



**greater WELLINGTON**  
**REGIONAL COUNCIL**  
**Te Pane Matua Taiao**

If calling please ask for: Democratic Services

15 March 2019

## **Wellington Regional Council**

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

**Thursday, 21 March 2019 at 1.30pm**

### **Membership**

Cr Laidlaw (Chair)

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

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

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

## Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held on Thursday, 21 March 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 1.30pm

### Public Business

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3. Public participation
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**greater WELLINGTON**  
REGIONAL COUNCIL  
Te Pane Matua Taiao

**Please note that these minutes remain unconfirmed until the meeting of the Council on 21 March 2019.**

**Report 19.62**

26/02/2019

File: CCAB-8-2134

**Public minutes of the Council meeting held on Tuesday, 26 February 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9:30am**

**Present**

Councillors Laidlaw (Chair), Blakeley, Brash, Donaldson, Gaylor, Kedgley (from 9:42am), Laban, Lamason, McKinnon, Ponter, Staples (from 9:36am), and Swain.

**Public Business**

**1 Apologies**

*Moved* (Cr Laidlaw/ Cr Donaldson)

*That the Council accepts the apology for lateness from Councillors Kedgley and Staples, and the apology for absence from Councillor Ogden.*

The motion was **CARRIED**.

**2 Declarations of conflict of interest**

Cr Swain declared a conflict of interest with regard to item 8 – *Property disposal – Wairarapa*.

**3 Public participation**

There was no public participation.

**4 Confirmation of the Public minutes of 13 December 2018**

*Moved* (Cr Blakeley/ Cr McKinnon)

*That the Council confirms the Public minutes of 13 December 2018 - Report 18.608.*

The motion was **CARRIED**.

## **Governance**

### **5 Wellington Water Proposed Governance Changes**

Samantha Gain, General Manager, Corporate Services, spoke to the report.

**Report 19.48**

File: CCAB-8-2099

*Moved*

*(Cr Brash/ Cr Staples)*

*That the Council:*

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Adopts the changes to the Shareholders' Agreement, attached as Attachment 1 to the report.*
- 4. Adopts the changes to the Terms of Reference of the Wellington Water Committee, attached as Attachment 2 to the report.*
- 5. Adopts the changes to the Constitution, attached as Attachment 3 to the report.*
- 6. Notes that the changes to each document must be adopted by each shareholding council before they become effective.*

Moved as a procedural motion:

*Moved*

*(Cr Kedgley/ Cr Ponter)*

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

The procedural motion was **CARRIED**.

**Noted:** Councillor Staples arrived at the meeting at 9:36am and Councillor Kedgley arrived at the meeting at 9:42am, during discussion on item 5.

### **6 2019 triennial elections**

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

**Report 19.11**

File: CCAB-8-2083

*Moved*

*(Cr McKinnon/ Cr Blakeley)*

*That the Council:*

- 1. Receives the report.*

2. *Notes the content of the report.*
3. *Agrees that the names of the Wellington Regional Council candidates at the 2019 local authority elections are to be arranged on the voting paper in random order.*
4. *Agrees to advise territorial authorities in the Wellington Region that postal voting is the preferred method of voting under the options currently available.*

The motion was **CARRIED**.

**Noted:** Councillor Swain requested that his vote against the motion be recorded.

7 **Additional delegation to the proposed Natural Resources Plan Hearing Panel**

**Report 19.24**

File: CCAB-8-2085

*Moved*

*(Cr Donaldson/ Cr Blakeley)*

*That the Council:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Delegates to the Proposed Natural Resources Plan Hearing Panel the authority to make minor amendments to the proposed Natural Resources Plan pursuant to Clause 16(2) of Schedule 1 of the Resource Management Act 1991.*

The motion was **CARRIED**.

## **Corporate**

8 **Summary report for the second quarter 2018/19**

Greg Campbell, Chief Executive, spoke to the report.

**Report 19.54**

File: CCAB-8-2110

*Moved*

*(Cr Donaldson/ Cr McKinnon)*

*That the Council:*

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

The motion was **CARRIED**.

**Noted:** The Council requested officers provide an update on infrastructure resilience at the next Council workshop.

9 **Health, Safety and Wellness update**

Nigel Corry, General Manager, People and Customer (Acting), spoke to the report.

**Report 19.56**

File: CCAB-8-2106

*Moved*

*(Cr Laidlaw/ Cr Lamason)*

*That the Council:*

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

Moved as an amendment:

*Moved*

*(Cr McKinnon/ Cr Donaldson)*

*That a new recommendation 3 be included:*

- 3. Commends officers for their focus on health and safety initiatives.*

The amendment was **CARRIED**.

The substantive motion was put:

*Moved*

*(Cr Laidlaw/ Cr Lamason)*

*That the Council:*

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Commends officers for their focus on health and safety initiatives.*

The substantive motion was **CARRIED**.

**Noted:** The Council requested officers report on the breakdown of events with a comparison to previous periods.

10 **Exclusion of the public**

**Report 19.47**

File: CCAB-8-2098

*Moved*

*(Cr Laidlaw/ Cr Donaldson)*

*That the Council:*

*Excludes the public from the following part of the proceedings of this meeting, namely:*

- 1. Confirmation of the Public excluded minutes of 13 December 2018*
- 2. Appointments to subcommittee and advisory body*
- 3. Property disposal - Wairarapa*
- 4. Strategic Land Purchase - Lower Hutt*
- 5. Confirmation of the Restricted public excluded minutes of 13 December 2018*

6. *Chief Executive 2018/19 interim performance review*
7. *Statutory performance review of the Chief Executive.*

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

<b><i>General subject of each matter to be considered:</i></b>	<b><i>Reason for passing this resolution in relation to each matter</i></b>	<b><i>Ground under section 48(1) for the passing of this resolution</i></b>
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*Confirmation of the Public excluded minutes of 13 December 2018*

*The information contained in these minutes relates to GWRC’s Long Term Office Accommodation Preferred Option. The information contained in these minutes relates to a commercial lease which is still under negotiation. Having this part of the meeting open to the public would disadvantage the GWRC in the negotiations as it would reveal information on the GWRC’s negotiation strategy. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.*

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(b)(ii) of the Local Government Official Information and Meetings Act 1987 (the Act) (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information).*

*The information contained in these minutes also relates to an application for a rates remission. Release of this information would be likely unreasonably to prejudice the applicant’s commercial position by disclosing the fact that they are requesting a rates remission for their property. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the applicant concerned.*

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(b)(ii) of the Local Government Official Information and Meetings Act 1987 (the Act) (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information).*

*Appointments to subcommittee and advisory body*

*The information contained in this report relates appointments to the Te Kāuru Upper Ruamahanga River Floodplain Management Plan Subcommittee. Release of this information would prejudice the proposed members' privacy by disclosing the fact that they have expressed interest in, and are being considered for, appointment to GWRC bodies. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the individuals concerned.*

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

*3. Property Disposal - Wairarapa*

*The information contained in this report relates to the proposed disposal of property owned by GWRC. The report outlines terms of the proposed disposal and includes details of the anticipated disposal values of the surplus land. Having this part of the meeting open to the public would disadvantage GWRC if the property is placed on the open market for sale via a contestable sale process as it would reveal GWRC's price expectations. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.*

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice).*

*4. Strategic Land Purchase - Lower Hutt*

*The information contained in this report relates to a proposed land purchase and lease-back agreement upon terms and conditions that are yet to be negotiated and agreed. Having this part of the meeting open to the public would disadvantage GWRC in its negotiations as it would reveal GWRC's negotiation strategy. GWRC has not been able to identify a public interest*

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice).*

*favouring disclosure of this information in public proceedings of the meeting that would override this prejudice.*

5. *Confirmation of the Restricted Public Excluded minutes 13 December 2018*

*The information in these minutes relates to the interim performance review of the Chief Executive. Release of this information would prejudice the privacy of the Chief Executive by disclosing matters relating to the statutory review of his performance. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the Chief Executive's privacy.*

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

*The information in these minutes also relates to procurement matters, some of which are likely to have commercial implications for suppliers and potential suppliers, GWRC, other local government bodies and NZTA. Release of this information would likely prejudice a proposed competitive procurement process by exposing proposed commercial terms. GWRC has not been able to identify a public interest favouring disclosure of this particular information that would outweigh that likely prejudice.*

*That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(b)(ii) of the Act (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information), section 7(2)(h) of the Act (i.e. to enable any local authority holding the information to carry out, without prejudice or disadvantage, to commercial activities), section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice), and section 7(2)(j) (i.e. to prevent the disclosure or use of official information for improper gain or improper advantage).*

6. *Chief Executive 2018/19 interim*

*The information contained in this report relates to the interim performance review of the Chief*

*That the public conduct of the whole or the relevant part of the proceedings of the meeting*

*performance review Executive. Release of this information would prejudice the privacy of the Chief Executive by disclosing matters relating to the interim review of his performance. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the Chief Executive's privacy.* *would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).*

7. *Statutory performance review of the Chief Executive* *The information contained in this report relates to the statutory performance review of the Chief Executive. Release of this information would prejudice the privacy of the Chief Executive by disclosing matters relating to the statutory review of his performance. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the Chief Executive's privacy.* *That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).*

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

The motion was **CARRIED**.

The public part of the meeting closed at 11:09am.

Cr C Laidlaw  
(Chair)

Date:



**Please note that these minutes remain unconfirmed until the meeting of the Council on 21 March 2019.**

**The matters referred to in these minutes were considered by the Council on 26 February 2019 in public excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.**

**Report PE19.63**

26/02.2019

File: CCAB-8-2135

**Public excluded minutes of the Council meeting held on Tuesday, 26 February 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 11:25am**

**Present**

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

**Public Excluded Business**

**1 Confirmation of the Public excluded minutes of 13 December 2018**

*Moved* (Cr Donaldson/ Cr Lamason)

*That the Council confirms the Public excluded minutes of 13 December 2018 - Report PE18.609.*

The motion was **CARRIED**.

**2 Appointments to subcommittee and advisory group**

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

**Report PE19.46** File: CCAB-8-2097

*Moved* (Cr Staples/ Cr Donaldson)

*That the Council:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Appoints Horipo Rimene as a member of the Te Kāuru Upper Ruamahanga River Floodplain Management Plan Subcommittee.*
4. *Appoints Bernie George as Chairperson of the Lower Ruamahanga Valley Floodplain Management Advisory Committee.*

The motion was **CARRIED**.

### 3 **Property disposal - Wairarapa**

Cr Swain left the meeting for the duration of this item, having previously declared a conflict of interest relating to his role of Chair of Fire and Emergency New Zealand.

Wayne O'Donnell, General Manager, Catchment Management, spoke to the report.

#### **Report PE19.39**

File: CCAB-8-2089

*Moved*

*(Cr Laidlaw/ Cr Lamason)*

*That the Council:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Confirms its resolution of 28 September 2017, authorising the Chief Executive the power to enter into formal sale and purchase agreements for the sale of land located at Stoney Creek, White Rock Road, South Wairarapa on behalf of Wellington Regional Council, subject to the Chief Executive being satisfied that the terms of the agreement and the agreed consideration represents fair market value for the property.*

The motion was **CARRIED**.

### 4 **Strategic land purchase - Lower Hutt**

Wayne O'Donnell, General Manager, Catchment Management, Graeme Campbell, Manager, Flood Protection, and Jozsef Bognar, Property Consultant, spoke to the report.

#### **Report PE19.59**

File: CCAB-8-2123

*Moved*

*(Cr Lamason/ Cr Brash)*

*That the Council:*

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

3. *Approves the commencement of negotiations with the Manor Park Golf Club for the acquisition and lease-back of its golf course land adjacent to the Hutt River, based on the Full Purchase Option outlined in this report.*
4. *Authorises the Chief Executive to confirm agreements to purchase and lease-back the Manor Park Golf Club land provided the Chief Executive is satisfied the terms and conditions negotiated represent a fair and reasonable outcome for GWRC.*

A division vote was called and taken. Votes in favour of the motion (7) were cast by Crs Brash, Donaldson, Laidlaw, Lamason, McKinnon, Ponter, and Staples. Votes against the motion (5) were cast by Crs Blakeley, Gaylor, Kedgley, Laban, and Swain.

The motion was **CARRIED** by 7 votes to 5 votes.

The public excluded part of the meeting closed at 12:31pm.

Cr C Laidlaw  
(Chair)

Date:



**Report** 19.84  
Date 14 March 2019  
File CCAB-8-2151

**Committee** Council  
**Author** Amy Helm, Corporate Planner  
Helen Guissane, Programme Lead - Corporate Planning and Reporting

## **Approval of the information document for the Annual Plan 2019/20 and supporting information**

### **1. Purpose**

To seek approval of the information document and supporting information for Greater Wellington's Annual Plan 2019/20.

### **2. Background**

The Local Government Act 2002 (the LGA) requires the Council to develop an annual plan for each financial year.

The purpose of an annual plan, as set out in section 95(5) of the LGA is to:

*(a) contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and*

*(b) identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and*

*(c) provide integrated decision making and co-ordination of the resources of the local authority; and*

*(d) contribute to the accountability of the local authority to the community.*

Under section 95(2) and (2A) of the LGA, Council must consult before adopting an annual plan, unless "*the proposed annual plan does not include significant or material differences from the content of the long-term plan for the financial year to which the proposed annual plan relates.*"

### 3. Approach to the Annual Plan 2019/20

Greater Wellington’s Long Term Plan 2018-28 sets out a programme of work for the 10 year period to achieve the long-term community outcomes and to address the identified priorities.

In setting the budget and rates requirement for the 2019/20 year, Greater Wellington must manage the ongoing costs of providing services and the long-term debt-servicing costs associated with major infrastructure assets. There are often tensions between affordability and community expectations.

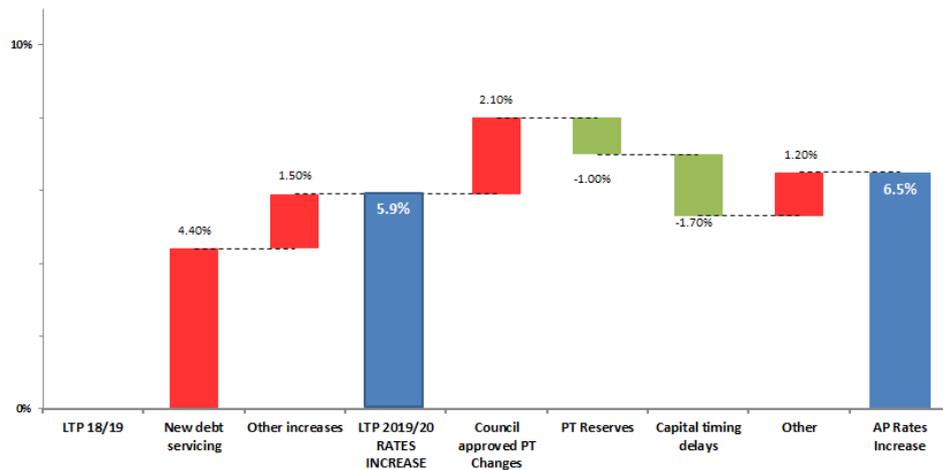
Officers have undertaken a comprehensive review of the work programme and corresponding budgets for 2019/20 against those forecast in Year 2 of the Long Term Plan.

### 4. Proposed rates increase for 2019/20

The Long Term Plan forecast a rates increase in 2019/20 of 5.9%. After updating budgets to reflect the actual costs of delivery and the application of identified savings, the proposed rates increase for 2019/20 is 6.5%.

The key driver behind the rates increase in the Long Term Plan is the commitments we made to deliver key work programmes. In particular, these relate to the costs of debt servicing to cover our investments in rail infrastructure and trains, RiverLink and other flood protection work, the integrated ticketing programme and our ICT programme of work including the planned replacement of our core systems (Project Optimus).

The following graph sets out the key drivers of the Long Term Plan rates movement of 5.9% and the changes included within the annual plan that have resulted in the proposed movement of 6.5%.



The 6.5% rates increase equates to an overall average increase of \$50.65 (GST inclusive) per year for the average residential rateable property, or \$0.97 per week. The following table sets out the rate impact across the region.<sup>1</sup>

Residential Property - including GST	Average Capital Value	Average Increase in 2019/20	Average Increase Weekly	Average Rates 2019/20	Average rates weekly	Increase %
Wellington city	\$800,545	\$84	\$1.61	\$602	\$11.57	16.1%
Hutt city	\$475,934	\$27	\$0.51	\$659	\$12.67	4.2%
Upper Hutt city	\$418,317	\$37	\$0.72	\$560	\$10.77	7.1%
Porirua city	\$496,841	\$17	\$0.32	\$598	\$11.51	2.9%
Kāpiti Coast district excl Ōtaki	\$574,400	\$46	\$0.88	\$517	\$9.94	9.8%
Ōtaki rating area	\$353,455	\$15	\$0.30	\$299	\$5.74	5.4%
Masterton district	\$331,288	\$19	\$0.37	\$203	\$3.90	10.4%
Carterton district	\$358,321	\$19	\$0.37	\$243	\$4.68	8.5%
South Wairarapa district	\$415,279	\$18	\$0.35	\$289	\$5.56	6.7%

Rural Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city	\$1,006,000	\$19	\$0.37	\$453	\$8.71	4.4%
Hutt city	\$649,000	\$28	\$0.54	\$523	\$10.06	5.6%
Upper Hutt city	\$681,000	\$40	\$0.77	\$484	\$9.31	9.0%
Porirua city	\$1,012,000	\$35	\$0.67	\$597	\$11.49	6.2%
Kāpiti Coast district	\$750,000	\$33	\$0.63	\$426	\$8.20	8.3%
Masterton district	\$721,000	\$27	\$0.52	\$325	\$6.26	9.0%
Carterton district	\$854,000	\$31	\$0.61	\$400	\$7.69	8.6%
South Wairarapa district	\$950,000	\$30	\$0.57	\$435	\$8.37	7.3%
Tararua district	\$1,067,000	\$164	\$3.15	\$427	\$8.21	62.1%

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

Business Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city - CBD	\$2,970,000	(\$177)	(\$3.40)	\$8,777	\$168.79	(1.98%)
Wellington city	\$2,445,000	(\$44)	(\$0.84)	\$1,867	\$35.91	(2.29%)
Hutt city	\$1,616,000	\$139	\$2.68	\$2,139	\$41.13	7.0%
Upper Hutt city	\$1,585,000	\$93	\$1.79	\$2,033	\$39.10	4.8%
Porirua city	\$1,381,000	\$74	\$1.42	\$1,610	\$30.96	4.8%
Kāpiti Coast district	\$1,108,000	\$98	\$1.88	\$985	\$18.94	11.0%
Masterton district	\$789,000	\$61	\$1.18	\$501	\$9.63	14.0%
Carterton district	\$430,000	\$32	\$0.61	\$300	\$5.76	11.9%
South Wairarapa district	\$677,000	\$38	\$0.73	\$484	\$9.31	8.5%

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

<sup>1</sup> The variations in rates impact reflects differences in targeted rates and the fact that property values have risen faster in some areas than others.

## **5. Changes from the Long Term Plan 2018-28**

Since adopting the Long Term Plan in June 2018 there have been no significant or material changes to the proposed work programme, however, there have been some changes in circumstances that have resulted in changes to costs. In evaluating the changes, we considered the level of change of each item as well as the cumulative effect of these changes, including any resulting change in the financial statements or revenue and rating mechanisms. Our conclusion is that these do not amount to a significant or material change.

Adjustments are proposed in the Annual Plan 2019/20 to reflect these changes, which include adjustments to the timing of projects, along with savings through efficiencies.

### **5.1 Public transport service changes and fares**

Council has approved changes to enhance the Wellington bus network since the rollout of the new network in July 2018, in response to community feedback. This includes changes to add or alter bus routes and timetables. The introduction of these additional services amounts to approximately \$3.7m with an associated rates impact of \$1.8m.

In the Long Term Plan the budget for 2019/20 included an annual fare increase for public transport at the rate of inflation (1.6%). This is no longer proposed (refer to Report 2019.93) and has been removed from the budget and partially offset by an increase in the assumptions around growth in patronage revenue.

### **5.2 Reserves**

To limit the impact on rates of these public transport changes, an additional \$1.3m from reserves has been applied to this year's annual plan. Given that the Public Transport Reserve as at 1 July 2018 was higher than planned in the Long Term Plan this does not make a material change to the planned balance as at 30 June 2020.

### **5.3 Capital timing delays**

In the current financial year a number of capital projects have had their timing adjusted reflecting both allocation of resources and additional investigative work required before the projects proceed. This has resulted in a reduction in the debt serving (interest and principal repayments) within the Annual Plan 2019/20.

### **5.4 Other costs**

Other cost increases since the Long Term Plan was prepared that have required a change to the Annual Plan budget for 2019/20 are:

- (a) Due to the hardening of the insurance market there has been an increase in insurance premiums of \$760,000 which has an impact on our rates and water levy. There is also an increase to our rail network contract with Kiwirail due to their increased insurance costs, which will have a rates impact of \$419,000.
- (b) An additional \$500,000, with an equivalent rates impact, has been

allocated to the Natural Resources Plan in order to ensure there is appropriate support for the appeal phase of the project following decisions to be made at the end of July.

- (c) The indexation payment assumption on the bus operator contracts (to reflect changes in fuel prices and other underlying costs) has been revised from 0.5% to 1.4%. This will have a total impact on the budget of \$511,000 and a rates impact of \$250,000. This is a contractual requirement.
- (d) Lease costs for both the Wellington and Masterton offices have increased and we have also made a small allowance for fit-out costs of the new Wellington office, which will be available for occupation in 2020.

There has been a robust exercise across the Council to identify savings, which have been included in the Annual Plan 2019/20 and will absorb some of these increases.

## 5.5 Financial assumptions

The financial assumptions in the Long Term Plan have also been reviewed, and where necessary, updated based on current information. Changes have been made to the assumptions relating to public transport as noted below.

	LTP assumption	Annual Plan assumption
Rail patronage	2.5%	4.5%
Bus patronage	1%	2%

The revised patronage assumptions are based on patronage figures for the most recent period and take account of planned changes to the network. They are considered to be realistic and achievable.

## 6. Proposed Water Levy increase for 2019/20

An increase in the Water Levy of 6.1% is proposed for 2019/20, up from 3.5% forecast in the Long Term Plan. This is to cover increased insurance costs. This levy is charged to the four city councils of Wellington, Lower Hutt, Upper Hutt and Porirua.

Insurance premiums continue to rise in response to the Kaikoura and Canterbury Earthquakes. Premiums for Greater Wellington's above ground bulk water assets have risen over and above what was forecast in the Long Term Plan.

In addition, the bulk water underground assets have increased in value and the damage assessments for them have also increased. As a result, should there be a catastrophic event, the contingency funds Greater Wellington has set aside for this purpose and contributions from Government may be insufficient to

cover the damage. Greater Wellington plans to purchase additional insurance from 2019/20 to prevent a shortfall.

## **7. *Staying on track* - Information Document**

Reflecting that there are no material or significant changes from the Long Term Plan, no formal consultation process is required under section 82 of the Local Government Act 2002. Instead it is recommended that we take the approach of informing the regional community of Greater Wellington's plans for 2019/20. For this purpose, an information document, *Staying on track* has been prepared (see [Attachment 1](#)). A designed version of *Staying on track* will be available for discussions with the community.

The information document gives an overview of Greater Wellington's strategic priority areas and planned activities for the year ahead and provides information about rates for the 2019/20 year.

## **8. Supporting Information for *Staying on track***

The information document, *Staying on track*, will be complemented by "*Annual Plan 2019/20 Supporting Information*" for members of the community who would like more detailed information on Greater Wellington's plans (see [Attachment 2](#)). This will form the basis of the Annual Plan 2019/20.

## **9. Communication**

Communications and engagement activities will run from 15 April through to 24 May. These will include an on-line presence, media releases, councillor-led engagement with community and stakeholder groups, social media and community newspaper advertorials. A media statement will be released following this Council meeting.

While we are not requesting formal submissions, we are encouraging the community to provide feedback through our on-line site or via correspondence. Feedback received will be collated and reported back to Council.

## **10. Consideration of climate change**

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide. It is expected that individual activities proposed and funded in the Annual Plan will have an impact on climate change. As these programmes and projects progress, full consideration will be given to the impact on climate change.

## **11. The decision-making process and significance**

The subject matter of this report is part of a decision-making process that will lead to the Council making a decision of low significance within the meaning of the Local Government Act 2002. The decision-making process is explicitly prescribed for by section 95 of the Local Government Act 2002. The prescribed process is that no consultation process is required where the proposed annual plan does not include significant or material differences from

the content of the long-term plan for the financial year to which the proposed annual plan relates.

Having considered the factors set out in the Council's Significant and Engagement Policy, this decision is considered a matter of low significance. While of high importance to the region and of high community interest (particularly rating matters), the proposed Annual Plan 2019/20 is consistent with the Long Term Plan 2018-28.

### **11.1 Engagement**

In accordance with the Significance and Engagement Policy, officers have determined that the appropriate level of engagement is informing. Engagement will be carried out as detailed in the communication Section 8 of this report.

## **12. Recommendations**

*That the Council:*

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Agrees that there are no significant or material variations from the Long Term Plan 2018-28.***
4. ***Agrees to inform the community of Greater Wellington's plans for the Annual Plan 2019/20.***
5. ***Approves preparation of the Annual Plan 2019/20 on the basis of a 6.5% increase to the rates requirement.***
6. ***Approves preparation of the Annual Plan 2019/20 on the basis of a 6.1% increase to the Water Levy.***
7. ***Approves the Annual Plan 2019/20 Supporting Information for the purpose of providing the community with the information on the basis of which the Annual Plan 2019/20 will be prepared.***
8. ***Approves the 'Staying on track' information document for the purpose of informing the community of Greater Wellington's plans for 2019/20.***
9. ***Agrees to the communication and engagement programme set out in section 8 of this report.***
10. ***Authorises the Council Chair and Chief Executive to make minor changes that may arise as part of finalising the Staying on Track and Annual Plan 2019/20 Supporting Information.***

Report approved by:

**Nicola Shorten**  
Manager Strategic and  
Corporate Planning

Report approved by:

**Luke Troy**  
General Manager Strategy

Report approved by:

**Alan Bird**  
Chief Financial Officer

**Attachment 1** – *Staying on track*, information document

**Attachment 2** - Annual Plan 2019/20 Supporting Information

# Staying on track

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**As set out in the Long Term Plan 2018-28 we're continuing to invest in the things that really matter to our extraordinary region**

## Our priorities for 2019/20

Greater Wellington is responsible for a wide range of activities that contribute to the overall wellbeing of the region. Last year, we adopted a 10-year plan for the region – the Long Term Plan 2018-28 – after consulting with communities around the region. Currently, we’re planning for 2019/20, which will see us delivering Year 2 of the Long Term Plan 2018-28.

There are no significant changes planned for 2019/20. We’re committed to delivering our ongoing, long term programmes and these continue to drive much of what we do. This includes focussing on getting the bus network working well and building towards our long term goal of *a world-class integrated public transport network*.

The Long Term Plan 2018-28 outlines our strategic priority areas:

Regional priorities	Long term goal
Fresh water quality & biodiversity	The quality of the fresh water in our rivers, lakes and streams is maintained or improved, and our region contains healthy plant, bird and wildlife habitats
Regional resilience	Our infrastructure is resilient to adverse events and supports our region’s economic and social development
Water supply	The bulk water supply infrastructure consistently delivers high-quality water to the four city councils (Porirua, Hutt City, Upper Hutt and Wellington)
Public transport	The Wellington region has a world-class integrated public transport network
<b>Leadership areas</b>	
Partnering with mana whenua	The Greater Wellington and Māori relationship is one of partnership based on an acknowledgement that mana whenua are kaitiaki of the region
Economic development	Our regional economy is thriving and diverse. It provides business and job opportunities, leading to growth and investment in the region
Climate change	In partnership with local authorities and Crown agencies we plan how we can mitigate and adapt to the effects of climate change

## We want to hear your thoughts

We’d love to hear from you on our plans for 2019/20, which will form our Annual Plan 2019/20. Because there are no significant or material changes to what we are proposing compared to the Long Term Plan 2018-28, we’re not seeking formal submissions, however, we value your feedback on where we’re heading.

Share your thoughts at [haveyoursay.gw.govt.nz/ontrack2019-20](https://haveyoursay.gw.govt.nz/ontrack2019-20) from 15 April to 5pm 24 May 2019.

Councillors will also be coming to speak with you at a wide variety of community and stakeholder events over the coming months and are keen to hear your views.

## What's proposed for my rates?

Core to our Financial Strategy is striking a balance between delivering all the things the community would like us to do, and affordability. To carry out the work programme set in the Long Term Plan 2018-28, rates were forecast to increase by 5.9% in 2019/20. This reflected the continued roll-out of our capital investment plan, particularly continued investment in flood protection works, and rail and bus infrastructure.

We've worked hard to keep the rates close to what we forecast, however, we're facing unavoidable cost increases which are putting pressure on our budget. In particular, fuel prices and insurance costs are increasing more steeply than we anticipated in the Long Term Plan 2018-28.

We've limited the impact on rates by re-examining our spending plans, reducing costs wherever possible, adjusting the timing of projects where we can without compromising on our commitments and using some of our reserve funds.

To continue delivering all the things we said we would, we will need to increase rates by a further 0.6%.

### We are proposing to increase rates 6.5% in 2019/20

This change to your rates will commence from 1 July 2019. For an average residential household this equates to \$50.65 (GST inclusive), or \$0.97 per week. There are some differences to what you will pay across the region which reflects differences in targeted rates and the fact that property values have risen faster in some areas than others – these are shown in the table below:

Residential Property - including GST	Average Capital Value	Average Increase in 2019/20	Average Increase Weekly	Average Rates 2019/20	Average rates weekly	Increase %
Wellington city	\$800,545	\$84	\$1.61	\$602	\$11.57	16.1%
Hutt city	\$475,934	\$27	\$0.51	\$659	\$12.67	4.2%
Upper Hutt city	\$418,317	\$37	\$0.72	\$560	\$10.77	7.1%
Porirua city	\$496,841	\$17	\$0.32	\$598	\$11.51	2.9%
Kāpiti Coast district excl Ōtaki	\$574,400	\$46	\$0.88	\$517	\$9.94	9.8%
Ōtaki rating area	\$353,455	\$15	\$0.30	\$299	\$5.74	5.4%
Masterton district	\$331,288	\$19	\$0.37	\$203	\$3.90	10.4%
Carterton district	\$358,321	\$19	\$0.37	\$243	\$4.68	8.5%
South Wairarapa district	\$415,279	\$18	\$0.35	\$289	\$5.56	6.7%

Rural Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city	\$1,006,000	\$19	\$0.37	\$453	\$8.71	4.4%
Hutt city	\$649,000	\$28	\$0.54	\$523	\$10.06	5.6%
Upper Hutt city	\$681,000	\$40	\$0.77	\$484	\$9.31	9.0%
Porirua city	\$1,012,000	\$35	\$0.67	\$597	\$11.49	6.2%
Kāpiti Coast district	\$750,000	\$33	\$0.63	\$426	\$8.20	8.3%
Masterton district	\$721,000	\$27	\$0.52	\$325	\$6.26	9.0%
Carterton district	\$854,000	\$31	\$0.61	\$400	\$7.69	8.6%
South Wairarapa district	\$950,000	\$30	\$0.57	\$435	\$8.37	7.3%
Taranua district	\$1,067,000	\$164	\$3.15	\$427	\$8.21	62.1%

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

Business Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city - CBD	\$2,970,000	(\$177)	(\$3.40)	\$8,777	\$168.79	(1.98%)
Wellington city	\$2,445,000	(\$44)	(\$0.84)	\$1,867	\$35.91	(2.29%)
Hutt city	\$1,616,000	\$139	\$2.68	\$2,139	\$41.13	7.0%
Upper Hutt city	\$1,585,000	\$93	\$1.79	\$2,033	\$39.10	4.8%
Porirua city	\$1,381,000	\$74	\$1.42	\$1,610	\$30.96	4.8%
Kāpiti Coast district	\$1,108,000	\$98	\$1.88	\$985	\$18.94	11.0%
Masterton district	\$789,000	\$61	\$1.18	\$501	\$9.63	14.0%
Carterton district	\$430,000	\$32	\$0.61	\$300	\$5.76	11.9%
South Wairarapa district	\$677,000	\$38	\$0.73	\$484	\$9.31	8.5%

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

To estimate your own projected regional rates visit [www.gw.govt.nz/ratescalculator](http://www.gw.govt.nz/ratescalculator).

## Take a closer look at some of our planned work for 2019/20

In this document, we've outlined some of the key areas of work planned for 2019/20. This doesn't cover everything we do and if you want further information this can be found in our Supporting Information to the Annual Plan 19/20 document and the Long Term Plan 2018-28 on [haveyoursay.gw.govt.nz/ontrack2019-20](http://haveyoursay.gw.govt.nz/ontrack2019-20).

### PRIORITY AREA - Public transport

#### Consolidating the bus network

The roll-out of the new bus network last year has been challenging and we have not been able to provide the high standard of customer service we aspire to. The focus for the upcoming year is to consolidate and continue working with the bus operators to improve the performance of the region's bus network.

We will conduct a post-implementation review of the bus network rollout and implement the recommendations. We will also continue our asset renewal programme and new bus infrastructure across the network. Our performance will improve and ensure that buses meet expected standards for reliability and punctuality.

An operational review of Porirua bus services will be implemented, as well as an upgrade of the bus facilities at Porirua Station. We will scope and implement a project to improve facilities at Wellington Bus Interchange and complete all Wellington City bus hubs and the Kilbirnie walkway canopy.

In partnership with Wellington City Council, we will work to improve the efficiency and flow of buses in the city through measures such as bus priority lanes, bus pre-emption signals and improved bus stop layouts. This activity will form part of the Let's Get Wellington Moving early delivery programme.

Looking further ahead, it is timely to consider how to achieve our aim to be the first region in the country with a fully electric bus fleet. We will develop a bus fleet strategy to understand the implications and options for progressively increasing our electric bus fleet over the next 3-10 years, and beyond. Our work will need to tie in with latest government policy, as well as our own policies for land transport and Let's Get Wellington Moving.

#### *Changes from the Long Term Plan 2018-28*

*In response to community feedback following the launch of the new Wellington city bus network, Council made adjustments to bus routes and timetables. Council have also made the decision not to increase fares for public transport in 2019/20 as was originally planned.*

#### Rail

We're focusing on projects to modernise and improve resilience, infrastructure, capacity and punctuality on the region's rail network. We will deliver a substantial programme of rail infrastructure improvements, which include:

- Traction system upgrade on the Hutt and Johnsonville lines and at Wellington Station
- Double tracking the line between Upper Hutt and Trentham
- Wairarapa track infrastructure renewals
- Improving the turn back facility at Plimmerton
- Capacity improvements at Wellington Station in conjunction with our partner Kiwirail.

Wellington Station is also set for a makeover, with the installation of a new visual and audio customer information system, which will include digital signage inside the station and at platforms. We will introduce better entrance signage at our outer stations, including electronic train replacement signage.

We will undertake a major programme of work to provide better shelter at outer stations, with renewals planned for Crofton Downs, Featherston, Silverstream, Wallaceville and Trentham. We will also improve the bicycle parking facilities at stations.

## Let's Get Wellington Moving

We're continuing to work with our partners (Wellington City Council and the NZ Transport Agency) to plan for an integrated programme of transport network improvements and city redevelopment opportunities. We have invested \$1m in this project in 2019/20 for planning and investigation and the early delivery programme. This will be debt funded with a rates cost of \$45,000 in 2019/20.

## PRIORITY AREA – Fresh water quality & biodiversity

### Predator Free Wellington

We've partnered with iwi, Wellington City Council and the NEXT Foundation on the Predator Free Wellington project, to make Wellington the first predator free capital city in the world. Initially the plan is to eradicate rats, stoats and possums from the Miramar Peninsula, before rolling the programme out across the rest of Wellington City. From July until October this year, weekly station and trap check-ups will be conducted. From December 2019 to May 2020, Predator Free Wellington will conduct intensive monitoring using sniffer dogs to detect any surviving predators throughout 2020. Together with our partners, we will get every last rat, stoat and possum. Learn more about Predator Free Wellington at [www.pfw.org.nz](http://www.pfw.org.nz).

### Whaitua committees

*Ki uta ki tai, he taonga te wai. From mountains to the sea, water is life.*

Whaitua committees are groups of local people, mana whenua, and representatives from local councils and Greater Wellington who are tasked with finding local solutions to maintain and improve the quality of our rivers, streams and harbours.

Five whaitua (the Māori word for catchment area) have been established over the past six years. Three of the five whaitua are underway:

- Ruamāhanga Whaitua – established in December 2013, Whaitua Implementation Programme completed August 2018
- Te Awarua-o-Porirua Whaitua – established December 2014, Whaitua Implementation Programme will be completed early 2019
- Whaitua Te Whanganui-a-Tara – established November 2018, Whaitua Implementation Programme in progress.

The remaining two whaitua – Kāpiti Coast and Wairarapa Coast – will have committees established in 2020. To stay up-to-date with the whaitua committee process visit [www.gw.govt.nz/whaitua](http://www.gw.govt.nz/whaitua).

### Wellington Region Erosion Control Initiative (WRECI)

We've received a significant boost to our erosion control programme with an additional \$7.6m over four years through the Provincial Growth Fund. This will allow us to expand our hill control erosion programme by about 100,000 additional trees planted in the region in 2019/20.

### Natural Resources Plan (NRP)

At the end of July 2019, we will release decisions on the Natural Resources Plan. Following this, the community will have the opportunity to challenge these decisions.

## PRIORITY AREA – Water supply

Wellington City's water comes from the Hutt Valley and is piped along State Highways 1 and 2, crossing a number of known earthquake fault lines. If a major earthquake damages these pipes, they could take months to repair and leave parts of the City without water for a long time.

In addition to an emergency water supply system for the days immediately after a quake, we're working on a project to make bulk water available for Wellington in the months following a major quake. This is proposed to be provided by an alternative cross-harbour pipeline, linking the Waterloo Treatment Plant in Lower Hutt to the Carmichael Reservoir in Newtown.

In addition to progressing this project, we plan to:

- Undertake upgrades at Wainuiomata Water Treatment Plant, Waiwhetu Wellfield and Waterloo Water Treatment Plant to improve seismic resilience
- Progress work to replace the water supply pipeline on the Silverstream Bridge.

## **PRIORITY AREA – Regional resilience**

### **Flood protection**

RiverLink is a joint project with Hutt City and the NZ Transport Agency to deliver better flood protection, urban revitalisation and improved transport connections for the Hutt city centre. During 2019/20 we will progress resource consents applications for flood protection and associated works.

We will continue the Mangatarere flood hazard assessment, review the Ōtaki Floodplain Management Plan and complete floodplain management plans for Te Kāuru and Waiohine.

### **Port Projects**

We're working with CentrePort and a range of other partners to investigate the best options for a new multi-user ferry terminal. We aim to complete the Programme Business Case and agree with our partners on the next steps. We will also work with CentrePort as they finalise a Regeneration Plan for the port and with Wellington City Council on longer-term opportunities for redevelopment of land in and around the port area.

## **Other priorities**

### **Climate change**

Some of the impacts of climate change are now inevitable and we need adapt, while at the same time working to avoid the very worst impacts by reducing emissions.

Our ongoing climate-proofing work includes:

- Flood protection options and schemes for the region
- Whaitua (catchment) water management programmes
- Co-ordinating a regional approach to planning for natural hazards
- Implementing our climate change strategy.

We're also working to reduce our own greenhouse gas emissions. To accelerate a reduction of our carbon footprint, we're considering a carbon neutral target date. We'll be taking a good look at the options available to us, as well as seeking community feedback, to determine the best way to reduce our greenhouse emissions and future-proof the infrastructure and services we provide on behalf of the Wellington region.

### **Economic development**

We will progress a number of economic development initiatives during the 2019/20 year. This includes the Wellington Regional Investment Plan, which is being jointly prepared by the local authorities in the region alongside Wellington Regional Economic Development Agency (WREDA) and central government. This plan will support growth through investment in a number of core areas including housing and urban development, transport, resilience and the economy. The focus will be on unlocking opportunities and accelerating results through integrating our investment across the region and with central government. We will also progress the development of a Māori Economic Development Strategy with mana whenua.

### **Partnering with mana whenua**

For over a quarter of a century, mana whenua and Greater Wellington have worked together. Our relationships with mana whenua provide a way for us to engage directly on the issues that matter. We work with six mana whenua partners across our work programme, for example, by working through the whaitua committees and Te Upoko Taiao (our Natural Resources Plan Committee) to address environmental outcomes.

## **Annual Plan 2019/20 Supporting Information**

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## Introduction

Greater Wellington's Annual Plan 2019/20 is being developed. The Annual Plan sets out our budget, work programmes and services for the year ahead. Our Annual Plan 2019/20 will update the work programme we set out in Year two of our Long Term Plan 2018-28.

This document contains the supporting information we will be drawing on as we prepare the Annual Plan 2019/20. In preparing this supporting information, we have reviewed the assumptions, work programmes, performance measures, budgets and rating information in the Long Term Plan 2018-28.

We have updated our budgets to include decisions made on the Wellington bus network since the Long Term Plan 2018-28 was adopted, revised some of our assumptions and updated our project costs. More details on this can be found on pages 16-17 under the Metlink Public Transport activity section.

This document is to be read in conjunction with the Long Term Plan 2018-28. Cross references to the Long Term Plan 2018-28 are provided throughout.

## We want to hear your thoughts

We'd love to hear from you on our plans for 2019/20, which will form our Annual Plan 2019/20. Because there are no significant or material changes to what we are proposing compared to the Long Term Plan 2018-28, we're not seeking formal submissions, however, we value your feedback on where we're heading.

Share your thoughts at [haveyoursay.gw.govt.nz/ontrack2019-20](https://haveyoursay.gw.govt.nz/ontrack2019-20) from 15 April to 5pm 24 May 2019.

Your Councillors will also be coming to speak to a wide variety of community and stakeholder groups over the coming months and hear your views.

## Partnering with mana whenua iwi

For over a quarter of a century, mana whenua and Greater Wellington have worked together.

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

GW has six mana whenua iwi partners in our region who have kaitiaki roles and responsibilities over the land, waterways, animals and birds in their respective rohe. We work with them in a number of ways

1. Ara Tahi is a leadership forum of the six mana whenua partners and Greater Wellington, which focuses on strategic matters of mutual concern
2. Council committees and advisory groups – they are involved in Council decision making as:
  - a. council appointed members nominated by Ara Tahi (e.g. Environment, Finance, Risk and Assurance and Sustainable Transport Committees) or
  - b. as appointees nominated directly by mana whenua iwi (eg Wairarapa Committee; Hutt Valley Flood Management Subcommittee; and Te Kāuru Upper Ruamāhanga River Floodplain Management Subcommittee)
3. Te Upoko Taiao – the Natural Resources Plan Committee oversees Greater Wellington’s regulatory responsibilities in relation to resource management, including the review and development of regional plans. It comprises six elected Greater Wellington Regional Councillors and six appointed members from our mana whenua partners.
4. Direct relationships with mana whenua – on individual issues or programmes of work specific to one mana whenua partner, we work direct with the iwi concerned

Greater Wellington’s partnership with mana whenua is guided primarily by the Resource Management Act 1991 and the Local Government Act 2002 although there are more than twenty other statutes that impose specific obligations on Council in relation to Māori.

### **Some of the things we are partnering to deliver in 2019/20 include:**

- Working with Ara Tahi appointed ohu advisory members on key regional projects, including:
  - the Wellington Regional Biodiversity Framework
  - CDEM Co-ordinating Executive Group
  - Māori economy
  - Wellington Regional Climate Change
- Working with Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa on projects that include:
  - improving environmental outcomes for the Wairarapa catchment
  - preparing to transfer the Wairarapa Moana Wetlands Project to the Wairarapa Moana Statutory Board once Ngāti Kahungunu ki Wairarapa complete their negotiations with the Crown to settle their historical Treaty of Waitangi claims.

- Working with Ngāti Toa Rangatira Inc and the Port Nicholson Block Settlement Trust to develop recommendations to improve environmental outcomes for Wellington Harbour and its catchment through the Whaitua Whanganui a Tara which includes representatives of Ngāti Toa Rangatira and Port Nicholson Block
- Working with Ngāti Toa Rangatira Inc to:
  - improve environmental outcomes for Te Awarua o Porirua Harbour and its catchment
  - Co-govern Whitireia Park
- Caring for the Parangarahu Lakes with Port Nicholson Block Settlement Trust
- Working with the Ātiawa ki Whakarongotai Charitable Trust to:
  - Pilot a cultural health monitoring framework
  - Monitor the outcome of flood protection works on the Waikanae River
- Managing the Ōtaki River catchment under the Integrated Catchment Management Agreement with Ngā Hapū o Ōtaki.

### Creating an extraordinary region

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

Council delivers to these outcomes through six activity areas.

Long Term Plan 2018-28: Section one, pg 5



## Responding to climate change

Some of the impacts of climate change are now inevitable and we need to prepare to adapt to those, while at the same time working to avoid the very worst potential impacts by reducing emissions.

Some of our on-going climate proofing work includes:

- Flood protection options and schemes for the region
- Whaitua (catchment) water management programmes
- Co-ordinating a regional approach to planning for natural hazards
- Implementing our climate change strategy

We have been working to identify areas susceptible to coastal hazards that will be exacerbated by climate change. In 2019/20 we will partner with city and district councils to develop an approach to engage with communities on co-developing coastal adaptation plans for coastal hazards and sea level rise.

We will be doing work to climate-proof our own assets. Near the Paekakariki entrance of Queen Elizabeth Park, we will carry out the first stages of a coastal infrastructure retreat plan. Anticipating the effects of coastal erosion, we will be working with the community over time to remove and relocate park roads, car parks, toilets and tracks and to revegetate the foredune to be more resilient to high-impact weather events.

We are also working to reduce our own greenhouse gas emissions. Our carbon footprint (the total greenhouse gases emitted by our corporate activities) has increased over the last few years. We have an active programme to manage our carbon footprint and we expect it to reduce over the coming years as our equipment and facilities come due for upgrading or replacement.

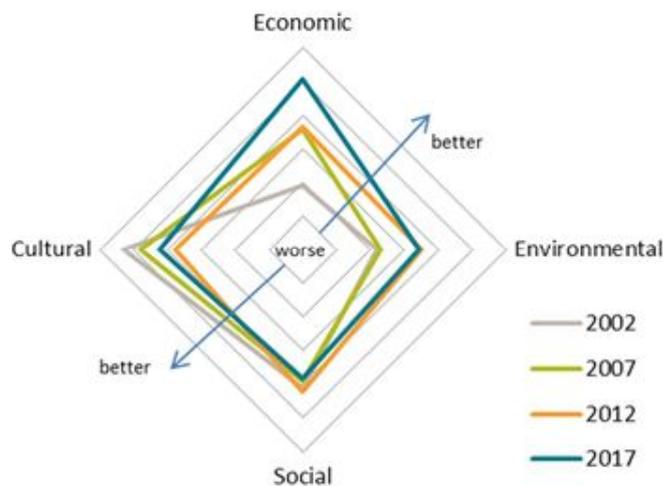
To accelerate a reduction of our carbon footprint, we are considering a carbon neutral target. This would involve setting a target date to become carbon neutral and then working to reduce our emissions as much as possible. Then, from the target date, use carbon credits to offset our annual emissions. It is possible that these could come from native forests plantings on Council land.

We'll be taking a good look at the options available to us, as well as seeking community feedback, on to determine the best way to reduce our greenhouse emissions and future-proof the infrastructure and services we provide on behalf of the Wellington region.

## Wellbeing

Greater Wellington acknowledges and welcomes the moves by central government to increase its focus on wellbeing. Greater Wellington has had a wellbeing focus for a number of years. In 2009 it developed, in conjunction with the Wellington Regional Strategy, the Wellington Region Genuine Progress Index (WR-GPI), a holistic monitoring framework designed to measure change occurring amongst four principal aspects of wellbeing; economic, environmental, social and cultural. It was first published in 2011, but includes annual data going back to 2001 (see <http://www.gpiwellingtonregion.govt.nz/>). The measure's purpose is to assist the strategy's stakeholders to support, promote and facilitate sustainable economic growth in the region.

As the schematic diagram of WR-GPI outcomes indicates, although there is evidence of considerable improvements in economic wellbeing in the region over the last two decades, it is less clear that wellbeing has improved in other dimensions.



The growing national interest in wellbeing measures and frameworks provides opportunities for Greater Wellington to enhance its measures of wellbeing and develop measures that can be readily compared with national measures. We intend to unveil enhanced wellbeing measures for the Wellington region in the second half of 2019.

The wellbeing framework provides an important lens for planning council activities, providing purpose, and for assessing its performance. The council intends to become increasingly transparent about the intended and delivered contribution to wellbeing that its activities and services provided. Therefore, we are currently looking at how we align our budget to The Treasury's Living Standards Framework and will use this as a lens in the future to provide a greater picture of our contribution to this wellbeing framework.

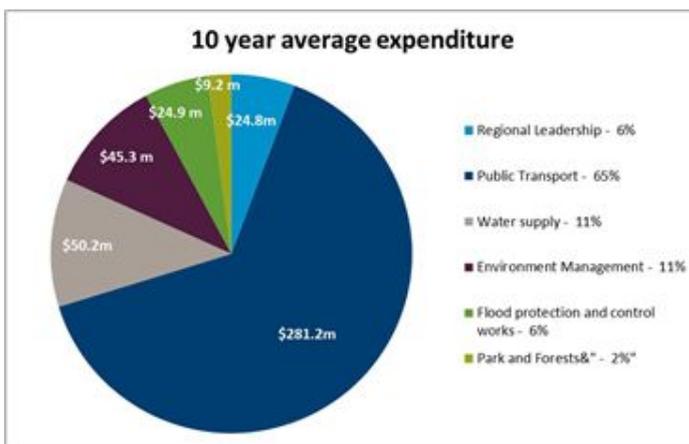
## Activities of Greater Wellington - Ngā Mahi a Te Pane Matua Taiao

Long Term Plan 2018-28: Section two, pg 25

Our Long Term Plan 2018-28 provides a full set of projects, programmes, performance measures and targets for each Group of Activities.

The Annual Plan 2019/20 will highlight our key areas of focus for 2019/20 and provide updated financial information.

Average 10 year Spend by Group of Activities



## Environment – Te Taiao

Long Term Plan 2018-18: Section two, pg 27

Priority Area: Fresh water quality and biodiversity

Greater Wellington is responsible for regulating the use of the region’s natural resources. We do this through regional policies, plans, resource consents and environmental monitoring and reporting. We help landowners keep the land productive by promoting soil conservation and helping them farm sustainably. We also work with city and district councils, community groups and the Department of Conservation to keep pests in our region under control and protect natural habitats. We help keep our harbours safe so all water uses, commercial and recreational, can enjoy our marine environment

The Environment group includes the following activities:

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

### Key projects for the year

Expanding the Wellington Region Erosion Control Initiative (WRECI)	With additional support from the One Billion Trees programme, we will expand WRECI, our Hill Country erosion control programme. Working with landowners, in 2019/20 we will treat up to 750 hectares of erosion-prone land (up from 500 hectares per year), using a mix of willow and poplar plantings, exotic forestry and reversion to native forest.
Progressing the Whaitua programme	We will support and enable our Whaitua committees; groups of local people, iwi and councillors responsible for identifying ways to maintain or improve the quality of streams, rivers and harbours in their area. We will assist Te Whanganui-a-Tara Whaitua as they develop a Whaitua Implementation Programme for Wellington Harbour/Hutt Valley catchment. We will also begin the process of integrating the Te Awarua-o-Porirua and Ruamāhanga Whaitua Implementation Programmes into the proposed Natural Resources Plan.
Caring for our environment	We will undertake a range of activities to protect natural habitats and ensure our water, land and air is not only safe for our everyday enjoyment, but also sustainable for generations to come, including: <ul style="list-style-type: none"> <li>• completing phase 1 of development of a Cultural Health Monitoring framework</li> <li>• starting an air pollution prevention campaign in Masterton</li> <li>• working to eradicate weasels, stoats and rats from Miramar Peninsula as part of Predator Free Wellington</li> <li>• promoting citizen science by supporting community groups to gather their own environmental data</li> <li>• decisions and possible appeals on the proposed Natural Resources Plan.</li> </ul>

## Regional parks and forests – Ngā papa whenua

Long Term Plan 2018-28: Section two, pg 49

Priority Area: Fresh water quality and biodiversity

Greater Wellington manages a network of regional parks and forests for the community’s use and enjoyment. This network includes a range of unique natural areas for recreation and conservation. We provide visitor services and facilities, including a park ranger service. We work with mana whenua to support their expression of kaitiakitanga and to tell their history of our parks and forests. We also work with community groups to protect the environment and enhance recreational opportunities of regional parks.

### Key projects for the year

Parks Network Plan	We will complete the refresh of the Parks Network Plan and start development of a series of more detailed ‘masterplans’ for key parks.
Restoring and enhancing visitor access	To enable connection with our region’s natural environment, we will work with our partners to reconnect cross-park links and create recreational access through currently closed areas. We’ll also construct a covered shelter with BBQs and toilets on the Top Terrace at Kaitoke Regional Park.
Maintaining and upgrading park facilities and assets	We will continue to maintain and upgrade park assets so that they are fit for their purpose of providing safe, durable access to the regional parks for a wide range of people. This work will be carried out with a particular focus on bridges, culverts and other instream structures that impact on water quality and fresh water habitat.
Contributing to improving fresh water quality and biodiversity	We will work with partners to revegetate formerly grazed areas of park land to improve the habitat for native fauna and flora, strengthen ecological connections and reduce sediment inflow to waterways. We will also plan for the first stages of large scale retirement and revegetation of currently grazed land across the parks network.

## Water supply – Ngā puna wai

Long Term Plan 2018-28: Section two, pg 61

Priority Area: Water supply, Regional resilience

Greater Wellington is responsible for collecting, treating and distributing safe and healthy drinking water to Wellington, Hutt, Upper Hutt and Porirua city reservoirs. This work is carried out for Greater Wellington by Wellington Water, a joint council-owned water management company, which also distributes water from reservoirs to households and businesses on behalf of city councils..

### Key projects for the year

<p>Improving resilience of the water supply network</p>	<p>The Wellington Water Supply Resilience Strategy identifies several areas where the ability to provide water following a major earthquake can be improved. Work will be carried out to improve the resilience of the water storage reservoir at the Wainuiomata Water Treatment Plant Improving resilience of the wellfield pipework drawing water from the Waiwhetu artesian aquifer will be completed, and planning for ground improvements to improve seismic resilience at the Waterloo Water Treatment Plant will commence.</p> <p>Work will progress on developing an alternative supply to Wellington. This supply route is proposed to link the Waterloo Treatment Plant in Lower Hutt to Carmichael reservoir in Newtown, via a cross harbour pipeline. The next stage is developing the project concept and carrying out engagement with stakeholders.</p>
<p>Reliability of the water supply network</p>	<p>We will continue to progress work for the replacement of the bulk supply pipeline on the Silverstream bridge. The existing pipeline across the Hutt River is close to the Wellington fault and considered a significant risk to the provision of a reliable water supply following a significant seismic event. This project will progress to design and consenting stages during 2019/20.</p> <p>Projects will also be carried out on sections of the network to add corrosion protection to the bulk supply pipelines to reduce the risk of failure.</p> <p>Planning will commence for the upgrade of the Te Marua Water Treatment Plant.</p>

## Flood protection and control works – Te tiaki me te arahi waipuke

Long Term Plan 2018-28: Section two, pg 75

Priority Area: Regional resilience, Fresh water quality and biodiversity

Greater Wellington is responsible for managing flood risk from the region’s rivers and streams. We identify the likelihood of a river flooding, develop floodplain management plans, and maintain and build flood protection infrastructure. We also provide a free advice and consultation service, work with the community to improve the environment and recreational opportunities, and provide flood warnings.

The flood protection and control group includes activities:

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

### Key projects for the year

Maintaining flood protection assets	We manage and maintain more than \$340 million of flood protection assets along 800km of rivers around the region. This includes making repairs and minor upgrades, repairing flood damage and managing the effects of our flood protection infrastructure on the environment. A specific focus in 2019/20 is getting new resource consents for our routine operations and maintenance activities.
Progressing RiverLink	RiverLink is a project to deliver better flood protection, better lifestyle and improved transport connections in central Lower Hutt. We will progress with seeking resource consents for flood protection works based on preliminary designs.
Carrying out hazard investigations and developing floodplain management plans	We will progress with the Mangatarere flood hazard assessment, review the Otaki Floodplain Management Plan and complete floodplain management plans for Te Kauru and Waiohine.

## Metlink public transport – Ngā Waka Tūmatanui

Long Term Plan 2018-28: Section two, pg 91

Priority Area: Public transport

Our Metlink public transport network plays a crucial role in providing safe and sustainable access to economic and social opportunities for a growing number of people in the region. Following a period of significant change, the focus for the upcoming year will be around consolidation of Metlink public transport operations and ensuring they are reliable and resilient. We will be continuing investment in the underlying systems and infrastructure that form the backbone of the Metlink network.

To meet customer expectations, public transport services must be reliable, accessible, affordable integrated, and frequent especially on core routes. We want to make Metlink even better so it remains the preferred choice of travel for people, particularly in peak travel times where the benefits to the wider network and economy are more pronounced. To achieve this, we'll continue improving our network to encourage more people to travel by bus, train and ferry.

We are committed to taking a more customer-centred approach to the planning, design and implementation of the Metlink Public Transport network. Gaining a clearer view of customer needs will ensure improvements are effective, targeted and prioritised. Identifying improvements for customers who have difficulty in accessing public transport (yet also rely heavily on it) is a key component of this work.

The Metlink Public Transport group includes three activities:

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

### Key projects for the year

<p>Enhancing performance of the bus network</p>	<p>Informed by the Post Implementation review, we will continue to work with operators and other partners to ensure the new bus network delivers on customers' expectations of a modern, high quality, sustainable and reliable public transport system.</p> <p>We will also continue to work with Wellington City Council and the NZ Transport Agency to improve bus priority on the most congested sections of the Wellington city's core bus network as part of the Let's Get Wellington Moving Programme.</p> <p>Looking ahead, it is timely to think about the entire fleet and develop a strategy which sets out how to achieve our aim to be the first region in the country with a fully electric bus fleet. We will look at the implications and options for progressively increasing our electric bus fleet, aligned with the latest government policy, as well as our own strategic policies for land transport and the Let's Get Wellington Moving project.</p>
<p>Improving the rail network</p>	<p>We will work with our partners KiwiRail and Transdev to modernise and improve resilience, infrastructure, capacity and punctuality of the rail network. This work includes continuing the traction system upgrade on the Hutt and Johnsonville lines, and at</p>

	<p>Wellington Station, commencing double tracking the line between Upper Hutt and Trentham, Wairarapa track infrastructure renewals, improving turn back facility at Plimmerton, capacity improvements at Wellington Station and upgrades of station shelters.</p> <p>We will also be working on the funding bid to replace locomotive hauled trains on the services to Wairarapa and Manawatū and for upgrades to the rail network beyond 2030.</p>
<p>Preparing the way for a new integrated fares and ticketing system</p>	<p>We will continue to work with the NZ Transport Agency and other regional public transport authorities, to procure and develop a new innovative national public transport ticketing system. Building on innovative payment technologies, the system will be modern, integrated and easy to use, resulting in a step change in customer experience. The Wellington region is expected to be the first to use the national ticketing system.</p>

#### Changes from the Long Term Plan 2018-28

In response to community feedback following the launch of the new Wellington city bus network on 15 July 2018, Council made adjustments to add or change bus routes and timetables. Delivering the enhanced services result in additional costs of \$3.7 million in 2019/20, with a rates impact of approximately \$1.8 million. In the 2019/20 budget, the rates impact of the public transport enhancements is partially offset by higher than forecast revenue from growth in public transport patronage and the additional application of reserve funds.

## Regional leadership – Ngā kaihautū o te rohe

Long Term Plan 2018-28: Section two, pg 107

Priority Area: Water supply, Public transport, Regional resilience, Fresh water quality and biodiversity

Greater Wellington coordinates regional leadership activities in partnership with other local authorities. We involve mana whenua, key stakeholders, central government and the community in our processes and decision making. We also lead or are involved in regional initiatives in a variety of areas, including economic development, emergency management, regional resilience, transport planning and healthy homes.

The Regional leadership group includes the following activities:

- Wellington Regional Strategy
- Emergency management
- Democratic services
- Relationships with Maori and mana whenua
- Regional transport planning and programmes
- Regional initiatives

### Key projects for the year

Progressing Let's Get Wellington Moving	We will work with our partners, Wellington City Council and the NZ Transport Agency, on the detailed investigation, design and consenting for a new transport system in the area from Ngauranga Gorge to Wellington Airport.
Leading regional emergency management	We will work with city and district councils and other partners to be even better prepared for a major emergency event in the future. This will include developing new Earthquake Response Plans for each district in the region.
Promoting regional economic development	We will work with a range of partners of initiatives to promote economic development including the Wellington Regional Investment Plan, Maori Economic Development Strategy and Action Plan, Workforce Development Plan and delivery of the Wairarapa Action Plan.
Regional Initiatives	We are working with CentrePort and a range of other partners to investigate the best options for a new multi-user ferry terminal. We aim to complete the Programme Business Case and agree with our partners on the next steps. We will also work with CentrePort as they finalise a Regeneration Plan for the port and with Wellington City Council on longer-term opportunities for redevelopment of land in and around the port area.

## Council Controlled Organisations and investments – Tā te Kaunihera Rōpū me ngā Mahi Haumi

Long Term Plan 2018-28: Section 6, pg 219

Greater Wellington's investments portfolio consists of:

- Liquid financial deposits
- Contingency investments for flood protection and water supply
- Material Damage and Business Interruption Fund
- Administrative properties (e.g depots)
- Forestry and business units
- Equity investments in the WRC Holdings Group (including CentrePort Ltd and Greater Wellington Rail)
- Local Government Funding Agency
- Wellington Water and the Wellington Regional Economic Development Agency (WREDA)

This section provides updates to Section 6 of the Long Term Plan 2018-28.

### Civic Financial Services Limited Long Term Plan 2018-28 pg 220

Greater Wellington has minor equity interests in Civic Financial Services Limited. This investment is owned directly by Greater Wellington rather than via the WRC Holdings Group.

### Westpac Stadium Long Term Plan 2018-28 pg 221

The Westpac Stadium is a regional facility, which provides a high-quality, multi-purpose venue for sporting and cultural events.

Greater Wellington provided a \$25 million advance to the Wellington Regional Stadium Trust to plan and build the stadium. Greater Wellington is the Trust's principal funder.

Greater Wellington appoints one Councillor to the Trust and, jointly with Wellington City Council, appoints the other Trustees. Greater Wellington also monitors the Trust's performance against its statement of intent.

### WRC Holdings Ltd Long Term Plan 2018-28 pg 226

#### *Directors*

Prue Lamason (Chair)

Roger Blakeley

Barbara Donaldson

Nick Leggett

Ian McKinnon

### Greater Wellington Rail Ltd (GWRL) Long Term Plan 2018-28 pg 227

#### *Directors*

Prue Lamason (Chair)

Roger Blakeley

Barbara Donaldson

Nick Leggett

Ian McKinnon

[Port Investments Ltd \(PIL\) Long Term Plan 2018-28 pg 232](#)

*Directors*

Prue Lamason (Chair)

Roger Blakeley

Barbara Donaldson

Nick Leggett

Ian McKinnon

[Wellington Regional Economic Development Agency \(WREDA\) Long Term Plan 2018-28  
pg 241](#)

*Directors*

Tracey Bridges (Chair)

Wayne Mulligan

Kylie Archer

Thomas Pippas

Grant Guilford

Dave Gibson

Matt Clarke

Steve Maharey

## Financial information

### Significant forecasting assumptions and risks

Long Term Plan 2018-28: Section 5, pg 201

#### Financial assumptions

The following financial assumptions have been updated for 2019/20

Assumptions		Level of uncertainty	Estimate of potential effects
Insurance	Insurance cover is volatile and moving in an upward path therefore we have assumed an increase above the rate of inflation over our 2019/20 estimate supplied by our Broker Aon.	Medium	If insurance premiums continue to increase we will review in subsequent Annual and Long Term Plans.
Fare revenue	Patronage growth for 2019/20 Bus: 2% Rail: 4.5% The revised patronage assumptions are based on patronage figures for the most recent period and take account of planned changes to the network. Fare increase for 2019/20: 0%	Medium	If patronage growth differs from the revised assumptions we will review in subsequent Annual and Long Term Plans.  The assumed patronage growth partially balances the removal of the fare increase.

## Financial impact statements

### TOTAL COUNCIL FINANCIAL STATEMENTS PROSPECTIVE STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDING 30 JUNE

	2018/19 Budget \$000s	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Operating Revenue</b>			
General rates	47,283	51,860	52,132
Targeted rates	84,828	88,620	87,923
<b>Regional rates</b>	<b>132,111</b>	<b>140,480</b>	<b>140,055</b>
Water supply levy	33,069	35,081	34,230
Government subsidies	81,274	79,348	76,464
Transport improvement grants	24,439	22,272	30,048
Interest and dividends	4,282	5,794	5,006
Other operating revenue	118,899	124,936	123,121
<b>Total operating revenue and gains</b>	<b>394,074</b>	<b>407,911</b>	<b>408,924</b>
<b>OPERATING EXPENDITURE</b>			
Employee benefits	49,989	51,713	49,304
Grants and subsidies	197,896	202,713	196,250
Finance expenses	22,581	24,234	23,712
Depreciation and amortisation	26,434	28,444	30,239
Other operating expenses	84,706	81,848	81,705
<b>Total operating expenditure</b>	<b>381,606</b>	<b>388,952</b>	<b>381,210</b>
<b>Operating surplus/(deficit) before other items and tax</b>	<b>12,468</b>	<b>18,959</b>	<b>27,714</b>
Other fair value changes	8,907	8,800	7,439
<b>Operating surplus / (deficit) after tax</b>	<b>21,375</b>	<b>27,759</b>	<b>35,153</b>
<b>Other comprehensive revenue and expenses</b>			
Increases / (decreases) in revaluations <sup>2</sup>	1,140	-	-
<b>Total comprehensive income</b>	<b>22,515</b>	<b>27,759</b>	<b>35,153</b>

<sup>1</sup> GWRC now fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the NZ Transport Agency.

Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

Where this expenditure is for assets owned by other entities, this expenditure is treated as operational expenditure.

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

	2018/19 Budget \$000s	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Total opening ratepayers' funds</b>	<b>1,144,562</b>	<b>1,148,362</b>	<b>1,167,077</b>
Total comprehensive income	22,515	27,759	35,153
<b>Movement in ratepayers funds for year</b>	<b>22,515</b>	<b>27,759</b>	<b>35,153</b>
<b>Closing ratepayers' funds</b>	<b>1,167,077</b>	<b>1,176,121</b>	<b>1,202,230</b>
<b>Components of ratepayers funds</b>			
<b>Opening accumulated funds</b>	<b>359,782</b>	<b>368,767</b>	<b>385,044</b>
Total comprehensive income	22,515	27,759	35,153
Movements in other reserves	2,747	4,609	2,574
<b>Movement in accumulated funds for year</b>	<b>25,262</b>	<b>32,368</b>	<b>37,727</b>
<b>Closing accumulated funds</b>	<b>385,044</b>	<b>401,135</b>	<b>422,771</b>
<b>Opening other reserves</b>	<b>32,909</b>	<b>32,840</b>	<b>29,022</b>
Movements in other reserves	(3,887)	(4,609)	(2,574)
<b>Movement in other reserves for year</b>	<b>(3,887)</b>	<b>(4,609)</b>	<b>(2,574)</b>
<b>Closing other reserves</b>	<b>29,022</b>	<b>28,231</b>	<b>26,448</b>
<b>Opening asset revaluation reserves</b>	<b>751,871</b>	<b>746,755</b>	<b>753,011</b>
Movements in revaluation reserve <sup>1</sup>	1,140	-	-
<b>Movement in asset revaluation reserve for year</b>	<b>1,140</b>	<b>-</b>	<b>-</b>
<b>Closing asset revaluation reserve</b>	<b>753,011</b>	<b>746,755</b>	<b>753,011</b>
<b>Closing ratepayers' funds</b>	<b>1,167,077</b>	<b>1,176,121</b>	<b>1,202,230</b>

<sup>1</sup> Movements in revaluation reserves are the projected revaluation of property, plant and equipment over the life of the plan

All figures on this page exclude GST

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

[Relevant information will be tabled at the Council meeting]

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDING 30 JUNE**

	2018/19 Budget \$000s	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash is provided from:			
Regional rates	132,111	140,480	140,055
Water supply levy	33,069	35,081	34,230
Government subsidies	105,713	101,620	106,512
Interest and dividends	4,282	5,794	5,006
Fees, charges and other revenue	118,899	124,936	123,121
	<b>394,074</b>	<b>407,911</b>	<b>408,924</b>
Cash is disbursed to:			
Interest	22,528	24,234	23,712
Payment to suppliers and employees	332,591	336,274	330,522
	<b>355,119</b>	<b>360,508</b>	<b>354,234</b>
<b>Net cash flows from operating activities</b>	<b>38,955</b>	<b>47,403</b>	<b>54,690</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Cash is provided from:			
Sale of property, plant and equipment	1,614	419	426
Cash is applied to:			
Purchase of property, plant and equipment	98,021	79,856	84,373
Investment additions	30,748	19,943	20,693
	<b>128,769</b>	<b>99,799</b>	<b>105,066</b>
<b>Net cashflows from investing activities</b>	<b>(127,155)</b>	<b>(99,380)</b>	<b>(104,640)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Cash is provided from:			
Loan funding <sup>1</sup>	85,184	83,942	80,906
Cash is applied to:			
Debt repayment	(6,767)	27,728	30,570
<b>Net cashflows from financing activities</b>	<b>91,951</b>	<b>56,214</b>	<b>50,336</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,751</b>	<b>4,237</b>	<b>386</b>
Opening cash and cash equivalents	15,164	5,323	18,915
<b>Closing cash and cash equivalents</b>	<b>18,915</b>	<b>9,560</b>	<b>19,301</b>

1 GWRC now fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the NZ Transport Agency.

All figures on this page exclude GST

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE DEBT**  
**AS AT 30 JUNE**

	<b>2018/19</b>	<b>2019/20</b>	<b>2019/20</b>
	<b>Budget</b>	<b>Plan</b>	<b>LTP</b>
	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>
Environment	6,186	8,383	8,235
Public transport	279,696	283,378	294,284
Water supply	98,637	106,523	108,930
Parks	10,919	12,251	12,491
Flood Protection and Control Works	107,177	121,475	122,867
Regional leadership	19,674	17,649	20,392
Property and investments	34,591	34,765	34,090
Corporate systems	12,385	21,362	15,737
<b>Total activities debt</b>	<b>569,265</b>	<b>605,786</b>	<b>617,026</b>
Treasury internal funding <sup>1</sup>	(95,548)	(44,024)	(92,973)
<b>Total external debt</b>	<b>473,717</b>	<b>561,762</b>	<b>524,053</b>
External debt (current)	126,800	126,800	126,800
External debt (non-current)	346,917	434,962	397,253
<b>Total external debt</b> <sup>2</sup>	<b>473,717</b>	<b>561,762</b>	<b>524,053</b>

<sup>1</sup> GWRC manages community outcome debt via an internal debt function. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy

<sup>2</sup> Includes Finance Lease Liability from service concession arrangements

All figures on this page exclude GST

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE FUNDING IMPACT STATEMENT**  
**FOR THE YEAR ENDING 30 JUNE**

	2018/19	2019/20	2019/20
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
<b>Greater Wellington operations</b>			
<b>Sources of operating funding</b>			
General rates	47,283	51,863	52,132
Targeted rates	84,828	88,620	87,923
Subsidies and grants for operating purposes	81,274	79,348	76,464
Interest and dividends from investments	4,282	5,794	5,006
Fees, charges, and targeted rates for water supply	100,931	104,478	104,544
Fines, infringement fees, and other receipts <sup>1</sup>	51,037	55,539	52,807
<b>Total operating funding</b>	<b>369,635</b>	<b>385,642</b>	<b>378,876</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	332,591	336,274	327,259
Finance costs	22,528	24,234	23,712
Other operating funding applications	-	-	-
<b>Total applications of operating funding<sup>2</sup></b>	<b>355,119</b>	<b>360,508</b>	<b>350,971</b>
<b>Operating surplus/(deficit)</b>	<b>14,516</b>	<b>25,134</b>	<b>27,905</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	24,439	22,272	30,048
Increase / (decrease) in debt	88,064	51,605	47,763
Gross proceeds from asset sales	1,214	419	426
<b>Total Sources of Capital Funding</b>	<b>113,717</b>	<b>74,296</b>	<b>78,237</b>
<b>Applications of Capital Funding</b>			
Capital expenditure			
- to meet additional demand	4,267	-	1,533
- to improve the level of service	36,151	52,243	61,525
- to replace existing assets	57,604	27,614	21,315
Increase / (decrease) in investments	34,098	24,182	24,343
Increase / (decrease) in reserves	(3,887)	(4,609)	(2,574)
<b>Total Applications of Capital Funding</b>	<b>128,233</b>	<b>99,430</b>	<b>106,142</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(14,516)</b>	<b>(25,134)</b>	<b>(27,905)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation on council assets</b>	<b>26,434</b>	<b>28,444</b>	<b>30,239</b>
<b>Water Supply Levy<sup>1</sup></b>	<b>33,069</b>	<b>35,081</b>	<b>34,230</b>

<sup>1</sup>This includes the Water supply levy charged to Wellington, Hutt, Upper Hutt and Porirua city councils  
 This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

All figures on this page exclude GST

## Financial reserves

Council Created Reserves	Purpose of the Fund	Opening Balance	Deposits	Expenditure	Closing Balance
		Jul-19 \$000s	\$000s	\$000s	Jun-20 \$000s
<b>Area of benefit reserves</b>					
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	13,104	330	(3,812)	9,622
Transport planning reserve	Any funding surplus or deficit relating to the provision of public transport planning services is used only on subsequent public transport planning expenditure	1,275	110	(500)	885
WREMO reserve	Contributions by other Local Authorities to run the WREMO	47	0		47
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is used only on subsequent Wellington Regional Strategy expenditure	1,187	0		1,187
Catchment scheme reserves	Any funding surplus or deficit relating to the provision of flood protection and catchment management schemes is used only on subsequent flood protection and catchment	5,733	517	(261)	5,989
<b>Contingency reserves</b>					
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	117	0		117
Flood contingency reserves	To help manage the costs for the repair of storm damage throughout the region.	5,724	524	0	6,248
Rural fire reserve	To help manage the costs of rural fire equipment.	74	2		78
<b>Special Reserves</b>					
Election reserve	To manage the variation in costs associated with the election cycle	257	55	(320)	(8)
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	1,938	538	(965)	1,510
Other reserve balances	Rebudgets and other funds	3,384	137	(964)	2,555
<b>Total Reserves</b>		<b>32,840</b>	<b>2,213</b>	<b>(6,822)</b>	<b>28,231</b>

## Prospective funding impact statements

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

	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Sources of operating funding</b>		
General rate	9,781	10,235
Targeted rate	7,915	8,577
Subsidies and grants for operating purposes	1,340	1,369
Fees, charges, and targeted rates for water supply	18	18
Interest and dividends	35	30
Other operating revenue	2,815	2,787
Fines, infringement fees, and other receipts <sup>1</sup>	2,850	2,817
<b>Total operating funding</b>	<b>21,904</b>	<b>23,016</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	22,934	22,587
Finance costs	884	1,040
Internal charges and overheads applied	370	655
<b>Total applications of operating funding</b>	<b>24,188</b>	<b>24,282</b>
<b>Surplus/(deficit) of operating funding</b>	<b>(2,284)</b>	<b>(1,266)</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	260	266
Increase / (decrease) in debt	1,385	717
Gross proceeds from asset sales	76	77
<b>Total sources of capital funding</b>	<b>1,721</b>	<b>1,060</b>
<b>Applications of capital funding</b>		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	772	787
Increase / (decrease) in investments	(600)	(553)
Increase / (decrease) in reserves	(735)	(440)
<b>Total applications of capital funding</b>	<b>(563)</b>	<b>(206)</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on Regional Leadership assets</b>	<b>379</b>	<b>410</b>

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

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

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

All figures on this page exclude GST

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

	<b>2019/20 Plan \$000s</b>	<b>2019/20 LTP \$000s</b>
<b>Operating funding</b>		
Wellington Regional Strategy	4,695	5,012
Emergency Management	4,152	4,123
Democratic Services	2,510	2,484
Relationships with Maori	1,492	1,469
Regional transport planning and programmes	4,502	4,576
Regional initiatives <sup>1</sup>	4,553	5,352
<b>Total operating funding</b>	<b>21,904</b>	<b>23,016</b>
<b>Applications of operating funding</b>		
Wellington Regional Strategy	5,206	5,222
Emergency Management	4,012	3,981
Democratic Services	2,728	2,698
Relationships with Maori	1,481	1,462
Regional transport planning and programmes	5,995	5,576
Regional initiatives <sup>1</sup>	4,766	5,343
<b>Total applications of operating funding</b>	<b>24,188</b>	<b>24,282</b>
<b>Capital expenditure</b>		
Capital project expenditure	510	521
Land and buildings	-	-
Plant and equipment	14	14
Vehicles	248	252
<b>Total capital expenditure</b>	<b>772</b>	<b>787</b>

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

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

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

All figures on this page exclude GST

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

	2019/20 Plan	2019/20 LTP
	\$000s	\$000s
<b>Sources of operating funding</b>		
General rate	-	-
Targeted rate	71,525	70,193
Subsidies and grants for operating purposes	78,008	75,095
Fees, charges, and targeted rates for water supply	97,229	97,447
Fines, infringement fees, and other receipts <sup>1</sup>	8,130	6,194
<b>Total operating funding</b>	<b>254,892</b>	<b>248,929</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	221,663	214,601
Finance costs	13,918	14,323
Internal charges and overheads applied	10,579	9,949
<b>Total applications of operating funding</b>	<b>246,160</b>	<b>238,873</b>
<b>Net surplus/(deficit) of operating funding</b>	<b>8,732</b>	<b>10,056</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	22,012	29,782
Increase / (decrease) in debt <sup>2</sup>	8,677	14,587
Gross proceeds from asset sales	-	-
<b>Total sources of capital funding</b>	<b>30,689</b>	<b>44,369</b>
<b>Applications of Capital Funding</b>		
<b>Capital expenditure</b>		
- to meet additional demand	-	-
- to improve the level of service	18,971	32,885
- to replace existing assets	4,120	3,100
Increase / (decrease) in investments <sup>3</sup>	19,943	20,660
Increase / (decrease) in reserves	(3,613)	(2,220)
<b>Total applications of capital funding</b>	<b>39,421</b>	<b>54,425</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on Public Transport assets</b>	<b>5,243</b>	<b>6,064</b>

<sup>1</sup> This includes revenue from Greater Wellington Rail Limited for services provided to manage the rail assets

<sup>2</sup> GWRC fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the NZ Transport Agency.

Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

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

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

All figures on this page exclude GST

PUBLIC TRANSPORT

PROSPECTIVE FUNDING INFORMATION

[Relevant information will be tabled at the Council meeting]

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

	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Sources of operating funding</b>		
General rate	-	-
Targeted rate	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts <sup>1</sup>	36,276	35,572
<b>Total operating funding</b>	<b>36,276</b>	<b>35,572</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	21,392	20,293
Finance costs	5,032	5,194
Internal charges and overheads applied	2,220	2,088
<b>Total applications of operating funding</b>	<b>28,644</b>	<b>27,575</b>
<b>Surplus/(deficit) of operating funding</b>	<b>7,632</b>	<b>7,997</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	11,949	10,294
Gross proceeds from asset sales	-	-
<b>Total sources of capital funding</b>	<b>11,949</b>	<b>10,294</b>
<b>Applications of capital funding</b>		
Capital expenditure		
- to meet additional demand	-	1,533
- to improve the level of service	11,950	7,900
- to replace existing assets	4,284	5,299
Increase / (decrease) in investments	3,347	3,559
Increase / (decrease) in reserves	-	-
<b>Total applications of capital funding</b>	<b>19,581</b>	<b>18,291</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<sup>1</sup> This includes the Water supply levy charged to Wellington, Upper Hutt, Hutt and Porirua city councils		
<b>Water supply levy</b>	35,081	34,230
<b>Depreciation on Water Supply assets</b>	15,673	15,951

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

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

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

	<b>2019/20 Plan \$000s</b>	<b>2019/20 LTP \$000s</b>
<b>Operating funding</b>		
Water Supply	36,276	35,572
<b>Total operating funding</b>	<b>36,276</b>	<b>35,572</b>
<b>Applications of operating funding</b>		
Water Supply	28,644	27,575
<b>Total applications of operating funding</b>	<b>28,644</b>	<b>27,575</b>
<b>Capital expenditure</b>		
Water sources	20	20
Water treatment plants	792	1,492
Pipelines	3,332	4,865
Pump stations	41	245
Reservoirs	-	-
Monitoring and control	184	184
Seismic protection	-	-
Other	11,809	7,869
<b>Capital project expenditure</b>	<b>16,178</b>	<b>14,675</b>
Land and buildings	-	-
Plant and equipment	56	57
Vehicles	-	-
<b>Total capital expenditure</b>	<b>16,234</b>	<b>14,732</b>

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

Financing Policy.

All figures on this page exclude GST

**ENVIRONMENT  
PROSPECTIVE FUNDING IMPACT STATEMENT  
FOR THE YEAR ENDING 30 JUNE**

	<b>2019/20 Plan \$000s</b>	<b>2019/20 LTP \$000s</b>
<b>Sources of operating funding</b>		
General rate	31,629	30,761
Targeted rate	650	676
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	6,788	6,634
Fines, infringement fees, and other receipts <sup>1</sup>	4,079	4,009
<b>Total operating funding</b>	<b>43,146</b>	<b>42,080</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	34,148	33,402
Finance costs	361	366
Internal charges and overheads applied	8,036	7,485
<b>Total applications of operating funding</b>	<b>42,545</b>	<b>41,253</b>
<b>Surplus/(deficit) of operating funding</b>	<b>601</b>	<b>827</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	2,535	2,050
Gross proceeds from asset sales	115	117
<b>Total sources of capital funding</b>	<b>2,650</b>	<b>2,167</b>
<b>Applications of capital funding</b>		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	3,373	2,922
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	(122)	72
<b>Total applications of capital funding</b>	<b>3,251</b>	<b>2,994</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on Environment assets</b>	<b>695</b>	<b>1,165</b>

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

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

**ENVIRONMENT**

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

	<b>2019/20 Plan \$000s</b>	<b>2019/20 LTP \$000s</b>
<b>Operating funding</b>		
Resource management	23,389	22,310
Land management	5,974	5,959
Biodiversity management	4,814	4,843
Pest management	6,614	6,655
Harbour management	2,355	2,313
<b>Total operating funding</b>	<b>43,146</b>	<b>42,080</b>
<b>Applications of operating funding</b>		
Resource management	22,952	21,864
Land management	5,952	5,790
Biodiversity management	4,761	4,790
Pest management	6,598	6,568
Harbour management	2,282	2,241
<b>Total applications of operating funding</b>	<b>42,545</b>	<b>41,253</b>
<b>Capital expenditure</b>		
Environment projects	2,957	2,457
<b>Capital project expenditure</b>	<b>2,957</b>	<b>2,457</b>
Land and buildings	-	-
Plant and equipment	5	47
Vehicles	411	418
<b>Total capital expenditure</b>	<b>3,373</b>	<b>2,922</b>

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

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

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

	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Sources of operating funding</b>		
General rate	12,013	12,031
Targeted rate	8,530	8,476
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts <sup>1</sup>	4,773	4,954
<b>Total operating funding</b>	<b>25,316</b>	<b>25,461</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	10,282	10,249
Finance costs	5,674	5,760
Internal charges and overheads applied	3,650	3,432
<b>Total applications of operating funding</b>	<b>19,606</b>	<b>19,441</b>
<b>Surplus/(deficit) of operating funding</b>	<b>5,710</b>	<b>6,020</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	16,345	15,688
Gross proceeds from asset sales	75	78
<b>Total sources of capital funding</b>	<b>16,420</b>	<b>15,766</b>
<b>Applications of capital funding</b>		
<b>Capital expenditure</b>		
- to meet additional demand	-	-
- to improve the level of service	21,322	20,740
- to replace existing assets	262	266
Increase / (decrease) in investments	356	386
Increase / (decrease) in reserves	190	394
<b>Total applications of capital funding</b>	<b>22,130</b>	<b>21,786</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on assets</b>	<b>1,519</b>	<b>1,526</b>

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

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

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

All figures on this page exclude GST

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

	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Operating funding</b>		
Understanding flood risk	2,588	2,746
Maintaining flood protection and control works	9,789	9,402
Improving flood security	12,939	13,313
<b>Total operating funding</b>	<b>25,316</b>	<b>25,461</b>
<b>Applications of operating funding</b>		
Understanding flood risk	2,103	2,226
Maintaining flood protection and control works	8,410	7,845
Improving flood security	9,093	9,370
<b>Total applications of operating funding</b>	<b>19,606</b>	<b>19,441</b>
<b>Capital expenditure</b>		
Hutt river improvements	14,657	14,662
Otaki and Waikanae river improvements	2,193	2,195
Wairarapa rivers improvements	3,006	2,507
Other flood protection	1,466	1,376
<b>Capital project expenditure</b>	<b>21,322</b>	<b>20,740</b>
Land and buildings	-	-
Plant and equipment	12	12
Vehicles	250	254
<b>Total capital expenditure</b>	<b>21,584</b>	<b>21,006</b>

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

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

All figures on this page exclude GST

**PARKS****PROSPECTIVE FUNDING IMPACT STATEMENT  
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Sources of operating funding</b>		
General rate	6,675	6,515
Targeted rates	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	256	254
Fines, infringement fees, and other receipts <sup>1</sup>	695	708
<b>Total operating funding</b>	<b>7,626</b>	<b>7,477</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	3,834	3,824
Finance costs	569	580
Internal charges and overheads applied	2,182	2,035
<b>Total applications of operating funding</b>	<b>6,585</b>	<b>6,439</b>
<b>Surplus/(deficit) of operating funding</b>	<b>1,041</b>	<b>1,038</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	1,558	1,572
Gross proceeds from asset sales	90	92
<b>Total sources of capital funding</b>	<b>1,648</b>	<b>1,664</b>
<b>Applications of capital funding</b>		
<b>Capital expenditure</b>		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	2,683	2,691
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	6	11
<b>Total applications of capital funding</b>	<b>2,689</b>	<b>2,702</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on Parks assets</b>	<b>2,200</b>	<b>2,251</b>

<sup>1</sup> This includes rental income and park activity fees

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

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

All figures on this page exclude GST

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

	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Operating funding</b>		
Regional Parks	7,626	7,477
<b>Total operating funding</b>	<b>7,626</b>	<b>7,477</b>
<b>Applications of operating funding</b>		
Regional Parks	6,585	6,439
<b>Total Applications of Operating Funding</b>	<b>6,585</b>	<b>6,439</b>
<b>Capital expenditure</b>		
Battle Hill Farm Forest Park	110	110
Belmont Regional Park	1,020	1,023
Queen Elizabeth Park	346	346
Whitireia Park	-	-
Pakuratahi Forest	164	164
Akatarawa Forest	284	284
Wainuiomata Recreation Area	33	33
Kaitoke Regional Park	358	358
East Harbour Regional Park	12	13
Parks Other	54	54
<b>Capital project expenditure</b>	<b>2,381</b>	<b>2,385</b>
Land and buildings	-	-
Plant and equipment	-	-
Vehicles	302	306
<b>Total capital expenditure</b>	<b>2,683</b>	<b>2,691</b>

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

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

**INVESTMENTS****PROSPECTIVE FUNDING IMPACT STATEMENT  
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>Sources of operating funding</b>		
General rate <sup>1</sup>	(8,677)	(7,411)
Targeted rate	-	-
Subsidies and grants for operating purposes	-	-
Fines, infringement fees, and other receipts <sup>2,3</sup>	33,237	31,232
<b>Total operating funding</b>	<b>24,560</b>	<b>23,821</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	(231)	1,170
Finance costs	23,841	21,495
Internal charges and overheads applied	(74)	363
<b>Total applications of operating funding</b>	<b>23,536</b>	<b>23,028</b>
<b>Surplus/(deficit) of operating funding</b>	<b>1,024</b>	<b>793</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	6,093	2,072
Gross proceeds from asset sales	-	-
<b>Total sources of capital funding</b>	<b>6,093</b>	<b>2,072</b>
<b>Applications of capital funding</b>		
<b>Capital expenditure</b>		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	-	-
Increase / (decrease) in investments	1,135	290
Increase / (decrease) in reserves	5,983	2,575
<b>Total applications of capital funding</b>	<b>7,118</b>	<b>2,865</b>
<b>Surplus/(deficit) of funding</b>	<b>(1)</b>	<b>-</b>
<b>Depreciation on Investment assets</b>	<b>280</b>	<b>204</b>

<sup>1</sup> Net Investment surpluses are used to reduce the general rate. It is applied to general rate as all ratepayers benefit the same proportionally from a

<sup>2</sup> Other receipts include revenue from pest control.

<sup>3</sup> Greater Wellington manages community outcome debt via an internal debt function. Other receipts includes internal interest income which is the total interest charged to the operational activities. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy.

Internal interest revenue	26,903	25,780
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This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to investments, please refer to the "Revenue and Financing Policy" in the All figures on this page exclude GST

**INVESTMENTS  
PROSPECTIVE INCOME INFORMATION  
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
<b>NET CONTRIBUTION TO GENERAL RATES FROM INDIVIDUAL INVESTMENTS</b>		
Liquid financial deposits	905	1,161
WRC Holdings	3,789	3,957
Treasury management	3,800	3,823
Other Investments and Property	183	(1,530)
<b>Total contribution to general rates</b>	<b>8,677</b>	<b>7,411</b>

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For more information on the revenue and financing mechanisms applicable to investments, please refer to the "Revenue and Financing Policy" in the this 10-Year Plan 2018-28

All figures on this page exclude GST

## Summary of rates and levies

Rates for Greater Wellington are mostly allocated to ratepayers on the basis of their capital values. Within the region, different territorial authorities undertake general revaluations at different times. To equalise the values, each year Council gets Quotable Value or another registered valuer to estimate the projected valuations of all the rateable land in the districts within the region. This means that rates are assessed on a consistent valuation basis, regardless of the timing of individual territorial authority revaluations.

The summary information in this section should be read in conjunction with the Funding Impact Statement and the Revenue and Financing policy.

All figures on this page exclude GST.

This table shows the rates and levies for GWRC in 2019/20, with the changes from last year 2018/19. Rates comprise the general rate and various targeted rates. GWRC also charges a water supply levy directly to the four city councils in the region, and they set their own rates to cover the cost of this levy.

The total rate increase in regional rates for 2019/20 is 6.5%. The water supply levy, which is charged to the four metropolitan city councils is proposed to increase by 6.1% compared to 2017/18. When the water supply levy is included, Greater Wellington Regional Council's overall increase is 6.4%

Summary of rates and levies				
	2018/19	2019/20	Change	Change
	Plan	Plan	Change	Change
	\$000s	\$000s	\$000s	%
General rate	47,283	51,860	4,577	
<b>Targeted rates</b>				
Region wide targeted rates <sup>1</sup>				
River management rate	6,459	7,041	582	
Public transport rate	68,110	71,525	3,415	
Stadium purposes rate	0	-	-	
Wellington regional strategy rate	4,908	4,706	(202)	
Specific area targeted rates:				
Pest management rate	532	577	45	
South Wairarapa district – river rates	95	97	2	
Wairarapa scheme and stopbank rates	1,487	1,465	(22)	
<b>Total targeted rates<sup>2</sup></b>	<b>81,591</b>	<b>85,411</b>	<b>3,820</b>	
<b>Total regional rates</b>	<b>128,874</b>	<b>137,272</b>	<b>8,397</b>	<b>6.5%</b>
<b>Water supply levy</b>	<b>33,069</b>	<b>35,081</b>	<b>2,012</b>	<b>6.1%</b>
<b>Total regional rates and levies</b>	<b>161,943</b>	<b>172,353</b>	<b>10,410</b>	<b>6.4%</b>
Warm Greater Wellington rates <sup>3</sup>	3,237	3,209		
<b>Total rates and levies</b>	<b>165,180</b>	<b>175,562</b>		

<sup>1</sup> Region-wide rates are charged to all ratepayers in the region. They exclude targeted rates for pest management, Wairarapa river and drainage schemes, and "Warm Greater Wellington", because those rates only apply to highly specific ratepayers in those work programmes.

<sup>2</sup> This total excludes "Warm Greater Wellington" targeted rates because they only apply to ratepayers who participate in the scheme.

<sup>3</sup> The Warm Greater Wellington scheme assists regional ratepayers to insulate their homes. Only ratepayers who participate in the scheme are charged this rate.

## Impact on each City and District

Rates increases vary among cities and districts because of differing equalised capital values. Targeted rates are applied according to the Revenue and Financing policy. The next page shows the different rates paid in each city and district.

All figures on this page exclude GST.

Impact on each city and district				
	2018/19 Plan	2019/20 Plan	Change	Change
Region-wide rates <sup>1</sup>	\$000s	\$000s	\$000s	%
Wellington city	66,367	70,797	4,430	
Hutt city	25,014	26,243	1,229	
Upper Hutt city	8,680	9,384	703	
Porirua city	10,301	10,702	400	
Kāpiti Coast district	10,320	11,330	1,010	
Masterton district	2,650	2,955	304	
Carterton district	1,270	1,384	113	
South Wairarapa district	2,154	2,334	180	
Tararua district	3	4	2	
<b>Total region-wide rates</b>	<b>126,760</b>	<b>135,132</b>	<b>8,372</b>	
<b>Specific area targeted rates</b>				
Pest management rate	532	577	45	
South Wairarapa district – river rates	95	97	2	
Wairarapa scheme and stopbank rates	1,487	1,465	(22)	
<b>Total regional rates</b>	<b>128,874</b>	<b>137,272</b>	<b>8,397</b>	<b>6.5%</b>
<b>Water supply levy</b>				
Wellington City Council	17,697	18,254	557	
Hutt City Council	8,206	9,270	1,063	
Upper Hutt City Council	3,318	3,428	111	
Porirua City Council	3,848	4,130	281	
<b>Water supply levy</b>	<b>33,069</b>	<b>35,081</b>	<b>2,012</b>	<b>6.1%</b>
<b>Total regional rates and levies<sup>2</sup></b>	<b>161,943</b>	<b>172,353</b>	<b>10,410</b>	<b>6.4%</b>
Warm Wellington rate <sup>3</sup>	3,237	3,209		
<b>Total rates and levies</b>	<b>165,180</b>	<b>175,562</b>		

1 Region-wide rates are charged to all ratepayers in the region. They exclude targeted rates for pest management, Wairarapa river and drainage schemes, and "Warm Greater Wellington", because those rates only apply to highly specific ratepayers in those work programmes.

2 This total excludes "Warm Greater Wellington" targeted rates because they only apply to ratepayers who participate in the scheme.

3 The Warm Greater Wellington scheme assists regional ratepayers to insulate their homes. Only ratepayers who participate in the scheme are charged this rate.

### Residential region-wide rates

Average value of residential property in each city or district

	2018/19	2019/20
Wellington city	\$554,460	\$800,545
Hutt city	\$474,859	\$475,934
Upper Hutt city	\$415,367	\$418,317
Porirua city	\$495,585	\$496,841
Kāpiti Coast district excl Ōtaki	\$571,429	\$574,400
Ōtaki rating area	\$350,606	\$353,455
Masterton district	\$329,153	\$331,288
Carterton district	\$352,807	\$358,321
South Wairarapa district	\$408,450	\$415,279

2019/20 residential region-wide rates, for an average value residential property

	General rate		River management rate		Public transport rate		Wellington regional strategy rate		Total region-wide rates	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Wellington city	\$282.66	\$321.09	\$0.52	\$0.81	\$218.80	\$263.70	\$16.10	\$16.10	\$518.08	\$601.70
Hutt city	\$205.63	\$222.19	\$111.16	\$118.88	\$299.55	\$301.82	\$16.10	\$16.10	\$632.43	\$658.98
Upper Hutt city	\$178.84	\$200.16	\$38.92	\$46.85	\$288.90	\$296.87	\$16.10	\$16.10	\$522.76	\$559.99
Porirua city	\$211.80	\$230.03	\$1.86	\$2.66	\$351.85	\$349.48	\$16.10	\$16.10	\$581.62	\$598.27
Kāpiti Coast district excl Ōtaki	\$218.22	\$236.47	\$59.41	\$63.13	\$177.35	\$201.39	\$16.10	\$16.10	\$471.09	\$517.09
Ōtaki rating area	\$133.89	\$145.51	\$36.45	\$38.85	\$96.78	\$98.19	\$16.10	\$16.10	\$283.23	\$298.65
Masterton district	\$127.46	\$137.91	\$0.00	\$0.00	\$39.99	\$48.68	\$16.10	\$16.10	\$183.55	\$202.69
Carterton district	\$137.13	\$149.71	\$3.58	\$3.68	\$67.40	\$73.78	\$16.10	\$16.10	\$224.21	\$243.27
South Wairarapa district	\$157.18	\$171.15	\$0.00	\$0.00	\$97.54	\$101.73	\$16.10	\$16.10	\$270.82	\$288.98

2019/20 residential region-wide rates per \$100k of valued residential property

	General rate		River management rate		Public transport rate		Total region-wide rates excl Wellington regional strategy rate	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Wellington city	\$50.98	\$40.11	\$0.09	\$0.10	\$39.46	\$32.94	\$90.54	\$73.15
Hutt city	\$43.30	\$46.68	\$23.41	\$24.98	\$63.08	\$63.42	\$129.79	\$135.08
Upper Hutt city	\$43.06	\$47.85	\$9.37	\$11.20	\$69.55	\$70.97	\$121.98	\$130.02
Porirua city	\$42.74	\$46.30	\$0.38	\$0.54	\$71.00	\$70.34	\$114.11	\$117.17
Kāpiti Coast district excl Ōtaki	\$38.19	\$41.17	\$10.40	\$10.99	\$31.04	\$35.06	\$79.62	\$87.22
Ōtaki rating area	\$38.19	\$41.17	\$10.40	\$10.99	\$27.60	\$27.78	\$76.19	\$79.94
Masterton district	\$38.72	\$41.63	\$0.00	\$0.00	\$12.15	\$14.69	\$50.87	\$56.32
Carterton district	\$38.87	\$41.78	\$1.02	\$1.03	\$19.10	\$20.59	\$58.99	\$63.40
South Wairarapa district	\$38.48	\$41.21	\$0.00	\$0.00	\$23.88	\$24.50	\$62.36	\$65.71

Region-wide rates are charged to all ratepayers in the region. They exclude targeted rates for pest management, Wairarapa river and drainage schemes, and "Warm Greater Wellington", because those rates only apply to highly specific ratepayers in those work programmes.

### Average rates for each area and category

These tables show the region-wide rates that are charged to all ratepayers in the region. They exclude targeted rates for pest management, Wairarapa river and drainage schemes, and "Warm Greater Wellington", because those rates only apply to highly specific ratepayers in those work programmes.

Residential, including GST	Average capital value	Increase in 2019/20	Increase per week	Rates 2019/20	Rates per week
Wellington city	\$800,545	\$84	\$1.61	\$602	\$11.57
Hutt city	\$475,934	\$27	\$0.51	\$659	\$12.67
Upper Hutt city	\$418,317	\$37	\$0.72	\$560	\$10.77
Porirua city	\$496,841	\$17	\$0.32	\$598	\$11.51
Kāpiti Coast district excl Ōtaki	\$574,400	\$46	\$0.88	\$517	\$9.94
Ōtaki rating area	\$353,455	\$15	\$0.30	\$299	\$5.74
Masterton district	\$331,288	\$19	\$0.37	\$203	\$3.90
Carterton district	\$358,321	\$19	\$0.37	\$243	\$4.68
South Wairarapa district	\$415,279	\$18	\$0.35	\$289	\$5.56

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

Rural, excluding GST	Average capital value	Increase in 2019/20	Increase per week	Rates 2019/20	Rates per week
Wellington city	\$1,006,000	\$19	\$0.37	\$453	\$8.71
Hutt city	\$649,000	\$28	\$0.54	\$523	\$10.06
Upper Hutt city	\$681,000	\$40	\$0.77	\$484	\$9.31
Porirua city	\$1,012,000	\$35	\$0.67	\$597	\$11.49
Kāpiti Coast district	\$750,000	\$33	\$0.63	\$426	\$8.20
Masterton district	\$721,000	\$27	\$0.52	\$325	\$6.26
Carterton district	\$854,000	\$31	\$0.61	\$400	\$7.69
South Wairarapa district	\$950,000	\$30	\$0.57	\$435	\$8.37
Tararua district	\$1,067,000	\$164	\$3.15	\$427	\$8.21

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

Business, excluding GST	Average capital value	Increase in 2019/20	Increase per week	Rates 2019/20	Rates per week
Wellington city	\$2,445,000	(\$44)	(\$0.84)	\$1,867	\$35.91
Wellington city - CBD	\$2,970,000	(\$177)	(\$3.40)	\$8,777	\$168.79
Hutt city	\$1,616,000	\$139	\$2.68	\$2,139	\$41.13
Upper Hutt city	\$1,585,000	\$93	\$1.79	\$2,033	\$39.10
Porirua city	\$1,381,000	\$74	\$1.42	\$1,610	\$30.96
Kāpiti Coast district	\$1,108,000	\$98	\$1.88	\$985	\$18.94
Masterton district	\$789,000	\$61	\$1.18	\$501	\$9.63
Carterton district	\$430,000	\$32	\$0.61	\$300	\$5.76
South Wairarapa district	\$677,000	\$38	\$0.73	\$484	\$9.31

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

### Rates calculator – Residential region – wide <sup>1</sup> rates

To calculate region-wide rates for all property types, use the calculator on our website <http://www.gw.govt.nz/regional-rates-calculator/>

Note: These calculations do not include GWRC targeted rates that are specific to individual properties, and they do not include rates set by city or district councils. Greater Wellington rates are set and assessed by Greater Wellington but are invoiced and collected by the relevant city and district Council within the region. This combined collection arrangement is cost effective and more convenient for ratepayers.

	2019/20 region-wide rates per \$100,000 of capital value		Enter the capital value of your property		Wellington regional strategy rate		Indicative rates on your property for 2019/20 <sup>1</sup>
Wellington city	\$63.61	x		÷ 100,000	+	\$14.00	=
Hutt city	\$117.46	x		÷ 100,000	+	\$14.00	=
Upper Hutt city	\$113.06	x		÷ 100,000	+	\$14.00	=
Porirua city	\$101.89	x		÷ 100,000	+	\$14.00	=
Kāpiti Coast district excl Ōtaki	\$75.84	x		÷ 100,000	+	\$14.00	=
Ōtaki rating area	\$69.51	x		÷ 100,000	+	\$14.00	=
Masterton district	\$48.98	x		÷ 100,000	+	\$14.00	=
Carterton district	\$55.13	x		÷ 100,000	+	\$14.00	=
South Wairarapa district	\$57.14	x		÷ 100,000	+	\$14.00	=
Hutt city example	\$117.46	x	\$350,000	÷ 100,000	+	\$14.00	= \$425.11
						includes GST @ 15%	= \$488.88

<sup>1</sup> Region-wide rates are charged to all ratepayers in the region. They exclude targeted rates for pest management, Wairarapa river and drainage schemes, and "Warm Greater Wellington", because those rates only apply to highly specific ratepayers in those work programmes.

## Rating Mechanism

This section sets out how Greater Wellington will set its rates for 2019/20. It explains the basis on which each ratepayer's rating liability will be assessed.

Funding mechanism	Groups of activities funded	Valuation system	Matters for differentiation/categories of land	Calculation factor
General rate	Regional Leadership, Environment, Flood Protection, Parks	Capital value	All rateable land	Cents per dollar of rateable capital value
<b>Targeted rates</b>				
For more detail about each activity within these Groups of Activities, refer to the Activity section of this plan.				
Wellington regional strategy	Regional leadership	Capital value for business	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value.
		n/a for residential	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit
		n/a for rural	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit
Warm Greater Wellington	Regional leadership	N/A	Provision of service to the land	Extent of service provided calculated as a percentage of the service <a href="#">provided</a>
Public transport	Public transport	Capital value	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
Pest management	Environment	N/A	The use to which the land is put and the area of land within each rating unit	Dollars per hectare
River management	Flood Protection	Capital value/land value	Where the land is situated.	Cents per dollar of rateable capital value / land value.
Wairarapa river management schemes	Flood Protection	N/A	Where the land is situated (in some cases set under section 146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and/or the benefits accruing through the provision of services and in some cases use	Dollars per hectare in the area protected, or dollars per point attributed to each rating unit and in some cases a fixed charge per separately used or inhabited part (dwelling) <sup>1</sup>
Wairarapa catchment schemes	Flood Protection	N/A	Where the land is situated (in some cases set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and in some cases use and land value.	Dollars per hectare or cents per metre of river frontage in the area protected and in some cases a fixed charge per separately used or inhabited part (dwelling) and cents per dollar of rateable land value <sup>44</sup>
Wairarapa drainage schemes	Flood Protection	N/A	Where the land is situated (Set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers).	Dollars per hectare in the area protected

<sup>1</sup> "Separately used or inhabited part (dwelling)" includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use. To avoid doubt, a rating unit that has only one use (i.e., it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

### **Differential on the general rate**

There are no differentials on Greater Wellington's general rate.

### **Estimate of projected valuation**

Greater Wellington uses an estimate of projected valuation under section 131 of the Local Government (Rating) Act 2002 to recognise that valuation dates vary across the region.

### **Uniform annual general charge**

Greater Wellington Regional does not set a Uniform Annual General Charge.

### **Lump sum contributions**

The Council will not invite lump sum contributions in respect of any targeted rates. Council has the discretion to accept lump sum contributions for Warm Wellington rates.

### Rates categories

Each rating unit is allocated to a differential rating category based upon location and/or land use for the purpose of calculating general rates or targeted rates based upon capital or land value. As Greater Wellington rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities. Set out below are the definitions used to allocate rating units into rating categories.

#### Category 1 – Rates based on capital or land value

Location	Use	Description
Wellington city	Regional CBD	All rating units classified as commercial, industrial and business properties within the downtown area boundary, currently shown on the Downtown Levy Area map of Wellington city, as may be amended from time to time by Wellington city See map on page 186 for Wellington city downtown city centre business area.
	Wellington city business	All rating units classified as commercial, industrial and business properties in the rating information database for Wellington city outside the Downtown Levy Area map boundary
	Wellington city residential	All rating units classified as base (excluding rural and farm) in the rating information database for Wellington city
	Wellington city rural	All rating units sub-classified as rural or farm within the base category in the rating information database for Wellington city
Hutt city	Lower Hutt city business	All rating units not classified as residential, rural or community facilities in the rating information database for Lower Hutt city
	Lower Hutt city residential	All rating units classified as residential or community facilities in the rating information database for Lower Hutt city
	Lower Hutt city rural	All rating units classified as rural in the rating information database for Lower Hutt city
Porirua city	Porirua city business	All rating units classified as business in the rating information database for Porirua city
	Porirua city residential	All rating units classified as residential in the rating information database for Porirua city
	Porirua city rural	All rating units classified as rural in the rating information database for Porirua city
Upper Hutt city	Upper Hutt city business	All rating units classified as business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city residential	All rating units not classified as rural, business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city rural	All rating units classified as rural in the rating information database for Upper Hutt city
Kāpiti Coast district	Kāpiti Coast district business	All rating units used for a commercial, business, industrial purpose or utility network activity in the Kāpiti Coast district rating information database
	Kāpiti Coast district residential	All rating units located in the urban rating areas except those properties which meet the classification of rural, commercial, business, industrial purpose or utility network activity and all community activities in the Kāpiti Coast district rating information database
	Kāpiti Coast district rural	All rating units classified in the rural rating areas for the Kāpiti Coast district

Location	Use	Description
Masterton district	Masterton district business	All rating units classified as non-residential urban in the Masterton district rating information database
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database
	Masterton district rural	All rating units classified as rural in the rating information database for the Masterton district
Carterton district	Carterton district business	All rating units classified as urban commercial, urban industrial or urban smallholding – greater than one hectare in the Carterton district rating information database
	Carterton district residential	All rating units classified as urban residential in the Carterton district rating information database
	Carterton district rural	All rating units classified as rural in the rating information database for the Carterton district
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database
	South Wairarapa district rural	All rating units classified as rural in the rating information database for the South Wairarapa district
	Greytown ward	All rating units classified in the rating area of the Greytown ward in the rating information database for the South Wairarapa district
	Greytown urban	All rating units classified in the urban area of Greytown in the rating information database for the South Wairarapa district. (Prefaced Nos 18400 and 18420)
	Featherston urban	All rating units classified in the urban area of Featherston in the rating information database for the South Wairarapa district. (Prefaced Nos 18440 and 18450)
Tararua district		All rating units within the Tararua district area are classified as being within the boundaries of the Wellington region

#### *Category 2 – Public Transport rate*

Public transport is funded from a targeted rate, based on property value, with differentials based on where the land is situated and the use to which the land is put. The table below shows the rates differentials to be applied in 2019/20 under the first year of the transition provisions in the Revenue and Financing policy.

Location	Use	Description	Differential on the value for 2018/19
Wellington city	Regional CBD	As in Category 1 above	6.83
	Wellington city business	As in Category 1 above	0.91
	Wellington city residential	As in Category 1 above	0.77
	Wellington city rural	As in Category 1 above	0.20
Lower Hutt city	Lower Hutt city business	As in Category 1 above	1.41
	Lower Hutt city residential	As in Category 1 above	1.28
	Lower Hutt city rural	As in Category 1 above	0.32
Porirua city	Porirua city business	As in Category 1 above	1.53

Location	Use	Description	Differential on the value for 2018/19
	Porirua city residential	As in Category 1 above	1.40
	Porirua city rural	As in Category 1 above	0.35
Upper Hutt city	Upper Hutt city business	As in Category 1 above	1.57
	Upper Hutt city residential	As in Category 1 above	1.43
	Upper Hutt city rural	As in Category 1 above	0.36
Kāpiti Coast district	Kāpiti Coast district business	All rating units used for a commercial, business, industrial purpose or utility network activity in the Kāpiti Coast district rating information database	0.94
	Kāpiti Coast district residential excl Ōtaki	All rating units located in the urban rating areas except those properties which meet the classification of rural, commercial, business, industrial purpose or utility network activity and all community activities, and all residential rating unit in the Ōtaki rating area in the Kāpiti Coast district rating information database	0.80
	Ōtaki rating area residential	All residential rating unit in the Ōtaki rating area in the Kāpiti Coast district rating information database	0.64
	Kāpiti Coast district rural	All rating units located in rural rating areas except those properties that meet the classification of commercial, business, industrial purpose, utility network or community activity in the Kāpiti Coast district rating information database	0.20
Masterton district	Masterton district business	All rating units classified as non-residential urban in the Masterton district rating information database	0.50
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database	0.33
	Masterton district rural	As in Category 1 above	0.13
Carterton district	Carterton district business	All rating units classified as urban commercial, urban industrial or urban smallholding – greater than one hectare in the Carterton district rating information database	0.63
	Carterton district residential	All rating units classified as urban residential in the Carterton district rating information database	0.46

Location	Use	Description	Differential on the value for 2018/19
		database	
	Carterton district rural	As in Category 1 above	0.16
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database	0.73
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database	0.56
	South Wairarapa district rural	As in Category 1 above	0.19

*Category 3 – Targeted Rates based on land area, provision of service, land use or location.*

Some targeted rates (either in whole or part) are allocated to differential rating categories (based on the area of land, provision of service, the use to which the land is put, or the location of the land) for the purpose of calculating pest management rates, catchment scheme rates, drainage scheme rates and river management scheme rates.

Some schemes have an additional fixed charge per separate use or inhabited part.

Rating units subject to river management scheme rates are shown within an approved classification register for each scheme. For more information on whether your rating unit is allocated to one or more of these categories, please contact Greater Wellington's Masterton office.

All rural rating units of four or more hectares are subject to the Pest management rate.

Location	Use	Description
Wellington city	Wellington city rural	All rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for Wellington city
Hutt city	Hutt city rural	All rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for Lower Hutt city
Porirua city	Porirua city rural	All rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for Porirua city
Upper Hutt city	Upper Hutt city rural	All rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for Upper Hutt city
Kāpiti Coast district	Kāpiti Coast district rural	All rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for the Kāpiti Coast district
Masterton district	Masterton district rural	All rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for the Masterton district

Location	Use	Description
Carterton district	Carterton district rural	All rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for the Carterton district
South Wairarapa district	South Wairarapa district rural	All rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for the South Wairarapa district
Tararua district	Tararua district rural	All rating units within the Tararua district area that are classified as being within the boundaries of the Wellington region, that are four hectares or more sub-classified as rural or farm within the base category in the rating information database of the Tararua district.

#### *Category 4 – Flood Protection – property rate for the Lower Wairarapa Valley Development Scheme*

The Lower Wairarapa Valley Development Scheme is a targeted rate allocated according to extent of services received (as measured in a points system) and in some cases an additional fixed charge per separately used or inhabited part.

Rating units subject to this rate are shown within an approved classification register for each scheme. For more information on whether your rating unit is located in this area and for the points allocated to your property, please contact Greater Wellington's Masterton office.

#### *Category 5 – Warm Greater Wellington rate*

The Warm Greater Wellington rate is a targeted rate set on properties that have benefited from the installation of insulation provided by Greater Wellington in respect of the property. The rate is calculated as a percentage of the service amount until the service amount and the costs of servicing the service amount are recovered.

In the final year of payment, the rate may be the actual balance rather than a percentage of the service amount.

#### *Category 6 – Wellington Regional Strategy rate*

The Wellington Regional Strategy rate is a targeted rate allocated on a fixed-amount basis for residential and rural ratepayers, and capital value for businesses. For residential properties the fixed amount per rating unit is \$14 plus GST and rural properties \$28 plus GST. This rate funds the Wellington Regional Strategy activities including funding for WREDA, the region's economic development agency.

Location	Use	Description
Wellington city	Wellington city downtown city centre business	As per differential category 1
	Wellington city business	As per differential category 1
	Wellington city residential	As per differential category 1
	Wellington city rural	As per differential category 1
Lower Hutt city	Lower Hutt city business	As per differential category 1
	Lower Hutt city residential	As per differential category 1
	Lower Hutt city rural	As per differential category 1
Porirua city	Porirua city business	As per differential category 1
	Porirua city residential	As per differential category 1
	Porirua city rural	As per differential category 1
Upper Hutt city	Upper Hutt city business	As per differential category 1
	Upper Hutt city residential	As per differential category 1
	Upper Hutt city rural	As per differential category 1
Kāpiti Coast district	Kāpiti Coast district business	As per differential category 1
	Kāpiti Coast district residential	As per differential category 1
	Kāpiti Coast district rural	As per differential category 1
Masterton district	Masterton district business	As per differential category 1
	Masterton district residential	As per differential category 1
	Masterton district rural	As per differential category 1
Carterton district	Carterton district business	As per differential category 1
	Carterton district residential	As per differential category 1
	Carterton district rural	As per differential category 1
South Wairarapa district	South Wairarapa district business	As per differential category 1
	South Wairarapa district residential	As per differential category 1
	South Wairarapa district rural	As per differential category 1
Tararua district		As per differential category 1

## Rates Funding Impact Statements

General rate	2019/20 Cents per \$ of rateable capital value	2019/20 Revenue required \$
Wellington city	0.03488	25,409,866
Hutt city	0.04060	8,738,330
Upper Hutt city	0.04170	3,444,124
Porirua city	0.04026	4,173,846
Kāpiti Coast district	0.03580	5,331,793
Masterton district	0.03620	2,143,131
Carterton district	0.03633	982,791
South Wairarapa district	0.03584	1,632,339
Tararua district	0.03737	3,989
<b>Total general rate</b>		<b>51,860,208</b>

Targeted rate River management rate based on capital value	2019/20 Cents per \$ of rateable capital value	2019/20 Revenue required \$
Wellington city	0.00009	63,804
Hutt city	0.02172	4,675,267
Upper Hutt city	0.00976	806,234
Porirua city	0.00047	48,239
Kāpiti Coast district	0.00956	1,423,425
Masterton District	0.00000	0
Carterton district	0.00089	24,179
South Wairarapa District	0.00000	0
<b>Total district-wide river management rate</b>		<b>7,041,148</b>
Greytown ward	0.01225	94,400
<b>Total river management rates based upon capital value</b>		<b>7,135,548</b>

Targeted rate River management	2019/20 Cents per \$ of rateable land value	2019/20 Revenue required \$
Featherston urban: Donalds Creek Stopbank	0.00163	2,667
<b>Total river management rates based upon land value</b>		<b>2,667</b>
<b>Total river management rates</b>		<b>7,138,215</b>

All figures on this page exclude GST.

Attachment 2 to Report 19.84

Rates funding impact statement		
Targeted rate Public transport rate	2019/20 Cents per \$ of rateable capital value	2019/20 Revenue required \$
<b>Wellington city</b>		
Regional CBD	0.25271	25,071,881
Business	0.03358	1,557,519
Residential	0.02864	16,470,136
Rural	0.00727	57,811
<b>Hutt city</b>		
Business	0.06089	2,321,630
Residential	0.05514	9,592,741
Rural	0.01398	44,264
<b>Upper Hutt city</b>		
Business	0.06632	799,238
Residential	0.06178	3,846,959
Rural	0.01564	134,894
<b>Porirua city</b>		
Business	0.06686	736,637
Residential	0.06117	5,285,985
Rural	0.01552	96,749
<b>Kāpiti Coast district</b>		
Business	0.03555	524,921
Residential excl Otaki	0.03049	3,143,579
Residential Otaki rating area	0.02416	270,923
Rural	0.00778	154,376
<b>Masterton district</b>		
Business	0.01918	83,082
Residential	0.01278	342,265
Rural	0.00503	141,330
<b>Carterton district</b>		
Business	0.02433	23,630
Residential	0.01790	153,781
Rural	0.00629	110,001
<b>South Wairarapa district</b>		
Business	0.02764	58,396
Residential	0.02130	292,527
Rural	0.00706	209,655
<b>Total public transport rate</b>		<b>71,524,908</b>
<b>Targeted rate Warm Greater Wellington Based on extent of service</b>	<b>2019/20 Percentage of service provided</b>	<b>2019/20 Revenue required \$</b>
For any ratepayer that utilises the service	15.000%	3,209,151

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Rates funding impact statement			
Targeted rate		2019/20	2019/20
Wellington regional strategy rate	\$ per rating unit	Cents per \$ of rateable capital value	Revenue required \$
<b>Wellington city</b>			
Regional CBD		0.00782	775,888
Business		0.00782	362,757
Residential – per rating unit	\$14.00		1,005,564
Rural – per rating unit	\$28.00		22,120
<b>Hutt city</b>			
Business		0.00910	347,086
Residential – per rating unit	\$14.00		509,964
Rural – per rating unit	\$28.00		13,664
<b>Upper Hutt city</b>			
Business		0.00933	110,307
Residential – per rating unit	\$14.00		208,222
Rural – per rating unit	\$28.00		33,572
<b>Porirua city</b>			
Business		0.00903	99,458
Residential – per rating unit	\$14.00		243,516
Rural – per rating unit	\$28.00		17,248
<b>Kāpiti Coast district</b>			
Business		0.00803	118,517
Residential – per rating unit	\$14.00		292,838
Rural – per rating unit	\$28.00		69,776
<b>Masterton district</b>			
Business		0.00812	35,162
Residential – per rating unit	\$14.00		112,938
Rural – per rating unit	\$28.00		96,600
<b>Carterton district</b>			
Business		0.00815	7,912
Residential – per rating unit	\$14.00		32,578
Rural – per rating unit	\$28.00		48,860
<b>South Wairarapa district</b>			
Business		0.00804	16,979
Residential – per rating unit	\$14.00		44,870
Rural – per rating unit	\$28.00		79,156
<b>Tararua district – per rating unit</b>	<b>\$28.00</b>		<b>252</b>
<b>Total Wellington regional strategy rate</b>			<b>4,705,805</b>

All figures on this page exclude GST.

Council 21 March 2019, Order Paper - Annual Plan 2019/20 - proposed Annual Plan and Engagement

Targeted rate			
River management schemes 1		2019/20 \$ per hectare	2019/20 Revenue required \$
Waingawa	A	149.74607	5,080
	B	97.33495	12,672
	C	74.87304	8,549
	D	67.38573	157
	E	59.89843	10,051
	F	52.41112	1,360
	G	22.46191	1,051
	H	14.97461	2,528
			<b>41,448</b>
Upper Ruamahanga	A	135.43124	12,056
	B	112.85937	744
	C	90.28749	11,265
	D	67.71562	1,193
	E	45.14375	13,393
	F	22.57187	890
	S	1,271.71035	3,306
			<b>42,847</b>
Middle Ruamahanga	A	133.58145	5,389
	B	111.31787	6,076
	C	89.05430	455
	D	66.79072	7,561
	E	44.52715	1,343
	F	22.26357	6,582
	S	1,347.14362	2,829
			<b>30,235</b>
Lower Ruamahanga	A	64.27079	8,064
	B	55.08925	2,966
	C	45.90771	10,282
	D	36.72617	11,698
	E	27.54463	8,911
	F	18.36308	22,482
	SA	1,611.57080	4,190
	SB	805.78551	1,370
			<b>69,963</b>

Rates funding impact statement				
River management schemes 1		2019/20 \$ per hectare	2019/20 Revenue required \$	
Waiohine Rural	A	46.75400	5,259	
	B	38.94400	14,916	
	C	31.16300	39,828	
	D	23.40400	8,695	
	E	15.61400	12,468	
	S	778.39400	13,233	
				<b>94,400</b>
Mangatarere	A	35.30636	758	
	B	33.77130	7,077	
	C	28.61789	451	
	D	25.32847	1,820	
				<b>10,105</b>
Waipoua	A	113.70796	9,949	
	B	90.96637	27,320	
	C	68.22478	1,532	
	D	45.48319	13,519	
	SA	3,843.32915	384	
	SC	2,296.90086	230	
				<b>52,934</b>

All figures on this page exclude GST.

Council 21 March 2019, Order Paper - Annual Plan 2019/20 - proposed Annual Plan and Engagement

Targeted rate		2019/20	2019/20
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Waingawa	A	149.74607	5,080
	B	97.33495	12,672
	C	74.87304	8,549
	D	67.38573	157
	E	59.89843	10,051
	F	52.41112	1,360
	G	22.46191	1,051
	H	14.97461	2,528
			<b>41,448</b>
Upper Ruamahanga	A	135.43124	12,056
	B	112.85937	744
	C	90.28749	11,265
	D	67.71562	1,193
	E	45.14375	13,393
	F	22.57187	890
	S	1,271.71035	3,306
			<b>42,847</b>
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	B	111.31787	6,076
	C	89.05430	455
	D	66.79072	7,561
	E	44.52715	1,343
	F	22.26357	6,582
	S	1,347.14362	2,829
			<b>30,235</b>
Lower Ruamahanga	A	64.27079	8,064
	B	55.08925	2,966
	C	45.90771	10,282
	D	36.72617	11,698
	E	27.54463	8,911
	F	18.36308	22,482
	SA	1,611.57080	4,190
	SB	805.78551	1,370

All figures on this page exclude GST.

Attachment 2 to Report 19.84

Targeted rate		2019/20	2019/20
River management schemes 1		\$ per hectare	Revenue required \$
Waiohine Rural	A	46.75400	5,259
	B	38.94400	14,916
	C	31.16300	39,828
	D	23.40400	8,695
	E	15.61400	12,468
	S	778.39400	13,233
			<b>94,400</b>
Mangatarere	A	35.30636	758
	B	33.77130	7,077
	C	28.61789	451
	D	25.32847	1,820
			<b>10,105</b>
Waipoua	A	113.70796	9,949
	B	90.96637	27,320
	C	68.22478	1,532
	D	45.48319	13,519
	SA	3,843.32915	384
	SC	2,296.90086	230
			<b>52,934</b>

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Targeted rate		2019/20	2019/20
River management schemes 1		\$ per hectare	Revenue required \$
Kopuaranga	A2	122.71450	3,197
	A3	110.54410	7,617
	A4	61.45830	694
	A5	42.95090	2,479
	A6	24.54390	1,991
	B2	24.54390	1,504
	B3	22.08960	1,622
	B4	12.27250	114
	B5	8.59100	267
	B6	4.90940	590
	SA	153.57000	768
	SB	76.79000	1,075
			<b>21,919</b>
Lower Taueru	A	4.13994	1,687
	B	0.82799	234
	C	0.41399	74
	S	206.99719	314
		<b>2,308</b>	
Lower Whangaehu	A	22.05553	736
	B	17.64442	1,148
	C	13.23332	720
	D	8.82221	676
	E	4.41111	769
	S	110.27765	147
		<b>4,196</b>	
<b>Total river management scheme rates 1</b>			<b>370,355</b>

Targeted rate		2019/20	2019/20	2019/20
River management schemes 2		\$ per dwelling	\$ per point	Revenue required \$
Lower Wairarapa valley Development Scheme	A		0.23887	690,055
	Sa	19.17852		7,997
	Sb	38.37169		86,797
<b>Total river management scheme rates 2</b>				<b>784,849</b>
<b>Total river management scheme rates</b>				<b>1,155,203</b>

<sup>1</sup> "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

All figures on this page exclude GST.

Targeted rate			
Catchment schemes 1			
		2019/20	2019/20
		\$ per hectare	Revenue required
			\$
Whareama	A	4.45921	3,190
	B	1.71893	1,637
	C	0.30085	13,711
	D	0.25781	0
	E	0.21488	3
	F	0.17184	474
			<b>19,016</b>
Homewood	A	1.97000	4,521
	B	1.71061	945
	C	1.55980	5,713
	D	0.22300	388
			<b>11,566</b>
Maungaraki	A	0.99000	3,272
	B	0.49000	1,456
			<b>4,728</b>
Upper Kaiwhata	A	9.80000	320
	B	4.20000	221
	C	0.62000	594
	D	0.39000	801
	E	0.27000	443
	F	0.14500	66
			<b>2,444</b>
Lower Kaiwhata	A	16.19000	744
	B	7.10000	315
	C	1.01901	1,181
	D	0.63858	1,890
	E	0.00000	0
	F	0.21183	74
			<b>4,203</b>
<b>Catchment management scheme 1 rates</b>			<b>41,958</b>

All figures on this page exclude GST.

Rates funding impact statement				
Targeted rate				
Catchment schemes 2				
		2019/20	2019/20	
		Cents per \$ of	Revenue required	\$
		rateable land		
		value		
Awhea-Opouawe	Land value	0.01553		10,523
Mataikona-Whakataki	Land value within scheme area	0.00523		3,885
<b>Catchment management scheme 2 rates</b>				<b>14,408</b>
Targeted rate				
Catchment schemes 3				
		2019/20	2019/20	
		\$ per	Revenue required	\$
		dwelling		
Awhea-Opouawe	Charge per dwelling	\$114.54 / \$57.27		11,821
Maungaraki	Charge per dwelling	\$22.18		421
Mataikona-Whakataki	Charge per dwelling	\$15.30		2,668
<b>Catchment management scheme 3 rates</b>				<b>14,910</b>
Targeted rate				
Catchment schemes 4				
		2019/20	2019/20	
		Cents per metre	Revenue required	\$
		of river frontage		
Maungaraki	River frontage	0.03540		1,686
<b>Catchment management scheme 4 rates</b>				<b>1,686</b>
<b>Total catchment management scheme rates</b>				<b>72,962</b>

<sup>1</sup> "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

Targeted rate		2019/20	2019/20
Pump drainage schemes		\$ per hectare	Revenue required
			\$
Te Hopai	A	37.14400	46,304
Moonmoot pump	A	89.11500	20,294
Onoke pump	A	59.94600	42,767
Pouawha pump	A	90.42700	85,499
<b>Total pump drainage scheme rates</b>			<b>194,864</b>
Targeted rate		2019/20	2019/20
Pest management		\$ per hectare	Revenue required
			\$
Rural land area			
Land area of 4 or more hectares in all rural classified areas		0.95798	577,200
<b>Total pest management rate</b>			<b>577,200</b>

All figures on this page exclude GST.

Rates funding impact statement			
Targeted rate		2019/20	2019/20
Gravity drainage schemes		\$ per hectare	Revenue required
			\$
Okawa	A	7.14724	2,016
Taumata	A	6.43814	1,871
East Pukio	A	28.29511	3,213
Longbush	A	16.06959	3,506
Longbush	B	8.03485	1,010
Otahoua	A	33.00455	3,060
Te Whiti	A	9.73253	1,375
Ahikouka	A	27.70973	3,109
Battersea	A	15.33805	2,588
Battersea	B	12.67432	2,476
Battersea	C	9.91899	3,154
Battersea	D	5.99678	916
Battersea	E	5.12856	1,041
Battersea	F	5.17038	364
Maniaia	A	23.20786	4,048
Whakawiririri	A	11.70593	8,438
<b>Total gravity drainage scheme rates</b>			<b>42,184</b>

What is the impact on your city or district?

Residential Property - including GST	Average Capital Value	Average Increase in 2019/20
Wellington city	\$800,545	\$8
Hutt city	\$475,934	\$5
Upper Hutt city	\$418,317	\$5
Porirua city	\$496,841	\$5
Kāpiti Coast district excl Ōtaki	\$574,400	\$4
Ōtaki rating area	\$353,455	\$5
Masterton district	\$331,288	\$5
Carterton district	\$358,321	\$5
South Wairarapa district	\$415,279	\$5

Rural Property - excluding GST	Average Capital Value	Average Increase per year
Wellington city	\$1,006,000	\$5
Hutt city	\$649,000	\$5
Upper Hutt city	\$681,000	\$4
Porirua city	\$1,012,000	\$5
Kāpiti Coast district	\$750,000	\$5
Masterton district	\$721,000	\$5
Carterton district	\$854,000	\$5
South Wairarapa district	\$950,000	\$5
Tararua district	\$1,067,000	\$10

These projected rates exclude the targeted rural pest and river management rates.

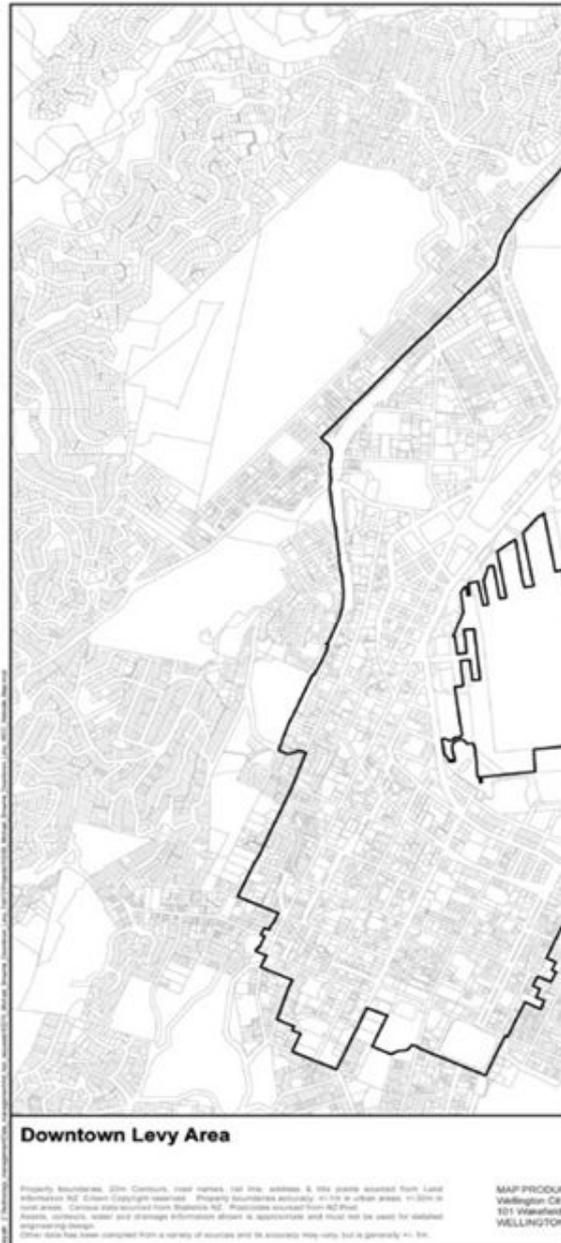
Business Property - excluding GST	Average Capital Value	Average Increase per year
Wellington city - CBD	\$2,970,000	(\$17)
Wellington city	\$2,445,000	(\$4)
Hutt city	\$1,616,000	\$15
Upper Hutt city	\$1,585,000	\$9
Porirua city	\$1,381,000	\$5
Kāpiti Coast district	\$1,108,000	\$9
Masterton district	\$789,000	\$8
Carterton district	\$430,000	\$5
South Wairarapa district	\$677,000	\$5

These projected rates exclude the targeted rural pest and river management rates.

You can estimate your own projected regional rates on our website

### Wellington City Downtown Levy Area Map

For the purposes of the Wellington City Downtown City Centre Business targeted transport rate, the downtown area refers to the area described by the following Wellington City Downtown Levy Area Map as amended by Wellington City Council from time to time.



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<b>Committee</b>	<b>Council</b>
<b>Author</b>	<b>Reza Chalabianlou, Senior Policy Advisor</b>

## 2019 Fares Review

### 1. Purpose

The purpose of this paper is to report on compliance with the Council's user charge and farebox recovery policies, and to confirm fare levels for 2019/20. The paper also puts forward a revised process and guidelines to provide clarity and transparency for the annual fares review.

### 2. Background

The Regional Public Transport Plan (PT Plan) and the Long Term Plan (LTP) set the strategic context and the policy approach for the annual fares review.

The PT Plan requires that fares set by the Council be reviewed annually. The review involves reporting on compliance with farebox recovery policy and a review of fare levels.

This year's fare review was undertaken within a significantly different context:

- The changes to bus contracts and network along with introduction of the fare initiatives in July 2018 have fundamentally changed the layout of public transport costs and revenue, affecting the way we consider farebox recovery under the PT Plan and user contribution under the Long Term Plan (LTP). The bus network change was the most significant change in Wellington city in decades.
- The fare changes were the first major change to fares and ticketing since the fare zone system was introduced in 2006. The 2016/17 fares review estimated a 4.6% patronage growth and an annual budget implication of \$5.5m, which is now included in the Long Term Plan.
- The Council's approach to public transport funding has also changed since July 2018. Under the current approach in Long Term Plan, the 'User Contribution' formula includes all public transport activity costs. In the past, the formula did not include network-wide costs such as

systems and customer service related costs. This means that the Long Term Plan is now aiming at a lower target of 35%-50%, compared to 45%-50% in the past. The fares review process needs to reflect the change in approach.

- Compared to the Long Term Plan 2018-28, we now have better picture of the funding likely to be available through central government, movements in revenue and costs under the new partnering contracts, and the flow-on costs of any changes in the bus network to improve the new bus network. As the Let's Get Wellington Moving programme progresses, more clarity is emerging on both planning and implementation costs of the initiatives.

These and other changes were highlighted in the 2018 fares review paper ([Report 18.71](#)) reported to the Council meeting on 14 March 2018. In that meeting the Council noted that:

*5. the current PT Plan farebox recovery policy and targets requires review and that this will occur as next review for the PT Plan, proposed to begin in the 2018/19 financial year.*

*8. fare levels will continue to be reviewed annually, with adjustments proposed as necessary via the Annual Plan/LTP process.*

Work has started on the process to review the PT Plan, including review of farebox policy. This has been informed by NZ Transport Agency advice that the national farebox recovery policy is no longer in force, except for its underlying principles that still remain relevant for fare policy decisions at a regional level.

Annual fares review is expected to continue to be used as a means for reporting on compliance with Council's 'user contribution' policy and will inform the decision making on fares based on the new approach to fares share of funding.

### **3. Comment**

This year's fares review uses the following formulas:

*Looking back (compliance review)* – farebox recovery formula in the current PT Plan and user contribution formula in the Long Term Plan 2015-25; and

*Looking forward (fare level review)* – user contribution formula in the current Long Term Plan 2018-28.

As part of this year's review, officers are also proposing a revised process and guidelines for the annual fares review. The proposed guidelines set out in [Attachment 1](#) incorporate the policy and operational changes since July 2018 and provide clarity and transparency on how fares will be reviewed under the new operating environment.

### 3.1 Current policy approach for fares review

The general policy approach is set out in Policy 3.d of the Regional Public Transport Plan (PT Plan), which requires Council to:

*Review fare levels annually to achieve farebox recovery targets with a preference for small, regular adjustments rather than large, infrequent ones:*

- Forecast and review fares and operating costs annually through the Long Term Plan/Annual Plan process to determine the extent of any fare adjustments*
- Implement an annual fare adjustment on 1 November.*

Detailed guidance on the farebox recovery is provided in the farebox recovery policy in Appendix 5 of the PT Plan. Developed in accordance with the NZ Transport Agency's National Farebox Recovery Policy (now out of date), the PT Plan farebox recovery policy sets the farebox recovery targets for the network and each mode and provides detail on how to achieve the targets.

The farebox recovery targets set out in the PT Plan are:

- 55-60% for the public transport network as a whole
- 55-60% for buses and rail
- 80-90% for ferries.

In addition, the user contribution policy in the current Long Term Plan 2018-28 aims to collect 35-50% of total revenue for public transport from user charges. The balance is to be funded from national contributions and rates. Under the previous Long Term Plan 2015-25, the target was 45%-50%.

In summary, performance is measured by comparing total fare revenue to total direct operating costs. The main difference between the formulas used to calculate farebox recovery in the PT Plan and user contribution in the old Long Term Plan 2015-25 is that the farebox recovery calculation does not include the debt servicing costs associated with capital expenditure, which were included in the user contribution calculation. The farebox recovery calculation also includes fares paid on commercial services and SuperGold card payments, which were not included in the user contribution calculation.

The past approach to 'User Contribution' (as per Long Term Plan 2015-25) also differs from the current approach in the Long Term Plan 2018-28.

The approach in the Long Term Plan 2015-25 included all the operating payments as in the farebox recovery calculation plus debt servicing associated with capital expenditures and finance costs but did not include SuperGold card payments, network-wide costs and improvement projects costs. Likewise, fares revenue excluded fares paid on commercial services and SuperGold payments.

The new approach in the Long Term Plan 2018-28 includes all public transport activity costs, excluding non-cash costs. Fare revenue in the new Long Term Plan excludes fares paid on exempt services but includes SuperGold revenue, which is also included in contract payments.

All the three approaches are considered in this paper:

- The ‘farebox recovery’ approach in the PT Plan and the ‘user contribution’ approach in the Long Term Plan 2015-25 are used for compliance review in 2017/18, as this was the year where services operated under old contracting environment, except for the last two month transition period between end of April and end of June.
- The new ‘user contribution’ approach is used for fare level review which looks at the budget and forecast for 2018/19 and 2019/20.

### 3.2 Compliance with farebox recovery targets

The farebox policy compliance review measures actual performance against the farebox recovery and user contribution targets for the previous year. The compliance with farebox recovery policy has been a requirement of the NZ Transport Agency under the National Farebox Recovery Policy.

The actual farebox recovery and user contribution for 2017/18 are assessed against the target ranges set out in the Farebox Recovery policy (under PT Plan) and the Council’s Revenue and Financing Policy in the Long Term Plan 2015-25.

The outcome of the compliance review for 2017/18 is summarised in Table 1. This shows that overall farebox recovery and user contribution in 2017/18 were both within the target ranges.

**Table 1 Actual farebox recovery and user contributions for 2017/18**

Indicator	Target	Actual 2016/17	Forecast 2017/18	Actual 2017/18
<b>A. Long-Term Plan– Revenue and Financing Policy (2015-25)</b>				
User contribution	45-50%	48.4%	48.8%	49.7%
<b>B. Regional Public Transport Plan 2014 – Farebox Recovery Policy</b>				
Overall farebox recovery	55-60%	57.3%	58.2%	58.6%
Farebox recovery by mode				
Rail	55-60%	56.4%	59.3%	58.1%
Bus	55-60%	56.6%	56.0%	57.4%
Ferry	80-90%	82.9%	82.1%	81.3%

### 3.3 Fare level review

Review of fare levels is a forward looking exercise for the 2019/20 year. It looks at the expectations of fares revenue and costs based on budget assumptions in the Long Term Plan or Annual Plan and considers the implications of possible fare increases within the existing fare structure.

While the policy preference in the PT Plan is for small regular changes, the ultimate decision to increase fares is taken within the context of the Long Term Plan. This takes into account wider aspects of financial and social well-being related to the operation of the public transport network.

#### Projections of farebox recovery and user contribution

Rail services have been in operation under a new gross-cost contract since July 2016. With the roll-out of the new bus network and contracts in July last year, all contracted bus services are now provided under gross-cost contracts consistent with the government's Public Transport Operating Model (PTOM).

Except for a few exempt services (identified in the PT Plan), all bus and rail services in the region are currently provided under contract to this Council.

Greater Wellington is still negotiating the PTOM contracting arrangement for ferry services with the operator.

Based on the assumptions in the Long Term Plan 2018-28, the operating cost of providing these services for the 2019/20 financial year was projected to be about \$239m<sup>1</sup>.

The assumptions in the Long Term Plan are reviewed each year as part of the annual planning and fares review process to consider whether fare increases are required to offset the costs of providing services. The Long Term Plan 2018-28 assumes fares will increase with inflation each year, from 2019/20.

However, taking into account the wider context, the revised budget assumption is that there will be no fare increase for 2019/20. This revised assumption has been made for the following reasons:

- Without a fare increase, 'User Contribution' is expected to remain within the target range at 41.2% (midway between upper and lower end of the range), equivalent to 49.1% based on the previous approach and formula in Long Term Plan 2015-25.
- The ongoing growth in rail patronage and revenue is expected to continue in 2019/20. Between August and November 2018 the rail patronage increased by about 4.5% compared to the same period in 2017/18. This reflects a growing public confidence in the quality and reliability of the rail network.

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<sup>1</sup> This includes all public transport activity costs including, Total Mobility and interest costs, but excludes debt servicing.

- Bus patronage also shows an increasing trend on contracted services. For the same period, total passenger trips have increased by about 2%. Compared to 2017/18 (excluding exempt services). The increased cost of petrol, combined with the ongoing improvements to the Wellington city bus network, and without a fare increase could result in further improvement of bus patronage.
- Budget has already been allocated in the current Long Term Plan for on-going improvements to address the new network issues. The revised budget considers using reserve to fund any additional cost.
- A fare adjustment may be considered to improve fare equity or enable transition to capping. However, initial work on the review of fare equity indicates that the current fare structure is generally equitable, and a pricing approach for fare capping requires more analyses as the data becomes available. The final analysis of the review of fare equity will be incorporated into the fares policy component of the Post Implementation Review.

Based on the Annual Plan forecasts, the operating cost of providing public transport in 2019-20 financial year is projected to be about \$255m<sup>2</sup>.

Assessment of retaining fares at current levels against the Long Term Plan user contribution for the years 2018/19 and 2019/20 is set out in Table 2 below. This shows that, even with no increase, user contribution would remain within its target range. This year’s assessment is based on the new funding approach and formula in the Long Term Plan.

**Table 2 Projections of user contribution without fare increase for 2018/19 and 2019/20**

Indicator	Target	Forecast 2018/19	Annual Plan 2019/20
<b>Long-Term Plan– Revenue and Financing Policy (2018-28)</b>			
User contribution	35-50%	40.6%	41.2%

### 3.4 Consultation with transport operators

Prior to start of the new contracts in July 2018, Greater Wellington was consulting with operators of net contracts on the extent of possible changes to fare levels. This was due to the nature of net contracts where operators were receiving all fare revenue and had their own commercial fares and products.

Under the gross-cost contracts, Greater Wellington is paying for full cost of operating the contracted services and the responsibility of fares revenue has

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<sup>2</sup> This includes all public transport activity costs including, debt servicing and interest costs, but excludes Total Mobility and non-cash costs.

now moved from operators to Greater Wellington. The current contractual arrangement has the means to reduce impacts of any fare increase on operators.

The change in July last year has rationalised the fare products previously offered by the operators. Greater Wellington now sets and regulates all Metlink fares and provides the interim bus ticketing through Snapper. Operators administer the fares and in the case of rail the paper-based ticketing.

We have informed the operators of the proposal to have no fare increase. As the ferry services are still being operated under net contract, the proposal has been discussed with the operators of ferry services.

#### **4. Communication**

Subject to agreement to the recommendations in this paper, the proposal for no fare increase will be raised during the annual plan engagement process.

#### **5. The decision-making process and significance**

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

##### **5.1 Significance of the decision**

The subject matter of this report is preliminary in nature. The decision to retain fare revenue levels at current levels will be reflected in the Annual Plan 2019/20.

##### **5.2 Engagement**

In accordance with the significance and engagement policy, officers have determined that the appropriate level of engagement will occur through engagement on the Annual Plan development process.

#### **6. Recommendations**

*That the Council:*

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Notes that the supporting information for the Annual Plan 2019/20 assumes no fare increase for 2019/20.*
- 4. Notes that, user contribution is expected to remain within the target range for 2019/20 without a fare increase.*
- 5. Agrees that fares not be increased for the 2019/20 year.*
- 6. Notes the proposed process and guidelines for the annual fares review set out in Attachment 1, which provide clarity and transparency on how fares will be reviewed under the new operating environment.*

7. *Notes that changes to fares review process requires the new approach to user contribution and the reporting template to be incorporated into GWRC's finance system.*
8. *Notes that while Farebox Recovery policy is no longer required, Council will report on compliance with the farebox recovery policy in the current PT Plan until the policy is amended in the PT Plan update or through a variation to PT Plan.*

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#### **Attachment 1 – Proposed Process and Guidelines for Annual Fares Review**

**Greater Wellington Regional Council  
(GWRC)**

**PROPOSED  
FARES REVIEW PROCESS AND GUIDELINES**

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March 2019

**Disclaimer**

This document may be updated from time to time and is current as at the date on its cover.

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## 1. Purpose

This document sets out the proposed process and guidelines for the annual fares review (the guidelines).

The guidelines are intended to provide clarity on how fares are reviewed and to illustrate how results of the reviews inform Council's decisions on fares.

The guidelines apply to 'annual fare review' and do not cover the aspects of fares that involve more comprehensive reviews, such as fare structure and pricing approach or requirements for transition of fares and ticketing. These reviews would require separate scoping and approval processes.

## 2. Updating and approval process

The guidelines are consistent with the Councils current policies and plans but do not form part of any statutory policy or plan.

The guidelines will be reviewed and amended regularly to remain current with the changes to policies and operational environment. The sections or parts requiring update are marked.

## 3. Background



The Regional Public Transport Plan (PT Plan) requires fares to be reviewed annually as part of the Council's annual plan or long-term plan process. The primary purpose of fares review is to determine the extent of any fare adjustments required to maintain fares share of funding within the targets set out in the Council's Long Term Plan (LTP) and PT Plan.

The LTP includes a 'User Contribution' policy that aims to recover 35%-50% of the total operating costs from fares revenue. This policy is pivotal in Council's decision making on fares.

In addition, the current PT Plan includes a 'Farebox Recovery' policy that sets out target ranges for the entire network and each mode (currently 55%-60% for bus, rail and network, and 80% for ferry).

The current process for annual fares review involves reporting on compliance with these targets and reviewing fare levels based on the budget assumptions in LTP or annual plans.

The changes to bus contracts and network and introduction of the fare initiatives in July 2018 have fundamentally changed the layout of public transport costs and revenue. The Council's approach to public transport funding has also changed since July 2018. The current LTP now considers 'User Contribution' to include all public transport activity costs.

The changes have resulted in the farebox recovery approach (and formula) becoming less relevant for the purpose of decision making on fares. The national farebox recovery policy is no longer in force. This means that, for 2018/19 and onwards, one formula will be used to measure fares share of funding. This is expected to simplify the decision making process and improve transparency on how fares share of funding is measured and used for decision making on fares. The NZ Transport Agency (NZTA) has indicated that while the policy is out of date, its underpinning principles still remain valid for decision making on fares.

GWRC's current policies and operations, including the fares review process, need to reflect these and other ongoing changes. The PT Plan is currently being reviewed and has identified the policy changes required for delivering public transport under the new operating environment. The expectation is that fares review will continue to report on compliance with Council's User Contribution policy and be used as a means to inform the decision making on fares. This document describes the revised fares review process that reflects the recent changes.

#### 4. Purpose of fares review

Council sets and regulates fares on contracted services. Fare setting involves defining a fit for purpose, viable and consistent fare structure and an agreed pricing approach for fare products.

Fare setting determines the amount users need to pay to access and use public transport and the extent of any fare differentiation needed to achieve various policy outcomes (cost recovery, patronage growth, improving affordability, meeting the needs of the transport disadvantaged etc.).

Once set, fares need to be regularly reviewed to check if they deliver the expected outcomes and the extent of any adjustments needed to ensure they are fit for purpose and meet the expectations.

The policies and expectations of fares and funding are set out in the LTP and PT Plan. Fares review is a means to manage and regulate fares and assist in implementing the fares and funding policies.

The purpose of annual fares review is to:

- **Report on past performance** and identify:
  - if the fares share of funding is within targets
  - how fares perform compared to expectations
  - whether fare structure and pricing approach needs a review; and
  - if a policy change or more extensive review of fares or tickets is needed.
- **Inform fares and funding decisions** by:
  - Forecasting the fares share of funding based on budget assumptions
  - Determining extent of any fare changes, if required.

#### 5. Scope of fares reviews

The fares review is generally limited in its scope to:

- Describing the past and current state of fares and fares share of funding; and
- Identifying if a fare change should be pursued and any aspect of fares needs further review.

##### In scope

Annual fares review involves:

- A **performance review**; and
- A **fares level review**

These are further discussed in Section 7 and Section 8.

Annual fares review may also be used to:

- Identify if a targeted fare change should be pursued for certain operational purposes
- Adjust fares or prices of certain tickets at a fixed or differential (or variable) rate
- Add, remove or modify tickets or ticketing arrangements
- Change the terms and conditions that apply to fares or tickets
- Change existing procedures or apply new ones to ticketing operations and concessions
- Identify any aspect of fares (including fare structure and policy) that needs further review

Any change to prices or conditions of tickets, or to ticketing operations would need to be consistent with the existing fares, ticketing and concession policies.

Differential fare change may apply for various reasons such as to reduce impacts of any fare transition on users by incrementally adjusting prices of certain fare products (e.g. monthly passes) relative to base fares (currently adult smartcard fares). However, applying variable pricing across modes or zones may result in disproportionate fares per distance travel, and therefore can undermine fairness and consistency of fare structure.

To maintain consistency and integrity of existing fare structure, the review needs to take into account likely impacts of any differential price change on the current fare structure and pricing.

Fares review also needs to consider customers' perception of fares relative to the benefits they receive. The annual customer satisfaction surveys provide this information.

Other considerations include:

- impacts of any fare change on patronage and mode shift (fares vs. cost of driving)
- likely increase in costs due to changes to service levels, network and infrastructure
- revenue impacts of any changes to fares policy e.g. new concessions and discounts
- wider policy or operational changes that can potentially affect availability of funding; and
- affordability, equity, and needs of transport disadvantaged (may need separate reviews)

### Out of scope

Structural aspects of the fare system such as number or size of fares zones or pricing approach are out of the scope of annual fares review. A structural review is a major exercise and could potentially result in fundamental changes to fare charging system. Any fare change as a result of annual fares review applies across the existing structure and products.

## 6. Process and timeline



Fares review is incorporated into the Long Term Plan (LTP) or Annual Plan process.

LTP covers a period of ten years and needs to be reviewed every three years. The current LTP was adopted on [26 June 2018](#) and will be in force until end of 2020/21.

Fares review needs to report on compliance with the User Contribution policy in LTP. The current Revenue and Financing Policy in LTP sets out the Council's approach and targets for users share of funding. LTP also provides budget assumptions and forecasts for sources and application of public transport funding for next ten years.

Annual Plan contains the proposed annual budget and funding impact statement for the year to which it relates, and must be adopted before the start of the year of the plan (by end of June) and published within one month after adoption (by end of July).

Annual Report reports against the Long Term Plan or Annual Plan on the achievement of financial and non-financial performance measures, and includes the audited financial statements for the Council and its subsidiaries, reported as a group. The Annual Report must be adopted within four months after the end of the financial year to which it relates (by end of October) and published within one month after adoption (by end of November).

The triennial review and adoption of LTP may take 12 to 18 months and is more comprehensive than the annual reporting and planning process. Each review has therefore a customised plan and timelines. The last review of LTP started in February 2017 and the new LTP for the next triennium was adopted in late June 2018 following an extensive consultation process. The 2018 fares review fed into the Long Term Plan process with a report to Council in March 2018.

The diagram below shows an outline of the triennial cycle for LTP 2018-28 and key milestones for fares review through LTP/AP process. The triennium started from July 2018 with adoption of the LTP 2018-28 and will need to be reviewed and adopted for the next triennium again by end of June 2021.

Each triennium includes two annual plans. Annual fares review should feed into the process prior to the Council adopting draft plans for public consultation in April/May each year.

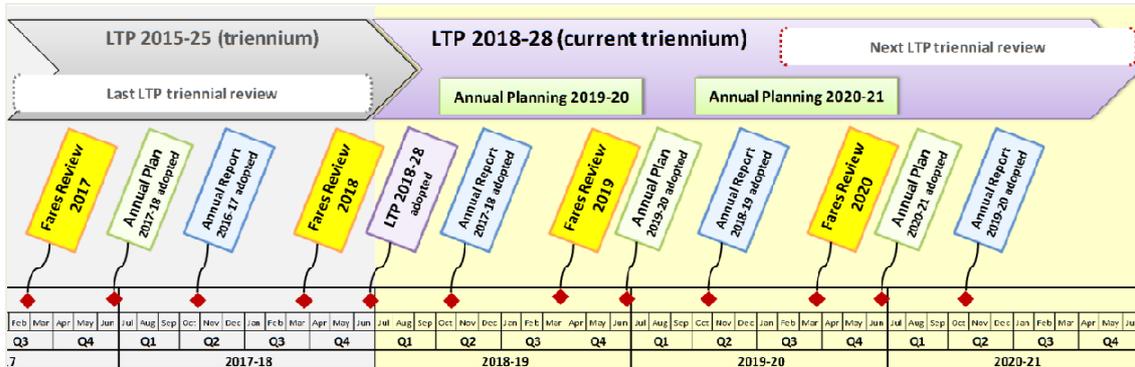


Figure 1 Outline of the annual planning and reporting cycle through LTP triennium and key milestones for fares review

The diagram in Figure 2 (on next page) shows alignment between the annual fares review and annual plan process. The fares review process follows the annual reporting and planning path through the flow of information at key milestones.

Fares review process needs to start as early as the financial information (actual revenue and costs) and non-financial information (performance achievements) for the previous year becomes available through the first stage of the annual reporting process. This occurs in about late August or early September each year.

The actual cost and revenue information is required for performance review (described in Section 7). This information may be updated through the annual reporting audit process. The performance review would, therefore, need to ensure that the audited information is used in the final version of the fares review report. The data and information requirements are further discussed in Section 13.

Review of fare levels may need to wait until the first draft budget is completed (normally by about mid-November), or as soon as the first draft of the Group Business Plans identify all changes from the LTP budget through the budget review and drafting stage of annual plan process.

This information may become available by early November, and should be expected to include the forecast for current year and budget for the year of the plan. Without any major changes, the forecast and budget figures would not differ significantly from the LTP budget.

The budget information would then need to be updated once agreed by the Executive Leadership Team (ELT) and the Council through the drafting stage of the annual plan process.

At this stage, fares review is expected to provide an indication of whether a fare change should be pursued. This may be needed to be included in the draft Annual plan for consideration by Council.

By the time the draft Annual Plan is finalised for consultation, a draft fares review report would need to be finalised with recommendations to inform Council’s final decision on fares through approval of the consultation package. This is generally the end point for annual fares review process.

Further inputs may be required through the hearings and post-consultation stages to respond to submissions and finalise the Annual Plan for adoption.

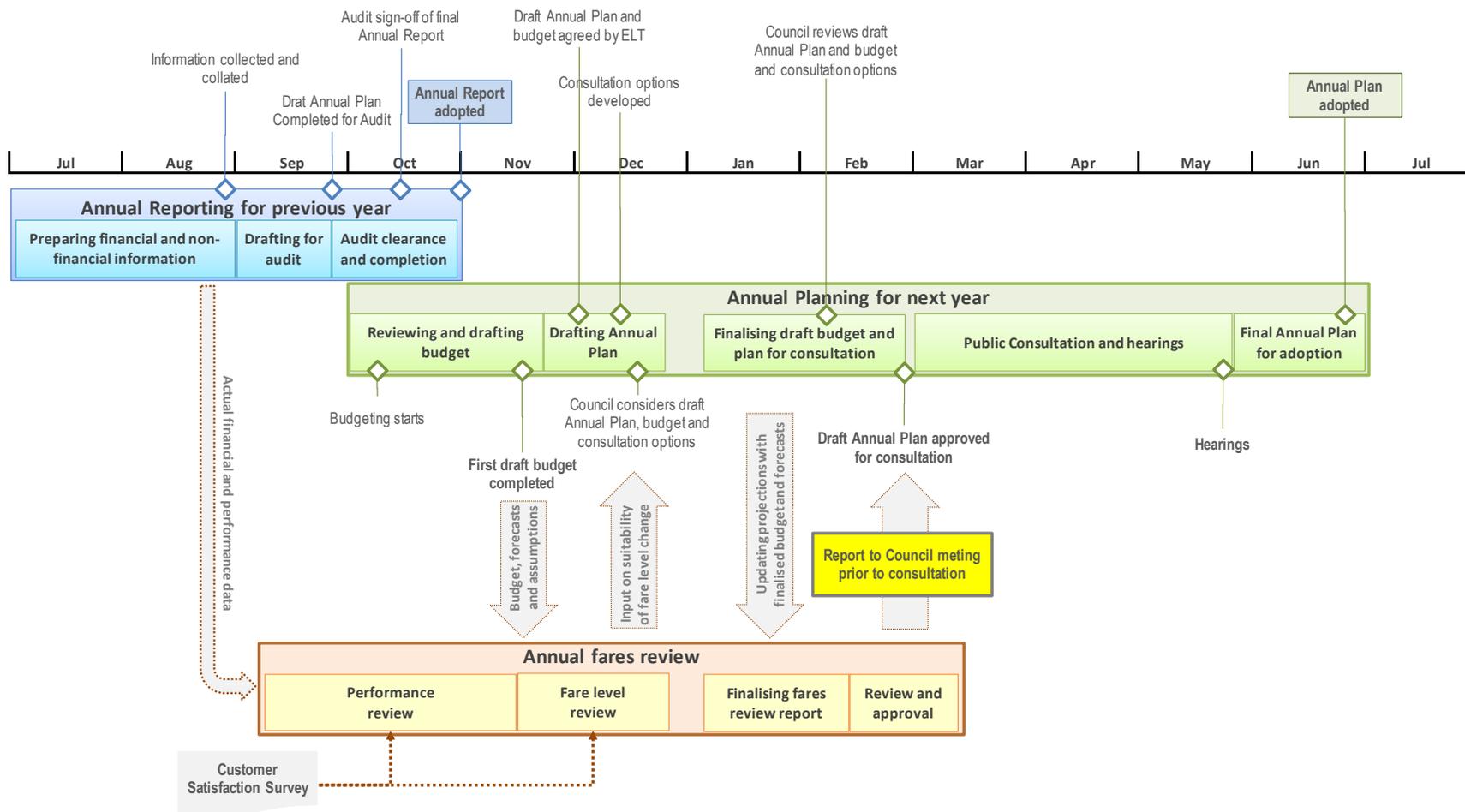


Figure 2 Alignment between Annual Plan, Annual Report and Annual Fares Review process

## 7. Performance review

Performance review involves:

- A review of compliance with 'User Contribution' policy; and
- A review of fares performance against expected policy outcomes

### Compliance with 'User Contribution' policy

GWRC's financial strategy in the LTP is to fund its operating expenditure out of operating revenue. Rates, levies and fare revenue are set at a level to ensure this objective. In certain situations, where there are obvious longer term benefits to the community, or where certain expenditure is one off in nature, loan is used to fund the operating expenditure.

The approach in current LTP states that fares should reflect the private benefits gained by people who use public transport. LTP identifies the contribution required from fares to achieve an equitable distribution of benefits between users, rate payers and government subsidies. This approach is generally consistent with the underlying principles of the national farebox recovery policy (see Appendix 1). The Council's approach to public transport funding is set out in the Revenue and Financing policy in LTP. A summary of the approach is provided in Appendix 2.

The fares share of funding is measured using a 'User Contribution' rate that identifies the extent to which the cost of providing public transport is met by public transport users through fare revenue.

The 'User Contribution' is calculated by dividing total fare revenue by total cost of providing public transport (both GST exclusive) and expressed in percentage with one decimal point:

$$\text{User Contribution (\%)} = \frac{\text{Total Fare Revenue (GST excl.)}}{\text{Total Cost of Providing Public Transport (GST excl.)}} \times 100$$

Fare revenue includes:

- Fares collected from all contracted services (including school and inter-regional services)
- Payments made in lieu of fares including:
  - Government grants and subsidies such as SuperGold card funding
  - Any third party payments in lieu of fares such as:
    - contributions to concession schemes; or
    - reimbursements under event or promotional ticketing arrangements
- Other user charges such as fines (fare penalties) and infringement fees

Fare revenue excludes:

- Exempt services – including SuperGold payments
- Ministry of Education-funded school bus services
- Commercial long-distance and inter-city services
- Tourist, charter and taxi services (including Total Mobility scheme taxi fares)
- Any other revenue that is not collected from fare paying passengers or in lieu of fare, e.g. advertising revenue or revenue from Greater Wellington Rail Limited (GWRL) for services provided to manage the rail assets is not considered as user charges

Note:

- Savings from operational efficiency or performance improvements, interests, dividends or reserve funds do not count towards fares revenue
- For accounting purposes, forecast or budget information may include expectations of revenue loss, e.g. due to fare initiatives, as negative numbers. Where this happens, fare revenue should include the same amounts as positive numbers to avoid double counting
- Adding refunds as a negative revenue may result in double counting, and should be avoided
- GST should be excluded from total fare revenue and its components

**Costs include:**

- Unit contract payments (including any indexation, inflation adjustments, performance abatements and fees e.g. reliability deductions/payments, rail network performance fees)
- Procurement and contract management costs
- Special event or promotional service costs (including any free or trial services)
- Network and infrastructure maintenance including renewals
- Asset management costs
- Investigations and business case development
- Monitoring and review
- Network-wide administration, management and general costs
- Internal charges and overheads
- Network-wide system operation and maintenance including renewals and upgrades
- Network and service planning and operations management
- Technical support services including payments to consultants and contractors
- Provision, operation and maintenance of facilities including ticketing and payment systems
- Leasing , hiring and insurance
- Utility, safety and security operation and maintenance
- Costs associated with revenue protection and refund management
- Network incident costs
- Track access charges
- Debt repayment and servicing including principal and interest repayments
- Information supply, operation and maintenance including costs associated with provision and maintenance of real-time, signage and other passenger information
- Sponsorship of public transport related events

**Costs exclude:**

- Capital expenditures for infrastructure improvements
- Total Mobility scheme operation including ramp and hoist installation and upgrade
- Any accounting entry that is not considered as representative of operating cost/revenue, or is already accounted for in other cost components, such as non-cash transactions.
- Non-cash transactions (including depreciation and loan revaluation) are not included in the user contribution formula. Depreciation is an accounting entry that reflects consumption of the asset over its useful life.

**Note:**

- Savings from operational efficiency or performance improvements are generally reflected in costs. Adding savings as a cost item may result in double counting, and should be avoided
- Under gross cost contracts, SuperGold payments are included in contract payments
- GST should be excluded from total cost and its components
- The current LTP incorporates a new funding approach for public transport that enables costs to be equally distributed between fares, rates and government subsidies. Under the new approach, the 'User Contribution formula' includes all public transport activity costs. In the past, the formula did not include overheads, systems and customer service related costs.

The result will then need to be assessed against the target range in LTP (currently 35%-50%), reported using the reporting template provides in Section 12.

**Fares performance**

Fares performance review involves checking whether fares, concessions, discounts and tickets are fit for purpose and deliver the expected objectives and policies set out in the PT Plan.

The PT Plan aims to deliver *“a fares and ticketing system that attracts and retains customers”*.

The supporting policies and actions in PT Plan set the framework and direction on how Council intends to achieve this goal.

While the policy framework does not specify any performance measures, it identifies key aspects of the desired fares and ticketing system. The intention is to deliver a simple and easy-to-use integrated fares and ticketing system that is fair and rewarding and provides better value for money for customers. To attract users, the system is expected to provide for a seamless, convenient and car competitive journey.

The PT Plan is currently being reviewed. The proposed policies are provided in Appendix 3.

### **Measuring fare performance**

To gain an insight into performance of fares and ticketing system, fares review relies on the results of annual Customer Satisfaction Survey. The survey provides information on users' perception of:

- 'value for money of the fare' ; and
- 'convenience of paying for public transport'.

These represent the two core aspects of fares. Given the subjective nature of these aspects, the survey provides a reasonably good indication of the user's overall appraisal of fare levels, and their experience of fare structure, tickets and payments in relation to quality and performance of services.

The survey identifies the level of influence that various aspects of a journey have on a customer's overall satisfaction. Of the nine aspects surveyed in 2017, 'value for money of the fare' is identified as a core driver of satisfaction, but is currently the most poorly performing aspect. 

It is important to note that the perception of value for money of fares is correlated with quality and performance of services, facilities and information. This means the lower perception of value for money of fare may be due to lower service levels and would not necessarily mean fares are high.

Other key aspects of fares are:

- Perceived equity (e.g. between modes)
- Affordability; and
- Rewarding target behaviour

There are value judgments associated with determining what an equitable and affordable fare is and how to measure these aspects. To gain a proper insight into equity and affordability of fares would, therefore, require separate reviews or surveys. Depending on availability of information, the following measures could, however, provide an indication of how equitable and affordable fares are:

- Average fare per passenger-km (for each market segment, by mode and area)
- Depreciation in value of fares with inflation since last fare change
- level of expenditure on public transport as a percentage of income by low income groups
- fares in comparison with cost of driving (preferably by mode, area and distance travel)
- growth in smartcard-based or pass boardings relative to cash and other paper-based products (preferably by time of day and types of passenger)

The PT Plan includes a policy to provide incentives to reward target behaviour (i.e. greater use of electronic ticketing or more off-peak travel). To measure actual effects of this policy requires comparison of travel patterns before and after the policy was introduced.

### **Other comparisons**

GWRC has reviewed the fare structure twice since the introduction of the current fare zone system in 2006. The fare structure review addresses all structural aspects of the fare system including how fares should be charged, types and availability of fare products, time related fare differentials, types and availability of concessions etc. The last fare structure and fares policy review was carried out in 2016/17. The review was more comprehensive than annual fares review and resulted in a fare package that was introduced in July 2018. The revenue and patronage impacts of the initiatives were modelled as part of the review. The review provides a basis to compare the actual impact of improvements against the models. 

A comparison of the actual performance against the expectations in model may either be part of annual fares review or an independent post-implementation performance review.

Under the gross cost contracts, GWRC will continue to receive ticketing data on a daily basis. This data provides greater visibility on fares and ticketing and, in combination with other sources of information, is expected to enable continuous monitoring and review of fares performance.

## 8. Fare level review

The purpose of fare level review is to determine the extent of any fare adjustments required to maintain fares share of funding within the target ranges set out in LTP.

Determining the need for fare adjustment is a forward looking process involving information about expectations of costs and revenue for subsequent financial years based on the assumptions and forecasts set out in the long-term plan and annual plan.

The Council makes fare decisions within a wider policy and operational context, and needs to balance fare's share of funding with a wide range of other factors.

Fare level review evaluates likely impacts of any possible fare increase on affordability, patronage, and overall integrity of the fare structure. Other key considerations include annual rate of inflation and the fuel cost, which are the primary budget assumptions in the long term and annual plans.

The result of fares level review is a recommendation either not to change fares, or to change fares.

A fare change may be recommended for various reasons:

- Fares may increase to offset expected cost increases or revenue loss due to inflation, changes to contracts or service levels, or introducing concessions or other fare initiatives.
- Fares may also change to ensure they remain consistent across the network and modes, align pricing of certain products or concessions or to address increases in capital costs.

Annual fares review may also recommend minor adjustments to fare structure (e.g. fare zone boundary adjustments) or identify the need for a more extensive review of fare structure or policy. A complete fare structure review would require a separate process to develop an appropriate approach and scope for the review.

Informed by the review, the Council may ultimately decide not to change fares, apply a general fare increase or to adjust prices of certain fare products or concessions.

Fares review also needs to consider customers' perception of fares relative to the benefits they receive. The annual customer satisfaction surveys provide this information.

Other considerations include:

- impacts of any fare change on patronage and mode shift (fares vs. cost of driving)
- any increase in costs due to changes to service levels, network and infrastructure
- revenue impacts of any changes to fares policy e.g. new concessions and discounts
- wider policy or operational changes that can potentially affect availability of funding; and

- affordability, equity, and the needs of transport disadvantaged

### **Determining the need for and extent of fare adjustment**

To determine the need for any fare adjustment, GWRC looks in the first instance at the expectations of fare revenue and forecasts of operating costs for the next financial years. This is undertaken as part of the budget forecasts through the Annual Plan/Long Term Plan process.

There is a triangular relationship between operating costs, fare revenue and availability of other sources of funding (i.e. regional rates and national funding).

Any increase in costs, without an equivalent increase in fare revenue will require an increase in subsidy to recover the increase in costs.

The government's share of funding for public transport activities is allocated based on the agreed Financial Assistance Rates (FAR). Normal FAR for the region is currently set at 51% of the cost of eligible activities.

Without changing fare revenue, a cost increase would require a proportional increase in rates and national funding. Reducing fare revenue (e.g. by introducing a reduced fare or concession) may also impact on NZTA's assessment of the GWRC's public transport network as part of their funding process, which could impact applications for any increases to funding.

Any decisions around fares will therefore need to be considered within this wider framework.

The fares component of this relationship is primarily addressed via the annual fares review.

The expectations of costs and subsequently the revenue needed from rates and the National Land Transport Fund (NLTP) is determined as part of the Annual Plan/Long Term Plan process.

The fare level review process involves the following main steps:

- 1 - Determining whether fares share of funding will remain within the target range:
  - a. Forecasting operating expenditure for the subsequent year
  - b. Forecasting fare revenue for the subsequent year
  - c. Calculating fares share of funding under the scenario of no fare increase
- 2 - Identifying the extent of any fare adjustment required to remain within the target range:
  - a. Identify if the fares share of funding is within the target range, based on 1(c)
  - b. Identify the fare levels needed to recover the required fare revenue
  - c. Assessing impacts of any fare adjustment (or no change option) with respect to:
    - i. Patronage and mode-shift and consequently fare revenue
    - ii. Regional rates and availability of national funding
    - iii. Affordability of fares and users acceptance of a fare change
    - iv. Consistency and integrity of existing fare structure
    - v. Transition requirements e.g. need for incremental fare change
    - vi. Wider policy and operational context including general public interest
  - d. Input into Council's decision making on fares (through LTP/Annual Plan process)

These steps are further discussed in the following sections:

### **Forecast of operating expenditure**

Through the Annual Plan/Long Term Plan process, GWRC forecasts the operating expenditure primarily based on financial assumptions around anticipation of movements in inflation, interest rates, fuel cost, exchange rate, insurance, debt and the trend of growth in patronage (i.e. forecast of demand for public transport) over the years of the plan.

Operating expenditure is primarily adjusted annually based on NZTA's annual indexation.

The assumptions in LTP also looks at the current and anticipation of future changes to service levels, network, contracts, availability of government funding, and the agreed FARs for the years of the plan. NZTA periodically reviews FARs. Any change to FARs would require budgets to be reviewed through subsequent annual plan process.

Fares review relies on the predictions of operating expenditures in LTP and forecast of operating costs through annual plan process.

The review also needs to look at any changes to cost structure due to changes to contracts and operating expenditures e.g. by changes in service levels.

The change in contracting environment (including the move to gross cost based contracts under PTOM) has fundamentally changed the cost structure. It is important to consider implications of the changes to any national and regional policy and operational environment when forecasting the operating costs for subsequent years. An example of the impacts of the changes to bus contracts and the Council's funding approach in 2018 on fares share of funding is illustrated in Appendix 4.

### **Forecast of fare revenue**

The forecast of revenue from fares for subsequent financial years (normally one or two years) is primarily based on the projections of patronage in LTP for the years of the plan (10 years).

The projections are based on trends of the past growth rates, but also take into account the financial and non-financial assumptions made in LTP on anticipation of changes to the operating costs, demographic and social changes, potential mode shift (e.g. due to lower fuel price) and any change to quality and performance of services as a result of investments in improvement projects.

The LTP assumptions on fare revenue needs to be reviewed through the annual plan and fares review process. The review would need to consider any changes to fare structure, fares policy, network and services, ticketing, contracts, and operating environment, as well as the recent trend of natural growth in patronage. These are the main factors that can influence patronage and fares.

If there is no or only minor changes to service levels or fares policy, and those changes are evaluated to be unlikely to affect patronage or fare levels, the predictions would assume that any change in fare revenue would be largely due to natural growth in patronage.

For example, the forecast of fare revenue for the years after introduction of the new bus network and fare initiatives was based on the fares review model in 2016/17. This information was used to develop the LTP budget and then revisited through the annual plan process for 2019-20.

The forecast for 2018-19 and 2019-20 was based on the recent patronage trend since the introduction of new bus network and fare initiatives, taking into account the effects of new contracting environment on patronage and associated fare revenue.

### **Calculating fares share of funding under the scenario of no fare increase**

Where there is no initiative that requires a fare change, the forecast of fare revenue would represent the expectations of fare revenue under the scenario of no fare change, which can then be included in the user contribution formula to identify whether fares share of funding will continue to be within the target range set out in the LTP in the subsequent year of the plan.

### **Identify the fare levels needed to recover the required fare revenue**

If the previous steps identify that the fares share of funding is either below the target range or close to the lower end of the target range and a fare increase is needed to recover the required revenue, then the fare levels will need to be adjusted (increased) and applied to the forecasted patronage to achieve the desired level of fare revenue needed to recover the cost increases.

To maintain consistency of the fare structure any fare adjustment would need to first apply to the base fares (adult smartcard fares). As all other Metlink fares are set against the base fares, any adjustment to these fares will apply to all other fares according to the pricing approach that applies to those fares or products.

As a general rule, all smartcard fares will increase by same percentage that applies to the base fares, but the level of change to fare products that require rounding (such as cash fares) may vary due to the rounding effect.

For example, a 3% increase to current base fares would mean a consistent 3% increase to Child, Accessible and Tertiary smartcard fares across all number of zones travel, but the change to cash fares will vary between 3% and 8% for adult and 5% and 8% for child.

To identify an optimised level of change to base fares would require some modelling that takes into account the variation in pricing for various fare products.

### **Impact assessment for with and without change options**

The three key considerations are discussed below:

#### **Impact on rates**

The current Revenue and Financing Policy in LTP aims to recover 25%-35% of the operating costs from targeted rates (see Appendix 2).

Through the Long Term Plan / Annual Plan process, GWRC models the rates share of the funding required to recover the costs associated with the budgeted activities for the years of the plan.

The triangular relationship between fares revenue, costs and subsidy means that if the review determines no need for fare change, any increase in costs would result in an increase in rates and national funding.

LTP identifies the annual increase in rates for all GWRC activities based on the budget assumptions including the expectations around increase in fare revenue over the years of the plan. GWRC has also a transition plan to incrementally move to the new rating approach in a few years.

Fares review may recommend no fare change for a year that is expected to experience a fare increase e.g. by inflation. This needs to take into account the potential impacts on rates and the rates transition.

#### **Consideration of availability of national funding**

The need for and extent of any fare adjustments also take account of changes in government policies including the Government Policy Statement (GPS), NZTA's investment policies including Financial Assistance Rates (FAR) or Investment Assessment Framework that may affect the levels of government funding.

#### **Consideration of affordability of fares**

Another important factor is the affordability of fares for users. The GWRC's fares policy is to review fare levels annually to achieve farebox recovery targets with a preference for small, regular adjustments rather than large, infrequent ones. The incremental increase in fares was intended to address affordability by aligning the fare increase with inflation. However, GWRC have elected not to increase fares since the last fare increase in 2013 given the low inflation, low fuel costs and flow-on impacts on patronage. It is worth mentioning that when inflation is taken into account, customers are currently paying proportionally less of their income for fares than they were in 2013.

GWRC's annual customer satisfaction survey in 2017 shows that customers were either satisfied or very satisfied with the "value for money of the fare" increased from 70% in 2014 to 75% in 2017.

## 9. Fare schedule update

Should the fares review recommend any fare adjustment, the current fare schedule would need to be updated to reflect the proposed fare levels for consideration by Council.

To inform decision making, the fare schedule would need to compare the proposed fares with the current fares in both absolute value change and percentage change.

Once the decision is made, the final fare schedules will only show the agreed new fare levels.

## 10. Operator engagement

Prior to start of the new contracts in July 2018, GWRC needed to consult with operators of net contracts on the extent of possible changes to fare levels. The purpose of consultation was to provide operators with an opportunity to have an input into the decision making process. It would also allow operators to consider likely impacts of any fare adjustments on patronage and their service delivery, and make decisions regarding their commercial fares (i.e. fares not set by GWRC).

The operator engagement under the new operating environment is not as extensive as the pre-PTOM contracting environment, as the responsibility of fare revenue has transferred from operators to GWRC and operators are administering the standard Metlink fares and tickets.

Under the PTOM contracting environment, GWRC will inform the operators of contracted services of any potential fare change.

## 11. Public consultation

Results of the fares review including any proposal to change fares will need to be consulted as part of consultation on Long Term / Annual Plans.

## 12. Reporting template

Results of the annual fares review is reported in the GWRC's corporate reporting templates.

GWRC has previously been using a spreadsheet template for Farebox Recovery Compliance Report and projections that included details of the operating costs and revenue for all public transport activities.

This template has been reviewed as part of the 2019 Annual Fares Review process and a new template is proposed to be used from next year. The draft new template is attached to this document that includes a summary sheet that combines the compliance report with the projections of user charges for subsequent years.

For 2019 fares review, the template also includes a comparison of Farebox Recovery Ration for 2017-18 with the User Contribution ratios calculated for 2017-18 under the old and new funding approaches.

## 13. Data and information requirements

The following identifies the key data and information requirements for performance and fare level review and assessments:

- Performance review:
  - Audited actual fares revenue and operating expenditures for previous year
  - The information needs to be provided in the attached format (see template) once they are made available

- Customer Satisfaction Survey for the compliance reporting year (normally available by end of August each year)
- Other review or modelling reports related to fares or funding would need to be available the same time as the Annual Report for previous year is published
- Fare level review:
  - Forecast of operating costs and revenue for the current year
  - Forecast (or update) of the budget for the subsequent year
  - The information needs to be provided in the attached format (see template) once they are made available
  - AA's annual Running Cost Report to compare fares against the cost of driving
  - Other review or modelling reports related to fares or funding would need to be available the same time as the Annual Report for previous year is published

It is worth to note that each stage of the review may result in a version of the compliance report or projections of User Contribution rates that would then need to be updated through next stages. So an understanding of this process helps to clarify the quality of information at each stage of the review.

GWRC conducts more comprehensive reviews of fare structure, concession policies and pricing approach. These reviews generally result in some new initiatives with modelling that provides expectation around the revenue and patronage impacts of the initiatives. GWRC also collects fares information through surveys and reviews for various other reasons e.g. transport modelling and analyses. The independent review could provide additional sources for fare review.

## 14. Implementation

New fares must be effective from 1<sup>st</sup> November of the year of the plan.

## 15. Official information requests

The financial data included in the compliance report for user charge calculations may contain information that are subject to an obligation of confidence or may unduly undermine the commercial position of operators or third parties in the market.

Requests for copies of the reports that contain commercial information will be responded according to the GWRC's procedures set out under the Official Information and Meetings Act 1987.

These are available on GWRC's intranet at: <http://gwennie/job-tools-and-guides/policies-and-procedures/official-information-act-requests/>

## Appendix 1 Underlying principles of the National Farebox Recovery Policy

As part of the follow up from the Government Policy Statement (GPS), National Land Transport Fund (NLTF) and related policy matters, the NZ Transport Agency circulated an email on 11 September 2018 to the members of Transport Special Interest Group, clarifying that:

- The National Farebox Recovery policy is now out of date and no longer in force
- The Transport Agency is scoping the changes that are required in the short-term to guide delivery of the 2018-21 NLTP, and to ensure any amendments made will also contribute to the longer-term outcomes of the GPS; and
- In the meantime, the underlying principles of the current national farebox recovery policy are still relevant in terms of developing fare policies at a regional level, i.e.:
  - Fares will continue to play an important role in helping cover the cost of PT (along with regional and national subsidies).
  - FBR policies should be consistent with other related central and local government policies and plans.
  - There may be flow-on impacts to the wider PT system from fare structure/pricing that should be recognised.
  - FBR should not be the only driver in setting fare levels (i.e. during annual fare reviews), but be part of a wider assessment.

## Appendix 2 Summary of Long Term Plan – Public Transport Funding Policy

The Council's Revenue and Financing policy, which forms part of the LTP, describes how the Council intends to fund its expenditures. It outlines the sources of funding that Council intends to use, and the relative level of funding from each source, for each activity.

Generally, Council may fund its operating expenditures, including interest on debt, and principal repayments, from rates and levies, grants and subsidies, fees and charges, interest and dividends from investments, or any other source, which may include reserves from time to time.

Fees and charges are preferred as a funding mechanism when a private benefit can be identified, and it is efficient to collect the revenue. The revenue from fees and charges includes 'service charges' to public transport users as fares.

The primary funds for capital expenditures are borrowings (debt), proceeds from asset sales, and reserve funds. On a case by case basis, Council may decide to fund some capital expenditure from operating revenue.

Public transport activities are funded from:

- fares revenue (or user charges),
- targeted rates; and
- national land transport funding

There are certain situations where Council may decide to use debt funding for operating expenditure such as where the expenditure provides a future benefit. For example Council may fund rail track renewals where a third party owns the tracks, to provide a better public transport service; or use debt to fund its contributions to a joint transport planning project (such as Let's Get Wellington Moving).

**Targeted rates:** The current approach to rates share of public transport funding is to allocate rates for public transport as one network, and recognises the different levels of benefit that different categories of ratepayers get from the network. This is primarily to enable equitable distribution of costs among users and rate payers while considering impacts on national funding.

**User charges:** Council applies user charges (fares) for the private benefits gained by people who use public transport. The users' share of the public transport expenditures in the region is measured by a 'User Contribution Rate'. The Revenue and Financing policy states that revenue from fares and other user charges should cover 35% to 50% of the public transport funding. The balance is intended to be funded roughly equally from targeted rates (25%-35%) and national funding (25%-35%).

Lower user contribution means the balance would need to be recovered from rates and government funding. By considering the user contribution, Council makes sure the user's share of total expenditures is within the target range to reduce the impact on rates and government funding.

The policy states that the target range is an indication of Council's policy preference, but Council expects that there will be some variation in the revenue actually received for each activity in any one year. Council notes that it cannot always control the amount of funding it receives from any source.

**National funding:** Council's main source of government subsidies is the NZ Transport Agency (NZTA), for regional public transport. NZTA provides subsidies for Council's transport planning and programmes, and for public transport services.

Grants and subsidies are funded from National Land Transport Fund (NLTF). NZTA's funding assistance policy sets out the framework, conditions and methodology for determining Financial Assistance Rates (FARs) and their application. Further information about the NZTA's Investment Assessment Framework including the principles, policies and current rates for FARs can be accessed from the [NZTA's Planning and Investment Knowledge Base](#).

### Appendix 3 draft proposed fares policy

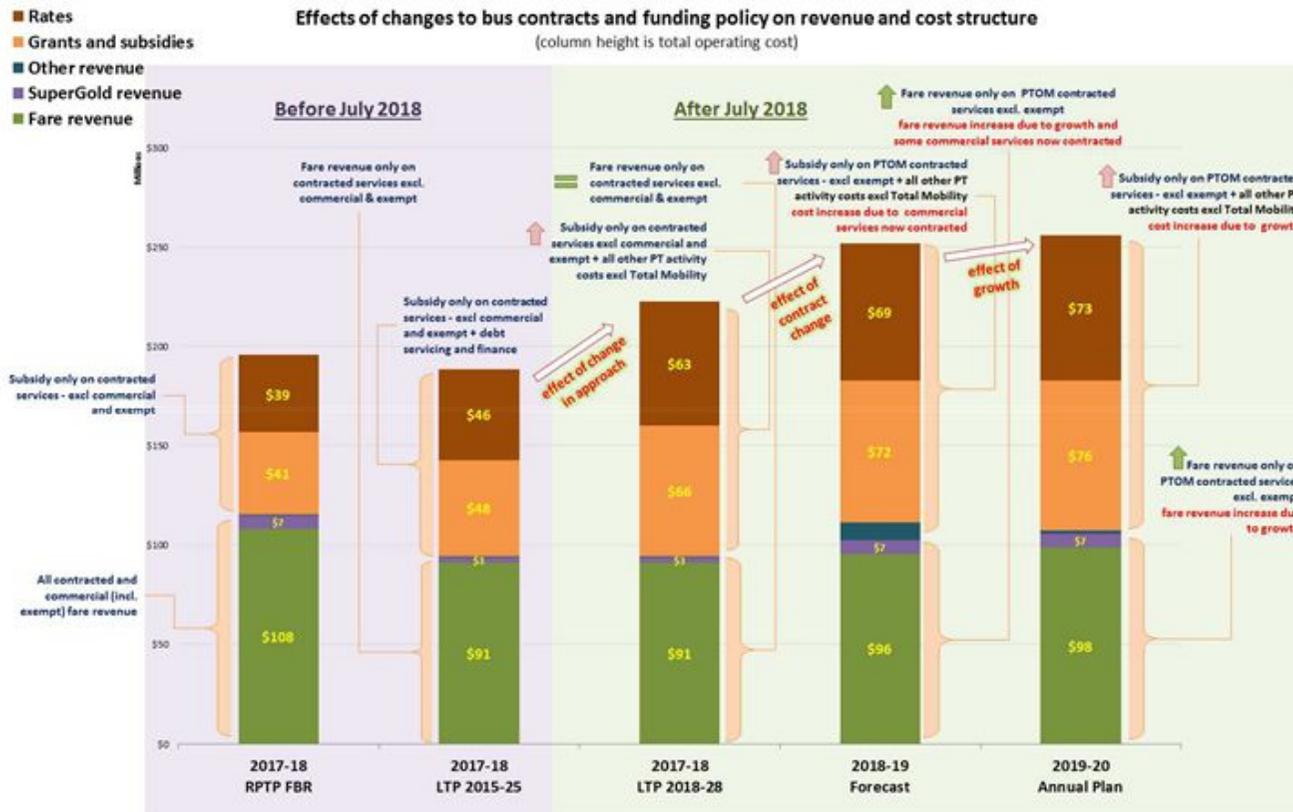
PT Plan is currently being reviewed, with the focus on initial pre-engagement statutory stakeholders. The following draft proposed fares policy builds on the 2017 *Better Metlink Fares review* and provides an indication of how a future policy could be worded.

**Objective: A fares and ticketing system that attracts and retains customers and balances user contribution with public funding**

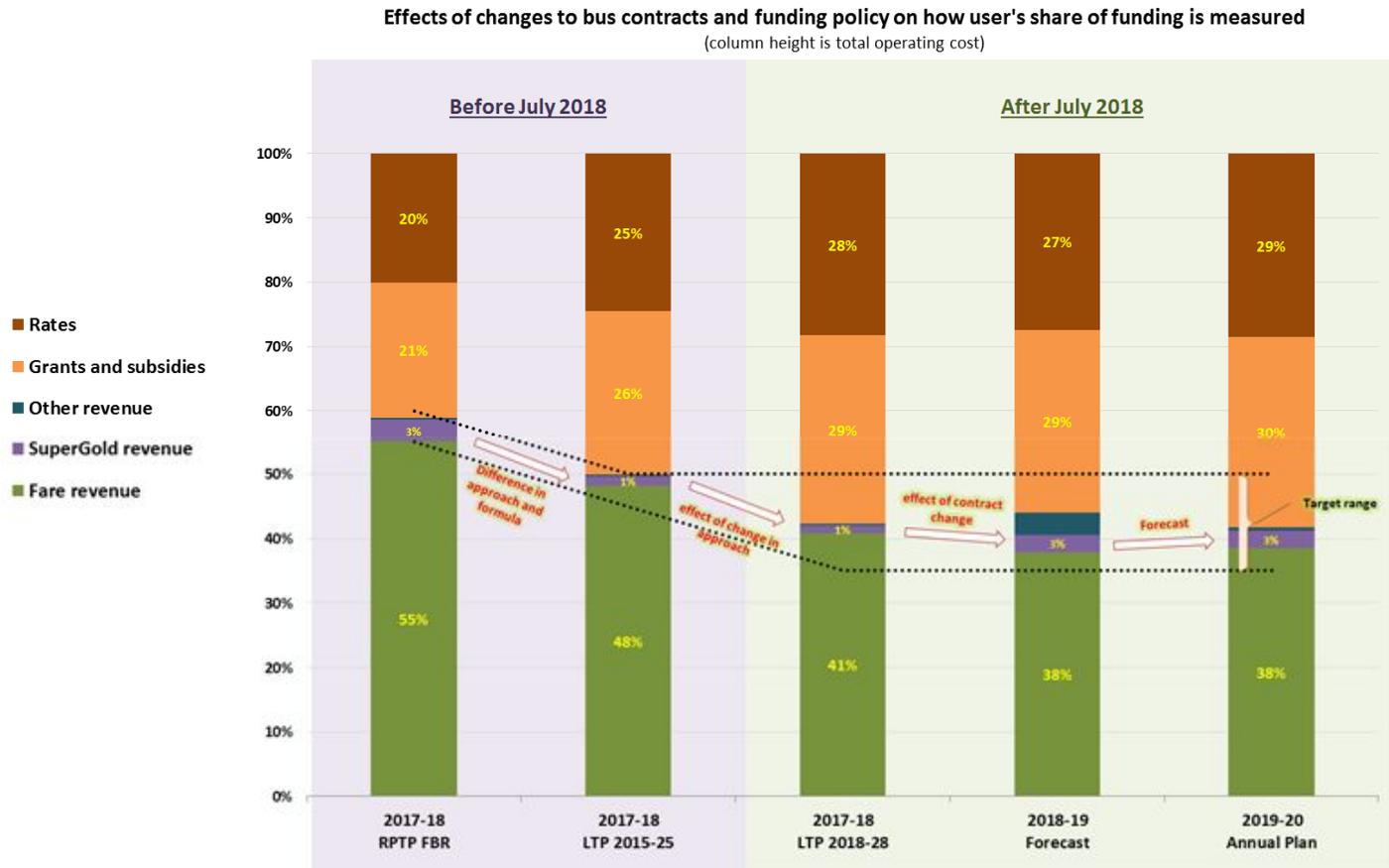
Policy	Action
Apply a consistent fare structure and pricing approach that recognises the wider benefits and costs of public transport	<ul style="list-style-type: none"> <li>- Through annual fares reviews, ensure the current fare structure and pricing approach is fit for purpose and promotes fairness and affordability for customers and funding partners</li> <li>- Describe the principles and benefits of the fare structure and conditions that apply to pricing of fares, to provide greater clarity for customers on how fares are set, reviewed and adjusted, and what they can expect from the fare structure</li> <li>- Monitor customer experience of the fare structure and their perception of fares relative to the benefits they receive</li> </ul>
Provide concession fares to targeted groups to increase access to affordable services for transport disadvantaged who are most dependent on public transport	<ul style="list-style-type: none"> <li>- Provide free travel for children under five</li> <li>- Provide concessions for school children</li> <li>- Provide concessions for full-time tertiary students</li> <li>- Provide concessions for blind and permanently disabled</li> <li>- Support the Government scheme providing free off-peak travel for SuperGold card holders. The Government has defined off-peak as between 9am and 3pm and after 6.30pm on weekdays, and all day on weekends and public holidays</li> </ul>
Provide incentives to reward target behaviours, including more frequent use of public transport, more off-peak travel and greater use of electronic ticketing	<ul style="list-style-type: none"> <li>- Provide an off-peak discount to spread peak demand</li> <li>- Provide discounts to reward regular users through fare capping or other incentive schemes</li> <li>- Price fares to encourage greater use of electronic ticketing</li> </ul>
Ensure public transport users make a sustainable and equitable contribution towards funding of the operational and capital costs of current and future services and supporting infrastructure	<ul style="list-style-type: none"> <li>- Review expectations of costs and fares revenue in relation to rates and national funding through the Long Term Plan / Annual Plan process to determine the extent of any fare adjustments required to maintain the user contribution within the target range</li> <li>- Consider the likely impacts of any fare adjustments on patronage, affordability and mode shift, and on overall integrity of the fare structure</li> <li>- Where needed, change fare levels annually with a preference for small, regular adjustments rather than large, infrequent ones</li> <li>- Advocate for a higher government contribution to the funding of public transport service and network improvements through the National Land Transport Fund</li> <li>- Review and adjust fares to be competitive with the cost of using a private vehicle for the same journey to encourage greater use of passenger transport</li> <li>- Implement an annual fare adjustment on 1 November</li> </ul>

### Appendix 4 Impacts of the changes to approach and contracts on fares share of funding

The following graph illustrates how changes to bus contracts and network and the Council’s funding approach in the current LTP has changed the layout of costs and fare revenue and the fares share of funding. The funding approach in LTP 2015-25 did not include network-wide costs (administration, systems cost) while these costs are included in the approach in LTP 2018-28. As shown in the graph below, the change in approach has resulted in increased costs but the revenue has remained relatively unchanged. While the costs appear to have increased, the increase is due to adding more cost items which have already been funded under the previous approach as therefore do not require additional funding or rate increase. The costs have further increased by moving to the new bus contracts and network. In real terms this increase is additional to the previous cost structure and is mainly due to some commercial services, now being provided under contract.



The purple area in the following graph shows how using two different approaches and formulas (i.e. Farebox Recovery Policy in PT Plan vs User Contribution policy in LTP) had resulted in the fares share of funding to be lower for User Contribution compared to the Farebox Recovery Ratio. Applying the new funding approach to 2017-18 figures (2017-18 LTP 2018-29) had further reduced the fares share of funding. It is worth noting that this is the effect of change in approach and formula as explained in the previous graph, and does not represent a reduction in revenue or increase in costs in real terms. Comparing the 2017-18 ratio under the LTP 2015-25 approach with the 2017-18 ratio under the LTP 2018-28 approach means the 42% fares share of funding under the new approach is in real terms equates to 49% under the previous approach.



**Exclusion of the public**

**Report 19.103**

*That the Council:*

*Excludes the public from the following part of the proceedings of this meeting, namely:*

1. *Statutory performance review of the Chief Executive.*

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

<b>General subject of each matter to be considered:</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground under section 48(1) for the passing of this resolution</b>
1. <i>Statutory performance review of the Chief Executive</i>	<i>The information contained in this report relates to the statutory performance review of the Chief Executive. Release of this information would prejudice the privacy of the Chief Executive by disclosing matters relating to the statutory review of his performance. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the Chief Executive's privacy.</i>	<i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).</i>

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