Greater Wellington
Te Pane Matua Taiao

If calling, please ask for Democratic Services

Long Term Plan Committee

Tuesday 14 March 2024, 9.30am

Taumata Kōrero, Council Chamber, Greater Wellington Regional Council,
100 Cuba St, Te Aro, Wellington

Quorum: *50 percent of regional councilors and 50 percent of mana whenua members*

Members

Councillors

Cr Ponter (Chair)

Cr Bassett	Cr Connelly
Cr Duthie	Cr Gaylor
Cr Kirk-Burnnand	Cr Laban
Cr Lee	Cr Nash
Cr Ropata	Cr Saw
Cr Staples	Cr Woolf

Mana Whenua

Amber Craig	Rangitāne o Wairarapa Inc
Denise Hapeta	Ngā Hapū o Ōtaki
Frank Hippolite	Ātiawa ki Whakarongotai Charitable Trust
Anahera Nin	Te Rūnanga Toa Rangatira Inc
Rawiri Smith	Ngāti Kahungunu ki Wairarapa Charitable Trust
Benjamin Wynyard-Terry	Port Nicholson Block Settlement Trust

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

Long Term Plan Committee (A Committee of the Whole)

1 Purpose

Develop and approve Greater Wellington's 2024–34 Long Term Plan Consultation Document and Supporting Information and recommend a final Long Term Plan to Council for adoption.

2 Specific responsibilities

2.1 Apply Council's Te Tiriti o Waitangi principles when conducting the Committee's business and making decisions.

2.2 Develop priorities and a strategic framework to guide Council's activities and services.

2.3 Approve the 2024–34 Long Term Plan Consultation Document and Supporting Information, including the 30-year Infrastructure Strategy and 10-year Financial Strategy.

2.4 Oversee consultation on the 2024–34 Long Term Plan Consultation Document and Supporting Information under sections 83 and 93A of the Local Government Act 2002 (the Act), including hearing submissions and deliberations.

2.5 Recommend to Council a final 2024–34 Long Term Plan for adoption, including the Annual Plan and rates for 2024–25.

3 Members

3.1 All Councillors.

3.2 Six mana whenua members, each appointed by Council for their skills, attributes or knowledge that will assist the work of the Long Term Plan Committee.

3.3 In making appointments under section 3.2, Council will have regard to the recommendation of each of the six iwi authorities that are signatories to the Memorandum of Partnership 2013 between Te Tangata Whenua ki Te Upoko o te Ika a Māui and Wellington Regional Council Te Pane Matua Taiao.

4 Alternate members and rangatahi observers

4.1 The six iwi authorities may each nominate an alternate mana whenua member (with the skills, attributes or knowledge that will assist the work of the Long Term Plan Committee) for appointment by Council.

4.2 The Committee allows a rangatahi observer from each of the six iwi authorities.

5 Chair

Council must appoint, from its representatives, the Chair.

6 Speaking rights and voting entitlement

6.1 All members of the Committee have full speaking rights and voting entitlements.

6.2 If an appointed mana whenua member is unable to attend a Committee meeting, their alternate member may sit at the table, speak and vote in their place.

6.3 Rangatahi observers may speak, but may not sit at the table or vote.

7 Quorum

At least 50 percent of Councillors and 50 percent of the mana whenua members.

8 Remuneration and expenses

8.1 Each mana whenua member is eligible to receive an annual taxable honorarium of $6,000 (in addition to Greater Wellington's standard daily meeting attendance allowances and expenses).

8.2 Each alternate member is eligible to receive Greater Wellington's standard daily meeting attendance allowances and expenses.

9 Delegations

Council delegates to the Long Term Plan Committee all the powers, functions and duties necessary to carry out the Committee's purpose.

10 Duration of the Committee

The Long Term Plan Committee is discharged on Council's adoption of Greater Wellington's 2024–34 Long Term Plan.

11 Special terms of reference

In exercising its specific responsibilities under section 2, the Committee and all its members must apply the Act's purpose and principles, and Council's *Significance and Engagement* Policy, to its decision-making and recommendations.

Long Term Plan Committee

Tuesday 14 March, 9.30am

Taumata Kōrero - Council Chamber, Greater Wellington Regional Council
100 Cuba St, Te Aro, Wellington

Public Business

No.	Item	Report	Page
1.	Apologies		
2.	Conflict of interest declarations		
3.	Public participation		
4	Confirmation of the Public minutes of the Long Term Plan Committee meeting on 1 August 2023	23.536	5
4.	Adoption of the Consultation Material for the 2024-34 Long Term Plan	24.110	8

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Please note these minutes remain unconfirmed until the Long Term Plan Committee meeting on 14 March 2024.

Report 23.356

Public minutes of the Long Term Plan Committee meeting on Tuesday 1 August 2023

Taumata Kōrero – Council Chambers, Greater Wellington Regional Council
100 Cuba Street, Te Aro, Wellington, at 3.15pm.

Members Present

Councillors
Councillor Ponter (Chair)
Councillor Bassett
Councillor Connelly
Councillor Duthie
Councillor Kirk-Burnnand
Councillor Laban (from 3.21pm)
Councillor Lee
Councillor Nash
Councillor Ropata
Councillor Saw (from 3.16pm)
Councillor Staples

Mana Whenua

Amber Craig	Rangitāne o Wairarapa Inc
Denise Hapeta	Ngā Hapū o Ōtaki
Anahera Nin	Te Rūnanga o Toa Rangatira Inc
Rawiri Smith	Ngāti Kahungunu ki Wairarapa Charitable Trust
Benjamin Wynyard-Terry (from 3.39pm)	Port Nicholson Block Settlement Trust

Councillors Laban and Saw, Rawiri Smith and Benjamin Wynyard-Terry participated at this meeting remotely via Microsoft Teams, and counted for the purpose of quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.

Public Business

1 Apologies

Moved: Cr Staples / Cr Nash

That the Committee accepts the apology for absence from Councillor Gaylor and the apologies for lateness from Councillor Laban and Benjamin Wynyard-Terry.

The motion was **carried.**

2 Declarations of conflicts of interest

There were no declarations of conflicts of interest.

3 Public participation

There was no public participation.

4 Strategic Framework for the 2024-34 Long Term Plan – Report 23.340

Zofia Miliszewska, Head of Strategy and Performance, and Gemma Robinson, Senior Strategic Advisor, spoke to the report.

Moved: Cr Nash / Rawiri Smith

That the Committee:

1 Agrees in principle to the proposed Long Term Plan Strategic Framework as an internal planning tool for the 2024-34 Long Term Plan (as outlined in Attachment 1) subject to the following changes:

   a The focus area regarding mana whenua partnerships to read "Active mana whenua partnerships and participation for improved outcomes for Māori."

   b The focus area regarding access to services to read "Improved access to services and equity of outcomes through participation with communities."

2 Notes that there will be further iterations (living document) to the proposed Long Term Plan Strategic Framework as the development of the 2024-34 Long Term Plan progresses.

3 Agrees in principle to the group of activities for the 2024-34 Long Term Plan.

The motion was **carried**.

Noted: The Committee noted that Benjamin Wynyard-Terry was not able to fully participate in the above discussion due to a Greater Wellington administrative error.

Councillor Saw joined the meeting via MS Teams at 3.16pm, during the introduction of the above item.

Councillor Laban joined the meeting via MS Teams at 3.21pm, during questions on the above item.

Benjamin Wynyard-Terry joined the meeting via MS Teams at 3.39pm, during questions of the above item.

Karakia whakamutunga

The Committee Chair invited closed the meeting with a karakia whakamutunga.

The public meeting closed at 3.49pm.

Councillor D Ponter

Chair

Date:

5

Long Term Plan Committee
14 March 2024
Report 24.110

For Decision

ADOPTION OF THE CONSULTATION MATERIAL FOR THE 2024-34 LONG TERM PLAN

Te take mō te pūrongo
Purpose

1. For the Long Term Plan Committee (the Committee) to adopt the Supporting Information (SI) and Consultation Document (CD) for Greater Wellington Regional Council's 2024-34 Long Term Plan Public Consultation.

He tūtohu
Recommendations

That the Committee:

1 **Adopts** the Supporting Information documents (Attachment 1) for consultation purposes for the 2024-34 Long Term Plan in accordance with section 93G of the Local Government Act 2002.

2 **Adopts** the Consultation Document (Attachment 2) for consultation purposes for the 2024-34 Long Term Plan in accordance with section 83(1)(a)(i) and 93A of the Local Government Act 2002.

3 **Authorises** the Council Chief Executive to make minor editorial changes to the Supporting Information (Attachment 1) and Consultation Document (Attachment 2) prior to publication.

4 **Agrees** to the public consultation period being from 18 March to 22 April 2024.

5 **Delegates** to the following officers the authority to hear and transcribe verbal submissions on the 2024-34 Long Term Plan:

   a Angela Christie – Kaiārahi Whakamahere Kaupapa Rangatōpū | Project Lead Corporate Planning;

   b Christina Underhill – Kaitohutohu | Advisor Corporate Planning and Reporting; and

   c Zofia Miliszewska – Kaiwhakahaere Matua | Head of Strategy and Performance.

6 **Notes** that Audit New Zealand will provide their audit opinion on the Consultation Document at the 14 March 2024 Long Term Plan Committee Meeting, and the opinion will be added to the Consultation Document following the meeting.

Te horopaki
Context

2. The Local Government Act 2002 (LGA) requires Council to develop a Long Term Plan (LTP). This is a 10-year plan that is updated every three years and incorporates the Annual Plan for the first year.

3. The purpose of the LTP (as defined in section 93(6) of the LGA) is to:

   a Describe the activities of the local authority;

   b Describe the community outcomes of the local authority's district or region;

   c Provide integrated decision-making and co-ordination of the resources of the local authority;

   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.

4. In December 2022 Council established the Long Term Plan Committee (the Committee) and delegated all aspects of the preparation of the LTP to the Committee, including approving the 2024-34 Long Term Plan Consultation Document and Supporting information. In accordance with the requirements of the LGA, Council cannot delegate the responsibility for adopting the final LTP. (Report 22.487 – Establishment of the Long Term Plan Committee).

5. The LGA section six states the obligations of local authorities in relation to the involvement of Māori in the decision-making process. As part of a new way of active partnership, Council's Long Term Plan Committee was established comprising of all 13 Councillors and six mana whenua representatives – one from each of our six mana whenua partner entities and the provision of an alternate for each.

   a This initiative enables mana whenua representatives to, for the first time, input directly into the decision-making process and development of the LTP as full committee members.

   b A provision was also made for rangatahi observers to attend from each partner organisation.

6. The Committee has been through a highly collaborative process over the past 12 months to develop the LTP strategic framework and priorities; 30-year infrastructure strategy; 10-year financial strategy; review and agree the assumptions and performance measures; and to agree the draft budget and work programme.

7. In accordance with section 93(2) of the LGA, Council must use the special consultative procedure in adopting a LTP. This means a Consultation Document (CD) must be prepared and a public consultation undertaken.

8. The purpose of the CD, in accordance with section 93B of the LGA, is to provide an effective basis for public participation in decision making processes by:

   a Providing a fair representation of the matters that are proposed for inclusion in the LTP, and presenting these in a way that can be readily understood and explains the overall objectives of the proposals, and how rates, debt, and levels of service might be impacted;

b Identifying and explaining significant and other important issues and choice facing the Council, and the consequences of those choices;

c Informing discussions between the Council and its communities about these matters.

9. Council approved the draft Revenue and Financing Policy for public consultation at its meeting on 29 February 2024 (2024 Draft Revenue and Financing Policy – Report 24.58.) This is a supporting policy to the Long Term Plan and will be consulted on over the same period as the LTP consultation.

Te tātaritanga
Analysis

Supporting Information

10. The Supporting Information (SI) has been prepared to support the content of the CD. Section 93C(3)(b)(i) of the LGA states that a CD must not contain, or have attached to it, a draft LTP, so the SI is a collection of key information that provides more context to the matters covered in the CD.

11. For the 2024-34 LTP consultation, the SI is provided in the form of several discrete documents, and links to documents which are already publicly available on Greater Wellington's website. This will ensure the community has access to additional information they may require to respond to the options proposed, and enable the Council to develop the LTP document after it has received submissions from the wider community. For the ease of adoption, these various documents have been brought together into **Attachment 1** and will be separated out once published with the CD.

12. In accordance with section 93G of the LGA, the SI must be adopted by the LTP Committee (as delegated by Council through the Committee Terms of Reference – see paragraph 4 above) before adopting the CD.

13. The SI (**Attachment 1**) includes:

a our LTP strategic framework;

b Te Whāriki – our mana whenua and Māori Outcomes Framework;

c our assumptions and budgets for the next 10 years;

d our draft Financial and Infrastructure Strategies; and

e the statements of service performance and financial information in the Funding Impact Statements for our Activity Groups, which include non-financial performance measures and key projects and programmes to be delivered over the next 10 years.

The LTP Strategic Framework

14. The LTP Strategic Framework creates clarity through Council's complex operating environment, which is informed by numerous strategies, plans, legislative obligations, committed contracts, and multi-agency commitments.

15. It helps to provide clear long-term and short-term focussed direction to the LTP development process and enables planning in an integrated and cohesive way.

16. Alongside the Financial and Infrastructure Strategies, the LTP Strategic Framework provides critical overarching strategic direction to support the organisation's planning process to achieve a clear and deliverable work programme – supporting budgets, and defining levels of service, and non-financial performance measures. The proposed LTP Strategic Framework was endorsed by the LTP Committee in on 1 August 2023 (Strategic Framework for the 2024-34 Long Term Plan – Report 23.340).

Te Whāriki – our Mana Whenua and Māori Outcomes Framework

17. Mana whenua have recognised roles and responsibilities as kaitiaki of the natural resources of their rohe. Greater Wellington works with our partners to achieve our dual roles of sustainably managing and protecting natural resources for the benefit of current and future generations.

18. Te Whāriki, our mana whenua and Māori outcomes framework, was developed during the preparation of the 2021-31 Long Term Plan to enable Council to deliver on its desire to be an effective Treaty partner and to deliver better outcomes for mana whenua and Māori. As a concept it reflects our approach to developing our capability of working together collaboratively over the coming years in a continual improvement approach based on the stepped Poutama pattern.

Financial Strategy

19. The Financial Strategy is prepared in accordance with section 101A of the LGA. Its purpose is to facilitate prudent financial management by providing a guide to consider proposals for funding and expenditure against; and to provide context on our funding and expenditure proposals by making transparent the overall effects of those proposals on the Council's services, rates, debt, and investments.

20. The objective of Greater Wellington's Financial Strategy is to take a long-term sustainable approach to service delivery and financial management. This means focusing on ensuring our levels of service and activities are financed and funded to generate and protect community outcomes and promote long-term community wellbeing.

Infrastructure Strategy

21. The Infrastructure Strategy is prepared in accordance with section 101B of the LGA and details how Greater Wellington plans to manage its infrastructure over the next 30 years. The strategy is informed and delivered by our asset management plans for Water Supply, Metlink Public Transport, Flood Resilience, Regional Parks, Environmental Knowledge and Insights, and Harbours.

Non-financial Performance Measures

22. The LTP Non-Financial Performance Measures ensure that the public will be able to assess the level of service for major aspects of Council's Activity Groups (see schedule 10, part 1, clause 4 of the LGA).

23. This year's review of the performance measures focused on improving clarity and as a result, a significant number of measures were reworded. Some measures were removed, and new measures were added:

   a Metlink Public Transport Activity Group added two new measures and removed one.

   b Environment Activity Group added one new measure, revived two measures from the 2018-28 Long Term Plan, and removed three.

   c Regional Strategy and Partnerships Activity Group added nine new measures and removed two.

   d No changes were made to the Water Supply Activity Group measures.

Consultation Document (CD)

24. The CD (**Attachment 2**) has been written and designed to be in a conversational tone and while visually appealing, we have intentionally kept the design modest, given the economic challenges many of our community are facing. (The Committee has been provided with the most up to date copy of the CD with a completed designed document to be tabled at the meeting.) It is intended to primarily be an online document and has been designed to enable the reader to wander at will through a range of links to documents, many of which are on the Greater Wellington website. Printed copies will be available at libraries and on request.

25. Programmes of work that are new, changed, deferred, and stopped have been assessed against Greater Wellington's *Significance and Engagement Policy* and two key issues were determined to require public consultation:

   a Increasing Greater Wellington's control of strategic public transport assets; and

   b Purchasing shares to become the 100% shareholder of CentrePort Limited.

26. There were several matters that were not significant enough to require consultation but that have been included in the CD as matters that we still wanted to inform the community on.

27. The CD and SI have been reviewed by our auditors, Audit NZ, and the Office of the Auditor General. The Audit Director, Clint Ramoo, will attend the Committee meeting to provide the audit opinion.

28. At the time of writing Greater Wellington is expecting to receive two Emphasis of Matter statements in the Audit Opinion: one for the uncertainty of central government funding, in particular for public transport funding from New Zealand Transport Agency Waka Kotahi; and one for the deliverability of our capital expenditure programmes.

Ngā hua ahumoni
Financial implications

29. Financial impacts over the 10-year work programme have considered the affordability of rates, financial risk, and the priority of infrastructure investment. There is significant capital expenditure projected throughout the 2024-34 LTP, to be financed through external borrowings. The public transport asset ownership consultation item is a key driver of the capital programme.

30. The COVID-19 pandemic has brought about changes in the economy not seen since the Global Financial Crisis. Over the last three years there has been a significant change in the economy with inflation rapidly increasing from late 2021, peaking at 7.3 percent. Interest rates also increased in a similar fashion with the Official Cash Rate being lifted by the Reserve Bank to combat rising inflation to its current peak of 5.5 percent, from its low of 0.25 percent in October 2021. These factors have led to a challenging budgeting process where every part of the organisation has reviewed their work programmes, identified priorities, and made savings.

Metlink Public Transport fares increase

31. On 29 February 2024, Council considered the Public Transport Annual Fares Review (Public Transport Fares: Annual Fares Review – Report 23.34). Council agreed to increase public transport fares by ten percent from 1 July 2024. This fare increase is included in the 2024/25 budget year of the LTP.

Rating Impacts

32. The 2024/25 rates are proposed to be 19.8 percent in year one and equates to an average increase per week of approximately $3.57 (incl. GST) for the residential ratepayer, $7.04 (excl. GST) for the business ratepayer and $2.51 (excl. GST) for the rural ratepayer region wide.

33. The rates funding required by Greater Wellington will increase by an average of $38 million per annum for years 1-3, and by $21 million per annum over the 10-year period.

Balanced budget requirement

34. Section 100 of the LGA provides that a local authority, unless it resolves that it is prudent to do otherwise, must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. Officers are of the view that the proposed 2024-34 LTP budget meets the LGA balanced budget requirement.

Uncertainty of central government funding for public transport

35. The draft Government Policy Statement on Land Transport 2024-34 (GPS) indicates implications for our ability to fund public transport. What we know to date is that there will be an increased focus on the efficiency of services and the level of cost recovery expected from fares.

36. The impacts for Greater Wellington's services and budgets are unlikely to be fully understood before the 2024-34 LTP is adopted. This means any significant changes required will need to go through a consultation process aligned with the 2025/26 Annual Plan.

Ingā Take e hāngai ana te iwi Māori
Implications for Māori

37. The Strategic Framework upholds Te Taiao (the environment) as first priority through our 2024-34 Long Term Plan. Te taiao is our environment, we are part of te taiao.
38. Establishing this theme supports us to realise rangatiratanga Māori and represents harmonious and constructive relationships between Te Pane Matua Taiao (Greater Wellington) and mana whenua as we work together to restore and uphold the wellbeing of ngā tāngata, Papatūānuku and the natural environment.
39. Further, one of the four key focus areas of the LTP Strategic Framework is: Active mana whenua partnerships and improved outcomes for Māori.
40. Greater Wellington has partnership arrangements with mana whenua and established funding arrangements (Tūāpapa and Kaupapa funding) to enable mana whenua to build capacity and partner with Council on specific projects. Council also has a responsibility to all Māori living in the Region, including those who whakapapa elsewhere but who have lived for many years in the Region.
41. The 2024-34 LTP SI and CD have been prepared to highlight both the way in which active partnership between Council and mana whenua is developing, step by step according to the poutama model, and how Council and mana whenua intend to further the partnership model into the future.
42. Descriptions of how Greater Wellington, at the operational level, is partnering with Māori and their presented priorities, both now and into the future, will be included in the draft Long Term Plan 2024-354, where this is appropriate, noting that in some cases there is no or minimal impact on Māori specifically.

Te huritao ki te huringa o te āhuarangi
Consideration of climate change

43. Leading action for climate resilience and emissions reduction is one of the four key focus areas of our LTP Strategic Framework. It has been considered throughout the draft LTP's development.
44. Council's climate change consideration process has been applied to the preparation of the 2024-34 LTP SI and CD. The process requires that decision makers are provided with information on how options presented to them impact on Climate Change (in terms of their estimated emissions), how climate change is likely to impact on the activities in question, and whether each option contributes to or detracts from Greater Wellington's climate-related policies and targets.
45. Each of the matters for decision and information in the Consultation Document has details on these factors where they are relevant, which will help inform the public on Greater Wellington's action for climate resilience and emissions reduction.

Ngā tikanga whakatau
Decision-making process

46. The matters requiring decision in this report were considered by officers against the requirements of Part 6 of the LGA (specifically sections 93 – 93G).

Te hiranga
Significance

47. Officers considered the significance (as defined by Part 6 of the LGA) of these matters, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines* into account. Officers recommend that the matters in this report are of low significance because they are a procedural part of a decision-making process that will lead to Council making a decision of high significance which will require consultation as described in paragraph 25.

Te whakatūtakitaki
Engagement

48. In April 2023 we undertook early engagement with the community via the *Have Your Say* platform to gauge how the community felt about the initial areas of focus for the next ten years that the Committee had been workshopping. We complemented the feedback from that survey with a kid's edition of the survey targeting children under 12 years old, and community feedback through Greater Wellington's "Community Research" survey (run in March 2023) and "Transport Emissions in the Wellington Region" survey (run in January-February 2023). The insights gathered were provided to the Committee in June 2023 (2024-34 Long Term Plan Early-Engagement Insights – Report 23.283) and supported the direction agreed in the LTP Strategic Framework that is included in the SI.

Engagement with our Region's communities

49. Following adoption of the SI and CD, public consultation will run from 18 March – 22 April 2024. This timeframe is compliant with the requirements of section 83 of the LGA.

50. Submitters will be directed to provide their submissions online via our *Have Your Say* submission form, however where this is not possible for submitters, they can submit via email (ltp@gw.govt.nz), verbally by phone to an appointed staff member (as per recommendation 5 above), or by delivering a physical paper submission via post or to a Greater Wellington office.

51. Greater Wellington has developed a public engagement campaign which will include social media and website marketing alongside posters on buses and trains as well as newspaper and potentially radio advertising.

    a Some promotional material will be translated into Te Reo as well as Samoan Tongan, and Hindi (which are identified as the three most widely spoken languages in the Region beyond English and Te Reo).

    b Councillors will meet with community groups to discuss the consultation topics and receive any feedback, and virtual engagements such as a Facebook Live event will also provide opportunity for the community to engage with Councillors on the LTP Consultation.

c All material and interactions are designed to encourage the public to interact with the consultation materials and submit their opinions though one of our submission channels during the consultation period of 18 March to 22 April 2024.

52. Officers want to ensure feedback is a reflective of the mix of people across our Region. Members of the community will be invited to respond primarily online although those of our community who are unable to do so will be able to hand in a submission to Greater Wellington's Cuba Street or Masterton Offices or post it.

53. Officers are working with mana whenua Committee members to encourage greater participation in engaging on the proposals of the LTP.

54. Officers have also deliberately focussed on connecting with communities and whanau that we don't usually hear from. Audiences include mana whenua, mātāwaka, Pasifika, youth and other diverse communities and geographic areas of the Region in which engagement with Greater Wellington is relatively low.

Engagement with mana whenua

55. Greater Wellington continues to explore and improve how we partner with mana whenua across all levels of council where we are collectively working in the relational dimension towards improved outcomes.

a The Committee has received presentations from the mana whenua members of the Committee regarding their specific iwi's priorities.

b We are working with mana whenua to arrange times during the consultation period to meet with them to discuss mana whenua and Council priorities, and how they align and can influence work programmes, in a mana whenua led process. This provides the opportunity to listen to mana whenua aspirations for their ongoing partnership relationship with the Council, discuss how mana whenua can be better represented in the activities and outcomes, and be more involved in Greater Wellington's decision-making processes.

c This engagement is ongoing and will continue through the consultation period and beyond.

Ngā tūāoma e whai ake nei
Next steps

56. Public engagement and consultation will commence, as outlined in paragraphs 49-55. All consultation material will be made available on the Have Your Say website with print copies also made available.

57. Hearings will be scheduled for mid-May 2024 and Committee members will be advised of specific dates, times and venue as the Hearings schedule is finalised in April 2024.

Ngā āpitihanga
Attachments

Number	Title
1	LTP 2024-34: Supporting Information including:
1.1	Consultation Document Financials
1.2	Draft Financial Strategy 2024-34
1.3	Financial Assumptions 2024-34
1.4	LTP Accounting Policies
1.5	Proposed LTP Strategic Framework
1.6	Te Whāriki - Māori Outcomes Framework
1.7	Draft Strategic Public Transport Asset Control Strategy
1.8	Draft Infrastructure Strategy IS30 24
1.9	Horizon Scan
1.10	Draft LTP Statement of Service Performance 2024-34
1.11	Historic Rates Graph: LTP figures compared to Annual Plans
2	LTP 2024-34: Consultation Document

Ngā kaiwaitohu
Signatories

Writers	Tyler Dunkel – Kaiwhakahaere Matua | Manager Corporate Planning and Reporting Margot Fry – Kaitohutohu | Advisor Corporate Planning and Reporting
Approvers	Alison Trustrum-Rainey – Kaiwhahahaere Matua, Pūtea me ngā Tūrarua | Group Manager Finance and Risk Zofia Miliszewska – Kaiwhakahaere Matua Rautaki | acting Group Manager Strategy

He whakarāpopoto i ngā huritaonga Summary of considerations
Fit with Council's roles or with Committee's terms of reference In accordance with the Terms of Reference of the Committee, the Committee is responsible for preparing and adopting supporting information and a Consultation Document in accordance with sections 93 to 93G of the LGA on Council's behalf. The Committee is also responsible for overseeing the consultation on the 2024-34 Long Term Plan Consultation document and supporting information under sections 83 and 93A of the LGA, including hearing submissions and deliberations.
Contribution to Annual Plan / Long Term Plan / Other key strategies and policies The Supporting Information and Consultation Document are prepared to inform the community about the draft 2024-34 Long Term Plan.
Internal consultation There was consultation with the Finance and Risk, Strategy and Performance, Te Hunga Whiriwhiri, Democratic Services, Communications and Engagement, Environment and Metlink functions in the preparation of the 2024-34 Long Term Plan Supporting Information and Consultation Document, as well as the preparation of this report for decision.
***Risks and impacts - legal / health and safety etc*.** Legal advice was sought through the development of the 2024-34 LTP Supporting Information and Consultation Document, and no legal risks have been identified to date in relation to the matters for decision. An independent audit, by Audit NZ, of the 2024-34 LTP Supporting Information and Consultation Document has been completed as part of the process. Audit NZ will speak to their Audit Opinion during this meeting, but no significant risks have been identified in relation to the matters for decision. There are no health and safety risks relating to the matters for decision.

TOTAL COUNCIL PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDING 30 JUNE

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating Revenue											
General rates	77,979	93,932	109,736	128,949	132,015	143,125	145,463	147,530	147,221	154,585	157,648
Targeted rates	131,636	156,522	174,080	192,742	215,653	227,912	236,622	246,440	252,630	251,132	255,948
Regional rates	**209,615**	**250,454**	**283,816**	**321,691**	**347,668**	**371,037**	**382,085**	**393,970**	**399,851**	**405,717**	**413,596**
Water supply levy	53,140	67,731	73,396	77,436	81,643	87,584	95,252	102,710	109,386	116,318	122,368
Government subsidies	132,866	166,165	166,912	161,485	176,338	178,480	182,145	185,552	187,799	193,598	194,503
Transport improvement grants	21,178	107,252	124,077	189,039	267,863	261,567	110,590	100,168	76,701	33,507	8,698
Interest and dividends	13,780	16,535	14,192	13,763	14,029	14,481	15,116	15,754	16,458	17,021	17,944
Other operating revenue	149,224	132,028	135,872	143,448	153,773	155,637	164,369	172,024	181,152	187,994	194,108
Total operating revenue	**579,803**	**740,165**	**798,265**	**906,862**	**1,041,314**	**1,068,786**	**949,557**	**970,178**	**971,347**	**954,155**	**951,217**
Operating Expenditure											
Employee benefits	83,875	100,496	105,520	109,454	111,163	112,347	114,714	117,076	119,430	121,592	123,792
Grants and subsidies	252,202	319,608	331,920	329,232	347,441	346,491	355,921	365,266	362,967	359,260	367,330
Finance expenses	41,619	56,105	59,325	63,397	68,830	76,077	83,523	91,377	98,230	102,371	106,727
Depreciation and amortisation	33,181	33,990	37,009	38,899	42,788	49,816	55,331	59,077	64,833	70,016	74,351
Other operating expenses	172,482	170,660	181,983	176,288	201,751	203,751	211,569	220,390	222,552	223,873	226,218
Total operating expenditure	**583,359**	**680,859**	**715,757**	**717,270**	**771,973**	**788,482**	**821,058**	**853,186**	**868,012**	**877,112**	**898,418**
Operating surplus/(deficit) before other items and tax	**(3,556)**	**59,306**	**82,508**	**189,592**	**269,341**	**280,304**	**128,499**	**116,992**	**103,335**	**77,043**	**52,799**
Other fair value changes	(7,030)	5,261	5,378	4,248	3,427	2,861	2,516	1,974	1,894	1,879	1,627
Operating surplus / (deficit) after tax	**(10,586)**	**64,567**	**87,886**	**193,840**	**272,768**	**283,165**	**131,015**	**118,966**	**105,229**	**78,922**	**54,426**
Other comprehensive revenue and expenses											
Increases / (decreases) in revaluations	47,260	72,279	6,002	31,133	43,902	6,043	30,584	41,468	5,915	29,790	38,070
Total comprehensive income	**36,674**	**136,846**	**93,888**	**224,973**	**316,670**	**289,208**	**161,599**	**160,434**	**111,144**	**108,712**	**92,496**

All figures on this page exclude GST

TOTAL COUNCIL PROSPECTIVE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE

	Annual Plan	Long Term Plan									
	2024 $'000	2025 $'000	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000
ASSETS											
Cash and other equivalents	20,842	13,766	14,093	15,416	17,788	23,111	26,743	31,125	36,786	48,264	60,255
Investments (current)	179,617	138,885	141,663	144,779	147,964	151,072	154,093	157,175	160,161	163,204	166,305
Other current assets	96,763	65,056	66,982	69,072	71,076	72,791	74,787	76,753	78,474	79,982	81,598
Current assets	**297,222**	**217,707**	**222,738**	**229,267**	**236,828**	**246,974**	**255,623**	**265,053**	**275,421**	**291,450**	**308,158**
Investments (non-current)	25,311	73,906	76,976	80,659	84,571	88,935	93,850	97,107	103,119	109,585	116,691
Investment in subsidiary	363,237	447,025	544,363	703,076	928,077	1,171,535	1,300,042	1,406,124	1,503,933	1,535,189	1,567,040
Property, plant and equipment	1,736,939	1,920,837	2,115,467	2,257,610	2,487,818	2,633,811	2,775,691	2,929,601	3,021,371	3,124,287	3,175,917
Non-current assets	**2,125,487**	**2,441,768**	**2,736,806**	**3,041,345**	**3,500,466**	**3,894,281**	**4,169,583**	**4,432,832**	**4,628,423**	**4,769,061**	**4,859,648**
Total assets	**2,422,710**	**2,659,475**	**2,959,544**	**3,270,612**	**3,737,294**	**4,141,255**	**4,425,206**	**4,697,885**	**4,903,844**	**5,060,511**	**5,167,806**
RATEPAYERS' FUNDS											
Retained earnings	320,627	371,463	458,848	651,286	921,369	1,198,716	1,325,355	1,439,000	1,537,355	1,603,137	1,643,288
Reserves	1,026,516	1,018,304	1,024,807	1,057,342	1,103,929	1,115,790	1,150,750	1,197,539	1,210,328	1,253,258	1,305,603
Total ratepayers' funds	**1,347,143**	**1,389,767**	**1,483,655**	**1,708,628**	**2,025,298**	**2,314,506**	**2,476,105**	**2,636,539**	**2,747,683**	**2,856,395**	**2,948,891**
LIABILITIES											
Debt (current)	181,628	134,021	136,702	139,709	142,783	145,781	148,697	151,671	154,553	157,489	160,481
Other current liabilities	104,021	121,654	118,709	117,073	116,221	115,801	115,601	115,939	116,248	116,578	117,166
Current liabilities	**285,649**	**255,675**	**255,411**	**256,782**	**259,004**	**261,582**	**264,298**	**267,610**	**270,801**	**274,067**	**277,647**
Debt (non-current)	766,758	994,931	1,203,389	1,290,223	1,440,223	1,554,715	1,676,780	1,788,261	1,882,557	1,930,049	1,941,268
Other non-current liabilities	23,159	19,102	17,089	14,979	12,769	10,452	8,023	5,475	2,803	-	-
Non-current liabilities	**789,917**	**1,014,033**	**1,220,478**	**1,305,202**	**1,452,992**	**1,565,167**	**1,684,803**	**1,793,736**	**1,885,360**	**1,930,049**	**1,941,268**
Total liabilities	**1,075,566**	**1,269,708**	**1,475,889**	**1,561,984**	**1,711,996**	**1,826,749**	**1,949,101**	**2,061,346**	**2,156,161**	**2,204,116**	**2,218,915**
Total equity and liabilities	**2,422,709**	**2,659,475**	**2,959,544**	**3,270,612**	**3,737,294**	**4,141,255**	**4,425,206**	**4,697,885**	**4,903,844**	**5,060,511**	**5,167,806**

All figures on this page exclude GST

TOTAL COUNCIL PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE

	Annual Plan	Long Term Plan									
	2024 $'000	2025 $'000	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000
Total opening ratepayers' funds	**1,310,469**	**1,252,921**	**1,389,767**	**1,483,655**	**1,708,628**	**2,025,298**	**2,314,506**	**2,476,105**	**2,636,539**	**2,747,683**	**2,856,395**
Movement in ratepayers funds for year	36,674	136,846	93,888	224,973	316,670	289,208	161,599	160,434	111,144	108,712	92,496
Closing ratepayers' funds	**1,347,143**	**1,389,767**	**1,483,655**	**1,708,628**	**2,025,298**	**2,314,506**	**2,476,105**	**2,636,539**	**2,747,683**	**2,856,395**	**2,948,891**
Components of ratepayers funds											
Opening accumulated funds	**329,065**	**306,846**	**375,950**	**463,335**	**655,773**	**925,856**	**1,203,203**	**1,329,842**	**1,443,487**	**1,541,842**	**1,607,624**
Total comprehensive income	36,674	136,846	93,888	224,973	316,670	289,208	161,599	160,434	111,144	108,712	92,496
Movements in other reserves	(45,112)	(67,742)	(6,503)	(32,535)	(46,587)	(11,861)	(34,960)	(46,789)	(12,789)	(42,930)	(52,345)
Movement in accumulated funds for year	**(8,438)**	**69,104**	**87,385**	**192,438**	**270,083**	**277,347**	**126,639**	**113,645**	**98,355**	**65,782**	**40,151**
Closing accumulated funds	**320,627**	**375,950**	**463,335**	**655,773**	**925,856**	**1,203,203**	**1,329,842**	**1,443,487**	**1,541,842**	**1,607,624**	**1,647,775**
Opening other reserves	**46,407**	**27,853**	**23,316**	**23,817**	**25,219**	**27,904**	**33,722**	**38,098**	**43,419**	**50,293**	**63,433**
Movement in other reserves for year	(2,148)	(4,537)	501	1,402	2,685	5,818	4,376	5,321	6,874	13,140	14,275
Closing other reserves	**44,259**	**23,316**	**23,817**	**25,219**	**27,904**	**33,722**	**38,098**	**43,419**	**50,293**	**63,433**	**77,708**
Opening revaluation reserves	**934,997**	**918,222**	**990,501**	**996,503**	**1,027,636**	**1,071,538**	**1,077,581**	**1,108,165**	**1,149,633**	**1,155,548**	**1,185,338**
Movement in revaluation reserve for year	**47,260**	**72,279**	**6,002**	**31,133**	**43,902**	**6,043**	**30,584**	**41,468**	**5,915**	**29,790**	**38,070**
Closing revaluation reserve	**982,257**	**990,501**	**996,503**	**1,027,636**	**1,071,538**	**1,077,581**	**1,108,165**	**1,149,633**	**1,155,548**	**1,185,338**	**1,223,408**
Closing ratepayers' funds	**1,347,143**	**1,389,767**	**1,483,655**	**1,708,628**	**2,025,298**	**2,314,506**	**2,476,105**	**2,636,539**	**2,747,683**	**2,856,395**	**2,948,891**

All figures on this page exclude GST

TOTAL COUNCIL PROSPECTIVE STATEMENT OF CASHFLOW

AS AT 30 JUNE

	Annual Plan					Long Term Plan					
	2024	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash flows from operating activities											
Regional rates	209,615	250,414	283,776	321,650	347,626	370,994	382,042	393,926	399,806	405,671	413,548
Water supply levy	53,140	67,731	73,396	77,436	81,643	87,584	95,252	102,710	109,386	116,318	122,368
Government subsidies	154,044	273,417	290,988	350,524	444,202	440,047	292,734	285,720	264,501	227,105	203,201
Interest and dividends	13,780	16,535	14,192	13,762	14,028	14,480	15,115	15,753	16,456	17,019	17,942
Fees, charges and other revenue	149,224	131,776	135,632	143,127	153,541	155,581	163,936	171,601	180,896	187,942	193,943
	579,803	**739,873**	**797,984**	**906,499**	**1,041,040**	**1,068,686**	**949,079**	**969,710**	**971,045**	**954,055**	**951,002**
Interest	41,619	56,105	59,325	63,397	68,830	76,077	83,523	91,377	98,230	102,371	106,727
Payments to suppliers and employees	508,683	589,723	618,632	614,090	659,508	661,765	681,407	701,919	704,164	703,925	716,525
	550,302	**645,828**	**677,957**	**677,487**	**728,338**	**737,842**	**764,930**	**793,296**	**802,394**	**806,296**	**823,252**
Net cashflow from operating activities	**29,501**	**94,045**	**120,027**	**229,012**	**312,702**	**330,844**	**184,149**	**176,414**	**168,651**	**147,759**	**127,750**
Cashflow from investing activities											
Investment withdrawals	800	47,950	-	-	-	-	-	2,100	-	-	-
Sale of property, plant and equipment	339	314	275	381	283	182	501	510	390	101	215
	1,139	**48,264**	**275**	**381**	**283**	**182**	**501**	**2,610**	**390**	**101**	**215**
Purchase of property, plant and equipment	179,785	233,056	225,913	150,289	229,378	189,947	167,127	172,029	151,078	143,243	88,127
Investment additions	33,122	91,462	103,186	165,512	232,098	250,930	136,443	114,521	106,808	40,765	42,058
	212,907	**324,518**	**329,099**	**315,801**	**461,476**	**440,877**	**303,570**	**286,550**	**257,886**	**184,008**	**130,185**
Net cashflow from investing activities	**(211,768)**	**(276,254)**	**(328,824)**	**(315,420)**	**(461,193)**	**(440,695)**	**(303,069)**	**(283,940)**	**(257,496)**	**(183,907)**	**(129,970)**
Cashflow from financing activities											
Loan funding	229,305	274,312	261,138	193,841	277,074	237,491	187,981	194,455	182,178	75,429	39,211
Debt repayments	50,000	97,923	52,014	106,110	126,211	122,317	65,429	82,547	87,672	27,803	25,000
Net cashflow from financing activities	**179,305**	**176,389**	**209,124**	**87,731**	**150,863**	**115,174**	**122,552**	**111,908**	**94,506**	**47,626**	**14,211**
Net increase / (decrease) is cash and cash equivalents	**(2,962)**	**(5,820)**	**327**	**1,323**	**2,372**	**5,323**	**3,632**	**4,382**	**5,661**	**11,478**	**11,991**
Opening cash and cash equivalents	23,804	19,586	13,766	14,093	15,416	17,788	23,111	26,743	31,125	36,786	48,264
Closing cash and cash equivalents	**20,842**	**13,766**	**14,093**	**15,416**	**17,788**	**23,111**	**26,743**	**31,125**	**36,786**	**48,264**	**60,255**

All figures on this page exclude GST

TOTAL COUNCIL PROSPECTIVE FUNDING IMPACT STATEMENT

For the year ending 30 June

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	78,845	95,682	110,500	129,729	132,814	143,939	146,295	148,378	148,087	155,466	158,545
Targeted rates	131,636	156,482	174,040	192,701	215,610	227,870	236,579	246,395	252,585	251,086	255,901
Subsidies and grants for operating purposes	132,866	166,165	166,911	161,486	176,338	178,480	182,145	185,552	187,799	193,599	194,503
Fees and charges	112,078	99,806	106,891	113,148	121,736	129,038	136,715	143,919	152,660	159,200	164,659
Interest and dividends from investments	13,780	16,536	14,193	13,763	14,029	14,482	15,117	15,754	16,457	17,021	17,944
Local authorities fines, infringement fees, and other receipts	89,420	97,953	101,373	106,635	112,649	113,312	121,643	129,544	136,757	144,177	150,754
Total operating funding	558,625	632,624	673,908	717,462	773,176	807,121	838,494	869,542	894,345	920,549	942,306
Applications of operating funding											
Payments to staff and suppliers	509,082	590,765	619,434	615,003	660,456	662,693	682,323	702,832	705,051	704,793	717,410
Finance costs	41,619	56,108	59,322	63,392	68,768	76,014	83,458	91,310	98,162	102,302	106,657
Total applications of operating funding	550,701	646,873	678,756	678,395	729,224	738,707	765,781	794,142	803,213	807,095	824,067
Surplus/(deficit) of operating funding	7,924	(14,249)	(4,848)	39,067	43,952	68,414	72,713	75,400	91,132	113,454	118,239
Sources of capital funding											
Subsidies and grants for capital expenditure	21,178	107,252	124,077	189,039	267,864	261,568	110,590	100,168	76,701	33,507	8,698
Increase (decrease) in debt	179,305	176,389	209,124	87,731	150,863	115,173	122,551	111,908	94,507	47,625	14,211
Gross proceeds from sale of assets	339	314	322	403	283	188	478	530	390	101	214
Other dedicated capital funding	10,000	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	210,822	283,955	333,523	277,173	419,010	376,929	233,619	212,606	171,598	81,233	23,123
Application of capital funding											
Capital expenditure—											
to meet additional demand	224	1,000	5,100	5,212	8,523	8,702	8,885	57	184	188	191
to improve the level of service	113,422	161,566	163,825	92,982	173,814	108,865	98,925	114,514	71,770	59,547	14,472
to replace existing assets	66,139	70,568	57,068	52,176	47,125	72,464	59,405	57,548	79,215	83,600	73,558
Increase (decrease) in reserves	6,639	(6,939)	(505)	358	1,403	4,381	2,673	3,466	4,754	10,588	11,084
Increase (decrease) of investments	32,322	43,511	103,187	165,512	232,097	250,931	136,444	112,421	106,807	40,764	42,057
Total application of capital funding	218,746	269,706	328,675	316,240	462,962	445,343	306,332	288,006	262,730	194,687	141,362
Surplus/(deficit) of capital funding	(7,924)	14,249	4,848	(39,067)	(43,952)	(68,414)	(72,713)	(75,400)	(91,132)	(113,454)	(118,239)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	33,181	33,990	37,010	38,899	42,788	49,816	55,331	59,078	64,833	70,017	74,351
Water supply levy	53,140	67,731	73,396	77,436	81,643	87,584	95,252	102,710	109,386	116,318	122,368

All figures on this page exclude GST

Environment Prospective Funding Impact Statement

For the year ending 30 June

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	73,700	90,978	103,760	114,987	120,544	127,788	131,543	134,541	137,871	140,611	143,390
Targeted rates	12,745	15,426	18,709	22,008	23,007	25,408	26,608	26,982	28,000	28,641	29,367
Subsidies and grants for operating purposes	3,160	2,699	1,333	910	-	-	-	-	-	-	-
Fees and charges	3,587	2,992	3,032	3,076	4,792	4,893	4,991	5,091	5,192	5,291	5,392
Interest and dividends from investments	422	481	459	464	492	530	577	627	684	735	806
Local authorities fines, infringement fees, and other receipts	24,275	13,917	13,697	14,678	16,094	10,592	10,953	11,089	11,313	11,496	11,714
Total operating funding	117,889	126,493	140,990	156,123	164,929	169,211	174,672	178,330	183,060	186,774	190,669
Applications of operating funding											
Payments to staff and suppliers	70,581	86,001	93,170	99,813	101,009	100,094	102,334	105,022	107,419	109,505	112,040
Finance costs	11,076	13,872	17,022	19,148	20,177	21,194	22,187	22,768	23,260	23,704	24,430
Internal charges and overheads applied	23,092	25,906	29,740	31,586	34,229	35,743	37,088	36,309	37,234	38,039	38,697
Total applications of operating funding	104,749	125,779	139,932	150,547	155,415	157,031	161,609	164,099	167,913	171,248	175,167
Surplus/(deficit) of operating funding	13,140	714	1,058	5,576	9,514	12,180	13,063	14,231	15,147	15,526	15,502
Sources of capital funding											
Increase (decrease) in debt	58,226	69,772	96,480	11,167	22,433	1,250	4,024	1,401	618	(369)	2,987
Gross proceeds from sale of assets	-	22	87	64	9	71	2	66	75	2	2
Other dedicated capital funding	10,000	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	68,226	69,794	96,567	11,231	22,442	1,321	4,026	1,467	693	(367)	2,989
Capital expenditure—											
to improve the level of service	67,464	65,221	95,298	10,237	26,766	6,113	11,537	9,063	9,039	7,402	11,426
to replace existing assets	3,913	4,180	1,338	5,985	4,356	6,420	4,541	5,279	5,200	6,090	5,307
Increase (decrease) in reserves	9,367	426	330	(79)	142	238	234	529	717	732	752
Increase (decrease) of investments	622	681	659	664	692	730	777	827	884	935	1,006
Total application of capital funding	81,366	70,508	97,625	16,807	31,956	13,501	17,089	15,698	15,840	15,159	18,491
Surplus/(deficit) of capital funding	(13,140)	(714)	(1,058)	(5,576)	(9,514)	(12,180)	(13,063)	(14,231)	(15,147)	(15,526)	(15,502)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	4,782	4,427	4,667	4,772	4,767	4,794	4,749	4,944	5,018	5,056	5,225

All figures on this page exclude GST

Metlink Public Transport Prospective Funding Impact Statement

For the year ending 30 June

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
Targeted rates	113,009	135,221	149,093	164,006	185,429	194,921	202,326	211,735	216,810	214,606	218,567
Subsidies and grants for operating purposes	126,746	160,898	162,946	157,784	173,443	175,499	179,083	182,469	184,664	190,411	191,268
Fees and charges	108,265	96,577	103,617	109,823	116,689	123,884	131,456	138,554	147,188	153,625	158,977
Local authorities fines, infringement fees, and other receipts	6,844	7,793	7,947	8,120	8,297	8,470	8,638	8,809	8,984	9,154	9,326
Total operating funding	354,864	400,489	423,603	439,733	483,858	502,774	521,503	541,567	557,646	567,796	578,138
Applications of operating funding											
Payments to staff and suppliers	302,926	362,325	375,451	373,486	418,814	423,164	435,079	449,067	448,058	445,957	455,656
Finance costs	13,332	16,594	17,607	19,371	22,393	25,809	29,290	32,522	35,613	37,258	37,713
Internal charges and overheads applied	18,768	20,700	21,434	22,195	22,708	23,403	24,148	23,881	24,358	24,727	25,175
Total applications of operating funding	335,026	399,619	414,492	415,052	463,915	472,376	488,517	505,470	508,029	507,942	518,544
Surplus/(deficit) of operating funding	19,838	870	9,111	24,681	19,943	30,398	32,986	36,097	49,617	59,854	59,594
Sources of capital funding											
Subsidies and grants for capital expenditure	21,065	107,219	124,010	188,993	267,817	261,520	110,541	100,168	76,701	33,507	8,698
Increase (decrease) in debt	17,198	38,831	45,884	45,021	68,304	48,386	44,260	54,914	34,024	1,028	(22,276)
Total sources of capital funding	38,263	146,050	169,894	234,014	336,121	309,906	154,801	155,082	110,725	34,535	(13,578)
Application of capital funding											
Capital expenditure—											
to meet additional demand	224	-	-	-	-	-	-	-	-	-	-
to improve the level of service	7,383	49,013	58,218	76,163	118,002	79,844	50,112	75,739	51,085	52,053	2,952
to replace existing assets	20,467	14,199	22,531	21,945	12,144	12,398	6,567	6,755	6,948	7,079	7,214
Increase (decrease) in reserves	4,000	(635)	918	1,874	917	4,604	2,601	2,602	4,500	4,001	4,000
Increase (decrease) of investments	26,027	84,343	97,338	158,713	225,001	243,458	128,507	106,083	97,809	31,256	31,850
Total application of capital funding	58,101	146,920	179,005	258,695	356,064	340,304	187,787	191,179	160,342	94,389	46,016
Surplus/(deficit) of capital funding	(19,838)	(870)	(9,111)	(24,681)	(19,943)	(30,398)	(32,986)	(36,097)	(49,617)	(59,854)	(59,594)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	4,907	5,509	8,077	10,469	14,301	19,477	24,253	26,560	29,689	33,484	35,830

All figures on this page exclude GST

Regional Strategy and Partnerships Prospective Funding Impact Statement

For the year ending 30 June

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	16,490	17,513	20,384	22,121	22,666	23,624	24,218	25,086	26,285	26,944	27,522
Targeted rates	5,844	5,732	5,705	5,683	5,669	5,644	5,679	5,698	5,780	5,831	5,941
Subsidies and grants for operating purposes	2,600	2,516	2,606	2,792	2,895	2,981	3,062	3,083	3,135	3,188	3,235
Fees and charges	20	21	21	22	22	22	23	23	24	24	25
Local authorities fines, infringement fees, and other receipts	4,734	6,279	6,176	6,241	6,451	6,513	6,643	6,776	6,911	7,043	7,177
Total operating funding	29,688	32,061	34,892	36,859	37,703	38,784	39,625	40,666	42,135	43,030	43,900
Applications of operating funding											
Payments to staff and suppliers	43,987	43,822	45,112	32,422	29,351	31,612	34,393	36,290	34,571	30,915	29,538
Finance costs	1,581	2,162	2,923	3,396	3,578	3,724	4,049	4,431	4,756	4,898	4,923
Internal charges and overheads applied	6,031	8,073	6,601	6,887	5,461	5,708	5,895	5,813	5,931	6,038	6,121
Total applications of operating funding	51,599	54,057	54,636	42,705	38,390	41,044	44,337	46,534	45,258	41,851	40,582
Surplus/(deficit) of operating funding	(21,911)	(21,996)	(19,744)	(5,846)	(687)	(2,260)	(4,712)	(5,868)	(3,123)	1,179	3,318
Sources of capital funding											
Subsidies and grants for capital expenditure	113	33	67	46	47	48	49	-	-	-	-
Increase (decrease) in debt	20,905	18,649	17,989	4,905	1,015	1,788	5,084	6,134	2,590	(912)	(3,051)
Total sources of capital funding	21,018	18,682	18,056	4,951	1,062	1,836	5,133	6,134	2,590	(912)	(3,051)
Application of capital funding											
Capital expenditure—											
to improve the level of service	200	64	131	89	91	93	95	-	-	-	-
to replace existing assets	15	5	15	49	17	16	58	-	-	-	-
Increase (decrease) in reserves	(1,108)	(3,383)	(1,834)	(1,033)	267	(533)	268	266	(533)	267	267
Total application of capital funding	(893)	(3,314)	(1,688)	(895)	375	(424)	421	266	(533)	267	267
Surplus/(deficit) of capital funding	21,911	21,996	19,744	5,846	687	2,260	4,712	5,868	3,123	(1,179)	(3,318)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	67	54	49	53	41	38	18	18	17	15	14

All figures on this page exclude GST

Water Supply Prospective Funding Impact Statement

For the year ending 30 June

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
Interest and dividends from investments	2,857	2,943	2,809	2,887	3,129	3,431	3,800	4,200	4,646	5,055	5,611
Local authorities fines, infringement fees, and other receipts	53,455	67,880	73,548	77,591	81,802	87,732	95,404	102,865	109,544	116,479	122,532
Total operating funding	56,312	70,823	76,357	80,478	84,931	91,163	99,204	107,065	114,190	121,534	128,143
Applications of operating funding											
Payments to staff and suppliers	35,369	39,126	39,982	41,150	42,571	43,647	44,944	46,516	47,775	49,284	50,427
Finance costs	11,721	18,178	20,075	20,966	23,142	26,823	31,800	36,042	39,948	43,753	47,539
Internal charges and overheads applied	2,207	3,196	3,174	3,310	3,274	3,331	3,452	3,380	3,449	3,528	3,543
Total applications of operating funding	49,297	60,500	63,231	65,426	68,987	73,801	80,196	85,938	91,172	96,565	101,509
Surplus/(deficit) of operating funding	7,015	10,323	13,126	15,052	15,944	17,362	19,008	21,127	23,018	24,969	26,634
Sources of capital funding											
Increase (decrease) in debt	70,600	91,146	37,667	23,403	56,285	71,487	78,029	58,102	60,626	50,076	41,116
Total sources of capital funding	70,600	91,146	37,667	23,403	56,285	71,487	78,029	58,102	60,626	50,076	41,116
Application of capital funding											
Capital expenditure—											
to meet additional demand	-	1,000	5,100	5,212	8,523	8,702	8,885	57	184	188	191
to improve the level of service	38,300	47,190	10,098	6,411	28,871	22,730	37,094	29,623	11,555	-	-
to replace existing assets	36,529	49,740	31,053	21,347	29,105	51,388	44,658	42,749	64,660	67,201	59,348
Increase (decrease) in reserves	(71)	(270)	(1)	(2)	1	(2)	-	-	(1)	1	-
Increase (decrease) of investments	2,857	3,809	4,543	5,487	5,729	6,031	6,400	6,800	7,246	7,655	8,211
Total application of capital funding	77,615	101,469	50,793	38,455	72,229	88,849	97,037	79,229	83,644	75,045	67,750
Surplus/(deficit) of capital funding	(7,015)	(10,323)	(13,126)	(15,052)	(15,944)	(17,362)	(19,008)	(21,127)	(23,018)	(24,969)	(26,634)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	20,469	20,681	21,381	20,916	20,997	22,614	23,487	24,903	27,618	28,660	30,616
Water supply levy	53,140	67,731	73,396	77,436	81,643	87,584	95,252	102,710	109,386	116,318	122,368

All figures on this page exclude GST

Te Rautaki Ahumoni 2024-34

Draft Financial Strategy 2024-34

Contents

Executive Summary

The Greater Wellington Region, Te Upoko o te Ika, makes up three percent of New Zealand's total land area, covering 8,111km2 of te Ika-a-Māui (North Island) and home to the capital, Wellington City. It is an ethnically diverse region and a rich fabric of culture and a rural environment that covers approximately 80 percent of the region. More than half a million people call this region home.

The objective of our Financial Strategy is to take a long-term sustainable approach to service delivery and financial management. This means focusing on ensuring our levels of service and activities are financed and funded to generate and protect community outcomes and promote long-term community well-being.

To protect and enhance this region, Greater Wellington revises its Long-Term Plan every three years. Planning for the next 10 years and beyond requires a look at the opportunities and challenges the region faces and consider how these may affect the way Greater Wellington activities are delivered. This Financial Strategy is an important component of the plan.

In planning for the next ten years, Greater Wellington has both a stable financial position and a well-balanced insurance strategy that will enable Greater Wellington to respond to the various challenges the region will face in the coming decades.

There is an ongoing need to ensure regional infrastructure is resilient, fit for purpose and supports various carbon reduction initiatives. The Financial Strategy has been developed to ensure the organisation not only supports the region through various challenges, but also thrives.

Greater Wellington's investment in emission reductions, such as the decarbonisation of public transport and investment in charging infrastructure, as well as the use of the Low Carbon Acceleration Fund to fast-track restoration and necessary sequestration, are an essential form of prudent financial management by strategically reducing future costs.

Just over $1.6 billion is planned to be spent on infrastructure and assets over the course of the 10-year period. The majority of the investment will go to these key investments:

- Public Transport CBD Layover
- RiverLink - Te Wai Takamori o Te Awa Kairangi
- Flood Protection and Control Works
- Johnsonville Transport Hub
- Porirua Interchange
- Real Time Information infrastructure (Replacement)

Over the ten years, Greater Wellington is also expecting to spend approximately $7.4 billion on operational expenditure for our activity groups and to fund projects such as:

- Public Transport National Ticketing Solution (Implementation)
- Recloaking Papatuanuku

Where projects provide intergenerational benefits, they will be predominantly debt funded. Greater Wellington intends to remain comfortably within debt limits throughout the 10-year period.

Introduction

Greater Wellington is required to prepare and adopt a Financial Strategy under section 101 of the Local Government Act 2002 (the Act). The purpose of the Financial Strategy is to:

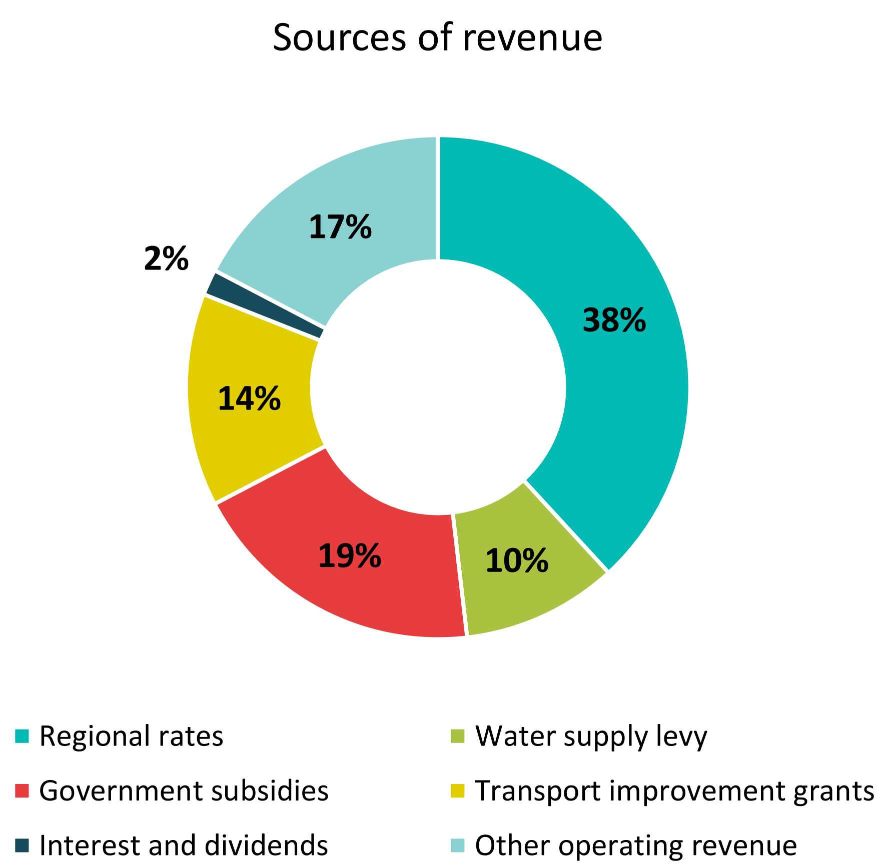
- Facilitate prudent financial management by providing a guide to consider proposals for funding and expenditure against; and
- Provide context on our funding and expenditure proposals by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

Greater Wellington's long-term credit rating has been awarded by Standard and Poors (S&P) at AA+ with a negative outlook attached. At the same time as issuing this rating S&P unusually and importantly also released a report on the weakening of the Local Government Institutional Framework. This environment change had a significant influence on the negative outlook attached to our rating but has no impact on our ability to raise debt nor does it have an impact on our access to best rates with the LGFA.

They assessed Greater Wellington's financial management to be very strong in a global context and the AA+ rating is the strongest rating possible for local government.
At the time of preparing this Financial Strategy, Greater Wellington has a strong financial position.

From a funding perspective, Greater Wellington utilises a range of revenue sources which enables the organisation to minimise the funding burden on ratepayers as well as ensuring funding is more resilient to unforeseen events. The Revenue and Financing Policy outlines how and who pays for Greater Wellington activities.

HOW GREATER WELLINGTON WILL FUND OUR ACTIVITIES


Sources of revenue
38%
10%
19%
14%
2%
17%
Regional rates
Water supply levy
Government subsidies
Transport improvement grants
Interest and dividends
Other operating revenue

This Financial Strategy has been carefully developed as part of a suite of strategies and policies (Infrastructure Strategy, Revenue and Financing Policy, Fees and Charges Policy and the Rates Remission and Postponement Policies) that contribute to successful financial management and community support, allowing for a fairer and more equitable approach for delivering the 2024-34 Long-Term Plan.

The Plan illustrates Greater Wellington's strategic direction to protect the environment while enabling sustainable economic development, working together with mana whenua and communities for the greater environmental good.

The Financial Strategy supports this strategic direction, ensuring a sustainable approach is taken to the region's financial management. Greater Wellington seeks to lessen rate increases by leveraging various funding levers and prioritising work streams.

The Infrastructure Strategy provides details regarding the level and timing of investment as well as the required rating and debt levels to fund these investments needed to improve 'levels of service', upgrade or replace existing facilities to meet additional demand from growth and/or enhance resilience to the impacts of climate change.

Together, the two strategies outline how Greater Wellington intends to balance investment in assets and services with affordability. In conjunction, Greater Wellington has reviewed the levels of service provided to ensure the right community outcomes are delivered.

2024-34 Long-Term Plan Supporting Polices & Strategies

Te Rautaki Ahumoni - Financial Strategy

This strategy takes a sustainable approach to service delivery and financial management, focusing on ensuring our levels of service and activities are financed and funded to generate and protect community outcomes and promote long-term community well-being, providing transparent context on our funding using rates, debt, and investments.

Te Rautaki Hanganga - Infrastructure Strategy

This Strategy sets out how Greater Wellington plans to manage infrastructure over the next 30+ years and defines the nature of the challenges, the approach and options for dealing with challenges and the implications of these actions while ensuring intergeneration equity.

Ko te Kaupapa Here Moni Whiwhi me Ahumoni - Revenue & Financing Policy

The Revenue & Financing Policy is about where the funding (money) will come from, and how Greater Wellington will share the costs of services across the region, and among different groups of ratepayers.

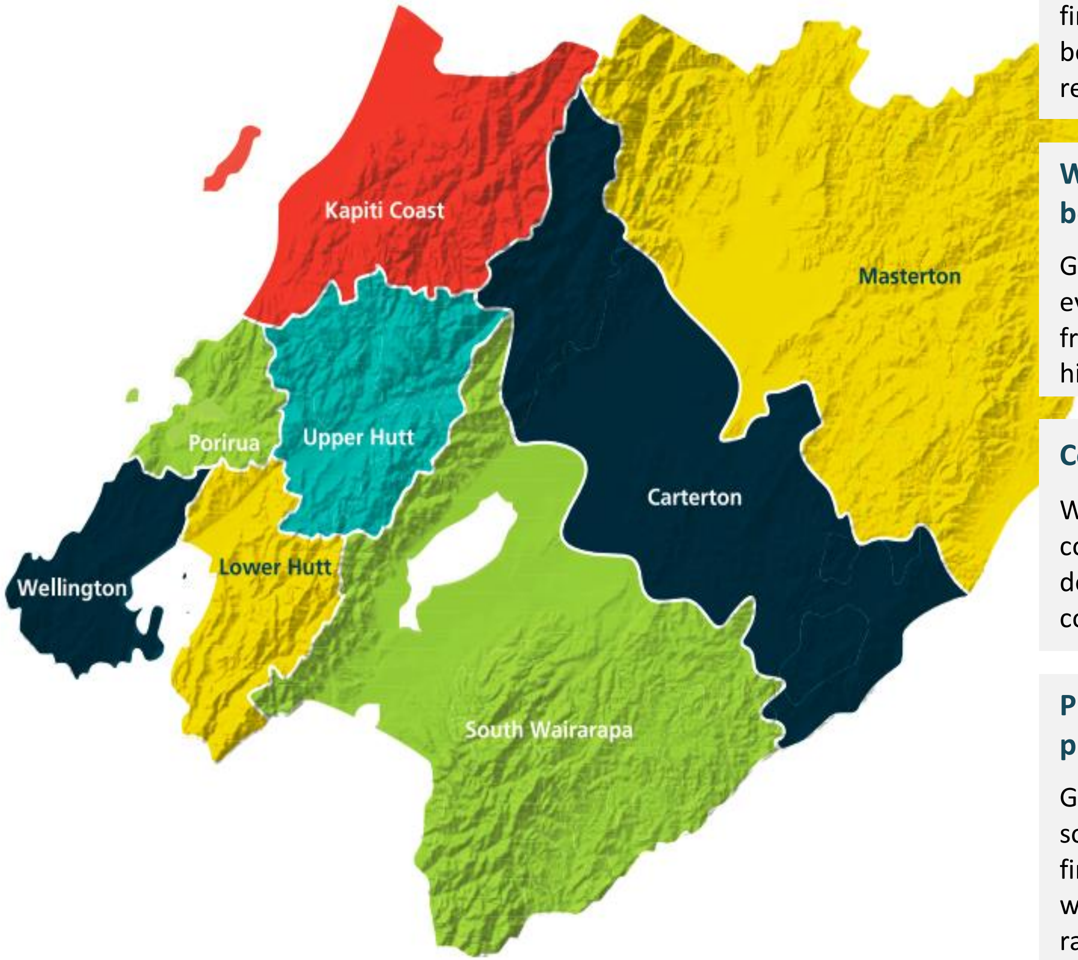
Fees and Charges Policy

This policy sets out Councils fees and charges to be collected from users of public resources, and to recover costs for a range of services, reducing the financial impacts to ratepayers.

Ko ngā Kaupapa Here Whakaiti me Hiki Reti - Rates Remission and Postponement Policies

These policies enable Greater Wellington to act fairly and reasonably when ratepayers are unable to pay their share of the rates.

Financial Strategy Guiding Principles



Using debt to fund projects with intergenerational benefits:

Greater Wellingtons approach ensures ratepayers who benefit from a project, financially contribute to it. Using debt to fund projects with intergenerational benefits allows us to increase service levels whilst ensuring the funding responsibility is spread across generations that benefit.

Who should pay based, where possible, on the distribution of benefits:

Greater Wellington Councillors consider who benefits from each activity when evaluating how to fund it. Councillors consider those who directly benefit from services or have the ability to benefit more and if they should pay a higher proportion of the costs of those services.

Consider fairness along with the ability of ratepayers to pay:

We aim to balance the requirement for public facilities and services while considering the impact on ratepayers. This involves evaluating the costs of delivering services against the benefits they provide and ensuring that the costs align with what ratepayers can afford.

Prudent financial management focused on achieving our strategic priorities:

Greater Wellington aims to practice good financial management through sound decision making. The decisions made focus Greater Wellington's financial resources on achieving the strategic priorities. All actions taken are well thought through to minimise the risks and appropriately allocate costs to ratepayers now and in the future.

Where we're at! - Regional Challenges and Opportunities

The following areas of change have been identified which may have significant impacts on Greater Wellingtons role, services, capability requirements or financial abilities. They are:

- **Partnerships with mana whenua and Māori**
- **Population and demographic changes**
- **Economic Challenges**
- **Responding to climate change**
- **Changes to Government and legislation**

Partnerships with mana whenua and Māori

The importance of working in partnership with mana whenua and Māori is significant. Greater Wellington is committed to improving opportunities for mana whenua and Māori to be meaningful partners in decision-making processes.

Greater Wellington will establish a Māori constituency for the 2025 local government elections. Forming a Māori constituency is another way a council creates opportunities for Māori to participate in its local decision making and to achieve shared aspirations alongside mana whenua.

Frameworks and models that incorporate mātauranga and te ao Māori are increasingly being used to inform environmental management, policy, processes and decision-making. Expectations to give adequate effect principles of Te Tiriti o Waitangi is also increasing.

Greater Wellingtons supports six mana whenua partners (Ngā Hapū o Ōtaki, Ātiawa ki Whakarongotai, Ngāti Toa Rangatira, Taranaki Whānui ki te Ūpoko o te Ika, Rangitāne ō Wairarapa and Ngāti Kahungunu ki Wairarapa) and their different views about where funding should be directed, projects they can contribute too, and how effective it will be for their communities.

Population and demographic changes

The region is expected to continue to experience steady growth, however since the population projections that informed the 2021-31 Long-Term Plan, growth has been reduced over the next few years. Current statistics estimates the region's population to be approx. 543,500 (June 2022) and increase to approx. 586,125 by 2030, 646,261 by 2040 and 707,800 in 2050.

The Wellington Region, just like many other places in the 'Organisation for Economic Co-operation and Development' (OECD), is experiencing an ageing demographic. Managing these impacts along with the need for higher immigration to bridge a growing skills gap will be challenging for the region and have several key financial impacts, such as:

- Their dependency on sufficient services, such as accessible public transport, emergency management or improved recreational opportunities in Regional Parks, all of which will require significant funding.
- Significant increases in funding needed to increase and extend current services, both in existing developed centres and new areas. This may require higher rates increases over the 30-year planning period. This may have rates affordability implications.
- New dwellings will increase the number of rateable units, spreading the costs among ratepayers, however if the development is sprawled, the increase d pressure on infrastructure will continue to increase the demand for rates revenue.

Median population projections:

	History		Final 2022 projections			Draft 2023 projections			Stats NZ
	Population	Growth rate	Population	Change	Growth rate	Population	Change	Growth rate	Growth rate
	2021	2001-2021	2051	2021-2051	2021-2051	2051	2021-2051	2021-2051	2023-2048
Kapiti Coast	57,400	1.4%	83,000	25,100	1.2%	78,500	21,100	1.0%	0.3%
Porirua	61,100	1.1%	85,400	23,600	1.1%	80,900	19,800	0.9%	0.5%
Upper Hutt	47,300	1.1%	65,700	18,200	1.1%	63,000	15,700	1.0%	0.5%
Lower Hutt	112,200	0.6%	152,300	39,600	1.0%	147,100	34,900	0.9%	0.4%
Wellington	215,400	1.2%	274,600	57,900	0.8%	265,500	50,100	0.7%	0.5%
Masterton	28,400	1.0%	40,900	12,700	1.2%	41,800	13,400	1.3%	0.3%
Carterton	10,100	1.9%	14,900	4,800	1.3%	14,800	4,700	1.3%	0.5%
South Wairarapa	11,600	1.3%	16,800	5,100	1.2%	16,300	4,700	1.1%	0.4%
Greater Wellington	543,500	1.1%	733,600	187,000	1.0%	707,800	164,300	0.9%	0.4%

Economic Challenges

The New Zealand economy is facing an uncertain outlooking the wake of the COVID-19 pandemic, with a mixed performance across economic indicators forecasted, particularly in the short-term.

New Zealand’s gross domestic product (GDP) provides a snapshot of the performance of the economy (New Zealand's official measure of economic growth) and is forecasting to be slow over the short and medium term, but gradually recovering.

Unemployment is expected to rise from-near record lows. The degree to which unemployment rises is uncertain and will depend on how much economic conditions shift.

Price inflation rates are at multi-decade highs, and the rising of interest rates in attempt to cool inflation will likely stay. This is expected to put huge pressure on the economy. While Treasury have commented the annual consumer price index (CPI) inflation is near its peak, they forecast it will be relatively slow to fall away – not moving back inside the one to three percent target band until late 2024.

The economic conditions facing not only the Wellington Region, but also the country, will have several key financial impacts, such as:

- Increased costs for Greater Wellington – inflation, infrastructure components, labour, cost of debt servicing and general services.
- High levels of unemployment may cause financial hardship, reducing ratepayers ability to pay, increasing the volume of rates remission applications.
- A notable decrease in consumerism and business activity which will slow regional business, potentially impacting their ability to pay rates.
- A decrease in income and spending, can impact the volume of people using services such as public transport, or camping in regional parks, effectively decreasing revenue.
- Balancing affordability with community needs may impact levels of service.

Ongoing economic impacts from COVID-19

The COVID-19 pandemic has brought about changes in the economy not seen since the Global Financial Crisis in 2008. In the 2021-31 Long-Term Plan, Council developed a plan in a world with very low interest, inflation rates and a high amount of uncertainty, particularly regarding employment. Over the last three years there has been a significant change in the economy with inflation rapidly increasing from later 2021, peaking at 7.3 percent. Interest rates also increased in a similar fashion with the Official Cash Rate being lifted by the Reserve Bank to combat rising inflation to an estimated peak of 5.5 percent, from its low of 0.25 percent in October 2021.[1]

These factors have led to the situation where costs have escalated beyond what was planned in the 2021-31 Long-Term Plan. There is a risk that activity and inflation measures do not slow as much as expected or hoped for. Over the medium term, interest rates will remain at constrictive levels for some time until consumer price inflation returns to an acceptable target range of one to three percent per annum, while supporting maximum sustainable employment.[2]

Responding to Climate Change

Increased risk and costs from environmental change and natural hazards

Council has a mandated role to build resilience for our communities against natural hazards (incl. climate change). Greater Wellington declared a 'Climate Emergency' in 2019. Since then, council has not only set a path to reduce its own emissions but has also prioritised improving the Region's resilience to extreme weather events and slow-moving climate change impacts.

[1] Reserve Bank of New Zealand

[2] https://www.rbnz.govt.nz/-/media/project/sites/rbnz/files/publications/monetary-policy-statements/2023/august/mpsaug23.pdf

Our climate has already changed and will continue to change. The region will continue to experience more frequent and intense rainfall events, and longer duration and more frequent drought events. The number of hot days will increase, and the number of frosts will decrease. There will be permanent sea level rise and more frequent and intense coastal flooding and erosion. Inland we will see more intense river flooding, and increased slips and landsides. The annual average temperature will also rise. The region will also continue to be at risk from adverse natural events including earthquakes, tsunami and, increasingly, wildfires – all pose threats to life, property and livelihoods. These impacts will present significant challenges for our region.

The changing climate can be costly, and have long-term economic impacts, therefore appropriate investment now in decarbonisation and restoration initiatives, as well as the infrastructure is essential prudent financial management. Refer the Infrastructure Strategy for asset specific information.

To support investment, Greater Wellington has the 'Low Carbon Acceleration Fund' (LCAF) which is designed to encourage Greater Wellington's activities to reduce emissions, putting it on track to achieve Council's carbon reduction goals. It funds activities or initiatives that reduce emissions more quickly or on a larger scale than otherwise possible.

Changes to Government and legislation

Changes in political leadership and or legislation have shifted policy priorities and the direction of government spending, including the financial support for local government to deliver essential services, such as public transport, or invest in future resiliency projects, such as 'RiverLink' and 'Let's Get Wellington Moving'.

Local Government is facing a significant period of reform or proposed changes, and a large-scale review. The impacts of such reforms span across governance structures, operational capacity, roles, responsibilities and financial capacity.

At the time of writing this strategy, the key government-led changes/reforms in motion are:

- The Future for Local Government Review
- The Resource Management Act
- The Land Transport Management Act
- The Civil Defence Emergency Management Act

With the future of some of these changes unclear, Greater Wellington is preparing for a range of potential directions that government-led changes may take to reduce any financial or service delivery impacts they may have on the region.

What's the Plan?

Greater Wellington needs to invest in the Region's future, but this is not possible to maintain at current investment levels and will need to take steps now to provide maximum benefits for the future while carefully managing rates increases.

There are several key tools implemented to help manage rate increases, such as:

- Enforcing rates increase caps
- Generating and staging the use of reserves
- Using debt for intergenerational equity
- Use of investment dividends or the sale of assets
- Use of central government funding

Greater Wellington reviews the Treasury Policy and the use of funding mechanisms through the Revenue and Financing Policy to maximise the benefits of our activities with minimal impact to both current and future ratepayers. These mechanisms are:

- General Rates
- User fees and charges
- Grants and Subsidies
- Borrowing / Debt
- Investments
- Reserves
- Water Levies

This 'guiding principles' (page 7) of this strategy set the standard for which Greater Wellington uses for funding and expenditure decision-making processes.

Greater Wellington's credit lines and prudently managed debt, provides flexibility to respond to unforeseen impacts through borrowing for emergency response. In addition, some self-insurance is in place to help provide for emergency work if required. Greater Wellington is ensuring that current and future infrastructure is of sufficient standard to cater for the effects of climate change.

Increased lobbying and use of central government funding

The Local Government (Rating) Act 2002 provides councils with flexible powers to set, assess and collect rates from landowners. Nevertheless, rising costs and increasing demands for essential services along with changes in economic conditions has brought local government to the point where ratepayers find it increasingly difficult to afford it, and are becoming less accepting of rate increases.

As part of Greater Wellingtons financial strategy, council will encourage and support all measures to have additional and improved funding options including central government increasing its funding and support of local government. Without increased financial support, ratepayers will be overwhelmingly burdened with costs and collection of rates could become increasingly difficult.

Funding Greater Wellington Activities

Greater Wellington funds its activities through a range of sources and funding mechanisms. outlined in the Revenue and Financing Policy. The Policy is reviewed regularly to ensure Councillors determine how to fund an activity is current and fair.

When determining how to fund an activity, Councillors consider:

- Who benefits - the distribution of benefits between the community, any identifiable part of the community and individuals.
- When they benefit - the period over which benefits are expected to occur.
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- The overall impact of any allocation of liability for revenue needs on the community.
- The impacts of utilising funding mechanisms available to use, i.e., general rate, targeted rate etc.
- The most appropriate fees and charges strategy so that adequate funds are recovered to offset operational expenses.

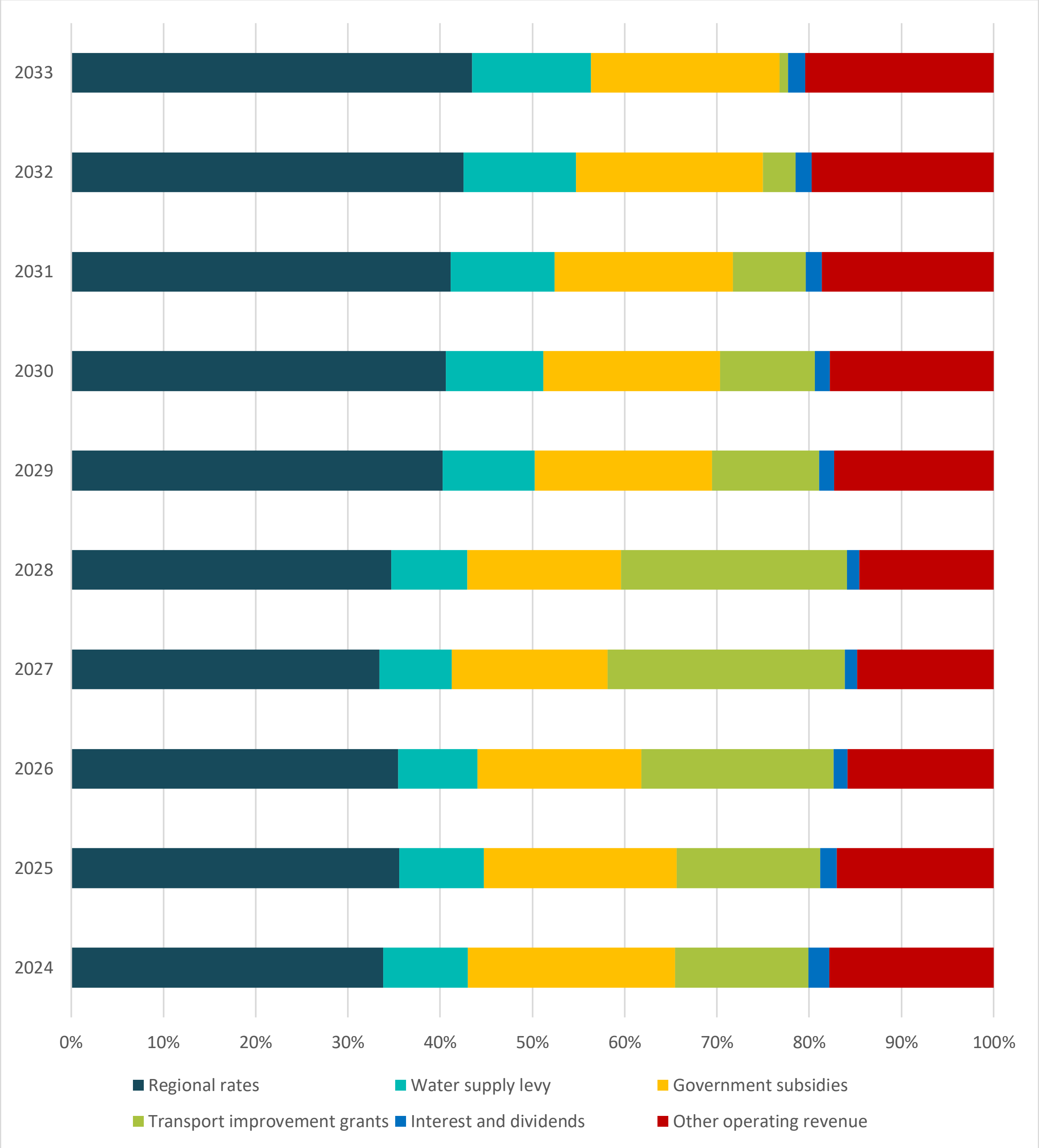
There are three key revenue sources in the Revenue and Financing Policy, they are:

- **Grants and Subsidies:** these are generally provided by central government to support key activities of significance, such as public transport. Government funding examples:
  - Waka Kotahi
  - Ministry for Primary Industries
- **User Charges and Fees:** Wherever appropriate, users of services are charged. These fees and charges contribute to lessoning the burden on the rate payer. Note: The water Levy is a user charge based on volumetric use.
- **Rates:** Ratepayers pay for the remainder of the cost involved with delivering the activities. The portion of contribution from ratepayers depends on their location and value of their properties.

Other key areas for funding activities are:

- **Investments and dividends**
- **Other operating revenue**

SOURCES OF REVENUE OVER THE 10-YEAR PERIOD



Rates

Greater Wellington seeks to balance the demand for additional work, regional economic development and long-term community well-being with ratepayers' willingness and ability to pay when setting rates each year. This involves both a complexity in calculation and a need for effective communication to ratepayers.

To ensure Greater Wellington can continue to deliver on the agreed planned programmes of work, rate increases are required as part of the Financial Strategy.

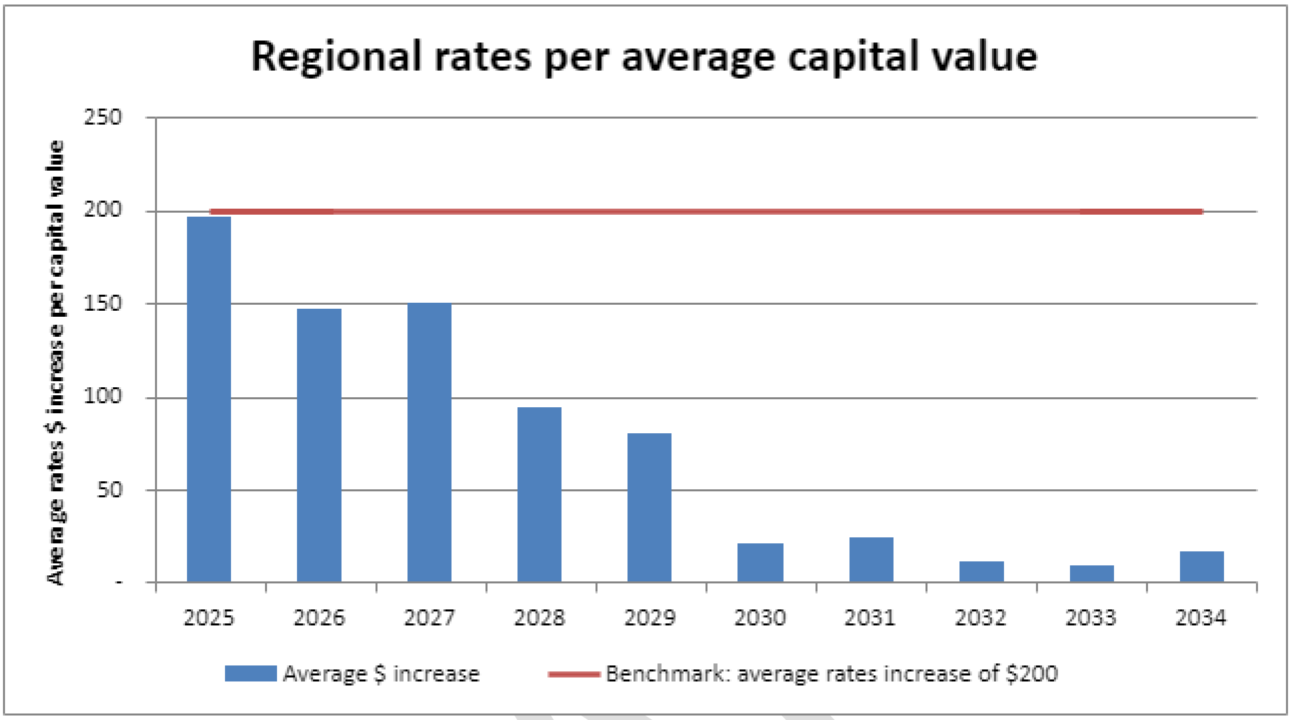
The increase in rates will result in rates collection increasing from $251 million in 2024/25 to $414 million by 2033/34 and represents an average region-wide annual rates increase of 64 percent. The average increase varies among the Territorial Authorities (TA's):

Average Annual Rates Increase 24/25			
Territorial Authority	Residential	Rural	Business
Wellington city	25%	21%	6% (CBD, 10%)
Hutt city	21%	20%	12%
Upper Hutt city	20%	21%	15%
Porirua city	27%	26%	34%
Kāpiti Coast district excl Ōtaki Res.	12%	23%	22%
Ōtaki Res.	17%	N/A	N/A
Masterton district	12%	27%	23%
Carterton district	14%	14%	16%
South Wairarapa district	12%	13%	13%
Tararua district	N/A	17%	N/A

LTP Years	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Average regional rates increase	19.8%	13.4%	13.4%	8.1%	6.8%	3.0%	3.1%	1.5%	1.5%	1.9%

To provide ratepayers with certainty regarding rates over the 10-year period we have set the following rate limits:

- Total average rates revenue will comprise of approximately 38 percent of the Council's revenue requirements over the ten-year period.
- Average Regional rates per ratepayer increase will be limited to $200 per annum.



Cost of Collecting Rates

The Territorial Authority's (TA's) in the Wellington Region collect rates on behalf of Greater Wellington. Greater Wellington pays a set collection fee for the services on a per rateable unit basis.

The cost of collecting rates per unit is steadily increasing to meet the increasing requirements and obligations for collecting revenue. This increase is set out in a five-year Memorandum of Understanding between the TA's and Greater Wellington. As the number of rateable units across the region increases, and the cost per unit increases, the overall cost of collection also increases.

As of 2024/25, the cost of collecting rates is approximately $2,600,000, and this is projected to increase to more than $3,200,000 by 2034.

The next review of the collection costs will take place before 30 June 2026 and will forecast the next five years of fees.

Surplus Operating Revenue

Council may generate operating surpluses due to factors such as sale of Council assets or increased rateable units throughout a financial year etc. The surplus varies from year to year and is not easily forecasted, however, council uses the revenue to consistently to reduce future impacts to ratepayers.

Greater Wellington's "Treasury Risk Management Policy (Incl. Liability Management and Investments Policies)" outlines how this surplus revenue is managed. For more about the use of reserves, refer page 21.

Borrowing / Debt

Council generally secures its borrowing against the level of rates income. This borrowing is referred to as debt which is paid back over long periods of time.

The debt is used for intergenerational projects and ensures intergenerational equity is achieved by spreading the costs over the life of the asset. It also reduces volatility in our rates requirements and their absolute level.

Debt is managed within limits that are consistent with Local Government Funding Agency[3] (LGFA). These are set at prudent levels and within LGFA and credit rating agency requirements. This ensures we retain debt capacity for unexpected events and can maintain a sustainable level of borrowings over the long term.

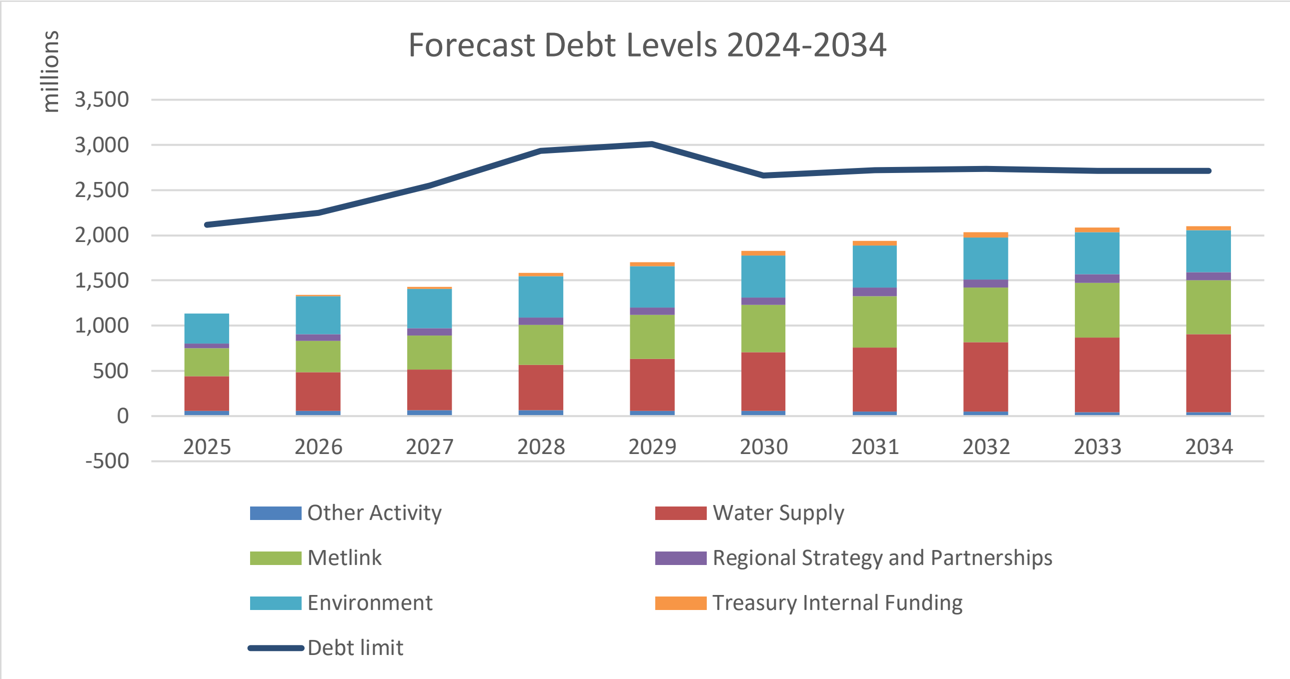
Greater Wellington's Treasury Management Policy uses four different measures to limit the level of debt. The projected borrowings fall well within the limits set:

	2024/25	2025/26	2026/27	2027/28+
Net Debt / Total Revenue	<285%	<280%	<280%	<280%
Net Interest / Total Revenue	<20%	<20%	<20%	<20%
Net Interest / Annual Rates Revenue	<30%	<30%	<30%	<30%
Liquidity	>110%	>110%	>110%	>110%

External Borrowings

The financial strategy includes a $1.1 billion increase in borrowings over the Long Term Plan period, resulting in total outstanding borrowings of $2.1 billion by the end of the period. This is driven by the significant investments being made throughout the period.
The below charts outline the years of the proposed new borrowings, the programmes to be funded and our overall debt profile.

[3] The New Zealand LGFA is a Council-Controlled Organisation (CCO) operating under the Local Government Act 2002, specialising in financing the New Zealand local government sector. The primary purpose is to provide more efficient financing costs and diversified financing sources for New Zealand local authorities and council-controlled organisations. LGFA funds itself through domestic and international wholesale and retail debt capital markets, with the funds raised on-lent to participating borrowers, being New Zealand local authorities and council-controlled organisations.



Investments

Greater Wellington has a number of subsidiary entities that deliver services to the region, and these operate through a variety of structures. These organisations are 'Council-Controlled Organisations' as defined in the LGA 2002 (section 6).

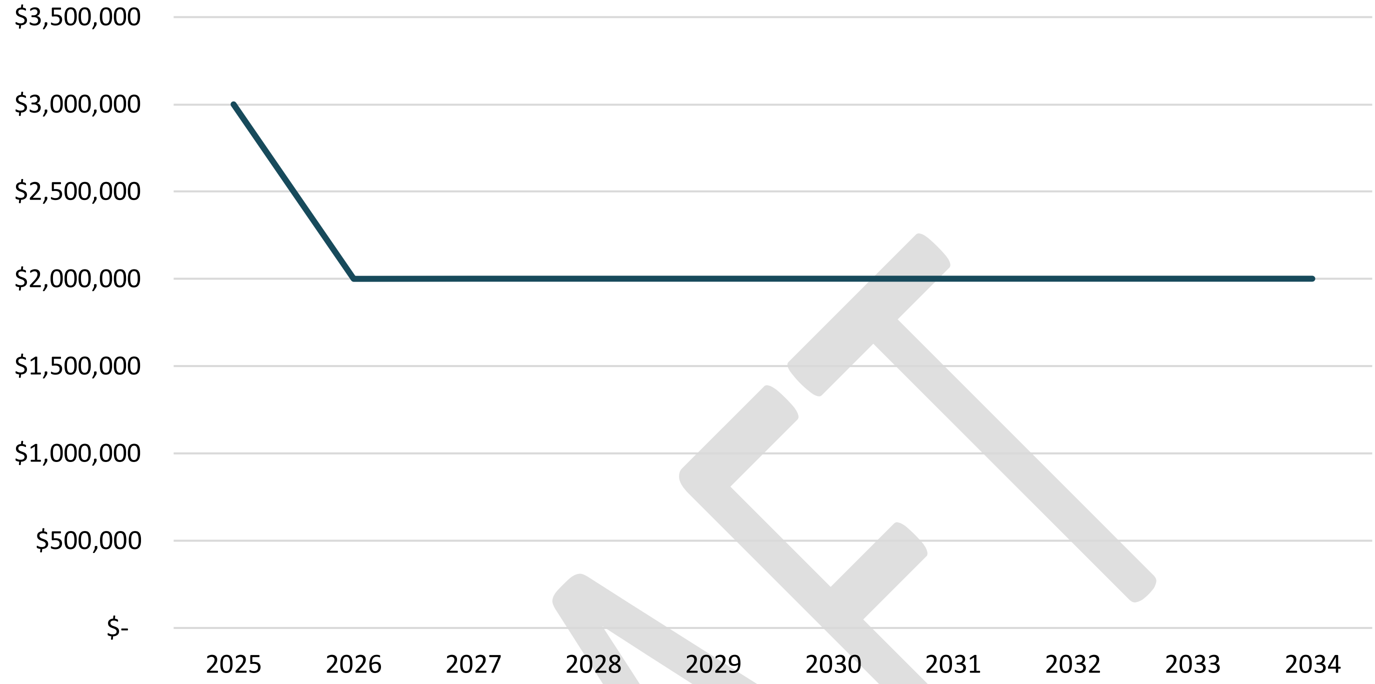
Investment income is used to reduce general rates and allows ratepayers to realise some of the benefits from the investment portfolio each year. This approach ensures intergenerational equity is maintained.

Investment income consists of returns from direct equity investments in Council-controlled Organisations, Council Controlled Trading Organisations, and holdings of financial assets, which assist Greater Wellington in achieving the objectives for the region.

Greater Wellington is a responsible public authority, therefore investments held are considered to be low risk. The primary objective when investing is the protection of investment capital and revenue generation. This means only investing with counterparties that are of sufficient financial strength, with approved, acceptable creditworthiness ratings.

Over the 10-year period, approximately $155 million of investment income is forecasted, with the largest contributor of dividends being CentrePort.

FORECASTED DIVIDEND INCOME OVER THE 10-YEAR PERIOD



Greater Wellington Equity investments

Equity Investment	Objectives	Target Returns
CentrePort Limited (CPL) 76.9 percent owned by Greater Wellington through WRC Holdings	CentrePort Dividend reserves are a class of reserves set aside to smooth the costs of irregular expenditure.	Dividends are paid to GWRC via WRC Holdings Limited after fees and charges. $21 million over 10 years
Greater Wellington Rail Limited (GWRL) 100 percent owned by Greater Wellington	Appropriate separation of management and governance. Imposing commercial discipline on the Group's activities to produce an appropriate return by ensuring appropriate debt/equity funding and requiring a commercial rate of return where appropriate. Separating Greater Wellington's investment and commercial assets from its public good assets.	No dividend return on this investment.

Wellington Regional Economic Development Agency (WellingtonNZ) 20 percent Greater Wellington	WellingtonNZ is the key provider for economic development in the region, combined with tourism, venues and major events management for Wellington city.	No revenue return on this investment
New Zealand Local Government Funding Agency Limited (LGFA) 7.46 percent owned by Greater Wellington (at November 2023)	To ensure the LGFA has sufficient capital to remain viable, meaning that it continues it ability to debt fund councils. Provide access to loan funding at competitive rates.	The company's policy is to pay a dividend that provides an annual return to shareholders equal to the LGFA cost of funds plus two percent. This equated to a $128k return in FY2023
Forestry Currently 6,000 hectares of forested land	Greater Wellington has been involved in forestry for many years, primarily for soil conservation and water quality purposes.	The cutting rights to these forests were sold for a period of up to 60 years in the 2013/14 year. Greater Wellingtons overall investment policy with regard to forestry is to maximise long-term returns while meeting soil conservation, water quality and recreational needs.
Liquid financial deposits Greater Wellington holds $33 million in liquid financial deposits as a result of selling our interest in CentrePort Limited to one of our wholly owned subsidiaries, WRC Holdings Limited.	Greater Wellington holds these liquid financial deposits, taking into account the general provisions of our Treasury Management Policy.	$16.9m over 10 years
Contingency Investments for Flood Protection and Water Greater Wellington holds a number of short-term contingency investments.	They have been established with the purpose of having funds available to pay for the uninsured part of the damage to water supply and flood protection assets in case a disaster (earthquake, major floods etc.) strikes.	$38.5 million over 10 years

Subvention revenue

On 26 April 2023, the Greater Wellington Group (including WRC Holdings Limited and its wholly owned subsidiaries) and the CentrePort Consolidated Group ("Centreport Tax Consolidated Group") entered into a Tax Loss Sharing Agreement. Under the Tax Loss Sharing Agreement, the Greater Wellington Group will receive subvention payments from the Centreport Tax Consolidated Group, with the equivalent losses offset, where the companies elect to do so.

Greater Wellington will apply the subvention payments received to the General Reserve in order to reduce the rating impacts to ratepayers.

Greater Wellington is expected to receive subvention payments in 2024, for the first time since 2016.

Reserves

Reserves are generated funds from prior financial years and are used to fund expenditure at projected times over the 10-year period or to respond to emergency or unforeseen circumstances. Maintaining reserves is a prudent form of financial management used to either minimise volatility in annual rates movements or to help protect against the impact of unexpected events. This ensures we can maintain our usual service levels after without putting pressure on debt and rates.

Reserves are not separately held in cash and funds are managed as part of Greater Wellington's 'Treasury Risk Management Policy (Incl. Liability Management and Investments Policies).

Councils' reserves are:

Area of Benefit Reserves	Surplus from targeted rates OR deficit held for future expenditure for that area	➢ Regional Parks Reserve ➢ Public Transport Reserve ➢ Transport Planning Reserve ➢ Regional Economic Development Reserve ➢ Iwi Reserve ➢ Wellington Region Emergency Management Office (WREMO) Reserve ➢ Catchment Scheme Reserves ➢ Land Management Reserves

Special Reserves	Funds set aside to smooth the costs of irregular expenditure over the long-term.	➢ General Reserve ➢ Low Carbon Acceleration Fund (LCAF) Reserve ➢ Election Reserve ➢ Long-Term Plan Reserve
Contingency Reserves	Funds set aside to reduce the impacts of unforeseen events.	➢ Environmental Legal Reserve ➢ Flood Contingency Reserves ➢ Rural Fire Reserve
Re-budgeted Reserves	Expenditure that has been rated in one year, but the activity is completed a following year.	➢ Re-Budgeted Reserve

Greater Wellington expects to start the long-term process with $27.5 million in reserves. The reserves will be progressively drawdown on or replenished when it is strategically sensible to do so.

Beyond that, Greater Wellington intends on increasing the financial reserves to reach $77.8 million by 2033/34.

The Low Carbon Acceleration Fund is vulnerable to market changes and potentially decreased value in the credits due to factors such as changes to government policy. These funds will have to be managed appropriately to avoid a dependency that may result in the need for rates to substitute for the shortfall.

Bulk Water Supply Levy

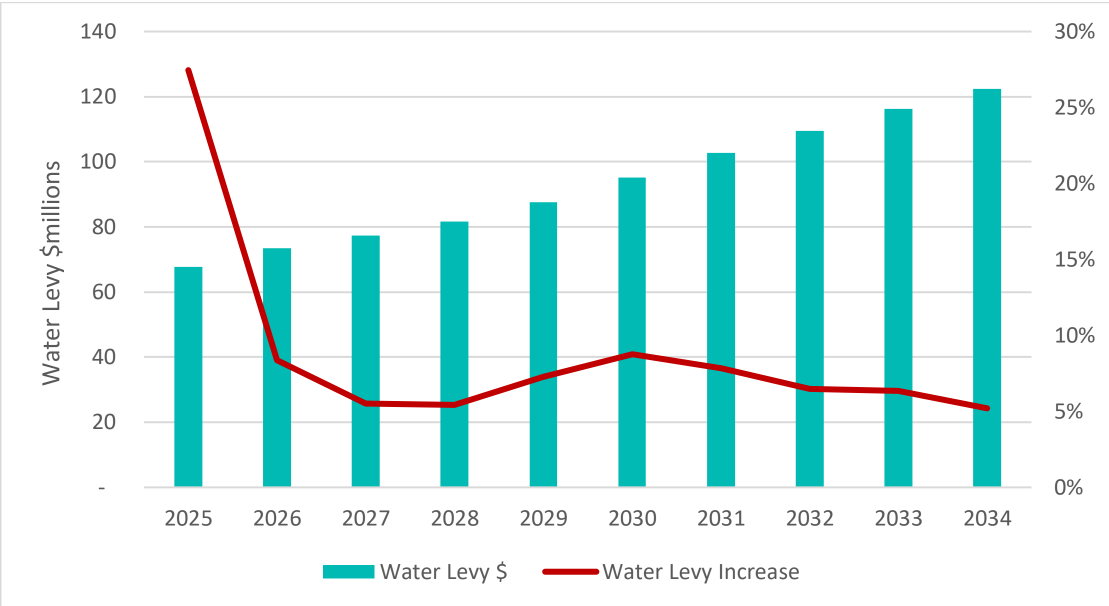
Greater Wellington owns the bulk water network which is managed by Wellington Water Limited (WWL) who then supply the drinking water to the shareholding councils: Wellington City, Hutt City, Upper Hutt City and Porirua City. This is funded via a water levy which is on charged to ratepayers through the shareholding councils.

Greater Wellingtons increases to the levies are determined by the budget forecasts presented to council by WWL. The increases are driven by major capital projects aimed to look after the existing infrastructure, reduction in water consumption activities, key water treatment plant resilience programmes and the extension of the bulk water network aligned with the city council growth planning.

Funding increases will ensure reduction in service interruptions, lower risk of critical asset failure and maintenance of customer service.

The water levy is expected to increase on average by 9 percent per year over ten years. The average cost to deliver the bulk water supply over the next ten years is $93.4 million per year.

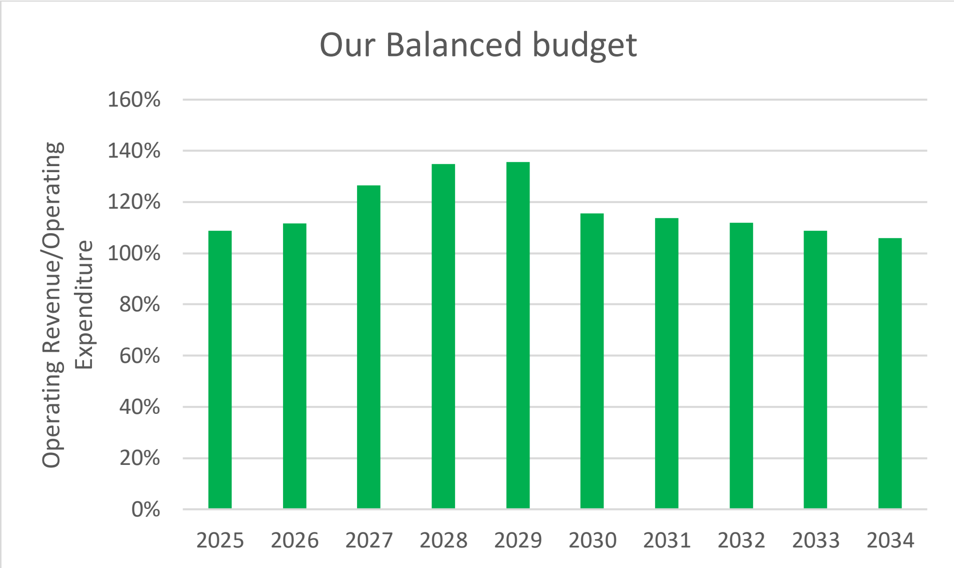
BULK WATER SUPPLY LEVIES OVER THE 10-YEAR PERIOD



The water levy percentage increase follows a similar pattern to the LTP average rates percentage increases with it being high in Y1 2024/25. The driver for this is since our 2021-31 Long Term Plan we have seen inflation and interest rates reach levels that no one anticipated. The impact of this has put significant pressure on the first year of our 2024-34 Long Term Plan.
Insurance is another factor putting pressure on our rates. Since Cyclone Gabrielle we have had seen double-digit increases in our insurance premiums with no sign of slowing down in the near term.

Balanced Budget

Greater Wellington is planning to have a balanced budget throughout the 2024-34 Long Term Plan as required in section 100 of the Local Government Act. The balanced budget ensures that there is revenue to cover the operating expenses and does not cause a budget shortage.



What will Operating and Capital Expenditure Look like?

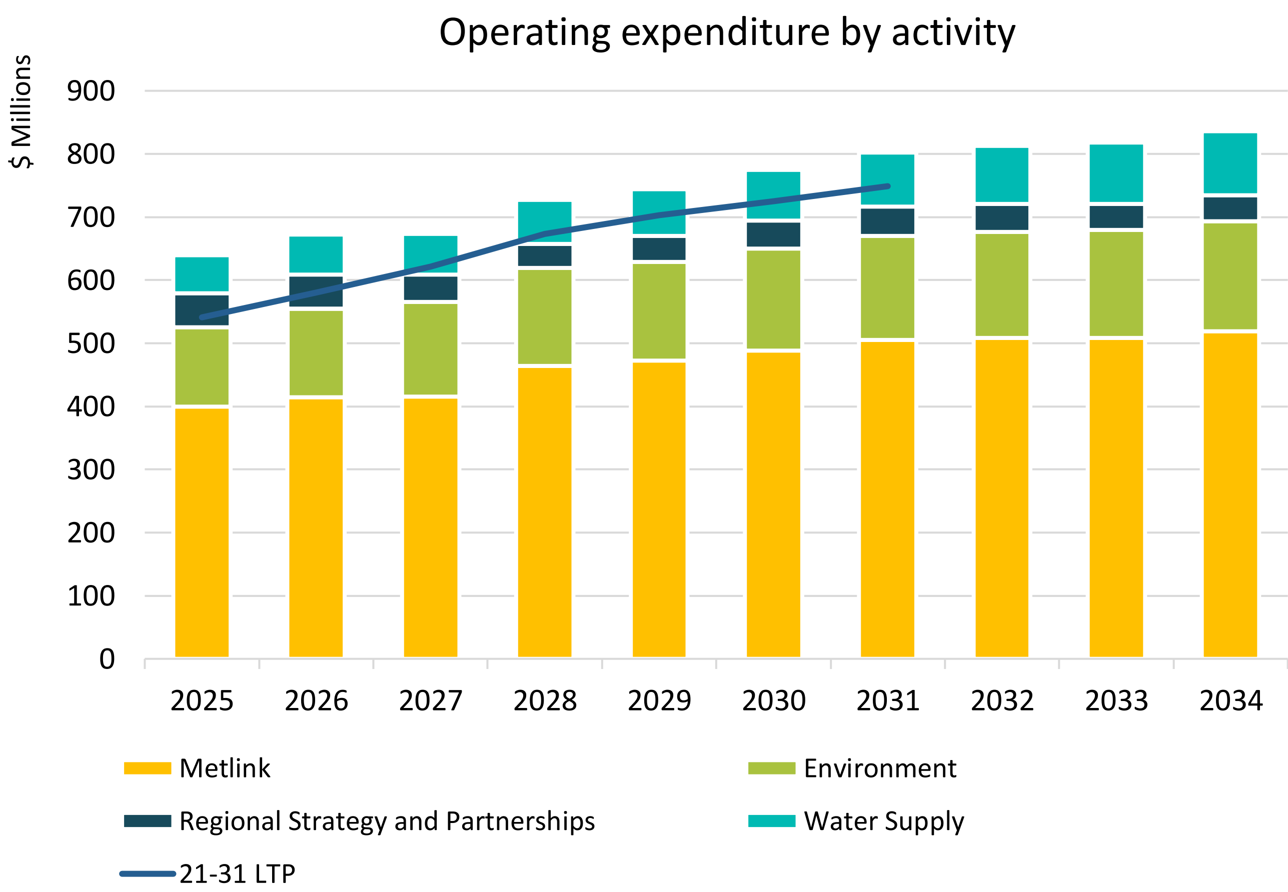
Operating Expenditure

Operational expenditure is generally funded by rates, levies, grants & subsidies and user charges & fees. Where it has intergenerational benefits, it can be debt funded.

The total operational expenditure, including overheads, is forecast to be $7.5 billion over the 10-year period. The majority of operational expenditure is in public transport. It is projected that $4.7 billion will be required over the next ten years to operate the network.

Operational expenditure is also expected to increase in the bulk water supply and flood protection activities due to ongoing maintenance and servicing borrowings for capital expenditure aimed at improving resilience and reducing the impact of climate change.

OPERATING EXPENDITURE BY ACTIVITY OVER THE 10-YEAR PERIOD



Capital Expenditure

We categorise capital expenditure into asset renewals, service levels (i.e., new assets to improve existing services) and growth (i.e., new assets to support regional growth). Capital expenditure is funded through the following mechanisms:

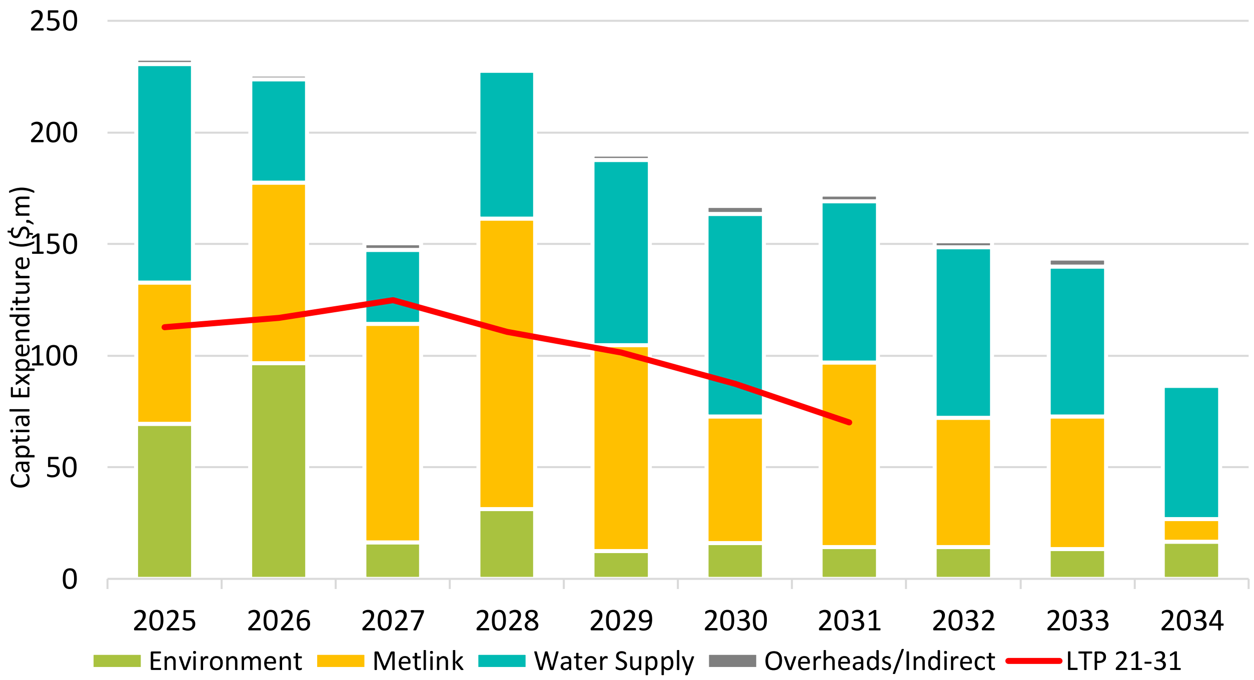
- Borrowings (debt)
- Grants and Subsidies
- Asset sale proceeds
- Reserve funds

Capital expenditure with long term (intergenerational) benefits will be funded through debt in the first instance.

The investment in the programme is for one or more of the following purposes: to maintain the required levels of service to enhance long-term community well-being through delivering critical assets, manage asset renewals, achieve carbon neutrality, improve resilience and support the economy.

Large capital expenditure investments are predominantly in bulk water supply and flood protection programmes of over the 10-year period. Total capital expenditure over the 10-year period is $1.8 billion. The below chart details activity groups' capital expenditure by category over the course of the 10-year period.

CAPITAL EXPENDITURE BY ACTIVITY OVER THE 10 YEAR PERIOD (excluding Greater Wellington Rail Limited)

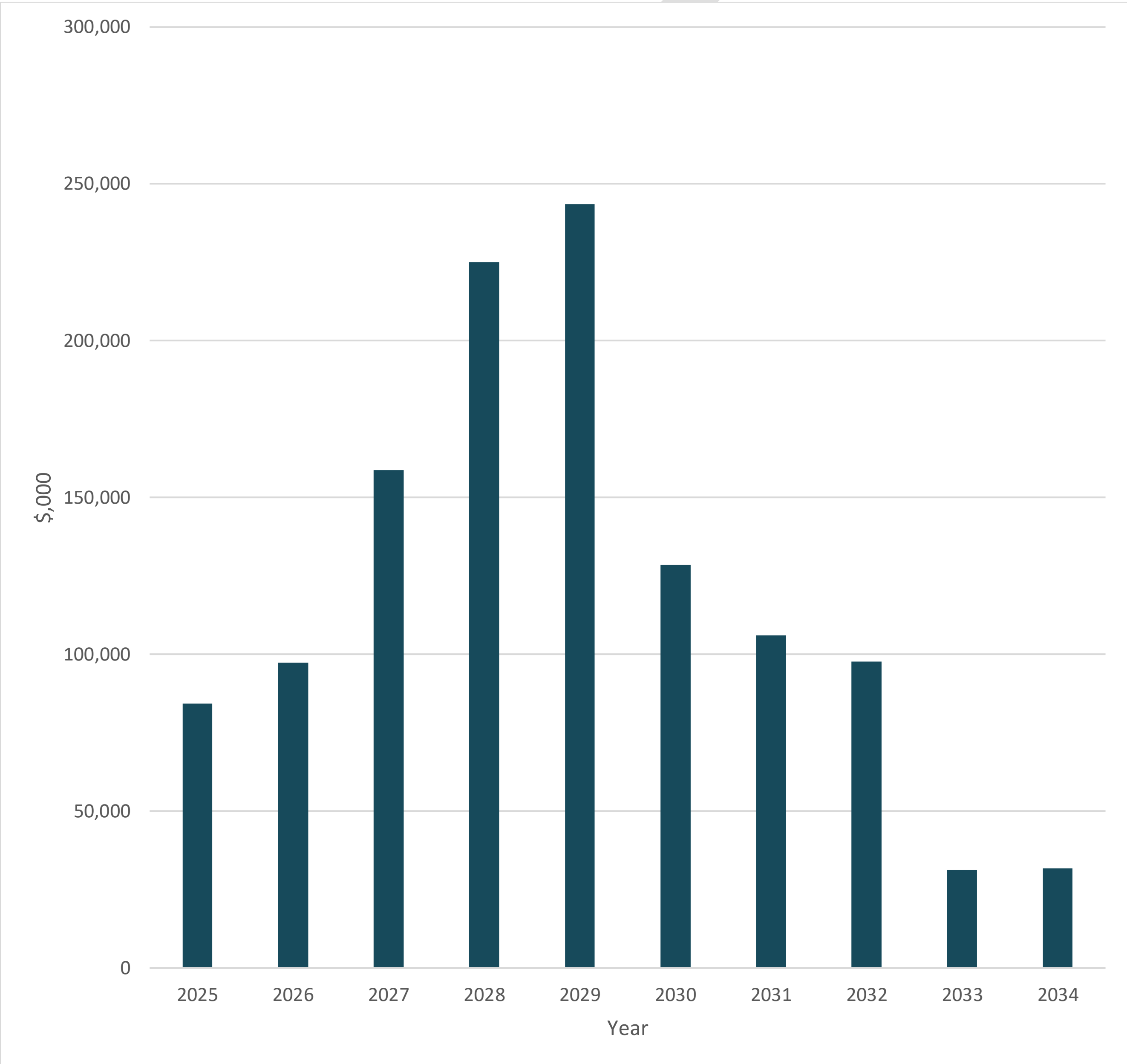


Year by year investment refer asset renewal (infrastructure strategy).

Greater Wellington Rail Limited

Greater Wellington Regional Council is the sole shareholder (owner) of WRC Holdings Ltd, which in turn owns 100 percent of Greater Wellington Rail Ltd. As it is a Council-Controlled Organisation, the capital expenditure investment has been presented separately to the Greater Wellington activities capital expenditure.

INVESTMENT IN GREATER WELLINGTON RAIL LIMITED OVER THE 10-YEAR PERIOD



How our investment in assets will look like – Infrastructure Strategy

Asset Renewals

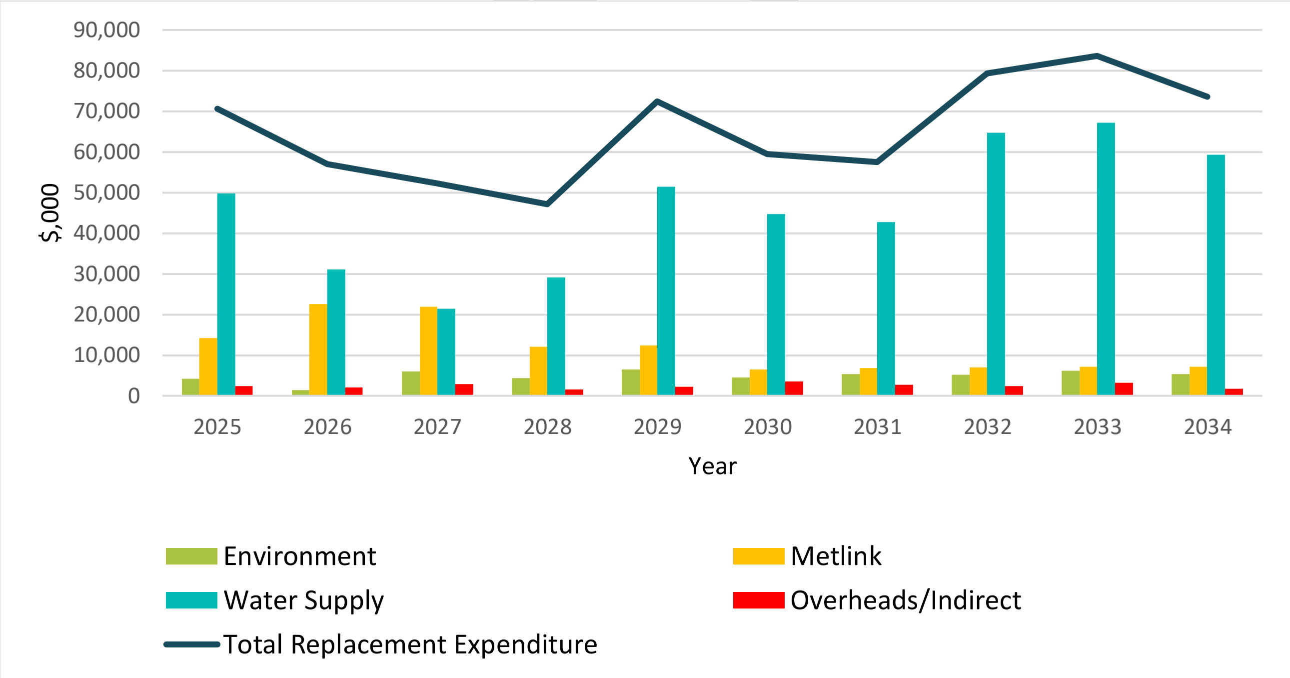
We continue to replace and renew our existing assets to ensure they are fit for purpose and deliver effectively. An important aspect of our asset renewal program is ensuring expenditure results in assets becoming more resilient to the impacts of climate change.

Greater Wellington is responsible for $2.2 billion of assets. The total asset renewal expenditure (excluding Greater Wellington Rail Limited and Centreport Limited) is forecast to be $652 million over the 10-year period. The key asset renewals over the period include:

- Public Transport
- Bulk Water Supply

  Note: The LTP is signalling a large investment required for bulk water storage in the near future, beyond 2034, At this stage, investigations and feasibility studies need to be completed before any investment decisions can be made.

ASSET RENEWAL EXPENDITURE BY ACTIVITY OVER THE 10-YEAR PERIOD



Regional Strategy and Partnerships has minor asset renewal values, valued at a total of $160,000 over the 10-year period.

Refer Infrastructure Strategy for Greater Wellington Rail Limited asset renewal and investments.

Levels of Service

Levels of service are what we have agreed to deliver to and on behalf of the community. These services are set in the Long-Term Plan and are the response to both statutory requirements and community's request.

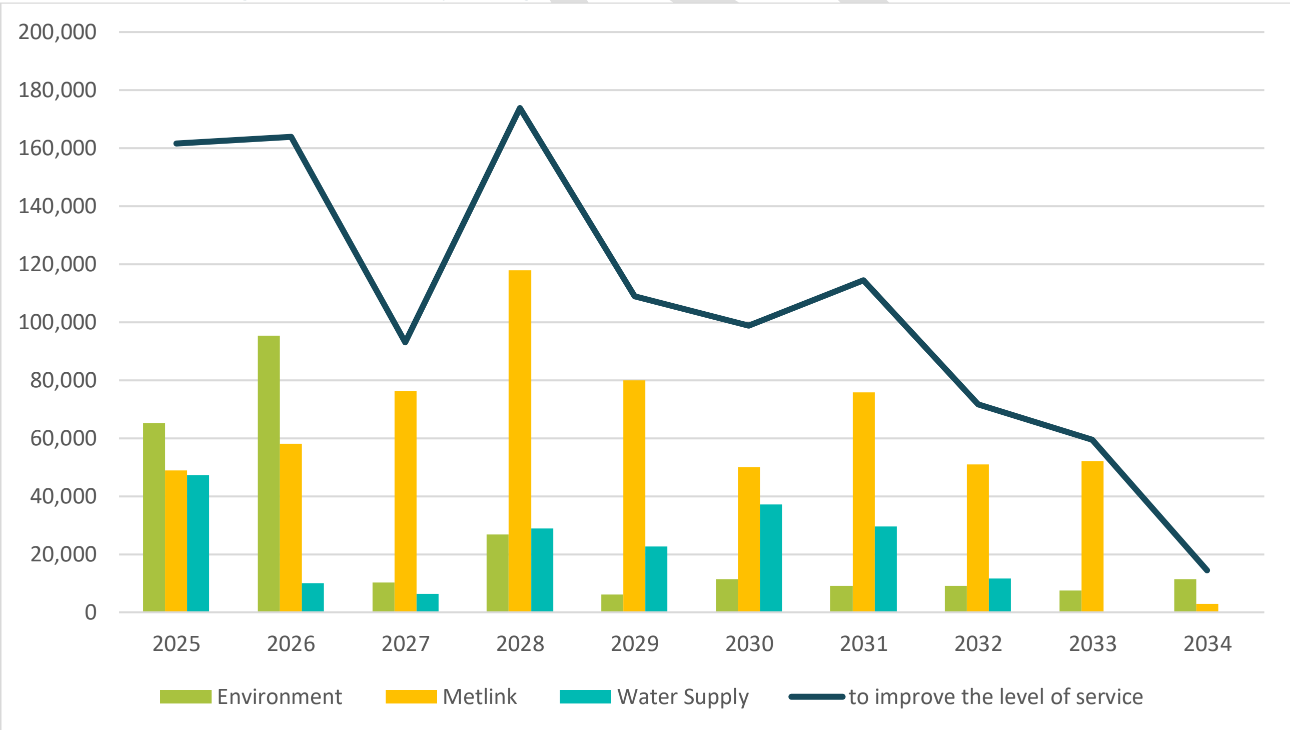
Over the 10 years of the Plan there are large priority infrastructure investments planned, achieving increased levels of service and maintaining and renewing capital programmes.

Increasing levels of service delivery often comes at a significant cost and due to Greater Wellingtons controlled spending ideology, there is little ability to significantly change or increase levels of service targets over the next ten years. Council has had to focus on meeting the current levels of service and the statutory requirements before considering increasing other levels of service.

Total **service level** capital expenditure over the 10-year period is $1.1 billion. The significant changes to levels of service would be Riverlink and a move to increase Council control of public transport assets such as depots and charging infrastructure.

LEVEL OF SERVICE EXPENDITURE BY ACTIVITY GROUP OVER THE 10-YEAR PERIOD[4]

How we will manage funds and reporting



[4] Regional Strategy and Partnerships has minor 'Level of Service' expenditure, valued at a total of $563,000 over the 10-year period.

Security for Borrowings

Greater Wellington uses a Debenture Trust Deed to grant security to our lenders when borrowing funds. Under the Deed, the borrowings and interest rate risk management instruments are secured by way of a charge over rates and levy revenue under the LGA 2002. The security offered by Greater Wellington ranks equally with other lenders.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset it funds (such as an operating lease or project finance)
- Where security interests are leases or retention of the arrangements which arise under the terms of any lease or sale and purchase agreement
- We consider a charge over physical assets to be appropriate

Financial Risk Management

Greater Wellington provides a range of critical services to our community. To ensure the continuity of these services, there is a need for financial risk strategies to reduce the financial impacts of unplanned events.

Insurance is an important strategy which involves transferring risk to an external insurer. Insurance costs are increasing, with climate change impacting on insurers abilities to predict losses, which has seen returns lower to levels below 'low risk' investments such as bonds. This has strained insurance capacity resulting in brokers having to seek out new markets. This resulted in annual premiums increasing more than 30 percent in 2023 for material damage policies, with premiums expected to increase by 10-20 percent annually for the foreseeable future. The result, material damage insurance is less affordable and as a result Greater Wellington is investigating using more self-insurance.

Greater Wellington's approach to insurance is to focus on the effects of low probability, high impact events. The results of climate change impacts the costs and the ability to insure certain assets. Consideration has been given to the types of assets we self insure and the level of insurance we hold based on events such as fire, storms and earthquakes etc. There may be a point in time when insurance cannot be obtained for certain assets we will need to consider whether further self insurance is required for these assets.

Greater Wellington does not insure all assets but uses modelling to determine the appropriate level of insurance based on the maximum probable loss event such as an earthquake. It is unlikely all assets would simultaneously be affected by an unplanned event. The annual budget provides funding for repairs as a result of smaller, more frequent events.

Greater Wellington self-insurance is funded through cash deposits or reserves, based on our hazard events assessment (refer the Long-Term Plan). The gap between this amount and the maximum probable loss may be covered by a mix of insurance, borrowing or government assistance.

The optimal level of insurance cover for Greater Wellington assets is determined by:

- **Asset criticality** – non-critical assets may not be insured or have reduced cover.
- **The asset type** – Greater Wellington self-insures stopbanks, fully insures boats and motor vehicles and have loss limits in place for other assets.
- **Loss limits for these assets**- Greater Wellington insures on the basis of the maximum probable loss event, such as an earthquake or a tsunami.
- **Disaster recovery reserves** – investments or loans available to respond to unplanned events.

National Recovery Plan – central government funding available to help with the recovery of critical assets and services.

Monitoring and Reporting

The Financial Strategy is essential to decision making process across the organisation. All council and committee reports are required to declare in the report the summary of considerations.

Quarterly reporting and annual reports are produced to report on recent financial performance, including operational and capital expenditure, revenue and funding, and progress against the organisation strategic outcomes and performance measure.

The Finance, Risk and Assurance Committee is regularly updated about financial and risk matters and the alignment with the financial strategy.

Definitions

Total Revenue
Defined as cash earnings from rates, grants and subsidies, user charges, interest dividends, financial and other revenue and excludes non-government capital contributions.

Net Debt
Defined as total debt less liquid financial assets and investments. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Net Interest
Defined as the amount equal to all interest and financing costs less interest income for the relevant period.

Annual Rates Income
Defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).

Financial Assumptions 2024-34

Forecasting Assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
Useful lives of significant assets			
The useful lives of significant assets with the appropriate depreciation rates are shown in the Significant Accounting Policies. It is assumed that the useful lives will remain the same throughout the 10-year LTP period. It is assumed that assets will be replaced at the end of their useful lives.	Assets need to be replaced earlier or later than budgeted The Council activities change, resulting in decisions not to replace existing assets. These may impact Council's cash flows.	**Low**	The financial effects of the uncertainty are relatively low. If capital expenditure was required earlier than anticipated, then depreciation and debt servicing costs could increase. If assets need replacing earlier, this could lead to the Council reprioritising capital projects to mitigate the financial impacts. The Council has a comprehensive asset management planning process. Where a decision is made not to replace an asset, this will be factored into capital projections.
Depreciation			
Depreciation rates applying to existing assets are outlined in the Statement of Accounting Policies and is based on the assumed useful lives of assets. Depreciation on new major infrastructural assets is calculated on actual expected rates commencing from expected time of completion of the project. Depreciation is calculated on book values projected at 30 June, plus new capital.	The cost adjustor forecasts could be incorrect. Capital projects could take longer to complete than budgeted. To some extent these factors mitigate each other.	**Low**	The impact of applying incorrect depreciation rates is not considered material in the context of the LTP.

Fare revenue

We are assuming growth on public transport as outlined below.

Patronage Growth	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Bus	5.30%	4.70%	3.50%	3.70%	3.40%	3.50%	3.20%	1.90%	1.80%	1.60%
Rail	10.40%	5.50%	4.30%	4.60%	4.70%	4.50%	3.50%	6.10%	2.80%	1.30%
Ferry	3.00%	4.70%	2.70%	2.60%	2.60%	2.60%	2.50%	1.60%	1.50%	1.40%

Patronage Growth

We are assuming that patronage levels across the network will continue to remain around 10% lower than pre-COVID-19 levels for the first year of the LTP. Patronage will then increase on average by 4% per annum for the duration of the 2024-34 LTP. This means that patronage is likely to bounce back to similar patronage levels when compared to pre-COVID-19 levels (2018-20119 levels) from 2025-2026 onwards.

Patronage growth in 2018-2019 (pre-COVID-19) was 4.6% across the network and much higher than the population growth of about 1.3%. COVID-19 and consequential structural changes to our economy, commuting patterns and lifestyles are expected to reduce patronage growth rates for the earlier part of the LTP planning period, but these effects will diminish over time. Specifically:

a) Growth in population after July 2024 is likely to get back to similar pre-COVID-19 levels than previously experienced and forecasted. This is primarily expected to be driven by migration levels are returning to pre-COVID-19 levels as Kiwis returning to NZ from overseas.

b) Higher levels of unemployment may still exist at the start of the LTP planning period, which could reduce travel demand.
c) It is likely that an increasing proportion of Wellington’s workforce will continue working from home on some (or all) days of each week or walk or cycle to work more than previously, reducing travel demand for both motor vehicles and public transport.

Rail
1) Ongoing work on improving our rail network means that rail service improvements will continue to attract more customers.
2) Integrated fares and ticketing (IFT) will generate new customers by improving the convenience and ease of travelling by train (and by using more than one PT mode). IFT will also increase rail revenue through better revenue protection.

Bus
1) A significant improvement to our bus network was implemented in July 2018 (with ongoing refinements) such that patronage will continue to increase because of the service improvements.

Actual demand growth is less than projected growth as there exists uncertainty where growth is expected to occur within the region and changing in working pattern post Covid-19. This can have adverse impact on public transport service delivery costs.

Actual inflation exceeds budgeted inflation.

The risk of getting revenue assumptions too high can be profound on budgets.

Risk of getting the peak load estimates too low are likely to result in insufficient lead times to procure new buses and trains.

Medium

There is some uncertainty with long-term demand growth projections as the growth of demand is dependent on the future population, household, and employment growth in the region.

The council monitors growth and updates its long-term public transport plans to address variations in the rate or location of growth for public transport.
Preparing an annual budget and resetting growth rate assumptions combined with triennial review of LTP mitigates the risks.

2) The current plan to transition to an integrated fares and ticketing (IFT) system is expected to generate new customers and facilitate travel on more than one PT mode. 3) The continued move towards more electric buses in the Metlink bus fleet is likely to be well received by customers and result in increased bus patronage growth **Fare increase** Fares are assumed to increase at a higher level of the consumer price index (CPI) for the first year of the LTP (FY25). From there the expectation will be to increase the fares at the level of the consumer price index (CPI) during the term of the LTP. While the public appetite for fare increases has been generally low post- COVID-19, increases to fares relative to the cost of living are likely to be necessary, as Council looks across all budget areas to recover from the increasing cost pressure over the last few years and the first few years of the LTP. Larger fare increases are not recommended as this would undermine Council's goals of increasing PT mode share, increasing accessibility and reducing greenhouse gas emissions.			

Waka Kotahi / NZ Transport Agency			
Waka Kotahi co funding is provided at the agreed financial assistance rate (FAR) for all eligible transport planning activities and there are no unexpected changes to FARs.	Changes in the subsidy rate and variations in criteria for inclusion in the qualifying programme of works.	**Low in short-term** **Medium in long-term, up to 10 years**	If the level of subsidy decreases or ceases there needs to be either a reduction in the public transport work programme or an increase in funding from alternative sources.
All transport projects and services will receive funding assistance from the NZTA at the rate of 51% from the central government.	Lack of certainty over NZTA funding which puts risks that essential public transport projects and programmes are delivered as planned.		If FARs change, the Council will review budgets in subsequent Annual Plans. Noting that currently there as been no indication from central government of Waka Kotahi of changing Funding Assistance Rate (FAR)

Funding of decarbonising the bus and rail network – rail rolling stock			
The acquisition of the rail rolling stock includes an assumption that the Regional Council will receive 90 percent of the capital funding from Waka Kotahi and/or the Crown. No decisions or commitments have been received from The Crown/Waka Kotahi for this level of funding and the assumption is based on the best available information and funding arrangements that were in place for previous acquisition of rolling stock.	If we do not receive the assumed level of funding, the rail programme will have to be significantly revised.	**Low**	The Council is currently in the final stages of finalising a Funding Agreement for the LNIRIM Programme between the key funding partners (Minister of Transport, Waka Kotahi, GWRC, Horizons) and the delivery partners (GWRC and KiwiRail). Once this is agreement signed in early 2024 this will be the ultimate assurance. Currently the programme is being funded by a $5m 100% Waka Kotahi contribution for undertaking the Detailed Business Case and commencing Procurement activities.

<table>
<tr><th colspan="4">Inflation impact on expenditure budget</th></tr>
<tr>
<td>For the first year of the Long-Term Plan (2024/25), all financial statements have been prepared using 2024 dollars. Price level adjustments for inflation have been included in all financial statements for the following nine years of the Long-Term Plan.
Price level adjustments for the years 2025/2026 onwards have been derived from forecasts prepared for Local Government New Zealand by Business and Economic Research Limited (BERL) and deal primarily with areas of expenditure local authorities are exposed to through their business.

The capital inflation rate used by the Council is a LGCI (Local Government Cost Index) capex category.
<table>
<tr><th>2025/26</th><th>2026/27</th><th>2027/28</th><th>2028/29</th><th>2029/30</th><th>2030/31</th><th>2031/32</th><th>2032/33</th><th>2033/34</th><th>2025/26</th></tr>
<tr><td>2.00%</td><td>2.20%</td><td>2.20%</td><td>2.10%</td><td>2.10%</td><td>2.00%</td><td>2.00%</td><td>1.90%</td><td>1.90%</td><td>2.00%</td></tr>
</table>
Salary inflation rate used by Council is LCI for all salary and wage rates for local government sector.
<table>
<tr><th>2025/26</th><th>2026/27</th><th>2027/28</th><th>2028/29</th><th>2029/30</th><th>2030/31</th><th>2031/32</th><th>2032/33</th><th>2033/34</th><th>2025/26</th></tr>
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</table>
The operational inflation rates used by Council is LGCI (Local Government Cost Index) opex.
<table>
<tr><th>2025/26</th><th>2026/27</th><th>2027/28</th><th>2028/29</th><th>2029/30</th><th>2030/31</th><th>2031/32</th><th>2032/33</th><th>2033/34</th><th>2025/26</th></tr>
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</table>
CPI rate increases
<table>
<tr><th>2025/26</th><th>2026/27</th><th>2027/28</th><th>2028/29</th><th>2029/30</th><th>2030/31</th><th>2031/32</th><th>2032/33</th><th>2033/34</th><th>2025/26</th></tr>
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</table>
</td>
<td>Actual inflation rates exceed budgeted inflation rates</td>
<td>Low (short term)

Medium (up to 10 years)</td>
<td>A number of factors will affect economic performance and certainty around these cost factors is difficult to judge. BERL has had many years of experience in providing cost adjustors to local government and is the best-known resource available.

However, with volatility within the global economy and supply chains, currently the risk is considered low in the short-term, medium up to 10 years and high over 10 years.

Preparing an annual budget and resetting rates combined with triennial review of LTP mitigates the medium and long-term risks.</td>
</tr>
</table>

Other Revenue			
The other revenue is assumed to grow by inflation for the life of the long-term plan.	The other revenue does not grow as assumed in the plan and that has a negative impact on surplus or deficit.	**Low**	As inflation has been applied and other revenue is not the main source of revenue for Council the risk is considered negligible.

Government and other external sources of capital grants funding			
The Council receives funding from various sources for the development of infrastructure.	The risk is that until capital grants can be guaranteed by the third party they may not be received as budgeted or could be lower than budgeted. This would result in a shortfall in funding for planned projects and could result in a negative impact on operating result and an increase in debt.	**Medium**	If rates change, the Council will review budgets in subsequent Annual Plans

Affordable Waters reform			
As part of new government 100-day plan, the Water Service Entities Act has been repealed in February 2024. Therefore, we have prepared the Long-term plan assuming we will continue to own the infrastructure related to water asset.	Political uncertainties where the new elected government might repeal the water removal	**Low**	As the election took place every 3 years, triennial review of LTP will mitigates the risk of uncertainties. Preparing an annual budget will allow the Council to re-assess the current situation and make any adjustments as necessary.

Insurance			
Our insurance provider has anticipated the insurance costs to increase by 10-20% annually. Therefore, we have assumed 15% increase in insurance for the first year and continuing to inflate them up to 10% in subsequent years.	The risk is that there could be further large adjustments in insurance that are not allowed for in the Long-term Plan.	**Medium**	If New Zealand is struck by another major natural disasters, there is a chance the council will not be able to get insurance again to cover potential damages or the premiums will become unaffordable.

Financial risks from climate change			
It is assumed that all critical climate risks drivers will remain in place for the duration of the LTP. The Long-Term Plan assumes that the Council will experience increasing pressure on the economy due to climate change risks in particular: - Interest costs on debt; - Insurance premiums; - Capital and operational assets costs of assets and degradation of assets The Long-Term Plan also does not propose any significant changes to our current levels of service in the short-term. However, increased investment may be required to maintain levels of service in flood protection long-term. The Plan assumes that the Council will have no liability risks from contractual and legal obligations through service level agreements with third parties.	Emerging risk drivers are higher than expected	**Medium**	The Council is seen as a leader in the environmental hazard risk management in the region. Asset Management Plans capture climate risks by adjusting their thirty-year plans with additional funding necessary to manage the risk for adaptation and transition. The Council is also regularly assessing the impact and uncertainties of climate change every two months and reviewing any references for actions and controls as required.

External borrowings			
It is assumed that Council's portfolio of debt, which has differing maturity dates from 1 to 10 years and new funding required, will be able to be raised on favourable terms. It is assumed that Council will be able to refinance existing loans on similar terms.	Loans are unable to be repaid at maturity. Council will not be able to raise new debt on favourable terms. The result would mean Council would have to borrow at higher than planned interest rates.	**Low**	Local government is a very low risk to investors, second only to central government. For this reason, it is very unlikely that Council will not be able to raise funds on favourable terms as and when required. Council has a comprehensive treasury policy and management practices, employs expert advice when required, has a debenture trust deed for raising loans and employs qualified staff. Counterparties have always shown confidence in the Council in the past and this is not likely to change. To ensure that debt levels continue to remain prudent and sustainable, the Council has set a prudential limit of net debt as depicted in the Financial Strategy. The Council ensures that sufficient cash, liquid investments and committed lines of credit are available to allow us to payment our bills for at least the next six months.

Local Government Funding Agency (LGFA) guarantee			
Majority of the shareholders of the LGFA are parties to a Deed of Guarantee, whereby the parties to the deed guarantee the obligations of the LGFA and guarantee the obligations of other participating local authorities to the LGFA, in the event of default.	In the event of a default by the LGFA, each guarantor is liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation to each guarantor's rating base.	**Low**	The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is very low. The likelihood of a local authority borrower defaulting is extremely low and all the borrowings by a local authority from the LGFA are secured by a charge over rates.

Local Government Funding Agency			
The Council remains a shareholder and borrows direct from the LGFA which was set up as an institution to source lower-cost funding for Councils.	LGFA will be downgraded materially, or lower cost funding will not be achieved.	**Low**	LGFA debt is guaranteed by all member Councils and has strict credit limits which ensures good credit quality and therefore reduces the risk of any material downgrade.

Interest rates			
The Council has an actual portfolio of fixed interest rate debt that matures at various times over the next 10 years. In preparing the long term plan the Council used the implied 90-day forward rates for its floating interest rate projection. The fixed interest rate is based on the existing pay fixed rate swaps in place. A market determined credit margin of 0.60% is added to this for all years of the LTP. Taking into account the current economic state, the interest rate on the cost of borrowing for the Long-term Plan is as follows: 2024/25: 5.35%; 2025/26: 4.92%; 2026/27: 4.78%; 2027/28: 4.84%; 2028/29: 4.95%; 2029/30: 5.15%; 2030/31: 5.25%; 2031/32: 5.36%; 2032/33: 5.43%; 2033/34: 5.61% Our internal lending rates are currently sitting at 0.05% margin	The prevailing interest rates will differ significantly from those estimated.	**Low in short-term** **Medium in long-term, up to 10 years**	Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements. The Council can use fixed interest rate borrowings which locks the Council's future borrowing costs for a certain period of time to protect us from rising interest rates. The Council has mitigated interest risk using interest rate swaps and is governed by a robust Treasury Management Policy that prescribes best practice interest risk and debt concentration risk covenants. The Council has diversified portfolio of revenue sources to help it pay for interest costs, including rates, levies, fees and charges, fares and investment income. Interest rate forecasts can be restated every year through the Annual Plans

2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
5.35%	4.92%	4.78%	4.84%	4.95%	5.15%	5.25%	5.36%	5.43%	5.61%

Return on short-term financial investments			
Although the interest earned on short term cash investments will fluctuate considerably over the 10 years, it is assumed that the Council will earn at least a prudent return on investment between 4.80%-5.85% p.a.	The risk is that the Council will obtain lower returns on its cash investments.	**Low** **Medium in long-term, up to 10 years**	The Council bases its returns at prudent levels and the risk of returns going well below the estimated, prudent levels over the 10 year period is considered low.

Dividend income			
The Council invests in strategic assets, and it is assumed that the Council will continue to control and own its strategic assets.	Income from dividends may differ from what was projected due to fluctuating market prices or decline in dividends. Reduction in dividend income will affect the level of contribution able to offset the rate requirement.	**Medium**	Any increase in the rate requirement due to reduced dividend levels is unlikely to be substantial, and if the shortfall is significant the Council would review its expenditure levels. Dividend income forecasts can be restated every year through the Annual Plan

Capital projects delivery			
We assume the capital programme will be delivered as planned following a comprehensive clean sheet budgeting process.	If the capital programme is not delivered as anticipated there could be an impact to our Level of Service and the future needs of our community.	**Medium**	Capital projects are inherently exposed to various uncertainties from both the demand supply perspectives. To mitigate the risks, the Council reviews and re-forecasts capital projects deliverability, in the regular annual plan and long-term plan cycles. We are also engaging with external advisors as necessary to improve the capital delivery framework and focusing resources to support delivery.

Statement of accounting policies

Reporting entity

Greater Wellington Regional Council (Greater Wellington) is a regional local authority governed by the Local Government Act 2002 and Local Government (Rating) Act 2002.

Greater Wellington provides water supply, regional parks, public transport, flood protection and environmental regulation and management and monitoring to the Greater Wellington region for community and social benefit, and not for a financial return. Accordingly Greater Wellington has designated itself as public benefit entities (PBE's) and applies New Zealand Tier 1 Public Sector Public Benefit Entity accounting standards (PBE Accounting Standards).

The reporting period of Greater Wellington for those prospective financial statements is the 10-year period from 1 July 2024 to 30 June 2034.

The main purpose of those prospective financial statements is to provide users with information about the core services that Greater Wellington intends to provide to ratepayers and the plan is only prepared for the council parent.

Basis of preparation

The prospective financial statements of the Greater Wellington have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP) and PBE FRS 42 Prospective financial statements.

The prospective financial statements have been prepared on the going concern basis.

The prospective financial statements are presented in New Zealand dollars and rounded to the nearest thousand ($000), unless otherwise stated.

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Measurement base

The prospective financial statements are prepared using a measurement base of historical cost modified by the revaluation of certain assets as set out in the specific accounting policies.

Accounting judgements and estimations

The preparation of financial statements in conformity with PBE Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These results form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Summary of significant accounting policies

1. Revenue

Revenue is measured at fair value. Revenue is recognised when billed or earned on an accrual basis.

Exchange transaction revenue arises when Greater Wellington provide goods or services directly to a third party and receive approximately equal value in return. Non-exchange transaction revenue arises when Greater Wellington receives value from another party without having to directly provide goods or services of equal value.

Greater Wellington's significant items of revenue are recognised and measured as follows:

(i) Rates and levies

Rates and levies are a statutory annual charge and are recognised in the year the assessments are issued.

(ii) Government grants and subsidies

Greater Wellington receives government grants from Waka Kotahi/NZ Transport Agency. These grants subsidise part of Greater Wellington's costs for the following – the provision of public transport subsidies to external transport operators, the capital purchases of rail rolling stock within a Greater Wellington subsidiary and transport network upgrades owned by KiwiRail. The grants and subsidies are recognised as revenue when eligibility has been established by the grantor. Other grants and contributions from local authorities are recognised as revenue when eligibility has been established by the grantor.

(iii) User charges

Revenue from user charges is recognised when billed or earned on an accrual basis.

(iv) Dividends

Revenue from dividends is recognised on when the right to receive payment has been established and in surplus & deficit.

(v) Interest

Interest is accrued using the effective interest rate method. The effective interest rate method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(vi) Sales of goods

Other revenue is recognised when billed or earned on an accrual basis. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Vested assets are recognised as revenue when control over the asset is obtained.

2. Employee benefits

Employment costs relate to the remuneration paid directly to staff, other employee benefits such as other associated costs such as recruitment and training.
Employer contributions to defined contribution schemes and/or KiwiSaver is accounted for as defined contribution superannuation schemes and is expensed in the surplus or deficit as incurred.

3. Grants and subsidies expenditure

Discretionary grants and subsidies are recognised as expenses when Greater Wellington has advised their decision to pay and when the attached conditions, if any, are satisfied. Non-discretionary grants are recognised as expenses on receipt of an application that meets the specified criteria.

4. Finance expenses

Finance expenses include interest costs, amounts paid or payable on interest rate swaps and expenses directly incurred in managing funding.

5. Operating leases

Greater Wellington leases office space, office equipment, vehicles, land and buildings. Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

In the event that lease incentives are provided to lessees to enter into operating leases, such incentives are recognised as a reduction of rental income on a straight-line basis.

6. Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which Greater Wellington expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

7. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, and other short term, highly liquid investments with original maturities of three months or less.

8. Trade and other receivables

Short term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

Greater Wellington applies the simplified ECL model of recognising lifetime ECL for short term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Amounts in other non rates categories of receivables are written off when there is no reasonable expectation of recovery.

Greater Wellington does not provide for ECL on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding rates.

Due to minimal historical credit losses, Greater Wellington does not provide for ECL on other non rates categories of receivable unless the effect of forward looking factors is considered material.

9. Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in first out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

10. Other financial assets

Other financial assets are initially recognised at fair value.

Purchases and sales of financial assets are recognised on trade date, the date on which Greater Wellington commits to purchase or sell the asset.

Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset expire, are waived, or have been transferred in a way that qualifies for derecognition.

At acquisition, other financial assets are classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it is classified at FVTSD, in which case any directly attributable transaction costs are recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and Greater Wellington's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; or if it is an equity investment not held for trading that has been designated at initial recognition as subsequently measured at FVTOCRE.

Financial assets that do not meet the criteria for measurement at amortised cost or FVTOCRE are subsequently measured at FVTSD.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, receivables, and loans to subsidiaries.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category are unlisted equity investments designated as FVTOCRE. They are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity.

Unlisted equity investments held by Greater Wellington are strategic investments intended to be held for the medium to long term and not for trading. Greater Wellington designate all unlisted equity investments into the FVOTCRE category other than equity interests in subsidiaries and associates (see Note 19) and equity interests in joint ventures (see Note 14).

The fair value of unlisted equity investments is calculated based on Greater Wellington's share of net assets of the companies.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Expected credit losses (ECL) allowance

Greater Wellington recognises an allowance for ECL for all debt instruments not classified as FVTSD. ECL are the probability weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Greater Wellington in accordance with the contract and the cash flows it expects to receive. ECL are discounted at the effective interest rate of the financial asset.

ECL are recognised in two stages. ECL are provided for credit losses that result from default events that are possible within the next 12 months (12 months ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a debt instrument has increased significantly since initial recognition, Greater Wellington considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Greater Wellington's historical experience and informed credit assessment and including forward looking information.

Greater Wellington considers a debt instrument to be in default when a contractual cash flow is more than 90 days past due. Greater Wellington may determine a default occurs prior to this if internal or external information indicates the counterparty is unlikely to pay its credit obligations in full. The Greater Wellington measures ECL on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the debt instrument, the ECL are recognised as a provision.

11. Property, plant and equipment

Property, plant and equipment consists of operational and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

Property, plant and equipment is categorised into the following classes:

- Operational land and buildings
- Operational plant and equipment
- Operational vehicles
- Flood protection infrastructural assets
- Transport infrastructural assets
- Navigational aids infrastructural assets
- Parks and forests infrastructural assets
- Capital work in progress
- Regional water supply infrastructural assets
- Right of use assets

All property, plant and equipment are initially recorded at cost.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Greater and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Property, plant, and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Infrastructural assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three to five years, except operational port freehold land which is valued every three years.

Revaluation movements are accounted for on a class of asset basis. The fair value of revalued assets is recognised in the financial statements of Greater Wellington and reviewed at the end of each reporting period to ensure that the carrying value is not materially different from its fair value. Any revaluation increase in the class of asset is recognised in other comprehensive revenue and expenses and accumulated as a separate component of equity in the asset revaluation reserve, except to the extent it reverses a previous revaluation decrease for the same asset previously recognised in the statement of revenue and expenses, in which case the increase is credited to the statement of revenue and expenses to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged to the statement of revenue and expenses to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Greater Wellington and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds to the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all tangible property, plant and equipment, other than land and capital works in progress, at rates which will write off assets, less their estimated residual value over their remaining useful lives. The useful lives of major classes of assets have been estimated as follows:

Operational land	Indefinite
Operational buildings	5 to 75 years
Operational plant and equipment	2 to 40 years
Operational vehicles	2 to 34 years
Flood protection infrastructural assets	10 years to indefinite
Transport infrastructural assets	4 to 150 years
Navigational aids infrastructural assets	10 to 50 years
Parks and forests infrastructural assets	5 to 155 years
Regional water supply infrastructural assets	3 to 214 years
Right to use	20 years

Impairment of property, plant, and equipment

Property, plant, and equipment that has a finite useful life is reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

12. Intangible assets

Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives between 1 and 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

New Zealand Units (NZU's) received for pre 1990 forests are recognised at fair value on the date received. They are recognised as an asset in the balance sheet and income in the statement of revenue and expense. The deforestation contingency is not recognised as a liability as there is no current intention of changing the land use. The estimated liability that would arise should deforestation occur has been estimated in the notes to the accounts.

NZU's in respect of post 1989 forests are recognised at fair value on the date received. As trees are harvested or carbon stocks decrease a liability and expense will be recognised for the NZU's to be surrendered to Government.

Subsequently to initial recognition NZUs are revalued annually through the revaluation reserve.

13. Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from Greater Wellington's financing activities and exposure to foreign exchange risks arising from operational activities. In accordance with its Treasury management policies, Greater Wellington does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date based on the forward interest rate yield curve. The resulting gain or loss is recognised in surplus or deficit.

The portion of the fair value of an interest rate swap derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the interest rate swap classified as non-current.

The full fair value of any foreign exchange contract derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange contract derivatives are classified as non-current.

14. Trade and payables

Trade and payables represent amounts payable within 12 months of balance date and are recognised at cost. Trade and other payables are non interest bearing and are normally settled on 30 day terms, therefore the carrying value approximates their fair value.

15. Employment Entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date when it is probable that settlement will be required and they are capable of being measured reliably. The present value is determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of revenue and expenses as incurred. Greater Wellington belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

16. Borrowings

Borrowings are recorded at amortised cost. Borrowing costs directly attributable to capital construction are capitalised as part of those qualifying assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

17. Provisions

A provision is recognised in the statement of financial position when Greater Wellington has a present legal or constructive obligation as a result of a past event and it is probable that an amount will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

18. Service concession

Greater Wellington (as guarantor) has entered into a service concession arrangement with Tranzit, NZ Bus, and Mana (the Operators) to provide bus services with double decker buses. These buses meet the definition of service concession asset and are initially recognised at fair value and subsequently measured in accordance with PBE IPSAS 32. They are depreciated over a useful life of 30 years on a straight-line basis. An initial financial liability is also recognised which is accounted for using the amortised cost model leading to finance expenses over 15 years.

19. Overhead allocation and internal transactions

Greater Wellington allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of Greater Wellington is treated as an internal banking activity. Any surplus generated is credited directly to the statement of comprehensive revenue and expenses.

Individual significant activity operating revenue and operating expenditure are stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in Greater Wellington’s financial statements.

The democratic process costs have not been allocated to significant activities, except where there is a major separate community of benefit other than the whole region, i.e. regional water supply and regional transport.

20. Equity

Equity is the community’s interest in Greater Wellington and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within Greater Wellington. The components of equity are accumulated funds, revaluation reserves and other reserves.

Asset revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

21. Related party transactions

Related parties include subsidiaries, associates, joint ventures, key management personnel, the elected representatives of Greater Wellington and entities controlled by them.

22. Statement of cash flow

The following are the definitions used in the statement of cash flow:

(a) Operating activities comprise the principal revenue producing activities of Greater Wellington and other activities that are not considered to be investing or financing activities.

(b) Investing activities are those activities relating to the acquisition and disposal of Property, Plant and Equipment, Investment Property, Intangible Assets and Joint Ventures. Investments include securities not falling within the definition of cash.

(c) Financing activities are those activities that result in the changes in size and composition of the capital structure of Greater Wellington. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to capital structure are included in financing activities.

21. Reserve

The Local Government Act 2002 requires the Long-term Plan to identify each reserve set aside by the council, the purpose of each fund, the activities to which each fund relates and funding flows for the period of the plan.

23. Changes in Accounting Policies

Amendment to PBE IFRS 17 Insurance Contracts– effective 1 January 2026

The amending standard Insurance Contracts in the Public Sector adds public sector modifications to PBE IFRS 17 Insurance Contracts to include public sector entities and to ensure that this Standard is suitable for this sector.

Amendment to PBE IPSAS 1 Presentation of Financial Reports – effective 1 January 2024

The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit.

The changes in accounting standards are not effective at the time of preparation Long-term plan and no impact on those prospective financial statements.

Proposed LTP Strategic Framework 2024-2034

Greater Wellington Te Pane Matua Taiao delivers a wide range of activities not limited to looking after regional parks, providing resource consents, helping people move around on buses, ferries and trains, to managing pests, providing emergency and hazard management, and protecting our communities from floods.

This proposed LTP Strategic Framework is a living document and planning tool to support us to plan in an organised, cohesive, and consistent way.

PART 1: Long-term LTP Strategic Framework
WHY: To make intergenerational impacts that improve the environmental, social, cultural, and economic wellbeing of our region

Purpose	Working together for the greater environmental good
Vision	**He rohe taurikura – Nui te ora o te taiao, He hapori kotahi, He manawaroa te āpōpō** An extraordinary region - thriving environment, connected communities, resilient future
Community Outcomes	**Nui te ora o te taiao | Thriving environment** Healthy fresh and coastal water, clean and safe drinking water, unique landscapes and indigenous biodiversity and sustainable land use and a prosperous low carbon economy
	He hapori kotahi | Connected communities Vibrant and liveable region in which people can move around, safe, sustainable, and effective public transport, inclusive and equitable participation, sustainable rural and urban centres that are connected to each other
	He manawaroa te āpōpō | Resilient Future Safe and healthy communities, a strong and thriving low-carbon regional economy, adapting to the effects of climate change and natural hazards, community preparedness and modern and robust infrastructure

PART 2: Cross-Organisation Focus Areas (3-10 years)
HOW: Guiding us to focus as an organisation and deliver meaningfully toward our vision

Focus Areas

Active mana whenua partnerships and participation for improved outcomes for Māori	**Holistic approaches to deliver improved outcomes for te taiao**	**Leading action for climate resilience and emissions reduction**	**Improved access to services and equity of outcomes through participation with communities**
• Proactive partnerships with mana whenua • Giving effect to our Te Tiriti obligations to create conditions for rangatiratanga • Mana ōrite mō te Mātauranga Māori – equity of traditional knowledge systems informing our design, decision making, implementation and evaluation • Effective engagement with mātāwaka Māori	• Deep insights strengthen planning, delivery, measurement, and storytelling • Joined-up solutions that maximise investment and deliver shared outcomes • Nature-based solutions reduce risk and improve the wellbeing of our people and places	• Together with our regional partners we prepare and adapt to the effects of climate change and natural hazards • Reducing corporate carbon emissions and building our climate risk preparedness • Low-emissions economy, sustainable urban and rural development, and critical behaviour change	• Improving access to services (including capacity and demand) • Knowledge about our communities so we can deliver more effective and equitable results • Communities have accessible information for informed decision-making • Participation in a low-emissions economy and climate resilient region

PART 3: Activity Management Planning
A process to determine WHAT we will deliver WHEN we will deliver it and WHO the results will benefit

Groups of Activities

Environment and Flood Protection	**Metlink Public Transport**	**Regional Strategy and Partnerships**	**Water Supply**
• Environmental restoration, recreation and harbour safety • Planning and prioritising integrated work at a catchment scale • Environmental strategy, policy and protection • Environmental knowledge and insights • Flood protection and control works	• Public transport strategy and planning • Public transport service delivery • Public transport assets and infrastructure management	• Regional spatial planning • Regional transport planning and programmes • Regional economic development • Democratic services • Regional partnerships with mana whenua and Māori • Emergency management • Climate Change	• Bulk water supply

Activity Management Planning is the critical implementation stage of the LTP process. The Activity Management Planning begins with interpreting the LTP Strategic Framework and developing Activity Group specific implementation details including activity-specific priorities, projects and programmes of work, and key result areas.

Te Whāriki

Our Vision: An extraordinary region – thriving environment, connected communities, resilient future

Our Purpose: Working together for the greater environmental good

Overarching Strategic Priorities

Improving outcomes for mana whenua and Māori – proactively engage mana whenua in decision making, and incorporate te ao Māori and mātauranga Māori perspectives, so we can achieve the best outcomes for Māori across all aspects of our region

Key Principles

Mana whenua

1. **Partnership** – Mana whenua as partners and kaitiaki are actively involved in decision making from beginning to end.
2. **Opportunities focused** – Realise innovative opportunities to progress partnership aspirations in the dynamic Crown and Māori environment.
3. **Effective participation** – Mana whenua and Māori are resourced and enabled to participate in decision making.
4. **Evidence based decision making** – Mātauranga Māori is an integral part of our policy, planning and implementation.

All Māori

Key Values

Manaakitanga – We value our people and treat others with respect and dignity.

Tika – Be consistent and authentic.

Tuku Ihotanga – Preparing for the future through intergenerational development and growth.

Focus Areas

Effective partnering

- Mana whenua as kaitiaki are strengthened in their capability and capacity through co-design, co-governance and co-management models.
- GW and mana whenua partners have a shared vision and understandings within a partnership built on shared responsibility, contribution and accountability to all Māori.
- GW act in a manner that upholds the principles of Te Tiriti o Waitangi and fulfils our statutory obligations to Māori.
- Explore future focused and long-term opportunities to partner.
- Realise innovative opportunities to progress partnership aspirations in the dynamic Crown and Māori environment.

Engagement for equitable outcomes

- Māori enabled and resourced to influence effective decision making in natural and urban environments.
- Foster opportunities for mana whenua and Māori to partner, input and influence decision making from beginning to end.
- Enable Māori to identify and achieve their aspirations and succeed as Māori.
- Mātauranga Māori is included and respected as a part of our work being in balance with science and knowledge.
- Explore opportunities to support Māori internships.
- We are engaging and collaborating with our CCO's to deliver for Māori outcomes.

Strong, prosperous and resilient Māori communities

- Contribute to the implementation of Te Matarau a Māui.
- Social procurement including supplier diversity to support Māori social and economic opportunities, and to enhance Māori wellbeing in the work we do.
- Increase GW Māori workforce.
- Active support for Māori to prepare for and manage effective responses to civil defence and other emergencies
- Support and advocate opportunities to showcase and protect Māori identity, culture and heritage (e.g. Matariki, Te Wiki o Te Reo Māori).

A capable workforce

- Support our people to develop strong, meaningful and enduring relationships with Māori through active participation in cultural capability training.
- Increased use of te reo across our services.
- Value and recognise staff cultural competence.
- Staff understand the Treaty settlement and historical accounts.
- We establish best practise tools (policies, models and frameworks) to support our staff to engage with Māori.
- Review training competency measures.

Outcomes

- Prosperous Māori communities as evidenced by strong partnership arrangements.
- Equitable outcomes for Māori are achieved through effective and resourced engagement.
- Māori communities are strong, resilient and realising opportunities.
- Mana whenua report that Greater Wellington people have the capability, capacity, confidence and are partnering and engaging successfully with Māori.

Strategic Public Transport Asset Control Strategy

Proposed for consultation

Contents

Purpose

The purpose of the Public Transport Asset Control Strategy (the Strategy) is to ensure there is a long-term framework and direction for public transport authority (PTA) control of key public transport assets.

While the Strategy will help shape the size and location of significant infrastructure investments across the Wellington region, these investments will largely be required, regardless of whether they are publicly or privately held. The objective of the Strategy is for Greater Wellington to play a more active and strategic role in the planning and management of key public transport infrastructure through a range of potential commercial arrangements (not necessarily confined to outright ownership).

Greater Wellington will fund these investments through a variety of potential financial approaches. These may include one off capital investment or through ongoing lease / financing costs. The Strategy influences how Greater Wellington pays for the investments needed rather than the quantum of investment needed. Overall, the project will aim to make savings to operational costs in the long term, through cheaper local government financing, consolidating asset locations and potential reduction of private profit margins associated with private control of assets.

Adoption of the Strategy does not constitute approval of specific investments (or actions) by Greater Wellington required to deliver the strategy. These will be determined through Council's normal business planning and investment approval processes.

Council's Strategic Context

The goal and vision for Greater Wellington's public transport is to provide an efficient, accessible, and low carbon public transport network.

To support the attainment of this vision, the Regional Public Transport Plan (RPTP) sets three strategic priorities:

1. *Mode shift*: a 40% increase in mode shift to public transport by 2030.
2. *Improve customer experience*: to continue to improve customer experience on public transport across the network, maintaining a customer satisfaction rating greater than 92%
3. *Decarbonise public transport vehicle fleet*: to reduce public transport carbon emissions by 60% for Wellington Region by 2030 primarily by decarbonising the public transport fleet.

Across the three strategic priorities, there are several themes within the RPTP that provide guidance on the work and direction that needs to be undertaken. The themes are:

Mode Shift	Decarbonise Public Transport Vehicle Fleet	Improve Customer Experience
• Provide a high quality, high capacity, high frequency core network • Improve access to public transport • Promote behaviour change	• Drive environmental and cost sustainability by pursuing smart commercial opportunities and lower carbon technologies • Decarbonise the Metlink bus fleet by 2030 • Explore ways to further decarbonise the Metlink rail and ferry fleet	• Greater choice and flexibility for journey planning, fares and fare payment options. • Improve the accessibility of public transport for all • Prioritise safety through continuous improvements to both infrastructure and operations

The availability, locality and quality of network assets are critical for the achievement of all Greater Wellington's strategies priorities and corresponding themes. In particular:

- *Mode shift and customer experience*:
  - the availability and quality of the asset base needs to be maintained to ensure service sufficient reliability and customer comfort;
  - asset use and services need to be able to be directed to respond to growing capacity and customer experience requirements particularly around vehicles maintenance and onboard amenities.

- *Decarbonisation*:
  - the existing asset base needs to be transitioned to assets which support lowering emissions. This includes not only the vehicles (train, bus, ferry) but also the infrastructure that supports them (line and depot electrification, in route infrastructure) and from where we source electricity (higher renewable sources).

Greater Wellington needs sufficient control of its assets (through either direct ownership or appropriate contractual arrangements) to ensure these strategic priorities and themes can be met through considered and timely investment.

Need and Context for Change

In 2021 Council directed GW to look at options for control of strategic public transport infrastructure assets. As part of its submission on the Public Transport Operating Model (PTOM) review to Government it noted that "*we need to have stronger control of critical infrastructure like depots and charging infrastructure. This is to ensure the critical assets remain available to public transport use".*

Control of strategic assets is also now a major focus of the Sustainable Public Transport framework (SPTF) review which is expected to replace the existing PTOM model within the next 2 – 3 years. In addition, several other Public Transport Agencies (PTAs) around New Zealand are developing similar strategies.

The purpose of the strategic Assets strategy is to develop an approach for the long-term direction of asset control and the contractual arrangements that support operation of the networks providing public transport. This would give guidance on:

- Control and ownership approaches for each class of asset based on the key strategic principles
- Identify pathways and a plan for transition to the identified control structures
- Design of the wider network integrating key strategic assets into network design
- Design of the operational models to support the network and strategy

The model for the operation of public transport and its assets is in a state of change with an upcoming change to the Public Transport Operating Model (PTOM) and move to the Sustainable Public Transport Framework (SPTF). This reflects a ideological shift away from commercially driven models towards a greater focus on the outcomes for the service and public.

The assets strategy reflects this by identifying best approaches for control and security of the network, while maintaining a focus on minimising long-term costs. It takes a holistic view across a long time period (30-40 years).

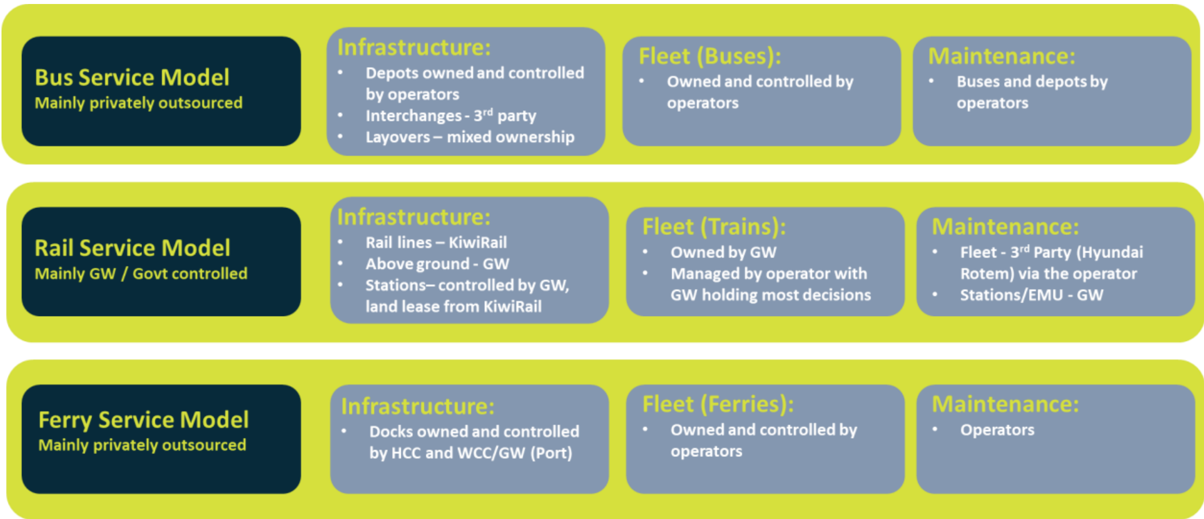
Current Public Transport Infrastructure and Operational Models

The public transport network in Wellington is provided by two main modes, rail and bus, with ferry and total mobility providing supplementary services. The network carries approximately 40 million passengers per year across the region and patronage across the modes.

Delivery of the Greater Wellington public transport network services are currently provided by:

- Bus – four operators who contract to deliver services across 18 different units;
- Rail – a single operator contracted to manage and operate the rail services;
- Ferry – a single operator contracted to deliver ferry services across Wellington harbour;
- Total mobility – A number of individual private operators providing mobility taxi services.

There are several operational models that are available to Greater Wellington to deliver public transport services - including fully in-house or outsourced models, and a range in-between. Greater Wellington currently has different operational models across its rail, bus, ferry public transport services. These can be summarised as follows:



One of the key differences between the rail, bus and ferry operational models is the amount of control and influence retained by Greater Wellington over its infrastructure assets.

Under the rail model:

- The provision of rail services is a mixed model where operational delivery is provided by a commercial operator, above ground assets (including the train fleet) are owned by Greater Wellington (through a subsidiary CCTO) and rail lines are provided by KiwiRail or through long term contracts in place with KiwiRail.
- The contract with operators for managing rail operations are currently 9 years plus a renewal of 6 years.
- Decisions on keeping or removing operators are entirely based on the ability to provide a quality affordable service and achieving KPIs, rather than influenced by the control of assets.
- Greater Wellington has either direct control or a high degree of influence over the long-term direction, planning and investment in the PT rail network assets.

Under the bus model:

- The provision of bus services is almost totally outsourced to commercial operators who provide the infrastructure (depot and fleet) and manage the operations. Essentially network design and a degree supporting bus stop infrastructure are the key functions left to Greater Wellington. Commercial operators and then incentivise to build their own fleet and depot infrastructure to meet various KPI associated with the desired timetables. In addition to fleet and depot infrastructure there are other smaller assets, such as layovers and interchanges, which are owned by either GWRC or the relevant territorial authority.
- The contracts with bus operators are mainly 8-10 years in duration which provides a constraint around long term infrastructure planning as investment beyond contract periods run the risk of becoming sunk costs.
- Greater Wellington specifies the fleet requirements (number, size and special features) but not depot requirements.
- Greater Wellington has a medium degree of control over the fleet assets but a low degree of control over depots which require significant and long-term investment to support growth.

Under the ferry model:

- The provision of ferry services is completely outsourced to a commercial operator who is accountable for ensuring the provision of all required infrastructure (including the ferry and dock facilities) and manages the operations.
- It is small in the overall scale and turnover relative to Greater Wellington's wider public transport network – making it difficult to attract competition.
- The management of ferry and marine assets requires significant expertise beyond normal public transport requirements.
- Greater Wellington has a low degree of control over ferry assets but given this is premium public transport service and customers have other public transport options for their journeys, this is not seen as a problematic.

Objectives

Greater Wellington identified six key objectives that underpin the asset control strategy and are used to assess different strategy outcomes:

- *Service continuity* – Ensuring infrastructure critical to delivering the network's intended routes and timetables remain available.
- *Coordinated services and infrastructure* - planning certainty and centralised coordination of services and infrastructure to deliver a more planned, responsive and efficient network.
- *Aligned roles and capabilities* - Greater Wellington and operator capability aligns with allocation of future delivery roles and operating models.
- *Value and broader Council outcomes* – procurement and competitive processes provide value for money (through open and fair competitive processes) and assist in meeting Council's broader strategic priorities including social and environmental outcomes.
- *Responsive to opportunities* - responsiveness to new innovations and operating models and modes to drive environmental, cost sustainability and service enhancements.
- *Reduce PT Emissions (by 2030 and 2035)* - all core routes are electric by 2030 and enabling the supply of Zero Emissions Bus assets to be scaled in response to an accelerated transition to 100% decarbonisation no later than 2035.

Options

Four options were developed for assessment. These options considered depot land, depot facilities, charging infrastructure (for site and to vehicles), and fleet assets.

- **Status Quo** (Option A): Operators own or lease all assets, and fund / procure electrification to sites. Investment and operating costs are passed on to Greater Wellington through ongoing service charges. Multiple operators maintain control over all assets and subsequent investment decisions.
- **Depot Ownership** (Option B): Greater Wellington owns or leases all depot sites and facilities, including funding / procuring electrification to sites. Operators hold sub-leases for depots from GWRC, and own or lease fleet and charging equipment. Greater Wellington has an option to purchase all vehicles via transfer obligation contracts.
- **Depot and Fleet via Transfer** (Option C): Greater Wellington gains control over assets through contractual transfer obligations. Operators own or lease all assets in the meantime, funding / procuring electrification to sites could be by Greater Wellington or operators.
- **Depot and Fleet Ownership** (Option D): Greater Wellington owns or leases all strategic assets, and funds / procures electrification to sites. Operators sub-lease assets from Greater Wellington in order to provide services.

Consequences of retaining status quo

If the current bus operating model continues, we will need to consider a range of factors:

- Mitigating the significant competitive advantage incumbents will have in future contract tenders with established depots in highly urban areas. Significant mitigation options seem unlikely given the scarcity and cost of land.
- Service continuity risk, posed by current operators having shorter term leases on depot land. This may be partially mitigated through negotiating transfer clauses or rights of first refusal with the landowners.
- Long term investments and technology risks being potentially recovered over shorter contract terms, rather than the economic lives of assets. This can be somewhat mitigated through incentivisation and transfer rights to new technology– but will add complexity to changing operators.
- Sub-optimal network design and growth, through insufficient timely investment in depot capacity and charging. This can be managed by operator incentives however these additional investments may create competitive advantage issues.

In general, the largest risk of the counterfactual is both commercial (incumbent advantage,) and service continuity to availability and appropriate growth.

Assessment

Each of the four options have been assessed against the six objectives outlined above, and the results are summarised in the table below:

KEY: NEGATIVE IMPACT ↓ ↙ → ↗ ↑ POSITIVE IMPACT

	A: Status quo	B: Depot ownership	C: Depot and fleet transfer	D: Depot and fleet ownership	
Service Continuity	↙	↗	↗	↑	Option D (ownership of depot and fleet assets) provides the greatest safeguards for service continuity, and both options B and C provide improvement compared to the status quo.
Coordinated Services and Infrastructure	↙	↗	→	↑	Option D (ownership of depot and fleet assets) provides the greatest scope for effective coordination across all asset types. Depot ownership is a critical component, enabling effective long-term network planning.
Aligned Roles and Capabilities	↗	→	↗	↙	Operators have established capabilities and OEM relationships, and Option A (status quo) utilises existing roles and capabilities. While GWRC can develop its own capabilities for ownership, this entails risk and elapsed time to establish, particularly in relation to fleet.
Value for outcomes	↙	↗	↗	↑	Option D (ownership of depot and fleet assets) reduces barriers to entry the most, while both options B and C provide significant improvement over the status quo. Option D is also likely to have the lowest cost of finance.
Responsive to Opportunities	↙	↗	→	↑	Option D (ownership of depot and fleet assets) optimises GWRC's ability to respond to opportunities across all asset types or where integration between vehicles and fixed infrastructure is required. Depot control is a critical element, e.g. to enable investments such as solar panels or multi-tenanted facilities.
Reduce PT Emissions (by 2030 and 2035)	→	↗	↑	→	Option A (status quo) builds on existing operators ZEB experience, while Option D entails time and execution risk as GWRC develops its in-house capabilities. Option C (depot and fleet transfer) is considered best, as it leverages existing experience but removes investment uncertainty and associated risks. Option D may be best for emissions reduction in the long term, but the time constraints for meeting targets mean Option C and Option B are considered lower risk.

Assessment

These assessment results are outlined for each option in the table below.

A: Status quo	B: Depot ownership	C: Depot and fleet transfer	D: Depot and fleet ownership
• Maintains current commercial incentives, and continues to leverage operator capabilities, relationships and supply chains. • Maintains barriers to entry, which ultimately erode value for money and the ability to change operators. • Greater Wellington lacks ready access to assets in the event of unplanned operator change. • Some required investments (e.g., electrification of depots) face significant mismatch of current contract expiries vs asset life, leading to uncertainty / risk. • Greater Wellington is not able to readily able to optimise depot locations and features as part of longer-term planning.	• Provides the opportunity for Greater Wellington to plan new depot locations (owned or leased from third party owners) based on the future network plan, energy supply, and acceptable resilience and environmental standards. It may also be better positioned than operators to coordinate investments for depot electrification with Lines Companies. • Greater Wellington needs to build strong capabilities in design, development and asset management for Depots, as well as associated procurement capabilities (e.g., leveraging additional third parties). • Operators continue to build and leverage their experience, relationships, and supply chains to make good investment decisions for fleet and charging. • Reduces barriers to entry by providing access to depots for new entrants. • Reduces the ability of operators to make use of depots for other commercial purposes.	• Transfer obligations may provide greater confidence for operators to make investments, knowing these will be priced into end-of-term arrangements. • Existing depot locations will remain a constraint on investment (e.g., relating to electrification, or network-wide emission reduction opportunities). • Reduces barriers to entry barriers to entry by providing new entrants with access to Depots as well as vehicles. However, new entrants would still be required to raise finance to acquire assets, or third-party ownership models would need to be established. • Operators may target only minimum standards when procuring and maintaining assets, so these standards will require careful development to align incentives. • Reduces the ability of operators to make use of depots and vehicles for other commercial purposes.	• As for Option B in relation to Depots. • Greater Wellington needs to build strong capabilities in design, development and asset management for vehicles, as well as associated relationship management and procurement capabilities (e.g., OEMs and supply chains). Greater Wellington may be able to work with other PTAs at a national level to build and maintain appropriate capabilities. • Control over all assets means planning, coordination and inter-operability may be optimised at a network level. • Reduces barriers to entry by providing new entrants with access to all assets, without the need to raise finance to acquire assets. • Reduces the ability of operators to make use of depots and vehicles for other commercial purposes.

Approach to Future Asset Control

The option assessment highlighted that Option D (Depot and fleet ownership) provided the greatest opportunity for benefits and value in the long term. In shifting towards greater asset control, Greater Wellington will need to prioritise investments where ownership provides the best value for increased control given risk and funding constraints.

Greater Wellington already has transfer rights over some depots, and the possibility to develop the Lyall Bay leased land. Given the significant development lead-times to building key infrastructure, the short to medium term focus will be on establishing greater control of key depots and charging infrastructure.

Fleet ownership is likely to require a significant uplift in operational and maintenance capabilities that Greater Wellington does not have in place today. This level of change may create cost and organisational capacity risk. Developing the roles and capabilities needed for ownership of fleet is complex and effort-intensive, and full feet ownership is likely to add very high short term investment costs in buying out various Operator fleet.

As a result of the above asset control assessment, the approach to be taken by Greater Wellington to its control of bus assets will be to:

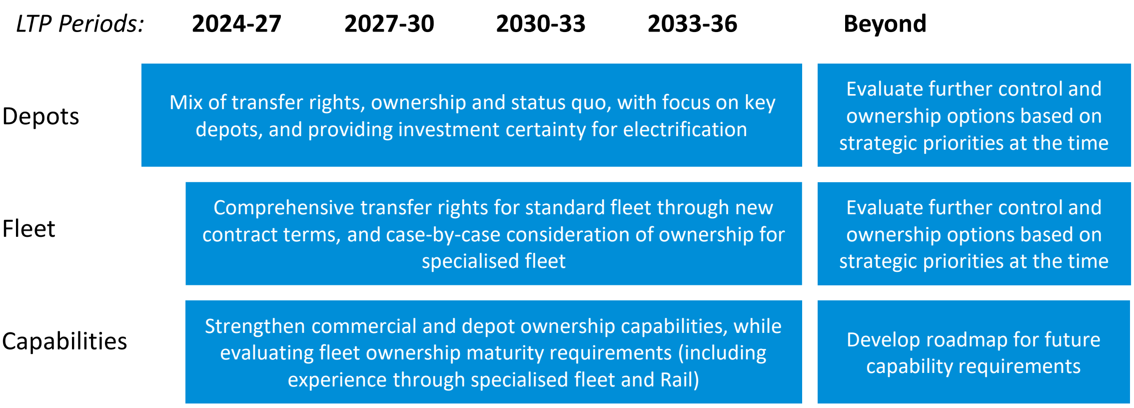
Over the long term:

- increase control of all strategic bus assets
- prioritise investments where ownership provides the best value for increased control in light of risks and funding constraints
- grow capabilities needed for increased control.

Over the short to medium term:

- accept a mix of transfer rights and ownership responses
- move to establish greater control of key depots
- seek transfer rights over standard fleet, with potential ownership of specialised fleet (e.g., on demand vehicles)
- collaborate with other Councils in relation to evaluating fleet ownership as an option.

This approach is illustrated in the diagram below.



Depots are Tier 1 asset investments with 30 – 40-year lifecycles. Metlink will develop more detailed analysis, options and plans to help determine optimal locations and investment requirements in the longer term.

Individual asset investment decisions will be subject to specific business cases and review of funding options. This will include ensuring alignment with all Greater Wellington focus areas including mana whenua partnerships, climate resilience and emissions reduction, and improved access to services and equity of outcomes.

Business cases will also apply the six key asset control objectives to determine the right solution for each specific case. For example, where transfer rights provide the outcomes sought, this can enable relatively more capital allocated to other urgent priorities.

The Strategy will inform subsequent Long-Term Plans (LTP) and Wellington Regional Public Transport Plans (RPTP).

Te Rautaki Hanganga 2024-54
Infrastructure Strategy 2024-54

Infrastructure Strategy

2024-2054

Quality Information

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			Name / Position	Signature
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Draft v2	WIP 22 Sept 2023	Pre LTPC discussion	BK	
Draft v3	WIP 8 Dec 2023	LTPC presentation version 12.12.23	BK	
Draft v4	18 Jan 2024	Pre-finance draft for GM review	BK/JK	
Draft v5	12 Feb 2024	Updated Flood protection project amounts to baseline plus	DJ	
Draft v6	22 Feb 2024	Responding to Audit NZ review feedback	BK	
Draft v7	27 Feb 2024	Further response to Audit review	BK	
Draft v8	29 Feb 2024	Audit review final	BK	

Executive summary

Greater Wellington's Infrastructure Strategy tells you how we plan to manage our infrastructure over the next 30 years. To support the extraordinary region: thriving environment, connected communities, resilient future vision we have for the region, this strategy defines the nature of the challenges we face, our approach and options for dealing with those challenges; and the implications of these actions as we work towards intergeneration equity.

The Infrastructure Strategy is informed and delivered by the following asset management plans -

- Metlink Public Transport
- Flood Resilience
- Regional Parks
- Environmental Knowledge and Insights
- Harbours
- Water Supply – Resource Services Plan

Our strategy for GW infrastructure responds to some big regional challenges:

1. Ensure Te Taiao is protected, and its resilience retained
2. Climate change and adverse natural events
3. Managing forecast change in demand
4. Managing risks, infrastructure performance and cost within our changing context

Introduction

Infrastructure is the Council's biggest area of activity (regulator, funder and provider): GW is responsible for $2.2 billion of assets. The core infrastructure assets we own for bulk water supply, flood protection, and public transport constitute the majority of Greater Wellington's asset value. These require our largest annual operating expenditure commitments. These assets all enable and support our activities and outcomes for the region.

The infrastructure GW manages plays a key part of its critical kaitiakitanga role - ensuring the well-being of our local communities and environment.

Scope of Strategy

The strategy identifies our significant issues, the most likely scenarios and significant decisions we need to make, against the 30-year timeframe.

GW manages the following infrastructure portfolios.

- Water Supply
- Metlink Public Transport
- Flood Resilience
- Regional Parks
- Environmental Knowledge and Insights
- Harbours

This Infrastructure Strategy provides details of the level and timing of investment needed to operate, replace, renew and upgrade existing facilities and 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. No material assumptions used in the preparation of this document have a high level of uncertainty. We have applied a precautionary and prudent approach to the consideration of available options and scenarios presented within this strategy.

What has changed since 2021?

Much of the information and high-level assumptions in our preceding infrastructure strategies are valid today. Some things have changed over that time. The scale of our infrastructure network has continued to grow. Our operating and maintenance commitments have also grown. Scopes of planned work have changed. Keeping budgets realistic and in-line with our expected workload is fundamental to prudent asset management.

The type of work GW needs to do has not changed. However, we continue to review and adjust how we operate and how we deliver our services. Programmes of work originating from our previous Infrastructure Strategies continue through into the 2024 strategy addressing issues that continue to hold relevance today (Table 1).

Table 1: The status of issues and options proposed in 2021's Infrastructure Strategy.

2021 Issue	Timing of project	Principal Option	Costs ($000)	Status 2023
Achieving Carbon Neutral	2022-2024	Belmont (Waitangirua) recreational facilities	$830K (Low Carbon Accelerator Fund)	Renamed 'Recloaking Papatūānuku' – upscaled to $29.3m (2024-33)
	2024 -2026	Bus Layover Decarbonisation	$4.3M	Rephased 2024-28
Asset renewals as a critical enabler of resilience and adaptation	2021-51	Deliver major Floodplain Management Plans projects	$223M	As planned
	2021-24	QEP Coastal Erosion Plan – Managed Retreat	$2.3M	Project rephased 2025-27 $2.7m
	2021-22	Ground strengthening Waterloo treatment plant	$4.4M	Initial geotechnical assessment and ground injection trials complete. Options being reconsidered
	2021/22-2023/24	Replacement of Kaitoke main, Silverstream Bridge	$30.5M	Underway - construction planned until 2025 (expected cost $92m)
	2021/22	Kaitoke Flume Bridge Seismic Upgrade	$4.2M	Project budget increased to $42m. Construction expected to be complete in 2025

Delivering an efficient, accessible, and low carbon public transport network	2021/22 - 2049/50	Metlink Bus new capex	$28M	
	2023-2026/27	Waterloo Interchange	$22M	Revised to $115m 2024-28
	2021/22 – 2023/24	Integrated ticketing solution	$48.4M	Rephased 2024/25 estimated $60m
	2023/24 - 2029/30	Upgrading rail station customer amenities	$19M	
		Wairarapa and Manawatu rail service and capacity enhancements	$745M	As planned – Crown bid approved. GW contribution $71.1m 2024-2029
Delivering our critical assets	2022-30	Gear Island and Waterloo wells replacement	$18M	As planned
	2032 -36	Kaitoke intake	$36M	Budget and timing to be confirmed
	2021/22 - 2049/50	Metlink Bus Capex renewals	800k to $1.7M	
	2021/22 to 2050/51	Lower Wairarapa Development Scheme, including the George Blundell Barrage	$220.1M	As planned. $104.1m 2024-54 overall
Meeting future demands	2021-23	Installation and provision of regional-scale monitoring and structures	$468k	As planned
	2021-25	Te Marua capacity optimisation	$38.9M	Project budget upscaled to $59m. In design and construction phase.
	2021/22 - 2032/33	RiverLink - Te Wai Takamori o Te Awa Kairangi	$76.5M (Flood)	As planned – budget revised to $287.2m 2024-33.
	2032 -49	Water Supply assets to support growth	$19M	Budgets and timing to be confirmed.

Other factors have had an impact on what and how we deliver services and when, including;

- Effects of Water Reforms
- Continued change in the Carbon neutrality and climate change areas – with increasingly ambitious change programmes, infrastructure investment and policies
- Inflationary pressure on our economy following Covid-19 and world-wide commodity prices pressures from the Russia/Ukraine conflict combined with labour shortages affecting key sectors including public transport

- Since the last Infrastructure Strategy, we have reviewed and revised our Catchment and Environment activities, culminating in the creation of the new Rōpū Taiao (Environment Group) – with new operating models, functional groupings and management structures.
- We have implemented of our new asset management information system along with an update to our business processes. Our asset data structures have been updated, with allowance for spatial data improvements and field-mobility.

Our Strategic direction

Our vision and priorities

Greater Wellington's Strategic Framework (Fig. 1) recognises the importance of infrastructure for delivering our vision and focus areas. The framework links draws together high-level planning principles across Activity Management Plans, the Finance Strategy and the Infrastructure Strategy.

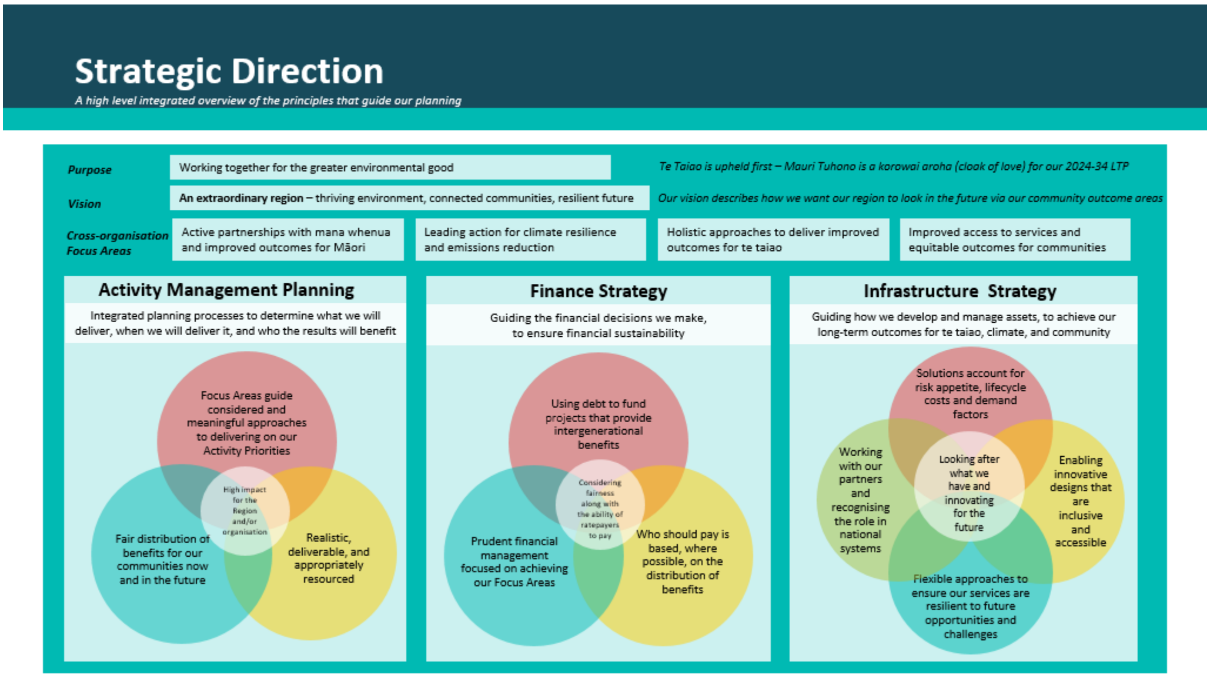

Fig. 1: Greater Wellington's Strategic Framework for the 2024 Long Term Plan.

This framework outlines how our assets and the activities they support will contribute to achieving our vision and focus areas.

Infrastructure Strategy Principles

We take a principles approach to how we manage our assets, ensuring a consistent and considered approach.

- Solutions account for risk appetite, life cycle costs and demand factors
- Enabling innovative designs that are inclusive and accessible
- Flexible approaches to ensure our services are resilient to future opportunities and challenges
- Working with our partners and recognising the role our infrastructure plays in national systems
- Underpinning these is a central principle 'Looking after what we have and innovating for the future'

Our assets and the services they provide

Asset profiles provided below are summarised as at 11.12.2023.

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.

Greater Wellington provides bulk water supply to four of the region's cities - Wellington, Porirua, Hutt, and Upper Hutt. Those cities supply water to the end consumer through their local reticulation networks. Wellington Water Limited, a council-controlled organisation owned by the six local authorities, is contracted to manage the water supply activity on the Councils' behalf.

Assets	Levels of Service	Performance (2022/23 Annual Report)
Distribution pipework 187 km Treatment Plants (4) Tunnels 9 km Water storage (3) Pump stations (15) Roads and tracks 45 km Raw water intakes & wells 2,688 Aquifer wells (18)	Provide water that is safe, and pleasant to drink Provide a continuous and secure bulk water supply	 Sufficient water cannot be guaranteed to meet normal demand in a drought with a severity of greater than or equal to 1 in 50 years.

Metlink 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. Ownership of the buses or the ferries is predominantly with operators.

Assets	Levels of Service	Performance (2022/23 Annual Report)
Rail Rolling Stock (108) Buses 'On Demand' (6) Buildings (Bus 634; Rail 126) Structure – Rail (235) Barrier lines – Rail (189) 13,477 m Footpaths and Tracks – Rail (21) 2,899m^2 Signs (Bus 7,373, Rail 2,336) Furniture (Rail 2,738, Bus 114) Equipment incl. CCTV/security (Rail – 1,953, Bus - 37)	Provide a consistent and high quality customer experience across the public transport network Promote and encourage people to move from private vehicles to public transport Provide fit-for-purpose vehicles, infrastructure and services to	Both satisfaction Rail services overall and convenience of paying for Metlink services met target. Punctuality targets were not met - affected by speed restrictions on rail network – affecting passenger satisfaction. Punctuality of bus services and passenger satisfaction affected by driver staff shortages (Bus) and route compliance. Satisfaction with information services affected by delays and disruptions. Per capita boardings recovering but still reduced compared to pre-Covid levels. Station/stop/wharf satisfaction possibly affected by severe weather

	continually deliver a high quality core network that meets ongoing demand	events, although satisfaction with condition of the vehicle fleet met targets.
	Gross emissions for Metlink's public transport fleet will be minimised, reducing the offsets required to reach net carbon neutrality	Emissions reported (21,019t) above reduction target (19,223t).
	Reduction of accidental death and serious injury on the public transport network and prioritisation of safety and maintenance on the Public Transport network to encourage safe behaviours	Targeted 5% reduction not met - 3 incidents of serious injuries and no deaths.

Flood Resilience

We manage flood risk from the region's rivers and streams. We investigate flood hazards, develop floodplain management plans and maintain and build flood protection works in accordance with these plans. We also provide an advice and consultation service for internally and externally in relation to flood and erosion risks. 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.

Assets	Levels of Service	Performance (2022/23 Annual Report)
Buildings (23) Structure (4,971) Erosion control vegetation areas (1,202 by Model Category) Footpaths and Tracks (562) 230,733 m^2 Barrier lines (58) 67,477 m	Progress towards completion of RiverLink - Te Wai Takamori o Te Awa Kairangi flood control works Provide the standard of flood protection agreed with communities Provide information and understanding of flood risk in the community	Tracking ahead of target with Flood Management Plans. Consulting delays affecting consenting of proposed works. Work delivery has been affected by weather.

Regional 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 and restore the environment of regional parks.

Assets	Levels of Service	Performance (2022/23 Annual Report)
Amenity area (70) Building (197) Environmental area (39) Park furniture (440) Heritage feature (166) Sign (1,856) Structure (1,083) Footpaths and tracks (2330) 454,826 m^2 Barrier lines (1,316) 357,266 m	Protect and care for the environment, landscape and heritage Customer satisfaction and improved public access	Behind target for grazed land retirement and restoration, although more than doubled the target for indigenous species planted. Parks visits (1.68m) declined from previous years. New online method tracking user satisfaction results have shown a reduction (to 84%).

Environmental Knowledge and Insights

We monitor rainfall, river flows, groundwater levels and quality, freshwater coastal water quality, air quality and land quality and biodiversity. We gather this information to carry out our 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.

Sites (number)	Levels of Service	Performance (2022/23 Annual Report)
Air Quality Monitoring (8) Auto Freshwater Quality (8) Auto Groundwater Level (92) Auto Lake Level (8) Auto Rainfall (82) Auto River Level (71) Auto Tide Level (2) Auto Wetland Level (7) Meteorological (24)	Provide environmental information to the community and our stakeholders.	

Harbours

We provide aids to navigation to assist all users of the region's coastal waters to navigate safely. This includes providing accurate, relevant and timely information via our Harbour Communication Station (Beacon Hill).

Assets	Levels of Service	Performance (2022/23 Annual Report)
Buildings (9) (incl. 6 lighthouses and 1 Signal Station operated 24/7) Equipment (179) Structure/pile light (12) Vessels (3)	Manage the safety of marine activities in the region's waters.	Risk reviews tracking behind target.

Critical Assets

Central to managing risks, hazards and resilience is the criticality of assets. Critical assets are those that, were they to fail, would likely result in significant financial, environment and social cost in terms of impact on strategic priorities and agreed level of service, the environment, the organisation's reputation or priorities, or economic and financial impacts.

A criticality framework is used to ensure a consistent approach to assessing the probability and consequence of failure. The criticality ranking aligns with the Global Criticality Rating, subsequently developed by the NZ Treasury – National Infrastructure Unit. The criticality of all Greater Wellington's assets (1 (Insignificant) to 5 (Extreme)) has been established and used to inform their lifecycle management and prioritise associated work programmes.

Asset management approach

GW is committed to best practice asset management as a core business process. By managing assets and long-term works programmes we aim to deliver agreed levels of service, in the most cost-effective manner, throughout their lifecycle.

Greater Wellington uses its asset management plans as a basis for, and to deliver, the Infrastructure Strategy. Our approach is guided by the International Infrastructure Management Manual (IIMM). Asset management is a continuous exercise and Asset Management Plans are reviewed every three years, to deliver activities and contribute strongly to Greater Wellington's priorities.

The three components of best practice asset management relevant to this strategy are-

- Lifecycle analysis
- Service Levels and
- Future demand and risks.

Lifecycle analysis

Greater Wellington uses a lifecycle management approach in its management of assets. In general, we maintain our assets until they reach the end of their useful lives, when they are either renewed, replaced, or upgraded. When making decisions we consider lowest long term/whole of life cost - rather than short term savings. Where levels of service are highest, decisions to replace or perform a maintenance renewal may occur earlier in the standard asset lifecycle.

Asset knowledge and information is crucial; it underpins this Infrastructure Strategy, and the LTP, and enables evidence-based decision making. Our knowledge of our assets and forecasting capability has continued to grow – as part of the implementation of our new asset management information system – Ngātahi. Asset data and insights perform an important role in optimising asset useful lives.

The useful lives of major classes of fixed assets have been estimated as follows:

Port, wharves and paving	2 to 100 years
Operational buildings	5 to 75 years
Operational plant and equipment	2 to 40 years
Operational vehicles	2 to 34 years
Flood protection infrastructural assets	10 years to indefinite
Transport infrastructural assets	4 to 150 years
Rail rolling stock	20 to 30 years
Navigational aids infrastructural assets	10 to 50 years

Parks and forests infrastructural assets	5 to 155 years
Regional water supply infrastructural assets	3 to 214 years

An asset's effective useful life is managed based on:

- Assets Health profiles (including observed condition, function, capacity and utilisation) and Risk profiles (including asset criticality, risk consequence and risk likelihood)
- Performance and customer service issues
- Growth and changing demands
- Ongoing maintenance requirements
- The differing economic lives of individual assets

Condition, data confidence, criticality and asset management maturity are all based on 1 – 5 rating scales (Table 2). Table 3 summarises the value, condition, reliability of asset data and criticality of the assets covered by the Strategy.

Table 2: Key for condition, data confidence, criticality and asset management maturity scales

	Condition	Data confidence	Criticality	Maturity
1	Very Good – only normal maintenance required	Systematic and fully optimised data programme	Insignificant - negligible social or economic impact	Aware (Maturity 0-20) Intentions to develop Asset Management Plans (AMPs)
2	Minor defects only – minor maintenance required	Reliable data in information system with analysis and reporting	Minor - minor service disruption	Basic (Maturity 20-40) Plan contains basic information on assets, service levels, planned works, and financial forecasts.
3	Maintenance required – significant maintenance required to return to the expected level of service	Sufficient information to support basic analysis	Moderate - serious localised impacts and cost	Core (Maturity score 40-60) Approach to risk, condition and performance assessments, demand forecasts, 10yr financial and an improvement plan.
4	Requires renewal - significant renewal/upgrade required	Basic /incomplete information based on assumptions	Major - major disruption over an extended period	Intermediate (Maturity score 60-80) Strategic context, analysis of condition and performance, customer engagement in LOS, Optimised Decision Making (ODM)/risk applied to projects.
5	Asset unserviceable – Asset requires replacement	No asset register	Extreme - significant, region wide, long term disruption and significant cost to restore service Negligible social or economic impact	Advanced (Maturity score 80-100) Programmes driven by optimised decision making, risk management and service level /cost trade off. Improvement programme focus on maintaining ongoing practice

Table 3: Asset group profiles

Asset Group	Asset value* (2023)	Overall condition	Data confidence	Criticality	Maturity
Water Supply	$654.2m	2 -Minor defects only	2 -Reliable	5 -Significant – for the entire network	4 – Intermediate
Flood Resilience	$462.5m	2 -Minor defects only	3 - Sufficient information	5 –Significant – stop banks, flood gates, barrage gates, detention dams	3 – Core
Metlink Public Transport – Rail	$516.6m	3 -Maintenance required	2 - Reliable	3- Moderate	4 – Intermediate
Metlink Public Transport – Bus and Ferry	$64.4m	3 -Maintenance required	3 - Sufficient information	3- Moderate	4 – Intermediate
Regional Parks	$126.6m	2 -Minor defects only	2 -Reliable	3 -Moderate	4 – Intermediate
Environmental Knowledge and Insights	$4.0m	2- Good	2 -Reliable	4 -Major River and rainfall monitoring equipment	4 – Intermediate
Harbours	$1.9m	2- Minor defects only	3 - Sufficient information	3 -Moderate for the Signal Station at Beacon Hill	3 - Core

* Source: Greater Wellington Regional Council Annual Report 2022/23).

Levels of service

Greater Wellington’s strategic priorities drive levels of service, which in turn influence timing and quality of maintenance, renewals and upgrade works. 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 between Water Supply and Parks assets)
- Asset components (such as between bus stops and railway carriages)
- Expenditure categories (such as between maintenance and renewals).

Capital development funding is categorised according to whether it predominantly meets levels of service, growth or renewals needs.

Future Demands 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. Infrastructure managers are obligated to integrate increasingly complex risks and challenges within decision-making processes. This includes the regulatory reforms, limiting carbon emissions, adapting to climate change, natural and human-induced disasters and the structural aging of infrastructure.

Risk management involves 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 manage and mitigate those risks.

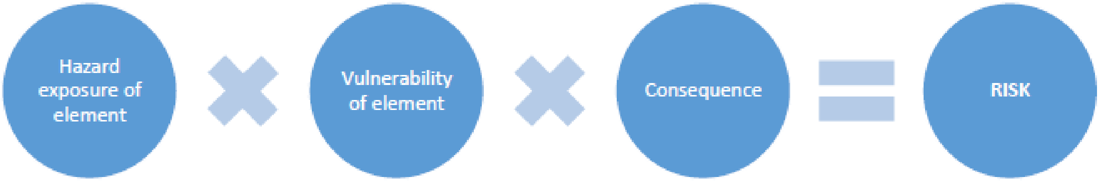

Figure 2: Risk Screening Approach

GW's corporate risk framework includes 'Fitness for purpose of assets' as the main area for measuring and managing risk and uncertainties associated with asset management. This area targets our objective of ensuring assets are fit for purpose and enable the required levels of service to be delivered – both now and in the future.

Our risk management policy uses a top-down strategic view of risk management that is integrated across GW operations and processes. Risk reflects uncertainty about the future, and its impact on the delivery of our objectives depends on the opportunities or threats that arise. Reporting dashboards relating to this area are regularly updated. The dashboard highlights threats and opportunities associated with achieving the desired outcome.

The framework identifies the likely threats that may arise if the desired outcome is not achieved, such as: Inability to deliver strategic outcomes; Affordability to fund whole of asset maintenance and improvements; Legacy assets; Fatal or severe harm to the public; Physical damage to public and private assets; Inability of assets to meet current and future community needs - including climate change; and Non-compliance with legislation. Working in accordance with GW's asset management policy, infrastructure/asset management planning documents and supporting systems are seen as important management controls, as are third party relationships and contracts, alongside protecting certain assets through statutory documents (e.g., regional policy statements).

Principles adopted within the framework maintain a flexible and evolving risk management framework which is aligned with ISO 31000:2018. Our approach to risk management includes a formal risk governance structure with accountabilities and responsibilities identified at all levels to ensure our approach to risk is ratified and continuously reviewed. The risk framework and associated dashboard improvements will help GW identify key risks so that necessary controls are implemented – towards a more resilient infrastructure network.

Environmental Scan - Big trends and risks

The following section is a scan of future local needs as well as industry and global influences and the impacts these will have for infrastructure delivery in the region.

Our principles shape how we plan and manage our assets. The considerations in this section will ensure our infrastructure networks are fit for purpose – developed and managed with consideration for long-term use, and lifetime cost and demand factors.

As a region we are facing several challenges, such as housing supply and quality and affordability constraints with water supply, public transport and flood protection infrastructures' ability to support new development. The Climate Emergency (declared by GW in 2019) draws attention to the significance of climate change to our region. Increasing population will place pressure on our existing infrastructure, increase demand for new assets and have potential to exacerbate threats to the health of our waterways, indigenous biodiversity and our contribution to the climate crisis.

Demographics

Projected change to the regional population affects future demand for infrastructure services. Current projections will see our regional population (554,200) steadily grow by 0.9% annually (2021-2051) with an expected growth of 164,000 residents over this period (30%). This is a slight decline in previously projected growth (1%) due in part to Covid-19 related immigration changes. Regional growth rate variations are expected, with higher annual growth rates (1.3%) forecast in Masterton and Carterton. Our greatest numerical increases are expected in Wellington (50,100 additional residents), Lower Hutt (34,900) and Kapiti (21,100) (Sense Partners 2023). Age profile projections indicate a progressively ageing population structure. The highest growth rates are projected within the +50-year age groups, especially in Kapiti and Wairarapa. Relative growth rates also vary by ethnicity. Māori and Pacifica groups are projected to increase as a proportion of the total regional population, particularly in Porirua and Lower Hutt. These projections collectively suggest a steady increase in the regional population that will increasingly age and become more ethnically diverse. As population increases, we can expect an increase in the number of residential dwellings and demand for GW infrastructure and services. Factoring in expected future demand is important as a means of future-proofing our infrastructure and associated services.

Economic uncertainty, affordability challenges, and resource shortages

Economic conditions have fluctuated markedly over the last three years alongside responses to the Covid-19 pandemic and global conflict, particularly in Ukraine. Supply-chain shocks, inflationary pressures, and responses in terms of monetary policy to address stubbornly high inflation are expected to continue. While the Treasury considers CPI inflation to be near its peak, they forecast it will be relatively slow to fall away – not moving back inside the 1 to 3% target band until end-2024 (GW Horizon Scan 2023). GDP growth is expected to slow over the short and medium term, with a slow gradual recovery. Unemployment is expected to rise from-near record lows. NZ's economic outlook is increasingly uncertain against a backdrop of a highly uncertain global outlook. As a result, we can expect increased costs for GW as costs for staff labour, contractors, resources, physical infrastructure components, and maintenance services increase significantly. The impact on infrastructure is notable, where the costs of construction, maintenance and operating factor into overall infrastructure cycles. This poses challenges as to how GW will balance community need with affordability.

Increasing risk from environmental change and natural hazards

Our climate has already changed and will continue to change. The region will continue to experience more frequent and intense rainfall events, and longer duration and more frequent drought events. The number of hot days will increase, and the number of frosts will decrease. There will be permanent sea level rise and more frequent and intense coastal flooding and erosion. Inland we will see more intense river flooding, and increased slips and landsides. The annual average temperature will also rise. The region will also continue to be at risk from adverse natural events including earthquakes, tsunami and, increasingly, wildfires – all pose threats to life, property and livelihoods. These impacts will present significant challenges for our region.

Climate change will have adverse effects on our natural environment, agricultural productivity, and our communities. Infrastructure will be impacted that will, in turn, increase pressure on the economy and society. At a broader level, the National Climate Change Risk Assessment 2020 identified priority risks that Aotearoa faces from climate change - outlining the most significant risks across five domains (natural, human, economy, built and governance). In relation to the human domain, risks have been identified to Māori social, cultural, spiritual and economic wellbeing from loss and degradation of lands and waters, as well as cultural assets such as marae, due to ongoing sea-level rise, changes in rainfall and drought. There are risks to Māori and European cultural heritage sites due to ongoing sea-level rise, extreme weather events and increasing fire weather. Ten other 'most significant risks' include risks to the 'Built' domain – including buildings and potable water supplies (where both have disproportionate effects on Māori).

We can anticipate adverse impacts on infrastructure and assets and increasing pressure on the economy and society. Vulnerable assets are likely to become increasingly difficult and costly to insure and maintain (e.g., low-lying built infrastructure).

There is an opportunity to ensure that new infrastructure is resilient to expected natural events – and readily replaceable through modular/relocatable designs. We can ensure there is sufficient future resourcing to undertake preventative and reactive maintenance and ensure continuity of critical infrastructure levels of service, and for GW to demonstrate regional leadership by encouraging positive environmental behaviour and solutions. We have opportunities to transform land-use to encourage nature-based solutions to mitigate the adverse impacts of climate change and strike the difficult balance between mitigation and adaption efforts when planning. We can avoid investing in services and infrastructure that will not cope with expected natural events.

The importance of adaptation to climate change, as well as actions to mitigate climate change (by reducing greenhouse gas emissions) will increase over the life of this strategy. We need to rapidly reduce greenhouse gas emissions in all sectors while also building resilience and adapting to our changing climate. Major investment is required on both sides of the climate equation – adaptation and mitigation. GW's reliance on third parties to deliver our services across our Metlink Public Transport and Flood Resilience networks highlights the need to take a big-picture view regarding network resilience, and adaptation to climate change.

A wide spectrum of planning and decisions will increasingly need to be guided by climate change projections and continue to adapt as new challenges and opportunities arise. Greater Wellington plays an important role in building understanding of regional climate change projections and our exposure to natural hazards (and the interactions between the two) and coordinating actions to help reduce their impacts on our communities, the environment and our assets.

A coordinated, kaitiakitanga response is essential to wellbeing and resilience

The predicted and anticipated regional growth agenda, carbon reduction aspirations and a healthy environment are not mutually exclusive - they do pose planning and delivery challenges. We need to ensure urban development planning is conscious of current and future infrastructure limitations, including flood risk, and compliance with increasing community expectations, environmental legislation and the ecosystem services values.

These challenges cannot be managed effectively with traditional management approaches. Carbon neutral mandates, urban growth and demand and stricter water quality rules all require changes to what was business as usual.

GW sees these challenges as a context and opportunity to deliver and reshape decisions and plans, redirect energy and create a better environment supporting the needs of our community and ecosystems. The way we respond to the significant issues as a region will enable our transition to a thriving environment, connected communities and a resilient future.

CROSS CUTTING AND SIGNIFICANT ISSUES

As outlined above, the Wellington Region needs to respond to some big challenges in relation to community wellbeing, climate action, infrastructure affordability, Wellington being home to more people, structural and legislative reforms. Responses to these challenges need to consider fairness along with ratepayers' ability to pay.

To deliver the vision of an 'Extraordinary Region - Thriving Environment, Connected Communities and Resilient Future', the significant issues for infrastructure identified are:

- Climate change and adverse natural events
- Managing forecast changes in demand
- Managing risks, infrastructure performance and cost - within our changing context

Ensuring Te Taiao is protected and its resilience is retained is an underlying infrastructure management issue for GW.

The issues address the focus areas within GW's LTP Strategic Framework:

- Active partnerships with Mana Whenua and improved outcomes for Māori
- Leading action for climate resilience and emissions reduction
- Holistic approaches to deliver improved outcomes for Te Taiao
- Improved access to services and equitable outcomes for communities

These issues are now explored in detail including what challenges they present to GW and how we plan to manage them. Significance is applied as per GW's Significance and Engagement Policy (2023).

Climate change and adverse natural events

The rise in global temperatures is causing more volatile weather, having profound effects on biodiversity and ecosystems and threatening human health and well-being in numerous ways. It is increasingly unlikely that global temperatures can be kept from rising by more than 1.5°C – even with carefully planned and rapid transitions to achieve steep carbon emissions reductions. In Wellington Region the planned emission reductions will be primarily from transport, energy source and agriculture.

GW declared a Climate Emergency in 2019 due to the risk facing our communities. GW has adopted a goal of 40% reduction in Greater Wellington's net emissions by 2025, and to be carbon neutral (have net zero emissions) as an organisation by 2030 and 'climate positive' (be absorbing more emissions than it is emitting) by 2035. Our organisational Carbon Neutral 2030 goal is supported by the Organisational Climate Emergency Action Plan, a Carbon Reduction Policy (2020) and a Climate Change Consideration Guide (2020) requiring options for adaptation and mitigation to be considered for all work. The action plan was updated in 2023 to incorporate a wider range of actions that include: investigating an Energy Transformation Initiative to maximize the potential of renewable energy and batteries to reduce organisational GHG emissions, reduce energy costs, earn revenue and increase energy security, through direct investment and new supply arrangements, a carbon storage tracking system, enhancing pest animal control to help ecosystems sequester carbon and working with partners to ensure adaptation planning is community-led and informed by sound science and Te Aō Māori. We plan to investigate options for reducing and sequestering emissions on Flood Resilience land including nature-based solutions. Across GW, we will complete and maintain an organisational climate risk assessment and produce and implement an organisational adaptation plan.

At the regional scale, our Regional Climate Emergency Action Plan sets out a 10-point plan for how the Region will address the Climate Emergency, including infrastructure-related actions (e.g., reducing transport emissions by increasing public transport services to Wairarapa and Palmerston North; and ensuring that long term infrastructure investments, including in housing and urban centres, properly account for and are resilient to anticipated increased climate change impacts, including both physical risks and transition risks, and avoid locking in high-emissions activities). GW's infrastructure has an important role to play in achieving the Action Plan, at both organisational and a regional scale.

The greenhouse gas emissions calculated for the Wellington Region are available since 2001 – emissions are tracked on a regular basis. Gross emissions in the region have decreased by 9% between 2018/19 and 2021/22. This reduction was mainly driven by a reduction in transport emissions (-18%), most likely due to the restrictions in transport activities associated with the Covid-19 pandemic response. There was a 15% reduction in waste emissions on the same period, due to improvements in landfill gas capture.

GW has undertaken organisational annual greenhouse gas inventories since 2019. The organisational inventories are verified by Toitū Envirocare. GW's organisational gross emissions have decreased by 5% between 2018/19 and 2021/22. Initial indications are that the 22/23 gross emissions show a significant drop of 23% with the main drivers being the retirement of grazing from parks, decarbonisation of the bus fleet and a higher proportion of renewable energy delivered through the national electricity grid.

It is acknowledged that directly (operational emissions) or indirectly (capital/construction related emissions and decommissioning), infrastructure is a big carbon emitter and therefore has a pivotal role to play in achieving carbon neutrality. The greatest opportunities for organisational emissions reduction from our assets were identified in public transport, retiring grazing in parks, and water supply activities, as well as corporate building energy and fleet improvements. The Regional Parks, Flood Resilience and other activity within Rōpū Taiao provides opportunity for carbon capture and storage primarily through reforestation and wetland enhancement.

GW's carbon reduction will initially focus on reduction of operational emissions. We will achieve net zero carbon in operational energy emissions primarily through the electrification of the public transport network, retiring grazing from the Regional Parks and investing in restoration, and working with Wellington Water to decarbonise the bulk water supply network.

We have retired grazing and are working to restore 128.5 hectares of rare wetland and dune forest in Queen Elizabeth Park and 21.8 hectares of pastureland at Kaitoke Regional Park. We are intending to expand the restoration planting significantly with a boost to Belmont Regional Park's programme (replanting 700 ha of previously grazed land). These decisions will accelerate our move to become climate positive by 2035.

We acknowledge the need to consider lifecycle carbon impacts of both new and existing assets. Integrating a lifecycle approach to carbon when planning and delivering assets is an important step in reducing carbon emissions to achieve emission targets. As such we are exploring expanding the Carbon Reduction Policy scope to encompass lifecycle carbon of assets.

Through our Procurement Policy we are seeking to encourage carbon, (and environmental and social) conscious purchasing. By implementing sustainable procurement policies we will accelerate progress towards a green, circular economy.

We are on our carbon neutrality journey. Taking a lifecycle approach represents a greater level of commitment. The reduction challenge will lead to new ways of thinking and working, innovation in digital technologies, construction techniques and new product development - underpinned by new infrastructure, policy and investment. Likely scenarios associated with climate change related issues are described in Table 4.

Table 4: Issues, options and their most likely scenarios to address arising from achieving our carbon neutral aspirations, adapting to climate change

Issues	Options	Most likely scenario
To achieve carbon neutrality with operational emissions we need to: Phase out grazing from our regional parks Minimise gross emissions for the Metlink Public Transport fleet Reduce emissions associated with the abstraction, treatment and supply of drinking water.	Policy changes (low carbon consideration policy, energy and low carbon first) Change land uses Strategic changes to PT services and networks to increase patronage and mode shift towards decarbonised PT - decreasing regional transport emissions Changes to levels of service Low carbon Acceleration Fund Low carbon initiatives and innovations New infrastructure, investment and policy Leverage policy and operational initiatives to reduce drinking water network leakages and related emissions Non-asset solutions – manage drinking water demand Offset our emissions Do nothing- submit to >2ºC warming /accept climate crisis	Investigation and assessment of options for water treatment and distribution & Investigate options for reducing and sequestering emissions on Flood Resilience land including nature-based solutions. & PT Transformational Programme (2024-44) & Increasing GW's control of strategic Public Transport assets. This involves the development of additional depots and charging related infrastructure to support the current and future demands of a modern decarbonised bus network & Bus Layover Decarbonisation $4.3M 2023/24 -2025/26. Electrify the entire public transport system. Achieve an all-electric bus fleet by 2035. Achieve a fully battery-electric light vehicle fleet for the organisation by 2030. & Recloaking Papatūānuku: plant 700 ha of previously grazed land at Belmont Regional Park (east) supported with sustained pest control of planted sites (2024-33)

To achieve net carbon neutrality and mitigate the lifecycle carbon emissions from assets we need to: Reduce carbon emissions associated with newly built assets and materials, manufacturing, transportation, operations, renewals and labour and end-of-life	Policy changes (Lifecycle carbon) Capital Carbon Inventory Permanent Forest Sink Initiative registration of area review Low Carbon Acceleration Fund New ways of thinking and working Innovation in digital technologies, construction techniques and development of standard products– i.e. cement-free concrete, trenchless pipe construction or modular structures	Nature-based solutions with flood protection and erosion control & Low Carbon Acceleration Funded projects & Capital Carbon and Inventory for assets.
Adaptation to climate change for assets at risk from coastal erosion and undermining from sea level rise	Policy changes – including fight or flight, managed relocation/retreat or retire Community and stakeholder awareness, partnership and adaptation approaches Adaptive pathways and system thinking approaches Rebuild or upgrade with new investment and innovation construction techniques Work with TAs (and others) on land use changes Decrease to level of service Do nothing- accept the risk to assets and services	Organisational Climate Risk Assessment & QEP Coastal Erosion Plan $2.7M 2025-27
Urban development planning is cognisant of current and future infrastructure limitations, including flood risk, and compliance with legislation and the ecosystem services values	Policy changes –no new development on hazardous land. Managed relocation/retreat or retire Adaptive pathways and system thinking approaches Community and stakeholder awareness, partnership and adaptation approaches Work with TAs (and others) on land use changes Vegetated ‘soft’ erosion edge protection Critical stopbank building and /or reconstruction Partnership for new infrastructure investment; edge protection Stimulus funding and recovery approaches	The RiverLink project - Te Wai Takamori o Te Awa Kairangi – will address broader infrastructure issues and flood risks by giving the Hutt River room to move and providing a climate resilient flood defence. This work is in partnership with Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira, Hutt City Council and Waka Kotahi. It will provide crucial flood protection and river restoration work, improvements to public transport, walking & cycling routes, local roads and the SH2 Melling Interchange, as well as urban revitalisation of the Lower Hutt city centre.

	Decrease to level of service Do nothing- accept the risk to assets and services	& Other Flood Management Plan implementation

Managing forecast changes in demand

Our existing infrastructure networks can generally cope with historical levels of use and demand. However, in the face of increased future demand, and higher performance standards, there are some networks that will not adequately meet expected future demand. Network performance issues will result unless we actively manage demand and/or progressively modernize these networks. Network performance and resilience is predicated on the performance of third parties, particularly in the Metlink Public Transport and Flood Resilience activity areas. Related issues, options and likely scenarios appear in Table 5.

Table 5: Issues, options and their most likely scenarios to address

Issues	Options	Most likely scenario
Need to improve capacity reliability and customer experience across the PT network to enable mode shifts and reduce transport emissions.	Strategic, integrated approach to growth planning – smart connections and the Wellington Regional Growth Framework Fund renewals and upgrades of critical assets New infrastructure, investment and policy Change or decrease Levels of Service Partnership and funding models to drive efficiencies Do nothing	Metlink Bus Capex – for a bus service that is accessible, safe and protected from environmental factors is key to an improved customer experience. & Waterloo Interchange - this project addresses customer experience issues with the existing facilities (including a distributed bus interchange that prevents bus users easily getting the next bus to their destination, lack of natural light, cold and windy). This investment will improve customer experience and enable future Transit Oriented Development at this site - our second busiest station after Wellington - and make public transport a more desirable choice. & National Ticketing Solution – this is a critical component of a modern PT system. It makes it easier for customers paying for PT services across our network. By implementing this, customers from outside of the region will be able to seamlessly use PT services. & Making shared and active modes attractive –upgrading rail station customer amenities. &

		Increasing GW's control of strategic Public Transport assets. This involves the development of additional depots and charging related infrastructure to support the current and future demands of a modern decarbonised bus network. Initially, the programme will result in the development of bus depots in Lyall Bay and Northern Wellington, as well as the ownership of the Lambton Interchange. Over the long-term, this investment will reduce the overall cost of operating the network (via reduction in fees and charges from operators for their Depot related costs) and provide a fairer procurement playing-field for bus-services operators and new entrants.
Current infrastructure is not capable of safely accommodating additional trains, which restricts the options available to accommodate future demand	Fund renewals and upgrades of critical assets New infrastructure Partnerships and investment Decrease LOS Do nothing	Funding for rail network upgrades between Wellington, Wairarapa and Palmerston North and Wellington Transitional rail – investment 100% Funding Assistance Rate (FAR). This funds work programmes delivered by KiwiRail that target track and civil asset renewals, and capacity and resilience upgrades across the Metro rail network.
Our water supply system is under increasing pressure, with growth relatively high demand and requirements to ensure ecological flows, pushing us towards the limits of our current system.	New raw water source and new assets for growth Additional water storage Upgrading existing assets Different technology (modular desalination) Integrated planning and delivery with Regional Growth Plan Partnerships and funding models Do nothing	Sustainable water supply (Te Mana o te Wai) – including design and consenting of additional water storage lakes. & Renewals and new assets to support growth in Porirua in the long term: Pukerua High Level Pump Station; Plimmerton Pump Station; Belmont High Level Refill Pump & Working with Territorial Authorities to manage demand

The average household water use in the Wellington metropolitan region is 374 litres per person per day. This is significantly higher than the other major cities in New Zealand and comparable cities overseas.	Asset development – Advanced meter infrastructure (AMI, or “smart” meters) Demand Management (leak detection, reduce network pressure, education and behaviour change) Decrease LOS Do nothing	Advocating for rolling-our water metering across Territorial Authority water distribution networks – residential and commercial. & Education and behaviour change in partnership with the Territorial Authorities.

Managing risks, infrastructure performance and cost - within our changing context

The infrastructure industry faces transformative times. Legislative, statutory and regulatory change in all infrastructure fields is ongoing, and may change our role, relationships and ways of operating particularly due to stronger environmental regulation and increasing expectations for positive environmental outcomes. We will likely see new governance roles and changing responsibilities for land-use, water supply and transport.

The drinking water regulator, Taumata Arowai, was established in 2021 with the responsibilities of drinking water regulation and the oversight of wastewater and stormwater. Under current reforms, there will be an increasing focus on water agencies meeting performance and quality targets set by Taumata Arowai (under the ‘Local Water Done Well’ approach) and ensuring required future capital investments are planned for and resourced.

Market dynamics have led to a skills shortage at all levels of the engineering industry from experienced consultants and contractors to skilled labour. There are several projects nationally and within the region that are limiting the availability of contractors and consultants to progress programmed works. The limited availability is also leading to increased costs, impacting budgets and timeframes for delivery.

It is understood that the status quo will not deliver the future the region needs in the short or long term. To address all these funding, regulatory, skills and capability 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 explore new streams of revenues for infrastructure assets and identify strategies for partnerships and investment programmes and procurement. Similarly, 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. We need to prioritise critical and strategic assets that directly contribute to deliver a thriving environment, connected, resilient, low carbon future.

As such it is likely that interdisciplinary, multi-benefit projects such as RiverLink - Te Wai Takamori o Te Awa Kairangi, and the replacement of the Kaitoke water supply main at Silverstream (‘Whakawhirinaki’ Bridge) will become more commonplace. These projects are being delivered with other stakeholders will replace single focused projects, deliver multi- benefits, and contribute to our strategic priorities. We are redesigning how we work across public and private sectors, combining people, teams and stakeholders collaboratively, powered by partnerships and Treaty-based relationships. These trans-disciplinary teams include engineers, ecologists and planners as well as social scientists can place the right priorities on how to best address the needs of people and their roles in the towns and communities.

With the councils across the region, and other stakeholder organisations, we have been thinking how we will respond and accommodate growth sustainably and resiliently through developing a 30-year Regional Growth

Framework (with sight of one hundred years). It is recognised that integrated growth and spatial planning results in healthier, resilient, more productive local communities, homes and places. This integrated planning of core services and infrastructure, including water, parks, transport and mobility, encourages alignment of service planning and mutually beneficial people-centred solutions.

These aspects provide an important perspective to understand how GW can actively managing risks, infrastructure performance and cost within our changing context. At a fundamental level, the resources must be there to continue to maintain critical infrastructure networks. This is addressed specifically in the Flood Resilience area, with increased funding for the ongoing maintenance of critical flood protection works – which is necessary due to the increasing number and intensity of extreme weather events. We need to continue to maintain our flood prevention network to keep our communities safe. Maintaining structures and undertake protective planting both help to reduce the risk of floods affecting our communities. We also plan to continue exploring nature-based solutions, which offer options to restore our ecosystems at the same time as reducing flood risk. Nature-based solutions can include increasing room for river movement, using more native species in riverbank planting and creating new wetlands to slow water flow. Planting results in better water quality by filtering runoff, providing cleaner air, and improved habitat and biodiversity for wildlife. We are doing this work alongside our mana whenua partners.

One area that we are continuing to focus on with the management of infrastructure capital projects is our planning and resourcing, to ensure we deliver achievable capital programmes across our diverse range of activities. Our aim is to continue implementing recommendations from assurance work that has been completed specifically on this area. Achieving the full extent of our planned capital budgets is known as a 'capital do-ability' risk – which is being tracked currently at a 'medium' level. In recent years, due to the likes of Covid-19 and supplier availability, our performance has been variable. However, several major projects have progressed through early phases of their lifecycle, where the risks of delay and changes to scope are at their highest, and are now progressing with an increased level of certainty through the delivery phases. While some delays result from our reliance on third party agreements and funders, we acknowledge this and accept this presents risks and opportunities that require continuous management and oversight. Our measures to improve performance have been reflected in our performance over the last three years achieving 49% 84% and 82% of our capital budgets – this financial year is forecast to achieve 103%.

The following table (Table 6) outlines the issues for managing risks, infrastructure performance and cost - within our changing context, and the options available to us.

Table 6: Issues, options and their most likely scenarios to address

Issues	Options	Most likely scenario
The condition and configuration of the coastal rail network makes it vulnerable to service disruptions which have a flow on impact into the wider transport system. *Noting GW does not own the rail network assets.*	Partnership for new infrastructure investment and/or edge protection Adaptive pathways and system thinking approaches Risk management approach to service provision Decrease to level of service Do nothing- accept the risk to assets and services	Asset renewals, including risk prioritisation, as a critical enabler of resilience and adaptation. & Working with KiwiRail on resilience and alternative solutions across the rail network to raise visibility of slope stability risk on the rail network and help establish their investment plan.

Water supply network at risk from seismic events	New investment for upgrades and renewal Innovation IN construction techniques and development of standard products Adaptive pathways and system thinking approaches Cross Harbour Pipeline Change level of service Partnership for investment Do nothing- accept the risk to assets and services	Waterloo Treatment Plant assessment & Replacement of Kaitoke main, Silverstream 'Whakawhirinaki' Bridge $92M overall project cost (expected completion by 2025) & Kaitoke Flume Bridge Seismic Upgrade $42M expected completion 2025 & Thorndon Pump Station Seismic strengthening & Water Supply resilience to natural hazards and climate change $64.7m
We are not meeting our 1 in 50-year drought resilience level of service	Reduce consumption (Smart Services implementation, Leak detection, reduce network pressure, Education and behaviour change) Upgrading existing and new assets New raw water source for growth New additional water storage lakes Different technology Integrated planning and delivery with Regional Growth Plan Partnerships and funding models Do nothing - decrease LOS	Require Territorial Authorities to institute the installation of water-metering via their Long Term Plans & Te Marua capacity optimisation $89M total project cost with an expected completion in 2025. A key part of this project is the construction of a Dissolved Air Floatation Plant that will be able to treat more water quickly to cope with the demands of a 1:50 year drought scenario. The improvements help deal with existing limitations to the treatment of water from the storage lakes and will significantly increase available capacity, by achieving a target treatment capacity of 140 MLD at Te Marua (up from the existing 80 MLD capacity). & Working with Councils to manage demand (including water-metering across their networks)
There is a small backlog of deferred water supply, Flood Resilience, and Metlink renewals which poses a growing risk to service reliability and performance.	Fund renewals and upgrades of critical assets Fund compliance and regulation driven activities Funding options- water levy, KiwiRail partnerships Decrease LOS Do nothing	Gear Island and Waterloo wells replacement – progressive installation of new boreholes to replace those approaching the end of their service lives. The objective is to reduce the risk of asset failure and interruption/limitation of supply. & Kaitoke Intake & Metlink Bus Capex renewals & Lower Wairarapa Development Scheme, including the George Blundell Barrage Gates & Deliver major Floodplain Management Plans projects including: • Waiohine • Te Kauru (urban reach)
Existing (and potential development) has a greater likelihood of flooding.	Vegetated 'soft' erosion edge protection Continue with traditional protection structures Integrated planning and delivery with Regional Growth Plan New policies - avoidance of inappropriate development in hazardous land Decrease Levels of service Do nothing	Hutt River Erosion – this project involves the identification and selection of options that will ensure the resilience of the Hutt River network, including various methods of river edge protection (where practicable including soft vegetation solutions) and more traditional protection structures. These measures will be in tandem with associated policies and integrated planning initiatives to reduce the risks to communities from flooding.

Increasing customer expectations, legislative requirements and increased and sustained demand for higher standard amenity and recreation facilities and ecological enhancement alongside provision of Parks and Flood Protection services.	Redesigning how we work, combining people, teams and stakeholders, powered by partnerships and Treaty-based relationships Programme and fund provision of recreational and amenity facilities Partnership / alternative funding and delivery mechanisms Non-compliance with legislative and statutory obligations (NPS-FW, Aotearoa Biodiversity Strategy 2020, RPS etc) Do nothing	Reframing our FMPs to deliver an agreed vision for regional rivers alongside implementing the code of practice river management activities. Including: • Waiwhetu • Lower Wairarapa Valley Development Scheme & Use opportunities to partner with corporates and philanthropic organisations for planting and recreational amenity provision.
Increased demand and legislative changes have resulted in a higher level of service for monitoring of ecology, flood warning, groundwater quantity and quality and soils and climate.	Programme and fund asset development Partnerships and funding models Reduce levels of service Do nothing	Renewal of assets in the environmental monitoring network that supports GW's ecological, flood warning, ground water, soils and climate activities. By progressively renewing and modernising our monitoring network, we will ensure it is stays in tune with evolving end-user needs and meets modern requirements. The investment will address our highest priorities in maintaining the network of assets to a reliable and usable condition to enable the delivery of the monitoring programmes and keep pace with the fast-changing monitoring/information storage and management technology available.

Affordability

The key affordability pressures affect how we can:

- Improve the capacity and resilience of our assets and services – especially Water Supply and Flood Resilience
- Achieve Carbon Zero 2030 and transitioning to a low carbon economy
- Achieve Mode-shift targets
- Manage risks to project deliverability and cost escalation at all stages of planning, design and delivery of capital works (including engagement compliance, risk management, materials, bidding and delivery)
- Budget, recognising the increased demand on, and limited availability, of technical skills and engineering capacity and capability and disrupted international supply-chains
- Adapt to legislative, statutory and regulatory reforms
- Address increasing community and environmental expectations

We recognise the ability to pay is not uniform across the region. Our lifecycle approach to asset management is the method we are using to optimise the timing and scope of capex projects – and to balance lifecycle cost-pressures – while maintaining a healthy balance sheet.

Most of our capital investment will be funded through debt, which will be paid back over an appropriate 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.

Ensure Te Taiao is protected and its resilience is retained

GW's infrastructure and services have a key role in protecting Te Taiao and our community. Our infrastructure networks are distributed across the region, from mountain-tops, through waterways, servicing rural and urban communities. Our infrastructure must be considered within the context of its relationship with people and Te Taiao. Natural hazard events and climate change pose risks to infrastructure, the environment, the economy and land use. Communities are already feeling the effects of climate change. The resilience of both infrastructure and Te Taiao need to be mutually addressed – to ensure that our future networks reduce or eliminate impacts on Te Taiao and are more resilient to natural hazards and climate change.

For GW, resilience is a measure of the capacity of our communities, built environments, businesses, economy, infrastructure and natural ecosystems to respond and adapt to both sudden and slow-moving changes, specifically growth, climate change and earthquakes. The resilience decisions we make anticipate, prepare for and adapt to changing conditions, seeking to lower the risks, vulnerability and consequences. Approaches can take a range of forms:

- Planning responses
- Adaptive design and engineering methods
- Behavioural change and education

By taking a broader view when defining 'infrastructure', we can better address issues relating to protecting our environment and valuing the role infrastructure can play in restoring natural systems. Critical infrastructure needs to co-exist and perform reliably with heightened future states of change including earthquakes, climate change, sea level rise and other natural hazards.

Infrastructure is not just carbon-intensive, it is resource intensive – consumptive of water, energy and land. Our programmes need to address infrastructure resilience in the wider context of improving our degrading environment and ensure solutions have a positive impact and strengthen Te Taiao. The scale of environmental degradation is such that we may need more infrastructure to deal with hazards.

There is an opportunity to innovate and adopt more people/environment-centred solutions by adapting and applying nature-based solutions to balance or reduce carbon emissions, sequester carbon, and mitigate major impacts. By partnering effectively with Mana Whenua to address key priorities with infrastructure and its relationship with Te Taiao and people, our regional infrastructure will meet our wider organisational goals by applying Te Tiriti o Waitangi principles.

GW's previous Infrastructure Strategies have highlighted the significance of climate change and its effects on infrastructure and services, along with the potential scale of impacts to communities, the importance of community preparation, and the issues affecting low-lying coastal whenua. Our networks will need to be able to handle a wider array of extremes: from flooding and inundation to drought and temperature extremes - triggering wildfires, alongside the expected extreme rainfall and associated wind and slip damage, erosion etc. While the specific effects of climate change will vary locationally, solutions must take these factors into account. Climate change poses increasing risks to our services due to failure of other infrastructure or services owned, controlled or managed by third parties. Flooding of roads affects our public transport capability; power outages due to extreme temperatures or high winds would remove services such as traffic signals. Similarly Fire and Emergency New Zealand rely on our water networks to fight fires. Network interdependencies present another dimension of vulnerability to the impacts of climate change.

Our specific significant issues relating to the broader issue, options and most likely scenarios (as solutions) include:

- Nature-based solutions
- Demand management
- Options leveraging natural resilience: making room and absorbing impacts through natural systems and processes (as opposed to hard infrastructure); acknowledging the important role wetlands, riparian planting and water sensitive design have to play
- Improving our knowledge base and solution-set to ensure we are aware of risks, opportunities and solutions particularly relating to our critical infrastructure networks
- Continuing with supporting programmes of work addressing our resource consenting and compliance relating to our infrastructure networks

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 $1.75b on renewals and new capital between 2024/25 and 2033/34. Forecast annual capital expenditure and debt levels are displayed in Figure 3, under the most likely scenario for the whole of Council, including the four larger asset groups over the period of this Strategy. The corresponding information for the remainder of the 30-year period is shown in Figure 4 (totalling $9.18b over the 2034/35-2053/54 period). The projections consider our horizon scan and the responses, alongside our planning assumptions noted in the earlier Horizon Scan section. As not all future costs are known, solutions will be developed and costed as part of future annual planning processes (including indicative needs for future additional Bulk Water storage and treatment capacities).

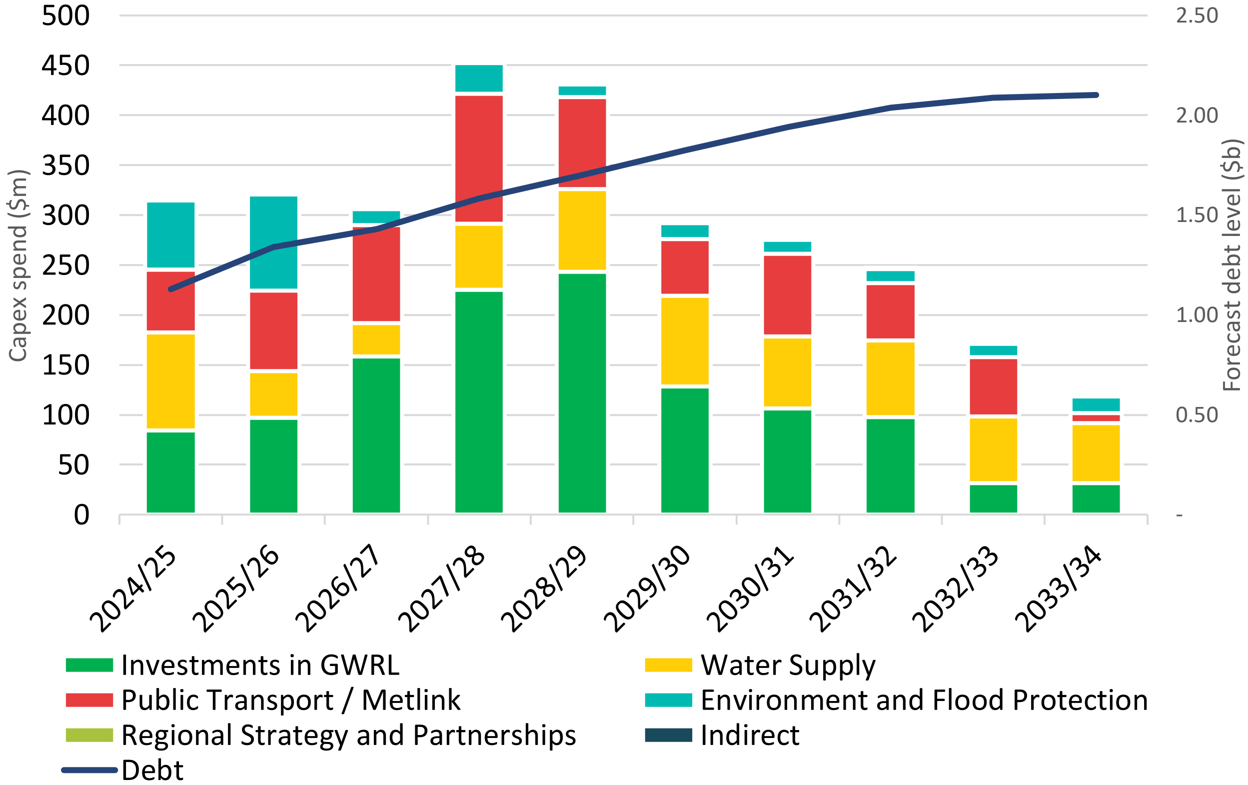

Figure 3. Forecast annual capital expenditure and debt-line for the core asset groups over the initial 10-yr period of this Strategy (including GWRL).

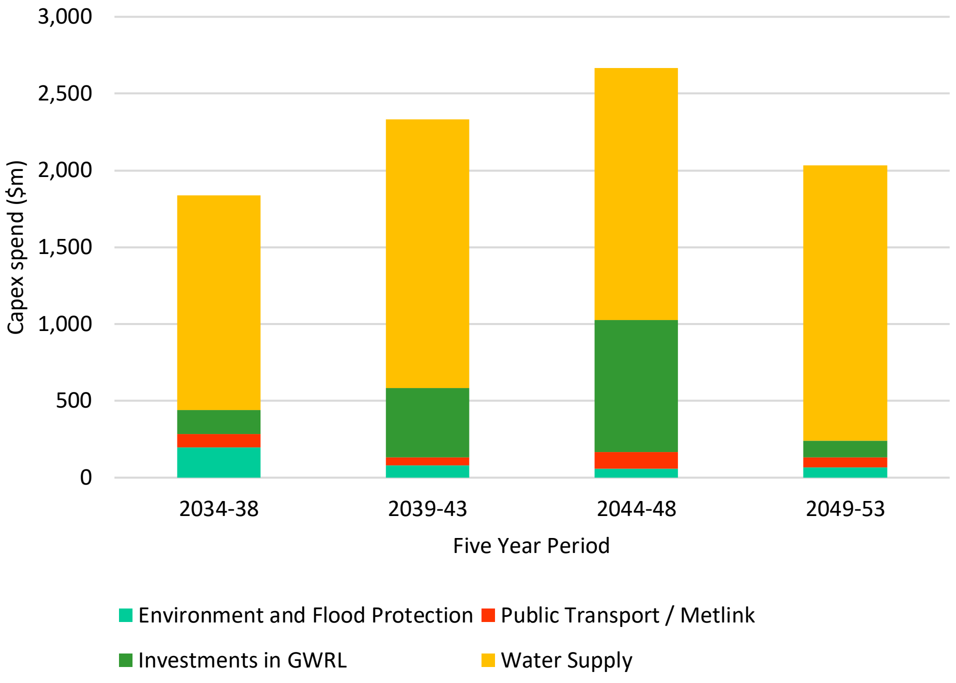

Figure 4. Forecast total capital expenditure for the core asset groups (yrs 11-30).

Operating expenditure

Over the life of the 10 Year Plan our operating expenditure is forecast to increase by 39 percent, from $547.6m in 2024/25 to $759.9m in 2033/34. Forecast operating expenditure for each of Greater Wellington activity group is displayed for the first 10 years (Figure 5) and the remainder 5-yr periods of this 30-year strategy (Figure 6).

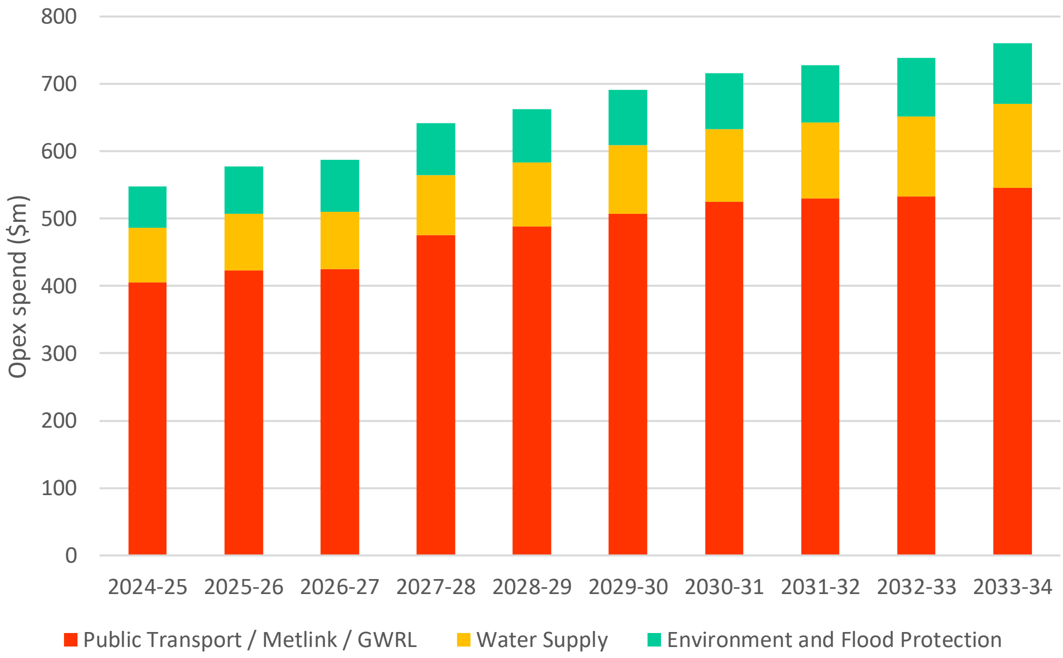

Figure 5: Forecast annual operating expenditure (10 years).

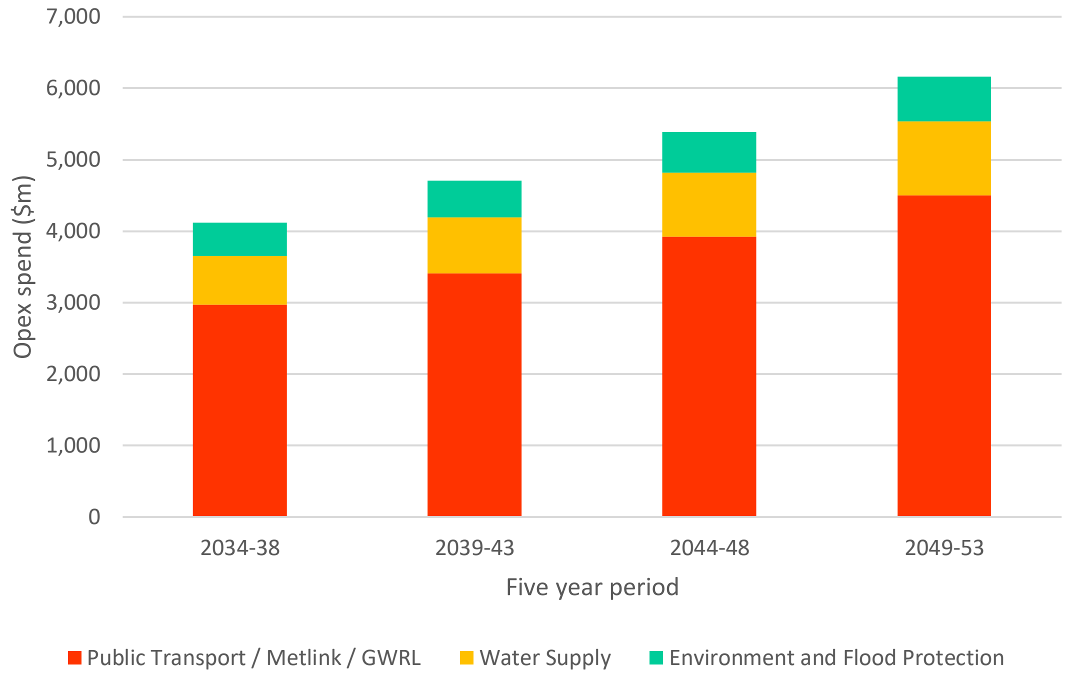

Figure 6: Forecast total operating expenditure (yrs 11-30).

Options and Significant Decisions.

Our approach aims to deliver a thriving environment, connected communities, and a resilient, low carbon future for the region. We will manage our infrastructure in a manner that considers the current community and future generations – this means we need to make some significant decisions about capital expenditure required over the 30 years. Table 7 includes what the decisions are, when we need to make those decisions, and the approximate scale of the costs involved. The timing of those decisions is broadly at two levels: firstly, via the LTP prioritisation/planning process and, secondly, via Annual Planning process that occurs in the year/s prior to the project delivery. For all issues the risk of deferring capital investment is not achieving the extraordinary region: thriving environment, connected communities, resilient future vision we have for the region. Table 8 shows the impacts on levels of service from these decisions.

Table 7: Infrastructure Strategy issues, the most likely scenario projects

Issue	Timing of project	Principal Option	Costs	Level of Service impact	Risks and implications of deferring
Climate change and adverse natural events	2024-2033	Recloaking Papatūānuku: plant 700 ha of previously grazed land at Belmont Regional Park*	*$29.3m (Opex)*	Increase/ new	Not reducing public transport emissions and not replanting grazed land will make it very difficult for GW to meet its 2030 carbon neutral goals.
	2024-28 2024-48	PT CBD Layover* Control of strategic Public Transport assets	*$23.58m* *$408m*	Increase/ new	
	2024-33	RiverLink - Te Wai Takamori o Te Awa Kairangi (Flood Resilience)* Associated Land purchase (PT)	*$166.3m* *$2m*	Increase/ new	Not funding or deferring will put existing communities, services, assets, property and the environment at increasing risk from flooding or inundation. Non-compliance carrying legal risks
	24-54	Hutt Wellington Capex (Flood Assets) - Silverstream to Moonshine Bridge Channel Works - Moonshine to Maoribank Improvements - Waiwhetu Improvements - Ava Rail Bridge to Estuary Bridge Improvements - Belmont Improvements	*$213.3m*	Meet /current	
	24-54	Kapiti Capex (Flood Assets)	*$31.6m*	Meet /current	
	24-54	Lower Wairarapa Valley Capex (Flood Assets) - Barrage Gates - Tawaha Sill - Whakawhiriwhiri Stream	*$131.2m*	Meet /current	
	24-54	Waiohine Capex (Flood Assets) - North Street Stopbank - Kuratawhiti Street Stopbank	*$5.9m*	Meet /current	
	24-54	Te Kauru (Flood Assets) - Waipoua Urban Reach	*$65.0m*	Meet /current	
	24-54	Other Wairarapa (Flood Assets) - Dams	*$12.5m*	Meet /current	
	2024-2033	Water Supply resilience to natural hazards and climate change	*$64.7m*	Meet /current	Not funding or deferring will put existing communities, services, assets, and the environment at increasing risk from water supply network failure. Non-compliance carrying legal risks
	2024-31 2024-27	Johnsonville transport Hub Porirua Interchange	*$13.3m* *$7m*	Increase/ new	

Managing forecast changes in demand	2024-2029	PT Lower North Island Rail - Rolling Stock and network improvements Wgn/Masterton and Wgn/Palmerston North*	*$71.1m (GW and Horizons Reg, Council contribution)*	Increase/ new	Without work and investment, we will continue failing to meet public transport levels of service.
	2024-2032	Rail - Metro Rolling Stock fleet expansion and depot extension to meet growth in demand*	*$217m*	Increase/ new	
	2024-2033	Sustainable water supply (Te Mana o te Wai) – including design and consenting of two additional water storage lakes at Pakuratahi. Construction and operating cost estimates will be identified in future Long Term Plans.	*$35.5m*	Increase/ new	Potential for: demand for water to outstrip supply resulting in severe disruption to communities; resource consent compliance and environment to be compromised.
Managing risks, infrastructure performance and cost – within our changing context-	2024-2033	Existing Water Supply network renewal	*$424m*	Meet /current	Not funding or deferring will put existing communities, services, assets and property at increasing risk.
	2024-2026	Harbours Channel Risk Review implementation	*$558k*	Meet /current	
	2024/25	PT National Ticketing Solution – Implementation*	*$47.6m*	Meet /current	
	2024-2025	PT RTI 2.0: Replacement of Real Time Information infrastructure	*$2.9m Capex*	Meet /current	
	2024-35	PT Buses Replace Trains	*$10.0m*	Meet /current	

(* denotes previously approved in past LTPs with revised budget shown). The following are excluded: Corp Support (Fleet and ICT costs), Regional Strategy and Partnerships (Transport Analytics, Stadium Trust- seismic improvements, and Regional Land Transport Strategy and Planning)

Table 8. The impact of the issues and most likely scenarios on our levels of service.

Water Supply	We do not propose any significant changes to our current levels of service for water supply The most likely scenarios will address the impacts, and maintain the levels of service for safe to drink, and continuous and secure supply
Flood Resilience	We do not propose any significant changes to our current levels of service for Flood Resilience in the short term of this strategy. Increased investment may be required to maintain levels of service in the face of climate change and sea level rise.
Metlink Public Transport	We do not propose any significant changes to our current levels of service for Metlink Public Transport.
Harbours	We do not propose any significant changes to our current levels of service for Harbours.
Regional Parks	We do not propose any significant changes to our current levels of service for Regional Parks.
Environmental Knowledge and Insights	We do not propose any significant changes to our current levels of service for Environmental Knowledge and Insights.

Conclusions

To support the vision we have for the Wellington region, this strategy defines the nature of the challenges we face, our approach and options for dealing with those challenges; and the implications of these actions as we work towards intergeneration equity. Our approach aims to deliver a thriving environment, connected communities, and a resilient, low carbon future for the region. Our strategy outlines the significant decisions about capital expenditure that are required over the 30 years to deliver the infrastructure services needed for our community – now and for future generations.

Greater Wellington Regional Council: Horizon scan

The changes we are expecting across our region

Understanding our future environment and the possible impacts on the region underpins much of our forward planning.
We have developed an evidence-based picture of what we could expect in the region over the next five to 30 years. It is a process that ensures we are a forward-thinking council with an outward focus. These projections are only the best estimate we can make at the time with the information available. However, when consistently applied to our work, they can aid us in being better prepared for the future. The projections have been applied across all of our work and are relatively consistent with the assumptions being made by the territorial authorities in our region.
The areas of change identified that may have significant impact on our role, our services, and our finances include:

- Population and demographic change
- Economic uncertainty, affordability challenges, and resource shortages
- Increasing risk from environmental change, climate change, and natural hazards
- Partnership with mana whenua and Māori
- Changes to Government and legislation
- Technological advancements and the future of work.

Population and demographic change

It is assumed the region will continue to experience steady growth, however, population projections have been revised downwards over the short and medium term.

164,000 additional residents are estimated over the next 30-years. This figure has been revised downwards since our previous assumptions in the 2021-31 Long Term Plan. The complex nature of the variables involved with population and demographic change creates a significant amount of uncertainty and flexibility. These uncertainties increase the further from the present day the projection runs.

Population growth is not expected to be evenly distributed across the Region. Wellington and Lower Hutt are expected to experience the biggest population increases. However, Masterton and the Wairarapa are projected to experience the highest rate of growth in the Greater Wellington Region.

Over the next 10 years, our Region is likely to become more culturally and ethnically diverse. There is the expectation of a growing Māori and Pacific population, particularly in Porirua and Lower Hutt. The Māori population in the Wellington Region is projected to grow between 0.7 and 2.5 percent annually between now and 2043. Growth in the Pacific population is projected to grow between -0.3 and 2.5 percent between now and 2043. The population of people of Asian descent is also projected to grow in the Region, with forecasts between 0.7 and 4.3 percent annually between now and 2043.

An increasingly aged demographic is expected with rates of population growth being highest at age 50 and over. This is a continuation of a long-term trend. The share of the population aged over 70 is expected to rise from 10 percent to 15 percent over the next 30 years.

General growth, combined with an aging population, will likely place increased pressure on a wide range of services and resources. It also has the potential to put pressure on the natural environment and the health of our waterways.

Economic uncertainty, affordability challenges, and resource shortages

The New Zealand economy is facing multiple challenges that are contributing to an increasingly uncertain outlook. Mixed performance across the economy is forecasted, particularly in the short-term.

High interest rates have reduced domestic demand and a slower global economy has weighed on New Zealand's exports. The increases in costs for communities and the associated equity challenges are expected to continue. The period of slow growth drives further slowing in the labour market, with the unemployment rate expected to increase.

The Treasury forecast the economic slowdown to persist through 2023 and 2024. Interest rates are expected to fall and growth is expected to pick up, averaging 2.8% per year from 2026 onwards. Unemployment is also expected to trend downward from 2026 onwards. Like our population projections, uncertainty increases the further from the present day the projection runs.

The Wellington Region has a diverse economy made up of different industries. The most dominant industry is professional, scientific, and tech services, which constitutes 21.4 percent of the Region's working population. Property operators, real estate services, and construction services are also strong industries in the Region. A small proportion of the Region, 3.3 percent, works in agriculture, forestry, and fishing.

Increasing risk from environmental change, climate change and natural hazards

The Wellington Region is expected to continue to experience more frequent and intense rainfall events, particularly in Western areas, due to the impacts of climate change. The Wairarapa is expected to experience longer duration and more frequent drought events. The number of hot days will likely increase, and the number of frosts will decrease. Sea level rise and more frequent and intense coastal flooding and erosion is expected. Inland we are likely to see more intense river flooding, and increased landslides. The annual average temperature is expected to rise.

The Wellington Region will continue to be at risk from adverse natural events including earthquakes, tsunami and, increasingly, wildfires due to climate change.

The state of biodiversity in New Zealand is considered to be in a state of crisis. Pressures including introduced invasive species, changes in land, water and sea use, direct exploitation and harvesting (including water extraction), pollution and the increasing threat of climate change have and will continue to contribute to this decline.

Partnerships with mana whenua and engagement with Māori

Working in partnership with mana whenua and engaging with Māori is of significant importance to Greater Wellington. We are committed to improving opportunities for mana whenua to be meaningful partners to our decision-making processes.

Frameworks and models that incorporate mātauranga and te ao Māori are increasingly being used to inform Greater Wellington's environmental management, policy, processes and decision-making. Expectations to give adequate effect to the principles of Te Tiriti o Waitangi is also increasing. Te Tiriti o Waitangi provides a foundation for recognising the rights and interests of Māori.

There is the expectation of more Treaty settlements to be concluded in the Wellington Region over the next 10-years, and post settlement opportunities arising. This will come with a number of improved economic and wellbeing outcomes for our partners and the Region.

Changes in Government and legislation

It is important we align with Government direction, while also delivering on existing commitments Local Government has been facing the most significant period of legislative review and reform in 30 years. This significant programme of Government reforms presents impacts across governance structures, operational capacity, roles, responsibilities, and financial capacity.
A newly formed Government Coalition presents further change and new directions. While timelines and processes are not yet clear, the Government's initial policy priorities have been outlined in their 100-day plan, including:

- the immediate action to repeal the Natural and Built Environment Act (NBA) and Spatial Planning Act (SPA) reverting us back to the Resource Management Act (RMA)
- maintaining fast track consenting while a permanent regime is developed,
- indicating its long-term goals include developing new legislation to make it easier to develop new legislation for housing and infrastructure, enable primary industry, and better balance environmental protection,
- further action is expected early in the new year to repeal all legislation relating to water services entities (contained in the Water Services Entities Act 2022, Water Services Entities Amendment Act 2023, and Water Services Legislation Act 2023) also known as Three Waters. In addition, to the National Policy Statement for Freshwater Management 2020 will be reviewed and replaced.

For local government this evolving direction carries significant levels of uncertainty which we must prepare to navigate and respond to in ways that will have the best outcomes for our region.

Technological change, information, and future of work

Advances in technology will continue to be ongoing, rapid, and unpredictable. New products and capabilities will likely change many aspects of the way we live and communicate, and enable Greater Wellington to improve the delivery of its services. It may also bring real risks that require policy and institutions to guide its design and use.

An overabundance of information – some accurate and some not – increasingly making it hard for communities to find trustworthy sources and reliable guidance when they need it.

There is the expectation of increasing workforce diversity, and a wider and more inclusive perspective in decision-making.

Widespread remote work may remain a permanent feature of the future working environment, catalysed by the experiences made during the COVID-19 crisis. Research suggests many workers value the ability to work from home and are willing to change jobs or accept lower wages in order to continue working from home.

Greater Wellington Regional Council

2024-34 Long Term Plan
Statement of Service Performance

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Contents

Our Activities

Greater Wellington has four key activity groups, these groups are:

- **Environment and Flood Protection**
- **Metlink Public Transport**
- **Regional Strategies & Partnerships**
- **Water Supply**

Activity groups provide an important link between the LTP's strategic priorities and implementation.

Once we describe why we carry out a particular activity, we develop the levels of service the community can expect, and then describe how the community will know when the levels of service have been achieved through performance measures and targets. This structure is the essential link between strategy and operations, or strategy and implementation.

Environment and Flood Protection

Te taiao, our environment, is important to us all. It's our home, our playground, our workplace, the air we breathe, the water we drink, the places where we swim, walk and fish.

Greater Wellington is responsible for protecting and enhancing our natural environment and providing opportunities for access in our wild backyard. We regulate activities that can damage the environment, protect the highest value biodiversity areas, reduce flood risk across the region and care for public land, including eight regional parks, on behalf of the community. We also support safe navigation of the region's harbours and manage environmental threats such as pest plants and animals. We do this work in partnership with mana whenua through regional policies, plans, resource consents and working collectively alongside others, including a large team of volunteers, for the greater environmental good upholding kaitiakitanga.

Our environmental work connects to our strategic framework by ensuring te taiao continues to thrive and is resilient and prepared for the pressures ahead. We connect communities together to enhance our vibrancy as a region with a sense of collective wellbeing.

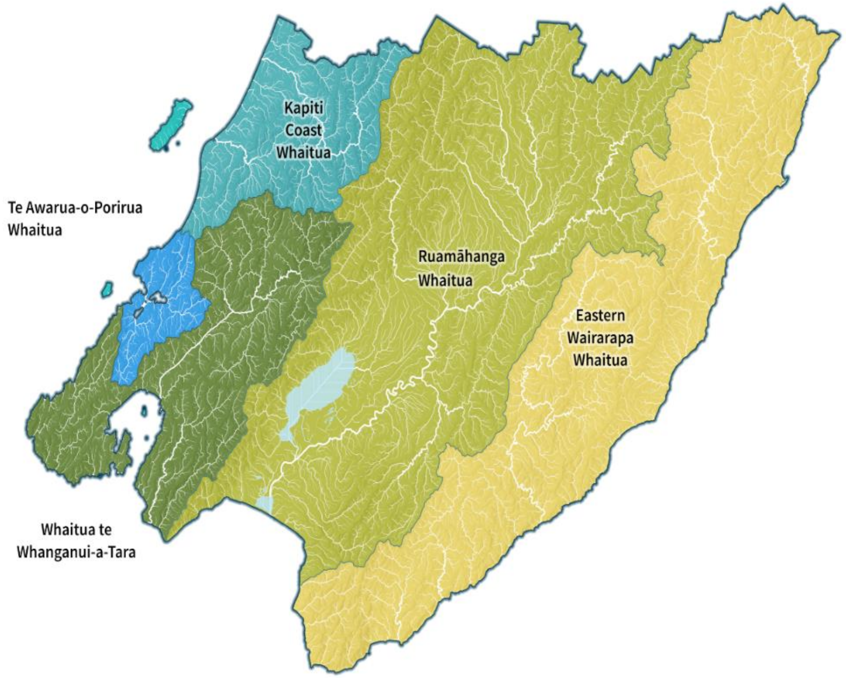
The catchment-wide approach

The Environment Group has many ways to help protect our region's precious and unique environment including taking a catchment-wide view. This view better delivers for the environment by working more closely with communities and mana whenua at a scale more meaningful to them, and for delivering a more holistic and integrated approach.

Since the last LTP, Greater Wellington's Environment Group has significantly changed its operating model for the first time in the organisation's history. The new structure and systems are designed to more effectively deliver outcomes for te taiao and people, and to build a more resilient region. The new Group aims to work in genuine partnership with mana whenua, and will engage with communities, industries and stakeholders. We will use a rich mix of science and mātauranga Māori in decision-making.

A major new focus is to plan and deliver work and report on results based on catchments. Greater Wellington has identified five 'super-catchments' in the Wellington region, sometimes known as "whaitua" in reference to the Whaitua Implementation Programme approach taken with National Policy Statement for Freshwater Management implementation. We have established a new function in the Environment Group, Catchment, to support and facilitate planning and delivery of environment work linked to mana whenua and community priorities within these catchments.

Greater Wellington
Te Pane Matua Taiao



This group of activities supports the Community Outcomes:

Connected communities

Our work with the community connects people with the environment they live in

Thriving environment

We look after the region's special places to ensure they thrive and prosper

Resilient future

We manage and protect the region's resources so they can be enjoyed for generations to come.

Activities of the Environment group

- **Environmental restoration, recreation and harbour safety**
  - Conservation and restoration (pest, land and biodiversity management)
  - Parks management (restoration and recreation)
  - Maintain harbour safety and prepare to respond to incidents
- **Planning and prioritising integrated work at a catchment scale**
  - Deliver Whaitua development programmes
  - Identify priorities for each of our catchments.
  - Develop, manage and evaluate our plans through a catchment lens
  - Manage engagement with community and mana whenua in relation to the environment activities of Greater Wellington.
- **Environmental strategy, policy and protection**
  - Provide strategic direction in relation to the environment and flood protection
  - Create environmental protection policies and rules
  - Process and monitor consent applications
  - Enforce environmental compliance and respond to incidents
  - Planning how we manage our Regional Parks
- **Environmental knowledge and insights**
  - Use environmental and social science to provide knowledge and insights to inform our work.
- **Flood resilience**
  - Plan, design, deliver and maintain flood risk mitigation methods
  - Provide information about flood risk and options for management

Opportunities and challenges

- Biodiversity and climate crisis means there is going to be more work to do than resource available – we need people and partners to all lean in
- Many things in the environment cannot be predicted so we need to be agile
- Work has been done across multiple programmes, relationships and Acts that has created obligations and direction that commits resources
- There are opportunities to work with the uncertainty and interconnectedness of our work under the new model to grow the capacity of the region to deliver for Te Taiao
- Opportunities for our environment mahi to deliver in multiple benefits for biodiversity, climate resilience, mana whenua outcomes and equity.

Significant negative effects and how we will address them

Pest management – the control of pest animals and plants requires a range of methods including pesticides. 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, of particular concern to some sectors of the community is the use of the toxin 1080 and the use of glyphosate (Roundup).

We will address these effects by carrying out pest control activities 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 and animal management and certified to use pesticides. If there are cost-effective pest control methods that do not involve pesticides, then we will consider using them. We use the least toxic chemical that will be effective in any given situation.

Flood protection and control works – there is the potential for flood protection projects, and maintenance operations to have a negative effect on river ecology and natural character of the river and therefore our natural environment. We are also facing significant increases in cost to maintain current flood services.

We will address these effects by minimising the adverse impacts and enhancing positive outcomes of flood protection projects, maintenance operations on the environment by using a range of methods such as working within our Code of Practice and undertaking riparian planting and integrating land use and water management planning. We are also prioritising our essential flood protection work to ensure that the community is protected from flooding.

Regional parks – stock grazing land management activities have high impacts on a range of ecosystem services, recreation amenity values and organisational reputation as custodian of parks for the community. Insufficient pest control can have significant impacts on environmental health and the success of restoration work.

To address this, we are phasing out grazing in our regional parks and planting native forests to increase biodiversity. We are also amplifying our pest control to increase the success and survival of plantings.

Environment Group key projects and programmes

RiverLink	Protect Hutt City from significant flood damage. Construct a new interchange, relocate Melling Train Station and build two new bridges over Te Awa Kairangi. Revitalise of Hutt city centre.	2024-2026
Regional flood resilience projects	Protect river communities from the effects of climate change. Nature-based solutions to be used wherever possible, including indigenous planting	Ongoing
Recloaking Papatūānuku	Carry out a restoration programme of planting and other activities on the formerly grazed areas of five Regional Parks	Until 2027
Predator Free Wellington	Continue phase 2 of this predator eradication programme working alongside households, community groups and other organisations. Funded by the Wellington City Council, Greater Wellington Regional Council, Predator Free 2050, and the NEXT Foundation	Ongoing
NRP/RPS changes and Whaitua Implementation Programmes	Implement changes to the Natural Resources Plan and Regional Policy Statement to realise better freshwater and environmental outcomes, and meet community and mana whenua aspirations	2024-2026 and 2027-2028
Development of our catchment approach	Complete internal changes to support our catchment approach, then test and agree priorities with mana whenua and communities	Ongoing
Key native eco-systems	Work with partners to protect areas with 'high biodiversity values' in different ecosystem types, including forests, wetlands, freshwater, estuarine and coastal	Ongoing
Freshwater Farm Plans	Support farmers to develop legislatively required farm plans that reduce their farms' effects on freshwater. In addition, provide general information and advice to the agriculture industry to ensure consistency and good environment outcomes	Ongoing
Daleton Nursery expansion	Establish a poplar and willow pole nursery to a point where it is ready to operate. Poplars and willows are planted on farmland and riverbanks to reduce erosion.	2024-2025

Greater Wellington Te Pane Matua Taiao

Environment Group Performance Measures

Reference number	Community Outcome	Level of Service	Performance Measure	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
1	Thriving Environment	Water quality in the region is maintained or improved	Macroinvertebrate Community Index (MCI) score is maintained or improved[1]	Achieved	Maintain National Objective Framework State[2] A = 6 sites (13%) B = 12 sites (27%) C = 19 sites (42%) D = 8 sites (18%)	Maintain National Objective Framework State A = 6 sites (13%) B = 12 sites (27%) C = 19 sites (42%) D = 8 sites (18%)	Maintain National Objective Framework State A = 6 sites (13%) B = 12 sites (27%) C = 19 sites (42%) D = 8 sites (18%)	Improve National Objective Framework State A = 8 sites (18%) B = 17 sites (38%) C = 18 sites (36%) D = 6 sites (13%)
2	Thriving Environment	Support landowners through incentive funding and advice to develop and implement Farm Environment Plan actions, which maintain or improve water quality by reducing nutrient and sediment discharges or enhancing biodiversity.	Percentage of Greater Wellington incentive funding used to advance catchment context priorities or to enhance or protect threatened biodiversity, through completion of high impact actions on private land	94%	90%	90%	90%	90%

[1] Aquatic macroinvertebrates (i.e. animals without backbones that can be seen with the naked eye, e.g. shrimps, worms, crayfish, aquatic snails, mussels, aquatic stage of some insect larvae, such as dragonfly larvae, mayflies, caddisflies, etc.) are commonly used biological indicators for freshwater ecosystem health throughout New Zealand and around the world. Macroinvertebrates are widely used because they are abundant, easy to collect and identify, have relatively long life-cycles, and are sensitive to multiple pressures (e.g. pollution, habitat removal, floods, and droughts). This makes macroinvertebrate communities useful to identify where we need to improve our management of these pressures and to show when these pressures are sufficiently addressed.

[2] National Objective Framework contains the water quality criteria categorizing them from A as the highest water quality grade to D as the lowest.

Reference number	Community Outcome	Level of Service	Performance Measure	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
3	Thriving Environment	Deliver treatment programme on identified erosion-prone land to prevent sediment from entering streams and estuaries to maintain or enhance water quality	Erosion-prone hill country treated	1,405 ha	700 ha	650 ha	650 ha	650 ha
4	Thriving Environment	Provide effective environmental knowledge and information to stakeholders and communities	Stakeholders and communities are satisfied with the effectiveness of knowledge and information shared with them	New Measure – develop suitable communications processes to enable feedback and reporting.	Achieved	Achieved	Achieved	Achieved
5	Thriving Environment	Monitor high risk/priority resource consents	Percentage of active resource consents identified as high risk and high priority are checked for compliance and marked with a compliance rating	100%	100%	100%	100%	100%
6	Thriving Environment	Customer satisfaction for the resource consent service	Level of overall satisfaction with consent processing services	4.2/5.0	>4.0	>4.0	>4.0	>4.0
7	Thriving Environment	Protect and care for the environment, landscape and heritage	Indigenous species planted	158,000	TBC	TBC	TBC	TBC
8	Connected Community	Customer satisfaction and improved public access	Public satisfaction with experiences in Regional Parks	84%	85%	86%	87%	88%

Reference number	Community Outcome	Level of Service	Performance Measure	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
9	Thriving Environment	Provide pest species control services across the region	Provide pest animal and plant management as per Regional Pest Management Plan (RPMP) Operational Plans	Not Achieved	Achieved	Achieved	Achieved	Achieved
			Provide pest species control services as agreed under Predator Free Wellington (PFW)	Achieved	Absence of PFW predators in phase 2 of the project	Working towards absence of PFW predators in phase 3 of the project	Absence of PFW predators in phase 3 of the project	Working towards absence of PFW predators in the remaining areas of Wellington.
10	Thriving Environment	Implement the objectives of the Greater Wellington Biodiversity Strategy	Biodiversity Strategy objectives are being actively progressed by Greater Wellington	Achieved 15 objectives progressed	All 15 objectives progressed	All 15 objectives progressed	All 15 objectives progressed	All 15 objectives progressed
11	Connected Community	Collaboration at a catchment scale[3] is increased	Total number of catchment scale collaborations for improving environmental outcomes	21	22	23	24	24
12	Resilient future	Progress towards completion of the RiverLink flood control works	Implement RiverLink in accordance with the Resource Consent Design and agreed Construction Programme	Construction started	Construction is progressed according to Programme	Construction is progressed according to Programme	Construction is progressed according to Programme	Completion of construction

[3] This is a new Level of Service for the 2024-34 Long Term Plan. Catchment-scale: is a scale intermediate between specific sites (e.g. a specific farm, specific park or single creek) and the wider Greater Wellington region ("regional" scale). For the purposes of this definition, a catchment-scale collaboration is any collaboration that spans at least one sub-catchment level (i.e. at least one biophysical catchment), recognising the importance of acting at a scale that creates impact.

Reference number	Community Outcome	Level of Service	Performance Measure	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
13	Resilient future	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[4]	Not achieved	Achieved	Achieved	Achieved	Achieved
14	Resilient future	Provide information and understanding of flood risk in the community	Percentage of Greater Wellington-managed watercourses with current flood hazard mapping	29%	54%	93%	93%	100%
15	Resilient future	Manage the safety of marine activities in the region's waters[5]	Maintain and operate our navigation aids to the relevant international standard for reliability in accordance with the Asset Management Plan	98.1%	100%	100%	100%	100%
			Meet criteria and consider recommendations of the self-assessment in compliance to the Port and Harbour Marine Safety Code	Achieved	Achieved	Receive positive feedback from 4-year external review	Achieved	Achieved

[4] Non-Financial Performance Measures Rules 2013, Flood Protection and Control Works (DIA Mandatory Measure).
[5] This Level of Service has been revived from a previous Long Term Plan and included in the 2024-34 Long Term Plan.

Greater Wellington
Te Pane Matua Taiao

Funding Impact Statement

Environment and Flood Protection Prospective Funding Impact Statement

For the year ending 30 June

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	73,700	90,978	103,760	114,987	120,544	127,788	131,543	134,541	137,871	140,611	143,390
Targeted rates	12,745	15,426	18,709	22,008	23,007	25,408	26,608	26,982	28,000	28,641	29,367
Subsidies and grants for operating purposes	3,160	2,699	1,333	910	-	-	-	-	-	-	-
Fees and charges	3,587	2,992	3,032	3,076	4,792	4,893	4,991	5,091	5,192	5,291	5,392
Interest and dividends from investments	422	481	459	464	492	530	577	627	684	735	806
Local authorities fines, infringement fees, and other receipts	24,275	13,917	13,697	14,678	16,094	10,592	10,953	11,089	11,313	11,496	11,714
Total operating funding	117,889	126,493	140,990	156,123	164,929	169,211	174,672	178,330	183,060	186,774	190,669
Applications of operating funding											
Payments to staff and suppliers	70,581	86,001	93,170	99,813	101,009	100,094	102,334	105,022	107,419	109,505	112,040
Finance costs	11,076	13,872	17,022	19,148	20,177	21,194	22,187	22,768	23,260	23,704	24,430
Internal charges and overheads applied	23,092	25,906	29,740	31,586	34,229	35,743	37,088	36,309	37,234	38,039	38,697
Total applications of operating funding	104,749	125,779	139,932	150,547	155,415	157,031	161,609	164,099	167,913	171,248	175,167
Surplus/(deficit) of operating funding	13,140	714	1,058	5,576	9,514	12,180	13,063	14,231	15,147	15,526	15,502
Sources of capital funding											
Increase (decrease) in debt	58,226	69,772	96,480	11,167	22,433	1,250	4,024	1,401	618	(369)	2,987
Gross proceeds from sale of assets	-	22	87	64	9	71	2	66	75	2	2
Other dedicated capital funding	10,000	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	68,226	69,794	96,567	11,231	22,442	1,321	4,026	1,467	693	(367)	2,989
Capital expenditure—											
to improve the level of service	67,464	65,221	95,298	10,237	26,766	6,113	11,537	9,063	9,039	7,402	11,426
to replace existing assets	3,913	4,180	1,338	5,985	4,356	6,420	4,541	5,279	5,200	6,090	5,307
Increase (decrease) in reserves	9,367	426	330	(79)	142	238	234	529	717	732	752
Increase (decrease) of investments	622	681	659	664	692	730	777	827	884	935	1,006
Total application of capital funding	81,366	70,508	97,625	16,807	31,956	13,501	17,089	15,698	15,840	15,159	18,491
Surplus/(deficit) of capital funding	(13,140)	(714)	(1,058)	(5,576)	(9,514)	(12,180)	(13,063)	(14,231)	(15,147)	(15,526)	(15,502)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	4,782	4,427	4,667	4,772	4,767	4,794	4,749	4,944	5,018	5,056	5,225

Metlink Public Transport

Greater Wellington Regional Council's public transport network, Metlink, connects the wider Wellington region, including Wellington City, Hutt Valley, Porirua, Kāpiti Coast and the Wairarapa.

There are more than 37 million journeys a year on the Metlink bus, rail and harbour ferry transport network. We have five rail lines, 90 public bus routes, more than 12080 school bus services and a harbour ferry service.

We work with our transport operators to deliver a connected, integrated network with more people using public transport. Every day we have thousands of people travelling with Metlink (across rail, bus, ferry and total mobility services) and every one of those journeys matters to us.

Passengers, ratepayers and road users all help fund these services through fares, rates and a subsidy from the NZ Transport Agency Waka Kotahi . We are also responsible for developing and maintaining public transport infrastructure including railway stations, train maintenance depot, bus and ferry shelters, signs, and Park & Ride facilities. We are focused on becoming a smarter, cleaner region by encouraging more people to travel by bus, train and ferry, especially at peak times.

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

Connected communities
People can get to the places they want to go to by using an accessible and efficient network
Thriving environment
With decarbonisation of our network we are creating a more sustainable and low carbon region
Resilient future
People can move around the region on a public transport network that is future proofed

Activities of the Metlink public transport group

Public Transport Strategy and Planning

- **Strategy and planning**– we develop plans and solutions for future improvements to public transport that deliver to the unique needs of our communities and align, support and contribute to the rollout of regional and national approaches and on public transport policy.
- **Network Planning –**we design, plan, and review our network service and timetables to ensure our customers continue to receive the service they need for the resources we have.
- **Reviews and consultation**– we review services and consult on significant policy reviews and service changes to understand the needs and expectations of the community, both in terms of service delivery and funding.
- **Procurement of public transport services**– we manage the procurement of bus, rail and harbour ferry contract services, total mobility services, technology services and project resources to provide public transport services within the Wellington region.

Public Transport Service Delivery

- **Bus, rail and harbour ferry services**– we manage the contracts and provide oversight of public transport and school bus services to [ensure fit-for-purpose] public transport services within the Wellington region.
- **Total Mobility Services** – we offer subsidised transport services for members of the community with accessibility challenges where they cannot use public transport.
- **Customer support, information and engagement**– we provide real-time support and information for customers using our services. We use marketing campaigns, customer research and surveys to increase public transport patronage, understand our customers' requirements and educate the community on the benefits of using public transport.
- **Ticketing and payments**– we provide ticketing and payment systems to enable customers to pay for using public transport in a manner that best suits their needs.

Public Transport Assets and Infrastructure Management

- **Asset and Infrastructure management** - we ensure that all assets and infrastructure, including data and transport technology systems, is planned, delivered, and managed to ensure the service is delivered to the right standard, for the right cost at the right time. We also work to improve the accessibility and quality standard of a variety of assets.
- **Project Management**– we use well-established project management techniques to deliver timely and cost effective improvements to our network operations and infrastructure.

Greater Wellington
Te Pane Matua Taiao

Metlink Public Transport key projects and programmes

Accessibility improvements	Implementation of Accessibility Action Plan, including a variety of accessibility improvements to stations, vehicles, stops, technology aids and staff/operator training, and accessible corridors	Ongoing
Continued de-carbonisation of bus fleet	Metlink will continue to electrify its fleet which helps us reduce CO_2 and harmful emissions	Ongoing
Articulated buses	Introduce articulated buses onto Route 2 to increase capacity	2026
Network Operations Centre	Establish a Network Operations Centre, which is focused on the full network (ferry, rail and bus), 24/7. This gives us the opportunity to provide more reliable, timely and accurate information to our customers	2025
Bus Contract Tendering	Develop new contract provisions and tender operator contracts as current operator contracts expire (from 2027).	Ongoing
Implementation of National Ticketing Solution	Implementation of National Ticketing Solution - National Ticketing Solution is a convenient, reliable and cost-effective solution aimed at providing more ways for customers to pay for public transport	2025-2026
Implementation of Real Time Information 2.0	Replacement of the Real-time Information system to provide smarter, more accurate information and data for customers, the business and operators.	Fully implemented 2026-2027
Waterloo Station development	Waterloo Station development includes station and bus infrastructure and consideration of commercial development that contributes towards regional economic growth. Cross-agency Crown/local government/private sector partnership	2024-2029
Johnsonville Transport Hub/Interchange	As part of the redevelopment with the land currently owned by Stride Property Group, it is proposed to build a Public Transport hub, including a layover/driver break facility.	2024-2030
Porirua Transport Hub/Interchange	Bus layover and driver facilities in Porirua	2024-2027
Rail capacity increase	Provide additional metro rail rolling stock for the metropolitan area	2030
Rail timetable improvements	Make changes to rail infrastructure and service schedules to increase capacity and resilience of services	Ongoing
Rail Station improvements	We plan to make several Railway Station improvements to improve customer experience and travel choice	Ongoing from 2029
Technology enhancements on fleet and stations	Technology implementation to improve how Metlink delivers services and technology enhancements to meet customer needs, such as Wi-Fi on buses, wayfinding, integration and messaging	Ongoing
BRT (buses that replace trains) infrastructure improvements	Provide consistent and accessible levels of service for buses that replace trains, including Metlink buses, electronic payment and fully accessible stops	2024-2027
Wellington City bus layover/depot	Locate land, build layover facility for up to 30 buses including driver rest facility. EV opportunity charging facility.	Ongoing

Greater Wellington
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Metlink Public Transport Non-Financial Performance Measures

Reference Number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
1	Connected Communities	Provide a consistent and high quality customer experience across the public transport network	(1) Passengers' overall satisfaction with the Metlink public transport[6]	**Bus** 92% **Rail** 94% **Ferry** 97%	**Bus** 93% **Rail** 95% **Ferry** 98%	**Bus** 94% **Rail** 96% **Ferry** 98%	**Bus** 95% **Rail** 96% **Ferry** 98%	**Bus** >95% **Rail** >96% **Ferry** 98%
			(2) Passenger satisfaction with convenience of paying for Metlink public transport[7]	87%	87%	87%	89%	=/>90%
			(3) Passenger satisfaction with Metlink information currently available[8]	76%	85%	87%	89%	>90%
			(4) Passenger satisfaction with Metlink public transport being on time[9]	69%	>80%	>82%	>85%	>90%
			(5) Percentage of scheduled bus trips that depart their timetabled starting location on time (punctuality) – to 5 minutes[10]	94.4%	95%	95%	95%	95%
			(6) Percentage of scheduled bus services delivered (reliability)[11]	92.4%	98%	98%	98%	98%
			(7) Percentage of scheduled rail service delivered on-time (punctuality) – to 5 minutes[12]	89.1%	95%	95%	95%	95%

[6] The Metlink Public Transport Passenger Satisfaction Survey, which is run twice yearly, is used to determine Customer Satisfaction. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: Thinking about the vehicle you are on now, how satisfied or dissatisfied are you with this trip overall?
[7] The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: Thinking about your experience of public transport (including trains, buses and harbour ferries) in the Wellington region over the last three months, how satisfied or dissatisfied are you with how convenient it is to pay for public transport?
[8] The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: Overall, how satisfied or dissatisfied are you with the information about public transport services that is currently available?
[9] The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: Thinking about the vehicle you are on now, how satisfied or dissatisfied are you with the service being on time (keeping to the timetable)?
[10] This measure is based on services that depart from origin, departing between one minute early and five minutes late.
[11] The bus reliability measure shows the percentage of scheduled services that ran, as tracked by Real Time Information and Snapper systems; targets are daily
[12] This is a contractual measure; rail services delivered by rail replacement services) are deemed to have met the punctuality measure

Reference Number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
			(8) Percentage of scheduled rail services delivered (reliability)[13]	91.1%	99.5%	99.5%	99.5%	99.5%
2	Resilient Future	Promote and encourage people to move from private vehicles to public transport	Annual Public Transport boardings per capita	62.9 (2019/20)	64.2	66	67.8	75.4
4	Resilient Future	Provide fit-for-purpose vehicles, infrastructure and services to continually deliver a high quality core network that meets ongoing demand	(1) Percentage of passengers who are satisfied with the condition of the station/stop/wharf[14]	87%	88%	89%	90%	>92%
			(2) Percentage of passengers who are satisfied with the condition of the vehicles (fleet)[15]	94%	94%	>94%	>94%	>96%
5	Resilient Future	Gross emissions for Metlink's public transport fleet will be minimised, reducing the offsets required to reach net carbon neutrality	Tonnes of CO_2 emitted per year on Metlink Public Transport Services	21,019 tonnes *2021/22 verified result	19,300 tonnes	17,900 tonnes	17,800 tonnes	16,300 tonnes[16]
7	Connected Communities	Maintain and improve access to public transport for all	Percent of people within 500m of an all day, 7 day a week public transport service with minimum 60 minute daytime frequency[17]	74.4%	Increase on baseline	Increase on baseline	Increase on previous	Increase on previous

[13] Rail reliability is a contractual measure which shows the percentage of scheduled services that depart from origin and key stations no earlier than 30 seconds before the scheduled time, meet the consist size for the scheduled service, and stop at all stations timetabled for the service. rail replacement services are deemed to have met the reliability measure. Note that information on the number of rail cancellations and rail replacement services is reported on monthly and is available at: https://www.metlink.org.nz/news-and-updates/surveys-and-reports/performance-of-our-network/#DataAndReports

[14] The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: How satisfied or dissatisfied are you with the condition of the stop/station/wharf?

[15] The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: How satisfied or dissatisfied are you with the condition of this vehicle?

[16] This figure represents the projected emissions for the 2030-31 financial year, the midpoint of the 2027-34 period.

[17] This is a new Level of Service for the 2024-34 LTP.

Reference Number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
8	Connected Communities	Increased patronage of PT by disabled people (people with an activity limitation)	Increased boardings by people that use the Accessible Concession[18] (as a percent of total boardings)	New measure Current baseline (Dec22 – June 23) 0.9%	>1%	1.5%	2%	=/>4%

[18] This is a new Level of Service for the 2024-34 LTP. The Accessible Concession provides a 50% discount on adult Snapper fares for registered members of the Blind Low Vision NZ or passengers with a Te Hunga Whaikaha Total Mobility card; a bona fide carer can travel for free with the cardholder.

Greater Wellington
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Funding Impact Statement

Metlink Public Transport Prospective Funding Impact Statement

For the year ending 30 June

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
Targeted rates	113,009	135,221	149,093	164,006	185,429	194,921	202,326	211,735	216,810	214,606	218,567
Subsidies and grants for operating purposes	126,746	160,898	162,946	157,784	173,443	175,499	179,083	182,469	184,664	190,411	191,268
Fees and charges	108,265	96,577	103,617	109,823	116,689	123,884	131,456	138,554	147,188	153,625	158,977
Local authorities fines, infringement fees, and other receipts	6,844	7,793	7,947	8,120	8,297	8,470	8,638	8,809	8,984	9,154	9,326
Total operating funding	354,864	400,489	423,603	439,733	483,858	502,774	521,503	541,567	557,646	567,796	578,138
Applications of operating funding											
Payments to staff and suppliers	302,926	362,325	375,451	373,486	418,814	423,164	435,079	449,067	448,058	445,957	455,656
Finance costs	13,332	16,594	17,607	19,371	22,393	25,809	29,290	32,522	35,613	37,258	37,713
Internal charges and overheads applied	18,768	20,700	21,434	22,195	22,708	23,403	24,148	23,881	24,358	24,727	25,175
Total applications of operating funding	335,026	399,619	414,492	415,052	463,915	472,376	488,517	505,470	508,029	507,942	518,544
Surplus/(deficit) of operating funding	19,838	870	9,111	24,681	19,943	30,398	32,986	36,097	49,617	59,854	59,594
Sources of capital funding											
Subsidies and grants for capital expenditure	21,065	107,219	124,010	188,993	267,817	261,520	110,541	100,168	76,701	33,507	8,698
Increase (decrease) in debt	17,198	38,831	45,884	45,021	68,304	48,386	44,260	54,914	34,024	1,028	(22,276)
Total sources of capital funding	38,263	146,050	169,894	234,014	336,121	309,906	154,801	155,082	110,725	34,535	(13,578)
Application of capital funding											
Capital expenditure—											
to meet additional demand	224	-	-	-	-	-	-	-	-	-	-
to improve the level of service	7,383	49,013	58,218	76,163	118,002	79,844	50,112	75,739	51,085	52,053	2,952
to replace existing assets	20,467	14,199	22,531	21,945	12,144	12,398	6,567	6,755	6,948	7,079	7,214
Increase (decrease) in reserves	4,000	(635)	918	1,874	917	4,604	2,601	2,602	4,500	4,001	4,000
Increase (decrease) of investments	26,027	84,343	97,338	158,713	225,001	243,458	128,507	106,083	97,809	31,256	31,850
Total application of capital funding	58,101	146,920	179,005	258,695	356,064	340,304	187,787	191,179	160,342	94,389	46,016
Surplus/(deficit) of capital funding	(19,838)	(870)	(9,111)	(24,681)	(19,943)	(30,398)	(32,986)	(36,097)	(49,617)	(59,854)	(59,594)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	4,907	5,509	8,077	10,469	14,301	19,477	24,253	26,560	29,689	33,484	35,830

Regional Strategy and Partnerships

What we do

Greater Wellington coordinates regional strategy and partnerships activities on a range of issues and priorities across the region. Our long-term approach is to build, develop and maintain strong relationships at all levels so we can achieve integrated decision making at a regional level to successfully deliver projects. This includes building sustainable partnerships and relationships with mana whenua and regional planning with other local governments and central government.

As the only regional local government organisation in the Wellington Region, we coordinate regional spatial and transport planning, planning for action on climate change, regional economic development plans and emergency management. Many of the issues faced by our communities are complex and require a regional whole-of-system approach. We connect with our communities by actively partnering with mana whenua, and engaging with mātāwaka, key stakeholders, central government and local communities to have wider conversations.

Regional partnerships with mana whenua and Māori

The regional mana whenua relationships activity leads the organisation's approach to improving outcomes for mana whenua and Māori. This requires a programme focused on systemic changes to unlock the potential for mana whenua and Māori through the work that Council delivers. The activity builds an organisational approach to partnership including co-design, cogovernance and co-management opportunities with mana whenua that enhance and influence the strategic and operational outcomes of mana whenua and Māori across our work programmes.

We aim to strengthen the capacity of mana whenua as kaitiaki to engage at all levels through mutually agreed arrangements for both urban and rural environments. We will build on our relationships with mātāwaka Māori through their marae on key projects in which they have shared interests with mana whenua. This programme supports the advancement of Māori Economic

Development through the implementation of the strategy Te Matarau a Māui, towards building prosperous outcomes for Māori of the region.

Climate change

Our Climate Change activity has a dedicated programme to improve transparency and accountability for progressing climate action.

We plan to address, respond and deliver on the challenges of climate change

Our role is to accelerate the reduction of corporate carbon emissions, strengthen regional climate action and increase

Greater Wellington's role in pursuit of a climate safe region.

Regional transport planning and programmes

Greater Wellington is responsible for leading the development of objectives, policies and priorities for transport networks and services in the region. Our focus areas are the alignment of priorities, opportunities for advocacy and regional responsiveness. The Regional Transport Committee plays an important role in mediating national and local priorities, advocating for greater regional outcomes and enabling stronger collaboration across regional and district boundaries.

The 2024-2034 Regional Land Transport Plan (RLTP) is our blueprint for a transport network.

The focus of the RLTP is on 10 year transport targets including 40 percent reduction in deaths and serious injuries on our roads, 30 percent reduction in transport-generated carbon emissions and 40 percent increase in active travel and public transport mode share.

Regional spatial planning

The Wellington Regional Growth Framework (WRGF) provides a blueprint for regional growth. It addresses regional issues and provides councils, central government and mana whenua with an agreed regional direction for growth and investment. Greater Wellington is committed to the creation of the Wellington Regional Leadership Committee, a Joint Committee which will be responsible for the implementation of the WRGF. The role of the Joint Committee is to set regional direction and monitor activities with a particular focus on the WRGF, regional economic development and regional recovery.

Regional economic development

Greater Wellington is committed to leading and enabling regional economic development, prioritising COVID-19 recovery and supporting Māori economic development. We are well positioned to lead and facilitate growth and development opportunities and challenges facing our region to ensure the Wellington Region is equipped to adapt and thrive into the future, working closely with our regional development agency WellingtonNZ.

Emergency management

The Wellington Region Emergency Management Office (WREMO) co-ordinates Civil Defence Emergency Management (CDEM) services on behalf of the nine local authorities across the Wellington Region including Greater Wellington. Greater Wellington provides equipment and trained staff to operate the Regional Emergency Coordination Centre (ECC) in the case of a civil defence emergency. We also engage in a programme of business continuity by identifying critical business functions and planning for any disruption.

Democratic services

The Democratic Services activity enables citizens and communities to engage with decision makers for the benefit of the region. We oversee Council and committee meetings on behalf of our regional communities. We also review Greater Wellington’s representation arrangements, three yearly Council elections and any other elections and polls that are required. Greater Wellington has also established advisory groups to provide advice to the Council on a wide range of matters.

This group of activities supports our Community Outcomes:

Thriving environment
We lead from the front to make sure our environment is front and centre
Connected communities
People are engaged in the decisions that affect them
Resilient future
We plan for the big issues ensuring the future is resilient

Relationship with mana whenua and mātāwaka
We will strengthen systems and processes in working with our six mana whenua partners through a poutama framework aimed at excellence in all that we do. We will continue to act in a manner that upholds the principles of Te Tiriti o Waitangi and fulfils our statutory obligations to Māori under the guidance of the Mana whenua and Māori Outcomes Framework.

We will aim for excellence in working with other councils and central government agencies to prepare for and position any new settlement redress arrangements as our mana whenua partners complete their Te Tiriti o Waitangi historical negotiations with the Crown and advance their aspirations in the post-settlement environment. We will increase the co-design, co-governance and co-management arrangements and our resources to mana whenua partners as kaitiaki to strengthen their capacity to engage in decision making through mutually agreed arrangements from beginning to end with regards to the natural and urban environments. We will build on our relationships with mātāwaka through their marae on key projects in which they have shared interests with mana whenua.

We will also work with mātāwaka and build on the existing key projects on the Māori economy and marae preparedness for civil defence emergencies. We value the opportunity to work with new emergent legislative and policy requirements.

This includes working with mana whenua applicant groupings under the Marine and Coastal Area Act (MACA) and engaging with the new Mana Whakahono-ā-Rohe (iwi partnership arrangements) under the new Resource Legislation Amendment Act 2017 as required.

We are also committed to holding Crown funding for the Wairarapa Moana Statutory Board to develop the Ruamāhanga catchment document as part of the shared settlement redress between Rangitāne O Wairarapa and Ngāti Kahungunu ki Wairarapa.

Opportunities and challenges

Opportunities

- Opportunities to plan and provide for an uptake in travel choice
- Strengthen capacity for mana whenua partners as kaitiaki to engage in decision making
- Diversification of the regional economy by growing businesses in new and emerging
- sectors
- Leading the regional transition to a low carbon economy, which is resilient to the
- effects of climate change

Challenges

- Greater pressures on our transport planning to allow for changing transport dynamics
- and movement of people around the region
- Robustness of our infrastructure and emergency management functions to respond to emergency situations including the ability to recover quickly
- Spatial planning that takes into account predicted trends in regional population growth and geographic distribution
- Uncertain regional economic growth in the region due to the ongoing COVID-19 pandemic
- Partnerships with mana whenua will be increasingly significant for Greater Wellington as co-design, co-governance, co-management arrangements increase and Te Tiriti o Waitangi/Treaty of Waitangi
- settlements are finalised in the region.

Significant negative effects and how we will address them

There are no significant negative effects from any Regional Strategy and Partnerships Activities.

Regional Strategy and Partnerships key programmes and projects

Most of the work done by our Regional Strategy and Partnerships group is a statutory requirement or business critical. We have trimmed our budget where we can and over the next 10 years we will continue working on:

- strengthening capability and capacity of Wellington Regional Emergency Management Office **LINK** Greater Wellington — Civil Defence - Emergency Management
- implementing the Wellington Regional Growth Framework
- **LINK** https://wrgf.co.nz/
- reduction of our corporate carbon emissions
- regional economic development including low carbon economic transition
- collaborative decision making with mana whenua partners
- Regional Land Transport Plan development
- **LINK** https://www.gw.govt.nz/your-region/plans-policies-and-bylaws/plans-and-reports/transport-plans/wellington-regional-land-transport-plan-mid-term-review/
- implementation of Te Matarau a Māui work programme
- reporting of GW’s activity against the Māori Outcomes Framework

Regional Strategy and Partnerships Non-Financial Performance Measures

Reference number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
1	Resilient Future	Reduction of Greater Wellington's gross organisational greenhouse gas emissions	The organisation's total tonnes of CO_2 equivalent emissions (gross)[19]	48,438 *2021/22 verified result.	34,700	31,700	31,500	29,100[20]
2	Resilient Future	Greater Wellington as an organisation and as a Region has planned the steps they will take to adapt to climate change[21]	Greater Wellington will deliver an Organisational Climate-related risk Assessment and an Organisational Adaptation Plan and will have worked with others to deliver a Regional Climate Adaptation Framework.	New measure	Organisational Climate-related Risk Assessment (OCRA) completed	Regional Adaptation Framework completed Organisational Adaptation Plan completed	Regional Adaptation Framework and Organisational Adaptation Plan implementation initiated	Regional Adaptation Framework and Organisational Adaptation Plan implementation continued
3	Resilient Future	Wellington Regional Leadership Committee provides a forum for regional alignment and shared work programmes	As the Administering Authority, Greater Wellington will ensure the Committee has an agreed annual work programme and regular progress reporting	Work programme agreed by January 2024	Work programme agreed by January 2024 Annual Report prepared by October 2024	Work programme agreed by January 2025 Annual Report prepared by October 2025	Work programme agreed by January 2026 Annual Report prepared by October 2026	Work programme agreed annually Annual Report prepared annually

[19] This measure is for all of Greater Wellington's corporate greenhouse gas emissions. This includes all business units, and the share for the jointly owned Council controlled Organisations based on ownership share.
[20] This figure represents the projected emissions for the 2030-31 financial year, the midpoint of the 2024-27 period.
[21] This is a new Level of Service for the 2024-34 Long Term Plan.

Reference number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
4	Resilient Future	Maintain a state of readiness of the Emergency Coordination Centre (ECC) function that is appropriately staffed and equipped to respond to an emergency	(1) Greater Wellington will meet the emergency management workforce capability and capacity targets	78 trained people ready to work in the ECC	78	82	84	92
			(2) Greater Wellington will have fit for purpose response and recovery platforms including an ECC function, technology, and tools[22]	100% of readiness checks completed	100% of readiness checks completed	100% of readiness checks completed	100% of readiness checks completed	100% of readiness checks completed
5	Resilient Future	Greater Wellington (GW) will partner with the Councils in the Wellington Region to enable the Wellington Region Emergency Management Office (WREMO)[23]	Greater Wellington will comply with their part of the WREMO Partnership Agreement.	Ensure full GW compliance with the Partnership Agreement.	Ensure full GW compliance with the Partnership Agreement.	Ensure full GW compliance with the Partnership Agreement.	Ensure full GW compliance with the Partnership Agreement.	Ensure full GW compliance with the Partnership Agreement.
6	Connected communities	Regional transport, planning, leadership, advice, and coordination to guide development and delivery of an integrated, multi-modal regional transport network	(1) Wellington Regional Land Transport Plan is prepared and updated in accordance with the LTMA[24] and central government guidance	Achieved	Achieved	Achieved	Achieved	Achieved
			(2) Increase in regional public and active transport mode share	34% (TBD)	Increase	Increase	Increase	Increase

[22] This is a new measure for the 2024-34 Long Term Plan.
[23] This is a new Level of Service for the 2024-34 Long Term Plan.
[24] LTMA = Land Transport Management Act.

Reference number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
7	Resilient Future	Timeliness of responses to requests for official information[25]	Percentage of logged official information requests responded to in accordance with statutory deadlines	New measure Baseline TBC	100%	100%	100%	100%
8	Connected Community	Effective Partnering with mana whenua	Mana whenua report evidence of strong partnership arrangements and progress towards positive outcomes[26]	Success determined through annual partnership health check	Achieved	Achieved	Achieved	Achieved
9	Connected community	Engagement for equitable outcomes[27]	Greater Wellington complete the audit recommendations arising from independent Te Tiriti o Waitangi Audit[28]	New Measure	33% of audit response actions are complete	66% of audit response actions are complete	100% of audit response actions are complete	33%** **first year implementing action plan from second triennial audit hence reduced target.
10	Connected Community	Supporting strong, prosperous and resilient Māori communities[29]	(1) Greater Wellington will increase its proportion of workforce that self-identify as Māori year-on-year	New Measure *Establish baseline prior to adopting LTP*	Achieved	Achieved	Achieved	Achieved

[25] This Level of Service has been revived from a previous Long Term Plan and included in the 2024-34 Long Term Plan.
[26] This measure focuses on reporting through a dedicated mechanism that mana whenua feed directly into.
[27] This is a new measure for the 2024-34 Long Term Plan.
[28] Completion of allocated percentage of Te Tiriti o Waitangi Audit response actions.
[29] This is a new measure for the 2024-34 Long Term Plan.

Reference number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
			(2) Greater Wellington will increase its proportion of spend with Māori businesses year-on-year	New Measure *Establish baseline prior to adopting LTP*	Achieved	Achieved	Achieved	Achieved
11	Connected community	Support a capable workforce[30]	Annual increase on % of staff who have completed Māori capability training modules*** ****noting upcoming training review which may need a reset of the numbers throughout LTP period.*	New Measure *Establish baseline prior to LTP*	*Target to be set prior to 30 June 2024*	*Target to be set prior to 30 June 2024*	*Target to be set prior to 30 June 2024*	*Target to be set prior to 30 June 2024*

[30] This is a new measure for the 2024-34 Long Term Plan.

Greater Wellington Te Pane Matua Taiao

Funding Impact Statement

Regional Strategy and Partnerships Prospective Funding Impact Statement

For the year ending 30 June

	Annual Plan	Long Term Plan									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	16,490	17,513	20,384	22,121	22,666	23,624	24,218	25,086	26,285	26,944	27,522
Targeted rates	5,844	5,732	5,705	5,683	5,669	5,644	5,679	5,698	5,780	5,831	5,941
Subsidies and grants for operating purposes	2,600	2,516	2,606	2,792	2,895	2,981	3,062	3,083	3,135	3,188	3,235
Fees and charges	20	21	21	22	22	22	23	23	24	24	25
Local authorities fines, infringement fees, and other receipts	4,734	6,279	6,176	6,241	6,451	6,513	6,643	6,776	6,911	7,043	7,177
Total operating funding	29,688	32,061	34,892	36,859	37,703	38,784	39,625	40,666	42,135	43,030	43,900
Applications of operating funding											
Payments to staff and suppliers	43,987	43,822	45,112	32,422	29,351	31,612	34,393	36,290	34,571	30,915	29,538
Finance costs	1,581	2,162	2,923	3,396	3,578	3,724	4,049	4,431	4,756	4,898	4,923
Internal charges and overheads applied	6,031	8,073	6,601	6,887	5,461	5,708	5,895	5,813	5,931	6,038	6,121
Total applications of operating funding	51,599	54,057	54,636	42,705	38,390	41,044	44,337	46,534	45,258	41,851	40,582
Surplus/(deficit) of operating funding	(21,911)	(21,996)	(19,744)	(5,846)	(687)	(2,260)	(4,712)	(5,868)	(3,123)	1,179	3,318
Sources of capital funding											
Subsidies and grants for capital expenditure	113	33	67	46	47	48	49	-	-	-	-
Increase (decrease) in debt	20,905	18,649	17,989	4,905	1,015	1,788	5,084	6,134	2,590	(912)	(3,051)
Total sources of capital funding	21,018	18,682	18,056	4,951	1,062	1,836	5,133	6,134	2,590	(912)	(3,051)
Application of capital funding											
Capital expenditure—											
to improve the level of service	200	64	131	89	91	93	95	-	-	-	-
to replace existing assets	15	5	15	49	17	16	58	-	-	-	-
Increase (decrease) in reserves	(1,108)	(3,383)	(1,834)	(1,033)	267	(533)	268	266	(533)	267	267
Total application of capital funding	(893)	(3,314)	(1,688)	(895)	375	(424)	421	266	(533)	267	267
Surplus/(deficit) of capital funding	21,911	21,996	19,744	5,846	687	2,260	4,712	5,868	3,123	(1,179)	(3,318)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	67	54	49	53	41	38	18	18	17	15	14

Water Supply

Greater Wellington is responsible for collecting, treating and distributing safe and healthy drinking water to Wellington, Hutt, Upper Hutt and Porirua City councils. This work is carried out for Greater Wellington by Wellington Water Limited, 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. Providing the bulk water supply to the city councils involves managing an extensive network of infrastructure, ensuring safe, high-quality, secure and reliable water sources, and that our freshwater is sustainable.

Our priorities are focused on providing clean and sustainable drinking water and reducing water demand and providing bulk supply that is respectful to the environment.

Our priority is a bulk water supply that is robust, to ensure sufficient drinking water is available for the immediate future and for generations to come. We must also be able to cope with emergencies and the long-term impacts of climate change, while embracing the concept of Te Mana o te Wai on our source and ecology.

Risk prioritised investment balances future renewals and upgrade programmes giving us confidence in our investment decision making, increases our resilience and our ability to sustainably supply the district.

This group of activities contributes to the Community Outcomes:

Thriving environment

Water supply is respectful to the environment that we live in

Connected communities

The region has sufficient water supply that is of high quality and safe

Resilient future

Bulk water supply is sustainable to the community as our environment changes

Relationship with mana whenua and mātāwaka

Tāngata whenua play a strong role planning for capacity of resources, water and ensuring the mauri of our environment is maintained. Working with tāngata whenua iwi is critical to our ability to deliver many of our water supply projects. Te Mana o te Wai recognises and realises the mana of our waters. Te Mana o te Wai is a concept for managing all waters in a way that prioritises the health and wellbeing of the water (quantity, quality and ecology).

Te Mana o te Wai is a cloak over all Greater Wellington bulk water supply work, freshwater regulation and Resource Management Act (RMA) activities functions and duties.

All persons and duties in these functions must give effect to Te Mana o te Wai. This whole system approach recognises Te Ao Māori world view and the fundamentals of tikianga, matauranga Māori and kaitaikitanga, (to name a few).

Two iwi groups have joined the committee overseeing Wellington Water Limited. Te Rūnanga Toa Rangatira Inc. and Taranaki Whānui now each have a seat on the Wellington Water Limited Committee, which also comprises a single member of each shareholding council.

Opportunities and challenges

Opportunities

- Embracing and realising Te Mana o te Wai and managing all waters in a way that prioritises the health and wellbeing of our water (quantity, quality and ecology) alongside a kaupapa Māori approach in our work programmes and services
- Community awareness of the value of water supply services and their provision will drive proactive leak detection and effective water conservation initiatives
- The establishment of a regulator and the broader reform process to ensure a consistent standard of safe and reliable drinking water across the country, but also health and wellbeing of all waters across the whole water cycle
- Climate change impacts are being felt now and within the lifetime of this LTP will be felt more keenly. This requires deliberate, evidence-based decisions in the short term, to enable our long term, well-planned adaptation approach, including how, and where, we deliver water assets and services
- Government progress on its infrastructure priorities of transport, housing and water, through new delivery mechanisms such as Te Waihanga (Infrastructure Commission) and Taumata Arowai (water services regulator) is promoting approaches to infrastructure that are adaptive, optimised and future oriented – collaborative, with consideration for long-term use, and lifetime cost and demand factors

Challenges

- Regulatory reforms, stricter water quantity and quality rules, decarbonisation, adapting to climate change, natural disasters, urban growth and demand and the structural ageing of infrastructure all require changes to what was business-as-usual service delivery
- We are not meeting our one in 50 year drought resilience level of service. Changes in climate, water shortages during drought years and as demand from increases in population will contribute to our ability to meet current and future demand
- Funding and delivery of a significant capital work programme to maintain levels of service and support growth
- Reducing emissions associated with the abstraction, treatment and supply of drinking water and well as construction of new carbon intensive (concrete, steel) assets
- Skills shortage at all levels of the engineering industry from experienced consultants and contractors, to skilled labour are limiting the availability of contractors and consultants to progress programmed works. The limited availability is also leading to increased costs and timeframes for delivery

Significant negative effects and how we will address them

Water supply infrastructure for the collection, storage, treatment and distribution of water can have a negative effect on environmental wellbeing through water abstraction levels in groundwater and in rivers, and the use of electricity for treating and pumping water. A new supply could also result in an increase in these effects as well as on indigenous biodiversity.

We will address this by identifying the environmental impacts of existing water supply activities and very closely monitoring these through resource consents and an ISO 14001 accredited environmental management system. We are also reducing our impacts by continuing to use electricity and chemicals more efficiently and by encouraging people to use water wisely.

Greater Wellington
Te Pane Matua Taiao

Wellington Water Limited key projects and programmes

Te Marua WTP Capacity Optimisation	Upgrade at Te Marua Water Treatment Plant to increase its treatment capacity to improve the security of supply to the Region	Ongoing - 2024-2025
Te Marua WTP Scheme Expansion Stage 1 (Pakuratahi Lakes 1 and 2) - Pre-construction	Concept design, consenting, preliminary design and procurement planning for additional storage lakes	2024-2025 and 2030-2031
Regional Fluoridation Improvement Stage 2 https://www.wellingtonwater.co.nz/resources/topic/drinking-water/whats-in-your-water/fluoride-at-water-treatment-plants/	Upgrade fluoride dosing equipment to provide permanent reliable dosing systems for the Region	2027-2028 and 2028-2029
Te Marua Pump Station Capacity Upgrade	Upgrade the pump station at Te Marua Water Treatment Plant to increase the amount of water that can be delivered from the Treatment Plant to customers, and increase the operational resilience of the pump station	2026-2027 and 2028-2029
Kaitoke main on Silverstream Bridge https://www.wellingtonwater.co.nz/projects/silverstream-pipe-bridge-project/	Replacement of the critical supply pipeline across the Hutt River at Silverstream, which supplies treated water to Porirua City and Northern/Western Wellington City, to reduce its risk of failure and improve resilience	Ongoing – 2024-2025
Relocation of Te Marua/Ngauranga pipeline	Relocation of Te Marua to Ngauranga pipeline from Haywards Substation to Haywards Reservoir to minimise risk of damage due to landslips expected following a significant seismic event	2030-2031 and 2032-2033
Gear Island and Waterloo Wells Replacements - Part 2	Progressive installation of new boreholes to replace those approaching the end of their service life. Objective is to reduce the risk of asset failure and interruption/ limitation to supply	2024-2026 2028-2029
Wainuiomata WTP - Washplant Capacity & Quality Upgrade	Treatment plant improvements	2027-2028 and 2030-2031
Wellington Metro WTP Planned Renewals	Replacement of critical parts within the Wainuiomata, Waterloo, Te Marua and Gear Island Water Treatment Plants, which are approaching the end of their service life, to reduce the risk of their failure and interruptions to supply	Continuous
Water Supply Pump Station Renewals	Replacement of critical parts within the water supply pump stations, which are approaching the end of their service life, to reduce the risk of their failure and interruptions to supply	Continuous

Greater Wellington Te Pane Matua Taiao

Water Supply Non-Financial Performance Measures

Reference number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
1	Thriving environment	Provide water that is safe and pleasant to drink.	(1) The extent to which the local authority's drinking water supply is complies with bacteriological drinking water standards[31]	Non-complaint	100%	100%	100%	100%
			(2) The extent to which the local authority's drinking water supply complies with protozoa drinking water standards[31]	Non-compliant	100%	100%	100%	100%
			(3) The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections[32] [33]	0	0	0	0	0
			(4) Number of waterborne disease outbreaks	0	0	0	0	0
2	Resilient future	Provide a continuous and bulk water supply	(1) Average consumption of drinking water per day per resident within the TA districts[34]	398L/d/p	<375 L/d/p	<375 L/d/p	<375 L/d/p	<375 L/d/p

[31] The Non-Financial Performance Measures Rules 2013 (the rules) required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005. In July 20222 these standards were superseded by the Water Services (Drinking Water Services for New Zealand) Regulations 2022 (the regulations) introduced by Taumata Arowai (the new Drinking Water Regulator), but the rules have not been updated to reflect this. The supply of safe drinking water is the major aspect of Greater Wellington's provision of bulk drinking water. Greater Wellington has therefore decided to voluntarily report against the bacterial and protozoal criteria in the regulations pending an update of the rules.
[32] Greater Wellington Regional Council does not have a direct customer relationship.
[33] Non-Financial Performance Measures Rules 2013, Water Supply (DIA Mandatory Measure).
[34] Non-Financial Performance Measures Rules 2013, Water Supply (DIA Mandatory Measure).

Reference number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
			(2) The percentage of real water loss from the local authority's networked reticulation system[35]	0.03%	+/- 0.25%	+/- 0.25%	+/- 0.25%	+/- 0.25%
			(3) Response times to attend urgent call-outs in response to a fault or unplanned interruption to the network reticulation system[36]	Time to reach site: 0 min (no urgent call-outs)	Time to reach site <90min	Time to reach site <90min	Time to reach site <90min	Time to reach site <90min
				Time to confirm resolution: 0 hours (no urgent call-outs)	Time to confirm resolution <8 hours	Time to confirm resolution <8 hours	Time to confirm resolution <8 hours	Time to confirm resolution <8 hours
			(4) Response times to attend non-urgent call-outs in response to a fault or unplanned interruption to the network reticulation system[37]	Time to reach site: 0 hours (no non-urgent call-outs)	Time to reach site <72 hours	Time to reach site <72 hours	Time to reach site <72 hours	Time to reach site <72 hours
				Time to confirm resolution: 0 days (no non-urgent call-outs)	Time to confirm resolution <20 days	Time to confirm resolution <20 days	Time to confirm resolution <20 days	Time to confirm resolution <20 days

[35] Non-Financial Performance Measures Rules 2013, Water Supply (DIA Mandatory Measure).
[36] Non-Financial Performance Measures Rules 2013, Water Supply (DIA Mandatory Measure).
[37] Non-Financial Performance Measures Rules 2013, Water Supply (DIA Mandatory Measure).

Reference number	Community outcome	Levels of Service	Performance Measures	Baseline 2022/23	2024/25 target	2025/26 target	2026/27 target	2027-34 target
			(5) Number of events in the bulk water supply preventing the continuous supply of drinking water to consumers	0	0	0	0	0
			(6) 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	6.7%	<2%	<2%	<2%	<2%

Greater Wellington
Te Pane Matua Taiao

Funding Impact Statement

Water Supply Prospective Funding Impact Statement

For the year ending 30 June

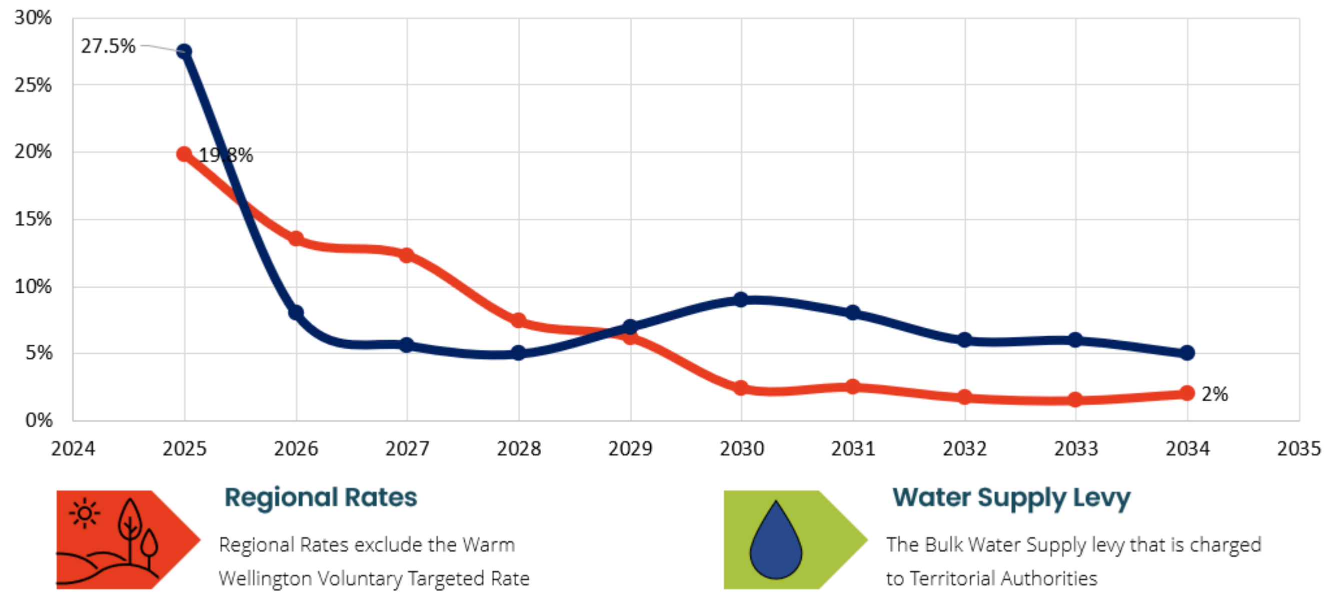
	Annual Plan					Long Term Plan					
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000s	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sources of operating funding											
Interest and dividends from investments	2,857	2,943	2,809	2,887	3,129	3,431	3,800	4,200	4,646	5,055	5,611
Local authorities fines, infringement fees, and other receipts	53,455	67,880	73,548	77,591	81,802	87,732	95,404	102,865	109,544	116,479	122,532
Total operating funding	56,312	70,823	76,357	80,478	84,931	91,163	99,204	107,065	114,190	121,534	128,143
Applications of operating funding											
Payments to staff and suppliers	35,369	39,126	39,982	41,150	42,571	43,647	44,944	46,516	47,775	49,284	50,427
Finance costs	11,721	18,178	20,075	20,966	23,142	26,823	31,800	36,042	39,948	43,753	47,539
Internal charges and overheads applied	2,207	3,196	3,174	3,310	3,274	3,331	3,452	3,380	3,449	3,528	3,543
Total applications of operating funding	49,297	60,500	63,231	65,426	68,987	73,801	80,196	85,938	91,172	96,565	101,509
Surplus/(deficit) of operating funding	7,015	10,323	13,126	15,052	15,944	17,362	19,008	21,127	23,018	24,969	26,634
Sources of capital funding											
Increase (decrease) in debt	70,600	91,146	37,667	23,403	56,285	71,487	78,029	58,102	60,626	50,076	41,116
Total sources of capital funding	70,600	91,146	37,667	23,403	56,285	71,487	78,029	58,102	60,626	50,076	41,116
Application of capital funding											
Capital expenditure—											
to meet additional demand	-	1,000	5,100	5,212	8,523	8,702	8,885	57	184	188	191
to improve the level of service	38,300	47,190	10,098	6,411	28,871	22,730	37,094	29,623	11,555	-	-
to replace existing assets	36,529	49,740	31,053	21,347	29,105	51,388	44,658	42,749	64,660	67,201	59,348
Increase (decrease) in reserves	(71)	(270)	(1)	(2)	1	(2)	-	-	(1)	1	-
Increase (decrease) of investments	2,857	3,809	4,543	5,487	5,729	6,031	6,400	6,800	7,246	7,655	8,211
Total application of capital funding	77,615	101,469	50,793	38,455	72,229	88,849	97,037	79,229	83,644	75,045	67,750
Surplus/(deficit) of capital funding	(7,015)	(10,323)	(13,126)	(15,052)	(15,944)	(17,362)	(19,008)	(21,127)	(23,018)	(24,969)	(26,634)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Deprecation on council assets	20,469	20,681	21,381	20,916	20,997	22,614	23,487	24,903	27,618	28,660	30,616
Water supply levy	53,140	67,731	73,396	77,436	81,643	87,584	95,252	102,710	109,386	116,318	122,368

Feedback response

Greater Wellington
Te Pane Matua Taiao

Councilors' queries

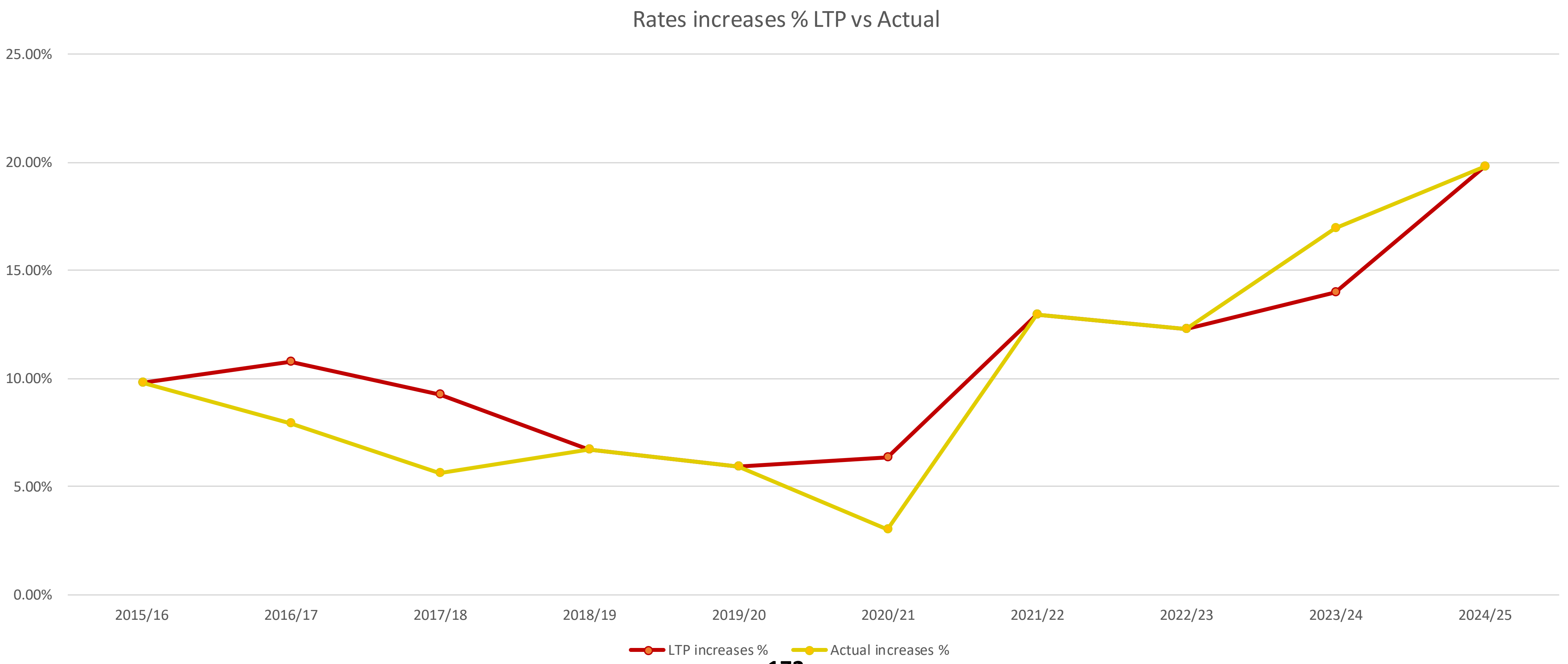
Regional Rates and Water Levy Increases



1. To provide rates increase for the last 10 years actual vs LTP

2. To provide the last 3 years of water supply levies increase actual vs LTP

1. Rates increase %



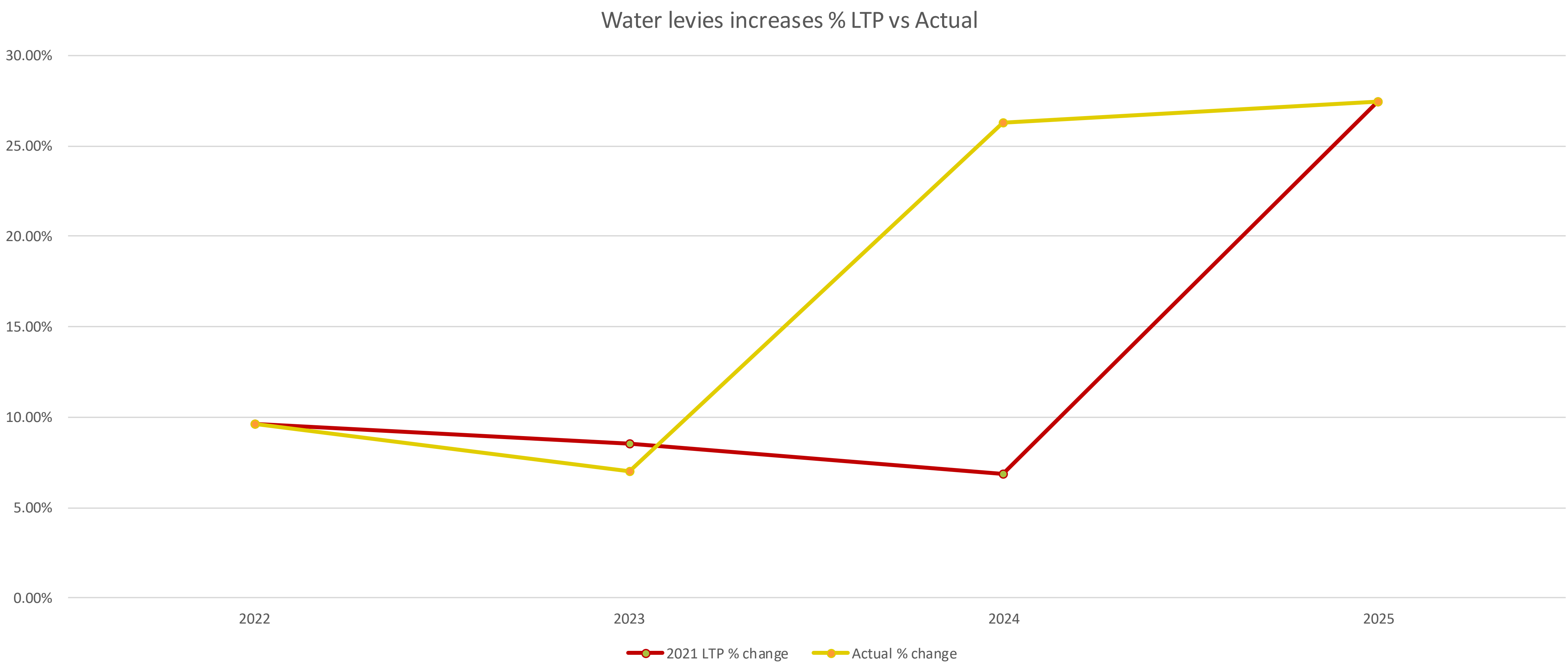
1. Rates increase %

- **2016/17 and 2017/18** – the actual (Annual Plan) is lower than LTP due to overall lower interest rates, and deferrals of few programs such as Integrated fares and ticketing system, Regional Spatial Planning and Matangi trains

- **2020/21** – As it is the first year of LTP after COVID-19, GWRC has purposely delayed the delivery of work programmes during the year

- **2023/24** – Increases driven by higher inflation, insurance, and borrowing costs. There is also additional Riverlink costs added

2. Water supply levies increase %



2. Water supply levies increase %

- **2023/24** – An increase in WWL's operating budgets (higher chemical costs, inflation, etc.). The capital programmes have also increased largely (4 major projects) including $15 million increase on the Te Marua Water Treatment Plant Optimisation process, which cannot be managed within Council's existing LTP budget.

Pātai?

Greater Wellington
Te Pane Matua Taiao

Table of Contents

We're passionate about this Region. *It's unique, diverse and it's growing.*

At a time when there's a spotlight on New Zealand's local infrastructure, we are committed to the ongoing maintenance and renewal of our core assets such as dams, bulk water pipes, trains and railway stations.

Queen Elizabeth II Park Wetlands before and after

He rohe taurikura – nui te ora o te taiao, he hapori Kotahi, he manawaroa te āpōpō

An extraordinary Region: Thriving environment, connected communities, resilient future

Here's some of the things we have been doing since our last long term plan:

- Training our team to respond to emergencies across the Region
- Using data and modelling to improve the public transport network
- Upgraded the treated water supply reservoir to meet modern seismic standards
- Waitohu stream project
- Improving flood forecasting, officer training and flood recovery
- Added new electric buses and an electric ferry
- Te Tiriti Audit to assess our performance in acting in accordance with Te Tiriti o Waitangi
- Te Tiriti Komiti was established in 2022 to enable Council, committees, and Greater Wellington to implement robust decisions that uphold Te Tiriti o Waitangi

- A Māori constituency has been established to create a permanent place for a Māori voice at the regional governance table
- The Kaitoke flume bridge is being built and will be completed in 2025. This critical asset takes approximately 50% of the water supply to our Region
- Introduced Snapper cards for all our trains
- Installed seismically resilient couplings at the Korokoro valve chamber on the esplanade in Petone, increasing the seismic resilience of the water supply network
- Planting 100,000s of trees across the Region
- RiverLink - progress on demolition of properties and gravel extraction making way for construction of Mills Road stopbank
- Hired more bus drivers and we're paying them more
- Predator Free Wellington has eliminated rats, stoats and weasels on the Miramar Peninsula
- Improving the reliability of bus services
- Restoring the Wairarapa Moana Wetlands and the native ecosystem in our Regional Parks

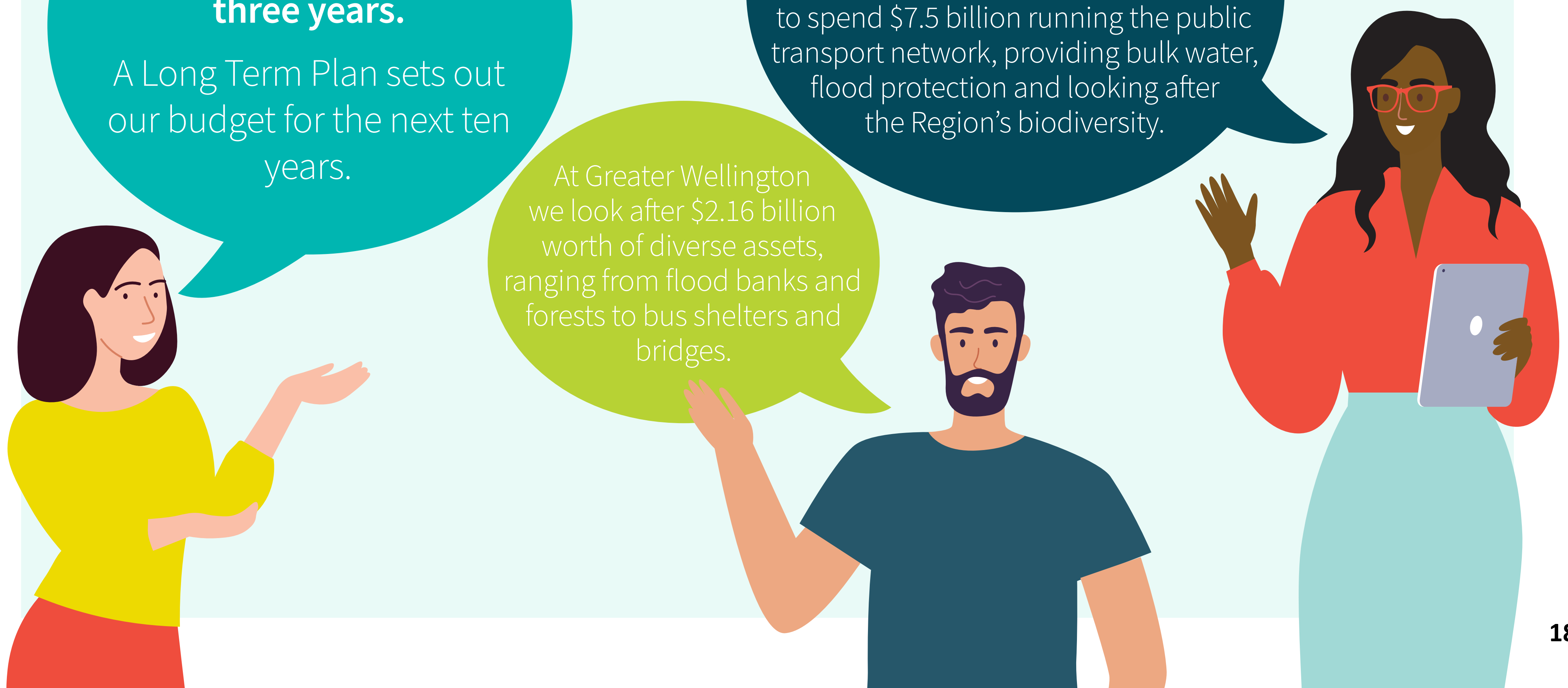
Whiriwhiri kōrerotia mai | Consultation - Have your Say

All Councils create long term plans and review them every three years.

A Long Term Plan sets out our budget for the next ten years.

In the next 10 years, we will spend $0.7 billion replacing assets that are reaching the end of their life and $1.0 billion to improve or provide additional assets. We are forecast to spend $7.5 billion running the public transport network, providing bulk water, flood protection and looking after the Region's biodiversity.

At Greater Wellington we look after $2.16 billion worth of diverse assets, ranging from flood banks and forests to bus shelters and bridges.



In this consultation, we explain our proposals and ask for your feedback on two key topics. We describe the impact of our proposals on rates, borrowing and levels of service. The first topic is Ownership of Public Transport Assets; the second topic is about buying shares in CentrePort Limited.

Here are the topics we want your feedback on:

OWNERSHIP OF **PUBLIC TRANSPORT ASSETS**

CENTREPORT LIMITED

There are links to details about our plans and also what we considered when developing our Long Term Plan budget. Here are the topics we want your feedback on: Page 53 tells you how to send us your feedback in printed form.

Message from the Chair & CE

GW's vision for an extraordinary region, with a thriving environment, connected communities and a resilient future remains strong.

Helping us to deliver on our vision, are **four cross-cutting focus areas that guide the decisions over the next three years:**

Environment

Holistic approaches to deliver improved outcomes for te taiao

Climate Change

Leading action for climate resilience and emissions reduction

Partnerships

Active mana whenua partnerships and improved outcomes for Māori

Community

Improved access to services and equity of outcomes for communities

We are committed to an **active partnership with mana whenua** - Ngā Hapū o Ōtaki, Ātiawa ki Whakarongotai, Ngāti Toa Rangatira, Taranaki Whānui ki te Ūpoko o te Ika, Rangitāne ō Wairarapa and Ngāti Kahungunu ki Wairarapa. Our partnership recognises and supports mana whenua as kaitiaki (guardians) of their broad whenua, freshwater and moana interests in their ancestral lands. We continue to work with our mana whenua partners in new ways by collaborating at all levels of our organisation including governance, management, and operations.

Like all councils in Aotearoa New Zealand, we're developing our 2024-34 Long Term Plan under difficult circumstances. We have experienced increased costs, rising inflation, higher insurance and borrowing costs. Unfortunately, extreme weather events are becoming more common. All of this creates a challenging situation that we must manage carefully to get things done.

Another challenge we're facing is concern about our railway tracks. Without significantly increased investment to maintain the network, we face the likelihood of further disruption, delays and reduced service levels. To keep our rail services running as they should be, we're working with KiwiRail, the NZ Transport Agency and Ministry of Transport on this issue.

We have worked hard this year to improve the reliability of our buses. Now top of our to do list is a future-proofed public transport network and doing the groundwork to be well prepared for extreme weather events now and in the future.

We are planning to continue to supply safe drinking water to Wellington, Porirua and the Hutt Valley as part of the Government's move from Three Waters to 'Local Water done well'. We do this through Wellington Water Limited which operates and maintains our assets.

In the long term, we need to increase the amount of bulk water we supply to Wellington, Porirua and the Hutt Valley by building two more storage lakes. Over the next three years, Wellington Water Limited will develop concept designs, and work through consenting. The big issues of **flood prevention, maintaining bulk water supply and public transport** demand a region-wide approach. We are committed to continuing to deliver our core services well. In some instances, we're increasing our investment to make improvements.

Our goal to be carbon neutral by 2030 is unchanged. We will continue reduce and offset our greenhouse gas emissions through this Long Term Plan, with the aim to be climate positive by 2035.

We'll do this with our mana whenua partners, communities, Wellington, Porirua and the Hutt Valley councils and our team of public transport specialists, planners, engineers, environmental regulators and advisors, scientists, park and river rangers.

Our approach is careful and considered to ensure the best possible investment, and to prevent future generations being burdened with debt and a big clean up job. Please have your say to help us make decisions on the topics outlined in this consultation document.

Our Committee looked long and hard at areas where spending could be cut back, rephased or slowed down without raising rates or public transport fares significantly. We now need your help with doing the right thing for the future and we really want to hear from you.

Nigel Corry
Te Tumu Whakarae
Chief Executive

Daran Ponter
Heamana
Chair

He aha ā matou whiriwhiringa me te putea tautoko
What we consider and how we fund it

The rates you pay contribute to the services we provide. We also fund our work through a range of sources, like central government funding, grants, income from bus and rail services and our current shareholding in CentrePort Limited.

38%
Regional rates
This includes both General and Targeted Rates*. How these are split by territorial authority will be determined next year.

17%
Grants and subsidies
Grants received from Central Government and other parties to fund operating expenditure

19%
Other operating revenue:
This includes Transport Fare Revenue, Resource Consent Fees and other revenue sources

14%
Transport improvement grants:
Grants received from Central Government for Public Transport Capital Expenditure

10%
Water supply levy
The Bulk Water Supply levy that is charged to Wellington City, Hutt City, Upper Hutt and Porirua City councils based on water consumption

2%
Interest and dividends
Interest earned on our investment and dividends received from Wellington Regional Holdings Limited

The above graphic provides an average figure for each source of funding over the next 10 years.

***General and Targeted Rates:** General rates are paid by all ratepayers in the Region. Targeted rates are paid by a specific group of ratepayers who receive a specific service, for example flood protection.

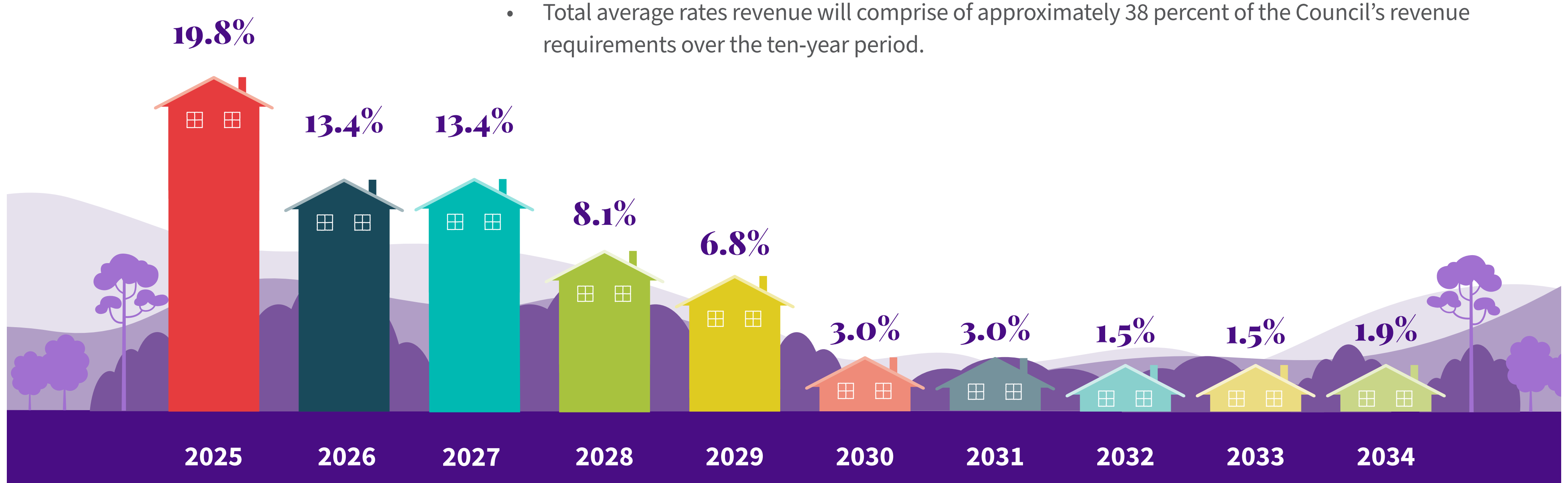
Forecast rates increases

Since our 2021-31 Long Term Plan, we have seen inflation and interest rates reach levels no one anticipated.

Cyclone Gabrielle has had insurers rethinking their charges and we have seen double-digit increases in our insurance premiums. Unfortunately, there's no sign of increases slowing down in the short-term. This has put significant pressure on the first year of our 2024-34 Long Term Plan.

Rising inflation and insurance have also affected our public transport operators. These costs, along with driver wage increases (to remedy the shortage of drivers), have added to operating costs. These factors are casting doubt over the future, so we provide ratepayers with certainty regarding rates over the 10-year period. We have set the following rate limits:

- Average Regional rates per ratepayer increase will be limited to $200 per annum.
- Total average rates revenue will comprise of approximately 38 percent of the Council's revenue requirements over the ten-year period.



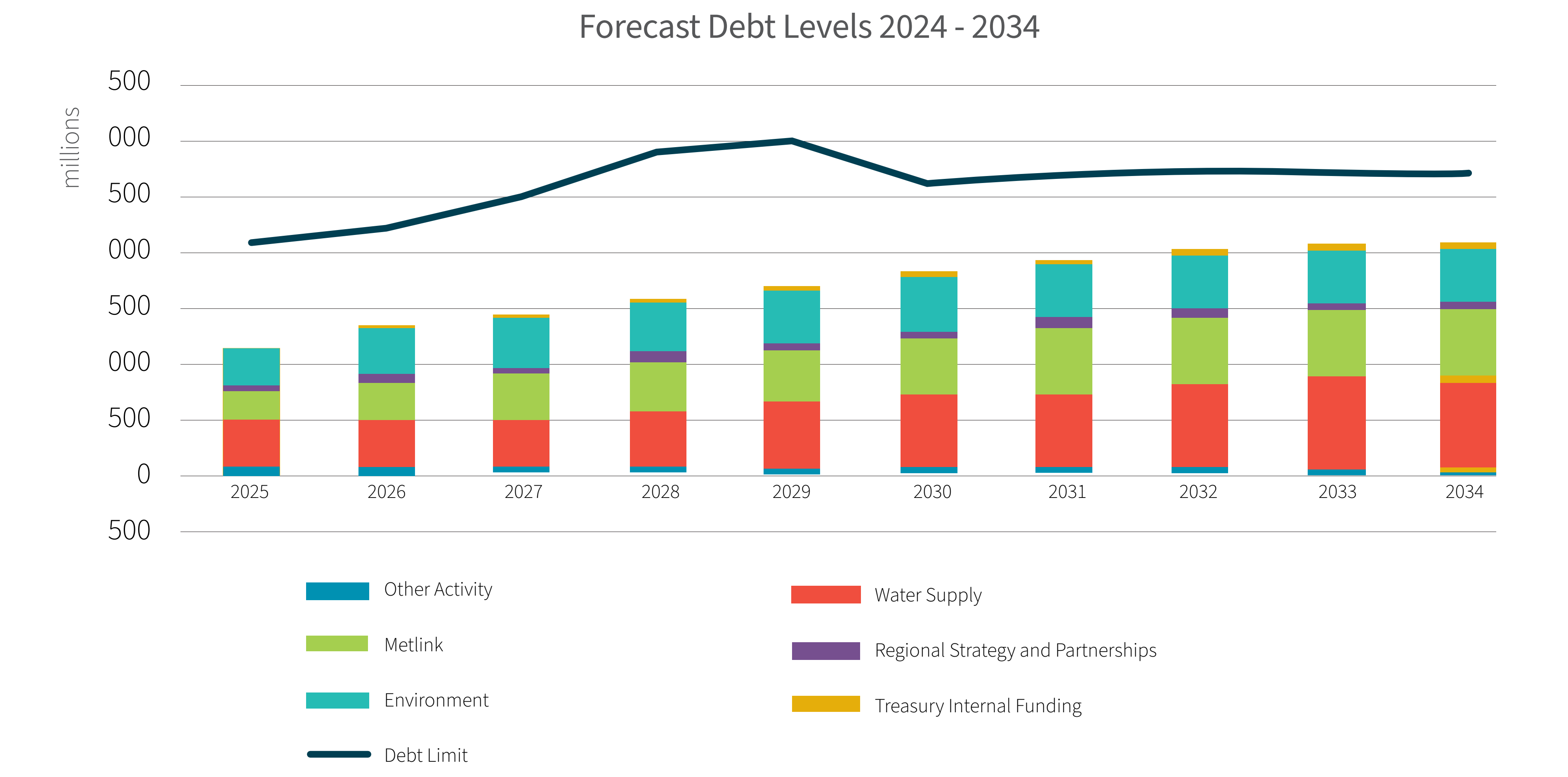
We are investing in flood protection through the RiverLink project ($166m) and increasing maintenance of the rest of our flood protection network by 50%. This work ramps up in the first two years of the Long Term Plan and helps to keep our communities safe from significant weather events.

Financial forecasts are predictable in the short-term, (1-3 years). Project costs and economic factors are uncertain over out years. We have based our forecast on the best information available right now.

Debt levels and explanation

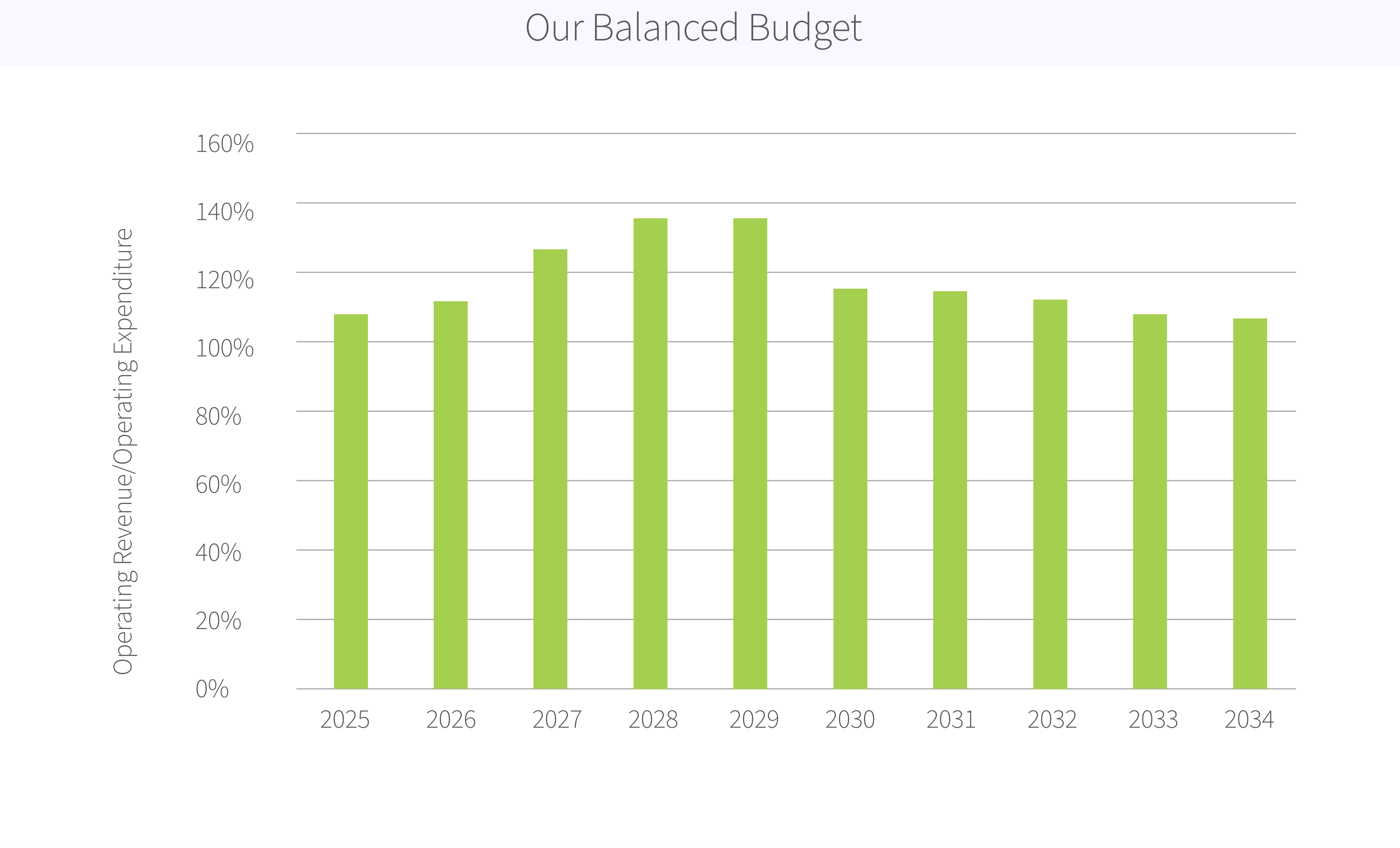
We use debt to spread the cost of projects which have intergenerational benefits between current and future ratepayers. A portion of your rates is allocated to interest and principal repayments to fund this debt.

For example, if the lifespan of a stop bank beside a river is 100 years, using debt to pay for it means the ratepayers' investment is spread more fairly across the life of the stop bank and to those who benefit from the flood protection it offers.



Balanced Budget

Greater Wellington is planning to have a balanced budget throughout the 2024-34 Long Term Plan as required in section 100 of the Local Government Act. The balanced budget ensures that there is revenue to cover the operating expenses and does not cause a budget shortage.



Whakawhiti whakaaro

We would like your thoughts on:

1. Control of Public Transport Assets

2. Ownership of CentrePort

Consultation topic 1

Increasing Greater Wellington's control of strategic public transport assets.

Should we have more control over our public transport assets?

01 Our preferred option:

We think more control is the best route to take.

Hundreds of thousands of people rely on our public transport system to connect them across the Region and demand is increasing. We're working to provide public transport services the community can have confidence in and are proud of: a reliable, accessible, low-carbon public transport network.

We have limited control over key infrastructure

The challenge we face is our limited control over the key infrastructure needed to deliver public transport. Being in control of assets, like bus depots and electric bus charging stations, would make it easier for us to plan. These assets are currently owned by private operators, who are contracted by us to deliver services

We can take a more long-term view

If we increase the Council's control of public transport assets, we can take a more long-term view on the planning and continuity of bus services across the whole Region.

The availability of inner-city land and electricity supply is becoming increasingly challenging. Control over these would help us achieve our goal of decarbonising the bus fleet. Our proposed increased control will also ensure new bus operators are able to compete more fairly for future service contracts.

Bus depots are the first step

GW has approved, subject to public consultation, a draft Public Transport Asset Control Strategy that would see our control of key public transport bus assets increase over the long-term.

The first proposed step in this strategy is the development of bus depots in Lyall Bay and Northern Wellington. We're also talking with Wellington City Council about future arrangements for the Lambton interchange, which is a vital public transport hub. The depot in Lyall Bay would replace the existing privately-owned Kilbirnie bus depot, whose future is uncertain. There would be another depot in Northern Wellington because we currently don't have long-term right of use over the privately-owned depot that services this area.

The benefits

Increasing our control of bus depots, charging infrastructure, and possibly buses, will have benefits. The most important one is that strategic infrastructure is available for our bus passengers to use in the future, and decarbonisation of our bus fleet can be achieved.

Upfront: $357 million

Long term: cost neutral

The costs

Our plan is intended to be cost neutral, or better, over the long term. This is because investment in depots is already funded by us, either directly or through the fees and charges paid to private operators.

Some upfront investment will be necessary in developing and securing depots and charging infrastructure. We'll also need to find the expertise to manage the depot and infrastructure investment. We have budgeted for $357 million out of a total Metlink capital budget of $731 million which will be funded by debt (excluding bus ownership).

NZ Transport Agency has already confirmed $10.8 million of funding is available if we go ahead with Lyall Bay electrified bus depot development. The likely costs of new arrangements for the Lambton interchange are uncertain but we believe they will be within our planned budget.

In summary

Why do this

- This option offers long-term security of strategic assets
- Increased control of decarbonisation programme
- Increased ability of operators to enter the market
- Cost neutral over the long term

Why not do this

- The upfront funding required for depot development
- Finding the expertise to manage the depot and infrastructure investment

We have included the cost of depots in the current rates forecast on page (TBC). If feedback indicates we should not proceed with this option, rates will change by the amounts shown in the table. For example, in the 2024/25 financial the rates impact of going ahead is 19.8% and not going ahead 19.1% (19.80%-0.74%).

We need your help to decide the best route to take!

Public Transport Asset Control:

Control it or keep as is?

Do you agree that GW should, over the long term, increase control over public transport bus assets (charging stations and depots) as set out in the Draft Public Transport Asset Control Strategy?

a. Yes ☐

b. No ☐ **(please comment below)**

Build a Depot

Do you support the proposed funding in this Long Term Plan period for the development of a GW controlled bus depot in Lyall Bay (noting the financial commitments from NZ Transport Agency?

a. Yes ☐

b. No ☐ (please comment below)

Financial implications:	YES decision	NO decision
Cost over 2024-2034	$74M of principal and interest payments (over 10 years)	$73m rental payments
Impact on rates	Largest increase of 0.65% (Year 1) to largest decrease in 1.88% Year 8	Largest decrease of 0.65% (Year 1) to largest increase in 1.88% Year 8
Impact on debt	Additional $104m	No additional debt
Impact on assets	$104M depot and infrastructure assets	No asset ownership
Levels of Service	No Impact	No Impact

Do you support funding in this Long Term Plan period for the development, purchase or increased GW control of other strategic bus assets (including: development of a bus depot in North Wellington)

a. Yes ☐

b. No ☐ (please comment below)

Financial implications:	YES decision	NO decision
Cost over 2024-2034	$68M of principal and interest payments	$96M rental payments
Impact on rates	Largest increase of 0.36% in Year 7. Largest decrease of 2.03% in Year 10	Largest decrease of 0.36% in Year 7. Largest increase of 2.03% in Year 10
Impact on debt	Additional $253m	No additional debt
Impact on assets	$253m depot and infrastructure assets	No asset ownership
Levels of Service	No Impact	No Impact

See page 53 ,or visit www.gw.govt.nz/LongTermPlan, to have your say.

Whakawhiti whakaaro

We would like your thoughts on

Consultation topic 2:

Buying shares to become a 100% shareholder of CentrePort Limited.

Should CentrePort Limited be in public ownership– yes or no?

02 Our preferred option:

We think yes.

CentrePort Limited is a strategic asset for the Region. It provides a full range of port services, including imported goods and exports by container, bulk trade (such as logs, vehicles and cement), and fuel imports. It also provides the northern hub for the Cook Strait ferry service. In 2022/23 it generated revenue of $99 million and a profit of $12 million before tax.

Centreport.co.nz

CentrePort Limited (CPL)

CPL is a Port Company under the Port Companies Act 1988. Following the disestablishment of the Wellington Harbour Board as part of the local government reforms in 1989, the ownership of the port was vested with two councils – with CPL 76.9% owned by us (through WRC Holdings Limited) and 23.1% owned by Horizons Regional Council (through MWRC Holdings Limited).

WRC Holdings Limited holds the shares of CPL. CPL is a commercial organisation and is run by an independent board of directors. CPL provides a commercial return to WRC Holdings Limited by way of dividends. CPL contributes to the Region's economic activity with the potential contribution of more than $3 billion to regional GDP (2022) and supports 36,000 jobs in New Zealand.

The major activities of CPL are:

Port infrastructure (land, wharves, buildings, equipment, utilities)

Shipping and logistical services (pilotage, towage, berthage, cruise ships)

Operational service (cargo handling, warehousing, facilities management, property management, security, emergency services)

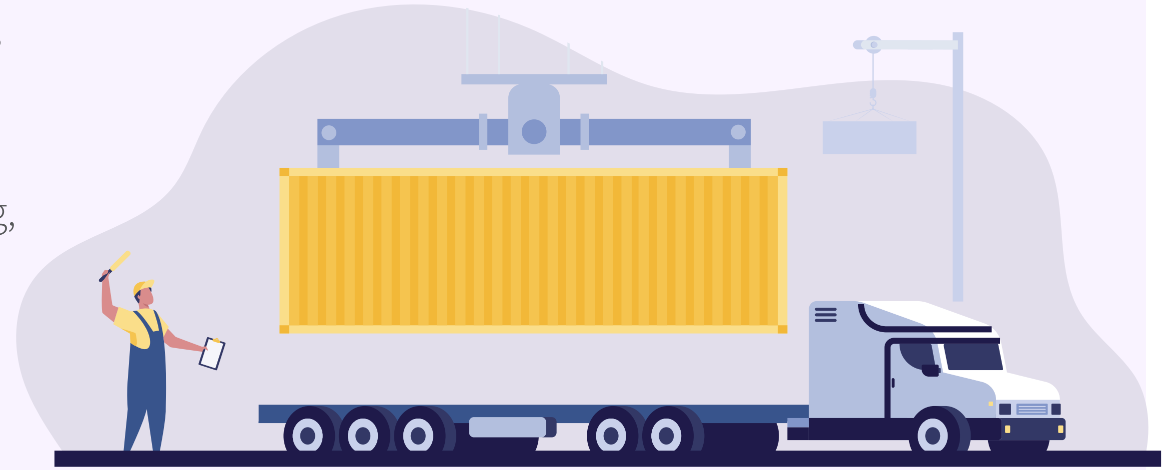
Integrated logistics solutions (networks, communications, partnerships)

Property services (development, leasing management)

Joint ventures (coldstore, container repair, cleaning, packing, unpacking and storage)

For more information, please see reports and publications provided on the CPL website. https://www.centreport.co.nz/

The services provided by CentrePort Limited support businesses across the Region and into Taranaki, Manawatu and Marlborough. The Cook Strait ferry service is a nationally important link between the North Island and South Island. Over 200,000 passengers from more than 100 cruise ships are welcomed to Wellington harbour each year. CentrePort Limited also has a critical role as a lifeline asset during an emergency, such as an earthquake – providing an essential service to import food, water, fuel, equipment, first responders and evacuation of people.



What's the decision?

Currently, we own 76.92% of CentrePort Limited, with the remaining 23.08% owned by Horizons Regional Council.

Horizons are considering selling their shareholding and have approached us to purchase their shares. Purchasing these shares would enable us to be a 100% shareholder of CentrePort Limited.

Benefits of ownership

As a majority shareholder we can currently control major decisions. A key advantage of becoming a 100% owner of CentrePort Limited is that we would be able to determine the port's future direction more easily. We can consider how Centreport can work with other partners, including options in the future to bring in other strategic investors to grow the business and increase the role of CentrePort Limited in the national supply chain.

Not purchasing the shares represents a potential risk, as they could be purchased by an investor who isn't strategically aligned to us. If they were sold through a share market offering, this would also result in a dilution of the current full public ownership of CentrePort Limited.

Risks of ownership

The port sector is still subject to considerable uncertainty following the impact of COVID-19 on supply chains and tourism. There are also the challenges of both domestic and international economic conditions. While there are potential benefits to becoming the 100% shareholder there is also some increased exposure to potential risks.

There is risk in the cost and delivery of the Regeneration Plan at CentrePort Limited following the Kaikōura earthquake. There is uncertainty associated with the Interislander ferry terminal. These risks are currently shared to an extent with Horizons and would become our responsibility alone.

Increasing the shareholding will also increase our organisational carbon footprint. In 2022/23 a 100% shareholding would have added 770 tonnes or 2.3% of CO2 to our total emissions. Our financial exposure to climate impacts is also slightly increased.

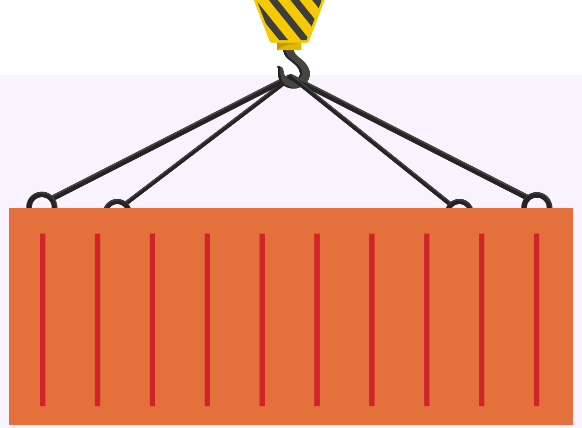
Purchasing the shares

To purchase the shares, we would need to borrow funds. We would benefit from an increased shareholder dividend, but there would overall be additional costs for ratepayers. These costs depend on the purchase price agreed with Horizons Regional Council, which is not yet agreed, but is estimated at an increase of up to 1.2% average region-wide rates per annum. This would mean an increase in our overall borrowing requirement, but we would still be well within our agreed borrowing limits, and this would not affect our excellent Standard and Poor's financial rating of AA+.

This would mean an increase in our overall borrowing requirement, but we would still be well within our agreed borrowing limits. Additional borrowing would not affect our Standard and Poor's financial rating of AA+ with a negative outlook.**

*In the 2022/23 financial year CentrePort Limited paid out a $6m dividend and expect this to grow 6% per year over the long term.

**At the same time as issuing the Greater Wellington's long-term credit rating, Standard and Poor's unusually and importantly also released a report on the weakening of the Local Government Institutional Framework. This environment change had a significant influence on the negative outlook attached to our rating but has no impact on our ability to raise debt nor does it have an impact on our access to best rates with the Local Government Funding Agency.



Do you agree with the proposal for GW to buy additional shares of CentrePort and be 100% shareholder?

a. Yes ☐

b. No ☐ (please comment below)

Financial implications:	YES decision	NO decision
Cost over 2024-2034	At a purchase price of $26M additional growth in dividend would cover financing costs from 2024. At a purchase price of $63M it would cost $19.63M reaching break even at 2040.	No impact
Impact on rates	Depending on the purchase price increase of 0 - 1.2% average region-wide rates per annum	No impact
Impact on debt	$26M - $63M	No impact
Impact on assets	Increase investments to purchase price.	No impact
Levels of Service	No Impact	No Impact

Ētahi atu taipitopito kōrero | Other things you need to know

Our response to the draft Government Policy Statement on Land Transport 2024-34 (GPS)

The direction indicated in the draft GPS has implications for our ability to fund public transport. What we know to date is that there will be an increased focus on the efficiency of services and the level of cost recovery expected from fares. There seems to be less focus on active modes of travel from Central Government which means change for our work in this area. We will consult with you on any significant changes to our services.

RiverLink

Riverlink's key delivery milestones are being achieved.
There has been good progress on demolition of properties and gravel extraction to make way for the stopbank between Melling Bridge and Mills Street. Along with site preparation on the SH2 side of the River between Kennedy Good and Melling Bridges.
All partners (Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira, NZ Transport Agency and Hutt City Council) are committed to work together to ensure the project can be delivered effectively and affordably.
LINK to RiverLink site

Water Storage Lakes

We are planning for continued ownership of bulk water supply assets as part of the Government's move from Three Waters to 'Water done well'.
Our role is to supply safe bulk drinking water to Wellington, Porirua, and the Hutt Valley which Wellington Water Limited does on our behalf. We do not do stormwater or wastewater management.
Beyond the period of this Long Term Plan, we need to increase the amount of bulk water we supply to the Wellington, Porirua and the Hutt Valley councils by building two more storage lakes. These lakes will ensure we have enough water supply in the summer to meet demand.
Over the next three years, Wellington Water Limited will develop concept designs, and work through consenting for these storage lakes. The cost to build the lakes will be high and, as a Region, we need to reduce our use of water over the next 10 years. Construction will be subject to community consultation and resource consent approvals.

We will support Wellington Water Limited's wider regional strategy to **manage water demand and supply:**

Keeping the water in the pipes

Wellington Water Limited plans to continue finding and fixing leaks, managing water loss, and replacing old infrastructure on behalf of Wellington, Porirua and Hutt Valley councils..

Our storage and water treatment parts of the system don't have a large level of water loss and will continue to be maintained to a good standard.

Reducing water demand through water metering

Wellington, Porirua and Hutt Valley councils will invest in universal smart water meters through Wellington Water Limited.

Meters are an industry best-practice tool for managing water loss, assisting with the reduction of leaks and encouraging better water conservation habits. These steps are part of local council activity.

Adding more supply

Completing the existing project to optimise Te Mārua Water Treatment Plant capacity which is part of Greater Wellington's job supplying bulk water to the local councils. Creating another pair of storage lakes in the future (10-15 years), so we have sufficient supply of water in the summer and during drought periods.

Sky Stadium Earthquake Strengthening

Events held at Sky Stadium, like concerts and sports games, bring significant social cultural and economic benefits to Wellington City and the wider Region.

Because of these benefits, it is important that we support earthquake strengthening and maintenance of this 25-year-old building. We are doing what we need to keep the stadium safe with the least impact on rates possible.

Wellington Regional Stadium Trust is responsible for Sky Stadium. Our portion of this co-funded investment is $19 million over the next 10 years.

LINK to Wellington Regional Stadium Trust www.skystadium.co.nz/contact-us/about-us/stadium-trust

Increasing funding to deliver critical flood protection work.

The number of extreme weather events is on the rise, and we need to continue our flood prevention work to keep our communities safe.

We build and maintain structures and undertake protective planting to reduce the risk of floods affecting our communities. We also plan for future protection, provide information to the community about flood risk, and prepare to respond to floods.

A priority for us is the maintenance of our flood protection infrastructure and we are increasing investment in this area. We also plan to continue exploring nature-based solutions, which offer options to restore our ecosystems at the same time as reducing flood risk. Nature-based solutions can include increasing room for river movement, using more native species in riverbank planting and creating new wetlands to slow water flow. Planting results in better water quality by filtering runoff, providing cleaner air, and improved habitat and biodiversity for wildlife. We are doing this work alongside our mana whenua partners.

Increasing pest management

We want to protect our native wildlife and the places they live to create a thriving environment that is more resilient to the effects of climate change.

Goats and deer do lots of damage to forest floor plants and our threatened species. Working with our partners Ngā Hapū o Ōtaki, Ātiawa ki Whakarongotai, Ngāti Toa Rangatira, Taranaki Whānui ki te Ūpoko o te Ika, Rangitāne ō Wairarapa and Ngāti Kahungunu ki Wairarapa and communities, we have made excellent progress in reducing the harm done by pests to our native plants and animals. We plan to increase our investment in the control of goats and deer.

We have started large-scale planting programmes in our Regional Parks and a bit of extra funding will help us to protect these plants. We also look after threatened birds in special places around the Region and we will be able to boost this protection.

Update on restoration in Regional Parks

The Recloaking Papatūānuku project was funded through the 2021-31 LTP to carry out major environmental restoration in our Regional Parks, following the removal of grazing.

The project has grown this past winter, with over 360,000 native plants being planted across 130 hectares. The project will continue to be funded via an additional $2.6M from our Low Carbon Acceleration Fund (this funding comes from money we borrow against our carbon credits).

The project fits into longer term landscape-scale planning for our Regional Parks. Partnerships with mana whenua are being established to set clear priorities for restoration and the future of the parks.

Public transport fares

The costs of running our public transport services have increased, along with the rising cost of living.

We are increasing public transport fares by 10% in year 1 of our Long Term Plan to cover current and historic inflationary costs. Increasing fares will also help offset the size of the current proposed rates increase.

The 'Community Connect' scheme, along with other fare concessions and discounts will continue to provide lower fares for those who need them most.

Our aim is to keep fares as low as possible to encourage people to use public transport. We invest fares revenue in our public transport and, when available, supplement this with funding from Central Government. Public transport fare increases are decided on by GW separate to the Long Term Plan.

More bus services and existing diesel allowed in tenders

Use of our buses and trains has nearly returned to pre-pandemic levels and we have reviewed and reset our demand forecast to match.

We are planning for an additional 100 buses, to create new bus routes and to increase the frequency and capacity of our services to cater for the expected population growth of the Region.

As part of our bus growth strategy, we'll continue to use our existing diesel buses until all core service buses are electric by 2030. Compared to our 2021-31 plan, this option means higher emissions in 2028-29 but we can still meet our carbon neutral target for 2030. We see this new growth forecast and temporary use of diesel buses as a balance between continued, sustainable growth and overall rates affordability.

Lower North Island Rail Integrated Mobility

In the last Long Term Plan, we set aside funding in our budget for a business case on the future of rail services in Wairarapa and Manawatū.
The business case considered infrastructure and services for modern long distance fully electric-powered commuter trains and stations. Procurement is now underway for these trains and stations.

Central Government has agreed to contribute funding for 18 four-car, tri-mode trains (which will be operated by Metlink) for the Wairarapa and Manawatū rail lines as part of the Lower North Island Rail Integrated Mobility project. The new trains will quadruple services between Palmerston North and Wellington on the Manawatū line and double peak services between Masterton and the capital on the Wairarapa line. You'll start to see these trains on the tracks from 2030. If we don't receive Central Government funding, the rail programme will have to be significantly revised.

Energy Transformation Initiative

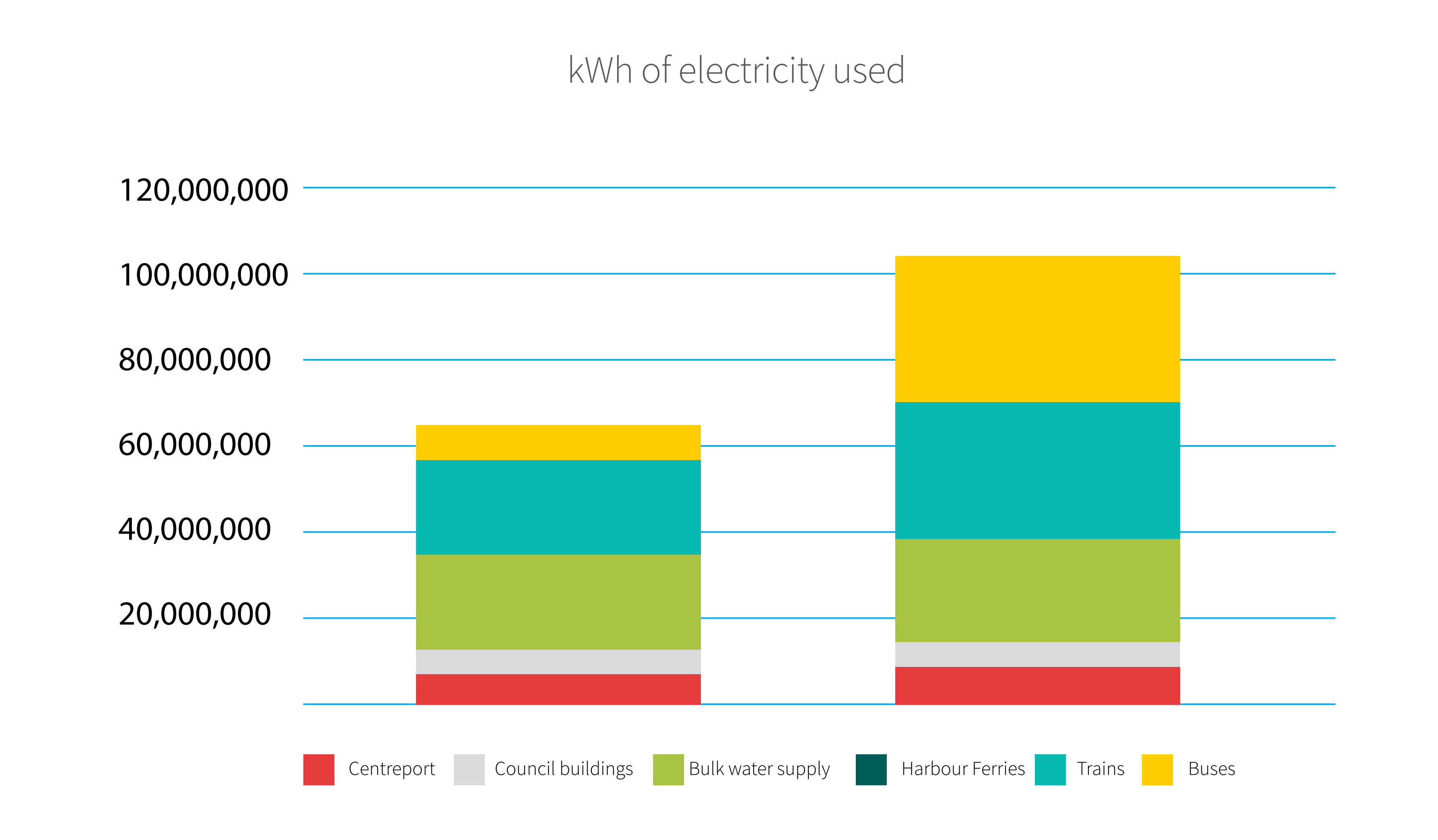
The Energy Transformation Initiative is about how we build renewable electricity generation to meet GW's growing electricity needs for things like the rail network, electric buses and bulk water supply. We plan to do this by putting solar arrays on buildings and solar farms on open flat land; either on our own land or by leasing private land. This has the potential to avoid thousands of tonnes of carbon emissions each year and help us and the country achieve our climate goals.

Working to get buses moving faster

The Government, Wellington City Council and GW agreed to dissolve Let's Get Wellington Moving.

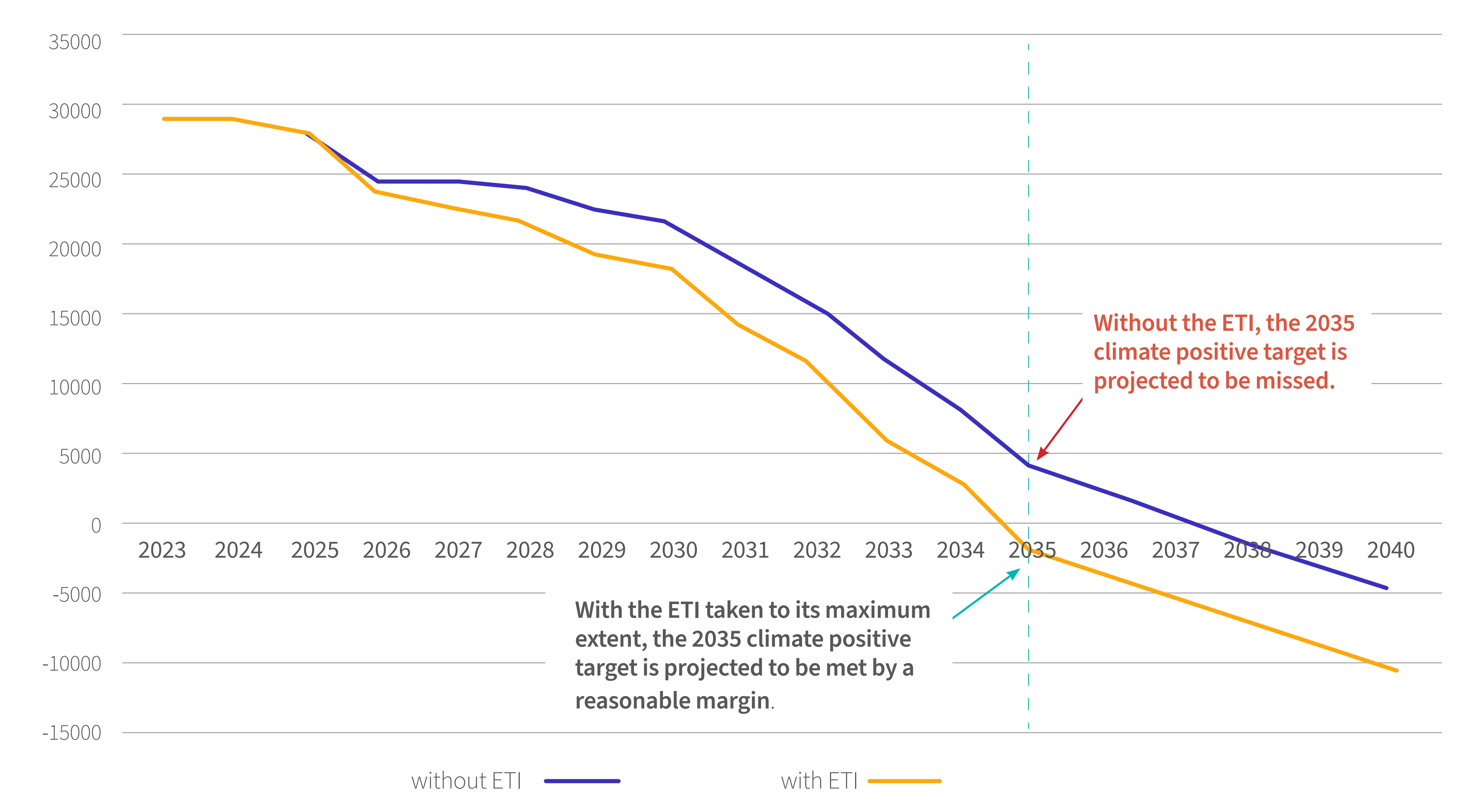
Individual agencies will be responsible for funding their components of the programme under usual national-local government share arrangements contained in the Land Transport Management Act. We are working with Wellington City Council and the NZ Transport Agency to look at how to get our buses moving through Wellington City faster.

Overview of the electricity use of Greater Wellington's activities



Projected emissions of Greater Wellington's activities with and without the Energy Transformation Initiative

New renewable electricity assets should be able to recoup investment costs from the value of the electricity produced. We plan to avoid an impact on rates, although there will be a degree of commercial risk.



What we do, and what we have planned

Plans and priorities to get things done

Our environment is our big backyard – the air we breathe, the water we drink, the places we swim, walk and fish.

So, it is vital it is regulated, monitored and protected for us to enjoy now, and for generations to follow.

We're specifically responsible for environment management, flood protection and land management, provision of regional parks, public transport planning and funding, and metropolitan water supply.

We group the activities we deliver into four 'Activity Groups' for planning and managing the things we need to achieve:

Environment

This group has many ways to help protect our Region's precious and unique environment. They work to restore our freshwater quality and coastlines, increase restoration and planting in our parks, and build and maintain the infrastructure that keeps our communities safe from flooding.

Metlink Public Transport

One of the great things about our Region is the way we help people connect to it, but we know we can always improve.

This group puts everything into making public transport accessible, reliable and efficient with low carbon emissions.

LINK to Metlink Public Transport supporting information (general introduction)

Regional Strategy and Partnerships

This group leads regionally focused strategy and planning to ensure our Region continues to be a great place to live.

This includes regional spatial and transport planning, planning for action on climate change, regional economic development plans and emergency management. We build sustainable partnerships and relationships with mana whenua and regional planning with other local governments and central government.

LINK to Regional Strategy and Partnerships supporting information (general introduction)

Water Supply

Water is a fundamental need for our communities, so we will continue supplying clean, safe water as well as educating people on the part they can play in making a sustainable water supply.

Respecting the environment and tackling climate change are part of everything we do.

LINK to Water Supply supporting information (general introduction)

Metlink Public Transport key activities

Continued de-carbonisation of bus fleet *Ongoing*
Metlink will continue to electrify its fleet which helps us reduce CO2 and harmful emissions

Network Operations Centre *2025*
Establish a Network Operations Centre, which is focused on the full network (ferry, rail and bus), 24/7. This gives us the opportunity to provide more reliable, timely and accurate information to our customers

Bus Contract Procurement *2024 - 2030*
Metlink's public transport bus operator contracts will begin expiring in 2027. We will need to consider how we approach procurement of new contracts

Accessibility improvements *Ongoing*
Implementation of Accessibility Action Plan, including a variety of accessibility improvements to stations, vehicles, stops, technology aids and staff/operator training, and accessible corridors

Implementation of National Ticketing Solution *2025-2026*
National Ticketing Solution is a convenient and cost-effective solution aimed at providing more ways for customers to pay for public transport

Implementation of Real-time Information 2.0 ***Fully implemented 2026-2027***
Replacement of the Real-time Information system to provide smarter, more accurate information and data for customers, the business and operators

Waterloo Transit Oriented Development *2024-2029*
Replace ageing and unsafe building infrastructure at Waterloo Station with a mixed-use transport/commercial Transit Oriented Development

Johnsonville Transport Hub/Interchange *2025-2031*
As part of the redevelopment of the land currently owned by Stride Property Group, it is proposed to build a Public Transport hub, including a layover/driver break facility

Porirua Transport Hub/Interchange *2024-2027*
Bus layover and driver facilities in Porirua

Wellington City bus layover/depot *2025-2029*
Locate land, build layover facility for up to 30 buses including driver rest facility. EV charging facility

BRT (buses that replace trains) infrastructure improvements *Ongoing*
Provide consistent and accessible levels of service for buses that replace trains, including Metlink buses, electronic payment and fully accessible stops

Rail timetable improvements *Ongoing*
Make changes to rail infrastructure and service schedules to increase capacity and resilience of services

Rail Station improvements *Ongoing*
We plan to make several railway station improvements to improve customer experience and travel choice

Rail capacity increase *2031*
Provide additional metro rail rolling stock for the metropolitan area

Technology enhancements on fleet and stations *Ongoing*
Technology implementation to improve how Metlink delivers services and technology enhancements to meet customer needs, such as Wi-Fi on buses, wayfinding and messaging

Cross-agency Crown/local government/private sector partnership *Ongoing*

Environment key activities

RiverLink *2024-2026*
Protect Hutt City from significant flood damage. Construct a new interchange, relocate Melling Train Station and build two new bridges over Te Awa Kairangi. Revitalise of Hutt city centre.

Regional flood resilience projects *Ongoing*
Protect river communities from the effects of climate change. Nature-based solutions to be used wherever possible, including native planting

Recloaking Papatūānuku *Until 2027*
Carry out a restoration programme of planting and other activities on the formerly grazed areas of five Regional Parks

Predator Free Wellington *Ongoing*
Continue phase 2 of this predator eradication programme working alongside households, community groups and other organisations. Funded by the Wellington City Council, Greater Wellington Regional Council, Predator Free 2050, and the NEXT Foundation

Development of our catchment approach *Ongoing*
Complete internal changes to support our catchment approach, then test and agree priorities with mana whenua and communities

NRP/RPS changes and Whaitua Implementation Programmes *2024-2026 and 2027-2028*
Implement changes to the Natural Resources Plan and Regional Policy Statement to realise better freshwater and environmental outcomes, and meet community and mana whenua aspirations

Key native eco-systems *Ongoing*
Work with partners to protect areas with 'high biodiversity values' including forests, wetlands, freshwater, estuaries and coastal

Freshwater Farm Plans *Ongoing*
Support farmers to reduce their farms' effects on freshwater. In addition, provide general information and advice to the agriculture industry to ensure consistency and good environment outcomes

Daleton Nursery expansion *2024 - 2025*
Establish a poplar and willow pole nursery to a point where it is ready to operate. Poplars and willows are planted on farmland and riverbanks to reduce erosion

Wellington Water Limited key activities

Te Marua WTP Capacity Optimisation *Ongoing 2024 - 2025*
Upgrade at Te Marua Water Treatment Plant to increase its treatment capacity to improve the security of supply to the Region

Regional Fluoridation Improvement Stage 2 *2027 - 2028 and 2028 - 2029*
Upgrade fluoride dosing equipment to provide permanent reliable dosing systems for the Region

Te Marua WTP Scheme Expansion Stage 1 (Pakuratahi Lakes 1 and 2) - Pre-construction *2024 - 2025 and 2030 - 2031*
Concept design, consenting, preliminary design and procurement planning for additional storage lakes

Te Marua Pump Station Capacity Upgrade *2026-2027 and 2028-2029*
Upgrade the pump station at Te Marua Water Treatment Plant to increase the amount of water that can be delivered from the Treatment Plant to customers, and increase the operational resilience of the pump station

Water Supply Pump Station Renewals *Ongoing*
Replacement of critical parts within the water supply pump stations, which are approaching the end of their service life, to reduce the risk of their failure and interruptions to supply

Wainuiomata WTP - Washplant Capacity & Quality Upgrade *2027-2028 and 2030-2031*
Treatment plant improvements

Wellington Metro WTP Planned Renewals *Ongoing*
Replacement of critical parts within the Wainuiomata, Waterloo, Te Marua and Gear Island Water Treatment Plants, which are approaching the end of their service life, to reduce the risk of their failure and interruptions to supply

Gear Island and Waterloo Wells Replacements - Part 2 *2024-2026 and 2028-2029*
Progressive installation of new boreholes to replace those approaching the end of their service life. Objective is to reduce the risk of asset failure and interruption/limitation to supply

Kaitoke main on Silverstream Bridge *Ongoing – 2024-2025*
Replacement of the critical supply pipeline across the Hutt River at Silverstream, which supplies treated water to Porirua City and Northern/Western Wellington City, to reduce its risk of failure and improve resilience

Relocation of Te Marua/Ngauranga pipeline *2030-2031 and 2032-2033*
Relocation of Te Marua to Ngauranga pipeline from Haywards Substation to Haywards Reservoir to minimise risk of damage due to landslips expected following a significant seismic event

Regional Strategy and Partnerships Key Activities

Most of the work done by our Regional Strategy and Partnerships group is a statutory requirement or business critical. We have trimmed our budget where we can and over the next 10 years we will continue working on:

- strengthening capability and capacity of Wellington Regional Emergency Management Office LINK Greater Wellington — Civil Defence - Emergency Management
- implementing the Wellington Regional Growth Framework - www.wrgf.co.nz
- reduction of our corporate carbon emissions
- regional economic development including low carbon economic transition
- collaborative decision making with mana whenua partners
- Regional Land Transport Plan development / www.gw.govt.nz/your-region/plans-policies-and-bylaws/plans-and-reports/transport-plans/wellington-regional-land-transport-plan-mid-term-review/
- implementation of Te Matarau a Māui work programme
- reporting of GW's activity against the Māori Outcomes Framework

Key pieces of infrastructure investment over the next 30 years

We are taking a long-term view to make sure our infrastructure will provide the levels of service our communities need.

We've considered a range of factors as we've planned for our infrastructure needs over the next 30 years. It is important that our communities are aware of the challenges for our infrastructure, and the likely future cost. We know that our Region will continue to grow with an estimated 164,000 additional residents over the next 30 years, so we need to be prepared for this population growth and demographic changes.

Treasury is forecasting the economic slowdown will continue this year and the slowing down of the labour market is likely to result in a rise in unemployment. The overall cost increases for communities and the associated equity challenges are expected to continue.

From 2026, interest rates are expected to fall and growth is expected to pick up, averaging 2.8% per year and unemployment is expected to trend downward.

The Region will continue to experience more frequent and intense rainfall events, and more frequent droughts. The number of hot days will increase, and the number of frosts will decrease. There will be permanent sea level rise and more frequent and intense coastal flooding and erosion. Inland, we will see more intense river flooding, and increased slips and landslides. The annual average temperature will also rise. We are at risk earthquakes, tsunami and, increasingly, wildfires – all posing threats to life, property and livelihoods.

We have made plans with these significant challenges in mind

We look after $2.16 billion worth of diverse assets, ranging from flood banks and forests to bus shelters and bridges. In the next 10 years, we will spend $0.7 billion replacing assets that are reaching the end of their life and $0.9 billion to improve or provide additional assets.

We are forecast to spend $7.5 billion running the public transport network, providing bulk water, flood protection and looking after the Region's biodiversity.

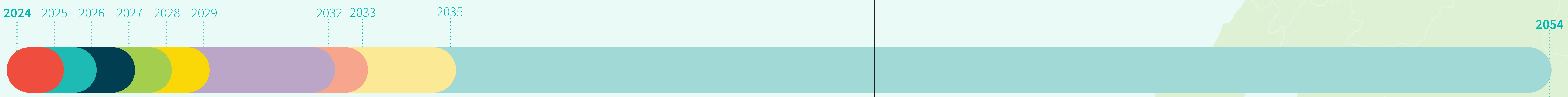
Key infrastructure projects over the next 30 years

2024 - 2025 Public Transport Lower North Island Rail - Rolling Stock and network improvements Wellington/Masterton and Wellington/Palmerston North*

2024 - 2026 Harbours Channel Risk Review implementation

2024 - 2027 Johnsonville Transport Hub , Porirua Interchange

2024 - 2028 Public Transport central business district layover



2024 - 2029 Public Transport Lower North Island Rail - Rolling Stock and network improvements Wellington/Masterton and Wellington/Palmerston North*

2024 - 2032 Rail - Metro Rolling Stock fleet expansion and depot extension to meet growth in demand*

2024 - 2033

- Existing Water Supply network renewal
- RiverLink - Te Wai Takamori o Te Awa Kairangi (Flood Resilience)* Associated Land purchase (PT)
- Recloaking Papatūānuku: plant 700 ha of previously grazed land at Belmont Regional Park*
- Sustainable water supply (Te Mana o te Wai) – including design and consenting of two additional water storage lakes at Pakuratahi. Construction and operating cost estimates will be detailed in future Long Term Plans.
- Water Supply resilience to natural hazards and climate change

2024 - 2035 Public Transport Buses Replace Trains

2024 - 2054

Hutt Wellington Capex (Flood Assets)

- Silverstream to Moonshine Bridge Channel Works
- Moonshine to Māoribank Improvements
- Waiwhetu Improvements
- Ava Rail Bridge to Estuary Bridge Improvements
- Belmont Improvements

Kapiti Capex (Flood Assets)

Lower Wairarapa Valley Capex (Flood Assets)

- Barrage Gates
- Tawaha Sill
- Whakawhiriwhiri Stream

Waiohine Capex (Flood Assets)

- North Street Stopbank
- Kuratawhiti Street Stopbank
- Te Kauru (Flood Assets)
- Waipoua Urban Reach

Other Wairarapa (Flood Assets)

- Dams

(* denotes previously approved in past LTPs with revised budget shown). The following are excluded: Corp Support (Fleet and ICT costs), Regional Strategy and Partnerships (Transport Analytics, Stadium Trust- seismic improvements, and Regional Land Transport Strategy and Planning) Include original budgets, if previously approved. (**The original RiverLink budgets excluded additional property purchase, were based on an initial design phase and on estimates undertaken in 2018. Estimates were updated across the project by independent estimators in 2021 and again in 2022 to arrive at an updated estimate.) **Note:** The delivery of the public transport projects outlined depends on Central Government funding which is uncertain.

Total Projected expenditure $9.2b

Operational expenditure

$7.5 billion (81%)

Capital expenditure

$1.75 billion (19%)

We look after $2.16 billion worth of diverse assets, ranging from flood banks to bus shelters. In the next 10 years, we will spend $0.7 billion replacing assets that are reaching the end of their life and $0.9 billion to improve or provide additional assets. We are forecast to spend $7.5 billion running the public transport network, providing bulk water, flood protection and looking after the Region's biodiversity.

Forecasting to invest in our future : Capital expenditure

We expect to spend $1.75 billion on renewals and new capital between 2024/25 and 2033/44. This will maintain our levels of service to you, meet priorities and address challenges. The projections consider what we expect to happen across the Region in the next 10 years. We don't know all the future costs, so solutions will be developed and costed as part of our annual planning.

Environment

$709m

2024 - 2034: $301m
2035 - 2044: $279m
2045 - 2054: $129m

Metlink

$1,041m

2024 - 2034: $731m
2035 - 2044: $138m
2045 - 2054: $172m

Water

$7,276m

2024 - 2034: $693m
2035 - 2044: $3,149m
2045 - 2054: $3,434m

Average rates increases across the region: 18.3%

	Residential (incl. GST)	Business excl. GST	Rural excl. GST
Average change per annum	$956.99	$2,690.80	$1,119.62
Average change per week	$203.89	$681.64	$231.84

Proposed Rate Changes | PORIRUA CITY

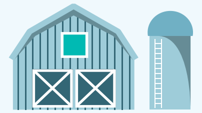
	Residential (incl. GST)	Business excl. GST	Rural excl. GST
Average Value 2024/25	$956.99	$2,690.80	$1,119.62
Change in amount per annum	$203.89	$681.64	$231.84
Change in amount per week	$3.92	$13.11	$4.46

Proposed Rate Changes | KAPITI COAST

	Residential incl.gst		Business	Rural
	Kāpiti Coast district excl Ōtaki	Ōtaki rating area	Kāpiti Coast District	Kāpiti Coast District
Average Value 2024/25	$992.59	$546.71	$2,183.52	$777.06
Change in amount per annum	$108.77	$80.92	$391.72	$143.16
Change in amount per week	$2.09	$1.56	$7.53	$2.75

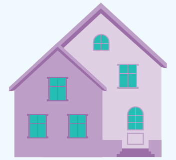
Proposed Rate Changes | HUTT VALLEY

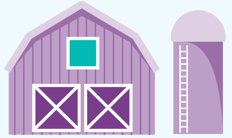




	Residential (incl.gst)		Business excl.gst		Rural excl.gst	
	Hutt City	Upper Hutt City	Hutt City	Upper Hutt City	Hutt City	Upper Hutt City
Average Value 2024/25	$1,108.32	$915.25	$3,778.35	$3,007.68	$991.52	$854.65
Change in amount per annum	$190.04	$153.62	$413.54	$397.66	$164.77	$150.57
Change in amount per week	$3.65	$2.95	$7.95	$7.65	$3.17	$2.90

Proposed Rate Changes | WELLINGTON





	Residential incl.gst		Business excl.gst		Rural excl.gst	
	Wellington City	Wellington City	Wellington City	Wellington City - CBD	Hutt City	Upper Hutt City
Average Value 2024/25	$1179.34	$915.25	$3,378.74	$14,497.93	$991.52	$854.65
Change in amount per annum	$190.04	$153.62	$413.54	$397.66	$164.77	$150.57
Change in amount per week	$3.65	$2.95	$7.95	$7.65	$3.17	$2.90

Proposed Rate Changes | WAIRARAPA

	Residential (incl.gst)			Business (excl.gst)			Rural excl.gst			
	Masterton District	Carterton District	South Wairarapa District	Masterton District	Carterton District	South Wairarapa District	Masterton District	Carterton District	South Wairarapa District	Tararua District
Average Value 2024/25	$449.38	$496.86	$577.68	$1,594.61	$701.26	$1,081.27	$991.52	$854.65	$792.73	$859.12
Change in amount per annum	$49.71	$61.28	$59.82	$5.67	$98.43	$124.08	$164.77	$150.57	$89.09	$122.33
Change in amount per week	$0.96	$1.18	$1.15	$5.67	$1.89	$2.39	$3.17	$2.90	$1.71	$2.35

Audit opinion NZ Audit

Process overview | *Important dates for consultation:*

18 March 2024	Consultation on key topics opens
22 April 2024	Consultation closes
21 May 2024	Coffee with the Councilors
22 May 2024	Council Hearings take place
27 June 2024	Council confirms Long Term Plan
1 July 2024	Long Term Plan is in place

Puka Tapaetanga - Submission form

We welcome your feedback on the Consultation document and Supporting Information document to help us shape the 2024-2034 Long Term Plan.

Personal information

What is your full name?____________________

Are you submitting on behalf of an organisation or group? ◯ Yes ◯ No

If yes, what is the name of the organisation or group?____________________

What is your email address?____________________

What is your phone number?____________________

Where in our region do you live?

a. Kāpiti Coast
b. Te Awa Kairangi ki Tai / Lower Hutt
c. Porirua
d. Te Awa Kairangi ki Uta / Upper Hutt
e. Wairarapa
f. Pōneke / Wellington City
g. I live outside the Wellington Region

Which ethnicities do you most identify with?

a. Māori
b. New Zealand European
c. Pacific Peoples
d. Chinese
e. Indian
f. Middle Eastern / Latin American / African
g. Other ethnic group

Are you?

a. Female
b. Male
c. Another gender
d. Prefer not to answer

Which age group do you belong to?

a. 16-24
b. 25-34
c. 35-44
d. 45-54
e. 55-64
f. 65-74
g. 75 or older

Options

Public transport asset control

Do you agree that GW should, over the long term, increase control over public transport bus assets as set out in the draft public transport asset control strategy?

Yes ☐

No ☐

Build a depot

Do you support the proposed funding in this ltp period for the development of a council controlled bus depot in lyall bay (noting the financial commitments from nz transport agency waka kotahi)?

Yes ☐

No ☐

Strategic bus assets

Do you support funding in this ltp period for the development, purchase or increased control of other strategic bus assets (including: a bus depot in north wellington and the lambton bus interchange)

Yes ☐

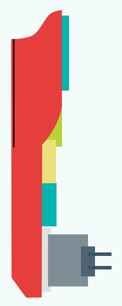
No ☐

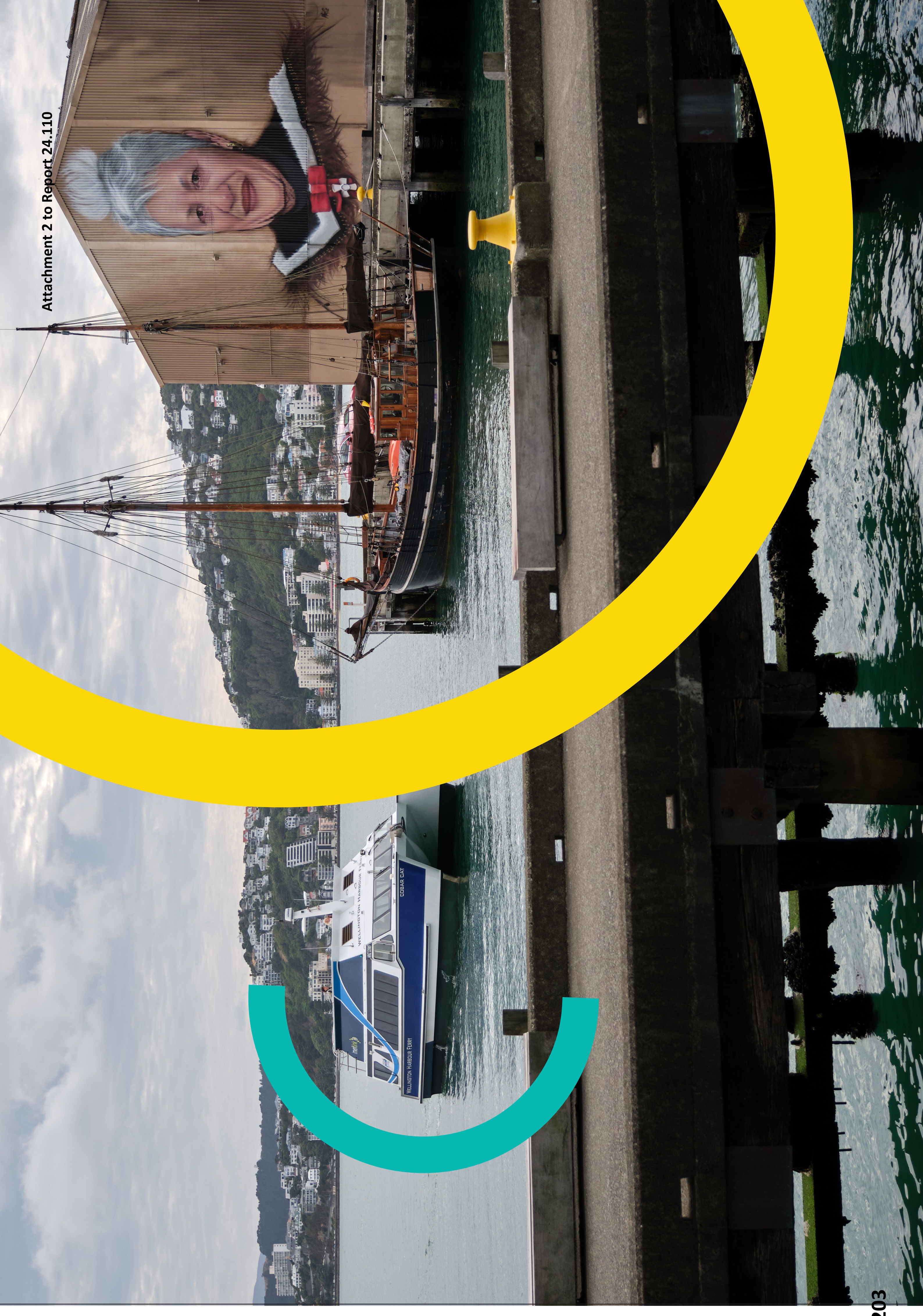
Centreport shares

Do you agree with the proposal for gw to acquire additional shares of centreport and be 100% shareholder?

Yes ☐

No ☐





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Consultation for Long Term Plan 2018-2028
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Manners Street
Wellington 6142

Do you have any further comments you would like to make about the information in this consultation document?

Would you like to present your submission in person to Greater Wellington Regional Council at a formal hearing?

Yes ☐

No ☐

Would you like to attend an informal meeting with one of your councillors?

Yes ☐

No ☐

If you wish the whole or any part of your submission or objection to be kept confidential, you must tell us and outline the reasons. However, any information provided to Council will become subject to the Local Government Official Information and Meetings Act 1987 and may be released by Council under that Act.

Do you wish for the whole, or any part of your submission to be kept confidential?

Yes ☐

No ☐

If yes, please tell us which part or parts of your submission you would like to remain confidential and why:

Would you like to hear more about Greater Wellington activities in the fortnightly e-newsletter To Tatou Rohe – Our Region?

Yes ☐

No ☐

The personal information collected from you in your submission is held securely by Greater Wellington. We use this information to develop and advise on the 2024-2034 Long Term Plan (including compiling statistical information), to contact you to arrange your oral submissiom (if required), and to contact you about the outcome of the process.

Greater Wellington
Te Pane Matua Taiao