about the rate funding requirements for some specific groups of activities.

Council uses targeted rates to fund all or some of the following activities:

- Regional Leadership - Wellington Regional Strategy
- Regional Leadership - Warm Greater Wellington
- Regional Leadership – Water Wairarapa
- Public Transport
- Environment - Land management - Catchment schemes
- Environment - Land management – Drainage schemes
- Environment - Pest management - Regional predator control programme
- Flood Protection - Maintaining flood protection and control works
- Flood Protection - Improving flood security

Water levies

Council provides bulk water to four city councils (Wellington, Hutt, Upper Hutt, and Porirua) and it levies them for the wholesale supply, based on the volume of water that is supplied to each city.

Grants and subsidies

Various central government agencies provide subsidies for a range of the work that Council does. Council's main source of government subsidies is the New Zealand Transport Agency (NZTA), for regional public transport. NZTA provides subsidies for Council's transport planning and programmes, and for public transport services.

Council receives a government subsidy in recognition of the national benefit provided to civil defence by our emergency management activity.

The Crown contributes to some activities and programmes including some erosion control programmes, and pest management services.

Fees and charges

Fees and charges are preferred as a funding mechanism when a private benefit can be identified, and it is efficient to collect the revenue.

Council may receive fee and charges revenue from:

- Service charges to:
 - public transport users (as fares)
 - commercial harbour users, for navigation and communication services
 - resource consent applicants, for processing and monitoring resource consents
 - landowners, for land management activities on their land
 - territorial authorities and utilities, for water supply services
 - territorial authorities, for pest management activities on their land
 - other recipients of Council services.
- Rents, lease revenue and fees, for the use of Council assets, including properties owned by Council and leased to third parties.
- Sales revenue from:
 - the Akura Conservation Centre
 - gravel extraction for flood protection activities
 - sundry other sales.
- Management and other fees, for administrative support to council-controlled organisations.
- Any other charges that Council may set from time to time.

Interest and dividends from investments

Council uses dividends from its equity investments to reduce general rates.

Council uses interest earned on other financial deposits to reduce general rates.

Any interest or other revenue that Council earns on its special funds is added to each fund, because these funds have been set up primarily for self-insurance purposes.

Borrowing

Council raises external debt primarily to:

- Fund Council's capital expenditure programme
- Manage timing differences between cash inflows and outflows and to maintain appropriate liquidity
- Fund other investment activity, usually when the benefit is for more than one year.

Council approves the overall borrowing programme during the annual planning process.

Proceeds from asset sales

Council generally uses proceeds from the sale of assets and investments to repay debt. Where Council intends to replace an asset, then the proceeds from the sale are used to help fund the replacement asset.

Reserve funds

From time to time Council uses surplus funds from previous years (in the form of reserves) to fund expenditure. There is a formal process for establishing and using these specific reserves which is undertaken as part of the annual reporting and planning process. Council does not hold reserves in the form of cash assets.

Reserves are used to reduce external borrowing, therefore reducing interest expense. When reserves are required to be used, new debt is raised to fund expenditure.

8. Differential rates

Council does not use rating differentials for general rates.

Council uses differential rates for targeted rates for:

- Public Transport
- Flood Protection – Property rates, which apply to specific properties within river management, drainage, and catchment schemes within the Wairarapa. Generally, these rates are made on a differential land area basis. They are apportioned to reflect the benefit to each separately rateable property in the part of the district benefiting from the scheme, on the basis of the area and the classification of the property as it appears in the approved classification register.

9. Transition provisions

In 2018, Council introduces a new approach to differential rate funding for Public Transport. These changes will have variable impacts on different categories of ratepayers and would potentially cause large one-off increases.

Over the next six years, there will also be changes in the relative values of properties depending partly on their location (within each territorial authority) and their land use (residential, business, rural, Wellington CBD). Council cannot predict these changes, but they will affect the funding that is required from each location, or from each rating category.

Council will use differentials to transition the Public Transport rate to the new funding policy over the next six years, using the funding requirements from 2017/18 as the baseline.

10. Discounts

Council does not apply discounts to any rates.

11. Separately used part

Council policy is to rate the "separately used or inhabited part" of a rating unit for the following rates:

- Wellington Regional Strategy
- **Rates that** apply to specific properties within river management schemes in the Wairarapa.
- **Catchment scheme** rates that apply to specific properties within river management schemes within the Wairarapa.

Funding for Activities

12. Funding policy indications

Council's policy on the funding from each main source is shown in this section, at the bottom of the table for each activity. The funding percentages given in each table are an indication of Council's policy preference, but Council expects that there will be some variation in the revenue actually received for each activity in any one year. Council notes that it cannot always control the amount of funding it receives from any source.

13. Two stage approach

In developing this policy, Council used a two-stage approach.

For each activity, Council considered the s101(3)(a) matters in the Local Government Act 2002. These are summarised as-

Primary community outcomes

Each group of activities contributes primarily to achieving one of these community outcomes:

- Strong economy
- Connected community
- Resilient community
- Healthy environment
- Engaged community

Distribution of benefits

The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

Timeframe of benefits

Most activities provide ongoing benefits. Where an activity provides benefits that will last for future generations we have noted this too.

Contributors to need for activity

These contributors are any individuals or groups who, through their action, or inaction, contribute to the need to undertake the activity. For example, polluters create a need for Council to clean up the mess or make rules about how it is to be reduced or cleaned up.

Costs and benefits of funding activity distinctly

There are costs and benefits, including consequences for transparency and accountability, of funding an activity separately, whether by user charges or targeted rates or a combination of these.

Council then considered the overall impact of any allocation of liability for revenue needs on the community. That process led Council to decide on the funding policy indications shown for each activity.

14. Regional leadership

Relationships with mana whenua

Council builds and maintain constructive partnership relationships with iwi and Māori of the region to support Maori participation in decision making to deliver Council's outcomes.

Community outcome	Engaged community
Purpose / rationale for activity	This activity enables Council to build and maintain constructive partnership relationships with iwi and Māori of the region.
Who benefits? How are the benefits distributed?	Mana whenua benefit from a partnership approach to managing the natural environment ensures that iwi fulfil their obligations as natural managers of the world, through their kaitiaki roles and responsible. Regional communities benefit from the quality of decision making that is enabled when mana whenua participate in decisions that affect them.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in its annual report.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Relationships with mana whenua				100%

Regional transport planning and programmes

Council plans for the long-term development of the region's land transport network.

Community outcome	Connected community
Purpose / rationale for activity	A plan for development of the region's land transport network is essential for integration with territorial authority plans, and to enable the efficient transport of people and goods.
Who benefits? How are the benefits distributed?	The community as a whole benefits from transport infrastructure planning services.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in annual report.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Regional transport planning and programmes		About 52% from NZTA		Balance of the funding.

Wellington Regional Strategy

Council supports growth and economic development in the region.

Community outcome	Strong economy
Purpose / rationale for activity	Council promotes economic growth and hosts this activity on behalf of the region.
Who benefits? How are the benefits distributed?	Business communities are the primary beneficiaries of economic growth and increased wealth within the region. The community as a whole benefits to a lesser extent.
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Separate funding enables Council to apply revenue requirements that are consistent with the levels of benefit that different ratepayer categories receive. Separate funding also supports accountability and transparency to the ratepayers who fund the activity

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Wellington Regional Strategy			100%, charged on differential basis by land use, being- <ul style="list-style-type: none"> • a uniform charge on residential and rural ratepayers • a capital value basis for businesses. 	

Emergency management

Council contributes to emergency preparedness and management services within the region.

Community outcome	Resilient community
Purpose / rationale for activity	Wellington region has a wide range of natural hazards (earthquake, flooding, landslide, tsunami, storm) and hazard risks (biological, chemical, terrorism, other), and the region wants to be prepared to provide emergency services
Who benefits? How are the benefits distributed?	The community as a whole benefits from these services
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in the annual report.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Emergency management				100%

Democratic services

Council conducts democratic elections that are free from interference. Council supports elected members to engage with their communities and to make informed decisions.

Community outcome	Engaged community
Purpose / rationale for activity	Democracy services enable citizens and communities to engage with decision makers for the benefit of the region. These services also support Councillors in the performance of their roles
Who benefits? How are the benefits distributed?	The community as a whole benefits from these services.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its annual report

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Democratic services				100%

Regional initiative - Warm Greater Wellington

Council provides funding for home insulation. The communities in Wainuiomata and Masterton are also offered funding for clean heating because the air sheds in those areas have breached the national standards for air quality.

Community outcome	Resilient community
Purpose / rationale for activity	Good quality insulation helps keep the heat in during winter and out during summer. This makes houses easier and cheaper to heat properly, and more comfortable and healthy to live in.
Who benefits? How are the benefits distributed?	The major beneficiaries are those ratepayers who take up the funding. Wainuiomata and Masterton will also benefit when their airsheds no longer breach quality standards, because Council will then be able to approve consents for industrial discharges to air.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Separate funding enables Council to target those who benefit from the activity.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Regional initiative - Warm Greater Wellington			100%	

Regional initiative - Water Wairarapa

Council is exploring water storage options for agriculture, horticulture, and municipal uses in the Wairarapa.

Community outcome	Strong economy
Purpose / rationale for activity	Water storage options may increase the productive efficiency of agriculture and horticulture in the Wairarapa. It may also provide additional water for municipal and other community uses in the area.
Who benefits? How are the benefits distributed?	The primary beneficiaries are Wairarapa organisations and households that will use the water, or who can rely on the water as an alternative water source during an emergency. People in the Wairarapa may also benefit from increased resilience of source water for the drinking water supplies.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Separate funding would enhance transparency and accountability for this activity.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Regional initiative - Water Wairarapa				100%

The funding source for any expenditure beyond 2018/19 will be reviewed by Council if the project proceeds beyond that date.

15. Public transport

Community outcome	Connected community
Purpose / rationale for activity	Public transport makes a significant contribution to the region's economic prosperity in a way that is environmentally and socially sustainable.
Who benefits? How are the benefits distributed?	<p><u>Private benefits</u> Public transport benefits the people who use it directly, enabling them to get to work, school, retail, and social activities.</p> <p><u>Public benefits</u></p> <ul style="list-style-type: none"> • More efficient land use and compact urban environments support the regional economy. The concentration and efficiency of economic activity, especially in the regional CBD and other commercial centres is increased by public transport. • Employers in the regional business hub (Wellington CBD) and the other regional business centres can attract staff from throughout the region. • Freight can travel more cheaply on less congested roads. • Any industry or activity that relies on people coming together from different parts of the region, including retail, hospitality, and education industries. • Efficient movement of private vehicles benefits everyone who drives on congested roads that are served by public transport, and it reduces the cost of goods and services to the whole region. <p><u>Environmental benefits</u> The region as a whole benefits from reduced emissions because of shorter private journey times, and because there are fewer vehicles on the road when people use public transport.</p> <p><u>Health and safety benefits</u></p> <ul style="list-style-type: none"> • The whole region benefits from fewer vehicles on roads, and safer driving. • More liveable environments. • The whole region benefits from fewer vehicles on roads, and safer driving. <p><u>Urban / rural benefits</u> Urban communities are significant beneficiaries of public transport, but rural communities do not benefit to the same extent.</p>
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Public transport is the single largest activity that Council funds. A mixture of user charges (fares) and targeted rates provide transparency to service users, residents, ratepayers, and funders about the costs and relative shares paid by different groups.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Public transport	35-50% from fares and other user charges	The maximum contribution from Crown agencies, primarily New Zealand Transport Agency (NZTA), Overall, intend to collect 25-35% from NZTA although this may be significantly higher for some specific programmes and investments.	25-35%, calculated on ECV, with differentials based on land use and by location.	

Council applies user charges (fares) for the private benefits gained by people who use public transport.

Council has concluded that the following differentials take account of the specific public and private benefits of public transport, while also taking account of the overall impacts of Council’s funding requirements.

Residential (excluding Wairarapa).....	1
Residential (Wairarapa and Otaki rating units)	0.5
Wellington CBD	7
Business (excluding Wairarapa)	1.4
Business (Wairarapa).....	1
Rural	0.25

Council will apply the new differentials as a targeted rate, based on ECV. All properties within each differential category will pay the same rates per \$100,000 of ECV.

Council may review these differentials at any time, and particularly if there are major changes in future funding requirements.

This is a considerable change from the previous policy which allocated costs based on a complex set of inputs.

Council will take six years to transition the rates onto the new policy. Until the transition is complete, Council will calculate an annual transition differential so that rates progressively shift to their new levels for each category of land use, and for each location.

16. Water supply

Council provides bulk water to four participating territorial authorities (the cities of Wellington, Hutt, Upper Hutt, and Porirua).

Community outcome	Strong economy, healthy environment, resilient community
Purpose / rationale for activity	Clean, safe drinking water is essential for life. It is also used for- <ul style="list-style-type: none"> • residential purposes (gardens, swimming pools) • community purposes (parks, swimming pools, schools, hospitals, turf, and other recreation services). • industrial purposes (hygiene, other uses).
Who benefits? How are the benefits distributed?	The participating territorial authorities benefit from- <ul style="list-style-type: none"> • being able to provide potable water for their residents • the efficiency of a coordinated water collection, treatment, and distribution system.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Funding water supply services distinctly from other services has benefits for transparency and accountability. Because water is supplied in bulk to territorial authorities, a volumetric levy is a fairer and more efficient funding tool.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Water supply	95%-100% volumetric levy on the participating territorial authorities. User charges may also be applied to other bulk water users.			

17. Environment

Resource management - Policy and planning

Environmental science - State of Environment monitoring

Community outcome	Healthy environment, engaged community.
Purpose / rationale for activity	Council regulates the use and development of the environment via the Regional Plan and other planning documents, to ensure that natural and physical resources are managed sustainably.
Who benefits? How are the benefits distributed?	The community as a whole benefits from the policy, planning and monitoring services. Territorial authorities and individuals, benefit from Council's State of the Environment monitoring information.
Does anyone contribute to Council's need to provide this activity?	Everyone uses the region's natural resources to some extent.
Rationale for separate funding	Because the community as a whole is the main beneficiary, there is no particular benefit from distinct funding.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Resource management - Policy and planning				100%
Environmental science - State of Environment monitoring	10-20%			80-90%

Resource management – Consents

Resource management – Compliance and enforcement

Pollution prevention and control

Community outcome	Healthy environment
Purpose / rationale for activity	Council implements the Regional Plan, with consent, compliance, and pollution services.
Who benefits? How are the benefits distributed?	Consent applicants benefit from information services. Consent holders benefit from the right to use regional resources, and from monitoring services, because consents may be granted with greater confidence / certainty about the potential impacts.
Does anyone contribute to Council's need to provide this activity?	Polluters create the need for pollution controls People who want to use the region's resources create the need for an allocation system.
Rationale for separate funding	These services are best funded jointly with other Resource management activities.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Resource management – Consents	100%, consent applicants			
Resource management – Compliance and enforcement	100% consent holders			Up to 100% for investigations where a liable party cannot be identified.
Resource management – Pollution prevention and control	100% identified polluters			

Land management

- Farm plans, and Farm environment plans, to reduce erosion in the eastern Wairarapa hills, and to support intensively farmed (dairy) areas in Wairarapa and Otaki.
- Wellington Regional Erosion Control Initiative
- Land management advisory services, mainly in the Wairarapa
- Erosion scheme services and coordination services to rural properties in the Wairarapa.

Community outcome	Healthy environment
Purpose / rationale for activity	Council seeks to mitigate the environmental impacts of farming, because land management practices can affect soil erosion, soil health water quality, and the health of streams, rivers, and the coast.
Who benefits? How are the benefits distributed?	<p>Farmers benefit from-</p> <ul style="list-style-type: none"> • stabilised soils and reduced erosion. • water and drainage schemes that enable greater productive use of the land. • reputation benefits from clean operations. <p>Rural communities benefit from local catchment schemes that protect local infrastructure (roads, utilities).</p> <p>The community as a whole benefits when farmers reduce their nutrient and sediment discharges.</p>
Does anyone cause Council to provide this service?	<p>Farmers who allow stock to graze in or adjacent to waterways.</p> <p>Farmers who allow nutrients to leach into waterways.</p>
Rationale for separate funding	Because the activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.

Funding policy indication

Activities and programmes	User charges	Subsidies	Targeted rate	General rate
Farm plans	70%			30%
Farm environment plans	50%			50%
Wellington Regional Erosion Control Initiative	40%	30% Crown		30%
Land management advice				100%
Land management erosion schemes	50%-100% to be met from targeted or scheme rates or a direct contribution from both the direct beneficiaries, and the beneficiaries in the economic catchment area.			Up to 50%

Council sets rates on specific properties within erosion schemes in the Wairarapa. Generally, these rates are apportioned to reflect the benefit to each separately rateable property in the part of the district benefiting from the scheme, on the basis of the area and the classification of the property as it appears in the approved classification register.

Soil and plant conservation

Community outcome	Healthy environment
Purpose / rationale for activity	Council seeks to mitigate the environmental impacts of farming, because land management practices create erosion, and affect the health and quality of streams, rivers, and the coast.
Who benefits?	The community as a whole benefits from stabilised soils in its reserves. The benefits from the Akura Conservation Centre are mostly the private landowners who plant poplars and willows for erosion and flood control.
Timeframe of benefits	Ongoing
How are the benefits distributed?	90% private landowners 10% community as a whole.
Does anyone cause Council to provide this service?	Farmers who do not plant tree cover on erosion prone soils.
Rationale for separate funding	Because the activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.

Funding policy indication

Activities	User charges	Subsidies	Targeted rate	General rate
Soil conservation reserves	100%			
Akura conservation centre	100%			

Biodiversity management

Community outcome	Healthy environment
Purpose / rationale for activity	Biodiversity contributes to the region's natural character and supports the healthy functioning of ecosystems which in turn provide essential, life supporting services, including purifying air and water.
Who benefits? How are the benefits distributed?	The community as a whole share the benefits of a healthy environment.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	Farmers who have not yet fenced waterways so that stock can get into them contribute to the need for this activity.
Rationale for separate funding	This activity is one relatively small, part of the larger Group of Activities and separate funding would not be cost effective.

Funding policy indication

Activities and programmes	User charges	Subsidies	Targeted rate	General rate
Biodiversity management – Key Native Ecosystems programme				100%
Biosecurity services for territorial authorities	100%			
Biodiversity management – other activities				100%

Pest management

Community outcome	Healthy environment
Purpose / rationale for activity	Pest management supports economic activity and improves environmental outcomes.
Who benefits? How are the benefits distributed?	<p>Primary producers benefit from</p> <ul style="list-style-type: none"> • reduced loss of pasture • reduced loss of crops • reduced damage to trees and shrubs • sustained and increased primary production. <p>Cattle and deer farmers in operational areas benefit from reduced risk of disease to farmed animals.</p> <p>The regional community benefits from reduced spread of unwanted pest damage to high value ecosystems, and reduced pest impact on safety, amenity, and social values.</p>
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	Pest management, including possum control activities are undertaken in line with Biosecurity Act 1993, and the National Policy Direction for Pest Management.
Rationale for separate funding	Because Council provides two pest management programmes, with different funding policies, separate funding is useful to demonstrate the benefits of each activity.

Funding policy indication

Programmes	User charges	Subsidies	Targeted rate	General rate
Regional pest management plan	Up to 10%	Up to 10%		80-100%
Regional predator control programme			40% on all rural properties that are 4ha or more, assessed on a land area basis.	60%

Harbour management

Community outcome	Strong economy
Purpose / rationale for activity	Council provides this service to support safe commercial shipping and recreational activities in the regional harbours.
Who benefits?	Maritime traffic in the harbours benefit from Beacon Hill Communications station, navigational aids, and the enforcement of maritime safety regulations. Recreational boat users benefit from navigational aids, education programmes, and the enforcement of maritime safety regulations. Other harbour users receive a small benefit from the enforcement of maritime safety regulations.
Timeframe of benefits	Ongoing.
How are the benefits distributed?	Commercial shipping is the major economic beneficiary of this service. People using recreational boats and yachts also benefit substantially. The rest of the region gets some residual benefit.
Does anyone cause Council to provide this service?	Maritime traffic (commercial and recreational) is the major activity that creates the need for Council to provide navigational aids and safety services. Polluters create the need for monitoring, regulations and clean up services.
Rationale for separate funding	Separate funding via targeted rates is not sensible for this activity, because Council cannot identify and targeted land owners who would be the major beneficiaries of services for activities on and about water.

Funding policy indication

Activities and programmes	User charges	Subsidies	Targeted rate	General rate
Navigational aids and communications service	60% commercial shipping, (collected by CentrePort)			40%
Education; Enforce maritime safety regulations				100%
Pollution clean-up -- oil		95% Maritime NZ		5%
Pollution clean-up – other	100% charge to polluters, where they can be identified and charged.			Up to 100%

18. Flood protection

Understanding flood risk

Maintaining flood protection and control works

Improving flood security

Community outcome	Resilient community
Purpose / rationale for activity	Council provides flood protection services to protect the lives and property of people within the region.
Who benefits?	<p>Property owners (private, Crown, territorial authorities, others) and residents in flood hazard zones are the major beneficiaries of these activities. They benefit from-</p> <ul style="list-style-type: none"> • information about flood hazards • flood warnings • flood protection structures that directly protect lives and property, and downstream areas. <p>Local communities and catchments benefit from-</p> <ul style="list-style-type: none"> • Information about flood hazards to support land use planning • having their local infrastructure protected (schools, hospitals, roads and emergency lifelines, parks, and reserves). <p>Utilities benefit from-</p> <ul style="list-style-type: none"> • information about flood hazards • flood warnings • flood protection structures that directly protects their infrastructure (electricity transmission, telecoms, etc). <p>The region as a whole benefits from-</p> <ul style="list-style-type: none"> • advice about flood emergencies • any environmental protection that flood protection provides • protected arterial transport routes.
How are the benefits distributed?	<p>Property owners (including utility companies), and residents and flood hazard zones are the major beneficiaries of all these activities.</p> <p>Local communities, (including property owners in flood hazard zones) are also substantial beneficiaries of flood protection and control works in their communities.</p> <p>The community as a whole receives a relatively small share of the benefits.</p>
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Because of the substantial private benefits from these activities, and Council's considerable commitment to this group of activities, separate funding provides transparency and accountability benefits.

Council has considered the matters above, including the benefits of flood protection to identifiable groups within the region, and has decided to retain the Flood Protection rate funding policy that applied in 2017/18.

Funding policy indication

Activities	User charges	Subsidies	Targeted rates	General rate
Understanding flood risk				100%
Maintaining flood protection and control works			The balance of costs (i.e., to 100%) met via targeted rates on the local authority area or via scheme rates or direct contribution from both the direct beneficiaries on the floodplain and the beneficiaries in the economic catchment area.	Up to 50%
Improving flood security				

Note: Where a utility provider makes a contribution for protection of infrastructure assets, the revenue is directly applied to alleviate the scheme's costs.

19. Parks

Council manages a network of regional parks and forests for the community's use and enjoyment. Council works with mana whenua and community groups to protect the environment within regional parks

Community outcome	Engaged community
Purpose / rationale for activity	Council provide parks for community recreation and enjoyment, and to protect regionally significant landscapes, bush, and heritage features.
Who benefits? How are the benefits distributed?	<p>Individuals and groups who use the camping facilities within regional parks.</p> <p>Organisations that use parks for commercial purposes. This includes, for example-</p> <ul style="list-style-type: none"> • stock grazing • film making • outdoor activities • education activities. <p>The region and the whole country benefit from being able to enjoy regionally significant landscapes, bush, and heritage features.</p> <p>The whole country benefits from the preservation of nationally significant landscapes, forests, and heritage features.</p>
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its annual report.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Parks	10% for organised events, farming and other leases, license fees, other added value services.			90%

Summary table

<i>Group of Activities</i>	<i>Activity</i>	<i>User charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>	
Regional Leadership	Relationships with mana whenua				100%	
	Regional transport planning and programmes		About 52% from NZTA		Balance of the funding	
	Wellington Regional Strategy			100%, charged on differential basis by land use, being- <ul style="list-style-type: none"> • a uniform charge on residential and rural ratepayers • a capital value basis for businesses. 		
	Emergency management				100%	
	Democratic services				100%	
	Regional initiative - Warm Greater Wellington				100%	
	Regional initiative - Water Wairarapa					100%
Public transport	Public transport	35-50% from fares and other user charges	The maximum contribution from Crown agencies, primarily New Zealand Transport Agency (NZTA), Overall, intend to collect 25-35% from NZTA although this may be significantly higher for some specific programmes and investments.	25-35% calculated on ECV, with differentials based on land use and by location.		
Water supply	Water supply	95%-100% volumetric levy on the participating territorial authorities. User charges may be applied to other bulk water users.				

<i>Group of Activities</i>	<i>Activity</i>	<i>User charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>
Environment	Environmental science - State of Environment monitoring	10-20%			80-90%
	Resource management - Policy and planning				100%
	Resource management – Consents	100%, consent applicants			
	Resource management – Compliance and enforcement	100% consent holders			Up to 100% for investigations where a liable party cannot be identified.
	Resource management – Pollution prevention and control	100% identified polluters			
	Land management - Farm plans	70%			30%
	Land management - Farm environment plans	50%			50%
	Land management - Wellington Regional Erosion Control Initiative	40%	30% Crown		30%
	Land management advice				100%
	Land management, erosion, and drainage schemes			100% to be met from targeted or scheme rates or a direct contribution from both the direct beneficiaries, and the beneficiaries in the economic catchment area.	
	Soil conservation reserves	100%			
	Akura conservation centre	100%			
	Biodiversity management – Key Native Ecosystems programme				100%
	Biosecurity services for territorial authorities	100%			
	Biodiversity management – other activities				100%
	Regional pest management plan	Up to 10%	Up to 10%		80-100%
Regional predator control programme			40% on all rural properties that are 4ha or more, assessed on a land area basis.	60%	

<i>Group of Activities</i>	<i>Activity</i>	<i>User charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>
Environment, continued	Harbour management - Navigational aids and communications service	60% commercial shipping, (collected by CentrePort)			40%
	Harbour management – Education, and enforce maritime safety regulations				100%
	Harbour management - Pollution clean-up – oil		95% Maritime NZ		5%
	Harbour management - Pollution clean-up – other	100% charge to polluters, where they can be identified and charged.			Up to 100%
Flood Protection	Flood Protection - Understanding flood risk	Apply charges to territorial authorities and other beneficiaries wherever practicable			100%
	Flood Protection - Maintaining flood protection and control works			The balance of costs (i.e., to 100%) met via targeted rates on the local authority area or via scheme rates or direct contribution from both the direct beneficiaries on the floodplain and the beneficiaries in the economic catchment area. * Where a utility provider makes a contribution for protection of infrastructure assets, the revenue is directly applied to alleviate the scheme's costs.	Up to 50%
	Flood Protection - Improving flood security				
Parks	Parks	10% for organised events, farming and other leases, license fees, other added value services.			90%

Greater Wellington Regional Council Te Pane Matua Taiao

***An extraordinary region – thriving,
connected and resilient***

*Greater Wellington Regional Council
Long Term Plan 2018-28*



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SECTION 1 - Overview

He Whakarāpopototanga

Why does this document matter?

The purpose of the Long Term Plan is to provide a long term direction for decisions and set out our priorities, programmes and projects for the region over a 10 year period and beyond. Long term plans are reviewed every three years and any changes will be addressed during the annual planning process.

This document contains important information including:

- The strategic context which outlines the outcomes we want for the region - our vision and our priority areas - and the things that are changing in our environment which we need to plan for
- The activities of the Council, i.e. those things we do to that contribute to the outcomes we want for the region
- How we fund each activity
- Council Controlled Organisations
- The financial and non-financial assumptions that helped guide our planning
- 10 year **Financial Strategy**
- 30 year **Infrastructure Strategy**

The following policies of Greater Wellington relevant to the Long Term Plan are contained in a separate volume:

- Revenue and Financing Policy
- Significance and Engagement Policy
- Treasury Risk Management Policy
- Rates Remission and Postponement Policies
- Policy on Development Contributions or Financial Contributions

Chair's message

This Long Term Plan 2018-28 focuses on the need to continue making significant investment in our regional infrastructure. The package of projects and programmes we will be delivering over the next ten years will be transformational for the region and will enable us to deliver on our vision of an extraordinary region which is connected, thriving and resilient.

Taking a leadership role across our region means we are never working alone – strengthening our partnerships is a key focus for Council as we look toward the future. We are working closer than ever before with Central Government and other key agencies as well as enabling our communities to play a larger part in the work, for example the Whaitua Committees dedicated to improving our water quality.

Focusing on what really matters to the people who live in our diverse communities is a key consideration for us. Ensuring that we are all connected through an excellent public transport network, having uninterrupted access to drinking water, staying safe from the threat of flooding, protecting and enhancing the environment, improving the quality of our fresh water and planning well ahead for the potential impact of climate change across our region.

Each of these issues, and more, has been examined in detail and the recommendations for improvement in the plan have been closely debated by the community, our officers and at the Council table to deliver a robust plan which will lead our region through the next decade.

We are still adapting to the ongoing impacts from the Kaikoura earthquake in November 2016. These impacts heighten our awareness of what it is that we need to provide for a more resilient to ensure we have a robust future.

The benefits that will flow from the plan will, of course, come at some cost. We have worked hard to confine the rise in average residential rates for 2018/19 to 5.9 percent, or **\$3.17** per month on average for ratepayers. Over the next decade average rates are set to increase by five percent each year as the momentum of investment continues.

In flood protection, for example, we're committing \$121 million to RiverLink, a package of flood protection, regional transport and urban renewal which will safeguard and catalyse Lower Hutt's economy, rightly focusing growth on its riverside CBD. A further \$62 million will be invested in flood protection improvements in Wairarapa and Kapiti.

Public transport will take its next great leap forward with the full roll out of a new and simplified bus network and fleet. In 2018 we introduced 250 brand new buses on our Metlink public transport network, which will be supplemented by another 90 early in 2019, including high-capacity double-deckers and electric buses. We've also allocated \$33 million to improve the Wairarapa Line and Capital Connection rail fleets over the next decade.

Add to that we've also allocated funding to the *Let's Get Wellington Moving* programme and it's clear we're investing in a connected region that continues to lead the way in public transport in New Zealand.

We've also learned from the lessons of the recent past that resilience is vital to our quality of life, which is why we are committing significant funding to protecting water supplies. Key investment will go ahead in seismic strengthening of several reservoirs and in bulk water supply to Porirua. Two alternatives are being considered to maintain supply following an earthquake: \$116 million is earmarked for a cross Harbour Pipeline or sourcing water from aquifers beneath Wellington Harbour which, if viable will be a much more cost-effective solution.

This is a comprehensive and ambitious plan driven in large part by what the community has asked of us and I invite you to read it. A clear direction has been set for the next decade. It only remains for me to thank the people of our extraordinary region for their part in its creation.

Message from Ara Tahi Chair

Me huri whakamuri

Ka titiro whakamua

Look back and reflect

So that we can move forward

As we look to the future for our region and our people we have to first look back on the past and celebrate what we have achieved together, and remind ourselves that, through our strong relationship, we have been able to deliver ambitious projects based on our shared vision.

Ara Tahi is the leadership forum of the six mana whenua partners and Council that focuses on the collective strategic matters that concern us all. We have enjoyed a productive relationship with Te Pane Matua Taiao (Greater Wellington) for 25 years. Since signing the Memorandum of Understanding in 1993, where we agreed on joint aspirations for the region, we have delivered projects that we can be proud of.

It is time to take stock - to acknowledge our achievements and to think about what we want the collective relationship to be for the next 25 years. As partners this will enable us to plan the next steps to build a secure and sustainable future.

Ara Tahi intends to build on the strong partnership we have developed with Greater Wellington to:

- ensure we are actively engaged and involved in decision making
- enable Te Ao Māori to be recognised and valued so that together we can achieve the best outcomes for Māori across all aspects of our region – our natural environment, a connected cultural understanding and a thriving economy.

In addition, individual mana whenua iwi have continued to work separately and directly with Greater Wellington on projects including our regional parks and protecting our communities from the impact of natural and other emergencies. Together we have worked to create a truly collaborative, catchment approach to the management and care of our freshwater, and the life that lives within it, through Whaitua Committees. In 2018 the Ruamāhanga Whaitua Committee released its draft Whaitua Implementation Plan, Te Awarua – ō- Porirua Whaitua Committee is well under way and we look forward to seeing the progress of the other Whaitua committees going forward.

These achievements mean a lot- they are a significant step in our journey together.

In the past decade, most of our iwi have had a major focus on settling our Treaty of Waitangi historical claims with the Crown. Within the next decade, that process is likely to be completed. As we move into the post settlement world, we want our relationships to be one of true partnership working together on areas of mutual benefit where the Māori economy becomes a key player in our wider regional economy.

As kaitiaki we want to be involved in the decisions that affect our land, our waterways, our ocean and our wildlife. Whether it is the impact of a changing climate or the ways we use our public spaces. This is an exciting time as legislation provides new opportunities and the need to work in

different ways. Current and future changes to legislation are likely to impact on our relationships with GW. This includes the Te Mana Whakahono-a-Rohe (iwi participation arrangements) and the Marine and Coastal Area (Takutai Moana) Act 2011 provisions that enable new innovative ways of working together. Mana whenua and Greater Wellington will work together closely to understand what this means for the region.

Ngā mihi

Mahinarangi Hakaraia

Our region

Our region covers 8,111km² of the lower North Island – the northern boundary goes from north of Ōtaki on the west coast across to north of Castlepoint on the east coast. We have a coastal marine area of 7,867km² with almost 500km of coastline.

Around 500,000 of us call this extraordinary region home.

We are an ethnically diverse region with a rich culture. Throughout our region we have many diverse communities. There are six mana whenua partners in our region who have kaitiaki roles and responsibilities over the land, waterways, animals and birds in their respective rohe. We are all connected and we live, work and play in a variety of places within our region.

Our region includes:

- The farms of Southern Wairarapa
- The market gardens of the Kāpiti Coast
- The vineyards of Martinborough and Gladstone
- Seventeen mana whenua and 15 Church and mātāwaka marae located on the coast and inland
- Coastal communities such as Raumati Beach and Riversdale
- The lifestyle properties in our rural areas
- Suburban homes
- Small businesses
- Small villages and thriving towns, and
- Our busy, compact, capital city

Our role in the greater Wellington region

Greater Wellington is responsible for a wide range of activities that contribute to the overall wellbeing of the Wellington region.

We operate in the following key areas:

- Provision and management of regional infrastructure and services - flood protection assets that protect urban populations and productive rural land; a secure supply of safe, high-quality water; regional parks; harbour navigation and safety; delivering Metlink public transport services to the regional population; as well as owning the train fleet and maintaining public transport assets including railway stations, bus and ferry shelters, signs, and Park n Ride facilities
- Sustainable management of natural resources (land, air, biodiversity and water) and control of pests to protect the resources on which our primary sector, export economy and quality of life are based
- Strategic planning for the region – delivered through statutory instruments, such as the Regional Policy Statement, the Regional Land Transport Plan and the Regional Pest Management Strategy and also non-statutory instruments such as the Wellington Regional Strategy – the region’s economic growth strategy.

Greater Wellington is guided by legislation, including the Local Government Act 2002 which directs local authorities to meet the current and future needs of communities for good-quality infrastructure, services and performance of regulatory functions, in a way that is most cost-effective for households and businesses. The Local Government Act also requires local authorities to be accountable and to ensure that their decision-making processes are open to the influence and scrutiny of their communities.

For more detail on Greater Wellington’s activities, see **Section 2** of this document.

Partnering with mana whenua

Greater Wellington's relationship with mana whenua is guided by the Local Government Act 2002 and the Resource Management Act 1991. These Acts require Greater Wellington to recognise and provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga and provide opportunities and resources that enable Māori to participate in decision making. The Resource Legislation Amendment Act 2017 provides for Mana Whakahono-ā-Rohe (Iwi participation arrangements).

The relationships between mana whenua and Greater Wellington provide a way for us to engage directly on the issues that matter. Two key documents set out how we work together – a Memorandum of Partnership, signed in 2013, established a structural and operational relationship between Greater Wellington and mana whenua, and a Māori Partnership framework (2016) which sets out how we will work together to achieve mutually beneficial outcomes.

There are six iwi who are mana whenua in our region and who have kaitiaki roles and responsibilities over the land, waterways, animals and birds in their respective rohe. Greater Wellington has established and maintains relationships with the six mana whenua who are:

- Ngāti Kahungunu ki Wairarapa (represented by Ngāti Kahungunu ki Wairarapa Charitable Trust)
- Taranaki Whānui ki te Upoko o te Ika (represented by the Port Nicholson Block Settlement Trust)
- Ngāti Toa Rangatira (represented by Te Rūnanga o Toa Rangatira Inc)
- Te Ātiawa ki Whakarongotai (represented by Ātiawa ki Whakarongotai Charitable Trust)
- Ngāti Raukawa ki te Tonga (represented by Ngā Hapū o Ōtaki)
- Rangitāne o Wairarapa (represented by Rangitāne o Wairarapa Inc)

We have a number of ways that we work with mana whenua and Māori of the region.

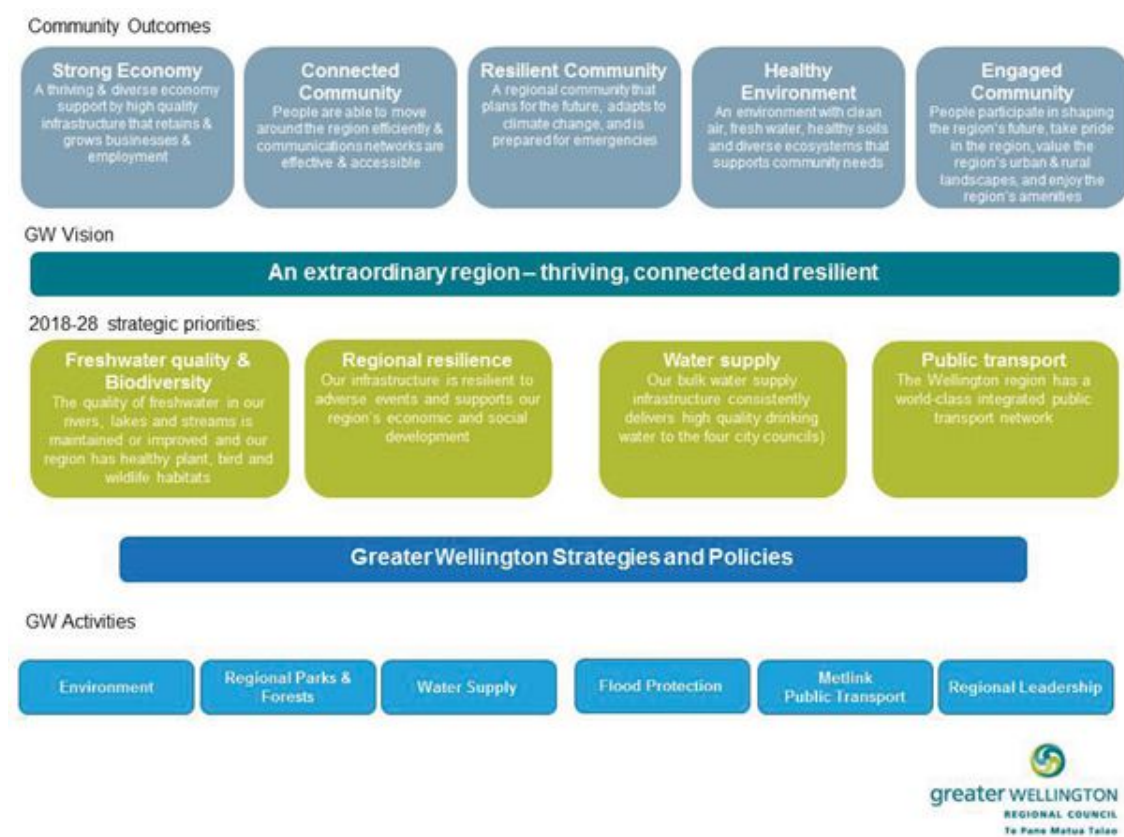
- **Ara Tahi** is a leadership forum of the six mana whenua partners and Greater Wellington. Ara Tahi was established as a collective mana whenua forum in 1993 initially as a Māori advisory group and more recently to focus on strategic matters of mutual concern.
- **Council Committees and Advisory Groups** – Appointed members, nominated by Ara Tahi or directly by mana whenua iwi, are involved in Council decision making (e.g. Environment, Finance, Risk and Assurance and Sustainable Transport Committees have appointees nominated by Ara Tahi, and the Wairarapa Committee; Hutt Valley Flood Management Subcommittee; and Te Kāuru Upper Ruamahanga River Floodplain Management Subcommittee have appointees nominated directly by mana whenua iwi.)
- **Te Upoko Taiao** – the Natural Resources Plan Committee is another committee that oversees Greater Wellington's regulatory responsibilities in relation to resource management, including the review and development of regional plans. It comprises six elected Greater Wellington Regional Councillors and six appointed members from the region's mana whenua.

Direct relationships with mana whenua – on individual issues or programmes of work specific to one mana whenua partner, we work direct with the iwi concerned.

Our strategic direction

Our strategic direction is the approach we are taking to achieving our vision: *An extraordinary region- thriving, connected and resilient.*

In making progress towards our vision, for the period 2018-28 we've identified four priority areas which we know are important to the region and where we are able to have the greatest influence. These strategic priorities enable us to focus on the things that matter and place our resources where they will have the greatest impact.



Community Outcomes

Community outcomes reflect the ambitions of the people who choose to live in our region. We developed with you the following community outcomes for previous Long Term Plans. We believe they are still as relevant now as they were then as important outcomes for our region.



Strong Economy – A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment.



Connected Community – People are able to move around the region efficiently and communication networks are effective and accessible.



Resilient Community – A regional community that plans for the future, adapts to climate change, and is prepared for emergencies.



Healthy Environment – An environment with clean air, fresh water, healthy soils and diverse ecosystems that supports community needs.



Engaged Community – People participate in shaping the region's future, take pride in the region, value the region's urban and rural landscapes, and enjoy the region's amenities.

Greater Wellington aims to improve the quality of life of residents through our groups of activities by contributing to the achievement of the following outcomes:

Greater Wellington Activity Groups	Strong economy	Connected community	Resilient community	Healthy environment	Engaged community
	A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment	People are able to move around the region efficiently and communications networks are effective and accessible.	A regional community that plans for the future, adapts to climate change and is prepared for emergencies.	An environment with clean air, fresh water, healthy soils and diverse ecosystems that supports community needs.	People participate in shaping the region's future, take pride in the region, value the region's urban and rural landscapes, and enjoy the region's amenities.
Environment	•		•	•	•
Parks and Forests	•			•	•
Water Supply	•		•	•	
Flood protection	•		•	•	
Metlink Public Transport	•	•		•	
Regional Leadership	•	•	•	•	•

The ways that our activities contribute to each of the outcomes is detailed further in the activity group sections.

Measuring progress towards the Community Outcomes

Community outcome indicators provide a long-term picture of whether we are progressing in the right direction towards these outcomes.

The Wellington Region Genuine Progress Index (GPI) provides a useful way to measure the region's well-being, by counting beneficial activities as positive, harmful activities as negative, and provides a systematic way to integrate economic issues with environmental, social and cultural concerns. We have been collating data since 2000 and there is now a wealth of rich data for us to draw upon. We have identified a number of individual indicators from the GPI as well as several combined indices that are closely aligned with Greater Wellington's community outcomes, and intend to use these where possible to show long-term progress in the right direction towards these outcomes. We have identified some opportunities for enhancement of this index to ensure the information remains a useful resource in measuring the region's wellbeing and in particular how well we are performing against our community outcomes.

2018-28 strategic priorities

Greater Wellington has identified four key priorities for the Wellington region over the next 10 years. Making a difference in these areas is a high priority for us as well as addressing any issues that might be preventing us from achieving our goals in these areas. The community has also told us that they think these are the right priorities for the region.

Fresh water quality and biodiversity	The quality of the fresh water in our rivers, lakes and streams is maintained or improved, and our region contains healthy plant, bird and wildlife habitats.
Water Supply	The bulk water supply infrastructure consistently delivers high-quality drinking water to the four city councils (Porirua, Hutt City, Upper Hutt and Wellington)
Regional Resilience	Our infrastructure is resilient to adverse events and supports our region's economic and social development.
Public Transport	The Wellington region has a world-class integrated public transport network.

Climate Change

Underpinning all our work is the consideration of climate change. As well as responding to climate change risks through adaptation planning, Greater Wellington is committed to mitigating the effects of climate change by reducing greenhouse gas emissions across all its areas of influence, helping to create the conditions for a smart, innovative, low-carbon regional economy.

Our response to climate change is themed throughout the Long Term Plan, given the significance this will have on the region now and into the future. In the Assumptions in Section 5 we have provided an outline on how we are anticipating adverse events and climate change may impact on the services we provide and how we plan to respond to those.

Fresh water quality and biodiversity

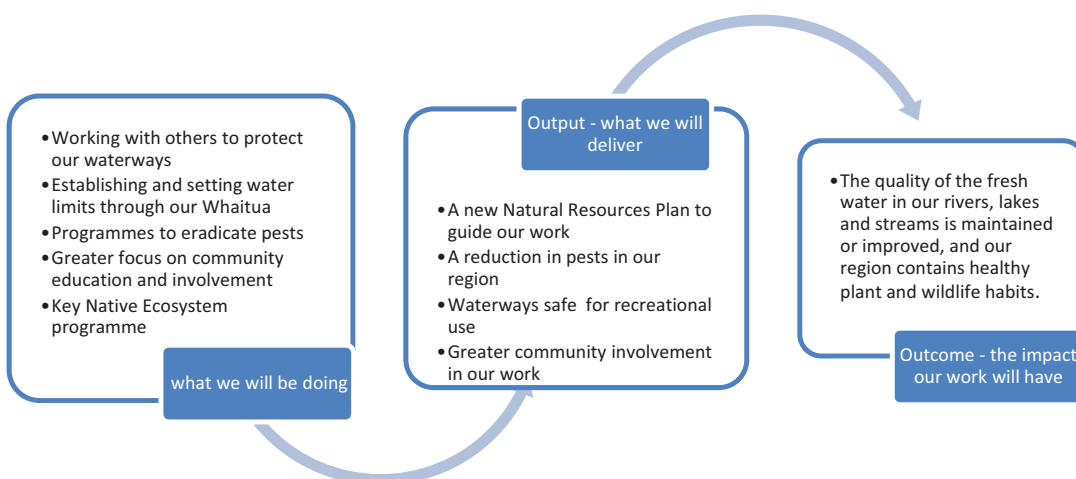
The quality of the fresh water in our rivers, lakes and streams is maintained or improved, and our region contains healthy plant, bird and wildlife habitats.

The quality of our waterways has an impact on our health and wellbeing, and it's also fundamental for the tourism industry and our region's economic prosperity. It's no secret that the rivers, lakes and streams in our region are important to the entire community. We recognise Te Mana o te Wai (the integrated and holistic wellbeing of a fresh water body) in the management of fresh water.

There is growing demand for water from our urban and suburban populations as well as the farming sector. Population growth is also likely to increase the pressure on our region's indigenous biodiversity. Increased sedimentation and contamination of waterways as a result of the earthworks associated with new developments, coupled with ageing stormwater and wastewater infrastructure and the intensive management of rural land can impact on the health of aquatic ecosystems. Urban expansion and rural intensification can increase the fragmentation of remaining habitats, reducing their viability and ability to support indigenous biodiversity. Better understanding of these potential impacts and efficiently managing water use to more sustainable levels are key concerns for Greater Wellington.

We are working closely with mana whenua iwi and our communities through whitua committees (catchment-based collaborative committees) to establish limits for water management. We are better able to protect of natural resources through partnerships and collaborative management – developing new ways of working in our shared backyard.

We recognise the importance of our special areas – the region's forests, lakes, coastal areas, wetlands and harbours – and ensure we have policies to manage any threats to their ecological health. Our aim is to eradicate pests in our region so that native plants, animals and fish can thrive. We are adapting our approach to protecting natural assets - everyone in the community has their own part to play and we will be placing more focus on education and community involvement as we look to the future.



Water supply

The bulk water supply infrastructure consistently delivers high-quality drinking water to the four city councils (Porirua, Hutt City, Upper Hutt and Wellington).

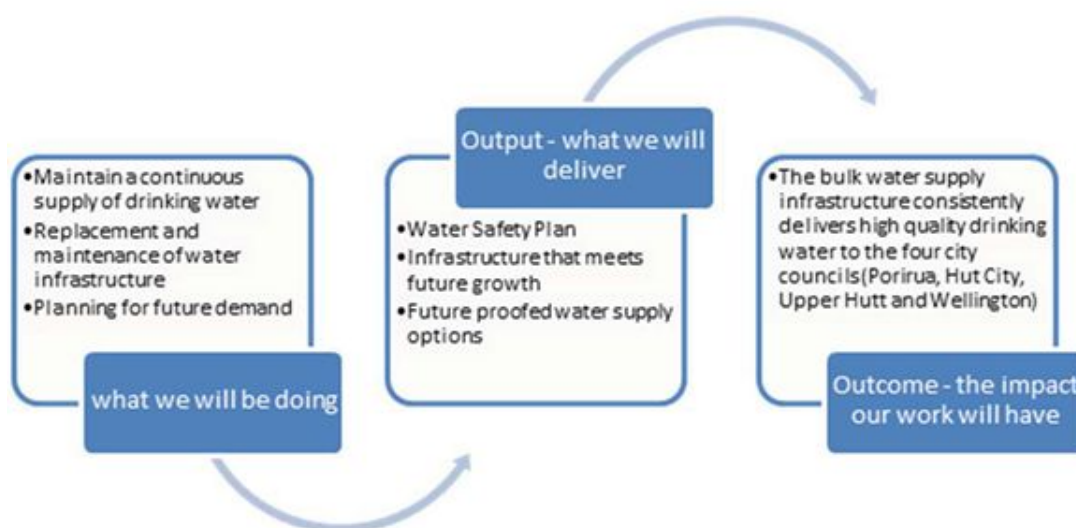
We all know a safe and resilient water supply is essential to our health and wellbeing. It's also crucial for our region's economic prosperity. High-quality drinking water protects the community from water-borne illnesses, while a consistent supply supports residential and commercial development and the local economy.

Our current infrastructure has served us well for many years, the challenge is ensuring it keeps pace with changing expectations and is fit for the future. Some significant assets are nearing the end of their economic lives. We need to determine the most cost-effective time to replace them, without compromising the performance of the water supply network.

We also need to improve resilience. Older parts of our infrastructure are less able to withstand shocks and there's limited redundancy in the bulk water network and limited local water storage. We're working with Wellington Water and the other councils to ensure that after a major earthquake (or other event) people will have access to clean, drinkable water as quickly as possible.

Following the Havelock North water contamination incident and detection of bacteria in the Waiwhetu aquifer, we reviewed our water treatment processes and made changes to how we treat water extracted from the Waiwhetu aquifer. We'll continue to review and enhance our treatment processes to ensure we maintain a water supply that is safe to drink.

In the longer term, changing rainfall patterns, increased drought and rising sea levels are expected to put pressure on the water supply. Meanwhile, population growth will increase demand for drinking water. In planning to manage demand, we are working with Wellington Water and considering capital works alongside non-asset solutions, such as water conservation education and water metering.



Regional resilience

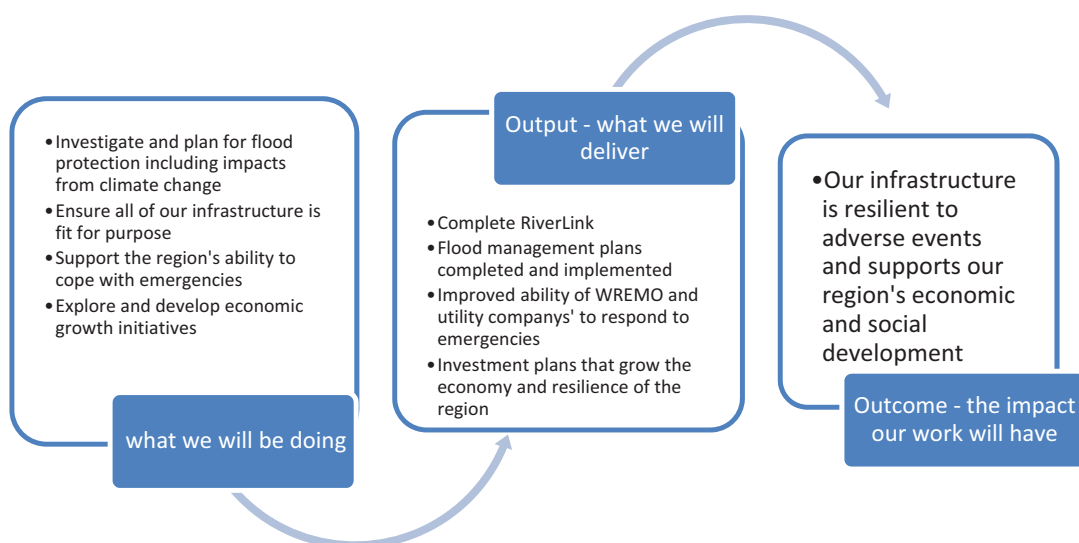
Our infrastructure is resilient to adverse events and supports our region's economic and social development.

Being prepared for the future is a theme that runs through everything we do at Greater Wellington. When we talk about a resilient region we mean building communities that are robust and equipped to withstand adverse events, including significant financial shocks, the effects of climate change, flooding and earthquakes.

Greater Wellington influences the resilience of the region in three ways. One way is through the resilience of the infrastructure we own and manage on behalf of the region, including water supply and public transport. Another is through co-ordination. Resilience often requires working together, and Greater Wellington co-ordinates a number of regional efforts to improve resilience, including the Wellington Region Emergency Management Office, the Wellington Lifelines Engineering Project and the Wellington Region Investment Plan.

Greater Wellington also has specific responsibility for managing the risk of flooding from streams and rivers. Floods are one of the region's most significant natural hazards and have the potential to cause both economic and social hardship. As weather patterns change and become more unpredictable, we anticipate more frequent and intense rainfall events and higher river flows. As the region's population grows, there may be pressure to intensify development in flood prone areas.

Historically, our approach to flood protection had a strong engineering focus. While we remain committed to protecting communities from flooding, we are now working with iwi, communities and councils to achieve greater social, economic and environmental outcomes from flood protection work.



Public transport

The Wellington region has a world-class integrated public transport network.

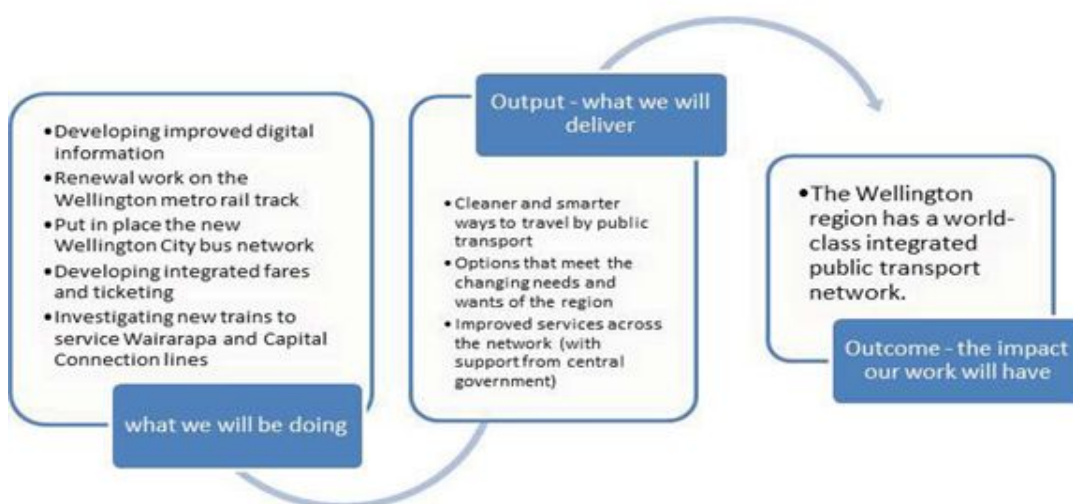
We are focussed on becoming a smarter, cleaner region by encouraging more people to travel by bus, train and ferry, especially at peak times.

For the last decade, we have made large catch-up investments to improve rail services. Our attention is now on the transformation of bus services, while consolidating rail services and improving customer service across the network.

Ageing rail network infrastructure remains an issue, particularly for the Wairarapa line. We also expect more frequent and severe weather events and are planning infrastructure improvements to mitigate the effects of weather events on coastal and low lying parts of the public transport network.

Per capita we have the highest number of public transport users in the country. As our population ages and more commuters choose sustainable transport options, we anticipate that the use of public transport will increase. At the same time, the needs and expectations of customers are changing. The emergence of new technologies presents both challenges and opportunities for public transport. New, lower cost modes of travel are emerging, along with a digital transit market place, giving customers more travel options. Completion of major roading projects will also provide improved options for car travel within the next ten years. To retain and grow patronage, public transport will need to compete effectively against both existing and new modes of travel.

To remain the preferred choice of travel for people, particularly at peak times, we must deliver faster, affordable, more frequent and reliable services, while at the same time balancing demands for increased levels of service against affordability for ratepayers.



We are planning for ...

The table below sets out the assumptions, both non-financial and financial, are covered in detail in **Section 5** of this document. The implications of these assumptions on our work are discussed within the context of our work programme within each Group of Activities and the Infrastructure Strategy.

Changes in population	The region's population is projected to increase from around 504,000 in 2017 to 538,000 by 2027 and 596,000 by 2047. The ageing of the baby boom generation and increased life expectancies means those aged 65+ will make up a larger proportion of the region's population. These changes will impact across Greater Wellington.
Adverse events and climate change	The region will continue to be at risk from adverse events, including earth quakes. Events that are driven primarily by climatic factors such as floods, erosion, slips, pest incursions etc will increase. This will impact on the region's infrastructure, vulnerable communities (particularly those near the coast or on flood plains) and our ability to access services.
Changes in technology	Technological innovation will increasingly impact the Wellington region as a whole both at an individual and organisational level. How we manage our services, infrastructure and communications with the community needs to keep up with technological changes and the way people use technology in their daily lives. There are projected changes to modes of transport, the ways in which we work and how we send and obtain information.
Economic growth	Economic projections suggest the Wellington Region will maintain its importance for the national economy. Employment numbers are expected to increase by 3-4,000 per year (1.2 percent). Tourism will also be a source of economic growth. The combined impact will increase demand in the region for our services. The Māori economy will play an increasing role in our region as the Treaty settlement process is complete.
Land use and the environment	Increases in urban growth and intensification could lead to increased pressure on our services and the environment. There will be pressure to ensure that mana whenua values, and approaches to land use and management, influence the challenges presented by a communities' desire for growth and intensification.
Governance	Any changes to key legislation will affect how and what we do. For the region, any law changes could affect the ways we utilise land, the allocation of water, the management of key infrastructure or the cost of providing services and the ways we engage with mana whenua.
Partnering	We will continue to work with our mana whenua through Memoranda of Partnership or other mechanisms. We will strengthen our relationships and work collaboratively with district and city councils and central government. Volunteers who chose to give their time and skills will continue to play an important part in what we do.
Social change	Our society is becoming more culturally and ethnically diverse. The ways that we work, play and travel are changing. The way people want to interact with us and one another is likely to change, particularly with changes in technology and social media.

SECTION 2 - Activities of the Greater Wellington Regional Council

Ngā Mahi a Te Pane Matua Taiao

Groups of activities of Greater Wellington

Environment - Te Taiao

Regional parks and forests - Nga Papa Whenua

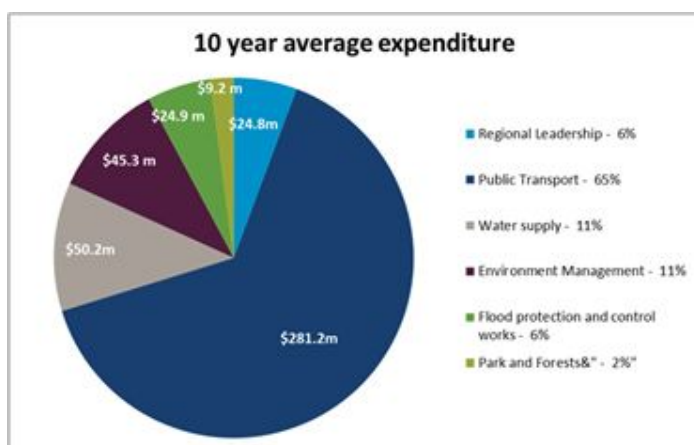
Water supply - Ngā Puna Wai

Flood protection and control works - Te Tiaki me te Arahi Waipuke

Metlink public transport - Ngā Waka Tūmatanui

Regional leadership - Ngā Kaihautū o te Rohe

10 year average percentage spend of activity groups



Environment – Te Taiao

This activity group contributes to:	
Community Outcomes	Healthy environment Resilient Community Strong economy Engaged community
Priority area	Fresh water quality and biodiversity

The Environment Group includes five activities:

- Resource management
- Land management
- Biodiversity management
- Pest management
- Harbour management

Environment total of Greater Wellington expenditure 11 percent

What we do

Greater Wellington is responsible for regulating use of the region’s natural resources. We do this through regional policies, plans and resource consents. We help the community to manage and restore ecosystems and manage land sustainably. We monitor and report on the state of the environment, manage environmental threats like pest plants and animals and provide a 24-hour pollution response service. We also look after the region’s harbours.

Greater Wellington is one of many entities who have a role in looking after our environment. We are a regulator and also a provider of services. We invest in environmental assets and services because they matter not only for the communities in our region but for all New Zealanders.

The environment is important to us all. It is our home, our playground, the air we breathe, the water we drink. We all have a duty of care: to protect our waterways, soil, air, flora and fauna and to ensure that our children and grandchildren will be able to enjoy our environment in the same way that we do.

The work programme that is within our Environment activity group supports our priority area of ***fresh water quality and biodiversity***.

Contribution to Community outcomes

Our environment activities primarily contribute towards achieving the following Community Outcomes.

They contribute to a **healthy environment** by:

- Regulating and monitoring the use and development of the environment to ensure that our natural and physical resources are managed sustainably
- Working with the community on initiatives to protect and restore the environment such as pest management and ecological restoration
- Advising landowners and businesses on practices that reduce the environmental impact of their activities and improve the quality of water in our waterways
- Providing an oil pollution prevention planning and response service

Our environment activities also contribute towards achieving a **resilient community** by:

- Adding to our understanding of natural hazards and the impacts of climate change
- Regulating and monitoring the use and development of the environment, taking account of the impacts of climate change

Our environment activities also contribute towards achieving a **strong economy** by:

- Working with landowners to enhance the prosperity and security of the farming sector by developing plans to prevent soil erosion and managing pests that threaten farm productivity
- Supporting commercial shipping by facilitating the safe movement of commercial ships carrying cargo and passengers to and from Wellington and providing navigational aids in our harbours

Our environment activities also contribute towards achieving an **engaged community** by:

- Working with the community on initiatives to protect and restore the environment
- Supporting the recreational use of our region's waters by providing navigational aids and water safety education
- Initiating the whaitua committee programmes – committees made up of local community members, mana whenua representatives, local council representatives and Greater Wellington representatives who have been tasked with recommending ways to maintain and improve the quality of our fresh water

Challenges we face

As outlined in Section 1, Greater Wellington has made assumptions about matters that are likely to impact the region and how we plan our work. Outlined below is how some of those assumptions may impact this activity group.

Impact of population growth

Our population is projected to increase, and it will be characterised by an increase in people aged over 65 with a corresponding increase in life expectancy. This is likely to result in greater pressure on the ways we use our land, pressure for housing and other development, loss of ecosystems and habitats, contamination of waterways and waterbodies and loss of biodiversity.

Adverse events/ Climate change

The impacts from adverse events and climate change affect many areas of work within the Environment Activity group, including the expected change in temperature, rainfall and storms.

The impacts of climate change on indigenous biodiversity are largely unknown but it has the potential to change current pest composition of the region. The arrival of new pests to the region would require additional investment or re-prioritisation of existing biodiversity management funding.

Increasing temperatures may also affect the viability of native species. Sea level rise will also impact on a number of our region's important coastal ecosystems as well as low lying estuaries and wetlands. It will put pressure on farm economic performance which could affect investment levels in the land management programmes.

Advances in technology

We expect that the increasing pace of innovation in technology will have an impact on the work we do under this activity. We rely on technology to get us about, and to capture data that support the decisions we make about the environmental sustainability of the region.

Planning for the future

Our long-term approach is to use a combination of regulatory and non-regulatory mechanisms and our work will be based on best practice science. We will also work with landowners, other key stakeholders and the wider community to improve outcomes. We recognise the need to manage catchments as a whole and that land use throughout a catchment affects the water quality within it.

A key opportunity for us is finding ways to work better with all of our communities. Greater Wellington, along with other local authorities across the country, has been moving to a more collaborative way of working with communities. This means moving away from a heavily compliance based approach to one that encourages and supports people and communities to make better environmental choices in partnership with us.

Greater Wellington will continue to review what we do and how we do it so that we can support our communities to make the changes that will benefit our natural environment:

- We will concentrate on supporting our communities as we all look after our environment. While we will continue to have a regulatory compliance and enforcement role, we believe that we can achieve the best environmental outcomes long term by working with people so that we understand their concerns and they understand what Greater Wellington is required to do.
- We will recognise and provide for the role of mana whenua across our broad range of activities.
- We will continue to look for opportunities to partner with other agencies that have resources and expertise so that we can collectively develop initiatives that will lead to positive environmental outcomes
- We need to consider how we can simplify our resource management planning processes so that they are easy for the community to engage with
- We will focus on making our science and monitoring more useful for communities, and involving communities, so that they can use the information gathered to create environmental change.
- We will continue to support the whitua committee programmes – committees made up of local community members, mana whenua partner representatives, local council representatives and Greater Wellington representatives who have been tasked with recommending ways to maintain and improve the quality of our fresh water
- We will continue to work alongside landowners so they will be ready to comply with new rules proposed under our proposed Natural Resources Plan when it comes into effect, for example riparian and wetland programmes

Strategies and plans that guide our work

Our work in the environment group of activities occurs within a national framework. National Policy Statements are set by central government, and our regional plans and policies must give effect to them. District plans in turn, required to give effect to our Regional Policy Statement. We work to ensure that strategies and policies align nationally, regionally and locally so that what we are doing on the ground will achieve positive environmental outcomes. We will continue to have a role in advocating to central government on environmental issues from a regional perspective and ensure that we have robust and stable policy frameworks that are making a real difference to what is happening in our environment.

Our policies and plans that relate to this group of activities are:

- Wellington Regional Policy Statement – identifies regionally significant issues around the management of the region’s natural and physical resources. It sets out what needs to be achieved (objectives) and the way in which the objectives will be achieved (policies and methods)
- Regional Plans (Regional Coastal Plan, Regional Freshwater Plan, Regional Soil Plan, Regional Air Quality Management Plan, Regional Plan for Discharges to Land) – these plans identify issues, objectives, policies and methods (including rules) to promote sustainable management of the regions natural resources. They will be replaced by the proposed Natural Resources Plan when it becomes operative

- Resource Management Charging Policy 2015- describes the charges that are payable to Greater Wellington for a range of resource consent services, including processing and monitoring resource consent applications
- Regional Pest Management Strategy 2002-22: developed under the Biosecurity Act 1993 and includes management programmes for pest plants and animals which have the potential to impact on the region's economy, environment, human health, recreation or Māori culture and traditions
- Greater Wellington Biodiversity Strategy – provides guidance for policy and decision making, resource allocation and on the ground projects relating to biodiversity management in the region
- Wellington Region Navigation and Safety Bylaws 2009 – promotes the safe usage of the harbours and waters of the region.
- Port and Harbour Marine Safety Code compliant Safety Management System – provides a safety system to cover all users of Wellington Harbour.

Resource Management

Policy framework

Under the Resource Management Act 1991 (RMA), we must prepare a Regional Policy Statement and a Regional Coastal Plan and may prepare other regional plans. The purpose of the RPS is to provide an overview of the resource management issues of the region and policies and methods to achieve integrated management of the natural and physical resources of the region. Regional plans help us carry out our functions to achieve the purpose of the RMA – to promote the sustainable management of natural and physical resources. They contain rules that permit and control resource use through the resource consent process. Greater Wellington’s current Regional Policy Statement was made operative in 2013. Greater Wellington also has five regional plans – coastal, air quality management, discharges to land, soil and fresh water. A review of the regional plans has resulted in the proposed Natural Resources Plan being developed. Hearings for this plan are currently underway and we expect the plan to become fully operative in the next three years. The plan is our key initiative for addressing our fresh water quality objectives.

In 2011 Central Government introduced the National Policy Statement for Freshwater Management. This requires regional councils to establish both quantity and quality limits for fresh water and to include these limits in regional plans. To achieve this Greater Wellington established the whitua process, which directly involves mana whenua and local communities in the development of quantity and quality limits for fresh water resources within each of the five regional catchment areas, known as whitua. This process started in 2014 and will be complete by 2025.

Resource consenting service

The RMA requires Greater Wellington to process all applications to use natural resources, e.g. abstracting water, discharging into water, discharging into air and certain types of land and coastal use. Consents must be obtained for resource use unless an activity is “permitted” by a regional plan or directly by the RMA. The RMA provides detailed procedures to be followed in processing resource consents.

In recent years, Greater Wellington has typically processed 500 -700 consent applications per year, and mana whenua are consulted on a significant number of these. Of these applications about 3 percent are processed as notified consents, where affected parties may make a submission and the decision goes through a formal hearing process.

Greater Wellington provides increasing support to consent applicants to develop pre-application plans. This assists to applicants provide the necessary information for us to assess the impacts on natural and physical resources and people. It also helps applicants to develop effective strategies and practices to manage impacts.

We are focused on streamlining our consenting processes and making them more accessible for applicants.

Compliance and enforcement

Greater Wellington carries out compliance monitoring as an essential part of its consenting responsibilities. We manage compliance monitoring through a risk-based Strategic Compliance Programme. This programme focuses compliance monitoring resources on those activities which carry the greatest potential risk to our natural and physical resources and communities. This varies according to the nature of the consented activity and ranges from a detailed compliance monitoring schedule to the consent holder undertaking self-monitoring and preparing a report for audit by the Council. Consent holders receive information about their compliance performance and Greater Wellington produces reports on compliance performance across all natural resource activity areas (e.g. abstracting water, waste water treatment plants, agricultural discharges). Greater Wellington has carried out an average of 1,400 compliance inspections per year over the past eight years.

Pollution prevention and control

Greater Wellington operates a 24-hour pollution and incident response service for both environmental and public health purposes. This includes investigation of all reported environmental pollution incidents and cleaning up whenever possible. Pollution incidents include contaminated waterways, dust, sediment and, most commonly, odour. The service includes responding to complaints about activities which might not meet the regional planning rules and helping to ensure such activities meet environmental regulations. We are also taking a more proactive approach to pollution prevention through the Take Charge programme (a pollution-prevention programme for businesses), industry engagement and education campaigns.

State of the environment monitoring

The RMA requires Greater Wellington to gather information necessary to carry out its regulatory functions, to monitor the state of the environment and measure the effectiveness of policy statements and plans and to make the information available to the public. We monitor rainfall, river flows, groundwater levels and quality, fresh water coastal water quality, air quality and soil quality. Our climate, flood and drought monitoring network provides critical information to help Greater Wellington develop better approaches to resource and emergency management in partnership with our stakeholders. Results of monitoring are published in technical reports, and annual data reports summarising state of the environment and when appropriate, trends. We also produce non-technical summaries of our data for the public and display real-time data on our website. The monitoring information ensures a sound understanding of the state of the environment and contributes to robust and defensible resource management planning. We also conduct targeted studies to investigate significant resource issues identified through our general monitoring programmes.

Changes to what we will deliver

We are proposing some minor changes to how we work with the community to achieve better outcomes. We will also be increasing the level of science monitoring and are planning to invest in additional equipment as outlined in our Infrastructure Strategy.

We are proposing to extend soil mapping in the remainder of the Ruamāhanga whitua to support the implement of the proposed Natural Resources Plan. Soil mapping gives us important information that helps inform sediment management, nutrient management and riparian management.

We have established a citizen science programme to enable communities to participate in monitoring and implementation programmes to improve water quality.

We are implementing a Mātauranga Māori / Kaitiaki monitoring framework. This will support the implementation of the National Policy Statement on Freshwater Management and Te Mana o Te Wai and the delivery of the proposed Natural Resources Plan methods around cultural monitoring. We have been trialling a new Kaitiaki monitoring framework with one of our mana whenua partners and plan to expand this programme over the next 10 years.

Land Management

The land management activity seeks to manage the environmental impacts of the farming sector while ensuring the sector remains prosperous and secure. Inappropriate land management practices can directly affect soil erosion and soil health, water quality and the health of streams, rivers and the coast. Around one fifth of the land in the region is erosion-prone – meaning that the land is likely to erode more quickly unless good land management practices are used. Climate change predictions suggest rainstorms may become more frequent and intense, causing greater damage to erosion-prone land in the future. Loss of land through erosion not only threatens the long-term prosperity and security of the farming sector, but can also exacerbate flooding and reduce water quality and the health of streams and rivers.

Greater Wellington delivers a range of programmes to encourage good land management practices. Our approach places a strong emphasis on voluntary services, supported by financial incentives (such as contributing to the cost of planting) to further encourage behavioural change. We actively work on initiatives that will deliver land management outcomes at the catchment level. Our activities include:

- Farm Management Plans – implementation of long-term plans for farms with identified problems of soil erosion, including tree planting and other improvements
- Farm Environment Plans – preparation of plans for managing the effects of intensive farming operations within priority catchments throughout the region, identifying options to mitigate nutrient and sediment discharges from properties in accordance with an overall catchment plan
- Catchment Management Schemes – operation of six Catchment Management Schemes in liaison with their local Scheme Advisory Committees. These schemes protect local infrastructure from erosion and flooding problems affecting identified rural communities
- Soil Conservation Reserves – rehabilitation of severely eroded land and control of pest animals within Greater Wellington’s four Soil Conservation Reserves
- Akura Conservation Centre – the supply of project materials, primarily poplars and willows and eco-sourced native plants, for Greater Wellington’s land management programmes
- Riparian planting - providing assistance with riparian planting, nutrient and erosion and sediment control, in particular for the priority catchments of Mangatarere River, Taratahi/Parkvale streams, Lake Wairarapa and Whareama River estuary
- Providing assistance with erosion and sediment control, in particular for farms in the Taueru River, Kopuaranga River and Huangarua River priority catchments
- Advisory services – providing advice on land management to landowners and the community

These programmes and services support the achievement of several objectives of the Regional Policy Statement - soil erosion, natural hazards, water quality and healthy functioning ecosystems in rivers, lakes and wetlands.

Changes to what we will deliver

We have allowed for additional investment in the Riparian Programme in response to the proposed Natural Resources Plan implementation. In particular, assisting landowners with river and stream management for Category 1 and Category 2 sites listed in the proposed Natural Resources Plan, effective nutrient runoff management, and stock exclusion (all for the purpose of water quality maintenance and enhancement).

Pest Management

Our pest management activity aims to reduce the impacts of pest animals and plants on the environment, economy, Māori and our communities, and make sure we are managing pests in the most effective way through a regionally coordinated response. Adverse impacts of pest plants and animals include: loss of native plants and animals, reduced productivity for farming and horticulture and public nuisance.

Greater Wellington takes a leadership role in this area. We are the regional pest management agency and prepare and implement the Regional Pest Management Strategy 2002-22 (RPMS) under the Biosecurity Act 1993. Following the changes to the Biosecurity Act and the National Policy Direction for Pest Management 2015, the current RPMS is under review. Following the review, pest management in the region will be guided by the Regional Pest Management Plan 2018-2038 (RPMP).

Our pest management activity includes:

- **Regulation** – setting rules in the RPMS that help pest management action and prevent the propagation, sale and spread of pest species
- **Inspection and monitoring** – undertaking inspections to ensure rules are adhered to and monitoring the effect of our pest management programmes
- **Direct control** – undertaking pest control in special circumstances where there is direct regional benefit, such as pest organisms of limited distribution, of significance for human health or occurring at sites of high value
- **Advice and education** – raising public awareness of the negative effects of pest species, the benefits of pests management programmes and providing advice to the public on the most effective and sustainable pest control options
- **Providing support for community initiatives** – supporting public initiatives by providing information, control advice, staff time and some materials to undertake pest control
- **Providing biosecurity services for territorial authorities and public** – providing pest management service delivery to local councils and the public to control a range of pest plants and animals
- **Biological control** – contributing to the National Biocontrol Collective research programmes and releasing and spreading biological control agents around the region. Biological control is most effective and often the only way to control widely spread pest plant species.

Under the RPMS we implement the Regional Possum and Predator Control Programme. This programme controls possums in the areas where bovine tuberculosis was eradicated from the wild vectors (mostly possums) after a long sustained period of vector control under the National Bovine Tuberculosis Pest Management Plan by TBfree NZ.

Changes to what we will deliver

In 2016 Greater Wellington signed up to a partnership with Wellington City Council and the NEXT Foundation to progress the objective of making Wellington the first 'predator free (capital) city in the world'. As part of this initiative Greater Wellington is supporting a collaborative community-led programme called Predator Free Wellington. This is a long term (10+ years) investment. A trial is underway to make the Miramar Peninsula predator free that will provide critical data to determine future costs and completion timeframes.

Harbour Management

Greater Wellington is responsible under the Maritime Transport Act 1994 for managing the region's harbours and coastal waters for navigation and safety purposes. We operate a 24/7 communication station at Beacon Hill in Wellington and provide and maintain navigational aids in our harbours. We also promote the safe use of harbours and coastal waters by educating recreational users and operating a harbour ranger service.

We undertake oil spill planning, training and response in conjunction with Maritime New Zealand, and planning and preparation both within Greater Wellington and by industry to prevent marine spill incidents. We also prepare and train to minimise environmental impacts when responding to incidents.

Changes to what we will deliver

There are no significant changes to current levels of service.

Biodiversity Management

The biodiversity management activity aims to maintain and, where possible, restore biodiversity. Biodiversity loss in the region, as in the rest of New Zealand, has been dramatic. Less than three percent of the region's original wetlands remain and more than 120 different types of plants and animals are threatened with extinction. Biodiversity supports the healthy functioning of ecosystems which in turn provide essential, life supporting services such as purifying air and water.

Our biodiversity management activity is guided by our Biodiversity Strategy 2016, which is directed by the priorities of the New Zealand Biodiversity Strategy and the policy direction of the Regional Policy Statement (RPS). Our programmes are focussed on advocating for good biodiversity management, managing 54 sites totalling 48,139 hectares with the highest biodiversity values outside the Crown estate and supporting landowners to protect wetlands and other sites of significance.

Our biodiversity management activity includes protecting the highest value biodiversity areas in the region by managing a range of threats to their ecological health. These areas can be on Greater Wellington, territorial authority or private land. We actively manage sites and we also work with others by promoting the importance of managing our indigenous sites and providing ecological advice and support. We also support the Enviroschools Foundation to deliver environmental sustainability education programmes to schools across the region.

Our key programmes include:

- The **Key Native Ecosystem (KNE) Programme**. This programme aims to provide ongoing protection to maintain or restore the native plants and animals, as well as the ecological function by managing threats like pest plants and animals. Programme activities can include improving fish passage, excluding grazing stock, ensuring legal protection, undertaking revegetation and controlling pest animals and environmental weeds.
- Through our **Collaborative Restoration Programme** we support multi-agency efforts to restore the biodiversity values of defined areas of the region. The overall objective of this programme is to restore important ecosystems by coordinating large restoration projects that involve multiple stakeholders. For example, we will work with Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa, and Department of Conservation and the other territorial authorities on the Wairarapa Moana and Te Rūnanga o Toa Rangatira Inc and others on Porirua Harbour. Financial support is also provided to smaller projects such as Pukaha/Mount Bruce.
- We provide advice and prepare **Wetland Management Plans** setting out actions over three to five years to protect and enhance our remaining wetlands. We know these are important areas for our biodiversity and want to work with landowners so that we may better protect these special areas. This may include providing support for rural landowners for fencing and planting.

Changes to what we will deliver

Biodiversity is a priority area for Greater Wellington. While there are no significant changes to levels of service, the work programme in this activity area remains a key focus for us.

What we will deliver – Environment key projects and programmes

	Year 1	Year 2	Year 3	Year 4-10
Resource management				
Whaitua Committee programme	●	●	●	●
Proposed Natural Resources Plan- finalisation and implementation	●	●	●	●
Soil Mapping	●	●	●	●
Enabling catchment communities	●	●	●	●
Citizen science	●	●	●	●
Cultural monitoring framework	●	●	●	●
Land management				
Expand our Farm Environment Plans in priority catchments	●	●	●	●
Farm Management Plans	●	●	●	●
Riparian programme	●	●	●	●
WRECI programme (funding and support for erosion prone land)				
Catchment management schemes	●	●	●	●
Pest management				
Regional Pest Management Plan	●	●	●	●
Regional Possum and Predator Control Programme	●	●	●	●
Biosecurity services to territorial authorities and public	●	●	●	●
Biodiversity management				
Key Native Ecosystem Programme	●	●	●	●
Wetland Management Programme	●	●	●	●
Collaborative restoration project (Wairarapa Moana and Porirua Harbour)	●	●	●	●

Key assets

Our assets enable us to deliver our activities. The assets in this area are environmental monitoring and harbours management equipment. The Infrastructure Strategy contains more details on the assets relevant to this activity group.

*How will we fund this activity?**Resource Management*

<i>Resource management – policy and planning</i>	<i>100% general rate</i>
<i>Environmental science – state of Environment monitoring</i>	<i>10-20% user charges 80-90% general rate</i>
<i>Resource Management – consents</i>	<i>100% consent applicants</i>
<i>Resource management – compliance and enforcement</i>	<i>100% consent holders *</i>
<i>Resource management – pollution prevention and control</i>	<i>100% identified polluters *</i>

* Up to 100% general rate funded for investigations where a liable party cannot be identified.

Land Management

<i>Farm plans</i>	<i>70% user charges, 30% general rate</i>
<i>Farm environment plans</i>	<i>50% user charges, 50% general rate</i>
<i>Wellington Regional Erosion Control Initiative</i>	<i>40% user charges, 30% Crown funded, 30% general rate</i>
<i>Land management advice</i>	<i>100% general rate</i>
<i>Land management, erosion schemes</i>	<i>50%-100% to be met from targeted or scheme rates or a direct contribution from both the direct beneficiaries, and the beneficiaries in the economic catchment area Up to 50% general rate</i>
<i>Soil conservation reserves</i>	<i>100% user charges</i>
<i>Akura conservation centre</i>	<i>100% user charges</i>

Biodiversity Management

<i>Key Native Ecosystems programme</i>	<i>100 % general rate</i>
<i>Biosecurity services for territorial authorities</i>	<i>100% user charges</i>
<i>Biodiversity management – other activities</i>	<i>100% general rate</i>

Pest Management

<i>Regional Pest Management Plan</i>	<i>Up to 10% user charges, up to 10% subsidies, 80-100 % general rate</i>
<i>Regional predator control programme</i>	<i>40% targeted rate on all rural properties that are 4ha or more, assessed on a land area basis, 60% general rate</i>

Harbour Management.

<i>Navigational aids and communications service</i>	<i>60% user charges (commercial shipping collected by CentrePort) and 40% general rate</i>
<i>Education; enforce maritime safety regulations</i>	<i>100% general rate</i>
<i>Pollution clean-up – oil</i>	<i>95% funded by Maritime NZ, 5% general rate</i>
<i>Pollution clean-up – other</i>	<i>100% user charges – charge to polluters; up to 100% general rate if polluters cannot be identified and charged</i>

For further information see our Revenue and Financing Policy 2018.

Measuring Performance

Resource management						
Level of Service	Performance Measures	Performance Targets				
		Baseline (2017)	2018/19	2019/20	2020/21	2021-28
Customer satisfaction	Level of overall satisfaction with consent processing services ¹	>4 when measured on a scale of 1 to 5	>4	>4	>4	>4
Process resource consents in a timely manner	Percentage of non-notified resourced consents processed within statutory timeframes	100%	100%	100%	100%	100%
Monitor compliance with resource consents	Rates of compliance for high risk activities ² where historical compliance rates are below 80%	High risk activities <80% <ul style="list-style-type: none"> • Water takes • Earthworks • Municipal wastewater, water supply, and water races 	>80%	>80%	>80%	>80%
Effective response to environmental incidents	Rate of detection ³ and associated action taken on non-complying incidents ⁴	Establish baseline (%)	Maintain or increase against previous year	Maintain or increase against previous year	Maintain or increase against previous year	Maintain or increase against previous year

¹ On a scale of 1 (very dissatisfied) to 5 (very satisfied)

² The activities defined as high risk are potentially subject to change if risk profile changes

³ 'Detection' - a discharge or activity is attributed to a specific source (i.e. non-compliance by a specific person(s) is confirmed)

⁴ This is only measured against those incidents in which environmental effects are rated minor or higher

Land management						
Levels of Service	Performance Measures	Performance Targets				
		Baseline (2017)	Year 2018/19	Year 2019/20	Year 2020/21	Year 2021-28
Implement farm plans to reduce nutrient and sediment discharges from erosion-prone land	Erosion-prone hill-country covered by an active ⁵ farm plan	60%	61%	62%	63%	64%
Deliver planting programme on identified erosion-prone land	Erosion-prone hill country planted	446.1 hectares	500 hectares	550 hectares	550 hectares	550 hectares
Deliver farm environment plans to reduce nutrient and sediment loss	Over 50% of all contestable funding is allocated to priority catchments identified in the proposed Natural Resources Plan	New measure	Achieved	Achieved	Achieved	Achieved
Provide high quality goods and services to landowners from the Akura nursery	Survival of poles planted under the Wellington Regional Erosion Control initiative (WRECI)	New measure	85%	85%	85%	85%

⁵ "active" is assessed by whether a farm plan has led to some delivery of erosion mitigation work in the past three years.

6789 Biodiversity management						
Levels of Service	Performance Measures	Performance Targets				
		Baseline (2017)	Year 2018/19	Year 2019/21	Year 2021/22	Year 2022-28
Plan and deliver a programme to maintain or improve the ecological condition of identified high biodiversity value sites ¹⁰	Percentage of management actions ¹¹ achieved to improve the habitat for native plants and animals	97.5%	95%	95%	95%	95%

6

Refer plans: <http://www.gw.govt.nz/KNE/>

⁷ Refer operational plan: <http://www.gw.govt.nz/assets/Biosecurity/RPMSPLAN-2016-17.pdf>

⁸ Refer plans: <http://www.gw.govt.nz/KNE/>

⁹ Refer operational plan: <http://www.gw.govt.nz/assets/Biosecurity/RPMSPLAN-2016-17.pdf>

¹⁰ High biodiversity value sites are those managed under the Key Native Ecosystem programme and within collaborative biodiversity projects carried out within Porirua Harbour and Wairarapa Moana catchments.

¹¹ Management actions can include improving legal protection, fencing and undertaking the control of pest plants and animals.

Pest management						
Levels of Service	Performance Measures	Performance Targets				
		Baseline (2017)	Year 2018/19	Year 2019/20	Year 2020/21	Year 2021-28
Provide possum control services in bovine TB free areas	Number of possums in the Regional Possum Predator Control Programme area	Low (<5% Residual Trap Catch)	Low (<5% Residual Trap Catch)	Low (<5% Residual Trap Catch)	Low (<5% Residual Trap Catch)	Low (<5% Residual Trap Catch)
Provide pest species control services in Greater Wellington Key Native Ecosystems (KNE)	Deliver in accordance with KNE plans ¹²	New measure	Achieved	Achieved	Achieved	Achieved
Provide pest species control services across the region	Deliver in accordance with the Regional Pest Management Plan ¹³	New measure	Achieved	Achieved	Achieved	Achieved

¹² Refer plans: <http://www.gw.govt.nz/KNE/>

¹³ Refer operational plan: <http://www.gw.govt.nz/assets/Biosecurity/RPMSPLAN-2016-17.pdf>

Harbour management						
Levels of Service	Performance Measures	Performance Targets				
		Baseline(2017)	Year 2018/19	Year 2019/20	Year 2020/21	Year 2021-28
Manage the safety of marine activities in the region's waters	Beacon Hill Communications station is staffed and operational 24 hours a day, seven days a week	100%	100%	100%	100%	100%
	All navigation aids are working 24 hours a day, seven days a week	99.9%	100%	100%	100%	100%
	Operate in accordance with the current Port and Harbour Marine Safety Code	Compliant with standard	Compliant with standard	Compliant with standard	Compliant with standard	Compliant with standard
	Warnings and infringements issued	New measure	Increase	Decrease	Decrease	Decrease
	Meet obligations to Maritime NZ for oil spill response equipment maintenance and exercises	New measure	4 equipment checks 2 exercises	4 equipment checks 2 exercises	4 equipment checks 2 exercises	4 equipment checks 2 exercises

Potential negative effects of the activity

Potential negative effects of the activity	How we will address negative effects
<p>The control of pest animals and plants requires a range of methods including pesticides.</p> <p>Some people object to any form of animal control especially for game animals. There are also some objections to the use of chemicals to control pest plants and animals. The toxin 1080, in particular, is of significant concern to some sectors of the community, while others express their unease with the use of glyphosate or brodifacoum.</p>	<p>Our pest control activities are led by national best practice. We follow guidelines and rules set by the Environmental Protection Authority and WorkSafe. Our staff are trained experts in pest plant or animal management and certified to use pesticides.</p> <p>If there are cost effective pest control methods that do not involve pesticides, we use them. Also, we use the least toxic chemical that will be effective in any given situation.</p>

Financial information

ENVIRONMENT PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Sources of operating funding										
General rate	29,549	30,761	32,061	33,216	33,940	34,389	35,137	35,879	36,559	37,073
Targeted rate	605	676	765	779	794	810	826	842	859	885
Subsidies and grants for operating purposes	340	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	6,368	6,634	6,770	6,941	5,861	5,966	6,071	6,186	6,301	6,427
Fines, infringement fees, and other receipts ¹	3,813	4,009	4,039	4,119	4,199	4,313	4,399	4,491	4,576	4,677
Total operating funding	40,675	42,080	43,635	45,055	44,794	45,478	46,433	47,398	48,295	49,062
Applications of operating funding										
Payments to staff and suppliers	33,140	33,401	34,179	34,986	34,309	34,936	35,525	36,215	36,955	37,735
Finance costs	281	366	437	485	496	501	498	482	460	453
Internal charges and overheads applied	7,198	7,485	7,882	8,179	8,451	8,450	8,630	8,835	8,981	9,118
Total applications of operating funding	40,619	41,252	42,498	43,650	43,256	43,887	44,653	45,532	46,396	47,306
Surplus/(deficit) of operating funding	56	828	1,137	1,405	1,538	1,591	1,780	1,866	1,899	1,756
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	2,015	2,049	1,097	433	(45)	(179)	(13)	(282)	(444)	133
Gross proceeds from asset sales	205	117	67	131	133	103	116	130	121	141
Total sources of capital funding	2,220	2,166	1,164	564	88	(76)	103	(152)	(323)	274
Applications of capital funding										
Capital expenditure										
- to meet additional demand	-	-	-	-	-	-	-	-	75	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	3,056	2,922	2,168	1,829	1,485	1,363	1,726	1,548	1,334	1,881
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in reserves	(780)	72	132	140	142	152	157	164	167	148
Total applications of capital funding	2,276	2,994	2,300	1,969	1,627	1,515	1,883	1,712	1,576	2,029
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-
Depreciation on Environment assets	926	1,165	1,292	1,399	1,395	1,415	1,539	1,599	1,636	1,701

¹ This includes revenue from the TB Free New Zealand, sales of trees and rental income
This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.
All figures on this page exclude GST

**ENVIRONMENT
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Operating funding										
Resource management	21,839	22,310	23,225	24,272	23,637	23,929	24,524	24,985	25,473	25,805
Land management	5,402	5,959	6,073	6,089	6,145	6,284	6,402	6,530	6,656	6,806
Biodiversity management	4,737	4,843	4,954	5,092	5,174	5,264	5,364	5,503	5,580	5,693
Pest management	6,311	6,655	7,026	7,183	7,339	7,459	7,601	7,755	7,904	8,062
Harbour management	2,386	2,313	2,357	2,419	2,499	2,542	2,542	2,625	2,682	2,696
Total operating funding	40,675	42,080	43,635	45,055	44,794	45,478	46,433	47,398	48,295	49,062
Applications of operating funding										
Resource management	21,669	21,863	22,472	23,268	22,520	22,771	23,191	23,614	24,025	24,488
Land management	5,703	5,790	5,947	5,958	6,029	6,166	6,235	6,349	6,531	6,666
Biodiversity management	4,685	4,790	4,901	5,037	5,117	5,205	5,303	5,440	5,516	5,627
Pest management	6,369	6,568	6,872	7,026	7,178	7,294	7,432	7,585	7,731	7,884
Harbour management	2,193	2,241	2,306	2,361	2,412	2,451	2,492	2,544	2,593	2,641
Total applications of operating funding	40,619	41,252	42,498	43,650	43,256	43,887	44,653	45,532	46,396	47,306
Capital expenditure										
Environment projects	2,370	2,457	1,920	1,391	1,003	959	1,221	1,070	984	1,434
Capital project expenditure	2,370	2,457	1,920	1,391	1,003	959	1,221	1,070	984	1,434
Land and buildings	-	-	-	-	-	-	-	-	-	-
Plant and equipment	190	46	6	5	5	6	51	64	6	43
Vehicles	496	419	242	433	477	398	454	414	419	404
Total capital expenditure	3,056	2,922	2,168	1,829	1,485	1,363	1,726	1,548	1,409	1,881

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

Regional Parks and Forests - Te Taiao

This activity group contributes to:	
Community Outcomes	Engaged community Healthy environment Strong economy
Priority area	Fresh water quality and biodiversity

Regional Parks and Forests total of Greater Wellington expenditure 2 percent

What we do

Greater Wellington manages a network of regional parks and forests for the community's use and enjoyment in accordance with the provisions of the Reserves Act 1977.

- five regional parks (Queen Elizabeth Park, Battle Hill Farm Forest Park, Belmont Regional Park, Kaitoke Regional Park and East Harbour Regional Park) and
- Whitireia Park (under the direction of the Whitireia Park Board).

In addition, we manage the Wainuiomata Recreation Area, the Akatarawa and Pakuratahi forests and the Hutt, Orongorongo and Wainuiomata water collection areas under the provisions of the Local Government Act 2002, Wellington Regional Water Board Act 1972, and Wellington City and Suburban Water Supply Act 1972.

The network includes a range of unique natural areas for recreation and conservation and one of our roles is to provide visitor services to these areas, including the provision of a park ranger service to manage the day-to-day operation of each park. Park rangers help ensure security, provide public information, and educate visitors about the natural and cultural features of the parks.

We plan for the future of the network, and provide services and facilities for visitors (such as park rangers, tracks and buildings). We work with mana whenua to support their expression of kaitiakitanga and to tell their history of our parks and forests. We also work with community groups to protect the environment and enhance the recreational opportunities of regional parks.

The work programme that is within this activity group supports our priority area of ***fresh water quality and biodiversity***.

Contribution to Community outcomes

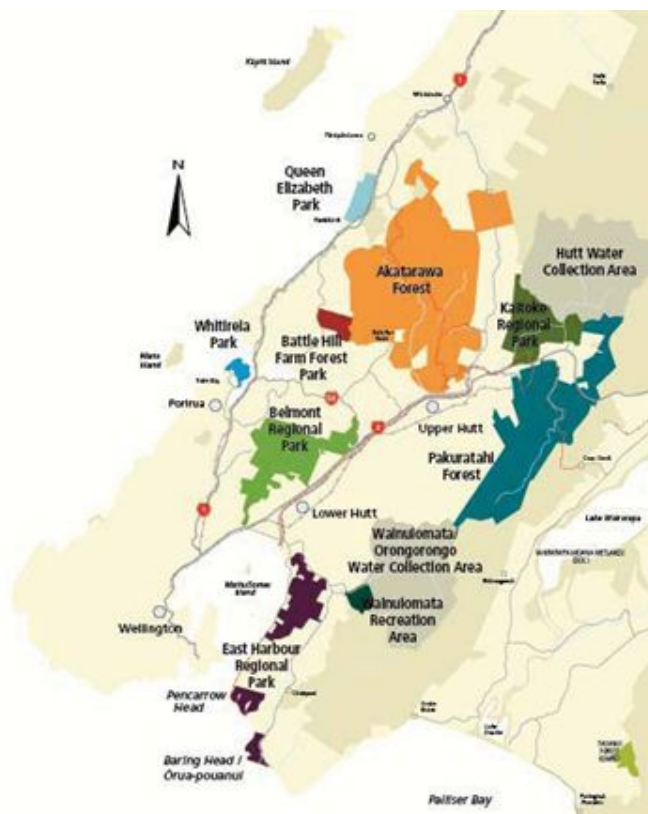
Our parks and forests activities contribute towards achieving an **engaged community** by:

- Providing a range of outdoor recreational opportunities and amenities for the community to enjoy
- Protecting part of the region's unique natural and cultural heritage
- Providing ways for our communities to engage with our parks, rivers and coastal heritage

Our parks and forests activities also contribute towards achieving a **healthy environment** by protecting and restoring waterways and the habitat of native plants and animals.

Our parks and forests activities contribute towards achieving a **strong economy** by:

- Providing a range of outdoor recreational opportunities and amenities that contributes to quality of life of the region that attracts businesses and residents



Challenges we face

As outlined in Section 1, Greater Wellington has made assumptions about matters that are likely to impact the region and how we plan our work. Outlined below is how those assumptions may impact this activity group.

Climate change/adverse weather events

Climate change is likely to lead to rising sea levels and more extreme weather events. These will impact on park structures, facilities, vegetation and waterways and lead to increased maintenance work and costs.

In the short term, we are strengthening our facilities to cope with more frequent and extreme weather events. With rising sea levels and the likely coastal erosion, we will need to remove or relocate structures from the coastline.

We may need to do more preventative work to keep areas in good condition. There may also be more reactive work to clean up damage from more adverse weather events. Building structures to withstand more adverse events may increase capital costs; but this initial investment should reduce repair costs in the longer term.

In the longer term (10+ years) we will need to consider moving more essential services and structures inland or away from rivers and streams. We will also need to plan for low lying coastal heritage-sites that are likely to be significantly affected by sea level rise.

Increase in population

The projected increase in population could result in higher demand for our parks and forests. There is likely to be an increased and sustained demand for higher standard and accessible facilities in parks to cater for growth in the 65+ age bracket. The ways we use our recreational spaces could change to reflect the increased cultural diversity of our population with an increase in the numbers of large groups using picnic sites, organised events and potentially less resistance to commercial services being provided within parks. As our urban areas increase, we may see a greater reliance on open space areas as havens for recreation as housing development intensify.

Advances in technology

The use of new electronic devices and recreational equipment is already apparent and is likely to increase. The ways that people communicate will change - park users are likely to expect a greater range of information from updates on fresh water quality for swimming, timely and accurate flood warnings, and easy smart booking and permits.

Economic growth

One of the key areas of growth for our region is predicted to be tourism. An increased tourist market could affect local demands for services and could affect participation rates (i.e., usage of protected natural areas increases with socio-economic standards). This could increase costs but may also open up opportunities for partnership.

Planning for the future

In 2018 we will be reviewing our Parks Network Plan which provides the overall vision, strategy and objectives for the majority of our parks. This is a major piece of work which involves working with the community and other stakeholders to set out the management framework for the future of our parks.

An important focus over the next ten years will be our contribution to the development of a network of world class recreational trails in the Wellington region. We want to create a trail network that will contribute to the lifestyle of those of us who live here and regional economic growth through tourism. We are working with the Department of Conservation, the eight councils of our region, our mana whenua partners and other stakeholders to create a single, connected, network of trails for the benefit of residents and visitors. In the longer term (10+ years) we will adapt the trail network as our population and tourism changes.

Strategies and plans that guide our work

The important policies and plans that relate to this activity are:

- Regional Policy Statement 2013 – identifies the regionally significant issues for the management of the region’s natural and physical resources. It includes objectives relating to landscape, indigenous ecosystems and historic heritage
- Regional Plans (Regional Coastal Plan, Regional Freshwater Plan, Regional Soil Plan, Regional Air Quality Management Plan, Regional Plan for Discharges to Land) – these plans identify issues, objectives, policies and methods (including rules) to promote sustainable management of the regions natural resources. They will be replaced by the proposed Natural Resources Plan when it becomes operative
- Regional Parks Network Plan (currently under review) – provides policies and rules for the management of regional parks. These are supported by the Parks, Forests and Reserves Bylaws 2016 which control activities in parks to minimise negative impacts

Our parks activity

We provide a range of services and facilities to park users and we will work to maintain, and where necessary, enhance these. We are planning for more people doing more activities in parks. We want to ensure that, while parks become more popular, visitors still have an enjoyable time and the environment is protected. The review of our parks network plan will help us achieve this.

In the next five years, we have allocated funding to cater to growth in demand and address gaps in the levels of service that we provide. Initiatives aimed at addressing growth in demand and for a more in-depth visitor experience include further interpretation of heritage features at the Remutaka Rail Trail, extending the track network at the Wainuiomata historic Lower Dam that will include the development of a loop track and bridges from the dam to pa harakeke and sledge track.

At Queen Elizabeth Park, we are planning a retreat of road, track and other visitor facilities from the Park shoreline between Raumati South and Paekākāriki. We will also revegetate a 25 hectare section of Queen Elizabeth Park with the support of grant money.

We are also planning to develop additional facilities to support growth in camping demand at Kaitoke Regional Park. We will build a new facility building at the Top Terrace, BBQs, bench/sinks and picnic tables. We will also upgrade the swing bridge to provide for two way pedestrian access, buggies and wheelchairs

Environmental, landscape and heritage management

Our parks contain many important natural and cultural heritage values. In the next three years we will prioritise the management of historic features that are critical for access or are affected by water – such as bridges, dams, culverts, bunkers and road or railway formations in the following areas: Battle Hill, Belmont, Queen Elizabeth Park, Western Depot, Pakuratahi, Akatarawa, Wainuiomata, Kaitoke, Eastern Harbour and Plantation Forest.

As mentioned in our Environment Activity Group, Greater Wellington runs a Key Native Ecosystem (KNE) programme. All our parks and forests have at least one KNE site. These sites are subject to ongoing monitoring and pest control, in order to preserve their significant ecosystem values. This work will continue over the next ten years.

We will continue to work with our community to revegetate or otherwise restore degraded environments to enhance habitat for native plants and animals and strengthen a sense of stewardship of our parks. Our Environmental Enhancement program will continue to provide funding to support community groups do planting and restoration work across our parks and forests.

Community engagement

We are fortunate to have a lot of great community involvement in our parks. We want to maintain and strengthen this through community and volunteer relationships.

We work with many skilled volunteers who contribute their time to improve our parks and forests. In the short term we will focus on building the capacity of our staff to support volunteer groups and building the capacity of the groups themselves to organise and manage their own activities.

We will continue to provide events to encourage visitors to our parks, work collaboratively with our mana whenua partners in sharing their stories through heritage walks, and provide ranger services to support people's understanding of the parks, their values, and how they can be protected.

We will prioritise clear communications with the community. We have limited resources and need to prioritise what we do. We must be clear about what we are doing and why, and most importantly, we must communicate this to the public.

Changes to what we will deliver

In the next five years, we are proposing to develop additional park facilities across the network to cater for the predicted growth and changes in demand.

What we will deliver – Key projects and programmes

	Year 1	Year 2	Year 3	Year 4-10
Development of new facility building on Kaitoke Regional Park Top Terrace		●		
Upgrade swing bridge over Hutt River at Pakuratahi Forks, Kaitoke Regional Park	●			
Planned retreat of road, track and other visitor facilities from the Queen Elizabeth Park shoreline between Raumati and Paekākāriki.	●		●	●
Revegetate 25 hectare section of Queen Elizabeth Park	●	●	●	●
Develop loop track and bridges from Wainuiomata historic Lower Dam to pa harakeke and sledge track				●
Conservation work on the Truss Bridge and Ladle Bend Bridge in Pakuratahi Forest	●	●	●	
Conservation Management Plan for Belmont munitions bunkers	●	●	●	●
Parks Network Plan Review	●	●		

Key assets

We hold a range of assets in this area including park furniture, information displays, utilities such as bridges and bollards, machinery and barriers. You can find more detail about these assets in our Infrastructure Strategy. In general, the Park assets that we own are in a good state.

How will we fund this activity?

<i>Parks</i>	<i>10% user charges for organised events, farming and other leases, license fees, other added value services 90% general rate</i>
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For further information see our Revenue and Financing Policy 2018.

Measuring Performance

Level of Service	Performance Measures	Performance Targets				
		Baseline (2017)	2018/19	2019/20	2020/21	2021-28
Provide facilities and services that support the community enjoying, valuing and participating in regional parks	Percentage of the regional population that has visited a regional park in the last 12 months	68%	≥70%	≥70%	≥70%	≥70%
	Number of visits to a regional park in the last 12 months	New baseline – 1.7 million	Increase on baseline	Increase on baseline	Increase on baseline	Increase on baseline
	Percentage of regional park visitors that are satisfied with their experience	95%	95%	95%	95%	95%
	On-park volunteer hours	15,503 hours pa	15,000	15,000	15,000	15,000
	Average asset condition (1=excellent; 5 = very poor)	2.33 (structures) 2.25 (tracks)	≤3	≤3	≤3	≤3
Protect and care for the environment, landscape and heritage	Restore significant degraded environments	22,000 native trees planted pa	35,000	35,000	35,000	30,000

Potential negative effects

Potential negative effects of the activity	How we will address negative effects
Park development and land management activities, such as construction of assets, farming and pest control could have a negative effect on environmental wellbeing.	All activities will comply with and demonstrate accepted industry best practice and requirements of the proposed Natural Resources Plan and other relevant rules and legislation.
The control of pest animals and plant in parks and forests uses a range of methods including pesticides. Some people object to any form of pest animal control especially of game animals. Also some object to use of any chemicals to control pest plants and animals. The 1080, in particular, is of significant concern to some sectors of the community while others express unease with the use of glyphosate or brodifacoum among the others.	<p>Our pest control activities are led by national best practice. We follow guidelines and rules set by the Environmental Protection Authority and WorkSafe. Our staff are trained experts in pest plant or animal management and certified to use pesticides.</p> <p>If there are cost effective pest control methods that do not involve pesticides, we use them. Also, we use the least toxic chemical that will be effective any given situation.</p>

Financial information

PARKS

PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Sources of operating funding										
General rate	6,069	6,515	6,544	6,758	7,080	7,627	7,457	7,867	8,211	8,675
Targeted rates	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	238	254	272	293	315	321	326	333	339	346
Fines, infringement fees, and other receipts ¹	707	708	717	729	742	755	770	805	821	837
Total operating funding	7,014	7,477	7,533	7,780	8,137	8,703	8,553	9,005	9,371	9,858
Applications of operating funding										
Payments to staff and suppliers	3,821	3,823	3,836	3,782	3,995	4,146	4,041	4,123	4,205	4,658
Finance costs	499	580	638	730	821	910	968	999	1,031	1,079
Internal charges and overheads applied	1,957	2,035	2,143	2,224	2,298	2,297	2,346	2,402	2,442	2,479
Total applications of operating funding	6,277	6,438	6,617	6,736	7,114	7,353	7,355	7,524	7,678	8,216
Surplus/(deficit) of operating funding	737	1,039	916	1,044	1,023	1,350	1,198	1,481	1,693	1,642
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	2,803	1,571	1,346	1,782	1,859	962	1,296	672	970	956
Gross proceeds from asset sales	832	92	74	104	42	146	41	95	136	77
Total sources of capital funding	3,635	1,663	1,420	1,886	1,901	1,108	1,337	767	1,106	1,033
Applications of capital funding										
Capital expenditure										
- to meet additional demand	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	3,980	2,691	2,325	2,919	2,912	2,446	2,522	2,213	2,764	2,639
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in reserves	392	11	11	11	12	12	13	35	35	36
Total applications of capital funding	4,372	2,702	2,336	2,930	2,924	2,458	2,535	2,248	2,799	2,675
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-
Depreciation on Parks assets	2,298	2,251	2,293	2,278	2,295	2,003	2,090	2,035	2,082	2,017

¹ This includes rental income and park activity fees

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

**PARKS
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Plan \$000s	Plan \$000s	Plan \$000s	Plan \$000s	Plan \$000s	Plan \$000s	Plan \$000s	Plan \$000s	Plan \$000s	Plan \$000s
Operating funding										
Regional Parks	7,014	7,477	7,532	7,780	8,136	8,702	8,553	9,005	9,371	9,858
Total operating funding	7,014	7,477	7,533	7,780	8,137	8,703	8,553	9,005	9,371	9,858
Applications of operating funding										
Regional Parks	6,277	6,438	6,617	6,736	7,114	7,353	7,355	7,524	7,678	8,216
Total Applications of Operating Funding	6,277	6,438	6,617	6,736	7,114	7,353	7,355	7,524	7,678	8,216
Capital expenditure										
Battle Hill Farm Forest Park	260	110	22	224	651	-	51	86	812	50
Belmont Regional Park	613	1,023	1,277	539	865	1,618	625	423	-	1,013
Queen Elizabeth Park	900	346	402	633	237	49	371	134	-	29
Whitireia Park	107	-	-	36	84	97	84	-	-	-
Pakuratahi Forest	237	164	-	477	176	-	66	220	1,379	336
Akatarawa Forest	200	284	-	4	89	13	239	283	-	16
Wainuiomata Recreation Area	4	33	-	-	173	92	79	50	-	9
Kaitoke Regional Park	436	358	85	596	3	34	279	-	47	380
East Harbour Regional Park	780	13	215	10	438	-	525	644	-	467
Parks Other	130	54	76	56	56	56	65	58	73	81
Capital project expenditure	3,667	2,385	2,077	2,575	2,772	1,959	2,384	1,898	2,311	2,381
Land and buildings	-	-	-	-	-	-	-	-	-	-
Plant and equipment	-	-	-	-	-	-	-	-	-	-
Vehicles	313	306	248	344	140	487	138	315	453	258
Total capital expenditure	3,980	2,691	2,325	2,919	2,912	2,446	2,522	2,213	2,764	2,639

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.
All figures on this page exclude GST

Water supply - Ngā Puna Wai

This activity group contributes to:	
Community Outcomes	Strong economy Resilient community Healthy environment
Priority Areas	Water supply Regional resilience

Water Supply total of Greater Wellington expenditure 10 percent

What we do

Greater Wellington is responsible for collecting, treating and distributing safe and healthy drinking water to Wellington, Hutt, Upper Hutt and Porirua cities. This work is carried out for Greater Wellington by Wellington Water, a joint council-owned water management company. City and district councils are responsible for the distribution of water to households and businesses through their own networks.

The water supply to the four cities in the Wellington regional metropolitan area comes from three sources:

- The headwaters of the Hutt River (abstracted from an intake at Kaitoke weir, treated at Te Marua Water Treatment Plant and stored in the Mackaskill Lakes)
- The Wainuiomata and Orongorongo catchments (abstracted from river intakes and treated at the Wainuiomata Water Treatment Plant)
- The Hutt Valley artesian system (primarily extracted and treated at the Waterloo Water Treatment Plant at the Waterloo Water Treatment Plant – there is a standby treatment plant at Gear Island, Petone).

Providing the bulk water supply to the cities involves managing an extensive network of infrastructure: large diameter pipelines, pump stations, reservoirs, treatment plants and other assets. It involves maintaining a continuous supply of safe and high quality drinking water, secure and reliable water sources and that our fresh water is sustainable – that we are planning for future demand while meeting our environmental and health and safety standards.

The public water supply protects the community from water borne illnesses, provides fire-fighting capability, and supports industrial and residential development and the local economy. Having a secure water supply is also a basic requirement for a town or city.

An important part of our work is promoting water conservation and sustainability. Water conservation and sustainability. We're also working with local councils and communities to help make sure people have access to emergency water in the event of a major earthquake.

The water supply group of activities contributes to the **water supply** and **regional resilience** priority areas.

Contribution to our Community Outcomes

Water supply activities contribute towards a **resilient community** by preparing the system to cope with emergencies such as earthquakes and the long-term impacts of climate change.

They contribute towards achieving a **strong economy** by providing high-quality bulk water infrastructure that ensures there is sufficient drinking-water available to sustain and grow our population and support our economy.

They contribute towards achieving a **healthy environment** by protecting our communities against water borne diseases, by encouraging people to use water wisely to reduce the environmental impacts of water supply and protecting current and future water catchments.

Challenges we face

As outlined in Section 1, Greater Wellington has made assumptions about matters that are likely to impact the region and how we plan our work. Outlined below is how those assumptions may impact this activity group.

Climate Change

Climate change and sea level rise are expected to have long term adverse effects on the water supply network. Mitigation of the long term effects of climate change will be provided by reviewing the science information as it becomes available and adjusting the timing and investment in future source upgrades and demand management as required.

Population growth

The projected population increases for our region will also put demand on our water network. Capital works are not the only way of managing the demand for waters. Non asset solutions (such as water metering) may provide more practical and cost effective ways of addressing these needs. Wellington Water considers both on the same basis of cost and effectiveness over time when making investment decisions.

Technology

New technologies and use of digital information will influence the way councils, businesses and individuals operate in the future, and have implications for assets and services. There is a clear shift in water supply industry to alternative, new and more efficient technologies and system components like sensor technology, automation and control devices and data analytics software.

Planning for the future

Future proofing the region's water supply in the immediate term and for future generations is one of our key challenges and priorities. A resilient water supply system must be robust and ensure

sufficient, safe drinking-water is available to meet current and future demand, and increasing drought and rainfall patterns.

Some of our infrastructure networks are old and less able to withstand shocks. The bulk water network has limited redundancy built into it and as a result a major break in one part of the network is likely to affect other parts of the network. Also, the network crosses numerous seismic faults from catchments to tap and should a significant event occur, it could take up to 100 days to repair. We have limited local water storage to provide access to drinking water in the immediate aftermath of a major event.

Wellington Water has developed a five council approach to water supply resilience. The long-term goal is to provide 80 percent of our customers, within 30 days of a reasonable seismic event, at least 80 percent of their water needs. The strategy for achieving this goal is called 'Towards 80-30-80'. A Community Infrastructure Resilience (CIR) initiative has also been developed that will provide a limited water supply to meet the humanitarian needs of people from day eight after a major earthquake through to reinstatement of the water supply network.

To help us reach our long term goals, the priorities for water management include:

- Water supply resilience – agreeing levels of service for water supply following a major natural event and developing investment plans for councils. This includes developing an alternative water supply to Wellington's eastern, central and southern suburbs
- Developing a regional asset management plan for water infrastructure
- A coordinated and consistent approach to community education programmes about the three waters.

Strategies and plans that guide our work

The important policies and plans that relate to this group of activities are:

- Regional Freshwater Plan 1999 – identifies issues, objectives, policies and methods for the sustainable management of freshwater resources in the region including rivers, lakes, streams, ponds, aquifers and artificial water courses (until the proposed Natural Resources Plan is adopted)
- Proposed Natural Resources plan – is a combined regional air, land, water and coastal plan. It is the primary document through which Greater Wellington will meet its obligations under the Resource Management Act (1991)
- Regional Policy Statement 2013 – identifies regionally significant issues around the management of the region's natural and physical resources, including fresh water
- Regional Service Plan – developed by Wellington Water to ensure that the necessary water supply assets are in place and maintained to provide stated levels of service at a reasonable cost, and in a sustainable and environmentally responsible way
- National Policy Statement on Freshwater
- Drinking-water Standards for New Zealand
- Infrastructure Strategy

Our water supply activity

Water Safety

Our key activities for the next 10 years are maintaining/renewing water supply assets at our Waterloo, Te Marua, Gear Island and Wainuiomata water treatment plants.

We aim to complete our Water Safety Plan in 2018/19 and this may indicate the need for further improvements in our infrastructure.

We have already addressed some water safety concerns within the system and will build on this during the life of this plan. In the aftermath of the inquiry in Havelock North, we reviewed our treatment processes and enhancements to rectify any issues that could have the potential to cause harm. We have also identified potential water quality issues with our treatment plants and have invested in new treatment solutions in our Te Marua plant after identifying potentially toxic algae growing in the Macaskill lakes. We also completed a major upgrade of the Waterloo treatment plant after bacteria were detected in the aquifer beneath Lower Hutt. The Waterloo upgrade included installation of ultraviolet light disinfection and establishment of permanent chlorination of the Lower Hutt supply. .

Since bacteria were detected in the Lower Hutt aquifer in December 2016, new information has become available that has challenged our previous assumptions about the security of the artesian supply. New thinking will be needed to ensure an appropriate regulatory framework is in place to protect the resource into the future.

Network Performance

We aim to maintain current levels of service by continuing our maintenance and renewal programme. However, the ageing of our infrastructure is a significant issue. Eleven aquifer wells at Waterloo and Gear Island are reaching the end of their economic lives. Investigations are in progress to ensure replacement occurs at the right time to maximise the economic life while maintaining the risk of failure within acceptable levels- see the Infrastructure Strategy for more details.

We are also experiencing a capacity limitation at the Te Marua Water Treatment Plant. A preliminary assessment has indicated that the plant capacity may be less than previously thought. An investigation has been initiated which will help determine if this can be resolved operationally, or if capital improvements will need to be considered in future years.

Regional Resilience

An alternative water source for Wellington city is a key part of our resilience strategy. In the previous Long Term Plan 2015-2025, we anticipated commencing construction of the cross harbour pipeline in 2027/28 as an option for providing a more secure water source for Wellington city. This approach was reviewed based on advice that harbour bores may offer an alternative solution.

Exploratory harbour bores in Wellington Harbour are now helping us understand the geology of the Waiwhetu Aquifer. This information will determine whether it is viable to extract water to supply Wellington city with an alternative water supply for daily water needs as well as post major shocks

to the network. A decision is expected in 2018/19 on whether the best option is to build a cross harbour pipeline or to build harbour bores.

Our budget currently provides for the cross harbour pipeline at an estimated cost of \$116 million rather than the harbour bores (cost estimate of \$60- \$70 million).

We plan to improve the seismic performance of the Ngauranga and Wainuiomata water reservoirs over the next two years. This is a critical piece of work which will make the reservoirs more resilient in the event of further major earthquakes.

Improving resilience by providing capacity to cope with future population growth and business growth is the aim of the Prince of Wales/Omāroro Reservoir project. The project aims to provide drinking water to approximately 70,000 residents, commercial businesses, and the Wellington Regional Hospital. This project is primarily funded by Wellington City Council but Greater Wellington will also make a contribution via construction of the inlet pipeline and through rationalisation of assets owned by the two councils. Further information can be found in our Infrastructure Strategy in Section 4.

Changes to what we will deliver

We are planning a major renewal over the next one to three years for the Kaitoke main at Silversteam Bridge. The purpose of this is to replace pipe that is in poor condition and provide for a strengthened main from Te Marua that will reduce the number of days Porirua could be out of water after an earthquake.

What we will deliver – Key projects and programmes

	Year 1	Year 2	Year 3	Year 4-10
Securing Wellington's water source – cross harbour pipeline or harbour bores	●	●	●	●
Renewal of water treatment assets (Waterloo, Te Marua, Gear Island, Wainuiomata,)	●	●	●	●
Replace Kaitoke main on Silverstream bridge	●	●	●	
Porirua Branch extend to Conclusion Street	●	●		
Strategic stores – provide alternative locations for key equipment that can help restore water service after a seismic event	●	●		
Ngauranga and Wainuiomata reservoir seismic strengthening	●	●		

Key assets

We hold a range of assets in the Water Supply activity area that enable us to deliver our priority outcomes and our projects. Most of our assets in this area are water treatment plants, storage lakes, pipelines,, tunnels and pump stations. You can find more detail about these assets in our Infrastructure Strategy in Section 4.

How will we fund this activity?

The costs of operating the water supply network are apportioned to the cities served through a water levy, based on the individual cities portion of the total water delivered (as set out in the Wellington Regional Water Board Act 1972). The water levy is on-charged through local council rates to ratepayers in each of the four cities.

More information can be found in our Revenue and Financing Policy 2018.

Measuring Performance

Level of Service	Performance Measures	Performance Targets				
		Baseline (2017)	2018/19	2019/20	2020/21	2021-28
Provide water that is safe and pleasant to drink	Number of waterborne disease outbreaks ¹⁴	0	0	0	0	0
	Customer satisfaction:					
	• Number of taste complaints related to bulk water supply	5	<5	<5	<5	<5
	• Number of complaints from Territorial Authorities (TAs) on drinking water clarity	0	<5	<5	<5	<5
	• Number of complaints from TAs on drinking water odour	0	<5	<5	<5	<5
	• Number of complaints from TAs on drinking water pressure or flow	1	<5	<5	<5	<5
	• Number of complaints per 1000 connections (end consumers) to the bulk water supply system ^{15 16}	0.04	<0.2	<0.2	<0.2	<0.2
Safety of drinking water: ¹⁷						
• Compliance with part 4 of the drinking-water standards (bacteria compliance criteria)	Yes	Yes	Yes	Yes	Yes	

¹⁴ The outcome of the Havelock North Inquiry into water supply and safety is likely to result in changes to reporting requirements

¹⁵ Non-Financial Performance Measures Rules 2013, Water supply measure [4(a-e)]

¹⁶ Using the Water NZ survey data for the number of end consumers provided with drinking water (145,224).

¹⁷ Non-financial Performance Measures Rules 2013, Water supply measure [1(a)-(b)]

	<ul style="list-style-type: none"> Compliance with part 5 of the drinking-water standards (protozoal compliance criteria) 	Yes	Yes	Yes	Yes	Yes
Provide a continuous and secure bulk water supply	Number of events in the bulk water supply preventing the continuous supply of drinking water to consumers	0	0	0	0	0
	Sufficient water is available to meet normal demand except in a drought with a severity of greater than or equal to 1 in 50 years ¹⁸¹⁹	0.4%	<2%	<2%	<2%	<2%
	Attendance for urgent call-outs: ²⁰	No events occurred	<60 minutes	<60 minutes	<60 minutes	<60 minutes
	<ul style="list-style-type: none"> Time from local authority receiving notification to service personnel reaching site Time from local authority receiving notification to service personnel confirming resolution 	No events occurred	<4 hours	<4 hours	<4 hours	<4 hours
	Attendance for non-urgent call-outs: ²¹	35 minutes	<36 hours	<36 hours	<36 hours	<36 hours
<ul style="list-style-type: none"> Time from local authority receiving notification to service personnel reaching 						

¹⁸ Normal demand includes routine hosing restrictions

¹⁹ Assessed using a probability model of annual water supply shortfall

²⁰ Non-Financial Performance Measures Rules 2013, Water supply measure [3(a)-(b)]

²¹ Non-Financial Performance Measures Rules 2013, Water supply measure [3(c)-(d)]

	site <ul style="list-style-type: none"> Time from local authority receiving notification to service personnel confirming resolution 	30 minutes	<15days	<15days	<15days	<15days
	Average drinking water consumption per resident per day within the TA districts supplied by the bulk water system ²²	351 L/p/d	<374 L/p/d	<374 L/p/d	<374 L/p/d	<374 L/p/d
	Maintenance of the reticulation network <ul style="list-style-type: none"> Percentage of real water loss from the networked reticulation system^{23 24} 	0.7%	+/- 2%	+/- 2%	+/- 2%	+/- 2%
Provide bulk water in compliance with all resource consents and environmental regulations	<ul style="list-style-type: none"> Full compliance with resource consents²⁵ 	New measure	Yes	Yes	Yes	Yes
	<ul style="list-style-type: none"> Annual review of relevant environmental legislation 	New measure	Yes	Yes	Yes	Yes
	<ul style="list-style-type: none"> HSNO location and stationary container test certificates are current 	New measure	Yes	Yes	Yes	Yes

²² Non-Financial Performance Measures Rules 2013, [5] Greater Wellington cannot technically report due to the wording of the measure, but will report the average of all residents' consumption for the district it supplies with bulk water.

²³ Non-Financial Performance Measures Rules 2013, Water supply measure [2]

²⁴ All connections are metered, production flows are subtracted from supply flows and weekly mass balance checks carried out to identify losses. Differences in metering accuracy account for the loss or gain of water supplied rather than leakage or unauthorised use

²⁵ Full compliance means no notices/convictions (abatement notices, infringement notices, enforcement orders, or convictions).

Potential negative effects

Potential negative effects of the activity	How we will address negative effects
Water supply infrastructure for the collection, storage, treatment and distribution of water can have a negative effect on environmental wellbeing through water abstraction and the use of electricity for treating and pump water. A new supply could also result in an increase in these effects.	The environmental impacts of existing water supply activities are identified and very closely monitored through resource consents and an ISO 14001 accredited environmental management system. We are reducing our impacts by continuing to use electricity and chemicals more efficiently and by encouraging people to use water wisely.

Financial information

WATER SUPPLY PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Sources of operating funding										
General rate	-	-	-	-	-	-	-	-	-	-
Targeted rate	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-
Fines, infringement fees, and other receipts ¹	34,308	35,572	37,451	40,223	43,447	46,642	50,020	50,907	51,567	52,092
Total operating funding	34,308	35,572	37,451	40,223	43,447	46,642	50,020	50,907	51,567	52,092
Applications of operating funding	29%									
Payments to staff and suppliers	19,985	20,293	20,467	20,823	21,349	21,580	23,147	23,768	24,139	23,969
Finance costs	4,957	5,194	5,782	7,423	9,372	11,374	12,256	11,904	11,648	11,609
Internal charges and overheads applied	2,008	2,088	2,198	2,281	2,357	2,357	2,407	2,464	2,505	2,543
Total applications of operating funding	26,950	27,575	28,447	30,527	33,078	35,311	37,810	38,136	38,292	38,121
Surplus/(deficit) of operating funding	7,358	7,997	9,004	9,696	10,369	11,331	12,210	12,771	13,275	13,971
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	10,535	10,294	17,994	43,244	35,382	36,082	(1,286)	(3,270)	(2,353)	643
Gross proceeds from asset sales	-	-	0	0	0	0	0	0	0	0
Total sources of capital funding	10,535	10,294	17,994	43,244	35,382	36,082	(1,286)	(3,270)	(2,353)	643
Applications of capital funding										
Capital expenditure										
- to meet additional demand	150	1,533	-	-	-	-	-	-	-	-
- to improve the level of service	11,183	7,900	3,666	44,054	36,441	37,335	744	1,141	2,310	2,891
- to replace existing assets	3,312	5,299	19,349	4,489	4,548	4,965	4,739	2,630	2,578	5,187
Increase / (decrease) in investments	3,257	3,559	3,983	4,397	4,762	5,113	5,441	5,730	6,034	6,536
Increase / (decrease) in reserves	(9)	-	-	-	-	-	-	-	-	-
Total applications of capital funding	17,893	18,291	26,998	52,940	45,751	47,413	10,924	9,501	10,922	14,614
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-
¹ This includes the Water supply levy charged to Wellington, Upper Hutt, Hutt and Porirua city councils										
Water supply levy	33,069	34,230	35,892	38,305	41,214	44,126	47,240	47,906	48,336	48,427
Depreciation on Water Supply assets	15,675	15,951	16,200	16,670	17,638	16,722	17,434	17,405	17,277	17,170

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy. All figures on this page exclude GST

**WATER SUPPLY
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Operating funding										
Water Supply	34,308	35,572	37,451	40,223	43,447	46,642	50,020	50,907	51,567	52,092
Total operating funding	34,308	35,572	37,451	40,223	43,447	46,642	50,020	50,907	51,567	52,092
Applications of operating funding										
Water Supply	26,950	27,575	28,447	30,528	33,078	35,311	37,811	38,136	38,292	38,121
Total applications of operating funding	26,950	27,575	28,447	30,528	33,078	35,311	37,811	38,136	38,292	38,121
Capital expenditure										
Water sources	130	20	21	5,935	-	335	-	-	-	-
Water treatment plants	3,475	1,492	1,650	1,035	1,059	1,084	1,384	1,375	1,167	1,198
Pipelines	1,365	4,865	17,088	502	317	357	355	434	265	358
Pump stations	40	245	251	2,178	2,228	2,279	2,334	399	1,973	2,459
Reservoirs	-	-	-	-	-	-	-	-	-	-
Monitoring and control	137	184	188	192	197	201	206	211	217	222
Seismic protection	-	-	-	-	-	-	-	-	-	-
Other	9,443	7,869	3,760	38,642	37,128	37,982	1,144	1,290	1,203	3,775
Capital project expenditure	14,590	14,675	22,958	48,484	40,929	42,238	5,423	3,709	4,825	8,012
Land and buildings	-	-	-	-	-	-	-	-	-	-
Plant and equipment	55	57	57	59	60	62	60	62	63	66
Vehicles	-	-	-	-	-	-	-	-	-	-
Total capital expenditure	14,645	14,732	23,015	48,543	40,989	42,300	5,483	3,771	4,888	8,078

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

Flood Protection and Control Works - Te Tiaki me te Arahi Waipuke

This activity group contributes to:	
Community Outcomes	Resilient community Strong economy Healthy environment Engaged community
Priority Areas	Regional resilience Fresh water quality and biodiversity

The flood protection and control work activity includes three activities:

- Understanding flood risk
- Maintaining flood protection and control works
- Improving flood security

Flood Protection and Control Works total of Greater Wellington expenditure 5 percent

What we do

Greater Wellington is responsible for managing flood risk from the region's rivers and streams. We identify the likelihood of a river flooding our houses, businesses and farms, develop floodplain management plans, provide a free advice and consultation service, maintain and build flood protection infrastructure, work with the community to improve the environment and recreational opportunities and provide flood warnings. We do this by talking with communities about how best to reduce the risk from flood and erosion while ensuring that the health and wellbeing of our rivers is maintained.

We build, manage and maintain flood protection assets along 800km of the major rivers across the region.

Managing the risk of flooding in communities across the region is a key element in being a resilient region. Making sure our communities, visitors and families avoid flood risks and are safe when flooding occurs is a key concern for us all.

Our region has a large number of rivers and streams. They are places of cultural importance to mana whenua and are the places where we swim, walk, fish and play. Our waterways are a key part of the natural environment and add to our sense of wellbeing. In times of flood, however, our rivers can be hazardous for the communities on the floodplains of these rivers.

Floods are one of Wellington's most significant hazards and have the potential to cause both economic and social hardship. There have been many recent examples of flooding affecting our communities – they can have a significant impact on our communities and our families and impact on the local, regional and national economy. As global weather patterns change and become more unpredictable, it is likely that flood events will increase in frequency and scale.

The flood protection and control work group of activities contributes to the **regional resilience** priority area.

Contribution to our Community Outcomes

Greater Wellington is responsible for ensuring that our infrastructure will be resilient in a significant flood event and our communities are prepared.

Flood protection and control works activities primarily contribute towards achieving a **resilient community** by:

- Reducing the risk of flooding in the region now and in the future by promoting the avoidance of inappropriate development in our most flood prone areas
- Informing communities about the risk and consequences of flood events in their area, including floods which exceed the capacity of agreed levels of flood protection
- Maintaining existing flood protection works and replacing, upgrading and building new flood protection works

Our flood protection and control works also contribute towards achieving:

- A **strong economy** by minimising the impact of flooding on activities that contribute to the regional economy
- A **healthy environment** by enhancing the environment in our rivers and along our river corridors
- An **engaged community** by enabling people to enjoy recreational use of river corridors and to participate in community activities that make use of the river space

Challenges we face

As outlined in Section 1, Greater Wellington has made assumptions about matters that are likely to impact the region and how we plan our work. Outlined below is how those assumptions may impact this activity group.

Population growth/changes in land use

Population growth and our region's changing demographic profile will have significant implications for how we manage flood events in our region. Increases in urban growth and Intensification could lead to increased demands for infill and brownfield development resulting in increased pressure for flood protection in flood prone areas to offset the increased consequence when floods occur.

Alternatively, more people could seek a more rural lifestyle which could increase pressure on our flood management systems.

There are approximately 25,000 of rivers and streams in the Wellington region of which only 800km have schemes managed by Greater Wellington. Population growth, development and the region's demographic profile will put pressure on Greater Wellington to manage greater extents of the region's rivers and streams.

Dealing with adverse events and climate change

Our region is predicted to experience more frequent and intense rainfall events and higher river flows as a result of climate change. Major flooding events have the potential to cause millions of dollars damage to rural and urban communities.

We plan for climate change by both:

- Assessing the degree of flood hazard risk; and
- Determining the appropriate responses.

We identify and consider the potential for climate change in the determination of all new flood protection services as part of our Floodplain Management Plans.

Whenever we review a Floodplain Management Plan we will identify any changes in knowledge of climate change effects and re-assess the capacity of services to meet defined service levels. We will work with territorial authorities on planning controls (e.g. setbacks, minimum floor levels etc.) and target investments to risk. In some circumstances managed retreat or other planned non-structural measures may be the most appropriate response.

Strengthening partnerships with Iwi and hapū

Greater Wellington recognises mana whenua are kaitiaki of the waterways in their rohe. We will continue to work with Iwi and hapū through our flood protection programmes including:

- Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa - in the Ruamahanga catchment
- Ngā Hapū o Ōtaki - implementing the Integrated Catchment Management Plan for the Ōtaki river
- Te Ātiawa ki Whakarongotai - a Cultural Health Monitoring Framework pilot and the monitoring work associated with Jim Cook Park Stopbank construction
- Te Rūnanga o Toa Rangatira Inc and the Port Nicholson Block Settlement Trust - the RiverLink project (Te Awa Kairangi/Hutt River)

We are also developing relationship arrangements with the Wairarapa post settlement governance entities: Ngāti Kahungunu ki Wairarapa Tāmaki Nui-ā-Rua and the Rangitāne Tū Mai Rā Trust.

Planning for the future

Historically we have taken a strong engineering focus to flood management – diverting rivers, and draining and building on floodplains. Over recent decades our thinking has shifted and we now take a wider view to assessing and responding to flood risks: natural solutions are considered, affected communities are closely involved and we manage the environmental effects of flood protection works to deliver holistic protection for communities.

Looking forward, we want to take this approach even further by working with iwi, communities and other councils to achieve greater social, economic and environmental outcomes from flood protection work. We will continue to look for innovative approaches to flood hazard management. As noted above, in addition to the more standard flood protection methods, such as building stopbanks and protecting against erosion, we continue to develop more sustainable flood protection methods.

Four core principles form the basis of Greater Wellington’s approach to floodplain management planning:

- **Avoid building in high flood hazard areas:** We accept that many of our communities are built on flood plains for historical reasons. Now we know that it is safer and more sustainable to build new homes and form communities away from flood hazards. In some circumstances managed retreat or other planned non-structural measures may be the most appropriate response to relocate vulnerable homes, businesses or communities away from the flooding hazards
- **Only considering new flood protection infrastructure where existing development is at risk:** This connects with our first principle. We will focus on protecting our existing communities and will develop new flood protection infrastructure when required, as we are required to do by statute. However, we consider that new developments should be built in low hazard areas, so that we do not have to commit future generations to maintaining expensive infrastructure
- **Establishing standards of flood protection relative to the degree of risk:** We need to ensure that the level of flood protection we provide is commensurate with the degree of risk. RiverLink, for example, meets this criterion because of the scale of the flood risk in the Hutt Valley, the potential level of damage that could be caused and the implications this would have for the region. Building stop banks for a smaller, localised stream would not be in line with the level of risk
- **Plan for climate change in assessing the degree of flood risk and in determining an appropriate response:** We plan for climate change in all our flood protection planning so that landowners can have greater awareness as to potential implications of climate change on their property.

Strategies and plans that guide our work

The important policies and plans that relate to the flood protection group of activities are:

- Floodplain Management Plans (FMPs) – these set out how we will manage flood risk on individual rivers and floodplains. Greater Wellington currently has six Floodplain Management Plans (these include the Hutt, Ōtaki and Waikanae River FMPs, the Pinehaven Stream FMP, the Porirua Stream Management Plan and the Waitohu Stream Study) and a further two in development. Our river and stream management schemes established by catchment boards prior to the formation of Greater Wellington fulfil some of the functions of floodplain management plans and address flooding and erosion issues for those rivers where a floodplain management plan has yet to be developed
- Regional Policy Statement 2013 – includes objectives and policies relating to flood hazards
- Council policies and principles including appropriate allowances for climate change, guidelines on the preparation of FMP's, avoiding development in areas at high risk of flooding and standards for flood protection.

Understanding flood risk

It is important that our communities understand the risk and consequences of flood events in their area. This helps inform debate about how best to manage flood risk, the appropriate level of protection from flooding and erosion hazards, and how we can maintain the health and integrity of the region's rivers.

We prepare flood hazard assessments and flood hazard maps. These identify the likelihood of flooding or erosion from a river affecting houses, businesses and farms in the affected community. This is a two-way process involving consultation with, as well as the ongoing provision of information and advice to, the affected community.

In areas of greatest risk, we work with communities to develop floodplain management plans. Floodplain management plans set out how the community will manage flood risk on individual rivers and flood plains. The floodplain management planning process involves:

- Preparing flood hazard assessments
- Consulting with affected communities on ways to manage risk
- Agreeing appropriate levels of flood protection from avoidance to mitigation of the hazards.

We also work with territorial authorities to promote the avoidance of development in our most flood-prone areas.

Changes to what we will deliver

There are no significant changes to levels of service.

Maintaining flood protection and control works

We manage and maintain flood protection assets along 800km of rivers across the region. Our communities rely on the flood infrastructure on their waterways, whether they are stop banks or barrage gates. We continue to maintain our infrastructure, make repairs and minor upgrades when required, repair flood damage, safeguard our systems, ensure we comply with our legal requirements, and manage the effects of our flood protection infrastructure on our environment. Specific projects within the 10 years of this Plan include:

- Pinehaven and Porirua Stream enhancements
- Trentham to Whakaitiki improvements
- Improvements/monitoring of 15 River Management Schemes across the region

In the next three years we will be applying for resource consents to undertake routine maintenance activities in the region. As part of this we will be implementing our Code of Practice to improve sustainable river management. The Code will guide all river management activities undertaken by Greater Wellington for the purposes of flood and erosion protection across our region, irrespective of funding, location or whether an activity requires resource consent. The Code applies to permitted activities as well as those activities which need resource consent.

The Code aims to achieve:

- Greater awareness of the effect of river management decisions and activities on a river's natural character and other significant river values, at both broad (whole of river) scale and detailed (reach or specific site) scale
- Greater consistency of river management practice across the rivers that Greater Wellington administers and manages.

Changes to what we will deliver

There are no significant changes to the levels of service.

Improving flood security

We reduce the risk of flooding through the implementation of floodplain management plans. We are currently implementing plans for the Otaki, Waikanae and Hutt rivers, Pinehaven Stream and the Lower Wairarapa Development Scheme. Over the course of this Plan, we will also begin implementation of floodplain management plans currently being developed for Te Kauru (Upper Wairarapa Valley) and the Waiohine River (Greytown area).

RiverLink

RiverLink is a transformational project for Hutt City. It combines outcomes delivered by three organisations – Greater Wellington, Hutt City Council and the New Zealand Transport Agency – to reimagine Hutt City as a vibrant, connected and resilient city. Greater Wellington is contributing to the project by improving the flood protection and flood resilience of Hutt City. RiverLink demonstrates what can be achieved through multi-agency collaboration by pooling expertise and resources to deliver a project greater than a sum of its parts, to address flood risk, climate change, housing, access, safety and urban decline.

The flood protection component of the RiverLink project funded by Greater Wellington will involve retreating and upgrading stop banks to improve the level of protection and strengthen the flood protection infrastructure. This additional space will allow for safer passage of flood flows during storm events, create more space for environment and recreation outcomes and improve the resilience of Hutt City.

While there are no significant changes to this project, the overall costs have changed. This reflects the increased cost of property due to changes within the property market. The total cost of RiverLink to Greater Wellington is now \$125 million (up from \$94 million in the 2017/18 budgets). This will be funded through a loan and repaid through rates and collected rental revenue from property acquired for the project up until the point buildings are removed to enable construction. Opportunities for the beneficial use of surplus land are being considered including options for sale at the conclusion of construction. This will include consideration of offsetting project costs or returning additional value to ratepayers.

The timing and overall affordability of this project will be further considered through the Hutt Valley Flood Management Subcommittee and changes may be the subject of further consultation.

Partnering with our communities

We work with our communities to ensure our flood protection infrastructure enhances the recreational and amenity use of our rivers. This includes:

- Working with local community groups to plant river berms with native trees
- Committing up to five percent of our capital expenditure to environmental enhancement projects
- Funding science monitoring and improved knowledge of river systems
- Maintaining and improving tracks and trails associated with flood protection systems to provide for recreational activities.

Projects we will be delivering in the next three years include:

- Te Awa Kairangi/Hutt River Environmental Strategy Implementation
- Waikanae River Environmental Strategy Implementation
- Otaki River Environmental Strategy Implementation
- Barrage Gates fish movement survey
- Waiwhetu Stream Environmental Enhancement
- Environmental enhancements across the managed areas of rivers and streams in Wairarapa.

Changes to what we will deliver

The RiverLink project provides a significant shift in levels of services from a 1-in-65 year return period flood event to a 1-in-440 year return period flood event including effects of climate change.

What we will deliver – key projects and programmes

	Year 1	Year 2	Year 3	Year 4-10
RiverLink – Hutt river flood protection	•	•	•	•
Hazard investigations and development of Floodplain Management Plans for Waiohine and Te Kāuru	•	•	•	
Mangataere Flood Hazard Assessment		•	•	•
Otaki Floodplain Management Plan review	•	•		
Implementing the outcomes of the Flood Management Plans for the Ōtaki, Waikanae, Hutt Rivers, the Pinehaven Stream and the Lower Wairarapa Development Scheme Improvements	•	•	•	•
Implement outcomes of the Hutt, Waikanae, Ōtaki and Pinehaven Environmental Strategies and supporting community groups to enhance the river environments	•	•	•	•

Key assets

We hold assets in the Flood Protection and Control group that enable us to deliver our priority outcomes and our projects. Most of our assets in this area are stopbanks and other flood protection structures. You can find more detail about these assets in our Infrastructure Strategy in Section 4.

We hold assets worth **\$340 million**.

How will we fund this activity?

<i>Understanding flood risk</i>	<i>100% general rate User charges applied to territorial authorities and others wherever practicable</i>
<i>Maintaining flood protection and control works</i>	<i>Up to 50% general rate The balance of costs (i.e. to 100%) met via targeted rates on the local authority area or via scheme rates or direct contributions from both the direct beneficiaries on the floodplain and the beneficiaries in the economic catchment area</i>
<i>Improving flood security</i>	

For further information see our Revenue and Financing Policy 2018.

Upgrading infrastructure may require the purchase of property ahead of the start of physical works. Where this occurs the value is maximised where possible via rental income until such time as the property is required. For RiverLink this reduces the rating impact of the property purchase until approximately 2025.

Measuring Performance

Flood protection and control works						
Level of Service	Performance Measures	Performance Targets				
		Baseline (2017)	2018/19	2019/20	2020/21	2021-28
Provide the standard of flood protection agreed with communities	Major flood protection and control works are maintained, repaired and renewed to the key standards defined in relevant planning documents ^{26 27}	Yes	Yes	Yes	Yes	Yes
	Percentage of Floodplain Management Plans (FMP) recommended structural improvements implemented	Hutt 33 percent Ōtaki 47 percent Waikanae 45 percent Pinehaven 0 percent	Hutt 33 percent Ōtaki 47 percent Waikanae 56 percent Pinehaven 0 percent	Hutt 33 percent Ōtaki 47 percent Waikanae 56 percent Pinehaven 33 percent	Hutt 33 percent Ōtaki 50 percent Waikanae 56 percent Pinehaven 66 percent	Hutt 61 percent Ōtaki 70 percent Waikanae 56 percent Pinehaven 100 percent
	Percentage completion of Lower Wairarapa Valley Development Scheme work programme (2007/2021)	88%	94%	99%	100%	New work programme development
Provide information and understanding of	Percentage of identified vulnerable floodplains with a FMP in place	24%	29%	35%	41%	47%

²⁶ Non-Financial Performance Measures Rules 2013, Flood protection and control works measure [1]

²⁷ Detailed reporting of maintenance, repair and renewal or upgrade works is included in annual asset management and implementation reports to Greater Wellington Environment Committee

flood risk in the community ²⁸	Percentage of identified vulnerable floodplains with flood hazard mapping available via online portal	72%	78%	83%	83%	83%
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²⁸ These measures are based on a list of vulnerable floodplains, and targets for FMPs/mapping.

Potential negative effects

Potential negative effects of the activity	How we will address negative effects
There is the potential for flood protection projects and ongoing operations and maintenance activities to have a negative effect on the river ecology and natural character of the river and therefore our natural environment.	Greater Wellington seeks to minimise the impact of flood protection projects, maintenance and operations on the environment by using a range of methods such as undertaking riparian planting and integrated land use and water management planning, and working within our Code of Practice.

Financial information

FLOOD PROTECTION AND CONTROL WORKS PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Sources of operating funding										
General rate	11,512	12,031	12,851	13,898	14,724	15,588	16,667	17,251	18,349	18,977
Targeted rate	7,969	8,476	9,143	9,700	11,145	12,080	12,718	13,467	14,253	15,082
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-
Fines, infringement fees, and other receipts ¹	4,564	4,954	5,254	5,531	5,308	5,472	5,620	3,725	2,440	2,533
Total operating funding	24,045	25,461	27,248	29,129	31,177	33,140	35,005	34,443	35,042	36,592
Applications of operating funding										
Payments to staff and suppliers	9,974	10,248	10,509	10,956	10,941	11,117	11,557	10,948	10,809	10,839
Finance costs	5,342	5,760	6,353	7,105	7,743	8,597	9,282	9,739	10,224	10,571
Internal charges and overheads applied	3,301	3,432	3,615	3,751	3,875	3,875	3,957	4,051	4,118	4,181
Total applications of operating funding	18,617	19,440	20,477	21,812	22,559	23,589	24,796	24,738	25,151	25,591
Surplus/(deficit) of operating funding	5,428	6,021	6,771	7,317	8,618	9,551	10,209	9,705	9,891	11,001
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	13,163	15,689	13,222	11,600	13,784	13,533	13,249	12,262	11,088	2,863
Gross proceeds from asset sales	117	76	105	68	25	142	83	1,240	2,303	1,570
Total sources of capital funding	13,280	15,765	13,327	11,668	13,809	13,675	13,332	13,502	13,391	4,433
Applications of capital funding										
Capital expenditure										
- to meet additional demand	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	17,570	20,740	18,945	18,016	20,802	21,182	21,604	20,145	18,967	11,922
- to replace existing assets	393	266	308	82	130	468	297	1,391	2,594	1,749
Increase / (decrease) in investments	359	386	423	479	521	560	593	620	647	698
Increase / (decrease) in reserves	386	394	422	408	974	1,016	1,047	1,051	1,074	1,065
Total applications of capital funding	18,708	21,786	20,098	18,985	22,427	23,226	23,541	23,207	23,282	15,434
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-
Depreciation on assets	1,328	1,526	1,785	2,004	2,221	2,411	2,572	2,807	3,025	3,179

¹ This includes revenue from the sales of shingle, rental income and direct contributions from territorial authorities for flood protection work

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

**FLOOD PROTECTION AND CONTROL WORKS
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Operating funding										
Understanding flood risk	2,846	2,746	2,862	3,290	3,338	3,255	3,474	3,405	3,667	3,597
Maintaining flood protection and control works	9,267	9,403	9,624	9,943	10,021	10,330	10,756	10,753	11,013	11,255
Improving flood security	11,932	13,313	14,763	15,896	17,818	19,555	20,775	20,285	20,362	21,740
Total operating funding	24,045	25,461	27,248	29,129	31,177	33,140	35,005	34,443	35,042	36,592
Applications of operating funding										
Understanding flood risk	2,438	2,226	2,264	2,638	2,605	2,466	2,630	2,531	2,740	2,659
Maintaining flood protection and control works	7,683	7,845	8,027	8,323	8,324	8,324	8,794	8,825	8,895	9,204
Improving flood security	8,496	9,370	10,187	10,851	11,629	12,800	13,371	13,382	13,516	13,728
Total applications of operating funding	18,616	19,440	20,477	21,812	22,559	23,589	24,796	24,738	25,151	25,591
Capital expenditure										
Hutt river improvements	12,566	14,662	13,934	13,160	9,432	9,982	11,774	11,956	12,015	9,050
Otaki and Waikanae river improvements	1,687	2,195	1,931	1,537	1,767	1,537	2,370	1,769	2,004	2,128
Wairarapa rivers improvements	1,483	2,507	1,682	1,633	8,282	8,531	6,317	6,475	6,203	840
Other flood protection	1,834	1,376	1,398	1,577	1,321	1,132	1,143	1,118	911	1,387
Capital project expenditure	17,570	20,740	18,945	17,907	20,802	21,182	21,604	21,318	21,133	13,405
Land and buildings	-	-	-	-	-	-	-	-	-	-
Plant and equipment	133	12	19	13	96	142	21	21	14	15
Vehicles	260	254	289	178	34	326	276	197	414	251
Total capital expenditure	17,963	21,006	19,253	18,098	20,932	21,650	21,901	21,536	21,561	13,671

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

Metlink Public Transport - Ngā Waka Tūmatanui

This activity group contributes to:	
Community Outcomes	Connected community Strong economy Healthy environment
Priority Area	Public transport

The Metlink Public Transport group includes three activities:

- Metlink network planning and operations - an integrated and accessible network
- Rail operations and asset management - a high capacity rail system
- Bus and ferry operations and asset management - frequent, reliable bus and ferry services

Metlink Public Transport total of Greater Wellington expenditure 65 percent

What we do

Greater Wellington manages the Metlink public transport network and delivers public transport services to the regional population. Passengers, ratepayers and road users all help fund it via fares, rates and a subsidy from the NZ Transport Agency.

We deliver services across an integrated network of bus routes, five passenger rail lines and the harbour ferry service. We are also responsible for developing and maintaining public transport infrastructure including railway stations, train maintenance depot, bus and ferry shelters, signs, and Park n Ride facilities.

Our Metlink public transport network is fundamental to keeping people and goods moving in our region.

Our Metlink Public Transport group of activities contributes to the **Public Transport** priority area.

Contribution to our Community Outcomes

Our Metlink Public Transport group of activities contributes towards the following Community Outcomes:

- A **connected community** by providing a mass transit system that moves people efficiently and relieves congestion from our roads at peak times and by providing an essential service for people for whom, whether by choice or circumstance, private vehicle travel is not an option
- A **strong economy** by enhancing the efficient movement of people within the region
- A **healthy environment** by supporting the reduction of vehicle emissions from private vehicles

Challenges we face

There are both opportunities and challenges for the Metlink Public Transport Group over the next 10 years.

Greater focus on the customer experience in all aspects of public transport

To maintain and improve already high-levels of customer satisfaction means continual improvement of services, based on the dynamic needs of communities and our customers. Digital technology is increasing expectations of customer service in terms of responsiveness and ease. A specific focus on customer experience is now required to anticipate these needs and maintain high-levels of service that ensure accessibility for all members of the community and encourage adoption of public transport.

Attracting more people on to public transport, particularly along key transport corridors

Everyone benefits from good public transport, including car drivers and businesses. Within the life of this plan we will see some major roading projects coming on-line providing improved options for car-based travel. Increasing congestion will be an ongoing risk to the region if too many people choose to travel by car. Our challenge is to ensure the quality, capacity, reliability and frequency of public transport is such that it becomes the preferred choice for commuters, particularly along our key transport corridors.

Providing accessible and affordable public transport for future populations

Not everyone who uses public transport has a choice. Within our region there are many people who cannot drive or do not own a car, or find it difficult to pay for travel due to life factors and affordability issues such as costs of living. For wider social and economic benefits to be realised, public transport needs to work for all aspects of society, including young, elderly, students, people with disabilities and those with low incomes. It also needs to take account of the changing travel patterns – for example we are now seeing more students commuting into Wellington city rather than living near the university as accommodation becomes less affordable. Understanding the changing needs of customers is of critical importance for the region into the future.

Emerging technologies and future mobility

The emergence of new technologies presents both challenges and opportunities for public transport. New payment systems and digital 'mobility as a service' apps are changing customers' expectations for public transport. Connected and autonomous vehicles and car sharing schemes could result in significant changes to the role of public transport and demand for car parking spaces in cities and urban areas.

Improving resilience and responding to climate change

The region's geography and susceptibility to the effects of climate change provides some unique challenges for the Metlink public transport network. Many of our core public transport routes are in areas of seismic risk and with climate change we expect to see more frequent and severe weather events affecting coastal and low lying rail and road links. Our asset plan for rail has a huge focus on improving resilience in response to this issue. For bus, our move to a new contracting environment paves the way for a modern low emission fleet, including with new electric buses to significantly reduce greenhouse gas emissions and air pollution.

Resilience and performance of rail services is also affected in some parts of our network by the age and condition of the underlying rail network. This is a particular issue for the Wairarapa line, which affects the punctuality and reliability of services. We have worked with KiwiRail to develop a business case to upgrade ageing rail network infrastructure, with a primary focus on the Wairarapa line.

Making it affordable

An ongoing challenge in managing our public transport network is balancing the demands for increased levels of service with affordability for users and ratepayers. We do this by constantly monitoring the cost of our operations and programme of improvements with patronage and fare revenue.

Planning for the future

We want to become a smarter, cleaner region by encouraging more people to travel by bus, train and ferry, especially at peak times. So we're making extensive improvements to the Metlink public transport network to deliver faster, affordable, more frequent and reliable services. It's all about providing a better public transport experience to make greater Wellington even greater.

The Wellington region has a strong culture of public transport use. Nearly 38 million passenger trips were taken on the Metlink public transport network during 2016/17 – the highest per capita public transport use in the country.

Our high use of public transport hasn't happened by chance – but has been a result of planning and investment over a long period. For the last decade our focus for investment has been on rail, which required huge catch-up investment in rolling stock and infrastructure. Our current programme is focused on the consolidation of rail services, transformation of bus services (including a new network for Wellington city, a modern sustainable bus fleet and new double decker electric buses) and improving the information and services available for customers.

Our plan for the future is to continue to invest in, and transform, all aspects of the Metlink public transport network. We want to make Metlink even better so it remains the preferred choice of travel for people, particularly in peak travel times where the benefits to the wider network and economy are more pronounced.

We want to do this by:

- Growing public transport patronage by continually improving the Metlink public transport network so that public transport services:
 - Go where people want to go, at the times they want to travel
 - Provide competitive journey times
 - Provide value for money
 - Are easy to understand and use
 - Are safe, comfortable, and reliable
 - Provide flexibility, allowing people to change their plans
- Maintaining a public transport network that includes core, local, and targeted services
- Increasing the accessibility of public transport by providing information, facilities, and services that are increasing available to all members of the public.

Strategies and plans that guide our work

The important policies and plans that relate to this group of activities are:

- Regional Land Transport Plan – the strategic document that guides the development of the region's transport system, including public transport
- Regional Public Transport Plan – sets the direction for public transport in the region, including funding and delivery.

Metlink network planning and operations - an integrated and accessible network

The Metlink public transport network in the Wellington region is a network of bus, train and harbour ferry services. The network is organised around a layered hierarchy of services – core routes, local routes and targeted services. Core routes form the network’s backbone, linking high demand with high capacity, direct services. Local routes include all-day medium to low frequency services connecting centres within suburban areas – they complement the core network by collecting and distributing passengers from and to it. Targeted services provide services to areas where there is not enough demand to justify core or local routes, or where normal services cannot meet peak demand.

To ensure that the network operates efficiently and effectively it must be planned in an integrated way. Services also need to be reviewed from time to time to ensure they continue to meet the needs of the community and provide value for money for users, ratepayers and taxpayers.

The Regional Public Transport Plan (Public Transport Plan) is our key planning document – it describes the network and sets out policies and actions to ensure Wellington’s public transport network remains the best in New Zealand. The current Public Transport Plan was adopted in 2014 and has been varied three times to ensure it remains relevant. New thinking is emerging in some areas (e.g. Mass Transit as part of Let’s Get Wellington Moving) which may require more fundamental changes. A comprehensive review is planned in the first year of this Long Term Plan following the endorsement of the new Regional Land Transport Plan 2018 and roll-out of the new bus operating environment.

The primary touch-point for most customers on the Metlink public transport network is via fares and ticketing. The extension of Snapper in July 2018 across the entire bus fleet will mark a significant improvement for ticketing on bus services. To prepare the way, a new Metlink fare schedule will come into effect in July 2018, following a major review over the last year. The new fares have been simplified and applied consistently across the network. This includes cheaper travel for school children, a new 25 percent off-peak discount for all adults, and a new concessions policy providing cheaper fares for full-time students, and people with disabilities who use a Total Mobility card.

The extension of Snapper is an interim solution and is a prelude to another significant change in the next few years – a single ticketing system for travel on all public transport in the region, whether by bus, train or ferry. Greater Wellington is working closely with the NZ Transport Agency and other regions as part of a national approach to integrated ticketing. Full implementation into the Metlink public transport network is expected within the life of this Supporting Information document.

Greater Wellington operates a Total Mobility scheme to assist eligible people with a permanent disability or impairment to access appropriate transport to enhance their community participation. This assistance is provided in the form of subsidised door to door transport services wherever scheme transport providers operate. There are 9,917 registered users in the Wellington region and 282,083 trips were made using the scheme in 2016/17.

Keeping the customer connected – improving the customer experience

The provision of information about public transport services forms an important part of our work. We provide information through a variety of channels, including printed timetables, signage, real time information signs, maps, guides, leaflets, social media, the Metlink service centre and a comprehensive Metlink website and App with timetable and fare information and a journey planner. Our digital information is also provided through third-party passenger information providers such as Google Maps and Embark.

Creating connected and consistent customer experience across modes, and building a direct relationship with customers, is a key focus area for the life of this plan. With new technologies driving change, customers are becoming increasingly interested in making informed choices about the best way to travel, delivered through digital platforms combining travel choice and consolidating this with other transit related transactions such as payment. Being an active participant in this area will help to ensure the relevance of public transport is maintained and enhanced into the future.

Consolidating and growing the Metlink brand is a key focus over the next few years. The move to the new public transport operating model opens up significant new opportunities to use the Metlink brand to improve customer experience and build a direct relationship with customers that grows patronage. Our aim is for Metlink to become a recognised and supported brand.

Changes to what we deliver

There are no significant changes to current levels of service. We anticipate that the Let's Get Wellington Moving programme, jointly run with Wellington City Council and the NZ Transport Agency looking at the longer-term future transport needs of Wellington City, will propose some significant changes. These changes will be addressed when known and we will consult at that time. In this plan we have made allowance for some funding to provide the parts for which Greater Wellington has responsibility (responsibility for local roads sits with Wellington City Council and state highways sits with the NZ Transport Agency) – depending on the final preferred option this may need to change.

Rail operations - a high capacity rail system

Rail services provide core routes forming much of the network's backbone. They link areas of high demand with high capacity and offer direct services with extensive operating hours.

Metlink's role in the provision of rail services can be divided into two parts – operations and assets. We determine the timetable and procure and fund a rail operator (Transdev Wellington Ltd) to provide services. We own the fleet of electric Matangi trains that service the metropolitan area and also the carriages that service Wairarapa. We also own all railway stations (except Wellington Railway Station), the train maintenance depot and all over bridges and underpasses. In addition, we manage all of the Park & Ride carparks. Metlink manages these assets in accordance with its Asset Management Plan, to ensure that they are maintained, upgraded and replaced in a timely manner that ensures that the agreed level of service can be maintained.

Our focus for rail over the life of this plan is threefold: firstly, to continually improve levels of service for customers; secondly, to unlock capacity to cater for ongoing and expected high levels of growth; and thirdly, to improve resilience of the underlying network.

We will do this by building on existing investment and consolidating the state of assets which we have control of. This includes an on-going programme of improvements to stations and platforms to improve levels of service for customers and to improve resilience of our network. Combined with a new integrated ticketing system, we anticipate these changes will help to ensure Metlink's metro rail services offer a reliable, customer friendly and safe service for years to come.

Unlocking capacity and improving resilience is also about capitalising on the success of previous above rail investments and upgrading the network to provide sufficient capacity to manage existing and future growth. A big focus over the early period of this plan is to work with KiwiRail and the Crown to secure much needed funding on the underlying track asset so we have a fit for purpose rail network. We are also looking to secure funding to improve peak service frequency and capacity, cater for forecasted peak passenger demand through to 2030, and ensure an ongoing balanced mode share between road and rail during peak periods.

Changes to what we deliver

We are changing the level of service provided by the Wairarapa and Capital Connection rolling stock.

Initial funding has been included for trains to replace Greater Wellington's ageing Wairarapa fleet and KiwiRail's Capital Connection fleets with modern long distance commuter trains. These units will have the ability to run on electricity in the metro area and switch to diesel propulsion outside of the electrified network.

A new fleet of modern, lower emission, dual powered (electro-diesel) trains (15 four-car units) that can serve both lines will mean increased flexibility and capacity across the network and allow for extra train services from both Masterton and Palmerston North. This new fleet would enable 4 morning and four afternoon services between Masterton and Wellington and two morning and two afternoon services on the Capital Connection line.

We are progressing with a business case to evaluate this option and other potential options and as part of this process will need to confirm the level and timing of government funding available.

We have assumed that central government will fund 90 percent of the new trains. This is the same proportion as the funding that was allocated for the first fleet of Matangi train units introduced in 2011. However, the funding provided for the purchase of additional Matangi train units was closer to 50 percent. The new Government has announced a review of the Government Policy Statement on Land Transport, which sets out its approach to transport policy and funding, and intends to review rail funding. While there is still uncertainty about this assumption, it is clear the Government intends to give greater priority to public transport, rail in particular.

While more regional funding may increase certainty, the overall affordability for ratepayers and investment in other priority areas must be balanced. We also have to consider that the Capital Connection train is currently owned and run by KiwiRail.

We have allowed for \$33 million in capital expenditure over two years starting in 2022/23. This equates to 10 percent of the estimated total cost of \$330 million (subject to further refinement as we progress the plan). This will be a loan, paid back over 30 years with an annual rates cost of \$2.16 million. This is equivalent to an average of \$6.40 (incl. GST) per ratepayer per year.

Bus and ferry operations - frequent, reliable bus and ferry services

Bus and ferry services are key elements of the Metlink public transport system – covering core routes, local routes and targeted services to areas or link destinations where there is low demand.

Metlink’s role in the provision of bus and ferry services can be divided into two parts – operations and assets. We own and/or fund bus infrastructure such as bus stop signs, bus shelters and the Lambton Bus Interchange. We also procure and fund bus and ferry operations in accordance with the timetable and service levels set out in the Public Transport Plan.

The Public Transport Plan sets the context for a major programme of transformation to the way we operate and manage the bus network – with some big changes coming into effect during the life of this Plan. Our focus for the next few years will be on putting in place the new Wellington City bus network (in mid-July 2018), bedding in the new bus operating model and improving levels of service across the network, with a focus on further enhancements to the Wellington city network.

Changes to what we deliver

Our long term projects present a transformation of all aspects of the network.

What we will deliver – key projects and programmes

	Year 1	Year 2	Year 3	Year 4-10
An integrated and accessible network				
Establish and promote Metlink as the brand for an integrated public transport service	●	●	●	●
Provide digital information that keeps pace with customers' expectations of ease and responsiveness	●	●	●	●
A single national integrated fares and ticketing system – agree, procure, develop and implement with national and regional stakeholders	●	●	●	●
Let's Get Wellington Moving -				
- Implement results of agreed recommendations				●
A high capacity rail system				
Catch up renewals to achieve a fit for purpose and more resilient Wellington metro rail track	●	●	●	●
Unlocking capacity – rail network infrastructure improvements to remove constraints on increasing capacity at peak times	●	●	●	●
	●	●	●	●
Unlocking capacity – provide additional peak period capacity to meet ongoing passenger growth	●	●	●	●
New rolling stock to service the Wairarapa Line and Capital connection				
- Develop and agree approach including funding	●	●		
- Undertake procurement process		●	●	●
- Roll-out of new stock				●
Install new, maintain and upgrade Metlink's station and network assets to meet service demands	●	●	●	●
Frequent, reliable bus and ferry services				
Put in place the new Wellington city bus network and bed in the new bus operating model	●			
Review and improve levels of service across the bus network, with a focus on further enhancements to the Wellington city network	●	●	●	●
Install new, maintain and upgrade Metlink's assets to meet service demands	●	●	●	●

Key assets

Metlink Public Transport assets make up a good proportion of our assets with a replacement value of \$636.9 million. You can find more detail about these assets in our Infrastructure Strategy in Section 4.

How will we fund this activity?

<i>Public transport</i>	<i>35-50% fares and other user charges</i> <i>25-35% targeted rates</i> <i>25-35% subsidies</i>
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For further information see our Revenue and Financing Policy 2018.

Measuring Success

Metlink public transport						
Level of Service	Performance Measures	Performance Targets				
		Baseline (2017)	2018/19	2019/20	2020/21	2021-28
Transform and elevate customer experience and use of Metlink passenger services	Percentage of rail users who are satisfied with their trip overall ²⁹	93.0%	>92.0%	>92.0%	>92.0%	>92.0%
	Percentage of bus users who are satisfied with their trip overall ³⁰	92.0%	>92.0%	>92.0%	>92.0%	>92.0%
	Annual public transport boardings per capita	74.5	75.6	75.7	76.9	80.5
Deliver services in accordance with the published timetable	Percentage of scheduled services delivered (reliability)	Bus 99.1%	99.5%	99.5%	99.5%	99.5%
		Rail 97.2 %	99.5%	99.5%	99.5%	99.5%
	Percentage of scheduled services on-time (punctuality - to 5 minutes)	Bus N/A ³¹	90%	95%	95%	95%
		Rail 88%	90%	91%	92%	95%
Provide accessible and accurate information on Metlink services to the public	Percentage of users who are satisfied with the provision of Metlink information	67%	≥70%	≥71%	≥72%	≥75%

²⁹ Satisfied = score of 6-10 on a scale of 0-10

³⁰ Satisfied = score of 6-10 on a scale of 0-10

³¹ The punctuality measure has changed from the previous Long Term Plan, moving from 10 to 5 minutes punctuality with the new bus contracting environment.

Maintain and improve the performance and condition of Metlink assets	Percentage of passengers who are satisfied with overall station/stop/wharf	91%	≥91%	≥92%	≥92%	≥94%
	Average condition rating of all bus shelters maintained by Metlink (1 = very good and 5 = very poor)	1.8	Improvement on previous year	Improvement on previous year	Improvement on previous year	Improvement on previous year
Provide a subsidised taxi service to customers unable to use buses or trains	Percentage of users who are satisfied with the overall service of the scheme ³²	99%	≥99%	≥99%	≥99%	≥99%

³² Satisfied = score of 3-5 on a scale of 1-5
 In 2017/18 the satisfaction scale changed from 1-10 points to 1-5 points

Financial information

**PUBLIC TRANSPORT
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Operating funding										
Metlink network planning and operations	25,542	24,940	24,019	28,971	30,802	32,529	35,199	36,982	38,892	40,837
Rail operations and asset management	127,273	128,635	132,399	141,158	143,260	146,394	149,926	150,382	153,733	159,522
Bus and ferry operations and asset management	96,601	95,354	101,420	104,386	111,473	116,304	120,208	124,992	134,563	133,609
Total operating funding	249,416	248,929	257,838	274,515	285,535	295,227	305,333	312,356	327,188	333,968
Applications of operating funding										
Metlink network planning and operations	26,591	24,525	21,710	25,675	26,784	27,874	29,794	30,573	31,522	32,728
Rail operations and asset management	120,480	119,703	121,251	128,636	128,024	130,225	132,810	132,687	135,380	140,712
Bus and ferry operations and asset management	98,588	94,645	98,103	104,446	107,915	112,552	116,222	120,724	130,052	130,068
Total applications of operating funding (excluding improvements)	245,659	238,873	241,064	258,757	262,723	270,651	278,826	283,984	296,954	303,508
Net surplus/(deficit) of operating funding	3,757	10,056	16,774	15,758	22,812	24,576	26,507	28,372	30,234	30,460
Investments in Greater Wellington Rail Limited ¹										
Rail operations and asset management	30,748	20,660	26,651	19,068	33,541	29,742	12,864	14,277	22,874	18,071
Total investment expenditure	30,748	20,660	26,651	19,068	33,541	29,742	12,864	14,277	22,874	18,071
Capital expenditure										
New public transport shelters, signage, pedestrian facilities, land and systems	46,037	35,985	32,356	21,491	17,923	18,232	19,264	24,588	12,716	14,999
Total capital project expenditure	46,037	35,985	32,356	21,491	17,923	18,232	19,264	24,588	12,716	14,999
Vehicles	40	-	-	41	42	-	-	45	45	-
Total capital expenditure	46,077	35,985	32,356	21,532	17,965	18,232	19,264	24,633	12,761	14,999
Total Investment in Public Transport Infrastructure	76,825	56,645	59,007	40,600	51,506	47,974	32,128	38,910	35,635	33,070

¹ GWRC fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the NZ Transport Agency. Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

**PUBLIC TRANSPORT
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Sources of operating funding										
General rate	-	-	-	-	-	-	-	-	-	-
Targeted rate	68,110	70,193	78,511	85,537	92,653	96,393	99,885	101,389	106,534	106,534
Subsidies and grants for operating purposes	79,575	75,095	76,830	86,143	86,997	89,726	93,009	95,004	93,195	103,915
Fees, charges, and targeted rates for water supply ¹	94,120	97,447	99,738	100,050	103,029	106,200	109,470	112,951	124,391	120,368
Fines, infringement fees, and other receipts ²	7,613	6,194	2,759	2,785	2,856	2,908	2,969	3,012	3,068	3,151
Total operating funding	249,418	248,929	257,838	274,515	285,535	295,227	305,333	312,356	327,188	333,968
Applications of operating funding										
Payments to staff and suppliers	221,826	214,601	215,856	232,400	235,392	242,230	249,914	255,289	268,619	275,702
Finance costs	14,265	14,323	14,731	15,486	16,098	17,190	17,442	16,952	16,398	15,687
Internal charges and overheads applied	9,567	9,949	10,477	10,871	11,233	11,231	11,470	11,743	11,937	12,119
Total applications of operating funding	245,658	238,873	241,064	258,757	262,723	270,651	278,826	283,984	296,954	303,508
Net surplus/(deficit) of operating funding	3,760	10,056	16,774	15,758	22,812	24,576	26,507	28,372	30,234	30,460
Sources of capital funding										
Subsidies and grants for capital expenditure	23,980	29,782	30,947	15,065	12,186	10,130	10,507	13,849	19,445	18,258
Increase / (decrease) in debt ³	46,650	14,587	11,443	6,558	16,671	13,453	(4,696)	(3,132)	(13,863)	(15,450)
Gross proceeds from asset sales	10	-	-	10	11	-	-	11	11	-
Total sources of capital funding	70,640	44,369	42,390	21,633	28,868	23,583	5,811	10,728	5,593	2,808
Applications of Capital Funding										
Capital expenditure										
- to meet additional demand	4,117	-	-	12,810	13,104	13,629	13,956	14,305	241	247
- to improve the level of service	7,398	32,885	28,708	3,832	2,151	2,312	3,249	2,310	1,287	2,026
- to replace existing assets ⁴	34,522	3,100	3,648	4,890	2,710	2,291	2,059	8,018	11,233	12,726
Increase / (decrease) in investments ³	30,748	20,660	26,651	19,068	33,541	29,742	12,864	14,277	22,874	18,071
Increase / (decrease) in reserves	(2,385)	(2,220)	157	(3,209)	174	185	190	190	192	198
Total applications of capital funding	74,400	54,425	59,164	37,391	51,680	48,159	32,318	39,100	35,827	33,268
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-
Depreciation on Public Transport assets	4,615	6,064	9,389	12,572	14,020	14,576	15,420	16,500	18,211	19,430

¹ Variance mainly due to LTP assumption of gross bus contracts starting 2017 which will now start in 2018

² This includes revenue from Greater Wellington Rail Limited for services provided to manage the rail assets

³ GWRC fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the NZ Transport Agency. Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

⁴ GWRC (as grantor) has entered into an arrangement with Transit, NZ Bus, and Mana to provide bus service with double decker buses. This has forms a service concession arrangement under PBE IPSAS 32.

In 2018/19, the service concession asset-double decker buses are initially recognised at fair value of \$31 million and subsequently measured in accordance with PBE IPSAS 32. They are depreciated on a straight-line basis over a useful life of 20 years. \$31 million of financial liability is also recognised which is accounted for using the amortised cost model leading to finance expenses over 15 years.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

Potential negative effects

Potential negative effects of the activity	How we will address negative effects
<p>There is the potential for public transport projects and ongoing operations to have negative effects on environmental wellbeing, although public transport has an overall positive effect on CO2 emissions in the region.</p>	<p>We will seek to minimise the impact of public transport projects and operations, for example, by requiring bus services to be provided by modern fuel-efficient vehicles, and appropriately managing the storm water run-off from sealed car-parks.</p>

Regional leadership: Ngā Kaihautū o te Rohe

This activity group contributes to:	
Community Outcomes	Strong economy Resilient community Connected community Healthy environment Engaged community
Priority Areas	Water supply Public transport Resilient region Fresh water quality and biodiversity

The Regional Leadership Group includes the following activities:

- Wellington regional strategy
- Emergency management
- Democratic services
- Relationships with Māori and mana whenua
- Regional transport planning and programmes
- Regional initiatives

Regional Leadership total of Greater Wellington expenditure 7 percent

What we do

Greater Wellington coordinates regional leadership activities in partnership with other local authorities on a range of issues and priorities across the region. Our long term approach is to develop and maintain strong relationships and collaborative programmes at a regional level to assist with achieving integrated decision making across the region. We involve mana whenua, key stakeholders, central government and the community in these processes and in our decision making. We also lead or are involved in a number of regional initiatives that provide significant benefits to the regional community in a number of areas including economic development, emergency management, regional resilience, transport planning and healthy homes.

Many of the issues facing our communities are complex and require regional whole of system approaches if we are to find meaningful solutions. Leadership is essential for our region if we are to build on our existing strengths and develop new initiatives that will enable us to continue to deliver on our key outcomes. Connectedness is also key – building partnerships and relationships with a wide array of organisations to ensure that a regional perspective is considered alongside local and nationwide considerations.

The Regional Leadership group of activities contributes to the water supply, public transport, resilient region and fresh water quality and biodiversity priority areas.

Contribution to our Community Outcomes

Our regional leadership activities contribute towards achieving:

- **A strong economy** by developing region-wide strategies and funding programmes to help the region realise its economic potential
- **A resilient community** by enabling the region to be ready to respond to and recover from major emergency events, such as earthquakes or flood events
- **A connected community** by developing plans to meet the region's transport needs, informing the community about the range of transport options available, and supporting the availability of ultra-fast broadband
- **A healthy environment** by taking a leadership role in other regionally significant issues such as the climate change strategy and reducing carbon emissions
- **An engaged community** by providing opportunities for mana whenua and residents to engage in our activities and participate in decision making.

Challenges we face

There are a number of opportunities and challenges in the Regional Leadership group of activities.

Many of the issues and opportunities have a regional context and require a coordinated approach across the region, building partnerships with a wide range of organisations.

Demographic change

Our population is expected to increase and become more culturally diverse. This growth will be characterised by an increase in people aged over 65 as well as a corresponding increase in life expectancy. This is likely to result in greater pressure on our transport planning, on the uptake of active transport and the associated infrastructure such as cycle lanes and the movement of people around the region.

Adverse events/climate change

We have experienced some shocks in the last few years (e.g. earthquakes and flooding within our region) which have highlighted the need to address the robustness of our infrastructure and its ability to recover quickly from emergency situations. We are meeting these challenges by working with the territorial authorities as well as utility companies in our region to better understand the interdependencies of our key networks and identify the key regional priorities for investment.

Economic growth

The combined impact of tourism and employment growth in our regional economy is likely to put increased pressure on our infrastructure, regional transport and planning services as well as emergency management services. Building world class infrastructure, including improving our connections within the region, to the rest of the country and internationally, are a vital component of improving our competitiveness. Planning and delivering the region's major transport projects requires a coordinated and integrated approach across a number of different organisations as well as navigation of complex consenting processes. We also need to diversify our economy to ensure it is more resilient, including growing businesses in emerging new sectors. Maintaining and improving our quality of life is also an important component of attracting businesses and talented people to our region.

Governance/Partnering

Partnerships with mana whenua will be increasingly significant for Greater Wellington as Te Tiriti o Waitangi/Treaty of Waitangi settlements are finalised in the region. New statutory requirements may also raise issues that need to be considered such as Mana Whakahono-ā-rohe (Resource Legislative Amendment Act 2016). The Ara Tahi/Council relationship will continue to develop during this 10 year period so that mana whenua have the opportunity to be involved in the policy and operational areas of concern to them.

Greater Wellington seeks to build its own capability and capacity to work more effectively with Māori through a staff and elected member training programme, Te Ara Matua.

Planning for the future

Our objective is to develop and maintain strong relationships and collaborative programmes at both a local, regional and national level. Greater Wellington is well placed to do this because:

- We have a broad mandate to respond to community needs and consider social, economic, cultural and environmental wellbeing across the region.
- We connect the national to the local: we connect the central government picture with community concerns
- We coordinate with others in the region to reduce duplication and improve results for our communities
- We partner with the six mana whenua groups across the region
- Incorporate the views of mātāwaka (Māori who reside in Wellington and come from tribes outside of the Wellington region).
- We co-operate with other local authorities on a range of issues, including economic development, transport, and civil defence and emergency management
- We connect with business and community groups across the region
- We lead regional initiatives that provide significant benefits to the regional community.
- We take a leadership role on significant issues such as climate change

Strategies and plans that guide our work

The important policies and plans that relate to this group of activities are:

- The Wellington Regional Strategy – an economic growth strategy which contains a range of initiatives to realise our economic potential
- Wellington Region Civil Defence Emergency Management Group Plan 2013-2018 (CDEM Group Plan) – provides the strategic direction for civil defence and emergency management in the Wellington region
- Regional Land Transport Plan – the strategic document that guide the development of the region’s transport system, including public transport
- Wellington Region Triennial Agreement 2016-2019 – sets out the commitment by Greater Wellington and the region’s territorial authorities to good governance by acting cooperatively and collaboratively.
- Memorandum of Partnership.

Wellington Regional Strategy

The Wellington Regional Strategy (WRS) was developed by the region’s nine local authorities, in conjunction with central government and the region’s business, education, research and voluntary sector interests and adopted in 2007 (reviewed in 2012). The WRS reflects a commitment by all the councils to support, promote and facilitate sustainable economic growth for the region and is focused on regional interventions or actions that can realistically make a difference.

In 2014, the region’s councils agreed to combine the tourism, venues and major events functions of Wellington City Council and the economic development functions of Greater Wellington together, in a single Council Controlled Organisation, the Wellington Regional Economic Development Agency (WREDA). Greater Wellington has a 20 percent shareholding in WREDA with the other 80 percent being held by Wellington City Council.

Greater Wellington’s WRS Committee oversees decision making and governance of the WRS. The Committee membership includes one regional councillor, four members nominated by Wellington City Council, one member nominated by each of Kāpiti Coast District Council, Hutt City Council, Porirua City Council and Upper Hutt City Council, and one member nominated by the three Wairarapa district councils.

The WRS has the following focus areas:

1. Commercialisation of innovation: With a focus on science and technology-driven innovation, this focus area involves supporting existing successful businesses and exploiting the region’s attractiveness as a vibrant and supportive environment for entrepreneurs to set up firms, access capital and to innovate
2. Investment mechanisms for sustainable growth: This is about attracting international investment, making more of existing investment networks (such as angel investment networks) and ensuring these are connected internationally and through local business opportunities

3. Building world class economic infrastructure: Regional economic prosperity is heavily dependent on the region's level of connectedness at local, national and international levels. This is, in turn, dependent on the quality of our foundation infrastructure and transport systems
4. Attracting business, investment and talent to the region: This is about having a targeted approach to attracting businesses, potential investors and skilled migrants to the region
5. Education and workforce development to service economic needs: This focus area is about building on existing connections and initiatives to grow the region's skills and education base and ensure the region's specific skills needs are met
6. Open for business: Being open for business is about councils delivering business services with a "can do" attitude and facilitating a business environment where smart, innovative firms can flourish.

Changes to what we deliver

We will develop a Regional Investment Plan with the region's territorial authorities and input from WREDA and central government agencies. This will outline the region's top priorities for investment over the short, medium and long term. We are also working with mana whenua in the region and investigating the development of a Māori economic development strategy.

Emergency Management

The Wellington Region Emergency Management Office (WREMO) leads and co-ordinates the effective delivery of Civil Defence and Emergency Management (CDEM) services for the nine councils in the Wellington region. WREMO is responsible for providing a comprehensive and integrated approach to CDEM across the 4R's of emergency management: reduction, readiness, response and recovery.

Within this context, WREMO's focus is on developing a resilient regional community that is:

- Ready – able to respond quickly and effectively to change and adversity by being well-informed and able to make good decisions
- Connected – in touch with others and able to support each other in times of need
- Capable – takes practical steps to reduce their level of risk, is ready for and able to respond effectively to change and adversity and recovers quickly after a disruptive event.

WREMO is responsible for the following functions:

- a. *Resilience Building* - increasing community resilience through education, connectedness and cooperation
- b. *Improving operational resilience* - increasing capability and capacity to provide a timely and effective response during an emergency
- c. *Improving business systems and capability* - developing and maintaining the systems, policies and procedures for WREMO to operate effectively.

Changes to what we deliver

All nine councils, including Greater Wellington, have increased their funding contribution to improve WREMO's ability to help the region achieve greater levels of resilience, including the ability to recover quickly after a major event. This increased funding results from a review of the CDEM function in the Wellington region following the Kaikoura earthquake in late 2016.

Democratic services

Greater Wellington consists of 13 Councillors who represent six constituencies. Greater Wellington enables democratic local decision-making and action on behalf of regional communities. Our democratic services activity involves Council and committee meetings held on a regular (approximately six-weekly) basis. These meetings provide opportunities for the public to provide input to Greater Wellington's decision-making through public participation or through making submissions or providing feedback on specific proposals. We also review Greater Wellington's representation arrangements, three yearly Council elections and any other elections and polls required to be conducted. Greater Wellington has also established advisory groups to provide it with advice on a wide range of matters.

Changes to what we deliver

There are no changes to our levels of service.

Working with mana whenua and Māori

Greater Wellington works individually and collectively with our mana whenua partners to achieve prosperous Māori communities connected to a healthy environment and natural world.

During the period of this Long Term Plan and guided by the 2013 Memorandum of Partnership, our focus is on strengthening the partnerships with mana whenua as we work together on improving social, economic, cultural and environmental outcomes for the region. Ara Tahi sets the collective mana whenua strategic direction for working on these priority outcome areas with Greater Wellington.

Our work will build on and enhance the positive and enduring one-to-one direct relationships we have with each iwi. As partners, we will review the partnership to strengthen our relationship for the next 25 years.

As our mana whenua partners move through the Treaty of Waitangi settlement process, there will be changes to the way we work together. We will continue to support them in achieving their Treaty aspirations in the post-settlement environment. We will meet our responsibilities associated with settlement redress.

We welcome new and emerging mechanisms to enhance mana whenua participation in resource management, including Mana Whakahono-ā-Rohe (iwi participation arrangements). We look forward to the new relationship opportunities that emerge once the applications under the Marine and Coastal Area Act 2011 with interests in our region are resolved. We will continue to monitor and provide advice on new legislative and regional policy changes that impact on Māori.

While our partnership with mana whenua is the major focus for Greater Wellington, we continue to look at opportunities to include mātāwaka (Māori who reside in Wellington and come from tribes outside of the Wellington region) of the region in relevant programmes. This acknowledges the contribution of mātāwaka to our region over many decades and our obligations under the Local Government Act 2002.

Over the next 10 years we will focus on:

- Protecting the environment and Māori values through representation on the various committees and working groups across Greater Wellington
- Growing our workforce capability to engage effectively with mana whenua through cultural and language education
- Positioning Ara Tahi for the future and ensuring the regional priorities they identify are included in Greater Wellington's work programme
- Understanding and progressing aspirations for growing the Māori economy in the region
- Working with Māori and marae of the region in establishing effective systems to respond to natural disasters and other emergencies.

Changes to what we deliver

Post settlement environment

We will continue to work with other councils and central government agencies to help prepare and position any structures and new systems needed for consideration as settlement redress by our mana whenua partners and in advancing their aspirations in the post settlement environment.

Mātāwaka

We are reorienting how we work with Māori to enable us to deliver excellent services that are informed by mana whenua and mātāwaka of the region. Our work with mana whenua has been described above and will continue to be a major focus for Greater Wellington. However, our work with mātāwaka must become part of Greater Wellington's programmes of work. This shift acknowledges the vital contribution of mātāwaka and their current and future contributions to the building the region.

Regional transport planning and programmes activity

Greater Wellington plans for the development of the region's land transport network. We do this through the development of a Regional Land Transport Plan (RLTP), which also outlines the projects that the region supports for central government co-funding through the National Transport Fund. We also encourage the use of public transport through targeted promotions and behaviour change initiatives, and promote active transport: walking, cycling and scootering.

Greater Wellington is also responsible for monitoring the implementation of the RLTP and prepares a full monitoring report every three years and a summary monitoring report on an annual basis. We maintain, update and administer regional transport models which are used by a number of agencies to plan for transport improvements. We support Greater Wellington's Regional Transport Committee, made up of all the region's mayors, the Chair of Greater Wellington and NZTA.

We are a partner in key regional transport programmes and projects, including Let's Get Wellington Moving.

Our cycle safety programme includes cycle skills training, induction training for new bus drivers on safely sharing the road with cyclists, a visibility at night campaign for pedestrians and cyclists and design competitions. We want more people to feel safe using active transport modes so that congestion is reduced around schools and on the transport network.

With declining numbers of children being active on the way to school, provision of cycle skills training will provide parents with the confidence that their children know how to ride safely on the road. We need to be ahead of these changes particularly in regards to encouraging use of active modes, and promotions about how to improve cyclists' visibility.

Changes to what we deliver

We are working as one of three partner agencies in developing a Recommended Investment Programme as part of Let's Get Wellington Moving. Once this has been agreed we will continue to work collaboratively to further investigate the programme, develop business cases and implement early improvements. We will also establish a suitable delivery mechanism to deliver the programme.

We are developing a business case to investigate the options to integrate regional transport modelling and analytics the region across the region. This is being developed collaboratively with the regions territorial authorities and NZTA.

We plan to run a series of promotions, focussed at workplaces and businesses, to increase public transport patronage. We will also encourage people to integrate sustainable modes with Public Transport, for example, bike racks on buses, bike share scheme, carpooling to Park and Rides, bike storage at stations.

Regional Initiatives Activity

Greater Wellington leads and partners with others on a number of key initiatives aimed at promoting significant economic, social and environmental benefits to the regional community.

Greater Wellington also works on other strategic projects that are required in response to regionally significant issues, usually in collaboration with other agencies and organisations- the Ministry of the Environment, the Department of Conservation, NIWA, the Institute of Geological and Nuclear Sciences, tertiary institutions and volunteer organisations.

Lifelines Resilience Project

Greater Wellington coordinates the Lifelines Resilience project - an initiative of the Wellington Lifelines Group. This is a collaborative project that includes Greater Wellington, representatives from Wellington City Council, Porirua City Council, Hutt City Council, Upper Hutt District Council and Kāpiti Coast District Council and the utility companies. By working together this ensures any investment is focussed on best results for the region to build resilience, not just for each individual utility.

The project is designed to identify where our regional infrastructure is vulnerable in the event of a 7.5 magnitude earthquake, what the interdependencies are between the different lifeline services and what steps we could take to enable our region to recover from such an event. While the project is primarily concerned with seismic disruption, it has a wider application, for example, during other events such as a flood or fire.

The first phase of the project, a Programme Business Case, is nearing completion. The second phase of the project will be to better understand the financial case, including timing and funding of the recommended programme.

Water Wairarapa

Increasingly severe water shortages are predicted in the Wairarapa due to future climate change effects. This will impact water quality and availability in the area.

Greater Wellington and our partners are exploring ways of ensuring greater certainty of water supply for Wairarapa. Greater Wellington currently leads and funds this initiative. The project commenced in 2010.

The completed scheme would comprise multiple water storage locations and a distribution network via rivers and piping. It would service each of the towns' future drinking water needs, provide irrigation support to around 30,000 hectares of productive agricultural land and be used to bolster minimum flows, thus protecting water quality where it is most threatened. Discussions with local mana whenua, businesses and other interested groups have been undertaken. Upon completion of the viability study, a commercial entity would be formed to raise the capital to develop and construct the scheme.

Greater Wellington is partnering with Wairarapa councils to look at how water storage can be integrated with municipal water supply, wastewater, stock water races and provide wider environmental and amenity opportunities, such as increasing flows in rivers and lakes.

Warm Greater Wellington

Greater Wellington provides financial assistance to purchase insulation that is paid back through homeowners' property rates. The scheme began in April 2010 and thousands of houses have been insulated under this scheme. This will continue to be provided.

Northern Gateway Futures

Greater Wellington is working with CentrePort and other partners on future plans and opportunities for port land. This includes investigating options for a new integrated ferry terminal and long-term plans for the future of the port land, including any opportunities to re-use non-operational land for other purposes.

Changes to what we deliver

It is anticipated that the Lifelines Resilience Project will require on-going support which will provide for an increased level of resilience in the region.

Greater Wellington will be considering extension of the clean heating programme to other areas of the region as part of Warmer Wellington. Currently only Wainuiomata and Masterton properties are eligible for the clean heat component of the scheme.

What we will deliver – Regional leadership work programme

	Year 1	Year 2	Year 3	Year 4-10
Wellington Regional Strategy				
Labour Market Strategy	●			
Plan for Māori economic development with Ara Tahi	●			
Review of the GPI	●			
Development and coordination of the Wellington Regional Investment Plan	●	●	●	●
Review how we invest in regional economic development to achieve the best outcomes for the region	●			
Emergency Management				
Community Preparedness	●	●	●	●
Emergency Response Model	●	●	●	●
Lifelines Coordination	●	●	●	●
Relationships with mana whenua and Māori				
Lead legislation and policy advice on areas of implication for Maori	●	●	●	●
Training to support organisational cultural understanding	●	●	●	●
Position Ara Tahi for the future	●	●		
Regional Transport Planning and programmes				
Transport modelling, data collection and analysis for regional planning	●	●	●	●
Regional Land Transport Plan	●	●	●	●
Let's Get Wellington Moving – prepare and develop approach to recommendations	●	●	●	
Behaviour change programmes to facilitate use of public transport, walking and cycling and reduce vehicle use	●	●	●	●
Training and campaigns to improve road safety	●	●	●	●
Regional Initiatives				
Water Wairarapa	●			
Northern Gateway Futures	●	●	●	●
Lifelines Resilience project	●	●		

How will we fund this activity?

<i>Relationships with mana whenua</i>	<i>100% general rate</i>
<i>Regional transport planning and programmes</i>	<i>About 52% funding from NZTA Balance from general rate</i>
<i>Wellington regional strategy</i>	<i>100% targeted rate charged on differential by land use, being:</i> <ul style="list-style-type: none"> <i>• A uniform charge on residential and rural ratepayers</i> <i>• A capital value basis for businesses</i>
<i>Emergency management</i>	<i>100% general rate</i>
<i>Democratic services</i>	<i>100% general rate</i>
<i>Regional Initiative - Warm Greater Wellington</i>	<i>100% targeted rate</i>
<i>Regional Initiative - Water Wairarapa</i>	<i>100% general rate</i>

For further information see our Revenue and Financing Policy 2018.

Measuring Success

Regional transport planning and programmes						
Level of Service	Performance Measures	Performance Targets				
		Baseline (2017)	2018/19	2019/20	2020/21	2021-28
Coordinate and deliver programmes which promote and encourage sustainable and safe transport choices						
	Number of adults participating in Sustainable Transport initiatives and promotions ³³	New measure	Increase	Increase	Increase	Increase

³³ Aotearoa Bike Challenge - Wellington, national cycle skills training courses, Smart Travel Challenge, Smart Travel registrations, and bus/bike workshops

Wellington Regional Strategy						
Level of Service	Performance Measures	Performance Targets				
		Baseline (2017)	2018/19	2019/20	2020/21	2021-28
Promote economic growth in the region through the WRS Office, the WRS Committee and WREDA	The number of collaborative economic research and monitoring projects completed in accordance with the WRS Office annual business plan	5	100% projects completed per WRS Office annual business plan	100% projects completed per WRS Office annual business plan	100% projects completed per WRS Office annual business plan	100% projects completed per WRS Office annual business plan
Support sector events	No. of events supported in key sectors	New measure	4	5	6	6-9
Support business growth (Creative HQ)	No of acceleration programmes (Lightning Lab and Venture Up)	New measure	2	3	3	3
	No. of "Start-up Garage" Events	New measure	5	5	5	5
	No. of companies becoming investable	New measure	5	5	5	5
Support screen industry (Screen Wellington)	Conversion rate of logged enquiries to confirmed production or business	New measure	25%	25%	25%	25%
	Value of facilitated screen production	New measure	\$100 million	\$100 million	\$110 million	\$120-150 million
Connect businesses with talented students and graduates (Student employment pathways)	Interns placed in priority sectors	New measure	200	225	250	\$280-500 million
Partner / Stakeholder Engagement	Partner/Stakeholder satisfaction score with engagement	New measure	80%	85%	90%	90%

Emergency management						
Level of Service	Performance Measures	Performance Targets				
		Baseline (2017)	2018/19	2019/20	2020/21	2021-28
Work with the regional community to improve resilience to, and preparedness for, major emergency events	Percentage of households with sufficient emergency food and water to last at least seven days	10%	11%	12%	13%	20%
	Annual activation test for each Emergency Operations Centre (EOC) and Emergency Coordination Centre (ECC)	100%	100%	100%	100%	100%
	Number of published Community Response Plans	75%	85%	95%	100%	100%

Financial information

**REGIONAL LEADERSHIP
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Sources of operating funding										
General rate	9,293	10,235	10,002	10,701	10,628	10,338	10,443	10,657	10,749	10,821
Targeted rate	8,145	8,577	9,034	9,122	9,227	9,578	9,999	10,285	10,643	10,923
Subsidies and grants for operating purposes	1,359	1,369	1,402	1,441	1,485	1,510	1,547	1,587	1,624	1,665
Fees, charges, and targeted rates for water supply	18	18	19	19	19	20	20	20	21	21
Fines, infringement fees, and other receipts ¹	2,790	2,817	2,864	2,832	2,879	2,922	2,990	3,072	3,132	3,193
Total operating funding	21,605	23,016	23,321	24,115	24,238	24,368	24,999	25,621	26,169	26,623
Applications of operating funding										
Payments to staff and suppliers	21,517	22,587	21,425	21,293	21,978	22,017	22,672	23,755	23,811	24,429
Finance costs	1,047	1,040	1,028	1,039	1,033	1,060	1,077	1,082	1,109	1,140
Internal charges and overheads applied	574	655	649	625	641	633	641	649	653	655
Total applications of operating funding	23,138	24,282	23,102	22,957	23,652	23,710	24,390	25,486	25,573	26,224
Surplus/(deficit) of operating funding	(1,533)	(1,266)	219	1,158	586	658	609	135	596	399
Sources of capital funding										
Subsidies and grants for capital expenditure	459	266	-	-	61	142	-	36	61	-
Increase/ (decrease) in debt	1,271	717	(189)	(128)	(135)	312	406	616	938	251
Gross proceeds from asset sales	-	77	31	31	33	-	50	18	69	35
Total sources of capital funding	1,730	1,060	(158)	(97)	(41)	454	456	670	1,068	286
Applications of capital funding										
- to meet additional demand	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	995	787	108	527	243	296	172	141	404	135
Increase/ (decrease) in investments	(609)	(553)	(2)	504	533	706	779	848	1,126	412
Increase/ (decrease) in reserves	(187)	(440)	(47)	29	(229)	110	114	(184)	134	138
Total applications of capital funding	199	(206)	59	1,060	547	1,112	1,065	805	1,664	685
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-
Depreciation on Regional Leadership assets	184	410	504	420	512	480	372	261	333	229

¹ This includes revenue from the territorial authorities to fund the amalgamated regional emergency management group.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

**REGIONAL LEADERSHIP
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2018/19 Plan \$000s	2019/20 Plan \$000s	2020/21 Plan \$000s	2021/22 Plan \$000s	2022/23 Plan \$000s	2023/24 Plan \$000s	2024/25 Plan \$000s	2025/26 Plan \$000s	2026/27 Plan \$000s	2027/28 Plan \$000s
Operating funding										
Wellington Regional Strategy	4,905	5,012	5,219	5,426	5,538	5,643	5,759	5,900	6,017	6,141
Emergency Management	3,999	4,123	4,135	4,214	4,256	4,287	4,481	4,446	4,686	4,689
Democratic Services	2,247	2,484	2,387	2,487	2,698	2,559	2,602	2,883	2,752	2,772
Relationships with Maori	1,330	1,469	1,312	1,572	1,489	1,516	1,545	1,577	1,610	1,642
Regional transport planning and programmes	4,092	4,576	4,908	5,109	4,951	4,789	4,700	4,670	4,724	4,809
Regional initiatives ¹	5,032	5,352	5,360	5,307	5,306	5,574	5,912	6,145	6,380	6,570
Total operating funding	21,605	23,016	23,321	24,115	24,238	24,368	24,999	25,621	26,169	26,623
Applications of operating funding										
Wellington Regional Strategy	5,108	5,222	5,332	5,442	5,555	5,661	5,775	5,893	6,011	6,133
Emergency Management	3,954	3,981	4,062	4,141	4,219	4,287	4,365	4,446	4,525	4,607
Democratic Services	2,170	2,698	2,308	2,360	2,888	2,449	2,502	3,059	2,605	2,659
Relationships with Maori	1,322	1,462	1,305	1,565	1,481	1,507	1,537	1,568	1,601	1,633
Regional transport planning and programmes	5,352	5,576	4,711	4,164	4,230	4,264	4,335	4,413	4,491	4,574
Regional initiatives ¹	5,232	5,343	5,384	5,285	5,279	5,542	5,876	6,107	6,340	6,618
Total applications of operating funding	23,138	24,282	23,102	22,957	23,652	23,710	24,390	25,486	25,573	26,224
Capital expenditure										
Capital project expenditure	900	521	-	374	120	279	-	70	120	-
Land and buildings	-	-	-	-	-	-	-	-	-	-
Plant and equipment	15	14	5	48	18	16	6	16	54	18
Vehicles	80	252	103	105	105	1	166	55	230	117
Total capital expenditure	995	787	108	527	243	296	172	141	404	135

¹ Regional initiatives includes the rates and expenditure associated with the Warm Greater Wellington Program. Only ratepayers participating in the scheme are charge a rate to recover the costs of the scheme.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

Potential negative effects

There are no significant negative effects from regional leadership activities.

SECTION 3 – Financial Strategy

Te Rautaki Ahumoni

Introduction

We begin this Long Term Plan in a strong financial position. Our AA financial rating was recently confirmed, we have a robust balance sheet, and our business has these significant features:

- We have diverse revenue sources - our total income from rates and water levies is less than 50 percent of our total revenue
- Our net debt is less than 100 percent of annual revenues.
- Our finance costs are around 5 percent of our total revenue - we only pay 5 percent of our annual income as interest on our borrowings.

The Long Term Plan is dependent on Greater Wellington being able to fund big pieces of work. This Financial Strategy reflects our focus to maintain Greater Wellington's good financial position while also providing the things that matter to our communities. We plan to deliver a significant programme of investment in the region, while managing the competing tensions among resilience, affordability, and rising customer and community expectations.

The purpose and approach of our Financial Strategy

The purpose of our strategy is to provide a sound financial platform from which Greater Wellington can deliver the things it says it will deliver - the things that benefit our region and community. We intend doing this by:

- Providing an overall direction and desired end point for Greater Wellington's financial status
- Presenting the financial consequences of the Long Term Plan
- Balancing the provision of existing services, growth, and growing demands with sound financial management
- Together with the Infrastructure Strategy, provide an outline of costs, risks, and trade-offs.

We have taken a principle-based approach in developing our Financial Strategy and have centred it on four major principles outlined below.

- **Transparent** – We are providing clear information to the community and wider group of stakeholders on the processes and choices undertaken in developing our financial framework and decisions
- **Prudent** – We are not taking any undue risks, using considered, careful and sensible decision making
- **Fair** – We are providing for intergenerational and community equity
- **Value for money** – We are ensuring expenditure on any item provides maximum impact and effectiveness.

Key Factors impacting our Financial Strategy

The work of Greater Wellington covers a wide range of activities with many factors and risks impacting its financial operations. We have made a number of financial and non-financial assumptions upon which the financial planning for the next ten years is based. These are outlined in Section 5.

Core to our Financial Strategy has been balancing the community expectations on levels of service while limiting the rate increases. We recognise that we have a diverse community and are mindful of the impact of rate increases on those in our community with low and/or fixed incomes. In order to keep rate increases as low as possible, we have prioritised and scheduled our activities carefully and made some decisions on how to optimally fund certain types of expenditure. This has meant funding some costs that, although not an asset, provide future benefits to our

communities and spreading the costs to match the benefit to reduce rates. We have also extended the repayment on our loans which fund our flood protection asset from 20 to 25 years to both limit the rates impact and more fairly spread the cost of these assets across generations.

The other major issues that have had a large influence on the overall shape of our financial strategy are identified below.

Earthquake response, consequences and preparedness

In November 2016 the Kaikōura earthquake highlighted the resilience challenges our region faces. Greater Wellington has absorbed and planned for a number of financial impacts resulting from the earthquake. These have included: increased market rental costs; the loss of Centreport dividend income; increasing resilience of our core infrastructure to better withstand shocks; and investment in regional resilience planning.

Implications of the delivery of major works programmes

Greater Wellington is committed to a number of major programmes of work to effectively deliver outcomes to our vision: *an extraordinary region – thriving, connected and resilient*. The timing and scope of these projects have been optimised to balance cost pressures, limit the rates increase, and maintain a healthy balance sheet. Outlined below are our major programmes of work and the implications for the Financial Strategy.

Public Transport Transformation Programme

The new Public Transport Operating Model (PTOM) requires Greater Wellington to build long-term commercial partnerships with public transport operators, in order to improve services and grow patronage. More information on PTOM and the transformation programme are detailed Section 2, Metlink Public Transport.

A major financial consequence of this change is that public transport fare revenue and associated costs are being managed directly by Greater Wellington as opposed to being collected by a third party which was the case previously. In 2017, we received \$48 million in rail transport fare revenue. In 2018/19 we expect our fare revenue to double to \$100 million (including revenue from the government funded supergold discount and concession card). We will therefore have greater revenue risks and opportunities to manage.

The new operating model is part of a wider public transport transformation investment programme including:

- Developing integrated ticketing solutions across the network
- Introducing network fare pricing and incentives
- Rebranding the network to the Metlink brand and driving the marketing and customer facing services of the brand
- Developing our commercial and financial capability and modernising our business systems.

This means that we have a much bigger business to operate and we have developed a number of assumptions to our expenses and revenues that will be tested early in the planning period.

Greater Wellington plans to manage these revenue risks by:

- Aligning the incentives and risks faced by Greater Wellington and service providers
- Increasing patronage
- Maintaining suitable levels of public transport reserves.

Flood protection programme

Our flood protection programme over the next ten years is focused primarily on RiverLink, a joint initiative with Hutt City Council and NZTA to deliver better flood protection, better lifestyle and improved transport links for the people of central Lower Hutt, detailed Section 2, Flood Protection and Control Works. We plan to spend a total of \$94 million capital expenditure on this project over the next ten years and \$83 million on other floodplain management plans.

We have optimised the timing of delivery of the overall flood protection programme, and extended the loan repayment terms on our flood assets, balancing affordability with key areas of required service level improvements and spreading the cost more fairly in line with the benefits.

Bulk Water Resilience

An alternative water source for Wellington City is planned to be constructed to improve the ability for the bulk water network to withstand a major earthquake. Greater Wellington has already done considerable work investigating possible options for new water sources. The two most likely options, outlined in Section 2, Water Supply, are for a cross harbour pipeline or harbour bores. Investigation continues to determine the best option with the outcome likely to be known by August 2018, with significant implications to our balance sheet. Until the feasibility of the Harbour Bores is proven, we are currently planning for the more costly option, being the cross harbour pipeline, with an estimated cost of \$116 million (up from \$85 million as per the 2015-2025 Long Term Plan), as opposed to \$60 million to \$70 million for the harbour bores.

Rail infrastructure and rolling stock funding

Greater Wellington's plan to increase its level of service across the Metlink public transport network requires some significant investments in rail infrastructure. We don't own all the infrastructure – KiwiRail own the track on behalf of the Crown. We are developing business cases for the Government to fund key initiatives; our Long Term Plan has been developed on the assumption that these business cases are successful. There is a level of uncertainty with this assumption and should the assumed level of funding is not provided from central government, Greater Wellington will need to consider alternative options and consult further with the community at that time.

Rail network maintenance and capacity enhancements

Greater Wellington contributes to the annual maintenance, renewals and insurance costs of the rail network, which gives Greater Wellington an interest in the quality of the network performance and the cost of the service. KiwiRail has a backlog of deferred maintenance, particularly on the Wairarapa line, resulting in our operational costs being high, and services are often delayed.

Business cases have been developed for for:

- Network track infrastructure catch-up renewals on the Wairarapa line, and

- Unlocking network capacity to cater for ongoing and expected service demands.

Under the draft Government Policy Statement on land transport 2018 these business cases are now able to be funded from the National Land Transport Fund (NLTF) under the *Transitional Rail* activity class. These have been included in our bid for NLTF funding through the Regional Land Transport Plan as priority one band for funding. *Rail rolling stock*

The trains which operate on the Wairarapa line are proposed to be replaced with a new fleet of long distance commuter trains which would provide enhanced levels of service and capacity on Wairarapa and other existing routes. Early costs are estimated at \$330 million. Given the early stages of option development, cost estimates, and uncertainty on the requisite Crown business cases above, as well as funding allocations to be agreed with our partners, we have provisioned for 10 percent of this cost in years 2022-24. We have also maintained a provision for refurbishment of the Wairarapa carriages, the extent and timing of which will be reviewed together with the development of the business case.

Other factors influencing our Financial Strategy

Population and changes in land use

Greater Wellington's assumptions (Section 5) outline expected changes in land use and population growth. These changes will impact demand for Greater Wellington activities and we have provided increased operating expenditure accordingly. We plan to spend \$70 million over the next ten years on capital projects to meet the additional demands that growth creates. Almost all of this will be on Public Transport. Longer term, we plan to spend almost \$395million to meet growth needs. More than 80 percent of that expenditure will be for developing alternative water sources in the mid-2030s.

Revenue (including rates and changes to our rating policy)

Historically the main sources of revenue for Greater Wellington are rates (general and targeted), levies (for water supply) and government grants (mainly the New Zealand Transport Agency funding for transport activities).

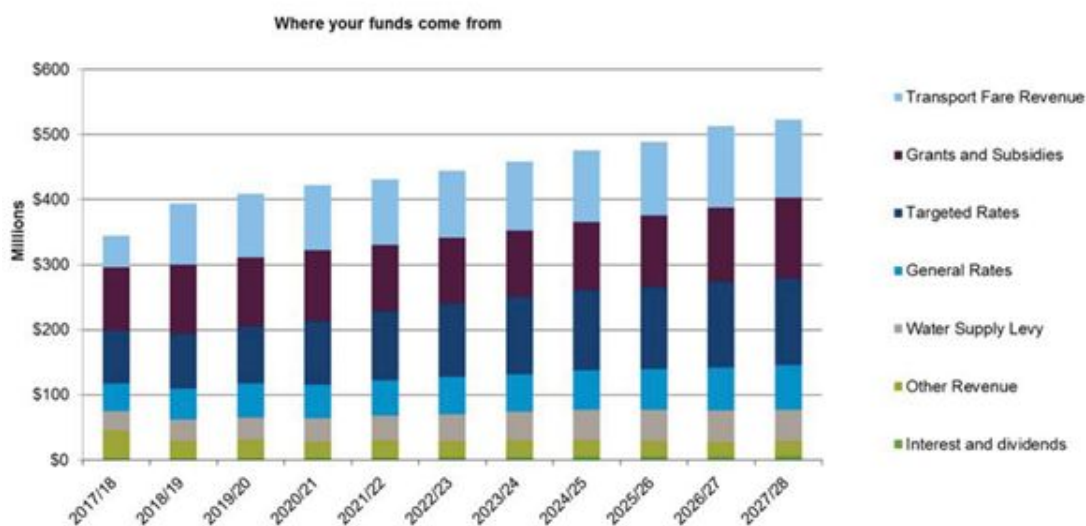
The implementation of the Public Transport Operating Model (PTOM) will result in Greater Wellington receiving all public transport fare revenue (and associated costs). In 2017/18 fare revenue was \$48 million including supergold and this is projected to double to \$100 million from 2018/19 with the new bus contracts commencing. This is expected to grow to \$128 million over the period of the Long Term Plan based on fare increase and patronage growth assumption in Section 5. Public transport fare revenue will represent approximately 25 percent of total revenue over the period of the Long Term Plan.

Dividends, investment income and external revenue have been relatively small but important contributions to total income. The temporary suspension of the CentrePort dividend is scheduled to resume at a lower level in 2018/19. The difference is planned to be funded by debt in 2018/19 and higher than planned subvention payments. It is expected to fully resume after 2021/22.

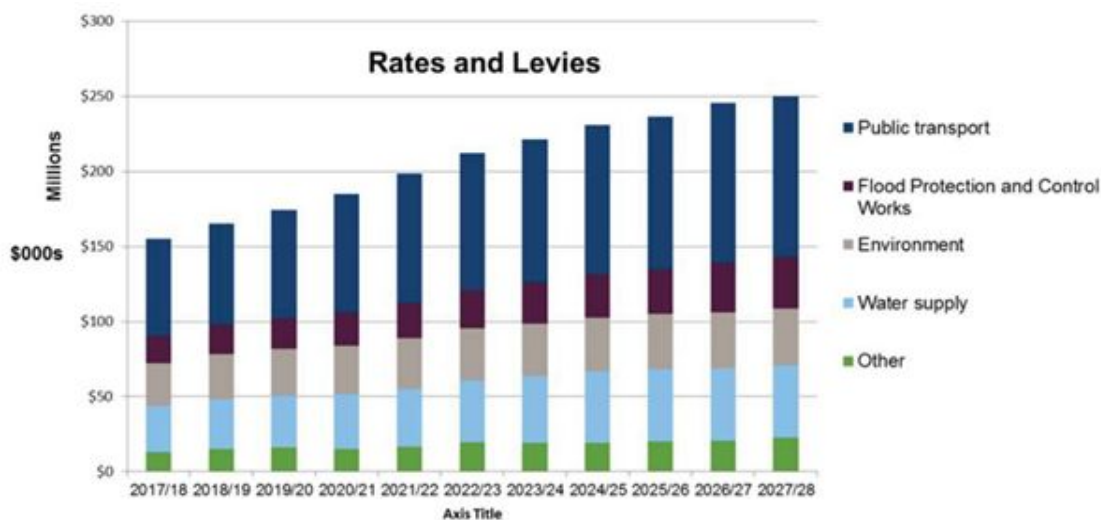
The main source of government subsidies received is from the New Zealand Transport Agency for the funding of transport activities.

Other revenue sources include consenting processing, monitoring fees, residential rentals, soil conservation and grazing rentals and investment income.

The graph below shows where our revenue comes from. In 2017/18 we expected our total revenue to be \$343 million; by 2028 we expect it to exceed \$500 million.



Rates

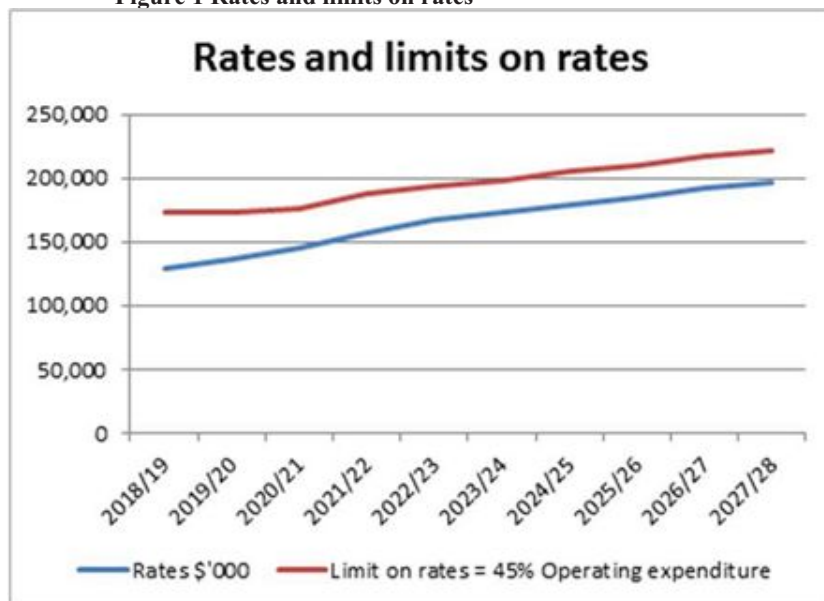


Rates increases and quantified limits on rates increases

Greater Wellington will collect \$165 million in rates and levies revenue in 2017/18 and this is expected to increase to \$250 million over ten years. About 33 percent of that increase is due to price pressures that Greater Wellington expects to face, and the rest is due to funding requirements to meet the planned levels of service.

Greater Wellington has set a limit on the total rates it will collect at 45 percent of total operating expenditure in each year.

Figure 1 Rates and limits on rates



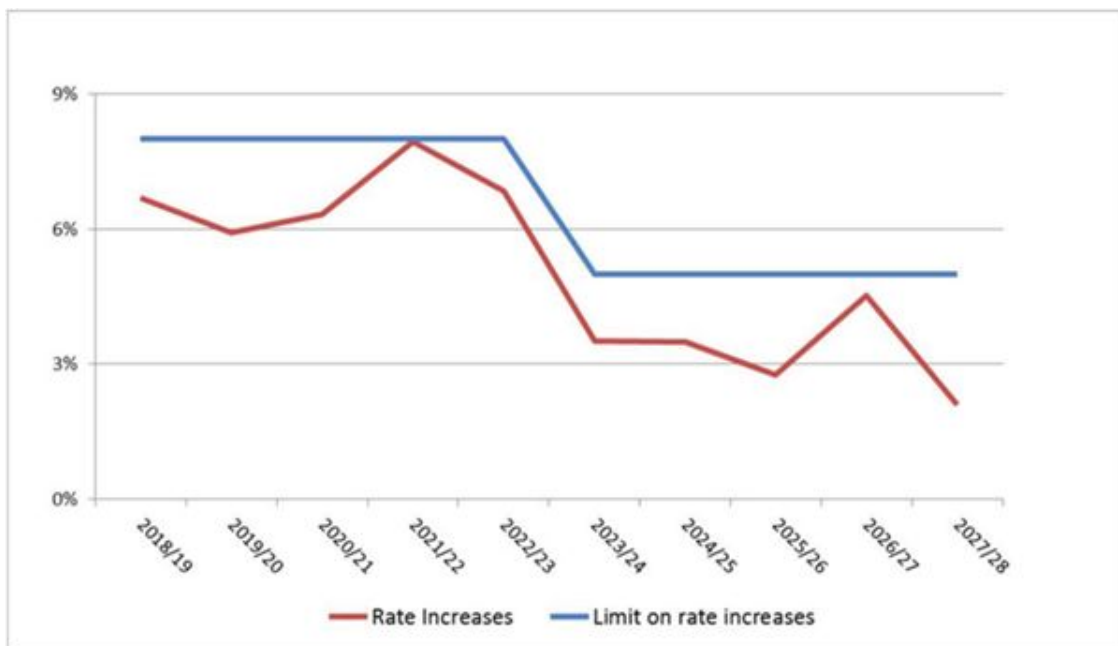
Greater Wellington forecasts an average increase in rates of 4.98 percent each year for the next ten years. Over the next three years, rates are planned to increase by:

6.70 percent in 2018 5.92 percent in 2019 6.33 percent in 2020

We are mindful of the impact that these increases have for ratepayers. In the planning process, Greater Wellington has considered the funding requirements of various project proposals. Some projects have been pruned and the timing for others has been adjusted to achieve the rates impact at these levels.

Greater Wellington’s limit on rates increases is the change in total rates revenue from one year to the next. Our planned limit on rate increases is 8 percent for years 2018-2023 and then 5 percent for the later years. This is an average compound annual rate of 5.01 percent.

Figure 2 Rate increases and limits on rate increases



Water Supply Levy

Greater Wellington, via the joint council controlled organisation Wellington Water, delivers bulk water to the metropolitan cities of Wellington, Hutt City, Upper Hutt and Porirua. This service is funded via a water levy charged directly to the local councils. This in turn is on charged to their respective rate payers.

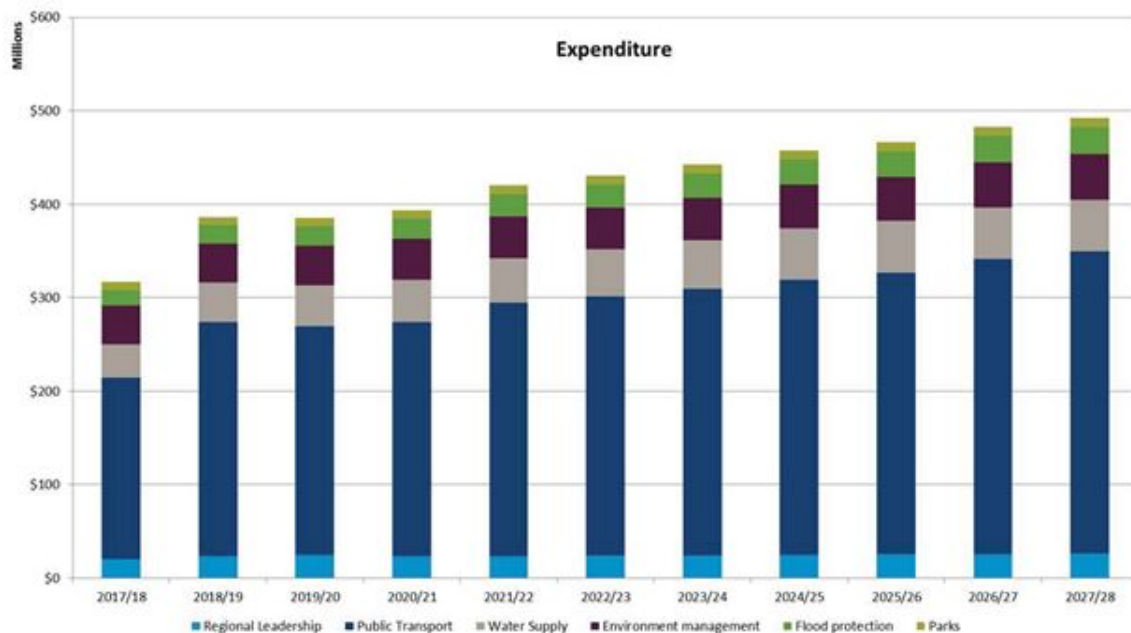
The levy increase in 2018/19 is 7.1 percent. We are planning to increase the levy by an average 4.6 percent per year over the 10 year period. The levy increases are mostly driven by the major capital projects including the alternate water supply option.

Operating expenditure

Over the life of the Long Term Plan our operating expenditure is forecast to increase by 28 percent from \$386 million in 2018 to \$492 million in 2028.

The below graph provides a 10 year view of operating expenditure for each of Greater Wellington’s activity groups. The large increases align to our key issues outlined in our Infrastructure Strategy, which include:

- **Public Transport Network:** Our activity plans will require operating expenditure to increase by \$72 million (29 percent) over the next ten years to improve patronage, levels of services and to fund borrowing for the capital programme.
- **Water Supply:** Our activity plans will require operating expenditure to increase by \$12 million (30 percent) to maintain our existing infrastructure and to fund borrowing for the capital programme that includes sourcing an alternate water supply.
- **Flood Protection:** Our activity plans will require operating expenditure to increase by \$9 million (43 percent) to maintain our existing infrastructure and to fund borrowing for the capital programme that includes investing in the RiverLink project.



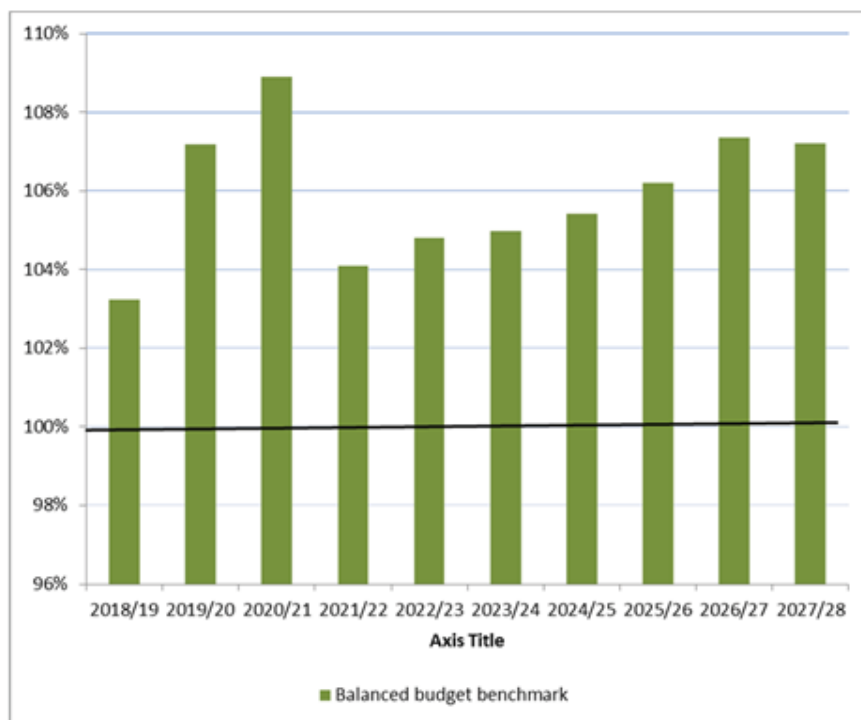
Greater Wellington’s strategy is to fund its operating expenditure out of operating revenue. Rates, levies and fare revenue are set at a level to ensure this objective.

There are circumstances where we propose to use loan funding for operating expenditure where there are obvious longer term benefits to the community, or where certain expenditure is one off in nature. These loans are repaid over the life of the benefit to ensure fairness across generations. In the Long Term Plan we propose to loan or reserve fund:

- Our contribution to the development of a Petone to Wellington cycleway, which has the additional benefit of enhancing flood protection to the rail and road network;
- The planning stages of “Let’s Get Wellington Moving” and other small planning initiatives for Centreport and Water Wairarapa that will provide ongoing benefits to the region;
- Asset renewal peaks for KiwiRail rail network access. Greater Wellington funds a share of rail network assets renewals which are owned by KiwiRail. Network asset renewals based on KiwiRail’s strategic asset management plans will increase over the next few years, before resuming close to today’s levels. The ‘peak’ is planned to be funded by debt and repaid over the life of the assets;
- The public transport transformation programme will bring substantial benefit to public transport users and the wider community and continues to be reserve or loan funded.

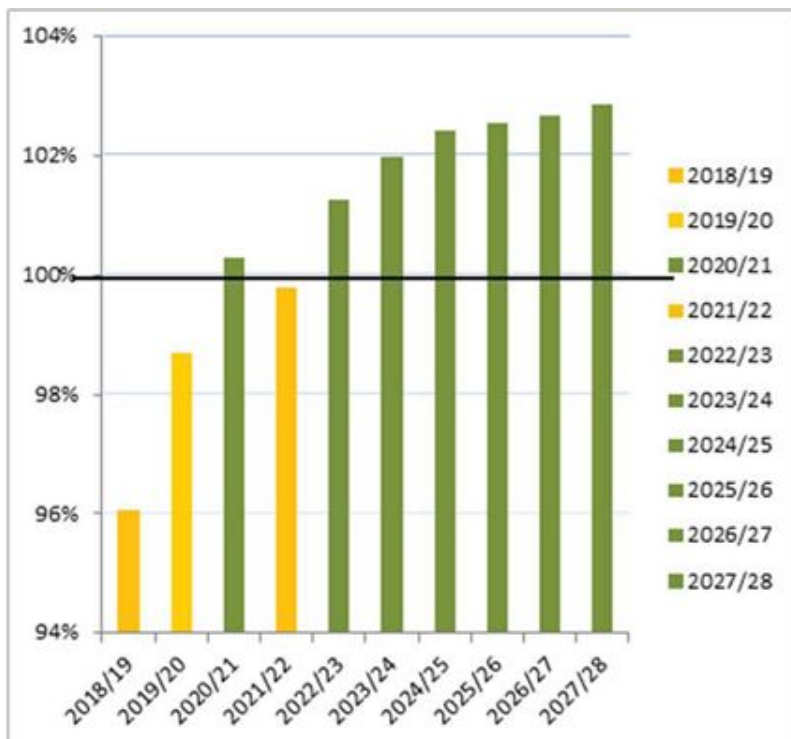
Operating surplus

The following graph shows the planned total revenue as a percentage of operating expenses over the Long Term Plan. Total revenue is projected to exceed operating expenditure for every year of the plan.



Included in our revenue is capital grants the Crown’s contribution for new Public Transport assets. These grants, which are typically around half of the asset value, are received and recognised when the asset is purchased. The remaining is rates or levy funded over the life of the asset.

We have also provided the following more conservative alternative view that excludes these capital grants. This shows there are several years where operating expenditure exceed operating income.



This view shows planned operating revenue for the 2018/19 financial year will be 96.1 percent of the operating expenditure. This is driven by a number of factors including funding operating expenditure with loans and reserves where there is future benefit as outlined above. Also impacting the operating surplus in 2018/19 is the partial loss of the CentrePort dividend and subvention payments which are expected to resume closer to previous levels in 2019/20.

Additionally, in 2017/18, Greater Wellington undertook its 5 year Bulk Water asset revaluation cycle exercise which resulted in a \$179 million increase in the asset values and an annual depreciation expense increase of \$5 million, increasing operating expenditure. As Greater Wellington does not fund depreciation (assets are debt funded, with ongoing rates or levy based on loan repayments and interest) there is no corresponding rating or levy income to offset the increased cost.

Greater Wellington is comfortable with this outcome based on the solid funding rationale for our revenue and expenditure and that our overall revenue exceeds expenditure for each year of the Long Term Plan.

Capital expenditure and transport improvements

This Long Term Plan includes capital expenditure of \$932 million over the next ten years. The capital expenditure (capex) programme is driven mainly by the step change we are making to Public Transport and the future mass transit options of Let's Get Wellington Moving, the need to improve the security of our bulk water supply, and the development of the RiverLink project.

The majority of our capital expenditure is infrastructure related and is explained in detail in our Infrastructure Strategy.

Public transport - \$441 million

The major items are

- Rail investments—\$220 million, including
 - rolling stock maintenance - \$78 million
 - Infrastructure maintenance and renewals - \$39 million
- Bus Rapid Transit - detailed design - \$67 million
- Integrated ticketing project - \$48 million
- EDMU - \$33 million

Water supply - \$206 million

There are two major projects in the next ten years

- Cross harbour pipeline - \$116 million
- Relocate the Kaitoke main - \$19 million

Flood protection - \$189 million

Over the next ten years, the main capex plans are for

- Hutt City Riverlink - design, and property purchases - \$112 million
- Other Hutt projects - \$18 million
- Wairarapa catchment –projects to improve the level of service - \$47.6 million
- Kāpiti catchment - Waikanae river works - \$4.8 million, and other projects - \$16 million

Longer term we plan a total of \$534 million for flood protection capital expenditure to improve resilience and levels of service in the major river catchments.

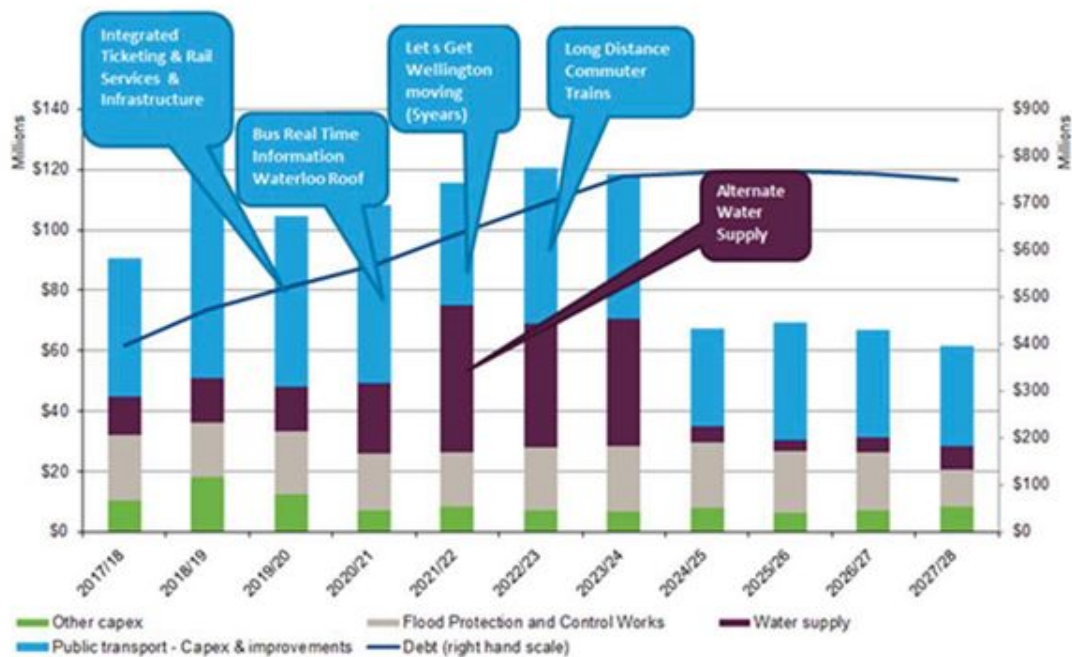
Parks - \$26 million

Because we do not plan any increases in the level of service for our Parks activity, and we have sufficient capacity to cope with growth, this capex is entirely for renewals and replacing facilities and equipment. It will mostly be spent in our larger parks, Queen Elizabeth, Belmont and Kaitoke / Pakuratahi.

Environment - \$18 million

Capital expenditure for the Environment group of activities is mainly for replacements and renewals, for Environmental Science equipment and monitoring.

The below graph provides a 10 year view of capital expenditure for each of Greater Wellington’s activity groups. The first half of the Long Term Plan has significant capital expenditure driven by the public transport network transformation initiatives and the establishment of an alternate water supply from 2020 to 2024. After these investments are completed the programme reduces to reflect our ongoing programme of maintenance and renewals.



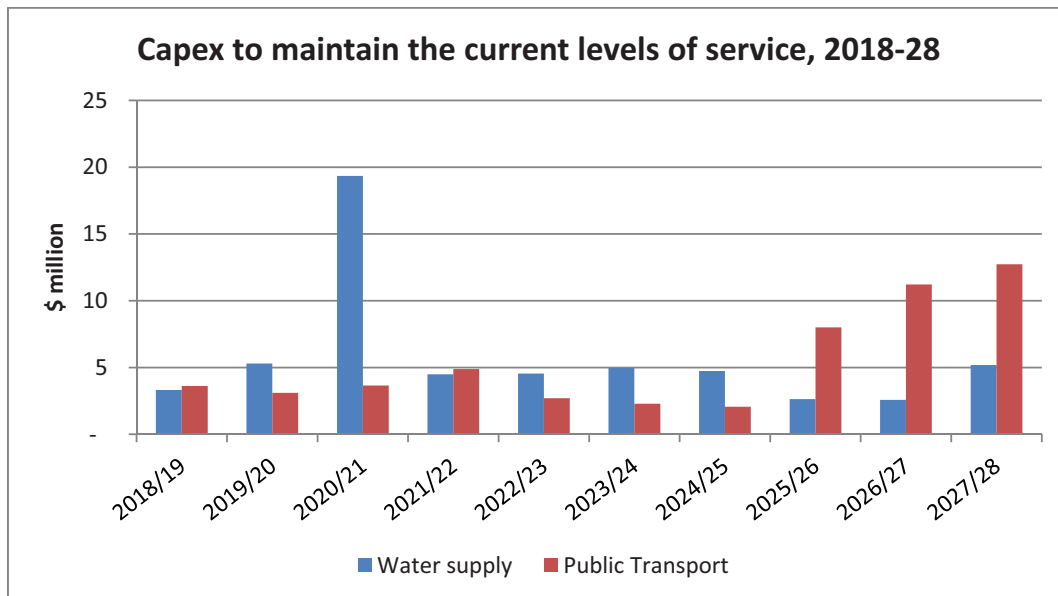
Maintaining levels of service

To maintain the current levels of service requires capital expenditure of \$156 million over the next ten years as outlined below.

Water supply – \$57 million – the major cost comes from relocating the Kaitoke main in 2020 (see Figure 3 below).

Public Transport – \$54 million, excluding any rail investments – capex rises from 2025 onwards due to the replacement of back end real time information systems (see Figure 3 below).

Figure 3 Capex to maintain the current levels of service, Water supply and Public Transport 2018-28



To maintain current levels of service, Greater Wellington will also spend:

Flood Protection \$2 million.

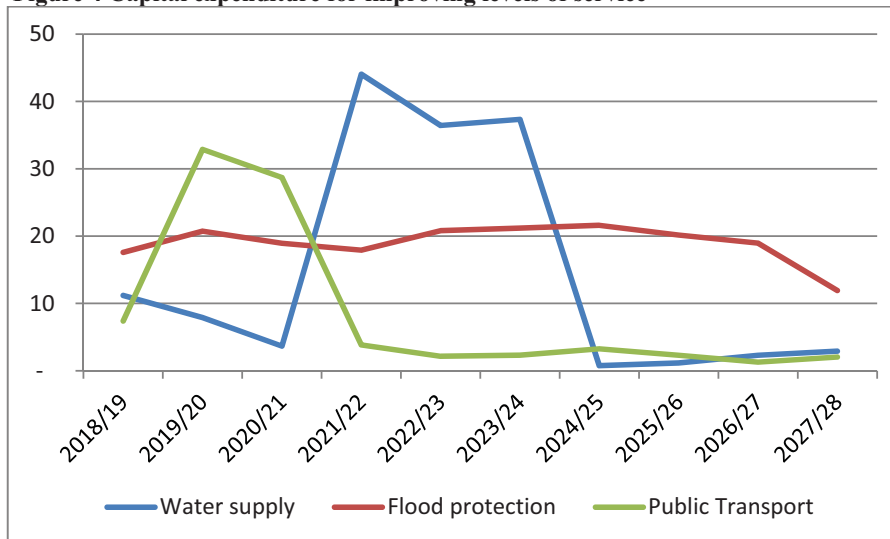
Parks \$25 million: All of the Parks capex is for maintaining the current levels of service. It will mostly be spent in our larger parks, Queen Elizabeth, Belmont and Kaitoke / Pakuratahi

Environment \$18 million: Capital expenditure is mainly for maintaining the current level of service. Capital expenditure is for science equipment and monitoring.

Greater Wellington is confident it can maintain its existing levels of service, providing there are no major external shocks - such as earthquakes, or changes in government policy that, for example, could reduce planned levels of subsidy.

However, we do not plan to simply maintain levels of service for our major activities, because of our commitment to increasing the resilience of our infrastructure, and our region. For most of our activities, an increase in resilience is an increase in the level of service. Figure 4 shows the expected capital costs of improving levels of service.

Figure 4 Capital expenditure for improving levels of service



Greater Wellington is confident that it can meet planned additional demands for services outlined in this Long Term Plan. Figure 4 above shows the planned investment of alternate water supply and implementing PTOM initiatives alongside the consistent investment in improving flood protection.

Debt

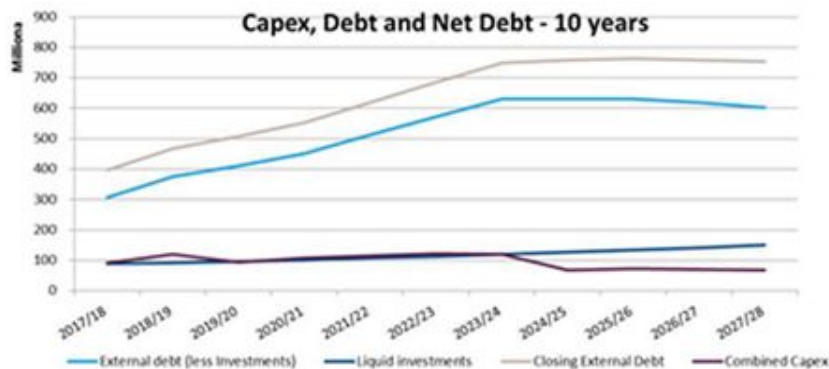
The benefits of the services we provide flow over many years, and we use debt so that future ratepayers pay for their share of the assets and expenditure. In this plan, debt funding is used for:

- **Capital expenditure** which is expenditure for items that have long lives. Most of Greater Wellington’s capital is for items that will provide services to residents and ratepayers for years to come. Where we receive a Central government (or other sources) contribution or subsidiary, Greater Wellington will borrow funds for its share of capital expenditure.
- **Working capital** due to timing differences between cash inflows and outflows. Working capital funds are managed in accordance with the Treasury Management Policy.
- **Other investment activity**, for example, shares in the Local Government Funding Agency (LGFA).
- **Some operating expenditure** for one-off projects and expenditure that provides longer term benefit.
- **Loss of Centreport dividend revenue:** Debt has been used as a mechanism to fund the short-term revenue shortage while Centreport recovers its operations. Once the port revenues are back on track, we can use them to pay down the debt.

Greater Wellington’s Treasury raises funds and lends these on to internal business groups. The business groups borrow for the life of the asset and repay the interest and principal over the asset life with funds secured from rates or external sources. For this plan, we have extended loan lives of flood protection assets by 5 years to 25 years to reduce annual debt servicing costs and aligning loan lives closer with the expected asset lives. This provides improved levels of inter-generational equity.

Greater Wellington holds substantial financial reserves and contingency funds, which earn interest, resulting in the net debt position being considerably lower than the total debt.

We expect debt to rise to \$763 million by 2025, as a result of our substantial investment programme in infrastructure resilience. The closer we get to these events, the more accurately we will be able to forecast the actual costs and impacts.



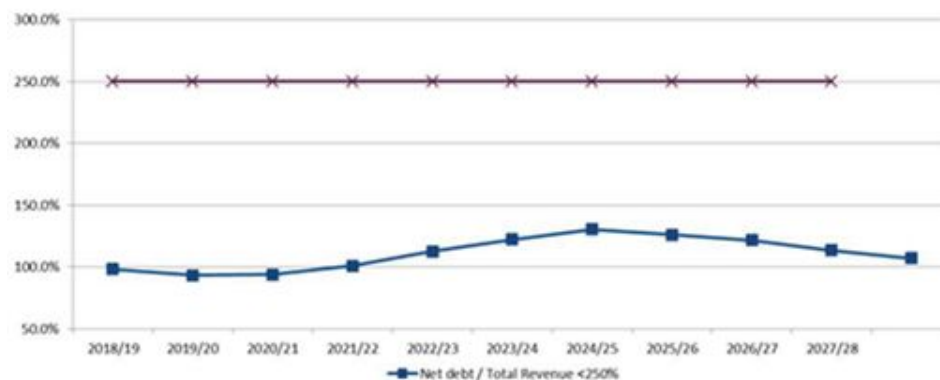
External debt and borrowing limits

We have set the following limits on borrowing:

- A maximum external debt level where interest costs are no more than 30 percent of rates and levy income, occurring within the 10-year period
- A maximum external debt balance of \$800 million during the 10-year period. The peak balance is currently expected to be \$768 million in 2025/26, but we have allowed a little headroom to take account of any expected cost increases.

The following graph shows that Greater Wellington’s net debt to total revenue ratio is forecast to be well below the prudent limit of 250 percent.

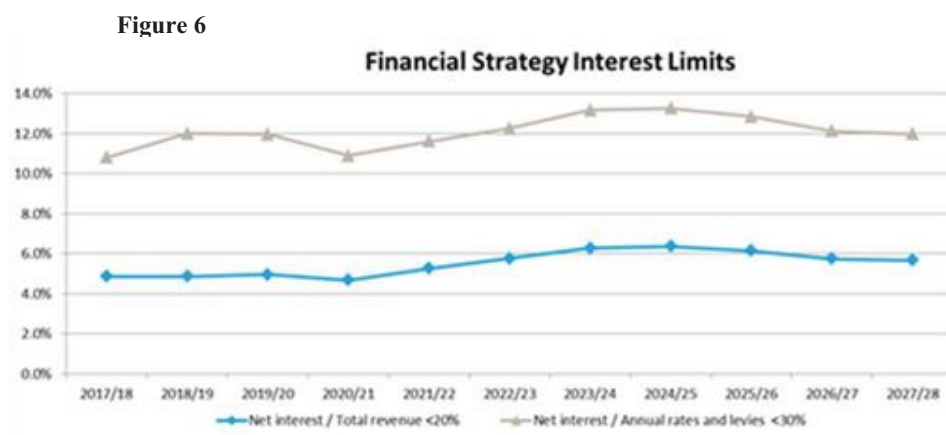
Figure 5 Borrowing limits in the Financial Strategy



Greater Wellington intends to continue sourcing the bulk of its financing from the Local Government Funding Agency (LGFA) because it provides a lower cost of borrowing. We have the following financial covenants with the LGFA:

- Net debt/total revenue <250 percent
- Net interest/total revenue <20 percent
- Net interest/annual rates and levies <30 percent
- Liquidity 110 percent.

The following graph shows the forecast ratios compared to financial limits over the next 10 years. With the forecast level of expenditure Greater Wellington remains within its prudent financial limits, and within the financial covenants set by the LGFA.



Policy on the granting of security on borrowing

Greater Wellington uses a Debenture Trust Deed to grant security to its lenders when it borrows funds. We established a Deed in 2011 that enables us to borrow funds from the LGFA.

Greater Wellington may offer security by providing a security interest in one or more of Greater Wellington’s assets other than its rates and rates revenue.

Greater Wellington may only grant a security interest in physical assets by resolution of Greater Wellington, when either-

- There is a direct relationship between a debt and the purchase or construction of the secured assets which it funds (e.g. through a finance lease, or some form of project finance), or
- Where those security interests are leases or retention of the arrangements which arise under the terms of any lease or sale and purchase agreement.

Reserves

Greater Wellington expects to start this Long Term Plan with \$32.9 million financial reserves, and we will progressively draw down our reserves to \$24.4 million in 2021/22, in order to reduce the rates impact of our planned expenditure, mostly funding the public transport transformation programme. After that we will build up our financial reserves to reach \$32.9 million by 2027/28.

Here are the major strategic decisions we have made in relation to reserves.

Public transport reserve: For ratepayers, we want to mitigate the impact of our substantial public transport investments, so we will draw down the Public Transport reserve from \$12.5 million, reducing to \$5.8 million in 2021/22 as a buffer for public transport revenue risks.

Flood protection: Catchment scheme reserves are built up by contributions from properties within defined catchments and/or schemes. We will progressively increase the reserves for catchment schemes from \$5 million to \$9.3 million, so that we can invest more intensively in the future, to manage increased flood risks within specific catchments.

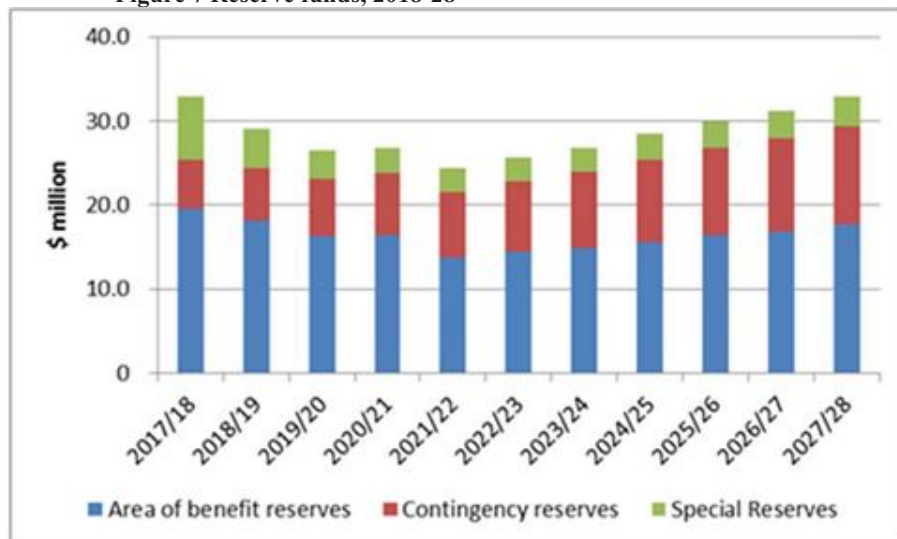
The flood contingency reserve is used to repair flood damage, and is funded from flood protection rates. We will progressively increase our flood contingency reserve from \$5.5 million to \$11.5 million.

Rural fire reserve: We plan to allocate new funding to the rural fire reserve each year. In the Long Term Plan, that reserve grows from \$74,000 to \$100,000, but we expect that some of these funds will be used to fund firefighting at some stage.

Election reserve: Greater Wellington uses a reserve fund for elections, funding a share of the costs every year, while spending them once every three years.

This graph shows how Greater Wellington’s total reserve funds will appear after ten years if we only draw down the amounts that are planned. It is more likely that we will draw down contingency reserves for flood and fire however we cannot predict the timing or quantum.

Figure 7 Reserve funds, 2018-28



Financial investments

Greater Wellington's policy objective for its financial investments is to achieve an average annual real rate of return that is consistent with market norms for the risk levels involved.

We invest in Council Controlled Organisations (CCO's) and Council Controlled Trading Organisations (CCTO's) for strategic purposes, including earning revenue. Greater Wellington's primary objective is to ensure that any capital investment in a CCO or CCTO is protected. We have strategic investments in:

- Wellington Regional Economic Development Agency Limited
- Wellington Water Limited
- Wellington Rail
- CentrePort, and
- Local Government Funding Agency (LGFA).

CentrePort

Greater Wellington is the major shareholder in CentrePort, with the following long term objectives for holding this security:

- receive an acceptable level of cash return and
- receive an on-going increase in the value of the investment.

The Kaikōura earthquake has interrupted the flow of cash returns, with the dividend expected to resume in 2018/19. However, our long term objectives for holding port securities are unchanged. We consider the port to be a strategic asset for the region, and intend to work with CentrePort on its long term recovery. We forecast a return to strong dividend performance over the life of this plan.

Local Government Funding Agency (LGFA)

Greater Wellington is a founding shareholder of in the LGFA which provides Greater Wellington with:

- lower cost of borrowing, due to LGFA's economies of scale and
- a dividend as return on the investment in LGFA.

Insurance

Our approach to insurance is to focus on the effects of low probability, high impact events. We do not insure 100 percent of our assets, because it is unlikely that all assets would simultaneously be affected by a hazard event. Our annual budgets provide funding for repairs as a result of smaller, more frequent events.

Flood protection assets

Greater Wellington insures its two largest flood protection assets - the barrage gates on the Ruamāhanga River at Lake Wairarapa (value \$30 million) and the flood walls on the Hutt River at Waiwhetu.

Larger floods (25 to 40 year return period) may cause considerable damage to assets, and Greater Wellington maintains a major flood protection recovery fund. Where damage exceeds the balance

of either or both funds, borrowing may be necessary to carry out the repairs. For smaller floods with a five to 25 year return period, we have the contingency reserve for flood protection.

Above-ground assets

We maintain a material damage business interruption insurance policy for all Greater Wellington above-ground assets (excluding motor vehicles and rail rolling stock which are separately insured). These assets are insured on a maximum probable loss basis.

We are in an insurance collective with the Hutt City, Upper Hutt City, Kāpiti Coast District and Porirua City councils. We share a large excess (five percent of site sum insured to a maximum of \$20 million for earthquake events) in order to reduce our premium costs. The excess is substantially less for other hazards such as fire. To ensure we can afford this excess, Greater Wellington has a material damage fund, which is at \$8.6 million at 30 June 2018, and is planned to rise to \$16.6 million over the next ten years.

Greater Wellington is liable for a shared insurance excess with KiwiRail, which insures the bulk of the Wellington metropolitan rail assets under a maximum probable loss scenario.

Underground assets – water supply

Our underground water assets are generally not insured but we have funds for hazard events, as cash deposits or reserves. The hazard event fund is forecasted to have a balance of \$31 million at 30 June 2018 and moving out to \$76 million over the next ten years. The gap between this and the maximum probable loss may be covered by a mix of insurance, borrowing and government assistance.

SECTION 4 – Infrastructure Strategy

Te Rautaki Hanganga

Introduction to our Infrastructure Strategy

Greater Wellington's Infrastructure Strategy tells you how we plan to manage our infrastructure over the next 30 years, to support the vision we have for the region and how we will manage our infrastructure assets in response to our changing environment. The provision of prudently managed infrastructure is key to delivering on the Council's vision and priorities.

Scope of Strategy

The strategy outlines how we plan to manage the following asset groups:

- Water Supply
- Public Transport
- Flood Protection
- Parks
- Environmental Science
- Harbours

For each asset group identified above, this strategy will outline the key issues and considerations and our management approach. While the Infrastructure Strategy provides details of the level and timing of investment needed to operate, replace, renew and upgrade existing facilities, the Financial Strategy outlines the required rating and debt levels to fund these investments. Together the two strategies outline how Greater Wellington intends to balance investment in assets and services with affordability.

The Council uses its asset management plans as a basis for its Long Term Plan, including this Infrastructure Strategy. This Strategy does not contain that level of detail of asset management and operational planning. It draws on them to provide a high-level summary of the assets owned and managed by Greater Wellington in terms of type, quantity, confidence and value to help frame the Infrastructure Strategy discussion.

The key issues for infrastructure have been identified as:

- Ageing Infrastructure
- Resilience
- Affordability

These are covered in more detail on page 10 of this Strategy.

Strategic Assets

Assets and groups of assets that Greater Wellington holds and considers to be strategic assets, and pertinent to this Infrastructure Strategy are:

- The bulk water supply network
- Rail rolling stock and other rail infrastructure required for the operation of the passenger rail system in the region (taken as a whole) -
- Flood protection assets

- Regional parks and forests network (including water supply catchments)
- Harbour navigation aids and communications systems (taken as a whole)

What has changed since 2015?

Our role has not changed; the type of work Greater Wellington needs to do and provide has not changed. However we continue to review and adjust how we operate and how we deliver our services.

Long term planning for infrastructure is not new to us; we prepared our first Infrastructure Strategy as part of the 2015-25 Long Term Plan. Much of the information and assumptions in that strategy is still valid today. We have reviewed our 2015 strategy, and rather than starting from scratch, have used that as a base – we understand that we need to take an enduring approach to making decisions about infrastructure.

The assets we own for bulk water supply, flood protection, and public transport constitute the majority of Greater Wellington's asset value, and require our largest annual operating expenditure commitments. They were covered in our 2015 Infrastructure Strategy. As part of this update, we have chosen to expand the scope of the strategy, to include three additional asset groups: parks; environmental science; and harbours.

There have also been some events that have had an impact on what and how we deliver services and when, including;

- Greater Wellington has a new vision and new strategic priorities which set a framework for our work
- Our knowledge of our assets and forecasting capability has continued to grow
- The impact of the Kaikōura earthquake in November 2016 and the floods of 2016/17 have brought a sharper focus on how resilient we need to be as a region to survive and thrive with adverse shocks and stresses including population change, earthquakes, adverse events and climate change.

Direction for infrastructure

Our vision and priorities

Greater Wellington's infrastructure underpins our ability to deliver to our vision and priorities.

Our Vision

An extraordinary region – thriving, connected and resilient

- **Freshwater quality and Biodiversity:** The quality of the freshwater in our rivers, lakes and streams is maintained or improved, and our region contains healthy plant, bird and wildlife habitats.
- **Water Supply:** The bulk water supply infrastructure consistently delivers high-quality drinking water to the four city councils (Porirua, Hutt City, Upper Hutt and Wellington).
- **Regional Resilience:** Our infrastructure is resilient to adverse events and supports our region's economic and social development.
- **Public Transport:** The Wellington region has a world-class integrated public transport network.

Principles

While Greater Wellington's vision, priorities and the assumptions provide an over-arching framework to ensure we are working on the things that matter, the following principles shape how we manage our assets. The application of these principles ensures we manage our assets in a consistent and considered way.

- **Forward looking** - intergenerational equity. Infrastructure is future oriented – developed and managed with consideration for long-term use including future technology and population changes.
- **Optimal** - Greater Wellington will optimise its infrastructure planning to take account of lifetime cost and demand factors
- **Adaptable** – We will build and develop assets that are resilient to social and environmental changes, including adverse events
- **Coordinated** – We develop our infrastructure in consultation with our major partners reflecting our part in the national system (central government, Territorial Authorities, Council Controlled Organisations). We will develop our infrastructure with other partners too, wherever that would be practical and cost-effective

Navigating a changing environment

In developing our Long Term Plan, Greater Wellington formed a view on the type of things that will, and do, impact on how and when we plan our investment now and in the future. These assumptions are listed below (and detailed in Section 5).

- Changes in our population
- Increased adverse events and impacts from climate change
- The fast-pace of changes in technology
- Economic growth
- Pressures on land use and the environment
- Governance
- Partnerships
- Social change.

In the detail of each asset group in this strategy, we outline specific considerations and impacts of these assumptions and the options we have to address them, and any impact this will have on our levels of service.

Additional asset management assumptions have been made in preparing this Infrastructure Strategy. These are listed in the [Appendix 1](#) and the detail given in the relevant section of the document.

Public and Environmental Health

Providing, operating, managing and regulating infrastructure can have adverse effects on public health and safety and the environment. An overriding assumption is that all Greater Wellington work aims to improve environmental outcomes, or at least mitigate any adverse effects, as well as protecting and improving public health and safety.

Asset overview

Asset management approach

We have committed to best practice asset management across the organisation. This means using practices to manage assets and long term works programmes to deliver agreed levels of service, in the most cost effective manner, throughout their lifecycle. Asset management is core business and integrated with all other business processes.

Asset management at Greater Wellington is guided by the International Infrastructure Management Manual (IIMM). Asset management is used to forecast the prudent expenditure needed to operate, maintain and renew or upgrade our assets. Asset management is a continuous exercise- Asset Management Plans are refreshed annually, and reviewed three yearly, to deliver activities and contribute strongly to Council's priorities.

Asset Knowledge

Good quality asset management relies on good quality asset knowledge. It is important that asset managers can analyse how particular assets perform, understand the lifecycle costs and the risks associated with failure. Uncertainty about data for an asset can impact on financial sustainability.

Asset knowledge covers a description of the assets, their age, condition, performance, and value. This information, whether it be detailed or based on judgement, is essential to the broader lifecycle discussion. Data confidence gives us the ability to quantify the relationship between any given level of service, its associated funding requirements, and the increasing or decreasing of any consequential 'risks' associated with changing a level of service.

We have a good understanding of assets. Greater Wellington undertakes regular condition and performance monitoring which, along with demand and risk data and relevant asset life expectancy rates, informs maintenance, renewal and replacement of assets.

This condition and performance data is reassessed at different intervals and frequency depending on the asset type and its criticality. Generally we have a good degree of confidence in our asset data, and are working to close maturity gaps where they exist.

We are confident that this strategy is based on a strong foundation of reliable asset information. It is acknowledged there is a risk of this asset information not being accurate or up to date. These risks are minimal and are part of an asset management plans improvement plan.

Critical Assets

Central to managing risks, hazards and resilience is the criticality of assets. Critical assets are those that are likely to result in a more significant financial, environment and social cost in terms of impact on organisational objectives and agreed level of service, but not necessarily a high probability of failure. The more critical - or significant - an asset, the better management it requires. The criticality of all Greater Wellington's assets (1 (Extreme) to 5 (Insignificant)) has been established and used to inform their lifecycle management.

Lifecycle management

Greater Wellington uses a lifecycle management approach in its management of assets. As such, we consider lowest long term/whole of life cost (rather than short term savings) when making decisions. There is more detail on Lifecycle management in [Appendix 1](#).

The majority of our capital investment will be funded through debt, which will be paid back over an appropriate time period for the underlying asset. Operating expenditure is funded out of operating revenue. Rates and levies are set at a level to ensure that Greater Wellington achieves this objective.

Greater Wellington maintains its assets until they reach the end of their useful lives, when they are renewed, or upgraded. An asset's useful life is updated periodically based on:

- Age and condition profile
- Performance and customer service issues
- Growth and changing demands
- Criticality and risk
- Ongoing maintenance requirements
- The differing economic lives of individual assets.

Condition, data confidence and criticality are all based on 1–5 rating scales.

Rating	Condition	Data confidence	Criticality
1	Excellent	Systematic and fully optimised data programme	Major, region wide, long term disruption and significant cost to restore service
2	Some minor maintenance work is required	Reliable data in information system with analysis and reporting	Significant disruption over an extended period
3	Maintenance is required to return to the expected level of service	Sufficient information to support basic analysis	Serious localised impacts and cost
4	Requires a significant upgrade	Basic /incomplete information based on assumptions	Minor service disruption.
5	The asset is unserviceable.	No asset register	Negligible social or economic impact

The following table summarises value, condition, reliability of asset data and criticality of the assets covered by the Strategy.

Asset Group	Replacement value	Overall condition	Data confidence	Criticality
Water Supply	\$403.6 million	2 -Minor defects only	2 -Reliable	1 -Extreme – for the entire network
Flood Protection	\$340.6 million	2 -Minor defects only	2 -Reliable	1 -Extreme – stop banks, flood gates, barrage gates, detention dams
Public Transport	\$637 million	3 -Maintenance required	2 -Reliable	3- Moderate
Parks	\$77 million	2 -Minor defects only	2 -Reliable	3 -Moderate
Environmental Science	\$5.7 million	1- Very Good	2 -Reliable	2 -High River and rainfall monitoring equipment
Harbours	\$1.6 million	2- Minor defects only	2 -Reliable	3 -Moderate Signal Station at Beacon Hill

Levels of service and financial considerations

Levels of service, performance measures and targets all have financial implications. Greater Wellington's priority areas drive levels of service, which influence timing and quality of maintenance renewals and upgrade works. Some projects are renewals-based however these indirectly contribute to service level provision.

Levels of service are therefore the vital link between Greater Wellington's priority areas and expenditure requirement, and account for expenditure differences between:

- Asset types (such as Water Supply and Parks assets)
- Asset components (such as bus stops and railway carriages)
- Asset sub-components (such as asset types differences between catchments (refer to Floodplain Management Plans)
- Expenditure categories (such as maintenance and renewals).

Capital development funding is categorised according to whether it predominantly meets levels of service, growth or renewals needs.

Local Government Act S17A Reviews

We have recently undertaken a high-level review of the funding, governance and service delivery arrangements relating to the provision of infrastructure, as required by section 17A of the Local Government Act. The review did not result in any recommended changes to the overall nature of the arrangements in place at this time. Reviews, which include alternative delivery scenarios, are programmed to occur on a rolling six year basis, and ahead of major contracts coming to an end.

For the purpose of this Infrastructure Strategy, we have assumed our existing structure and models of delivery will remain in place over the 30 year period.

Insurance for strategic assets

As part of our financial provision for the impact of natural hazard-related events on infrastructure, we maintain a material damage business interruption insurance policy for all Greater Wellington above-ground assets (excluding motor vehicles which are separately insured). Our above ground assets are insured on a maximum probable loss basis. This common approach to insurance means that we do not insure 100 percent of our assets. As there is a low level of risk that all assets would simultaneously be affected by a hazard event. This approach to insurance focuses on the effects of a low probability, high impact event. We provide adequate funding in our annual maintenance budgets to accommodate repairs as a result of smaller, more frequent events. We have a large excess (\$20 million for earthquake events) in order to reduce our premium costs. The excess is substantially less for other hazards such as fire.

To meet this excess, Greater Wellington has set up a material damage fund. This fund is currently approximately \$8.6 million, and earns interest which is added to the fund.

Our trains are insured separately, also on a maximum probable loss basis. Any shortfall would be met by borrowing.

Our underground assets are generally not insured but we have funds set aside for hazard events – either as cash deposits or reserves. The specific funds for our different asset groups are discussed in more detail in our Financial Strategy.

Significant infrastructure challenges and issues

In considering Greater Wellington's assets against our priorities and vision, we believe the significant infrastructure issues for the region are:

- ageing infrastructure
- resiliency
- affordability

It should be noted each of the significant infrastructure issues does not affect each asset group equally. In addition, the significant infrastructure issues are not mutually exclusive, and that a change in one affects the other two.

Below each of the issues is described and expanded on. The asset sections describe the impact of the key infrastructure issues on the assets. It also describes the options for dealing with the issues, and the implications of those options.

Ageing infrastructure

Our infrastructure is ageing and we need to plan to ensure it is fit for purpose and will meet the ongoing needs and challenges of the region.

Some of the region's assets will reach the end of their economic life during the term of this strategy. As an asset nears the end of its life, there is an increased chance of asset failure resulting in reduced levels of service. Costs tend to escalate towards the end of an asset's life, as repairs and maintenance activity increases to keep the asset in service.

Older assets may also no longer be fit for purpose - they may no longer meet the needs of users, be legislatively compliant or they may contain technology that is no longer supported. These older assets may not be easy to adapt to the changing future needs of the community – additional capacity and increased resilience cannot be simply added to most assets.

Each asset group has a programme in place for renewing or replacing existing assets when they reach the end of their economic life, that is, when they no longer function or the cost of operating and maintaining the asset each year, outweighs the benefit it is providing.

Ageing assets is an issue for most asset groups, however the issues with the biggest financial impact during the term of this strategy are in water supply (aquifer wells and the Kaitoke trunk main) and public transport (Wairarapa trains; rail network).

Some assets have long lives and may be managed in perpetuity. Examples include the Stuart Macaskill lakes (water storage), parks heritage assets and flood protection schemes. The asset management plans contain the strategies for managing these assets.

Resilience

Being resilient is having the ability to withstand, adapt and work through the shocks and stresses that will undoubtedly hit the region. These shocks and stresses, outlined in our assumptions, may be short and sharp or gradual, any of which could have a dramatic impact on our community and business, and impact on the economy of the whole region. Resilience in the Infrastructure

Strategy means being able to reasonably predict, survive and continue to provide essential services to the community with minimal interruption after an adverse event.

Our approach in the 2015 Infrastructure Strategy was to look at resilience through the natural hazards lens. We now recognise that we need to consider other resilience factors as well.

The world is rapidly changing; technological advances, demographics and societal changes, our climate and natural environment, business and funding practices, legislative requirements, workforces skills and capability. How we provide, manage and think about assets and infrastructure will have to change to ensure ongoing resilience.

Our options for managing infrastructure resilience revolve around the level of risk that the community is willing to accept. High risk options, such as do nothing, do not represent good asset management practice. Although 'do nothing' would not increase our costs in the short term it will result in a decline in the condition of our assets and the level of service provided, and would increase the risk of failure of, or damage to, our assets. Doing nothing will almost certainly result in increasing costs, possibly significantly, in the longer term.

Improving the resilience of all our assets is a lower risk approach –moving from a post disaster recovery costs position to investment in mitigation that would limit the impact of shock and stresses when adverse events do hit.

Improving resilience may include physical improvements to the infrastructure itself, back-up plans in the event of failure or compromise, building redundancy into the networks, flexibility to meet changes in supply or demand, and/or funds for repairing significant damage. Mitigation and adaptation of the long term effects of climate change will be provided by reviewing the science information as it becomes available and adapting the timing and scope of programmes as required.

Redesigning how we work, the jobs and workplaces, and combining people, teams and stakeholders to work together collaboratively to develop the best solutions and smarter ways of delivering for our communities is also important to our resilience and can bring about multiple, long term benefits.

Affordability

The large infrastructure we own represents significant historic investment and significant investment in the future. Providing infrastructure is Greater Wellington biggest area of activity; the majority of funding spent on planned infrastructure projects and programmes—water supply, flood protection and public transport — is in order to meet agreed levels of service.

The upgrade and/or addition of new assets, to improve resilience or to support growth in the region and other service levels/challenges/demands, will add further to our costs. Deferring or reducing expenditure on assets now, would only increase our cost burden in the future whilst increasing the risk of asset failure and shortening the life of the asset. We will not defer maintenance or renewals - this does not reflect our principles for managing our assets.

Greater Wellington is mindful of the impact rates increases have for ratepayers. In the planning process, Greater Wellington has considered the funding requirements of various project proposals. The timing and scope of projects have been optimised to balance cost pressures, limit the rates increase, and maintain a healthy balance sheet.

A key challenge will be developing work programmes that can accommodate a range of future states and enhance the resilience and adaptability to change, under models that are affordable to our community. The key affordability pressures we face are:

- Public Transport Transformation Programme – The new Public Transport Operating Model (PTOM) requires Greater Wellington to build long-term commercial partnerships with public transport operators, in order to improve services and grow patronage
- Rising costs following the November 2016 earthquake
- Investment in the resilience of our asset groups and services, so that the region is better able to withstand and/or recover from major shocks and stresses – especially bulk water supply and flood protection.

Addressing the Issues

The Wellington region needs to respond to some big challenges. As well the challenges to the community of affordability and ensuring financial sustainability and equability, Wellington will be home to more people in the future, and there will be corresponding increases in demand on assets and services, including water supply, and the demand for recreation facilities and activities is also likely to increase.

The region's population is projected to increase from around 504,000 in 2017 to 538,000 by 2027 and 596,000 by 2047. The ageing of the baby boom generation and increased life expectancies means those aged 65 and over will make up a larger proportion of the region's population. However boomers are starting to give way to millennials. The inter-generational differences between the millennials and baby boomers are clear; the sharpest differences in the "asset gathers" versus "lifestyle minimalists" characteristics being location- two out of three millennials live in cities, were as about half of all baby boomers live rurally. We will need to adapt the services we deliver to respond to changing population and demographics across, and in specific parts of, the region. We need to think about when and how we deliver services to suit our changing demographics.

The status quo will not deliver the future Wellington needs in the short or long term. To succeed, we must build on our competitive advantages; our high public transport use, our physical environmental opportunities and ecological assets.

Addressing the issues requires a change of paradigm from the way we have often planned and managed the region in the past, to a sequential multi-disciplinary, multi-agency approach. We need to make evidence based decisions at the macro scale, to deliver services on the back of other major investment for the well-being of our community.

To address the issues we have considered a range of options and scenarios. These options have been developed to holistically deliver services and long term works programmes to agreed levels of service in the most cost effective manner, throughout their lifecycle. Multi-benefit projects, such as RiverLink, delivered with other stakeholders will become replace single focused projects. Asset Management is an essential part of effective business planning to support sustainable

service delivery. It links together our priorities with the levels of service needed to deliver them, the work required on the assets to sustain those levels of service, and the finances needed to support that work.

The “most likely” scenario always has alternatives. Sometimes scenarios are dependent on others or outside our control. Other factors in the environment or economy can have an unforeseen effect. More often, however, the distinction between the most likely scenario and others depends on the decisions the organisation makes and the options it decides to pursue.

Whilst also helping address infrastructure issues, the most likely scenarios also contribute toward our strategic priorities- improving the quality of our region’s waterways and increasing biodiversity, increasing the regions resilience to adverse events and providing infrastructure and systems that encourage and support increased use of public transport.

The table below summarises the most likely scenarios and the issue they address.

Issue	Most Likely Scenario	Cost	Time
Ageing Infrastructure	Replacement of Kaitoke trunk water main	\$19 million	2018-21
	Waterloo and Gear Island aquifer wells replacement	\$9 million & \$19 million	2019-25 2028-35
	Lower Wairarapa Valley Development including George Blundell Barrage Gates Replacement with	\$207 million	2018-48
	Replacement with Electro/Diesel Multiple Unit fleet	\$33 million	2023-24
	Rail station infrastructure renewal and upgrades	\$71 million	2019-29
	Real Time Information System replacement or renewal	\$19 million	2028-29

Issue	Most Likely Scenario	Cost	Time
Resilience	Ngauranga and Wainuiomata reservoir strengthening	\$6 million	2021 – 20
	Cross harbour pipeline	\$116 million	2018-23
	Riverlink, and other Floodplain Management Plans.	\$506 million	2018-48

Issue	Most Likely Scenario	Cost	Time
Affordability	Water Supply source development	\$320 million	2032-40
	Flood Protection provision of recreational and amenity facilities	\$16 million	2018-48
	Upgrade shelters and develop interchange hubs	\$8.3 million	2018-19
	Install integrated ticketing	\$48 million	2019-21
	Let's Get Wellington Moving	\$67 million	2021-26

How much needs to be invested

The capital investments Greater Wellington has made in the past, and will continue to make in the future, commit Greater Wellington to annual costs to maintain, operate, renew, and replace these assets.

Capital expenditure

In maintaining levels of service, meeting priorities and addressing challenges, Greater Wellington expects to spend more than \$3,740 million on renewals and new capital between 2018/19 and 2048/49.

Figure 2 below shows forecast annual capital expenditure, and debt levels, shown in 2018/19 dollars, under the most likely scenario for the whole of Council, including the six asset groups over the 30 years of this Strategy.

The peaks represent large investment that we need to manage from both an affordability perspective and with our organisational ability to manage the workload.

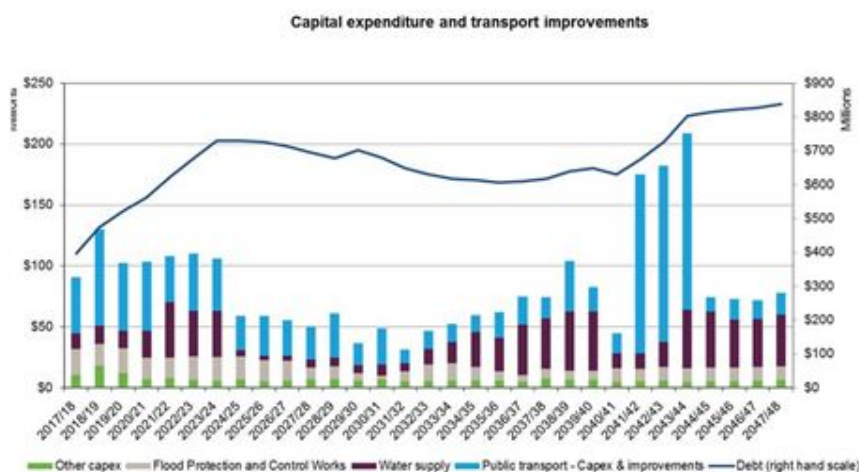
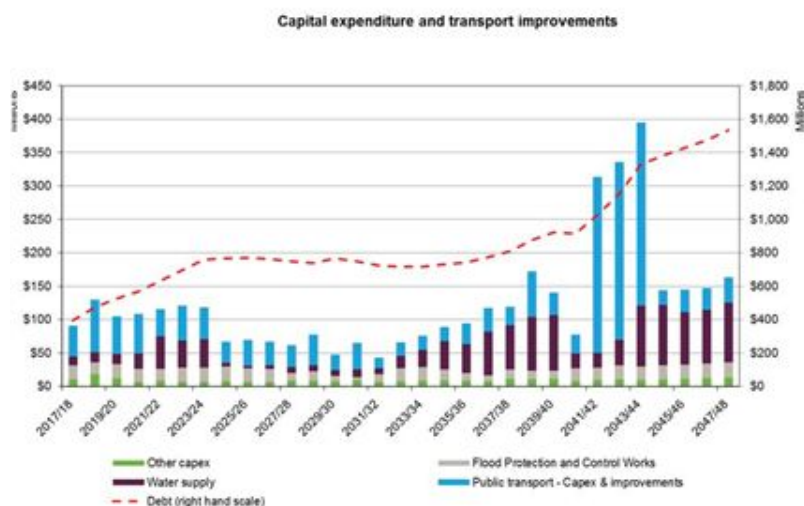


Figure 3 shows the same forecast annual capital expenditure and debt levels as figure 2, but dollars are inflated for comparison purposes.



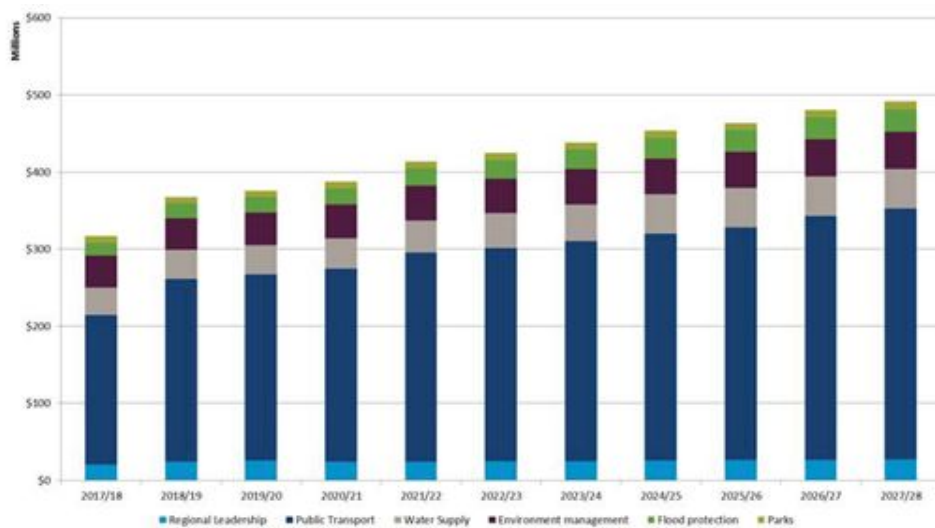
Operating expenditure

Over the life of the Long Term Plan our operating expenditure is forecast to increase by 34 percent from \$367 million in 2018 to \$492 million in 2028. Figure 4 provides a 10 year view of operating expenditure for each of Greater Wellington activity groups.

Part of these consequential operating costs is to support new capital including asset renewals and upgrades. Though operational efficiencies are a continual area for improvement and savings are being pursued in this area. The larger increases include:

- Public Transport Network:** Our activity plans will require operating expenditure to increase by \$88 million (37 percent) over the next ten years to increase patronage, improve levels of services and to fund borrowing for the capital programme.
- Water Supply:** Our activity plans will require operating expenditure to increase by \$14 million (38 percent) to maintain our existing infrastructure and to fund borrowing for the capital programme that includes sourcing an alternate water supply.
- Flood Protection:** Our activity plans will require operating expenditure to increase by \$10 million (52 percent) to maintain our existing infrastructure and to fund borrowing for the capital programme that includes investing in the RiverLink project.

Figure 4: Greater Wellington’s forecast operating expenditure 2017/18-2027/28.



Greater Wellington’s strategy is to fund its operating expenditure out of operating revenue. Rates, levies and fare revenue are set at a level to ensure this objective.

Assumptions and Risks

Section 101B(3)(b) of the Local Government Act requires local authorities to provide for the resilience of their infrastructure by identifying and managing risks. Risk management is about assessing and managing likelihood and consequences of an event happening, that will impact on the achievement of Greater Wellington's priorities.

The individual Asset Management Plans which inform this Strategy analyse the risks associated with the assets and activities and management and mitigation of that risk. The following table shows the key assumptions that underpin the Infrastructure Strategy (additional to the Long Term Plan assumptions) the associated risks and impacts.

<i>APPROACHES AND ASUMPTIONS</i>	<i>RISKS</i>	<i>Level of Uncertainty</i>	<i>Impact</i>
<i>We will provide infrastructure that can deliver activities in a manner that meets agreed levels of service now and into the future</i>	<i>Community expectations of council services are continually increasing, while tolerance for cost increases, disruptions and service failure is decreasing</i>	<i>Low</i>	<i>Changes to the stated service levels may result in new operational and/or capital expenditure costs which may require an increase in rates requirement</i>
<i>Asset management decisions are aligned to our strategic plans</i>	<i>Inability for assets and activities to contribute to the priorities</i>	<i>Low</i>	<i>Lack of alignment may result in priorities and community expectations not being achieved</i>
<i>We will comply with all legislation and national standards that apply to assets and service provision</i>	<i>The statutory requirements for local government evolves at rate or scale that is unaffordable to the community</i>	<i>Low</i>	<i>Reputational risk, and potential legal action, if non-complying. Work programmes may need to be changed to fit legislation changes</i>
<i>We will maintain and renew assets to agreed levels of service, in accordance with asset management (IIMMs) and industry best practice</i>	<i>Renewals programmes are deferred and asset condition and performance deteriorates as a result</i>	<i>Low-medium</i>	<i>A long term deferral of renewals poses a risk of asset deterioration and compromise of integrity which may attract additional capital expenditure costs in the future</i>
<i>Wellington region's population is growing; becoming older and more diverse – in culture, ethnicity, lifestyle, interests, tastes, leisure preferences, and in many other ways</i>	<i>Population growth, and demand on activities, occurs at faster or slower rate than projected</i>	<i>Low</i>	<i>Slower or faster population growth may impact on service levels, infrastructure expansion renewal programmes and costs, resulting in increased or decreased rates requirements</i>

<i>Natural disasters, or other events, will not change the demography of the region over the planning period</i>	<i>Ability of the region, communities, institutions and businesses as well as central government to function in Wellington following stresses and shocks</i>	<i>Medium-high</i>	<i>Climate change adaptation and/or mitigation works are required earlier or later than programmed and require changes to capital expenditure programmes</i>
<i>The resilience of assets to adverse events is prioritised</i>	<i>Investment and resourcing is inappropriate to improve asset and activity resilience</i>	<i>Medium</i>	<i>Moving from a post disaster reconstruction costs position to investment in mitigation that would limit the impact of a disaster in the first place</i>
<i>Increasing ability to develop the best solutions and smarter ways of delivering services</i>	<i>The robustness of the assets, the level of redundancy and management of interdependencies of assets, services and community recovery is not considered</i>	<i>Low</i>	<i>Keeping up-to-date with technology and industry changes result in additional costs and potential rate increases</i>
<i>There will be no change to levels of service unless recommended otherwise. Improvements to services will generally only be made where there is a gap in our service offering and the increase in service level is agreed</i>	<i>Service levels may require adjustment in response to service issues identified by the community, changes to legislation or an external factor</i>	<i>Low</i>	<i>Changes to the agreed service levels may result in new operational and/or capital expenditure costs which may require an increase in rates requirement</i>
<i>We are implementing an ongoing programme to improve the knowledge of asset condition and performance Asset data reliability and confidence is based on best available information at the time. Acknowledging this does have ability to impact on the reliability of the plan</i>	<i>Asset life and condition assessments prove to be invalid and assets require replacement earlier or later in their life cycle</i>	<i>Low-medium</i>	<i>An unexpected failure of an asset would be managed by re-prioritisation of capital expenditure programmes</i> <i>Additional borrowing costs may be incurred if renewals programmes were not able to be re-prioritised, and could require rates funding</i>
<i>Agreed service levels will be funded, in some cases as shared cost with central government and/or alternative funding</i>	<i>Shared funding percentages with external stakeholders change</i>	<i>Medium</i>	<i>An unexpected change in funding scenario would result in re-prioritisation of expenditure programmes</i> <i>Additional borrowing costs may be incurred if renewals programmes were not able to be re-prioritised, and could</i>

			<i>require rates funding</i>
<i>A focus on renewals to maintain agreed levels of service, within an agreed risk environment with a focus on increasing resilience</i>	<i>Deferred backlog of asset maintenance and/or renewals</i>	<i>Medium</i>	<i>A long term deferral of renewals poses a risk of asset deterioration and compromise of network integrity which may attract additional capital expenditure costs in the future</i>

Our six asset groups

The following sections outline how Greater Wellington plans to manage each of its six key asset groups. For each asset group, the key issues, options, and our management approach are outlined.

	<i>Priority Area</i>	<i>Asset Replacement Value</i>
<i>Water Supply</i>	<i>Water Supply</i>	<i>\$403,580,000</i>
<i>Public Transport</i>	<i>Public Transport</i>	<i>\$636.9M</i>
<i>Flood Protection</i>	<i>Regional Resilience</i>	<i>\$340.6M</i>
<i>Environmental Science</i>	<i>Fresh water Quality and Biodiversity</i>	<i>\$5,737,000</i>
<i>Parks</i>	<i>Regional Resilience</i>	<i>\$77M</i>
<i>Harbours</i>	<i>Regional Resilience</i>	<i>\$1,642,855</i>

Water Supply

The bulk water supply assets include a network of pipelines, pumping stations, reservoirs, treatment plants and other assets. Greater Wellington owns the bulk water supply assets.

On behalf of Greater Wellington, Wellington Water Limited provides bulk water supply to four of the region's cities. Wellington Water is a council controlled, shared service organisation, jointly owned by Greater Wellington Regional Council and Hutt, Porirua, Upper Hutt and Wellington city councils- the shareholders. Wellington Water is contracted to manage the water supply activity on the Councils' behalf, this includes strategic and asset management planning, operations and capital projects. Policies and user charges functions remain with Greater Wellington Regional Council.

Assets	Number
Distribution pipework	180,494
Treatment Plants	4
Tunnels	9,404
Water storage	7
Pump stations	20
Roads and tracks	45
Raw water intakes and wells	18
Aquifer wells	11

Replacement value	Condition	Performance	Data confidence	Asset management maturity	Criticality
\$403,580,000	2. Minor defects only	2. Good, only minor shortcomings	2. Reliable	2. Intermediate	1. Extreme – for the entire network

30 year goal

Future proofing the region's water supply for the immediate future and for generations to come is our priority. Our water supply system must be robust and ensure sufficient drinking-water is available now and in the future. We must also be able to cope with emergencies and the long-term impacts of climate change.

Wellington Water is taking an integrated approach across the responsibilities of all five shareholding councils to water supply resilience across the Wellington region to bring about multiple, long term benefits. This approach aims to provide a limited water supply to customers close to their homes immediately after a major earthquake.

Significant issues and challenges

Ageing infrastructure

The eleven aquifer wells at Waterloo and Gear Island are reaching the end of their economic lives. A total of \$28 million has been allocated for replacement of the wells over the next 20 years. Investigations are in progress to ensure replacement occurs at the right time to maximise the economic life while maintaining the risk of failure within acceptable levels.

Replacement of the Kaitoke trunk main will be a significant renewal project in the medium term. The pipeline will require replacement in the mid to late 2040's. This is just outside the timeframe for this Infrastructure Strategy; however, it is appropriate to note that the potential impact on debt forecasts may be as high as \$270 million. Greater Wellington is investing in options to extend the economic life of the pipeline as much as is practicable. Operations and maintenance activities over the next 30 years will need to be adjusted to manage the end of life process. Additional details will be included in future infrastructure strategies.

Resilience

Building resilience into our water assets is vital as water supply is an essential service. Significant consideration has been given to what happens in event of failure of the asset or how the service is restored with minimum cost, time and effort. This includes investment in mitigation that would limit the impact of a disaster in the first place.

The major risk to the resiliency of our water supply assets is from a significant earthquake, particularly one that involves movement of the Wellington Fault. Other hazards include major rain events, droughts, fires, and electricity failure of over two days' duration.

Impacts of climate change - regional drought and changing rainfall patterns, and sea level rise - are expected to have long term adverse supply and demand effects on the water network. However, these are not expected to be significant over the next 30 years.

Drier summers and wetter winters are anticipated and may increase the need for summer bulk water storage. Greater Wellington has also examined the impact of sea level rise (in the range of 0.8 to 1.5m) on the water take from the Waiwhetu aquifer. The aquifer supplies up to 70 percent of the regions water during dry summers so a reduction in yield will also increase the need for seasonal storage in the long term. In order to maintain sufficient pressure in the aquifer and prevent the possibility of salt water contaminating the supply, when the weather is very dry,

Council may need to reduce abstraction rates from the aquifer to a greater degree than we had previously considered.

The bulk water supply pipeline from the Te Marua treatment plant to Porirua and Wellington crosses the Wellington Fault at Te Marua, Silverstream and Karori, and some sections may be subject to damage from liquefaction and land movement. Restoring the supply of water to the four cities following an earthquake involving the Wellington Fault, will be challenging and take a considerable amount of time (100 days plus for Porirua City and Wellington's northern suburbs). Our long-term goal is to provide 80 per cent of our customers within 30 days of a reasonable seismic event, with at least 80 per cent of their water needs 80-30-80.

An alternative water source for Wellington City is planned to improve the ability for the water network withstand a major earthquake. Greater Wellington has done considerable work investigating possible options for new water sources for daily water needs as well as post major shocks to the network. The two most likely options are for a cross harbour pipeline or harbour bores to the Waiwhetu aquifer. Investigations are continuing to determine the best option; the most feasible option is expected to be known by June 2018. Until the feasibility of the harbour bores are proven, we are planning for the more costly cross harbour pipeline option (\$116 million,). Both options also have an annual water levy impact. Depending on the decision made on options, we may need to amend our long term plan.

Water supply resilience also involves increasing our water storage capacity through new and upgraded reservoirs. The Omāroro reservoir project will improve the region's water supply network and increase water storage in case of a disaster, work is programmed for 2019-22. The seismic strengthening of the Ngauranga and Wainuiomata water reservoirs will be undertaken over the next couple of years. These upgrades will be complemented by a joint central/local government initiative which aims to have 22 alternative emergency water source locations across the regions by 2018.

Affordability

Affordability has been balanced with the need for resilient infrastructure. There are no immediate affordability issues with water supply infrastructure. Water supply is funded through a levy on territorial authorities, according to consumption (as provided for in the Wellington Region Water Board Act 1972). We assume that shared water levy charged directly to the councils will continue.

Other issues

Following the 2016 Havelock North water contamination incident, routine monitoring detected *E. coli* and high levels of total coliforms in the untreated water extracted from the Waiwhetu aquifer. This was previously considered a secure groundwater source. As a result, we have (during the 2017/18 financial year) installed additional treatment infrastructure, and all drinking water from the Greater Wellington bulk water supply is now treated in a manner that meets the Havelock North Drinking Water Inquiry recommendations. Investment will be required over the next few years to complete UV disinfection of all ground water supply, the scope of the work and the costs involved are not yet quantified.

Emerging contaminants (EMs), such as pesticides and pharmaceuticals, and their treatment and /or removal from the bulk water supply is an issue that may require greater focus in the future. EM's have potential to cause adverse ecological and/or human health effects.

Responding to the Long Term Plan assumptions

Over the ten years before 2015, per capita consumption decreased while regional population increased. This resulted in reduced overall demand for water. The reasons for this included:

- Fewer leaks in the city reticulation systems
- Improvements in consumer attitudes to water conservation
- improvements in household water efficiency.

The downward trend in per capita consumption has flattened since 2015. If demand remains the same as population increases then a new water supply source will be required by around 2040. Planning and development work for this will need to commence within the life of this Infrastructure Strategy – in approximately 2030. This is likely to include additional seasonal storage, a new water treatment plant, and a significant increase in bulk transfer capacity.

There has been considerable investment into investigating possible options for new water sources as well as upgrading existing assets. Three potential on-river storage dam sites have been identified, along with investigation into a third storage lake at Kaitoke. The new source options being considered provide different levels of benefit with respect to emergency supply following natural hazard events – particularly movement of the Wellington fault. Options for new sources are therefore being considered in combination with emergency water supplies.

A recent assessment has shown that a relatively small reduction in demand could significantly defer the timing for developing a new water source. The financial and environmental benefits of this are significant, so there is likely to be an increased focus on demand management in the coming years.

It should also be noted however, all current water-take consents, including the Waterloo and Gear Island wellfields, are from sources that are identified as over-allocated in Greater Wellington's proposed Natural Resources Plan (e.g. Hutt, Wainuiomata and Orongorongo rivers). That means it would be extremely difficult to secure new consents for additional water takes. These limits also apply to other catchments earmarked for future use. Also impacting on future supply will be the outcomes from the Wellington Harbour and Hutt Valley Whaitua, which has yet to be established but which will determine limits for future water flows. More stringent limits could impact on future water takes when consents expire from 2030-2037, further supporting a strategic case for demand management.

Technology

Many cities across the world are already transitioning towards what we call the “fourth generation” of water infrastructure. This is characterised by improved water efficiency; source control; separation of resources and pollutants at source; improved management and control of flows in the system; and resource recovery of energy, carbon and nutrients.

New technologies and use of digital information will influence the way councils, businesses and individuals operate in the future, and have implications for assets and services. There is a clear shift in water supply industry to alternative, new and more efficient technologies system components like sensor technology, automation and control devices, and data analytics software. Smart Water offers opportunities for more efficient plant operations, optimisation of pumping and power usage, asset management, detection of leaks and contaminants, and consumer access to individual usage data.

Addressing significant issues and options

Level Of Service	Issues	Options	Most likely scenario	Principle alternative option
Safe and healthy water Respectful of the environment Resilient networks support our community.	Ageing water supply assets	Replacement of critical infrastructure Upgrade bulk supply water mains	Replacement of Kaitoke trunk main Waterloo and Gear Island aquifer wells replacement	Porirua Branch Improvements
	Water Storage Resilience	Strengthening of storage Alternative storage sites across the region	Ngauranga and Wainuiomata reservoir strengthening	Strategic stores sites
	Water Supply Resilience	Desalination Plant Cross Harbour Pipeline Harbour Bores	Cross harbour pipeline	Harbour Bores
	UV disinfection of all ground water supplies	UV Treatment at sources	UV treatment at Gear island	No alternative is a must do to protect public health
	New water supply source.	Upgrading and installing new assets Demand Management Promoting	Source development for growth	Options will become apparent as investigation work commences

		water conservation		
		Source development for growth		

Most likely scenarios are based on the following assumptions specific to Water Supply:

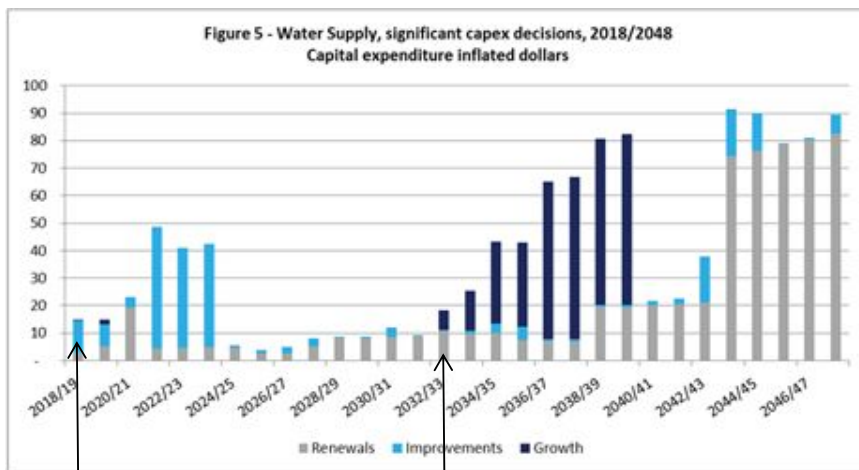
<p><i>Lifecycle of significant assets</i></p>	<p>We will maintain and renew assets to agreed levels of service, in accordance with asset management (IIMMs) and industry best practice</p> <p>Asset data reliability and confidence is based on best available information at the time. Wellington Water are implementing an ongoing programme to improve the knowledge of asset condition and performance</p> <p>Continued approach of evidenced-based decision-making for any asset investment proposal</p> <p>A focus on renewals to maintain agreed levels of service, within an agreed risk environment with a focus on increasing resilience</p> <p>Integration with planning tools to ensure all growth areas have the ability to be serviced by existing, upgraded or new infrastructure</p>
<p><i>Growth or decline in the demand for the service</i></p>	<p>Wellington’s population is growing; becoming older and more diverse. We are planning for a steady increase in demand for water supply from residential, economic and tourism growth. Natural disasters, or other events, will not change the demography of the region over the planning period</p>
<p><i>Level of service</i></p>	<p>We do not propose any significant changes to our current levels of service for water supply</p> <p>The most likely scenarios will address the impacts, and maintain the levels of service for safe to drink, and continuous and secure supply</p>

Significant capital expenditure decisions

The following table sets out the significant decisions about capital expenditure for our water supply assets required over the next 30 years, including when we expect to make those decisions, what principal options we expect to have to consider, and the approximate scale or extent of the costs associated with the decision.

Significant decision required	Timing of project	Principal options	Costs
Renewal of critical assets.	2018-2021	Replacement Kaitoke trunk main on Silverstream Bridge. Budget and timing changed significantly due to the complexity of the project.	\$19 million
	19/20 – 24/25, 28/29 – 34/35	Waterloo and Gear Island aquifer wells replacement Budget and timing changed significantly.	\$9 million \$19 million
Improving water storage resilience.	18/19 – 19/20	Ngauranga and Wainuiomata reservoir strengthening	\$5 million
Improving water supply resilience.	18/19 – 22/23	Decision to be made following investigations whether pursue harbour bores or cross harbour pipeline. Cost for harbour pipeline shown here.	\$116 million
	18/19 – 19/20	Strategic Stores for spares and equipment. New project to improve operational resilience across the region	\$5 million
Supplying safe drinking water	TBC	UV treatment at Gear Island. New project to protect public health that has resulted from the Havelock North Inquiry.	Not yet quantified
Future investment for regional supply capacity	2032-2040	New water supply source.	\$320 million

The breakdown of capital expenditure by investment driver is given in Figure 5 below. This shows significant investment in proposed resilience improvements in the early stages of this strategy, followed by new source development in the mid-2030s and major renewals work in the late 2040s.



-Cross Harbour Pipeline \$116M
2018/19 - 23/24

-Kaitoke Main Replacement
\$19M 2018/19 - 20/21

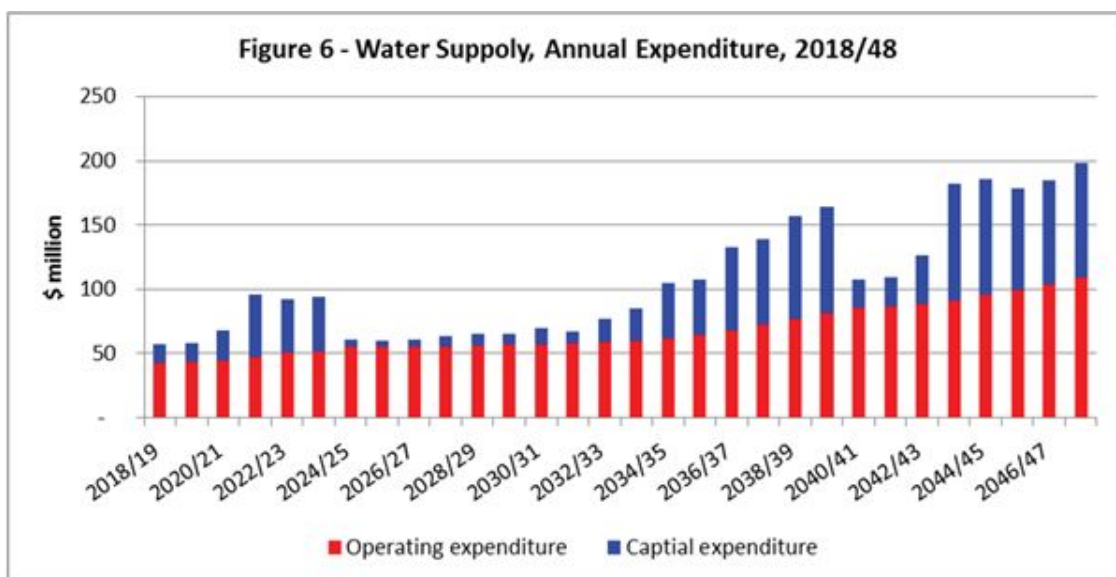
-Waterloo well replacement
\$9M 2019/20 - 24/25

New source development
\$320M 2032/33 - 33/40

Asset renewals
\$733

Estimates of capital and operating expenditure

The estimates of the projected capital and operating expenditures for water supply infrastructure assets are shown in Figure 6.



Public Transport

Greater Wellington plans, funds and operates the Metlink public transport network of train, bus and harbour ferry services throughout the region. We own and maintain parts of the public transport network, including trains, railway stations, and bus shelters. We contract companies to operate the train, bus and harbour ferry services on our behalf. We provide customer information about the Metlink services, as well as providing a transport subsidy scheme (Total Mobility) for people with disabilities who cannot easily use public transport.

Trains

Greater Wellington Rail Limited is a Council-Controlled Organisation of Greater Wellington, which owns the Matangi fleet of electric multiple units, the Wairarapa passenger carriages and some other rail infrastructure as outlined below, via funding from Greater Wellington. Because electric multiple units and carriages are investments that Greater Wellington needs to fund, we include them in the Infrastructure Strategy.

Assets	Number
Bus stops & shelters	3064
Interchanges	6
Park n Ride facilities	40
Rolling Stock	193
Station Assets	47
Rail Network Infrastructure	5
Customer Information Assets	4

Replacement Value	Condition	Performance	Data confidence	AM Maturity	Criticality
\$636.9M	3 -Maintenance Required	3 -Moderate	2 -Reliable	4- Intermediate	3 -Moderate

30 year goal

The Wellington region has a strong culture of public transport use. Nearly 38 million passenger trips were taken on the Metlink public transport network during 2016/17 – equating to the highest per capita public transport use in the country.

We want to become a smarter, cleaner region by encouraging more people to travel by bus, train and ferry, especially at peak times. So we're making extensive improvements to the Metlink network to deliver faster, affordable, more frequent and reliable services. It's all about providing a better public transport experience to make greater Wellington even greater.

Our high use of public transport hasn't happened by chance – but has been a result of planning and investment over a long period. For the past ten years we have made a significant catch-up investment in rolling stock and infrastructure.

Our current programme is focused on consolidation of rail services, transformation of bus services (new network for Wellington city, modern sustainable bus fleet, including new double decker electric buses) and improving the customer facing aspects of the Metlink network.

Our plan for the future is to continue to invest in, and transform, all aspects of the Metlink Public Transport network. We want to make Metlink even better so it remains the preferred choice of travel for people, particularly in peak travel times where the benefits to the wider network and economy are more pronounced.

Who owns what?

While Greater Wellington provides the public transport network we only own some of the assets used for Public Transport services. We need to ensure that the assets are managed effectively, so that the public transport network can operate efficiently.

- *Greater Wellington* owns some bus stop shelters and the majority of bus stop related infrastructure, as well as customer information systems (such as Real Time Information System, and the website).
- **Local city and district councils** own some bus stop shelters and related infrastructure; Wellington City Council owns the Wellington Station bus interchange; and Hutt City and Wellington City councils own their respective ferry wharfs
- **Third parties e.g. Adshel own some bus shelters**
- **Greater Wellington Rail Limited** owns the trains for our rail services, station buildings (except Wellington Rail Station), Park & Ride carparks, and other station-related infrastructure.
- **Bus service contractors** are responsible for their own buses, except for the new double-decker buses that are coming. Council will be obliged to buy them back from the operators at the end of the respective operating contracts.
- **KiwiRail** owns the rail network infrastructure, including tracks, signals, telecommunications, network control, overhead traction power system, and station platforms. KiwiRail Freight also provides the locomotives used on the Wairarapa line. The Capital Connection train is currently owned and run by KiwiRail.
- **Ferry operators** own their own ferries.

Significant issues and challenges

Ageing infrastructure

Wairarapa Line rolling stock

The carriages operating on the Wairarapa line were manufactured from old British carriages during 2007-13. The carriages require a mid-life refurbishment in the period 2019-21, with replacement scheduled around 2032. A business case is currently being developed to assess alternative options.

The preferred option is to replace the ageing fleet with Electro/Diesel Multiple (E/DMU) units on Wairarapa and the Capital Connection lines, servicing Otaki and Palmerston North (currently owned and managed by KiwRail) at the same time. One important advantage of bundling the Wairarapa and Capital Connection trains together is that we achieve significant economies of scale – it is very difficult and expensive to construct a small number of specialised train units.

Early costs are estimated at \$300 million in today's dollars. Given the early stages of option development, cost estimates, and uncertainty on the requisite Crown business cases, as well as funding allocations to be agreed with our partners, we have provisioned for 10 percent of this cost in years 2022-24. This would bring forward the spending we proposed in the last 10 Year Plan for replacing the carriages during 2027 to 2030. We have also maintained a provision for refurbishment of the Wairarapa carriages, the extent and timing of which will be reviewed together with the development of the business case.

The ageing Wairarapa carriage refurbishment or replacement estimated costs and funding commitment from other stakeholders is also an affordability issue.

Rail station infrastructure

The rail station infrastructure has a range of ages, conditions and performance, which require on-going investment to ensure that assets provide the agreed level of service. Seismic strength issues on our pedestrian bridges and subways need addressing.

Bus infrastructure

Currently bus services in the urban centres are at capacity during peak periods. Congestion means the services are often delayed. The current programme of works includes upgrades to bus shelters and developing key interchange hubs in Wellington City. The current Wellington City bus network service provision will not meet current and future patronage demands or customer expectations. Capacity and frequency of service levels could be enhanced to attract patronage and better cope with urban population and economic growth. The current package of service enhancements is focused on greater coverage, capacity, shoulder peak service and frequency. The package has a cost of \$0.6 million in the first year and increasing year on year.

In preparation for the new bus network, which has an increased reliance on transfers, we are developing new transfer hubs, which include more extensive public transport information, including Real Time Information and wayfinding. The bus network real time information system is approaching its end of life and is scheduled for replacement or renewal in 2028/2029.

Outside of Wellington city, the focus is on speeding up renewal of existing bus shelters and closing the service level gap by installation shelters and other customer facilities at bus stops – for example, the renewal of key bus interchange facilities at Porirua Station which has reached end of its life. The renewal of the customer facilities is planned to be undertaken in 2019/2020.

New buses, owned by the operators, with lower emissions profiles, including some electric, will be in operation under the new contracts.

Resilience

Severe wind and rain events impact on, and disrupt, public transport (both our and others' assets). Sea level rise will have a significant effect on parts of our public transport system, especially those located adjacent to the coast. Although Greater Wellington does not own roads, or the rail network we rely upon these assets to provide the public transport service region. We operate a reserve fund for any major loss or damage to public transport infrastructure as a result of natural hazards.

There is a need to shift from traditional transport modes, such as private vehicle use, to electric public transport. They have a smaller environmental footprint and optimise land use. Investigation into the feasibility and development opportunities to achieve Transit Oriented Development at key interchanges (e.g. Kilbirnie, Johnsonville, Wellington Regional Hospital, Waterloo, Porirua, Paraparaumu Town Centre) is planned. This option will require proactive land purchase and coordination with local councils on integrated transport and land use planning.

Affordability

Rail infrastructure and rolling stock funding

Greater Wellington's plan to increase its level of service across the Metlink public transport network requires some significant investments in rail infrastructure. Some of this infrastructure is not owned by Greater Wellington; KiwiRail own the track on behalf of the Crown. We are developing business cases for the Government to fund key initiatives; our Long Term Plan has been developed on the assumption that these business cases are successful.

Rail network maintenance and capacity enhancements

Greater Wellington contributes to the annual maintenance, renewals and insurance costs of the rail network, which gives Council an interest in the quality of the network performance and the cost of the service. KiwiRail has a backlog of deferred maintenance, particularly on the Wairarapa line, resulting in our operational costs being high, and services are often delayed.

Business cases are currently submitted with the Crown to obtain funding for:

- addressing deferred maintenance and renewals on the Wairarapa line (~\$100 million), and
- unlocking network capacity to cater for ongoing and expected service demands (~\$100 million).

This plan assumes full Crown funding of both of these business cases in the 2018 Central Government Budget round. Failure to obtain this funding support will have significant impact on meeting the agreed level of service, and/or the affordability of the Wellington passenger rail service.

Responding to the Long Term Plan assumptions

External factors that have the potential to increase Public Transport demand are-

A growing population and economy (possibly also leading to increased congestion)

- Intensified development and patronage growth along transport corridors
- An ageing population
- Declining car ownership among younger generations
- Higher relative private transport costs (fuel, parking)
- Increased congestion
- Greater awareness and focus on clean, and/or renewable energy

Let's Get Wellington Moving

Let's Get Wellington Moving (LGWM) is a joint project among Greater Wellington, the Wellington City Council (WCC) and NZTA which aims to develop a transport system that supports Wellington city's growth, while making it safer and easier to get around. The project advocates for a multi-modal approach to improving the transport system including significant improvements to public transport services, as well as prioritising routes in the central city for public transport, walking and cycling, and measures to manage travel demand.

While it is too early to confirm the final scenario, and detailed business cases have not yet been completed, Greater Wellington has budgeted \$67 million in today's dollars over the next ten years for programme improvements to provide the infrastructure to facilitate mass transit in Wellington. The final shares of costs for each party to the agreement will depend on the work done to each stakeholders' assets - NZTA has State Highways, WCC has local road investments and Greater Wellington has responsibility for planning and funding public transport services, and the means of procurement for any mass transit system

Integrated Ticketing

An integrated fares and ticketing system (IFT) is planned for the Wellington region's bus, train and harbour ferry services. Integrated ticketing will mean just one payment mechanism for all travel regardless of mode, and integrated fares will mean a simpler set of fare products with no additional costs for journeys requiring more than one service or mode. This represents a major improvement in service level.

A standard ticketing system across all bus operators as an interim measure, has been contracted and will be implemented during 2018. Current expectations are that installation of an IFT system will commence in 2020/21.

Issues and options

Levels Of Service	Issue	Options	Most likely scenario	Principle Alternative Option
<ul style="list-style-type: none"> - Transform and elevate customer experience and use of Metlink passenger services - Maintain and improve the performance and condition of Metlink assets - Deliver services in accordance with the published timetable - Provide accessible and accurate information on Metlink services to the public - Provide a fares and ticketing system that attracts and retains customers 	Existing rolling stock for Wairarapa and Capital Connection are ill-equipped to meet current and future patronage demands or customer expectations.	<p>Wairarapa line carriage refurbishment or replacement.</p> <p>Purchase other second hand carriages.</p> <p>Shuttle services between Upper Hutt and the Wairarapa.</p>	Replacement with a modern dual powered (Electro/Diesel Multiple Unit) train fleet.	Refurbishment of the Wairarapa carriage fleet.
	Poor condition of rail stations requires ongoing investment.	Either reducing or increasing the level of service provided by the rail station infrastructure, and the level of risk accepted by the Council and the community (for example seismic risk).	Investment in rail station infrastructure - renewals, strengthening and upgrades - including the replacement of the Waterloo station roof.	Reduce level of service, and/or the increase the user/rates funding of passenger rail service.
	KiwiRail network has significant amounts of deferred maintenance, which affects services and is also a resilience risk.	Complete the rail network maintenance at our cost.	Business cases submitted with the Crown to obtain funding.	Reduce level of service, and/or the increase the user/rates funding of passenger rail service.
	Bus services in the urban centres are at capacity and need to be enhanced to attract patronage and cope with urban population and economic growth	Bus shelter and interchange - new, upgrades and renewals	New bus network for Wellington City.	Transit oriented development.

	Urgent need for shift from traditional transport modes, such as private vehicle use, to electric public transport.	Transit oriented development	Let's Get Wellington Moving implementation	Transit oriented development
	Changing and increasing customer expectations for cost-effective fares across a range of transport modes for a single journey.	Integrated fares and ticketing system (IFT)	Integrated fares and ticketing system (IFT)	Standard ticketing across buses and across trains.
	The real time information system is approaching its end of life	Before 2028 a decision will be required about whether to replace or renew.	Real Time Information System replacement or renewal	
	Vulnerability to disruption from natural wind and rain, sea level rise, earthquakes	Through participation in lifelines projects and working with other stakeholders our resilience to major events is increased.	Achieving outcomes with other stakeholders - i.e. Lifelines commitment	

Most likely scenarios are based on the following key assumptions specific to Public Transport:

<p><i>Lifecycle of significant assets</i></p>	<p>We are making asset management decisions based on our strategic plans (LTP, dNRP, RLTP etc).</p> <p>We will maintain and renew assets to agreed levels of service, in accordance with asset management (IIMMs) and industry best practice. Asset data reliability and confidence is based on best available information at the time. An ongoing programme to improve the knowledge of asset condition and performance is being implemented.</p> <p>We will provide infrastructure that can deliver services in a manner that meets agreed levels of service now and into the future.</p>
<p><i>Growth or decline in the demand for the service</i></p>	<p>Community expectations of council services are continually increasing, while tolerance for cost increases, disruptions and service failure is decreasing.</p> <p>Varying stakeholder assets and associated risks to meeting levels of service. Wellington’s population is growing; becoming older, more diverse and more urban. We are planning for continued, and future increases in, demand for a variety of modes, whilst allowing for changes in service levels for an enhanced public transport service.</p> <p>We anticipate the use of public transport will increase in the future, albeit using relatively conservative population growth estimates. Key drivers considered include population growth, aging population, congestion and technology change.</p> <p>Natural disasters, or other events, will not change the demography of the region over the planning period.</p>
<p><i>Level of service</i></p>	<p>Changes proposed, as described below.</p> <p>Improvements to services are being made where there is a gap in our service offering and the increase in service level is agreed.</p> <p>Customer satisfaction will increase as a result of increases in asset, operational and customer service levels.</p> <p>Agreed service levels will be funded, in some cases as shared cost with central government and/or alternative funding.</p> <p>Assume that shared funding percentages with external stakeholders will continue.</p>

Increasing levels of service

We **do** propose changes to our current levels of service.

Our short term work programme is to ensure we are meeting the existing levels of service. Longer term projects represent an increase in level of service; to transform aspects of the Metlink public transport network to deliver a world class service³⁴, which attracts and retains customers.

³⁴ which we define as a service where more than 95% of customers are satisfied with their trip.

We have an investment programme to deliver those service improvements. These include improving the frequency of train and bus services during peak times, introducing integrated fares and ticketing, a modern sustainable bus fleet for Wellington city, new transfer hubs, additional park and ride space, improving bicycle storage at stations, renewing the real time information system, and extending CCTV coverage.

Our focus over the next ten years is

1. to continually improve levels of service for customers
2. to unlock capacity to cater for ongoing and expected high levels of population and economic growth, and
3. to improve the resilience of the network as a whole.

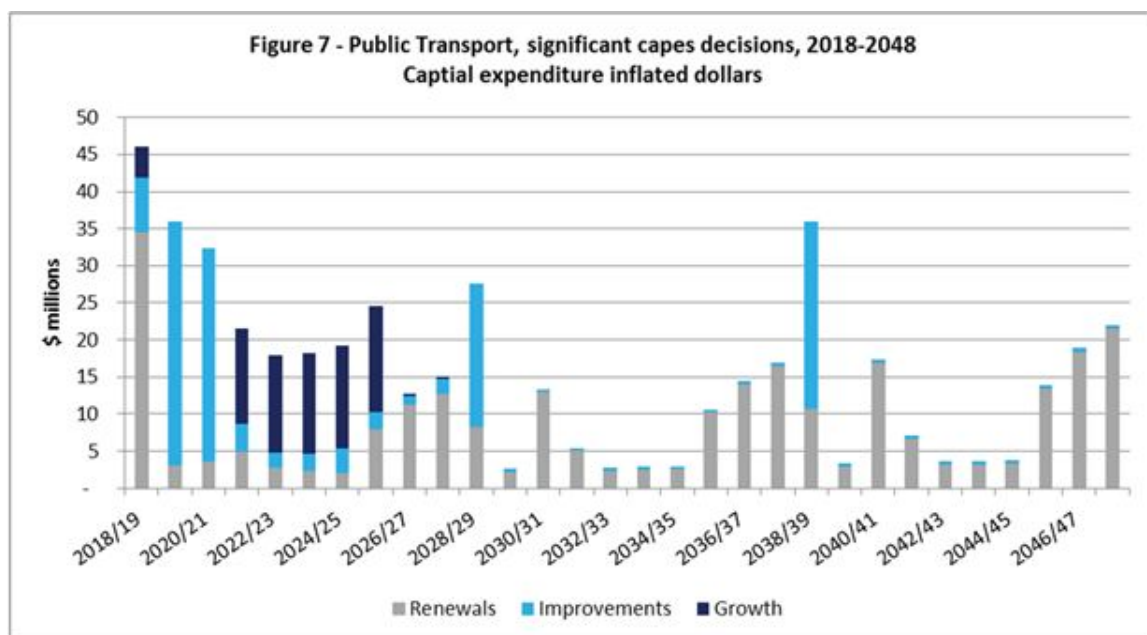
Significant capital expenditure decisions

Public transport infrastructure is expensive, and funding it poses significant challenges for all regional communities.

Our significant decisions about capital expenditure for our public transport assets required over the next 30 years are set out in the table below. This includes when we expect to make those decisions, what principal options we expect to have to consider, and the approximate scale or extent of the costs associated with the decision.

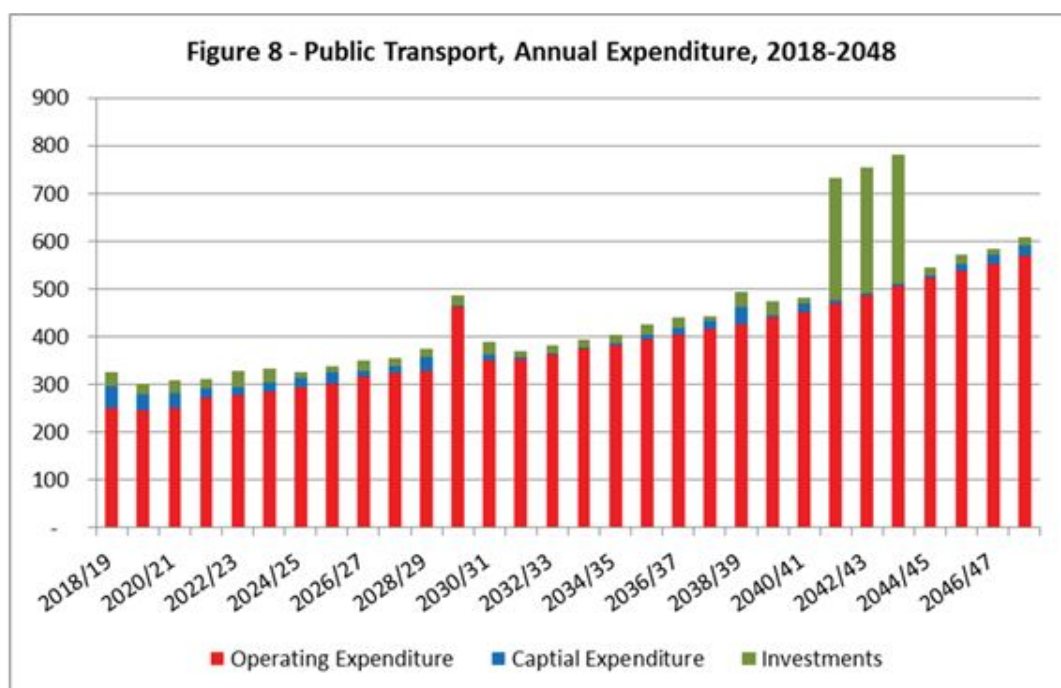
The projected life of the integrated ticketing system, once installed, is ten years. Before this time elapses, a decision will be required about whether to replace or renew the system.	2018-2021	Replace or upgrade integrated ticketing	\$48 million
Real Time Information System replacement or renewal	2028/2029	Before 2028 a decision will be required about whether to replace or renew.	\$19 million
Lets Get Wellington Moving funding	2021 - 2026	At the time of this plan the final scenario has not been confirmed.	\$67 million.

The breakdown of capital expenditure by investment driver is given in Figure 7 below. The graph shows capital expenditure for buses, real time information and integrated ticketing; it doesn't include rail. Rail is considered an investment cost not a capital cost.



Estimates of capital and operating expenditure

The indicative estimates of the projected capital and operating expenditures for public transport infrastructure assets are shown in figure 8.



Public transport annual expenditure, including investments, 2018-2048

Capital expenditure is shown in 2018/19 dollars.

Flood Protection

We manage flood risk from the region's rivers and streams. We investigate flood hazard, develop floodplain management plans and maintain and build flood protection works in accordance with these plans. We also provide an advice and consultation service in relation to flood and erosion risks and work with the community to maintain or improve the environment and recreational opportunities.

In providing this activity we also enable public recreational use and enjoyment of river corridors and contribute to the restoration of the natural and cultural values of rivers.

We recognise and provide for mana whenua relationships to freshwater and their stewardship in relationship to rivers.

Assets	Number
Stopbank Reaches	1095
Individual Structures	107
Bank Edge Structural	1777
Bank Edge Vegetative	1539
Channel Assets	1074
Berms Amenity	744

Replacement Value	Condition	Performance	Data confidence	AM Maturity	Criticality
\$340.6M	2- Minor defects only	2 -Good	2 -Good	2 -Good	1 - Stop banks, flood gates and walls, barrage gates, and detention dams

Visionary 30 year goal

Historically in New Zealand, we have taken a strong engineering focus to flood management - diverting rivers, and draining, and building on, land that were part of a river's floodplain. Over recent decades thinking has shifted and a wider view is taken to assessing and responding to flood risks. Avoiding flood risk is top of mind as are more natural solutions, affected communities are closely involved, and we think more about the environmental effects of flood protection works as well as protecting our communities.

Looking forward, we want to take this approach even further by working with iwi, communities and other councils to achieve greater social, economic and environmental outcomes from flood protection work. We will continue to look for innovative approaches for flood hazard

management. In addition to the standard flood protection methods, such as building stopbanks and diverting flood water, our focus has moved to avoiding flood hazard in the first place and providing relevant and up-to-date information. A key component of this is working with territorial authorities to ensure new development in flood hazard areas is appropriate.

Significant issues and challenges

Ageing infrastructure

Large flood protection assets such as stopbanks are maintained in perpetuity, so do not have an end of life as such and do not have a defined programme for their 'renewal'. Annual planned maintenance keeps the assets in good condition and providing good performance overall. In some cases, capital improvements are necessary when flood damage to assets requires more than standard operational repair work.

Of the 15 percent of assets rated as being in poor or very poor condition, the majority are debris fences, groynes and willows. As such flood protection assets are fit for purpose, structurally sound and legislatively compliant, meeting the agreed levels of service.

The George Blundell Barrage Gates is a complex asset and an integral component of the Lower Wairarapa Valley Development Scheme and the gates have a useful working life until approximately 2074. Various asset parts make up the Barrage Gates, some of which are programmed for renewal in the next 30 years.

Resilience

Floodplain Management Plans describe how we manage the flood risk on individual rivers and floodplains. The risks associated with population growth, land development and natural hazards are incorporated into Floodplain Management Plans and other planning. This ensures the asset base is resilient to increasing shocks and stresses and that any new assets are created following a risk-based approach.

The major hazards relating to flood protection assets are damage from major earthquakes and from floods. Major earthquakes could result in cracking and slumping of stopbanks, foundation settlement and cracking of concrete structures, cracking of river berms, and slumping of rock edge protections. The Barrage Gates in the Lower Wairarapa Valley are a particular concern. Flood protection assets on land subject to liquefaction may also be damaged. Parts of our flood protection systems are also vulnerable to the damage and impacts of storms, rising sea levels, including the ability to discharge flood flows to the coast.

If flood protection systems are damaged, then the flood risk to communities along all major rivers in the region is heightened and will operate at reduced service levels until repairs can be completed.

Water managers worldwide are looking to use natural green infrastructure as a flexible and efficient way to manage flood flows and risk (softer engineering). Industry best practice is moving away from costly, bigger stopbanks, pipes, and pumps (hard engineering) towards ways of capturing and holding water where it falls. There is an industry appreciation globally of the need to more fully integrate the planning and management of catchments land use and water management to mitigate flooding risk. Greater Wellington will need to work with local authorities and land developers in a more holistic approach to land, floodplain and water management.

Affordability

Expansion of the Flood Protection network generates additional maintenance costs which must be factored into budgets. Unless maintenance costs can be met with additional new funding, they must be met via reductions in strategy development or network development programmes.

Community expectations, on-going monitoring of environmental effects, together with more cognisance of the potential effects of flood protection work on the environment are changing the way that flood protection interventions in river environments are undertaken. This delivers improved outcomes for rivers, biodiversity and public amenity, but also increases the costs of the flood protection work. At the same time continuing to meet demands to protect people from flooding by building new, bigger and better flood protection especially in greenfield areas comes at a high cost.

Ensuring long term debt levels are sustainable while responding to demand for adequate and equitable flood protection across the region is an ongoing challenge. We have optimised the timing of delivery of the overall flood protection programme, and extended the loan repayment terms on our flood assets, balancing affordability with key areas of required service level improvements and spreading the cost more fairly in line with the benefits.

Climate change may impact on the ability of Greater Wellington to meet agreed levels of service for flood protection long term. In some circumstances managed retreat may be the most appropriate response.

Responding to the Long Term Plan assumptions

The conventional approach to flood hazard management- which removes water as fast as possible - relies on building structures and draining water. These engineered systems will reach capacity with a growing population and economy, as well as the effects of climate change. Reducing the risk and mitigating the future damage to our communities requires holistic integrated land use and water management and strategies, as well as traditional protection defences.

Population change, economic growth and land use changes are anticipated in particular parts of the region. New development in areas that are subject to flooding, which increases the risk, is not supported. Avoiding flood hazard by not building in high hazards areas is the most effective way of managing flood risk in the long term. Where existing approved development is subject to an unacceptable degree of flood risk then construction of new infrastructure will be considered. In all other circumstances reliance will be placed on either avoidance or alternative non-structural measures.

More sustainable flood protection strategies will include planning and design principles to hold water in the landscape, using pump stations when necessary, rather than as a default. We will work with local authorities on planning controls (e.g. setbacks, minimum floor levels, onsite detention, water sensitive design) and target investments to risk. In some circumstances managed retreat or other planned non-structural measures may be the most appropriate response.

An example of this holistic multi agency approach is RiverLink. Greater Wellington, Hutt City Council and the NZ Transport Agency are combining their skills and working together on the project, which will bring big benefits to the Hutt Valley community.

The RiverLink project will deliver better flood protection, urban rejuvenation, better lifestyle and improved transport links for the people of central Lower Hutt.

Riverlink involves widening the river corridor – giving the river room to move, rather than constraining it. The space created between the new flood walls and stopbanks will allow for recreation and amenity; tracks, cycleways, swimming spots, picnic places, native bush restoration, kayak launching facilities. The project also allows for predicted increased rainfall frequency and magnitude

Issues and options

Level Of Service	Issues	Options	Most likely scenario	Principle alternative option
<p><i>Improve information and understanding of flood risk in the community</i></p> <p><i>Infrastructure is managed to agreed level of service</i></p> <p><i>Minimise the environmental impact of flood protection works</i></p> <p><i>Improve community's resilience to flooding</i></p>	<p>Inappropriate, new development intensification in areas that are subject to flooding. Increased risk is not supported.</p>	<p>Work with local authorities on planning controls or other non-structural measures.</p> <p>Softer, more natural approaches.</p> <p>Avoidance using planning controls.</p> <p>Managed retreat from hazard areas.</p> <p>Traditional protection defences</p> <p>Development of new floodplain management plans.</p>	<p>Integrated, holistic multi agency catchment planning approaches.</p>	<p>Avoidance using planning controls.</p>
		<p>Consider assets for scheme wide renewal, including the Barrage Gates, review historic information and studies.</p> <p>Carry out engineering investigations to determine maintenance and renewal</p>		

		<p>options.</p> <p>Risk management renewals programming, including using a Asset Performance Tool developed to assist with identifying high risk river reaches and critical assets. Assess asset performance.</p>		
	<p>Predicted increase in frequency and magnitude of storm events and the potential impacts of rising sea levels.</p>	<p>Target investments to risk.</p> <p>Work with local authorities on planning controls or other non-structural measures.</p> <p>Softer, more natural approaches .</p> <p>Managed retreat from hazard areas.</p> <p>Traditional protection defences</p> <p>Climate change allowed for in design.</p>	<p>Combination of methods including:</p> <ul style="list-style-type: none"> • Implementing catchment/floodplain management plan • Upgrading infrastructure to maintain level of service. 	<p>Retreat from hazard areas.</p>

		Adaptive management.		
	Meeting agreed levels of service within budgets and resources.	Opportunities to improve levels of service and improve value.	Minimal changes.	Apply additional resources and funding.
	Increased demand for improved outcomes for rivers, biodiversity and public amenity	<p>Work with local authorities on trail and open space provision.</p> <p>Softer, more natural approaches.</p> <p>Managed retreat from hazard areas.</p> <p>Traditional protection defences.</p> <p>Support community restoration and planting.</p>	Amenity and recreation components as per the Environment Strategy.	Softer, more natural approaches.

Most likely scenarios are based on the following assumptions specific to Flood Protection:

<p><i>Lifecycle of significant assets</i></p>	<p>We are making asset management decisions based on our strategic plans.</p> <p>We will maintain and renew flood protection assets to agreed levels of service, in accordance with asset management (IIMMs) and industry best practice.</p> <p>Asset data reliability and confidence is based on best available information at the time. An ongoing programme to improve the knowledge of asset condition and performance is being implemented.</p> <p>We will provide infrastructure that can deliver services in a manner that meets agreed levels of service now and into the future. This may mean a move from traditional protection defences to softer, more natural engineered approaches.</p> <p>A focus on planned maintenance to meet agreed levels of service, within an agreed risk environment with a focus on increasing resilience.</p> <p>Integration with Territorial Authorities planning to ensure all growth areas present low risk and have the ability to be serviced by existing infrastructure or protection can be provided via planned, non-structural or softer, more natural measures.</p>
<p><i>Growth or decline in the demand for the service</i></p>	<p>Wellington’s population is growing; becoming older and more diverse. We are planning for intensification of population and land use changes in particular parts of the region.</p> <p>Natural disasters, or other events, will not change the demography of the region over the planning period.</p> <p>Assume the stance of no new development in areas subject to high risk of flooding and/or which increases the hazard risk is supported by TAs and councillors.</p>
<p><i>Level of service</i></p>	<p>We do not propose any significant changes to our current levels of service in the short term of this strategy.</p> <p>Assume that shared funding percentages with external stakeholders will continue.</p> <p>Improvements to services will generally only be made where there is a gap in our service offering and the increase in service level is agreed.</p> <p>Increasing community expectations, on-going monitoring of environmental effects and increasing legislative requirements will drive change in the way that flood protection interventions are undertaken.</p> <p>Increased investment may be required to maintain levels of service in the face of climate change and sea level rise.</p>

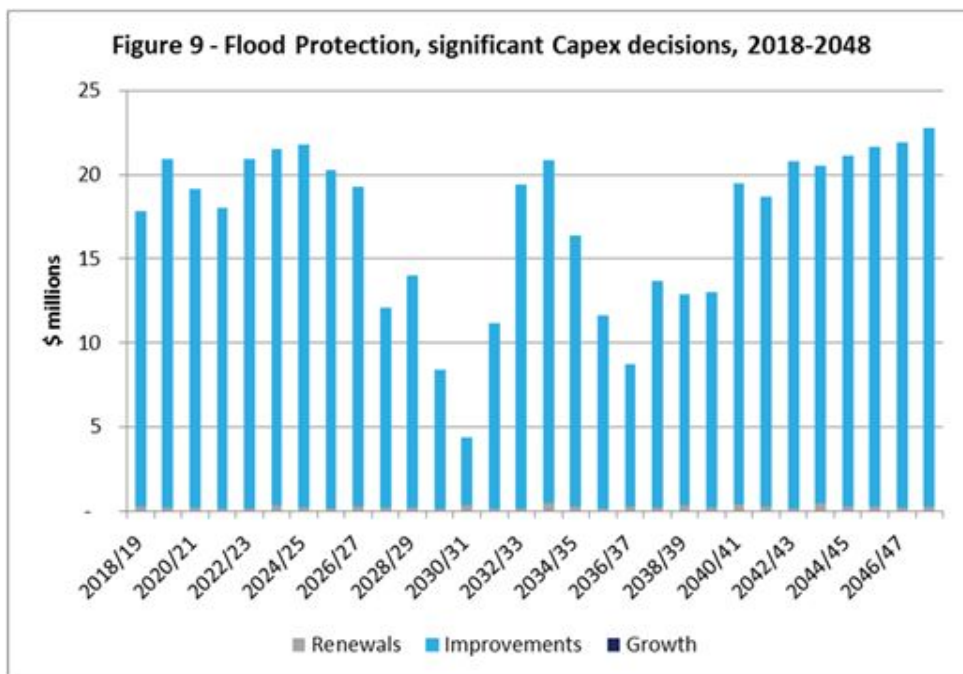
Significant capital expenditure decisions

Our significant decisions about capital expenditure for our flood protection assets required over the next 30 years are in the table below. This includes when we expect to make those decisions, what principal options we expect to have to consider, and the approximate scale or extent of the costs associated with the decision.

Significant decision required	Timing of project**	Principal options	Costs
Continue with traditional protection structures as well as move into the avoidance of inappropriate development and softer, more natural measures.	2018 to 2048	Approval and implementation of the Floodplain Management Plans (FMP's). Significant decision points to deliver major projects including: <ul style="list-style-type: none"> • Hutt River - Riverlink • Waiohine River FMP • Te Kauru FMP 	Up to \$520 million
Asset maintenance and renewals in the Lower Wairarapa Development Scheme, including the George Blundell Barrage Gates	2018 to 2048	Determine and carry out programme for maintenance and renewal works.	\$207 million
Greater provision of recreational and amenity facilities	2018 to 2048	Develop new assets to deliver an agreed vision for regional rivers, as defined in the Environmental Strategy.	\$16 million

*** these timeframes include the scoping and planning, design, engagement, consenting, and construction for the projects.*

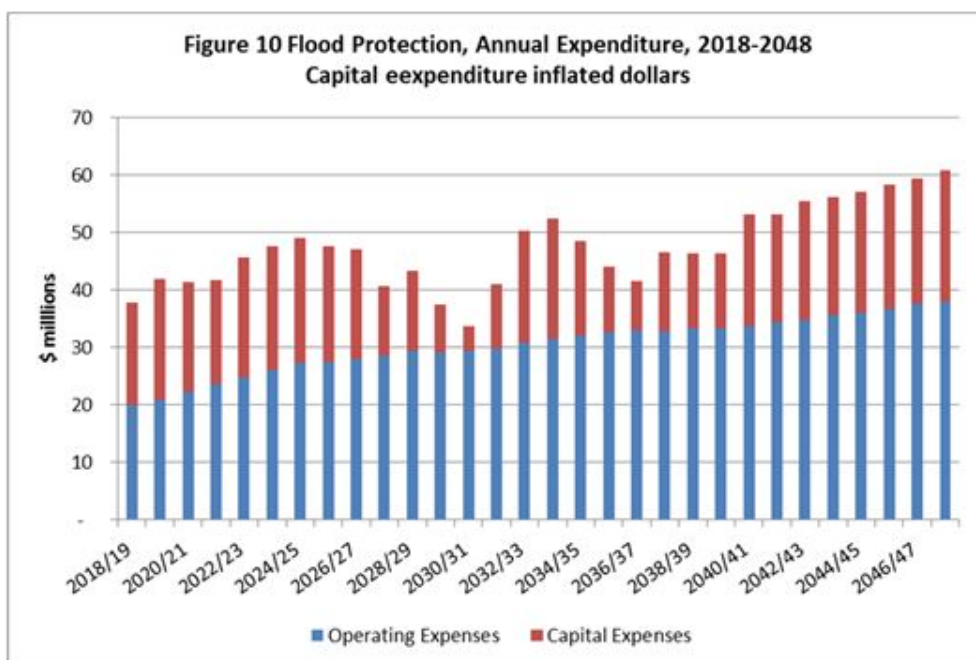
The breakdown of capital expenditure by investment driver is given in Figure 9 below.



Estimates of capital and operating expenditure

The indicative estimates of the projected capital and operating expenditures for flood protection infrastructure assets are shown in figure 10.

Operating costs associated with large flood protection assets such as stopbanks, which are maintained in perpetuity, as such do not have an end of life or a defined capex renewal programme, mean the Flood Protection forecast is opex heavy. Preparing floodplain management plans and investigative works are a major contributor to opex costs.



Parks

Greater Wellington manages a network of regional parks and forests for the community's use and enjoyment. The network includes a range of unique natural areas for recreation and conservation. We plan for the future of the network, provide services and facilities for visitors and work with mana whenua and community groups to protect the environment of regional parks.

Assets	Number
Amenity area	53
Barrier	2335
Building	164
Environmental area	7
Park furniture	280
Heritage feature	97
Information	1369
Land management area	6
Production area	34
Road	247
Structure	895
Track	229
Utility	776

Replacement value	Condition	Performance	Data confidence	AM Maturity	Criticality
\$77M	2. Minor defects only	3. Moderate	2. Reliable	3. Core	3. Moderate

Visionary 30 year goal

The vision for our Parks network is “to enrich lives by connecting people with healthy natural places”. We need to face the challenges and opportunities of the future if we are to achieve this vision.

A key focus will be our contribution to a network of world class recreational trails in the Wellington region. By working together with the Department of Conservation, the eight councils of our region and other stakeholders, we want to create a trail network that will contribute to the lifestyle of those of us who live here and regional economic growth through tourism. By working with our iwi partners, stakeholders and the community, we hope to create a single, connected, network of trails for the benefit of residents and visitors.

Significant issues and challenges

Ageing infrastructure

Parks assets are characterised by a large proportion that are legacy assets that are no longer managed for their original purpose (e.g., historic water supply, rail, defence and farming infrastructure). These assets are highly reliant on preventative maintenance and inspection cycles as the means of extending remaining life expectancy.

Asset performance is a key issue, particularly with signs and information boards, where the information displayed can rapidly become out of date ahead of the actual useful life of the asset. Increasingly sophisticated use of technology offer opportunities to future-proof our information and supporting systems, such as enhanced communications, parks mapping and work tracking, facility entry, and visitor usage (big data).

Greater weight is afforded to condition data than age when assessing the useful remaining life of Parks assets. Some assets rated by condition can have performance shortfalls as well (e.g., due to inadequate capacity or shortcomings in design or construction or being legacy assets). These types of assets are subject to the normal business process – involving inspections to identify defects and remedial options (from corrective maintenance to removal and replacement). Pakuratahi Forks swingbridge is one such asset, where the change in levels of visitor use has created a long-term performance short fall. This structure has been scheduled for early replacement.

Resilience

The potential stresses and strains relating to Parks service mainly relate to natural events such as flooding, earthquakes and fires. Climate change is likely to lead to rising sea levels and more extreme weather events. These stresses and strains will impact on park structures, facilities, vegetation and waterways and access, and result in increased maintenance work and costs. Sea level rise increases the risk of the failure of our coastal infrastructure.

In the short term, we are strengthening our facilities to cope with more frequent and extreme weather events. With more intense rainfall and flooding likely, structures will need to withstand more frequent high water flows. Flooding in 2015 resulted in the loss of 15 structures and considerable damage to several tracks and other structures within the network. With rising sea levels and the likely coastal erosion, we will need to remove or relocate structures from the

coastline such as the Queen Elizabeth Park coastal track, Paekakariki road end facilities (toilets, roads, carpark, and picnic areas) and eventually the ranger's residence.

Climate and weather changes are also likely to change the maintenance needed in parks and forests. We may need to do more preventative work to keep areas in good condition. For example, high temperatures may lead to higher vegetation growth rates near tracks, requiring more regular cutback of vegetation. There may also be more reactive work to clean up damage from more storm events.

Building structures to withstand more adverse events may increase capital costs; but this initial investment should reduce repair costs in the longer term. For example, it took us a year to repair damage from floods at Belmont Regional Park in 2015, but only three weeks to recover from the 2016 event. This was because in the 2015 rebuild we gravelled and widening tracks, allowing easier machine access for repairs.

In the longer term (10+ years) we will need to consider moving more essential services and structures inland or away from rivers and streams. We will also need to plan for low lying coastal heritage-sites that are likely to be significantly affected by sea level rise.

Affordability

Increasing park usage and expectations for improved services and facilities requires additional cost to maintain and renew park infrastructure. Unplanned maintenance also impacts on resources. These factors may affect the timing of new development projects and the upgrade of lower priority assets when extra funding is not available.

Responding to the Long Term Plan assumptions

The region is currently well serviced for parks both in location and size, and the forecast population growth will not necessitate the need for additional regional parks. Increasing population size and diversity, including increased tourist numbers, is likely to impact increase the need for services and supporting park infrastructure, for the park customer experience to be maintained. This includes more litter removal, repairs and maintenance and demand for more carparks and public conveniences. A forecasted increase in visitor numbers to the Region is likely to increase demand at regional parks, particularly if visitors intend on camping.

Growth in sports like cycling, mountain biking and trail running has created a demand for tracks and supporting infrastructure associated with these activities. It is difficult to predict the likely effect of a transition towards electric powered vehicles or autonomous vehicles, but demands are expected to change with impact on levels of service.

Many Parks assets are subject to heavy peak loading pressures due to the highly skewed seasonal and temporal use patterns have a significant effect on performance and capacity of certain assets (e.g., public toilets and septic treatment systems).

Sudden significant changes in visitation can have a profound impact on Parks resources (for example, a clampdown on freedom camping in Lower Hutt in 2015 led to abruptly increased usage of the Dry Creek camping area; this had associated environmental impacts that took some 12-15 months to adequately resolve).

Issues and options

Level Of Service	Issues	Options	Most likely scenario	Principle alternative option
Maintain/enhance the Park experience	Rising sea levels and more extreme weather events- flooding and wildfires will impact on park structures, facilities, vegetation and waterways and access, and lead to increased maintenance work and costs.	Increase opex budgets.	Queen Elizabeth coastal erosion - facilities relocation.	Longer term adaptation of assets and services.
Provide on-park administration, information, public relations and by-law enforcement		Adaptation - remove or relocate assets away from waterways and coast.		
Provide information, skills and support to encourage the public to contribute to park visitor services	Ageing infrastructure performance and condition of assets.	Develop and implement conservation plans.	Biocide treatment for Belmont bunkers.	Implement conservation plans.
Get more people in		Preventative maintenance and inspection cycles. Increasing use of technology to future-proof our information and supporting systems.		

<p>Work others to meet the recreational needs of current and future generations and protect values of regional significance</p> <p>Degraded environments are restored</p> <p>Develop and implement conservation plans for high priority heritage sites</p>	<p>Increase in demand and intensity of use resulting in strain on Parks assets.</p>	<p>Preventative maintenance.</p> <p>Improvement/ upgrade assets.</p> <p>Increased/diversification of service provision.</p>	<p>Kaitoke Pakuratahi Forks swingbridge access improvement.</p> <p>Upper Terrace campground development.</p> <p>Upgraded toilets at Tunnel Gully.</p> <p>Wainuiomata Lower Dam loop track construction.</p>	<p>Parks development in Partnership.</p> <p>Buildings solar power installation and sustainability improvements.</p>
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Most likely scenarios are based on the following assumptions specific to the Parks:

Lifecycle of significant assets	<p>We will maintain and renew assets to agreed levels of service, in accordance with asset management (IIMMs) and industry best practice.</p> <p>Asset data reliability and confidence is based on best available information at the time. We are implementing an ongoing programme to improve the knowledge of asset condition and performance.</p> <p>A focus on maintenance to maintain agreed levels of service.</p> <p>The maintenance and upkeep of legacy assets will continue to be Parks responsibility</p>
Growth or decline in the demand for the service	<p>Wellington region's population is growing; becoming older and more diverse in culture, ethnicity, lifestyle, interests, tastes, leisure preferences, and in many other ways. We are planning for increasing need for services and supporting the parks activity.</p> <p>Natural disasters, or other events, will not change the demography of the region, or the parks asset base, over the planning period</p>
Level of service	<p>We do not propose any significant changes to our current levels of service. However increasing population and diversity is likely increase the need for supporting services infrastructure and increased operation and maintenance requirements, for the levels of service to be maintained.</p>

Significant capital expenditure decisions

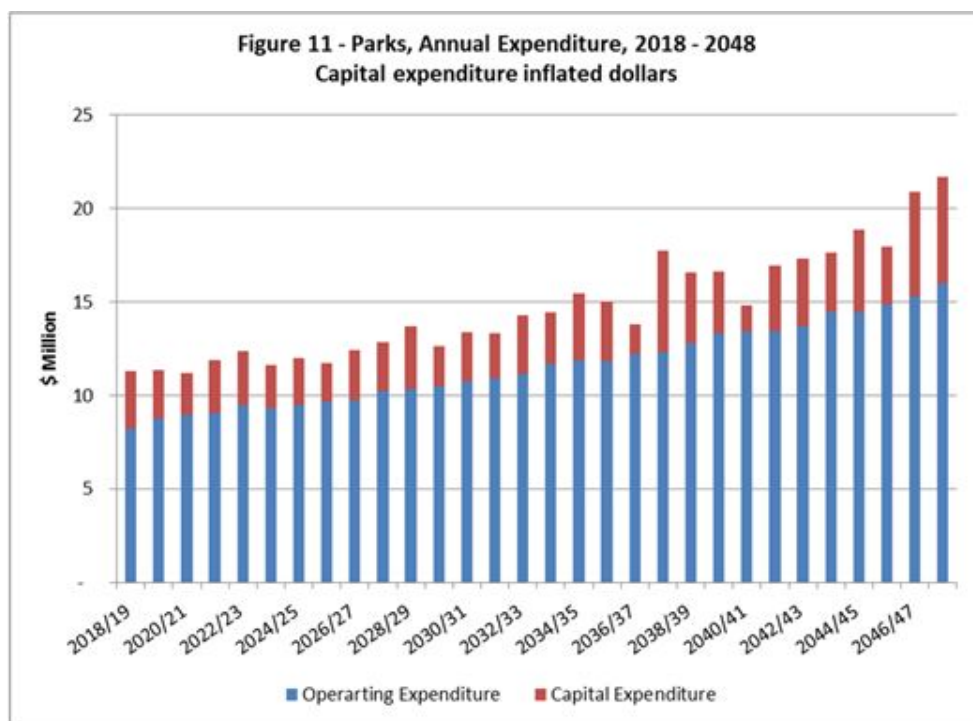
Our significant decisions about capital expenditure for Parks assets required over the next 30 years are in the table below. This includes when we expect to make those decisions, what principal options we expect to have to consider, and the approximate scale or extent of the costs associated with the decision.

Significant decision required	Timing of project	Principal options	Costs
Maintain and enhance the Park experience due to increasing demand.	2018 2019	Pakuratahi Forks swingbridge upgrade	\$20,000 design \$180,000
	2018	Upper Terrace campground development	\$300,000
	2022	Wainuiomata Lower Dam loop track construction	\$150,000
	2018	Upgrading toilets at Tunnel Gully	\$150,000

	2018 2019 2020 2021 2022	Continue to maintain, replace and, where required, build new asset infrastructure sufficient to handle	\$1.446 million \$2.003 million \$1.979 million \$2.329 million \$2.303 million
Adaptation of assets and services	2018	QEP coastal erosion facilities relocation	\$323,000
Belmont Munitions bunkers conservation	2021/2022	Biocide treatment	\$50,000 pa
Sustainability improvements	2020 2021 2022	Buildings solar power installation	\$10,000 \$36,000 \$36,000

Estimates of capital and operating expenditure

The indicative estimates of the projected capital and operating expenditures for Parks assets are shown in Figure 11 below.



Environmental Science

We monitor rainfall, river flows, groundwater levels and quality, freshwater coastal water quality, air quality and land quality and biodiversity.

Assets	Number
River/flow monitoring	59
Rainfall monitoring	58
Groundwater monitoring	74
Lake level monitoring	5
Wetland level monitoring	6
Tide level monitoring	2
Air quality monitoring inc 2 mobile	8
Climate monitoring stations	9
Turbidity monitoring stations	3

	Value ODRC	Condition	Performance	Data confidence	AM Maturity	Criticality
Environmental Science	\$5,737,000	1 -Very Good- 2 - Minor defects only	2 -Good	2 -Reliable	3 - Core	2- High River flow and rainfall monitoring equipment

Visionary 30 year goal

To be a leader in environmental science, we need the data we collect to be relevant, of the highest standard and accessible. We are planning for unprecedented technological advances, with greater dissemination of information than experienced and customers who expect instant availability of more and more accurate data.

To do this we need safe and secure infrastructure, state of the art, accurate and reliable monitoring equipment (sensors and data loggers), and systems and software to handle these data, alongside a well-designed network that provides enough environmental data to enable good future decision making.

Significant issues and challenges

Ageing infrastructure

A number of recorder structures are over 50 years old, whilst some level of maintenance has been carried out over the years, some of these structures will need complete replacement in the near future. Alterations to monitoring structures are also required to improve health and safety, by installing handrails etc.

The fast pace of technological advancements makes equipment obsolete and aged quickly. Regular replacement of monitoring equipment is recommended to ensure utilised to collect accurate and continuous information to effectively satisfy the user requirements. Generally, the replacement or refurbishment will meet the agreed level of service, but sometimes, especially in the case of electronic equipment, an upgrade is incorporated.

Resilience

Climate change will not have an impact on the assets managed by Environmental Science, but there will be increased demand on the information collected and services provided by the asset base.

Affordability

Additional funding is required to install new and upgrade existing monitoring sites to provide regional-scale climate monitoring data needed for the climate science programme to deliver information needed by Greater Wellington and its stakeholders.

The changes in policy and standards (for example the National Policy Statement for Freshwater Management, and the National Environmental Standard for Air Quality) along with monitoring the effectiveness of councils own draft Natural Resources Plan –will increase demand for both the services provided by staff and the supporting equipment.

There is also a growth in demand for water monitoring sites – mainly groundwater monitoring sites- as a result of increased land development. In the Wairarapa, there is increasing demand for domestic take and stock use water, and a lack of information on water quantity and quality, and no current monitoring to inform consent applications and decisions.

Responding to the Long Term Plan assumptions

Pressure to maintain/enhance biodiversity and water, air, and soil quality in the face of increasing urban growth and intensification will require additional monitoring equipment.

Issues and options

Level Of Service	Issues	Options	Most likely scenario	Principle alternative option
Environmental information is available in the right way to the right people at the right place and the right time for good decision making.	Keeping pace with the fast changing monitoring and information storage and management technology available and updating/upgrading the equipment used in a cost effective way.	Regular replacement/ upgrade of monitoring equipment.	Replacement / upgrade of monitoring equipment.	
	Increasing demand for monitoring.	Consolidating the number and types of monitoring stations. Increasing the number of monitoring sites.	Install new and upgrade existing monitoring sites.	

Most likely scenarios are based on the following assumptions specific to Environmental Science:

Lifecycle of significant assets	We will maintain and renew assets to agreed levels of service, in accordance with asset management (IIMMs) and industry best practice. Asset data reliability and confidence is based on best available information at the time. We are implementing an ongoing programme to improve the knowledge of asset condition and performance. We are making asset management decisions based on our strategic plans. A focus on renewals to maintain agreed levels of service, with a focus on increasing demand. Equipment and systems will be upgraded in a cost effective way that keeps pace with technological updates.
Growth or decline in the demand for the service	Wellington regional population is growing. We are planning for a steady increase in demand from land use changes and monitoring standards and policy. Natural disasters, or other events, will not change the demography of the region over the planning period
Level of service	We do not propose any significant changes to our current levels of service.

Estimates of capital and operating expenditure

We do not have the data to produce this graph at present. Environmental Science operates as part of the broader Environmental group, and operating expenditure for this aspect of the business is not recorded separately.

Harbours

We provide useful and relevant aids to navigation to assist all users of the region's water to navigate safely on these waterways. This includes providing accurate, relevant and timely information via our Harbour Communication Station (Beacon Hill).

Assets	Number
Navigation Aids with lights	18
Unlit channel markers	6
Large floating steel buoys with lights	2
Signal station operated 24/7	1
Vessels	3

Replacement Value	Condition	Performance	Data confidence	AM Maturity	Criticality
\$1,642,855	2 -Minor defects only	2 -Good	2-Reliable	4 -Basic	3 -moderate Signal station at Beacon Hill

Visionary 30 year goal

To continue to operate a safe, clean and efficient harbour, ensuring co-operative and safe use of the water for the different requirements for the various users, current and future. Ensuring the services provided are appropriate, relevant and useful to the users.

Significant issues and challenges

Ageing infrastructure

Several of the lighthouse structures are relatively old, almost historic in some cases. These assets are highly reliant on preventative maintenance and inspection cycles as the means of extending remaining life expectancy.

The navigation aids in place have been built up over time as demand and requirements changed. They may not necessarily be the same if we designed the network fresh, however they are fit for purpose and allow us to adapt to changes as required. Any new developments would require review of the current assets and best practicable options. Reliability and efficiency are considerations when replacements and upgrades are planned.

Resilience

The technology employed on the lights is regularly reviewed and more efficient technologies are used where sensible and beneficial, for example use of LED lights allows smaller battery capacity.

Due to the robust nature of most of our lights because of the exposed locations they are in, sea level rise is unlikely to be an issue within the next 30 years.

A small number of our navigation aids are exposed to risk of damage by shipping, for which temporary arrangements can be made until they are re-instated or replaced at the vessels cost. The size ship necessary to cause the damage will carry insurance for replacement.

Affordability

There are no immediate affordability issues with water supply infrastructure.

Funding of the activity is split between user charges and rates. Centreport contribute a significant proportion of the costs of the Navigation aids and the operational costs of Wellington Harbour Radio. The service level agreement contains provisions to adjust charges for additional navigation aids that are requested by Centreport.

We receive funding from Maritime NZ for costs associated with oil spill training and response. Additional there is funding available for recreational activities. This is currently on application on a year by year basis.

Responding to the Long Term Plan assumptions

Changes in shipping volumes have little impact on services provided by Harbours, these would impact more directly on Centreport Ltd. Any implications for Greater Wellington, as a CentrePort shareholder, will be included in future Infrastructure Strategies and asset management plans. Changes in the type and/or size of vessels calling may alter the requirements of the Navigation aids required to provide safe guidance in and out of the harbour. The technology employed on the lights is regularly reviewed and more efficient technologies are used where sensible and beneficial. E.g. use of LED lights allows smaller battery capacity.

The proposed Pencarrow light upgrade is a reaction to this, if Centreport proceeds with their plan to dredge the channel we will upgrade the light, if they do not there is no need to upgrade the light.

Recreational use of the regions waters is likely to increase with population; however the impact of this change would have a relatively low impact on the Harbours assets. These increased and competing activities on the harbours mean an increased demand on harbours ranging service.

Issues and options

Level of Service	Issues	Options	Most likely scenario	Principle alternative option
Provide safe and competent maritime management for commercial and recreational users of our region's waters.	Keeping pace with new technology and/or equipment available and updating/ upgrading navigation equipment in a cost effective way.	Harbour safety plans. New and/or renewals to Navigation Aids to provide safe guidance in and out of the harbour.	Timely renewals or upgrades introduce new technology.	Pencarrow lighthouse (\$0.2M timing to TBC).
	Increasing and competing uses on the harbours mean an increased demand on harbours ranging service.	Raise knowledge and awareness of maritime safety. Workboat provision. Additional ranger service resources.	Workboat replacement (\$0.3M in 2030/31).	Harbour safety plans.

Most likely scenarios are based on the following assumptions specific to Harbours:

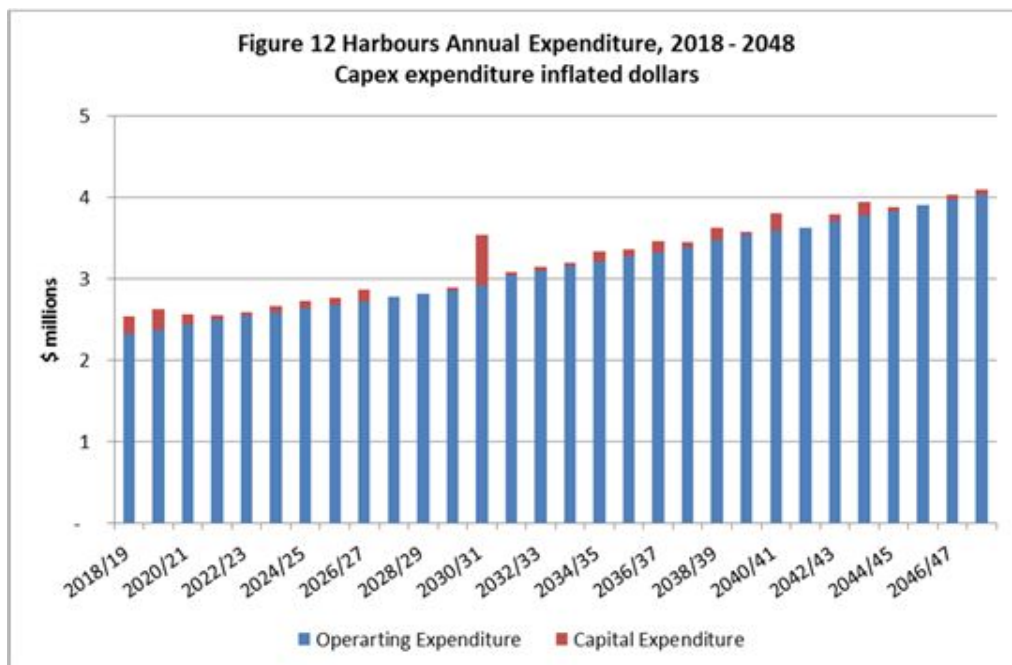
<p>Lifecycle of significant assets</p>	<p>We will provide infrastructure that can deliver services in a manner that meets agreed levels of service now and into the future</p> <p>We will maintain and renew assets to agreed levels of service, in accordance with asset management (IIMMs) and industry best practice.</p> <p>Asset data reliability and confidence is based on best available information at the time.</p> <p>We are implementing an ongoing programme to improve the knowledge of asset condition and performance.</p> <p>A focus on maintenance and renewals to maintain agreed levels of service.</p> <p>Continued approach of evidenced-based decision-making tools for any infrastructure investment proposal</p> <p>Integration of upgrade works with renewals to reduce cost and disruption.</p>
<p>Growth or decline in the demand for the service</p>	<p>Wellington’s population is growing. We do not expect any change in demand on the service due to population or economic growth.</p> <p>Natural disasters, or other events, will not change the demography of the region over the planning period</p>
<p>Level of service</p>	<p>We do not propose any significant changes to our current levels of service, unless requested by customers (CentrePort). Improvements to services will generally only be made where there is a gap in our service offering and the increase in service level is agreed.</p> <p>There will be no change to levels of service unless recommended otherwise.</p> <p>Agreed service levels will be funded, in some cases as shared cost with stakeholders.</p> <p>Assume that shared funding percentages with external stakeholders will continue.</p>

Significant capital expenditure decisions

There is no significant expenditure decisions expected

Estimates of capital and operating expenditure

The indicative estimates of the projected capital and operating expenditures for Harbours assets are shown in Figure 12.



Appendix 1 - Technical Appendices

Lifecycle management

The life cycle management approach covers the monitoring of the assets and service, the operations and maintenance, capital renewals and development programmes. The objective is to look at lowest long term cost (rather than short term savings) when making decisions.

Good quality asset management relies on good quality asset knowledge. It is important that asset managers can analyse how particular assets perform, understand the lifecycle costs and the risks associated with failure. Uncertainty about data for an asset can impact on financial sustainability.

Asset knowledge needs to cover a description of the assets, their age, condition, performance, and value. This information, whether it be detailed or based on judgement, is essential to the broader lifecycle discussion. Data confidence gives us the ability to quantify the relationship between any given level of service (benefit), its associated funding requirements (cost), and the increasing or decreasing of any consequential 'risks' associated with changing a level of service.

Greater Wellington's assets are maintained and rehabilitated until they reach the end of their useful life, when they are renewed, or upgraded. An asset's useful life is first assumed when constructed. It is then updated periodically based on:

- Age and condition profile;
- Performance and customer service issues;
- Growth and changing demands;
- Criticality and risk
- Ongoing maintenance requirements, and
- The differing economic lives of individual assets.

The Council uses updated condition and performance assessment data with relevant asset life expectancy rates to forecast an asset's likely end of life.

Significance

In determining, what are decisions are significant, in the context of this strategy; reference has been made to Greater Wellington's Significance and Engagement Policy. Generally, a significant infrastructure decision, in the context of this strategy, will have two or more of the following characteristics:

- Has a substantial tangible impact on the whole Region based on changes to services levels or the manner in which revenue is to be obtained.

- Has a significant multi-year change in the levels of service at an activity level
- The decision represents a new strategic direction for Greater Wellington
- A decision or proposal on a matter where the majority of a community expresses considerable interest, or the community is deeply divided

Assumptions

Underlying this strategy is a number of key assumptions regarding asset management approach, these are:

- We will provide infrastructure that can deliver activities in a manner that meets agreed levels of service now and into the future
- We will maintain and renew assets to agreed levels of service, in accordance with asset management (IIMMs) and industry best practice.
- Wellington region's population is growing; becoming older and more diverse – in culture, ethnicity, lifestyle, interests, tastes, leisure preferences, and in many other ways.
- Natural disasters, or other events, will not change the demography of the region over the planning period
- We are making asset management decisions based on our strategic plans.
- We will comply with all legislation and national standards that apply to assets and service provision.
- Although the statutory environment for local government will evolve, the broad requirements for infrastructure will remain static.
- Improvements to services will generally only be made where there is a gap in our service offering and the increase in service level is agreed.
- There will be no change to levels of service unless recommended otherwise.
- Asset data reliability and confidence is based on best available information at the time. Acknowledging this does have ability to impact on the reliability of the plan.
- We are implementing an ongoing programme to improve the knowledge of asset condition and performance.
- Agreed service levels will be funded, in some cases as shared cost with central government and/or alternative funding.
- Assume that shared funding percentages with external stakeholders will continue.
- Budgets for the out years will assume a recognised inflation indices.
- A focus on renewals to maintain agreed levels of service, within an agreed risk environment with a focus on increasing resilience.

SECTION 5 - Assumptions

Non-financial assumptions

Understanding our future environment and the possible impacts on the region underpins much of our forward planning. Consequently, we at Greater Wellington reviewed and further developed a number of general assumptions to help inform the work in our long term plan.

These assumptions have been applied across all of our work and are relatively consistent with the assumptions being made by the territorial authorities in our region. Assumptions are only that, they are the best estimate we can make at the time with the information available. However, when consistently applied to our work it can aid us in being better prepared for the future.

Greater Wellington Regional Council Te Pane Matua Taiao

Long Term Plan 2018-28 *Supporting Policies*

**An extraordinary region – thriving,
connected and resilient**

[insert region map]

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REVENUE AND FINANCING POLICY

R&FP to be inserted following adoption at Council meeting, 26 June

SIGNIFICANCE AND ENGAGEMENT POLICY

Purpose

This policy lets you know how you can be engaged in Greater Wellington's decision-making processes. It sets out Greater Wellington's general approach to identifying the significance of decisions¹ and our approach to engaging with the community. This policy is also a guide for elected members and Greater Wellington staff as to the level and form of engagement that may be required from the start of a decision making process.

Our general approach

- a. It is important for Greater Wellington to engage with the community so that we understand the views of the people who are likely to be affected by a decision.
- b. Greater Wellington will consider the significance of a decision, and the level and type of engagement required, early in any decision making process, and review it if necessary over time.
- c. The level of engagement with the community will reflect the significance of the decision.

Determining significance

- d. Greater Wellington will determine the degree of significance on a case by case basis by considering the extent to which the matter has:
 1. **Importance to the region** – the impact of the decision on the current and future wellbeing of the region
 2. **Community interest** – the extent to which individuals, whanau, hapū and iwi, organisations, groups and sectors within the community are particularly interested in, or affected by, the decision and any history of public concern
 3. **Consistency with existing Greater Wellington policy and strategy** – the extent of inconsistency and the likely impact
 4. **Impacts on the Greater Wellington capability and capacity** – the impact on the objectives set out in the Financial Strategy, Long Term Plan and Annual Plan.
- e. The criteria are of equal weight and will be considered as a whole: not in isolation.
- f. Greater Wellington will consider a decision to be significant if it is assessed to:
 - Have a high degree of significance (based on an assessment of the factors set out in d. above); or,
 - It meets any one or more of the following criteria:
 - The proposal substantially affects Greater Wellington's ability to deliver the levels of service for any significant activity
 - The proposal results in the transfer of ownership or control of a strategic asset as defined by the Act or listed in this policy (see Schedule 1).

¹ In this policy we use the term 'decision' to cover proposals and decisions in relation to issues, assets, activities, and other matters.

- g. Council officers will use decision-making guidelines to assist them to provide advice to Greater Wellington on the significance of decisions².

Engagement

- h. All consultation will be carried out in accordance with the consultation principles set out in the Local Government Act 2002 and the Community Engagement Approach set out in Schedule 2.
- i. Greater Wellington will consult using the manner prescribed by law when this is required.
- j. When not required by law to consult on a decision, the need for consultation and the appropriate level and form of engagement will be assessed and determined on a case by case basis.
- k. In general, the more significant the issue the greater the need for community engagement.
- l. Decisions that are consistent with Greater Wellington's Long Term Plan or another policy or plan that has been subject to consultation required by legislation will not usually require further engagement.
- m. Greater Wellington's officers will refer to the Community Engagement Approach set out in Schedule 2 and any relevant guidelines³ to assist them to provide advice to the Greater Wellington on the level and form of engagement required for a decision, and community preferences.
- n. Greater Wellington has appropriate processes in place for engaging with Māori. This includes processes to:
- Support our partnerships with mana whenua, as set out in the Memorandum of Partnership 2013
 - Fulfil statutory requirements to consult with mana whenua (such as under the Resource Management Act 1991)
 - Enable taura here⁴ to participate in issues of interest to the regional community⁵.

Reporting

- o. Every report to Greater Wellington (or its committees) that seeks a decision will include a statement of the significance of the decision and any engagement that is proposed or has been undertaken, assessed under this policy and any other relevant guidelines⁶.
- p. When Greater Wellington makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be followed.

² Greater Wellington Regional Council 'Decision Making processes and guidelines' 2013

³ Greater Wellington Regional Council 'Decision Making processes and guidelines' 2013, Greater Wellington Regional Council 'Community Engagement Strategy' 2015, and Greater Wellington Regional Council 'Community Engagement Toolbox' 2015.

⁴ Taura here, also known as matāwaka, refers to Māori who live in the Wellington region but are not affiliated to the iwi or groups holding mana whenua status here.

⁵ Greater Wellington Regional Council 'Maori Partnership Framework' 2017

⁶ Greater Wellington Regional Council 'Decision Making processes and guidelines' 2013, Greater Wellington Regional Council 'Community Engagement Strategy' 2015, and Greater Wellington Regional Council 'Community Engagement Toolbox' 2015.

Feedback

- q. Greater Wellington will provide information about our final decision in a form appropriate to the significance of that decision and the level and form of the engagement already undertaken.

You can read the full policy, including the Policy Schedules (which provide extra information) on the Statutory Planning Documents page on our website.

TREASURY RISK MANAGEMENT POLICY, INCLUDING LIABILITY MANAGEMENT AND INVESTMENTS POLICIES

1. Introduction

The purpose of the Treasury Risk Management Policy is to outline the approved policies and procedures in respect of all treasury activity to be undertaken by the Wellington Regional Council (Greater Wellington). The formalisation of such policies and procedures will enable treasury risks within Greater Wellington to be prudently managed.

As circumstances change, the policies and procedures outlined in this policy will be modified to ensure that treasury risks within Greater Wellington continue to be well managed. In addition, regular reviews will be conducted to test the existing policy against the following criteria:

- Industry “best practices” for a council the size and type of the Greater Wellington
- The Council’s risk-bearing ability and tolerance levels
- Effectiveness and efficiency of the Treasury Risk Management Policy and treasury management function in recognising, measuring, controlling, managing and reporting on Greater Wellington’s financial exposures
- Robustness of the policy’s risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions
- The extent to which the policy assists Greater Wellington in achieving strategic objectives relating to ratepayers

The policy will be distributed to all personnel involved in any aspect of Greater Wellington’s financial management. In this respect, all staff should be completely familiar with their responsibilities under this policy at all times

2. Scope and objectives

2.1 Scope

This document identifies the policy and procedures of Greater Wellington in respect of treasury management activities.

The policy has not been prepared to cover other aspects of Greater Wellington’s operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of Greater Wellington cover these matters. Planning tools and mechanisms are also outside of the scope of this policy.

2.2 Principles

- All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy
- All projected borrowings will be approved by Greater Wellington as part its Annual Plan
- All legal documentation in respect to borrowing and financial instruments will be approved by Greater Wellington’s solicitors
- Greater Wellington will not enter into any borrowings denominated in a foreign currency

- Greater Wellington will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those which Greater Wellington would achieve without pledging rates revenue
- A resolution of Greater Wellington will not be required for hire purchase, credit or deferred purchase of goods if:
 - The period of indebtedness is less than 91 days (including rollovers); or
 - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of the Council

2.3 Objectives

Statutory objectives

All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy. Greater Wellington is governed by the following relevant legislation:

- Local Government Act 2002, in particular Part 6 including sections 101,102, 104 and 105
- Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4
- Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments
- All projected external borrowings are to be approved by Council as part of the Annual Plan or the Long Term Planning process, or resolution of Greater Wellington before the borrowing is effected
- All legal documentation in respect to external borrowing and financial instruments will be approved by Greater Wellington’s solicitors prior to the transaction being executed
- Greater Wellington will not enter into any borrowings denominated in a foreign currency
- Greater Wellington will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Greater Wellington itself
- A resolution of Greater Wellington is not required for hire purchase, credit or deferred purchase of goods if:
 - The period of indebtedness is less than 91 days (including rollovers); or
 - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Greater Wellington

General objectives

The objective of this Treasury Risk Management Policy is to control and manage costs and investment returns that can influence operational budgets and public equity and set debt levels. Specific objectives are as follows:

- Minimise Greater Wellington's costs and risks in the management of its borrowings and maximise its return on investments
- Minimise Greater Wellington's exposure to adverse interest rate movements
- Monitor, evaluate and report on treasury performance
- Borrow funds and transact risk management instruments within an environment of control and compliance under the Council-approved Treasury Risk Management Policy so as to protect Greater Wellington's financial assets and costs
- Arrange and structure appropriate funding for Greater Wellington at the lowest achievable interest margin from debt lenders. Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy statement
- Monitor and report on financing/borrowing covenants and ratios under the obligations of Greater Wellington's lending/security arrangements
- Comply with financial ratios and limits stated within this policy
- Maintain a long-term Standard & Poor's credit rating at AA- or better
- Monitor Greater Wellington's return on investments in CCTOs, property and other shareholdings
- Ensure management, relevant staff and, where appropriate, Greater Wellington are kept abreast of latest treasury products, methodologies, and accounting treatments through training and in-house presentations
- Maintain liquidity levels and manage cash flows within Greater Wellington to meet known and reasonable unforeseen funding requirements
- Minimise counterparty credit risk
- Adhere to all statutory requirements of a financial nature
- Provide adequate internal controls to protect Greater Wellington's financial assets and to prevent unauthorised transactions
- Develop and maintain relationships with financial institutions, LGFA, credit rating agencies, investors and investment counterparties
- Manage foreign exchange risk associated with capital expenditure and goods and services on imported items as outlined in section 6.5 of this policy
- Keep Greater Wellington abreast of macro-economic trends

2.4 Policy exclusion

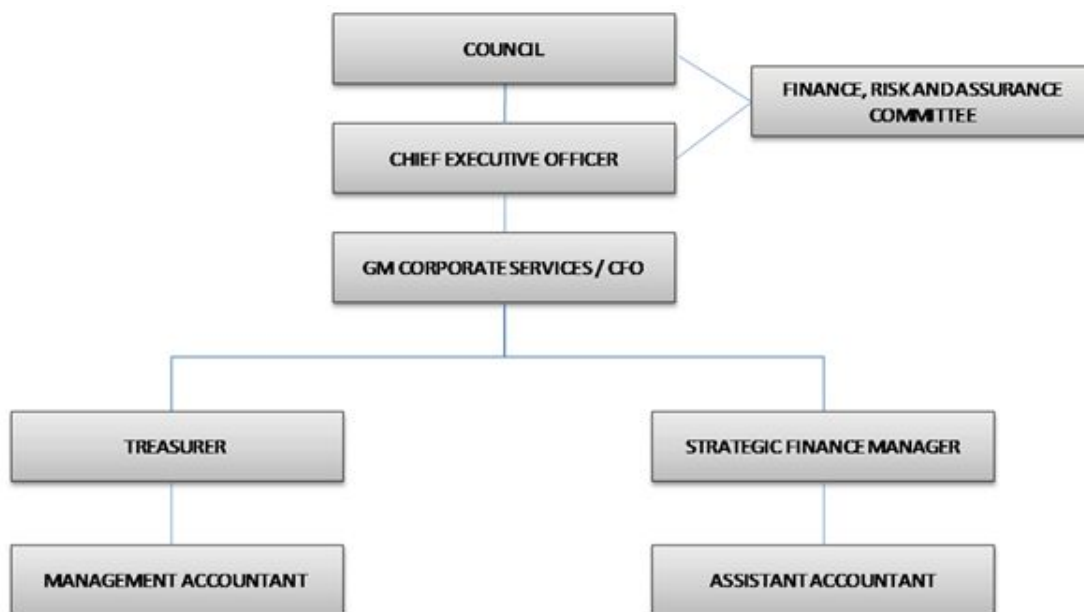
This policy covers WRC Holdings and its subsidiaries, but excludes CentrePort Ltd.

3. Management responsibilities

3.1 Overview of management structure

All of Greater Wellington's treasury management activities are undertaken by the Treasury Management Department. The following diagram illustrates those individuals and bodies who have

treasury responsibilities. Authority levels, reporting lines and treasury duties and responsibilities are outlined in sections 3.2 – 3.8 of this policy:



3.2 Council

Greater Wellington has ultimate responsibility for ensuring that there is an effective policy for the management of its risks. In this respect Greater Wellington decides the level and nature of risks that are acceptable.

Greater Wellington is responsible for approving this Treasury Risk Management Policy and any changes required from time to time. While the policy can be reviewed and changes recommended by other persons, the authority to make or change policy cannot be delegated.

In this respect, Greater Wellington has responsibility for:

- Approving the long-term financial position of the Council through the Long Term Plan and the Annual Plan
- Approving new debt/funding via resolution of the Annual Plan
- Approving the Treasury Risk Management Policy, incorporating the following delegated authorities:
 - Borrowing, investing and dealing limits and the respective authority levels delegated to the Chief Executive Officer (CEO), GM Corporate Services/CFO (CFO) and other managers
 - Counterparties and credit limits
 - Risk management methodologies and benchmarks
 - Guidelines for the use of financial instruments
- Approving budgets and high level performance reporting

- Delegating authority to the CEO and other officers
- Reviewing and approving the Treasury Risk Management Policy every three years

Greater Wellington will also ensure that:

- It receives appropriate information from management on risk exposure and financial instrument usage in a form that is understood
- Issues raised by auditors (both internal and external) in respect of any significant weaknesses in the treasury function are resolved immediately
- Approval will be gained by the CFO for any transactions falling outside policy guidelines

3.3 Finance, Risk and Assurance Committee

Finance, Risk and Assurance has the following responsibilities:

- Recommending the Treasury Risk Management Policy (or changes to existing policy) to Greater Wellington
- Receiving recommendations from the CEO and CFO and making submissions to Greater Wellington on all treasury matters requiring Greater Wellington approval
- Recommending performance measurement criteria for all treasury activity
- Monitoring six-monthly performance against benchmarks

Finance, Risk and Assurance will:

- Oversee the implementation of Greater Wellington's treasury management strategies and monitor and review the effective management of the treasury function
- Ensure that the information presented to Greater Wellington is timely, accurate and identifies the relevant issues and is represented in a clear and succinct report
- Discuss treasury matters on a six monthly basis (and informally as required)

3.4 Chief Executive Officer (CEO)

While Greater Wellington has final responsibility for the policy governing the management of Greater Wellington's risks, it delegates overall responsibility for the day-to-day management of such risks to the CEO. Greater Wellington formally delegates to the CEO the following responsibilities:

- Ensuring Greater Wellington policies comply with existing and new legislation
- Approving the register of cheque and electronic banking signatories
- Approving new counterparties and counterparty limits as defined within section 6.3 of this policy and recommended by the CFO
- Approving the opening and closing of bank accounts

3.5 GM Corporate Services/CFO (CFO)

The CEO formally delegates the following responsibilities to the CFO:

- Management responsibility for borrowing and investment activities
- Recommending policy changes to Finance, Risk and Assurance for evaluation
- Ongoing risk assessment of borrowing and investment activity, including procedures and controls
- Approving new borrowing undertaken in line with Greater Wellington resolution and approved borrowing strategy
- Approving re-financing of existing debt
- Approving treasury transactions in accordance with policy parameters outside of the Treasurer's delegated authority
- Authorising the use of approved financial market risk management instruments within discretionary authority
- Recommending authorised signatories and delegated authorities in respect of all treasury dealing and banking activities
- Recommending changes to credit counterparties to the CEO
- Proposing new funding requirements falling outside the Annual Plan and the Long Term Plan to Finance, Risk and Assurance for consideration and submission to Greater Wellington
- Reviewing and making recommendations on all aspects of the Treasury Risk Management Policy to Finance, Risk and Assurance, including dealing limits, approved instruments, counterparties, working capital policies and general guidelines for the use of financial instruments
- Conducting a triennial review of the Treasury Risk Management Policy, treasury procedures and all dealing and counterparty limits
- Receiving advice of breaches of Treasury Risk Management Policy and significant treasury events from the Strategic Finance Manager
- Managing the long-term financial position of Greater Wellington in accordance with Greater Wellington's requirements
- Ensuring that all borrowing and financing covenants to lenders are adhered to
- Ensuring management procedures and policies are implemented in accordance with this Treasury Risk Management Policy
- Ensuring all financial instruments are valued and accounted for correctly in accordance with current best practice standards
- Monitoring and reviewing the performance of the treasury function in terms of achieving the objectives of minimising and stabilising funding costs and maximising investment returns year-to-year
- Managing the organisations exposure and statutory requirements in relation to the holding, acquiring or disposing of Carbon Credits
- To sign Debenture Stock and Security Stock certificates in relation to Greater Wellington's Debenture Trust Deed, in compliance with sections 112 and 118 of the Local Government Act 2002

3.6 *Treasurer*

The Treasurer runs the day-to-day activities of Greater Wellington's Treasury Management Department. The CFO formally delegates the following responsibilities to the Treasurer who in turn may delegate these to the Treasury Management Accountant:

- Overseeing and managing relationships with financial institutions including the Local Government Funding Agency (LGFA)
- Approving treasury transactions in accordance with policy parameters within delegated authority
- Negotiating borrowing facilities
- Authorising interest rate hedge transactions (swaps, forward rate agreements (FRAs) and options) with bank counterparties to change the fixed: floating mix to re-profile Greater Wellington's interest rate risk on either debt or investments
- Making decisions and authorisations to raise and lower fixed rate (interest rate market price re-set greater than 12 months) percentage of net debt or investment position within interest rate policy risk control limits
- Designing, analysing, evaluating, testing and implementing risk management strategies to position Greater Wellington's net interest rate risk profile to be protected against adverse market movements within the approved policy limits
- Monitoring credit ratings of approved counterparties
- Co-ordinating annual reviews with Standard & Poor's credit rating agency
- Investigating financing alternatives to minimise borrowing costs, margins and interest rates, making recommendations to Finance, Risk and Assurance as appropriate
- Negotiating bank funding facilities and managing bank and other financial institution relationships
- Executing treasury transactions in accordance with set limits
- Entering in to FX transactions to cover foreign currency liabilities
- Entering into FX hedging transactions in accordance with the section in this policy on Foreign Exchange risk
- Monitoring treasury exposure on a regular basis, including current and forecast cash position, investment portfolio, interest rate exposures and borrowings
- Providing written evidence of executed deals on an agreed form immediately to the Strategic Finance Manager
- Co-ordinating the compilation of cash flow forecasts and cash management
- Managing the operation of all bank accounts including arranging group offsets, automatic sweeps and other account features
- Handling all administrative aspects of bank counterparty agreements and documentation such as loan agreements and International Swap Dealer's Association (ISDA) swap documents
- Preparing treasury reports

- Monitoring all treasury exposures daily
- Forecasting future cash requirements
- Providing regular short-term and long-term cash flow and debt projections to the CFO
- Completing deal tickets for treasury transactions
- Updating treasury system/spreadsheets for all new, re-negotiated and maturing transactions
- Updating credit standing of approved counterparty credit list on a quarterly basis

3.7 Strategic Finance Manager, (SFM)

The CFO formally delegates the following responsibilities to the SFM, who in turn may delegate these to the Assistant Accountant:

- Checking all treasury deal confirmations against deal documentation and reporting any irregularities immediately to the CFO
- Reconciling monthly summaries of outstanding financial contracts from banking counterparties to internal records
- Reviewing and approving borrowing and investment system/spreadsheet reconciliations to the general ledger
- Accounting for all treasury transactions in accordance with legislation and generally accepted accounting principles and Greater Wellington's accounting policy
- Checking compliance against limits and preparing reports on an exceptions basis
- Approving all amendments to Greater Wellington's records arising from checks to counterparty confirmations
- Creating batches for borrowing and investment settlements and arranging for approval by authorised signatories
- Delivering weekly reports to the CFO covering cash/liquidity, investment profile, funding profile and interest rate risk position

3.8 Delegation of authority and authority limits

Treasury transactions entered into by Greater Wellington without the proper authority are difficult to cancel given the legal doctrine of "apparent authority". Insufficient authority for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays).

Therefore, the following procedures will apply:

- All delegated authorities and signatories will be reviewed at least every six months to ensure that they are still appropriate and current
- A comprehensive letter will be sent to all bank counterparties, at least every year, detailing all relevant current delegated authorities of Greater Wellington and contracted personnel empowered to bind Greater Wellington

- Whenever a person with delegated authority on any account or facility leaves Greater Wellington, all relevant banks and other counterparties will be advised in writing on the same day to ensure that no unauthorised instructions are to be accepted from such persons

Greater Wellington has the following responsibilities, either directly, or via the following stated delegated authorities:

Activity	Delegated Authority	Limit
Approving and changing policy	Greater Wellington	Unlimited
Borrowing new debt	Greater Wellington CEO (delegated by Greater Wellington) CFO (delegated by Greater Wellington)	Unlimited (subject to legislative and other regulatory limitations) Subject to Greater Wellington Resolution and policy
Signing Stock/Debenture Issuance Certificate – As per the Debenture Trust Deed	CEO	As per the Annual Council Plan to meet lenders requirements
Acquiring and disposing of investments other than financial investments	Greater Wellington	Unlimited
Approving charging assets as security over borrowing	Greater Wellington	Subject to terms of the Debenture Trust Deed
Overall day-to-day risk management	CEO (delegated by Greater Wellington) CFO (delegated by Greater Wellington)	Subject to policy
Re-financing existing debt	CEO (delegated by Greater Wellington) CFO (delegated by Greater Wellington)	Subject to policy
Approving transactions outside policy	Greater Wellington	Unlimited
Acquiring and disposing of Carbon credits	CFO (delegated by Greater Wellington)	\$5 million any one transaction
Adjusting net debt or net investment interest rate risk profile	Treasurer	Per risk control limits
Managing investments and funding maturities in accordance with Council approved facilities	Treasurer	Per risk control limits
Setting maximum daily transaction amount (borrowing, investing, foreign exchange, interest rate risk management and cash management) excluding roll-overs on debt facilities	Greater Wellington CEO (delegated by Greater Wellington) CFO (delegated by Greater Wellington) Treasurer (delegated by Greater Wellington)	Unlimited \$75 million \$50 million \$30 million
Authorising lists of signatories	CEO	Unlimited
Opening/closing bank accounts	CEO/CFO	Unlimited

Reviewing the Treasury Management Policy every 3 years	Finance, Risk and Assurance	N/A
Ensuring compliance with Policy	CFO	N/A
Signing of LGFA new Debt confirmations	Treasurer /CFO	N/A
Signing of derivative confirmations	Treasurer & CFO	N/A

4. Liability Management Policy

Greater Wellington's liabilities comprise borrowings and various other liabilities. Greater Wellington's Liability Management Policy focuses on borrowings as this is the most significant component and exposes Greater Wellington to the most significant risks. Other liabilities are generally non-interest bearing. Cash flows associated with other liabilities are incorporated in cash flow forecasts for liquidity management purposes and determining future borrowing requirements.

Greater Wellington's ability to readily attract cost-effective borrowing is largely driven by its ability to rate, maintain a strong credit rating, and manage its relationships with its investors and financial institutions.

4.1 *New Zealand Local Government Funding Agency (LGFA)*

Despite anything earlier in this Policy, the Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- (a) Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- (b) Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- (c) Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- (d) Subscribe for shares and uncalled capital in the LGFA; and
- (e) Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue

4.2 *Debt ratios and limits*

Debt will be managed within limits in the following table, that are consistent with those used by the LGFA.

Ratio	
Net interest / Total revenue	<20%
Net debt /Total Revenue	<250%
Net interest / Annual rates and levies (debt secured under debenture)	<30%
Liquidity (external debt + committed loan facilities + liquid investments to total external debt)	>110%

Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue.

Revenue excludes non-government capital contributions (e.g. developer contributions and vested assets)

Net debt is defined as total external debt less liquid financial deposits/investments.

Liquid investments are financial assets defined as being:

- Overnight bank cash deposits
- Wholesale/retail bank term deposits no greater than 30 days
- Bank issued RCD's less than 181 days
- Allowable fixed income bonds as per approved investment instruments (applying 85% of face value)
- Wholesale/ retail bank term deposits linked to pre funding of maturing term debt exposures
- For internal covenant purposes Disaster recovery/Contingency funds shall not be used as liquid investments in the Liquidity calculation as they are not intended to be used for every day liquidity purposes

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Financial covenants are measured on Greater Wellington only not consolidated group. Should the LGFA change its methodology then that calculation shall prevail.

Disaster recovery requirements will be met through the liquidity ratio and contingency reserves.

4.3 Security and charges

Greater Wellington borrows funds and grants security to its lenders via a Debenture Trust Deed (DTD). The DTD gives the lenders a charge or security over Greater Wellington's rates and rates revenue. A DTD was entered into during 2011 as part of Greater Wellington's initiative and requirements to borrow funds from the LGFA.

A Trustee has been appointed to act as Trustee under the DTD for the benefit of the lenders, or stock holders.

From time to time, with prior Greater Wellington approval, security may be offered by providing a security interest in one or more of Greater Wellington's assets other than its rates and rates revenue. Security interest in physical assets will only be granted when:

- There is a direct relationship between a debt and the purchase or construction of the secured assets which it funds (e.g. through a finance lease, or some form of project finance)
- Greater Wellington considers a security interest or security in the physical assets to be appropriate

In addition, Greater Wellington may grant security interests in physical assets where those security interests are leases or retention of the arrangements which arise under the terms of any lease or sale and purchase agreement.

4.4 Borrowing mechanisms

Greater Wellington will borrow through a variety of market mechanisms including but not limited to:

- Commercial paper (CP)
- Fixed rate bonds and floating rate notes (FRNs)
- Direct bank borrowing or loans with private placement investors
- Short and long-term capital markets directly
- Internal reserve and special funds.

In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the CFO will take into account the following:

- Available terms from banks, capital markets and loan stock issuance
- Greater Wellington's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- Prevailing interest rates and margins relative to term for debt issuance, capital markets and bank borrowing
- The market's outlook on future credit margin and interest rate movements
- Greater Wellington's outlook on future credit margin and interest rate movements
- Legal documentation and financial covenants, together with credit rating considerations
- Whether retail or wholesale debt issue

5. Investment Policy and limits

5.1 General policy

Greater Wellington is currently a net borrower of funds and will generally apply surplus funds to debt repayment and, wherever possible, internally borrow from reserve funds to meet

future capital expenditure. Greater Wellington may invest liquid funds externally for the following reasons:

- Strategic purposes consistent with the Greater Wellington’s Long Term Plan
- Holding short term liquid investments for general working capital requirements or any other cash management objective
- Holding investments that are necessary to carry out Greater Wellington operations consistent with annual plans
- Holding investments for self-insured infrastructural assets and contingency reserves

Greater Wellington recognises that, as a responsible public authority, any investments that it holds should be low risk. It also recognises that lower risk generally means lower returns.

In its financial investment activity, Greater Wellington’s primary objective when investing is the protection of its investment. Accordingly, only credit-worthy counterparties are acceptable.

5.2 *Investment mix*

Greater Wellington maintains investments in the following assets from time to time:

- Equity investments, including CCOs/CCTOs and other shareholdings
- Property investments incorporating land, buildings
- Financial investments incorporating longer term and liquidity investments

5.2.1 *Equity Investments*

Greater Wellington’s current equity investments are held in WRC Holdings Limited (100%):

WRC Holdings Limited owns the following companies:

- Port Investments Ltd (100 percent), which owns 76.9 percent of CentrePort Ltd (CentrePort)
- Pringle House Ltd (100 percent), Greater Wellington Rail Ltd

The above companies are CCOs or CCTOs.

5.2.2 *Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs)*

Greater Wellington is responsible for the appointment of the board of directors for Greater Wellington’s CCOs and CCTOs. Any asset additions or disposals of note are approved by directors, unless they are significant, as defined by the companies’ constitutions, at which point shareholder approval is required.

The objectives of Greater Wellington’s CCOs and CCTOs are to:

- Separate Greater Wellington’s investments and commercial assets from its public good assets

- Impose a commercial discipline
- Appropriate separation of management and governance

Greater Wellington manages risk associated with CCOs and CCTOs by:

- Appointing suitably qualified external directors
- Receiving regular reports from directors
- Using external advisors when required
- Providing input into the statements of corporate intent and constitutions of the CCOs and CCTOs

5.2.3 *New Zealand Local Government Funding Agency Limited Investment*

Despite anything earlier in this Policy, Greater Wellington may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

Greater Wellington's objective in making any such investment will be to:

- (a) Obtain a return on the investment; and
- (b) Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Greater Wellington

Because of this dual objective, Greater Wellington may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, Greater Wellington may also subscribe for uncalled capital in the LGFA.

5.2.4 *Other Investments*

Greater Wellington's other investments are:

- CentrePort
- Forestry investments
- Stadium advance
- Liquid financial investments.
- Contingency funds

CentrePort

Greater Wellington, through Port Investments Ltd (PIL), owns 76.9 percent of CentrePort. CentrePort operates under the Port Companies Act 1988. It is not a CCTO under the Local Government Act 2002.

PIL, along with the other shareholder in CentrePort, is responsible for appointing the Board of Directors who, in turn, are responsible for the operation of the company. Any major

transactions, as defined in the company's constitution or the Companies Act 1993, require the approval of the shareholders. PIL, as a shareholder, has input into CentrePort's statement of corporate intent and constitution and receives regular reports and briefings.

Greater Wellington manages risk associated with CentrePort by:

- Appointing suitably qualified external directors
- Appointing of Greater Wellington's CFO as reporting officer for Greater Wellington in respect of CentrePort
- Greater Wellington receiving formal briefings and reports twice a year
- The CFO receiving quarterly briefings and monthly reports
- Providing input into CentrePort's Statement of Corporate Intent

Forestry investments

Greater Wellington has investments in forestry which are managed on a commercial basis, but also minimise soil erosion and water sedimentation (for land which is held for water catchment purposes). Greater Wellington has sold its cutting rights to its forestry investments for a period of up to 60 years.

Stadium advance

The Council has lent \$25 million to the Wellington Regional Stadium Trust. The advance is interest free with limited rights of recourse. Greater Wellington will continue to hold the advance until repayment. It receives regular reports from the Stadium Trust on the Trust's performance. Greater Wellington and Wellington City Council, as the settlors of the Trust, appoint the trustees to the Stadium Trust.

Liquid financial investments

Greater Wellington's primary objective when investing is the protection of its investment capital and the maximisation of its returns. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties and investment restrictions are covered in section 6.3 of this policy. Credit ratings are monitored on a regular basis by the Treasurer.

For the foreseeable future, Greater Wellington will be in a net borrowing position and liquid investment funds will be prudently invested as follows:

- Any liquid investments will be restricted to a term that meets future cash flow and capital expenditure projections
- Interest income from financial investments will be credited to general funds
- Internal borrowing will be used wherever possible to avoid external borrowing

Greater Wellington may invest in acceptable liquid debt instruments and make interest rate duration positions using investor swaps. This will further meet Greater Wellington's objectives of investing in high credit quality and highly liquid assets, yet allow for optimal interest rate decisions.

Greater Wellington’s external investment interest rate profile will be managed within the parameters outlined in section 6.0 of this policy.

Contingency Funds

Greater Wellington currently has monies set aside in liquid funds that may be used when an event occurs such that the funds are required by the business.

From time to time Greater Wellington may set aside funds for such contingency purposes, which will be held in a readily available form.

5.2.5 Special Funds and Reserve Funds

Liquid assets will not be required to be held against special funds and reserve funds. Instead Greater Wellington will internally utilise or borrow these funds where ever possible.

Interest accrued from these funds will be credited to the particular fund.

5.3 Investments in fossil fuels

Greater Wellington has a policy to divest from any direct investment in fossil fuel extraction industries and investigate existing non direct investment with a view to preventing future investment where practical.

6. Risk recognition/identification management

The definition and recognition of interest rate, liquidity, funding, counterparty credit, market, operational and legal risk of Greater Wellington, will be as detailed below and will apply to both the Liability Management Policy and Investment Policy.

6.1 Interest rate risk

6.1.1 Risk Recognition

Interest rate risk is the risk that investment returns or funding costs will be materially different from those in annual plans and the Long Term Plan.

The primary objective of interest rate risk management is to reduce uncertainty to interest rate movements through fixing of investment returns or funding costs. This will be achieved through the active management of underlying interest rate exposures.

6.1.2 Approved Financial Instruments

Dealing in interest rate products will be limited to financial instruments approved by Greater Wellington. Approved interest rate instruments are:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long term loan facilities) Uncommitted money market facilities Wholesale Bond and Floating Rate Note (FRN) issues Commercial paper (CP)

	New Zealand Dollar (NZD) denominated local or offshore private placements Retail bond and FRN issues
Investments	Short-term bank deposits Bank bills Bank registered certificates of deposit Local authority stock or State-owned Enterprise (SOE) bonds and FRNs Corporate/bank senior bonds Floating Rate Notes Promissory notes/Commercial paper Redeemable Preference Shares (RPS) LGFA borrower notes
Interest rate risk management	Forward rate agreements (FRAs) on: <ul style="list-style-type: none"> • Bank bills Interest rate swaps including: <ul style="list-style-type: none"> • Forward start swaps • Amortising swaps (whereby notional principal amount reduces) • Swap extensions and shortenings Interest rate options on: <ul style="list-style-type: none"> • Bank bills (purchased caps and one-for-one collars) • Interest rate swaptions (purchased and one-for-one collars only)
Foreign exchange risk management	<ul style="list-style-type: none"> • Foreign currency deposits • Purchased currency options • Collars (one-for-one) • Forward foreign exchange contracts

Any other financial instrument must be specifically approved by Greater Wellington on a case-by-case basis and only be applied to the one singular transaction being approved. Credit exposure on these financial instruments will be restricted by specified counterparty credit limits.

6.1.3 Interest Rate Risk Control Limit

Interest rate exposure

Exposure to interest rate risk is managed and mitigated through the controls below where:

“Debt” is all external debt (existing and forecast) including WRC Holdings Limited) at the given debt ending period net of any liquid financial assets and investments and excluding Centreport Limited debt.

“Fixed Rate Debt” is all debt or swaps repricing beyond one year that is fixed rate plus all floating rate debt swapped to a fixed rate maturing beyond one year. Any debt or swap maturing within one year is defined as floating.

“Floating Rate Debt” is defined as an interest rate re-pricing within 12 months. This includes FRN’s with a maturity date beyond one year that are not swapped to fixed rate. Floating Rate debt may be spread over any maturity out to 12 months.

Fixed rate debt must be within the following repricing bands:

Debt Interest Rate Policy Parameters					
(calculated on rolling monthly basis)					
Debt Period Ending	Debt Amount	Minimum Fixed	Maximum Fixed	Actual Fixed	Compliant (Y/N)
Current		50%	95%		
Year 1		45%	95%		
Year 2		40%	90%		
Year 3		35%	85%		
Year 4		30%	80%		
Year 5		25%	75%		
Year 6		15%	70%		
Year 7		0%	65%		
Year 8		0%	60%		
Year 9		0%	55%		
Year 10		0%	50%		
Year 11		0%	50%		
Year 12		0%	50%		
Year 13		0%	50%		
Year 14		0%	50%		
Year 15		0%	50%		
Year 16*		0%	50%		

A fixed rate maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval Greater Wellington.

* Council management has delegated authority to tactically position the interest rate risk portfolio within approved ranges out to a maximum period of 16 years, based on anticipated future interest rate movements. The exception to this will be if LGFA introduce funding terms exceeding 16 years; in this event, management can position the interest rate portfolio to maturities that match LGFA funding terms.

- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, one side of the collar cannot be closed out by itself, both must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate “in-the-money”
- Purchased borrower swaptions must mature within 36 months
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation
- The forward start period on swap/collar strategies is to be no more than 24 months, unless the forward starting swap/collar starts on the expiry date of an existing fixed

interest rate instrument (i.e. either derivative or fixed rate borrowings) and has a notional amount which is no more than that of the existing fixed interest rate instrument

Risk management

Instruments

Dealing in interest rate products must be limited to financial instruments approved by Greater Wellington.

Current approved interest rate instruments are as follows:

Category	Instrument
Cash management and borrowing	<ul style="list-style-type: none"> • Bank overdraft • Committed cash advance and bank accepted bill facilities (short term and long term loan facilities) • Uncommitted money market facilities • Wholesale bond and Floating Rate Note (FRN) • Commercial paper (CP) • New Zealand dollar denominated private placements • Retail bond and FRN • Bank term deposits linked to pre funding maturing debt
Interest rate risk management	<ul style="list-style-type: none"> • Forward rate agreements (FRAs) on: <ul style="list-style-type: none"> - Bank bills • Interest rate swaps including: <ul style="list-style-type: none"> - Forward start swaps - Amortising swaps (whereby notional principal amount reduces) - Swap extensions and shortenings • Interest rate options on: <ul style="list-style-type: none"> - Bank bills (purchased caps and one-for-one collars) - Interest rate swaptions (purchased and one-for-one collars only)

Any other financial instrument must be specifically approved by Greater Wellington on a case-by-case basis and only be applied to the one singular transaction being approved. Credit exposure on these financial instruments is restricted by specified counterparty credit limits.

All unsecured investment securities must be senior in ranking. The following types of investment instruments are expressly excluded:

- Structured debt where issuing entities are not a primary borrower/ issuer

- Subordinated debt (other than Borrower Notes subscribed from the LGFA), junior debt, perpetual notes and debt/equity hybrid notes such as convertibles

6.1.4 Liquid Financial Investment Portfolio

The following interest rate re-pricing percentages are calculated on the projected 12-month rolling Financial Investment Portfolio total. This allows for pre-hedging in advance of projected physical receipt of new funds. When cash flow projections are changed, the interest rate re-pricing risk profile may be adjusted to comply with the policy limits.

Interest Rate Re-Pricing Period	Minimum Limit	Maximum Limit
0 to 1 year	40%	100%
1 to 3 years	0%	60%
3 to 5 years	0%	40%
5 to 10 years	0%	20%

To ensure maximum liquidity, any interest rate position beyond five years will be made with acceptable financial instruments such as investor swaps.

The re-pricing risk mix may be changed, within the above limits through selling/purchasing fixed income investments and/or using approved financial instruments, such as swaps.

6.1.5 Special Funds/Reserve Funds

Where such funds are deemed necessary they will be used for internal borrowing purposes. This will negate counterparty credit risk and any interest rate gap risk that occurs when Greater Wellington borrows at a higher rate compared to the investment rate achieved by special/reserve funds.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are required to be held within a trust. For non-trust funds, Greater Wellington will manage these funds using internal borrowing facilities.

6.2 Liquidity risk/funding risk

6.2.1 Risk Recognition

Cash flow deficits in various future periods based on long-term financial forecasts are reliant on the maturity structure of loans and facilities. Liquidity risk management focuses on the ability to borrow at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time, in order to achieve pricing (fees and borrowing margins) and maturity terms that are the same or better than existing facilities.

Managing Greater Wellington's funding risks is important as changing circumstances can cause an adverse movement in borrowing margins, term availability and general flexibility such as:

- Local Government risk is priced to a higher fee and margin level

- Greater Wellington’s own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons
- A large individual lender to Greater Wellington experiences its own financial/exposure difficulties resulting in Greater Wellington not being able to manage its debt portfolio as optimally as desired
- New Zealand’s investment community experiences a substantial ‘over supply’ of Greater Wellington’s investment assets

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time. Then, if any of the above circumstances occur, the overall borrowing cost is not unnecessarily increased and the desired maturity profile is not compromised.

6.2.2 *Liquidity/Funding Risk Control Limits*

These control limits will be determined by the following:

- Alternative funding mechanisms, such as leasing, will be evaluated. The evaluation will take into consideration, ownership, redemption value and effective cost of funds
- Term debt and committed debt facilities together with liquid investments, will be maintained at an amount that is greater than or equal to 110 percent of existing external debt
- The maturity profile of total external debt less liquid financial investments in respect to all loans, bonds and committed facilities, will be controlled by the following:

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 6 years	15%	60%
6 years plus	0%*	60%

- A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval by Greater Wellington
- To minimise concentration risk the LGFA require that no more than the greater of NZD 100 million or 33 percent of a Council’s borrowings from the LGFA will mature in any 12-month period

* When total external debt exceeds \$400 million this minimum will increase to 10 percent.

The CFO will have the discretionary authority to re-finance existing debt.

Greater Wellington may prefund its forecasted debt requirements up to 18 months in advance including the re-financing of existing debt maturities. Debt refinancings that have been prefunded, will remain included within the funding maturity profile until their maturity date.

6.2.3 Commercial Paper

Commercial Paper⁷ (CP) should not be issued to fund core term debt requirements unless there are bank standby, committed bank or committed undrawn lending facilities that are available to cover any outstanding CP. As a result any undrawn credit lines to cover maturing CP do not count as excess liquidity.

Nevertheless the coverage of CP by back-up facilities is a Credit Rating Agency requirement, and Greater Wellington will adhere to the requirements of the rating agencies in the first instance.

The exception to the above is where CP is used for working capital or bridging financing purposes and where certain, know or contracted cashflows are used to repay the CP on maturity.

6.3 Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Greater Wellington is a party. The credit risk to Greater Wellington in a default event will be weighted differently depending on the type of instrument.

Credit risk will be regularly reviewed by Greater Wellington. Treasury related transactions will only be entered into with organisations specifically approved by the Council.

Counterparties and limits may only be approved on the basis of long-term credit ratings (Standard & Poor's or Moody's) being A- and above or short-term rating of A2 or above, with the exception of New Zealand Local Authorities.

Limits will be spread amongst a number of counterparties to avoid concentrations of credit exposure.

To avoid undue concentration of exposures, financial instruments will be used with as wide a range of counterparties as possible. Where possible, transaction notional sizes and maturities will also be well spread. The approval process to allow the use of individual financial instruments will take into account the liquidity of the market in which the instrument is traded and repriced.

The following matrix guide will determine limits.

⁷ Commercial Paper is a promissory note, akin to a post-dated cheque. It is colloquially known as one name paper issued by a non-bank borrower, as distinct from bank paper, or a bankers acceptance which has two or more names (parties) who are liable to honour the debt on maturity if the acceptor (banks) fails to.

Issuer / counterparty	Instruments	Minimum credit rating (short-term / long-term)	Maximum exposure per counterparty(NZD) % of rates revenue	Maximum exposure per counterparty grouping as a % of rates revenue
New Zealand Government	Treasury bills, NZ government bonds, debt issued by entities explicitly guaranteed by the NZ Government	n/a	unlimited	100%
RBNZ registered banks	Bank deposits, bank bills, bank bonds, interest rate risk management contracts, foreign exchange contracts	A1+ / AA-	60%	100%
		A1+ / A+	40%	
		A1 / A	25%	
		A1 / A-	15%	
Offshore banks	Bank deposits, bank bills, bank bonds, interest rate risk management contracts, foreign exchange contracts	A1 / A	15%	75%
Local Government Funding Agency	Borrower notes	n/a	60%	60%
Local authorities – rated	Local authority bonds, CP	A1+ / AA-	20%	20%
Local authorities - non rated	Local authority bonds, CP	n/a	10%	10%
Other issuers including state owned enterprises, listed and unlisted companies	Commercial paper, corporate bonds	A1+ / AA-	5%	10%
		A1 / A-	5%	5%

- Current counterparty credit ratings will be reviewed and monitored monthly
- The definition of rates revenue includes water levy

In determining the usage of the above gross limits, the following product weightings will be used:

- Financial investments (e.g. deposits, bonds) -100 percent of the principal value
- Interest Rate Risk Management* (e.g. swaps, FRAs) – Any positive month-end mark to market value (as provided by the treasury management system) plus: 3 percent of the notional principal for all interest rate hedging instruments.
- Foreign Exchange instruments* (e.g. Forward Exchange Contracts) – Any positive month-end mark to market value (as provided by the treasury management system) plus 30 percent of the notional value of the instrument.

** Greater Wellington will not net off marked to market values against counterparties. Only positive marked to market values (from Greater Wellington's perspective) will contribute to the*

counterparty calculation. Negative marked to market values will always have a value of zero for counterparty calculation purposes.

Each transaction will be entered into a reporting spreadsheet and a monthly report will be prepared to show assessed counterparty actual exposure versus limits.

The above limits may be amended by Council, especially in the case where the NZ Government credit rating is changed.

Individual counterparty limits will be kept on a register by management and updated on a day-to-day basis. Specific approvals will be made by the CFO. Credit ratings will be reviewed by the Treasurer on an ongoing basis and in the event of material credit downgrades, this will be immediately reported to the CFO and the Council and assessed against exposure limits. Counterparties exceeding limits will be reported to Greater Wellington.

6.4 CentrePort Debt and Guaranteeing Debt

Greater Wellington, through its wholly owned CCO WRC Holdings Limited, is a 77 percent owner of the Port Company CentrePort Limited. Greater Wellington has guaranteed the debt obligations of CentrePort as it is a strategic regional asset of the ratepayers.

Greater Wellington, by providing a guarantee, formally recognises this relationship and as a result means CentrePort can borrow funds at a similar cost to Greater Wellington. This is cheaper than borrowing on its own, ultimately resulting in a financial benefit to the rate payers.

From time to time Greater Wellington will guarantee these obligations, given that the level of CentrePort's debt varies over time and the lenders to CentrePort may also change.

Greater Wellington may lend funds directly to CentrePort when it believes that there is further benefit to be given to the ratepayer.

6.5 Foreign exchange risk

6.5.1 Foreign Exchange Risk Recognition

Greater Wellington's policy is to identify and record these risks by their respective types and then to manage each risk under predetermined and separately defined policies and risk control limits.

It is prudent practice to pre-hedge potential adverse foreign exchange rate movements on capital imports from the time the capital expenditure budget is approved by Greater Wellington. There is a risk that the net New Zealand dollar cost could increase substantially between the time the expenditure is approved by Greater Wellington and the actual placement of the purchase order. It is expected that the payment currency and payments schedule are known at the time the purchase order is issued and the contract is signed with the supplier.

Greater Wellington has foreign exchange risks on imported items or services (capital and operating expenditure). There is a contingent risk when there is a time lapse between expenditure approval and placement of orders or finalisation of contracts and a further risk when the contract is signed or order is placed.

Full risk: is at the time the expenditure is approved and legal commitments are made.

6.5.2 Foreign Exchange Risk Control Limits

All individual items/services greater than NZ\$100,000 must be hedged at all times in accordance with the following risk control limits:

Time – point	Exposure hedged by forward exchange contracts or options	Exposure hedged by purchased foreign exchange options
1. Budget approved by Greater Wellington – (Medium Probability)		Maximum 50%
2. Specific item approved – (High probability)		Maximum 100%
3. Contract/ order confirmed – (Undoubted Risk)	Minimum 100%	

6.5.3 Use of Foreign Exchange Instruments and Forecasting

Financial instruments, other than those stipulated in section 6.1.2, will require Council approval. Foreign exchange options will not be sold outright. The purchase price paid for an option (premium) will be amortised (spread) over the period of cover and added to the actual average exchange rate achieved.

All significant tenders will allow bidders the opportunity to select desired currencies and where possible, allow for suppliers to transparently link price escalations to clear financial market references.

Project managers will update any assumptions prior to budgets being finalised and, where necessary, discuss with the Treasurer or CFO. The following approach will be used when calculating foreign exchange rates for budgeting purposes:

- In determining a suitable foreign exchange rate to use in the calculation of budgets for procurement purposes, a purchased NZD Put Option, at the market forward rate to the middle of the budgeted financial year is used. The all-up premium cost in dollar terms of the option expressed in foreign exchange points is subtracted from the market forward rate to provide the appropriate budget rate to be used.

6.6 Managing operational risk

Operational risk is the risk of loss as a result of human errors including fraud, system failures, or inadequate procedures and controls. Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood
- Too much reliance is often placed on the specialised skills of one or two people
- Most treasury instruments are executed over the phone

Operational risk is minimised by this policy.

6.6.1 *Dealing Authorities and Limits*

Transactions will only be executed by those persons and within limits approved by Greater Wellington.

6.6.2 *Segregation of Duties*

There will be adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting. However, there are a small number of people involved in borrowing and investment activity. Accordingly, strict segregation of duties will not always be achievable.

The risk will be minimised by the following:

- The SFM will report directly to the CFO to control the transactional activities of the Treasurer
- There will be a documented approval process for borrowing and investment activity.

6.6.3 *Procedures and controls*

- The CFO will have responsibility for establishing appropriate structures, procedures and controls to support borrowing and investment activity.
- All borrowing, investment, cash management and risk management activity will be undertaken in accordance with approved delegations authorised by Greater Wellington.
- All treasury products will be recorded and diarised within a treasury system, with appropriate controls and checks over journal entries into the general ledger. Deal capture and reporting will be done immediately following execution and confirmation. Details of procedures, including templates of deal tickets, will be included in a treasury procedures manual separate to this policy. Greater Wellington will capture the percentage of deals transacted with banks to determine competitiveness and reconcile the summary.

Procedures and controls will include:

- Regular management reporting
- Regular risk assessment, including review of procedures and controls
- Organisational systems, procedural and reconciliation controls to ensure:
 - All borrowing and investment activity is bona fide and properly authorised
 - Checks are in place to ensure Greater Wellington's accounts and records are updated promptly, accurately and completely
 - All outstanding transactions are revalued regularly and independently of the execution function to ensure accurate reporting and accounting of outstanding exposures and hedging activity
 - Cheque/Electronic Banking Signatories will be approved by the CEO. Dual signatures will be required for all cheques and electronic transfers.

- All counterparties will be provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.
- All deals will be recorded on properly formatted deal tickets by the Treasurer and approved, where required, by the CFO. Market quotes for deals (other than cash management transactions) will be perused by the Treasurer before the transaction is executed. Deal summary records for borrowing, investments, interest rate risk management and cash management transactions (on spreadsheets) will be maintained and updated promptly following completion of transaction.
- All inward letter confirmations, including registry confirmations, will be received and checked by the SFM against completed deal tickets and summary spreadsheets records to ensure accuracy.
- Deals, once confirmed, will be filed (deal ticket and attached confirmation) in deal date/number order.
- Any discrepancies arising during deal confirmation checks which require amendment to Greater Wellington records will be signed off by the CFO.
- The majority of borrowing and investment payments will be settled by direct debit authority.
- For electronic payments, batches will be set up electronically. These batches will be checked by the SFM to ensure settlement details are correct. Payment details will be authorised by two approved signatories as per Council registers.
- Bank reconciliations will be performed monthly by the SFM. Any unresolved unreconciled items arising during bank statement reconciliation which require amendment to Greater Wellington records will be signed off by the CFO.
- A monthly reconciliation of the Debt Management system and borrowing and investment spreadsheets to the general ledger will be carried out by the Treasurer and reviewed by the SFM.

6.7 Managing legal risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction, usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, Greater Wellington may be exposed to such risks.

In the event that Greater Wellington is unable to enforce its rights due to deficient or inaccurate documentation, Greater Wellington will seek to minimise this risk by:

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- The matching of third party confirmations and the immediate follow-up of anomalies.
- The use of expert advice for any non-standardised transactions.

6.7.1 Agreements

Financial instruments will only be entered into with banks that have in place an executed International Swap Dealer's Association (ISDA) Master Agreement with Greater Wellington. All ISDA Master Agreements for financial instruments will be signed under seal by Greater Wellington.

Greater Wellington's internal/appointed legal counsel will sign off on all documentation for new loan borrowings, re-financings and investment structures.

Currently, Greater Wellington has ISDA agreements with the following banks:

- Bank of New Zealand
- ANZ Banking Group (New Zealand) Ltd
- ASB/CBA Bank
- Westpac
- Kiwibank

6.7.2 Financial Covenants and Other Obligations

Greater Wellington will not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Greater Wellington will comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

6.8 Diesel hedging

Other risks, such as commodity price risk associated with diesel, will be considered for risk management by Greater Wellington. Management is aware of the indirect risk to diesel procurement that is embedded in existing transport contracts. To this Greater Wellington has delegated to the CFO the power to enter into any price hedges or options with the following conditions:

- The CFO will report any hedges to Greater Wellington on a quarterly basis
- Maximum term of a hedge or option contract once it becomes operational is one year
- Contracts shall only be with a counterparty with a S&P rating of at least A.

6.9 Electricity hedging

Wholesale electricity spot market price risk will be considered for risk management by Greater Wellington. Management is aware of the inherent price volatility of the electricity spot market. To this end, the Council has delegated to the CEO the power to enter into price hedges with the following conditions:

- An electricity hedge contract will be in place for the duration of any spot market physical supply agreement.
- The price exposure can be hedged via an over the counter electricity swaps contract, a contract for difference or a futures contract.
- The notional value of the hedge contract will be in New Zealand dollars.

- The hedge contract will be for a maximum duration of no more than three years, and will be signed no earlier than 12 months prior to contract commencement.
- The expiry of any hedge contract will be no more than four years.
- For any given reporting year, the hedge volume will be between 85 percent and 115 percent of the expected actual consumption. The hedge ratio will be monitored and reported annually.
- The credit rating of the hedge counter-party will be at least investment grade from Standard and Poor's at the time of entering into the contract (i.e., a long-term rating of not less than BBB-). In the event of the rating falling below this, Greater Wellington would be advised and a recommendation on how to deal with existing hedges and any new hedges contemplated would be made to Greater Wellington. If the preferred hedge counter-party does not have an external credit rating with Standard & Poor's the GM Corporate Services/CFO may review the financial position of the proposed counter-party and provide a recommendation for approval by the Chief Executive.

7. Measuring Treasury performance

In order to determine the success of Greater Wellington's treasury management function, benchmarks and performance measures have been prescribed. Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) will be reported to Finance, Risk and Assurance on a quarterly basis.

7.1 Operational performance

All treasury limits will be complied with, including, but not limited to, counterparty credit limits, dealing limits and exposure limits. All treasury deadlines will be met, including reporting deadlines.

7.2 Management of debt, investments and interest rate risk

The actual funding cost for Greater Wellington (taking into consideration costs of entering into interest rate risk management transactions) will be below the budgeted interest cost and investment returns will be above the budgeted interest rate income.

8. Cash management

The Treasurer has the responsibility to carry out the day-to-day cash and short-term debt management activities. The Treasurer will:

- Calculate and maintain comprehensive cash flow projections on a daily (two weeks forward), weekly (four weeks forward), monthly (12 months forward) and annual (five years) basis
- Electronically download all Greater Wellington bank account information daily
- Co-ordinate Greater Wellington's operating units to determine daily cash inflows and outflows with the objective of managing the cash position within approved parameters
- Undertake short-term borrowing functions as required, minimising overdraft costs

- Ensure efficient cash management, through improvement to accurate forecasting using spreadsheet modelling
- Minimise fees and bank/Government charges by optimising bank account/facility structures
- Monitor Greater Wellington's usage of cash advance facilities
- Match future cashflows to smooth over time
- Provide reports to CFO detailing actual cash flows during the month compared with those budgeted
- Maximise the return from available funds by ensuring significant payments are made within the vendor's payment terms, but no earlier than required, unless there is a financial benefit from doing so.

9. Reporting – performance measurement

When budgeting forecast interest costs/returns, the actual physical position of existing loans, investments and interest rate instruments must be incorporated.

9.1 Treasury reporting

The following reports will be produced:

Report Name	Frequency	Prepared by	Recipient
Daily Cash Position	Daily	Treasurer	CFO
Treasury Exceptions Report	Daily	Treasurer	CFO
Risk Exposure position	Monthly	Treasurer	CFO
Risk Management performance	Monthly	Treasurer	CFO
Policy Compliance	Monthly	SFM	CFO
Borrowing limits	Monthly	Treasurer	CFO
Interest rate exposure report	Monthly	Treasurer	CFO
Cost of funds report	Monthly	Treasurer	CFO
Funding facility report	Monthly	Treasurer	CFO
Funding risk report	Monthly	Treasurer	CFO
Cash flow forecast report	Monthly	Treasurer	CFO
Treasury investments	Monthly	Treasurer	CFO
Summary Treasury Report	Monthly Quarterly	Treasurer	CFO Finance, Risk and Assurance / Council
Bi Annual Treasury Strategy Paper	Bi-annually	Treasurer	CFO CEO / Finance, Risk and Assurance
Limits Report	Daily on exceptions Quarterly	SFM	Treasurer Finance, Risk and Assurance
Debt Maturity Profile	Quarterly	Treasurer	Finance, Risk and Assurance / Council
Statement of Public Debt	Quarterly	Treasurer	Finance, Risk and Assurance / Council
Revaluation of financial instruments	Quarterly	Treasurer	CFO

9.2 Accounting treatment of financial instruments

Greater Wellington uses financial arrangements (“derivatives”) for the primary purpose of reducing its financial risk to fluctuations in interest rates. The purpose of this section is to articulate Greater Wellington’s accounting treatment of derivatives in a broad sense.

Under NZ IPSAS changes in the fair value of derivatives go through the Income Statement unless derivatives are designated in an effective hedge relationship.

Greater Wellington’s principal objective is to actively manage Greater Wellington’s interest rate risks within approved limits and chooses not to hedge account. Greater Wellington accepts that the marked-to-market gains and losses on the revaluation of derivatives can create potential volatility in Council’s annual accounts.

The Treasurer is responsible for advising the Chief Financial Officer of any changes to relevant NZ IPSAS which may result in a change to the accounting treatment of any financial derivative product.

All treasury financial instruments must be revalued (marked-to-market) at least every six months for risk management purposes.

10. Policy review

This Treasury Risk Management Policy will be formally reviewed every three years. The CFO has the responsibility to prepare a review report (following the preparation of annual financial statements) that is presented to Finance, Risk and Assurance. The report will include:

- Recommendations on changes, deletions and additions to the policy.
- Overview of the treasury management function in achieving the stated treasury objectives, including performance trends in actual interest cost against budget (multi-year comparisons).
- Summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension.
- Analysis of bank and lender service provision, share of financial instrument transactions, etc.
- Comments and recommendations from Greater Wellington's external auditors on the treasury function, particularly internal controls, accounting treatment and reporting.
- Total net debt servicing costs.

The policy review will be completed and presented to Finance, Risk and Assurance within five months of the financial year-end. Finance, Risk and Assurance will approve any resulting policy changes.

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RATES REMISSION AND POSTPONEMENT POLICIES

Remission and postponement of penalties

Objective

To enable Greater Wellington to act fairly and reasonably when rates have not been received by the penalty date.

Criteria and conditions

Greater Wellington will consider each application on its merit. Remission of penalties may be granted or postponement of penalties will be granted where it is considered that the application meets the following criteria and conditions.

Criteria

- 1) Upon receipt of an application from the ratepayer, or if identified by Greater Wellington, Greater Wellington may remit or will postpone all or part of a penalty where it considers that it is fair and equitable to do so. The following matters will be taken into consideration by Greater Wellington:
 - a) The ratepayer's payment history
 - b) The impact on the ratepayer of extraordinary events
 - c) The payment of the full amount of rates due.

Conditions

- 1) The ratepayer must enter into an agreement with Greater Wellington for the payment of postponed penalties.

Decisions

Decisions on the remission or postponement of penalties are delegated to Greater Wellington officers. All delegations are recorded in the delegations manual.

Rates postponement

Objective

To enable Greater Wellington to postpone the payment of rates.

Criteria and conditions

Greater Wellington will consider each application on its merit and postponement will be granted where it is considered that the application meets the following criteria and conditions.

Criteria

Greater Wellington will postpone rates when the following circumstances are met:

- a) A territorial authority in the Wellington region has postponed some or all of the territorial authority rates for the rating unit in the current rating year AND/OR
- b) The ratepayer is experiencing extreme financial hardship.

Conditions

- 1) Applications for postponements must be made to Greater Wellington in writing and contain supporting information demonstrating compliance with criteria.
- 2) Approval of rates postponements is for one year only. Applicants must reapply annually for a postponement.
- 3) The postponement of rates is a last resort and will be considered only after all other avenues to meet rates commitments have been exhausted.
- 4) Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Greater Wellington will have the first call on the proceeds of any revenue from the sale or lease of the rating unit in accordance with section 90 of the Local Government (Rating) Act 2002.
- 5) A fee may be charged in arrears on rates postponed, in accordance with section 88 of the Local Government (Rating) Act 2002.
- 6) The applicant may choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy.

Decisions

Decisions on the postponement of rates are delegated to Greater Wellington Regional Council officers. All delegations are recorded in the delegations manual.

Remission and postponement of rates on Māori freehold land

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Only land that is subject to such an order may qualify for remission or postponement under this policy.

Objectives

- 1) To recognise that certain Māori owned land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide for relief from rates.
- 2) To recognise that Greater Wellington Regional Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
- 3) To meet the requirements of section 102 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.

Considerations

In setting a policy on the remission and postponement of rates on Māori freehold land Greater Wellington has considered the matters identified in schedule 11 of the Local Government Act 2002.

Criteria and conditions

Greater Wellington will consider each application on its merit. Remission of rates may be granted or postponement of rates will be granted where it is considered that the application meets the following criteria and conditions.

Criteria

- 1) Greater Wellington will give a remission or postponement of up to 100 percent of all rates for the year for which it is applied for based on the extent to which the remission or postponement of rates will:
 - a. Support the use of the land by owners for traditional purposes
 - b. Support the relationship of Māori and their culture and traditions with their ancestral lands
 - c. Avoid further alienation of Māori freehold land
 - d. Facilitate any wish of the owners to develop the land for economic use
 - e. Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes
 - f. Recognise and take account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
 - g. Recognise and take account of the importance of the land for community goals relating to:
 - The preservation of the natural character of the coastal environment

- The protection of outstanding natural features
 - The protection of significant indigenous vegetation and significant habitats of indigenous fauna
- h. Recognise the level of community services provided to the land and its occupiers
 - i. Recognise matters related to the physical accessibility of the land
 - j. Provide for an efficient collection of rates and the removal of rating debt.

Conditions

- 1) Application for a remission or postponement under this policy must be made in writing and should be made prior to the commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Greater Wellington. A separate application must be made for each rating year.
- 2) Owners or trustees making applications should include the following information in their applications:
 - a. Details of the rating unit or units involved
 - b. Documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court
 - c. Supporting information to demonstrate that the remission or postponement will help achieve the criteria set out in the above section.
- 3) Greater Wellington may of its own volition investigate and grant remission or postponement of all or part of the rates (including penalties for unpaid rates) on any Māori freehold land in the region.
- 4) Relief, and the extent thereof, is at the sole discretion of Greater Wellington and may be cancelled and reduced at any time.
- 5) The applicant may choose to remit or postpone the payment of a lesser amount of rates than the full amount owing.

Decisions

Decisions on the remission and postponement of rates (including penalties for unpaid rates) on Māori freehold land are delegated to Greater Wellington officers. All delegations are recorded in the delegations manual.

Remission of rates in special circumstances

Objective

To enable Greater Wellington to act fairly and reasonably to remit regional rates in special circumstances.

Criteria and conditions

Greater Wellington will consider each application on its merit and remission may be granted where it is considered that the application meets the following criteria and conditions.

Criteria

- 1) Greater Wellington may remit all or part of the rates assessed in relation to a particular rating unit in special or unforeseen circumstances where it considers it just and equitable to do so.

Conditions

- 1) Each request for a remission of rates in special circumstances shall be considered on its merits and any decision on such a request shall be deemed to not set a precedent for any future decision under this policy.
- 2) A remission under this policy will last for one rating year only. Applicants must reapply annually for a remission.
- 3) No application under this policy will be backdated beyond the current rating year.
- 4) An application for remission under this policy:
 - a. Must be made within the rating year for which remission is sought, and
 - b. Made in writing to Greater Wellington, and
 - c. Contain supporting information.
- 5) Greater Wellington may of its own volition investigate and grant remission of rates that satisfy the requirements of any direction it receives from the Government or other agency to remit rates. In such circumstances rates will generally be remitted to the extent Greater Wellington receives payment from the Government or other agency.
- 6) Under this policy “special circumstances” excludes remissions sought for rating units with conservation and/or heritage values, including land subject to a QEII covenant.

Decisions

Decisions on remission of rates in special circumstances will be made by Council where the amount requested is over \$500.

Decisions on the remission of rates in special circumstances where the amount requested is \$500 or less are delegated to Greater Wellington officers. All delegations are recorded in the delegations manual.

Policy on Development Contributions or Financial Contributions

This policy describes Greater Wellington's approach to development and financial contributions.

Development contributions

Greater Wellington will not be seeking any development contributions as provided for under the Local Government Act 2002. The power to levy such contributions is restricted to territorial authorities.

Financial contributions

Greater Wellington does not have any provisions in its regional plans prepared under the Resource Management Act 1991 to levy financial contributions. The inclusion of such contributions may be reconsidered as part of any review of the regional plans. No financial contributions can be levied by Greater Wellington unless they are included within a regional plan.



Report 18.270
Date 19 June 2018
File CCAB-8-1683

Committee Council
Author Shirley Long, Team Leader Corporate Reporting, Finance

Setting of the Wellington Regional Council rates 2018/19

1. Purpose

To recommend that Council set rates and due dates for the payment of rates for the 2018/19 financial year as set out in this report and authorise penalties for unpaid rates.

2. Background

2.1 Setting of rates

Under section 23 of the Local Government (Rating) Act 2002 (the Act) the Council must set its rates for the 2018/19 financial year, by resolution. Rates must be set in accordance with the relevant provisions of the long-term plan including the funding impact statement for the 2018/19 financial year.

In its rates resolution, the Council must state the date on which the rates are to be paid or, if they are to be paid in instalments, the dates on which specified amounts must be paid.

2.2 Defence land

Section 22 of the Act requires that the general rate and targeted rates set under section 16 assessed for land owned or used by the Crown as an air force base, army camp, naval establishment, or other defence area must not exceed the amount of rates that would otherwise have been assessed if the rates were calculated on land value.

The only facility in the Wellington Region that qualifies for this adjustment, Trentham Camp in Upper Hutt, is part residential, part commercial and part rural. The effect of section 22 is to reduce the overall rates for Trentham Camp and adjust the cents in the dollar paid by other properties in Upper Hutt.

2.3 Differential rating categories

The Council's General rate is assessed on the basis of which district the land falls in using an "estimate of projected valuation" under section 131 of the Act. Equalisation is made to recognise the difference in valuation dates throughout the Wellington region. The "cents in the dollar" calculation is made on the basis of the rateable capital values of properties as at 18 May 2018, supplied by each of the constituent authorities.

Targeted rates are differentiated on a number of different matters:

Public transport	Where the land is situated and the use to which the land is put.
River management	Where the land is situated.
Wellington regional strategy	Where the land is situated and the use to which the land is put.
Warm Greater Wellington	Provision of service to the land.
Pest management	Where the land is situated and the area of land within each rating unit.
Wairarapa river management schemes	Where the land is situated (in some cases set under section 146 of the Act using approved classification and differential registers) and/or the benefits accruing through the provision of services and in some cases use.
Wairarapa catchment schemes	Where the land is situated (in some cases set under section 146 of the Act using approved classification and differential registers) and in some cases use and land value.
Wairarapa drainage schemes	Where the land is situated (set under section 146 of the Act using approved classification and differential registers).

For the public transport, river management, pest management and Wellington regional strategy rates, the Council bases its differential rating categories on those used by each of the territorial authorities in the Wellington Region. Differential rating categories for the Wairarapa river management schemes, Wairarapa catchment schemes and Wairarapa drainage schemes are based on areas identified on the approved classification registers held by the Council. The differential rating category for the Warm Greater Wellington rate is based on the service provided, calculated as a percentage of the service.

2.4 Transition under the new Revenue and Financing policy

Council has adopted a new Revenue and Financing policy which provides for a six year transition to the full impact of the new Public transport rate, and 2018/19 is the first year of this transition. The transition for each rating category in each location will be calculated as six differentials of approximately even size, applied annually using the equalised capital value for that year. The new differentials are based on location and use to which the land is put.

2.5 Authorisation of penalties

Under sections 57 and 58 of the Act, the Council may authorise the imposition of penalties on unpaid rates. In addition to penalties applied to rates that remain unpaid after the instalment due date, the Council can authorise additional penalties to rates unpaid from a previous year or years. The unpaid date for additional arrears penalties is required by the Act to be set based on the date that rates are set and will not necessarily be the same as the dates set by the territorial authorities. The penalties resolution is required to state the date the penalty will be applied.

2.6 Implications of collection arrangements

Because the Council has continued with arrangements for the collection of its rates (other than for properties within Tararua District), for practical purposes it sets instalment dates and penalty provisions that are consistent with those set by the Wellington Region's territorial authorities. This means that different provisions apply throughout the region, but that within a district there is consistency between the territorial authority and regional council provisions.

2.7 Policies

The Council's Rates Remission and Postponement Policies contain a number of rating policies that specify the circumstances in which the Council will remit or postpone rates.

3. Communication

The Council's resolution will be notified to the territorial authorities in the Wellington region. Individual property owners will be notified of their rating liability when rates assessment notices are sent out.

In addition, a copy of the resolution must be sent to the Secretary for Local Government within 20 working days of making the resolution.

4. The decision-making process and significance

The setting of rates implements the funding impact statement in the Council's Long Term Plan 2018-28.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

The Council's Long Term Plan 2018-28 has been developed in accordance with the consultation requirements set out the Local Government Act 2002.

4.1 Engagement

The consultation and engagement on the development of the Long Term Plan 2018-28 has been designed taking into account the Significance and Engagement Policy.

5. Recommendations

That the Council:

1. *Receives the report.*
 2. *Notes the content of the report.*
 3. *Sets, pursuant to the Local Government (Rating) Act 2002, the rates as set out below for the period commencing 1 July 2018 and concluding 30 June 2019. All dollar amounts in this resolution are exclusive of Goods and Services Tax (GST) and notes that GST will be added to these amounts at the prevailing rate at the time of supply.*
- a. *General rate*

A general rate set under section 13(2)(a) of the Local Government (Rating) Act 2002 as an amount in the dollar of capital value on each rateable rating unit as follows:

General rate	2018/19 Cents per \$ of rateable capital value	2018/19 Revenue required \$
Wellington city	0.04433	23,048,092
Hutt city	0.03765	8,059,093
Upper Hutt city	0.03752	3,064,993
Porirua city	0.03716	3,819,283
Kāpiti Coast district	0.03321	4,904,933
Masteron district	0.03367	1,968,728
Carterton district	0.03380	907,437
South Wairarapa district	0.03346	1,508,401
Tararua district	0.02187	2,353
Total general rate		47,283,314

b. Targeted rate: Public transport

The following differential targeted rate is set under section 16(3)(b) and section 16(4)(b) of the Local Government (Rating) Act 2002 as an amount in the dollar of capital value on each rateable rating unit as follows:

Targeted rate	2018/19	2018/19
Public transport rate	Cents per \$ of rateable capital value	Revenue required \$
Wellington city		
Regional CBD	0.32454	25,844,164
Business	0.03750	1,461,181
Residential	0.03432	13,567,288
Rural	0.00876	52,199
Hutt city		
Business	0.05756	2,181,033
Residential	0.05485	9,490,731
Rural	0.01395	43,450
Upper Hutt city		
Business	0.06194	742,079
Residential	0.06055	3,723,761
Rural	0.01537	131,467
Porirua city		
Business	0.06441	708,507
Residential	0.06174	5,279,333
Rural	0.01570	98,242
Kāpiti Coast district		
Business	0.02938	434,530
Residential excl Otaki	0.02699	2,758,230
Residential Otaki rating area	0.02400	265,176
Rural	0.00693	136,275
Masterton district		
Business	0.01359	58,905
Residential	0.01057	275,145
Rural	0.00368	103,344
Carterton district		
Business	0.01965	18,993
Residential	0.01661	140,193
Rural	0.00516	89,953
South Wairarapa district		
Business	0.02377	49,092
Residential	0.02077	273,878
Rural	0.00612	182,531
Total public transport rate		68,109,678

c. Targeted rate: River management

The following differential targeted rates are set under section 16(3)(b) and section 16(4)(b) of the Local Government (Rating) Act 2002 as an amount in the dollar of capital value or land value on each rateable rating unit as follows:

Targeted rate River management rate based on capital value	2018/19 Cents per \$ of rateable capital value	2018/19 Revenue required \$
Wellington city	0.00008	42,679
Hutt city	0.02036	4,356,562
Upper Hutt city	0.00817	667,062
Porirua city	0.00033	33,588
Kāpiti Coast district	0.00904	1,335,375
Carterton district	0.00088	23,705
Total district-wide river management rate		6,458,971
Greytown ward	0.01252	92,549
Total river management rates based upon capital value		6,551,520

Targeted rate River management	2018/19 Cents per \$ of rateable land value	2018/19 Revenue required \$
Featherston urban: Donalds Creek Stopbank	0.00161	2,615
Total river management rates based upon land value		2,615
Total river management rates		6,554,135

d. *Targeted rate: Wellington regional Strategy*

The following differential targeted rate is set under section 16(3) (a) and section 16(4)(b) of the Local Government (Rating) Act 2002 as an amount in the dollar of capital value or a fixed amount per rating unit on each rateable rating unit as follows:

Targeted rate		2018/19	2018/19
Wellington regional strategy rate	\$ per rating unit	Cents per \$ of rateable capital value	Revenue required \$
Wellington city			
Regional CBD		0.01123	893,931
Business		0.01123	437,362
Residential – per rating unit	\$14.00		998,312
Rural – per rating unit	\$28.00		21,868
Hutt city			
Business		0.00954	361,297
Residential – per rating unit	\$14.00		508,354
Rural – per rating unit	\$28.00		13,440
Upper Hutt city			
Business		0.00948	111,371
Residential – per rating unit	\$14.00		206,920
Rural – per rating unit	\$28.00		32,816
Porirua city			
Business		0.00941	103,518
Residential – per rating unit	\$14.00		241,570
Rural – per rating unit	\$28.00		17,444
Kāpiti Coast district			
Business		0.00841	124,386
Residential – per rating unit	\$14.00		291,536
Rural – per rating unit	\$28.00		69,608
Masterton district			
Business		0.00853	36,954
Residential – per rating unit	\$14.00		110,558
Rural – per rating unit	\$28.00		96,376
Carterton district			
Business		0.00856	8,272
Residential – per rating unit	\$14.00		32,970
Rural – per rating unit	\$28.00		48,972
South Wairarapa district			
Business		0.00847	17,498
Residential – per rating unit	\$14.00		44,240
Rural – per rating unit	\$28.00		78,036
Tararua district – per rating unit	\$28.00		252
Total Wellington regional strategy rate			4,907,861

All figures on this page exclude GST.

e. Targeted rate: Warm Greater Wellington

The following targeted rate is set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 as a rate based on the extent of service provided (dollars), calculated as a percentage of the service. In the final year of payment, the rate may be the actual balance rather than a percentage of the service amount:

Targeted rate	2018/19	2018/19
Warm Greater Wellington	Percentage of	Revenue required
Based on extent of service	service provided	\$
For any ratepayer that utilises the service	15.000%	3,237,058

f. Targeted rate: Pest Management

The following differential targeted rates are set under section 16(3)(b) and section 16(4)(a) of the Local Government (Rating) Act 2002 as an amount in the dollar per hectare on each rateable rural rating unit with a land area of 4 or more hectares as follows:

Targeted rate	2018/19	2018/19
Pest management	\$ per hectare	Revenue required
		\$
Rural land area		
Land area of 4 or more hectares in all rural classified areas	0.86682	532,000
Total pest management rate		532,000

g. Targeted rate: River management schemes (1)

The following targeted rates are set under sections 16(3)(b), 16(4)(b) and 146 of the Local Government (Rating) Act 2002 as an amount per hectare on each rateable rating unit in the classified scheme area as follows:

Targeted rate		2018/19	2018/19
River management schemes 1		\$ per hectare	Revenue required
			\$
Waingawa	A	146.80987	4,980
	B	95.42642	12,424
	C	73.40494	8,381
	D	66.06444	154
	E	58.72395	9,854
	F	51.38346	1,334
	G	22.02148	1,030
	H	14.68099	2,478
			40,635
Upper Ruamahanga	A	132.77572	11,820
	B	110.64644	730
	C	88.51715	11,044
	D	66.38786	1,169
	E	44.25857	13,131
	F	22.12929	872
	S	1,246.77486	3,242
			42,007
Middle Ruamahanga	A	130.96220	5,283
	B	109.13517	5,957
	C	87.30814	446
	D	65.48110	7,413
	E	43.65407	1,316
	F	21.82703	6,453
	S	1,320.72904	2,774
			29,642
Lower Ruamahanga	A	63.01058	7,906
	B	54.00907	2,907
	C	45.00756	10,081
	D	36.00605	11,468
	E	27.00454	8,737
	F	18.00302	22,041
	SA	1,579.97137	4,108
	SB	789.98579	1,343
			68,591

Targeted rate		2018/19	2018/19
River management schemes 1		\$ per hectare	Revenue required
			\$
Waiohine Rural	A	45.78519	5,150
	B	38.15433	14,614
	C	30.52346	39,001
	D	22.89260	8,505
	E	15.26173	12,230
	S	763.08656	13,049
			92,549
Mangatarere	A	34.61408	743
	B	33.10912	6,938
	C	28.05675	442
	D	24.83184	1,784
			9,907
Waipoua	A	111.47840	9,754
	B	89.18272	26,784
	C	66.88704	1,502
	D	44.59136	13,254
	SA	3,767.96976	377
	SC	2,251.86358	225
			51,896

Targeted rate		\$ per hectare	Revenue required
River management schemes 1			\$
Kopuaranga	A2	122.71450	3,197
	A3	110.54410	7,617
	A4	61.45830	694
	A5	42.95090	2,479
	A6	24.54390	1,991
	B2	24.54390	1,504
	B3	22.08960	1,622
	B4	12.27250	114
	B5	8.59100	267
	B6	4.90940	590
	SA	153.57000	768
	SB	76.79000	1,075
Lower Taueru	A	4.05877	1,654
	B	0.81175	229
	C	0.40588	72
	S	202.93843	308
			2,263
Lower Whangaehu	A	21.62307	722
	B	17.29846	1,126
	C	12.97384	706
	D	8.64923	662
	E	4.32461	754
	S	108.11535	145
			4,114
Total river management scheme rates 1			363,523

h. Targeted rate: River management schemes (2)

The following targeted rate is set under sections 16(3) (b) and 16(4)(b) of the Local Government (Rating) Act 2002 as a dollar amount per point on each rateable rating unit and in some cases a fixed charge per separately used or inhabited part of a rateable rating unit (dwelling) on any unit that has any residential use within the classified scheme area as follows:

Targeted rate		2018/19	2018/19	2018/19
River management schemes 2		\$ per dwelling	\$ per point	Revenue required \$
Lower Wairarapa valley	A		0.23419	676,524
Development Scheme	Sa	18.80247		7,841
	Sb	37.61930		85,095
Total river management scheme rates 2				769,460

i. Targeted rate: Catchment schemes (1)

The following targeted rates are set under sections 16(3)(b), 16(4)(b) and 146 of the Local Government (Rating) Act 2002 as an amount per hectare on each rateable rating unit in the classified scheme area as follows:

Targeted rate Catchment schemes 1		2018/19 \$ per hectare	2018/19 Revenue required \$
Whareama	A	4.45921	3,190
	B	1.71893	1,637
	C	0.30085	13,711
	D	0.25781	-
	E	0.21488	3
	F	0.17184	474
			19,016
Homewood	A	1.97000	4,521
	B	1.71061	945
	C	1.55980	5,713
	D	0.22300	388
			11,566
Maungaraki	A	0.99000	3,272
	B	0.49000	1,456
			4,728
Upper Kaiwhata	A	9.80000	320
	B	4.20000	221
	C	0.62000	594
	D	0.39000	801
	E	0.27000	443
	F	0.14500	66
			2,444
Lower Kaiwhata	A	16.19000	744
	B	7.10000	315
	C	1.01901	1,181
	D	0.63858	1,890
	E	0.00000	-
	F	0.21183	74
			4,203
Catchment management scheme 1 rates			41,958

j. Targeted rate: Catchment schemes (2)

The following targeted rates are set under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 as an amount in the dollar of land value on each rateable rating unit in the classified scheme area as follows:

Targeted rate		2018/19	2018/19
Catchment schemes 2		Cents per \$ of rateable land value	Revenue required \$
Awhea-Opouawe	Land value	0.00015	10,523
Mataikona-Whakataki	Land value within scheme area	0.00005	3,885
Catchment management scheme 2 rates			14,408

k. Targeted rate: Catchment schemes (3)

The following targeted rates are set under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 as a fixed charge per separately used or inhabited part of a rateable rating unit (dwelling) on any unit that has any residential use within the classified scheme area as follows:

Targeted rate		2018/19	2018/19
Catchment schemes 3		\$ per dwelling	Revenue required \$
Awhea-Opouawe	Charge per dwelling	\$114.54 / \$57.27	11,821
Maungaraki	Charge per dwelling	\$22.18	421
Mataikona-Whakataki	Charge per dwelling	\$15.30	2,668
Catchment management scheme 3 rates			14,910

l. Targeted rate: Catchment schemes (4)

The following targeted rate is set under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act on any rateable rating unit in the classified scheme area as based on the area of land within the rating unit that is protected by the Council's river management activity, calculated as an amount in the dollar per metre of the rating unit's river frontage.

Targeted rate		2018/19	2018/19
Catchment schemes 4		Cents per metre of river frontage	Revenue required \$
Maungaraki	River frontage	0.03540	1,686
Catchment management scheme 4 rates			1,686

m. Targeted rate: Pump drainage schemes

The following targeted rates are set under sections 16(3)(b), 16(4)(a) and 146 of the Local Government (Rating) Act 2002 as an amount per hectare on each rateable rating unit in the classified scheme area as follows:

Targeted rate		2018/19	2018/19
Pump drainage schemes		\$ per hectare	Revenue required
			\$
Te Hopai	A	44.28010	55,200
Moonmoot pump	A	130.42170	29,700
Onoke pump	A	72.51170	51,732
Pouawha pump	A	109.39220	103,430
Total pump drainage scheme rates			240,063

n. Targeted rate: Gravity drainage schemes

The following targeted rates are set under sections 16(3)(b), 16(4)(a), 16(4)(b) and 146 of the Local Government (Rating) Act 2002 as an amount per hectare on each rateable rating unit in the classified scheme area as follows:

Targeted rate		2018/19	2018/19
Gravity drainage schemes		\$ per hectare	Revenue required
			\$
Okawa	A	7.00710	1,976
Taumata	A	6.31190	1,834
East Pukio	A	27.74030	3,150
Longbush	A	15.75450	3,437
Longbush	B	7.87730	990
Otahoua	A	32.35740	3,000
Te Whiti	A	9.54170	1,348
Ahikouka	A	27.16640	3,048
Battersea	A	15.03730	2,537
Battersea	B	12.42580	2,428
Battersea	C	9.72450	3,093
Battersea	D	5.87920	898
Battersea	E	5.02800	1,020
Battersea	F	5.06900	357
Manaia	A	22.75280	3,969
Whakawiriwiri	A	11.47640	8,273
Total gravity drainage scheme rates			41,357

4. That the Wellington Regional Council sets the instalment dates outlined below and pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002 **resolves** to add penalties to unpaid rates as outlined below:

All instalments are for an equal amount of the annual rates

- a. All rating units within Wellington City

Instalment penalty

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below:

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
1	1 September 2018	6 September 2018
2	1 December 2018	6 December 2018
3	1 March 2019	6 March 2019
4	1 June 2019	7 June 2019

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 5 July 2018. A further additional 10% penalty will be imposed to rates from previous years that remain unpaid at 5 January 2019. The penalty will be added to rates on 8 January 2019.

- b. All rating units within Lower Hutt City

Instalment penalty

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below.

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
1	20 August 2018	21 August 2018
2	20 October 2018	24 October 2018
3	20 December 2018	21 December 2018
4	20 February 2019	21 February 2019
5	20 April 2019	24 April 2019
6	20 June 2019	21 June 2019

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 21 August 2018. A further additional 10% penalty will be imposed on 21 February 2019 to rates from previous years to which a penalty has been added on 21 August 2018 that remain unpaid. .

c. *All rating units within Upper Hutt City***Instalment penalty**

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below:

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
<i>1</i>	<i>31 August 2018</i>	<i>3 September 2018</i>
<i>2</i>	<i>31 October 2018</i>	<i>1 November 2018</i>
<i>3</i>	<i>15 January 2019</i>	<i>16 January 2019</i>
<i>4</i>	<i>28 February 2019</i>	<i>1 March 2019</i>
<i>5</i>	<i>30 April 2019</i>	<i>1 May 2019</i>

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 6 July 2018. A further additional 10% penalty will be imposed on 7 January 2019 to rates from previous years to which a penalty has been added on 6 July 2018 that remain unpaid.

d. *All rating units within Porirua City***Instalment penalty**

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below:

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
<i>1</i>	<i>21 August 2018</i>	<i>22 August 2018</i>
<i>2</i>	<i>20 November 2018</i>	<i>21 November 2018</i>
<i>3</i>	<i>19 February 2019</i>	<i>20 February 2019</i>
<i>4</i>	<i>21 May 2019</i>	<i>22 May 2019</i>

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 22 August 2018.

e. *All rating units within Kapiti Coast District*

Instalment penalty

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below:

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
<i>1</i>	<i>6 September 2018</i>	<i>7 September 2018</i>
<i>2</i>	<i>6 December 2018</i>	<i>7 December 2018</i>
<i>3</i>	<i>6 March 2019</i>	<i>7 March 2019</i>
<i>4</i>	<i>6 June 2019</i>	<i>7 June 2019</i>

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 6 July 2018.

f. *All rating units within Masterton District*

Instalment penalty

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below:

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
<i>1</i>	<i>1 August 2018</i>	<i>20 August 2018</i>
<i>2</i>	<i>1 November 2018</i>	<i>20 November 2018</i>
<i>3</i>	<i>1 February 2019</i>	<i>20 February 2019</i>
<i>4</i>	<i>1 May 2019</i>	<i>20 May 2019</i>

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 5 July 2018.

g. *All rating units within Carterton District***Instalment penalty**

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below:

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
<i>1</i>	<i>20 August 2018</i>	<i>21 August 2018</i>
<i>2</i>	<i>20 November 2018</i>	<i>21 November 2018</i>
<i>3</i>	<i>20 February 2019</i>	<i>21 February 2019</i>
<i>4</i>	<i>20 May 2019</i>	<i>21 May 2019</i>

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 5 July 2018.

h. *All rating units within South Wairarapa District***Instalment penalty**

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below:

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
<i>1</i>	<i>20 August 2018</i>	<i>21 August 2018</i>
<i>2</i>	<i>20 November 2018</i>	<i>21 November 2018</i>
<i>3</i>	<i>20 February 2019</i>	<i>21 February 2019</i>
<i>4</i>	<i>20 May 2019</i>	<i>21 May 2019</i>

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 5 July 2018. A further additional 10% penalty will be imposed on 7 January 2019 to rates from previous years to which a penalty was added on 5 July 2018 that remain unpaid.

- i. *All rating units within that part of Tararua District falling within the Wellington Region.*

Instalment penalty

A 10% penalty will be added to any portion of the current instalment that remains unpaid after the due date as shown in the table below:

<i>Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
<i>1</i>	<i>7 September 2018</i>	<i>10 September 2018</i>

Additional arrears penalty

An additional 10% penalty will be imposed to any amount of rates assessed in previous years and remaining unpaid at 3 July 2018. The penalty will be added to rates on 4 July 2018. A further additional 10% penalty will be imposed on 4 January 2019 to rates from previous years to which a penalty was added on 4 July 2018 that remain unpaid.

5. ***Requests*** *officers to send a copy of these resolutions to all territorial authorities acting as our agents for rates collection and to the Secretary for Local Government.*

Report prepared by:

Report approved by:

Shirley Long
Team Leader, Corporate
Reporting, Finance

Dave Humm
GM, Corporate Services/CFO



Report 2018.243
Date 15 June 2018
File CCAB-8-1656

Committee Council
Author Brady Corkill, Assistant Accountant

Wholesale water levy for 2018/19 and end of year adjustment for levy 2017/18

1. Purpose

To set the wholesale water levy for 2018/19 year and adjust the 2017/18 year levy apportionment.

2. Background

Greater Wellington Regional Council (GWRC) has consulted with its water supply customers (the four metropolitan city councils) and the community about the water supply levy for 2018/19. The supporting information to the Consultation Document, which contained the proposed Annual Plan, outlined that the levy for the 2018/19 financial year will increase by 7.1 percent from that set for the current year.

3. Submissions

Several submissions relating to the proposed wholesale water levy were received as part of the Long Term Plan consultation process. These included comment on relative treatment of flood protection and the bulk water funding allocation under the proposals put forward in the draft revenue and financing policy as well as how bulk water related assets are funded.

The Hearings Committee considered the submissions and recommended to Council that no changes be made to the proposals set out in the Consultation Document to the Long Term Plan 2018-28 (including the water levy) and to undertake a triennial review of the Revenue and Financing Policy, with specific reference to the affordability of rates to communities and the distribution of benefits.

4. Proposed 2018/19 wholesale water levies

The proposed levy for 2018/19, as detailed in the GWRC's consultation document for the 10 Year Plan 2018-2028 provides for a 7.1 per cent increase to the current year's levy. If this position is approved, the levy for the 2018/19 financial year will be \$33,068,898 (GST exclusive).

The Levy applicable to each city council would be as follows:

Table 1

	2018/19 Levy \$ (GST exclusive)
Hutt City Council	8,737,982
Porirua City Council	3,892,645
Upper Hutt City Council	3,231,498
Wellington City Council	17,206,773
Total	33,068,898

5. Proposed end of year adjustment levies for 2017/18

At the beginning of each year an estimate of each city's water consumption is calculated, and charges are raised based on the amount of water supplied in the previous year. Once the amounts of water actually supplied during the 2017/18 year is known an adjustment is made at year end. The metering year ends on the last Wednesday of March and the volumes recorded are used to determine an end of year adjustment. Table 2 shows the end of year adjustments. Consumption figures are reported to all metropolitan council's weekly.

Table 2

Council	Adjustment for 2017/18 \$ (GST exclusive)	Charge or refund
Hutt City Council	496,174	To pay
Porirua City Council	41,266	To pay
Upper Hutt City Council	(80,327)	Refund
Wellington City Council	(457,113)	Refund
Total	-	-

Although GWRC's overall financial position does not change, some accounting adjustments are needed to reflect the amount of water actually consumed by each city. Accordingly, charges raised to the cities previously are to be revised. On 20 July 2018, a refund will be sent to Upper Hutt and Wellington City Councils. On the same day invoices raised for Hutt and Porirua City Councils will be due for payment.

6. Communications

Each of the four city councils will be advised directly of the contributions payable for 2018/19 and adjustments to the levies charges for 2017/18.

7. Consideration of climate change

The matters addressed in this report are of a procedural nature, and there is no need to conduct a climate change assessment.

8. Decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act).

Part 6 sets out the obligations of local authorities in relation to the making of decisions.

8.1 Significance of the decision

Part 6 requires GWRC to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

The consultation process undertaken for the proposed 2018/19 Annual Plan was conducted in accordance with section 95 of the Act

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

8.2 Engagement

The consultation and engagement on the development of the proposed 2018/19 Annual Plan was designed taking into account the Greater Wellington Regional Council Significance and Engagement Policy and legislative requirements.

8. Recommendations

That the Council:

1. **Receives** the report.
2. **Notes** its contents.
3. **Approves** pursuant to section 91 of the Wellington Regional Water Board Act 1972, the wholesale water contributions payable by constituent authorities for 2018/19 be as follows:

	2018/19 Levy \$ (GST exclusive)
<i>Hutt City Council</i>	8,737,982
<i>Porirua City Council</i>	3,892,645
<i>Upper Hutt City Council</i>	3,231,498
<i>Wellington City Council</i>	17,206,773
Total	33,068,898

4. *Approves the end of year adjustment levies for 2017/18 be as follows:*

2017/18 Adjustments
\$ (GST exclusive)

<i>Hutt City Council</i>	<i>496,174</i>	<i>Debit</i>
<i>Porirua City Council</i>	<i>41,266</i>	<i>Debit</i>
<i>Upper Hutt City Council</i>	<i>(80,327)</i>	<i>Credit</i>
<i>Wellington City Council</i>	<i>(457,113)</i>	<i>Credit</i>

5. *Notes that settlement takes place on 20 July 2018.*

Report prepared by:
Brady Corkill
Assistant Accountant

Report approved by:
Dave Humm
GM Corporate Services/Chief
Financial Officer

Report approved by:
Greg Campbell
Chief Executive



Report 18.207
Date 19 June 2018
File CCAB-8-1597

Committee Council
Author Helen Chapman, Senior Transport Planner

Approval of the Wellington Regional Land Transport Plan 2015 variation

1. Purpose

This report recommends a variation to the Wellington Regional Land Transport Plan 2015 (RLTP) for approval.

The variation includes an update on changes to the context and issues, identifies short term focus areas, and sets out an amended programme of activities for year three to six (2018-2021) of the RLTP 2015. The variation does not supersede the RLTP 2015 policy framework, which is considered to be fit for purpose for the next three years.

2. Consideration by Committee

The Regional Transport Committee (RTC) considered the RLTP variation at its meeting on 19 June 2018 (Report 2018.204 refers). The RTC agreed to forward the variation, provided in [Attachment 1](#), to Greater Wellington Regional Council (GWRC) for approval.

3. Background

3.1 Decision making process

The decision-making process for the RLTP is prescribed by the Land Transport Management Act (LTMA). Under section 13 of the LTMA, the RTC must prepare a RLTP on behalf of the regional council every six years. The current RLTP was prepared and adopted in 2015.

Section 18CA of the Land Transport Management Act 2003 (LTMA) requires the regional transport committee to complete a review of the regional land transport plan during the six month period immediately before the expiry of the third year of the plan. This paper relates to the adoption of a variation to the RLTP following the three year midterm review.

When preparing and undertaking the midterm review of the RLTP, the RTC must consult in accordance with the consultation principles in section 82 of the

Local Government Act (LTMA s 18(1) and s 18CA(5)). The RTC has undertaken engagement with key stakeholders and targeted public engagement. This is set out in section 9.2 below.

Once the RTC has agreed the RLTP (or any variation), it must be forwarded to Council for approval (LTMA s 18B & s 18D (6)). Council can adopt the RLTP without modification and submit it to the NZ Transport Agency (NZTA), or refer it back to the RTC with a request that one or more aspects are reconsidered. Council cannot modify the RLTP, or variations to the RLTP.

A variation to the RLTP that reflects the midterm review, including an updated 2018-2021 regional programme, must be submitted to NZTA by the end of June 2018.

3.2 The RLTP framework

The RLTP 2015 has two key parts, both of which were considered as part of the RLTP midterm review:

- The strategic policy framework, which includes the long-term vision, objectives, and outcomes for the region's land transport network. It identifies what the region wants to achieve from investment in the land transport system and describes how progress will be measured.
- The regional programme, which sets out a programme of proposed land transport activities over a six year period, with a ten year forecast of expenditure.

The proposed activities in the Wellington RLTP are submitted by the NZTA and 'Approved Organisations' (including the eight territorial authorities, the Department of Conservation and GWRC). Some activities must be automatically included in the RLTP. These are local road maintenance, renewals and operations and existing public transport services (LTMA s 16(3) (a)). Activities for which funding has already been committed (by the NZTA) are also automatically included.

Sections 16(3) (c) & (d) give the Regional Transport Committee some discretion over other activities. In relation to these activities, discretion is limited to whether to include a project/activity in the programme and, the priority given to the 'significant' projects and activities.

Activities must be included in the RLTP to be considered for funding from the National Land Transport Fund.

Activities within the RLTP programme, other than the ongoing public transport services and maintenance and renewal programmes of territorial local authorities, will generally undergo further decision making and consultation processes before proceeding.

4. The RLTP mid-term review

The purpose of the mid-term review was to check that the RLTP policy framework remains valid and fit for purpose until 2021, and to update the

programme of activities in years 2018-2021 to inform the development of the National Land Transport Programme NLTP 2018-2021.

The midterm review has been carried out collaboratively with input from key stakeholders, iwi, territorial local authorities and NZTA. The review concluded that the strategic policy framework of the RLTP 2015 is still fit for purpose and no substantive change has been made to this part of the RLTP variation.

However, a number of changes to strategic context, issues and activities were identified through the review and these have been reflected in the RLTP variation document.

5. New draft Government Policy Statement on Land Transport 2018

In April 2018 the Government released a new draft Government Policy Statement on Land Transport 2018 (GPS). This set a new strategic direction for land transport. The RLTP is required to be consistent with the GPS (LTMA s 14(a) (ii)).

The RTC considered the consistency of the RLTP with the new draft GPS as part of developing the RLTP variation for approval. It agreed that the RLTP, including the proposed variation, was consistent with the new draft GPS (Report 2018.172 to RTC on 29 May refers).

6. Recommended RLTP variation

The recommended RLTP variation set out in **Attachment 1**:

- Sets out our region's investment story for the funding sought from the National Land Transport Fund for 2018-2021
- Reflects the new government direction set out in the GPS
- Summarises the main findings of the midterm review, including;
 - a. changes to context, pressures and issues that affect the region's transport network, since the RLTP was adopted in 2015
 - b. areas of focus for the 2018-2021 regional programme
 - c. areas of future work for the development of the RLTP 2021
- Contains the updated 2018-2021 regional programme of activities.

7. Communication

Following approval, the RLTP will be formally submitted to the NZTA. Copies of the RLTP variation will be sent to RTC members, councillors, territorial authorities and parties identified under section 18F of the LTMA.

The RLTP variation and mid-term review background information will be published on the GWRC website. Links will be emailed to key stakeholders and participants of the targeted public engagement.

8. Consideration of climate change

The midterm review of the RLTP considered new information and changes in the strategic context affecting the transport network since the RLTP was adopted in 2015, including climate change.

The RLTP variation sets out the findings in relation to climate change from the review (refer page 16 of Attachment 1). Over the last five years there has been an upward trend in transport generated CO₂ emissions in the Wellington region, while per capita transport CO₂ emissions appear to be static. This is not aligned with the relevant RLTP targets which seek a downward trend. For more detail see the 2016-17 Annual Monitoring Report.

This trend has influenced the identification of the three short term focus areas in the RLTP variation, all with important links to climate change mitigation and adaptation. These are resilience, public transport, and walking and cycling. More detail is provided in 8.1 and 8.2 below.

In addition, the detailed activities within the RLTP programme will generally undergo further analysis of the climate change and wider environmental effects of the options as part of decision making processes before proceeding.

8.1 Mitigation assessment

The RLTP variation increases the focus on lower emission modes by identifying public transport, walking and cycling as key focus areas.

Forecast expenditure shows that a greater share of regional expenditure will be targeted towards public transport walking and cycling in 2018-2021. This is anticipated to result in mode shift and a reduction in emissions that will contribute to the RLTP emission reduction targets.

Twelve of the significant new projects have a high contribution to the RLTP objective of a high quality, reliable public transport network. Within the full programme there are 23 activities that contribute to public transport. Eight of the significant new projects have a high contribution to the RLTP objective of an attractive and safe walking and cycling network. Within the full programme there are 16 activities that contribute to improving opportunities for walking and cycling across the regional transport network.

Officers note that the RLTP variation does not affect the Council's interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI)

8.2 Adaptation assessment

The RLTP variation increases the focus on resilience. It considers adaptation responses to climate change impacts such as increases in flooding, severe storms and sea level rise.

The resilience focus area was an input into the prioritisation of significant new transport activities (projects over \$5 million that are regionally and/or inter-regionally significant). Seventeen of the significant new projects have a high contribution to the RLTP objective of an increasingly resilient transport

network. Within the full programme there are 24 activities that contribute to improving the resilience of the regional transport network.

9. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

9.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance and engagement policy and decision-making guidelines.

Officers advise that a decision-making process is explicitly prescribed for the RLTP by the LTMA. Under the LTMA the RTC is responsible for the development of the RLTP. As part of this:

- The RLTP must contain a significance policy for variations to the RLTP adopted by the RTC (LTMA s 106 (2)).
- The RTC must, when preparing and undertaking the midterm review of the RLTP, consult in accordance with the consultation principles in section 82 of the Local Government Act (LTMA s 18 (1) and s 18CA (5)).

The significance policy for proposed variations to the RLTP is set out in Appendix B (page 191) of the RLTP 2015. The RTC assessed the significance of the proposed variation against the RLTP significance policy.

It was determined that the variation was significant under the RLTP policy and engagement was carried out using the principles set out in s 82 of the LGA.

9.2 Engagement

Engagement on the RLTP variation has been carried out through:

- Stakeholder workshops in September 2017
- Meetings with representatives from recognised tangata whenua in the Wellington region in late 2017/early 2018.
- Targeted public consultation during February/March 2018, which focussed on the draft programme of significant activities

Further detail on the public consultation is summarised in RTC Report 2018.128.

10. Community views and preferences

Officers consider that the need to take account of the community's views and preferences has been met through the engagement process outlined in section 9.2 above and consultation on long term plans undertaken by GWRC and the territorial authorities in the region.

11. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Notes that significance was considered under the RLTP significance policy adopted by RTC.*
4. *Notes that targeted public engagement was held on the significant new improvement projects.*
5. *Approves the final Regional Land Transport Plan variation, as set out in Attachment 1.*
6. *Agrees to forward the final Regional Land Transport Plan variation to the NZ Transport Agency prior to 30 June 2018.*
7. *Delegates to the Chair of the Greater Wellington Regional Council authority to approve any minor editorial amendments to the Regional Land Transport Plan variation prior to it being published.*
8. *Notes the request of the Wairarapa Councils that NZTA relook at the timing of the SH2 Featherston to Masterton safe system and resilience transformation.*

Report prepared by:

Helen Chapman
Senior Transport Planner

Report approved by:

Harriet Shelton
Manager, Regional Transport
Planning

Report approved by:

Luke Troy
General Manager, Strategy

Attachment 1: Recommended Regional Land Transport Plan variation



**WELLINGTON
REGIONAL LAND
TRANSPORT PLAN 2015
2018 MID-TERM UPDATE**

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INTRODUCTION

The Wellington Regional Land Transport Plan (RLTP) is our blueprint for a regional transport network that will support our region to grow, while ensuring it is a safe, liveable and resilient region that meets our future needs.

The current RLTP was adopted in April 2015.

It includes a policy framework that sets out the strategic direction for the region's land transport network over the next 10-30 years, including a high level vision and eight strategic objectives.

An important part of the RLTP is the regional programme of transport activities which are proposed for funding over the next six years, with a ten year outlook. This is our region's bid for funding from the National Land Transport Fund (NLTF), which co-funds many of our region's transport activities.

The next RLTP will be agreed in 2021, but we have undertaken a mid-term review of the RLTP 2015 to check the overall policy direction is fit for purpose and to update the programme for the next three years (2018-21).

In this document you can find out more about:

- The RLTP itself and what work we did as part of the mid-term review
- Highlights of what we learned
- What this means for the RLTP between now and 2021, and future work on the next RLTP 2021.

- Interested in finding out more about the RLTP? Have a look at the [RLTP](#) itself.
- You can find the 2018-21 programme from page 32 onwards.
- The [2016/17 Annual Monitoring Report](#) on the RLTP (AMR) provides the latest data and information on the RLTP outcomes.
- For more detailed information about the RLTP review, see the background report, which you can find on the [Greater Wellington website](#).

The RLTP vision is:

"To deliver a safe, effective and efficient land transport network that supports the region's economic prosperity in a way that is environmentally and socially sustainable."



Transport provides people with access – to jobs, education, goods, services, facilities, amenities, and social and recreational opportunities.

Our region needs an effective transport system to support accessibility and to unlock future growth and development. The nature of our transport system and the travel choices it provides affects the liveability of our region and has a significant influence on our ability to attract and retain talent and investment.

The Wellington region is a great place to live, learn, work and play.

Wellington is the key hub for people and businesses in the lower North Island.

Our region is thriving: the population of the Wellington region stands at around 500,000 people. By 2043 it is expected to be home to 100,000 - 150,000 more people. This is faster growth than what we anticipated when we developed the RLTP 2015 (see Population Growth [page 15](#)).

Economic projections suggest the Wellington region will maintain its importance for the national economy. Employment projections show regional employment growing by 15 – 20 per cent over the next 30 years – up to 50,000 more jobs. Tourism will be another source of economic growth.

These developments will increase demand for transport services and infrastructure in the region. A key challenge will be how we manage that demand effectively and ensure people can continue to access what they need safely and sustainably.

At the same time we are facing resilience and climate change challenges. Our transport network will need to help mitigate the risks these challenges are posing and contribute to making our region more sustainable.



Wellington already has the highest public transport usage per capita in New Zealand, and the highest active mode share of the main urban areas in New Zealand, which is something to be proud of.

A lot is happening to make our transport system and services even better across the region. But we need to do even more to make a step change towards a world-class transport system that is safe, accessible, sustainable, integrated and resilient, helps us achieve our community outcomes, and supports regional growth. That’s what the regional programme of transport activities from 2018-21 ([page 32](#)) is about. To help make this change happen we need financial contributions from the NLTF.

- The RLTP’s eight strategic objectives:**
- A high quality, reliable public transport network
 - An attractive and safe walking and cycling network
 - A safe system for all users of the regional transport network
 - A well planned, connected and integrated transport network
 - An efficient and optimised transport system that minimises the impact on the environment
 - A reliable and effective strategic road network
 - An efficient network for the movement of freight

A person wearing a green helmet and a dark jacket is seen from behind, standing on a grassy hill with a bicycle. They are looking out over a city and a large body of water under a blue sky with scattered clouds. The text 'WHAT IS THE RLTP MID-TERM REVIEW?' is overlaid in large white letters on the top half of the image.

WHAT IS THE RLTP MID-TERM REVIEW?

A mid-term review of the RLTP 2015 is required under the Land Transport Management Act. The main goal of the mid-term review was to check that the RLTP remains valid and fit for purpose for the second half of its six year duration, from 2018 to 2021.

The main focus of the review was to update the regional programme.

The programme contains the activities that local councils, the Greater Wellington Regional Council, the NZ Transport Agency and other approved public organisations have proposed. It responds to the problems identified in the RLTP and reflects the RLTP's eight strategic objectives.

The programme has been amended to reflect changes to planned transport activities since 2015 and the new national direction provided in the draft 2018 Government Policy Statement on Land Transport (GPS).

We also reviewed the policy framework. It has a long-term focus, but as things change over time we need to make sure that it is still valid and fit for purpose.

Some things have changed since 2015. This update document identifies the changes and how they have affected our transport system context. For example, the 2016 earthquake has changed how we think about resilience.

The review concluded that despite these changes, the current strategic long-term direction in the RLTP remains relevant for the 2018-21 period.



During the mid-term review we engaged in different ways with the community:

- In September 2017 we held two stakeholder workshops with representatives of transport users and providers. Participants discussed topics and issues that have changed or emerged since the RLTP was adopted in 2015.
- In early 2018 we met with Iwi in the Wellington region, to talk about the RLTP mid-term review and wider transport matters.
- In February/March 2018 we carried out targeted public consultation on the prioritisation of the list of significant activities in the draft regional programme.

The feedback received has fed into the review and has informed the prioritisation of the list of significant activities in the regional programme. More information about the engagement can be found in the background report on our [website](#).

This document is the Wellington region’s bid for funding from the NLTF. It summarises the outcomes of the RLTP mid-term review. On the following pages you can find information about:

- The key context changes since 2015, when the RLTP was finalised:

- New draft GPS 2018 – **page 6**
- Resilience – **page 8**
- Population growth – **page 10**
- Climate change – **page 12**
- Technology and lifestyle – **page 14**
- Safety – **page 16**
- Congestion – **page 18**
- Let’s Get Wellington Moving – **page 20.**

- The three areas of focus for 2018-21 – **page 22.**
- Considerations for the 2021 RLTP – **page 24.**
- The updated regional programme for 2018-21 – **page 28.**

AREAS OF CHANGE

NEW DRAFT GPS 2018

As a result of the 2017 change of government in New Zealand, the Minister of Transport issued a new draft GPS in April 2018. The draft GPS 2018 signalled a change in the strategic direction for the government's investment in land transport.

The GPS outlines the government's strategy to guide land transport investment. It provides guidance on where the government will focus its funding to achieve its national objectives and the results it wants to achieve.

The new draft GPS 2018 sets four strategic priorities for what the government wants to achieve in land transport. Safety and access are the key strategic priorities, which are supported by the priorities of environment and value for money. Each priority has associated objectives, which provide direction for how these priorities should be achieved.

Government has signalled that it wants to introduce more significant changes and plans to introduce a second stage GPS. Areas to be investigated in the second stage GPS include enabling funding for rail and coastal shipping infrastructure, responses to climate change, a new safety strategy and future rapid transit options for metro areas.

In the meantime the draft GPS has introduced two new activity classes called Rapid transit and Transitional rail, to allow work in these areas to proceed until the second stage GPS is finalised. The draft GPS also altered the Road safety promotion activity class to include demand management.

Government hopes to release the second stage GPS in 2019. Government has indicated that it will work with the broader transport sector to develop it.

The RLTP 2015 is well aligned with the draft GPS 2018, with strategic objectives that signal a consistent direction for our region's transport system. The next page provides an overview of the alignment between the draft GPS and the RLTP.

Strategic priorities draft GPS 2018:

- **Safety** – a land transport system that is a safe system, free of death and serious injury
- **Access** – a land transport system that provides increased access to economic and social opportunities, enables transport choice and access, and is resilient
- **Environment** – a land transport system that reduces the adverse effects on the climate, local environment and public health (supporting priority)
- **Value for money** – a land transport system that delivers the right infrastructure and services to the right level at the best cost (supporting priority)

Themes:

- **A modal neutral approach to transport planning and investment decisions** – encourages looking across the whole land transport system for the best solutions
- **Incorporating technology and innovation into the design and delivery of land transport investment** – technology can support the creation of a safer, more effective and efficient transport system
- **Integrating land use and transport planning and delivery** – acknowledging the significant impact they have on each other

Wellington’s 2018-21 [regional programme](#) has been updated to more closely reflect the GPS strategic priorities and objectives and to include rail infrastructure that can now be funded through the Transitional rail activity class.

Further updates to the regional programme are likely to be required between now and 2021 to reflect a second stage GPS and other developments in the region (including [Let’s Get Wellington Moving](#) decisions).

Alignment between the draft GPS 2018 and the RLTP

Legislation requires that RLTPs must be consistent with the GPS. The following diagram shows how our RLTP is aligned with the new GPS 2018:

RLTP Strategic Issues and Objectives:

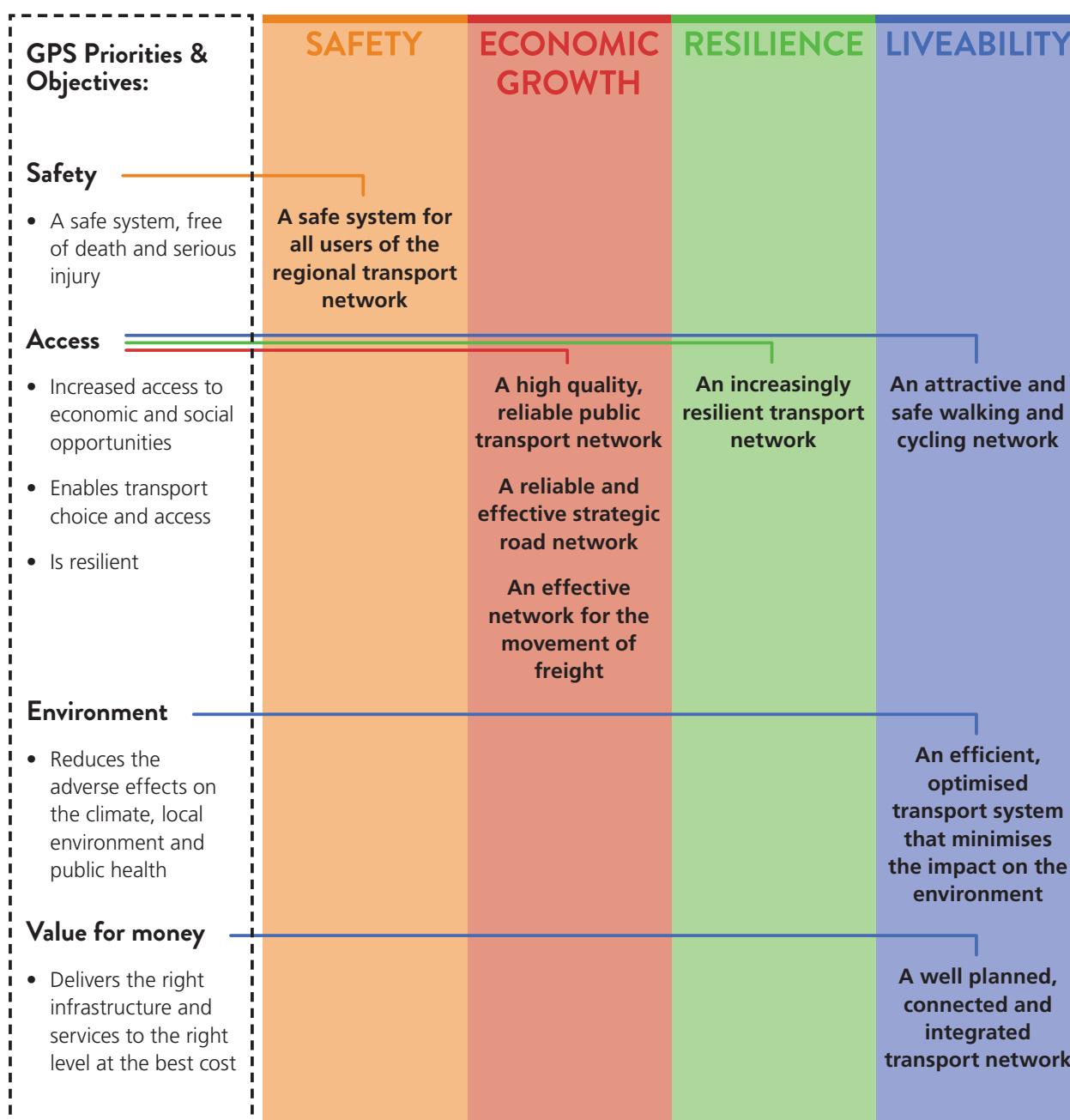


Figure one: Alignment between the draft GPS 2018 and the RLTP



RESILIENCE

Unplanned events have a major impact on access and mobility across the Wellington region where many key routes are vulnerable to seismic events and more common events like slips, storm surges and flooding.

Significant earthquake and flood events, in November 2016 raised awareness of just how vulnerable our region's transport network is after an event and the importance of improving our transport network's resilience.

The draft GPS identifies access as one of the Government's four strategic priorities and resilience as one of the objectives associated with access.

Resilience is one of the four problems defined in the RLTP 2015. Its importance has been highlighted further since the November 2016 earthquake and flooding events. These events impacted on our ability to move around the region – for ourselves and the goods we need. The aftermath of the earthquake changed travel patterns – some people had to work from home for a while, while others commuted to new offices that had shifted from the Wellington CBD to other parts of the region. Many of these impacts were short term, but others lasted much longer.

The November 2016 events also raised our awareness of, and expectations about, the need to be prepared for the future. The community expects the councils in our region and the NZ Transport Agency to improve the resilience of the region's core transport infrastructure.

Wellington's topography has largely shaped our urban form and transport corridors. A lack of alternative routes on much of the network, together with a transport system operating near capacity, means that even relatively minor traffic incidents can quickly have a significant impact on the wider network and restoring access can take some time.

Our response to the wide-ranging transport resilience issues needs to cover a range of measures, including:

- Identifying and improving sections of transport infrastructure that are vulnerable to disruptions
- Making sure that alternative routes are available, particularly improving the regional east-west connections
- Providing high quality alternatives to car usage, particularly public transport (including passenger rail) and active modes
- Soft measures like good communication before, during and after an event.

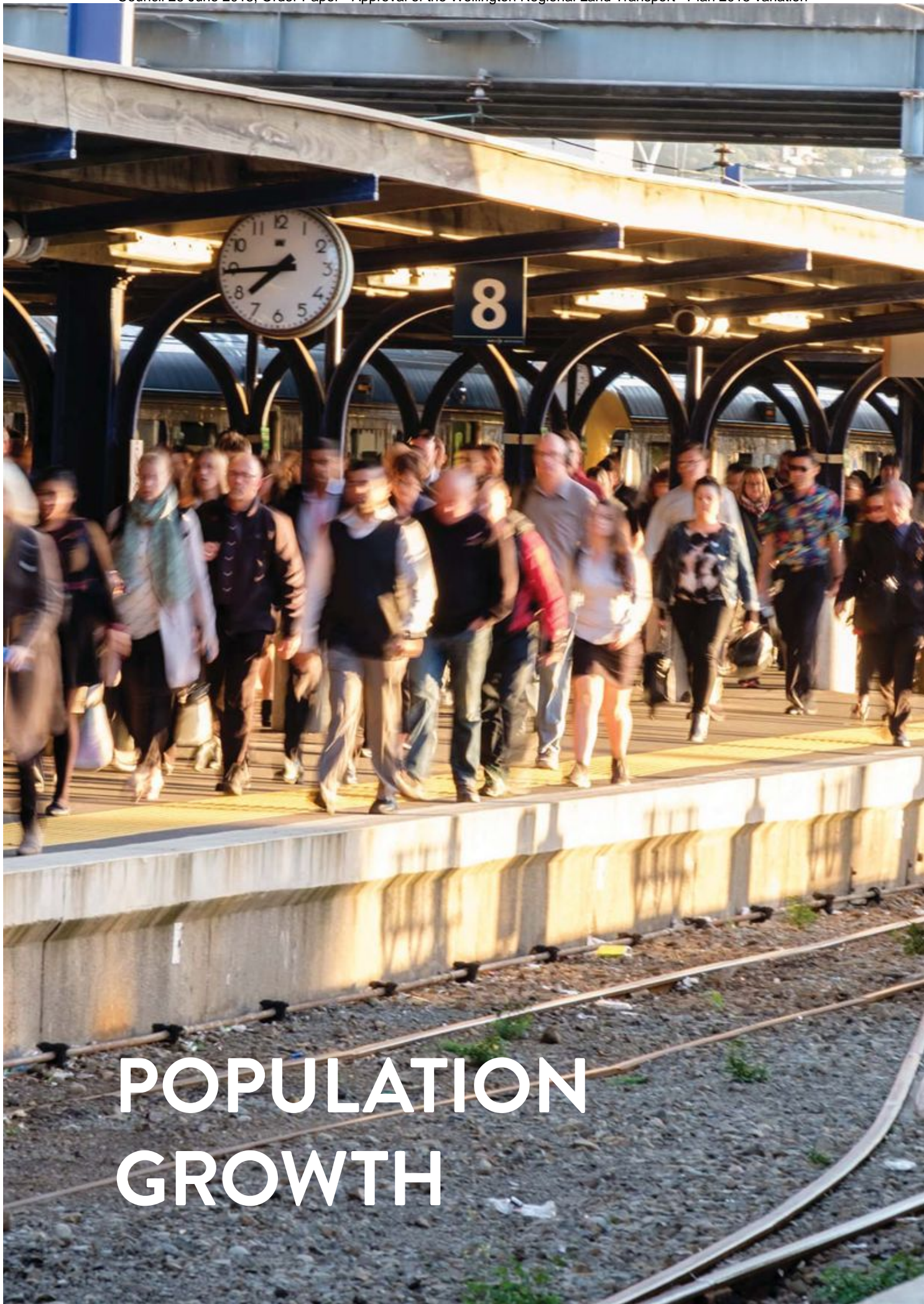
In 2016 we developed a prioritised regional transport resilience list, which identified segments of the transport network that are vulnerable to resilience issues.

- State Highway 2 – Petone to Ngauranga received an "extreme" risk rating
- 15 other parts of the transport network were rated a "very high" risk. These included sections of the Ngauranga Gorge and the Remutaka Hill Road.

This list helped to identify and prioritise projects to improve the resilience of our region's transport network. These are contained in the regional programme. Continued investment in programmes that build better resilience into the transport network will be critical over the next three year period and longer term.

The term resilience covers a wide range of aspects, including:

- major natural events like earthquakes and severe weather events. Severe weather events are happening more often and sooner than previously anticipated, and have more severe consequences for the transport system (like flooding or slips)
- longer-term climate change related impacts (like sea level rise and how we adapt to it)
- the ability of our region's transport network to cope with day-to-day 'incidents' such as road traffic accidents
- how susceptible our transport system is and how we prepare for these different events.



POPULATION GROWTH

Our region’s population is growing faster than previously anticipated.

It is now expected to grow by at least 20 per cent over the next 30 years, with a significant proportion of that growth in central Wellington City and to the north. How this growth will impact demand for transport infrastructure and services is difficult to predict, but we need to ensure that our transport system can provide for these extra people access to economic and social opportunities in a safe and sustainable way.

The population in our region is growing. This growth is happening faster than anticipated at the time that the RLTP was developed, when a 10 per cent increase in population was forecast to occur between 2013 and 2031. The 2016 forecast update suggests faster growth of around 13 per cent for that time period.

The population of the Wellington region stands at around 500,000 people. By 2043 it is expected to be home to 100,000 - 150,000 more people. Of these extra residents around half will live in Wellington City – the majority in Wellington’s central city and northern suburbs. Outside Wellington City growth will be strongest to the north in Kapiti and Porirua, and focussed around key urban centres in Porirua, Lower Hutt and Petone.

The actual change in population and its distribution will depend on a range of external factors, including central government policies, economic development and housing affordability. The availability and distribution of jobs will also be a key factor.

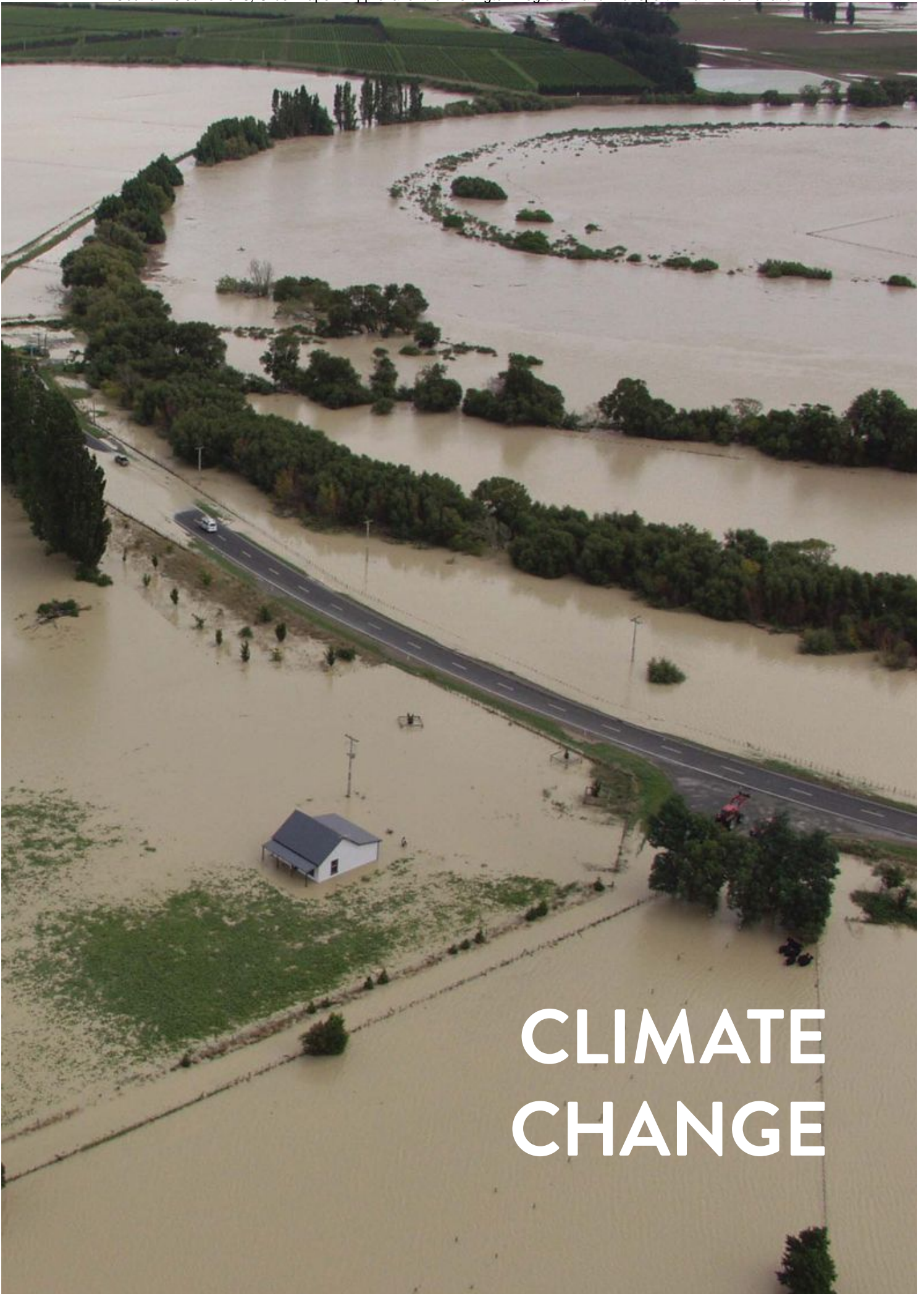
Employment projections show regional employment growing by 15 – 20 per cent over the next 30 years – up to 50,000 more jobs. Over 40 per cent of the current 235,000 jobs in the Wellington Region are located in Wellington. The employment projections suggest that between 55 and 60 per cent of future growth in employment is likely to be located in the central city, potentially increasing the number of jobs there from the current 94,000 to between 116,000 and 125,000 in 30 years’ time.

We can be certain that population and employment growth will increase the demand for accessible transport infrastructure and services. How people prefer to travel in the future is less certain. It will depend on a range of factors including technological developments and lifestyle choices. Some examples are:

- Changing attitudes to driver licences amongst young adults
- An ageing population and people working later in life
- More inner-city living
- Increasingly flexible work hours and locations
- Mobility as a Service (MaaS) platforms
- E-bikes
- Autonomous and connected vehicles.

Public transport and active modes will continue to play an important role to accommodate this growth in a sustainable way, as will technological developments and land-use development that reduce the need to travel.

For more information on how our population is developing, and related information, go to the [Greater Wellington community profile](#).



CLIMATE CHANGE

Climate change is the biggest environmental challenge we are facing and will affect everyone in the region.

Transport plays an important role in addressing climate change and in making our region more resilient. Climate change is an area where the sense of urgency has increased since the RLTP was adopted in 2015, and new commitments have been made to address climate change, on a national, regional and local level.

The 2017 NIWA Climate Change Report predicts an annual temperature increase of up to 1°C by 2040 for the Wellington Region. It predicts more extreme weather for our region and identifies several climate change impacts that will have implications for the transport network. For example, sea level rise, slips and flooding events may become more widespread, causing damage to infrastructure.

Transport has an important role to play in addressing climate change: in 2014/15 transport contributed about 39 per cent of our region's total gross greenhouse gas emissions.

Data from the RLTP Annual Monitoring Report shows that we are currently not on track towards reducing the regional CO₂ transport emissions. Total emissions have increased since the adoption of the RLTP in 2015 while emissions per capita have been neutral over the last five years. This is a concern in the context of the predicted population growth.

In 2016 the New Zealand Government signed up to the Paris Agreement. This is a joint international effort to combat climate change and adapt to its effects. The New Zealand target is to lower greenhouse gas emission levels by 30 per cent by 2030, compared with 2005 levels.

In 2017, many of our region's local government leaders signed a Climate Change Declaration. It includes a commitment to develop and implement ambitious action plans that reduce greenhouse gas emissions and support resilience within our councils and communities. This includes promoting walking, cycling, public transport and other low carbon transport options, and supporting the use of renewable energy and uptake of electric vehicles.

The draft GPS identifies the environment as one of the government's four strategic priorities. It signals that from 2018 onwards more funding will be available for lower emissions forms of transport like active modes and public transport, including rail.

To fulfil our region's commitments to reduce greenhouse gas emissions more work is needed in the transport area. In our region passenger rail will have an important role to play, as it provides a low emission alternative to car usage. Bringing rail funding into the NLTF framework will be a critical success factor. Other areas we plan to target include transitioning to a fully electric public transport fleet, incentivising the use of low emission transport options (like walking and cycling), better integration of transport and land use planning, and making use of technological improvements where possible.

More information on climate change and what it means for our region can be found on the Greater Wellington [website](#) on climate change. It contains links to information like the [2017 NIWA report](#) and the [2016 Greenhouse Gas Inventory for the Wellington region](#).



TECHNOLOGY AND LIFESTYLE

Our lifestyles are changing. Some of the changes taking place are driven by technological developments.

These changes and developments impact on if, where, when and how we travel. The extent to which these trends will continue into the future, and what their impact on travel demand will be, remains to be seen.

Since the RLTP was adopted in 2015, a wide range of technological developments and innovations have gained momentum. Some of these were already flagged in the RLTP, others have emerged more recently.

One example is the uptake of commercial ride-sharing services (e.g. Uber, Lyft), which is impacting on the way people travel. Other examples are:

- Electric vehicles – bikes, passenger cars, light and heavy commercial vehicles, buses and ferries
- Autonomous and connected vehicles
- Mobility as a Service (MaaS)
- Smart roads
- Road pricing – such as charging people to use particular parts of the road network at particular times of the day
- Freight drones – potential applications range from express delivery of goods, delivery to peripheral areas and usage in case of emergencies, if areas are cut off temporarily.

How these developments will influence our lifestyles and working patterns, and how we move freight in the future remains to be seen. We also don't know what some of these developments will mean for the future demand for transport infrastructure and services. For example, the emergence of autonomous vehicles and car sharing schemes could result in significant future changes to the role of public transport and reduced need for car parking in urban areas, as people move away from multiple vehicle ownership towards a centralised vehicle pool to make their trips. However, autonomous vehicles could also result in increased car travel if people are encouraged to travel more.

We will continue to monitor trends and developments and assess their impact on our transport plans and programmes. Where necessary, these plans and programmes will be amended to reflect the changes and address any issues arising. Ensuring flexibility in our infrastructure investment and ensuring policy settings are in place to influence positive outcomes from these potential changes will be critical.

Here are a few places which provide more information about some of these developments and innovations:

- The Government's [website](#) on electric vehicles.
- Transport Agency information on [Mobility as a Service](#).
- Information on autonomous vehicles on the [Ministry of Transport website](#).



SAFETY

Road safety is an important objective in the RLTP and a key strategic priority in the draft GPS 2018.

Our region has experienced a general downwards trend in casualties since 2007, except for 2016, when accident numbers increased.

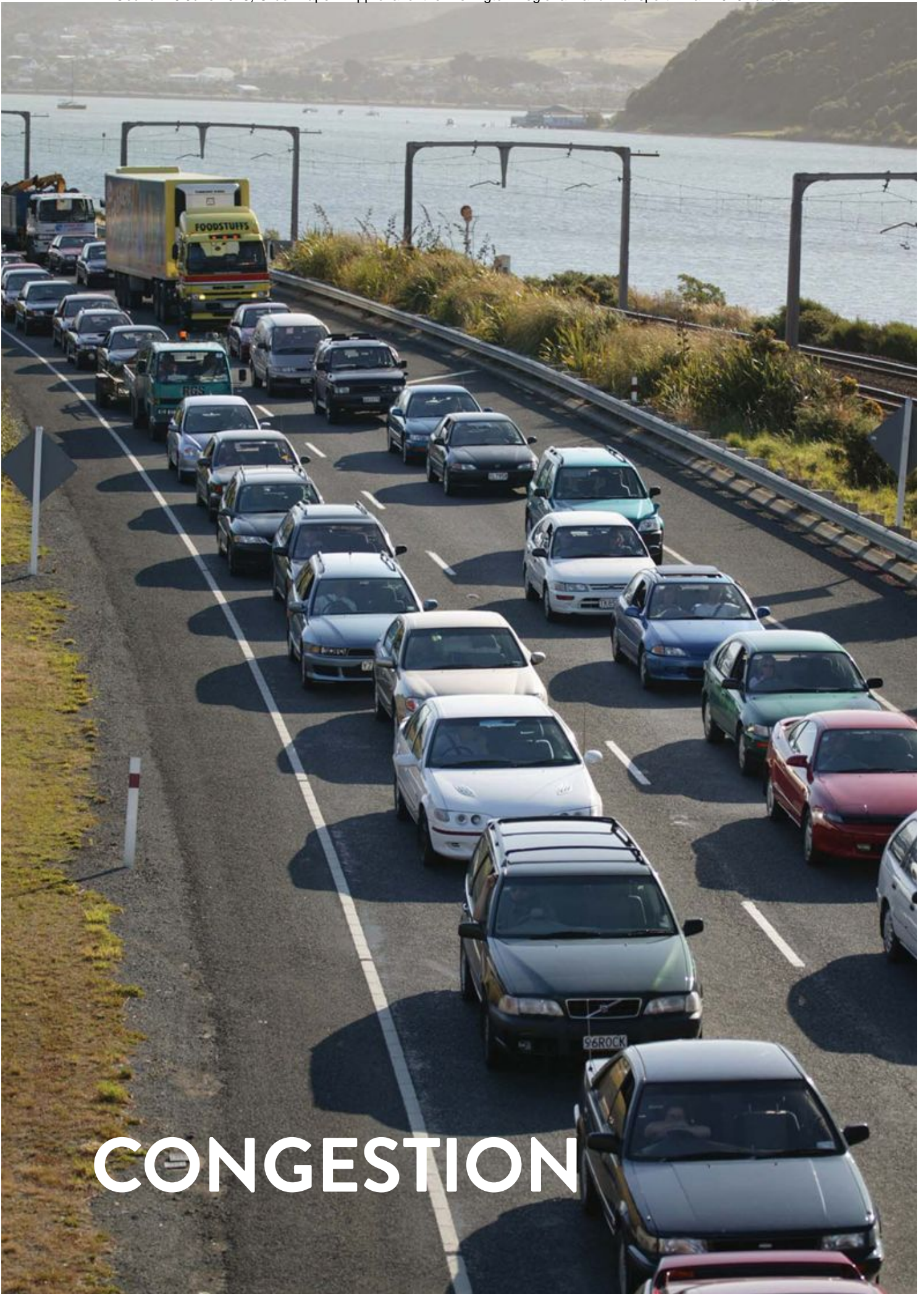
The 2016 increase seems to be more in line with the national trend, where the road toll has been trending upwards for the last few years. The 2016 increase may be an anomaly or the beginning of a change in the current trend.

Parts of the Wellington region have an issue with high speed rural roads and councils are taking action to address this issue, including implementation of the [Speed Management Guide](#).

A significant part of our region is highly urbanised and faces different challenges like conflicts between vehicles at intersections and between different modes. Pedestrian and cyclist safety in our urban networks is a particular concern, especially as we are seeing a significant uptake of e-bikes and cycling more generally.

The draft GPS 2018 identifies safety as one of the Government's key strategic priorities. The level of ambition for safety has significantly increased. The objective is now for a "land transport system that is free of death and serious injury". The draft GPS advises that the Government will develop a new safety strategy over the next 12-18 months. This will consider whether a "Vision Zero" framework should be applied in New Zealand.

Safety is one of the eight strategic priorities in the RLTP, and we are striving for a safe road system that is increasingly free of death and serious injuries. We will continue monitoring the regional safety trends through the RLTP annual monitoring reporting. We will continue to work with central government and our partners in the region to ensure that the regional programme contains the right mix of infrastructure and behaviour change measures to address safety issues. Once the new safety strategy is developed we will consider its impact on the RLTP regional programme.



Addressing traffic congestion, including perceived congestion, is a challenge our region is facing.

Wellington needs to improve access to opportunities for a growing population within constrained corridors. Congestion affects access particularly on key routes to, from and across central Wellington City. It affects parts of the network differently and is particularly evident around certain pinch-points in the network. There is also a perception that congestion is getting worse, particularly during peak hours.

Different data sources can be used to assess how congestion has changed across the region. Each of these sources has its strengths, weaknesses and limitations. It is also important to look at congestion in the context of factors like population growth, as well as increasing traffic volumes and vehicle kilometres travelled (VKT).

Overall the data indicates that:

- Peak period highway congestion has increased and travel time predictability has decreased, particularly on routes coming into Wellington from the north
- More people choose to re-time their trips, such as travelling prior to 7am, to avoid congestion
- Congestion starts earlier and finishes later.

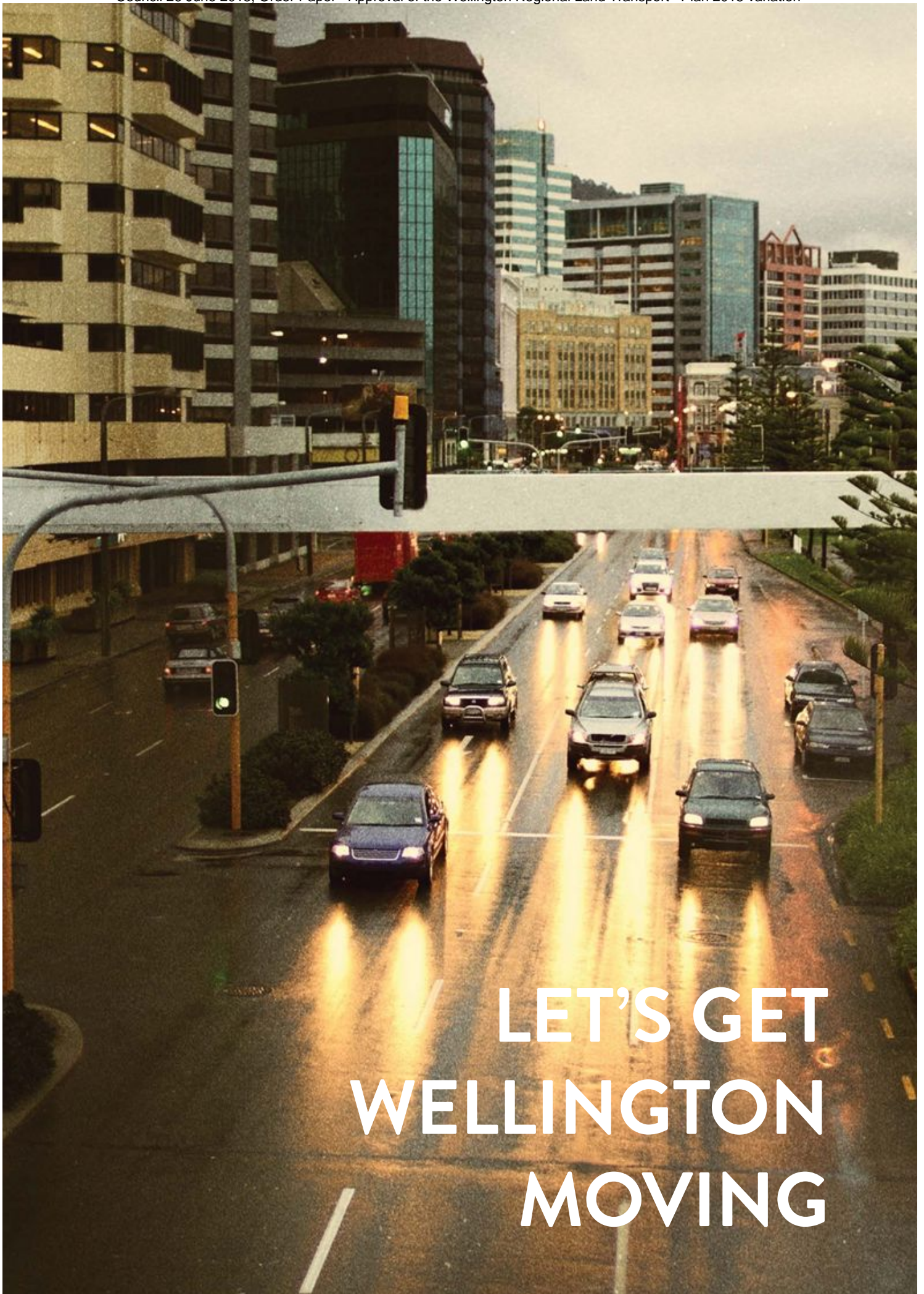
Population growth continues to put pressure on our transport network which is at, or near, capacity at peak times. This means that a relatively minor incident on the road network can quickly cause significant disruption across the transport network, affecting both general traffic and bus services.

Public perception is also that congestion is getting worse, with an increasing proportion of residents saying that peak traffic volumes are unacceptable⁽¹⁾. It is likely that people are increasingly being exposed to congested traffic conditions due to the spreading of peak congestion and wider effects of unplanned incidents and disruptions on the network.

While congestion can encourage people to use more efficient modes of transport, it has a negative impact on access and amenity. We need to invest in our transport system to support and unlock growth, and to ensure people can continue to access social and economic opportunities in an efficient and sustainable way. Public transport, walking and cycling have an important role to play as they provide choices for people to opt out of congestion. This concept is at the core of the Let's Get Wellington Moving strategic approach. Without this, the next decade could see travel times by car and public transport increase by up to 25 per cent on some key routes into the central Wellington City, and the cost of congestion to the economy could rise by up to 50 per cent⁽²⁾.

(1) Wellington City Resident Satisfaction Survey (2013-2017)

(2) Let's Get Wellington Moving 2017 Scenarios Engagement Document



**LET'S GET
WELLINGTON
MOVING**

The Let's Get Wellington Moving programme is a significant area of work that will guide future investment in the transport network through central Wellington city.

Let's Get Wellington Moving takes a fresh look at the central Wellington city's transport system to ensure it supports how we want our city to look, feel and function. It will ensure that Wellington can continue to grow and develop as a liveable city, a strong CBD and employment hub, that will support the growth and prosperity of the wider Wellington region. It is a joint initiative between Wellington City Council, Greater Wellington and the NZ Transport Agency. The focus is the area from Ngauranga Gorge to the Wellington Airport, including the CBD/central city and connections to the hospital, airport, eastern and southern suburbs.

A liveable, productive and competitive future city is at the core of our planning. With its unique lifestyle attributes, a creative, vibrant and liveable Wellington city has been successful in attracting talent, investment and jobs to the region. Its compact city centre, ease of getting around, and proximity of the CBD to the airport gives it a competitive advantage compared with many other cities in New Zealand and Australasia.

As population has grown and the demand for movement and space has increased, both amenity and accessibility are being gradually eroded. It has become harder to access important regional destinations like the port, hospital and airport, particularly at peak times. Increasing traffic volumes in the central city are impacting on its attractiveness for people to live and to visit. If we don't address these challenges, both the city and region's growth potential may be threatened.

Let's Get Wellington Moving aims to support liveability as Wellington grows. This will be achieved by embracing transport and urban transformation, and investing in a transport system that will move more people without more vehicles.

At the core of the Let's Get Wellington Moving strategic approach is a strong focus on enhancing walking and cycling, and a step change in public transport. Development of rapid transit corridors are a core element of the targeted multi-modal approach.

A recommended investment programme is currently being developed and projects identified through the Let's Get Wellington Moving programme will need to be reflected in the 2018-21 RLTP programme. This is expected to be addressed by a future variation to the RLTP programme.

Let's Get Wellington Moving's 12 guiding principles:

- Accessible, healthy and safe
- Better public transport
- Clean and green
- Compact city
- Demand and supply
- Future-proof and resilient
- Past, present and future
- Predictable travel times
- Set in nature
- Growth
- Travel choice
- Wider view



AREAS OF SHORT-TERM FOCUS

Our RLTP has eight strategic objectives – all are considered equally important as part of our long-term strategy. However, three objectives have been identified through the mid-term review for particular focus in the shorter term.

These are resilience, public transport, and walking and cycling. Additional focus on these areas in the 2018-21 programme will help to address the identified changes summarised in this document. It will also drive progress towards the 2025 targets set in the RLTP 2015. The three areas of short-term focus also align well with the direction set by the Government in the draft GPS 2018.

You can find the strategic objectives on [page 10](#).

RESILIENCE

Good progress has been made over the last few years in the areas of information and data availability related to transport network resilience across the region. Now the focus needs to shift towards addressing these issues by delivering projects that will improve the resilience of our transport system. An important source of information for this next step is the prioritised regional transport resilience list and maps that were developed in 2016.

A particular aspect that requires attention is the lack of east-west connections within the region, both in terms of limited alternative routes and a lack of public transport options. Other crucial areas include the connections between Wellington and the Wairarapa, and between Wellington and the Kapiti Coast.

A more resilient network is a multi-modal network that provides good transport choices. Investment in active modes and public transport (including passenger rail) will also help in making our region more resilient.

PUBLIC TRANSPORT

Public transport has been identified as an area of short-term focus for the 2018-21 regional programme for many reasons. Public transport is a key response to address climate change, the biggest environmental challenge we are facing. It is crucial to continue to provide access to economic and social opportunities for a growing number of people in the Wellington region. Public transport can help making our region more resilient, by reducing reliance on fossil fuels and providing alternative transport options when unplanned events occur.

Public transport can move many more people in a limited corridor than private vehicles. It already plays a pivotal role in providing access to Wellington's central city, and has accommodated 70 per cent of the growth in commutes to the central city during the morning peak over the past decade.

Access by public transport is currently limited by slow travel times.

A step change for public transport is at the core of Let's Get Wellington Moving's strategic approach.

An issue that needs further attention is rail capacity and infrastructure. The Transitional rail activity class has been introduced by Government to enable funding for known rail infrastructure renewals (eg. catch up renewals on the Wairarapa line) and improvements to unlock network capacity (eg. double tracking Trentham to Upper Hutt) into the National Land Transport Programme (NLTP).

WALKING AND CYCLING

Walking and cycling are increasingly important for people to get around in our region.

Every trip begins and ends with walking, even if it is to and from a car parking space. Good quality walking environments will encourage people to walk more. This can contribute to health benefits. Like public transport, walking and cycling play an important role in addressing climate change. They will contribute towards making the Wellington region more liveable and resilient, and accommodating a growing population.

Parts of the region are great places to walk and cycle. In 2013, 50,000 people lived within a 30 minute walk of Wellington's central city, half of whom walked to work. By 2043, this number is expected to reach 75,000. Walking and cycling are increasing, particularly in Wellington city, but in some places, access by walking is limited due to narrow footpaths, long wait times at traffic lights, and limited crossings.

Cycling is an affordable, reliable and healthy means of getting around, but in 2013 only 4.1 per cent of people who lived within 30 minutes of central Wellington biked to work. Access by bike is limited by a lack of cycling infrastructure, which means cyclists must share road space with general traffic for most of their journey.

The funding over the last three years from the Urban Cycleways Fund has enabled our region to start improving cycling infrastructure. However, more needs to be done to implement a first-class cycling network and improve the walkability of our cities. This will also help to improve perceptions of our walking and cycling infrastructure. The new government has increased the funding available through the NLTP for walking and cycling to continue the momentum for new cycleways. The draft GPS also enables footpath maintenance to be funded from the NLTP, which is expected to lead to improvements for people walking.

A strong focus on active modes is at the core of Let's Get Wellington Moving's strategic approach.

WHAT'S IMPORTANT WHEN WE DEVELOP THE 2021 RLTP?

During the mid-term review a number of areas were identified that will be key considerations when developing the RLTP 2021.

The current RLTP already touches on some of these, but more work is likely to be needed in these areas in the run-up to the development of the RLTP 2021.

The draft GPS has also highlighted areas that government intends to consider as part of the development of a second stage GPS. These include:

- A review of the rail operating model as part of the development of a second stage GPS
- Interventions to significantly improve the affordability of public transport
- Whether a "Vision Zero" safety framework should be applied in New Zealand.
- Responding to the Climate Change Commission findings
- Considering if coastal shipping can be brought into the NLTP framework as part of a mode-neutral approach to transport planning

For RLTP 2021 we will need to undertake further work to understand the implications of continuing changes in the areas we have identified and shifts in the GPS to a more mode neutral approach.

Rail

More emphasis on rail and its integration with the wider public transport network is desirable for RLTP 2021, particularly because of its importance for resilience and for the Wairarapa.

The role of rail for passengers and freight has been highlighted by the new government in the draft GPS. It contains a new Transitional rail activity class for investment to support urban and interregional rail services that assist passengers to access major employment and housing areas.

Liveability and wellbeing

There is a growing evidence base about the health benefits of active modes. We are learning more about the negative effects of transport on health, including air and noise pollution, physical inactivity, social isolation and barriers to access health services due to a lack of transport options.

The draft GPS has a strong focus on liveability. The strategic priority 'environment' has a much wider definition than greenhouse gas emissions and includes effects on the local environment (eg. air pollution, noise and vibration, water and soil quality) and public health (eg. reduced physical activity).

As part of our work on RLTP 2021 we will review the RLTP outcomes and measures to ensure that the RLTP monitoring framework sufficiently reflects the impacts of the transport system and its contribution towards liveability and wellbeing.

Costs and affordability

Increasing cost pressures for councils and ratepayers has been identified as a growing area of concern. Specific issues include:

- The financial implications of more frequent and severe weather events on transport infrastructure
- Affordability of infrastructure maintenance
- Issues with the current funding framework set by the GPS which can be a barrier to receiving funding for multi-agency, multi-modal solutions – some of these issues may be looked at during the development of a second stage GPS
- A mismatch between public expectations of what can be delivered and the funding available for improvements through rates, public transport fares or other potential funding sources
- Public transport affordability is an issue for some people in our region who find it difficult to afford public transport fares. Government has indicated that the second stage GPS will consider interventions to significantly improve the affordability of public transport.

Further work to understand affordability issues will be important to inform future discussions with central government on all aspects of land transport funding prior to the next RLTP 2021.



Freight

There are developments related to freight that are expected to require further work prior to 2021. These include:

- CentrePort's future development and its impact on the region
- The impact of Transmission Gully and other infrastructure improvements on freight movements
- Other changes such as increased hubbing and the development of inland ports.

The government has also signalled changes that will impact on the future freight task and how freight related infrastructure may be funded in the future, particularly:

- Moving to a mode-neutral approach to transport planning, as signalled in the draft GPS
- Investigating including funding for rail and coastal shipping in the NLTP as part of the second stage GPS.

Changing lifestyles and travel patterns

We don't know how, when or to what extent lifestyle and technological changes will influence how we live and travel in the future. This makes it difficult to predict the impact of these changes on future transport demand, both in terms of transport infrastructure and services.

We will continue to monitor the changes in this area and feed the latest evidence into the next RLTP 2021. This includes technological developments and the opportunities they provide, and changes in the wider environment, including regulatory changes.

Land use

As a key factor influencing transport demand, land use changes need to be considered and reflected in the next RLTP 2021. Since 2015, a number of district plan changes and other strategy and planning documents have been progressed throughout the region. Significant work is underway to address increasing housing needs and to respond to the National Policy Statement on Urban Development Capacity, and the related needs for transport infrastructure and services. The draft GPS places a much stronger emphasis on improving the integration of land use and transport planning as one of the key themes underlying the strategic framework.

In 2017, the management of significant risks from natural hazards was added as a matter of national importance in the Resource Management Act. Consequently we expect to see a much greater focus on the impacts of natural hazards on land use planning.

This is an area that will require more work over the coming years.

Air and water quality

The proposed Natural Resources Plan for the Wellington Region contains changes to road run-off and water quality standards.

As part of the development of the RLTP 2021 we will look at the possible funding implications of these changes.

There is also an expectation that over time, and as resources permit, more traffic air pollution indicators will be measured and that this information will feed into the development of future RLTPs.

THE 2018-2021 PROGRAMME AT A GLANCE

11 109 31

ORGANISATIONS

TRANSPORT ACTIVITIES
OR PROGRAMMES
OF ACTIVITIES

SIGNIFICANT
ACTIVITIES

\$1.742B

19

PROJECTS
WITH ONGOING
FUNDING FROM
2015-18
INCLUDING:



URBAN CYCLEWAYS



EMERGENCY WORKS



SAFETY IMPROVEMENTS
TO SH58 & MASTERTON
TO CARTERTON

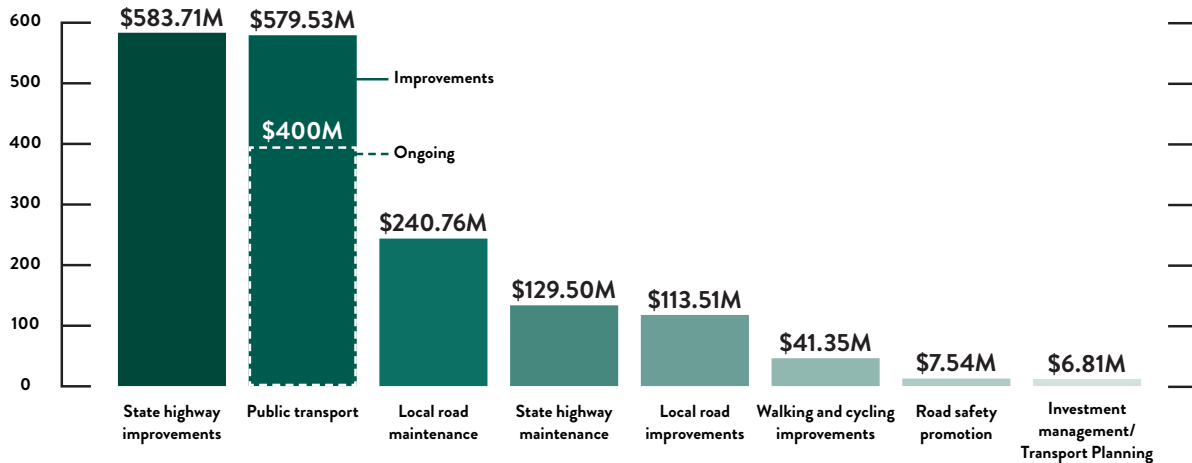


INVESTIGATION AND DESIGN OF
MELLING INTERCHANGE AND
PETONE TO GRENADA



TRANSMISSION GULLY
& PEKA PEKA TO
OTAKI EXPRESSWAY

FORECAST EXPENDITURE BY ACTIVITY CLASS 2018-21 (\$M)



THREE FOCUS AREAS

RESILIENCE

17

SIGNIFICANT PROJECTS

24

PROJECTS & MAINTENANCE IN OVERALL PROGRAMME TARGETED AT IMPROVING RESILIENCE

PUBLIC TRANSPORT

12

SIGNIFICANT PROJECTS

3

TRANSITIONAL RAIL ACTIVITIES

23

PROJECTS & ONGOING SERVICES

WALKING & CYCLING

8

SIGNIFICANT PROJECTS

16

PROJECTS & MAINTENANCE IN OVERALL PROGRAMME

SAFETY



STATE HIGHWAYS



POLICE

12

SIGNIFICANT PROJECTS WITH HIGH CONTRIBUTION



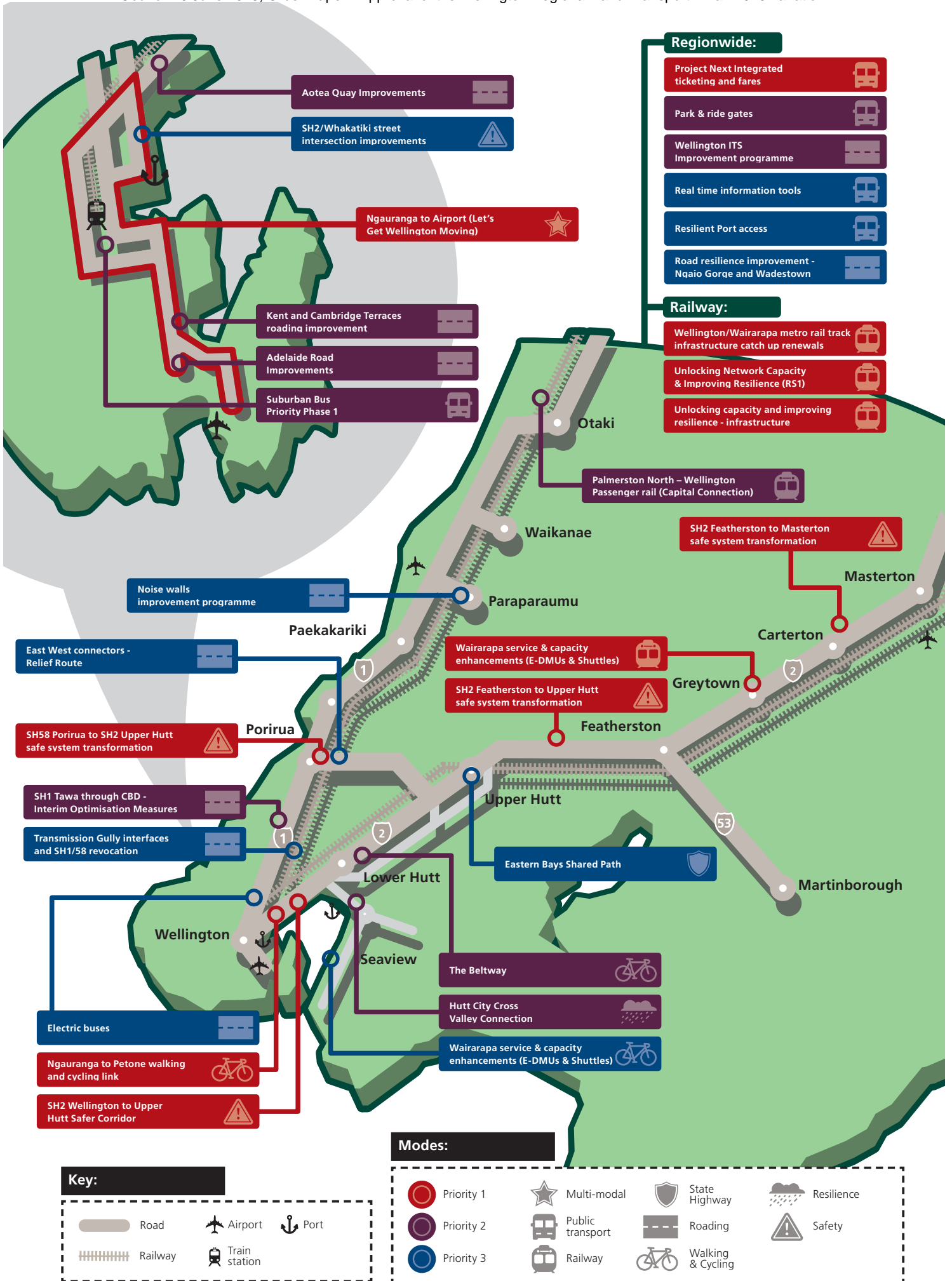
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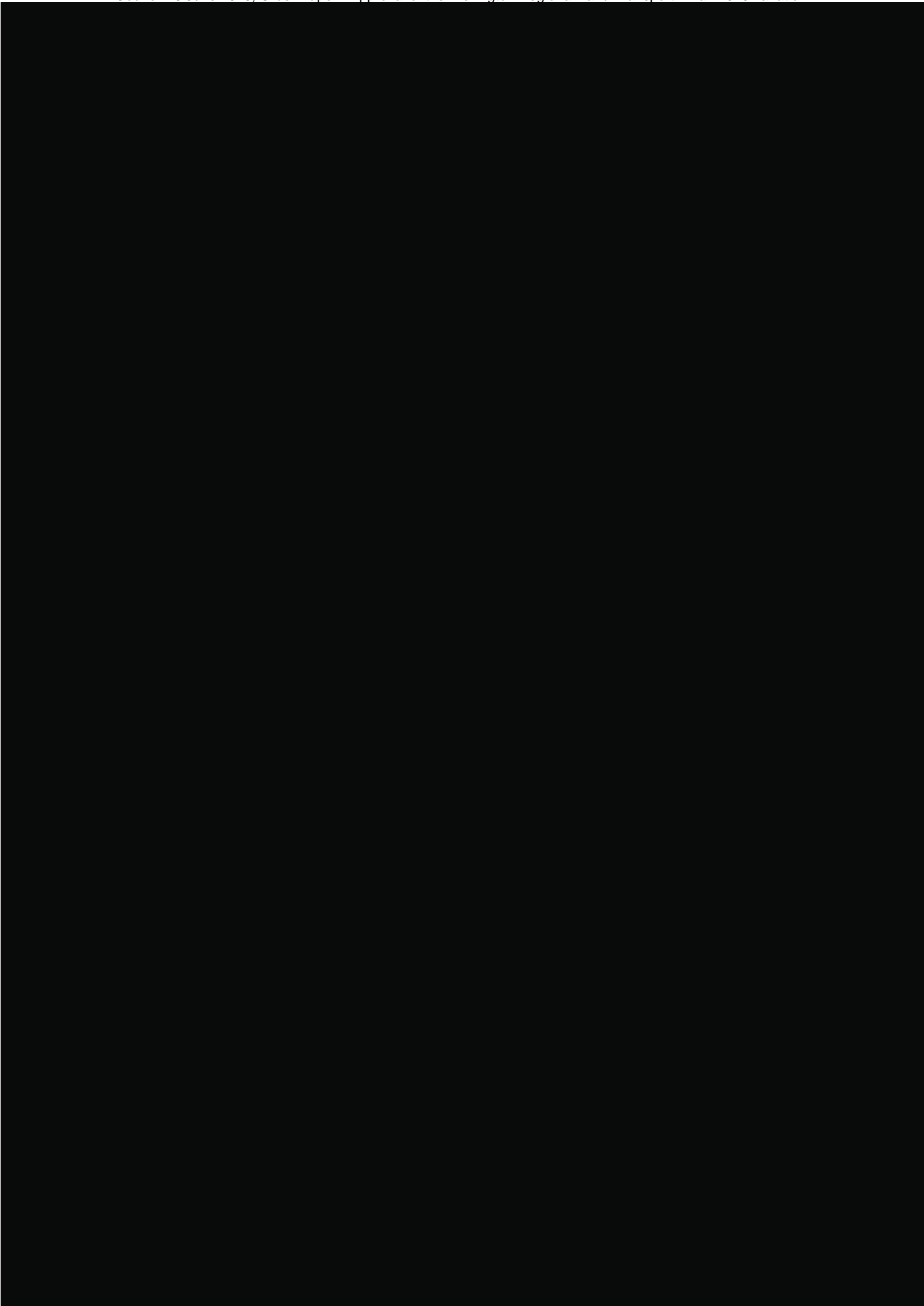


BEHAVIOUR

25

PROJECTS & MAINTENANCE IN OVERALL PROGRAMME TARGETED AT IMPROVING SAFETY





WELLINGTON
REGIONAL LAND
TRANSPORT PLAN
2015

**2018
MID-TERM
UPDATE**

PROGRAMME
SECTION

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THE 2018-2021 PROGRAMME AT A GLANCE

11 109 31

ORGANISATIONS

TRANSPORT ACTIVITIES OR PROGRAMMES OF ACTIVITIES

SIGNIFICANT ACTIVITIES

\$1.742B

19

PROJECTS WITH ONGOING FUNDING FROM 2015-18 INCLUDING:



URBAN CYCLEWAYS



EMERGENCY WORKS



SAFETY IMPROVEMENTS TO SH58 & MASTERTON TO CARTERTON

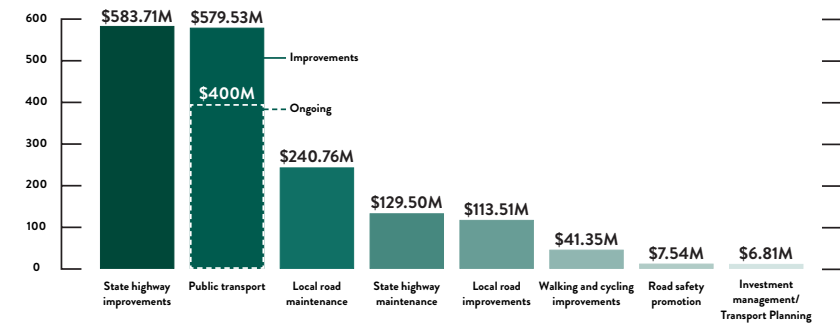


INVESTIGATION AND DESIGN OF MELLING INTERCHANGE AND PETONE TO GRENADA



TRANSMISSION GULLY & PEKA PEKA TO OTAKI EXPRESSWAY

FORECAST EXPENDITURE BY ACTIVITY CLASS 2018-21 (\$M)



THREE FOCUS AREAS

RESILIENCE

17

SIGNIFICANT PROJECTS

24

PROJECTS & MAINTENANCE IN OVERALL PROGRAMME TARGETED AT IMPROVING RESILIENCE

PUBLIC TRANSPORT

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WALKING & CYCLING

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SIGNIFICANT PROJECTS

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PROJECTS & MAINTENANCE IN OVERALL PROGRAMME

SAFETY



STATE HIGHWAYS



POLICE



ROADING



BEHAVIOR

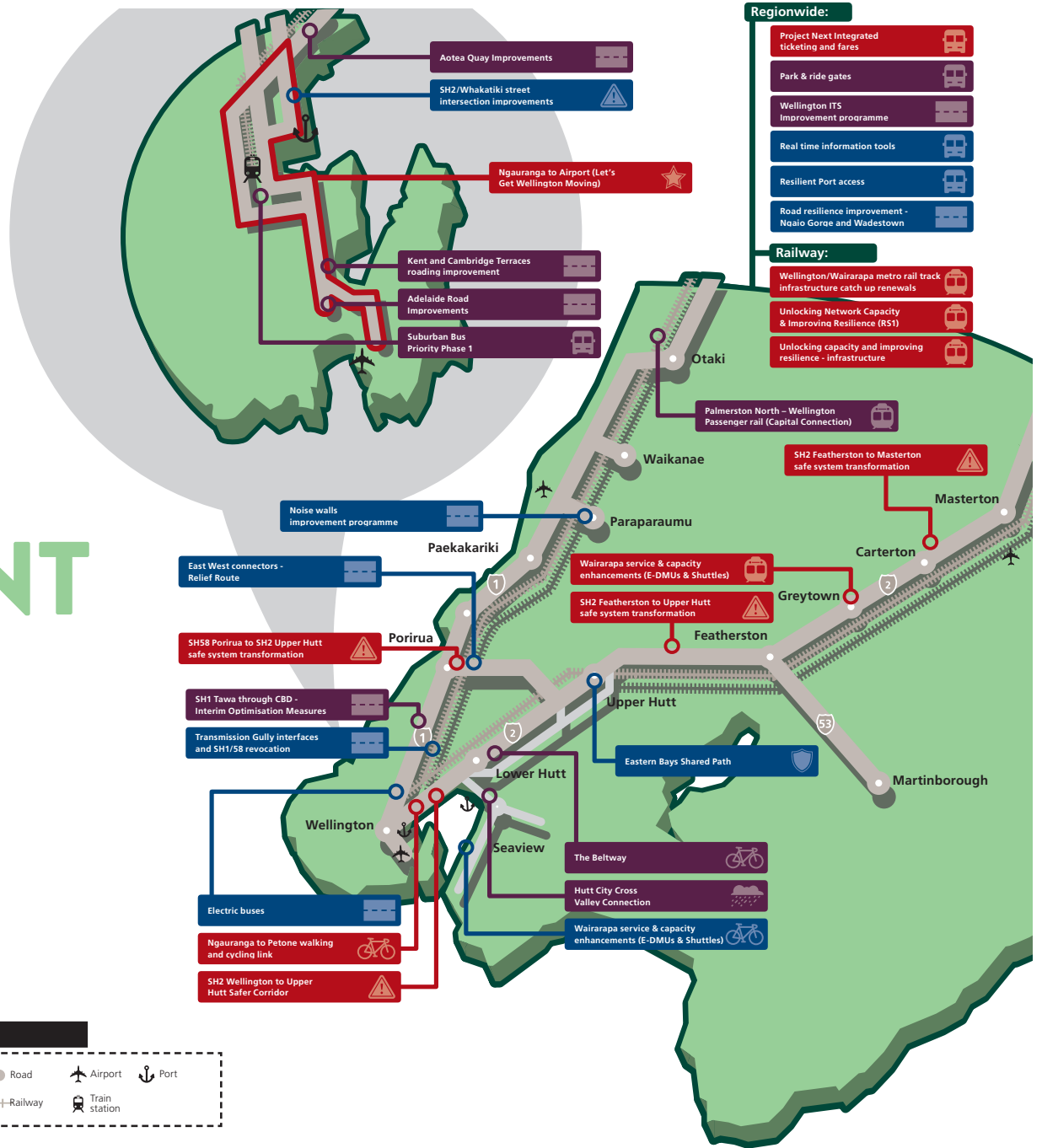
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SIGNIFICANT PROJECTS WITH HIGH CONTRIBUTION

25

PROJECTS & MAINTENANCE IN OVERALL PROGRAMME TARGETED AT IMPROVING SAFETY

31 SIGNIFICANT ACTIVITIES



Modes:

Priority 1	Multi-modal	State Highway	Resilience
Priority 2	Public transport	Roading	Safety
Priority 3	Railway	Walking & Cycling	

Key:

Road	Airport	Port
Railway	Train station	

INTRODUCTION

This update to the regional programme sets out all of the land transport activities in the Wellington region proposed to be funded over the three year period July 2018 to June 2021. The RLTP includes a statement of transport priorities for the region over the ten financial years from July 2015 to June 2025. The regional programme provides an updated financial forecast for this period. This regional programme includes investment management, road safety promotion and demand management, walking and cycling, public transport, transitional rail, and local road and state highway maintenance and improvements.

Activities for which funding has already been committed, local road maintenance, operations and renewals programmes and the ongoing programme of public transport services are automatically included in the RLTP. Other activities are included at the discretion of the Regional Transport Committee (RTC). In the Wellington region, projects over \$5 million that are regionally or inter-regionally significant are prioritised by the RTC. The RTC has chosen to present the significant activities in three priority bands, rather than as a numbered list.

In seeking funding for activities the LTMA sets out some requirements for how activities are prioritised. Under these requirements:

- Activities for which funding has already been committed (Table three) are funded first.
- Automatically included activities (Greater Wellington's public transport programme of ongoing services, and the local road maintenance, operations and renewals programmes of the other councils in the region) (Table four) are prioritised for funding ahead of other activities
- Activities that are included at the discretion of the RTC are then prioritised.

As part of the development of the RLTP 2015 a decision was made about how to determine the significance of activities and the implications of this for prioritisation. As a result of this decision:

- Activities under \$5 million and those that are not regionally or inter-regionally significant, known as 'non-prioritised' activities (Table five) are prioritised for funding ahead of significant activities.
- Under the updated Regional Programme prioritisation methodology, significant activities (those that are over \$5 million and regionally significant) in Table one have been placed in priority bands. These priority bands are ranked after the non-prioritised activities in the overall programme in the following order:
 - Priority band 1 (the highest priority significant new activities)
 - Priority band 2 (the second highest priority significant new activities)
 - Priority band 3 (the third highest priority significant new activities)

The New Zealand Transport Agency (NZ Transport Agency) must take account of the RLTP when allocating funding from the National Land Transport Fund (NLTF) through the National Land Transport Programme (NLTP). Most activities require funding assistance from the NLTF and will only go ahead if they are included in the NLTP by the NZ Transport Agency. Most activities, other than state highway and transitional rail activities, also depend on funding from regional or local councils and will only go ahead if they are included in the relevant council's long term plan or annual plan. The priority of activities does not indicate the order in which they will be implemented; this will be determined as part of other decision making processes. Proposed budgets and timing for activities are subject to change as project scope develops and more information becomes available.

This RLTP mid-term review for the Wellington region has been prepared in accordance with the legislative requirements under the Land Transport Management Act 2003. The programme forms a fundamental element of the RLTP.

SIGNIFICANT ACTIVITIES

Significant activities are those transport projects or programmes in the region with a total cost over \$5 million that are regionally and/or inter-regionally significant. Activities that are over \$5m but are not deemed to be regionally/inter-regionally significant (e.g. replacement of the Waterloo Station roof canopy) and activities under \$5 million are included as non-prioritised activities in Table five.

Significant activities have been prioritised for funding using the Regional Programme Prioritisation Methodology.

The Regional Programme Prioritisation Methodology

This methodology assesses significant activities to give them a three letter profile⁽¹⁾ (shown in Table Two) of a high, medium, or low contribution for:

- alignment with the government's desired outcomes for transport using the draft Investment Assessment Framework (IAF)
- the contribution to the eight regional strategic objectives (shown in Table one)
- the cost benefit appraisal determined using the draft IAF

Significant activities that have not yet been given a cost-benefit appraisal rating have a rating of L*. As the Regional Programme Prioritisation Methodology takes benefit cost into account both through the three letter profile and the BCR, whether or not a BCR has been developed can impact on the prioritisation.

Once activities have been prioritised they are moderated by the Regional Transport Committee and priority bands applied. The priority bands are:

- Priority band 1 – the highest 11 priority significant new activities
- Priority band 2 – the next 10 priority significant new activities
- Priority band 3 – the remaining significant activities

For more information see the Regional Programme Prioritisation Methodology [[Hyperlink](#)]

⁽¹⁾ A four letter profile is given where the activity has a Very high results alignment under the IAF

KEY:

High contribution to objective:

Medium contribution to objective:

Low contribution to objective:

No contribution to objective:



TABLE ONE: SIGNIFICANT ACTIVITIES PRIORITY, AND CONTRIBUTION TO REGIONAL OBJECTIVES

Priority Band	Organisation	Project name	A high quality, reliable public transport network	An increasingly resilient transport network	An attractive and safe walking and cycling network	A safe system for all users of the regional transport network	An efficient and optimised transport system that minimises the impact on the environment	A well planned, connected and integrated transport network	A reliable and effective strategic road network	An effective network for the movement of freight
	GWRC/WCC/ NZTA	Ngauranga to Airport (Let's Get Wellington Moving)	High	High	High	High	High	High	High	High
	KR/GWRC	Wellington/Wairarapa metro rail track infrastructure catch up renewals	High	High	High	High	High	High	High	High
	NZTA	Ngauranga to Petone walking and cycling and resilience link	High	High	High	High	High	High	High	High
	KR/GWRC	Unlocking Rail Network capacity and improving resilience - infrastructure	High	High	High	High	High	High	High	High
	GWRC	Unlocking Rail Network Capacity & Improving Resilience (RS1)	High	High	High	High	High	High	High	High
1	NZTA	SH2 Featherston to Upper Hutt safe system and resilience transformation	High	High	High	High	High	High	High	High
	NZTA	SH2 Featherston to Masterton safe system and resilience transformation	High	High	High	High	High	High	High	High
	NZTA	SH58 Porirua to SH2 Upper Hutt safe system transformation	High	High	High	High	High	High	High	High
	NZTA	SH2 Wellington to Upper Hutt Safer Corridor	High	High	High	High	High	High	High	High
	GWRC	Project NEXT Integrated Fares and Ticketing	High	High	High	High	High	High	High	High
	GWRC	Wairarapa service & capacity enhancements (E-DMUs & Shuttles)	High	High	High	High	High	High	High	High
	GWRC	Park & ride gates	High	High	High	High	High	High	High	High
	NZTA	Wellington ITS Improvement programme	High	High	High	High	High	High	High	High
2	HCC	Hutt City Cross Valley Connection	High	High	High	High	High	High	High	High
	WCC	Adelaide Road Improvements	High	High	High	High	High	High	High	High
	WCC	Kent and Cambridge Terraces roading improvement	High	High	High	High	High	High	High	High

KEY:

High contribution to objective: Medium contribution to objective: Low contribution to objective: No contribution to objective:



TABLE ONE: SIGNIFICANT ACTIVITIES PRIORITY, AND CONTRIBUTION TO REGIONAL OBJECTIVES

Priority Band	Organisation	Project name	A high quality, reliable public transport network	An increasingly resilient transport network	An attractive and safe walking and cycling network	A safe system for all users of the regional transport network	An efficient and optimised transport system that minimises the impact on the environment	A well planned, connected and integrated transport network	A reliable and effective strategic road network	An effective network for the movement of freight
	WCC	Aotea Quay Improvements	High	Medium	Low	High	Low	High	High	High
	WCC	Suburban Bus Priority Phase 1	High	Medium	Low	High	High	High	Low	Low
2	NZTA	SH1 Tawa through CBD - Interim Optimisation Measures	Low	High	Low	High	Low	High	High	High
	HCC	The Beltway	High	High	High	High	High	High	High	High
	KR/GWRC/ Horizons	Palmerston North – Wellington Passenger rail (Capital Connection)	High	High	High	High	High	High	High	High
	GWRC	Real time information tools	High	High	High	High	High	High	High	High
	HCC	Eastern Bays Shared Path – Great Harbour Way	High	High	High	High	High	High	High	High
	NZTA	SH2/Whakatiki street intersection improvements	High	High	High	High	High	High	High	High
	NZTA	Resilient Port access	High	High	High	High	High	High	High	High
3	GWRC	Electric buses	High	High	High	High	High	High	High	High
	WCC	Road resilience improvement - Ngaio Gorge and Wadestown	High	High	High	High	High	High	High	High
	NZTA	Noise walls improvement programme	High	High	High	High	High	High	High	High
	KCDC	East West connectors - Relief Route	High	High	High	High	High	High	High	High
	PCC	Transmission Gully interfaces and SH1/SH58 revocation	High	High	High	High	High	High	High	High
	WCC	Northern Growth Roads	High	High	High	High	High	High	High	High

TABLE TWO: SIGNIFICANT ACTIVITIES COSTS AND TIMING

Priority band	Organisation	Project name	Description	Activity Stage	Startyear	End year	Cost 2018/2019 (\$m)	Cost 2019/2020 (\$m)	Cost 2020/2021 (\$m)	3 Year Cost (2018 to 2021) (\$m)	Total Projected costs (\$m)	Funding Source	BCR	Profile
1	GWRC/ WCCC/ NZTA	Ngauranga to Airport (Let's Get Wellington Moving)	This programme is a partnership between WCC, NZTA and GWRC to jointly identify, plan and deliver significant multi-modal transport solutions that support urban form and growth in central Wellington and through the Ngauranga to Airport corridor (including the CBD, port, airport and hospital, and connections to the southern and eastern suburbs).	Design - implementation	2018							Local - National	TBD ⁽¹⁾	VHHL*
	KiwiRail/ GWRC	Wellington metro rail track infrastructure catch up renewals	A package of catch-up renewals of track and civil engineering for track infrastructure that is approaching the end of its useful life. The primary focus is the Wairarapa Line as well as other critical track infrastructure on the busiest parts of the network.	Implementation	2018	2025	7.08	19.92	20.81	47.81	95.80	National	2.70	VHHL
	NZTA	Ngauranga to Petone walking and cycling and resilience link	This project seeks to provide transport infrastructure that will improve safety and connectivity for walking and cycling between Wellington and Hutt Valley. It aims to provide dedicated walking and cycling facilities between the Petone and Ngauranga.	Pre imp - construction	2017	2021	2.98	10.26	30.78	58.26	58.28	National	3.50	VHHL
	KiwiRail/ GWRC	Unlocking Rail Network capacity and improving resilience - infrastructure	Infrastructure network capacity improvements on the Wellington Metro Railway Network (over the next 4 years) to remove key network constraints and: » Improve peak service frequency and capacity and provide a higher quality passenger rail service » Cater for forecast peak passenger demand through to 2030 » Ensure balanced mode share between road and rail during peak periods and increase the resilience of the wider transport network	Implementation	2018	2021	3.71	34.80	39.99	78.50	97.70	National	1.80	VHHL
	GWRC	Unlocking Rail Network Capacity & Improving Resilience (RS1)	RS1 New timetable; A new regularised timetable and new service patterns will provide additional trains per hour to Wellington on all electrified lines during the peak. - RS1 Rail Station Upgrades: station upgrades to complement rail capacity network improvements.	Construction	2018	2027	1.50	1.50	3.68	6.68	35.44	Local - National	1.80	VHHL
	NZTA	SH2 Featherston to Upper Hutt Safe System and resilience transformation	This section of SH2 suffers from a high number of fatal and serious accidents as identified in the SH2 Programme Business Case (PBC). Improvements along the corridor will improve the Kiwirap safety rating, by improving the road environment and reducing the incidence of accidents with fatal and serious outcomes. Corridor safety improvements between Rimutaka Hill and Te Marua will include protection from severe hazards; wide centrelines where appropriate, intersection safety improvements, barriers, rumble strips on edge lines, improved signage, and safer speeds.	Business case – implementation - construction	2018	2020	1.45	0.65	25.21	27.30	27.30	National	TBD	VHHL*

(1) TBD means that a BCR has yet to be developed, or entered into Transport Investment Online. These projects have been given a cost benefit profile of L*

TABLE TWO: SIGNIFICANT ACTIVITIES COSTS AND TIMING

Priority band	Organisation	Project name	Description	Activity Stage	Startyear	End year	Cost 2018/2019 (\$m)	Cost 2019/2020 (\$m)	Cost 2020/2021 (\$m)	3 Year Cost (2018 to 2021) (\$m)	Total Projected costs (\$m)	Funding Source	BCR	Profile
1	NZTA	SH2 Featherston to Masterton safe system transformation	This project is proposed to cover the section SH2 between Featherston and Carterton, extending the coverage of the SH2 Masterton to Carterton business case for safety improvements. This will improve the Kiwirap safety rating, by improving the road environment and reducing the incidence of accidents with fatal and serious outcomes. Safety Management improvements may include barriers at high risk locations and rumble strips on edge lines.	Pre imp - construction	2021	2023	0.00	0.00	0.00	0.00	25.62	National	TBD	VHML*
	NZTA	SH58 Porirua to SH2 Upper Hutt Safe system transformation	SH58 as a regional strategic highway operates below its classification as a 2star- 3star safety rating. This project is proposed to cover the section of SH58 between Paremata and Pauatahanui, which extends the committed SH58 safe system transformation improvements between Pauatahanui and Haywards. The implementation plan for the SH58 corridor will be to address the emerging safety risk as a priority. The safety improvements project will seek to address safety issues throughout the entire SH58 corridor to improve out of context curve with a corridor safety treatment including; roadside guardrails, delineation improvements, median wire rope barriers, seal widening, and safer speeds.	Business case – implementation - construction	2021	2023	0.00	0.00	0.00	0.00	5.12	National	TBD	VHML*
	NZTA	SH2 Wellington to Upper Hutt Safer Corridor	This section of SH2 suffers from a high number of fatal and serious accidents as identified in the SH2 PBC. Improvements along the corridor will improve the Kiwirap safety rating, by improving the road environment and reducing the incidence of accidents with fatal and serious outcomes. Corridor safety improvements on the SH2 mainline including intersection rationalisation, consistent shoulder widths.	Business case - construction - property	2018	2022	2.10	1.07	36.65	39.84	39.84	National	TBD	VHML*
	GWRC	Project NEXT Integrated Fares and Ticketing	Project NEXT is the vehicle by which GWRC will realise its requirements for Integrated Fares and Ticketing. Project NEXT is a national, integrated approach to provide a single ticketing solution for all of New Zealand. It will provide a central capability that will be designed to enable each region to participate, while maintaining the local control and identity that its regional fares policy and ticketing activity requires. It will deliver an Account Based ticketing solution, with Open Loop payment capability.	Imp - Construction	2019	2021	7.20	30.75	21.93	59.88	59.88	Local - National	3.20	HMM
	GWRC	Wairarapa Service & Capacity Enhancement (E-DMUs & Shuttles)	Delivering additional rail services to the Wairarapa. Replacement carriages for the Wairarapa line and increased service frequency Includes potentially an additional evening service (Shuttle to Featherston), and additional services in the weekend, for tourism opportunities and reducing congestion over the Rimutaku hill road in the weekends. Providing shuttles in the day time inter-peak.	Implementation	2021	2027	0.00	0.00	0.00	0.00	54.02	Local - National	TBD	HML*

TABLE TWO: SIGNIFICANT ACTIVITIES COSTS AND TIMING

Priority band	Organisation	Project name	Description	Activity Stage	Startyear	End year	Cost 2018/2019 (\$m)	Cost 2019/2020 (\$m)	Cost 2020/2021 (\$m)	3 Year Cost (2018 to 2021) (\$m)	Total Projected costs (\$m)	Funding Source	BCR	Profile
2	GWRC	Park & Ride Gates	Development of ticketing gates at park and ride facilities to assist with management of capacity.	Implementation	2021	2022	0.00	0.00	0.00	0.00	8.64	Local - National	TBD	HHL*
	NZTA	Wellington ITS Improvement Programme	Development of a national Transport Operating System leading to the regional implementation of intelligent transport systems across the transport network (both rural roads and urban areas). This will provide customers with safe and efficient journeys through provision of near real-time information. It will also allow proactive optimisation of the One Connected Transport System.	Implementation	2018	2020	0.57	8.33	65.88	74.77	74.77	National	5.10	HMM
	HCC	Hutt City Cross Valley Connection	Investigation and Design of an improved East - West connection across the Hutt Valley. As detailed in the NZTA endorsed Strategic Business Case there are significant benefits associated with this project relating to improved traffic efficiency, enhanced resilience and increased amenity in the Petone foreshore area.	Construction	2024	2026	0.00	0.00	0.00	0.00	65.00	Local - National	1.50	HHL
	WCC	Adelaide Road Improvements	Adelaide Road capacity and intersection improvements.	Construction	2018	2019	0.00	0.38	11.87	12.24	27.39	Local - National	1.00	HHL
	WCC	Kent and Cambridge Terraces Roading Improvements	Road improvements to reduce congestion, improve travel time reliability and safety and to provide for multi modal forms of travel.	Construction	2019	2023	0.00	0.08	0.08	0.15	9.24	Local - National	TBD	HHL*
	WCC	Aotea Quay Improvements	Upgrade of Aotea Quay to improve access to CentrePort and ferry terminals.	Construction	2020	2022	0.00	0.00	0.15	0.15	7.15	Local - National	2.00	HHL
	WCC	Suburban Bus Priority Phase 1	To investigate Bus Priority measures across the city.	Construction	2018	2024	0.98	2.98	2.40	6.36	15.97	Local - National	TBD	HML*
	NZTA	SH1 Tawa through CBD - Interim Optimisation Measures	Interim measures to partially address a significant gap in mismatched demand and capacity and journey time reliability in a major urban area. The activities include optimisation of State Highway 1 between Tawa and Ngauranga which includes minor efficiency improvements for on/off ramp merges and other activities to improve traffic flow.	Construction	2023	2026	0.00	0.00	0.00	0.00	30.76	National	TBD	HML*
	HCC	The Beltway	The Beltway focuses on providing cycling facilities to the east of the city running adjacent to the Hutt Valley/ Wairarapa railway line. It will link into both the Hutt River Trail in the north and the Wainuiomata Hill Shared Path in the south with connections to major public transport hubs, workplaces, the CBD and neighbourhood shopping areas.	Implementation	2018	2027	1.50	1.90	1.15	4.55	7.35	Local - National	4.60	HMM
	KiwiRail/ GWRC	Palmerston North – Wellington Passenger rail (Capital Connection)	Investment in the Capital Connection (Wellington - Palmerston North) passenger rail service	Implementation	2018	2027	1.83	2.56	1.82	6.21	35.53	National	TBD	HML*

TABLE TWO: SIGNIFICANT ACTIVITIES COSTS AND TIMING

Priority band	Organisation	Project name	Description	Activity Stage	Startyear	End year	Cost 2018/2019 (\$m)	Cost 2019/2020 (\$m)	Cost 2020/2021 (\$m)	3 Year Cost (2018 to 2021) (\$m)	Total Projected costs (\$m)	Funding Source	BCR	Profile
3	GWRC	Real time information tools	Improvement of real-time-passenger information (RTI) systems to provide upgraded functionality that aligns with significant advances in digital technology and the changes in customer expectations since the current RTI system was introduced in 2010 - 2011.	Implementation	2018	2027	2.71	2.25	6.93	11.89	29.34	Local - National	TBD	HML*
	HCC	Eastern Bays Shared Path – Great Harbour Way	This shared path is a regionally significant project that aims to provide a safe and integrated network for commuting and recreational purposes through much sought after active mode infrastructure around Eastern Bays from Point Howard to Eastbourne. The project also forms a key part of the Te Aranui o P neke (the Great Harbour Way), a walking and cycling route around Te Whanganui-a-tara, the harbour of Wellington.	Construction	2018	2023	2.25	3.60	2.00	7.85	14.55	Local - National	2.00	HML
	NZTA	SH2/Whakatiki street intersection improvement	SH2 Upper Hutt intersections (Totara, Gibbons, Whakatiki and Moonshine Hill Rd) have high collective and personal safety risk. This project is proposed to investigate safety improvements on the following intersections and improve access between western suburbs (Riverstone Terrace, Totara Park) /Hutt River Trail and Upper Hutt CBD.	Construction	2018	2020	0.32	0.16	5.55	6.04	6.04	National	TBD	HML*
	NZTA	Resilient Port Access	Programme of responses relating to mitigating resilience risk to this critical access to Wellington. Includes new layout on Aotea quay at Hinemoa port entrance and Interislander terminal, better pedestrian access and reconfiguration within the port	Construction	2019	2024	0.00	1.62	1.62	3.23	64.64	National	TBD	HML*
	GWRC	Electric buses	Support for expanding the electric bus fleet in Wellington. Includes electric fleet premium and charging infrastructure to support electric buses	Implementation	2021	2027	0.00	0.00	0.00	0.00	37.87	Local - national	TBD	HML*
	WCC	Road resilience improvement – Ngaio Gorge and Wadestown	Ngaio Gorge Road and the Wadestown Route have been identified by the council as key routes for recovery after significant earthquake/ storm events, and for emergency access respectively. Strengthening of these routes would substantially improve resilience of access into and out of Wellington City.	Construction	2018	2023	5.21	4.01	1.01	10.23	13.36	Local - National	TBD	HML*
	NZTA	Noise walls and improvement programme	Initiative to look at noise effects on properties adjacent to the Wellington State Highway network.	Implementation	2022	2023	0.00	0.00	0.00	0.00	14.52	National	TBD	HLL*
	KCDC	East West connectors - Relief Route	Development of a new urban link between Ihakara Street and Arawhata Road.	Business case-implementation	2021	2024	0.00	0.00	0.00	0.00	10.40	Local - National	TBD	MML*
	PCC	Transmission Gully interfaces and SH1/SH58 revocation	Programme business case to identify implications of possible SH1/SH58 revocation and local road impacts from Transmission Gully	Business case	2017	2024	1.44	2.04	1.79	5.27	11.41	Local - National	TBD	MML*
	WCC	Northern Growth Roads	Road capacity works in response to current and future urban growth.	Construction	2018	2024	0.49	0.57	2.51	3.57	18.94	Local - National	TBD	MML*

NB: Two projects, Melling Safety and Efficiency Improvements and Petone to Grenada, would be in priority band 1 if they were included as Significant Activities. Since funding has been approved for some phases of these two projects, they are included in this Programme as Committed Activities (Table four).

COMMITTED ACTIVITIES

Projects within the regional programme that have funding approval, but have not been completed within the previous three year programme, are shown as committed activities and have the highest priority for funding.

The 2015 programme contained 19 activities for which funding was committed ahead of the start of the 2015-18 programme. Table three below shows these activities and their current status. Many are ongoing and will continue to be included in the programme going forward. Generally this reflects that many of these are larger state highway projects that may take many years from development of business case to completion of construction, or debt servicing on rail rolling stock.

Table four shows those activities with committed funding for the 2018-21 programme. Where there are multiple phases to a project these are shown as one item. In some cases this may mean an activity is displayed as committed when not all phases, or years, have funding approved (e.g. Petone to Grenada has funding committed for investigation, property and design and is shown as committed although it is currently being re-evaluated and funding hasn't yet been approved for construction).

What's happening with:

Petone to Grenada

The New Zealand Transport Agency together with councils is re-examining the Petone to Grenada Link Road Project to ensure it delivers the best possible outcomes for the region, particularly in terms of its resilience to major events (such as earthquakes and storms) and ability to provide multi-modal transport connections between northern Wellington and the Hutt Valley. In mid-2017, NZTA undertook an evaluation of the Petone to Grenada scheme design. The evaluation found that further investigation is required on the project's resilience, costs and environmental impacts. The findings have resulted in the Agency revisiting some key assumptions underpinning the Petone to Grenada design, including a review of the original project objectives and looking at how the project can further enhance and promote public transport and cycling between northern Wellington and Hutt Valley.

For more information see:

<https://www.nzta.govt.nz/projects/petone-to-grenada-link-road/>

Melling Safety and Efficiency Improvements

Since the Melling Safety and Efficiency Improvements project was scoped opportunities have arisen to link this more closely to the wider RiverLink programme of work. RiverLink is a collaborative programme of work by Hutt City Council, Greater Wellington Regional Council and NZ Transport Agency to:

- Improve flood protection on Te Awa Kairangi/Hutt River
- Better connect Hutt City Centre to the river contributing to a more vibrant city centre as part of the Making Places Strategy
- Improve connectivity between SH2 and Lower Hutt City Centre
- Improve multi modal connectivity through changes to the Melling railway station and development of a new footbridge.

For more information see <https://haveyoursay.gw.govt.nz/riverlink>

TABLE THREE: UPDATE ON 2015 COMMITTED ACTIVITIES BY ORGANISATION

Activity name	Description	Start date	Status update
Greater Wellington Regional Council			
Matangi 1 trains and rail upgrades	The Crown's commitment to fund the debt servicing	2012	Ongoing. debt servicing commitment until 2032/33
Matangi 2 trains – debt servicing	Matangi 2 trains – debt servicing	2013	Ongoing debt servicing commitment until 2014/41
Real Time Passenger information System	Implementation of a real time passenger information (RTPI) system on Wellington's public transport network	2012	Complete – seeking funding for improved Real time information tools
NZ Transport Agency – Wellington Region			
SH1/SH2 Petone to Grenada Road	SH1/SH2 Petone to Grenada Road	2010	Currently being revaluated
Wellington RoNS (7) – PekaPeka to Otaki Expressway	SH1 PekaPeka to Otaki Expressway	2009	Construction currently underway, completion anticipated in 2020/21
Wellington RoNS (1) SH1 Mt Victoria Tunnel Duplication	SH1 Mt Victoria Tunnel Duplication	2011	On hold pending outcomes of Let's Get Wellington Moving
Wellington RoNS (3) SH1 Terrace Tunnel Duplication	SH1 Terrace Tunnel Duplication	2015	On hold pending outcomes of Let's Get Wellington Moving
Mount Victoria Tunnel Safety Improvements	Upgrade of the fire safety system of the existing tunnel	2008	Ongoing, anticipated to be completed in 2018/19
Wellington RoNS (5) – Transmission Gully	Transmission Gully	2009	Construction underway, construction anticipated to be completed in 2020/21. Ongoing PPP payments scheduled until 2044/45.
Wellington RoNS (6) SH1 MacKays to PekaPeka Expressway	SH1 MacKays to PekaPeka Expressway	2009	Construction completed
Wellington RoNS – Programme management	Programme management (Internal resource)	2009	Ongoing, transport activity.
Wellington RoNS (4) Ngauranaga to Aotea Quay	Active traffic management (Smart motorway)	2013	Completed
SH2/SH58 Interchange improvement	A new grade separated interchange		Completed
SH2 Rimutaka Hill Guardrails	Guardrail installation		Ongoing work reflected in significant activities work as SH2 Featherston to Upper Hutt Safe system and resilience transformation.
Porirua City Council			
PCC link roads	PCC link roads	2014	Construction underway to align with Transmission Gully.
South Wairarapa District Council			
Emergency works local roads 2013/14	Emergency works local roads 2013/14	2013	Completed
Emergency works special purpose roads 2012/13	Emergency works special purpose roads 2012/13	2012	Completed
Wellington City Council			
Emergency works 2012/13	Emergency works 2012/13	2012	Ongoing
Small bus priority	Small bus priority	2008	Ongoing work reflected in significant activities as Suburban bus priority (priority band 2)

TABLE FOUR: COMMITTED ACTIVITIES BY ORGANISATION 2018-2021

Activity name	Description	Phases	Start year	End year	Cost 2018/19 (\$m)	Cost 2019/20 (\$m)	Cost 2020/21 (\$m)	3 year costs (\$m)	Estimated Total costs (\$m) ⁽¹⁾	Funding sources	Comments
Greater Wellington Regional Council											
Matangi 1 trains and rail upgrades	Commitment to fund the debt servicing costs for the Matangi Trains Project and the Wellington Area Rail Upgrade Projects. Funding approved in 2011.	Construction	2012	2032	3.35	3.35	3.35	10.06	64.00	Local-National	Project delivered, funding committed to ongoing debt servicing
Matangi 2 trains – debt servicing	Debt servicing for procurement of 35 additional Matangi EMU units from Hyundai Rotem. Funding approved in 2013.	Construction	2013	2040	14.45	14.45	14.45	43.35	349.07	Local-National	Project delivered funding committed to ongoing debt servicing
Real time passenger information system	Implementation of the current Real time information system. Funding approved in 2008.	Implementation	2012	2018	0.33	0.00	0.00	0.33	4.32	Local-National	Implementation completed in 2018/19, new funding sought for further Real Time Information Tools (priority band 2)
Masterton District Council											
July 2017 Storm Event	Emergency works in response to July 2017 Storm event	Construction	2017	2018	0.15	0.00	0.00	0.15	0.15	0.15	
NZ Transport Agency – Wellington Region											
Mt Victoria Tunnel - Safety Improvements	Fire safety upgrade of the Mt Victoria Tunnel. This includes tunnel ventilation, strengthening the existing walkway, and establishing a new ITS system to support tunnel operations. Funding approved 2014.	Construction	2014	2018	1.95	0.00	0.00	1.95	30.72	National	
SH2 Masterton to Carterton Safety Improvements	Improving accessibility into the commercial/industrial area in Waingawa and urban fringes of both towns. Address some of the identified safety issues on the corridor including upgrading key intersections, side barriers, and other minor safety improvements. Funding approved for the detailed business case 2018	Detailed business case	2018	2018	0.06	0.06	0.06	0.06	0.55	National	
SH1/SH2 Petone to Grenada Link road	Investigation and design of a transport link between State Highway 1 at Grenada and State Highway 2 at Petone. Funding for investigation and design approved in 2010. Construction funding has yet to be approved.	Investigation -Property - Design	2010	2024	24.32	35.00	15.60	74.91	119.41	National	Under review to ensure the project will deliver the best possible outcomes, particularly around resilience
Wellington RoNS (5) -Transmission Gully	Design and construction of a new 27km length expressway between MacKays Crossing and Linden. Construction funding approved in 2013. Total costs include ongoing maintenance and operations to 2044 as part of the public private partnership (PPP).	Design-Construction -Implementation	2012	2044	7.44	53.47	122.68	183.59	3,104.00	National	Costs are totals for all phases including ongoing maintenance and operations PPP costs
Wellington RoNS (7) SH1 Peka Peka to Otaki Expressway	A new four lane median divided expressway between Peka Peka Rd and Taylors Road north of Otaki. Construction funding approved in 2016.	Construction	2015	2020	121.68	81.87	47.20	250.75	320.12	National	
Wellington RoNS – Programme Management	Supports the internal resources the NZTA requires to develop the Wellington RoNS. Funding approved in 2010.	Investigation	2009	2022	3.42	3.08	3.08	9.58	37.60	National	
SH2 Melling Efficiency and Safety Improvements	Improving the efficiency and safety of State Highway 2 and the Melling interchange. Part of the Riverlink programme systems approach integrating transport, flood protection and urban renewal initiatives from NZTA, GWRC and HCC. Funding approved for the business case 2018.	Indicative Business case	2016	2018	0.81	0.00	0.00	0.81	2.46	National	Under review to ensure the project will deliver the best possible outcomes, and appropriately support the wider RiverLink programme
SH58 Safety Improvements	Safety improvements on State Highway 58 Haywards Hill including roadside guardrails, delineation improvements, median wire rope barriers, seal widening, edge barriers, intersection treatments (including two roundabouts) and structure widening. Funding approved 2017.	Implementation	2017	2019	20.02	23.72	0.00	43.74	46.95	National	

(1) Total Cost includes expenditure that has already occurred

TABLE FOUR: COMMITTED ACTIVITIES BY ORGANISATION 2018-2021

Activity name	Description	Phases	Start year	End year	Cost 2018/19 (\$m)	Cost 2019/20 (\$m)	Cost 2020/21 (\$m)	3 year costs (\$m)	Estimated Total costs (\$m) ⁽¹⁾	Funding sources	Comments
NZ Transport Agency – Wellington Region											
Wellington RoNS (2)-Wellington Inner-City (Tunnel to Tunnel)	Investigation and implementation of an optimised multi-modal solution (either an at-grade or partially grade separated solution) on this strategic section of SH1 in the vicinity of Basin Reserve between Paterson Street and Tory Street. This includes potential integration with Wellington Public Transport Spine, and provisions for pedestrian and cyclists. Additional turning lanes and a potential clearway system will be introduced as part of a package of improvements for Vivian Street.	Construction	2012	2018	1.13	0.00	0.00	1.13	108.67	National	
Weigh Right McKay's	Replacement weigh station for Plimmerton	Implementation - Property	2017	2020	2.92	6.05	1.67	10.64	10.77	National	
Emergency works SH1 Coast Road Cyclone Gita	SH1 Coast Road is on the west coastline between Pukerua Bay and Pakeakariki, north of Wellington. It is approximately 4.4km long highway in a coastal environment. Due to the close proximity to the open sea, this road is vulnerable to sea surges, typically resulted by a combination of northerly wind and high tide.	Construction	2017	2018	0.22	0.00	0.00	0.22	0.22		
Porirua District Council											
PCC link roads	Two new roads from the James Cook interchange on Transmission Gully to the intersection of James Cook Drive and Navigation Drive (Whitby Link Road), and the intersection of Warspite Avenue and Niagra Street (Waitangirua Link Road). Funding approved in 2014.	Construction	2014	2019	6.90	0.61	0.00	7.51	34.28	Local-National	
Wellington City Council											
Wellington Cycle network – Hutt to CBD package	Improving cycleways connecting the Hutt Valley to Wellington CBD along the State Highway 2 Corridor. Funding approved in 2016.	Implementation	2016	2018	4.50	0.00	0.00	4.50	4.50	Local-National-UCF	Costs are totals for all phases. Including phases not yet approved.
Wellington Cycle Network - Eastern Package	Cycleway development in the Eastern suburbs. Funding approved for the detailed business case in 2017.	Detailed business case	2017	2018	6.43	0.00	0.00	6.43	7.65	Local-National-UCF	Detailed business Case funding under Review – anticipated to be committed in 2017/18
Road Resilience Improvement 2015/25 - Ngaio Gorge/Wadestown	Strengthening routes to improve resilience/reduce disruption by damage to the road network in large earthquake and storm events. Initial funding approved 2016.	Construction	2015	2023	5.21	4.01	1.01	10.23	16.37	Local-National	Funding yet to be approved for years 2018/19 to 2023/24

TABLE FIVE: AUTOMATICALLY INCLUDED ACTIVITIES

Activity name	Start year	End year	Cost 2018/19 (\$m)	Cost 2019/20 (\$m)	Cost 2020/21 (\$m)	3 year costs (\$m)	Funding sources	Comments
Carterton District Council								
Maintenance, operations & renewals programme	2018	2021	2.83	2.97	3.03	8.84	Local-National	
Department of Conservation								
Maintenance, operations & renewals programme	2018	2021	0.05	0.05	0.05	0.15	Local-National	
Greater Wellington Regional Council								
Public Transport programme - Bus & ferry services	2018	2021	45.68	46.45	49.36	141.49	Local-National	Ferry costs are approximately \$320,000 p.a.
Public Transport programme - Facilities operations and maintenance	2018	2021	11.77	12.73	13.16	37.67	Local-National	
Public Transport programme - Passenger Rail services	2018	2021	61.10	57.93	54.61	173.64	Local-National	
Public Transport programme - Total Mobility	2018	2021	2.67	2.80	2.67	8.13	Local-National	
Public Transport programme - Information supply, operations and maintenance	2018	2021	13.75	13.27	13.37	40.39	Local-National	
Total Public Transport programme	2018	2021	134.97	133.18	131.17	401.32	Local-National	
Hutt City Council								
Maintenance, operations & renewals programme	2018	2021	13.51				Local-National	
Kapiti Coast District Council								
Maintenance, operations & renewals programme	2018	2021	5.40				Local-National	
Masterton District Council								
Maintenance, operations & renewals programme	2018	2021	6.90				Local-National	
Porirua District Council								
Maintenance, operations & renewals programme	2018	2021	5.92				Local-National	
South Wairarapa District Council								
Maintenance, operations & renewals programme	2018	2021	3.44				Local-National	Includes funding for Special purpose roads
Upper Hutt City Council								
Maintenance, operations & renewals programme	2018	2021	4.69				Local-National	
Wellington City Council								
Maintenance, operations & renewals programme	2018	2021	36.59				Local-National	

AUTOMATICALLY INCLUDED ACTIVITIES

The ongoing provision of public transport services and maintenance, operations and renewals of local roads are automatically included in the Regional Land Transport Plan Programme. Funding levels for these activities can be adjusted through Long Term Plan and NLTP development but in practice they must continue to be funded, and should not be considered as part of prioritisation. Therefore automatically included activities are the second priority for funding. The costs presented are for the next three years as these are generally developed as three year programmes to align with the Long Term Plan, NLTP and GPS funding cycles.

A change to the presentation of automatically included activities from RLTP 2015 is that local road renewals programmes have been combined with local road maintenance and operations programmes to enable efficiencies identified through the Roding Efficiency Group process. Additionally the Department of Conservation maintenance, operations and renewals programme has been included for the first time.

Non-Prioritised Activities

Due to the large number of transport activities put forward for funding in the Wellington Region it is not practical to prioritise all activities. During the development of the RLTP 2015 a decision was made to only prioritise projects that have a total cost over \$5 million and that are regionally or inter-regionally significant.

This table contains a number of smaller infrastructure improvements, including Low cost/Low risk improvement projects, and non-significant activities over \$5 million.

Low cost/ Low risk improvement programmes replace minor improvement programmes with an increased threshold of \$1 million (previously minor improvements only applied to projects under \$300,000). These are made up of a number of small scale local projects that have a total cost less than \$1 million and do not require business cases.

There are several improvement or renewal activities included in this table which are over \$5 million. These activities are not considered to be regionally or inter-regionally significant.

The State Highway maintenance, operation and renewals programmes is included in the non-prioritised table, as under the Land Transport Management Act 2003 this is not automatically included in the RLTP in the same way as approved organisation⁽¹⁾ road maintenance, operation and renewals programmes.

Transport planning, modelling and analytics activities are also included in this table. These are generally lower cost activities, but are also difficult to prioritise as they do not have benefit cost ratios. Similarly road safety promotion and travel demand programmes are also treated as non-prioritised.

(TABLE BEGINS ON FOLLOWING PAGE)

⁽¹⁾ Regional Councils, Territorial Local Authorities and other approved public organisations under s 23 of the LTMA such as the Department of Conservation.

TABLE SIX: NON-PRIORITISED ACTIVITIES

Activity name	Description	Start year	End year	Cost 2018/19 (\$m)	Cost 2019/20 (\$m)	Cost 2020/21 (\$m)	3 year costs (\$m)	Estimated total cost	Funding sources
Carterton District Council									
Low cost / low risk improvements 2018-21	Programme of low cost/low risk improvement projects under \$1m each.	2018	2021	0.37	0.28	0.40	1.05	1.05	Local-National
Department of Conservation – Wellington region									
Low cost / low risk improvements 2018-21	Programme of low cost/low risk improvement projects under \$1m each.	2018	2021	0.00	0.00	0.00	0.10	0.10	Local-National
Greater Wellington Regional Council									
Low cost/low risk improvements programme	Programme of low cost/low risk improvement projects under \$1m each.	2018	2021	15.81	9.98	8.86	34.65	34.65	Local-National
Asset Management Plan Updates 2018-28	Public Transport Asset Management Plan update.	2017	2027	0.05	0.09	0.21	0.35	1.17	Local-National
Demand management	To optimise the regional transport network through the use of non-infrastructure interventions to support walking, cycling, carpooling, public transport and other work commute, school travel and business travel options or alternatives.	2017	2019	0.77	0.79	0.79	2.35	2.35	Local-National
Improving rail passenger information	Replacement audio visual customer information system at Wellington Station.	2018	2018	1.50	0.00	0.00	1.50	1.50	Local-National
On-board systems equipment	Purchase of on-vehicle real time passenger information (RTPI) hardware for the bus fleet. Replaces obsolete equipment.	2018	2019	1.68	1.00	0.00	2.68	2.68	Local-National
Porirua station bus shelter upgrade	The bus shelters at Porirua Station need to be replaced and this provides an opportunity to upgrade them to address issues with passenger amenity and efficient levels of service, including the safety and comfort of the shelters, lack of information, location of the stops and the grouping of services.	2018	2019	0.10	3.47	0.00	3.57	3.57	Local-National
PT Plan Revision	Revision of the 2014 RPTP to reflect RLTP mid-term update, which triggers statutory requirement to review PT Plan. Review will also provide opportunity to reflect other changes such as GPS 2018, LTP, revisions of the Regional Rail Plan, LGWM, and new technology developments.	2018	2021	0.01	0.04	0.01	0.07	0.07	Local-National
Regional Land Transport Planning Management 2018-21	Development, management, implementation, monitoring and reporting on the Regional Land Transport Plan.	2018	2020	1.12	1.14	1.14	3.39	3.39	Local-National
Road Safety Promotion	The provision of road safety information, awareness campaigns and education opportunities to highlight and address road safety priorities of high concern.	2018	2020	0.60	0.61	0.60	1.80	1.80	Local-National
Transport Analytics (across Wellington Region)	Transport Analysis in the region is split across many organisations in the region, both public and private. This programme business case aims to ask the questions around what tools do we need and how do we organise their use and application.	2017	2026	1.30	0.52	0.00	1.82	2.34	Local-National
Waterloo Station - replace roof canopy	Replace Waterloo station roof canopy, ticket facilities, toilets and associated works (e.g. repair station furniture, platform and retiling subway). Non-prioritised as primarily a renewal activity.	2018	2020	0.50	0.00	10.44	10.94	10.94	Local-National
Waterloo depot purchase for park and ride	Purchase of land adjacent to the Waterloo rail station and bus interchange for development as park & ride. Funding decision pending.	2017	2018	0.85	0.00	0.00	0.85	0.85	Local-National

TABLE SIX: NON-PRIORITISED ACTIVITIES

Activity name	Description	Start year	End year	Cost 2018/19 (\$m)	Cost 2019/20 (\$m)	Cost 2020/21 (\$m)	3 year costs (\$m)	Estimated total cost	Funding sources
Hutt City Council									
Low cost/low risk improvements programme	Programme of low cost/low risk improvement projects under \$1m each.	2018	2021	5.82	4.07	3.32	13.20	13.20	Local-National
Cycleway Network Development – Ngauranga to Melling	Construction of and upgrades to Hutt City roads/cycle connections to the Petone to Ngauranga Cycleway.	2018	2018	1.00	0.00	0.00	1.00	1.00	Local-National
Eastern Hutt Road Retaining Walls Strengthening	The Eastern Hutt Road is only one of two road access routes between Lower Hutt Valley and Upper Hutt. Strengthening of this section of road along Eastern Hutt Road would substantially improve resilience of access between Lower Hutt/Wellington and Upper Hutt.	2020	2020	0.00	0.00	2.89	2.89	2.89	Local-National
Hutt City East Access Route	Improvements to intersections along the City East Access Route to improve travel time reliability, safety and to remove through traffic using CBD streets.	2020	2020	0.00	0.00	3.50	3.50	3.50	Local-National
Road Safety Promotion 2018-21	Contribute towards achieving Safer Journeys 2020 goal 'A safe road system increasingly free of death and serious injury'. Also HCC's Transport Division key performance indicator (KPI) 'a reducing trend in the number of fatalities and serious injury crashes on the local road network'.	2018	2020	0.21	0.21	0.21	0.62	0.62	Local-National
Kapiti Coast District Council									
Low cost/low risk improvements programme	Programme of low cost/low risk improvement projects under \$1m each.	2018	2020	3.39	2.52	1.41	7.32	7.32	Local-National
KTM3 model update 2018/21	Update traffic models to reflect that by 2020/21 there will have been significant changes to traffic flows when the RoNS have all been opened and changes in the rate of both commercial and residential development are known.	2020	2020	0.00	0.00	0.10	0.10	0.10	Local-National
Road Safety Promotion 2018-21	To contribute to the Government's Safer Journey initiatives; aims to reduce road user crash risks and consequences.	2018	2020	0.09	0.09	0.09	0.26	0.26	Local-National
East West Connectors - Free left turn lane northbound on EWY	Part of the East West Connectors Programme. Evaluation of the feasibility and benefits of implementation of the free left turn onto the Expressway and the construction of the left turn.	2020	2020	0.00	0.00	1.62	1.62	1.62	Local-National
East West Connectors - Optimisation traffic lights Kapiti Rd	Part of the East West Connectors Programme. To investigate, and if required trial, optimisation of each set of traffic lights on Kapiti Road.	2018	2019	0.65	0.00	0.00	0.65	0.65	Local-National
East West Connectors – Signalisation Rimu/Ihakara intersection	signalisation of the intersection of Ihakara Street - Rimu Road in Paraparaumu	2024	2024	0.00	0.00	0.00	0.00	1.03	Local-National

TABLE SIX: NON-PRIORITISED ACTIVITIES

Activity name	Description	Start year	End year	Cost 2018/19 (\$m)	Cost 2019/20 (\$m)	Cost 2020/21 (\$m)	3 year costs (\$m)	Estimated total cost	Funding sources
Masterton District Council									
Low cost / low risk improvements 2018-21	Programme of low cost/low risk improvement projects under \$1m each.	2018	2020	0.81	0.79	0.63	2.23	2.23	Local-National
Road Safety Promotion 2018-21	A collaborative programme throughout three districts - Masterton, Carterton & South Wairarapa to reduce the number of fatal and serious injury crashes on Wairarapa roads.	2018	2020	0.21	0.21	0.22	0.63	0.63	Local-National
NZ Transport Agency - Wellington region									
Maintenance, Operations and Renewals Programme 2018-21	This maintenance programme aims to sustain current levels of service and incrementally improve these where there is gap against the One Network Road Classification (ONRC) targets with improving long term efficiency without undue service or investment risk.	2018	2020	48.00	42.13	39.37	129.50	129.50	National
Low cost / low risk improvements 2018-21	Programme of low cost/low risk improvement projects under \$1m each.	2018	2020	4.82	4.93	5.01	14.76	14.76	National
Active road user corridor programme	The project seeks to reduce the severity and frequency of crashes to reduce deaths and serious injury.	2018	2021	0.13	0.07	2.33	2.54	2.54	National
SH1 Ngauranga Gorge Cycling improvements	The Ngauranga Gorge is a key link for cyclists. To provide a fully connected journey for cyclists improvements for the Gorge are being considered.	2023	2026	0.00	0.00	0.00	0.00	1.70	National
Road safety promotion 2018-21	NZTA Highway and Network operations (State Highways) contribution to the education component of the regions Safer Journey strategy implementation 2010-2020 plan. Project primarily contributes to road safety education in various forms and promotes improved road user behaviour on the state highway network within the Region.	2018	2021	0.51	0.51	0.51	1.54	1.54	National
Wellington LED replacement programme	One for one luminaire replacement with LED across the state highway network. Non-prioritised as primarily a renewal activity.	2023	2026	0.00	0.00	0.00	0.00	9.36	National
Porirua District Council									
Low cost/low risk improvements programme	Programme of low cost/low risk improvement projects under \$1m each.	2018	2020	0.25	0.25	0.25	0.75	0.75	Local-National
Cycling and Walking Riverside/Streamside	Upgrading the existing Riverside and Streamside cycling pathway to cater for the increase in usage.	2018	2020	0.12	0.29	0.29	0.70	0.70	Local-National-UCF
Road Safety Promotion 2018-21	Deliver road safety programmes for the Porirua City Council. To reduce the risk of death and serious injury on our roads.	2018	2020	0.18	0.18	0.18	0.55	0.55	Local-National
South Wairarapa District Council									
Low cost/low risk improvements programme (includes special purpose roads ⁽¹⁾)	Programme of low cost/low risk improvement projects under \$1m each.	2018	2020	0.57	0.48	0.47	1.52	1.52	Local-National

(1) Cape Palliser Road from the intersection with Lake Ferry Road to its terminus at Cape Palliser is a special purpose road that receives a higher funding assistance rate from the NZTA.

TABLE SIX: NON-PRIORITISED ACTIVITIES

Activity name	Description	Start year	End year	Cost 2018/19 (\$m)	Cost 2019/20 (\$m)	Cost 2020/21 (\$m)	3 year costs (\$m)	Estimated total cost	Funding sources
Upper Hutt City Council									
Low cost / low risk improvements 2018-21	Programme of low cost/low risk improvement projects under \$1m each.	2018	2020	2.09	2.35	2.58	7.02	7.02	Local-National
Road Safety Promotion 2018-21	To contribute to achieving the aims of the Government's 'Safer Journeys 2020' initiatives, by reducing road user crash risks and consequences, as defined in the Road Safety Action Plan 2017-2018.	2018	2020	0.12	0.12	0.13	0.37	0.37	Local-National
Fergusson/Eastern Hutt/County Lane Intersection	Intersection investigation to improve the safety for all road users at these adjacent intersections.	2016	2018	2.05	0.00	0.00	2.05	2.10	Local-National
Fergusson/Ward/Whakatiki Intersection	Full traffic study for proposed intersection improvements to cater for traffic growth.	2016	2019	0.56	7.50	0.00	8.06	8.12	Local-National
Wellington City Council									
Low cost/low risk improvements programme	Programme of low cost/low risk improvement projects under \$1m each.	2018	2020	8.03	6.66	6.88	21.57	21.57	Local-National
Hutt Road Roundabout	Build a roundabout to address congestion, poor journey time reliability and safety concerns.	2022	2023	0.00	0.00	0.00	0.00	3.15	Local-National
Road Safety Promotion 2018-21	Programme of work to contribute to a reduction of the number of people killed or seriously injured on the Wellington City network by building on existing effective programmes, developing new interventions (where required) and working collaboratively with our partners through a systematic approach. The common goals enable effective co-ordination of resources, actions, and solutions for our community's needs.	2018	2020	0.59	0.59	0.59	1.76	1.76	Local-National
Seatoun Tunnel Seismic Strengthening	Strengthening Seatoun tunnel to avoid damage to the tunnel itself in an earthquake and improve resilience of access for the residents of Seatoun.	2017	2018	1.50	0.00	0.00	1.50	1.60	Local-National
Shelly Bay Roading Improvements	Road improvements in response to urban development/growth and to reduce congestion, improve travel time reliability and safety/resilience, and to provide for multi-modal forms of travel.	2018	2018	2.50	0.00	0.00	2.50	2.50	Local-National
Te Aro Roading Improvements	Road realignment to improve connectivity between the city, Brooklyn and Aro Valley.	2020	2021	0.00	0.00	1.10	1.10	2.10	Local-National
Wellington Cycle Network - Southern Package	Cycleway development within the approved Urban cycleways programme - Southern Package.	2018	2018	3.80	0.00	0.00	3.80	3.80	Local-National-UCF
Cycleway Promotion 2018/19	Cycle promotion and behaviour change to support the uptake citywide and that associated with network development.	2018	2027	0.50	0.50	0.50	1.50	5.00	Local - National

INTER-REGIONAL SIGNIFICANCE

Many trips (particularly those for freight and tourism purposes) take place between the Wellington region and adjoining regions of New Zealand. The transport network provides for journeys across regional boundaries and issues affecting one region's network can have a significant impact on communities and businesses in other regions. Coordination between regions is important to facilitate safe, effective and efficient inter-regional journeys. Investment in improved technology can also have significant flow on effects to other regions where there are opportunities to work together. The NEXT integrated ticketing and fares project is an example of this where Wellington is working with the NZ Transport Agency and other regions to procure a ticketing system that has the flexibility to be implemented on many different public transport networks round the country.

The RLTP is required to identify those activities that are significant to inter-regional transport. Inter-regionally significant activities are:

- Any regionally significant activity that has implications for connectivity with other regions, and
- Any regionally significant activity for which cooperation with other regions is required.

The relevant agencies will work together and across regional boundaries to ensure these projects are implemented in a manner that maximises their benefits to all parties.

TABLE SEVEN: ACTIVITIES WITH INTER-REGIONAL SIGNIFICANCE

Priority band	Organisation	Project	Implications for connectivity with other regions	Requires cooperation with other regions
1	GWRC/ WCC/ NZTA	Ngauranga to Airport (Let's Get Wellington Moving)	Improves access through and to the Wellington CBD from the airport. Wellington airport provides key inter regional and international connectivity.	
	KiwiRail/ GWRC	Wellington Metro rail track infrastructure: Catch up renewals	Catch-up renewals of rail track infrastructure enable freight and passenger rail services to continue operating providing an alternative to roads for inter-regional connectivity.	
	KiwiRail/ GWRC	Unlocking Rail Network Capacity and Improving Resilience – Infrastructure	Rail network infrastructure improvements including double tracking, freight passing loops and signalling and electrical upgrades improve the ability of the rail network to serve inter-regional journeys.	
	NZTA	SH2 Featherston to Upper Hutt Safe system transformation	SH2 provides one of the key strategic roading corridors linking Wellington to the north. Particularly to journeys to Napier – Hastings and the East Coast.	
	NZTA	SH2 Featherston to Masterton safe system transformation	SH2 provides one of the key strategic roading corridors linking Wellington to the north. Particularly to journeys to Napier – Hastings and the East Coast.	
	NZTA	SH2 Wellington to Upper Hutt Safer Corridor	SH2 provides one of the key strategic roading corridors linking Wellington to the north. Particularly to journeys to Napier – Hastings and the East Coast.	
	NZTA	Wellington ITS Improvement Programme		Development of a national Transport Operating System leading to the regional implementation of intelligent transport systems across the transport network (both rural roads and urban areas). This will provide customers with safe and efficient journeys through provision of near real-time information. It will also allow proactive optimisation of the One Connected Transport System.
	GWRC	Project NEXT integrated ticketing and fares		Project NEXT is a national, integrated approach to provide a single ticketing solution for all of New Zealand. It will provide a central capability that will be designed to enable each region to participate, while maintaining the local control and identity that its regional fares policy and ticketing activity requires.
	GWRC	Wairarapa services & capacity enhancement (E-DMU and shuttles)	Procurement of Electro-diesel multiple units will enable improved passenger rail services for the lower north island, including parts of the Horizons region.	

TABLE SEVEN: ACTIVITIES WITH INTER-REGIONAL SIGNIFICANCE

Priority band	Organisation	Project	Implications for connectivity with other regions	Requires cooperation with other regions
2	HCC	Hutt City Cross Valley Connection	Will improve the resilience of links between SH2 and Seaview. Seaview contains the main fuel storage facility for the Wellington region. Resilient access to fuel is important to maintain connectivity with other regions.	
	WCC	Kent and Cambridge Terrace Rooding improvements	Part of the corridor providing access to the airport. Wellington airport provides key inter regional and international connectivity.	
	WCC	Aotea Quay improvements	Provides improved access to Centreport and Interislander ferry terminals. Centreport provides the main port facility for the Wellington and Horizons regions. Interislander ferries provide a critical link between the North and South Islands across Cook Strait.	
	NZTA	SH1 Tawa through CBD - Interim Optimisation Measures	SH1 provides one of the key strategic rooding corridors linking Wellington to the north. Without this package of measures the full benefits of Transmission Gully in improving access to the North may not be realised.	
	GWRC	Real time information tools		Improvement of real-time-passenger information systems to provide upgraded functionality that aligns with significant advances in digital technology and the changes in customer expectations. Will enable linkages with Mobility as a Service platforms that will create market-places for travel.
	KiwiRail/ GWRC /Horizons	Palmerston North – Wellington passenger rail (Capital Connection)		Continuation of the Palmerston North-Wellington passenger rail service (Capital Connection), joint project with Horizons Regional Council.
3	NZTA	Resilient Port Access	Provides improved access to Centreport and Interislander ferry terminals. Centreport provides the main port facility for the Wellington and Horizons regions. Interislander ferries provide a critical link between the North and South islands across Cook Strait.	

FUNDING SOURCES AND FINANCIAL FORECASTS

Funding sources

This section provides an updated forecast of anticipated revenue and expenditure for 2015-2025. The main sources of funds for land transport activities for the region are:

- The NLTF
- Councils' local share, and
- Other funding sources, including third party funding, Crown appropriations and fare revenue from public transport passengers.

National Land Transport Fund

The NLTF is fully hypothecated (i.e. funded) from road user charges, fuel excise and motor vehicle registrations. These funds are administered by the NZ Transport Agency and used to pay for the transport activities in the NLTP. The relationship is described in figure two .

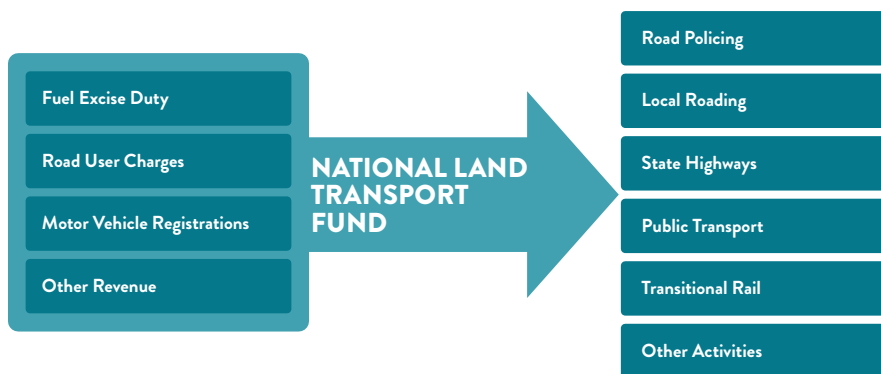


Figure two: Sources of the funds within the National Land Transport Fund

Funds from the funds NLTF are allocated on the basis of national priorities by the NZ Transport Agency.

The activity classes and funding ranges are defined by the GPS. When allocating funds, projects in different activity classes are not competing for the same funding. Only projects within activity classes are competing for funding. E.g. public transport projects only compete with other public transport projects for funding, not with walking and cycling projects.

The current activity classes are:

TABLE EIGHT: GPS ACTIVITY CLASSES	
Activity Class	Examples of the type of project
Public transport	Existing bus, rail and ferry services and information supply. Total mobility, public transport maintenance, renewals and improvements
Rapid transit (new)	Investment in rapid transit improvements
Walking and cycling	Investment to improve walking and cycling including promotional activities
Local road improvements	New local roads and, Improving the capacity or level of service on existing roads
Regional improvements	Investment in transport outside major metropolitan areas to support regional economic development.
State highway improvements	New state highways and, Improving the capacity or level of service on existing roads
Road policing	Investment in road policing
Road safety promotion and demand management	Investment to improve safer road user behaviour
State highway maintenance	Investment in renewals and maintenance on the existing road network
Local road maintenance	Investment in renewals and maintenance on the existing road network
Transitional rail (new)	Investment to support urban and interregional rail services that assist passengers to access major employment and housing areas

Council Funding (Local Share)

Local share funds are allocated by individual councils and are mainly provided through rates, and loans (for capital expenditure). The regional council funds public transport services, whereas local councils fund local roads (including footpaths and cycleways). Funding for these activities is set through the development of long term plans and annual plans under the Local Government Act 2002.

Funding Assistance Rates (FAR)

The NZ Transport Agency's Funding Assistance Rate (FAR) determines the proportion of costs for an activity that will be paid from the NLTF. State highways and Transitional rail have a 100% FAR and are fully funded from the NLTF. Councils have a normal FAR for most other activities. This means that a fixed proportion of the activities they undertake will be funded from the NLTF and the remainder comes from local share, generally rates (although in some cases the FAR for a council, activity class, or a particular activity may still be undergoing a transition from the previous FARs).

Some activities receive a targeted enhanced FAR higher than the standard FAR to achieve particular outcomes (for example Special Purpose Roads). As a result of the changes to the GPS in 2018 we anticipate greater use of targeted enhanced FARs to bring forward projects that contribute to the GPS outcomes.

Other Funding Sources

Other funding sources may include public transport fares, Crown appropriations, the Urban Cycleway Fund and the new Provincial Growth Fund. More information about existing Crown appropriations, the Urban Cycleways Fund and the Provincial Growth Fund can be found in Significant Expenditure Funded from Other Sources

TABLE NINE: STANDARD FARs BY APPROVED ORGANISATION

Authority	FAR (amount of cost funded from the NLTF)
Carterton District Council	53%
Department of Conservation (Wellington Region)	51%
Greater Wellington Regional Council	51%
Hutt City Council	51%
Kapiti District Council	51%
Masterton District Council	57%
New Zealand Transport Agency (Wellington Region)	100%
Porirua City Council	56%
South Wairarapa District Council	52%
Upper Hutt City Council	51%
Wellington City Council	51%

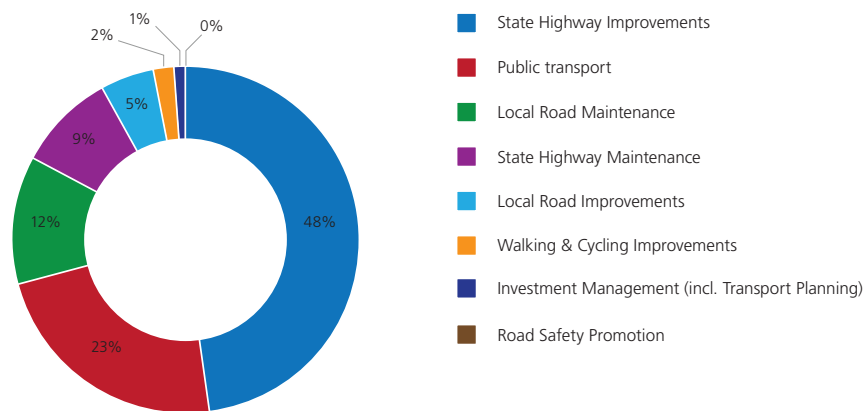
Updated estimated 10 year programme cost and forecast expenditure

The 2015 RLTP contained an estimated 10 year forecast cost for all the activities in the programme out to 2025. These tables update those forecasts for the years 2018 to 2025. The tables are not directly comparable to those in the 2015 RLTP as changes have occurred to the activity classes since 2015 and DOC activities were not included in the 2015 RLTP. The forecast data is provided by council, DOC and the NZ Transport Agency by activity class. Forecast figures may not align with project spending identified in Tables one to six above due to the different timeframes for investment.

TABLE TEN: FORECAST COST BY ACTIVITY CLASS 2015-2025										
Activity class	2015/16 (actual) (\$m)	2016/17 (actual) (\$m)	2017/18 (forecast) (\$m)	3 year forecast cost 2015-2018 (\$m)	2018/19 (forecast) (\$m)	2019/20 (forecast) (\$m)	2020/21 (forecast) (\$m)	3 year forecast cost 2018-2021 (\$m)	Forecast Cost 2021-2025 (\$m)	Forecast 10 year cost (\$m)
Investment management (incl. Transport planning)	2.52	2.90	4.42	9.83	2.69	2.06	2.06	6.81	2.29	18.93
Road safety promotion	1.86	1.68	1.98	5.52	2.50	2.52	2.52	7.54	10.11	23.17
Walking and cycling improvements	3.32	4.72	21.22	29.26	18.80	15.26	7.29	41.35	21.44	92.04
Public transport	123.98	132.91	145.15	402.04	184.78	190.92	203.83	579.53	767.89	1,749.46
Local road maintenance	69.08	70.50	69.72	209.30	79.34	79.28	82.14	204.76	332.37	782.43
Local road improvements	12.88	12.62	56.26	81.76	42.76	31.20	39.44	113.51	234.42	429.69
State highway maintenance	49.70	59.52	51.11	160.33	48.00	42.13	39.37	129.50	178.35	468.18
State highway improvements	310.06	223.19	310.58	843.82	137.41	197.42	248.88	583.71	1,314.24	2,741.77
Total	573.39	508.04	660.44	1,741.86	516.39	560.53	625.53	1,702.71	2,861.11	6,305.68

Note: The NZTA's Transport Investment Online database has not yet been updated to reflect the new activity classes in GPS 2018, so these are not shown in these forecasts.

2015-18 estimated percentage of funding by activity class



2018-21 estimated percentage of funding by activity class

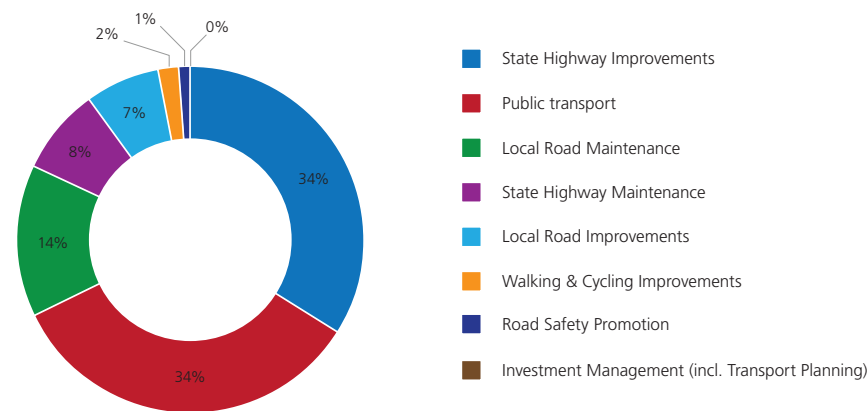
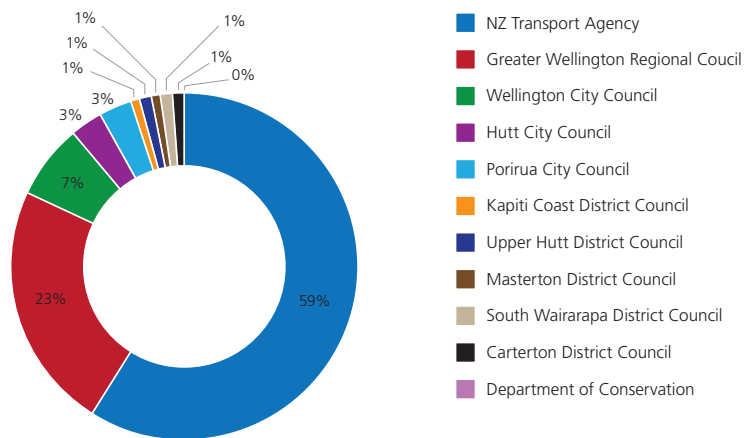


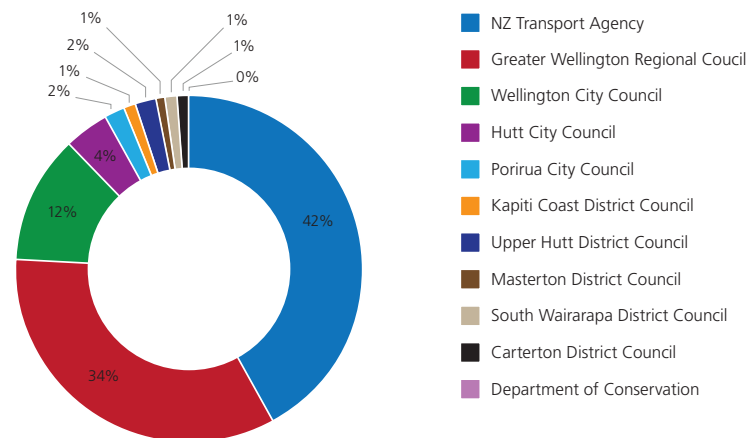
TABLE ELEVEN: FORECAST COST BY ORGANISATION 2015-2025

Organisation	2015/16 (actual) (\$m)	2016/17 (actual) (\$m)	2017/198 (forecast) (\$m)	3 year forecast cost 2015-2018 (\$m)	2018/19 (forecast) (\$m)	2019/20 (forecast) (\$m)	2020/21 (forecast) (\$m)	3 year forecast cost 2018-2021 (\$m)	Forecast Cost 2021-2025 (\$m)	Forecast 10 year cost (\$m)
Carterton District Council	2.72	2.72	3.36	8.81	3.20	3.25	3.44	9.89	14.06	32.75
DOC (Wellington)	0.00	0.00	0.00	0.00	0.05	0.05	0.15	0.25	0.22	0.46
Greater Wellington	124.73	133.11	146.49	404.34	187.78	193.29	205.79	586.86	763.75	1,754.94
Hutt City Council	14.65	15.03	19.80	49.48	23.03	21.68	26.88	71.60	133.83	254.91
Kapiti Coast District Council	6.48	9.22	8.70	24.40	8.88	8.51	7.95	24.35	32.24	81.98
Masterton District Council	6.93	6.79	7.65	21.37	7.92	8.21	8.22	24.35	34.71	80.43
NZTA (Wellington)	362.29	286.87	377.06	1,026.21	185.92	240.07	288.76	714.75	1,494.59	3,235.56
Porirua City Council	8.65	9.15	28.71	46.51	17.09	9.16	6.88	33.13	33.11	112.75
South Wairarapa District Council	4.26	4.03	4.17	12.45	4.03	3.91	3.98	11.92	17.81	41.55
Upper Hutt City Council	6.58	7.53	9.24	23.35	9.31	11.77	7.49	28.57	33.33	85.25
Wellington City Council	36.10	33.59	55.25	124.95	69.19	60.88	66.00	196.07	304.09	625.11
Grand total	573.39	508.04	660.44	1,741.86	516.39	560.79	625.53	1,702.71	2,861.11	6,305.68

2015-18 estimated percentage of funding by Organisation



2018-21 estimated percentage of funding by Organisation



SIGNIFICANT EXPENDITURE FUNDED FROM OTHER SOURCES

Some transport expenditure in the Wellington Region is funded from sources other than the NLTP. The majority of this comes from Crown appropriations or fares paid by public transport passengers. Fares paid by public transport passengers currently cover approximately 50% of the cost of providing public transport services in the Metlink network. The government uses Crown appropriations to enable particular transport activities to occur that may not be funded from the NLTP. These include the Provincial Growth Fund, Super Gold Card free off peak public transport, and some ongoing funding for metro rail infrastructure improvements and the Urban Cycleways funding. Other transport funding may be:

- Funding from Greater Wellington or local councils that is not matched by funding from the NLTP and not shown in the RLTP
- Third party contributions, e.g. funding from the Accident Compensation Commission for road safety promotion
- In-kind donations of goods and/or services

TABLE TWELVE: SIGNIFICANT EXPENDITURE FUNDED FROM OTHER SOURCES

Activity	Organisation responsible for activity	Total cost 2018 to 2021 (\$m)	Funding source	Notes
Walking and Cycling	NZTA and local councils	14.75	Crown Appropriation	Urban Cycleway Funding carried over from 2015/16-2017/18 to 2018/19. This funding will provide approximately one third of funding for identified projects in the programme.
Road Safety Promotion	GWRC	0.31	Accident Compensation Corporation	Funding requested from the Accident Compensation Corporation. Yet to be confirmed. Will supplement funding for Road Safety Promotion and Demand Management activities in the programme.
Public transport services – SuperGold Card subsidies	GWRC	29.32	Crown Appropriation	Crown appropriation for SuperGold Card subsidies. Figures are for the national appropriation for 2018/19 only. This funding has not been included in Programme expenditure.
Wellington Metro Rail Network Upgrade	KiwiRail	73.80	Crown Appropriation	This is a Crown funded activity. This funding has not been included in Programme expenditure.
Public transport services – passenger fare payments	GWRC	Passenger fare payments provide approximately 50% of funding for public transport operations. This funding has not been included in Programme expenditure.		

Provincial Growth Fund

In December 2017 the government announced a \$1 Billion Provincial Growth Fund (PGF) to lift productivity potential in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets. One of the three investment tiers of the PGF is for enabling infrastructure projects that will lift productivity and grow jobs.

Some transport projects in the parts of the region outside the high growth urban areas (e.g. Wairarapa) may be eligible for funding from Provincial Growth Fund. To be considered transport projects must be included within the RLTP. PGF funding can be used alongside NLTF to provide local share, bring forward projects for funding or can fund projects which are not included for funding within the NLTP.

The PGF will be implemented through the Provincial Development Unit within the Ministry of Business, Innovation and Employment and an Independent Advisory Panel. Projects will be assessed against criteria organised around four themes:

- Link to Fund and government outcomes – The project should lift the productivity potential of a region or regions, and contribute to other objectives. These include jobs, community benefits, improved use of Māori assets, sustainability of natural assets, and mitigating and adapting to climate change.
- Additionality – The project needs to add value by building on what is there already and not duplicating existing efforts. The project also needs to generate clear public benefit.
- Connected to regional stakeholders and frameworks – Projects must align with regional priorities. They will need to have been discussed and agreed with relevant local stakeholders.
- Governance, risk management and project execution – Projects will need to be supported by good project processes and those involved should have the capacity and capability to deliver the project. Projects need to be sustainable in the longer term beyond the Fund's life.

Projects will be assessed to ensure that any investment fits with their scale and risk profile. The overall package of investments will be tracked to ensure strategic fit. Individual projects need to support and build on one another.

At this stage no projects in the Wellington Region have agreed funding from the PGF. Further information about the PGF can be found <http://www.mbie.govt.nz/info-services/sectors-industries/regions-cities/regional-economic-development>.

Urban Cycleways Fund

In 2014 the government announced \$100 million in funding from the Crown's consolidated fund between 2014/15 to 2017/18 to accelerate cycleways development and implementation in urban centres. This funding provided a third of project funding with matching shares provided from local government and the NLTF. This led to a significant increase in cycleway development and construction. The lead time of some projects meant that they were not able to be completed within the 2015-18 period. To enable these projects to continue, \$15 million of the appropriation has been carried over to 2018/19 for projects that were not able to be completed in 2017/18. Going forward, ongoing cycleway construction will be funded through the NLTF rather than Crown appropriations. GPS 2018 has allowed for a significant increase in the funding band for the walking and cycling activity class (In 2017/18 the band was \$16-\$74million; under the draft GPS 2018 the funding band for 2018/19 is \$40-\$95 million increasing to \$60-\$145 million in 2020/21).

Projects in the region that will continue to receive Urban Cycleways funding in 2018/19 are:

- Wellington Cycle network – Hutt to CBD package
- Wellington Cycle network – Eastern package

Crown rail funding

Under the Metropolitan Rail Operating Model the Crown funded investments into upgrading the rail network through appropriations made to KiwiRail, with steady state maintenance and renewals funded by track access charges. Greater Wellington Regional Council owns the station infrastructure (other than Wellington Station), the rolling stock and contracts for the provision of public transport services. The Draft GPS signals a review of rail funding as part of GPS 2 to see if this could be incorporated in the NLTP. As an interim measure the GPS has introduced the Transitional rail activity class to allow work to proceed on known projects to support urban and interregional rail services that assist passengers to access major employment and housing areas.

Some ongoing rail funding continues to be provided through Crown appropriations including the KiwiRail Turnaround plan. For the Wellington region the Budget 2018 contained \$50 million for metro rail projects. This is a continuation of the \$99.8 million appropriated in Budget 2017. This funding is for the replacement of life expired timber poles and overhead wires forming part of the overhead electric traction system and is additional to the Wellington/Wairarapa metro rail track infrastructure catch up renewals and Unlocking Rail Network capacity and improving resilience – infrastructure activities included in the RLTP under the new Transitional Rail activity class.

Regional Investment Plan

GWRC is leading collaborative work with all nine Councils in the region, led by Mayors to develop a regional investment plan encompassing infrastructure, economic enablers and liveability. The Wellington Regional Investment Plan will identify collective priorities at both the regional level (the big investment we can make to drive the regional economy) and at a sub-regional level (the investments we can make at a local level that contribute to the broader regional framework). The Regional Investment Plan will be used to inform conversations with central government and the private sector around funding priorities in the region.

More information can be found [\[hyperlink?\]](#).



Report 18.261
Date 26 June 2018
File CCAB 8-1673

Committee Council
Author Davor Bejakovich, Manager, Biosecurity

Public notification of the GWRC Proposed Regional Pest Management Plan

1. Purpose

To seek Council's approval to:

1. Move to the next stage of reviewing the Greater Wellington Regional Pest Management Plan (RPMP)
2. Publicly notify the Greater Wellington Proposed Regional Pest Management Plan (**proposed RPMP**) for a period of submissions and subsequent hearing of those submissions; and

2. Background

Greater Wellington Regional Council (GWRC) is reviewing its Regional Pest Management Strategy (RPMS). The RPMS provides the strategic and statutory framework for effective pest animal and pest plant management in the Wellington Region. The current version of the RPMS has served the pest management needs of the greater Wellington community for nine years. Since 1996 the RPMS has been reviewed twice. It was last reviewed in 2007, and the amended document was implemented in 2009.

To respond to changing national biosecurity requirements, The Biosecurity Law Reform Act 2012 was introduced. In particular, amendments have been made to Part 5 of the Act 'Pest Management', which legislates for regional pest management.

Regional Councils were involved through a range of consultative processes, ensuring that the amended Act met the requirements for regional pest management. The subsequent amendments to the Act led to the development of the National Policy Direction for Pest Management 2015 (the NPD) to guide the review and development process of what are now known as Regional Pest Management Plans (RPMP).

GWRC was required by law to determine whether the RPMP was consistent with the NPD for pest management which came into force on 24 September 2015. It was

determined on 06 March 2017, by the Environment Committee [Report 2017.64] as required by section 100E of the Biosecurity Act 1993 that the Regional Pest Management Strategy 2002-2022 was inconsistent with the National Policy Direction. It was further determined, that the inconsistency between the Regional Pest Management Plan and the National Policy Direction, would be resolved by a full review initiated under section 100D of the Biosecurity Act 1993 (BSA).

3. Process for making a regional pest management plan

The process for making a regional pest management plan is set out in sections 70 to 75 of the Act. While the process contains some similarities with the process for RMA plans, there are some differences. In particular, the BSA process involves six key steps, each of which must be satisfied before progressing to the next step.

These steps are summarised in [Attachment 1](#).

4. Council's satisfaction on content and requirements

The BSA requires the Council to prepare a proposal for a regional pest management plan. The Proposed RPMP document is the Council's proposal. Officers have prepared the proposal and believe it is now ready to be publicly notified for a period of submissions. Before this can be progressed, the Council must be satisfied of the following:

1. That the proposed RPMP sets out the matters listed in section 70 of the Act.
2. That the requirements in section 71 of the Act have been met.
3. That sufficient consultation under section 72 of the Act has taken place or more consultation is required.

An analysis of the proposed RPMP against the requirements of sections 70 and 71 has been undertaken and is set out in [Attachment 2](#). This document steps through each of the requirements and concludes that the proposed RPMP, together with the Cost Benefit Analysis (CBA), complies with sections 70 and 71 of the Act.

5. Cost Benefit Analysis

The Act and NPD for Pest Management require a CBA to be prepared and made publicly available with the proposed RPMP. The Act, together with the NPD, sets out what the CBA is required to address and sets out further requirements for funding and cost allocation matters.

The CBA was undertaken by Biosecurity Officers and Wildland Consultants and will be available for the public to view when the proposed RPMP is notified.

6. Consultation on the proposed RPMP

Section 72 of the Act sets out the consultation requirements for the proposed RPMP. It requires the Council to consider whether it is satisfied:

1. That, if Ministers' responsibilities may be affected by the plan, the Ministers have been consulted; and

2. That, if local authorities' responsibilities may be affected by the plan, the authorities have been consulted; and
3. That the tangata whenua of the area who may be affected by the plan were consulted through iwi authorities and tribal runanga; and
4. That, if consultation with other persons is appropriate, sufficient consultation has occurred.

In considering whether the Council is satisfied of these matters, the Council must have regard to the following:

5. The scale and impacts on persons who are likely to be affected by the plan; and
6. Whether the persons likely to be affected by the plan or their representative have already been consulted and, if so, the nature of consultation; and
7. The level of support for, or opposition to, the proposal from persons who are likely to be affected by it.

If the Council is not satisfied that sufficient consultation has occurred, it may require further consultation to be undertaken. If that is the case, it must determine the way in which further consultation must be undertaken.

An overview of the consultation undertaken to date is set out in section 2.6 of the proposed RPMP.

A discussion document was released in May 2017 for public consultation. A total of 56 submissions were received through the Greater Wellington 'Have your Say' webpage and a handful of submissions via email and phone.

During the production of the proposed RPMP Greater Wellington engaged with representatives of Ngāti Toa Rangatira, the Port Nicholson Block Settlement Trust (representing Taranaki whānui), Ngā Hapū o Ōtaki (representing Ngāti Raukawa ki te Tonga), Te Ātiawa ki Whakarongotai, Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa.

Workshops have been held with local councils and community groups and key stakeholders were invited to meet and discuss the review. Key stakeholders contacted included the Horizons Regional Council, Department of Conservation (DOC), Land Information New Zealand, Federated Farmers, KiwiRail, Tranzit Coachlines, Forest & Bird, The Morgan Foundation, the Wellington Conservation Board, the Wellington Botanical Society, Fish & Game New Zealand, the Hutt Valley Deerstalkers' Association, the New Zealand Game Animal Council, the NEXT Foundation, the Aorangi Restoration Trust, Zealandia, Pukaha Mount Bruce Wildlife Centre, OSPRI, the Wellington Cats Protection League, Apiculture New Zealand, the QEII National Trust, Wellington SPCA, SAFE, Ministry for Primary Industries (MPI), Central Districts Pest Control, Beef + Lamb New Zealand, DairyNZ, BakerAg, the Foundation for Arable Research, the New Zealand Institute of Forestry, the Wairarapa branch of Forest & Bird, Horticulture New Zealand, Rural Women New Zealand, Predator Free New Zealand, Irrigation New Zealand and the New Zealand Deerstalkers' Association Wairarapa branch.

While officers have consulted widely, there are likely to be members of the wider public who are also potentially affected by the proposed RPMP who have not been consulted with. Given this, together with the potential scale and impacts on these persons and the level of potential support for or opposition to the proposed RPMP these persons may have, it is recommended that further consultation on the proposed RPMP be undertaken. It is recommended that the proposed RPMP be publicly notified for a period of submissions and that a hearing be held so that potentially affected persons have an opportunity to have their say on the proposed RPMP.

7. Hearing Panel

A hearing panel will be required to hear submissions on the proposed RPMP which requires a delegation of the Council's powers. The submission period is scheduled to run from 30 June to 27 July 2018. It is proposed that submissions will be heard by the hearing panel in October 2018.

At the Council workshop on 6 June 2018, it was proposed that two councillors, an iwi representative and a technical expert be appointed to the hearing panel.

The hearing panel will undertake the third to fifth steps of the plan making process under the Act and make recommendations to the Council as part of the sixth step. Following the hearing, the hearing panel will decide whether it is satisfied that consultation required under section 72(1) of the Act has occurred and that the issues raised in all of the consultation undertaken on the Proposal have been considered in accordance with section 73(1).

If it is satisfied in accordance with section 73(1), the hearing panel will then determine the management agency for the plan and approve the preparation of an amended plan. A draft plan will be prepared by Council staff in accordance with sections 73 and 74 of the Act and provided to the hearing panel. The hearing panel will satisfy itself on the contents of the plan and its requirements, before making recommendations to Council on the submissions lodged and the plan.

A report proposing the establishment of the hearing panel, the adoption of the panel's terms of reference and the appointment of the panel members will be submitted to the 16 August 2018 Council meeting.

8. Communication

Officers will notify the public that the proposed RPMP is publicly available for a period of submissions and subsequent hearing of those submissions.

9. Consideration of Climate Change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

9.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

GWRC's role in enabling forests in the region to draw CO₂ down from the atmosphere (carbon sequestration) is significant. Biosecurity operations contribute to protecting native and plantation forest and vegetation by maintaining large scale pest animal management programmes.

Possum control and KNE programmes help maintain the carbon sequestration capacity of forests located within the 159,000 ha under GWRC control (the KNE programme encompasses 48,000 ha of mostly forest ecosystems and regional possum control covers over 140,000 ha of the region). Trees planted through biodiversity and Parks programmes along with erosion control initiatives have resulted in thousands of new trees being planted annually.

9.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Biosecurity threats are expected to increase as the climate in the Wellington region continues to change. Future challenges will include new exotic pests, weeds and diseases becoming established. The potential establishment of subtropical pests and current seasonal immigrants are of greatest concern, along with taxa that are already recognised as high risk.

Biosecurity impacts related to climate change have been considered in the proposed RPMP. Subsequent RPMP Operational Plans will address threats identified in the plan, as well as options for managing the effects climate change is expected to have on the departments operations (for example severe weather can impact service delivery of aerial and ground based pest control).

10. The decision-making process and significance

The matters requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

10.1 Significance of the decision

Officers have considered the significance of the matter, taking the Council's significance policy and decision making guidelines into account. Officers recommend that the matter is considered to have low significance. Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

The decision-making process in this case is explicitly prescribed for by the Biosecurity Act 1993 (**Attachment 1**).

11. Engagement

Upon Council's resolution to make the proposed RPMP, the proposal will go out for a period of public submission.

12. Recommendations

That the Council:

1. **Receives** the report.
2. **Notes** the content of the report, including the document titled 'Greater Wellington Proposed Regional Pest Management Plan' (Attachment 3) and other supporting documents (Attachments 1 and 2) to this report.
3. **Resolves** to make the Greater Wellington Proposed Regional Pest Management Plan (the Proposal) in accordance with section 70 of the Biosecurity Act 1993.
4. **Resolves** that it is satisfied that section 70 of the Biosecurity Act 1993 has been complied with in relation to the Greater Wellington Proposed Regional Pest Management Plan (Attachment 1).
5. **Resolves** that it is satisfied of the matters in section 71 of the Biosecurity Act 1993 in relation to the Greater Wellington Proposed Regional Pest Management Plan (Attachment 1).
6. Given that members of the wider public are likely to be affected by the Greater Wellington Proposed Regional Pest Management Plan and that those members may not have been consulted with to date, **resolves** that it is not satisfied that sufficient consultation has been undertaken, pursuant to section 72(4) of the Biosecurity Act 1993.
7. **Directs** that further consultation on the Greater Wellington Proposed Regional Pest Management Plan is undertaken, and that the Greater Wellington Proposed Regional Pest Management Plan is publicly notified on 30 June 2018 for a period of submissions until 27 July 2018, followed by a hearing of submissions received.
8. **Delegates** to the Chair the ability to make minor editorial amendments to the Greater Wellington Proposed Regional Pest Management Plan and supporting documents prior to public notification.
9. **Notes** that a report on the establishment of a hearing panel, the panel's terms of reference, and panel appointments will be submitted to the 16 August 2018 Council meeting.

Report prepared by:

Tim Gale
Biosecurity Policy Advisor

Report approved by:

Davor Bejakovich
Manager, Biosecurity

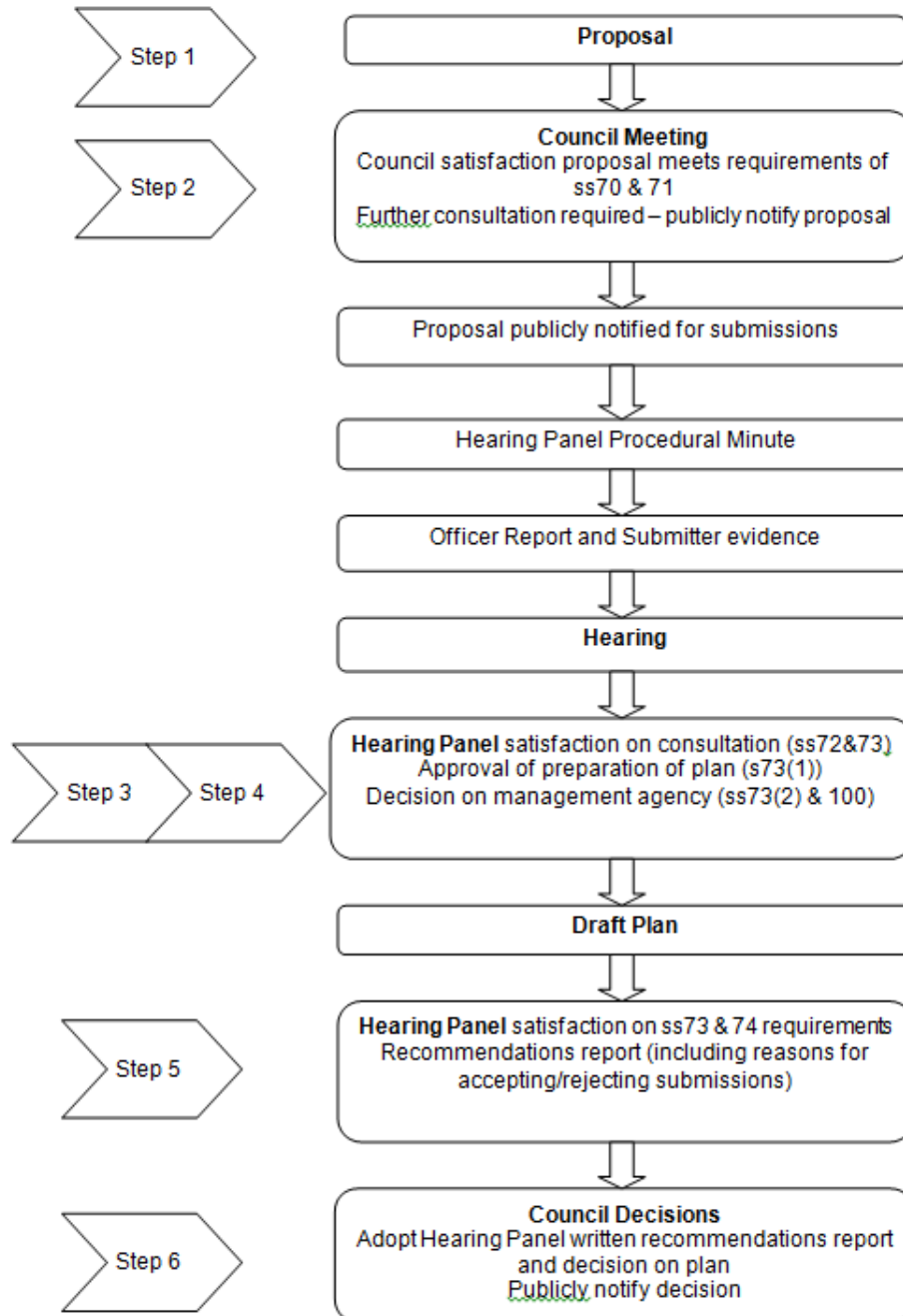
Report approved by:

Wayne O'Donnell
General Manager,
Catchment Management

Attachment 1: Summary of process for making a regional pest management
Attachment 2: An assessment of the proposal for the Greater Wellington Regional Pest Management Plan against the requirements of sections 70 and 71 of the Biosecurity Act 1993.
Attachment 3: Greater Wellington Proposed Regional Pest Management Plan



SUMMARY OF PROCESS FOR MAKING A REGIONAL PEST MANAGEMENT PLAN





AN ASSESSMENT OF THE PROPOSAL FOR THE GREATER WELLINGTON REGIONAL PEST MANAGEMENT PLAN AGAINST THE REQUIREMENTS OF SECTIONS 70 AND 71 OF THE BIOSECURITY ACT 1993

Background and purpose

Greater Wellington Regional Council has prepared a Proposal for the Greater Wellington Regional Pest Management Plan (the Proposal) under the Biosecurity Act 1993 (the Act). Section 70 of the Act outlines matters that must be set out in the Proposal. Section 71 outlines matters the Council must consider and be satisfied with when approving the Proposal. Both sections refer to requirements of the National Policy Direction (NPD).

The purpose of this report is to provide an assessment of the Proposal against the requirements of sections 70 and 71 of the Act. This includes assessment of its consistency with the NPD.

Analysis undertaken

An analysis of the Proposal was undertaken against the relevant parts of the Act and NPD to identify how requirements were met and, where necessary, documented within the Proposal or supporting analysis.

An important component of compliance with the Act is an analysis of the Proposal, including cost benefit analysis and consideration of various funding matters (in a similar manner to a section 32 report on a plan under the Resource Management Act). This analysis was undertaken by Tim Gale (Biosecurity Advisor, Greater Wellington), Greater Wellington Biosecurity team members, and Dr Melissa Hutchinson and prof Jon Sullivan (Wildland Consultants and Lincoln University), and is outlined in the report "Impact Assessment and Cost Benefit Analysis for the Greater Wellington Proposed Regional Pest Management Plan". This report is referred to below as the "CBA Report".

The information contained in the CBA Report is critical to meeting the requirements of the Act and the NPD. The NPD requires that this analysis be made publicly available with the Proposal (see NPD clause 6(5)).

Results of the analysis against the requirements of sections 70 and 71 of the Act are shown in table format below. Each table shows the relevant clauses of sections 70, 71 and the NPD, respectively. For each clause, a description is provided of how the requirements of the Act have been met including a reference to the relevant section of the Proposal or CBA Report. Where necessary, further commentary is given, including whether the Council can be satisfied with matters listed in the Act.

It is noted that there is considerable overlap and repetition within the requirements of sections 70, 71 and the NPD. Consequently, there is repetition in the resulting references and comments within the tables.

Conclusion

It is concluded that the Proposal prepared for formal consultation, together with the supporting analysis, complies with sections 70 and 71 of the Act and the NPD

TABLE 1: SECTION 70: FIRST STEP: PLAN INITIATED BY PROPOSAL

Section 70(c) of the Biosecurity Act 1993 provides that the Proposal must set out the following matters:

Section of Act	Requirement	How it is met in the Proposal? <i>[Relevant section of the Proposal with comment, where needed].</i>
70(2)(a)	The name of the person making the proposal	Section 1.1 states it is proposed by the Greater Wellington Regional Council.
70(2)(b)	The subject of the proposal, which means - (i) the organism proposed to be specified as a pest under the plan or the organisms proposed to be specified as pests under the plan; or (ii) the class or description of organism proposed to be specified as a pest under the plan or the classes or descriptions of organisms proposed to be specified as pests under the plan:	Section 4.1 (organisms declared as pests) and Section 6 (pest descriptions and programmes)
70(2)(c)	For each subject -	
	(i) a description of its adverse effects:	Section 6 describes the adverse effects for each pest.
	(ii) the reasons for proposing a plan: <i>[specific to the pest subject]</i>	The overall reasons for the Proposal are given in section 1.2. These apply to all pests within the Proposal. Section 6 gives a description of adverse effects for each pest which, along with the objective, methods, alternatives considered and the supporting cost benefit analysis provides the reasons for including the pest in the plan.
(iii) the objectives that the plan would have: <i>Clause 4 of the NPD provides directions on setting objectives. An assessment against these directions has been undertaken in</i>	Section 6 outlines the objectives of the Proposal which would be in the plan.	

	<i>accordance with section 71 of the Act as set out in the NPD analysis table below.</i>	
	(iv) the principal measures that would be in the plan to achieve the objectives:	The principal measures to be used in the plan are outlined in section 5.3 of the Proposal and measures to be used for each pest are outlined in Section 6. The principal measures described are broad as the choice of specific tools depends upon specific circumstances such as site characteristics and willingness of landowners to take action.
	(v) other measures that it would be reasonable to take to achieve the objectives, if there are any such measures, and the reasons why the proposed measures are preferable as a means of achieving the objectives:	Section 6. For each objective there is an analysis of alternatives considered, including the proposed measures.
	(vi) the reasons why the plan is more appropriate than relying on voluntary actions:	Section 6 provides explanations of the alternatives considered. This includes the reasons why the Proposal and subsequent plan, is more appropriate than relying on voluntary action.
	(vii) an analysis of the benefits and costs of the plan: <i>Clause 6 of the NPD provides directions on analysing benefits and costs. An assessment against these directions has been undertaken in accordance with section 71 of the Act as set out in the table below.</i>	Section 10.2 outlines that an analysis of the costs and benefits has been undertaken, with the CBA Report providing further detailed analysis of the costs and benefits.
	(viii) the extent to which any persons, or persons of a class or description, are likely to benefit from the plan:	Section 10.3 of the Proposal outlines that expected beneficiaries and exacerbators have been identified. The extent to which they would benefit from the plan or exacerbate the problems addressed by the plan is addressed in the various places, particularly in Section 6 (which describes the effects of each pest). The CBA Report provides a more detailed analysis of costs and benefits.
	(ix) the extent to which any persons, or persons of a class or description, contribute to the creation, continuance, or exacerbation of the problems proposed to be resolved by the plan:	As for (viii) (above).

	(x) the rationale for the proposed allocation of costs: <i>Clause 7 of the NPD provides directions on proposed allocation of costs for pest management plans. An assessment against these directions has been undertaken in accordance with section 71 of the Act as set out in the table below.</i>	Section 10.4 and 10.5 of the Proposal outlines the cost allocation and funding rationale with further detail provided in the CBA Report.
	(xi) if it is proposed that the plan be funded by a levy under section 100L, how the proposed levy satisfies section 100L(5)(d) and what matters will be specified under section 100N(1):	Not Applicable. Funding via a section 100L levy is not proposed.
	(xii) whether any unusual administrative problems or costs are expected in recovering the costs allocated to any of the persons whom the plan would require to pay the costs:	Section 10.5.2 explains that no unusual problems or costs are expected.
70(2)(d)	Any other organism intended to be controlled:	Section 4.2 and Appendix 2 address harmful organisms to be watch-listed for ongoing surveillance or future control activities. Section 4.3 addresses unwanted organisms that are banned from sale, propagation and distribution in accordance with section 52 and 53.
70(2)(e)	The effects that, in the opinion of the person making the proposal, implementation of the plan would have on –	
	(i) economic well-being, the environment, human health, enjoyment of the natural environment, and the relationship between Maori, their culture, and their traditions and their ancestral lands, waters, sites, wahi tapu, and taonga:	Section 7 describes these effects.
	(ii) the marketing overseas of New Zealand products:	Section 7.3 describes these effects.
70(2)(f)	If the plan would affect another pest management plan or a pathway management plan, how it is proposed to co-ordinate the implementation of the plans:	Section 2.3 discusses this. Co-ordination with other pest management plans or pathway management plans and pest control operations undertaken by DOC, OSPRI and Horizons Regional Council will be achieved through consultation, collaboration and communication between Greater Wellington and the relevant agency. Liaison on national pest control

		matters will take place with MPI.
70(2)(g)	The powers in Part 6 that it is proposed to use to implement the plan:	Section 9.1 outlines the powers to be used to implement the plan.
70(2)(h)	Each proposed rule and an explanation of its purpose:	Section 6. All rules are contained and explained in this section.
70(2)(i)	The rules, if any, that are intended to be good neighbour rules:	Not applicable for this proposal as there are no Good Neighbour Rules identified.
70(2)(j)	The rules whose contravention is proposed to be an offence under this Act:	Section 6. Most rules contain a statement that contravention of the rule creates an offence under the Act. Where there is no such statement a breach of that rule does not create an offence under the Act.
70(2)(k)	The management agency:	Section 3.1 of the Proposal states the Greater Wellington Regional Council will be the management agency.
70(2)(l)	The means by which it is proposed to monitor or measure the achievement of the plan's objectives:	Section 8.1 provides details on the proposed monitoring of the objectives and outcomes for each pest.
70(2)(m)	The actions that it is proposed local authorities, local authorities of a specified class or description, or specified local authorities may take to implement the plan, including contributing towards the costs of implementation:	Section 3.1 states that the Greater Wellington Regional Council, as the management agency, will use the measures described in the Proposal, in conjunction with its operational procedures, to implement the Plan. This includes the monitoring and funding actions. Section 3.3.3 and 3.3.5 refer to the requirement for local authorities to control pests on land they occupy and the control of pests in road reserves they occupy.
70(2)(n)	The basis, if any, on which the management agency is to pay compensation for losses incurred as a direct result of the implementation of the plan:	Section 3.2 states that the plan will not provide for compensation to be paid to any persons meeting their obligations through its implementation.
70(2)(o)	Information on the disposal of the proceeds of any receipts arising in the course of implementing the plan:	Section 3.2 states that should net proceeds arise; a disbursement will be paid in accordance with the s100I of the Act.
70(2)(p)	Whether the plan includes portions of road adjoining land it covers, as authorised by section 6, and, if so, the portions of	Section 3.3.5 outlines responsibilities in road reserves and the portions of road to which the plan applies.

	road proposed to be included:	
70(2)(q)	The anticipated costs of implementing the plan:	Section 10, especially 10.5, describes the cost of implementing the Plan.
70(2)(r)	How it is proposed that the costs be funded:	Section 10, especially 10.4 and 10.5, outlines how the Plan will be funded.
70(2)(s)	The period for which it is proposed the plan be in force:	Section 1.4 states that the plan will be in force for 20 years or an earlier date by public notice.
70(2)(t)	The consultation, if any, that has occurred on the proposal and the outcome of it:	Section 2.6 outlines consultation to date in preparing the Proposal. The Proposal itself has been prepared for public consultation and submissions.
70(2)(u)	Any matter that the national policy direction requires to be specified in a plan:	Refer to Section 2.4, Table 1 (pg. 15) regarding compliance with the NPD.
70(2)(v)	The steps that have been taken to comply with the process requirements in the NPD, if there were any.	Refer to Section 2.4, Table 1 (pg. 15) regarding compliance with NPD.

TABLE 2: SECTION 71 SECOND STEP: SATISFACTION ON REQUIREMENTS

Section 71 of the Biosecurity Act 1993 provides that if the Council is satisfied that section 70 has been complied with; the council may take the second step in the making of a plan, which is to consider whether the council is satisfied of the following matters:

Section of Act	Requirement	Can the Council be satisfied?
71(a)	That the Proposal is not inconsistent with -	
	(i) the national policy direction; or <i>The NPD contains the following relevant directions:</i> <i>Clause 4 – Directions on setting objectives</i> <i>Clause 5 – Directions on programme description</i> <i>Clause 6 – Directions on analysing benefits and costs</i> <i>Clause 7 – Directions on proposed allocation of costs for pest management plans</i> <i>Clause 8 – Directions on Good Neighbour Rules</i>	Yes. Section 2.2.1 and 2.4 addresses this, along with the analysis of compliance with the NPD outlined in Table 3.
	(ii) any other pest management plan on the same organism; or	Yes, see Section 2.3 of the Proposal. Neighbouring regions have some pests in their plans or strategies which are not covered in the Proposal. This reflects the nature of each region and is not regarded as an inconsistency. These neighbouring regional pest management plans are also under review. If anything becomes apparent it can be considered through submissions.
	(iii) any pathway management plan; or	NA. There are no applicable pathway management plans.
	(iv) a regional policy statement or regional plan prepared under	Yes, Section 2.2.2 discusses the relationship with RMA plans

	the Resource Management Act 1991; or	and policy statements. There are no known inconsistencies with the Greater Wellington Regional Policy Statement or regional plans. Our pest management activity principally supports Objective 16 of the Regional Policy Statement: “Indigenous ecosystems and habitats with significant biodiversity values are maintained and restored to a healthy functioning state” and Objective 13: “The region’s rivers, lakes and wetlands support healthy functioning ecosystems”. The adverse impacts of pest plants and animals include: loss of native plants and animals, reduced productivity for farming and horticulture, and public nuisance.
	(v) any regulations; and	Yes. 2.3 of the Proposal discusses this. There are no known inconsistencies with any regulations.
71(b)	That, during the development of the proposal, the process requirements for a plan in the national policy direction, if there were any, were complied with; and	Yes, refer to NPD analysis of compliance outlined in Table 3.
71(c)	That the proposal has merit as a means of eradicating or effectively managing the subject of the proposal, which means - (i) the organism proposed to be specified as a pest under the plan or the organisms proposed to be specified as pests under the plan; or (ii) the class or description of organism proposed to be specified as a pests under the plan or the classes or descriptions of organisms proposed to be specified as pests under the plan; and	Yes, the proposal has merit as a means of eradicating or effectively managing the pests in the proposal. Preparation of the Proposal included input and review from pest management experts within and outside the Council. This included discussions with stakeholders, iwi, Crown agencies and neighbouring regional councils. Many of the pests within the Proposal are already managed and reported on within the existing Regional Pest Management Strategy.
71(d)	That each subject is capable of causing at some time an adverse effect on one or more of the following in the region:	Yes, the adverse effects of each subject pest are outlined in Section 6 and the CBA Report.

	<p>(i) economic wellbeing:</p> <p>(ii) the viability of threatened species of organisms:</p> <p>(iii) the survival and distribution of indigenous plants or animals:</p> <p>(iv) the sustainability of natural and developed ecosystems, ecological processes, and biological diversity:</p> <p>(v) soil resources:</p> <p>(vi) water quality:</p> <p>(vii) human health:</p> <p>(viii) social and cultural wellbeing:</p> <p>(ix) the enjoyment of recreational value of the natural environment:</p> <p>(x) the relationship between Maori, their culture, and their traditions and their ancestral lands, waters, sites, wahi tapu, and taonga:</p> <p>(xi) animal welfare; and</p>	
71(e)	That, for each subject, the benefits of the plan would outweigh the costs, after taking account of the likely consequences of inaction or other courses of action; and	Yes, the analysis of costs and benefits is referred to in section 10.2 of the Proposal. The detailed assessment of these matters is contained with the CBA Report in Section 4: Pest management programmes.
71(f)	That, for each subject, persons who are required, as a group, to	Yes. The beneficiaries and exacerbators are referred to in

	meet directly any or all of the costs of implementing the plan - (i) would accrue, as a group, benefits outweighing the cost; or (ii) contribute, as a group, to the creation, continuance, or exacerbation of the problems proposed to be resolved by the plan; and	section 10.3 of the Proposal. The detailed assessment of these matters is contained with the CBA Report in Section 4: Pest management programmes.
71(g)	That, for each subject, there is likely to be adequate funding for the implementation of the plan for the shorter of its proposed duration and 5 years; and	Yes. A funding analysis is set out in section 10 of the Proposal. The costs of implementing the Proposal are outlined in section 10.5 along with proposed funding sources in section 10.4. The Council, as the management agency, would have the authority to rate and amend rates to implement the plan.
71(h)	That each proposed rule -	
	(i) would assist in achieving the plan's objectives; and	Yes. The rules provide an essential regulatory backup to ensure actions taken by landowners, the Council or other parties is effective and efficient. The specific reasons for each rule are provided in the explanations accompanying the rules in Section 6.
	(ii) would not trespass unduly on the rights of individuals; and	Yes. The rules are the same or similar to rules already in place in the Wellington Region and many other areas of New Zealand. The rules in the Proposal have undergone a legal review prior to being presented to Council. There has also been targeted consultation with key parties and the formal public consultation will provide additional opportunities for any affected party to submit on this or other matters prior to the final approval.
71(i)	That the proposal is not frivolous or vexatious; and	The proposal is not frivolous or vexatious.
71(j)	That the proposal is clear enough to be readily understood;	Yes, the Proposal has been carefully drafted and reviewed. It is clear and readily understood.
71(k)	That, if the council rejected a similar proposal within the last three years, new and material information answers the council's objection to the previous proposal.	Not applicable. Council has not considered any similar proposal in the last three years.

TABLE 3: NATIONAL POLICY DIRECTION (NPD) FOR PEST MANAGEMENT 2015

Section 70 of the Biosecurity Act 1993 requires the proposal to set out (among other things):

- (u) any matter that the national policy direction requires to be specified in a plan;
- (v) the steps that have been taken to comply with the process requirements in the national policy direction, if there were any.

Section 71 of the Biosecurity Act 1993 requires the Council to consider whether the council is satisfied that the proposal is not inconsistent with the national policy direction.

Section of the NPD	Requirement	How does this meet the section 70 and 71 requirements/ how this is addressed in the Proposal
4. DIRECTIONS ON SETTING OBJECTIVES - Pest Management Plan		
4(1)	For each subject in a proposal for a pest management plan, or in a pest management plan, the objectives in the plan must:	
4(1) (a)	state the particular adverse effect or effects of the subject on the matters listed in section 54(a) of the Act that the plan addresses; and	The adverse effects of each pest are described in the relevant objectives set out in section 6
4(1)(b)	state the pest management intermediate outcomes that the plan is seeking to achieve, being one or more of the following intermediate outcomes: (i) "exclusion" which means to prevent the establishment of the subject that is present in New Zealand but not yet established in an area; (ii) "eradication" which means to reduce the infestation level of the subject to zero levels in an area in the short to medium term; (iii) "progressive containment" which means to contain or reduce the geographic distribution of the subject to an area over time; (iv) "sustained control" which means to provide for ongoing control of the subject to reduce its impacts and its spread to other properties; (v) "protecting values in places" which means that the subject	All pests are to be managed under programmes which seek to achieve either exclusion, eradication, progressive containment, sustained control or protecting values in places (site-led) outcomes. These outcomes are reflected in the objectives of the Proposal in section 6.

	that is capable of causing damage to a place is excluded or eradicated from that place, or is contained, reduced, or controlled within the place to an extent that protects the values of that place;	
4(1)(c)	for each applicable outcome in sub clause (1)(b)(i) to (iv), specify - (i) the geographic area to which the outcome applies; and (ii) the extent to which the outcome will be achieved (if applicable); and (iii) the period within which the outcome is expected to be achieved; and	(i) The geographic area to which the outcome applies is described in each objective, being either the Wellington Region or a specified area shown on the maps contained in Appendix 3. (ii) The extent to which the outcomes will be achieved under the Proposal, where applicable, are specified within each objective. (iii) The period within which outcomes are expected to be achieved is generally the duration of the plan. Where necessary, the objectives state the outcome to be achieved in the first 10 years as required by 4(1)(f) below.
4(1)(d)	for the outcome in sub clause (1)(b)(v) [“protecting values in places”] (if applicable), specify- (i) one of the following: (A) the geographic area to which the outcome applies (if practicable); or (B) a description of a place to which the outcome applies; or (C) the criteria for defining the place to which the outcome applies; and (ii) the extent to which the outcome will be achieved (if applicable); and (iii) the period within which the outcome is expected to be achieved; and	In each of the objectives that relate to site-led programmes with intermediate outcomes of “protecting values in places”, the relevant geographic area is defined with reference to maps set out in Appendix 3 of the Proposal.

4(1)(e)	In relation to sub clause (1)(d)(i)(B) and (C), if a description or criteria is used to describe places to which an outcome applies, the description or criteria must give sufficient certainty, in the view of the relevant regional council (in the case of regional pest or pathway management plans) or the Minister responsible for the plan (in the case of national pest or pathway management plans), to land owners and occupiers so that they are aware that the outcome applies to them; and	Maps, alongside a description or criteria, are used to describe places and in the view of the regional council give sufficient certainty to land owners and occupiers so that they are aware that the outcome applies to them.
4(1)(f)	if the period within which the pest management intermediate outcome is expected to be achieved is more than 10 years, state what is intended to be achieved in the first 10 years of the plan, or during the current term of the plan prior to next review (as applicable).	Where necessary, 10-year outcomes are provided. In many instances the outcome is on-going and applies year on year (such as preventing the spread of a containment pest).
5. DIRECTIONS ON PROGRAMME DESCRIPTION		
5(1)	<p>For each subject in a pest management plan or pathway management plan, the plan must contain one or more of the following programmes, and may not contain any other types of programmes:</p> <p>(a) "Exclusion Programme" (if applicable) in which the intermediate outcome for the programme is to prevent the establishment of the subject, or an organism being spread by the subject, that is present in New Zealand but not yet established in an area:</p> <p>(b) "Eradication Programme" (if applicable) in which the intermediate outcome for the programme is to reduce the infestation level of the subject, or an organism being spread by the subject, to zero levels in an area in the short to medium term:</p> <p>(c) "Progressive Containment Programme" (if applicable) in</p>	All pests are included within one of these programmes. There are no other programmes proposed.

	<p>which the intermediate outcome for the programme is to contain or reduce the geographic distribution of the subject, or an organism being spread by the subject, to an area over time:</p> <p>(d) "Sustained Control Programme" (if applicable) in which the intermediate outcome for the programme is to provide for ongoing control of the subject, or an organism being spread by the subject, to reduce its impacts on values and spread to other properties:</p> <p>(e) "Site-led Pest Programme" (if applicable) in which the intermediate outcome for the programme is that the subject, or an organism being spread by the subject, that is capable of causing damage to a place is excluded or eradicated from that place, or is contained, reduced, or controlled within the place to an extent that protects the values of that place:</p> <p>(f) for pathway management plans, if none of the programmes in sub clause (a) to (e) are applicable, the plan must contain a "Pathway Programme" in which the intermediate outcome for the programme is to reduce the spread of harmful organisms.</p>	
5(2)	The specific names for programmes as set out in sub clause (1) (a) to (f) must be used as appropriate in all pest management plans and pathway management plans.	The Proposal uses these specific names.
5(3)	The programme selected for a subject in a plan under sub clause (1) must be consistent with the pest management intermediate outcome stated for the subject in the plan under clause 4 of this national policy direction.	The programmes are consistent with the intermediate outcomes under clause (4) (see previous comment on clause 4 above).
6. DIRECTIONS ON ANALYSING BENEFITS AND COSTS		
6(1)	When determining the appropriate level of analysis of the benefits and costs of the plan for each subject for the purposes	The criteria for determining the level of analysis have been applied and are documented in the CBA Report.

	<p>of a proposal for a pest management plan or pathway management plan, a proposer must consider:</p> <p>(a) the level of uncertainty of the impacts of the subject, or an organism being spread by the subject, and of the effectiveness of measures; and</p> <p>(b) the likely significance of the subject, or an organism being spread by the subject, or of the proposed measures, in terms of stakeholder interest and contention, and total costs of the proposed plan; and</p> <p>(c) the likely costs of the programme relative to the likely benefits; and</p> <p>(d) the level of certainty and the quality of the available data.</p>	
6(2)	<p>In the proposal for a pest management plan or pathway management plan, an analysis of the benefits and costs of the plan for each subject must:</p> <p>(a) identify, and quantify (if practicable), the impacts of the proposed subject or an organism being spread by the subject; and</p> <p>(b) identify two or more options for responding to the subject or an organism being spread by the subject (one option must be either taking no action or taking the actions that would be expected in the absence of a plan); and</p> <p>(c) identify, and quantify (if practicable), the benefits of each option; and</p>	<p>The cost benefit analysis for each pest complies with these steps. The details are documented within the CBA Report.</p> <p>In relation to (g), (h) and (i) the risks and, where possible, mitigation measures are described. The quantified benefits and costs have been adjusted to take account of these.</p> <p>The non-quantified benefits and costs have been described. Where quantified costs and benefits indicate a negative net benefit from the programme, the unquantified benefits and costs are described as required to achieve an overall positive net benefit.</p>

	<p>(d) identify, and quantify (if practicable), the costs of each option; and</p> <p>(e) state the assumptions (if any) on which the impacts, benefits and costs are based; and</p> <p>(f) be at an appropriate level of detail as determined in accordance with sub clause (1); and</p> <p>(g) take into account any risks that each option will not achieve its objective;</p> <p>and</p> <p>(h) identify any realistic mitigation options for the risks identified in sub clause (2)(g); and</p> <p>(i) adjust the benefits and costs for each option as appropriate to take account of sub clause (2)(g) and (h); and</p> <p>(j) clearly identify which option is preferred.</p>	
6(3)	<p>When taking into account any risks that each option will not achieve its objective under sub clause (2)(g), a proposer must consider:</p> <p>(a) the technical and operational risks of the option; and</p> <p>(b) the extent to which the option will be implemented and complied with; and</p> <p>(c) the risk that compliance with other legislation will adversely affect implementation of the option; and</p>	<p>This has been done and is documented in the CBA Report for each pest.</p>

	<p>(d) the risk that public or political concerns will adversely affect implementation of the option; and</p> <p>(e) any other material risk.</p>	
6(4)	<p>When taking into account any risks that each option will not achieve its objective under sub clause (2)(g), a proposer must:</p> <p>(a) for analyses where the benefits are fully quantified, either:</p> <p>(i) estimate the residual risks as a probability of success and calculate the expected benefits of the option by multiplying the benefits by the probability of success; or</p> <p>(ii) state the residual risks to the programme and calculate what the probability of success would need to be to make the expected benefits equal the costs; and</p> <p>(b) for all other analyses (where the benefits are not fully quantified):</p> <p>(i) state the residual risks to the programme and, where practicable, give an indication of likelihood and impact; and</p> <p>(ii) specify which of the benefits are most likely to be affected if the risk eventuated.</p>	<p>The analysis of quantifiable benefits has followed the approach described in section 6(4) (a) (i).</p> <p>In relation to section 6(4) (b) the risks to the programme for each pest are documented for both quantified and non-quantified benefits. Where the benefits have not been fully quantified, the benefits are described.</p>
6(5)	<p>The proposer of a pest management plan or pathway management plan must document the assessments made in sub clauses (1), (3) and (4) and make them publicly available with the proposal for a pest or pathway management plan.</p>	<p>The assessments are contained within the CBA Report which must be made available with the Proposal to comply with 6(5).</p>
<p>7. DIRECTIONS ON PROPOSED ALLOCATION OF COSTS FOR PEST AND PATHWAY MANAGEMENT PLANS</p>		

<p>7(1)</p>	<p>If a proposer of a pest or pathway management plan is determining an appropriate grouping of subjects, or organisms being spread by the subject, for cost allocation analysis, the proposer must consider:</p> <p>(a) whether the subjects, or organisms being spread by the subject, have similar groups of beneficiaries and exacerbators; and</p> <p>(b) whether the exacerbators have similar existing legislative responsibilities and rights; and</p> <p>(c) if applicable, whether the organisms in a proposed pest management plan are at a similar stage of infestation and whether the proposer has similar management objectives for the organisms.</p>	<p>For species in the Exclusion category a cost allocation has been undertaken for the group. For all other pest species, the cost allocation has been analysed for each pest individually, rather than grouping subject pests. Refer to the CBA Report for details on each pest.</p>
<p>7(2)</p>	<p>When determining the appropriate cost allocation to be proposed for a pest management plan or pathway management plan, a proposer must:</p> <p>(a) identify and estimate the direct costs of the plan and identify the indirect costs of the plan; and</p> <p>(b) where possible, identify the beneficiaries of the plan; and</p> <p>(c) where possible, identify the active and passive exacerbators; and</p> <p>(d) determine whether the best cost allocation method is to have beneficiaries or exacerbators or a mixture of both bearing the costs of the plan and determine the appropriate cost allocation by considering all of the following matters:</p> <p>(i) the legislative responsibilities and rights of beneficiaries</p>	<p>(a) The direct and indirect costs are shown in the CBA Report for each pest.</p> <p>(b) and (c) The beneficiaries and exacerbators are identified and described in the CBA Report for each pest.</p> <p>(d) All these matters are addressed for each pest within the CBA Report.</p>

	<p>and exacerbators;</p> <p>(ii) the management objectives of the plan and the stage of infestation;</p> <p>(iii) the most effective agents to undertake the control to meet the objectives of the plan;</p> <p>(iv) if proposing that beneficiaries bear any of the costs of the plan, how much each group of beneficiaries will benefit from the plan and whether each group of beneficiaries will benefit more than the amount of costs that it is proposed that it bear;</p> <p>(v) if proposing that exacerbators bear any of the costs of the plan, how much each group of exacerbators is contributing to the problem addressed by the plan;</p> <p>(vi) the degree of urgency to make the plan;</p> <p>(vii) efficiency and effectiveness of the cost allocation method and proposed cost allocation;</p> <p>(viii) practicality of the cost allocation method and proposed cost allocation;</p> <p>(ix) administrative efficiency of the cost allocation method and proposed cost allocation;</p> <p>(x) security of funding of the cost allocation method and proposed cost allocation;</p> <p>(xi) fairness of the cost allocation method and proposed cost</p>	
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	<p>allocation;</p> <p>(xii) whether the proposed cost allocation is reasonable;</p> <p>(xiii) the parties who will bear the indirect costs of the plan;</p> <p>(xiv) the need for any transitional cost allocation arrangements;</p> <p>(xv) the mechanisms available to impose the cost allocation; and</p>	
7(e)	<p>consider what is the best mechanism(s) to impose the cost allocation, taking into account the cost allocation method chosen, the most effective control tools and agents to undertake the control to meet the objectives of the plan, practicality, administrative efficiency, security of funding and any statutory requirements; and</p>	<p>All the matters listed in 7(e) have been considered in choosing the cost allocation mechanism and an overall judgement made as to which is the best mechanism. This is reflected in various parts of the Proposal, including the choice of programme, objective, principal measures and alternatives considered (see section 6 of the Proposal) and the matters contained in section 10 of the Proposal.</p>
7(f)	<p>document the steps and assessments carried out under sub clause (a) to (e) and the rationale for the proposed allocation of costs, and make them publicly available with the proposal for a pest or pathway management plan.</p>	<p>Section 10 of the Proposal outlines the rationale for the proposed allocation of costs. This is supported by the detailed analysis in the CBA Report.</p>
8. DIRECTIONS ON GOOD NEIGHBOUR RULES		
8(1)	<p>Before a rule can be identified as a good neighbour rule in a regional pest management plan, the regional council must be satisfied of the matters in sub clause (a), (c), and (d) and must comply with the requirements in sub clause (b) and (e):</p>	<p>There are no Good Neighbour Rules identified in the Proposal.</p>
	<p>(a) In the absence of the rule, the pest would spread to land that is adjacent or nearby within the life of the plan and would cause unreasonable costs to an occupier of that land.</p>	<p>It is not applicable for this proposal as there were no Good Neighbour Rules identified.</p>
	<p>(b) In determining whether the pest would spread as described</p>	<p>As above.</p>

	<p>in sub clause (a) the regional council must consider the proximity and characteristics of the adjacent or nearby land and the biological characteristics and behaviour of the particular pest.</p>	
	<p>(c) The occupier of the land that is adjacent or nearby, as described in sub clause (a), is taking reasonable measures to manage the pest or its impacts.</p>	<p>As above.</p>
	<p>(d) The rule does not set a requirement on an occupier that is greater than that required to manage the spread of the pest to adjacent or nearby land as described in sub clause (a).</p>	<p>As above.</p>
	<p>(e) In determining the rules to be set to manage the costs to an occupier of land that is adjacent or nearby, of the pest spreading, the regional council must consider:</p> <p>(i) the biological characteristics and behaviour of the particular pest; and</p> <p>(ii) whether the costs of compliance with the rule are reasonable relative to the costs that such an occupier would incur, from the pest spreading, in the absence of a rule.</p>	<p>As above.</p>



Report 18.205
Date 26 June 2018
File CCAB 8-1671

Committee Council
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Predator Free Wellington - proposed governance entity and funding

1. Purpose

This report seeks Council decisions regarding the establishment and funding of a governance entity to implement the Predator Free Wellington Project.

2. Background

The Predator Free Wellington Project (**PFW Project**) including Capital Kiwi, is a visionary project that will create the world's first predator free capital city.

A joint PFW Project Governance Group made up of senior representatives of Wellington City Council (**WCC**), Greater Wellington Regional Council (**GWRC**) and the Next Foundation has identified a recommended governance entity to take the PFW Project forward.

GWRC and WCC are required to approve a new governance entity to enable access to funding from Predator Free 2050 Limited (**PF2050**). If the PF2050 application process is successful, PF2050 funding will be contingent on both GWRC and WCC approving the PFW Project funding proposed in their respective 2018-28 LTPs. Approval by both GWRC and WCC is required before 1 July 2018.

Attachment 1 sets out the recommendations of the Governance Group about the proposed governance entity (including further background about the PFW Project, identification and assessment of possible governance options, key features of the proposed Charitable Company that is the recommended governance option, appointment of initial directors and funding agreements).

3. Appointment of directors

If the Council accepts the recommendation to establish a charitable company “Predator Free Wellington Limited”, Council as a Class B shareholder will have the right to appoint (jointly with WCC) one of three directors or (alone) one of five directors.

It is proposed that five directors will be appointed, meaning that both GWRC and WCC will each be responsible for the appointment of a director.

A report to Council will be provided at a later date to recommend and seek Council approval to the appointment of a person with the required attributes to be appointed as a director and guide the future success of the PFW Project.

Attachment 2 to this report sets out the nature of the skills and attributes that will be relevant to the appointment.

4. Consideration of climate change

The matter/s requiring decisions in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

4.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. Officers recommend that the matter will have a positive effect as the resilience of our natural environment will be enhanced with the sustained removal of these predators.

Officers note that the matter does not affect the Council’s interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI)

4.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matter. Officers recommend that climate change will have an impact, but not a material effect on the matter.

5. The decision-making process and significance

The subject matter of this report is part of a decision-making process that will lead to the Council making a decision of medium significance within the meaning of the Local Government Act 2002.

The proposed Council funding, that is the subject of this report, has been included in the Long Term Plan that was recently consulted on using the special consultative procedure.

The establishment of the proposed governance entity does not require completion of a special consultative procedure because the entity proposed is not a council controlled organisation.

The reasonably practical options considered (together with an assessment of the options) for establishment of a governance entity are set out at Appendix Three to **Attachment 1**.

5.1 Engagement

In accordance with the Significance and Engagement Policy, officers have determined that the appropriate level of engagement is medium. Engagement has been carried out as part of the recent Long Term Plan consultation.

Future engagement plans will be prepared by GWRC and WCC to support the PFW Project and assist the governance entity to maximise community engagement and participation in the PFW Project.

6. Communication

Communication to key stakeholders, PF2050 Limited, Capital Kiwi and the NEXT Foundation regarding the outcome of Council decisions will be managed by the Governance Group.

A communication plan regarding establishment of the new governance entity will be prepared for approval by GWRC, WCC and the NEXT Foundation.

7. Recommendations

That the Council:

1. **Receives the report.**
2. **Notes the contents of the report.**
3. **Agrees that the matters for decision in the report have a medium degree of significance.**
4. **Having regard to both the significance of the matters for decision in the report and the matters in section 79 (2) of the Local Government Act 2002:**
 - a. **Agrees that the extent to which different governance options have been identified and assessed is appropriate.**
 - b. **Agrees that the degree to which advantages and disadvantages have been quantified is appropriate.**
 - c. **Agrees that the extent and detail of the information before the Council is appropriate.**

5. **Agrees** that the Council has sufficient knowledge of the views and preferences of persons likely to be affected by, or have an interest in the matters for decision in this report.
6. **Agrees to:**
 - a. the Council holding up to half (with Wellington City Council holding the other half) of the B Class shares in a charitable company “Predator Free Wellington Limited” established to implement the PFW Project.
 - b. the Class B shares being 49% of the total shares issued.
 - c. the Council funding the charitable company for an initial 5 years commencing with a sum of \$150,000 for FY19, increasing to \$200,000 for FY20 and \$250,000 for each of FY21, FY22 and FY23, subject to the terms and conditions of a funding agreement to be agreed with the company.
7. **Notes** that separate Class A and Class B shares are required to maintain a distinction between the rights of shareholders established for a charitable purpose and those that are not, and by doing so, to ensure that the company will be capable of registration as a charitable entity.
8. **Authorises** the Chief Executive to consider, approve and in the case of b. and c. execute on behalf of the Council:
 - a. the subscription for 2450 Class B shares in “Predator Free Wellington Limited”(Company) for nil issue price,
 - b. a subscription Agreement between Council and the Company, and
 - c. a funding agreement between Council and the Company,

Subject to the Chief Executive being satisfied that:

- d. the Company has adopted a constitution substantially in the form described in this report,
- e. the directors of the Company have resolved to issue the Class B shares to the Council and to enter the Council’s name in the share register,
- f. the number of shares issued by the Company to local authorities will not exceed 49% of all the shares in the Company,
- g. the terms and conditions of the funding agreement between Council and the Company will require the Company to provide sufficient information to Council to enable the performance of the Company to be monitored in accordance with section 65 (1) (a) (c) Local Government Act 2002.

9. *Notes that a further report to Council will seek Council decisions to exercise its right, as a Class B shareholder, to appoint a director.*
10. *Notes that if the number of directors is three, Council will have the right as a Class B shareholder (jointly with Wellington City Council) to appoint one director. If the number of directors is five, Council will have the right, as a Class B shareholder to appoint one of two directors (with the second director to be appointed by Wellington City Council).*
11. *Notes that the Councils will never be able to appoint more than 40% of the directors of the Company.*

Report prepared by:

Linda Going
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Legal and Procurement

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Catchment Management

Attachment 1: Paper prepared by PFW Governance Group

Attachment 2: Skills and attributes relevant to the Councils appointment of a director

Predator Free Wellington – Governance entity and funding arrangements

1. Background

The Predator Free Wellington Project (**PFW Project**) including Capital Kiwi, is a visionary project that will create the world's first predator free capital city. The PFW Project has a total project life of 10 years.

The PFW Project aims to eradicate possums, rats and mustelids in a total area of approximately 30,000ha to enable the following broader outcomes:

- The community of Wellington City, supported by local, regional and national government and partners, embrace and sustain in the long term the transformation of the Wellington project area to a zero predator condition;
- A natural capital city that flourishes with native wildlife and is able to undertake additional translocations of locally extinct fauna into the project area; including our national icon, the kiwi;
- The PFW Project inspires other urban communities and investors to address New Zealand's ecological challenges at landscape scale within urban/rural environments;
- The PFW Project encompasses a broader range of social, economic and cultural outcomes. Importantly, this includes social resilience through participation in collective community action to achieve predator free suburb/city goals.

The initial PFW Project area includes Wellington City, including Miramar Peninsula through to Cape Terawhiti and north to the boundary aligning near to the Porirua City Boundary along State Highway 1 through to Wellington Harbour at Ngauranga (**PFW Project Area**).

The first phase of the PFW Project will focus on the eradication of stoats, weasels and rats on Miramar Peninsula (with possums having previously been eradicated) as a world first in the urban and commercial context. The PFW Project will progress with phased eradication operations across Wellington City until possums, rats, stoats and weasels have been removed from the entire PFW Project Area.

The Capital Kiwi project focuses on the eradication of stoats and will commence on private land in the South Western corner of the Wellington Peninsula. In order to reintroduce kiwi into the broader PFW Project Area the Capital Kiwi project and the PFW Project are committed to working together to achieve shared goals.

It is proposed that the Capital Kiwi project would sit as a work stream under the PFW Project umbrella, as set out at Appendix Two.

A governance group representing the PFW Project and Capital Kiwi submitted a joint RFP to Predator Free 2050 Limited (**PF2050**) in January 2018. If the governance group application to PF2050 is successful, it will provide additional

funding over 5 years with the opportunity to apply for further funding for the PFW Project beyond the first 5 years.

Wellington City Council (**WCC**) and Greater Wellington Regional Council (**GWRC**) have included funding for the PFW Project in their respective draft 2018-28 Long Term Plans (**LTPs**). It is expected that proposed WCC and GWRC funding will be included in the respective LTPs due to be adopted prior to each Council considering this paper.

It is anticipated that NEXT Foundation (and PF2050 subject to a successful application) will agree to fund the initial PFW Project provided:

- the proposed WCC and GWRC funding is confirmed by the adoption of each Council's LTP,
- each of the foundation funders (i.e. GWRC, WCC and NEXT Foundation) can agree on:
 - the legal form of the governance entity that will implement the PFW Project and be the recipient of the funding;
 - the appointment of an initial board (in accordance with the rights of appointment set out in the constitution of the agreed governance entity); and
 - the terms and conditions of the respective funding agreements between the entity and each of the foundation funders.

If all the foundation funders and proposed third party funders agree to proceed, it is expected that a total of approximately \$7,700,000 will be available to the governance entity for the implementation of the PFW Project over the 5 year period from 1 July 2018.

The expected foundation funding for the 5 year period is set out at Appendix One of this paper. The foundation funding proposal provides an overall figure combined across both the PFW Project and the Capital Kiwi project. The foundation partners in the PFW Project and Capital Kiwi project have worked to secure their own funding outside of the joint bid to PF2050 and will be managing their own funding contributions separately.

The PFW Project is currently managed by a Project Governance Group made up of senior representatives of the proposed founding partners, namely WCC, GWRC and the NEXT Foundation.

2. Purpose of this Paper

This paper has been prepared by the Project Governance Group (with the assistance of WCC and GWRC legal) for the purpose of:

- identifying and assessing the possible governance entities to lead and implement the PFW Project
- recommending a preferred governance entity

- setting out the next steps to enable:
 - the foundation funders to establish the governance entity (including appointment of an initial board)
 - the foundation funders to agree to commit funding to the governance entity, and
 - the board of the governance entity to commence oversight and implementation of the PFW Project.

The Council report that accompanies this paper seeks the recommended Council decisions to enable:

- the establishment of “Predator Free Wellington Limited”
- the execution of a funding agreement setting out the terms and conditions upon which the respective GWRC and WCC funding will be made available to “Predator Free Wellington Limited”

3. Executive Summary

This paper sets out:

- A recommendation that the governance entity established to implement the PFW Project is a charitable company “Predator Free Wellington Limited”,
- “Predator Free Wellington Limited” (**Company**) will **not** be a council controlled organisation because the local authorities together will hold less than 50 % of the shares,
- The Company will be established initially by NEXT Foundation, and GWRC and WCC will subsequently subscribe for Class B shares. As Class B shareholders GWRC and WCC will have rights:
 - Jointly to appoint one of 3 directors, or
 - Individually to appoint 2 of 5 directors.
- the provision of funding to the Company by GWRC, WCC and NEXT Foundation (as foundation funders), will be subject to:
 - agreement to establish the Company in the proposed form,
 - any PF2050 funding being confirmed (including the terms and conditions of a funding agreement between PF2050 and the Company), and
 - agreement of terms and conditions of funding agreements between GWRC, WCC, NEXT Foundation and the Company.

4. Identification and assessment of governance options

The Project Governance Group has identified the following attributes that will be critical to the success of the PFW Project:

- (a) Ability to maximise community engagement/ participation
- (b) Ability to be established for a charitable purpose under the Charities Act (to maximise tax benefits and attract philanthropic and charitable donations)
- (c) Ability to independently raise funds and generate income in order not to be solely reliant on the foundation funders
- (d) Ability to manage and maintain the PFW Project for the long term
- (e) Ability to attract people with the required skills / expertise/ passion to oversee and deliver the PFW Project
- (f) Ability to engage with and provide assurance to the foundation funders that the funding will be applied in the expected manner (i.e. the entity and funding structure provides the foundation funders with the appropriate degree of oversight, control and accountability in regard to funding provided to support the PFW Project).
- (g) An appropriately sized / resourced governance entity, reflecting the relatively small level of available funding, meaning:
 - (i) A small board (i.e. a minimum of 3 and a maximum of 5 members) made up of individuals willing to act as directors without payment (or in return for nominal directors fees).
 - (ii) An initial small number of paid staff with a high level of support provided by volunteers.
 - (iii) Suitable premises for staff and assets to be located.
 - (iv) Appropriate arrangements in place to ensure overhead costs are kept to a minimum while ensuring that the entity is equipped to comply with reporting, financial and regulatory requirements.
 - (v) Appropriate resources to apply best practice to the management of health and safety and other risks (including by insurance, where appropriate).
- (h) Capable of owning the necessary assets and /or entering into appropriate contracts for the supply of assets required to support the implementation of the PFW Project.

The following governance entities have been identified as the short listed options capable of satisfying each of the above attributes.

Option	Description	Key features
1.	Charitable Company or Trust in which the Councils hold shares/ appointment rights but is not a CCO.)	WCC and GWRC would: If a Company <ul style="list-style-type: none"> - hold up to a maximum of 49% of the shares - control up to a maximum of 49% of votes at a meeting of shareholders, - hold the right to appoint up to 49% of the directors, or If a Trust <ul style="list-style-type: none"> - hold the right to appoint up to a maximum of 49% of the Trustees
2.	Charitable Company or Trust that is <u>not</u> a CO or a CCO	WCC and GWRC would not hold any : <ul style="list-style-type: none"> - shares (if a Company) - votes at a meeting of shareholders / Trustees - rights to appoint directors / Trustees but would form an Advisory Panel to advise the Board or would appoint liaison officers or observers to advise the Board

Establishing a company or a trust that is a council controlled organisation (CCO) has been considered, but discounted as unfavourable because:

- A company that is a CCO is not able to obtain tax exempt status or to register as a charitable entity under the Charities Act,
- A trust that is a CCO may also have difficulty obtaining tax exempt status and becoming registered as a charitable entity under the Charities Act,
- It is considered that a CCO is less likely to become self- reliant over the longer term due to the perceived extra level of local authority control and the additional obligations placed on a CCO via the Local Government Act 2002 (LGA), and
- A CCO is not the preferred option of the NEXT Foundation.

Using either GWRC or WCC as a lead partner that reports to an agreed Governance Group has also been considered, but discounted due to it not being possible for a local authority to register as a charitable entity and it being considered more difficult for a local authority, as a lead partner, to attract philanthropic funding.

A summary and high level assessment of the full set of options considered is attached at Appendix Three of this paper.

To secure the funding it is important that each of the foundation funders is happy with the legal form of the governance entity. A Charitable Company is the legal form that NEXT Foundation has successfully used for other similar predator free projects. For this reason NEXT Foundation has a preference for a Charitable Company (as opposed to a Charitable Trust).

Using a Charitable Company (i.e. a legal form that is consistent with other NEXT Foundation projects) will initially have some efficiencies in terms of the support functions that can be offered to the company by NEXT’s legal and accounting

service providers. However it is intended that eventually the company will be self-sustaining and independent.

Appendix Four summarises the nature of the other predator free projects that the NEXT Foundation is involved in, including by reference to legal form and the key funding partners involved. In each case the governance entity is a Charitable Company of which NEXT Foundation is the sole shareholder.

The Governance Group has also expressed a desire to ensure that the governance entity (if it is a Charitable Company in which GWRC and WCC hold rights) will appoint directors that have a relevant background or interest in landscape scale pest management projects, financial governance experience, the ability to commit to the project long term, including at least one director to represent iwi interests. The Governance Group believe that due to the level of the proposed GWRC and WCC funding, that GWRC and WCC will expect (at least in the early years of the PFW Project) to have the ability to appoint at least one or two directors to the board of the Charitable Company.

A Charitable Company in which the GWRC and WCC hold up to 49% of the shares and the right to appoint up to 49% of the directors would trigger two obligations for the Councils under the LGA. These are:

- (a) That the relevant local authority is satisfied that any person appointed by the local authority as a director, has in the opinion of the local authority, the skills knowledge, or experience to guide the company, given the nature and scope of its activities, and contribute to the achievement of the objectives of the company (see s 57(2) LGA).
- (b) That the local authority has sufficient information to regularly monitor the performance of the company and evaluate the company's contribution to the achievement of the local authority's objectives for the company and the overall aims and outcomes of the local authority (see s 65 (1) (a) and (c)).

The obligations described above are matters for GWRC and WCC to manage and are not matters that will have any material impact on the day to day operation of the proposed Charitable Company. The information required to enable GWRC and WCC to monitor the company would be provided as a requirement of the funding agreement and is unlikely to be more onerous than the information that any funder would expect to receive.

5. Recommended Option

The Governance Group recommends a Charitable Company that has the following features as the entity that will be responsible to take the Project forward:

Key feature	Recommendation
Name	Predator Free Wellington Limited
Charitable Purpose	To instigate and carry out the Predator Free Wellington Project (PFWP); to achieve a Predator Free Wellington vision realising flourishing nature and promote involvement in and community support of the PFWP; to identify new techniques for predator control; to restore native wildlife in the Project Area, to inspire other communities to take up ecological challenges; and anything

	similar.
Initial Shareholding	100 % of shares held by NEXT Foundation (5,100 Class A shares).
Issue of shares to Councils	Class B shares will be issued to the two Councils. GWRC and WCC would each hold half of the 49% (4,900) Class B shareholding e.g. 2,450 shares each The NEXT Foundation shares would be Class A Council shares would be Class B.
Issue of subsequent shares and / or change in share holding	Requires approval by all shareholders Class A shares can only be issued or transferred to Charitable Entities Class B shares cannot exceed 49% of the total.
Shareholder controls / voting rights	Class B shareholders can appoint no more than 40% of the directors, i.e. 1 of 3 or 2 of 5. Class A shareholder appoints the others directors. Both Classes have the same voting rights. Class A shareholder is entitled to distributions (because it is a tax charity). Class B shareholders are not entitled to distributions.
Shareholder resolutions	Voting would be proportionate to shareholding, one share one vote but one holder of more than one share must vote all their shares the same way.
Number of Directors	3 or 5.
Rights to appoint and remove Directors	As above.
Requirement for appointment of Directors	Relevant skills, knowledge and experience to guide the company and contribute to achievement of the company's charitable purpose, including at least one director to represent iwi interests.
Directors remuneration	Directors can be remunerated but only at reasonable rates and if approved by Ordinary Resolution (which NEXT Foundation could achieve by itself as holder of 51%).
Board quorum for transaction of business	A majority of directors, provided the quorum includes at least one director appointed by each shareholding class. This means that if quorum is 3 of 5 directors, at least one director appointed by either GWRC or WCC and at least one director appointed by NEXT Foundation would need to be present to make up the quorum.
Appointment of Chairperson of the board	A chairperson can be appointed by the Directors.
Voting / Chairperson casting vote	He or she does not have a casting vote.
Rights to distributions	Class A (charitable shareholder) can receive distributions. Class B cannot receive distributions (as local authorities are not charitable entities).
Rights on liquidation or winding up	Any surplus to charitable purposes with an environmental focus in Wellington city.

A summary of the key provisions of the proposed company constitution is attached at Appendix Five this paper.

It is recommended that the Company is initially established by NEXT Foundation, by the issue of the Class A shares and the appointment of an initial board.

The Class B shares would be issued to GWRC and WCC at a later date after:

1. the terms and conditions of the funding agreements between the foundation funders and the company had been agreed,
2. the Councils are satisfied that a Company constitution in the required form has been adopted, and
3. the Councils are in a position to exercise their right to appoint directors.

6. Appointment of the initial directors

It is proposed that 5 directors are appointed. Next Foundation will appoint an initial 3 directors when the company is established. When GWRC and WCC come in as shareholders they will each appoint one director so that there will be a maximum of 2 out of 5 directors appointed by the Councils.

Separate decisions will be sought by the Councils at a later date to confirm approval of the Council appointed directors.

7. Funding Agreements

The company will enter into a funding agreement with each of the foundation funders.

The terms and conditions of the funding agreements are still to be determined. As soon as the Company is established (and the board appointed), the board and the respective funders will agree the terms and conditions of the funding agreements.

It is expected that the funding agreement would record the Councils commitment to provide funding at the following levels for 5 years commencing on 1 July 2018, as described below. The funding agreement will record that the terms and conditions of the Council funding will be reviewed at the end of the initial 5 year term.

	FY 18/19	FY19/20	FY 20/21	FY 21/22	FY 22/23
	Exc GST	Exc GST	Exc GST	Exc GST	Exc GST
WCC	\$150,000	\$200,000	\$250,000	\$250,000	\$250,000
GWRC	\$150,000	\$200,000	\$250,000	\$250,000	\$250,000
Total	\$300,000	\$400,000	\$500,000	\$500,000	\$500,000

As a minimum it is expected that the funding agreement will require the company to provide the Councils with the following information:

Required Information	Time frame
An initial annual business plan for the current financial year and the following two financial years.	Within 2 months of execution of funding agreement
Audited financial statements An annual report containing information necessary to enable an informed assessment of the operations of the Company including: <ul style="list-style-type: none"> i. a comparison of performance with the annual business plan ii. a comparison of performance against any outcomes /outputs recorded in the respective funding agreements iii. an explanation of any material variances between performance and the annual business plan and/or outcomes / outputs recorded in the respective funding agreements. 	Annually, within 3 months after the end of each financial year
An updated annual business plan for the current financial year and the following two financial years.	By the end of April in each financial year

8. Shared Services

To keep the companies overhead costs to a minimum it is proposed that Next Foundation will arrange for the following services to be provided to the company:

- Assisting with legal establishment and charitable registration of the entity;
- Initial business accounting, auditing and financial reporting services.

Appendix One – Proposed Funding

PFW Project and Capital Kiwi - draft funding proposal

Funding proposals	2018/19	2019/20	2020/21	2021/22	2022/2023	Total
Foundation funders						
NEXT Foundation (TBC)	150,000	200,000	250,000	250,000	250,000	1,100,000
WCC LTP Proposal (TBC)	150,000	200,000	250,000	250,000	250,000	1,100,000
GWRC LTP Proposal (TBC)	150,000	200,000	250,000	250,000	250,000	1,100,000
Sub Total	450,000	600,000	750,000	750,000	750,000	3,300,000
Third party funders (TBC)						
PF2050 (TBC)	tbc	tbc	tbc	tbc	tbc	tbc
DoC (TBC - Capital Kiwi)	tbc	tbc	tbc	tbc	tbc	tbc
Private (TBC - Capital Kiwi)	tbc	tbc	tbc	tbc	tbc	tbc
Sub Total (TBC)	899,274	899,274	899,274	899,274	899,274	4,496,237

Total funding proposal

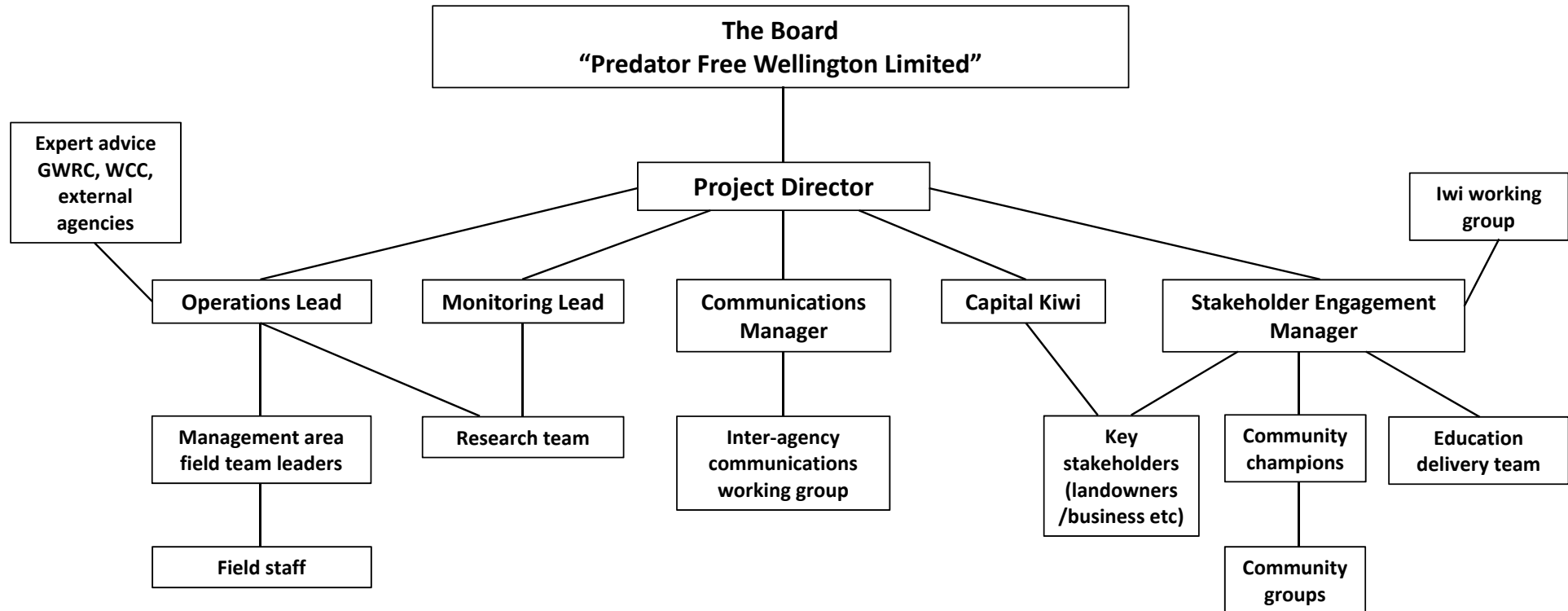
Foundation funders	450,000	600,000	750,000	750,000	750,000	3,300,000
Third party funders (tbc)	899,274	899,274	899,274	899,274	899,274	4,496,237
Grand Total						7,796,237

Additional In Kind Support

	2018/19	2019/20	2020/21	2021/22	2022/2023	Total
WCC existing pest control programme	186,000	186,000	186,000	186,000	186,000	930,000
GWRC KNE and regional possum control programme (Wellington City segment)	100,000	100,000	100,000	100,000	100,000	500,000
Manaaki Whenua (Landcare Research), PFW	100,000	100,000	-	-	-	200,000
Victoria Uni Research, PFW	160,000	160,000	160,000	160,000	-	640,000
Papa Taiao – Curious minds funding, PFW	50,000	50,000	50,000	-	-	150,000
Total in Kind Support	596,000	596,000	496,000	446,000	286,000	2,420,000

Appendix Two – Proposed Project Structure

PROJECT STRUCTURE – PREDATOR FREE WELLINGTON



Appendix Three - summary of Governance Options considered

	Governance entity	Key Features	Ability obtain tax exempt status /Registration as a charitable entity under Charities Act	Ability to oversee Project for long term, be self -reliant and maximise community engagement	Control by Councils?	Employ staff/ attract people with the right skills?	Governance arrangements	Own assets?
1	CCO Company or Trust	<p>WCC and GWRC would:</p> <ul style="list-style-type: none"> - hold 50% or more of votes at meeting of shareholders (if a company) - hold the right to appoint 50% or more of the directors / Trustees 	<p>No</p> <p>Section CW 41 (4) of the Income Tax Act 2007 (ITA) provides that income derived by a CCO (as defined in the ITA) is not exempt income.</p>	<p>Possible but unlikely</p> <p>Difficult as a CCO to attract 3rd party funders</p> <p>GWRC/WCC likely to be viewed as permanent funders</p> <p>May struggle as a CCO to maximise community engagement</p>	<p>Yes</p> <p>WCC/GWRC together would hold 50% or more of votes/ appointment rights</p>	<p>Yes</p>	<p>Special Consultative process required before established</p> <p>Board needs to be appointed/ paid</p> <p>Board appointments in accordance with GWRC/WCC policy for appointment of directors/ trustees and section 57 LGA 2002</p> <p>Reporting requirements as a CCO (required by LGA2002)</p> <p>Funding agreement – terms and conditions to be met</p>	<p>Yes – assets would be owned by the entity</p>
2	Non CCO Company or Trust (established as a CO)	<p>WCC and GWRC would:</p> <ul style="list-style-type: none"> - hold up to a maximum of 49% of the shares - control up to a maximum of 49% of votes at a meeting of shareholders - hold the right to appoint up to a maximum of 49% of the directors / the Trustees 	<p>Yes</p> <p>Income derived would be exempt provided the CO Company / Trust was maintained exclusively for charitable purpose and registered as a charitable entity under the Charities Act 2005.</p> <p>Other tax benefits would be available provided the CO Company is registered as a charitable entity</p>	<p>Yes</p> <p>an independent entity that can be seen as “arms length” from Councils</p>	<p>No</p> <p>GWRC/WCC would hold less than 50% or shares/ rights to appoint</p> <p>Some GWRC/WCC control can be obtained via funding agreement:</p> <ul style="list-style-type: none"> - approval of annual business plan - receipt of audited accounts - regular reporting against key milestones/ deliverables 	<p>Yes</p>	<p>Board needs to be appointed/ paid</p> <p>Board appointments in accordance with GWRC/WCC policy for appointment of directors/ trustees and section 57 LGA 2002</p> <p>Reduced reporting requirements under LGA2002</p> <p>Compliance with obligations under Charities Act 2005</p> <p>Funding Agreement – terms and conditions to be met</p>	<p>Yes – assets would be owned by the entity</p>

3	Company or Trust that is not a CO or a CCO	WCC and GWRC would not hold any : - shares - votes at a meeting of shareholders / Trustees - rights to appoint directors / Trustees	Yes Income derived would be exempt provided the Company / Trust was maintained exclusively for charitable purpose and registered as a charitable entity under the Charities Act 2005 Other tax benefits would be available provided the Company / Trust is registered as a charitable entity	Yes	No Some GWRC/WCC control can be obtained via funding agreement: - approval of annual business plan - receipt of audited accounts - regular reporting against key milestones/ deliverables	Yes	No additional "council specific" governance / reporting obligations Compliance with obligations under Charities Act 2005 Funding Agreement – terms and conditions to be met	Yes – assets would be owned by the entity
4	Predator Free Wellington City Limited (not a CCO or CO) Proposed by NEXT	A company with the following features: - WCC and GWRC would not be shareholders and would not hold rights to appoint directors - Shares could only be held by or issued to organisations established in NZ and maintained exclusively for charitable purposes - WCC, GWRC and NEXT Foundation recorded in the constitution as "Founding Parties" - Directors would be appointed by the shareholders, with the requirement that at least one director represent the interests as NEXT Foundation as one of the Founding Parties - As Founding Parties GWRC and WCC would have the following rights: o WCC and GWRC each entitled to appoint a Senior Stakeholder Adviser to represent their interests o WCC and GWRC each entitled to appoint and remove their Senior Stakeholder Adviser by written notice to the Company o Senior Stakeholder Advisers role defined in the constitution to include the right to attend board	Yes As above Income derived would be exempt provided the Company was maintained exclusively for charitable purpose and registered as a charitable entity under the Charities Act 2005 Other tax benefits would be available provided the company is registered as a charitable entity	Yes	No Some GWRC/WCC control can be obtained via funding agreement: - approval of annual business plan - receipt of audited accounts - regular reporting against key milestones/ deliverables	Yes	Compliance with obligations under Charities Act 2005 Funding Agreement – terms and conditions to be met	Yes – assets would be owned by entity

		<p>meetings, be consulted by the board on certain issues, and to represent the interests of GWRC and WCC</p> <ul style="list-style-type: none"> ○ The Quorum at a meeting of the Board requires at least two persons (which can include the director appointed to represent the interests of Next Foundation and one or both of the Senior Stakeholder Advisers) to represent the interests of at least 2 of the 3 Founding Parties. 						
5	WCC or GWRC acts as lead partner reporting to an agreed Governance Group	Governance group oversees Project	<p>Yes - Income Tax Exempt (as local authorities)</p> <p>No – not possible to register as a Charitable Entity</p>	<p>Difficult to attract third party funding</p> <p>Longevity less likely given not an independent entity</p> <p>Risk of absorption into lead partner's organisation</p>	Yes – one council will be the lead partner, the other parties will exercise control via funding agreement	Yes – but staff would be employed by lead local authority	Minimal – as per funding agreement	Assets owned by lead partner

Appendix Four – Other Predator Free projects that NEXT is involved in

Taranaki Mounga Project Limited - charitable company 100% owned by NEXT Foundation. NEXT Foundation appoints the Board, including an iwi-nominated iwi-representative Director and an independent Chair. Funders and partnerships were convened, led and negotiated by NEXT Foundation. Funding is contributed by the Department of Conservation (DOC), NEXT Foundation, three private enterprises, other philanthropists and research institutes/universities that have made in-kind contributions. DOC appoints a Senior Liaison Officer to represent its interests. The Senior Liaison Officer must have sufficient seniority to commit DOC to the annual plans and strategies. The Senior Liaison Officer can attend board meetings but does not have a vote, and other funders can have observers at those meetings. The obligations owed by NEXT Foundation and DOC to each other and to the Project are set out in a Funding Agreement, as they are with each funder separately.

Zero Invasive Predators Limited - a charitable company 100% owned by NEXT Foundation and with NEXT Foundation appointing the Board. It has a number of other funders at different stages such as six dairy companies and other philanthropists. DOC is a founding partner with a Senior Liaison Officer who can attend Board meetings.

Project Janszoon Trust - a charitable company with a corporate trustee that is 100% owned by NEXT Foundation, with NEXT Foundation appointing the Board. No other funders contribute at any significant level at this time.

Note: that in all of these models, no Director or Senior Liaison Officer is remunerated apart from the independent Chair of Janszoon who receives a modest amount.

Appendix Five – Summary of key provisions of company constitution

The Company must carry on its activities for the charitable purposes listed and the Company's capacity is restricted to those.

Shares issued initially will be 5100 Class A shares. 4900 Class B shares will be issued subsequently, half to each Council. All shares carry right to vote on amendment of constitution, and putting the company into liquidation. One share one vote but one holder can only vote one way. Class B shareholders can appoint one director if there are fewer than five in total or two if there are five.

Board can authorise distributions on Class A shares provided the holder is a tax charity.

Shares cannot be transferred without the consent of all shareholders. (This would traditionally be in a Shareholders' Agreement – could be in the Funding Agreement)

Shareholders must have annual meetings.

Number of directors shall be three or five. If the numbers drop to below those levels the relevant shareholders must appoint a replacement as soon as possible.

The board manages the Company.

Directors must disclose their interests and cannot vote, but may be involved in discussion.

Directors may be remunerated if shareholders agree by majority vote. It must be reasonable.

No director or related party (i.e. relative or related organisation) can receive any kind of benefit if they were in a position to manipulate it. This is a tax issue and only relates to income gained from a business.

Individuals cannot make a profit from the Company unless it is payment for services, reimbursement of expenses, reasonable remuneration, or remuneration from a related company.

Directors may not appoint alternates.

Directors can be insured and/or indemnified.

On wind up any surplus (including any intellectual property) goes to charitable purposes.

Attachment Two: Skills and attributes relevant to appointment of a Director

1. Council Policy

Council has a policy on the appointment and remuneration of directors to council organisations (adopted 11 May 2016). The purpose of the policy is to set out (in accordance with section 57 (1) of the LGA), an objective and transparent process for:

- The identification and consideration of the skills, knowledge and experience required of directors of council organisations,
- The appointment of directors to council organisations, and
- The remuneration of directors to council organisations.

The policy focuses is on the appointment of directors to council controlled organisations (CCOs), however it sets out the following general principles relevant to all director appointments.

The policy states that in all cases the Council will appoint a person who the Council considers shows the following:

- The skills, knowledge and experience needed to undertake the relevant role
- Sound judgement
- A high standard of personal integrity
- An ability to devote time and attention to the entity
- An understanding of governance requirements for the type of organisation concerned

The policy requires that consideration will also be given to the broader business interests of potential directors to ensure any conflicts of interest are declared and appropriately managed.

2. Process

The Policy sets out a process to be followed in appointing directors to CCO's. Although not strictly applicable to the appointment of a director to a CO, the process will guide the steps to be taken to identify and assess potential candidates for appointment as a director of Predator Free Wellington Limited.

The process is as follows:

- Person specification prepared identifying skills, knowledge and experience required for director position
- Candidates identified
- Assessment of candidates and shortlisting
- Nominations Evaluation Group interviews and makes recommendation(s)
- Council makes appointment

3. Person Specification

The following are the proposed key qualities and attributes that will be used to guide preparation of the person specification:

1. understanding of and commitment to the advancement of the PFW charitable purpose;
2. relevant experience / background in landscape scale pest management projects;
3. ability to maximise community engagement and participation;
4. financial governance experience including an understanding of the governance requirements relevant to a charitable entity that is the recipient of public funds;
5. experience in the governance of charitable entities, including fund raising and the generation of income from sources other than local authorities or government funders;
6. ability to contribute to ensuring that PFW is established, managed and maintained for the long term;
7. ability to devote time and energy to PFW for limited or nil remuneration;
8. sound judgement and a high standard of personal integrity.

Officers will ensure that the final specification is agreed with WCC representatives prior to being finalised.



Report 18.260
Date 18 June 2018
File CCAB-8-1668

Committee Council
Author Francis Ryan, Manager, Democratic Services

Proposed travel by Chairperson to Australia

1. Purpose

For the Council to authorise the Council Chair's travel to Australia to attend the LGNZ Regional Sector Study Tour – Murray Darling Basin from 7 to 11 October 2018. The study tour will look at the reform of water management in Australia over the last 15 to 20 years.

2. Background

The Chair has been invited to attend the LGNZ Regional Sector Study Tour – Murray Darling Basin. The tour will commence in Canberra and finish in Melbourne. It will include meetings with:

- Department of Agriculture and Water Resources (has oversight of Murray Darling Basin Plan)
- Australian Bureau of Agricultural and Resource Economics and Services (undertakes modelling and analysis of, water policy, the implementation of the Murray Darling Basin Plan, data on water trading, irrigation technologies)
- Commonwealth Environmental Water Office (manages water entitlements with the aim of improving the environmental quality of rivers floodplains and wetlands)
- Goulburn Murray Water (manages Victoria's stored water resources, underground water supplies and is Australia's largest irrigation delivery network)
- Department of Environment, Land, Water & Planning (has oversight of Victorian planning, climate change and environment initiatives)
- Water Victoria (Victorian Water Register)

The Study Tour will include Albury and a visit to the Hume Dam, and meetings with farmers and stakeholder groups to hear their perspectives of the water reforms.

3. Comment

Under the Council's Policy on Elected Member's Allowances and Expenses 2017 this overseas travel requires Council approval.

The estimated tour and travel costs are as follows:

- Approximately \$2,000 for the tour itself, which includes accommodation, meals and transfers.
- Approximately \$1,000 for airfares from Wellington to Canberra and Melbourne to Wellington.

4. Communication

LGNZ will be advised of the Council's decision on the Chair's attendance.

5. Consideration of climate change

The matter requiring decision in this report has been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

5.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. Officers recommend that the matter will have no effect. Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI).

5.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matter. Officers recommend that climate change has no bearing on the matter.

6. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

6.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

6.2 Engagement

In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves the Council Chair's travel to Australia to attend the Regional Sector Study Tour – Murray Darling Basin from 7 to 11 October 2018.*

Report prepared by:

Francis Ryan
Manager, Democratic Services

Report approved by:

Luke Troy
General Manager, Strategy



Report 18.264
Date 19 June 2018
File CCAB 8-1674

Committee Council
Author Luke Troy, General Manager, Strategy

Report on the Regional Transport Committee meeting, 19 June 2018

1. Purpose

To inform the Council of the Regional Transport Committee (the Committee) meeting of 19 June 2018

2. Public participation

There was no public participation.

3. Action items from this Regional Transport Committee meeting

The action item from the 19 May 2018 meeting has been completed, with a letter having been sent to the NZTA Chair from the Committee Chair regarding the Petone to Grenada Link Road and Melling Interchange (Riverlink) projects.

4. Let's Get Wellington Moving Programme update

Luke Troy, General Manager, Strategy provided an update to the Committee. A survey had been commissioned to supplement feedback from submissions. Approximately 2000 responses have been received; there was strong support for many key interventions but opposition to congestion pricing. Council decisions on the recommended programme have been deferred until August to allow time for ministerial and Cabinet consideration.

5. NZTA Update

Emma Speight, Director Regional Relationships (Lower North Island), NZTA updated the Committee on the development of the National Land Transport Programme. She indicated that there is currently insufficient funding for all the state highway projects in the programme and some choices will have to be made to priority and timing. Petone to Grenada Link Road is being re-evaluated against the GPS and this is expected to be completed within the next two months.

6. Regional Land Transport Plan 2015 mid-term review recommended final RLTP variation, report 18.204

Helen Chapman, Senior Transport Planner, introduced the report.

A list of the significant activities, divided into three priority bands was agreed at the May meeting and was confirmed at this meeting.

The Update report and revised programme will go to Council on June 26 and following approval will be submitted to NZTA.

It was noted that the Wairarapa Councils have requested NZTA to reconsider the timing of the SH2 Featherston to Masterton safe system and resilience transformation.

6.1 Engagement

Engagement on this matter is unnecessary.

7. Recommendations

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

Luke Troy
General Manager, Strategy

Report approved by:

Barbara Donaldson
Chair, Regional Transport
Committee



Report 18.267
Date 20 June 2018
File CCAB-8-1679

Committee Council
Author Luke Troy, General Manager, Strategy

Report on the Wellington Regional Strategy Committee meeting of 19 June 2018

1. Purpose

To inform Council of the Wellington Regional Strategy Committee meeting of 19 June 2018.

2. Reports

2.1 WREDA Third Quarter Report 2017/18

Peter Biggs, Chair, and Lance Walker, Chief Executive, Wellington Regional Economic Development Agency (WREDA), gave a presentation to the Committee with highlights from the third quarter, including 167 regional businesses receiving growth development grants and funding, a record number of successful event bids, Wellington topping Deutsche Bank's list of the world's ten most liveable cities. Six of the top ten creative areas in New Zealand, according to the latest Infometrics Creativity Index, are located within the Wellington Region.

2.2 WREDA Final Statement of Intent 2018-21

Lance Walker, Chief Executive, WREDA, spoke to the final statement of intent.

The Committee noted that climate change needed to be addressed both as a risk and an opportunity in the SOI.

2.3 Māori Economy Report

Dr Ganesh Nana, Chief Economist, Business and Economic Research Limited (BERL), gave a presentation to the Committee indicating a snapshot of the Māori economy.

Dr Ganesh Nana gave a broad definition of the Māori economy, and highlighted population, workforce and qualification statistics to the Committee.

The Committee noted that it was essential that this work proceed to the next step and that this would be discussed with Ara Tahi at their next meeting.

2.4 Wellington Regional Investment Plan

Luke Troy, General Manager, Strategy, introduced Geoff Henley, Partner, Henley Hutchings, to the Committee.

Geoff Henley gave a presentation to the Committee regarding progress with the Wellington Regional Investment Plan and Wairarapa Economic Development Strategy including the proposed regional story, advice from recent contact with central government officials, and overviews of the key themes from both Wairarapa and the region. The Committee discussed their role in finalising the Plan.

3. Consideration of climate change

The matters addressed in this report are of a procedural nature, and there is no need to conduct a climate change assessment.

4. The decision-making process and significance

No decision is being sought in this report.

4.1 Engagement

Engagement on this matter is unnecessary.

5. Recommendations

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

Luke Troy
General Manager, Strategy

Report approved by:

Cr Roger Blakeley
Deputy Chair, Wellington
Regional Strategy Committee

Exclusion of the public

Report 18.272

That the Council:

Excludes the public from the following part of the proceedings of this meeting namely:

- 1. Confirmation of the Public Excluded minutes of 14 June 2018*
- 2. Property purchase – Lower Hutt*
- 3. Procurement of ferry services under PTOM*

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

<i>General subject of each matter to be considered:</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground under section 48(1) for the passing of this resolution</i>
<i>1. Confirmation of the Public Excluded minutes of 14 June 2018.</i>	<i>The information in these minutes relates to appointments to the Wellington Regional Stadium Trust and an application for a rates remission. Release of this information would prejudice the rates remission applicant’s privacy by disclosing the fact that they have requested a rates remission for their property. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the individual concerned. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.</i>	<i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under sections 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).</i>
<i>2. Property purchase Lower Hutt.</i>	<i>This report outlines terms of the proposed acquisition offer which is still subject to negotiation and acceptance. Having this part of the meeting open to the public would disadvantage Greater Wellington</i>	<i>That the public conduct of the whole or relevant part of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under</i>

Regional Council if further negotiations were to take place as it would reveal Greater Wellington Regional Council's negotiation strategy. Greater Wellington Regional Council has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.

section 7(2)(i) of the Act (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the ability of GWRC to carry on negotiations.)

3. Procurement of Ferry Services under PTOM.

Information contained in this report relates to future ferry service procurement and contracting in the Wellington Region. Release of this information would be likely to prejudice or disadvantage the ability of GWRC to carry on negotiations, and affect the probity of the ferry services procurement process. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the need to withhold the information.

That the public conduct of the whole or relevant part of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the ability of GWRC to carry on negotiations)