



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

If calling please ask for: Democratic Services

16 August 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:

**Wednesday, 21 August 2019 at 9.30am**

### **Membership**

Cr Laidlaw (Chair)

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

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

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

## Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held on Wednesday, 21 August 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9.30am.

### Public Business

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| 3. Public participation  |                      |          |
| 4. <a href="#">Confirmation of the Public minutes of 8 August 2019</a> | <b>Report 19.335</b> | <b>4</b> |

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18.	Chief Executive’s full year performance review for 2018/19	<b>Report RPE19.356</b>	<b>218</b>
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**greater WELLINGTON**  
REGIONAL COUNCIL  
Te Pane Matua Taiao

**Report 19.335**

08/08/2019

File: CCAB-8-2391

**Public minutes of the Council meeting held on Thursday, 8 August 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington, at 1.37pm.**

**Present**

Councillors Donaldson (presiding member), Blakeley, Brash, Gaylor, Kedgley, Lamason, McKinnon, Ogden, Ponter, Staples, and Swain.

Cr Donaldson (Deputy Council Chair) presided at the meeting in the absence of the Council Chair.

**Public Business**

**1 Apologies**

*Moved*

*(Cr Lamason/ Cr Blakeley)*

*That the Council accepts the apologies for absence from Crs Laban and Laidlaw, and the apology for early departure of Cr McKinnon.*

The motion was **CARRIED**.

**2 Declarations of conflict of interest**

There were no declarations of conflict of interest.

**3 Public participation**

There was no public participation.

**4 Confirmation of the Public minutes of 14 May 2019**

*Moved*

*(Cr Ponter/ Cr Blakeley)*

*That the Council confirms the Public minutes of 25 June 2019, Report 19.283.*

The motion was **CARRIED**.

### **Strategy/Policy/Major Issues**

#### **5 Draft submission on Road to Zero: A New Road Safety Strategy for NZ (2019)**

Luke Troy introduced the report. Susan Hutchinson-Daniel, Travel Choice Co-ordinator, spoke to the report.

**Report 19.332**

File: CCAB-8-2388

*Moved*

*(Cr Blakeley/ Cr Staples)*

*That the Council:*

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Approves the submission on Road to Zero: A New Road Safety Strategy for NZ.*
- 4. Delegates to the Chair the ability to make minor editorial amendments to the submission.*

The motion was **CARRIED**.

### **Corporate**

#### **6 WRC Holdings Limited Statement of Intent for the three years ended 2020, 2021 and 2022**

Mike Timmer, Treasurer, introduced the report.

**Report 19.289**

File: WRCH-14-1386

*Moved*

*(Cr Lamason/ Cr Blakeley)*

*That the Council:*

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Receives the Statement of Intent of WRC Holdings Limited for 2019/20 and the next two years.*

The motion was **CARRIED**.

#### **7 Issue of unpaid share capital to fund Greater Wellington Rail Limited (GWRL) capital expenditure for 2019/20 year**

Alan Bird, Chief Financial Officer, spoke to the report.

**Report 19.315**

File: CCAB-8-2374

*Moved*

*(Cr Lamason/ Cr Blakeley)*

*That the Council:*

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Notes that the amount of \$20.6 million is required by GWRL to fund GWRL's budgeted 2019/20 year capital expenditure.*
- 4. Notes that GWRL's budgeted 2019/20 capital expenditure will be funded by:*
  - a. The issue of 3.5 million unpaid ordinary \$1 shares by GWRL to WRCHL, and*
  - b. The issue of 3.5 million unpaid ordinary \$1 shares by WRCHL to Council.*
  - c. The utilisation of 17.1 million unpaid ordinary \$1 shares issued by GWRL to WRCHL in prior periods but not yet called.*
  - d. The utilisation of 17.1 million unpaid ordinary \$1 shares issued by WRCHL to Council in prior periods but not yet called.*
- 5. Approves the issue of 3.5 million unpaid ordinary \$1 shares in WRCHL to Council*
- 6. Approves WRCHL approving the issue of 3.5 million unpaid ordinary \$1 shares in GWRL to WRCHL.*
- 7. Authorises the Council Chair and Deputy Council to sign the required Entitled Persons Agreement attached, approving and consenting to the issue of shares on behalf of Council.*
- 8. Authorises the Council Chair to sign the agreement attached for the issue of shares approving on the basis upon which the respective WRCHL and GWRL boards may make calls for payment of the shares.*
- 9. Requests that the Council Chair confirms the consent and approvals referred to in this report, in writing, to WRCHL.*

The motion was **CARRIED**.

**8 Local Government Funding Agency – Statement of Intent 2019/20**

Seán Mahoney, Company Portfolio Manager, introduced the report.

**Report 19.307**

File: CCAB-8-2371

*Moved*

*(Cr McKinnon/ Cr Lamason)*

*That the Council:*

1. *Receives the Local Government Funding Agency Statement of Intent 2019/20.*

The motion was **CARRIED**.

9 **Wellington Regional Stadium Trust – Statement of Trustees Intent**

Seán Mahoney, Company Portfolio Manager, introduced the report.

**Report 19.297**

File: CCAB-8-2367

*Moved*

*(Cr Lamason/ Cr Staples)*

*That the Council:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Receives the Wellington Regional Stadium Trust Statement of Trustees Intent for the year ending 30 June 2020.*
4. *Notes that future reporting and accountability for Wellington Regional Stadium Trust will rest with the full Council.*
5. *Agrees with the process of receiving advance requests from Wellington Regional Stadium Trust for any proposed re-appointments.*

The motion was **CARRIED**.

10 **Exclusion of the Public**

An updated Exclusion of the Public report was tabled.

**Report 19.307**

File: CCAB-8-2386

*Moved*

*(Cr Lamason/ Cr Staples)*

*That the Council:*

1. *Excludes the public from the following part of the proceedings of this meeting, namely:  
Request for change of ownership consent*

*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>
<i>Request for change of ownership consent</i>	<i>Information contained in this report relates to information provided by third parties that is the subject of the negotiation of documents related to the proposed change of ownership consent. Release of this information would likely prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied. GWRC has not been able to identify a public interest favouring disclosure of this particular information that would outweigh that likely prejudice.</i>	<i>The ground for exclusion of the public from the part of the Council meeting during which this report is discussed under section 48(1) of the Local Government Official Information and Meetings Act 1987 is that the public conduct of that part of the meeting would be likely to result in the disclosure of information which the Council would have good reason for withholding under sections 7(2)(b)(ii), (c) (i), (i) and/or (j) of that Act.</i>

*2. Permits David Morgan, Partner Corporate Finance, Deloitte, and Alex Guy, Partner, Ashurst, to remain at this meeting after the public has been excluded because of their knowledge of matters related to the request for change of ownership consent. Their knowledge will be of assistance in relation to the matter to be discussed.*

*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 2.36pm.

Cr C Laidlaw  
(Chair)

Date:



<b>Report</b>	<b>19.364</b>
Date	12 August 2019
File	CCAB-8-2413
<b>Committee</b>	<b>Council</b>
<b>Author</b>	<b>Jake Roos, Climate Change Advisor</b>

## Setting a carbon neutrality target for GWRC

### 1. Purpose

To seek approval to set a target for Greater Wellington Regional Council (GWRC) as an organisation to become ‘carbon neutral’.

The report also outlines the costs of inaction and an initial plan of action to accelerate progress on carbon reduction and carbon sequestration in line with this target.

### 2. Background

The Government has expressed an ambition for New Zealand to have net zero greenhouse gas emissions (or become ‘carbon-neutral’, as it is also known) by 2050, reflecting the goal of the 2015 Paris Agreement. It is working towards passing the Climate Change Response (Zero Carbon) Amendment Bill that will help give effect to this through putting a target of this kind in law. The Bill will set a series of emissions budgets to act as stepping stones towards the long-term target and require national emissions reduction plans. The Intergovernmental Panel on Climate Change warned in their special report in October last year that unless global emissions drop steeply now, the opportunity to avoid the worst effects of climate change will be lost.

Some organisations have already acted to either set carbon neutrality goals, such as NZ Post and Christchurch City Council have for 2030, or achieved them, such as the Warehouse Group. This reflects their desire to demonstrate leadership on climate change and to reduce the related risks to their organisations (of regulation of emissions, to their reputation and from climate change itself).

Councillors discussed carbon trading and offsetting options within this context at an Environment Committee workshop in October 2018. Councillors expressed:

\* A desire to further explore carbon neutrality of its corporate emissions footprint including offsetting, in full knowledge that this would present an opportunity cost (from the foregone sale of emissions units) and potentially an actual direct cost (to purchase additional units).

\* A desire to explore increasing GWRC's supply of emissions units by planting forests on GWRC owned land.

\* Acknowledgement that GWRC needs to work towards including their suppliers' (bus contracts in particular) and potentially CCO emissions in GWRC's corporate carbon footprint.

More recently, the GW Councillor Climate Change Working Group has discussed influencing and collaborating with CCOs (Wellington Water and WREDA), investments (e.g. CentrePort Wellington) and supplier contractors (bus and rail) to develop objectives relating to the measurement and reduction of greenhouse gas emissions.

A second councillor workshop on corporate carbon neutrality and reporting climate change related risks was held in March 2019. It was explained there that while the types of actions that would lead to carbon neutrality and their necessity were clear, providing definitive costing for them was not possible given how quickly technologies were developing and that the future price of carbon pollution could only be very broadly estimated. Setting a target based now on science and values would provide a focus for effort, but there needed to be a high level of buy-in to this throughout the organisation. The example of the process NZ Post used to set their carbon neutrality target was given.

At the 9 May 2019 Environment Committee meeting it was agreed that in order to set a carbon reduction or neutrality target for GWRC as an organisation, a day-long workshop would be held, involving both councillors, executive leadership and other staff working together to arrive at a consensus, following the a process similar to that of NZ Post.

On 9 August 2019, this workshop was held. It was attended by nine councillors, all of the executive leadership team, staff primarily responsible for emissions producing or mitigating parts of GWRC's operations, climate change specialists and designated staff sustainability champions – 40 people altogether.

It was facilitated by business journalist and sustainability commentator Rod Oram. During the morning there were presentations from Mr Oram, Dr Alex Pezza on the science of climate change, David Walsh and Dawn Baggaley of NZ Post and James Palmer, CEO of Hawkes Bay Regional Council.

The final presentation of the morning was on GWRC's carbon footprint, opportunities, pathways, scenarios and costs. This content is summarised below.

**What is carbon neutrality?**

Put simply, carbon neutrality means achieving net-zero greenhouse gas (‘carbon’) emissions for an entity for a given period. It is a voluntary activity whereby an organisation takes responsibility for its carbon pollution. The process involves:

**Measuring** the carbon footprint (also known as the entity’s annual greenhouse gas inventory). This includes deciding what activities are within scope.

**Verifying** the carbon footprint using an independent auditor, so emissions information is accurate and transparent to the public.

**Reducing** the carbon footprint, typically through improved energy conservation and efficiency, moving from fossil fuels to renewable energy sources and changing the type and intensity of land use. Other mitigation approaches may also be possible. To avoid the rising cost of carbon for all business, organisations need to continue to look for ways to change to low carbon service delivery.

**Offsetting** the remaining carbon footprint. As it is very difficult to achieve reductions of gross emissions to zero, offsetting is required. This is where projects that absorb emissions (or avoid emissions occurring outside the organisation’s boundary, e.g. in another business or a developing countries) are undertaken to cancel out the entity’s remaining footprint. Both of these activities are explained in the diagram below:

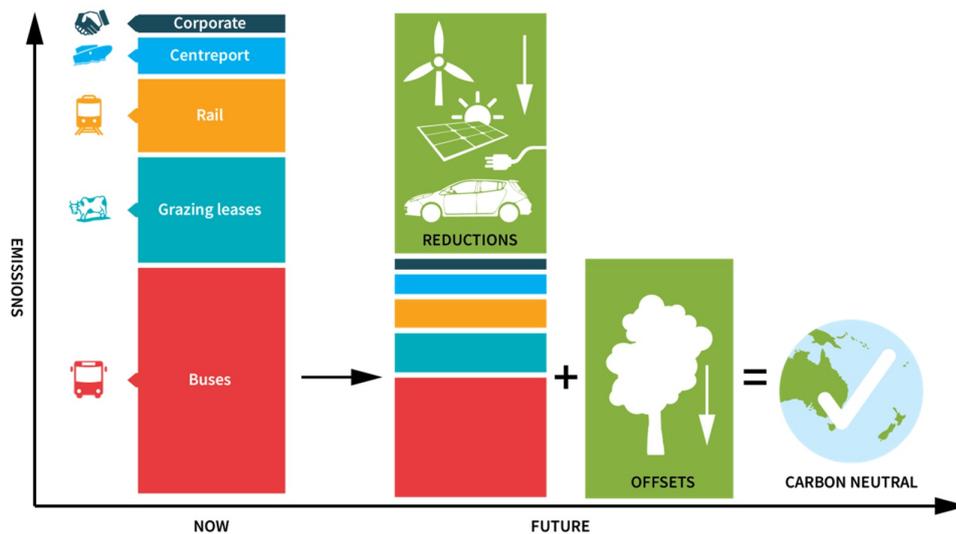


Figure 1: Diagram showing how reductions and offsets bring net emissions to zero. As reductions take time to be achieved, the sooner carbon neutrality is sought, the greater the reliance on offsets will be.

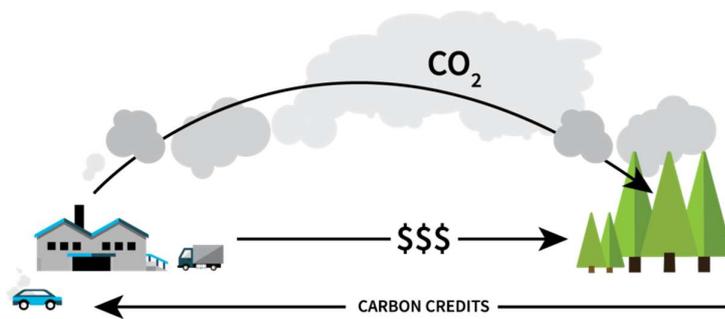


Figure 2: Simple carbon offsetting diagram. Carbon credits (also known as ‘emissions units’) are tradable units each representing a permit to emit one tonne of CO<sub>2</sub> equivalent greenhouse gas emissions.

### What is GWRC’s carbon footprint?

GWRC’s carbon footprint in 2017-18 was close to 33,000 tonnes of CO<sub>2</sub> equivalent, which is around 1% of the Region’s gross emissions. This includes core corporate activities, bus and rail contracts, CentrePort Wellington, given the nature of influence GWRC has over these. The emissions from the livestock and fertiliser use on approximately 2,000 hectares of grazed park land are included as this is GWRC managed land.

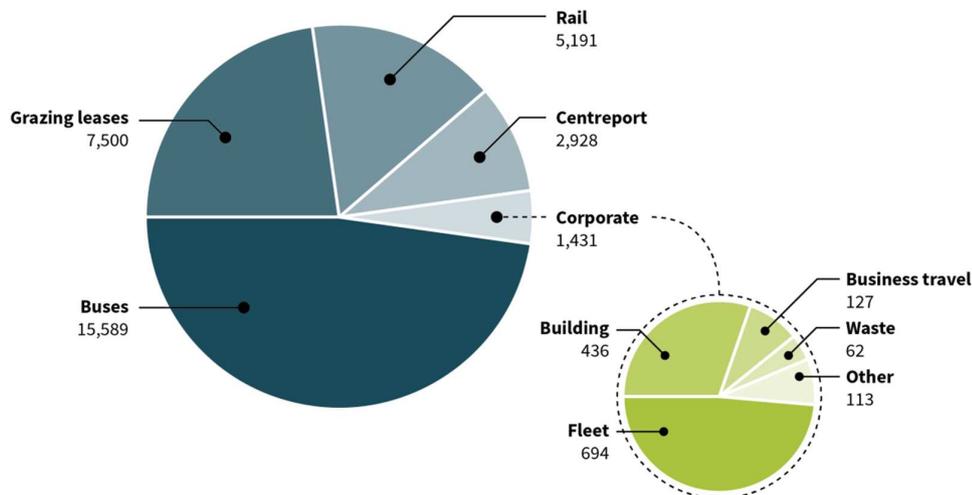


Figure 3: GWRC ‘group’ carbon footprint 2017-18

Of the five main areas of emissions, all except grazing emissions have increased since 2015, in particular buses. Grazing emissions in parks declined by 20% over the same period as land has been retired.

Emissions from GWRC-owned assets such as those Wellington Water manages and the Wellington Stadium may also be included in its carbon footprint (e.g. to meet a verified reporting standard), but sit outside this target-setting process given the shared decision-making responsibility GWRC has with other board members.

### What are the cost implications?

GWRC already possesses the following carbon credits:

**Table 1: Carbon credits currently held by GWRC**

	<b>Number of carbon units held</b>	<b>Assumed price</b>	<b>Estimated current value</b>
Free allocation for pre-1990 forests	322,873	\$25.00 each	\$8.07M
Permanent forests for 2008-17 period	67,213	\$31.25 each	\$2.10M
<b>Total</b>	<b>390,086</b>		<b>\$10.17M</b>

440 hectares of GWRC-owned forest were entered into the Government's Permanent Forests Sinks Initiative in 2012, with carbon credits for them claimed back to 2008. These forests have accumulated carbon at an average rate of 6,700 tonnes per year, although this will start to slow. Carbon credits from permanent forests currently attract a 25% premium compared to regular credits. GWRC was also given a one-off allocation of credits for its pre-1990 forests. Free allocation credits are not recommended to be used for offsetting because they do not represent additional removal of carbon dioxide from the atmosphere.

Using carbon credits to offset has a direct or opportunity cost. Increasing GWRC's supply of carbon credits (through additional planting) would also have a direct cost. However, reforestation on GWRC land is eligible for the Government's 'One Billion Trees' funding. If for any reason the credits GWRC generates aren't needed, they can be sold.

Regarding reductions, some measures will cost more than the status quo, others less. This also depends on the time horizon in question as higher upfront costs are often compensated for by lower ongoing costs (for example, electric vehicles). Key technologies such as solar photovoltaic systems and batteries are rapidly dropping in price, consistently faster than most forecasts. The illustrative scenarios for GWRC's future emissions include the cost of carbon for an assumed future carbon price (either to voluntarily offset or to pay in a mandatory compliance scheme) and the global social cost of the net carbon pollution to that would occur to the given date. These are in [Attachment 1](#).

### What are the benefits?

Reducing emissions now reduces the risk of having to make more rapid, more costly, reductions in the future (i.e. because of regulation). High intensity emission assets might become 'stranded' due to prohibitive operating costs or outright bans. Reducing emissions sooner contributes to the collective global effort to limit emissions and the amount of global heating. It reduces the risks

involved in having to adapt to more severe and intense climate change impacts later on.

Establishing new permanent native forests (for offsets) within the region will have the additional benefits of reducing erosion, improved water quality, improved biodiversity and public amenity. However it is important to note though that reducing emissions needs to be prioritised over offsetting because:

- Reduction measures are generally more cost-effective, often reducing total cost over the whole life of the asset.
- Forests stop absorbing net carbon once fully grown. Continuing to offset this way means finding more land to plant. Suitable land will become harder and harder to come by.
- Carbon stored in forests must remain there indefinitely (centuries or more) but they are vulnerable over long periods, to harvesting for resource use and increasing threats as a result of climate change (exotic pests, disease, wildfires, storms etc.)

### **Illustrative scenarios for GWRC**

Three illustrative scenarios for the future of GWRC's emissions were developed to highlight what could be achieved for varying levels of ambition. These are in [Attachment 2](#).

Two crucial determining factors for the overall level of achievement are the electrification of bus services and the retirement of grazing leases. Conceivably both of these emissions sources could be reduced by 90% by 2030, reducing total GWRC emissions by 75% in concert with other measures. To be successful, the rate of adoption of low emissions technologies and practices must exceed the rate of growth by a large margin. All other things being equal, organisational growth causes emissions to increase.

### **Consensus decision-making process**

In the second half of the special workshop day, delegates participated in a consensus building exercise. Given all they had heard in the first part of the day, individuals were asked to specify what they personally thought GWRC's carbon emissions reduction target should be; how much (gross or net) and by when. They could specify conditions, interim targets and provide further detail as they saw fit. Then they were asked to partner with one other person, discuss their respective targets and develop a consensus position together. The pairs then joined to form a group of four and repeat the process, and so on. Rod Oram and climate change staff played facilitation roles, rather than participate directly. Finally, two groups of sixteen delegates presented their agreed targets.

Both groups had individually agreed the primary target should be that GWRC become carbon neutral by 2030. There were slight differences in the supporting detail each proposed that were resolved through a final group discussion. The details agreed to recommend to council were that GWRC:

- Adopt an interim target of a 40% reduction in net emissions by 2025 (compared to 2018-19), increasing in a linear fashion to a 100% reduction in net emissions (ie, be carbon neutral) by 2030, and thereafter. As the targets are for net emissions, GWRC can use offsets to make up the difference between reduction in gross emissions and the targets if required.
- Set ‘carbon budgets’ for the financial years ending in 2020 to 2025 and 2026 to 2030 to track progress against and ensure that the council is on course to achieve its targets.
- Become ‘carbon negative’ by 2035. In practice this would mean that GWRC would both be carbon neutral and be able to sell excess carbon credits that it had generated from reforestation within the region.
- Accelerate its programme of work towards the target by selling its ‘free allocation’ carbon credits to create a dedicated funding stream, given it is not recommended that they be used for offsetting.

A summary of the costs of inaction on climate change is also outlined in **Attachment 2**. This was requested at Environment Committee on 9 May 2019.

### 3. Comment

The recommended target is feasible and commensurate with that of other organisations such as Christchurch City Council and NZ Post. The interim targets will ensure that net carbon pollution is constrained prior to 2030 (which is critical, as GWRC’s carbon emissions have risen sharply in recent years) and the use of free allocation units for funding the changes required will limit any impact on rates.

Based on the discussion and ideas collected during the 9 August workshop, officers have developed an initial ‘Corporate Carbon Neutrality Action Plan’ to move the organisation towards attainment of the 2030 target, should it be adopted by Council:

1. Introduce a carbon reduction policy for the organisation. Decisions must consider what impact they will have on the carbon target(s), with a strong bias towards those options that will avoid, reduce or absorb emissions. The carbon reduction policy will be reflected in procurement policy.
2. Allocate responsibility for corporate carbon emissions and attainment of the targets to the chief executive, with an associated performance indicator.
3. Investigate securing renewable electricity supplies for GWRC operations including via procurement, partnerships and/or direct investment.

4. Accelerate the implementation of an electric bus fleet in the region by 2030.
5. Adopt a target of a fully-electric corporate vehicle fleet by 2030 (if mature technology is available).
6. Investigate and evaluate options for off-road and high performance electric vehicles including through conversion, joint procurement or partnerships with manufacturers.
7. Allocate resources to accelerate reforestation planting in regional parks, plan future phases, secure external funding where possible and develop agreements with DOC regarding acquiring carbon credits associated with planting in Queen Elizabeth Park.
8. Review the future of grazing leases in regional parks as part of the review of the Parks Network Plan and options to use this land for native reforestation where appropriate to earn carbon credits.
9. Work with the Boards and executive of CCOs, in particular CentrePort Wellington to align their level of ambition and programmes for reducing emissions with that of GWRC.
10. Sell down the free allocation of carbon credits (NZUs) GWRC received for its pre-1990 forests to create a 'low carbon acceleration fund' to reduce the rates impact of this programme of work.

Further consideration and confirmation of these initiatives will form part of the 2020-21 Annual Plan process. Some of these initiatives may require further feasibility assessment and consultation with our communities.

#### **4. Communication**

As an outcome of this report a media release will be issued.

Formal communication with the Board of CentrePort Wellington and GW Holdings Ltd will be required to indicate Council's target and discussions held with management on the implications for their business. In the cases of WREDA, Wellington Water Ltd and the Wellington Stadium Trust, further discussion with the other partner councils will be undertaken to communicate GWRC's position and to develop a jointly agreed approach on carbon reduction goals. This will then need to be formally communicated to the respective governance bodies.

#### **5. 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.

##### **5.1 Mitigation assessment**

Officers have considered the effect of the matter on the climate. Officers recommend that the matter directly affects GWRC's contribution to total

greenhouse gas emissions. Should the targets be achieved, and assuming annual emissions reduce linearly between now and the interim 2025 target, the total greenhouse gas emissions from GWRC from July 2018 onwards will be limited to approximately 231,000 tonnes in total with a global social cost of \$137 million.

These figures can be compared to the scenarios in Attachment 2 to explore what level of impact other courses of action would have. For example under Scenario A, cumulative emissions and global social cost to 2030 are 350,000 tonnes and \$209M respectively. Emissions and their impact continue to amass the later carbon neutral status is attained – for example if the neutrality target was 2040, they would increase to 525,000 tonnes and \$313M respectively under Scenario A.

Officers note that the matter does affect the Council's interests in the Emissions Trading Scheme (ETS) and the Permanent Forest Sink Initiative (PFSI), in that an increase in the area of land GWRC has in permanent forests has been mooted, and the carbon credits from such forests are administered through these schemes.

## **5.2 Adaptation assessment**

Officers have considered the impacts of climate change in relation to the matter. The issue of potential impacts of climate change on reforested areas, affecting the carbon stored there, has been highlighted. More generally the risks associated with climate impacts in relation to council taking action or not have been explored in some detail, including in Attachment 1.

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

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report 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.

### **6.1 Significance of the decision**

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

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

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

## 6.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

## 7. Recommendations

*That the Council:*

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Adopts** the following greenhouse gas (carbon) reduction targets for its corporate operations and areas of direct influence, using the 2018-19 year as a baseline:
  - 40% net reduction in 2024-25 financial year
  - 100% net reduction (carbon neutral) in 2029-30 financial year and thereafter
  - Become a net producer of carbon credits (carbon negative) by the 2034-35 financial year
4. **Agrees** that organisational carbon budgets be developed to guide emission reduction work and measure performance for the financial years ending in 2020 to 2025 and 2026 to 2030. The second budget will be equivalent to a linear reduction in net emissions between the 2025 and 2030 targets over the period.
5. **Endorses** the Corporate Carbon Neutrality Action Plan outlined in Section 3.

Prepared by

Approved by

Approved by

**Jake Roos**  
Climate Change Advisor

**Luke Troy**  
Group Manager Strategy

**Greg Campbell**  
Chief Executive

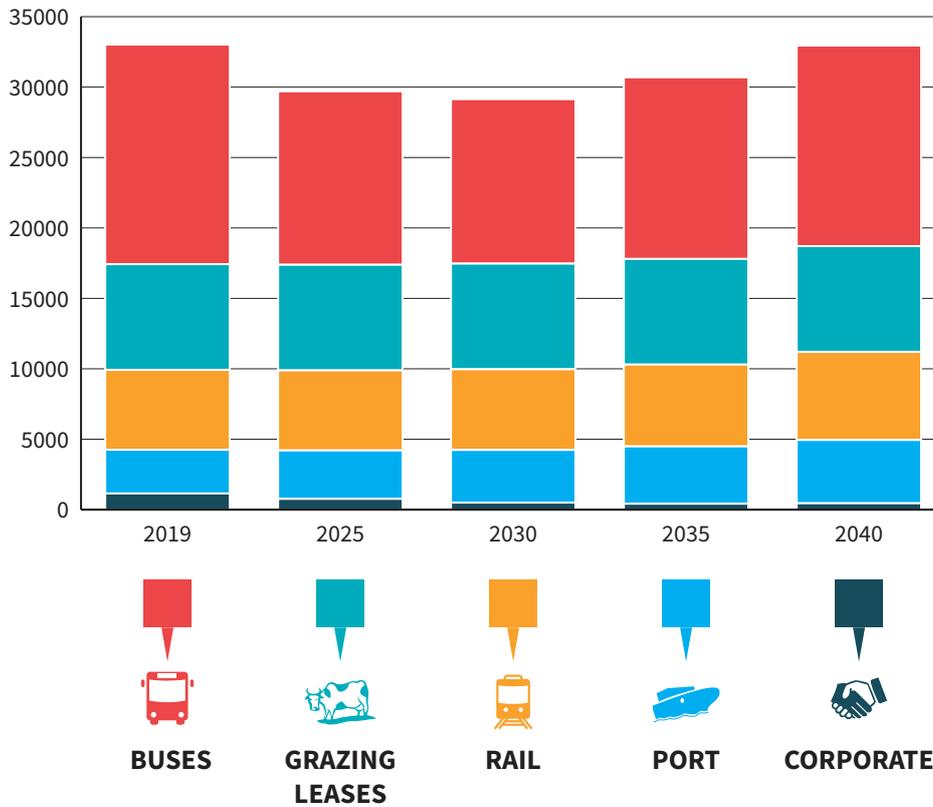
**Attachment 1:** Illustrative scenarios of future emissions pathways and costs for GWRC

**Attachment 2:** Discussion paper on the costs of inaction on climate change

# ATTACHMENT 1 TO 2019.364: SETTING A CARBON TARGET FOR GWRC



## GWRC Emissions (Tonnes CO2E) – Scenario BAU



	2019	2025	2030	2035	2040
<b>Carbon price [\$/tonne CO2e]</b>	\$31	\$70	\$140	\$210	\$280
<b>Carbon offset cost [\$M/yr]</b>	\$1.0	\$2.1	\$4.1	\$6.4	\$9.2
<b>Cumulative carbon emissions 2019-xx [kT CO2e]</b>	33	219	364	514	674
<b>Cumulative global social cost of GW's emissions [\$M]</b>	\$20	\$131	\$217	\$306	\$402

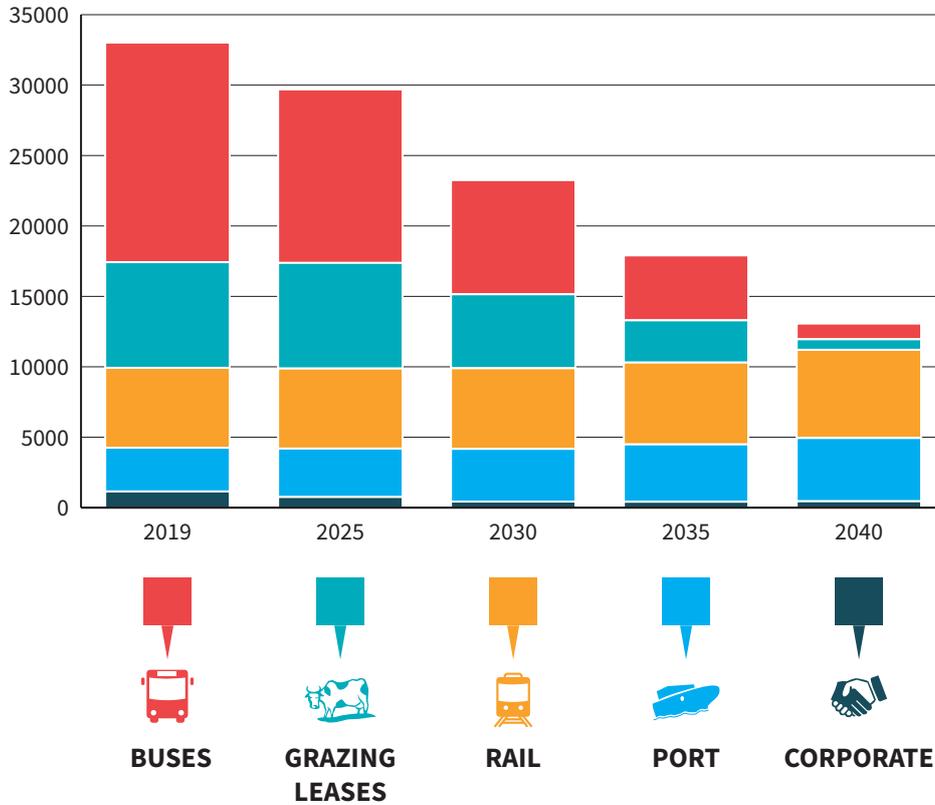
No more EV buses after 2027 (no more LTP funding)  
No end of grazing leases  
EV First Policy leads to 100% EV fleet by 2030

New building Cuba St  
Growth @2%  
Improving grid electricity emissions factor -> 93% renewable by 2035

# ATTACHMENT 1 TO 2019.364: SETTING A CARBON TARGET FOR GWRC



## GWRC Emissions (Tonnes CO2E) – Scenario A



	2019	2025	2030	2035	2040
<b>Carbon price [\$/tonne CO2e]</b>	\$31	\$70	\$140	\$210	\$280
<b>Carbon offset cost [\$M/yr]</b>	\$1.0	\$2.1	\$3.3	\$3.8	\$3.7
<b>Cumulative carbon emissions 2019-xx [kT CO2e]</b>	33	219	350	450	525
<b>Cumulative global social cost of GW's emissions [\$M]</b>	\$20	\$131	\$209	\$268	\$313

As with BAU except:

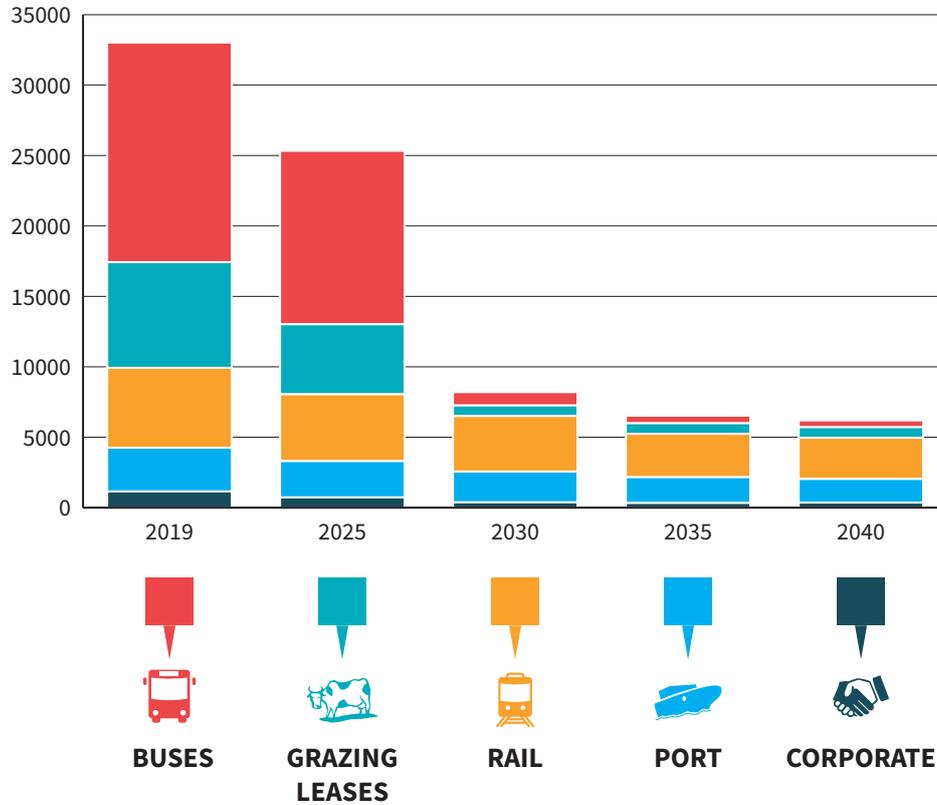
EV buses on replacement, full electric fleet 2040.

Grazing leases reduced by 90% between 2025 to 2040

# ATTACHMENT 1 TO 2019.364: SETTING A CARBON TARGET FOR GWRC



## GWRC Emissions (Tonnes CO2E) – Scenario B



	2019	2025	2030	2035	2040
<b>Carbon price [\$/tonne CO2e]</b>	\$31	\$70	\$140	\$210	\$280
<b>Carbon offset cost [\$M/yr]</b>	\$1.0	\$1.8	\$1.1	\$1.4	\$1.7
<b>Cumulative carbon emissions 2019-xx [kT CO2e]</b>	33	208	296	332	363
<b>Cumulative global social cost of GW's emissions [\$M]</b>	\$20	\$124	\$176	\$198	\$216

As with BAU except:  
100% renewable electricity 2035 onwards  
All EV buses 2030 (new contracts 100% EV)

Grazing leases reduced by 90% between 2025 to 2030  
Rail and Centreport electrify current fossil-fuelled assets -  
reduce fuel use by 5%/yr

## Attachment 2 to Report 19.364

### The cost of inaction on climate change

Discussion Paper by Jake Roos, with input from Dave Grimmond.

#### Introduction

- There is presently no legal compulsion on councils and other organisations to reduce their emissions or achieve carbon neutrality. Action to reduce to emissions may increase costs in some cases and offsetting emissions definitely will. So some might say why act now?
- Climate change is a collective action problem – all must act together or the problem cannot be solved, but the consequences of failure are not distributed based on who emitted most, or who did or did not act.
- As we know the window of opportunity to avoid the worst consequences of climate change is closing. This creates a very strong rationale for voluntary action, rather than waiting for stronger legislation to be enacted that forces action.
- While individuals taking action to reduce emissions does not guarantee success of limiting global heating to a manageable level, inaction definitely increases the chances of failure. That is to say, the link between someone’s action to reduce emissions and the level of climate change impacts they and the world will experience is indirect.
- However, lack of action in the short term is likely to lead to more extreme policies to cut emissions in the future. If organisations do not reduce their exposure, they may find themselves paying a high carbon emissions cost to use carbon-dependent infrastructure in the future (‘lock-in’). In an extreme but plausible situation, outright bans on fossil-fuelled equipment could lead to these kinds of assets needing to be written off (‘stranded’). Although speculative, for this type of ‘climate change impact’ a more direct link between actions and consequences can be drawn.
- Bearing this in mind, various examples and studies of the ‘possible costs of inaction’ will be explored.

#### Costs of climate impacts

- A report prepared by NIWA for the Parliamentary Commissioner for the Environment identified there are 9,205 land parcels in the Wellington Region that would be directly impact by a 3 metre (m) sea level rise, with an associated population of 12,358 people<sup>1</sup>. An assessment carried out by GWRC GIS staff of 1 m sea level rise in the Petone/Seaview area identified risk 2,646 land parcels with a rateable value of \$NZ2.5 billion (bn). Applying this average valuation to the total from the NIWA report implies a capitalised value of \$NZ8.6bn impacted by a 3m sea level rise. This estimate does not include the threat identified by the NIWA report to 291km of roads, 24km of railway, 5.2km of wharfs and jetties, and one airport.- It also does not account for the impacts that sea level rise might have on

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<sup>1</sup> R.G. Bell, R. Paulik, and S. Wadwha, ‘National and Regional Risk Exposure in Low-Lying Coastal Areas: Areal Extent, Population, Buildings and Infrastructure’, Prepared for the Parliamentary Commissioner for the Environment (National Institute of Water & Atmospheric Research Ltd, October 2015), <https://www.pce.parliament.nz/media/1384/national-and-regional-risk-exposure-in-low-lying-coastal-areas-niwa-2015.pdf>

communities that will be impacted by disruption to access routes. For example, locations like Eastbourne and Miramar may not face significant risks of inundation but could still be impacted by damage to access ways.

- Tonkin and Taylor produced a report for LGNZ estimating the value of local government assets at threat from sea level rise and found approximately \$NZ0.5bn within 1m of the high tide mark in the Wellington Region, \$NZ0.9bn within 1.50m and \$NZ1.8bn within 3m.<sup>2</sup>
- Tonkin and Taylor did a similar report for Wellington City Council. For a 1.5m sea level rise it estimated \$NZ6.5bn of assets would be affected across the city, displacing around 2,000 residents.<sup>3</sup>
- Sea level rise as high as this is now inevitable, but rate of change may be slowed by reducing global emissions, buying time to adapt. Furthermore, more rapid multi-metre rises due to ice sheets collapsing in the Antarctic and Greenland is made more likely by rising temperatures.
- A paper on the Global Social Cost of Carbon (the damage caused globally by the emission of one tonne of CO<sub>2</sub>e of greenhouse gases) found that this price was an average of \$US417/tonne (approximately \$NZ600/tonne), spread around the world<sup>4</sup>. Some regions are more vulnerable to climate impacts than others, and so these costs are not evenly distributed. However, due to the many and complex connections between countries (trade in particular) climate change impacts in one part of the world will have consequences elsewhere.
- A price of \$NZ600/tonne exceeds the cost of most abatement measures, some of which have a negative cost. The Productivity Commission estimated that carbon prices in NZ would need to rise to between \$70-\$200/tonne to put the country on track to achieving net-zero emissions in 2050.<sup>5</sup>
- Other studies have estimated the costs of inaction on a global scale and compared them to the cost of carbon abatement. The most well-know of these is the 2006 Stern Review of the Economics of Climate Change. It found that without action, the overall costs of climate change will be equivalent to losing at least 5% of global gross domestic product (GDP) each year, now and forever. Including a wider range of risks and impacts could increase this to 20% of GDP or more, also indefinitely. Conversely, the reviewers estimated the cost of stabilising the concentration of greenhouse gases between 500 and 550 parts per million of CO<sub>2</sub>e (almost twice the preindustrial average) would cost 2% of global GDP.<sup>6</sup>
- In 2015 the Economist Intelligence Unit estimated the costs of inaction on climate change, using the same discount rates as the Stern Review, that with 6°C of global warming (possible by 2100 under an unabated emissions scenario) 30% of the total current stock of manageable assets would be lost, which have a present value of US\$43 trillion.<sup>7</sup>

<sup>2</sup> <https://www.lgnz.co.nz/our-work/publications/vulnerable-the-quantum-of-local-government-infrastructure-exposed-to-sea-level-rise>

<sup>3</sup> Tonkin and Taylor. Sea Level Rise Options: A report prepared for Wellington City Council June 2013. <https://wellington.govt.nz/~media/services/environment-and-waste/environment/files/61579-wcc-sea-level-rise-options.pdf>

<sup>4</sup> Katharine Ricke, Laurent Drouet, Ken Caldeira and Massimo Tavoni. (2016) Country-level social cost of carbon. Nature Climate Change | VOL 8 | OCTOBER 2018 | 895–900

<sup>5</sup> <https://www.productivity.govt.nz/inquiry-content/3254?stage=4>

<sup>6</sup> The Economics of Climate Change: The Stern Review: [https://www.webcitation.org/5nCeYr?url=http://www.hm-treasury.gov.uk/sternreview\\_index.htm](https://www.webcitation.org/5nCeYr?url=http://www.hm-treasury.gov.uk/sternreview_index.htm)

<sup>7</sup> The Economist Intelligence Unit Ltd (2015) The Cost of Inaction: Recognising the Value at Risk From Climate Change [https://eiuperspectives.economist.com/sites/default/files/The%20cost%20of%20inaction\\_0.pdf](https://eiuperspectives.economist.com/sites/default/files/The%20cost%20of%20inaction_0.pdf)

### **Cost of carbon emissions**

- It is a simple matter to multiply GWRC's 'carbon footprint' by a possible future carbon price to gain an understanding of possible future costs for the organisation, bearing in mind that we do not know how the organisation's emissions footprint will change, or if or when any given level of carbon price will be attained. The scenarios in Attachment 1 show some possible outcomes. The 'carbon offset costs' represent the costs that would need to be paid (either directly but more likely indirectly) under a mandatory compliance scheme.
- Regarding stranded fossil-fuel assets, this is even harder to predict. Some countries have announced future dates after which the sale of fossil fuel vehicles will be banned. Some have plans to exclude fossil-fuelled vehicles from certain metropolitan areas. None have implemented or signalled blanket bans on existing assets.
- While a total valuation by category has not been carried out, GWRC and its affiliates have a large set of fossil-fuelled assets in the form of buses, port equipment and trains. However, GWRC is not completely exposed: electrically-powered assets including the majority of trains, water supply and treatment services and buildings are unlikely to ever be stranded.

### **Conclusion**

Repeated studies have found the costs of taking action on climate change are far less than the costs of inaction at a global aggregate level. Further early action reduces the cost of action, as it reduces the risk of lock-in and stranded assets.

Conventional economic analysis also fails to consider or reflect the risk of widespread systems collapse, which becomes more likely as damage to human societies and natural systems increases. In such a situation the cost of inaction is effectively unlimited.

<b>Report</b>	<b>19.342</b>
Date	15 August 2019
File	CCHSTR-5-98
<b>Committee</b>	<b>Council</b>
<b>Authors</b>	<b>Andrea Brandon and Suze Keith</b>

## Declaring a climate emergency

### 1. Purpose

To outline the options for Council on whether, and how, it might declare a climate emergency.

### 2. Background

At their meeting on 20 May 2019, the Greater Wellington Regional Council (GWRC) Climate Change Working Group unanimously agreed that GWRC should join other councils in declaring a climate emergency. On 20 June, the Environment Committee considered the recommendation, and requested staff to prepare an information paper for the 8 August Environment Committee meeting ([Attachment 1](#)), to be followed by a paper providing options to be presented to the 21 August Council meeting.

At a meeting on 8 August 2019, the Environment Committee recommended that officers draft a declaration statement for approval by Council, should they agree to announce a “Climate Emergency”. They requested information on the cost of inaction also be included in the 21 August 2019 Council paper to further enable informed discussions.

Four of the region’s councils have already declared climate emergencies: Kāpiti Coast District Council, Wellington City Council, Porirua City Council and Hutt City Council. Environment Canterbury, Auckland Council, Bay of Plenty and Hawke’s Bay regional councils have also declared climate emergencies.

At this same Council meeting, Council will be considering establishing an emissions reduction target for the organisation. This decision will have a bearing on the suitability of the options set out in this paper, which is prepared in advance of the decision taken by Council at this meeting.

### **3. Comment**

Our modern financial decision frameworks discount the value of investments or decisions whose returns occur well into the future<sup>1</sup>.

We now have sufficient knowledge and an array of solutions to limit the damage and prevent catastrophic climate change, but regionally, nationally and globally, human-induced greenhouse gas emissions are still rising.

GWRC's role is to support the region and its communities to better understand and proactively respond to these challenges, risks and opportunities. Declaring a 'climate emergency' is one opportunity for the Council to further highlight the importance of and urgent need to address climate change issues.

The information paper ([Attachment 1](#)) includes a stocktake of GWRC's existing climate change programme. GWRC has a strong programme of work underway and is arguably taking more action on the climate crisis than most other local government bodies in New Zealand<sup>2</sup>.

A common theme that has been identified in the responses announced by other councils that have declared emergencies is that the declarations are not about instilling fear, but rather about instigating change.

Were GWRC to declare a climate emergency, the urgency and scale of the change response should align to when Council's priorities and spending plans are to be revisited to provide more focus and priority to climate related initiatives. Council will be consulting on the Annual Plan for 2020/2021 early next year and the 2021-31 Long Term Plan in late 2020/early 2021. These processes would provide the opportunity to realign resource allocation priorities.

Demonstrating leadership in ensuring that a climate emergency declaration was meaningful would require the full involvement of the organisation to change how climate change issues are approached across all council business.

As previously advised, however, as a declaration of a 'climate emergency' has no legal definition or statutory obligations, the action that the Council takes following a declaration is wholly at its discretion.

### **4. Communication**

A media release has been prepared.

### **5. 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.

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<sup>1</sup> <http://www.bbc.com/future/story/20190109-the-perils-of-short-termism-civilisations-greatest-threat>

<sup>2</sup> <https://www.lgnz.co.nz/our-work/publications/stocktake-of-local-government-mitigation-activity/>

## **5.1 Mitigation assessment**

Officers have considered the effect of the matter on the climate. They are central to the report's purpose.

Officers note that the matter does not directly affect the Council's present interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI.)

## **5.2 Adaptation assessment**

Officers have considered the impacts of climate change in relation to the matter. They are central to the report's purpose.

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

Officers have considered the significance of the matter, taking into account the Council's significance and engagement policy and decision-making guidelines. Officers recommend that the matter be considered to have different levels of significance depending on the option chosen.

## **7. Options**

Officers consider that all of the reasonably practicable options have been appropriately identified and assessed. The options considered can be implemented separately or in any combination, but for presentation purposes they are described under four main options that represent an increasing level of ambition:

- 1. Do not declare a climate emergency**
- 2. Declare climate emergency (no additional action)**
- 3. Declare a climate emergency and announce a carbon neutrality target**
- 4. Declare a climate emergency, announce a carbon neutrality target and announce additional action on climate change**

Advantages, disadvantages, significance, promotion of community outcomes and impact on capacity to meet present and future needs are assessed and included in [Attachment 2](#). Option 4 includes the announcement of additional action on climate change.

Should Council choose to announce additional action on climate change, a proposed ten point 'Regional Climate Emergency Action Plan' is attached ([Attachment 3](#)). This plan is indicative only, and will be subject to further feasibility assessment and community consultation, where required.

Officers consider that any more intensive identification and assessment of options than has been undertaken is not warranted at this time.

## **8. Statement on declaring a climate emergency**

The following draft statement has been drafted for Council's consideration, should it be agreed to declare a climate emergency:

“At its Council meeting on 21 August 2019 Greater Wellington Regional Council (GWRC) declared a Climate Emergency in recognition of the mounting advice from scientists and growing evidence of the impacts already being felt in the region.

There is a small window for action to avoid the most damaging effects of climate change. Climate change is the biggest environmental challenge we have ever faced and it affects everyone in the region.

Research commissioned by GWRC shows that since records began in 1890, sea levels have risen nearly 30cm in the Wellington region, which represents over 30% of the tidal range. In addition, records of vertical land motion show that the region is currently subsiding tectonically at the same rate as sea level is rising. This means that, at present, the relative sea level trend is effectively double the long term annual average.

This sea-level rise is already having impacts on our activities and infrastructure in coastal areas. The Cook Strait/Wellington areas and the east coast of the region are more vulnerable to storm inundation and rates of coastal erosion due to their smaller tidal range when compared to other parts of New Zealand. We are also seeing an upward trend in temperature across the Wellington Region.

The situation requires urgent action if we are to contribute to reducing our impact on the climate and limiting damage. It is essential to start reducing emissions where we can now as it will take time to decarbonise the regional economy in the most just and equitable way.

Greater Wellington Regional Council is declaring a climate emergency.”

## 9. **Recommendations**

*That the Council:*

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

***Either***

3. *Agrees to declare a climate emergency.*
4. *Agrees to issue a statement outlining the reasons for this declaration.*
5. *Determines what, if any, additional action will be announced to accompany this declaration.*

***Or***

6. *Agrees not to declare a climate emergency.*

Report prepared by:	Report prepared by:	Report approved by:	Report approved by:	Report approved by:
<b>Andrea Brandon</b>	<b>Suze Keith</b>	<b>Tracy Plane</b>	<b>Luke Troy</b>	<b>Al Cross</b>
Programme Lead – Climate Change	Climate Change Advisor	Manager, Strategic and Corporate Planning	General Manager, Strategy	General Manager, Environment management

**Attachment 1:** What is a Climate Emergency? (Information Paper) and Attachment

**Attachment 2:** Options assessment

**Attachment 3:** 'Regional Climate Emergency Action Plan' for option 4



**Report** 19.292  
**Date** 8 August 2019  
**File** CCHSTR-5-64

**Committee** Council  
**Author** Andrea Brandon, Programme Lead Climate Change  
 Jake Roos, Climate Change Advisor

## What is a Climate Emergency? (Information Paper)

### 1. Purpose

To present background information to the Environment Committee in considering the 'Climate Emergency' movement. This will help inform elected members prior to making a decision on this issue at the 21 August Council meeting.

### 2. Background

At their meeting on 20 May, the Greater Wellington Regional Council (GWRC) Climate Change Working Group unanimously agreed that GWRC should join other councils in declaring a climate emergency. On 20 June the Environment Committee considered the recommendation, prepared by Cr Sue Kedgley, Chair of the Environment Committee and Cr Roger Blakeley, Chair of the GWRC Climate Change Working Group. Staff were asked to bring more information to the 8 August Environment Committee meeting.

At the GWRC Climate Change Working Group on 21 June it was agreed that the paper to the Environment Committee would focus on background information related to the climate emergency movement, with a further paper with issues and options presented to the 21 August Council meeting.

### 3. Climate Change

Climate change is arguably the biggest environmental challenge we have ever faced and it affects everyone in the region. It is widely acknowledged that climate change is already impacting ecosystems and communities around the world, with increasingly frequent and severe storms, floods and droughts; melting polar ice sheets; sea level rise and coastal inundation and erosion; and impacts on biodiversity including species loss and extinction.

The 2018 Special Report on the impacts of 1.5 degrees Celsius (°C) of global warming above pre-industrial levels prepared by the Intergovernmental Panel on Climate Change (IPCC) concludes: limiting global warming to 1.5°C would require ‘rapid and far-reaching transitions in energy, land, urban and infrastructure (including transport and buildings), and industrial systems. Global net human-caused emissions of carbon dioxide (CO<sub>2</sub>) would need to fall by about 45 percent from 2010 levels by 2030, reaching ‘net zero’ around 2050. This means that any remaining emissions would need to be balanced by removing CO<sub>2</sub> from the air’<sup>1</sup>.

The world is currently on course to be approximately 4°C warmer than it was in preindustrial times by the year 2100, a situation that would regularly make outdoor conditions across large areas of the tropics lethal to humans without the protection of air-conditioning, severely reduce global food production and cause multi-metre sea level rise that would inundate large areas of human settlement. This scale of climate disruption is likely to lead to dramatic reductions in human population and eco-system collapse.<sup>2</sup> The probability of this outcome will increase as long as net emissions of greenhouse gases continue.

The United Nations Framework Convention on Climate Change (UNFCCC) was established to stabilise greenhouse gas concentrations in the atmosphere to a level that will prevent dangerous human interference with the climate system. Despite a near universal membership of 196 Parties to the UNFCCC, global emissions of human induced greenhouse gas emissions continue to rise. The New Zealand Government’s response to climate change has ramped up over the last 18 months<sup>3</sup> in order to drive a whole of government transition to a low greenhouse gas emissions economy and ensure a climate resilient future.

While these actions are important, there is mounting concern that the urgency required to address climate change, identified in the 2018 IPCC Special Report, requires a more rapid response than either the international or national process will deliver. Concentrations of greenhouse gases in the atmosphere are now higher than any time in the last 3 million years<sup>4</sup>, and annual global greenhouse emissions, including carbon dioxide and methane, continue to increase as a result of human activities.<sup>5,6</sup>

#### **4. How climate change is impacting the Wellington region**

Greater Wellington Regional Council has commissioned research to analyse tide gauge records in the region in order to understand the trends in local sea level. The research shows that since records began in 1890, sea level has been rising at an average rate of 2.2 mm/yr. That sums up to an increase of nearly

<sup>1</sup> <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

<sup>2</sup> <https://www.ipbes.net/news/ipbes-global-assessment-summary-policymakers-pdf>

<sup>3</sup> Initiatives include the proposed Climate Change Response (Zero Carbon) Amendment Bill, currently before the House, which sets a new emissions reduction target for 2050 and establishes a Climate Change Commission, along with amendments to existing climate change policies to strengthen the national response.

<sup>4</sup> <https://www.nbcnews.com/mach/science/carbon-dioxide-hits-level-not-seen-3-million-years-here-ncna1005231>

<sup>5</sup> <https://www.iea.org/geco/emissions/>

<sup>6</sup> <https://climatenexus.org/climate-change-news/methane-surge/>

30cm over this period and represents over 30% of the tide range. In addition, records of vertical land motion measured by continuous GPS, show that the region is currently subsiding tectonically at rates equal to that which sea level is rising, ie, around 2 mm/yr. Thus, at present, the relative sea level trend is effectively double the long term annual average.

This sea-level rise is already having impacts on our activities and infrastructure in coastal areas. The Cook Strait/Wellington areas and the east coast of the region are more vulnerable to storm inundation and rates of coastal erosion due to their smaller tidal range when compared to other parts of New Zealand. We are also seeing an upward trend in temperature across the Wellington Region.

Even if greenhouse gas emissions are stabilised globally, sea-level and average daily temperatures will continue to rise. Rainfall is projected to increase in the west of the Wellington Region and decrease in the east of the region. Heavy rainfall events are projected to increase across the region while inland Wairarapa is likely to become more drought prone. Extreme weather events are predicted to occur more frequently across the region. Changes in ocean acidity may have significant impacts on New Zealand fisheries and aquaculture into the future.

As sea levels rise, total storm inundation levels will threaten low-lying areas of Wellington central city, potentially large areas of Petone and Seaview, and to a limited extent Evans Bay and smaller areas of the Miramar Peninsula. Along the Kapiti Coast, sea level rise and total storm inundation levels will threaten Otaki Beach, low-lying areas of Waikanae and Paraparaumu Beach, and narrow margins of the Porirua Harbour, especially the CBD.

More importantly, these changes will all impact on our core business. Changes to the climate will exacerbate the impacts and risks on Wellington Region's indigenous biodiversity, primary industries, biosecurity, fresh water security and wildfire incidence. Our coastal, low lying and flood prone communities and infrastructure will become more vulnerable. In fact, no one will be immune, as both rural and urban economies and communities in the Wellington region are being and will be more adversely affected as time goes on.

## **5. What is a Climate Emergency?**

The concept of a 'Climate Emergency' and the 'Climate Mobilisation Movement' were first described in a paper Published in April 2016 by United States-based psychologist Dr Margaret Klein Salamon.<sup>7</sup> She and the activist groups that form the broad 'climate mobilisation movement', such as the Extinction Rebellion, School Strike 4 Climate and the Sunrise Movement define their objectives as:

*'...for governments to declare a climate emergency and mobilise society-wide resources at sufficient scale and speed to protect civilisation, the economy, people, species, and ecosystems (from the climate crisis).'*

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<sup>7</sup> <https://www.theclimatemobilization.org/emergency-mode>

The goals of the movement are:

- To build public awareness that we are in a climate emergency which threatens life as we know it
- To demand that governments declare a climate emergency as a public signal indicating that governments and society will be mobilised in emergency mode until the emergency passes; and
- To demand a climate mobilisation of sufficient scale and speed to protect everything we want to protect<sup>8</sup>

Proponents of declaring a climate emergency explicitly cite the USA’s society-wide mobilisation to defeat the Axis powers during World War II as the example of the scale, speed and competency which is required to successfully address the climate crisis. They characterise an emergency response as being starkly different from ‘business as usual’, in that addressing the emergency becomes the affected societies’ number one priority, rather than just one of many competing priorities.

Recently Prof Joseph Stiglitz, recipient of the Nobel Prize for Economics in 2001, voiced his support for a WWII-style climate emergency mobilisation, saying ‘the climate emergency is our third world war’.<sup>9</sup>

In more recent work, Klein Salamon (2019)<sup>10</sup> examines the theoretical discussion of what emergency mode is, compared with the normal business-as-usual mode, to illuminate what actions would look like if a climate emergency is declared (see Table 1).

**Table 1 - Characterisation of ‘normal mode’ versus ‘emergency mode’**

	<b>Normal mode</b>	<b>Emergency mode</b>
<b>Priorities</b>	Many balanced priorities	Solving the crisis = One top priority
<b>Resources</b>	Distributed across priorities and saved for future	Huge allocation of resources towards solution
<b>Focus</b>	Distributed across priorities	Laser-like focus
<b>Self-esteem source</b>	Individual accomplishment	Contributing to the solution

### 5.1 What are the legal implications of declaring a climate emergency?

There is no legal definition of the term ‘climate emergency’ in New Zealand legislation (eg, under the Civil Defence and Emergency Management Act 2002). As the declaration has no legal status, there is no precise definition of what constitutes action to meet such an emergency.

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<sup>8</sup> <https://climateemergencydeclaration.org/about/>

<sup>9</sup> <https://www.theguardian.com/commentisfree/2019/jun/04/climate-change-world-war-iii-green-new-deal>

<sup>10</sup> <https://www.theclimatemobilization.org/emergency-mode>

As far as we are aware, declaring a climate emergency does not carry any legal obligations on the organisation declaring it. However, legal liability regarding climate change is a very complex issue.

In March this year, Local Government New Zealand (LGNZ) commissioned Jack Hodder QC to look at the legal risks that councils faced by either recognising or ignoring the threat of climate change in their decision-making. He found a growing number of cases brought by frustrated communities and individuals around the world, and concluded it was only a matter of time before similar actions were taken here.<sup>11</sup> It has just been announced that the Thames-Coromandel District Council is being taken to court over its decision in April **not** to sign a declaration on climate change.<sup>12</sup>

## 5.2 The reaction to the declarations

There have been positive and negative reactions to governments and councils declaring climate emergencies. Key themes are that it is a symbolic, political, but empty gesture on the negative side through to being seen as an important step in increasing action for climate change. Professor Bronwyn Hayward, a Lead Author of the 2018 IPCC Special Report, warned that the use of alarmist language can induce paralysis and panic rather than action. Links have been made to a decline in mental health as people feel hopeless about the enormity of the problem, a condition that has been called 'climate grief'. Some communities are more vulnerable than others, and contributing to their grief could have negative consequences for mobilising action. There will equally be consequences for communities where no action is taken to adapt to the impacts of climate change. Declaring a climate emergency does serve a purpose as a 'call to action' that has moral and leadership force. The current surge in declarations has certainly raised the profile of climate change and brought the issue into focus in the media.

## 6. Who has declared?

The first government body to declare a 'climate emergency' was the municipality of Darebin in Melbourne, Australia in December 2016. As of 1 July 2019, 717 jurisdictions in 16 countries have declared a climate emergency. Populations covered by jurisdictions that have declared climate emergencies amount to over 135 million citizens, with 40 million of these living in the United Kingdom<sup>13</sup> <sup>14</sup>. Cities making declarations include London, Bristol, Vancouver and Basel.

At the time of writing this paper, eleven councils in New Zealand had declared, including four in the Wellington region (ie, the Kāpiti Coast District Council, Wellington City Council, Hutt City Council and Porirua City Council) and three regional government organisations (ie, Environment Canterbury,

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<sup>11</sup> <https://www.lgnz.co.nz/assets/Uploads/f488365773/Climate-change-litigation-Whos-afraid-of-creative-judges.pdf>

<sup>12</sup> <https://www.msn.com/en-nz/news/national/council-taken-to-court-over-lack-of-action-on-climate-change/ar-AADMuKE?ocid=spartandhp>

<sup>13</sup> <http://www.caceonline.org/councils-that-have-declared.html>

<sup>14</sup> These statistics are increasing on a daily basis and are likely underreporting the true numbers taking this action

Auckland Council and Hawkes Bay Regional Council). Many other councils across New Zealand are also considering making declarations.

On 28 May 2019 Green Party Member of Parliament (MP) Chloe Swarbrick attempted to pass a motion to declare a national climate emergency in Parliament, but this was defeated by opposition MPs.

### **6.1 What additional actions have been taken by those declaring climate emergencies? Have they switched into emergency mode?**

The level of increased ambition announced by the New Zealand councils that have declared a climate emergency to date has been variable. Some have announced new and additional actions while others have referred to their existing work programmes upon declaring their emergencies. The most common additional action has been decisions to set targets for reducing emissions.

Beyond New Zealand's shores, we see a similar range of responses to the climate emergency declarations by various national and sub-national jurisdictions. The most common additional action has been to announce an emissions reduction target of some sort at the same time as the declaration.

None of the actions taken following these declarations could be considered as reflective of an emergency mode (Table 1). We have not seen a single response that has elevated climate change to its government's or council's top priority, or mobilised 'huge' resources, with a laser-like focus.

Announcing a climate emergency, therefore, has no precedent set that would require unprecedented action, the reprioritising of resources and/or decisions to stop funding projects to be taken.

GWRC is taking considerable action on the climate crisis (see **Attachment 1**) when compared with most other councils around the country, as shown in a recent stocktake of climate change mitigation activities taken by LGNZ<sup>15</sup>. One exception is that GWRC does not have any formal emissions reductions goals, either for the organisation or for the region. A carbon neutrality target for the organisation is however being considered.

## **7. Next steps**

GWRC is holding an emissions reduction target workshop on 9 August to agree a target for the organisation.

Following the workshop, officers will prepare a paper for the 21 August Council meeting that will take a regional view of the actions GWRC could take, including:

1. Internal actions, the organisation's carbon neutral target and cost implications (largely on mitigation)

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<sup>15</sup> <https://www.lgnz.co.nz/assets/Uploads/f4cafb5ec0/46628-LGNZ-Summary-of-Emission-Reduction-7-Proof-FINAL.pdf>

2. Regional actions, influence and collaboration (which also includes adaptation)
3. Our role in Central government advocacy (mitigation and adaptation); and
4. Tabling any recommendations from the 8 August Environment Committee meeting including whether to declare a climate emergency or not

## **8. Recommendations**

*That the Environment Committee:*

1. *Receives the report*
2. *Notes the content of the report*
3. *Notes that GWRC is holding an emissions reduction target workshop on 9 August*
4. *Notes that a full paper will be prepared to go to Council on 21 August*

Report prepared by:

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Report approved by:

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Strategy

**Attachment 1: GWRC's existing climate change work programme**

## Attachment 1 GWRC's existing climate change work programme

GWRC recognises the significant role we play in responding to climate change and the challenges that brings to our region. The effects of climate change carry tough economic and social implications for our communities, with increased risks to settlements, infrastructure and ecosystems from rising seas, storms and flooding.

GWRC's strategic approach to climate change is to align and coordinate climate change actions across GW's responsibilities and operations. We have created a climate change strategy for the region. Our strategy is to build on work programmes already underway, raise awareness of climate change drivers and impacts, and help to co-ordinate regional effort through collaboration and partnerships. Actions that have been implemented or are in progress are summarised below within three key strategic areas:

- 1. Cleaning up our own act**
- 2. Working with others in the region to influence emissions reductions and improve our resilience**
- 3. Advocating for action**

### **Cleaning up our own act**

GWRC is acting to reduce GHG emissions across all its areas of influence, including its own operations. The following actions have been taken or are underway:

- Climate change effects must be considered in all council and committee reports, and officers are provided with guidance and training on how to carry this out
- GWRC's treasury risk management policy has been amended to drive the divestment from any direct investment in fossil fuel extraction industries and investigate existing non-direct investment, with a view to prevent future investment where practical
- Establishing a GWRC Climate Change Working Group
- GWRC has an electric-first vehicle policy for all corporate fleet renewals
- Planning for substantial reforestation on its land as a part of the One Billion Trees programme
- Setting a target date for achieving carbon neutral status as an organisation
- Taking the opportunities to minimise emissions of its new central Wellington offices, joining the CEMARS emissions management and reduction scheme and disclosing its climate relating risks through the Carbon Disclosure Project, and to be included in the Annual Report recognising Council's fiduciary duty
- Announcing its ambition to be the first region in New Zealand with an all-electric bus fleet, and through the recent procurement process, has facilitated the

introduction of 10 electric double-decker buses to Wellington, with a commitment to introduce another 10 in 2020 and a further 12 in 2021

- Influencing the procurement process for the new bus operating contracts, resulting in over 50% of the region's oldest buses being replaced with modern low emission buses delivering improvements in both environmental and customer experience outcomes
- Developing of a pathway to transition to a fully electric bus fleet

### **Working with others to reduce emissions and improve regional resilience**

GWRC understands the importance of working alongside others to achieve resilience and ease the transition to a low emissions economy for our region. We are actively pursuing opportunities to build climate action by working with others through the following projects:

- Commissioned NIWA to prepare a "Wellington Region climate change projections and impacts" report in 2017. Convening the Wellington Region Climate Change Working Group, made up of elected representatives of the nine Wellington Councils
- Supporting various collaborative projects that have emerged from this group on both mitigation and adaptation, including the coastal adaptation subgroup, the draft EV Support Strategy and the 2050 Emissions Calculator
- Leading the Regional Natural Hazards Strategy and since 2010 has included climate change considerations in its flood hazard assessments (ie, increased rainfall intensity and sea level rise)
- Providing data and research on projected regional climate impacts across the region including:
  - Publishing seasonal climate updates on the website
  - Providing a regional sea level rise and storm surge impact modelling tool
- Investing in high quality public transport services throughout the region
- Partnering in the Lets Get Wellington Moving programme, the transformation of the transport network in Wellington City, including a substantial shift to public transport, walking and cycling
- Developing a coastal erosion plan for Queen Elizabeth Park
- Influencing its CCOs and investments to manage their greenhouse gas emissions
- Convening the Wellington Region Erosion Control Initiative, running the Warm Greater Wellington home insulation scheme and the Take Charge business pollution prevention programme, participating in the Permanent Forests Sink Initiative and undertaking riparian and wetland protection and planting programmes

### **Advocating for action**

GWRC regularly takes part in advocacy (for example to central government, and via proposed remits to LGNZ) to encourage others to increase their efforts in addressing the climate crisis.

Specific actions include:

- submitting to the Environment Select Committee on the proposed Climate Change Response (Zero Carbon) Amendment Bill
- submitting to Local Government New Zealand's Climate Change Mitigation Reference Group on the stocktake of Council's actions related to climate change mitigation, and the sector's position on the topic
- submitting to the Ministry for the Environment on amendments proposed to the Emissions Trading Scheme (NZ ETS) and PFSI settings
- the submission of Remit to 2018 AGM of Local Government New Zealand (LGNZ): "GWRC asks that LGNZ, consistent with the Local Government Position Statement on Climate Change 2017 and the Local Government Leaders' Climate Change Declaration 2017, advocate to all major banks that they transition away from investments in fossil fuel industries, and consider opportunities for long-term investments in low- or zero-carbon energy systems." The Remit was lost by 5% of vote
- the submission of Remit to 2019 AGM of LGNZ: "That LGNZ recommends to Government that they establish an independent experts group to develop a new funding policy framework for adapting to climate change impacts as recommended by the Climate Change Adaptation Technical Working Group (CCATWG). This new experts group would be supported by a secretariat and stakeholder advisory group." The Remit was passed by 95% of vote

GWRC has five staff who effectively work on climate change-related matters. These are the Programme Lead – Climate Change (1.0 FTE), Climate Change Advisor (0.8 FTE), Senior Environmental Scientist (Climate Change) (1.0 FTE), Senior Policy Advisor (Hazards) (1.0 FTE) and Sustainability Coordinator (0.6 FTE). These staff work across all of GWRC's business to lead and advise on climate change opportunities and risks.

Attachment 2 to Report 19.342: Options assessment

Option	Do not declare a climate emergency	Declare climate emergency (no additional action)	Declare a climate emergency and announce a carbon neutrality target	Declare a climate emergency, announce a carbon neutrality target and announce additional action on climate change
<b>Advantages</b>	<ul style="list-style-type: none"> <li>✓ Resource reallocation not required</li> <li>✓ BAU programme continues</li> </ul>	<ul style="list-style-type: none"> <li>✓ Leadership</li> <li>✓ Aligns with other councils</li> <li>✓ Resource reallocation not required</li> <li>✓ BAU programme continues</li> </ul>	<ul style="list-style-type: none"> <li>✓ Leadership and walks the talk</li> <li>✓ Aligns with other councils</li> <li>✓ Manages future carbon pricing risks</li> <li>✓ Wider environmental co-benefits</li> </ul>	<ul style="list-style-type: none"> <li>✓ Leadership and walks the talk</li> <li>✓ Aligns with other councils</li> <li>✓ Manages wider climate change risks, including carbon price risk</li> <li>✓ Wider environmental and organisational co-benefits</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>✗ May impact reputation</li> <li>✗ Unaligned with other councils</li> <li>✗ Less focus on re-alignment of resources and prioritisation</li> <li>✗ Climate change risks may not be managed</li> </ul>	<ul style="list-style-type: none"> <li>✗ May impact reputation</li> <li>✗ Less focus on re-alignment of resources and prioritisation</li> <li>✗ Climate change risks may not be managed</li> </ul>	<ul style="list-style-type: none"> <li>✗ Wider climate change risks not managed</li> </ul>	<ul style="list-style-type: none"> <li>✗ Reallocation/possibly additional resources required</li> <li>✗ May impact on other programmes</li> </ul>
<b>Significance</b>	Low	Low-High	Medium	Medium-High
<b>Promotion of community outcomes</b>	Low	Low-Medium	Medium	High
<b>Impact on capacity to meet present and future needs</b>	Low	Low	Low-medium	Low-High



## Action plan to support the declaration of a Climate Emergency

### OVERALL

1. Establish appropriate governance arrangements for climate change
2. Support decision making and policy development by including robust analysis of climate change impacts
3. Review the GWRC climate change strategy and establish a senior management champion for climate change priorities within the organisation to ensure an internal culture shift is achieved
4. Advocate to Central Government to ensure legislation enables GWRC to expedite climate change and related water quality and quantity actions and consent based on an emissions threshold

### REGIONAL ADAPTATION

5. Support territorial authorities to create and implement proactive place-based, inclusive and community-led, engagement programmes relevant to the different dynamics of each area, which draw on existing community networks and reflect the interdependent nature of environmental issues and people
6. Undertake additional technical research:
  - a. to be able to provide detailed, fit-for-purpose advice to support community engagement programmes and advise infrastructure renewal programmes
  - b. to inform fine scale mapping of areas at highest risk of flooding in conjunction with Wellington Water's storm water investigations
7. Actively work with central government to identify funding opportunities for community engagement programmes and financing adaptation responses

### REGIONAL MITIGATION

8. Work collaboratively with key institutions and agencies across the region to develop a Regional Climate Mitigation Plan
9. Actively build a regional afforestation brokering role to build partnerships which capitalise on the Billion Trees programme and expand permanent native forests on public and private land
10. Embed emissions reductions targets in key programmes and projects to ensure the region contributes to the target of Net Zero New Zealand 2050, and long term infrastructure investments properly account for the anticipated increased cost of carbon resulting from the introduction of the Climate Change Response (Zero Carbon) Amendment Bill

**Report** 19.339  
**Date** 6 August 2019  
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**Committee** Council  
**Author** Samantha Seath

## Wellington Regional Investment Plan

### 1. Purpose

For Council to support the Wellington Regional Investment Plan (the Plan).

### 2. Background

#### 2.1 Purpose

The purpose of the Plan is to provide a long-range blueprint that details the investment required over the next 30 years to ensure the future success and improve the quality of life of people living in the Wellington region.

A key purpose of the Plan will be to enable the region to collectively have a conversation with central government about the regions long term growth opportunities and constraints and identify new partnership models to achieve our desired outcomes.

#### 2.2 Process

The Wellington Regional Strategy (WRS) Committee, proposed the development of an investment plan for the region in August 2017. The intent was to identify and bring together the opportunities and challenges across the region to support a joined up approach to regional economic growth.

The process for development of the Plan was agreed at the WRS Committee on 21 November 2017. The implementation of this was agreed with Chief Executives on 8 December 2017 and the approach endorsed by the Mayoral Forum at their meeting on 20 April 2018.

A project plan was developed and a consultant (HenleyHutchings) appointed in March 2018 to develop the Plan.

The project was managed through the WRS Office with a steering group of senior managers from all councils, WREDA and the New Zealand Transport Agency (NZTA). Council CEOs and Mayors (through the Mayoral Forum) also provided guidance to the project.

The Plan was developed through a series of facilitated workshops and action teams involving senior council officers, businesses, central government, iwi and other stakeholders, supported by an external consultant.

Action teams were set up in four areas and included councils, private sector and central government:

- Housing
- Resilience and transport
- Economic enablers
- Visitor Attraction.

Individual meetings were held with iwi as well as discussions at Ara Tahi.

A number of workshops were undertaken with the Mayoral Forum and Chief Executives Forum.

Discussions with Ministers and the Mayoral Forum occurred in April 2018 and December 2018.

Council has been briefed on the work progress a number of times over the last year.

This year has focused on refining the Plan and development of a final document. Alongside this work we have been developing the relationships with central government and looking for opportunities to ensure that the identified transformational elements can be put into place.

The Mayoral Forum endorsed the Plan on 21 June 2019 ([Attachment 1](#)).

All Councils in the region are being asked to endorse and support the Plan over the coming weeks.

## **2.3 Scope**

The scope of the Plan was to identify and assess the significant opportunities that would encourage economic growth and employment across the Wellington region as well as understand the constraints to growth and what actions need to be taken to realise that growth over the medium to long term.

Our focus was broad in the sense that while the desire was around identifying economic growth opportunities and constraints the reality was that this meant looking at housing, transport, resilience and economic conditions as they are all interrelated.

The Plan is to build on existing regional reports and economic data and knowledge, including investment proposed by councils through their long term plans and planned central government investments.

It will bring together existing prioritised programmes to look at these from an integrated perspective across the region, focussing on the potential to drive economic growth outcomes.

The content of the Plan includes:

- State of the Economy
- An economic analysis of the region identifying:
  - What is working well
  - Where we are underperforming
  - Cross cutting issues
  - An understanding of current and future local, regional, national & global trends.
- Collective Investment Plans (Infrastructure, growth projects, skills, etc)
  - When are they planned
  - By whom
  - What is the desired outcome.
- Other Interventions that are planned - identification of other interventions across the region which may impact and/or support growth and investment opportunities.
- Gaps and Opportunities – identification of the gaps and opportunities across the region including understanding possible cross regional opportunities.

## **2.4 Engagement with Government**

Mayors met with Ministers in April 2018 to have an initial discussion and to gather support for development of the Plan at a central government level.

Our key messages were:

- Wellington plays a unique role in the New Zealand
- The region has substantial population growth forecast
- The whole of New Zealand benefits – a vibrant Wellington contributes to a vibrant New Zealand
- We want to work in partnership with central government.

Ministers stated that they want to see the development of successful, resilient, modern cities with thriving communities. Identifying that systems need to be responsive to change and that urban development, infrastructure and transport are better integrated and aligned.

For central government a successful Plan would:

- Set a clear vision, objectives and urban strategy, articulating what sort of urban form the region wants collectively and how Wellington can grow both up and out
- Integrate work across the plan
- Clearly prioritise initiatives within and across its action areas spatially
- Include a set of economic enablers alongside housing, urban development, transport and resilience
- Identify phasing/timeframes and delivery arrangements.

Mayors had a further meeting with Ministers in December 2018 to discuss the first draft of the Plan and how as a region we plan to work together going forward.

The “ask” of central government was:

- Joint working to develop programmes and projects that can then be actioned
- Support to enable the successful delivery of the projects through:
  - A Senior Responsible Officer (SRO)
  - New tools
  - Co-funding
  - Legislative support.

### **3. Comment**

The Plan identifies existing and potential opportunities for investment across the region. It is action oriented, builds on the strengths of the region, and identifies any limitations. It references supporting work programmes to enable partnerships to be developed and help unlock resources to enable implementation.

The work has identified where value can be added, integration achieved and opportunities already in train across the region leveraged – including local activity, central government actions and the private sector.

Wellington’s transformational focus areas are identified as:

1. Developing new housing supply and contemporary urban form – aligning housing and urban form with the future economy and lifestyle aspirations of people across the region
2. Accessing opportunities through transport – design of an efficient multi-modal transport system which supports the region and integrates the economy and urban form
3. Building a modern low-carbon high enterprise economy – further developing our active and innovative, knowledge-focused economy. Seeking to drive clean growth primarily, but not only, through the technology and creative sectors
4. Strengthening our resilience and reducing environmental impact – building regional infrastructure with the capacity to tackle climate change impacts and to better resist disruptive events and enhancing the ability to achieve a quick recovery. Promoting urban development guided by the requirement to become a zero carbon region and supporting the replanting/planting of trees and sustainable water storage.

Regional commitment to the Plan as well as institutional arrangements that enable ongoing delivery will be necessary for the Plan to be successful. Discussions with Central Government have also reinforced the need for regional commitment and coordination.

### **4. Next Steps**

Over the course of the development of the Plan work has continued across the region. We have built on the two meetings that Mayors had with Ministers to strengthen our relationships with central government agencies. This has resulted in a partnership being developed between the nine councils and the

Ministry for Housing and Urban Development (HUD) and the New Zealand Transport Agency (NZTA) for the development of a Regional Growth Framework. This is an opportunity to expand further on the work completed in the Plan and supports the Urban Growth Agenda developed by Government and their desire to see strategic spatial thinking inform investment and decision-making.

Considerable progress has been made on large cross-agency programmes such as Let's Get Wellington Moving (LGWM) and other projects such as the Māori economic development plan, amongst others.

Our continued commitment to work together for the growth of the region will be an important focus for partnerships to continue to grow.

## **5. Communication**

No communication is required.

## **6. Consideration of climate change**

While individual projects within the Plan may have climate change considerations the matters requiring decision in this report are of a procedural nature and do not require consideration of climate change.

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

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

### **7.1 Significance of the decision**

Officers have considered the significance of the matter, taking into account the Council's significance and engagement policy and decision-making guidelines. Due to the procedural nature of this decision officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

### **7.2 Engagement**

Engagement with stakeholders and councils has been undertaken through the development of this Plan. It is proposed that a joint press release be made once all councils have officially endorsed the Plan.

## **8. Recommendations**

*That the Council:*

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Endorses the Wellington Regional Investment Plan.*

Report prepared by:

**Samantha Seath**  
WRS Office

Report approved by:

**Luke Troy**  
GM Strategy

**Attachment 1:** Wellington Regional Investment Plan

# Wellington Regional Investment Plan



# Wellington Regional Investment Plan

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## Executive Summary

For some time now the Wellington region has been transforming, almost imperceptibly. No longer is it a staid government centre. It has become a contemporary technology-driven economy, a cultural centre and a visitor destination. Its history of slow population growth is gradually giving way to more significant growth and the regional economy too, is in growth mode. It's not without its challenges and many of those lay in access and resilience, but all in all its prospects are very positive.

Local councils have been thinking about the implications for their own areas but also for the region as a whole entity and this investment plan reflects this thinking process.

Wellington as a region is an interlocking network of cities, towns and rural communities. It is a city-region, small on a global scale, but sufficiently large to combine the advantages of a partially concentrated and partially dispersed regional economy in an attractive setting with a high quality of lifestyle and environment.

Optimising this balance of concentration and dispersal is the key to a positive future. Across the region are the ingredients of attractive lifestyles and varied living and employment options and as we become more mobile, we can access these region-wide benefits more and more. That mobility requires integrated design of transport, infrastructure and land use and this is where an investment plan can focus its attention for most benefit.

The Wellington Regional Investment Plan (the Plan) is our long-range blueprint that details the investment required over the next 30 years to ensure future success and improve the quality of life for the Wellington region. It is a vision for where we see ourselves and a plan for how to get there.

Its preparation involved extensive research and consultation across the region in 2018, including a steering group, governance group and a number of action groups comprising business, iwi, education and local and central government.

Councils have already committed to substantial investment (\$4.5b in capital expenditure over the next 10 years) in Long Term Plans (LTPs). This Plan seeks to integrate this investment, unlock the new opportunities and accelerate the achievement of results. To make it happen, we need to work in partnership across local government, iwi, community, business and with central government.

The national perspective is an important consideration. Wellington as the nation's Capital, plays a vital part in New Zealand politics and economy. It is also an international connector. We are the second largest

WELLINGTON REGION IS HOME TO OVER **500,000** PEOPLE (**10.7%** OF THE NZ POPULATION) AND HAS THE SECOND HIGHEST REGIONAL GDP (PRODUCING **13.3%** OF THE NZ GDP). WE ARE EXPERIENCING STRONG POPULATION AND ECONOMIC GROWTH AND THIS IS FORECAST TO ACCELERATE INTO THE FUTURE

### POPULATION

2018 **521,500** → 2048 **670,000**

### JOBS

2018 **299,000** → 2048 **391,000**

region by gross domestic product (GDP) with a highly skilled workforce and a creative and “tech” culture which complements our already strong government presence.

The Plan is built on the assumption that in economic, social, cultural and environmental terms, the region is more than the sum of its parts and with New Zealand evolving into super-regional economic blocs the lower North Island is an important piece of the total New Zealand picture. To retain and build on its strong contribution to the New Zealand economy, our region needs to continue to work together with increasing energy and commitment, building on our natural and emerging advantages and creating new capabilities.

### **Where does the Plan fit?**

Planning is the responsibility of each of the councils through their LTPs. These remain the core planning documents. This Plan, which is fully supported by the councils, focuses at a higher level, drawing together a strategic and spatial view of the region and seeking to inject the energy required for a collective lift of performance, achieving results faster from a better integrated effort.

The Plan is broader than local government and takes account of central government, the community and the private sector as they impact on regional development. Central government mechanisms such as the National Policy Statements for – Urban Development Capacity and Freshwater Management and the proposal for an Urban Development Authority will have a major impact on decisions influencing timing and location of regional projects.

### **The Plan**

Has a long term view out ten plus years, and takes account of the major changes and challenges the region will experience over that period.

### **Why now?**

We are at a moment in the region’s history where, with the right vision and programme, the region has the insight and self-confidence to modernise itself into the 21st century as a leader in the New Zealand economy, way of life and values. If the moment is allowed to pass and the initiative not taken, the opportunity may not arise again in the same form.

### **Outcomes**

Our research and engagement has identified four important areas in which we must make significant progress to enable the Wellington region to continue to be a place where people want to live, work and visit.

For each area the Plan describes the desired outcome, why it is important for Wellington’s future and what we need to focus on to deliver. These four areas do not stand alone; they are interdependent and build on each other. We need to make progress on achieving all outcomes simultaneously.

#### **1. Developing new housing supply and contemporary urban form**

Aligning housing and urban form with the future economy and lifestyle aspirations of people across the region through:

- Affordable housing
- Contemporary lifestyle precincts
- Social housing
- Greenfield

## **2. Accessing opportunities through transport**

Design of an efficient multi-modal transport system which supports the city-region vision and integrates the economy and urban form through:

- Let's Get Wellington Moving
- North/South multi modal transport spine
- East/West transport spine

## **3. Building a modern low-carbon high-enterprise economy**

Building an active and innovative, knowledge-focused and broad-based economy seeking to drive clean growth primarily, but not only, through the technology and creative sectors.

- Knowledge and skills for the future
- Māori Economy
- Economic and Business Acceleration
- Wellington as a destination

## **4. Strengthening our resilience and reducing environmental impact**

Building regional infrastructure with the capacity to tackle climate change impacts and to better resist disruptive events such as earthquakes and enhancing the ability to achieve a quick recovery, should an event take place. Promoting urban development guided by the requirement to become a zero carbon region and supporting the development of replanting/planting trees and sustainable water storage.

- Lifelines
- Replanting/planting of trees
- Water storage
- Prioritising the transition to a zero carbon economy

## **Delivering**

Delivering on our Plan requires a co-ordinated and concerted effort. It will require strong and deep partnerships with central government and a region-wide joined up view of delivery across the different areas of the economy and geography.

It is only through this approach that Wellington, as an integrated region will thrive.

## Background

The Plan has evolved in the last eighteen months through a number of key stages.

### Identification of opportunities and priorities

Accessing and utilising existing knowledge and research from councils across the region was the first step in understanding potential opportunities for the region. A combination of cross-council workshops, a steering group and the Chief Executives forum helped shape the direction of the Plan. The Mayoral Forum helped set the priorities, enabling us to focus our efforts into the areas that matter.

Action teams which comprised a mix of business, local government, central government, education and iwi worked in four priority areas that dropped out of the council discussions:

- Developing new housing supply and contemporary urban form
- Accessing opportunities through transport
- Building a modern low-carbon economy
- Strengthening our resilience and reducing environmental impact

The action teams developed robust thinking on these four areas and identified priorities within them. The steering group workshopped these areas and the Chief Executive and Mayoral forums both provided input along the way.

### Detailed Actions

Each of the four priority areas include actions that have been identified as critical to achieving our overall objective. These actions were identified through extensive work with the action teams and the steering group. Many of the actions were already on the radar as being important, however, the Plan has now highlighted them within the wider regional context and reflects their value and necessity.

## About the Wellington Region

### Te Upoko o te Ika a Maui - Wellington

Wellington is an important location for New Zealand and the New Zealand people. Wellington is the head of the fish of Maui, the Harbour – Te Whanganui-a-Tara and Wairarapa Moana are the eyes of the mythical fish, and the great bay between them is the fish's mouth.

The region is an interdependent network of cities, towns and rural areas. It is the seat of Government but has long shed its grey, staid persona of public sector bureaucracy for a much more upbeat image, including the public sector. It is a growing centre for economic enterprise, knowledge and skills, creative and cultural pursuits and lifestyle. The region is a modern urban economy paired with a quality natural and social environment.

The interdependence of the region is a defining characteristic. Each part has a high level of dependence on every other part, especially the entwined nature of the CBD and the rest of the region. The present regional dynamic involve a commercial heart with a residential hinterland. The future involves a critical mass of creative and technology “knowledge-based” industries both in the CBD and extending across the region, benefitting from their regional co-location, and taking advantage of the lifestyle assets spread around the region.

### A high quality of life

Residents in the Wellington region enjoy a high quality of life relative to other parts of New Zealand. To begin with they are often well paid. According to the Infometrics Regional Economic Profile, mean earnings by workers in the Wellington region are 12 percent above the national average and it is the highest paid region in the country.

It is not just income, but across a wide range of domains that Wellington residents appear to have a high level of satisfaction.

The Quality of Life Survey conducted in 2018<sup>1</sup> indicates that residents continue to be well satisfied living in the Wellington region. Wellington region participants were positive about all dimensions covered by the survey, and indeed appeared to have above average satisfaction in the quality of their lives.

Eighty nine percent of respondents to the survey from the Wellington region reported that they thought they had a good quality of life, with just three percent reporting overall dissatisfaction.

This means that Wellington is seen as a destination and a place where people want to live and work. This is positive for the region but at the same time puts pressure on existing infrastructure and housing.

### Māori in the Wellington Region

Māori play a special part in the history, identity and life of New Zealand and the Wellington region. The region is home to around 58,332 (12 percent) people who identify Māori as their ethnicity (Appendix 1, Table 2: Share of the population that identify as Māori in the Greater Wellington Region, 2013 Census<sup>2</sup>). The last Census also indicated that the percentage categorised as mana whenua was 16 percent with

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<sup>1</sup> <http://www.qualityoflifeproject.govt.nz/index.htm>

<sup>2</sup> Māori Economy in the Greater Wellington Region, 30 March 2018, [www.berl.co.nz](http://www.berl.co.nz)

mātāwaka (Māori who come from other areas) the remaining 84 percent. Over half are under 30 years and StatsNZ predict this to continue through to 2038, with the over 65 age-category nearly doubling from 15 percent to 26 percent over the same period.

Six iwi authorities have their home across the region and through the Treaty of Waitangi, historical claims have been settled for four of the six with two still to settle (Figure 1).

Figure 1: Wellington Region iwi

Taranaki Whānui ki Te Upoko o Te Ika	Ngāti Raukawa ki te Tonga
Ngāti Toa Rangatira	Te Ātiawa ki Whakarongotai
Rangitāne o Wairarapa	
Ngāti Kahungunu ki Wairarapa	

## Wellington’s Role in New Zealand

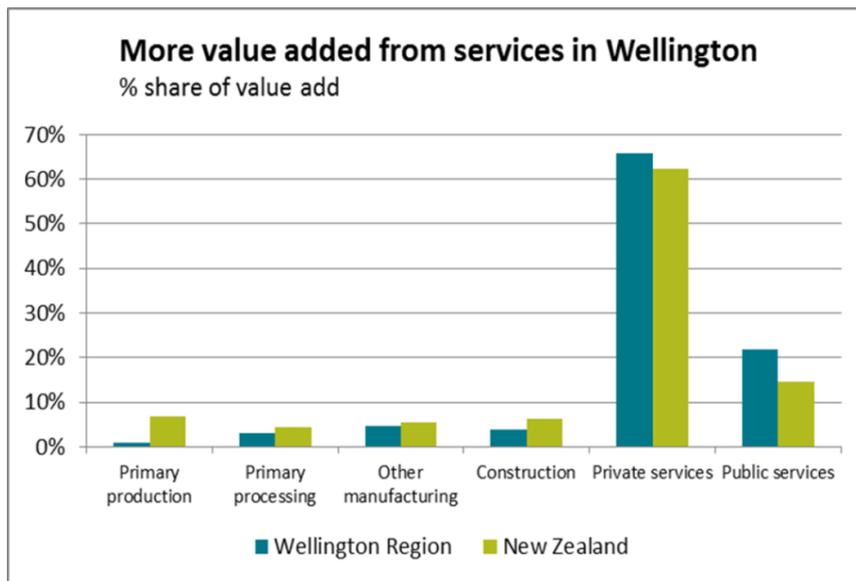
### A high performing economy

Wellington is at the leading edge of the New Zealand economy. Based on Infometrics Regional Economic Profile data per capita GDP in the region is 28 percent greater than the national average and 12 percent higher than that in Auckland. Wellington has a highly productive workforce. In 2018 the Wellington region had:

- 10.7% of the national population
- 10.9% of the working age population
- 11.5% of national employment
- 13.7% of national value added (GDP)
- 14.6% of the nation’s professionals
- 16.6% of the nation’s knowledge workers

Although, as the nation’s capital, Wellington is known for its public service, private services are now the real engine room of the Wellington economy, with private services contributing three-times as much output as the public sector (Figure 2). Public services will continue to grow roughly at the same speed as the broader economy whereas knowledge-based services are likely to be much faster movers.

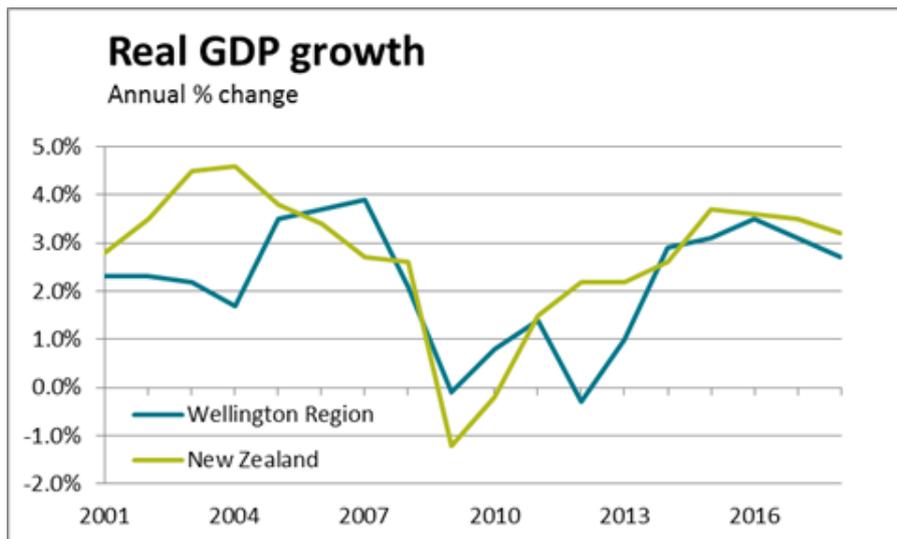
Figure 2: Added value from services



**Some catch up from the rest of New Zealand**

There has been some catch up from the rest of New Zealand over the last decade; while the Wellington region economy expanded by 19.5 percent in the ten years to March 2018, the New Zealand economy expanded by 23 percent. This is good for the nation, but New Zealand also needs to have its leading light economy to continue forging ahead (Figure 3).

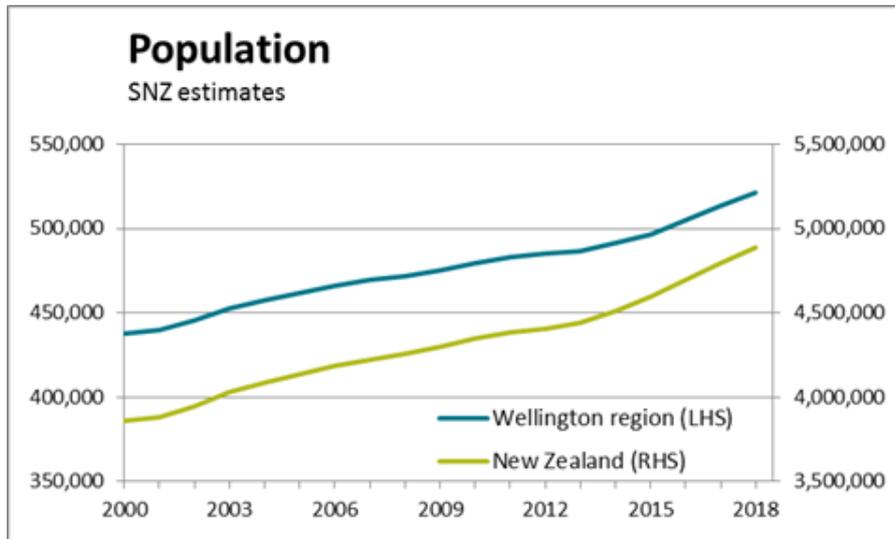
Figure 3; Real GDP growth



As a result of this catch up from the rest of NZ there has been a slower pace of population growth in the region compared to NZ as a whole. The population of the Wellington region is estimated by StatsNZ to have increased by 0.9 percent per annum from 426,900 in 1996 to 521,500 in 2018. However, with national population growth averaging 1.2 percent per annum, the Wellington region’s share of the national

population has fallen from 11.4 percent in 1996 to 10.7 percent in 2018. The last few years have seen a significant change with accelerated population growth in Wellington City and across the region; this has been at double the average rate of growth over the last decade (Figure 4).

Figure 4: Population growth



### Transport interconnectedness

There is increasing connectedness across the lower North Island and the top of the South Island and the region is well placed to build on those links to develop and achieve shared objectives. These linkages already provide rail commuter services and significant freight networks, which are the main connection point between the North and South Island for sea (state highway one). The Wellington Ferry terminal and port, thereby providing critical access for New Zealand in both freight and passengers (tourism).

### Strong prospects for the Wellington Region

Global trends are generally positive for the Wellington Region. So as long as the region’s infrastructure supports rather than inhibits the region, then the region appears to have strong economic and population prospects.

Table 1: Wellington Region share of national trends

	2018	2028	2038	2048
<b>Population</b>	10.7%	11.0%	10.8%	11.0%
<b>Employment</b>	11.5%	12.0%	11.7%	11.9%
<b>GDP</b>	13.7%	13.8%	14.0%	14.0%
<b>Per capita GDP</b>	126.6%	126.4%	129.2%	126.8%

### Global trends relevant to prospects for the Wellington Region

Powerful forces are changing our world. Their impacts are touching all countries, sectors, companies, and, increasingly, workers and the environment. We have identified five key global trends that are likely to have profound implications for the Wellington Region in coming decades (Appendix 1):

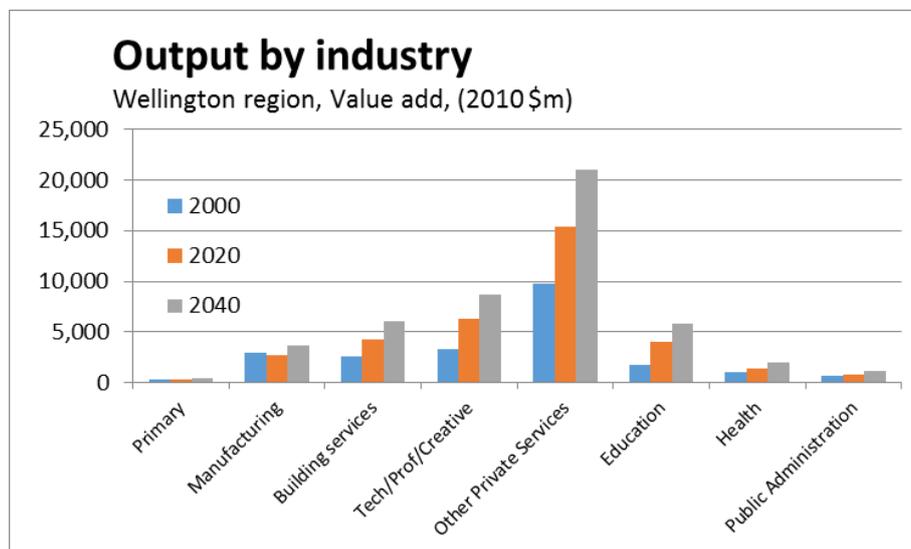
- Climate change
- Population ageing
- Digital technology and pace of change
- Globalisation of services
- Urbanisation

As a region we cannot be complacent when it comes to these forces of change, they need to be part of our focus and built into our development for the future.

### Industry prospects

Industry across the Wellington Region is notable for being in the tertiary and quaternary sectors with the region having a 37 percent share of quaternary GDP compared to 25 percent at a national level. The quaternary sector includes knowledge intensive service industries and Figure 5 highlights where growth is predicted to continue to happen. This puts pressure on the region to continue to be able to supply a highly skilled workforce well into the future (Appendix 1).

Figure 5: Output by industry



### Implication of population prospects

The population figures presented in this Plan are based on the high scenario from Statistics New Zealand’s (StatsNZ) subnational population projections for the Wellington region. These project the region’s population increasing from an estimate of 514,000 in 2017 to 650,000 by 2043. This implies an average annual growth rate of 0.9 percent, which is the same pace of growth experienced in the region since 1996.

Our economic projections (Appendix 1) suggest that the high scenario is a more plausible scenario than the medium projections. Economic and social trends are likely to favour economies like Wellington, in particular through:

- ongoing urbanisation;
- high agglomeration returns for CBD based economies;
- favourable growth prospects for industries that utilise information technology, and,
- increased globalisation of service-based industries.

As a result, projections based on GW's Wellington Regional Economic Forecast Model (Appendix 1) suggest that by the mid-2040s production in the region will increase from 13.7 percent of national production to 14.0 percent and from 11.5 percent of national employment to 11.9 percent.

In other words, a key challenge for the region is to be prepared for continued population growth. This leads to many of the proposals presented in the Plan:

- the use of housing precincts to encourage more intensive housing but also to support economic growth across the whole region
- initiatives to enhance the liveability of the region
- enhanced transport infrastructure as even with a large proportion of population growth expected in Wellington City, a 50 percent increase in daily commuter flows into Wellington City is expected over the next three decades

## **Strengths, Challenges, Opportunities**

Cities are a vital economic unit in a modern economy. They consolidate economic activity, innovation, culture and enterprise. They are economically efficient. But cities can alienate people. Many modern cities suffer from the phenomenon of stratification, where wealth, high property values, advanced education and other indicators of privilege concentrate into the inner ring around a city, whereas less privilege, lower education and property values are relegated to the outer fringes - the commuter zone. Cities are also associated with problems of congestion, increasing commuter times (and costs), unemployment and urban decay.

The ideas of city and urban form are undergoing a serious rethink to address these negatives. New generations are looking to be urban dwellers, but they want an urban future where the extremes of economics are tempered by human, social and environmental values. Cities of the future may be more intensely populated, so can they be better designed to create attractive environments? High quality design can enable affordable quality urban living, even with greater population density.

The Wellington region is moving towards a more concentrated or specialised economy. The concentration is on types of industries, not necessarily concentration in the CBD. The region's economy will be of increasing national and international scale and importance, with its concentration of knowledge-based industries. To support this economy and provide the essentials of a modern lifestyle, and meet the expectations of the new generations of young people populating these industries, the idea of the city-region becomes essential.

Furthermore, because of its knowledge focus, the Wellington economy is a high productivity economy in New Zealand terms, with GDP per employed person being around 15 percent higher than the national average. While this is a positive factor, there is still plenty of upside to be achieved if comparisons are made internationally.

Maintaining a high level of productivity will arise from continual skill and capability development, and ongoing investment in technologies which enhance human effort. This requires a culture of education and skill improvement and Wellington is pre-disposed in this direction.

### **City-region**

The idea of a city-region is fundamental to this Plan, it is a way of thinking that takes the benefits of urban concentration and regional diversity and turns them into an active whole. It combines scale and diversity – just enough scale to compete nationally and internationally and to create momentum, not so much scale that the human benefits of intimacy, population mix and human values are diminished or lost.

The central city of Wellington is a vital beating heart of the economy. Without it, there is no region, but it alone is not sufficient to succeed in a future world that demands a broader definition of lifestyle and economy. The city alone cannot provide the options that people are seeking at different stages of their life cycle and careers – factors that make them want to live and be part of a region with its options and variations. A region that is little more than an outlier of the city doesn't meet these requirements either.

The idea is a total working and living environment that meets the needs of its population in an efficient and modern manner. The city-region has nothing to do with political management. The city-region is a carefully designed package to meet the requirements productivity, motivation, collaboration, innovation and modern-future living and working.

### **Strengths**

- Our contribution to the national economy
- Our capability as a centre of government
- Our efficient and compact living and working environment
- Our high status in terms of skills, education and productivity
- Our location as a transport junction between the North and South Island

### **Challenges**

- Managing the demands of population growth and its implications
- Managing the pressures on house prices and the cost of living
- Moving people around the region effectively and sustainably
- Preparing for and mitigating the impacts of natural disasters and climate change

### **Opportunities**

- Business growth
- Innovation and productivity growth
- Talent and business attraction

## **Visioning the Wellington region**

Success can be measured in many different ways, but what is most meaningful to the people of the region will be what counts.

People invariably want five fundamentals that support the basics of life, roughly in the order in which they are listed below. These are similar to the Treasury's Living Standards Framework<sup>3</sup> and we have adopted them as guidelines for this Plan:

- **Employment** – not just jobs, but also opportunities for improvement and advancement.
- **Income** – sufficient family income to maintain a good quality life and which is not too disruptive of family values to earn it.
- **Housing** – a warm, dry, secure and affordable living environment, with easy access to employment.
- **Skills** – skills build up into capabilities and into careers. Skills are part of identity and confidence.
- **Vibrancy** – a work, social, cultural and community environment that has variety, dimension and interest, with access to facilities, amenities and experiences.

### What would the Wellington region of the future look like?

Understanding where we see ourselves 10, 20, 30 years into the future is critical for building the right path to achieving our goals. Through extensive workshops and discussions in the process of developing this Plan we have been able to distil down some qualities that people see as important for the region.

Wellington is already seen as a leader in urban form<sup>4</sup> however, to achieve the vision and desired future the following areas will need to be underpinned by an integrated system of transport and urban development with a strong environmental and resilient culture. Only then will these areas drive the growth and development of the region's economy.

#### Hub/satellite

The knowledge-based growth industries may partly be hubbed out of Wellington City with potential satellite activities around the region. For example, technology-related industries are growing quickly in Lower Hutt, Porirua and the Wairarapa.

Technology practices can be applied to traditional industries in other parts of the region, for example, added value food industries proposed for Wairarapa will draw on technology and digital skills. Enhancements in the tourism and visitor industry will do the same across the region.

#### Enterprise economy

Small and medium-sized enterprise growth is closely aligned with innovation. The development and particularly the extension of enterprises into mid-sized entities should be a focus right across the region, as this will increasingly become the foundation of the whole regional economy. A network of business development services may in its early stages rely on the expertise available in WREDA and Creative HQ, but as the satellite operations emerge they will gain their own identity and momentum.

#### Knowledge and skills centre

The Wellington region is already a strong centre for knowledge and skills, both traditional and new and its trajectory is to become stronger. These skills need to be flexible and transferable and able to be evolved as requirements change with technology. Wellington needs to continue to lead the pack as a learning centre.

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<sup>3</sup> <https://treasury.govt.nz/information-and-services/nz-economy/living-standards/our-living-standards-framework>

<sup>4</sup> PWC – Competitive Cities: A Decade of Shifting Fortunes 2019

### **Cultural and creative centre**

The region needs to be able to meet more than the employment and living needs of its residents. Culture, arts, heritage, sport and recreation are all part of the mix. Wellington is renowned for its cultural life and further evolution of this characteristic has been designed into the regional picture.

### **Changing nature of work**

A number of trends are driving the changing nature of work, including technology, digital and the internet. It is likely that operating businesses or organisations of any sort may become increasingly desirable from remote locations. Outworking options may emerge. For example, outworking centres in places like Masterton, Greytown, Martinborough, Paraparaumu and Upper Hutt may become an option for people whose primary job location is inner city Wellington. They may operate from these outworking centres for a day or two a week, or perhaps even a whole week, coming into the city from time to time for direction and engagement with colleagues.

These outworking centres may be associated with business development services and facilities to gain advantages from co-location and collaboration. They also have the potential to build connections between individuals, private enterprises and the public sector – they could help diminish siloes and generate business activity clusters

There is already strong evidence of this type of thing happening. Shared 'co-working' spaces are springing up around the city and the wider region in places such as Carterton, Porirua, Petone, and Johnsonville and within the Wellington inner city. Several of these have already extended into business networking and capability-building. These will need to be supported to achieve critical mass.

### **Advanced skills**

Attraction of talent and the development of specialist skills matched with the growth sectors of the modern economy will be vital to success. The ability to distribute skill development across the region and directly associate with growth businesses will be important.

The economy will require a dynamic approach to skills acquisition and enhancement. Over-reliance on pre-entry training will be replaced with in-service, on-the-job training and micro-credentialing suited to fast moving and evolving industries. The acquisition of skills needs to be addressed at a region level, not in isolated pockets.

### **Public and private**

An enterprise and innovation ethos would become an active part of the public and community sectors and would be a strong reason for the retention of these services in the region. The Wellington region of the future will have a greater depth of labour market and labour skills than equivalent parts of the country, giving it a natural advantage.

A strong association with enterprise in both the public and private sectors is likely to stimulate greater enterprise in the public sector, which has been a goal of public sector managers and leaders for some time. The recently started GovTech programme led by Creative HQ is an example of how to develop innovation in the public sector and is gaining international recognition.

## **Outcome: Developing new housing supply and contemporary urban form**

### **Outcome sought**

Their house and living environment are arguably the focal point of most people's lives. Similarly, housing is the key integrating factor in this Plan. The connection between transport is critical and in a zero-carbon future will become more so. Resilience in the form of protection from natural hazard and climate change events such as earthquakes, storm surge, flooding and sea level rise is vital.

The connection with the knowledge-economy is very important as lifestyle and quality of life are key factors in attracting the people to Wellington who are going to populate our growth sectors. Housing development allows people to select the housing option most suited to their requirements and circumstances.

The housing outcome sought in this Plan is increased quality housing supply in the context of integrated urban form. Housing and living circumstances are arguably the single integrating factor with all aspects of the Plan. People satisfied with their living situation will be strong contributors to the economy and community.

### **Opportunity**

Tight integration between housing, urban form, transport and economy opens up new opportunities. The opportunities lie much less in the suburban outward expansion of the past and much more retrofitting 'brownfields' developments with a strong emphasis on lifestyle and community and adjacent workplaces.

This brings both challenges and opportunities. It would include initiatives with the Ministry of Housing and Urban Development, Housing New Zealand and KiwiBuild with an emphasis on housing provision. It combines housing with transport and economic concentration. Proposed precinct initiatives focus on housing those people who will drive the emerging knowledge-based Wellington economy of the future.

To maintain and extend Wellington's position at the leading edge of technical and creative industries, the region needs people and especially those with relevant skills. People need to be properly housed in positive communities so that they can be productive and live satisfying lives.

It is estimated that the Wellington region is currently short of between 4,000-5,000 homes and this number is gradually increasing. The largest shortage is in Wellington City, but pressures are growing in other parts of the region. The threat is not just shortages of houses per se, but shortages of affordable houses, especially for young families who are the future of the regional economy.

If a high population growth scenario is applied, then something in the order of 56,000 plus new housing units will be required across the region by 2043.

There is international competition for talent. The Wellington economy is highly talent-dependent and needs to optimise its chances of attracting and retaining talented people by offering a positive combination of jobs, living circumstances and lifestyle. With property values rising across the region people in their early career are being driven out of the city to the fringes and beyond. The opportunity is to reverse this trend.

### Background information

With limited space in the Wellington region, housing will be more intensive and more closely linked to transport corridors, especially public transport. It also makes sense to utilise existing infrastructure (the three waters) in established areas wherever possible.

A particular initiative is the precincts approach. This involves taking areas of our cities that require urban design improvement and doing it in a systematic way with an eye to the requirements of the future. This includes consideration of population increase, prevention of urban flight, fewer cars and greater reliance on public and active transport, and an enterprise economy made up of small to medium high technology and innovative enterprises. Precincts would be innovative types of working and living environments and the region would be a leader in this type of development.

It is also an opportunity to partner with Government in a variety of ways to address the housing shortage and provide better quality affordable and social housing in established communities around city centres rather than at the extreme fringes, which is a developing trend.

House and community design needs to be of a quality that avoids any tendency towards the ghettoising of precincts and other development areas across the region.

Design principles for both new and current housing include:

- Housing our people; building communities
- Modern design in living environments
- Connection to transport corridors
- Environmental considerations
- Regional lifestyle extension
- Proximity of living and work

The population figures presented in this Plan are based on the high scenario from StatsNZ subnational population projections for the Wellington region. These project the region's population increasing from an estimate of 521,500 in 2018 to 650,000 by 2043. This implies an average annual growth rate of 0.9 percent, which is the same pace of growth experienced in the region since 1996. What is important to note, however is that the last couple of years have seen double that growth (2016-1.6%, 2017-1.8%, 2018-1.5%) with a much larger number of people coming into the region.

Our economic projections suggest that the region's population growth will be more in line with the StatsNZ high growth projections than the medium growth projections. Economic and social trends are likely to favour economies like Wellington, in particular through:

- accelerating urbanisation;
- high agglomeration returns for CBD based economies;
- favourable growth prospects for industries that utilise information technology, and,
- increased globalisation of service-based industries.

As a result, projections based on GW's Wellington Regional Economic Forecast Model suggest that by 2048 production in the region will increase from 13.7 percent of national production to 14.0 percent and from 11.5 percent of national employment to 11.9 percent.

The region is already facing challenges such as:

- Slipping into a housing deficit situation, with over 5,000 houses short regionally and rising
- The flight from the central city and, to a lesser degree, the regional city centres is gathering momentum as a result of increased house prices
- The complexities of housing provision and improvement of urban form and infrastructure are increasing, with insufficient tools to manage and fund these developments

In other words, a key challenge for the region will be to be prepared for continued population growth and not scare it away with unaffordable housing. This leads to many of the proposals presented in the Plan:

- the use of housing precincts to encourage more intensive housing development
- initiatives to enhance the liveability of the region
- enhanced multi-modal transport infrastructure as even with a large proportion of population growth expected in Wellington City, a 50 percent increase in daily commuter flows into Wellington City is expected over the next three decades

### Actions/focus areas

The scale of the change required is only possible in partnership with Central Government.

This section identifies the key focus areas in the housing and urban form action area and reflects on the application of the partnership with Central Government in each of these areas.

#### FOCUS AREA 1: DEVELOPMENT OF A REGIONAL GROWTH FRAMEWORK

Over the next 30 years the region is expecting 48,000 – 58,000 new houses to be built, however, to ensure the future growth is linked with transport and environmental analysis and leads to economic opportunities we will need to take an integrated and spatial approach.

Developing a regional growth framework approach will encompass many of the actions identified in this Plan but will delve down into the actions required to affect change. The focus will be at a regional-scale and will provide the evidence base and guide the 30 plus year vision for the region.

Central government will be a key partner. This work will dovetail into their own Urban Growth Agenda – a programme that aims to remove barriers to the supply of land and infrastructure and make room for cities to grow up and out. It will emphasise making better informed decisions and align planning and investment to be much more responsive to growth.

The growth framework will support the spatial elements likely to be required through the National Policy Statements on urban development and fresh water quality as well as the requirements for regional land transport plans to build in spatial elements to show how they support growth and enable urban development.

Project	Lead Agency	Key partners	Linked projects/initiatives
Development and implementation of a regional growth framework in partnership with central government, iwi and the private sector.	Councils	HUD, NZTA	LGWM Riverlink Precincts Greenfield

Investment required

It is important for the success of this work that the investment comes from across the region as well as other key stakeholders. There will be a considerable time and information collection element to the work as well as investment in people.

Return on Investment

A programme of projects to resolve growth issues and other challenges including relevant analysis.

**FOCUS AREA 2: AN URBAN DEVELOPMENT AUTHORITY MODEL**

To deliver our Plan we will need to achieve substantial redevelopment in the CBD and many of our regional centres. Major housing and transport infrastructure will require substantial property acquisition and offers the opportunity to redevelop the remnant land to maximise the benefits. Achieving better quality housing, particularly more intensive housing will require new models to be developed and property to be amalgamated. Redeveloping sites where there are earthquake prone buildings or where land remediation is required can have additional risks that need to be mitigated. This requires a new model of working. Accessing UDA powers is the key to having more houses to be built sooner by enabling major urban regeneration, greenfield developments and multi modal transport development, such as through LGWM, Riverlink and Lincolnshire Farm.

We fully support the Government’s Urban Development Agency coming into force. To get more houses built sooner, we would like an urban development vehicle that can be scaled appropriately with different partners for different projects. The powers that will be required should include planning and compulsory acquisition powers to unlock land for development, ensure streamlined consenting processes, and provide more certainty for the Government and Councils around housing timeframes and quality housing outcomes.

Integrating with LGWM will ensure that urban development is joined up with the investment in transport infrastructure such as mass transit, public transport improvements and tunnelling that will unlock development potential, and three waters infrastructure which meet the requirements of the National Policy Statement for Fresh Water Management. In addition a key part of the transport strategy for the region is to try and locate more people in closer proximity to where they work through precincts. This will involve creating better inner city neighbourhoods that are supported by good walking and cycling connections as well as public transport investment.

We would like UDA delivery vehicles with joint sponsorship, governance and operation to enable partnership models between MHUD, NZTA and relevant councils. We are prepared to invest for a return and see future dividends reinvested into development and infrastructure projects.

Project	Lead Agency	Key partners	Linked projects/initiatives
Creation of a tool box of regulations and funding tools at the regional level/scale to facilitate housing development in all contexts.	Councils and their housing CCOs	HUD	LGWM Riverlink Precincts Greenfield

#### Investment required

It is envisaged that time will be required to assemble the regulatory and institutional arrangements to get the UDA powers in place and begin to design their application. It is therefore imperative that work on this capability commences quickly. It is envisaged that the Wellington region, like other regions, will require bespoke practices to enable it to achieve its goals. Design of these practices through a Government partnership is essential.

#### Return on Investment

What we offer in return for these powers and partnership vehicle is the ability to assist in the delivery of new housing to support government's flagship KiwiBuild programme. Government has set an ambitious target of 100,000 new homes in ten years. A partnership with local government could meaningfully assist with this housing target by offering project partnership funding, land-holdings, and local expertise to deal with local issues.

- Support and make use of strategic sites across the Wellington Region
- A dedicated function to achieve outcomes

### **FOCUS AREA 3: SOCIAL AND AFFORDABLE HOUSING PARTNERSHIPS**

The need for more Housing New Zealand (HNZ) social housing across the region is urgent. Councils have a role to play in identifying Crown or Council owned land which could be used for social housing developments. Where these developments occur, there is a preference that they be mixed tenure including affordable and market value properties as well. Where councils are looking to intensify developments we would maintain the current number of social housing properties even if the proportion drops. Ideally, however, we would be increasing the amount of social housing – HNZ and Council housing – across the region. To increase fairness across housing providers, the Income Related Rent Subsidy (IRRS) should be made available to council tenants.

Discussions between councils across the region and HNZ are already taking place and will be ongoing. The recent announcement between the Government and Porirua City Council of 2,900 renewed and new state houses – a 150 net increase in public housing, and around 2,000 affordable, KiwiBuild and market homes is an example of what is possible. There are further opportunities for such development in Masterton, Naenae, Kāpiti, Grenada and Strathmore.

The opportunity is to comprehensively redevelop HNZ housing stock in areas where they are concentrated, and on average double the density of these communities to deliver a mix of social housing, KiwiBuild housing and private market housing. This is directly targeted to meet the housing and social needs of low socio-economic families and individuals. The requirement for this provision will grow proportionately with the population.

Most Wellington councils are looking at developments in the middle-income bracket. These may involve small and medium sized groupings of houses where the blocks and barriers to development can be broken down with the assistance of KiwiBuild resources and expertise. The key impediment is market risk, with developers reluctant to build new typologies or cheaper houses because their profit

margin is lower than it is on more expensive houses. There are also challenges in the upfront cost of infrastructure. A Government partnership can help minimise those risks.

Project	Lead Agency	Key partners	Linked projects/initiatives
Identification of land that is owned by HNZ, councils and/or iwi and look to increase the provision of affordable housing. Provide incentives to councils and NGOs to build and manage social housing.	Councils & HNZ	MSD, Developers, Builders	Regional Growth Framework Precincts Greenfield
Identification of priority areas across the region that can support the KiwiBuild programme Identify viably sized packages of houses for development	Councils	Developers, Builders, KiwiBuild	Regional Growth Framework Social Housing Precincts Greenfield UDA

**Investment required**

This requires both a partnership and new thinking around the spending and development of social housing. Wellington is a significant investor in the social housing market and it is essential that HNZ works closely with the region to understand the opportunities. To solve some of the housing shortages in this area (and that of affordable housing) there must be new thinking around building the community and urban form that the region desires.

**Return on Investment**

Supporting not only the desire of the Wellington region to provide housing for all but also the aspirations of central government to enable housing for all.

**FOCUS AREA 4: CONTEMPORARY LIFESTYLE PRECINCTS**

This involves taking areas of our major cities that require urban design improvement and doing it in a systematic way with an eye to the requirements of the future. This includes consideration of population increase, prevention of urban flight, fewer cars and greater reliance on public and active transport, and an enterprise economy made up of small to medium high-technology and innovative enterprises. Precincts would be innovative types of working and living environments and Wellington would be a leader in this type of development.

These precincts are a highly designed combination of economic, lifestyle and housing dimensions designed to support the future population and economy in the context of quality lifestyles. They are well connected to current and planned transit routes so as to enable a greater focus on public transport.

Precincts are not cookie cutter developments; rather, they leverage distinct economic strengths in each area and vary not only by type but also in size.

Providing housing and jobs close to public transport, shops and services, makes life more convenient and enjoyable and reduces traffic congestion. Providing a range of housing types helps people live close to family and friends, no matter what their life stage.

Quality of place is an important attractor for talent, particularly for creative workers. Precincts support an environment of connectedness and enable diversity, which is a hallmark of success for urban economies.

Precincts are potential engines for sustainable development since they embrace residential and employment density via the strategic use of transit and provide the opportunity to turn streets and parks into living labs to test cutting edge sustainable projects in partnership with technology firms and entrepreneurs.

To make precincts successful we need to look at a number of key areas:

- **Critical mass:** Does the area under study have a density of assets that collectively begin to attract and retain people, stimulate a range of activities and increase financing?
- **Competitive advantage:** will it leverage and align its distinctive assets, including historical strengths to grow firms and jobs in the district, city and region?
- **Quality of place:** Does the precinct have a strong quality of place and offer quality experiences that attract other assets, accelerate outcomes, and increase interactions?
- **Diversity and inclusion:** Is the precinct an economically diverse and inclusive place that provides broad opportunity for city residents?
- **Collaboration:** Is the precinct connecting the dots between people, institutions, economic clusters, and place creating synergies at multiple scales and platforms? Collaboration also relates to developing synergies at multiple business scales and by various platforms<sup>5</sup>.

Project	Lead Agency	Key partners	Linked projects/initiatives
<b>Hutt City – RiverLink development</b> The RiverLink project will deliver better flood protection, better lifestyle and improved transport links for the people of Lower Hutt. This precinct is a complex proposition. It not only involves bringing people back into the CBD fringes to live and thereby adding life and vigour to the central city, but it also involves relocation of Melling Station to better service the CBD and river management at a vulnerable point in the flood defences on the Hutt River. The precinct allows for the development of knowledge-intensive industries in the Hutt and is only a short distance from Gracefield, which is a proposed innovation centre.	HCC	GW, NZTA	UDA Petone to Grenada Cross Valley Connection Riverlink (Melling interchange/Flood Protection) Regional Growth framework
<b>Wellington City – Te Aro, Mount Cook and Adelaide Road</b> This precinct is essentially a redevelopment area of the city. It already has a mixture of uses including commercial, residential and	WCC	GW, NZTA	UDA LGWM Regional Growth Framework

<sup>5</sup> Wagner & Storrington - 2016

Project	Lead Agency	Key partners	Linked projects/initiatives
<p>educational. Its advantage is that it is close to the city and knowledge-industry enterprises are already locating into the area as are student facilities. It is also an area where there are earthquake-prone buildings that will require redevelopment and in some cases, demolition.</p> <p>Because it is a redevelopment area it will have all the challenges of property acquisition and amalgamation and allocation of open spaces which will likely require consenting and financing arrangements that are not easily undertaken under current regulation. This brings into play the proposition of a UDA of some sort.</p> <p>Benefit of providing relatively affordable housing near the city and the co-location with growth industries for the city, the population of such a precinct will provide the passenger volume to support the light rail proposal. A co-benefit is earthquake recovery.</p>			
<p><b>Other potential precincts</b></p> <p><b>Porirua</b> The opportunity to develop the downtown area of Porirua City and other areas that are oriented around transport hubs.</p> <p><b>Paraparaumu</b> Building on the development of the expressway and future growth in Kāpiti.</p>			<p>Regional Growth Framework Social/affordable Housing UDA</p>

Investment required

- NZTA commitment to the Melling Bridge - joint consenting, design and then funding
- upfront infrastructure development in roads and public transport (LGWM)

Return on Investment

- integrated urban design
- supports population growth

**FOCUS AREA 5: GREENFIELD**

The development of new areas across the region will be an important consideration in providing for a growing population and intensification options in existing urban areas are exhausted. However, our focus needs to be on new forms of greenfield taking into account environmental, transport and key infrastructure issues and opportunities – in other words – good urban design.

Project	Lead Agency	Key partners	Linked projects/initiatives
To accommodate the projected population increase, greenfield developments will be required throughout the region. This Plan assumes that priority will be given to precincts first to take advantage of the economies of areas which are already served or partially serviced by infrastructure. The work emerging on the NPS-UDC will inform the investment required in existing and potential infrastructure.	Councils	Developers, Builders	Petone to Grenada Cross Valley Connection

Investment required

- support to create new forms of urban design
- upfront infrastructure development in roads and water

Return on Investment

- Greenfield developments are lower priority as a result of their lower return on investment as development costs are high.

## **Outcome: Accessing opportunities through transport**

Wellington's hilly, river and sea-lined geography has determined how our region has formed and where transport linkages were first established. These early routes continue to influence the transport planning efforts to shape the region, but the region has grown and evolved. More growth is expected and more change is necessary. The capacity of the transport network to meet both current and future demands is already limited and decreasing.

Geography also influenced the location of central government, its ministries, agencies and numerous associated economic activities. Coupled with the location of the port, inter-island ferries, universities and other regional institutions, this has led to the concentrations of jobs and the daily movement of workers from the wider region to the Wellington CBD.

Commuting times through the region to Wellington are getting worse. Morning peak-hour drivers to Wellington can spend 72 percent more time in traffic, an extra 20 working days a year. This is the worst morning commute in the world for a city of our size, and this is impacting on the region's productivity.

Transport provides the arteries that enable the exchange of goods, services and people between the diverse parts of the city-region. It enables higher levels of productivity with greater efficiency of the availability of resources. Regions that have effective and efficient transport do well and generate the confidence of residents.

### **Outcome sought**

The opportunity is to design the multi-modal transport system for the long-term future of the region. Providing an integrated approach to development through urban regeneration and design to ensure that transport systems are well connected and support quality of life and the environment.

### **Background information**

The priority focus in the Plan is on access to the Wellington CBD and intra-regional connections. Key centres and employment hubs in the region must be accessible to major population centres.

### **Design principles**

- Thinking well beyond the present
- Bringing all parts of the region into the mainstream economy
- Improving regional productivity
- Trending towards carbon zero
- Rebalancing modes of transport to prioritise active and public transport

### **Opportunities**

The synergies between transport and housing are strong. Multi-modal transport associated with housing areas and precincts will be important and access to transport corridors will be a vital consideration in the location of new housing areas. There are also strong resilience co-benefits through providing more secure routes and alternatives to access parts of the region post a major hazard event. Obvious projects are the Ngauranga to Petone cycle-way, Petone to Grenada and the Cross Valley Connection. Most importantly, transport will encourage the free-flow of people and resources around the region to support a modern concentrated economy. If concentration means congestion and paralysis, we have failed. This challenge cannot be over-estimated.

## Actions/focus areas

The projects in this category are major by any measure. They are also highly complex and, in some cases such as the proposed mass transit as part of LGWM, they are projects that have limited precedent in New Zealand.

### FOCUS AREA 1: LET'S GET WELLINGTON MOVING

Wellington's transport network has reached capacity at certain times of the day and week and with significant growth this could be exacerbated. There is a lack of space to increase road capacity and a need to shift travel to other modes (public transport, walking and cycling). The increasing role of Wellington City as an economic powerhouse in the region with greater concentration of population in and around the central city means solutions to the current challenges are vital. There is also a major opportunity to shift patterns of travel to more sustainable modes and reduce the impacts of vehicles and emissions on the city.

Project	Lead Agency	Key partners	Linked projects/initiatives
<p>A comprehensive integrated programme of transport interventions that address transport problems, stimulate economic and housing growth and city-shaping opportunities</p> <p><b>Priority projects:</b></p> <ul style="list-style-type: none"> <li>○ Comprehensive walking networks and connected cycleways.</li> <li>○ Significant improvements to public transport, including routes from the north, bus priority through the central city and key suburban routes</li> <li>○ Road pricing – to incentivise sustainable transport options</li> <li>○ High capacity mass transit from the central railway station to the regional hospital and international airport</li> <li>○ Basin Reserve – easing the bottleneck for traffic moving east of the city and to the airport.</li> <li>○ Duplication of the Mt.Victoria tunnel to provide enhanced access to the Internal Airport and eastern suburbs.</li> </ul>	WCC, GW, NZTA	Government	<p>UDA</p> <p>North/South multi modal transport spine</p>

#### Investment required

- Commitment to long term funding
- Long term partnership with NZTA

#### Return on Investment

- Supports growth across the city
- Reduction in emissions
- Integrated urban design

**FOCUS AREA 2: NORTH/SOUTH SPINE**

This spine refers to the backbone running north from Wellington City and splitting at Ngauranga to the northwest and northeast corridors. This is the spine that connects the region. Current road projects at the north end of the northwest spine are significantly enhancing access. Current priorities lie primarily in the northeast spine.

Project	Lead Agency	Key partners	Linked projects/initiatives
<b>Priority projects:</b>			
○ Rail track network upgrades – this is especially from Upper Hutt to Wairarapa.	KiwiRail	NZTA, GW	LGWM
○ Ngauranga to Petone regional cycling route – this would be both a commuter and recreational route and most importantly it has a resilience purpose in protecting the rail and road arteries from sea damage.	NZTA	HCC, WCC, GW	LGWM
○ Melling Interchange – a significant part of the Riverlink project aimed at improving the resilience, accessibility, efficiency and safety of the Melling intersection.	NZTA	HCC, GW	Riverlink, LGWM
○ Rail capacity improvements – increased population will result in significant increases of commuters by as much as 25% on the Wairarapa line and over 50% on the Kāpiti line. This will require additional rolling stock and system improvements.	KiwiRail	GW	LGWM
○ New rolling stock – enable an increased Lower North Island Commuter Service (Wairarapa and Manawatū).	GW	NZTA	LGWM

**Investment required**

- Commitment by KiwiRail to upgrade tracks and capacity
- Long term commitment to rail
- Support in the development of the Wairarapa and Palmerston North routes to ensure rolling stock is fit for purpose and provides long term outcomes.

**Return on investment**

- Reduction in emissions
- Support population growth across the region
- Freight link improvements
- Lower North Island triangle connection
- Provides additional capacity on the Metro network and additional resilience (dual power trains could operate even if electricity is off)

**FOCUS AREA 3: EAST/WEST CONNECTORS**

While the north/south spine is the priority, a connected region requires a major east/west connector. The connector is made up of two links – Petone to Grenada and the Cross Valley Connection to Seaview. The Cross Valley Connection has been given a second order of priority which means it is further back in the investment plan time schedule, but this should not imply that it lacks importance.

Project	Lead Agency	Key partners	Linked projects/initiatives
<ul style="list-style-type: none"> <li>○ <b>Petone to Grenada</b> This is a project with multiple co-benefits. Wellington clearly lacks adequate east/west connection between its northeast and northwest spines. This project will address this and will:                             <ul style="list-style-type: none"> <li>● Enhance resilience by providing access from the lower Hutt Valley to Porirua and vice versa</li> <li>● The road will open up a potential Greenfield housing area relatively close to the central city, though slightly removed from transport corridors.</li> </ul> </li> </ul>	WCC, HCC, PCC	GW, NZTA	Greenfield housing development
<ul style="list-style-type: none"> <li>○ <b>Cross Valley Connection - Petone to Seaview</b> This project also has multiple co-benefits. Whilst its primary purpose is to open up the eastern valley for housing development, especially North Wainuiomata, and improve access to the Hutt City Centre, it will also replace the Petone Esplanade as an access way to Seaview. There are serious resilience concerns with the esplanade.</li> </ul>	HCC	NZTA	

Investment required

- Commitment to the investment in east/west connector roads to unlock housing potential and build resilience across the region.

Return on investment

- Builds resilience across the region, both day to day and in a natural disaster
- Improved travel times for businesses and therefore increased efficiency
- Reduced emissions (reduced travel time and improve multi-modal options)

**FOCUS AREA 4: INTER-REGIONAL CONNECTORS**

Project	Lead Agency	Key partners	Linked projects/initiatives
<p><b>High priority project:</b></p> <ul style="list-style-type: none"> <li>Multi User Ferry terminal There is a need to expand and modernise the ferry terminal facilities as a result of both transport and resilience considerations. Questions remain about location – Kaiwharawhara and Kings Wharf options are being explored. Road improvements would also be required. The ferry is fundamental to the visitor aspect of the region’s economy and is a vital link for freight which makes it a high priority.</li> </ul>	CentrePort, GW	NZTA, WCC, Bluebridge, Interislander	North/South multi modal spine , LGWM
<p><b>longer term priority:</b></p> <ul style="list-style-type: none"> <li>Airport runway extension This is a big ticket item and a major piece of engineering. Its long term importance is largely unquestioned because as the local economy expands, international access will become more important. At present, the justification lies more in tourism than general commerce and government. There are limited co-benefits when compared to other projects</li> </ul>	Airport	WCC, Government	LGWM

Investment required

- Commitment and partnership across agencies to ensure not only the new terminals but also the roading investment that will be required to go with it.

Return on investment

- Provides a core transport link and resilience in connection in and out of the region for both freight and visitors

## **Outcome: Building a modern-low carbon high enterprise economy**

It is the economy that is central to this Plan and which has an important driving role for other elements of the Plan. The link with housing is strong, especially the precincts, as this housing provides accommodation for workers generally, but especially knowledge-workers, and is a major consideration in lifestyle driven decision-making. The link with transport is vital with the need for goods, services and people to move around. If the knowledge-economy is to flourish not just in the city but also the broader region then the halo effect of the concentrated industry in Wellington City is strong.

### **Outcome sought**

Build a future-proofed low-carbon and future-focused knowledge-based economy with a clear position in the nation and the world.

### **Background information**

Wellington has had the constant of Government, often providing the backdrop for other industries. The Wellington technology economy owes much of its existence to servicing the needs of Government and that has provided it with the foundation on which to build a broader capability with greater reach into the national and international economy. The knowledge intensive sector which stretches from creative and technology to education and training is now a strong growth industry of the future.

In addition, Wellington has also become a creative centre for film and media, and despite considerable international competition, it has been able to hold its own and expand significantly. New Zealand is rich with film locations and now has an international reputation for its film making skills.

### **Design principles**

- Regional concentration
  - Regional specialisation
  - Public/private integration
  - Greater integration of business development efforts
  - Greater connection and networks
  - Development of the regional ecosystem
- 
- The Wellington economy is developing well, especially in recent years, but support is required to keep it at the innovation frontier, which it must do if it is to gain the best from this investment strategy
  - The development of the whole regional economy is important and while traditional industries will be important, technology will be vital to their success
  - The single greatest barrier to progress appears to be talent and skill shortages. These need to be addressed directly
  - Another barrier is the availability of investment for new ventures and to extend existing ventures

### **Opportunities**

The region can continue to evolve and increasingly become known as a modern enterprise economy. The challenge is to become enterprise, not just in name, but in nature, and that will require fostering the local enterprise culture.

## Actions/focus areas

### **FOCUS AREA 1: KNOWLEDGE AND SKILLS FOR THE FUTURE**

Across the board of vocational skills, the Wellington workforce is well qualified by national comparison. For the region to lead in the technology, creative, science and professional services sectors and to have a strong innovation focus, the identification, recruitment and development of talent is even more important. The future workforce for the region (and NZ) will need to be more agile; have the ability to understand and work on new exponential technologies and understand the impact that automation will drive across the economy. Talent enhancement is an area of strategic action. In this respect, a package of programmes is envisaged with a need to build the suite in greater detail.

Project	Lead Agency	Key partners	Linked projects/initiatives
Workforce development plan – understand the full needs of the regions employers and how the education and training systems will support their needs.	WREDA	GW, WRS Office, Chambers of Commerce	Skills plan, Māori economic development plan
Skills development and action plan – building support for lifelong learning and development. Ensuring the systems are in place to support not only young people into jobs but career transitions and aging workforce development – life-long learning.	GW, WRS Office	TEC, NZQA, Tertiary sector	Workforce development plan, Māori economic development plan

#### Investment required

Investment is required to ensure we have the right systems in place to meet current and future skill development. We are rapidly moving further into an area of technology never seen before. The speed of change means workforces must develop to keep up but this needs to happen in an agile way so that businesses at the forefront of research and technology have the skill base to continue to grow.

Strong partnerships with education providers, business and intermediaries are a prerequisite to making this happen. Systems at the national (and regional) level need to change and evolve to meet the needs of the future, not just be based in historic ways of doing things.

#### Return on Investment

- Focused approach from all parties
- Improved productivity as digital penetration increases
- A workforce that is able to keep up with the changing face of work and therefore less reliant on benefit payments
- The Wellington region workforce at the forefront of developing and working on new technologies

### **FOCUS AREA 2: ECONOMIC AND BUSINESS ACCELERATION**

There is an active infrastructure of business development in Wellington City through successful organisations such as Creative HQ and Biz Dojo. In fact, Creative HQ is a national leader and is supporting services in other parts of the country. There are also business mentor and related services available in and around the city.

There are early stage business support entities in the wider region with incubator/shared space-type facilities in a number of places. However a comprehensive regional network focusing on all types of business development, but with specialist focus on knowledge-intensive industries, supporting the digitisation of businesses and enabling business to understand financing opportunities is considered necessary to drive future growth. This network would provide facilitation services to assist business clusters achieve growth. The facilitation service would build on existing services, encouraging partnership and joint ventures.

Project	Lead Agency	Key partners	Linked projects/initiatives
Support for scale-up or acceleration services - with specialist focus on knowledge-intensive industries. Priority for Wellington is to build scale into many of its enterprises so that they have the capacity for greater innovation and export success	Creative HQ	WREDA	
Facilitation of digital enablement acceleration - Productivity would be further enhanced by enterprises adopting greater technology enablement, not only in the more traditional areas of accounts and finance, but in marketing and distribution.	WREDA		
Business Finance – in the area of Venture Capital (Series A and B capital) there is a skinny market. Investigation is required into how to make this part of the market more buoyant and responsive in the Wellington region to fuel the development challenge	WREDA		

#### Investment Required

An ongoing and increased regional approach to development is essential.

#### Return on investment

- Improved scaling of businesses across the region
- Improvement of investment in innovation
- Business performance improvement

### **FOCUS AREA 3: MĀORI ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN**

The Māori economy is important not only for Māori, but for the overall economic performance of the Wellington Region and New Zealand as a whole.

- Young, growing Māori population
- 58,332 Māori live in the Greater Wellington region, 12 percent of the population (2013 census)
- Nearly 60 percent of Māori are under 30 years old
- 16 percent of Māori living in the region mana whenua to the region

- Māori share of the working age population will grow significantly in the coming years.

Enabling and supporting a thriving Māori economy means whānau, hapū, iwi and Māori communities lead healthy and prosperous lives where their housing, employment, education, and health needs are met. There is a strong crossover with the housing and transport outcomes for the region, especially where there is displacement which has impacts on education, training and employment.

Building, in partnership, with iwi and mātāwaka a strategy and action plan to identify how to improve the performance and productivity of the whole Māori economy in the Wellington region and then support the delivery and actions where needed is essential.

Project	Lead Agency	Key partners	Linked projects/initiatives
<p><b>Vision and focus areas for Māori</b> how to:</p> <ul style="list-style-type: none"> <li>• develop and add value to the iwi/Māori asset base;</li> <li>• encourage export opportunities for iwi/Māori companies;</li> <li>• build capability of iwi/Māori companies and collectively held assets;</li> <li>• increase labour market participation and employment rates and improve the quality of employment for Māori in the Wellington Region.</li> </ul>	Iwi, GW	Councils, WREDA, TPK, MBIE, MSD	Knowledge and skills for the future Visitor and tourism Housing

**Investment required**

The investment required to make this happen is a partnership with TPK, Iwi and the region. Commitment from all parties is essential to making sure the right outcome is delivered to support and drive the growth across the Māori economy. It is essential that key Māori concepts become embedded in service design and delivery.

**Return on Investment**

- Additional cultural dimensions to the region
- Strengthening of the destination definition and tourism offering
- Addition of undeveloped knowledge and skills to the economy
- Strengthening of Māori businesses

**FOCUS AREA 4: WELLINGTON AS A DESTINATION**

The region must increasingly become a destination in its own right, not only for tourists and visitors, but for residents, talent and investment. The visitor and tourism sector is of particular importance because of the benefits it provides to the region. It provides employment and attracts young people, business and investment to the region. It makes lifestyle activities and facilities economically possible that could not be sustained solely by the local population.

Project	Lead Agency	Key partners	Linked projects/initiatives
Wellington region destination strategy that answers the question why visitors, talent, business and students should come to Wellington and how we should project the tourism and liveability assets of the region.	WREDA	Councils, Tourism NZ	Regional Trails Convention Centre Indoor Arena Kāpiti Gateway
Regional trails development - the region contains some outstanding trail-based experiences and has the potential to significantly grow the use of outdoor trails and the opportunity to become a world-class trails-based destination offering outstanding experiences to a variety of markets. This includes the development of the Porirua Adventure Park, the extension to the Remutaka rail trail and the five towns' cycle trail.	WREDA	Councils	Regional destination strategy
Wellington Convention Centre.	WCC	WREDA	Regional Destination Strategy
Kāpiti Gateway – a regional, national and international attraction that leverages the unique environment of Kāpiti Island.	KCDC	Iwi, DOC, WREDA	Regional Destination Strategy
Wellington Indoor Arena – a 12,000 seat indoor sports and entertainment facility located in Wellington that keeps the whole region abreast of other centres. It could host up to 78 sport and entertainment events a year and would allow Wellington to compete for domestic and international events.	WCC	WREDA, Private sector	Regional Destination Strategy

**Investment Required**

The strength of this area lies in the coordinated approach to destination across the region. Partnerships and private investors will be required to enable many of the projects to happen.

**Return on investment**

- Wellington regional becomes a recognised national destination
- Wellington's reputation as an events centre is significantly enhanced
- Wellington's lifestyle values are seen locally to have significantly lifted

## **Outcome: Strengthening our resilience and reducing environmental impact**

Resilience is all about the capacity to respond to and quickly recover from adverse events. The principle of this plan is prevention. This involves redesigning and strengthening critical infrastructure to minimise damage and enable quick recovery.

### **Outcome sought**

Be seen as a region that is well placed for sustainable future growth.

### **Background information**

The threats to Wellington have become very real in the last few years with the series of serious earthquakes the region has experienced. This has highlighted the vulnerability of infrastructure, including buildings. In addition, there are threats of other types of event, such as floods and tsunami.

The key to this area is in the art (and speed) of the recovery. As Wellington becomes a more concentrated economy it becomes more vulnerable. A major disruption in a fast-moving tech-based economy could have serious consequences for its ability to recover and regain competitiveness. A significant amount of time out of action could result in loss of momentum and other cities occupying Wellington's ground.

The Wellington Lifelines project details how investing in infrastructure resilience will reduce the national economic impact of a large Wellington earthquake by more the \$6b. In addition to the avoided economic losses, there will be significant social benefits achieved through Wellington's communities surviving and thriving after a major earthquake.

Many of the resilience projects are already on long term asset plans and have funding earmarked. The Lifelines study identifies that if the interdependent infrastructure projects are delivered in a priority order and accelerated, there will be significant benefits to Wellington and New Zealand's economy when an earthquake occurs.

The recent Kaikoura and Canterbury earthquakes demonstrated the need to build resilient infrastructure in our cities. Lifeline infrastructure organisations are key service providers to our cities and regions, and have a major role to play in minimising the impacts of hazard events.

Resilience in terms of disasters is not the only focus that we have as a region. The very real impact of climate change and water quality reliability that will sustain a growing population must be considered.

21 percent of all land in the Wellington Region (171,000 out of 813,000 hectares total regional area) is prone to erosion, currently in pasture and with no erosion risk treatment, i.e. trees. With current Greater Wellington work programmes around 500 hectares of the 170,000 hectares of erosion prone land is being treated – so it will take about 340 years to complete the erosion risk mitigation on high risk land across the region with existing work programmes.

The scope for riparian planting is also broad with thousands of kilometres of stream bank in the region that could potentially be planted.

The regional community and park visitors highly value the quality natural environments they find in the regions parks; it is a primary reason to visit, return and show them off to others. To support volunteer engagement and community stewardship, an Environmental Enhancement programme is run by the Regional Council which results in around 30,000 trees being planted across the parks network. While there

has been steady progress over time, at Queen Elizabeth Park alone there is an estimated planting “deficit” of almost 20 years before all the land that has been retired is planted.

**Opportunities**

As a region we are well aware of the potential for disaster to strike at any time. The opportunity is for this to be mitigated by investing up front in areas that will enable a faster recovery after a disaster but also to ensure that as an economy we are future proofing our environment for the next generations.

**Actions/focus areas**

The resilience programme has been developed by the Lifelines project and the contents of this section are largely drawn from that work and are set out in much more detail in the Lifelines report.

**FOCUS AREA 1: LIFELINES STAGE 1 (YEARS 0-7)**

Sequencing of the programme has been undertaken in such a way that resilience benefits were maximised through coordinated investments. The preferred programme assumes that all projects will be completed although in reality they will be implemented over many years.

In deriving the preferred investment programme, importance was placed on the number of interdependencies across lifelines. Road and fuel initiatives are the greatest enablers for other projects, and water, while critical itself, is most resilient on other lifelines. i.e. a resilient water distribution network may withstand the earthquake well, but it won’t function if electricity isn’t available to pump water.

Project	Lead Agency	Key partners	Linked projects/initiatives
<ul style="list-style-type: none"> <li>○ Seaview Wharf and Fuel Depot – this is Wellington’s primary source of fuel. The approach wharf is considered high risk and required seismic strengthening, together with the associated pipelines</li> <li>○ Central Park Substation – much of the supply of Wellington’s electricity comes through this substation. There is a requirement for mitigation around this sole risk situation which could be compromised by a natural event or sabotage.</li> <li>○ Water infrastructure – A viable alternative water supply achieved via the cross-harbour link</li> <li>○ New multi user ferry terminal and wharf strengthening – the impact of earthquakes on the port has been significant. Resilience requirements have emerged from these events to assist the Port recover quickly.</li> <li>○ Wadestown to Johnsonville – road access</li> <li>○ SH58 Haywards - improvements</li> <li>○ Taita Gorge - access and strengthening</li> <li>○ city/airport connection</li> </ul>	<p>CentrePort</p> <p>Electricity Companies</p> <p>GW, Wellington Water/Councils</p> <p>CentrePort, GW</p> <p>WCC NZTA HCC</p>	<p>HCC</p>  <p>NZTA, WCC, Bluebridge, Interislander</p>	<p>Cross Valley Connection Petone to Grenada</p>  <p>North/South multi modal spine, LGWM</p>  <p>LGWM</p>

**FOCUS AREA 2: LIFELINES STAGE 2 (YEARS 8-20)**

Project	Lead Agency	Key partners	Linked projects/initiatives
<ul style="list-style-type: none"> <li>○ Cross Valley Connection</li> <li>○ Petone to Grenada</li> <li>○ Rail seismic upgrades – including slopes and structures</li> <li>○ Water infrastructure upgrades</li> </ul>	<p>HCC HCC, WCC, PCC Kiwi Rail</p> <p>Wellington Water</p>	<p>NZTA NZTA NZTA</p>	

**FOCUS AREA 3: 1 BILLION TREES**

Project	Lead Agency	Key partners	Linked projects/initiatives
<p>Development of a long term regional plan for planting of trees to support our environment taking an integrated approach:</p> <ul style="list-style-type: none"> <li>○ Collaborative learning: The opportunity to link stakeholders from across a catchment including regional council, catchment communicates and industry partners.</li> <li>○ Integration of processes: The linking of natural processes with social processes. For example, the effect of increased planting within a catchment may reduce flood risk and increase community resilience.</li> <li>○ Building human capital: The opportunity for increased employment through planting and enabling of communities to take action to meet water quality and quantity limits.</li> </ul>	<p>GW</p>	<p>All Councils Iwi PGF MPI</p>	

**FOCUS AREA 4: WATER**

Project	Lead Agency	Key partners	Linked projects/initiatives
<p>Development of resilient water systems for the Wairarapa Community Water Storage Scheme</p>	<p>Wairarapa Councils Water Wairarapa Ltd</p>	<p>GWRC PGF</p>	

## Delivery of the Plan and next steps

The Wellington Regional Investment Plan has a long term focus, over 30 years, to support a vision of being a progressive thriving region.

Discussion is already progressing on how we work together with partners (central government and iwi) on the development of an integrated growth management plan which extends this Plan to provide a greater spatial understanding of the region.

Some projects will happen through existing vehicles like the Wellington Regional Economic Development Agency (WREDA) or individual councils while others, like LGWM, will require a purpose led function set up due to the partnership model required to deliver.

### Implementation and investment partners

Making this plan work will require strong partnerships across multiple areas and organisations. Of key importance will be:

- Central government
- Local government
- Iwi
- The private sector
- Communities across the region

### Forums

- Mayoral
- CEO

### Funding

To achieve the outcomes desired throughout this plan it is essential that funding comes from a variety of sources. Local government cannot on its own drive the changes required. Partnerships across central government, industry and local government will be essential.

### Monitoring and Reporting

Measuring progress and identifying changes in the environment is necessary to ensure that we keep on track with the development and implementation of the plan. It is essential that the regions leaders continue to support and build upon what has been started and that partnerships continue to be developed in the right areas.

Keeping partners and the region apprised of momentum and where issues arise is critical to successful buy in and ongoing support.

## Appendix 1- About the Wellington Region

### *Economic and population forecasts*

The outlook for the region economy and population is prepared with the use of an economic model developed at the Greater Wellington Regional Council<sup>6</sup>. The model uses a mix of principal component and regression techniques to link key macroeconomic indicators (e.g. inflation, interest rates, unemployment, the exchange rate, business profitability etc.) to prospects for individual industries. The approach produces forecasts for individual industries that account for the recent performance of the industry, the impact of key macroeconomic influences on performance in that industry, and is also constrained to ensure that the sum of production in all industries equals forecasts of overall economic activity. Forecasts of employment in individual industries are derived from the industry output forecasts and industry specific forecasts of labour productivity.

The model is structured around providing information about economic output and employment in 56 industries in 14 regions around New Zealand. Further disaggregation allows investigation of implications for the eight TAs within the Wellington Region as well as separating Christchurch City from the rest of Canterbury.

The economic forecasts presented here are based on a set of central projections for key national statistics including Statistics New Zealand's central (50<sup>th</sup> percentile) national population projections<sup>7</sup>.

Population projections for areas within the Wellington region are produced that are consistent with the economic outlook. In particular they account for the projected number of jobs in the region, expectations for employment rates and the number of children in the region (consistent with national trends). The spread of this population around different parts of the region are based on trend analysis of the propensity for people to live and work within the same TA within the region. In other words the population projections account for employment prospects in different parts of the region, the propensity for workers to commute around the region for work, and the associated proportion of non-working residents in each TA (e.g. children, caregivers, and the retired).

### *Māori in the Wellington Region*

**Table 2: Share of the population that identify as Māori in the Greater Wellington Region**

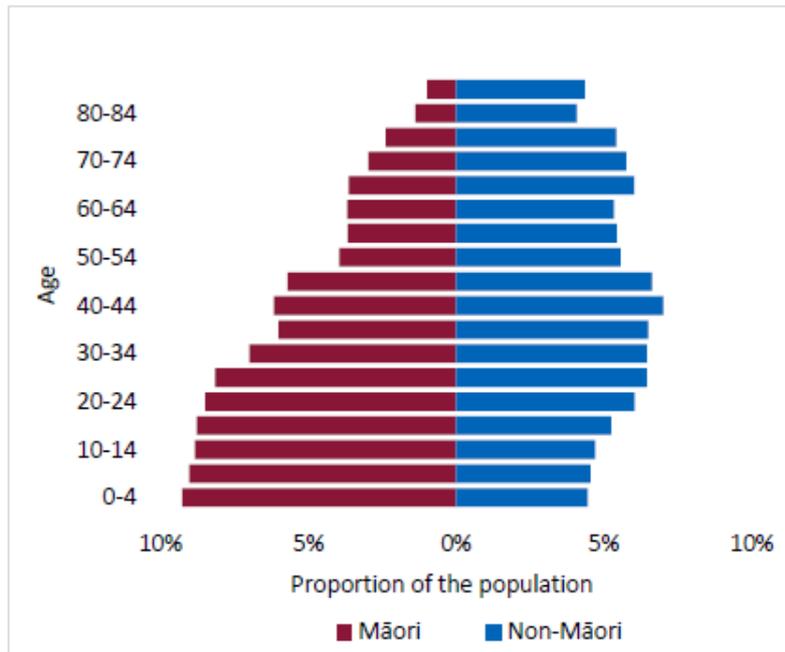
<b>Territorial Authority</b>	<b>Population</b>	<b>Share of population</b>
Kāpiti Coast District	6,198	13%
Porirua City	10,131	20%
Wellington City	14,433	8%
Lower Hutt City	15,876	16%
Upper Hutt City	5,337	13%
South Wairarapa District	1,254	13%
Carterton District	933	11%
Masterton District	4,170	18%
Wellington region	58,332	12%
<b>New Zealand</b>	<b>598,602</b>	<b>14%</b>

<sup>6</sup> Dave Grimmond, 'Wellington Region Economic Forecast Model: Method and Estimation Results' (Greater Wellington Regional Council, May 2017)

<sup>7</sup> <https://www.stats.govt.nz/information-releases/national-population-projections-2016base2068>

The Māori youth population is much larger than the Greater Wellington region average (Figure 6). At the last Census, 58 percent of Māori were under 30 years old, compared to 38 percent of the non-Māori population. Statistics NZ population projections for 2038 show that 53 percent will still be under 30 years old, which means the Māori share of the working age population will grow in the coming years.

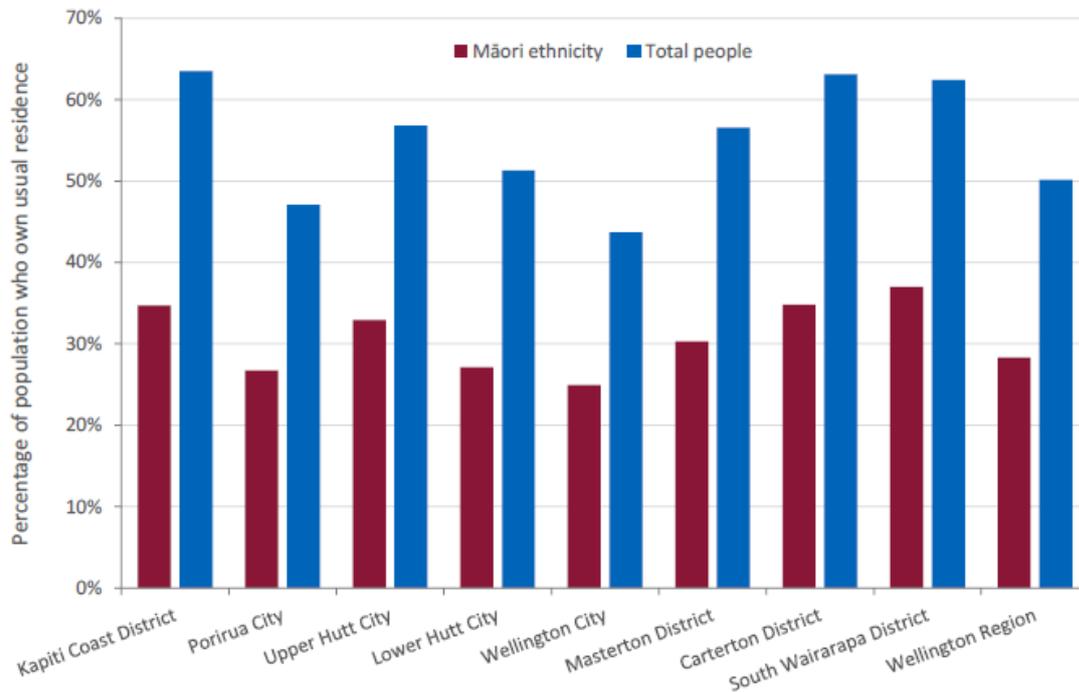
Figure 6: 2038 Population pyramid snapshot Māori vs rest of population in Wellington region



There is a current stark contrast between the proportion of Māori and non-Māori in high-skill jobs. For Māori, 30 percent are in high-skill jobs compared with 47 percent for non-Māori. Māori are relatively more concentrated in labouring, machinery operation and sales while non-Māori are relatively more likely to be managers or professionals.

In the Wellington Region, 28 percent of Māori own their own home, down from 29 percent in 2006. In comparison, the overall population of the Wellington Region has a 50 percent home ownership rate in 2013, as shown in Figure 2. For Māori and non-Māori, the Kāpiti Coast, Carterton and South Wairarapa Districts had the highest overall home ownership rates in 2013 across the Wellington Region.

Figure 7: Home ownership rates in the Wellington Region, Māori ethnicity and total population



For home affordability, Māori median household income in 2013 and 2017 has been compared to average house sale prices in 2013 and 2017 for the Wellington Region and the eight TAs within the region. By then dividing average house sale prices divided by median household income, a ratio can be estimated. This ratio can then be used to show if houses on average are becoming more or less affordable.

Table 2 shows that the Māori median household income across the Wellington region was \$51,400 and using Household Labour Force Survey (HLFS) data, it is estimated that in 2017 the Māori median household income would be \$55,800. This is a gain of \$4,400 or nine percent, across the four years.

Table 3: Ratio of average house sale price to median household income for Māori, 2013 and 2017

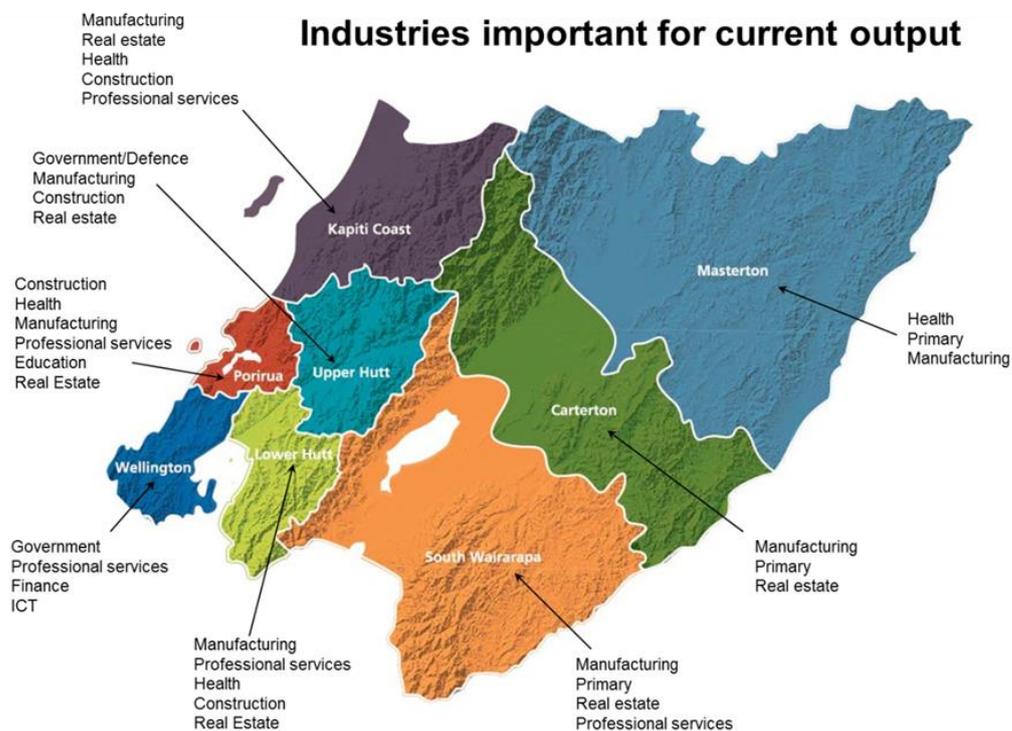
Area	Median household income		Ratio of average sale price to income		Change in ratio 2013 to 2017
	2013	2017	2013	2017	
Kapiti Coast District	30,300	32,900	13.5	15.2	1.6
Porirua City	40,500	44,000	10.1	12.3	2.2
Wellington City	54,600	59,300	10.2	11.1	0.9
Lower Hutt City	38,800	42,100	10.3	11.3	1.0
Upper Hutt City	40,600	44,000	9.3	10.2	0.9
Masterton District	27,700	30,000	10.4	10.1	-0.3
Carterton District	34,600	37,600	8.9	9.1	0.3
South Wairarapa District	31,100	33,700	11.0	11.4	0.4
<b>Wellington Region</b>	<b>51,400</b>	<b>55,800</b>	<b>8.8</b>	<b>9.4</b>	<b>0.6</b>

### Industry prospects

Figure 8 presents the industries that are currently of high importance to each territory within the Wellington region<sup>8</sup>. These industries were identified as industries that contributed more to the area’s GDP in the year to March 2017 than the service provided by owner-occupied dwellings. In practice this typically means industries larger than 7 percent of GDP. Some points to note:

- The industry mixes for the Wairarapa districts are reasonably typical for rural-based districts in New Zealand. The high importance of health in Masterton reflects the location of the hospital there.
- Likewise, the industry mixes for Lower Hutt, Upper Hutt, Porirua, and Kāpiti Coast are quite typical for urban centres in New Zealand. Note that the importance of government services in Upper Hutt is associated with the presence of the Trentham Military Camp. Also, the importance of health services to the Kāpiti Coast is unusual given its lack of a hospital, and probably reflects its higher age structure.
- The high importance of government, professional services, Finance and ICT for Wellington City is singular for a territorial authority area in New Zealand.

Figure 8: Industries important for current output



Looking forward which industries appear to have the best prospects in each of the region’s areas?

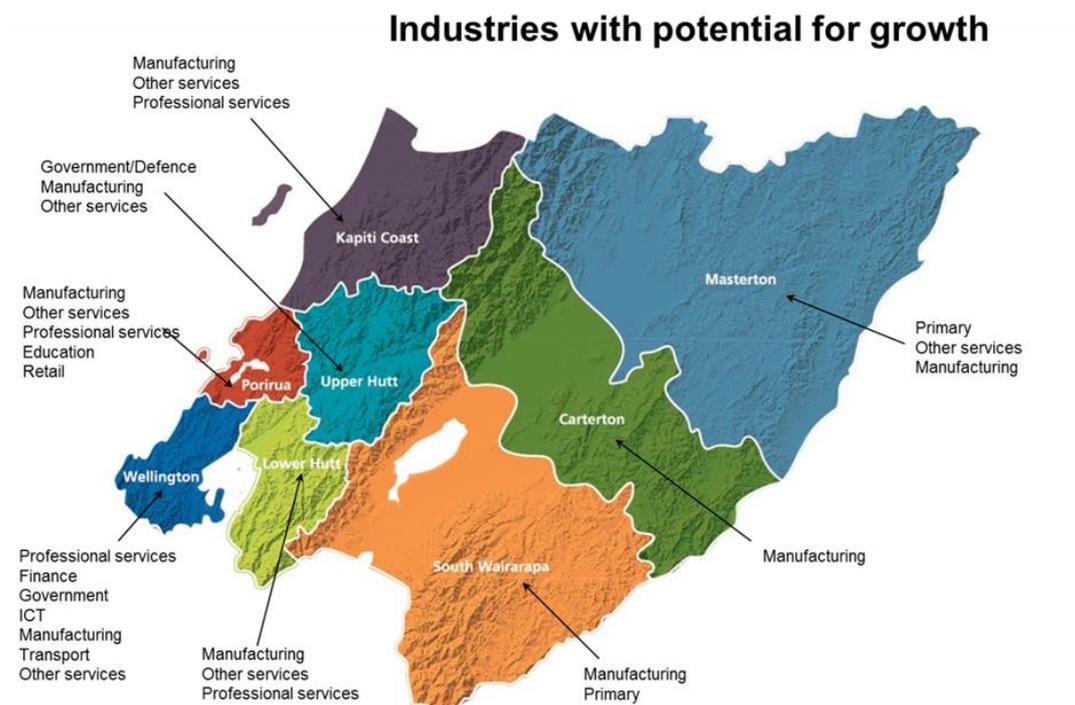
Industries with better growth prospects within the Wellington region are identified with reference to industries exhibiting a comparative advantage, weighted by their actual export propensity and their

<sup>8</sup> The analysis presented in this section is based on data from the Infometrics Regional Economic Profile

proportion of their areas GDP<sup>9</sup>. The results of this analysis are illustrated in Figure 9. This analysis highlights the importance of Wellington City to the region’s economic prospects. The range of industries in which Wellington based businesses exhibit comparative advantage is more extensive than the rest of the region (Professional Services, Finance, Government, ICT, Manufacturing, Transport, and Other Services). Their potential for growth also looks stronger when weighted by their export and output propensities.

Economic modelling undertaken at GW suggests that economic activity is likely to increase at similar rates throughout the region. But the analysis of industry growth potential indicates that Wellington City will remain the main engine room for the region’s economy; the region shares the benefits but relies on the performance of the Wellington CBD. However, it is important to note that success depends on the integration of the region: the ability for the CBD to take advantage of its strong prospects depends on Wellington having a region where people want to live and businesses want to locate in.

Figure 9: industries with potential for growth



These industries are identified at a high level, however will be impacted by a number of variables. Work on the Wairarapa Strategy identifies that while manufacturing will be a key growth area there is likely to be a change in focus to more artisan foods and honey. This is relevant for other parts of the region where we are likely to see areas such as ICT evolve.

<sup>9</sup> Comparative advantage is measured by the export location quotients of industries in the area (a location quotient greater than one implies a higher propensity for exporting than is the national average, thus a higher quotient indicates a better ability to compete internationally than other parts of New Zealand).

## *Global trends relevant to prospects for the Wellington Region*

### **Climate change**

The moves to-date to address climate change are not likely to have been sufficient to address an increase in climate change impacts in coming decades. Global temperature measures estimate that temperatures in 2017 were on average 1.2 degrees above pre-industrial temperatures<sup>10</sup>. Current global policy settings have the world on line to experience average temperatures in excess of three degrees above pre-industrial levels. Even with reductions in greenhouse gas emissions<sup>11</sup> to about a quarter of current rates by the 2050s, it might not be sufficient to keep temperatures below 2 percent above pre-industrial levels.

There is therefore a very real likelihood that the impacts of climate change (weather events, changes in rainfall patterns, sea level rises and increased ocean acidification) will intensify in coming decades. With New Zealand estimated at contributing less than 0.2 percent of global emissions<sup>12</sup> New Zealand remains dependent on the combined actions of all countries to significantly alter climate prospects. Policies promoting emission mitigation and sequestration in New Zealand will contribute to global efforts but are unlikely, on their own, to have any measureable impact on global outcomes.

The implication is that the emphasis in New Zealand necessarily needs to be on being resilient to the potential impacts of climate change. This is likely to entail investment in appropriate infrastructure. It may also include some potentially difficult decisions about managed retreat. That is, there will be situations where it will be prohibitively expensive to guarantee protection from the potential impacts of climate change. In such cases the responsible approach would be to facilitate the movement of people and assets to safer locations.

To manage the effects of climate change the Productivity commission has said that New Zealand (and the world) will be heavily reliant on technology advances and implementation. These are technologies that do not currently exist. New Zealand and Wellington in particular has the potential to use its technical prowess in developing and implementing mitigations and adaptive technologies.

### **Population ageing**

Population ageing involves two independent but concurrent forces:

- The life progression of the large baby boomer cohorts born in the decades following World War II
- The continued increase in life expectancy (at about three years per decade) resulting from improvements in health, diet and technology.

Nationally, the proportion of the population aged over 64 is expected to increase from around 15 percent currently to 25 percent by the 2050s. The Wellington region has a history of elderly migration (as reflected by the under-representation of older age groups in Figure 10). However, the Wellington region will still need to plan for increases in the proportion of older residents. That is, although the ageing population impact might be more pronounced in other parts of the country, it is still likely to have a strong impact in the Wellington region.

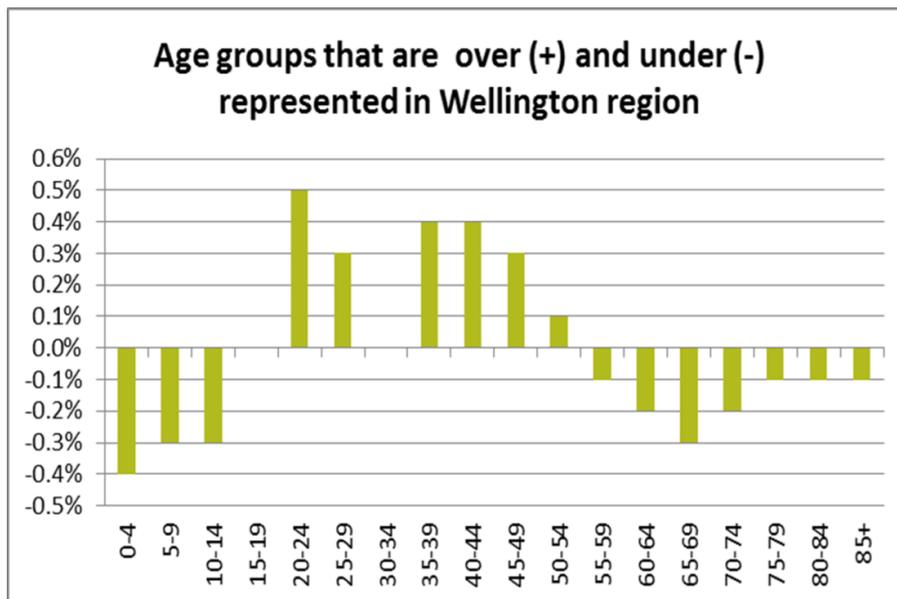
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<sup>10</sup> Hannah Ritchie and Max Roser (2018) - "CO<sub>2</sub> and other Greenhouse Gas Emissions". Published online at OurWorldInData.org. Retrieved from: <https://ourworldindata.org/co2-and-other-greenhouse-gas-emissions> [Online Resource]

<sup>11</sup> Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and fluorinated gases

<sup>12</sup> [http://archive.stats.govt.nz/browse\\_for\\_stats/environment/environmental-reporting-series/environmental-indicators/Home/Atmosphere-and-climate/global-greenhouse-gases.aspx](http://archive.stats.govt.nz/browse_for_stats/environment/environmental-reporting-series/environmental-indicators/Home/Atmosphere-and-climate/global-greenhouse-gases.aspx)

Figure 10: Age groups over and under represented in the Wellington region



The increase in life expectancy means that there will at first be an increase in the numbers of active older residents. This will be accompanied by a slower paced increase in the demand for aged care services.

Population ageing is a global phenomenon, but with different timing and intensities in different countries. One potential implication is that New Zealand might find that it faces more intense global competition for young skilled workers. The increase in age structure may also mean that the labour market places a higher premium on physical skills than might have otherwise have been expected.

**Technology**

Balancing the potential wage premium for physical work are the impacts of technology that will see the redundancy of many skills either through increased use of robotics, 3-D printing, automated devices, and artificial intelligence. In general, these advances will lead to improvements in wellbeing, but the transition will have uneven impacts on different people. The size and direction of the impact will depend on the extent that technology changes complement, replace or provide for new labour skills. People’s ability to adapt to a changing labour market will differ depending on individual circumstances and their innate abilities. Experience suggests that people with higher education attainment, adaptable skills, and job experience will be better placed to adapt to labour market challenges. The Wellington region economy looks well placed to cope with these technology challenges, given that it has a well-qualified workforce, a high share of professional workers and has a high proportion of its population in paid employment.

However, the growth in data processing and sharing capabilities that underpin the technology advances taking place highlight the importance of having the appropriate scale and resilience of region-wide infrastructure.

**Globalisation of services**

One consequence of the digital nature of current and ongoing technology advances has been the increasing provision and demand for highly customised services and products. Increasingly this is about service, rather than product, delivery. Services have become over time an increasing proportion of the value contained in products. The digital revolution has gone further reducing the need for “things” to deliver the

services that people desire. For example, fewer people require cameras, DVDs, CDs, books. This further increases the importance of service delivery to the economy. The changing medium also increases the capability for remote delivery of services. For example, one can access financial services without having to visit a bank branch.

The logical outcome of these forces is an increase in specialisation and locational concentration of service providers. Increasingly one can service national and global demand for services from one location. An implication is that the requirement for local provision of services will reduce. The resulting increase in specialisation and international trade in services will enhance wellbeing and economic efficiency. Increased specialisation also means that the spread of services provided in any particular city is likely to become more distinctive and specific to that city.

The global competitiveness of Wellington's service industry places the Wellington region in a strong position to take advantage of this global trend. The prerequisite is that Wellington is able to provide the required infrastructure services (transport, digital infrastructure) and continues to attract and grow skilled workers and progressive organisations (i.e. liveability and a tailored education sector).

#### Urbanisation

The global population is becoming increasingly urban based. In 1960 34 percent of the world's population lived in urban centres; by 2008 it reached 50 percent<sup>13</sup>; and is projected to reach 60 percent by 2030<sup>14</sup>. There are many factors that have supported the growth of urbanisation (e.g. agricultural productivity, industrialisation, and energy use) but at heart urban centres allow businesses and individuals to benefit from economies of scale and network economies – in particular deep labour pools.

Network economies, whereby the number of potential linkages increase at the square of the number of network members, mean that cities enjoy strong first mover benefits. The essence of this is that success begets success. Thus not only do we get people living in towns, but increasingly people congregate into the larger more successful cities. This means that city growth is path dependent – cities are located based on original settlement decisions and their current size can reflect their early success.

Geography, civic organisation, infrastructure, and individual success are also important. The implication for New Zealand location choices is that population growth over the next half century is likely to be concentrated in the major urban centres (Auckland, Wellington, Christchurch), with a slower pace of growth in provincial centres. Although digital advances will promote opportunities for remote working, the deep labour pools of urban centres will favour cities with effective central business districts.

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<sup>13</sup> <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?view=chart>

<sup>14</sup> [http://www.un.org/en/development/desa/population/publications/pdf/urbanization/the\\_worlds\\_cities\\_in\\_2016\\_data\\_booklet.pdf](http://www.un.org/en/development/desa/population/publications/pdf/urbanization/the_worlds_cities_in_2016_data_booklet.pdf)

## Appendix 2 - Supporting Information, Housing

### Foreseeable growth – where and when

Growth is expected across all of the Wellington Region over the next 20-30 years, however much of it will be concentrated in the City and Metro areas. Growth will require a mixture of densification and new Greenfield opportunities that will need to be supported by substantial infrastructure investment.

The estimated timeframes are based on a number of factors, including water infrastructure, roading and public transport. More intensive growth areas across Wellington City are heavily reliant on key transport projects leading the investment and therefore need to be seen as integrated development plans.

**Table 4: Foreseeable growth – where and when**

Years 1-3 (2018-2020)		Years 4-10 (2021-2028)		Years 11-30 (2029-2048)	
Areas					
<b>Kāpiti</b>					
Paraparaumu	190	Paraparaumu	133	Ngarara	750
Waikanae North	115	Waikanae Park	179	Waikanae North	332
Otaki	48	Waikanae North	177	Paraparaumu	132
Housing NZ	40	Otaki	78	Raumati	322
<b>Porirua</b>					
Kenepuru	300	Kenepuru	700	Eastern Porirua	1,500
Whitby	100	Whitby	370	Pauatahanui	450
Eastern Porirua	500	Eastern Porirua	1,000	Plimmerton farm	2,000
Aotea	330	Western Porirua	500	Pukerua Bay	550
CBD	150	Gray Farm	300	Takapuwahia	120
<b>Wellington</b>					
Strathmore	300	Taranaki/Adelaide Rd	785	Lincolnshire Farm	2,000
Tawa	200	Te Aro	2,000	Te Aro	2,066
		Newtown	326	Newtown (LGWM)	5,500
		Stebbings Valley	1,000	Taranaki/Adelaide Road (LGWM)	5,000
		Johnsonville	1,600		
		Kilbirnie	670		
<b>Hutt City</b>					
Intensification	900	Riverlink	1,300	Wainuiomata	1,600
Wainuiomata	40	Wainuiomata	80	Intensification	2,000
Kelson	80	Kelson	140		
Housing NZ	200	Stokes Valley	80		
Retirement Village	300	Intensification	2,000		
<b>Upper Hutt</b>					
Wallaceville	200	Wallaceville	500	Maymorn	220
Gillespies Road	200	Gillespies Road	560	Southern Growth area	1,000
Intensification	200	Brentwood	86	Gabites block	220
Other	250	Intensification	410	Intensification	1,500

<b>Masterton</b>	120	Masterton	250	Greytown	100
Ngaumutawa Rd	100	Greytown	170	Martinborough	120
Community Trust		Martinborough	100		
		Carterton East	200		
<b>Total</b>	<b>4,863</b>		<b>15,694</b>		<b>27,482</b>

#### Years 1-3 (2018-2020)

The developments in this timeframe are those that currently have the right zoning in place and have either approved developments or those that are going through approval. The key partnership tool for these developments is KiwiBuild as it can accelerate development.

#### Years 4-10 (2021-2028)

These areas are either zoned or partially zoned for residential and provide a mix of Greenfield and intensification opportunities, including the development of precincts. Many of these developments will require some form of infrastructure development to enable them to happen.

The completion of Transmission Gully will open areas in Kāpiti and Porirua and the completion of wastewater infrastructure in Porirua will provide growth there. All three partnership tools: KiwiBuild, social housing and UDA powers will be relevant to this period of development.

#### Years 11-30 (2029-2048)

Some of the growth areas in years 4-10 will continue into years 11-30.

Investment in significant roading projects like Petone to Grenada as well as the completion of mass transit through the city out to the airport will enable significant growth.

Substantial water infrastructure investment will be required to enable large scale Greenfield and intensification developments across the region. The key partnership tool will be KiwiBuild. The barrier to this development is the requirement for significant new infrastructure reticulation and capacity. This is not just three waters infrastructure, but roading, community and recreation.

**Table 5: Infrastructure development timeframes**

Years 1-3 (2018-2020)		Years 4-10 (2021-2028)		Years 11-30 (2029-2048)	
<b>Strategic road projects</b>					
<ul style="list-style-type: none"> <li>Transmission Gully</li> <li>Beltway cycleway</li> <li>Eastern bays cycleway</li> <li>LGWM (walking and cycleways)</li> <li>Ngauranga to Petone</li> </ul>	xx 7.3m 8.6m 460m 58m	<ul style="list-style-type: none"> <li>Otaki to Levin</li> <li>Silverstream bridge replacement</li> <li>Riverlink (flood protection, transport and urban form)</li> <li>Kāpiti east/west connector roads</li> </ul>	xx 25m 330m 19.3m	<ul style="list-style-type: none"> <li>LGWM (Basin)</li> <li>LGWM (Mt. Vic tunnel)</li> <li>Petone to Grenada</li> <li>Cross Valley Connection</li> </ul>	160m 500m 270m 65m
<b>Strategic public transport projects</b>					
<ul style="list-style-type: none"> <li>Rail track upgrade</li> </ul>	197m	<ul style="list-style-type: none"> <li>LGWM (Mass transit – CBD to airport)</li> <li>Multi User Ferry</li> </ul>	1.6b 475m	<ul style="list-style-type: none"> <li>Replacement of trains for the Wairarapa and Capital Connection</li> </ul>	330m

		terminal • Integrated ticketing	60m		
<b>Wastewater projects</b>					
<ul style="list-style-type: none"> <li>Hutt main trunk expansion</li> <li>Porirua treatment plant upgrade</li> </ul>	27m 7.6m	<ul style="list-style-type: none"> <li>Upper Hutt wastewater</li> <li>Seaview treatment plant trunk duplication</li> <li>Eastern Porirua treatment plant</li> <li>Paraparaumu treatment plant upgrade</li> <li>Wellington City Wastewater upgrade</li> <li>Miramar Peninsula capacity upgrade</li> <li>Homebush treatment plant upgrade</li> <li>Masterton raw water storage dam</li> </ul>	25m 6m ?? 3.1m 8.9m 3.4m 6.5m 5.6m	<ul style="list-style-type: none"> <li>Porirua treatment plant upgrade</li> <li>Karori outfall upgrade</li> </ul>	34.5m 38m
<b>Water Supply projects</b>					
<ul style="list-style-type: none"> <li>Hutt reservoir upgrade</li> <li>Waikanae treatment plant upgrade</li> <li>Omāroro reservoir (new)</li> <li>Bell Road reservoir (replacement and capacity increased)</li> <li>Greytown new water bore</li> </ul>	12m 9.8m 32.2m 26.4m 0.2m	<ul style="list-style-type: none"> <li>Cross harbour pipeline</li> <li>Wairarapa water storage</li> <li>Waikanae treatment plant upgrade</li> <li>Kāpiti Reservoir upgrades</li> <li>Upper Stebbings Valley capacity upgrade</li> <li>Horokiwi capacity upgrade</li> <li>Miramar Peninsula capacity upgrade</li> <li>Carterton increased storage capacity</li> </ul>	120m 6.6m 14m 12.4m 12.8m 4.5m 3.5m	<ul style="list-style-type: none"> <li>Cruickshank Reservoir Dev</li> <li>Carterton new water supply</li> </ul>	3.5m 10.5m

### Development Areas – Porirua

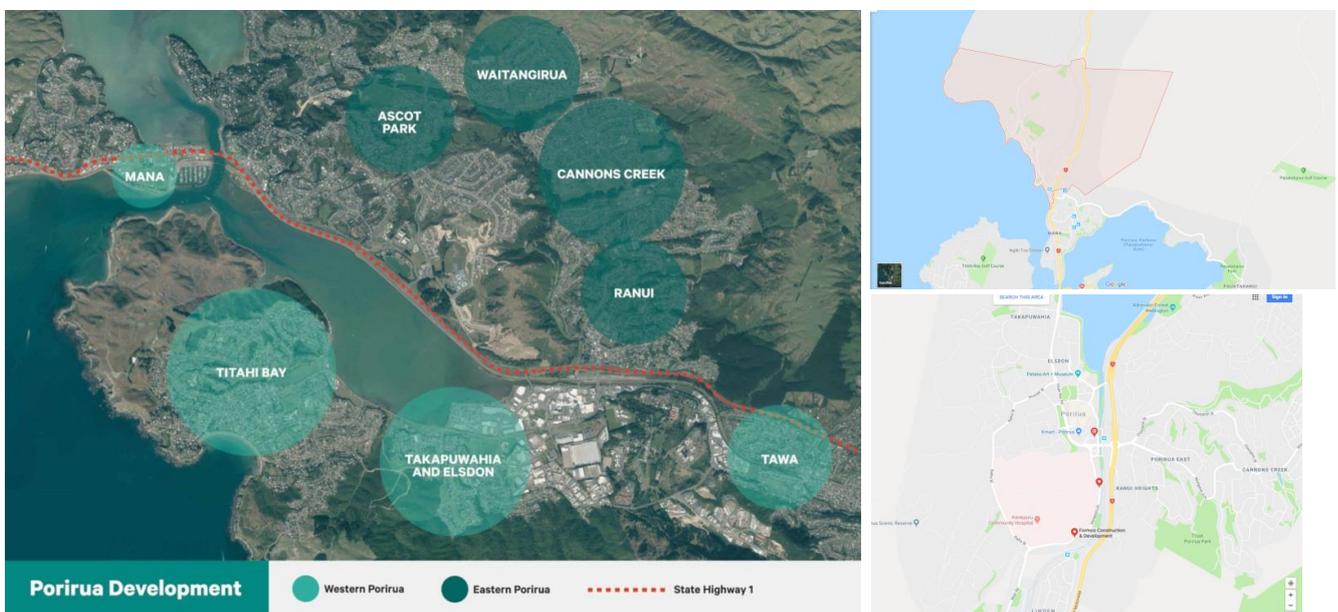
Porirua is connected to Wellington City through road and rail and will see changes with the opening of Transmission Gully in 2020.

It is likely that the area will have significant population growth over the next 30 years, but already suffers from overcrowding in areas. There is strong developer interest in the area and the Council is currently developing a Growth Plan.

The Government has already announced that over the next 25 years it will work alongside the community, the Porirua City Council and the local iwi Ngāti Toa Rangatira, in Eastern Porirua to:

- Replace old, cold and damp Housing NZ houses with warm, dry modern housing better suited to tenants’ needs
- Create opportunities for home ownership by building affordable, market and KiwiBuild homes
- Create better designed local neighbourhoods, including upgrading parks and streets, to make it easier to get around and do business
- Think about the community’s future schooling needs and create jobs for locals.

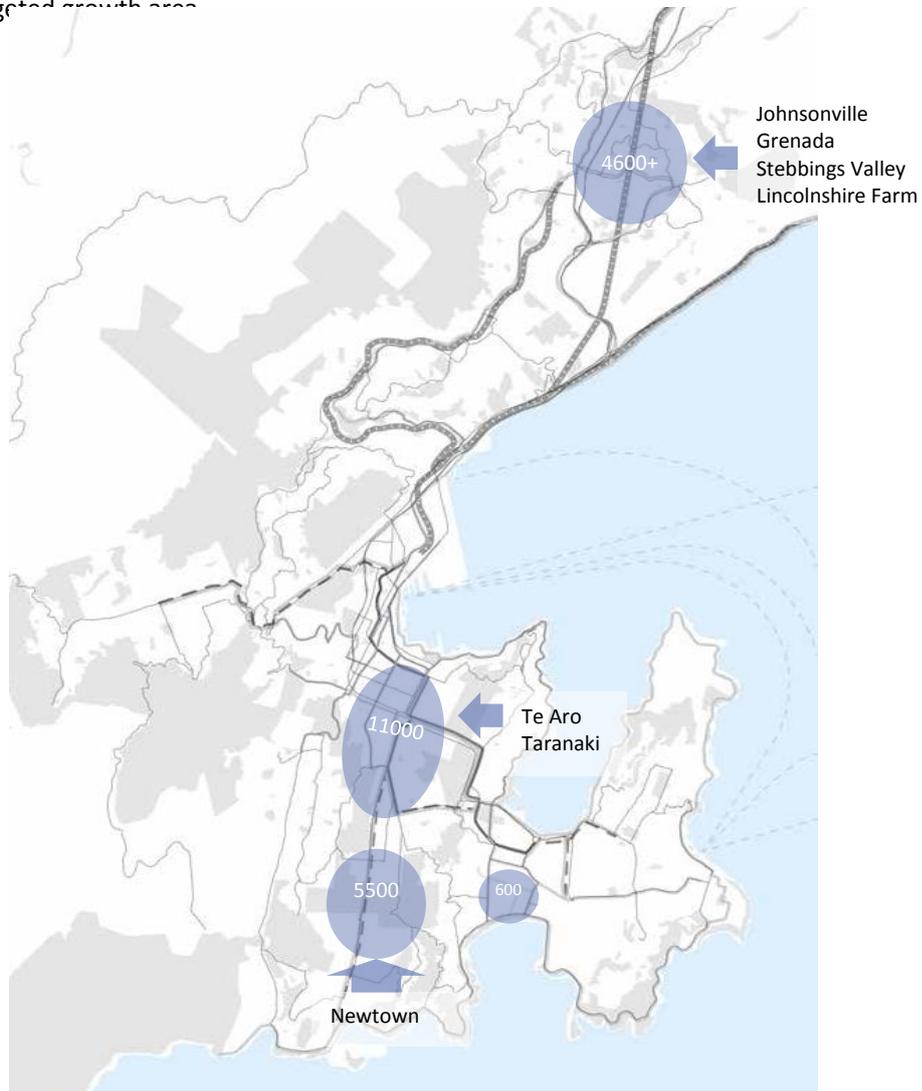
The Porirua area has feasibility growth of around 8,870 dwellings



Number of additional Households	
<ul style="list-style-type: none"> <li>• Short term (could be KiwiBuild)</li> <li>• Precinct</li> <li>• Social – new</li> <li>• Redevelopment (affordable housing)</li> <li>• Greenfield – future urban areas</li> </ul>	<p>400</p> <p>150</p> <p>150</p> <p>2,500</p> <p>4,180</p>
Number of additional people projected (2048)	23,170
Number of additional jobs projected (2048)	8,100
Number of additional jobs accessible within a 45min commute (2048)	94,300

### Development Areas – Wellington City

Wellington city is constrained by the nature of its physical location (hemmed between the harbour and hills) and this is exacerbated by the demand pressures of population growth. The opportunities for growth will all require significant investment. The Let’s Get Wellington Moving opportunity will catalyse urban development through the city centre providing a precinct approach connecting housing transport and business in a targeted growth area



<b>Number of additional Households</b>	
<ul style="list-style-type: none"> <li>• Short term (could be KiwiBuild)</li> <li>• Precinct (with LGWM)</li> <li>• Precinct (no LGWM)</li> <li>• Social – new</li> <li>• Greenfield – future urban areas</li> </ul>	<p>3,381</p> <p>14,566+</p> <p>5,000</p> <p>500</p> <p>3,000+</p>
<b>Number of additional people projected (2048)</b>	57,570
<b>Number of additional jobs projected (2048)</b>	57,600
<b>Number of additional jobs accessible within a 45min commute (2048)</b>	94,300

**Development Areas – Kāpiti**

Kāpiti is connected to Wellington City through road and rail and will see changes with the opening of Transmission Gully in 2020.

The recent and on-going construction of the Transmission Gully and MacKay’s to Peka Peka Expressway projects have a number of parcels of Crown-owned land that is or could likely be surplus to the projects requirements and disposed of under the PWA and could offer opportunities for housing related purposes.

It is likely that the area will have significant population growth over the next 30 years.

*Otaki*

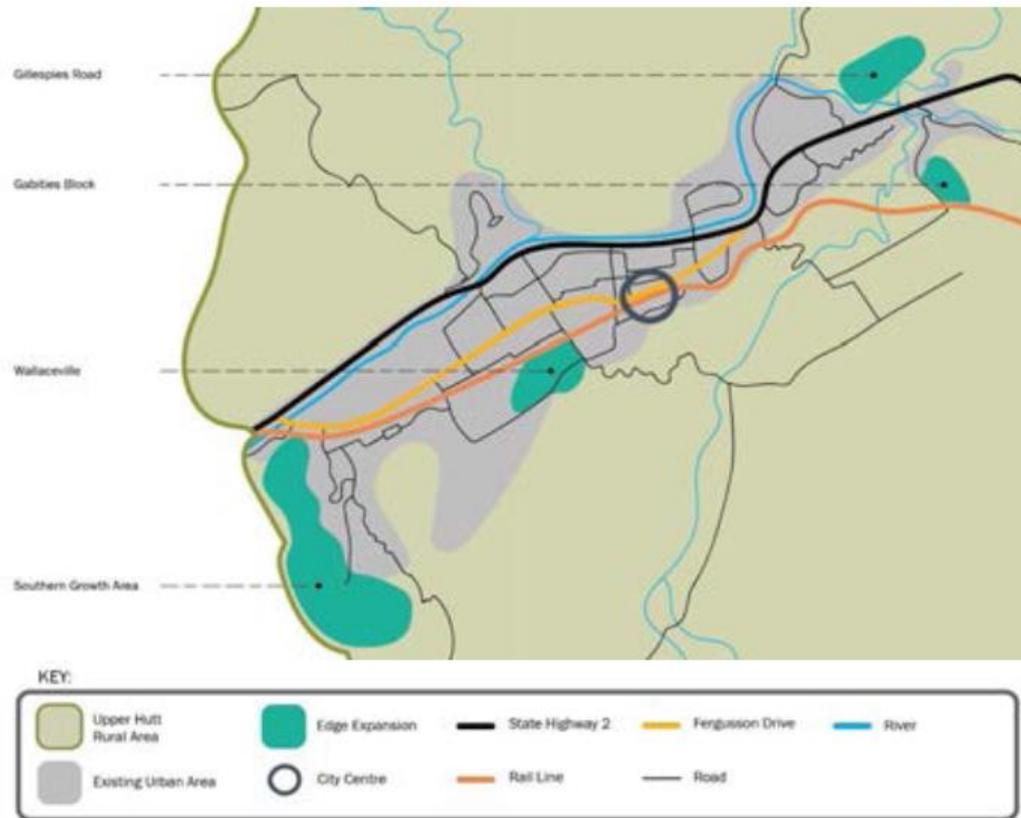
*Waikanae*



Number of additional Households	
<ul style="list-style-type: none"> <li>• Short term (could be KiwiBuild)</li> <li>• Precinct</li> <li>• Social – new</li> <li>• Greenfield – future urban areas</li> </ul>	350 50 40 1,900
Number of additional people projected (2048)	17,320
Number of additional jobs projected (2048)	6,400
Number of additional jobs accessible within a 45min commute (2048) Note: does not include Horowhenua opportunities	94,300

### Development Areas – Upper Hutt

In order to meet Upper Hutt’s projected housing demand it is necessary to utilise infill, intensification and some limited expansion of housing at the edges of the existing urban area. Plans currently are looking at possible growth of around 5,000 dwellings over a 30 year period.



Number of additional Households	
<ul style="list-style-type: none"> <li>• Short term (could be KiwiBuild)</li> <li>• Precinct</li> <li>• Social – new</li> <li>• Intensification</li> <li>• Greenfield – future urban areas</li> </ul>	<p>500</p> <p>50</p> <p>40</p> <p>2,360</p> <p>2,100</p>
Number of additional people projected (2048)	8,230
Number of additional jobs projected (2048)	4,200
Number of additional jobs accessible within a 45min commute (2048)	94,300

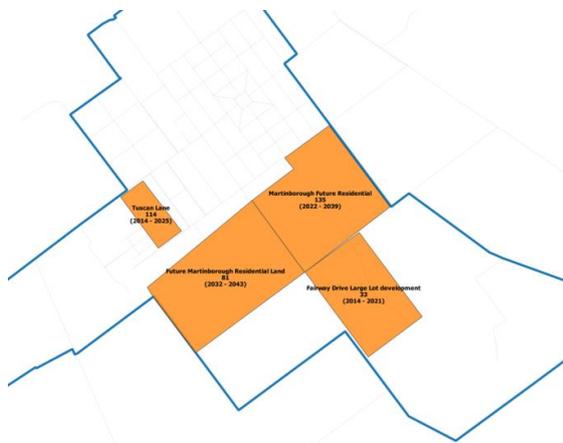
**Development Areas – Lower Hutt**



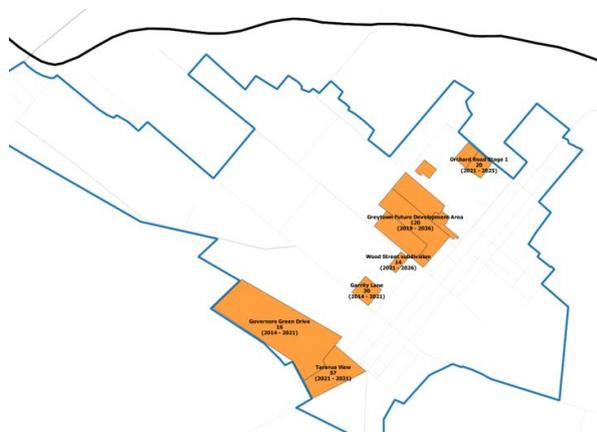
Number of additional Households	
<ul style="list-style-type: none"> <li>• Short term (could be KiwiBuild)</li> <li>• Intensification (5-25yr)</li> <li>• Precinct</li> <li>• Social – new</li> <li>• Greenfield – future urban areas</li> </ul>	<p>1,420</p> <p>4,000</p> <p>1,300</p> <p>100+</p> <p>1,900</p>
Number of additional people projected (2048)	27,120
Number of additional jobs projected (2048)	18,000
Number of additional jobs accessible within a 45min commute (2048)	94,300

**Development Areas – Wairarapa**

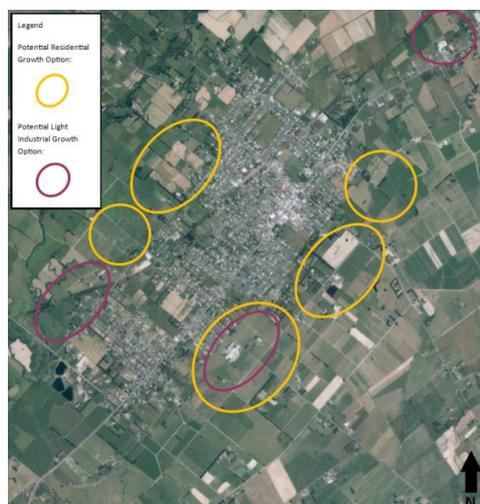
**Martinborough**



**Greytown**



**Carterton**



**Masterton**

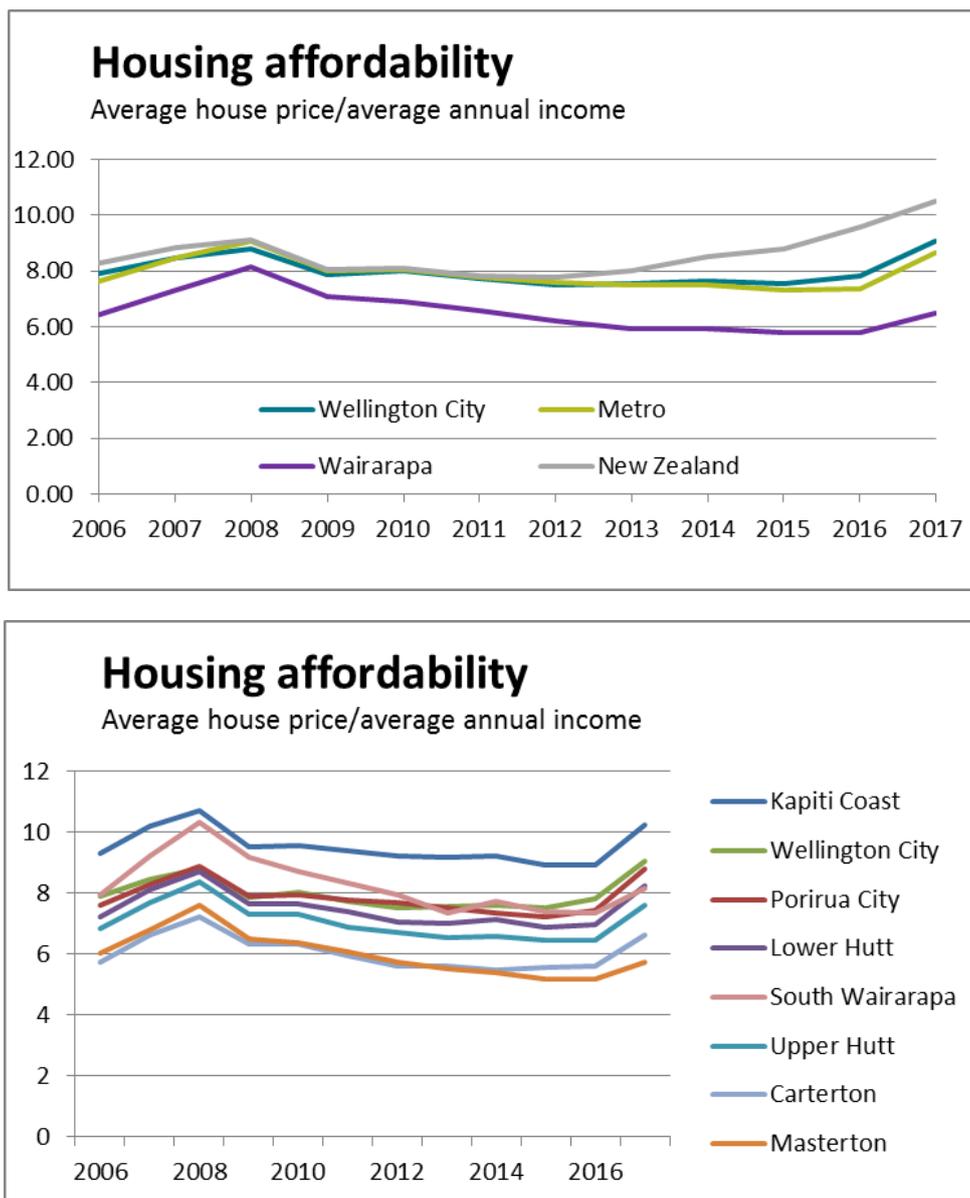


Number of additional Households	
<ul style="list-style-type: none"> <li>• Short term (could be KiwiBuild)</li> <li>• Precinct</li> <li>• Social – new</li> <li>• Greenfield – future urban areas</li> </ul>	<p>120</p> <p>0</p> <p>100</p> <p>940</p>
Number of additional people projected (2048)	10,290
Number of additional jobs projected (2048)	6,200
Number of additional jobs accessible within a 45min commute (2048)	6,200

### Housing affordability

Housing affordability (Figure 11) defined as the price of the average house in the area divided by the median income of residents in the area. An increase implies affordability has become more difficult. In general housing affordability has been easier in the Wellington region than in the rest of the country. However, a 30 percent increase in house prices in the region over the last two years has reduced the size of this advantage. Within the region houses have generally been more affordable in the Wairarapa than in the Metro area, which has been more affordable than in Wellington City. However, Kāpiti Coast is an outlier with evidence of less affordable housing. This is potentially due to the older age structure on the coast; incomes will decline with retirement, but higher wealth from lifetime savings will increase ability to buy more expensive houses.

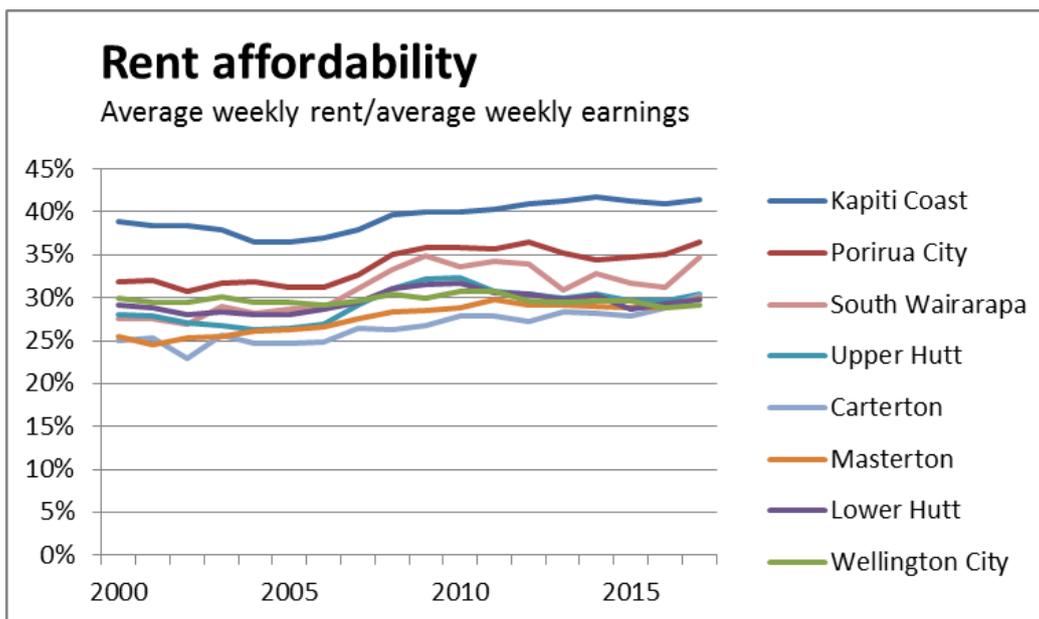
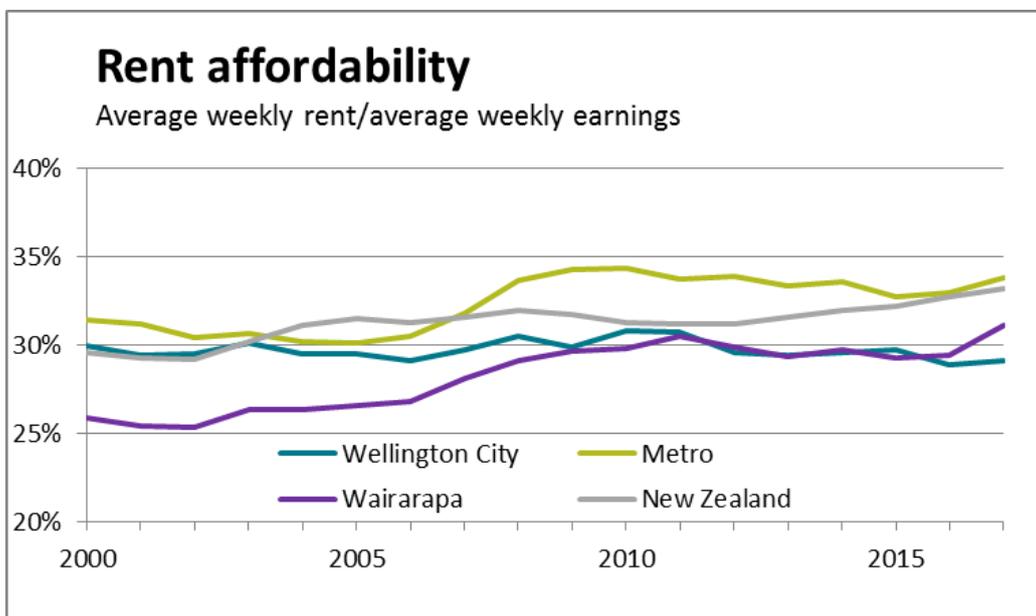
Figure 11: Housing affordability



**Rental affordability**

Rental affordability (Figure 12) is defined as the average weekly rent divided by the average weekly wage. An increase in the affordability measure implies renting takes up more of the average wage and so implies a decline in rental affordability. Higher wages in Wellington mean that renting has generally been more affordable in the Wellington region. However, renting on the Kāpiti Coast, in Porirua and in South Wairarapa has generally been less affordable than in the rest of the region.

Figure 12: Rent affordability



<b>Report</b>	<b>19.324</b>
Date	15 August 2019
File	CCAB-8-2372
<b>Committee</b>	<b>Council</b>
<b>Author</b>	Kim Kelly, Programme Director

## Multi User Ferry Terminal

### 1. Purpose

The purpose of this report is to provide an update to the Council on the Multi User Ferry Terminal project and recommend that the Council support the completed Programme Business Case, including the preferred location at Kaiwharawhara.

### 2. Background

GW has been working with partners CentrePort, Bluebridge, KiwiRail, Wellington City Council and NZTA on the preferred location of a new Multi User Ferry Terminal. The Cook Strait ferry service is a critical part of the country's transport network and provides significant benefits to the regional economy.

GW established a shared work programme in March 2018 and a Memorandum of Understanding was signed by the parties in September. The Programme has oversight from a Programme Control Group (comprising Chief Executives of the partner organisations). One of the key workstreams is the preparation of a Programme Business Case to examine the options for a new multi-user ferry terminal from which both Cook Strait services would operate. This includes examining the preferred location of a terminal and the ancillary infrastructure, including changes to the transport network that would be required to facilitate a successful outcome.

An update on the project was previously reported to the Wellington Regional Strategy Committee in November 2018 (**Report 18.557**). Regular updates have been previously provided to Council workshops.

Work has been underway since late 2018 on a Programme Business Case. A summary of the full Programme Business Case is provided in [Attachment 1](#).

A preferred location has now been selected through this process and all partners on the project are seeking support for the outcome off the Business Case from their governance bodies.

### **3. Comment**

At a Project Control Group (PCG) meeting on 25 June 2019 members of the PCG agreed a set of recommendations with regards to the Programme Business Case and the next stage of work, as follows:

1. Agreed to support the Summary Programme Business Case (PBC) “Cook Strait Connectivity – Programme Business Case for the Wellington Ferry Terminals” which concludes with the preference for a Multi-User Ferry Terminal at Kaiwharawhara.
2. Noted the Indicative Timeframe included in the PBC document.
3. Noted the four Working Papers.
4. Agreed to seek support for the PBC from their relevant governance bodies.
5. Noted KiwiRail will be undertaking Interim works at Kaiwharawhara due to the need for changes to accommodate their new ferries which are expected to arrive in 2024 and the MUFT will not be complete by then
6. Agreed Kings Wharf option be held as the back-up option until the Kaiwharawhara Resilience Work – Site Specific Seismic Hazard Assessment work is complete.

At the time of completing this paper, the CentrePort Board, StraitNZ Board and iRex Project Governance Board (KiwiRail governance board responsible for the new ferries and terminals) have provided support for and/or noted the PBC and next steps. A paper on the MUFT is going to Wellington City Council on 5 September and to the NZTA Board later this year.

The next step is to complete some more detailed seismic resilience work for the Kaiwharawhara site. An indicative level of analysis and costing was completed as part of the PBC, however all parties agreed that to be able to move ahead with certainty with detailed design and planning at the Kaiwharawhara site further investigation on seismic resilience was required early in the next phase. This work has commenced.

A Seismic Resilience Statement is being developed by BECA (commissioned by GW and partners), which will include the overall seismic standards to be achieved and outlining the expectations for occupation, functionality, life safety and lifelines role under increasing levels of earthquake shaking. The objective will be to include a design features statement outlining how the required objectives can be delivered.

CentrePort has commissioned Opus to undertake geotechnical testing and gather further information on ground conditions.

Once this information is completed, further work can be completed on design options and costings.

At this stage, it is expected that this work will all be completed by the end of 2019/early 2020.

### **4. Communication**

Communication on this project milestone has been developed jointly with the project partners and a joint press release was released in August to coincide with the release of the Programme Business Case.

## 5. Consideration of climate change

The matter requiring decision in this report has been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

### 5.1 Mitigation assessment

Officers have considered the effect of the matter on the climate. Officers recommend that the matter, at this stage of the project (being the planning phase) will have an effect that is not considered significant.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI)

### 5.2 Adaptation assessment

Officers have considered the impacts of climate change in relation to the matter. Officers recommend that climate change at this stage of the project (being the planning phase) has no bearing on the matter.

## 6. 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 support in the future related to a final decision on the site for the Multi User Ferry Terminal.

### 6.1 Engagement

In accordance with the significance and engagement Policy, officers have determined that the appropriate level of engagement is the media activity that has already occurred and communication with key stakeholders.

## 7. Recommendations

*That the Council:*

1. **Receives** the report.
2. **Notes** the content of the report
3. **Supports** the *Summary Programme Business Case (PBC) "Cook Strait Connectivity – Programme Business Case for the Wellington Ferry Terminals" (Attachment 1) which concludes with the preference for a Multi-User Ferry Terminal at Kaiwharawhara.*

Report prepared by:

**Kim Kelly**  
Programme Director

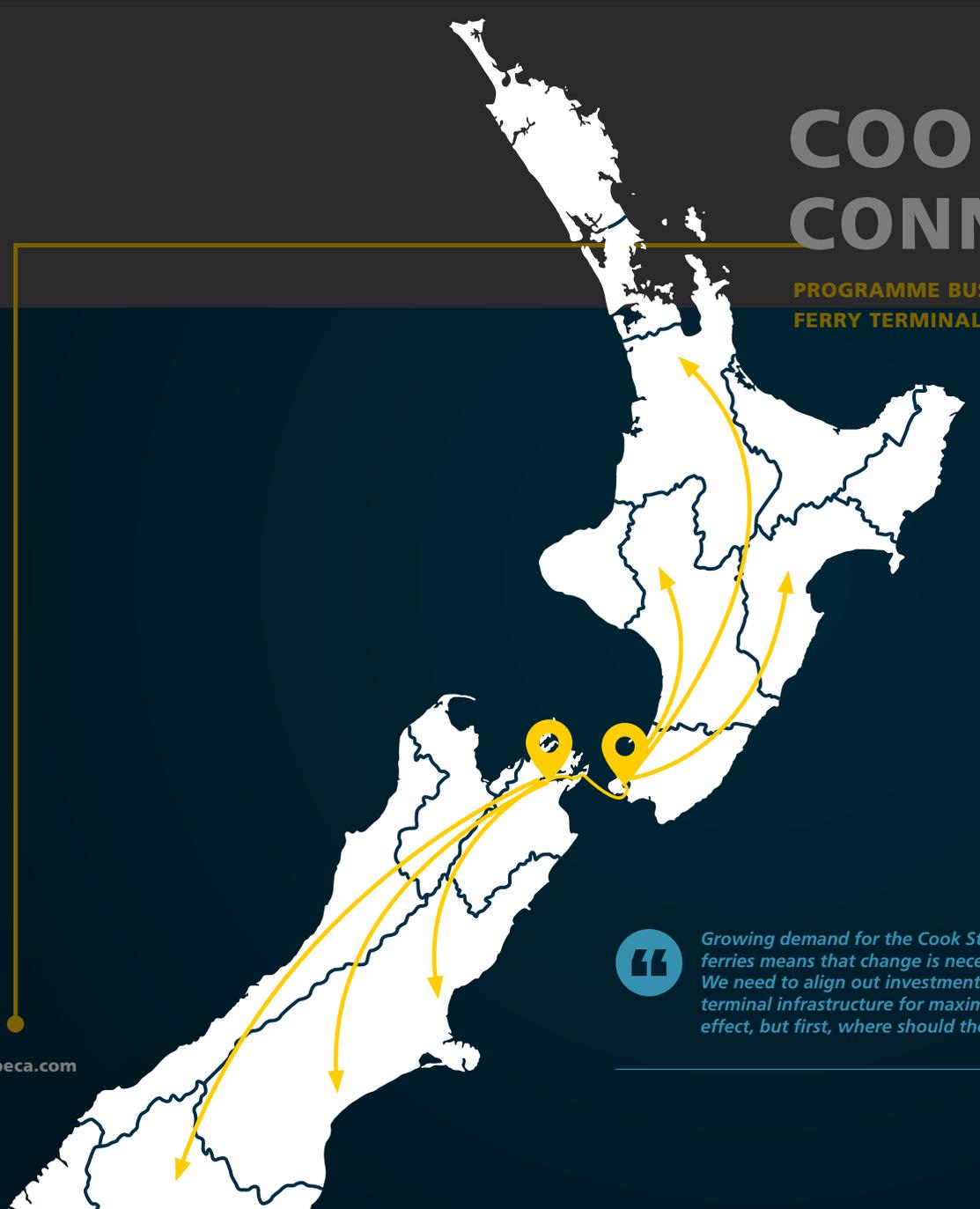
Report approved by:

**Sarah By Gain**  
General Manager, Strategic  
Services

**Attachment 1:** Summary Programme Business Case (PBC) "Cook Strait Connectivity – Programme Business Case for the Wellington Ferry Terminals"

# COOK STRAIT CONNECTIVITY

PROGRAMME BUSINESS CASE FOR THE WELLINGTON  
FERRY TERMINALS



www.beca.com



*Growing demand for the Cook Strait ferries means that change is necessary. We need to align out investment in ferry terminal infrastructure for maximum effect, but first, where should they go?*

**THE COOK STRAIT FERRIES:**  
**NZ'S WATER BRIDGE**  
**RESILIENT LIFELINE INFRASTRUCTURE**  
**SUPPORTING THE ECONOMY**  
**A QUALITY EXPERIENCE**

## Why are we looking at this?



So where in the lower North Island should the Cook Strait ferry terminal(s) be located?

## Foreword

We're examining a once-in-a-lifetime opportunity to reconfigure the Wellington ferry terminals. This nationally important infrastructure needs investment now.

It's complex. Included are changes to marine infrastructure, road and rail, public transport and active mode provision, terminal buildings, civic redevelopment and strengthening for resilience. It requires key stakeholders to come together. CentrePort, the New Zealand Transport Agency, Greater Wellington Regional Council, Wellington City Council, Interislander and Bluebridge are working collaboratively on a solution. Wider support is also needed.

Together, the stakeholders identify opportunities to improve resilience for ferry operations, the city and region, to enhance the experience of ferry passengers and the general public, and to support the local, regional and national economy.

Kaiwharawhara has been identified as the preferred location for a multi-user ferry terminal. Determining the governance and ownership structure for this programme is one of the crucial next steps. There is a need for certainty on the future of the ferry terminals in order to coordinate stakeholders' decision-making and the many hundreds of millions of investment needed.

The opportunity presented on a local, regional and national level is very significant. All stakeholders are committed to continuing to work together to achieve the best result for New Zealand.

## Who's involved?

**Absolutely Positively Wellington City Council**  
Me Heke Ki Pōneke

Has statutory responsibilities in relation to overall land use and movement planning, spatial planning, local infrastructure provision and consenting.



Has regional statutory responsibilities relating to transport planning, public transport, harbour master services, civil defence, and environmental management.



Owns and operates Wellington's port, including the land and the marine assets from which the two existing ferry companies operate from.



Operates the Bluebridge ferry service which caters for road freight, private vehicles and foot passengers transiting the Cook Strait.



Operates the Interislander ferry service which caters for road and rail freight, private vehicles and foot passengers transiting the Cook Strait.



The road controlling authority for the State Highway network and for linkages to communities, businesses and nationally significant facilities (ports, airports, hospitals).

### Project Partners



**A Snapshot**



**KAIWHARAWHARA SITE:**



Interislander  
Current ships: 183m  
Future ships: 209m

WESTPAC STADIUM



**KINGS WHARF SITE:**



Bluebridge  
Current ships: 186m



TE PAPA

**Why are the ferries important?**

**EMPLOYMENT:**

**3600 jobs**

are supported by the Cook Strait ferry services in Wellington

**ECONOMY:**

**\$330m**

per year is injected into the city's economy from the ferry services

**FREIGHT:**

**\$15b - \$20b**

of commercial freight is operated on the Cook Strait ferries each year, comprising 4-5 million tonnes

**CONNECTIVITY:**

**1.2m passengers**

travel on the Cook Strait ferries each year, of which

**35%** are overseas tourists

**RESILIENCE:**

**4-5 days**

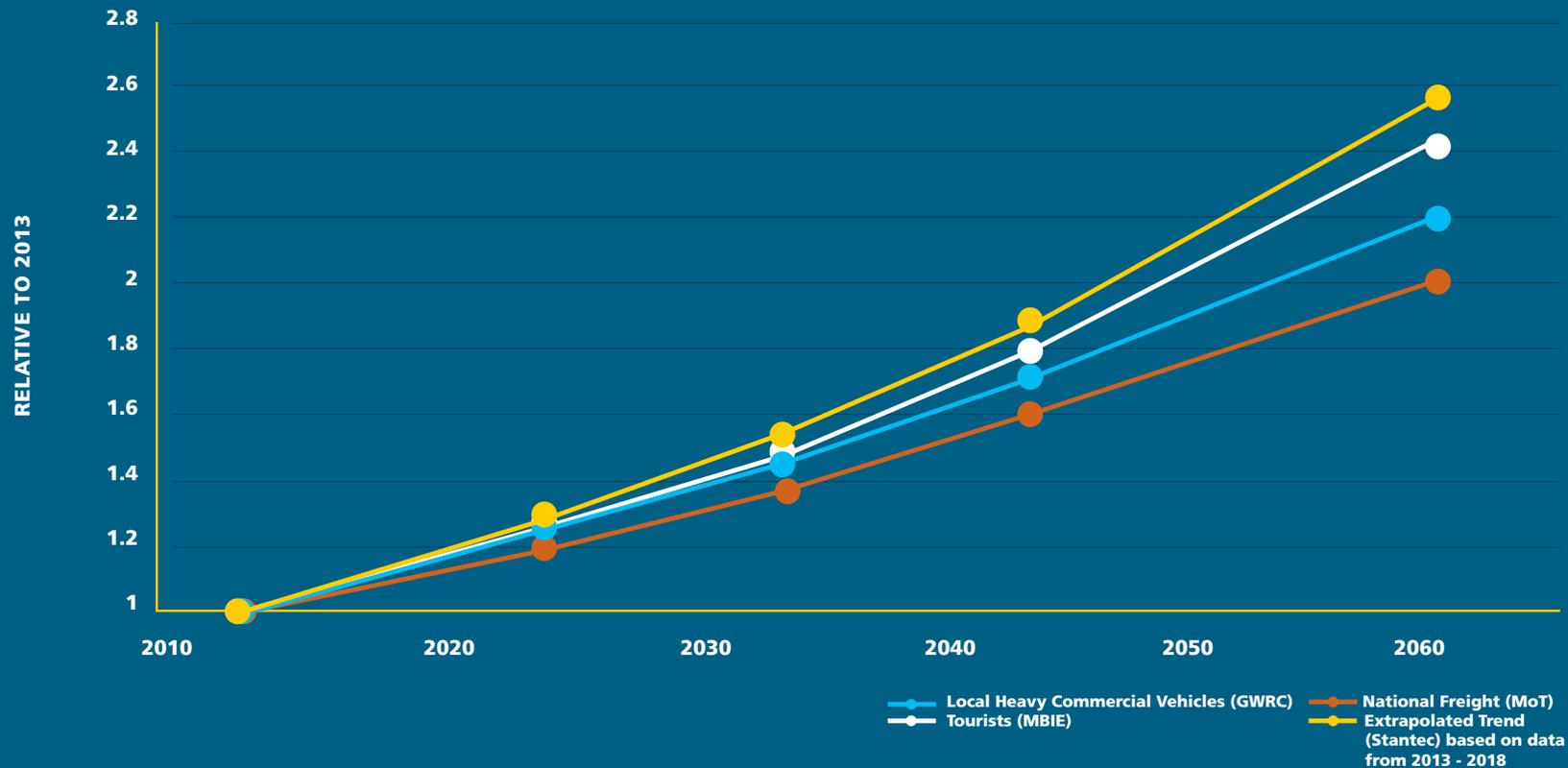
to access Wellington by sea after an Earthquake, versus 15 days by road

**The ferries are New Zealand's State Highway 1 water-bridge and main trunk railway line connecting the north and south islands.**

**The ferries are a vital component of the New Zealand supply chain.**

# Can we accommodate the forecast growth?

## FORECAST GROWTH IN DEMAND FOR COOK STRAIT FERRIES



### THE EXISTING TRANSPORT NETWORK IS ALREADY UNDER PRESSURE.

- The network as it is now cannot accommodate planned and forecast growth in ferry services and city population
- There is an aspiration to increase connectivity via public transport and active modes
- Interislander plan to introduce 50% larger ferries by the mid 2020s



**Problems**

## What are the problems?



### **RESILIENCE**

Lack of resilience in infrastructure, land and operations puts Wellington communities and NZ's economy at risk



### **EXPERIENCE**

Poor integration of ferry terminals with the city disrupts journey connectivity causing poor user experience that impact liveability



### **ECONOMY**

Ferry terminal infrastructure and the surrounding transport network cannot meet current and future demand harming national and regional economic opportunities

Resilience Context

# How important are the ferries for regional and national resilience?

## THE FERRY TERMINALS ARE LIFELINE INFRASTRUCTURE

### RESPONSE TO A MAJOR EVENT:

Estimated access time after an earthquake event:



**4-5 days by sea vs. 15 days by road**

**90%** of food, fuel and materials deliveries to the region will have to come via the sea.

CentrePort will be the **main point of entry** for supplies to Wellington, Western Wellington and the Hutt Valley.

Emergency response plans assume CentrePort will be **usable within 5 days** after an earthquake for roll-on/roll-off ferries.

**“** In an event Wellington is at risk of being isolated by road for a long period, making the port critical for transport of emergency supplies

## 2<sup>nd</sup> largest regional economy

Contributing \$35b GDP, the resumption of economic activity in the region is hugely important to the NZ economy

INVESTMENT IN THE FERRY TERMINAL AND SURROUNDING INFRASTRUCTURE COULD IMPROVE THE RESILIENCE OF THE CITY AND THE NATIONAL ECONOMY



Disaster Risk Levels for the Wellington Region:

- Earthquake: Very High
- Tsunami: High
- Severe Storm/Flood: High
- Human Pandemic: High
- Landslide: High

### KAIWHARAWHARA :

- Located on Wellington Fault
- SH1 Thorndon Overbridge is particularly vulnerable
- Liquefaction risk

### KINGS WHARF:

- Sustains damage even in minor-to-moderate earthquake events due to the basin effect & reclaimed land
- More vulnerable to tsunami
- Damaged buildings in surrounding area could create cordons

Refer Working Papers for more commentary and engineering assessment of both sites.

## What do the ferries mean to people?

**Located at the heart**  
of our capital city

Affects how **420,000**  
**tourists** experience  
Wellington each year

**A vital connection**  
between the north and  
south islands

A major influence on **city**  
**vibrancy** and aesthetics

**An iconic kiwi**  
**holiday** and a key part  
of most tourist agendas

**A domestic travel**  
**essential** for moving  
between islands, and an  
alternative to flying

A **recognisable part**  
of Wellington's character

Experience Context

## New Zealand Inc.



**CONNECTING STATE**  
**HIGHWAY 1, THE FERRIES**  
**PROVIDE A CRUCIAL LINK**  
**IN THE NEW ZEALAND**  
**SUPPLY CHAIN AND SERVE**  
**AN IMPORTANT SOCIAL**  
**FUNCTION.**

## Who are ferry customers?



### ROAD FREIGHT:

**4-5 million tonnes**

*of freight transported across the Cook Strait annually*

*Average growth of road freight:*

**7% per annum**



*I'm looking for travel time reliability and efficiency, and the efficiency of queuing and onboarding/offboarding.*



### PRIVATE VEHICLES

**310,000**

*Average number of vehicles journeys per year on the Cook Strait Ferries*

*Average growth of private vehicles users:*

**4% per annum**



*I'm more interested in the experience in travel times, transport options and reliability of getting to the terminal.*



### RAIL FREIGHT:

**300,000 tonnes**

*of cargo transported through CentrePort in 2015*

*Average growth of rail freight:*

**3-4% per annum**



*I'm interested in minimising conflict with road users, having efficient onboarding and offboarding procedures and providing a reliable and timely end-to-end journey.*



### PASSENGERS

**1.2 million**

*average number of passengers per year on the Cook Strait ferries*

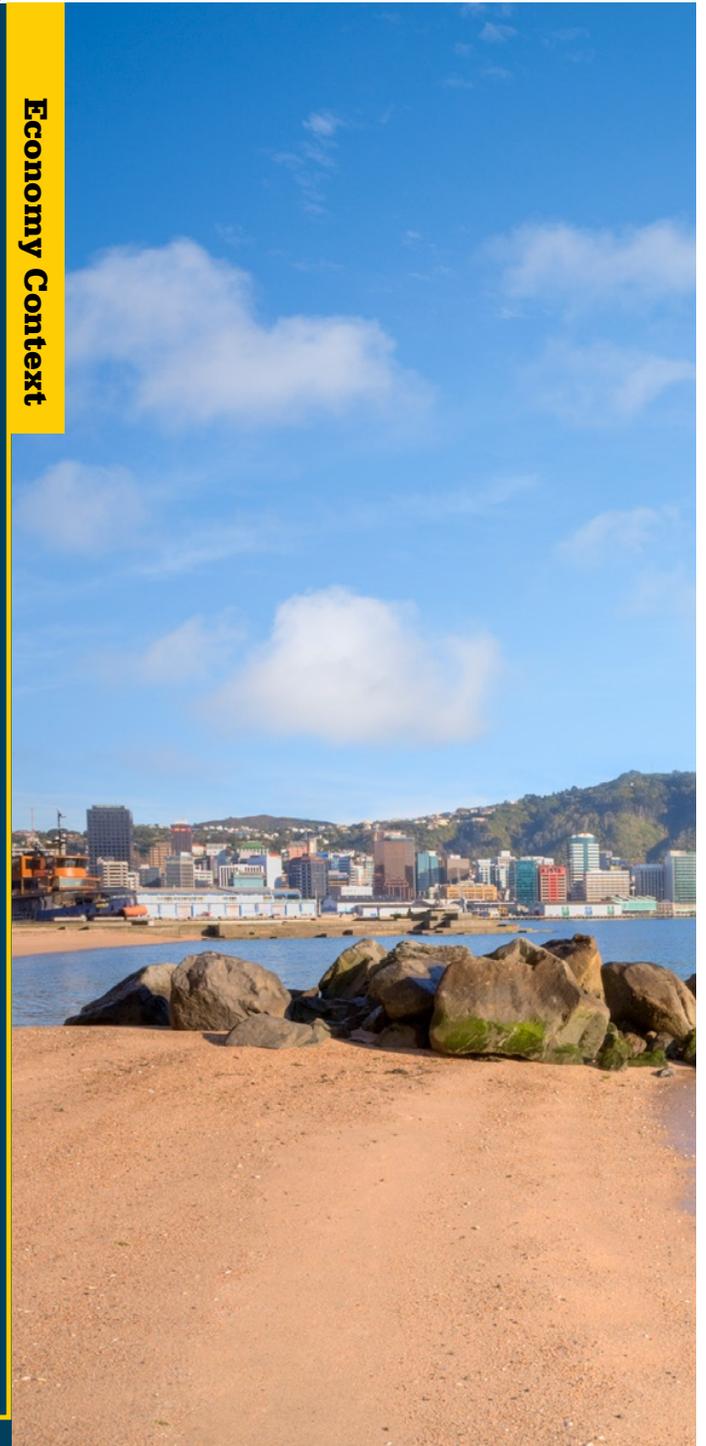
*Average growth of foot passengers:*

**6-8% per annum**



*I want the unique experience of crossing the Cook Strait on ferry, with easy and efficient transitions at either end.*

Economy Context



**\$330m**

ESTIMATED GDP IMPACT PER YEAR OF FERRY SPENDING IN WELLINGTON

**3600 jobs**

IN WELLINGTON ARE SUPPORTED BY THE COOK STRAIT FERRY SERVICES

**Economy Context**

## Who are ferry customers?



### PICK UP AND DROP OFF

**350,000** pick up and drop off vehicle movements per year



*I want an easy and efficient way to pick up and drop off my family and friends.*



### EMPLOYEES

**820** directly employed in the ferry operations



*I need to get to work on time so ease of access and travel time reliability to and from work is my biggest concern.*



### OPERATIONS



*I want an efficient and easy-to-understand loading and unloading operation for freight and passenger vehicles.*



### HARBOUR RECREATIONAL USERS



*I'm looking for maximum unrestricted access to the harbour for sailing, kayaking, swimming and more.*

**INVESTMENT IN THE FUTURE OF THE FERRY TERMINALS WILL SUPPORT THE FORECAST GROWTH IN DEMAND FOR THESE FERRIES, IMPROVE USER EXPERIENCE AND SUPPORT THE LOCAL, REGIONAL AND NATIONAL ECONOMY.**



# Why does this matter?





Investment Objectives

## What are we trying to achieve?



### RESILIENCE

To improve recovery and response of the Wellington Ferry Terminal following significant natural events



### EXPERIENCE

To improve the quality of Wellington Ferry Terminal infrastructure, access and services for ferry users and the wider Wellington public



### ECONOMY

To optimise asset investment decision making to support future ferry investment, freight efficiency, tourism spend, CBD growth, and port operations

# Where should the ferry terminals be located?

## CONSIDERATIONS:

**Physical characteristics** including the seabed and landside environment, navigable waters and prevailing winds.

The freight network is very sensitive to **travel time across Cook Strait** (screen for <30min additional travel time).

Links to pre-existing **transport network linkages**.

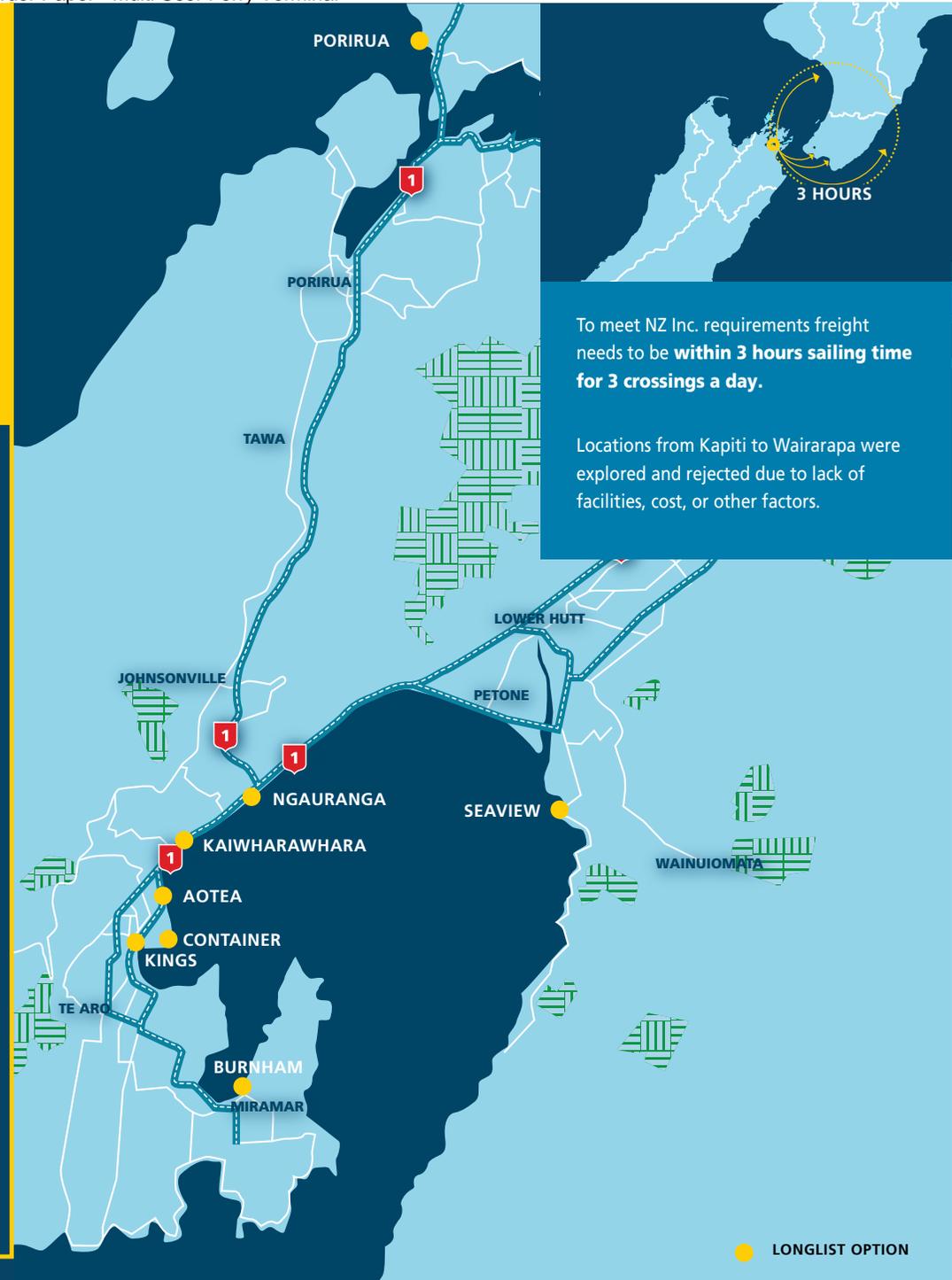
Proximity to **populated areas** increases benefits of ferry terminal after high-impact low-probability events.

**Statutory approvals** processes in terms of timeliness and ability to secure consent.

Alignment of port activity with key **policy directions** and aspirations of government organisations.

**Kaiwharawhara & Kings Wharf score the best**

Longlist Evaluation



To meet NZ Inc. requirements freight needs to be **within 3 hours sailing time for 3 crossings a day**.

Locations from Kapiti to Wairarapa were explored and rejected due to lack of facilities, cost, or other factors.

# What are the options?

## TERMINAL LOCATION

KAIWHARAWHARA

KINGS WHARF

## TERMINAL LAYOUT

Separate locations

Multi-user terminal

Single-user terminals

## PLUS OTHER INTERVENTIONS

Road, rail, public transport, cycleway & footpath connections

Resilience improvements to terminal(s) and transport network

Public amenities

## What is important?



### RESILIENCE

- Resilience and recovery to High Impact Low Probability Event Day Zero to Day 20
- Resilience and recovery to High Impact Low Probability Event Day 20 to Day 1000
- Resilience to moderate events (non HILP).



### EXPERIENCE

- Logical location for long term planning of the city to achieve city aspirations
- Traffic impact on other network users
- Integrated transportation/land use
- Connection to alternative transport modes
- Tourism and visitor ferry journey experience
- On-harbour recreational user impacts



### ECONOMY

- Optimising land for highest and best use
- Enables efficient terminus layout
- Harbour management maritime operation
- Economic impact beyond the site
- Supports efficient freight
- Supports tourism growth
- Ongoing costs



### DELIVERY

- Environmental / ease of consenting
- Impact on ferry operations during construction & transition
- Impact on other Port operations during construction & transition
- CAPEX terminus facilities
- CAPEX transportation network

## First Pass Shortlist Analysis



STATUS QUO (NO CHANGE)



ENHANCED STATUS QUO  
(MINOR INTERSECTION  
AND TERMINAL  
IMPROVEMENTS)

DEFAULT OPTION



SINGLE-USER TERMINALS  
AT KAIWHARAWHARA



SINGLE-USER TERMINALS  
AT KINGS WHARF



MULTI-USER TERMINALS  
AT KAIWHARAWHARA

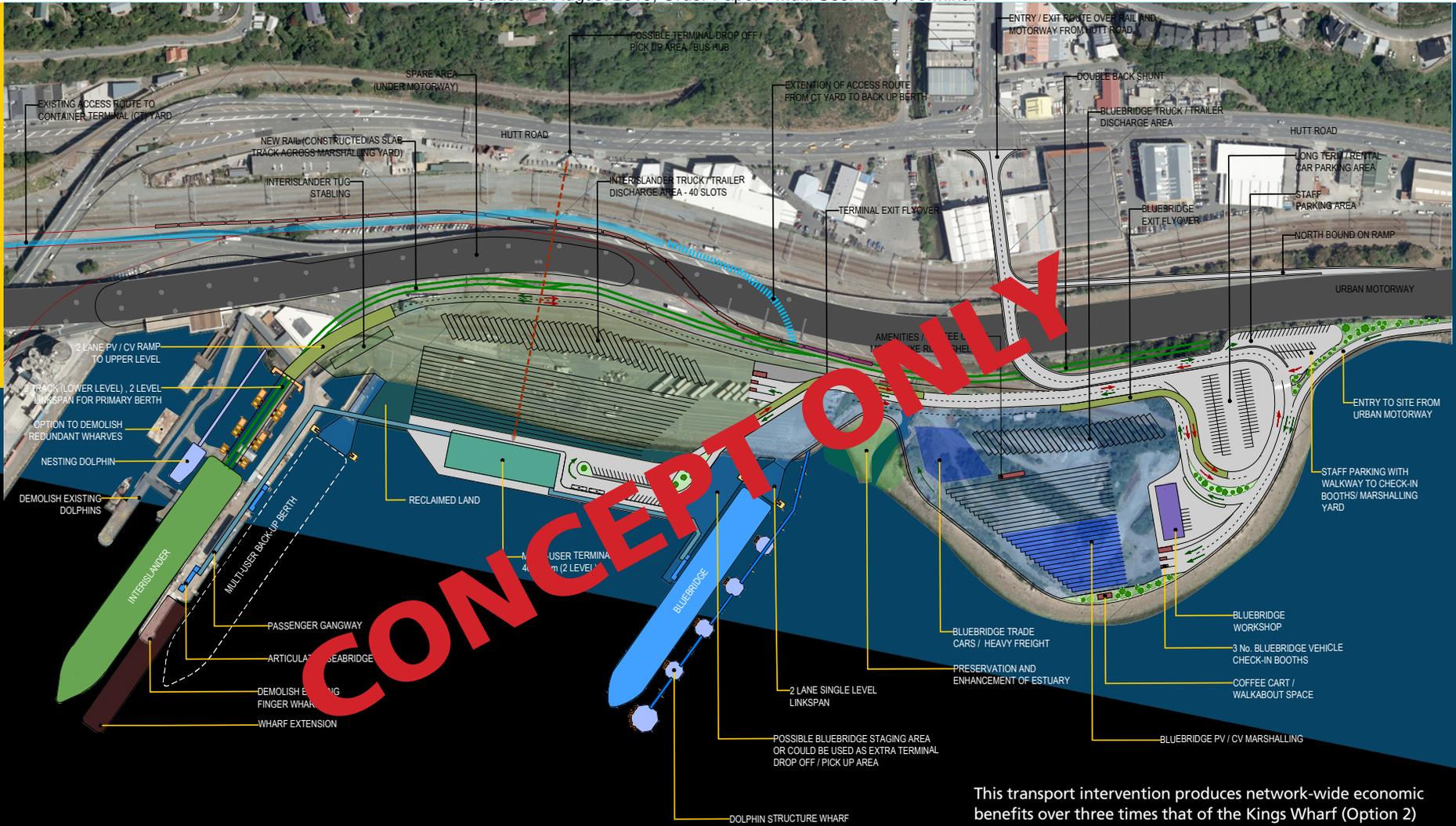


MULTI-USER TERMINALS  
AT KINGS WHARF

THESE OPTIONS SCORED THE BEST

Shortlist Development

INDICATIVE LOCATION OF WELLINGTON FAULT



**OPTION 1: KAIWHARAWHARA INDICATIVE CONCEPT**

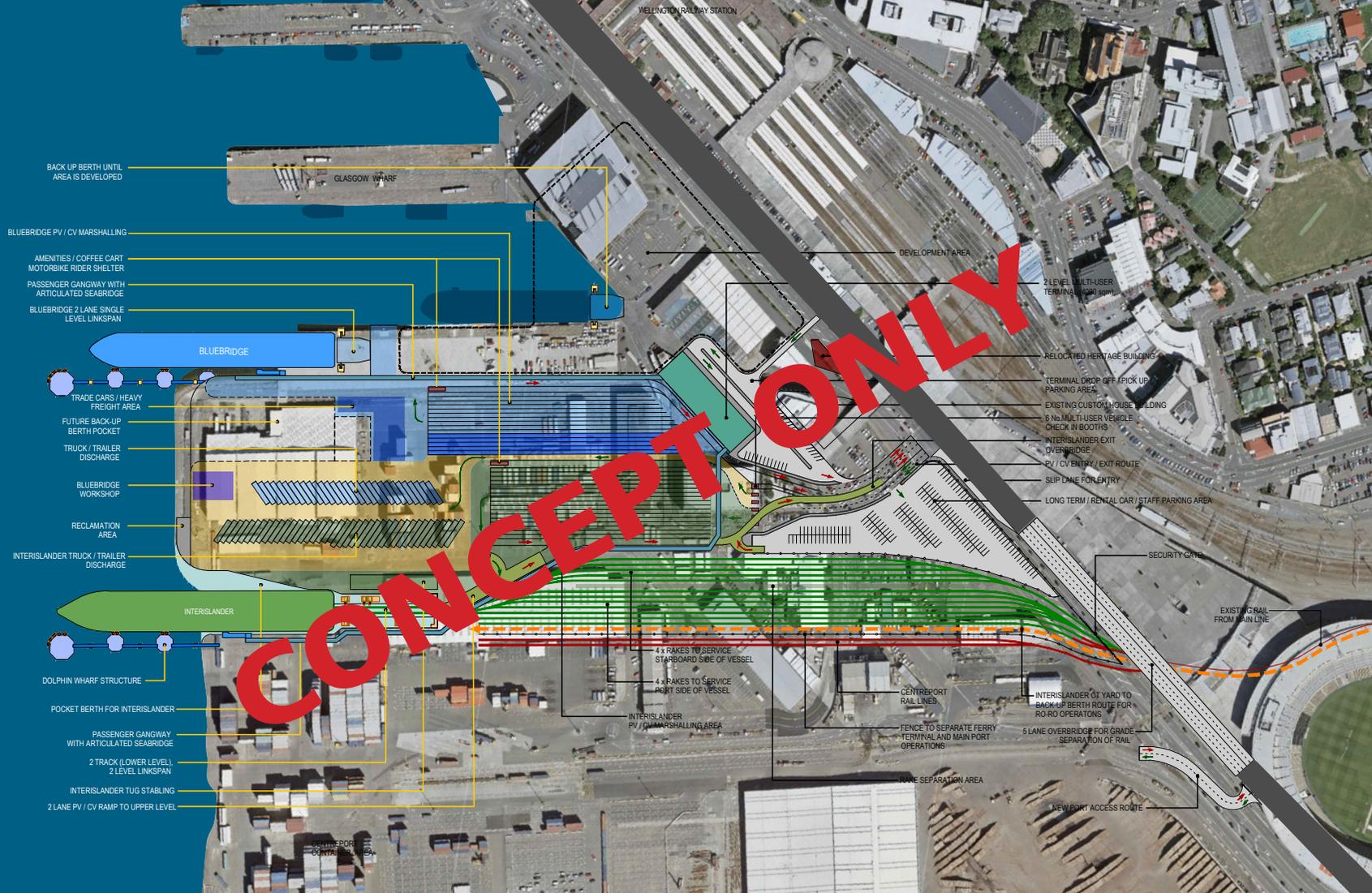
Note: more design detail than is typical for a PBC is provided due to stakeholders' need for confidence that efficient terminal layouts can be achieved. Layouts and drawings are indicative and are only intended to show that the site footprint is likely to be adequate for the intended purpose. This is one of many possible design layouts at Kaiwharawhara.

This transport intervention produces network-wide economic benefits over three times that of the Kings Wharf (Option 2) transport interventions.

Further resilience and engineering studies will be needed to confirm current engineering and costing advice in the next project phases.

Required strengthening of SH1 overbridge is understood to be planned by NZTA, which would improve the resilience of a Kaiwharawhara ferry terminal and, on a larger scale, of the city.

Reclaiming land creates efficiencies for operations, but has higher consenting risks. Other options exist without the need for reclaimed land.



## OPTION 2: KINGS WHARF INDICATIVE CONCEPT

Note: more design detail than is typical for a PBC is provided due to stakeholders' need for confidence that efficient terminal layouts can be achieved. Layouts and drawings are indicative and are only intended to show that the site footprint is likely to be adequate for the intended purpose. This is one of many possible design layouts at Kings Wharf.

Further resilience and engineering studies will be needed to confirm current engineering and costing advice in the next project phases.

Significant ground improvement is required due to the high liquifaction issues at this site.

Transport intervention options explored somewhat accommodate the ferry traffic but do not produce significant network-wide benefits. In this option, ferry traffic will need to be retained on site during peak periods and release to the transport network regulated. Proximity to rail and bus hubs supports stakeholder and GPS objectives.

## How do the options compare?

	Enhanced Status Quo	Kaiwharawhara Multi-user	Kings Multi-user
<b>RESILIENCE</b>			
Resilience to high impact low probability event Day Zero to day 20	●	●	●
Resilience to high impact low probability event Day 20 to day 1000	●	●	●
Resilience to moderate events	●	●	●
<b>EXPERIENCE</b>			
Logical location for long term planning of the city to achieve city aspirations	●	●	●
Traffic impact on other network users	●	●	●
Integrated transportation/land use	●	●	●
Connection to alternative transport modes	●	●	●
Tourism and visitor ferry journey experience	●	●	●
On-harbour recreational user impacts	●	●	●
<b>ECONOMY</b>			
Optimising land for highest and best use	●	●	●
Enables efficient terminus layout	●	●	●
Harbour management maritime operation	●	●	●
Economic impact beyond the site	●	●	●
<b>DELIVERY</b>			
Environmental / ease of consenting	●	●	●
Impact on ferry operations during construction & transition	●	●	●
Impact on other Port operations during construction & transition	●	●	●
CAPEX terminus facilities	●	●	●
CAPEX transportation network	●	●	●

### MCA rating framework



All scores to be relative to the current status quo

## Capital Costs\*:

	Kaiwharawhara	Kings Wharf
Terminal	\$320-\$590M	\$350-\$640M
Transport	\$70-\$140M	\$30-\$60M
<b>Total</b>	<b>\$390-\$730M</b>	<b>\$380-\$700M</b>

\*Ongoing costs were not considered to differentiate between site options and are anticipated to be lower than the enhanced status quo operating costs.

**Refer Working Paper 2 for multi-criteria analysis (MCA) scoring results, commentary on the scoring of each option by expert advisors and sensitivity testing.**





**RESILIENT NEW INFRASTRUCTURE**

- Investment in ground strengthening, seismic design of terminals and wharfs, and a new transport link to Hutt Road, will improve the resilience of the terminals and support their function as a city lifeline in a major event.



**A GREAT EXPERIENCE**

- Co-location of the ferries will enable shared facilities to be developed to enhance passenger and freight experience. New transport interventions improve the experience of all network users. Freight is removed from the city and city development opportunities for inner-city port land are created.



**SUPPORTS ECONOMIC GROWTH**

- Growth of the ferry operations is provided for. Shared infrastructure increases value-for-money of investment. Freight efficiency is improved by shorter and more reliable routes. Tourist experience is improved. Avoids investment in isolated assets.



**ASSUMPTIONS:**

- All shorted listed sites, including the preferred option, presented significant resilience design issues.
- Cost estimates include for work to address life safety and building consents based on advice sought from structural engineers.
- Testing the underlying assumptions of structural engineering advice and associated cost estimates through more detailed evaluation is a priority action for the next phase of project development.

**OPPORTUNITIES:**

- Civic redevelopment of waterfront
- Improve resilience of Aotea off-ramp and SH1 overpass
- Road space relocation of Aotea Quay
- Possible cruise relocation

TERMINAL & FACILITIES	\$320-\$590M	CentrePort, Interislander & Bluebridge (TBC)
TRANSPORT SYSTEM	\$70-\$140M	NZTA, GWRC & WCC (TBC)
<b>TOTAL</b>	<b>\$390-\$730M</b>	

Cost splits between the stakeholders will be addressed in the next project phases

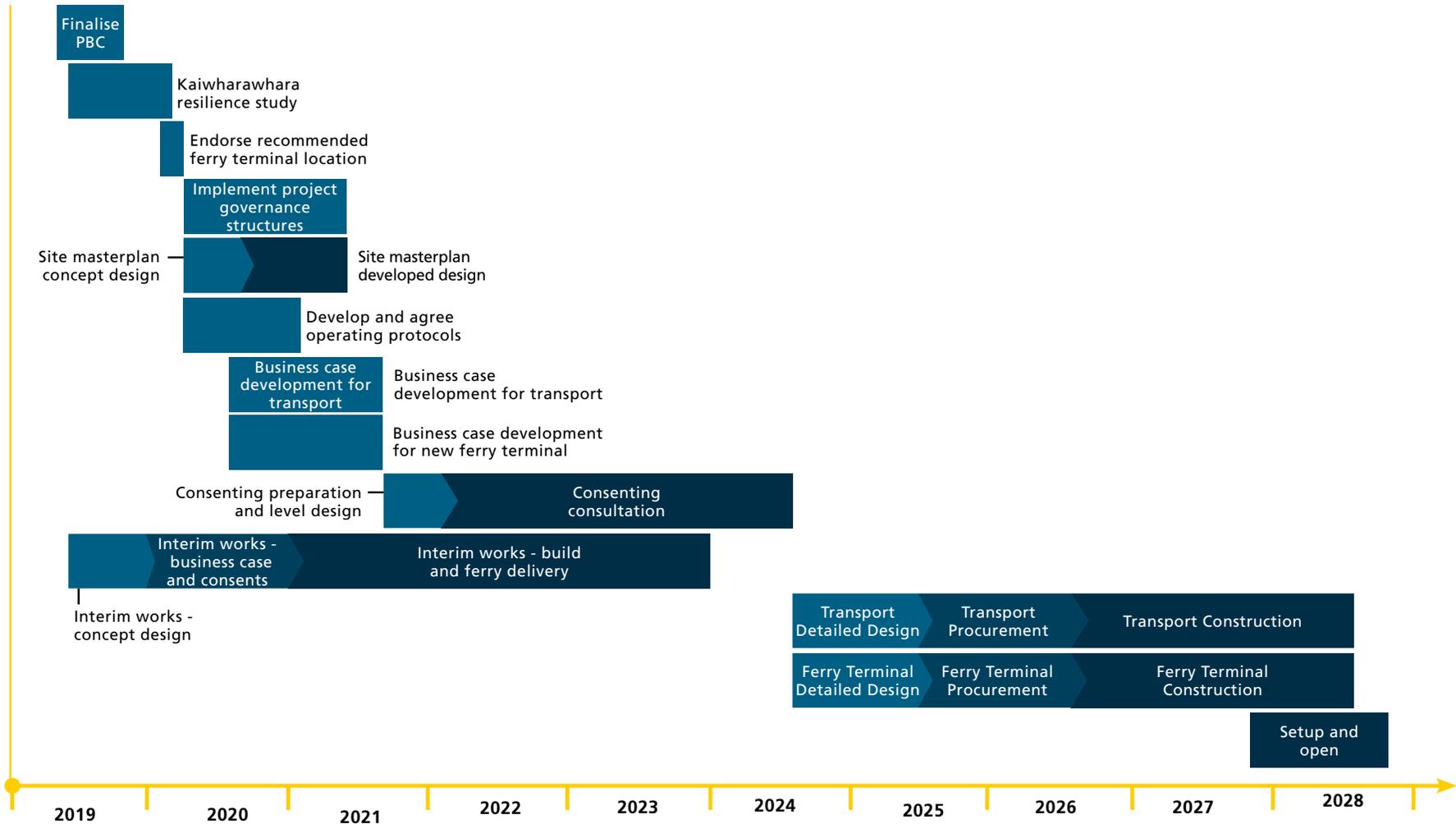
Shown in 2022 dollar figures

**Preferred programme: Multi-user terminal at Kaiwharawhara**

Note: the concept shown above is one of many possible design options. Layouts and drawings are indicative and are only intended to show that the site footprint is likely to be adequate for the intended purpose. Alternative design layouts and physical footprints at and in the vicinity of Kaiwharawhara will be explored in the next project phase.

# How will we deliver this programme?

Note this programme is indicative only and will depend heavily on governance arrangements (refer next steps section).



## What are the next steps?

1. Stakeholders to **endorse or acknowledge recommended ferry terminal location** (this programme business case) and confirm their intent to continue to **work together** in the next project phase
2. Commission further **structural and resilience engineering feasibility studies**
3. Workshop and reach agreement on **programme governance** structure, including:
  - Clear leadership, governance and responsibilities
  - Risk apportionment, risks and issues management
  - Ownership and procurement model
  - Funding approvals and accountability
  - Overall coordination of works during design and construction delivery
4. Confirm **site masterplan** and **apportion projects** among stakeholders

Next Steps



JULY 2019



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**Report** 19.306  
**Date** 15 August 2019  
**File** CCAB-20-745

**Committee** Council  
**Author** Rhona Hewitt, Manager, Bus and Ferry Infrastructure

## **NZ Bus timetable changes for 26 January 2020**

### **1. Purpose**

To seek Council endorsement of the principles which will inform proposed NZ Bus timetable changes for 26 January 2020.

### **2. Background**

On 15 July 2018, the new Bus Network for Wellington City was introduced. The travel times for the new bus network used the best information available at the time. For new routes, officers had to merge travel times from various routes to estimate travel times. It was anticipated that timetables would change as information relating to new route travel time and changes in customer travel behaviours became available.

Officers have progressively amended timetables over the last 12 months. For NZ Bus, amended timetables were introduced in February 2019 to provide improvements for the busiest time of the year (for bus use). This change was made using the best data available at the time (August/September) and included provision for extra services to reflect anticipated additional capacity needed in the February/March period.

We now have data available for the February/March 2019 period, providing officers with more a more accurate picture of trip travel times and customer travel behaviour for this time of year.

Through this data and information on service and operator performance, officers consider that the current timetables do not provide sufficient in-service and out-of-service (re-positioning and recovery) run times. This impacts on reliability, punctuality, and the occurrence of unplanned cancellations. Customer travel behaviour data has also enabled officers to better identify what bus sizes and frequency of service are required to best meet demand.

We are also currently experiencing driver shortages. To provide customer with certainty of service, we currently have implemented 21 planned cancellations

of individual trips at peak times. The individual planned cancellations were determined based on driver shifts. In order to determine which trips to cancel, officers considered the impacts that removing a trip would have on driver requirements and customers.

Reviewing and amending all timetables provides officers with an opportunity to consider customer needs (within existing resource constraints) before the development of driver shifts.

The Employment Relations Amendment Act 2018 introduced new rest break requirements for employees. Bus operators are required to comply fully with these requirements by 6 May 2020. Complying with the legislation will have an impact on driver numbers required and is likely to require amendments to timetables to ensure that drivers have sufficient time allowed to enable a compliant rest break.

### **3. Comment**

The busiest time for public transport is the early part of the calendar year, when the school and university years commence, and most people are back from summer holidays. In February/March both the road network and public transport network become extremely busy.

Based on an analysis of data from February/March 2019, officers do not consider that the current timetables will be able to perform well in February/March 2020.

To improve services for our customers so that their services are more reliable, punctual and better match demand at peak times, officers have developed a set of principles to guide the development of amendments to timetables for January 2020.

Note that this development of timetables is a separate process to the Bus Network Review. Due to the timelines to implement change, these timetable amendments are not able to wait until the outcome of the Bus Network Review. Any timetable adjustments made in preparation for the beginning of 2020 will not constrain changes resulting from the BNR.

### **4. Proposed change principles**

Officers have developed the following principles, which if endorsed by Council, will be used to guide the development of amendments to current timetable. Timetable amendments should:

- Provide additional in-service run time with the aim of moving to an environment where 8 out of 10 trips arrive at their destination on or before their scheduled time
- Balance extent of improvements within the given driver and bus constraints. This means that proposed timetables do not provide capacity for patronage growth that may occur above February/March 2019 demand.

- Consider the re-allocation of resources from areas of low demand to areas of higher demand
- Adjust departure times and vehicle sizes to better match capacity to demand
- Provide a strong foundation for service delivery, including driver break requirements, and changes arising from the Bus Network Review.

#### **4.1 Impacts on customers and bus drivers resulting from proposed timetable amendments**

Below is a list setting out likely impacts that would occur if timetable amendments are made based on the proposed principles set out above.

- New timetable travel times will improve reliability and punctuality by providing more travel time and more recovery time between trips
- Provides more certainty – reduces occurrence of unplanned cancellations
- Capacity improvements – minimising crowding on peak services (where possible)
- New travel times will help ensure driver breaks are not impacted by late running services
- Some service frequencies increased, balanced by a decrease in frequency on less used services
- Some lower used school routes merged and some public trips extend to schools

## **5. Options**

There are two options available to Council; the consequences of each are set out below:

- (a) **New timetables for 26 January 2020**
  - Improved reliability and punctuality
  - Improved vehicle allocations (better alignment between capacity and demand)
  - Some services will be removed or merged to align with available driver resources
  - Continue subcontracting some services
- (b) **Retain current timetables**
  - Will require continued planned cancellations if NZ Bus do not meet driver targets
  - Back office re-schedule for Employment Relations Amendment Act obligations only (when drivers available)
  - No reliability and punctuality improvements
  - No improvement in specified vehicle allocations (bus size and demand not aligned)

- Overcrowding on school services that were previously banked

## **6. Next steps**

If proposed change principles are approved:

- Timetables will be developed in partnership with NZ Bus
- Final draft timetable will be sent to NZ Bus by 6 September in order to meet 26 January 2020 introduction date
- Officers will confirm ongoing subcontracting arrangements
- Notify changes to schools (targeted)
- Public informed through usual communications process (clarity of message essential)

Timetables will come into effect on 26 January 2020.

## **7. Cost and budget considerations**

If timetables are amended to better reflect travel times, there will be an increase in operating costs (for in-service hours). This increase is estimated to be in the order of \$500,000, which can be met within existing 2019/20 budgets.

## **8. Communication**

A communications plan to inform customers of the changes and new timetables will be developed following agreement of the final timetable package and confirmation of the implementation date with NZ Bus.

We will ensure that any messaging related to timetable change is clearly communicated to minimise any confusion between this piece of work and the Bus Network Review.

## **9. Consideration of climate change**

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide. Officers note that the public transport network is designed to increase public transport capacity which will contribute to an overall reduction in gross regional greenhouse gas emissions.

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

Officers recognise that the matter referenced in this report may have a high degree of importance to affected or interested parties.

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

## 10.1 Significance of the decision

Part 6 requires GWRC to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

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

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

## 10.2 Engagement

The proposed changes will be data driven and are focused on improving the performance of existing services within resource constraints. Customers will be informed of the changes before Christmas and the reason for them.

## 11. Recommendations

*That the Council:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Endorses the proposed change principles, as set out in section 4 of this report, to guide the NZ Bus timetable amendments.*
4. *Notes that the proposed change principles will be used to amend current NZ Bus timetables to ensure that the timetables are able to, as far as practicable, provide adequate services for February/March 2020.*
5. *Notes that in order to be implemented in time for February/March 2020, officers are required to agree timetables with NZ Bus by 6 September 2019.*
6. *Notes that timetable changes based on proposed change principles will provide required capacity and improve reliability and punctuality to the extent possible within current vehicle and resource constraints.*
7. *Notes that officers continue to work with NZ Bus to align the proposed timetable amendments with available fleet and driver resources.*
8. *Notes that the changes required to align with available fleet and driver resources will have a customer impact but that officers will seek to minimise this as much as possible.*
9. *Notes that any NZ Bus timetable amendments will be funded from within existing service enhancement budgets.*

Report prepared by:

**Rhona Hewitt**  
Manager, Bus Network and  
Infrastructure (Acting)

Report approved by:

**Greg Pollock**  
General Manager, Public  
Transport



**Report** 19.354  
**Date** 9 August 2019  
**File** CCAB-8-2402

**Committee** Council  
**Author** Seán Mahoney, Company Portfolio Manager.

## Wellington Water issue of shares to South Wairarapa District Council

### 1. Purpose

To seek Council agreement as a shareholder in Wellington Water Limited (WWL) to approve South Wairarapa District Council (SWDC) becoming a shareholder in WWL, and to consent to new shares being issued to SWDC.

### 2. Background

At the Council meeting on 10 April 2019, approval was given to amend the shareholders agreement and constitution of WWL to allow for the addition of new shareholders. Agreement on these changes was reached with all shareholders and at the meeting of the Wellington Water Committee on 12 July 2019, the committee

RESOLVED: (Deputy Mayor Bassett/Cr Brash) **Minute No. WWC 19302**

*“That the Committee:*

*(i) notes and receives the report;*

*(ii) notes the risk assessment report and addendum prepared by Wellington Water Ltd for South Wairarapa District Council (SWDC) setting out the risks associated with SWDC becoming a shareholder and the way Wellington Water Ltd proposes to manage these risks; and*

*(iii) agrees to support the proposal and recommend to shareholder councils that SWDC become a shareholder in Wellington Water Ltd.”*

The risk assessments are included as [Attachment 1](#).

### 3. Comment

The Wellington Water Committee has considered the risk assessment of SWDC joining Wellington Water as being low, due to its relative size and that issues concerning the SWDC treatment plants have been mitigated.

The application of SWDC to join WWL also aligns to WWL's wider strategic intention to increase its coverage in line with the proposal it submitted to the government's Three Waters Review.

The WWL constitution gives existing shareholders pre-emptive rights to acquire new shares when issued. In order to have the new shares issued to SWDC, Council needs to waive its pre-emptive rights.

It is proposed that SWDC shareholding commences on 1 October 2019 and that they have a 5% shareholding in WWL. The effect of this approval will not come into place until all shareholders have agreed. A shareholder resolution for this is included as [Attachment 2](#).

Once the shareholder resolution is effective, the board of WWL will issue the new shares to SWDC, as set out in the resolution at [Attachment 3](#).

#### **4. Communication**

No external communication is proposed as an outcome of this approval.

#### **5. 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.

##### **5.1 Mitigation assessment**

*Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.*

Officers have considered the effect of the matter on the climate. As the matters raised are Governance changes, it is recommended that the matter has no climate change impact.

##### **5.2 Adaptation assessment**

*Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.*

Officers have considered the impacts of climate change in relation to the matter. Officers recommend that as the matter relates to Governance changes then climate change has no bearing on this matter.

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

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

## 6.1 Significance of the decision

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

## 6.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

## 7. Options

Council's options are to either approve SWDC becoming a shareholder of WWL or to reject this. If Council rejects the proposal then it will not proceed as it requires unanimous consent of all shareholders.

## 8. Recommendations

*That the Council:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees to South Wairarapa District Council becoming a shareholder in Wellington Water Ltd.*
4. *Resolves that resolutions 5, 6, 7 and 8 are not effective until all other shareholding councils also agree.*
5. *Approves and consents to Wellington Water Ltd issuing the new shares to South Wairarapa District Council and entering into any documentation which is required from time to time to give full effect to such issue of the new shares, as described in the shareholder resolution, attached as Attachment 2 to this report.*
6. *Authorises the Chief Executive to sign the special resolution of shareholders, attached as Attachment 2.*
7. *Waives pursuant to clause 5.1 of the company's constitution, Council's pre-emptive rights under section 45 of the Companies Act in respect of the new shares.*
8. *Confirms, approves and ratifies the company's board resolution, to issue the new shares, attached as Attachment 3 to this report.*

Report prepared by:

**Seán Mahoney**  
Company Portfolio Manager

Report approved by:

**Samantha Gain**  
General Manager Corporate  
Services

**Attachment 1:**

**Attachment 2:**

**Attachment 3:**

SWDC Risk Assessment Reports

Shareholder Resolution for issue of shares to SWDC

Directors Resolution for issue of shares to SWDC



7 June 2019

Deputy Mayor, David Bassett  
Chair, Wellington Water Committee  
C/- Hutt City Council  
Private Bag 31912  
Lower Hutt 5040

Dear David

In 2018 the Government commenced a review on the three waters and, in response, the region worked on a proposal for better three waters management and submitted this to the Government. One of the proposals was that the Wellington Water model be available to work at a regional level.

As you are aware, the shareholders are now working through their processes to amend the governance documents to enable the proposals.

Last year, when the Water Committee resolved to allow other councils in the region to become shareholders in Wellington Water, the South Wairarapa District Council (SWDC) wrote to you, as Chair, to express an initial interest in becoming a shareholder.

As a result, the Water Committee asked Wellington Water to complete the work necessary for the SWDC to become a shareholder including carrying out a risk assessment of the proposal.

The risk assessment for the SWDC has now been completed and the report is attached for the Water Committee's consideration.

The risk assessment looked at the SWDC's current water services activities for drinking water supply, wastewater, stormwater and water races from two main perspectives:

- I. The impact on the company which focused on the risks associated with the SWDC's current operations; and
- II. The impact on the broader Wellington Water model, including considering the other shareholders' interests around resourcing the councils' work programmes.

The Wellington Water Board has considered the risks outlined in the report and is comfortable with the company managing the risks that have been outlined.

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Level 4, IBM House, 25 Victoria Street, Petone, Lower Hutt  
+64 4 912 4400 [www.wellingtonwater.co.nz](http://www.wellingtonwater.co.nz)

**Our water, our future.**

Wellington Water is owned by the Hutt, Porirua, Upper Hutt and Wellington city councils and Greater Wellington Regional Council. We manage their drinking water, wastewater and stormwater services.

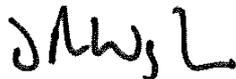
It believes that while there is a medium level of risk, given the small size of the SWDC, and the types of risk associated with its operations, the risks are manageable. Wellington Water has sufficient weight and depth of capability that allows it to confidently respond to whatever situation is likely to arise in the same manner it would do for the other shareholder councils.

While there are some current risks to the SWDC's treatment plants, it is worth highlighting that ultimately all risks with the assets sit with the client councils, and in this case, the SWDC appear to be in a relatively strong financial position to be able to pay for the upgrades needed.

Overall, we would consider that the benefits of operating at a broader regional level would outweigh any concerns.

If you have any questions please do not hesitate to let me know. I look forward to seeing you at the Committee meeting on 12 July 2019.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Wright'.

David Wright  
Chair, Wellington Water Board



## **Attachment A: Risk Assessment Report for South Wairarapa District Council Becoming a Shareholder**

## Introduction

1. On 17 April 2019 South Wairarapa District Council (SWDC) formally voted to join Wellington Water as a shareholder.
2. Wellington Water has prepared this risk assessment report to summarise its work to date and inform the Wellington Water Board and its client councils of the risks associated with the SWDC becoming a shareholder.

## Context

3. The SWDC covers Greytown, Featherston and Martinborough and has about 10,000 people and 4,000 rateable properties. They manage four waters: water supply, waste water, storm water and water races. For Financial Year 2019/20, the cost of the four waters services accounts for roughly 23% of total council OPEX and 45% of council CAPEX.
4. The SWDC runs two public water supply systems, Greytown (for Greytown and Featherston) and Martinborough. There are three water treatment plants, approximately 100km of pipes and 4,000 connections. There is also a small community scheme and treatment plant serving the equivalent of 10 properties in Pirinoa.
5. The SWDC has four wastewater systems, servicing the Featherston, Greytown, Martinborough and Lake Ferry communities with approximately 70km of pipes and four wastewater treatment plants.
6. There is a minimal amount of stormwater infrastructure in the district.
7. There are two Water Race systems in the SWDC and these primarily supply stock water to rural properties. Longwood Water Race in Featherston is approximately 40km long and Moroa Water Race in Greytown is approximately 225km long.
8. The proposal is for the SWDC to become a shareholder which will mean there will be a total of six shareholders who own Wellington Water. The SWDC will be able to appoint a member to the shareholder councils' joint Wellington Water Committee.

## Financial Context

9. The SWDC have an annual water services operational budget of approximately \$3.5m. This covers spend to pay suppliers, materials, subcontractors, council overheads and financing costs. The capital spend varies according to the Long Term Plan. However, for the 2019/20 financial year, the proposed spend is approximately \$1.3m.
10. All connections are metered in the SWDC with a standard charge up to a set limit. Usage over this level is charged on a volumetric basis. Our financial assessment indicates that the SWDC rate at a sensible level to fund water.
11. As demonstrated with the funding of the Martinborough water treatment plant upgrade, the SWDC has some financial headroom.
12. Wellington Water has had initial discussions with the SWDC to start to develop a transition plan and budget and obtain all the detailed financial and commercial information required.

## Methodology

13. To assess the risks of the SWDC joining the shared services model, Wellington Water has carried out the following:
  - a) Assessment of the SWDC's finances with regard to funding of water services;
  - b) SWOT analysis workshop with the SWDC's elected members;
  - c) Workshops with the SWDC's officers and Wellington Water's Three Waters Decision Making Committee; and
  - d) Observations from Wellington Water's involvement in the recent E-coli incidents in Martinborough and various other pieces of work Wellington Water has assisted the SWDC with over the past two years.
14. It's worth noting all transition work went on hold for four weeks in April when the SWDC delayed their decision to join as a shareholder. The recent E-Coli incident also put a strain on the SWDC's resources. This has meant the assessment that has

taken place is limited in its scope; however, the level of detail is considered sufficient to reach the requisite conclusions.

15. Wellington Water has carried out a risk assessment in two areas as requested by the board:
- a) How the SWDC currently operates its waters services to understand the risks Wellington Water is taking on, and the impact on the Company; and
  - b) The impact on the other shareholders in so far as it might affect resourcing of client councils' work programmes and the broader Wellington Water model.

## Risk Assessment Findings

### The SWDC's Current Operating Risks

16. Wellington Water has assessed the current the SWDC's operating risks to be:
- a) The Martinborough drinking water quality and the risk to public health;
  - b) A non-collaborative relationship with the Greater Wellington Regional Council and the risk of unfavourable outcomes as per the Featherston wastewater treatment plant consenting process;
  - c) The SWDC has a very small water team which means they have no backup and are unable to cover all technical areas. The risk is that they are unable to cope with the everyday issues they face;
  - d) Too much reliance on a single supplier who does not have the requisite expertise and experience;
  - e) A lack of systems and process means they have an elevated risk of things going wrong and this in turn means there is the risk that issues get solved in isolation with unexpected knock on effects; and
  - f) A culture of 'wanting to fix the immediate problem' instead of the underlying cause.

## Discussion of the SWDC's Current Operating Risks

17. Wellington Water considers the SWDC's current operations present a medium level of risk mainly due to the Martinborough treatment plant upgrade and the consenting process for the Featherston wastewater treatment plant.
18. To manage the Martinborough treatment plant upgrade risk, Wellington Water has agreed with the SWDC that it will enter into contractual arrangements to lead on this work prior to any transition work.
19. The Martinborough treatment plant upgrade is now being delivered through Wellington Water's major projects team. This means the cost, reputation and programme risks are being well managed. Wellington Water is now looking on this risk as an opportunity to demonstrate the effectiveness of its capability. It should be noted that the SWDC are still accountable for the current risk with the water supply system in Martinborough but Wellington Water is providing support and advice.
20. The consent process for the Featherston treatment plan is more complicated. The approach taken to date by the SWDC around collaboration has not been ideal. In moving forward Wellington Water would look to demonstrate collaborative behaviours and promote transparency where possible but there may be challenges in leading up to and through the hearings process. Long term, Wellington Water will look to implement the same collaborative approach it uses for its other client councils when working with the regional council.
21. The SWDC's in-house water capability and capacity is insufficient at present. Wellington Water is providing support and advice as required and giving the SWDC access to wider resources available through its water family. Post transition, this risk will no longer exist.
22. The SWDC currently relies on CityCare to operate and maintain its treatment plants and networks. This contract is scheduled to end in October which aligns with the 'go live' date. CityCare have had problems with staff turnover in the SWDC and its staff lack experience. To minimise the greatest risk (water treatment) Wellington Water is looking at bringing forward the recruitment of water treatment plant operators as part of the transition process.

23. During Wellington Water's recent involvement with the SWDC, it has uncovered some sub-optimal cultural behaviors in the health & safety space such as turning off alarms rather than finding the root cause of issues. This is not helped by a lack of systems and processes. As part of the change process Wellington Water will look to use key resources who will champion the culture it aspires to have. Wellington Water will be looking at systems and processes that are regionally consistent while also fit for local purpose.

### **SWDC Risks to the Wellington Water Model**

24. Wellington Water has assessed the risks to the company and its existing client councils that make up the Wellington Water model, to be:
- a) The SWDC issues take a disproportionate amount of Wellington Water resource and the focus is taken away from the other shareholders;
  - b) Issues arise that affect the reputation of Wellington Water and it reflects poorly on its owners; and
  - c) A lack of capability in discharge to land skills and possible unforeseen outcomes.

### **Discussion of the Risks to the Wellington Water Model**

25. Wellington Water considers the risks to the Wellington Water model to be low. The reason for this assessment is down to scale. The proposed SWDC shareholding, based on a relative size methodology, is 5%. Wellington Water currently manages combined CAPEX and OPEX budgets in the region of \$130m and the SWDC at \$6.5m would typically represent less than 5% of annual spend. Wellington Water also manages over 7,000km of pipes for its existing five client councils. The SWDC has 160km or just over 2% of the regional network.
26. One of the key lessons learned from Wellington Water's involvement in the February Martinborough E-coli incident is that with its scale, systems and capability, it was able to get on top of and resolve the issue in a matter of days, rather than the weeks it took the SWDC. As a result, the impact on reputation was minimised or even possibly enhanced because of the positive result.

27. As part of the transition Wellington Water will have independent assessments carried out on all the SWDC critical assets. In addition, the assessments will be benchmarked and used to programme out any improvements required in a planned manner.
28. The transition phase will also be critical to mitigate any reputational risks to Wellington Water. It will be agreeing with the SWDC the phasing of items such as the ownership of consents and service delivery to customers.
29. Regarding the discharge to land capability, Wellington Water does have some experience in the company and the existing SWDC water staff will bring their knowledge to the company. Also, Wellington Water now has its service delivery strategy in place which means it is able to call on the extensive capability available within its wider supplier family.
30. When 'go live' happens, Wellington Water's Customer Operations Group will operate the wastewater treatment plants. Through the transition process Wellington Water will work with Fulton Hogan to ensure it has the right capability operating these plants.

## Conclusions

31. In summary, Wellington Water is not concerned about what it will take to manage the identified risks given the scale of the SWDC's water services compared with the overall networks Wellington Water manages in the region. For example, heavy rain in the Wellington CBD would put more strain on the company's resources during, and in the month's post-event, than a very large issue in the SWDC.
32. Over the coming months as Wellington Water works through the transition process, other risks may be uncovered. However, Wellington Water does not envisage any show stoppers at this stage that can't be managed.
33. Ultimately, with the Wellington Water model, all risks with the assets and setting and achieving levels of service sit with the client council. Wellington Water has undertaken a financial assessment and concluded that the SWDC currently rate at the right level to fund for water.





26 June 2019

Deputy Mayor, David Bassett  
Chair, Wellington Water Committee  
C/- Hutt City Council  
Private Bag 31912  
Lower Hutt 5040

Dear David

**Addendum to South Wairarapa District Council Risk Assessment Report**

Further to my letter dated 7 June 2019 enclosing the South Wairarapa District Council Risk Assessment Report, we wish to provide you with an update to the report due to recent work completed by Wellington Water.

Wellington Water has completed some work under contract in relation to Martinborough's drinking water treatment plant and the Featherston wastewater treatment plant consenting process. As a result, a reassessment of the risks has been undertaken.

You will recall the assessment considers two types of risk:

- a) How the SWDC currently operates its water services to understand the risks Wellington Water is taking on, and the impact on the Company, and
- b) The impact on the shareholders in so far as it might affect resourcing of client councils' work programme and the broader Wellington Water model.

The level of risk associated with the South Wairarapa District Council's operations (a) has now changed from medium to low.

The level of risk associated with the Wellington Water model (b) remains low.

I trust the enclosed Addendum will support the Water Committee and shareholders in their consideration.

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**Our water, our future.**

Wellington Water is owned by the Hutt, Porirua, Upper Hutt and Wellington city councils and Greater Wellington Regional Council. We manage their drinking water, wastewater and stormwater services.

If you have any questions please do not hesitate to let me know. I look forward to seeing you at the Committee meeting on 12 July 2019.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Wright'.

David Wright  
Chair, Wellington Water Board



# **Addendum to the South Wairarapa District Council Risk Assessment Report**

## Introduction

1. In April 2019 Wellington Water produced a risk assessment report for the Wellington Water Board and its client councils to inform them of the risks associated with South Wairarapa District Council (SWDC) joining Wellington Water as a shareholder.
2. This report was based on the information it had available at the time and summarised the work to date.
3. Wellington Water now considers it is appropriate to provide an update as the additional work completed since April has reduced the level of risk of the SWDC joining Wellington Water.

## Scope

4. The scope of this update is limited to the risks that have changed since April 2019.
5. The original risk assessment focussed on two areas:
  - a) How the SWDC currently operates its waters services to understand the risks Wellington Water is taking on, and the impact on the Company; and
  - b) The impact on the other shareholders in so far as it might affect resourcing of client councils' work programmes and the broader Wellington Water model.

## Updated Risk Assessment Findings

### The SWDC's Current Operating Risks

6. Wellington Water considers the level of risk associated with the SWDC's operations has now changed from medium to low.
7. This is because of the work it has been involved with (under contract) to manage the two biggest risks, ie: the Martinborough drinking water quality risk to public health and the SWDC's relationship with the Greater Wellington Regional Council and the risk of unfavourable outcomes to the Featherston wastewater treatment plant consenting process.

8. The Martinborough treatment plant upgrade project design has progressed well under the direction of Wellington Water's major projects team on a contractual basis. It has used its existing supplier relationships to assemble an expert team of designers and constructors that now means it is developing a good design with a clear understanding of the full scope and all the risks, particularly cost and programme, and has confidence it can deliver a successful outcome in time to meet summer demand.
9. Also the current operating risk around Martinborough's drinking water quality is reduced as the SWDC now has temporary chlorination in place and has demonstrated the ability to meet winter demand with no customer complaints.
10. With the Featherston wastewater treatment plant consenting process Wellington Water has successfully intervened and reached an agreement to delay the hearings that were due to take place in May.
11. This delay has allowed Wellington Water to facilitate a vast improvement in the relationship between the SWDC and the GWRC. The parties have agreed to stop communicating with each other through lawyers and are now working together on the remaining items of difference.
12. They have recently issued a joint memorandum to the hearings panel advising how they will be working together.
13. The delay in hearings has also allowed the SWDC to carry out a consultation and engagement process with the community and the SWDC are now using Wellington Water's consultancy panel to manage the process effectively.
14. The remaining operating risks outlined in the original report remain unchanged and are related to current in-house and supplier capability. These risks are being addressed as part of the transition process so they will no longer be an issue post 1 October.

### **SWDC Risks to the Wellington Water Model**

15. Wellington Water considers the risks to the Wellington Water model to be unchanged and still considered low.

16. Wellington Water has been involved with work (under contract) over the last couple of months that has tested its theory around relative scale and strengthened its initial assessment.
17. Wellington Water's ability to assist relatively easily in bringing the two previously noted major risks under control has demonstrated the relative scale and depth of capability of the two organisations.

## Conclusions

18. In summary Wellington Water now considers the overall risk to Wellington Water and its existing client councils as low.
19. Wellington Water's capability and capacity has already actively demonstrated an ability to get on top of risks that have traditionally been considered large in scale for the SWDC.

**WELLINGTON WATER LIMITED ("Company")**

**SPECIAL RESOLUTION OF SHAREHOLDERS APPROVING SHARE ISSUE**

*(Clause 5.1 of the Company's Constitution and section 107(2) of the Companies Act 1993)*

---

**INTRODUCTION**

On the understanding that there would be, and subject to and conditional on, unanimous agreement of the existing holders of Class A Shares in the Company, the directors of the Company have resolved to issue to South Wairarapa District Council ("**SWDC**") the shares described in the **attached** resolution of the directors of the Company ("**Board Resolution**").

**NOTED**

1. The New Shares (as that term is defined in the Board Resolution) will be issued pursuant to section 107(2) of the Companies Act 1993 ("**Act**") and clause 5.1 of the Company's Constitution. Therefore, the unanimous agreement of the existing holders of Class A Shares is required.
2. Clause 5.1 of the Company's Constitution provides that section 45 of the Act applies.
3. The New Shares will be issued one Business Day following the signing of this Special Resolution.

**RESOLVED UNANIMOUSLY:**

1. Each of the shareholders of the Company hereby unconditionally and irrevocably approves and consents to the Company issuing the New Shares to SWDC and entering into any documentation which is required from time to time to give full effect to such issue of the New Shares.
2. Pursuant to clause 5.1 of the Company's Constitution, each of the shareholders of the Company hereby waives its pre-emptive rights under section 45 of the Act in respect of the New Shares.
3. Should it be required, each of the shareholders of the Company hereby confirms, approves and ratifies the Board Resolution.

**DATED:** 2018

**SIGNED** by all of the shareholders of the Company:

**WELLINGTON CITY COUNCIL** by:

**HUTT CITY COUNCIL** by:

\_\_\_\_\_  
Signature of authorised signatory

\_\_\_\_\_  
Signature of authorised signatory

\_\_\_\_\_  
Name of authorised signatory

\_\_\_\_\_  
Name of authorised signatory

\_\_\_\_\_  
Designation of authorised signatory

\_\_\_\_\_  
Designation of authorised signatory

**UPPER HUTT CITY COUNCIL** by:

\_\_\_\_\_  
Signature of authorised signatory

\_\_\_\_\_  
Name of authorised signatory

\_\_\_\_\_  
Designation of authorised signatory

**PORIRUA CITY COUNCIL** by:

\_\_\_\_\_  
Signature of authorised signatory

\_\_\_\_\_  
Name of authorised signatory

\_\_\_\_\_  
Designation of authorised signatory

**WELLINGTON REGIONAL COUNCIL** by:

\_\_\_\_\_  
Signature of authorised signatory

\_\_\_\_\_  
Name of authorised signatory

\_\_\_\_\_  
Designation of authorised signatory

**WELLINGTON WATER LIMITED ("Company")**

**RESOLUTION OF DIRECTORS TO ISSUE SHARES**

*(Clause 4.1 of the Company's Constitution and section 42 of the Companies Act 1993)*

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**INTRODUCTION**

1. The Company intends to issue to South Wairarapa District Council ("**SWDC**"):
  - (a) [insert number] Class A Shares; and
  - (b) [insert number] Class B Shares,(together, the "**New Shares**"), in accordance with clause 4.1 of the Company's Constitution ("**Constitution**") for total consideration of [insert].
2. In accordance with the Constitution, this resolution to issue shares is subject to and conditional on the approval by a Special Resolution of the existing holders of Class A Shares in the Company, and therefore the New Shares will only be issued following the passing of a Special Resolution by the relevant shareholders' approving the issue of the New Shares.

**RESOLVED UNANIMOUSLY:**

1. Subject to section 42 of the Companies Act 1993, and clause 4.1 of the Company's Constitution, the New Shares will be issued to SWDC for the consideration outlined above one business day after the passing of a Special Resolution by the existing holders of Class A Shares approving the issue of the New Shares.
2. In the opinion of the Board, the consideration for, and the terms of issue of the New Shares are fair and reasonable to the Company and all existing shareholders.
3. Any director be authorised to give or file all necessary notices under the Companies Act 1993 and any other relevant legislation, and to do all other things necessary in connection with the offer and the issue of the New Shares, including updating the share register of the Company and the records of the Companies Office.
4. This resolution may be signed by the directors of the Company in one or more counterparts (by scanned pdf or otherwise), each of which when so signed will be deemed to be an original, and such counterparts together will constitute one and the same instrument.

**DATED:** 2019

**SIGNED** by all of the directors of the Company:

\_\_\_\_\_  
Philip Gerard Barry

\_\_\_\_\_  
David John Benham

\_\_\_\_\_  
Cynthia Elizabeth Brophy

\_\_\_\_\_  
Geoffrey Mark Dangerfield

\_\_\_\_\_  
David Robert Wright



**Report** 19.355  
**Date** 9 August 2019  
**File** CCAB-8-2406

**Committee** Council  
**Author** Seán Mahoney, Company Portfolio Manager.

## Wellington Water Committee mana whenua partners

### 1. Purpose

To seek Council agreement as a shareholder in Wellington Water Limited (WWL) to approve two new members of the Wellington Water Committee as recommended by Mana Whenua Partner Entities.

### 2. Background

At the Council meeting on 10 April 2019, approval was given to amend the shareholders agreement and terms of reference for the Wellington Water Committee. Agreement on these changes was reached with all shareholders.

The shareholders agreement allows a Māori authority to approach shareholder councils and seek to be recognised as a Mana Whenua Partner Entity. Upon approval by the shareholders, the entity can nominate a person to be a Wellington Water Committee member (and the shareholders must unanimously appoint). A Mana Whenua Partner Entity must be a Maori authority within the geographical area in which the Company operates.

At the meeting of the Wellington Water Committee on 12 July 2019, the committee made the following resolution:

**RESOLVED:** (Deputy Mayor Bassett/Cr Pannett) **Minute No. WWC 19301**

*“That the Committee:*

*(i) notes and receives the report;*

*(ii) agrees to recommend to shareholder councils that Te Runanga o Toa Rangatira be appointed as a Mana Whenua Partner Entity, and that Te Taku Parai be its nominated representative and Naomi Solomon be its nominated alternate; and*

*(iii) agrees to recommend to shareholder councils that Taranaki Whānui ki Te Upoko o Te Ika be appointed as a Mana Whenua*

*Partner Entity, and that Kim Skelton be its nominated representative and Kirsty Tamanui be its nominated alternate.”*

### **3. Comment**

There have been two applications received from Māori authorities in the Wellington Region, Te Rununga o Toa Rangatira and Taranaki Whanui ki Te Upoko o Te Ika. These two authorities are Post Settlement Governance Entities created for the governance of Treaty settlement assets and have statutory recognition. They are also the authorities the Council has existing relationships with, through the Memorandum of Partnership.

Other authorities can still apply for partner entity status.

The Wellington Water Committee terms of reference provide that the shareholders will be responsible for remunerating the committee members nominated by the Mana Whenua Partners Entities. The Wellington Water Committee has asked for further work to be undertaken on this and a recommendation brought to their September meeting.

The revised governance structure as at 1 October 2019 is included as [Attachment 1](#).

### **4. Communication**

No external communication is proposed as an outcome of this approval.

### **5. 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.

#### **5.1 Mitigation assessment**

*Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.*

Officers have considered the effect of the matter on the climate. As the matters raised are Governance changes, it is recommended that the matter has no climate change impact.

#### **5.2 Adaptation assessment**

*Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.*

Officers have considered the impacts of climate change in relation to the matter. Officers recommend that as the matter relates to Governance changes then climate change has no bearing on this matter.

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

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

### **6.1 Significance of the decision**

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

### **6.2 Engagement**

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

## **7. Options**

Council's options are to either approve the two Mana Whenua Partner Entities and their respective nominated representatives or reject either partner and/ or the representative. The Wellington Water Committee endorsed these appointments and it is therefore recommended that Council approve them in full.

## **8. Recommendations**

*That the Council:*

- 1. **Receives** the report.*
- 2. **Notes** the content of the report.*
- 3. **Agrees** that Te Runanga o Toa Rangatira be appointed as a Mana Whenua Partner Entity, and that Te Taku Parai be its nominated representative and Naomi Solomon be its nominated alternate on the Wellington Water Committee;*
- 4. **Agrees** that Taranaki Whānui ki Te Upoko o Te Ika be appointed as a Mana Whenua Partner Entity, and that Kim Skelton be its nominated representative and Kirsty Tamanui be its nominated alternate on the Wellington Water Committee.*

Report prepared by:

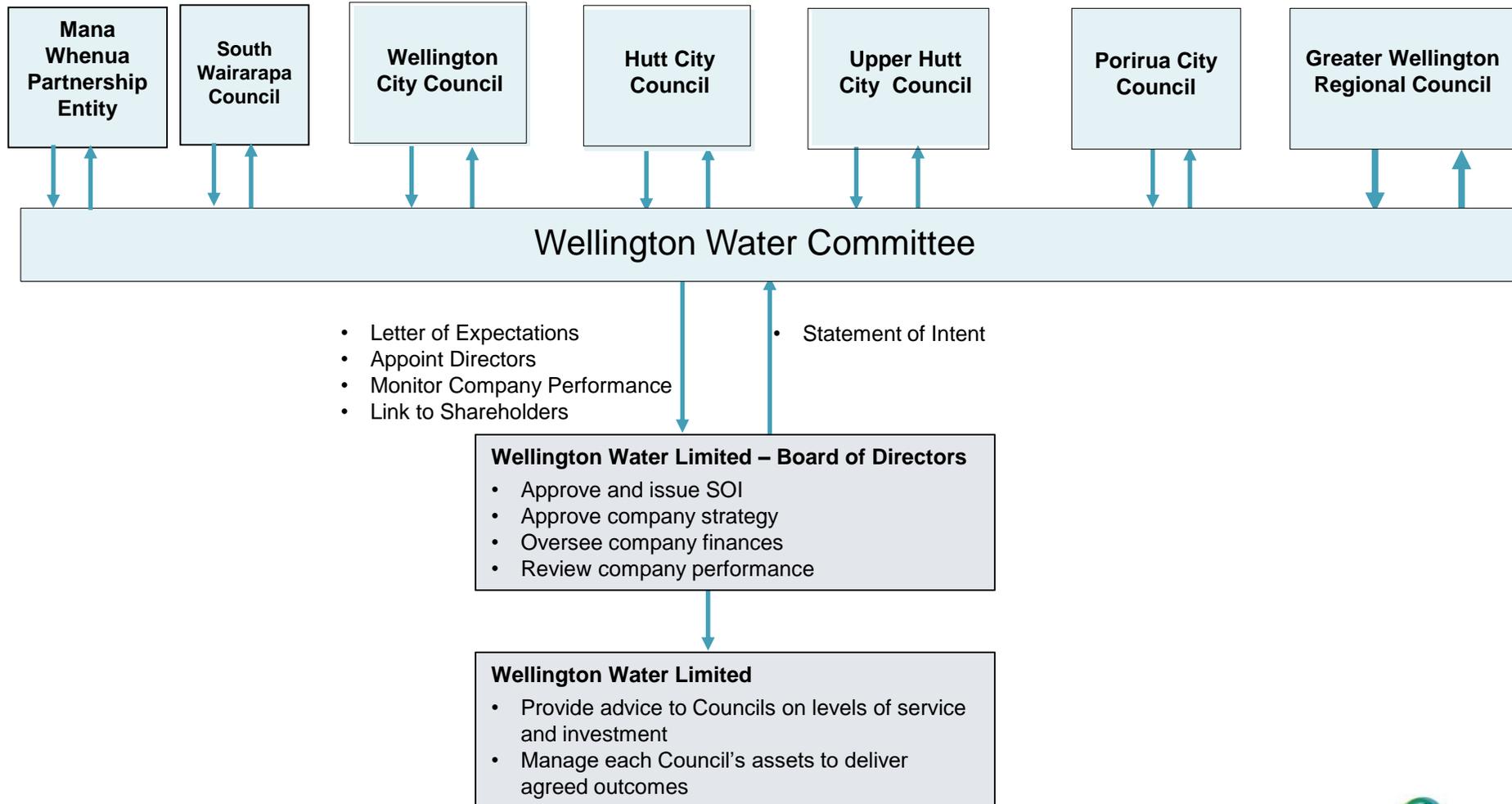
**Seán Mahoney**  
Company Portfolio Manager

Report approved by:

**Samantha Gain**  
General Manager Corporate  
Services

**Attachment 1:** Wellington Water Governance Structure 1 October 2019

# Wellington Water Governance





greater WELLINGTON  
REGIONAL COUNCIL  
Te Pane Matua Taiao

<b>Report</b>	<b>19.309</b>
Date	13 August 2019
File	CCAB-8-2400
<b>Committee</b>	<b>Council</b>
<b>Author</b>	<b>Will Ogier, Senior Adviser Democratic Services</b>

## Local Government (Community Well-being) Amendment Act 2019 and amended Significance and Engagement Policy

### 1. Purpose

To advise the Council about the Local Government (Community Well-being) Amendment Act 2019 (the 2019 Act) and its implications for policies and delegations. As a consequence, this report proposes that the Council amend its Significance and Engagement Policy (SEP).

### 2. Background

The 2019 Act primarily amends the Local Government Act 2002 (the 2002 Act) to reinstate consideration of the four community well-beings in key provisions of the 2002 Act. These include that Act's purpose, the purpose of local government, and the definition of 'significance'. We have considered the implications for the Council's significance and engagement policy, and GWRC's delegations and decision-making guidelines.

### 3. Comment

#### 3.1 Significance and engagement policy

Under section 76AA(1) of the 2002 Act, the Council must adopt a significance and engagement policy. The Council's current Significance and Engagement Policy (SEP) was adopted in October 2017.

The statutory definition of 'significance' is now (new words underlined):

**significance**, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region:
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:

- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

We consider no change is needed to the relevant criterion in the SEP for determining the degree of significance of a decision<sup>1</sup> as well-being is already covered. However, we consider that Schedule 3 to the SEP, which cites the legislative definition of ‘significance’, should be updated. This definition is central to understanding the SEP, and the SEP is publicly available on our website, so should reflect the current law.

When amending a significance and engagement policy<sup>2</sup>:

...the local authority must consult in accordance with [section 82](#) unless it considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved.

The proposed amendment simply reflects a legislative change, and Parliament has already considered the community’s interests and preferences during the select committee process. As such, consultation under section 82 would serve no practical purpose in this instance, as the amendment aligns the SEP with legislation.

The draft amended SEP is included as [Attachment 1](#).

### **3.2 Delegations and decision-making guidelines**

No change is required to GWRC’s current delegations. A number of consequential changes will be made to GWRC’s decision-making guidelines and Council report templates to reflect the changed definition in the 2002 Act.

## **4. Communication**

The amended SEP will be placed on GWRC’s website, and an updated reference will be included on GWRC’s intranet. No further communication of the SEP is planned at this time.

GWRC staff will also be informed about the revised decision-making guidelines and Council report templates.

## **5. Consideration of climate change**

The matter addressed in this report is of a procedural nature, and there is no need to conduct a climate change assessment.

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<sup>1</sup> **Importance to the region** - the impact of the decision on the current and future wellbeing of the region....

<sup>2</sup> Section 76AA(5) of the 2002 Act.

## 6. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the 2002 Act. Part 6 sets out the obligations of local authorities in relation to the making of decisions.

### 6.1 Significance of the decision

Part 6 requires GWRC to consider the significance of the decision. The term 'significance' is defined in the 2002 Act.

Officers have considered the significance of the matter, taking the Council's SEP and decision-making guidelines into account. Due to the procedural nature of this decision, officers recommend that the matter be considered to have low significance.

### 6.2 Engagement

Due to its procedural nature and low significance, no engagement on this matter has been undertaken.

## 7. Recommendations

*That the Council:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Adopts the amended Significance and Engagement Policy in Attachment 1.*

Report prepared by:

Report approved by:

Report approved by:

**Will Ogier**  
Senior Democratic Services  
Adviser

**Francis Ryan**  
Manager, Democratic  
Services

**Luke Troy**  
General Manager, Strategy

### Attachment 1: Draft amended Significance and Engagement Policy

**Attachment 1 to Report 19.309**



**Greater Wellington Regional Council**

# **Significance and Engagement Policy**

Adopted by Council on 31 October 2017, and amended by Council on 21 August 2019

## Significance and Engagement Policy

### Purpose

This policy lets you know how you can be engaged in Greater Wellington Regional Council's decision-making processes. It sets out Greater Wellington Regional Council's general approach to identifying the significance of decisions<sup>1</sup> and our approach to engaging with the community. This policy is also a guide for elected members and council staff as to the level and form of engagement that may be required from the start of a decision making process.

### Our general approach

- a. It is important for Greater Wellington Regional Council to engage with the community so that we understand the views of the people who are likely to be affected by a decision.
- b. Greater Wellington Regional Council will consider the significance of a decision, and the level and type of engagement required, early in any decision making process, and review it if necessary over time.
- c. The level of engagement with the community will reflect the significance of the decision.

### Determining significance

- d. Greater Wellington Regional Council will determine the degree of significance on a case by case basis by considering the extent to which the matter has:
  1. **Importance to the region** – the impact of the decision on the current and future wellbeing of the region
  2. **Community interest** – the extent to which individuals, whanau, hapū and iwi, organisations, groups and sectors within the community are particularly interested in, or affected by, the decision and any history of public concern
  3. **Consistency with existing Council policy and strategy** – the extent of inconsistency and the likely impact
  4. **Impacts on the Council's capability and capacity** – the impact on the objectives set out in the Financial Strategy, Ten Year Plan and Annual Plan.
- e. The criteria are of equal weight and will be considered as a whole: not in isolation.
- f. Greater Wellington Regional Council will consider a decision to be significant if it is assessed to:
  - Have a high degree of significance (based on an assessment of the factors set out in d. above); or,
  - It meets any one or more of the following criteria:
    - The proposal substantially affects Greater Wellington Regional Council's ability to deliver the levels of service for any significant activity

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<sup>1</sup> In this policy we use the term 'decision' to cover proposals and decisions in relation to issues, assets, activities, and other matters.

- The proposal results in the transfer of ownership or control of a strategic asset as defined by the Act or listed in this policy (see Schedule 1).
- g. Council officers will use decision-making guidelines to assist them to provide advice to Greater Wellington Regional Council on the significance of decisions<sup>2</sup>.

### Engagement

- h. All consultation will be carried out in accordance with the consultation principles set out in the Local Government Act 2002 and the Community Engagement Approach set out in Schedule 2.
- i. Greater Wellington Regional Council will consult using the manner prescribed by law when this is required.
- j. When not required by law to consult on a decision, the need for consultation and the appropriate level and form of engagement will be assessed and determined on a case by case basis.
- k. In general, the more significant the issue the greater the need for community engagement.
- l. Decisions that are consistent with Greater Wellington Regional Council's Long Term Plan or another policy or plan that has been subject to consultation required by legislation will not usually require further engagement.
- m. Council officers will refer to the Community Engagement Approach set out in Schedule 2 and any relevant guidelines<sup>3</sup> to assist them to provide advice to Greater Wellington Regional Council on the level and form of engagement required for a decision, and community preferences.
- n. Greater Wellington Regional Council has appropriate processes in place for engaging with Māori. This includes processes to:
  - Support our partnerships with mana whenua, as set out in the Memorandum of Partnership 2013
  - Fulfil statutory requirements to consult with mana whenua (such as under the Resource Management Act 1991)
  - Enable taura here<sup>4</sup> to participate in issues of interest to the regional community<sup>5</sup>.

### Reporting

- o. Every report to Greater Wellington Regional Council (or its committees) that seeks a decision will include a statement of the significance of the decision and any engagement that is proposed or has been undertaken, assessed under this policy and any other relevant guidelines<sup>6</sup>.

<sup>2</sup> Greater Wellington Regional Council 'Decision making process and guidelines'.

<sup>3</sup> Greater Wellington Regional Council 'Decision making process and guidelines', Greater Wellington Regional Council 'Community Engagement Strategy' 2015, and Greater Wellington Regional Council 'Community Engagement Toolbox' 2015.

<sup>4</sup> Taura here, also known as matāwaka, refers to Māori who live in the Wellington region but are not affiliated to the iwi or groups holding mana whenua status here.

<sup>5</sup> Greater Wellington Regional Council 'Maori Partnership Framework' 2017.

<sup>6</sup> Greater Wellington Regional Council 'Decision making process and guidelines', Greater Wellington Regional Council 'Community Engagement Strategy' 2015, and Greater Wellington Regional Council 'Community Engagement Toolbox' 2015.

- p. When Greater Wellington Regional Council makes a decision that is significantly inconsistent with this policy, the steps identified in section 80 of the Local Government Act 2002 will be followed.

**Feedback**

- q. Greater Wellington Regional Council will provide information about our final decision in a form appropriate to the significance of that decision and the level and form of the engagement already undertaken.

DRAFT

## Schedule 1 - Strategic Assets

Section 5 of the Local Government Act 2002 defines “strategic asset” as any of the following:

- (a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in—
  - (i) a port company within the meaning of the Port Companies Act 1988:
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966.

Assets and groups of assets that Greater Wellington holds and considers to be strategic assets are:

- Greater Wellington’s regional bulk water supply network, including storage lakes, treatment plants, pipelines and reservoirs
- Greater Wellington’s flood protection assets on the region’s major waterways, including stopbanks
- Greater Wellington’s regional parks and forests network (including water supply catchments)
- Greater Wellington’s plantation and reserve forest lands (taken as a whole)
- Greater Wellington’s ownership interest in CentrePort Limited (via the WRC Holdings Group)
- Greater Wellington’s harbour navigation aids and communications systems (taken as a whole)
- Greater Wellington’s ownership, via the WRC Holdings Group, of rail rolling stock and other rail infrastructure required for the operation of the passenger rail system in the region (taken as a whole).

In addition, Greater Wellington is a joint settlor with the Wellington City Council of the Wellington Regional Stadium Trust and, although it has no ownership interest in the Stadium Trust, Greater Wellington considers the stadium to be a strategic asset of the region.

A decision to transfer ownership or control of a strategic asset cannot be made unless it has first been included in the Long-Term Plan (and in a statement of proposal relating to the Long-Term Plan).

Acquisition or disposal of a small component of a strategic asset will not trigger this provision, unless it is considered that the component is an integral part of the strategic asset and that its acquisition or disposal would substantially affect the operation of the strategic asset.

## Schedule 2 – Community Engagement Approach

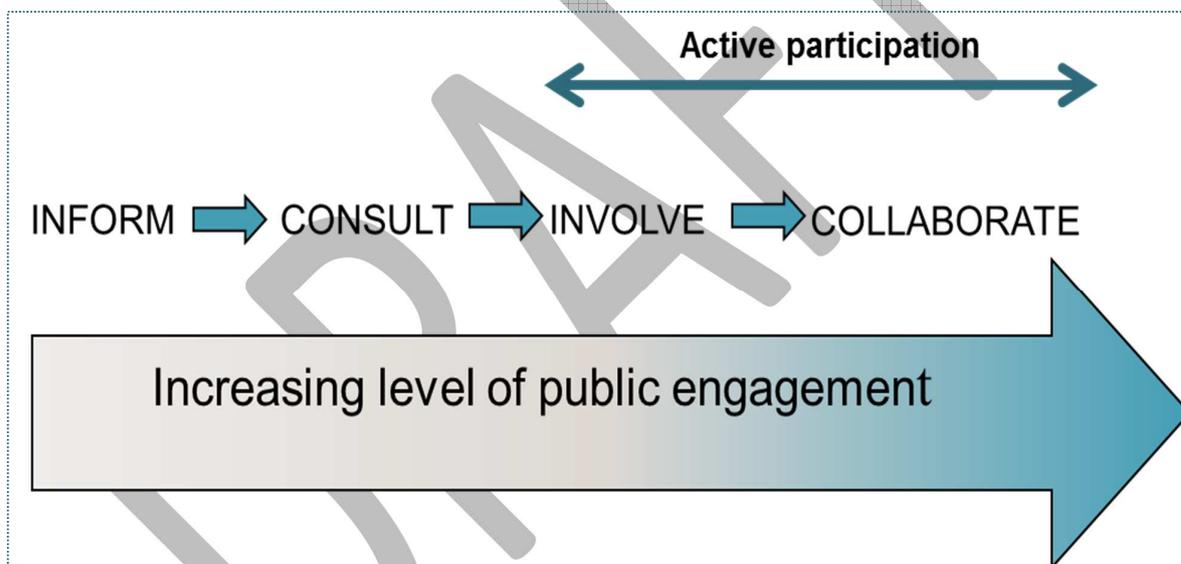
Once we have determined the level of significance of a decision, there are two important steps in deciding how we will engage with the community on an issue.

1. Establish the level of engagement required, and then
2. Consider the methods for engagement.

### Step 1 – Establish the level of engagement required

To ensure that we engage with communities at the right level, we work with an engagement spectrum<sup>7</sup>. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders. In general, the more significance, the greater the need for community engagement.

This spectrum has an increasing level of public participation: from ‘informing’ through to ‘collaborating’. ‘Informing’ stakeholders is a one way process of providing information, whereas ‘collaboration’ with stakeholders implies an increase in public participation in, and impact on, decision making.



We will consider how much engagement is necessary to understand the community’s views before a decision is made, and the extent to which engagement can influence the decision (in some cases options may be limited by legislation or other factors).

Using the engagement spectrum as a basis, we will consider the levels of engagement depending on whether or not:

1. A decision is of no significance and there may be a very small group of people affected by, or with an interest in the decision. They may need to be informed about the issue or decision.

<sup>7</sup> Adapted from work of the International Association for Public Participation.

2. The decision is important to only a relatively small group of people or is of low impact to many. They should be **informed** about the issue, alternatives and options and may be **consulted** so that their views, aspirations, and any alternative options are understood and considered.
3. The decision is important to a small group of affected people, and may be of interest to the wider community. They may be **informed, consulted** and/or **involved** so that they can contribute to analysis, options, or decisions.
4. For decisions of higher significance, the council may elect to **collaborate**, or partner, with a community in any aspect of a decision including the development of alternative options and identification of preferred solutions. This is more likely to occur where there is a distinct group of people particularly affected or interested.

The table below provides information on the characteristics of the different levels of engagement and examples of when we might use them:

**Table 1 – Characteristics and examples of different levels of engagement**

Inform	Consult	Active participation	
		Involve	Collaborate
<p><b>Characteristics</b> One-way communication providing information that is accurate, relevant and easy to understand about something that is going to happen or has happened.</p>	<p><b>Characteristics</b> Two-way process designed to obtain public feedback about issues and proposals initiated and defined by GWRC to inform decision-making.</p>	<p><b>Characteristics</b> Two-way participatory process which involves working directly with community members. Participants have opportunity to actively identify issues and options to ensure that their concerns and aspirations are understood and considered prior to decision-making.</p>	<p><b>Characteristics</b> Working in partnership with the community in each aspect of the decision-making process, to ensure understanding of all issues and interests and develop alternatives and identify preferred solutions.</p>
<p><b>Example –</b> <i>Issue:</i> Household emergency plans and preparedness <i>Tools:</i> Leaflets, local newspaper articles, website information <i>When:</i> Following the development of information and guidance.</p>	<p><b>Example –</b> <i>Issue:</i> Annual Plan <i>Tools:</i> Submissions and hearings process <i>When:</i> When a draft Plan has been developed.</p>	<p><b>Example –</b> <i>Issue:</i> Parks Network Plan amendments <i>Tools:</i> Focus groups and online discussion forum to identify issues and develop options. <i>When:</i> At an early stage, prior to a draft plan being developed.</p>	<p><b>Example –</b> <i>Issue:</i> Regional Plan development <i>Tools:</i> Waitua Committee approach – form of community advisory committees <i>When:</i> Regularly throughout the process.</p>

**Step 2 – Consider the methods for engagement**

Once we have established the right level of engagement on an issue, we can consider how we will engage with the community.

### **How does the community want to engage with Greater Wellington Regional Council?**

In October 2017, we asked members of the community about how they would like to engage with Greater Wellington<sup>8</sup>. They told us that engaging online was the most preferred option for both major and smaller initiatives/decisions. This preference was regardless of age, gender, ratepayer status and location within the region.

Respondents were asked to rank how they preferred to be consulted by Greater Wellington Regional Council on initiatives and decisions.

Preferences ranked from most preferred to least were:

1. Participating in online surveys, discussion forums, or other online tools
2. Attending information sessions with experts
3. Blog or email notification
4. Completing a submission, followed by an option for a meeting
5. Viewing public meetings or information sessions live via the internet and participating online
6. Attending local community meetings
7. Participating in focus groups
8. Participating in co-design activities
9. Participating in community committees
10. Through an App
11. Attending public meetings.

We will have regard to these preferences when considering the appropriate engagement method for a particular matter.

### **Possible methods for engagement**

We have many options for how we communicate and work with the community. Greater Wellington Regional Council will select the methods that it considers appropriate after considering criteria such as:

- Who is affected
- The significance of the matter
- The community's preferences for engagement
- What information already exists on community views
- The circumstances surrounding the decision.

We will ensure the community is provided with all the information required to engage effectively and make an informed decision. When we engage we will let people know:

- What is proposed
- Why
- What options we have
- Our preferred option and why
- Costs and rating impact if any

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<sup>8</sup> We asked members of our Citizen's Panel to answer questions about how they prefer to engage with Council.

- How the community can have a say
- The timeframe and process
- How we will communicate the outcome.

Here are some examples of the differing levels of engagement and the types of tools and methods that may be used at each level of engagement.

**Table 2: Examples of possible engagement methods**

COMMUNITY ENGAGEMENT METHODS	SIGNIFICANCE		
	Low	Med	High
<b>1. Informing</b> <ul style="list-style-type: none"> <li>• Posters, newsletters, postcards, advertising and publications</li> <li>• Local newspaper press releases, publications, radio and TV interviews</li> <li>• Public meetings, open days, exhibitions</li> <li>• Website or email updates</li> <li>• Social media updates via Twitter, Facebook, podcasts</li> </ul>			
<b>2. Consulting</b> <ul style="list-style-type: none"> <li>• Submissions and hearings processes</li> <li>• Surveys, feedback form, polls</li> <li>• Interviews</li> <li>• Citizens panels, focus groups</li> <li>• Public meetings or surgeries</li> </ul>			
<b>3. Involving</b> <ul style="list-style-type: none"> <li>• Meetings and workshops with interested parties to identify issues and shape options</li> <li>• Public visioning events, ideas competitions</li> <li>• Consensus conference (questioning experts before making recommendation)</li> <li>• Workshops, roadshows, world café</li> <li>• Online discussion forums</li> <li>• Citizens' juries and panels</li> </ul>			
<b>4. Collaborating</b> <ul style="list-style-type: none"> <li>• Community advisory committee</li> <li>• Consensus building and participatory decision making forums</li> </ul>			

### Schedule 3 – Definitions

Community	<p>A group of people living in the same place or having a particular interest in common. This includes:</p> <ul style="list-style-type: none"> <li>• Communities of place (towns, suburbs, neighbourhoods)</li> <li>• Communities of interest (special interest groups).</li> </ul>
Decisions	<p>Refers to all the decisions made by or on behalf of Greater Wellington Regional Council including those made by officers under delegation.</p>
Engagement	<p>Community engagement is the process of ensuring that communities of people within our region are able to be involved through a range of mechanisms in the planning, development and delivery of programmes and services affecting their communities. It includes the provision of timely, accessible and complete information; appropriate forms of consultation; and enabling communities to actively participate in influencing decision-making and service delivery where applicable.</p>
Significance	<p>As defined in section 5 of the Local Government Act 2002:</p> <p>in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for, —</p> <ul style="list-style-type: none"> <li>(a) the current and future social, economic, environmental, or cultural well-being of the district or region:</li> <li>(b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:</li> <li>(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.</li> </ul>
Significant	<p>As defined in section 5 of the Local Government Act 2002, “in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance”.</p>

Strategic asset	<p>As defined in section 5 of the Local Government Act 2002:</p> <p>in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—</p> <ul style="list-style-type: none"><li>(a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and</li><li>(b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and</li><li>(c) any equity securities held by the local authority in—<ul style="list-style-type: none"><li>(i) a port company within the meaning of the Port Companies Act 1988:</li><li>(ii) an airport company within the meaning of the Airport Authorities Act 1966".</li></ul></li></ul>
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DRAFT

**Report** 19.366  
Date 13 August 2019  
File

**Committee** Council  
**Author** Helen Guissane, Programme Lead, Corporate Planning and Reporting

## Summary report for the fourth quarter 2018/19

### 1. Purpose

To present a summary report of Greater Wellington Regional Council's achievements from 1 April 2019 to 30 June 2019 (Quarter four).

### 2. Background

The report included as [Attachment 1](#) provides an overview of key results in the first quarter.

The report includes:

- An update on key metrics
- Highlights relating to our high level outcomes/goals including progress of major projects
- An overview of Health and Safety and Wellbeing
- Financial summaries.

### 3. Communication

Matters in the report have been communicated through a variety of channels as relevant during the quarter. No external communication is proposed as an outcome of the consideration of this report.

**4. Consideration of climate change**

It is not necessary to conduct a climate change assessment for the report.

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

No decision is being sought in this report.

**5.1 Engagement**

Engagement on this matter is unnecessary.

**6. Recommendations**

*That the Council:*

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

Report prepared by:

Report approved by:

**Helen Guissane**  
Programme Lead, Corporate  
Planning and Reporting

**Luke Troy**  
General Manager, Strategy

**Attachment 1:** Summary report for the fourth quarter 2018/19

# Council Quarterly Report

## Q4 2018/19

1 April — 30 June



greater WELLINGTON  
REGIONAL COUNCIL  
Te Pane Matua Taiao

## EXECUTIVE SUMMARY

This quarterly summary report includes:

- **Overview of the quarter**
- **key metrics and performance measures**
- **priority outcome area and core business summaries**
- **health, safety and wellbeing summary**
- **financial summary**

## OVERVIEW OF THE QUARTER

This quarter saw a number of major projects and activities reach significant milestones, often after several years of work. This included the issuing of decisions for the Proposed Natural Resources Plan, the formal approval by the three partner organisations to the next phase of Let's Get Wellington Moving, the RiverLink programme proceeded onto the design, designation and consenting phase, the Wellington Regional Investment Plan was endorsed by the Mayoral Forum, and the Bus Network Review commenced.

The implementation of the new bus network continued to be a major focus during the quarter, with a number of timetable adjustments and enhancements implemented in this quarter. Overall for the year however, there has been strong patronage growth; rail patronage increased by 5.7 per cent over 2018/19 and rail peak patronage has increased by 7.3 per cent. Bus patronage increased by 4.0 per cent over the 2018/19 year, with high levels in Wellington city (5.2 per cent), Hutt Valley (4.1 per cent) and Kapiti (5.6 per cent).

A major focus of work for the last year has been the consideration of reducing carbon emissions for our corporate emissions and further development of the partnership between council and iwi, through discussions with Ara Tahi. Both of these areas will continue to be areas of work in the coming year for the new Council.

# KEY METRICS

## High quality public transport services

### Percentage of services on-time - bus



**TARGET**  
95%

**ACTUAL YTD**  
YTD 92.5%

NB: Measurement reflects on-time services at origin.

### Percentage of services on-time - train



**TARGET**  
95% (Kapiti, Hutt, Johnsonville)  
**ACTUAL YTD** 89.5%  
(Kapiti 83.3%, Hutt 88.4%, Johnsonville 97.3%)

**TARGET**  
80% (Wairarapa)  
**ACTUAL**  
YTD 57.2% (Wairarapa)

NB: Measurement reflects services on-time at key interchange stations and final destination.

## Growth in public transport patronage

### Percentage increases in number of passengers - bus



**TARGET YTD**  
1.0%

**ACTUAL YTD**  
4.0%

NB: Both the target and YTD Actual figure includes all boardings, including transfers.

### Percentage increases in number of passengers - train



**TARGET YTD**  
2.5%

**ACTUAL YTD**  
5.7%

## Maintained quality of freshwater

### TARGET

Deposited fine sediment at each site for at least 10 of the 12 months does not exceed 20% cover

**ACTUAL**  
(Full Year)

KAIWHARAWHARA  
@ NGAIO GORGE



ACHIEVED

RJAMAHANGA  
@ PUKIO



ACHIEVED

HUTT @  
BOULCOTT



ACHIEVED

PORIRUA  
STREAM



ACHIEVED

\* Baselines were exceeded at one site and for one quarter only - the Hutt River during Quarter 2. In Quarter 1 Ruamahanga's flow was too high for any samples to be taken.

### TARGET

Zero contamination of drinking water from the tap

**ACHIEVED – ZERO CONTAMINATION OF DRINKING WATER**

## KEY METRICS

### Improved wellbeing, health and safety

Lost time injury frequency rate – number of incidents per 100k hours worked



### Effective project management

Percentage of major projects with overall green status



### Diversity and gender equality within GWRC

Gallup survey response to the question “Everyone at GWRC is treated fairly regardless of ethnic background, race, gender, age, disability or other differences not related to job performance”



TARGET – 3.5/5  
ACTUAL - 4.03

### Engaged staff

Gallup overall employee engagement index



### Compliance with statutory requirements under the LGA

Approval of Annual Plan within statutory timeframes

TARGET - Plan is approved by 30 June 2019.

ACHIEVED



Innovation – Assessment of progress towards developing a culture of innovation



### Improved perception and understanding of Greater Wellington’s relevance by the community

New bench line data through Colmar Brunton reputation tracker established. Reputation strength - GW 88, Metlink 81, out of 100. The average is 100 for public sector agencies.

\* Targets based on Gallup survey undertaken yearly in April/May

## Fresh water quality and biodiversity

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



## 4<sup>th</sup> Quarter summary

### The PNRP heads to a decision

The hearing Panel completed its deliberations and decision making on submissions on 26 June. The decisions were due to be publically notified on 31 July.

### Two Whaitua committees process now complete

The Te Awarua-o-Porirua Whaitua Implementation Programme and Ngati Toa Settlement were completed in April 2019. The Whaitua Te Whanganui-a-Tara Committee established in December 2018 is currently underway.

The recommendations of the completed Whaitua actions plans are being integrated into Farm Environment Plans. This will help to encourage actions and behaviours on farm to improve fresh water quality.

### Environmental Monitoring

Greater Wellington continued its monitoring programme during the quarter. Of note:

- The floodwarning review was completed and the Flood Risk Management programme implemented.
- Urgent work was completed to identify all monitoring bores used in the Hutt Valley to secure them from acting as a conduit to contaminate the aquifer.
- For the first time, intertidal rocky shore monitoring was carried out at Kapiti and Mana Islands in partnership with DOC.

### Pollution Prevention and Response

The total number of notifications was up slightly from 303 last quarter to 319 this quarter. The air discharge complaints remain a significant proportion of these.

### Riparian Programme

There was substantial growth this year. Issues in previous years around poor landowner engagement were addressed through delivery of the programme. Sixty-five new riparian management plans were approved. A range of works on Category 1, 2 and non-priority sites produced:

- 41.5km of riparian fencing
- 23,750 trees planted.

The **Regional Biodiversity Framework** project is up and running following the appointment of a 17 member Working Group. The membership includes three ohu members (Maori advisors appointed by the Ara Tahi Leadership Forum) and a representative each from Greater Wellington and the Department of Conservation. This different approach to regional biodiversity planning is attracting interest from other regions.

### Wellington Regional Erosion Control Initiative (WRECI)

The funding boost from MPI enabled an additional 195 hectares of erosion prone land to be treated in 2018/19 placing us way ahead of our original plan.

We have processed 100 per cent of consents this year within statutory timeframes. In addition our customer survey satisfaction score sits at 4.23 (out of 5), effectively showing that over 84 per cent of consent applicants who responded are either satisfied or very satisfied.

A large focus of our consenting work this year has been on working collaboratively with our stakeholders on major consents, for example the Featherston Wastewater Treatment Plant re-consenting process, where we have had to traverse through some complex legal, planning and technical issues.

## Fresh water quality and biodiversity

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



## 4<sup>th</sup> Quarter summary (cont'd)

### Pest management

Throughout the year Greater Wellington has responded to more than 200 enquiries regarding pest plants, and 533 enquiries regarding pest animals – the majority of these related to rabbit control.

### Predator Free Wellington – Miramar eradication

The project has reached another significant milestone - final operational stage. After almost a year of planning and preparation the actual control operations are in full swing. Control gear is deployed at over 3000 residential properties and in coastal reserves. Active baiting and trapping will go for six months. This is a world first attempt at predator (rat and mustelid) eradication in urban environment.

## Major Project update

### Proposed Natural Resources Plan: Schedule one process – Decision Version

The Proposed Natural Resources Plan First Schedule process, as set out in the Resource Management Act 1991

Commentary Hearing panel had been able to complete their deliberations and decision making on submissions and will be able to notify publicly 31 July.

<b>Overall</b>	●	<b>Timing</b>	●	<b>Budget</b>	●	<b>Issues</b>	●	<b>Risks</b>	●
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### Proposed Natural Resources Plan: Plan Change One

The Proposed Natural Resources Plan First Schedule process, as set out in the Resource Management Act 1991

Commentary First phase of the policy development process underway however lack of quorum at a Te Upoko Taiao meeting delayed approval on policy and objective documentation.

<b>Overall</b>	●	<b>Timing</b>	●	<b>Budget</b>	●	<b>Issues</b>	●	<b>Risks</b>	●
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## 4<sup>th</sup> Quarter summary

### Regional resilience

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

#### Flood protection

The RiverLink project, one of GWRC's priority LTP programmes, achieved several key milestones during the last quarter. Seventy-seven properties have been purchased, ahead of the forecast acquisition. The terms of reference for the RiverLink Project Management Board were updated to include mana-whenua partners on the board with full voting rights on matters related to the management of the project. A Project Director, acting on behalf of Hutt City Council and Greater Wellington Regional Council, was appointed by the project board for delivery of the next phase of works, and work commenced to establish the project delivery office, beginning with the recruitment of a cross organisation Project Manager. The preferred consultant team to deliver the design, designation and consents required for delivery of the project was identified, and final contract negotiations completed in time to appoint them at the start of Q1 2019/20.

Te Kauru FMP was signed off by Council on 26<sup>th</sup> June 2019. this marked the completion of a significant milestone with the development of a plan that took seven years to develop in collaboration with the community.

Reflecting on the year, we completed most of our work programme in the areas of flood work protection maintenance work (Kapiti, Wairarapa and Wellington); implementing outcomes of the FMPs (Hutt, Waikanae, Otaki, Pinehaven Stream and Lower Wairarapa Development Scheme Improvements); and implementation of the outcomes of Environmental Strategies (Hutt, Waikanae, Otaki and Pinehaven).

#### Emergency response

Over the past year we have developed a five year strategy and two year training and exercise plan to significantly improve the quality of training that is being delivered.

The Wellington CDEM Group has implemented the Wellington Regional Earthquake Plan (WREP) and work has commenced on the development of Local Earthquake Response Plans (LERP).

Between November and May over 200 people, representing 130 different organisations, attended five recovery workshops to identify key priorities following an earthquake.

#### Our regional parks

Further enhancement of recreational opportunities within regional parks has provided for record numbers of visitors, most of whom are enjoying all types of trails for walking, running, biking and horse riding. Family outings, picnics and camping continue to grow in popularity, particularly as access is made easier for all ages and abilities.

This was the first full year of implementing the Regional Trails Framework, a project coordinated by WellingtonNZ to encourage greater use of the more than 2500km of recreational trails by regional residents and visitors. One of the major highlights was the launch of the Find Your Wild campaign and associated trails website [www.wellingtonregionaltrails.com](http://www.wellingtonregionaltrails.com).



## Major Projects update

<b>RiverLink</b>									
<i>The proposed upgrade project combines Greater Wellington led flood protection works with components of the Hutt City Council led Making Places Project and the NZTA led Melling intersection improvements projects.</i>									
Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	Highlights for the quarter are covered in the summary above. The high risks to the project are on agreement between multi-agencies about best approach and NZTA's funding position remaining unknown.								

## Public transport

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



## 4<sup>th</sup> Quarter summary

Implementation of the new bus network continued to be a major focus during the quarter. A number of timetable adjustments and enhancements were implemented in this quarter, with specific focus on trips identified as high priority.

The Bus Network Review has commenced. The first focus of the review will be network design and timetabling with consultation with the Eastern Suburbs in Wellington City. The consultation methods have been agreed and engagement will commence in July 2019.

On 6 May 2019, new rest and meal break changes came into force as part of Employment Relations Amendment Act 2018. However, as a result of significant work a new land transport rule came into force prior to 6 May, which provides flexibility on when breaks can be taken for the next 12 months which alleviates the potential pressure of the change to the Act.

We have worked with operators to reduce the impact of driver shortages in the short term and commenced a driver campaign, which covers both bus and rail, to address the longer-term impacts.

The inaugural Wellington Regional Public Transport Forum was held on 26 June. The forum provided a valuable opportunity to consider and discuss regional issues and challenges.

Patronage growth continues to be strong. Rail patronage increased by 5.7 per cent over 2018/19 and rail peak patronage has increased by 7.3 per cent. Peak patronage on our busiest two lines, the Kapiti and Hutt lines (which make up 84 per cent of total patronage) has grown by above 8.6 per cent year on year. Bus patronage increased by 4.0 per cent over the 2018/19 year, with high levels in Wellington City (5.2 per cent), Hutt Valley (4.1 per cent) and Kapiti (5.6 per cent).

On 1 July 2019, Greater Wellington entered into a nine-year net-cost partnership contract with East West Limited to provide ferry services on the Wellington Harbour. The contract contains performance targets to ensure the continuation of a high quality service.

## Behaviour change

Movin March saw significantly greater participation across the region's schools. Results showed 57 per cent of all primary schools in the region were registered (exceeding our target), reaching nearly 34,000 students. 106,000 trips were recorded, an increase of 78 per cent on 2018.

We continue to see increase levels in the use of bikes. Numbers participating in the Aotearoa Bike Challenge nearly doubled from 2018 and several cycle workshops and events were held during the quarter with good attendance and participation at each.

## 4<sup>th</sup> Quarter summary (cont'd)

### Public transport

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



### Major Projects update

#### Post Implementation Review Next Steps

To provide a comprehensive post implementation review of the Metlink bus services transformation programme.

Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	The programme plan and Bus Network review plan has been approved. Community engagement has started.								

#### Integrated Fares & Ticketing – National Ticketing Programme (project NEXT)

The full electronic ticketing solution for Greater Wellington through a co-operative engagement with the National Ticketing Programme

Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	RFT evaluation on schedule with recommended suppliers for each of the three services identified and approved by the steering group. RFP requirements continue to be developed with stakeholder workshop feedback and customer experience requirements.								

#### PT Plan Review

The review is required to reflect changes to the Wellington Regional Land Transport Plan (RLTP). The 2014 PT Plan also needs updating to reflect significant progress on many major initiatives and policies in the current PT Plan

Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	This project was put on hold during the quarter and is currently deferred until after the 2019 council elections								

## Leadership areas

**Strong leadership and collaboration supports robust regional growth**



### 4<sup>th</sup> Quarter summary

#### Leading multi-party projects

This quarter has seen a number of major programmes and projects reach key milestones.

- Let's Get Wellington Moving saw the Government announce a funding package and unanimous support from both councils;
- the Multi-User Ferry Terminal Programme Business Case was completed and supported by the steering group; and
- the Wellington Regional Investment Plan was endorsed by the Mayoral Forum.

#### Climate change

During the quarter Greater Wellington prepared a submission on the government's zero carbon bill for the select committee phase of the legislative process and Council considered whether Greater Wellington should declare a climate emergency. This will be considered further over the coming months.

Progress was also made on putting a greater framework and process around recording and measuring Greater Wellington's emissions. As part of this Greater Wellington has signed up to CEMARS (Certified Emissions Measurement And Reduction Scheme), with further work to be progressed over quarter 1 in 2019/20.

#### Partnering with Maori

Council has a memorandum of partnership with mana whenua which has been in place for 25 years. Councillors and members of Ara Tahi have been working towards identifying areas for improvement and a proposed new model of working. During the quarter a very successful workshop was held to work through and progress towards a preferred working option. This will be presented to the incoming Council.

Greater Wellington is leading a stock take of councils obligations to Maori to move towards best practice approaches. We are also leading a regional approach to mana whakahono a rohe with councils from the region. This aims to ensure a collective approach to the way forward that does not undermine existing partnerships with mana whenua.

Development of a strategy focused on growing the Maori economy continued to be progressed during the quarter with key focus areas being:

- Undertaking a national scan of strategies for the Maori economy and relationship building
- Building relationships through territorial authorities, OHU and other key stakeholders such as WREDA and FOMA.

In accordance with what was outlined in the Government's response to the findings of the 2017 Ministerial review of CDEM (Better Responses to Natural Disasters and Other Emergencies in New Zealand), the CEG now has two iwi representatives on it providing input into Group governance and planning, as well as support in identifying marae that wish to have a more active role in emergency management.

## Leadership areas

**Strong leadership and collaboration supports robust regional growth**

## Major Projects update

### Regional economic development

The Wellington Regional Investment Plan was finalised and signed off by council CEs and Mayors and the agreement was reached to develop a regional Growth Plan in partnership with central government, iwi and local councils.

We have continued to identify areas of significance which will form the basis of a regional Labour Market strategy (Workforce development plan) in partnership with WREDA and Deloitte and will be in a position to formalise recommendations in Quarter 1 2019/20. A review of the Council's role in regional economic development is nearing completion with the final report and recommendations due in July.

<b>Multi User Ferry Terminal</b>									
A Programme for the future of the northern gateway of Wellington, including the Port, Ferry Terminal and related transport network connections									
Overall		Timing		Budget		Issues		Risks	
Commentary	The business case and supporting working papers have been worked through and finalised work can now begin on developing the indicative timetable for completion of the ferry terminal.								

<b>Let's Get Wellington Moving</b>									
Taking a fresh look at the entire transport system in central Wellington to identify a package of improvements that support community aspirations and strategic objectives for the city in terms of its look, feel and function									
Overall		Timing		Budget		Issues		Risks	
Commentary	Initial delays while the project waiting for direction from the transport minister. The indicative funding package was then announced in May followed by council endorsing the indicative package in June.								

## 4<sup>th</sup> Quarter summary

### Organisational excellence

Taking care of the things that matter

#### Local body elections 2019

Preparations for the October 2019 election are well underway with the appointment of an external Election Officer and five Electoral Officials within Greater Wellington. Supporting material for potential candidates and voters, including a candidate handbook and pre-election report were prepared for candidate nominations which opened on 19 July. A comprehensive awareness campaign commenced through a dedicated Greater Wellington elections website ([www.makeastand.co.nz](http://www.makeastand.co.nz)) to encourage a diversity of nominations.

## Major Projects update

Optimus – Core Systems Refresh									
To replace Core System (Finance, HR/Payroll and Asset Management) to rectify many issues with the current installation of SAP)									
Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	In May ELT endorsed the decision made by the steering group to not continue on with current products and vendors. The project has since closed as a Major Project and begun re planning and defining next steps.								

GW Future Accommodation Programme									
Address Greater Wellington's long term accommodation requirements for the Wellington and Masterton based staff									
Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	ELT agreed to move towards a flexible working style ("activity based working" or "ABW") which helped set the direction for the preliminary design layout which has recently had approval to move into the developed design phase. For Masterton, Council approved in concept, a new building on the Chapel Street site, based on a sale, development and lease back arrangement.								



# Health and Safety and Wellbeing



## 4<sup>th</sup> Quarter summary

In this quarter twenty five (34) staff received first aid/pain & discomfort injuries. There was one (1) Lost Time Injuries and five (5) Medical Treatment Injuries. Twenty one (21) property damage and one hundred and thirteen (113) near miss & hazard were reported.

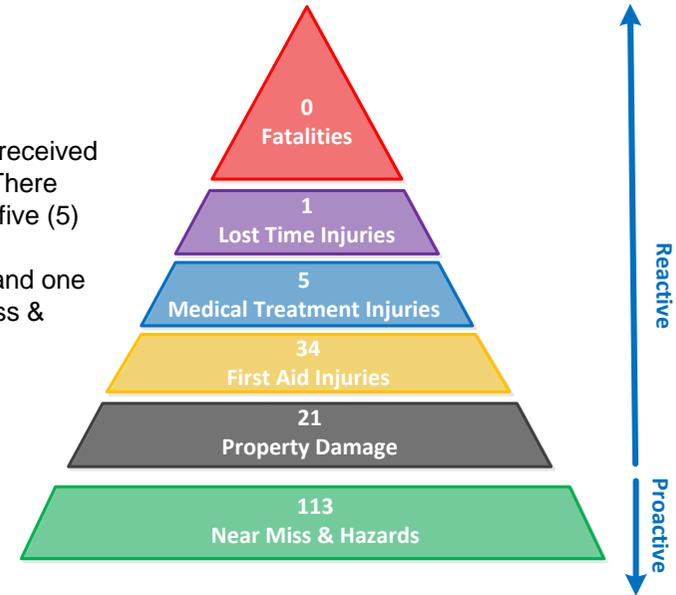
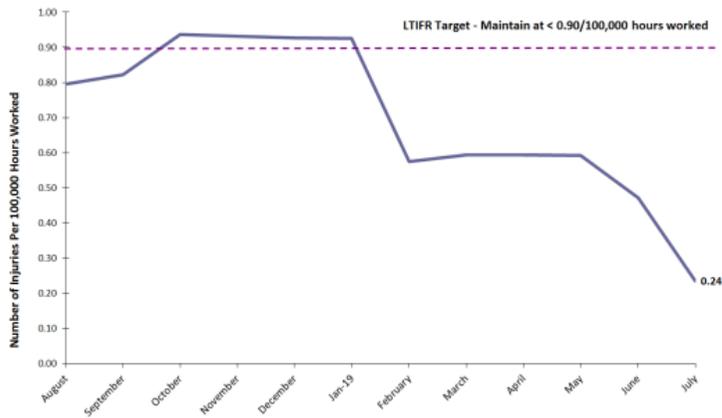
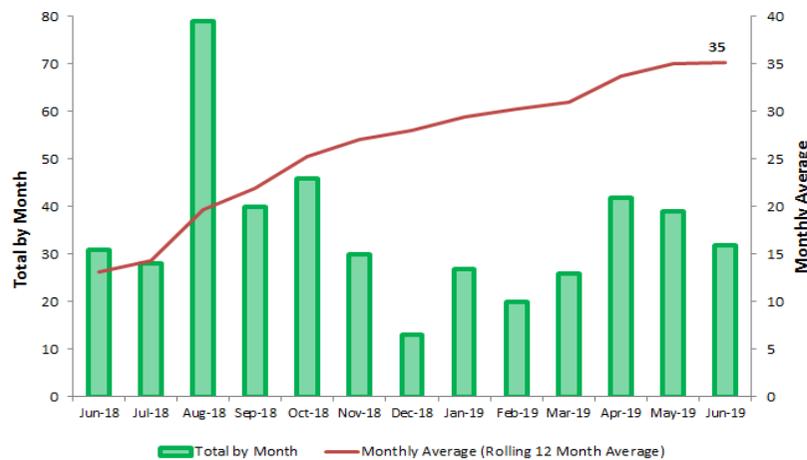


Figure 1: Lost Time Injury Frequency Rates



The Lost Time Injury Frequency Rate (LTIFR) graph shows our historical trend over a rolling 12 month period. The graph shows that our LTIFR has decreased to 0.47 occurrences/100,000 hours worked, finishing the year well below the 0.90 occurrences/100,000 hours worked target set for FY18/19.

Figure 2: Near Miss / Hazard ID Reporting



Our average monthly near miss reporting has continued to grow across Q4.

# JUNE YTD FINANCIAL SUMMARY

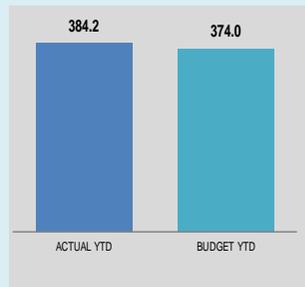
## OPERATING SURPLUS

**-\$14.4m**

\$2.4m Unfavourable YTD

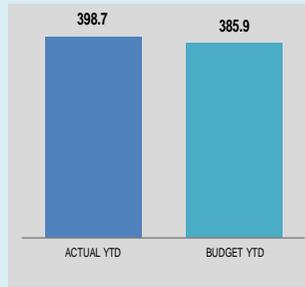
## OPERATING REVENUE (\$m) *(excluding capital grants)*

↑ Trend  
● YTD



## OPERATING EXPENDITURE (\$m)

↑ Trend  
● YTD



Actual operating performance (before capital grants and fair value changes) is \$2.4m unfavourable to budget.

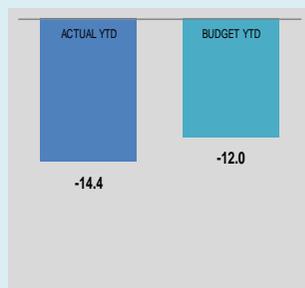
## CAPITAL EXPENDITURE - NET

**\$85.6m**

\$43.2m Under Spent YTD

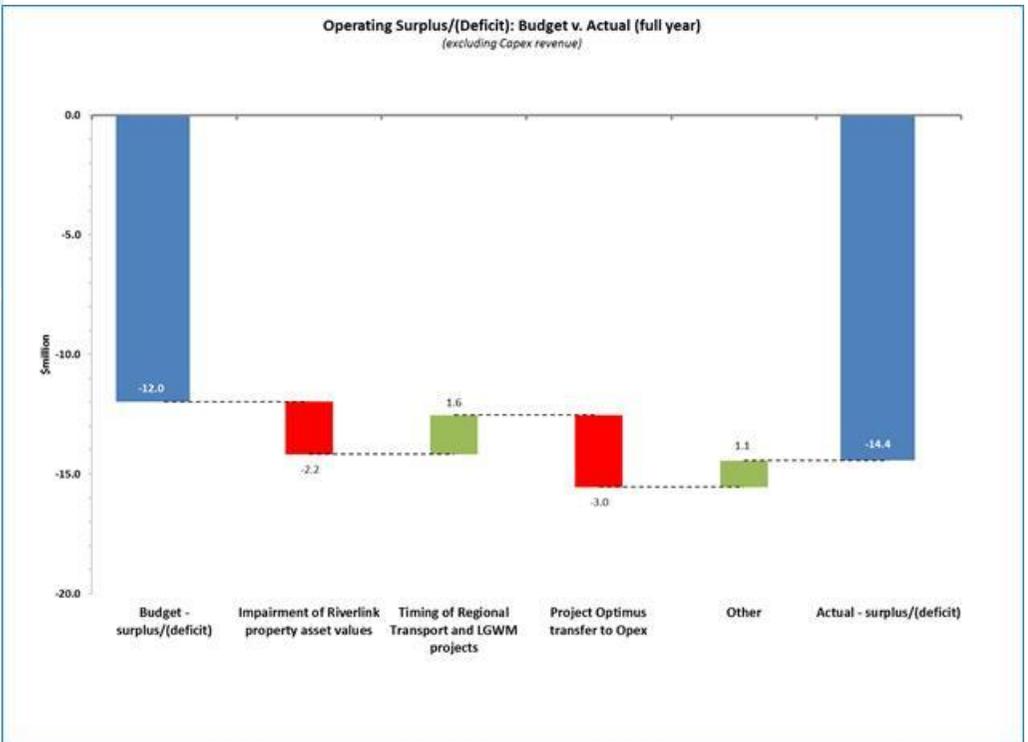
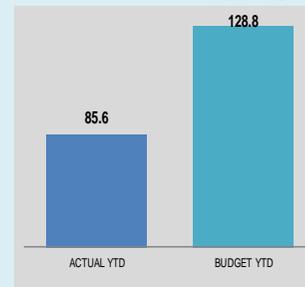
## OPERATING SURPLUS/(DEFICIT) *(excluding capital grants)*

↓ Trend  
● YTD



## CAPITAL EXPENDITURE - NET (\$m)

→ Trend  
● YTD



## JUNE YTD FINANCIAL SUMMARY BY GROUP

### Operating revenue \$10.3m favourable

#### Public Transport \$7.6m favourable

Rail transition pass-through payment to KiwiRail.  
Fare revenue due to increase in rail patronage.  
Higher super gold Crown exempt revenue.

#### Catchment management \$2.1m favourable

Higher biosecurity revenue for pest eradication work.  
Additional Wellington Region Erosion Control Initiative programme funding.

#### Investment management \$2.0m favourable

Additional interest earned from higher interest rates and investing additional funds received on prefunding of debt and short term excess liquidity.

### Operating expenditure \$12.7m unfavourable

#### Public Transport \$7.5m unfavourable

Increased expenditure in Public Transport Transformation Project.  
Higher bus and ferry operating costs due to increased indexation payments for diesel fuel and Crown super gold payments.  
Higher rail transition pass-through costs to KiwiRail.

#### Catchment management \$3.4m unfavourable

Impairment of Riverlink property asset values and Pinehaven Stream costs transferred from capex to opex due to UHCC retaining ownership of the asset.

#### Investment management \$3.2m unfavourable

Lower interest recoveries from business groups due to internal loans and lower capex spend.

#### Corporate Services \$2.8m unfavourable

Project Optimus costs transferred from capex to opex due to the decision to cease working with Agilyx.

	\$m
<b>Budgeted Deficit</b>	<b>-12.0</b>
<b>Key variances to actual surplus are:</b>	
Impairment of Riverlink property asset values	-2.2
Timing of Regional Transport and LGWM projects	1.6
Project Optimus transfer to Opex	-3.0
Other	1.1
<b>Actual Deficit</b>	<b>-14.4</b>

### Statement of Revenue and Expense by Business Group - Actual vs Budget

	FULL YEAR			FULL YEAR			FULL YEAR		
	Operational Revenue			Operational Expenditure			Operational Surplus / (Deficit)		
\$000	Actual YTD	Budget YTD	Variance	Actual YTD	Budget YTD	Variance	Actual YTD	Budget YTD	Variance
<b>Group</b>									
Public Transport	249,773	242,218	7,555	241,061	233,515	7,546	8,712	8,703	9
Catchment Management	42,364	40,293	2,071	34,628	31,172	3,456	7,735	9,121	1,385
Environment Management	31,349	31,723	374	26,046	26,328	282	5,304	5,396	92
Te Hunga Whiriwhiri	1,334	1,330	4	889	1,192	304	445	138	307
Strategy	13,276	13,329	54	11,141	14,229	3,089	2,135	(900)	3,035
Corporate Services	1,783	2,137	354	22,176	19,388	2,788	(20,393)	(17,252)	3,141
People and Customer	204	180	24	9,193	9,376	183	(8,989)	(9,195)	206
Investment Management	(3,997)	(6,003)	2,006	(889)	(4,051)	3,162	(3,108)	(1,952)	1,156
Water Supply	34,534	34,308	226	41,320	40,651	669	(6,786)	(6,342)	443
Warm Wellington	3,284	3,237	47	3,024	3,237	213	260	0	260
WREMO	4,159	3,999	160	3,887	3,684	202	272	314	42
<b>SUBTOTAL</b>	<b>378,062</b>	<b>366,751</b>	<b>11,311</b>	<b>392,475</b>	<b>378,721</b>	<b>13,754</b>	<b>(14,413)</b>	<b>(11,970)</b>	<b>2,443</b>
Project Next - Total Project*	6,180	7,200	1,020	6,181	7,200	1,019	(1)	0	1
<b>TOTAL</b>	<b>384,242</b>	<b>373,951</b>	<b>10,291</b>	<b>398,656</b>	<b>385,921</b>	<b>12,735</b>	<b>(14,414)</b>	<b>(11,970)</b>	<b>2,444</b>

## JUNE YTD FINANCIAL SUMMARY BY GROUP

### Capital expenditure \$43.2m underspent

#### Public Transport \$20.4m underspent

Deferred rolling stock upgrades relating to Wairarapa Line carriage life extensions.

Lower train heavy maintenance and minor improvements.

Delays in commencing work on station renewal upgrades.

#### Corporate Services \$7.2m underspent

Optimus project treated as opex given the decision to cease working with Agilyx.

#### Water Supply \$7.1m underspent

Delays in Ngauranga reservoir strengthening due to project review.

Strategic store project scope change.

Timing of Cross Harbour Pipeline alternate water source project.

#### Catchment management \$3.8m underspent

Delay with Otaki river works, stop-bank improvements and land purchase projects.

Delay with Pinehaven Stream improvements due to an appeal to the Environment Court on plan changes.

Lower spend on Lower Wairarapa Valley Development stop bank upgrades.

#### Environment \$3.0m underspent

Timing of infrastructure upgrades at Battle Hill, Belmont, Queen Elizabeth and Kaitoke Regional Parks.

## Capital Expenditure by Business Group

\$000	FULL YEAR			
	Actual YTD	Budget YTD	Variance	%
<b>Group</b>				
Public Transport (incl investment)	56,334	76,785	20,451	27%
Catchment Management	14,374	18,203	3,829	21%
Environment Management	3,834	6,839	3,005	44%
Strategy	183	915	732	80%
Corporate Services	3,213	10,433	7,220	69%
People and Customer	151	700	549	78%
Investment Management	(27)	250	277	111%
Water Supply	7,489	14,645	7,156	49%
<b>TOTAL</b>	<b>85,552</b>	<b>128,770</b>	<b>43,218</b>	<b>34%</b>

**Report** 19.369  
**Date** 7 August 2019  
**File** CCAB-8-2396

**Committee** Council  
**Author** Julie Barber – Health, Safety & Wellbeing Manager

## Health, Safety and Wellbeing update

### 1. Purpose

To inform Council on the health, safety and wellbeing performance of the organisation and associated activities.

### 2. Background

During the period from 1 June 2019 to 30 June 2019, a total of 39 health, safety and wellbeing-related events were recorded in ‘Keeping Everyone Safe at Work (KESAW)’. Of these events, 36 related directly to activities of our staff. The other 3 related to reported events that did not involve GWRC controlled work or activity\*.

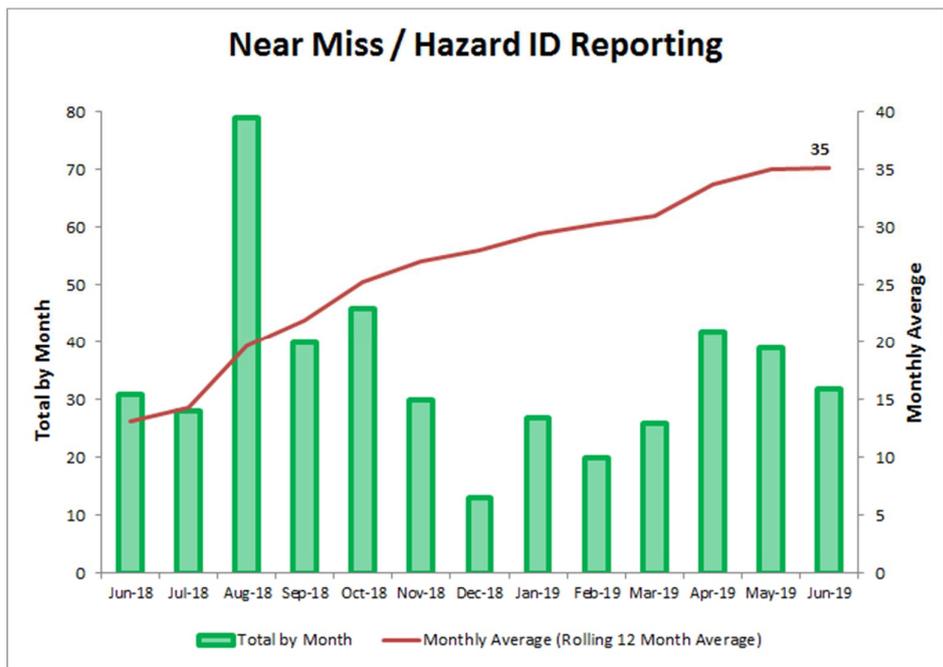
The following table is a breakdown of the events by outcome.

Event type	June 2019	YTD (from July 2018)
Total Events Reported	39	708
Fatalities	0	0
Lost Time Injuries	0	4
Medical Treatment Injuries	1	15
First Aid/Pain & Discomfort	3	122
Property damage	3	77
Near miss & hazard id reports	32	423
Other (not involving GW* workers)	3	94



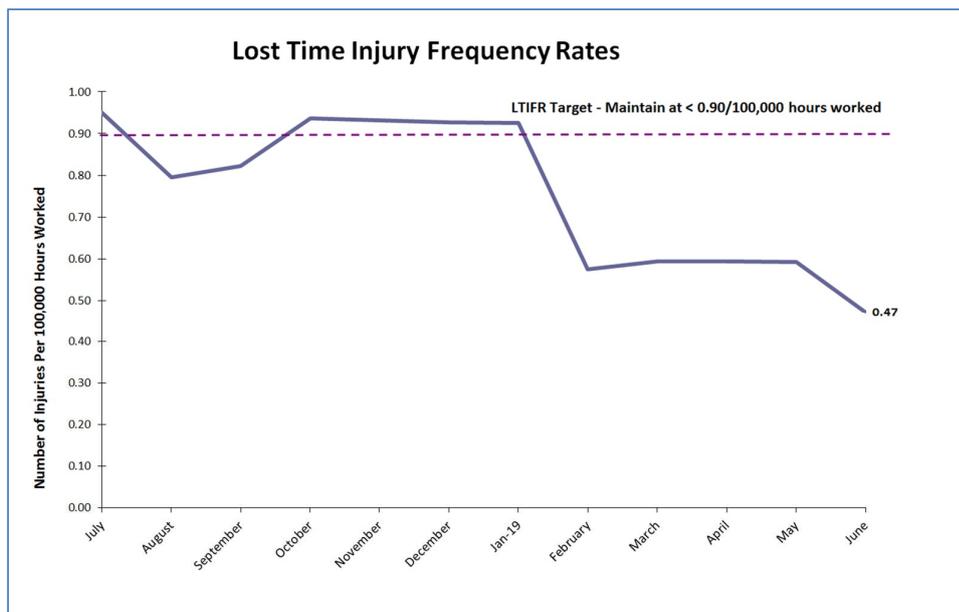
**Note\*:** events where GWRC have either been involved in the response to the event or have expressed direct interest in the investigations finding of the involved parties.

Near miss reporting continues to increase as a rolling average month on month, demonstrated on the graph below.



423 near miss reports (lead indicator) were recorded since 1 July 2018, compared to a total of 130 for FY17/18. This 225 % increase is reflective of work to proactively promote the importance of reporting near miss events over the past 12 months.

There were no Lost Time Injuries (LTI's) (lag indicator) reported in this period.



The Lost Time Injury Frequency Rate finished the year at 0.47 LTIs for every 100,000 hours worked. This performance measure remains well below the 0.90 performance target, as shown in the graph below.

### 3. **Pause 4 Safety – all staff organisational wide workshops.**

The final two mop up Pause for Safety sessions, including a session predominantly for WREMO staff, are now complete. The key messages outlining the GWRC HSW vision, the four safety behaviours and the importance of reporting will be incorporated into ongoing induction.

We are now planning the focus and content for Pause for Safety 2, to build on the momentum in embedding our HSW vision and behaviours amongst GWRC employees.

### 4. **Health and safety critical risk initiatives.**

The following is a brief update on initiatives and activities associated with GWRC's targeted critical risk areas over the period since the previous report, or planned for the near future.

#### 4.1 **Critical Risks Controls Project**

In the last reporting period the Critical Risk improvement project has focused on the processes and documentation for transportation by:

- Finalising the risk register, and the proposed risk treatment plan for Transportation, for approval by ELT
- Reviewing the content and terminology for essential and non-negotiable controls documentation
- Drafting guidance documentation and assurance tools for testing and review with focus teams

'**Fatal and Severe Risk**' (FSR) rather than 'Critical Risk' was agreed as the preferred terminology to describe potentially life ending, life changing risk. We believe this better focuses attention on the importance of managing the risk, with the word critical used to describe the non-negotiable and essential controls that must be in place, and demonstrated to be effective in managing the risk.

Following critical controls makes it easier for our teams to **Pause**, review and either continue work if the required controls are in place or if not, not start or cease work until they are.

The first FSR – Transportation, will now be piloted with focus teams across GWRC to ensure successful adoption and ownership. As situations arise processes will be tested with actual events, as a learning opportunity to identify if and which critical controls failed

A more detailed report on the FSR's will be presented to FRAC in the Q2 reporting period.

## **4.2 Health and Wellbeing**

### **4.2.1 GWRC Wellbeing Strategy**

A recent wellbeing focus group workshop clarified alignment of the strategy into wider policies and the GW Way.

Consultation across GWRC sites is planned for late August to hear the voice of GWRC people on what's important and meaningful to them to support wellbeing. This will inform the strategy direction and priorities for programme initiatives, based on key themes identified through the consultation process.

### **4.2.2 Current Wellbeing Initiatives**

The following wellbeing initiatives have been completed or are underway and will feed into the principles of the GWRC Wellbeing Policy and future strategy activities.

#### **(a) Mental Health and Wellbeing**

Over 60 employees from across the organisation have participated in the Good Yarn workshops to date. Further delivery licences are being purchased to ensure wider reach across GWRC over the next two years. As a result, a network of 'Good Yarn Champions' is being established as one point of contact for employees who may need to talk confidentially about mental wellbeing issues.

The provision of Mental Health First Aid training, as well as options for upskilling managers to assist in supporting mental wellbeing within teams are also being investigated.

#### **(b) Cuba St project**

The HSW Team continue to have significant input into the new Cuba St Office project as part of the consultative project group that has been set-up

## **4.3 HSW Leadership training**

A review of the content and cost of the proposed externally delivered HSW Leadership training programme has led to the decision to use in-house expertise and resources to develop a GWRC specific training programme.

This training is designed to challenge and upskill our leaders to carry out the crucial role they have in owning and leading future change in HSW thinking and practice across GWRC. The first workshops will be delivered to ELT in Q1, with roll out to other leadership groups from Q2.

## **5. Communication**

No external communication is proposed as an outcome of the consideration of this report.

## **6. Consideration of climate change**

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

## 6.1 Mitigation assessment

*Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.*

Officers have considered the effect of the matter on the climate. Officers consider that the matters will have no effect.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI)

## 6.2 Adaptation assessment

*Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.*

Officers have considered the impacts of climate change in relation to these matters. Officers recommend that climate change has no bearing on these matters.

## 7. The decision-making process and significance

No decision is sought under this report.

### 7.1 Engagement

Engagement on this matter is unnecessary.

## 8. Recommendations

*That Council:*

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

Report prepared by:

**Julie Barber**  
Health, Safety & Wellbeing  
Manager

Report approved by:

**Nigel Corry**  
General Manager, People and  
Customer

**Exclusion of the public****Report 19.371**

*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 8 August 2019*
- 2. Greater Wellington Regional Council – future accommodation update*
- 3. Chief Executive’s full year performance review for 2018/19*
- 4. Chief Executive’s full year remuneration review for 2018/19*

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

<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>
<p><i>1. Confirmation of the Public Excluded minutes of 8 August 2019</i></p>	<p><i>The information in these minutes relates to proposed offer to acquire property relates to information provided by third parties that is the subject of the negotiation of documents related to the proposed change of ownership consent. Release of this information would likely prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied. GWRC has not been able to identify a public interest favouring disclosure of this particular information that would outweigh that likely prejudice.</i></p>	<p><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 which the Council would have good reason for withholding under sections 7(2)(b)(ii), (c) (i), (i) and/or (j) of that Act.</i></p>
<p><i>2. Greater Wellington Regional Council – future accommodation update</i></p>	<p><i>The information contained in this report relates to commercial contracts for the design, construction and furniture supply of the tenancy fitout which are still under negotiation. Having this part of the meeting open to the public would disadvantage the Council in the negotiations as it would reveal</i></p>	<p><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</i></p>

*information on the Council's negotiation strategy. The Council has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.* 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice).

3. *Chief Executive's full year performance review for 2018/19*

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

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

4. *Chief Executive's full year remuneration review for 2018/19*

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

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

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