

If calling, please ask for Democratic Services

Council

Thursday 11 April 2024, 9.30am

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

Quorum: Seven Councillors

Members

Councillors

Daran Ponter (Chair)

Adrienne Staples (Deputy Chair)

David Bassett

Ros Connelly

Quentin Duthie

Penny Gaylor

Chris Kirk-Burnnand

Ken Laban

David Lee

Thomas Nash

Hikitia Ropata

Yadana Saw

Simon Woolf

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

Council

Thursday 11 April 2024, 9.30am

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

Public Business

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Please note these minutes remain unconfirmed until the Council meeting on 11 April 2024.

Report 24.97

Public minutes of the Council meeting on Thursday 29 February 2024

Committee Room, Greater Wellington Regional Council | Te Pane Matua Taiao
34 Chapel Street, Masterton at 10.03am.

Members Present

Councillor Ponter (Chair)
Councillor Staples (Deputy Chair)
Councillor Bassett
Councillor Connelly (from 10.06am)
Councillor Duthie (via MS Teams)
Councillor Gaylor
Councillor Kirk-Burnnand
Councillor Laban
Councillor Lee (via MS Teams)
Councillor Nash (via MS Teams)
Councillor Saw
Councillor Woolf

Councillors Duthie, Lee and Nash attended the meeting remotely via Microsoft Teams, and counted for the purposes of quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.

Karakia timatanga

The Council Chair opened the meeting with a karakia timatanga.

Public Business

1 Apologies

There were no apologies.

2 Declarations of conflicts of interest

There were no declarations of conflicts of interest.

3 Public participation

There was no public participation.

4 Confirmation of the Public minutes of the Council meeting on 7 December 2023 - Report 23.658

Moved: Cr Kirk-Burnnand / Cr Laban

That Council confirms the Public minutes of the Council meeting on 7 December 2023 – Report 23.658.

The motion was **carried**.

Strategy, policy or major issues

5 Public Transport Fares: Annual Fares Review – Report 24.34

Tim Shackleton, Senior Manager Commercial, Strategy, and Investments, spoke to the report.

Moved: Cr Nash / Cr Kirk-Burnnand

That Council:

- 1 Notes that the policy in Te Mahere Waka Whenua Tūmatanui o te Rohe o Pōneke Wellington Regional Public Transport Plan 2021-31 provides that fare levels will be adjusted annually with inflation within 1% to 3%, subject to Council decision through annual fares review and the Annual Plan or Long Term Plan process.
- 2 Notes that the current Ko te Kaupapa Here Moni Whiwhi me Ahumoni Revenue and Financing Policy 2022 aims to maintain an average 30% of total operating revenue from fares and other user charges over the years of the Long Term Plan.
- 3 Notes that due to the changes to travel behaviour and lower patronage levels post-COVID-19 pandemic, inflationary costs and no fare increase in 2022/23, fare revenue (including Government funding of half-price fares initiative) was 23% of total operating revenue and lower than the 32% budgeted for in 2022/23.
- 4 Notes that while the last fare increase implemented on 1 April 2023 was 6% at the level of inflation, it was lower than the 10% cost increase budgeted for 2023/24.
- 5 Notes that fare revenue in 2024/25 (without a fare increase) is likely to remain below 25% of operating revenue and substantially lower than the 30% policy intent.

- 6 Notes that to reduce pressure on rates and debt funding, at least a 10% fare increase would be required to align fare increases with inflation and partially cover the expected cost increase budgeted for 2024/25.
- 7 Notes that a 10% fare increase brings in revenue that offsets a 3.3% rates increase.
- 8 Agrees to increases fares by 10% from 1 July 2024.

The motion was **carried**.

Councillor Connelly arrived at 10.06am during discussion on the above item.

6 End of the Government Funding for Age-based Concessions – Report 24.45

Tim Shackleton, Senior Manager Commercial Strategy and Investments, spoke to the report.

Moved: Cr Staples / Cr Bassett

That Council:

- 1 Notes that amending public transport fares is a decision that rests with public transport authorities (PTAs), in this case the Council.
- 2 Notes that Government fully funded universal half price public transport fares between 1 April 2022 and 1 July 2023.
- 3 Notes that in the Wellington Region, the universal half price fare initiative was in place from 1 April 2022 until 31 August 2023
- 4 Notes that on 18 May 2023, the Government announced termination of the universal half price fares and reallocated Crown funding to permanently subsidise a targeted Community Connect scheme for the following groups from 1 July 2023:
 - a Free travel for under 13 year olds
 - b Half price fares for 13-24 year olds
 - c Half price fares for Community Services Card (CSC) holders; and
 - d 75% discount on Total Mobility taxi services for Total Mobility Card holders
- 5 Notes that on 22 June 2023, the Council agreed to partially fund an extension of the universal half price fares in the region as an interim measure to allow time for implementation of the Government age-based Community Connect Scheme from 1 September 2023.
- 6 Notes that the Government's targeted Community Connect Concession has been in place since 1 September 2023 with the end of the universal half-price fares.
- 7 Notes that on 20 December 2023, the new Government announced termination of the funding under the Community Connect Scheme for half

price public transport fares for 13 to 24 year olds and free travel for 5 to 12 year olds.

- 8 Notes that the Government funding for the two age-based concessions will cease after a 90-day notice period that will conclude on 30 April 2024.
- 9 Notes that Government will continue fully subsidising the existing half-price public transport fares under the Community Connect scheme for CSC holders and the 75% discount on Total Mobility taxi fares for Total Mobility card holders.
- 10 Notes that the Government has indicated that it will provide regions with the funding assistance required to cover the costs of disestablishing the two age-based concessions.
- 11 Notes that retaining the free travel for under 13 year olds and 50% discount for under 25 year olds would cost approximately \$10 to \$12m per annum.
- 12 Agrees to
 - a Terminate provision of free travel for under 13 year olds and half-price fares for under 25 year olds from 1 May 2024; and
 - b Continue with provision of the Community Connect scheme for the remaining groups (half-price fares for CSC holders and 75% Total Mobility taxi fare discounts) along with the regional targeted concessions under current policies.
- 13 Authorises officers to undertake actions to implement Council's decision.

The motion was **carried**.

7 Dis-establishment of Let's Get Wellington Moving programme – Report 24.56 [For Information]

Luke Troy, Group Manager Strategy, spoke to the report.

8 2024 draft Revenue and Finance Policy – Report 24.58

Kyn Drake, Principal Finance Policy Advisor, spoke to the report.

Moved: Cr Ponter / Cr Bassett

That Council:

- 1 Confirms that the Revenue and Financing Policy is to be amended as per the changes stated in this report, with Option 1 progressed for the Wellington City Council general rate.
- 2 Notes that the proposed amendments to the policy are not an amendment to the 2024-34 Long Term Plan.
- 3 Approves the draft Ko Te Kaupapa Here Moni Whiwhi Me Ahumoni – Revenue and Financing Policy for the purpose of public consultation (Attachment 1).
- 4 Authorises the Council Chair to make editorial changes to the proposed Revenue and Financing Policy and accompanying documents, if required.

- 5 Requests that the Chief Executive writes a letter to the Wellington City Council Chief Executive informing them of the policy for consultation.

The motion was **carried**.

The meeting adjourned at 11.22am and resumed at 11.28am.

Governance

9 Appointment of and Remuneration for the Wellington Regional Leadership Committee Chairperson – Report 24.22

Francis Ryan, Head of Governance and Democracy, spoke to the report.

Moved: Cr Connelly / Cr Gaylor

That Council:

- 1 Notes that, as the Administering Authority, Council is responsible for appointing the Chairperson of the Wellington Regional Leadership Committee and setting the Chairperson's remuneration.
- 2 Notes that, at its meeting on 5 December 2023, the Wellington Regional Leadership Committee elected Darrin Apanui (Rangitāne Tū Mai Rā Trust) as its nominee for Council to appoint as Chairperson of the Wellington Regional Leadership Committee.
- 3 Appoints Darrin Apanui as Chairperson of the Wellington Regional Leadership Committee.
- 4 Resolves that the appointment of and remuneration for the Chairperson ceases 14 days after the final Wellington Regional Leadership Committee meeting of the 2022-25 triennium.
- 5 Approves the remuneration for the Wellington Regional Leadership Committee Chairperson as:
 - a An annual taxable honorarium of \$13,500
 - b A taxable daily fee for Committee meetings and workshops of \$470
 - c Greater Wellington's standard mileage or reimbursement of public transport costs.
- 6 Requests that the Chief Executive notifies the Rangitāne Tū Mai Rā Trust of the appointment and associated remuneration to be paid to the Wellington Regional Leadership Committee Chairperson.

The motion was **carried**.

10 Infrastructure New Zealand's United Kingdom Delegation – Report 24.93

Francis Ryan, Head of Governance and Democracy, spoke to the report.

Moved: Cr Connelly / Cr Gaylor

That Council:

- 1 Notes that Infrastructure New Zealand has invited Greater Wellington to be considered as a member of the 2024 delegation to the United Kingdom delegation – ‘Place based solutions: Learnings from the UK’.
- 2 Determines that Greater Wellington wishes to be represented on this delegation.
- 3 Notes that any Council nominee is subject to a selection process applied by Infrastructure NZ to determine the composition of the delegation.
- 4 Approves Councillor Ponter being considered for the delegation.
- 5 Approves the flight class for air travel to the United Kingdom as Premium Economy class.
- 6 Approves the expenditure directly associated with participation (if selected) on the delegation.

The motion was **carried**.

11 Greater Wellington’s Quarter Two summary 2023/24 – Report 24.60

Nigel Corry, Chief Executive, spoke to the report.

Moved: Cr Staples / Cr Saw

That Council accepts Greater Wellington’s performance report for the six months to 31 December 2023 (Greater Wellington’s Quarter Two Summary Report as at 31 December 2023 – Attachment 1).

The motion was **carried**.

Councillor Lee departed at 12.04pm during the above item and did not return.

12 Finance Update – January 2024 – Report 24.81 [For Information]

Ali Trustrum-Rainey, Group Manager Finance and Risk, spoke to the report.

Resolution to exclude the public

13 Resolution to exclude the public – Report 24.90

Moved: Cr Gaylor / Cr Kirk-Burnnand

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

Confirmation of the Public Excluded minutes of the Council meeting on Thursday 7 December 2023 – Report PE23.659

Appointment of Trustees to the Wellington Regional Stadium Trust – Report PE24.74

Public Transport Lease Opportunity – Report PE24.59

Confirmation of the Restricted Public Excluded minutes of the Council meeting on Thursday 7 December 2023 – Report RPE23.660

Interim Review of the Chief Executive’s Performance for 2023/24 – Report RPE24.27

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:

Confirmation of the Public Excluded minutes of the Council meeting on Thursday 7 December 2023 – Report PE23.659	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<p>The information included in these minutes relates to a proposed transfer of Greater Wellington Regional Council owned land to Porirua City Council on terms that have not finally been agreed.</p> <p>Excluding the public from the proceedings of the meeting is necessary as considering this information in public would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on negotiations for the land transfer.</p> <p>Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the need to withhold the information.</p>	<p>The public conduct for this part of the meeting is excluded as per section 7(2)(i) of the Act in order to enable Greater Wellington to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>
Appointment of Trustees to the Wellington Regional Stadium Trust – Report PE24.74	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<p>The information contained in this report includes personal and identifying information about the proposed candidates for appointment. Withholding this information prior to Council's decision is necessary to protect the privacy of those natural persons (section 7(2)(a) of the Act) as releasing this information would disclose their consideration as Trustees of the Wellington Regional Stadium Trust.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(a) of the Act in order to protect the privacy of natural persons.</p>

<p>Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the need to withhold the information.</p>	
<p>Public Transport Lease Opportunity – Report PE24.59</p>	
<p><i>Reason for passing this resolution in relation to each matter</i></p>	<p><i>Ground(s) under section 48(1) for the passing of this resolution</i></p>
<p>Information contained in this report relates to a lease opportunity in northern Wellington. Release of this information would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on negotiations.</p> <p>Greater Wellington has not been able to identify a public interest favouring disclosure of this information in public proceedings of the meeting that would override the need to withhold the information.</p>	<p>The public conduct for this part of the meeting is excluded as per section 7(2)(i) of the Act in order to enable Greater Wellington to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>
<p>Confirmation of the Restricted Public Excluded minutes of the Council meeting on Thursday 7 December 2023 – Report RPE23.660</p>	
<p><i>Reason for passing this resolution in relation to each matter</i></p>	<p><i>Ground(s) under section 48(1) for the passing of this resolution</i></p>
<p>Certain information contained in these minutes related to the future rail service procurement and contracting in the Wellington Region and to future bus procurement and contracting in the Wellington Region. Excluding the public from the proceedings of the meeting is necessary as considering this information in public would be likely to prejudice or disadvantage the ability of Greater Wellington to carry out, without prejudice or disadvantage commercial activities, and would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on negotiations with a potential operator/s for the Metlink public transport network.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(h) of the Act in order to enable Greater Wellington to carry out, without prejudice or disadvantage, commercial activities and 7(2)(i) of the Act in order to enable Greater Wellington to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>

<p>Greater Wellington has not been able to identify a public interest favouring disclosure of this information in public proceedings of the meeting that would override the need to withhold the information.</p>	
<p>Interim Review of the Chief Executive’s Performance for 2023/24 – Report RPE24.27</p>	
<p><i>Reason for passing this resolution in relation to each matter</i></p>	<p><i>Ground(s) under section 48(1) for the passing of this resolution</i></p>
<p>The information contained in this report relates to the Chief Executive’s performance for 2023/24. Release of this information would prejudice the Chief Executive’s privacy by disclosing details of their performance agreement with the Council.</p> <p>Greater Wellington has not been able to identify a public interest favouring the disclosure of this particular information in public proceedings of the meeting would override the Chief Executive’s privacy.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(a) of the Act in order to protect the privacy of natural persons, including that of deceased natural persons.</p>

The motion was **carried**.

The public part of the meeting closed at 12.23pm.

Councillor Lee departed the meeting at the end of the public part of the meeting.

Councillor D Ponter

Chair

Date:

Please note these minutes remain unconfirmed until the Council meeting on 11 April 2024.

Report 24.144

Public minutes of the Council meeting on Thursday 21 March 2024

Taumata Kōrero – Council Chamber, Greater Wellington Regional Council
100 Cuba Street, Te Aro, Wellington, at 9.30am

Members Present

Councillor Ponter (Chair)
Councillor Staples (Deputy Chair)
Councillor Bassett
Councillor Connelly
Councillor Gaylor (via MS Teams)
Councillor Kirk-Burnnand
Councillor Laban
Councillor Lee
Councillor Nash
Councillor Saw
Councillor Woolf

Councillor Gaylor participated at this meeting remotely via Microsoft Teams and counted for the purpose of quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.

Karakia timatanga

The Council Chair opened the meeting with a karakia timatanga.

Public Business

1 Apologies

Moved: Cr Laban / Cr Connelly

That Council accepts the apology for absence from Councillor Ropata.

The motion was **carried**.

2 Declarations of conflicts of interest

There were no declarations of conflicts of interest.

3 Public participation

There was no public participation.

Resolution to exclude the public

4 Resolution to exclude the public – Report 24.130

Moved: Cr Saw / Cr Kirk-Burnnand

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

Public Transport Land Opportunity – Report PE24.107

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 ground/s 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:

Public Transport Land Opportunity – Report PE24.107	
<i>Reason/s for passing this resolution in relation to each matter</i>	<i>Ground/s under section 48(1) for the passing of this resolution</i>
<p>Information contained in this report relates to an opportunity to purchase land in Northern Wellington. Release of this information would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on negotiations (section 7(2)(i)). It would also prejudice Greater Wellington's ability to maintain legal privilege (section 7(2)(g)).</p> <p>Greater Wellington has not been able to identify a public interest favouring disclosure of this information in public proceedings of the meeting that would override the need to withhold the information.</p>	<p>The public conduct for this part of the meeting is excluded as per section 7(2)(i) of the Act in order to enable Greater Wellington to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations), and section 7(2)(g) of the Act in order to maintain legal professional privilege.</p>

This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would

be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

The motion was **carried**.

The public part of the meeting closed at 9.31am.

Councillor D Ponter

Chair

Date:

Please note these minutes remain unconfirmed until the Council meeting on 11 April 2024.

Report 24.154

Public minutes of the Council meeting on Thursday 28 March 2024

Taumata Kōrero – Council Chamber, Greater Wellington Regional Council
100 Cuba Street, Te Aro, Wellington, at 1.01pm

Members Present

Councillor Ponter (Chair)
Councillor Bassett
Councillor Connelly
Councillor Duthie
Councillor Laban
Councillor Lee
Councillor Nash
Councillor Ropata
Councillor Woolf

Karakia timatanga

The Council Chair opened the meeting with a karakia timatanga.

Public Business

1 Apologies

Moved: Cr Nash / Cr Connelly

That Council accepts the apologies for absence from Councillors Gaylor and Staples , and the apologies for lateness from Councillors Kirk-Burnnand and Saw.

The motion was **carried**.

2 Declarations of conflicts of interest

There were no declarations of conflicts of interest.

3 Public participation

There was no public participation.

Resolution to exclude the public

4 Resolution to exclude the public – Report 24.143

Moved: Cr Ropata / Cr Woolf

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

RiverLink Project – Variation 3 to the Project Partner Agreement – Report RPE24.136

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 ground/s 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:

RiverLink Project – Variation 3 to the Project Partner Agreement – Report RPE24.136	
<i>Reason/s for passing this resolution in relation to each matter</i>	<i>Ground/s under section 48(1) for the passing of this resolution</i>
<p>Certain information contained in this report relates to RiverLink Project procurement and contracting information and costs. Release of this information would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on negotiations without prejudice (section 7(2)(i)).</p> <p>Greater Wellington has not been able to identify a public interest favouring disclosure of this information in public proceedings of the meeting that would override the need to withhold the information.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(i) of the Act – to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>

This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

The motion was **carried**.

The public part of the meeting closed at 1.03pm.

Councillor D Ponter

Chair

Date:

For Decision

TREASURY RISK MANAGEMENT POLICY

Te take mō te pūrongo

Purpose

1. To advise Council of the updated Treasury Risk Management Policy.

He tūtohu

Recommendation

That Council:

1. **Approves** the updated Treasury Risk Management Policy.

Consideration by Committee

2. The proposed Policy changes were reviewed by the Finance, Risk and Assurance Committee on 13 February 2024, and the Committee has recommended that the updated policy be adopted by Council.

Te tāhū kōrero

Background

3. The Treasury Risk Management Policy (the Policy) is required to be reviewed every three years and is generally completed before the approval of the Long-Term Plan.
4. The purpose of the policy (which includes Liability Management and Investment Policies) is to provide guidance and direction for the management of Greater Wellington's Treasury function such as:
 - a. Borrowing, investments, interest risk management and incidental financial arrangements.
 - b. Communications and reporting requirements.
 - c. Delegated authorities.
5. The Policy has been reviewed with PricewaterhouseCoopers (PwC) guidance and organisational changes have been reflected.

Te tātaritanga Analysis

6. As a result of the review, some key changes were made to the Policy (**Attachment 1**), they are:

Finance and Risk Group

7. In late 2023, the Corporate Services Group which encompassed the Finance team was restructured resulting in the formation of the Finance and Risk Group. The Policy now reflects these changes and the delegations.
8. The Finance and Risk Group is now led by the Group Manager Finance and Risk. This role supersedes the Chief Financial Officer position which is no longer included in the Policy.
9. A new position of Head of Finance has been established; this role reports to the Group Manager Finance and Risk.
10. The previous role of Treasurer is now Manager Treasury.
11. All tables in the Policy that show delegated authorities have been updated to reflect the new structure and roles.

Inclusion of surplus revenue

12. Council may generate operating surpluses due to factors such as the sale of Council assets or increased rateable units throughout a financial year, etc. The surplus varies from year to year and is not easily forecasted; however, council uses the revenue consistently to reduce future impacts to ratepayers.
13. Targeted rates may incur a surplus for the same reasons a general rate would; however, the use of this surplus is restricted to being utilised in the activity for which that targeted rate was collected.
14. The Policy now stipulates that the actual general rates operating surplus is to be allocated to the general rates reserve account for the purpose of reducing future general rates. The targeted rates surplus may be used for reducing the impact to those targeted ratepayers for the same activity or increasing reserves required for the activity. (Refer to page 19 of the Policy).

Carbon Credits

15. The Policy now includes a section on the use of carbon credits and the repayment of the Low Carbon Acceleration Fund (LCAF) (Refer to page 19 of the Policy).
16. Carbon Credits have now been added to the list of investment instruments.

WRC Holdings Limited

17. Specific provision has been included to allow the Group Manager, Finance and Risk the authority to approve the interest rate strategy of WRC Holdings Limited. (Refer to page 24 of the Policy).

Transaction amounts

18. The daily transaction amounts were reviewed to reflect the increasing size of the organisation's financial operations. The new limits are more fit-for-purpose to allow continuous operations. The new daily limits are as follows (Refer to page 12 of the Policy).

Activity	Delegated Authority	Previous	NEW
Setting maximum daily transaction amount (borrowing, investing, foreign exchange, interest rate risk management and cash management) excluding roll-overs on debt facilities	The Council	Unlimited	Unlimited
	CEO (delegated by Council)	\$75 million	\$150 million
	Group Manager, Finance and Risk (delegated by Council)	\$50 million	\$100 million
	Manager Treasury (delegated by Council)	\$30 million	\$75 million

Reporting

19. The reporting section has been updated to include a monthly Counterparty Credit Compliance report. This report informs the Group Manager, Finance and Risk about our financial exposure to approved banks.

Other Changes

20. Other changes to the Policy, which are minor, include updated information, formatting, improved readability.

Ngā hua ahumoni

Financial implications

21. The information in this report does not have financial implications; however, the Policy plays a significant role in managing and securing Greater Wellington's financial position, ensuring the Council has the ability to deliver future services in our region.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

22. There are no known implications for Māori.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

23. The management of investments such as the LCAF are essential to Greater Wellington's carbon reduction plan. This Policy provides guidance on the debt management and

repayment of the LCAF ensuing the ongoing acceleration of decarbonisation and restoration activities.

Ngā tikanga whakatau

Decision-making process

24. The matter requiring decision in this report was considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga

Significance

25. Officers considered the significance (as defined by Part 6 of the LGA) of the matter, taking into account Council's *Significance and Engagement Policy* and Greater Wellington Regional Council's *Decision-making Guidelines*. Officers recommend that the matter is of low significance, as the policy is already in place, and the changes are of minor consequence.

Te whakatūtakitaki

Engagement

26. Given the low significance of the matters for decision, no external engagement was undertaken.

Ngā tūāoma e whai ake nei

Next steps

27. Officers will update Greater Wellington's website and make the document available for the Long-Term Plan suite of supporting documents.

Ngā āpitihanga

Attachment

Number	Title
1	Treasury Risk Management Policy for adoption

Ngā kaiwaitohu

Signatories

Writers	Kyn Drake – Kaitohutohu Matua Principal Finance Policy Advisor Matthias Zuschlag – Kaitiaki Moni Manager Treasury
Approver	Alison Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager Finance and Risk

**He whakarāpopoto i ngā huritaonga
Summary of considerations**

Fit with Council's roles or with Committee's terms of reference

Council is required by section 102 of the Local Government Act 2002 to have a liability management policy and an investment policy. These policies require Council approval.

Contribution to Annual Plan / Long Term Plan / Other key strategies and policies

The Policy outlines the guidance and processes for the organisation and staff with delegated authorities to appropriately manage Greater Wellington treasury function to ensure ongoing prudent management of debt and investments as part of the Annual Plan and LTP.

Internal consultation

The Policy has been reviewed by PwC with input from the Manager Treasury and the Group Manager Finance & Risk. It has further been reviewed by the Finance Risk and Assurance Committee (FRAC) and recommended for adoption by Council.

Risks and impacts - legal / health and safety etc.

No known risks.

The policy addresses the process of treasury risk management and its performance at Greater Wellington.

Treasury Risk Management Policy

Kaupapahere Whakahaere Tūraru Rawa –**Treasury Risk Management Policy (2024)***(Incl. Liability Management and Investment Policies)*

Purpose	To outline the approved policies and procedures in respect of all treasury activity to be undertaken by the Wellington Regional Council (the Council). The formalisation of such policies and procedures will enable the prudent management of treasury risks within Council.
Vision	All external borrowing, investments and incidental financial arrangements will fully comply with legislative requirements, while returning benefits to the organisation and its ratepayers.
Rationale	<p>The Council recognises that, as a responsible public authority, any investments that it holds have risk and returns.</p> <p>The Council is currently a net borrower of funds and will generally apply surplus funds to debt repayment and, wherever possible, internally borrow from reserve funds to meet future capital expenditure. This policy mitigates risks associated with this form of fund management.</p> <p>Greater Wellington is accountable for the use of public money; therefore, the highest standards of probity and financial prudence are expected that will enable the Council to withstand public scrutiny.</p>
Policy Owner	Owned by Group Manager Finance and Risk
Responsibilities	<ul style="list-style-type: none"> - Group Manager Finance and Risk - Head of Finance - Manager Treasury
Application	The policy will be distributed to all personnel involved in any aspect of the Council's financial management. In this respect, all staff should be completely familiar with their responsibilities under this policy at all times.
Related Policy and Legislation	<p>Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.</p> <p>Local Government Act 2002, in particular Part 6 including sections 101, 102, 104, 105, 112 and 116.</p> <p>Trust Act 2019 Part II Investments.</p> <p>Greater Wellington Financial Policy Handbook</p>
Effective Date	The first working day following the date of approval by
Review Date	<p>Before 30 June 2027</p> <p>As circumstances change, the policies and procedures outlined in this policy will be modified to ensure that treasury risks within the Council continue to be well managed. In addition, regular reviews (section 9) will be conducted to test the existing policy against the following criteria:</p> <ul style="list-style-type: none"> • Industry “best practices” for a council the size and type of the Wellington Regional Council.

Treasury Risk Management Policy

Purpose and Principles	<ul style="list-style-type: none"> • The Council's risk-bearing ability and tolerance levels. • Effectiveness and efficiency of the Treasury Risk Management Policy and treasury management function in recognising, measuring, controlling, managing and reporting on the Council's financial exposures. • Robustness of the policy's risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions. • The extent to which the policy assists the Council in achieving strategic objectives relating to ratepayers.
	<ul style="list-style-type: none"> • All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy. • All projected borrowings will be approved by the Council as part its Annual Plan. • All legal documentation in respect to borrowing and financial instruments will be approved by the Council's solicitors. • The Council will not enter into any borrowings denominated in a foreign currency. • The Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those which the Council would achieve without pledging rates revenue. • A resolution of the Council will not be required for hire purchase, credit or deferred purchase of goods if: <ul style="list-style-type: none"> - the period of indebtedness is less than 91 days (including rollovers); or - the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of the Council.
Policy Statement	To enable treasury risks within the Council to be prudently managed.
Guidelines	<p>This document identifies the policy and procedures of the Council in respect of treasury management activities.</p> <p>The policy has not been prepared to cover other aspects of the Council's operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of the Council cover these matters. Planning tools and mechanisms are also outside of the scope of this policy.</p>

Treasury Risk Management Policy

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Treasury Risk Management Policy

Kaupapahere Whakahaere Tūraru Rawa - Treasury Risk Management Policy
(Including Liability Management and Investment Policies)

SECTION ONE

Policy Objectives

1. Statutory objectives

- 1.1. All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy. GWRC is governed by the following relevant legislation:
 - 1.1.1. Local Government Act 2002, in particular Part 6, including sections 101, 102, 104, 105, 112 and 116.
 - 1.1.2. Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
 - 1.1.3. Trust Act 2019. When acting as a trustee or investing money on behalf of others, the Trust Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trust Act 2019 Part II Investments.
 - 1.1.4. All projected external borrowings are to be approved by Council as part of the Annual Plan or the Long-Term Plan (LTP) process, or resolution of Council before the borrowing is affected.
 - 1.1.5. All legal documentation in respect to external borrowing and financial instruments will be approved by Council's solicitors prior to the transaction being executed.
 - 1.1.6. Council will not enter into any borrowings denominated in a foreign currency.
 - 1.1.7. Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself.
 - 1.1.8. A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
 - The period of indebtedness is less than 91 days (including rollovers); or
 - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

2. General objectives

- 2.1. The objective of this Treasury Risk Management Policy is to control and manage costs and investment returns that can influence operational budgets and public equity and set debt levels. Specific objectives are as follows:
 - 2.1.1. Proactively manage the Council's costs and risks in the management of its borrowings and its return on investments.
 - 2.1.2. Proactively manage the Council's exposure to adverse interest rate movements.
 - 2.1.3. Monitor, evaluate and report on treasury performance.

Treasury Risk Management Policy

- 2.1.4. Borrow funds and transact risk management instruments within an environment of control and compliance under the Council-approved Treasury Risk Management Policy so as to protect the Council's financial assets and costs.
- 2.1.5. Arrange and structure appropriate funding for the Council at the lowest achievable interest margin from debt lenders. Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy statement.
- 2.1.6. Monitor and report on financing/borrowing covenants and ratios under the obligations of the Council's lending/security arrangements.
- 2.1.7. Comply with financial ratios and limits stated within this policy.
- 2.1.8. Maintain a long-term S&P Global credit rating at AA- or better.
- 2.1.9. Monitor the Council's return on investments in CCTOs, property and other shareholdings.
- 2.1.10. Ensure management, relevant staff and, where appropriate, the Council are kept abreast of latest treasury products, methodologies, and accounting treatments through training and in-house presentations.
- 2.1.11. Maintain liquidity levels and manage cash flows within the Council to meet known and reasonable unforeseen funding requirements.
- 2.1.12. Proactively manage counterparty credit risk.
- 2.1.13. Adhere to all statutory requirements of a financial nature.
- 2.1.14. Provide adequate internal controls to protect the Council's financial assets and to prevent unauthorised transactions.
- 2.1.15. Develop and maintain relationships with financial institutions, LGFA, credit rating agencies, investors and investment counterparties.
- 2.1.16. Manage foreign exchange risk associated with capital expenditure and goods and services on imported items as outlined in section 5(14) of this policy.
- 2.1.17. Keep Council abreast of macro-economic trends.

Policy Exclusion

3. This policy includes WRC Holdings Limited (WRC) and its subsidiaries, but excludes CentrePort Ltd.

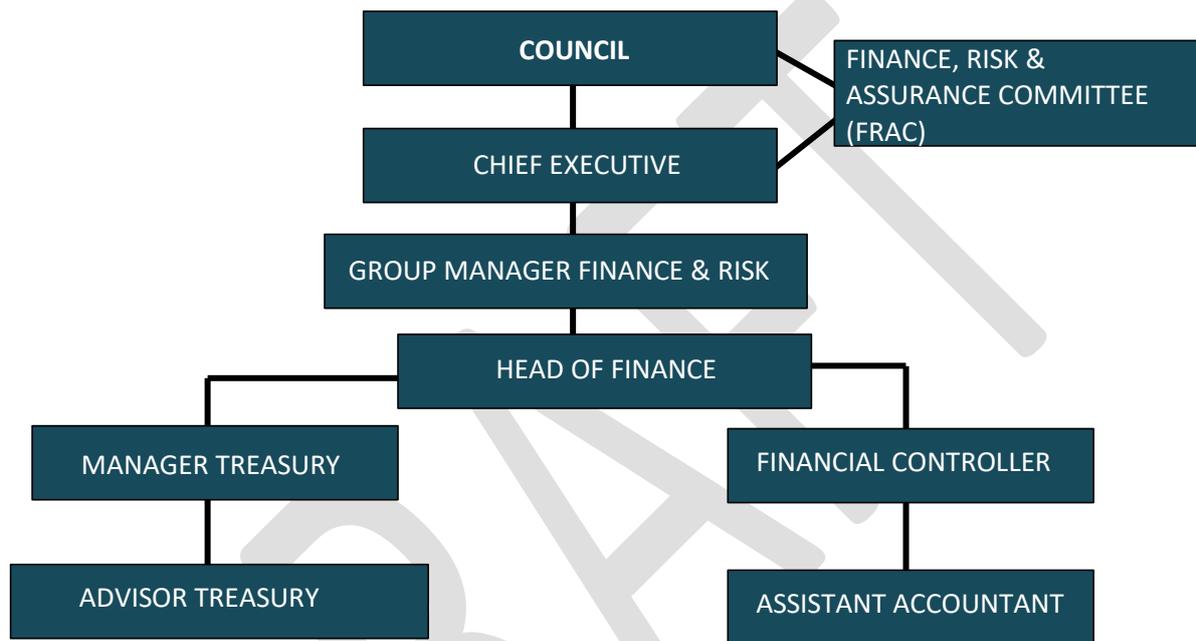
Treasury Risk Management Policy

SECTION TWO

Management Responsibilities

1. Overview of management structure

1.1 All of the Council's treasury management activities are undertaken by the Treasury Management Department. The following diagram illustrates those individuals and bodies who have treasury responsibilities. Authority levels, reporting lines and treasury duties and responsibilities are outlined in this section.



2. Council

2.1 The Council has ultimate responsibility for ensuring that there is an effective policy for the management of its treasury risks. In this respect the Council decides the level and nature of risks that are acceptable.

2.2 The Council is responsible for approving this Treasury Risk Management Policy and any changes required from time to time. While the policy can be reviewed and changes recommended by other persons, the authority to make or change policy cannot be delegated.

2.3 In this respect, the Council has responsibility for:

- a) Approving the long-term financial position of the Council through the 10-year Long-Term Plan (LTP) and the Annual Plan.
- b) Approving new debt/funding via resolution of the Annual Plan.
- c) Approving the Treasury Risk Management Policy, incorporating the following delegated authorities:
 - borrowing, investing and dealing limits and the respective authority levels delegated to the Chief Executive, Group Manager Finance and Risk, Head of Finance, and Manager Treasury.

Treasury Risk Management Policy

- counterparties and credit limits
 - risk management methodologies and benchmarks
 - guidelines for the use of financial instruments.
- d) Approving budgets and high-level performance reporting.
- e) Delegating authority to the Chief Executive, Group Manager Finance and Risk, Head of Finance, and Manager Treasury.
- f) Reviewing and approving the Treasury Risk Management Policy every three years.

2.4 The Council will also ensure that:

- a) It receives appropriate information from management on risk exposure and financial instrument usage in a form that is understood.
- b) Issues raised by auditors (both internal and external) in respect of any significant weaknesses in the treasury function are resolved immediately.
- c) Approval will be gained by the Group Manager Finance and Risk for any transactions falling outside policy guidelines.

3. Finance, Risk and Assurance Committee

3.1 The Finance, Risk and Assurance Committee has the following responsibilities:

- a) Recommending the Treasury Risk Management Policy (or changes to existing policy) to the Council.
- b) Receiving recommendations from the Chief Executive and Group Manager Finance and Risk and making submissions to the Council on all treasury matters requiring Council approval.
- c) Recommending performance measurement criteria for all treasury activity.
- d) Monitoring six-monthly performance against benchmarks.

3.2 The Finance, Risk and Assurance Committee will:

- a) Oversee the implementation of the Council's treasury management strategies and monitor and review the effective management of the treasury function.
- b) Ensure that the information presented to the Council is timely, accurate and identifies the relevant issues and is represented in a clear and succinct report.
- c) Discuss treasury matters on a six-monthly basis (and informally as required).

4. Chief Executive

4.1 While the Council has final responsibility for the policy governing the management of the Council's treasury risks, it delegates overall responsibility for the day-to-day management of such risks to the Chief Executive, including:

- a) Ensuring the Council's policies in respect of treasury activity comply with existing and new legislation.
- b) Approving the register of cheque and electronic banking signatories.
- c) Approving new counterparties and counterparty limits as defined within section 5(11) of this policy and recommended by the Group Manager Finance and Risk.

Treasury Risk Management Policy

- d) Approving the opening and closing of bank accounts.
- e) Signing Debenture Stock and Security Stock certificates in relation to the Council's Debenture Trust Deed, in compliance with sections 112 and 118 of the Local Government Act 2002.

5. Group Manager Finance and Risk

5.1 The Council delegates the following responsibilities to the Group Manager Finance and Risk:

- a) Management responsibility for borrowing and investment activities.
- b) Recommending policy changes to the Finance, Risk and Assurance Committee for evaluation.
- c) Ongoing risk assessment of borrowing and investment activity, including procedures and controls.
- d) Approving new borrowing undertaken in line with Council resolution and approved borrowing strategy.
- e) Approving re-financing of existing debt.
- f) Approving treasury transactions in accordance with policy parameters outside of the Manager Treasury's delegated authority.
- g) Authorising the use of approved financial market risk management instruments within discretionary authority.
- h) Recommending authorised signatories and delegated authorities in respect of all treasury dealing and banking activities.
- i) Recommending changes to credit counterparties.
- j) Proposing new funding requirements falling outside the Annual Plan and Long-Term Plan (LTP) to the Finance, Risk and Assurance Committee for consideration and submission to the Council.
- k) Reviewing and making recommendations on all aspects of the Treasury Risk Management Policy to the Finance, Risk and Assurance Committee, including dealing limits, approved instruments, counterparties, working capital policies and general guidelines for the use of financial instruments.
- l) Conducting a triennial review of the Treasury Risk Management Policy, treasury procedures and all dealing and counterparty limits.
- m) Receiving advice of breaches of Treasury Risk Management Policy and significant treasury events from the Financial Controller.
- n) Managing the long-term financial position of the Council in accordance with the Council's requirements.
- o) Ensuring that all borrowing and financing covenants to lenders are adhered to.
- p) Ensuring management procedures and policies are implemented in accordance with this Treasury Risk Management Policy.
- q) Ensuring all financial instruments are valued and accounted for correctly in accordance with current best practice standards.

Treasury Risk Management Policy

- r) Monitoring and reviewing the performance of the treasury function in terms of achieving the objectives of proactively managing and stabilising funding costs and investment returns year-to-year.
- s) Managing the organisations exposure and statutory requirements in relation to the holding, acquiring or disposing of Carbon Credits.

6. Manager Treasury

6.1 The Manager Treasury runs the day-to-day activities of the Council's Treasury Management Department. The Council delegates the following responsibilities to the Manager Treasury:

- a) Overseeing and managing relationships with financial institutions including the Local Government Funding Agency (LGFA).
- b) Approving treasury transactions in accordance with policy parameters within delegated authority.
- c) Negotiating borrowing facilities.
- d) Authorising interest rate hedge transactions (swaps, forward rate agreements (FRAs) and options) with bank counterparties to change the fixed: floating mix to re-profile the Council's interest rate risk on either debt or investments.
- e) Making decisions and authorisations to raise and lower fixed rate percentage of net debt or investment position within interest rate policy risk control limits.
- f) Designing, analysing, evaluating, testing and implementing risk management strategies to position the Council's net interest rate risk profile to be protected against adverse market movements within the approved policy limits.
- g) Monitoring credit ratings of approved counterparties.
- h) Co-ordinating annual reviews with S&P Global credit rating agency.
- i) Investigating financing alternatives to proactively manage borrowing costs, margins and interest rates, making recommendations to Finance, Risk and Assurance Committee as appropriate.
- j) Negotiating bank funding facilities and managing bank and other financial institution relationships.
- k) Executing treasury transactions in accordance with set limits.
- l) Entering into FX transactions to cover foreign currency liabilities.
- m) Entering into FX hedging transactions in accordance with the section in this policy on Foreign Exchange risk.
- n) Monitoring treasury exposure on a regular basis, including current and forecast cash position, investment portfolio, interest rate exposures and borrowings.
- o) Providing written evidence of executed deals on an agreed form immediately to the Head of Finance.
- p) Co-ordinating the compilation of cash flow forecasts and cash management.
- q) Managing the operation of all bank accounts including arranging group offsets, automatic sweeps, and other account features.

Treasury Risk Management Policy

- r) Handling all administrative aspects of bank counterparty agreements and documentation such as loan agreements and International Swap Dealer's Association (ISDA) swap documents.
- s) Preparing treasury reports.
- t) Monitoring all treasury exposures monthly.
- u) Forecasting future cash requirements.
- v) Providing regular short-term and long-term cash flow and debt projections to the Group Manager Finance and Risk.
- w) Completing deal tickets for treasury transactions.
- x) Updating treasury system/spreadsheets for all new, re-negotiated and maturing transactions.
- y) Updating credit standing of approved counterparty credit list on a quarterly basis.

7. Head of Finance

7.1 The Council delegates the following responsibilities to the Head of Finance:

- a) Checking all treasury deal confirmations against deal documentation and reporting any irregularities immediately to the Group Manager Finance and Risk.
- b) Ensuring delegated authorities are always up to date and advise counter parties of changes, and ensure they are checked at least every six months and refreshed with the banks annually.
- c) Reconciling monthly summaries of outstanding financial contracts from banking counterparties to internal records.
- d) Reviewing and approving borrowing and investment system/spreadsheet reconciliations to the general ledger.
- e) Accounting for all treasury transactions in accordance with legislation and generally accepted accounting principles and the Council's accounting policy.
- f) Checking compliance against limits and preparing reports on an exceptions basis.
- g) Approving all amendments to the Council's records arising from checks to counterparty confirmations.
- h) Creating batches for borrowing and investment settlements and arranging for approval by authorised signatories.

8. Delegation of Authority and Authority Limits

8.1 Treasury transactions entered into by the Council without the proper authority are difficult to cancel given the legal doctrine of 'apparent authority'. Insufficient authority for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays). Therefore, the following procedures will apply:

- i. All delegated authorities and signatories will be reviewed at least every six months to ensure that they are still appropriate and current.

Treasury Risk Management Policy

- II. A comprehensive letter will be sent to all bank counterparties, at least every year, detailing all relevant current delegated authorities of the Council and contracted personnel empowered to bind the Council.
- III. Whenever a person with delegated authority on any account or facility leaves the Council, all relevant banks and other counterparties will be advised in writing on the same day to ensure that no unauthorised instructions are to be accepted from such persons.
- IV. Treasury management responsibilities are retained by Council or delegated, as set out in the following table:

Activity	Delegated Authority	Limit
Approving and changing policy	Council	Unlimited
Borrowing new debt (excludes prefunding of existing debt, which is re-financing)	Council Chief Executive (delegated by Council, to implement the Annual Plan) Group Manager Finance and Risk (delegated by Council, to implement the Annual Plan)	Unlimited (subject to legislative and other regulatory limitations) Subject to Council Resolution and policy, as contained in and approved when the Annual Plan is adopted.
Signing Stock/Debenture Issuance Certificate or any amendments to the DTD as provided for in the Debenture Trust Deed (DTD).	Chief Executive	As per the Annual Council Plan to meet lenders requirements
Acquiring and disposing of investments other than financial investments	Council	Unlimited
Approving charging assets as security over borrowing	Council	Subject to terms of the Debenture Trust Deed
Approving new lending activity with CCO/CCTOs	The Council, or as specifically delegated to the Group Manager Finance and Risk	Unlimited
Approving of Council guarantees or uncalled capital relating to CentrePort or CCO/CCTO indebtedness.	Council	Unlimited (subject to legislative and other regulatory limitations)
Approve LGFA membership for CCO/CCTOs	Council	Unlimited
Re-financing existing debt	Chief Executive (delegated by Council) Group Manager Finance and Risk (delegated by Council) Manager Treasury (delegated by Council)	Subject to policy

Treasury Risk Management Policy

Activity	Delegated Authority	Limit
Approving transactions outside policy	Council	Unlimited
Acquiring and disposing of Carbon Credits	Group Manager Finance and Risk	\$5m per transaction
Adjusting net debt or net investment interest rate risk profile	Manager Treasury	Per risk control limits
Managing investments and funding maturities in accordance with Council approved facilities	Manager Treasury	Per risk control limits
Setting maximum daily transaction amount (borrowing, investing, foreign exchange, interest rate risk management and cash management) excluding roll-overs on debt facilities	Council Chief Executive (delegated by Council) Group Manager Finance and Risk (delegated by Council) Manager Treasury (delegated by Council)	Unlimited \$150 million \$100 million \$75 million
Authorising lists of bank signatories	Chief Executive	Unlimited
Opening/closing bank accounts	Chief Executive / Group Manager Finance and Risk	Unlimited
Reviewing the Treasury Management Policy every three years	Finance, Risk and Assurance Committee	N/A
Ensuring compliance with Policy	Group Manager Finance and Risk	N/A
Negotiation and ongoing management of lending arrangements to CCO /CCTOs	Group Manager Finance and Risk / Manager Treasury	Per approval / per risk control limits
Signing of LGFA new Debt confirmations	Group Manager Finance and Risk / Head of Finance	N/A
Signing of derivative confirmations	Group Manager Finance and Risk / Head of Finance	N/A

Treasury Risk Management Policy

SECTION THREE

Liability Management Policy

1. Liability management

1.1 The Council's liabilities comprise borrowings and various other liabilities. The Council's Liability Management Policy focuses on borrowings as this is the most significant component and exposes the Council to the most significant risks. Other liabilities are generally non-interest bearing. Cash flows associated with other liabilities are incorporated in cash flow forecasts for liquidity management purposes and determining future borrowing requirements.

1.2 The Council's ability to readily attract cost-effective borrowing is largely driven by its ability to rate, maintain a strong credit rating, and manage its relationships with its investors and financial institutions.

2. New Zealand Local Government Funding Agency (LGFA)

2.1 Despite anything earlier in this Policy, the Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- a) contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- b) provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- c) commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- d) subscribe for shares and uncalled capital in the LGFA; and
- e) secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

3. Debt Ratios and Limits - new page

3.1 Debt will be managed within limits in the following table, that are consistent with those used by the LGFA.

Ratios (as 1 July 2024) *	
Net interest / Total revenue *	< 20%
Net debt / Total Revenue *	1 July 2024 < 285%
	From 1 July 2025 < 280%
Net interest / Annual rates and levies (debt secured under debenture) *	< 30%
Liquidity (external debt + available committed loan facilities + liquid investments to total external debt) *	> 110%

* Or as amended by the LGFA from time to time.

3.2 Revenue is defined as earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue.

Treasury Risk Management Policy

- 3.3 Revenue excludes non-government capital contributions (e.g., vested assets)
- 3.4 Net debt is defined as total external debt less liquid financial assets and investments.
- 3.5 Liquid financial investments are financial assets defined as being:
- a) Overnight bank cash deposits
 - b) Wholesale/retail bank term deposits no greater than 92 days
 - c) Bank issued RCD's less than 181 days
 - d) Allowable fixed income bonds as per approved investment instruments (applying 85% of face value)
- 3.6 External debt funding and associated investment activity relating to LGFA prefunding (e.g., maturing LGFA bonds) is excluded from the liquidity ratio calculation. For internal covenant purposes Disaster recovery/Contingency funds shall not be used as liquid investments in the Liquidity calculation as they are not intended to be used for everyday liquidity purposes.
- 3.7 Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.
- 3.8 Financial covenants are measured on Council only (parent) not consolidated group. Council can choose to use either methodology (group or parent) as allowed by the LGFA at the discretion of the Manager Treasury to provide the best outcome for Council. If group methodology is used, it will be reported through to the Finance, Risk and Assurance Committee.
- 3.9 Disaster recovery requirements will be met through Liquid Financial Deposits, Money Market Investments, undrawn credit lines and contingency reserves.

4. Security and Charges

- 4.1 The Council borrows funds and grants security to its lenders via a Debenture Trust Deed (DTD). The DTD gives the lenders a charge or security over the Council's rates and rates revenue. A DTD was entered into during 2011 as part of the Council's initiative and requirements to borrow funds from the LGFA.
- 4.2 Trustee Executors has been appointed to act as Trustee under the DTD for the benefit of the lenders, or stockholders.
- 4.3 From time to time, with prior Council approval, security may be offered by providing a security interest in one or more of the Council's assets other than its rates and rates revenue. Security interest in physical assets will only be granted when:
- a) there is a direct relationship between a debt and the purchase or construction of the secured assets which it funds (e.g. through a finance lease, or some form of project finance).
 - b) the Council considers a security interest or security in the physical assets to be appropriate.
- 4.4 In addition, the Council may grant security interests in physical assets where those security interests are leases or retention of the arrangements which arise under the terms of any lease or sale and purchase agreement.

Treasury Risk Management Policy

5. Borrowing Mechanisms

5.1 The Council will borrow through a variety of market mechanisms including but not limited to:

- Commercial paper (CP)
- Fixed rate bonds and floating rate notes (FRNs)
- Direct bank borrowing or loans from wholesale private placement investors
- Short and long-term capital markets directly
- Internal reserves and special funds.

5.2 In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the following will be taken into account with a view to maintaining an appropriate balance across the portfolio:

- a) Available terms from banks and capital markets.
- b) The Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- c) Prevailing interest rates and margins relative to term for debt issuance, capital markets and bank borrowing.
- d) The market's outlook on future credit margin and interest rate movements.
- e) The Council's outlook on future credit margin and interest rate movements.
- f) Legal documentation and financial covenants, together with credit rating considerations.
- g) Whether retail or wholesale debt issue.

Treasury Risk Management Policy

SECTION FOUR

Investment Policy and Limits

1. General Policy

1.1 The Council is currently a net borrower of funds and will generally apply surplus funds to debt repayment and, wherever possible, internally borrow from reserve funds to meet future capital expenditure. The Council may invest liquid funds externally for the following reasons:

- a) Strategic purposes consistent with the Council's LTP.
- b) Holding short term liquid investments for general working capital requirements or any other cash management objective.
- c) Holding investments that are necessary to carry out the Council operations consistent with annual plans.
- d) Holding investments for self-insured infrastructural assets and contingency reserves.
- e) To meet liquidity requirements of S&P Global in terms of their credit assessment criteria.

1.2 The Council recognises that, as a responsible public authority, any investments that it holds should be low risk. It also recognises that lower risk generally means lower returns. The investments tabled in section five are considered low risk.

1.3 Any investments considered by officers considered to be greater than a 'low' risk must be discussed and approved by Council, specifically acknowledging the level of risk.

1.4 In its financial investment activity, the Council's primary objective when investing is the protection of its investment. Accordingly, only credit-worthy counterparties are acceptable.

2. Investment Mix

2.1 The Council maintains investments in the following assets from time to time:

- Equity investments, including CCOs/CCTOs and other shareholdings
- Property investments incorporating land, buildings
- Financial investments incorporating longer term and liquidity investments.

3. Equity Investments

3.1 The Council's current equity investments are held in WRC Holdings Limited (100%):

- WRC Holdings Limited owns the following companies:
 - 76.9% (10/13) of CentrePort Ltd (CentrePort)
 - Greater Wellington Rail Ltd (GWRL)

3.2 CentrePort was established under the Port Companies Act 1998 and GWRL is a CCO.

Treasury Risk Management Policy

4. Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs)

4.1 The Council is responsible for the appointment of the board of directors for the Council's CCOs and CCTOs. Any asset additions or disposals of note are approved by directors, unless they are significant, as defined by the companies' constitutions, at which point shareholder approval is required.

4.2 The objectives of the Council's CCOs and CCTOs are to:

- a) Seek commercial, strategic and other community objectives.
- b) Separate the Council's investments and commercial assets from its public good assets.
- c) Impose a commercial discipline.
- d) Appropriate separation of management and governance.

4.3 The Council manages risk associated with CCOs and CCTOs by:

- a) Appointing suitably qualified external directors
- b) Receiving regular reports from directors
- c) Using external advisors when required
- d) Providing input into the statements of corporate intent and constitutions of the CCOs and CCTOs.

5. New Zealand Local Government Funding Agency Limited Investment

5.1 Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA) and may borrow to fund that investment.

5.2 The Council's objective in making any such investment will be to:

- a) obtain a return on the investment; and
- b) ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

5.3 Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

5.4 If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

6. Other Investments

6.1 The Council's other investments are:

- CentrePort
- Forestry Investments
- Wellington Regional Stadium Trust advances
- Liquid financial investments
- Contingency funds
- Carbon credits

Treasury Risk Management Policy

7. CentrePort

7.1 The Council, through WRC Holdings Ltd owns 76.9% (10/13) of CentrePort. CentrePort operates under the Port Companies Act 1988. It is not a CCTO under the Local Government Act 2002.

7.2 WRC Holdings Limited, along with the other shareholder in CentrePort, is responsible for appointing the CentrePort Board of Directors who, in turn, are responsible for the operation of the company. Any major transactions, as defined in the company's constitution or the Companies Act 1993, require the approval of the shareholders. WRC Holdings Limited, as a shareholder, has input into CentrePort's statement of corporate intent and constitution and receives regular reports and briefings.

7.3 The Council manages risk associated with CentrePort by:

- a) Appointing suitably qualified external directors.
- b) Appointing of the Council's Group Manager Finance and Risk as reporting officer for the Council in respect of CentrePort.
- c) The Council receiving formal briefings and reports twice a year.
- d) The Group Manager Finance and Risk receiving quarterly briefings and monthly reports.
- e) Providing input into CentrePort's Statement of Corporate Intent.

8. Forestry Investments

8.1 The Council has investments in forestry which are managed on a commercial basis, but also minimise soil erosion and water sedimentation (for land which is held for water catchment purposes).

Note: The Council sold its cutting rights to its forestry investments for a period of up to 60 years, concluding in 2073/74.

9. Wellington Regional Stadium Trust Advances

9.1 The Council has lent \$25 million to the Wellington Regional Stadium Trust and is proposing to lender further sums. The \$25 million advance is interest free with limited rights of recourse. The Council will continue to hold the advance until repayment. It receives regular reports from the Stadium Trust on the Trust's performance. The Council and Wellington City Council, as the settlors of the Trust, appoint the trustees to the Stadium Trust.

9.2 The Council has provided a \$4.2 million shared credit facility with Wellington City Council. The facility is fully drawn, interest bearing at 3% and due for repayment on 07 December 2030.

10. Liquid Financial Investments

10.1 The Council's primary objective when investing is the protection of its investment capital and the maximisation of its returns. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties and investment restrictions are covered in section 5 (11) of this policy. Credit ratings are monitored on a regular basis by the Manager Treasury.

10.2 For the foreseeable future, the Council will be in a net borrowing position and liquid investment funds will be prudently invested as follows:

- a) Any liquid investments will be restricted to a term that meets future cash flow and capital expenditure projections.
- b) Interest income from financial investments will be credited to general funds.
- c) Internal borrowing will be used wherever possible to avoid external borrowing.

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10.3 The Council may invest in acceptable liquid debt instruments and make interest rate duration positions using investor swaps. This will further meet the Council's objectives of investing in high credit quality and highly liquid assets, yet allow for optimal interest rate decisions.

10.4 The Council's external investment interest rate profile will be managed within the parameters outlined in section 5 (6) of this policy.

11. Contingency Funds

11.1 The Council currently has monies set aside in liquid funds that may be used when an event occurs such that the funds are required by the business.

11.2 From time to time the Council may set aside funds for such contingency purposes, which will be held in a readily available form.

12. Special Funds and Reserve Funds

12.1 Liquid assets will not be required to be held against special funds and reserve funds. Instead, the Council will internally utilise or borrow these funds wherever possible.

12.2 If interest is accrued from these funds, they will be credited to the particular fund.

13. Carbon Credits and Low Carbon Acceleration Fund

13.1 Approved projects will be funded by internal loans. Both principal and interest charges will be repaid by selling Carbon Credits (LCAF NZUs).

13.2 Internal loans must be repaid within 10 years from the date the internal loan becomes a permanent internal loan.

13.3 All interest costs and repayments of a permanent internal loan must to be extinguished via the sale of Carbon Credits (LCAF NZUs) in the year the internal loan incurs interest.

Council received an allocation of 255,660 NZUs (Carbon Credits, units used in the NZ Emissions Trading Scheme) for its pre-1990 holdings of exotic forestry from the government. Council will leverage these credits by borrowing internal funds to finance projects that will reduce greenhouse gas ('carbon') emissions, this mechanism is known as the Low Carbon Acceleration Fund (LCAF).

13.4 The total value of the unsold Carbon Credits (LCAF NZUs) is required to be at least 90% of the total remaining internal loans and their projected interest it is designed to repay.

Note: The Council has received additional NZUs for carbon sequestration by its post-1989 for its native forests and will continue to do so for their further growth and future new plantings. These NZUs units are not part of the LCAF.

14. Investments in fossil fuels

14.1 The Council has a policy to divest from any direct investment in fossil fuel extraction industries and investigate existing non direct investment with a view to preventing future investment where practical.

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15. General Rates Operating Surplus¹

15.1 The actual general rates operating surplus is to be allocated to the general rates reserve account for the purpose of reducing future rates. This could be achieved by:

- a) Repaying debt, or reducing need to raise debt
- b) Funding expenditure that would be funded from general rates revenue

15.2 A surplus general rate revenue is calculated by: General Rates + Other Income (unless for a capital project) – Expenditure (that is not loan funded) – Finance costs – Overheads +/- Investment or Reserve movements.

16. Surplus from targeted rates

16.1 Targeted rates may incur a surplus for the same reasons a general rate would, however the use of this surplus is restricted to being utilised for the activity in which that targeted rate was collecting for.

16.2 This surplus revenue may be used for:

- a) Reducing the impact to those targeted ratepayers for the same activity in the following financial year
- b) Increasing the reserves required for the activity to be spent in later years of the Long-Term Plan

¹ Council may generate operating surpluses due to factors such as sale of Council assets or increased rateable units throughout a financial year etc. The surplus varies from year to year and is not easily forecasted, however, council uses the revenue to consistently to reduce future impacts to ratepayers.

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SECTION FIVE

Risk Recognition / Identification Management

The definition and recognition of interest rate, liquidity, funding, counterparty credit, market, operational and legal risk of the Council, will be as detailed below and will apply to both the Liability Management Policy and Investment Policy.

1. Interest Rate Risk Recognition

1.1 Interest rate risk is the risk that investment returns or funding costs will be materially different from those in annual plans and the LTP.

1.2 The primary objective of interest rate risk management is to reduce uncertainty to interest rate movements through fixing of investment returns or funding costs. This will be achieved through the active management of underlying interest rate exposures.

2. Approved Financial Instruments

2.1 Dealing in interest rate products will be limited to financial instruments approved by the Council. Approved interest rate instruments are:

Category	Instrument
Cash Management and Borrowing	<ul style="list-style-type: none"> ▪ Bank overdraft ▪ Committed cash advance and debt funding facilities (short-term and long-term loan facilities) ▪ Committed standby facilities where offered by the LGFA ▪ Uncommitted money market facilities ▪ Wholesale Bond and Floating Rate Note (FRN) issues ▪ Commercial paper (CP) ▪ New Zealand Dollar (NZD) denominated local or offshore private placements. ▪ Retail bond and FRN issues ▪ Forward starting committed term debt with the LGFA
Investments	<ul style="list-style-type: none"> ▪ Short-term bank deposits ▪ Bank bills ▪ Bank registered certificates of deposit (RCD's) ▪ Local authority stock or State-owned Enterprise (SOE) bonds and FRNs ▪ Corporate / bank senior bonds ▪ Floating Rate Notes ▪ Promissory notes / Commercial paper ▪ Redeemable Preference Shares (RPS) ▪ LGFA borrower notes ▪ Carbon credits
Interest Rate Risk Management	<ul style="list-style-type: none"> ▪ Forward rate agreements (FRAs) on: <ul style="list-style-type: none"> ○ Bank bills ▪ Interest rate swaps including: <ul style="list-style-type: none"> ○ Forward start swaps ○ Amortising swaps (whereby notional principal amount reduces)

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	<ul style="list-style-type: none"> ○ Swap extensions, deferrals and shortenings ▪ Interest rate options on: <ul style="list-style-type: none"> ○ Bank bills (purchased caps and one-for-one collars) ○ Interest rate swaptions (purchased and one-for-one collars only)
Foreign Exchange Risk Management	<ul style="list-style-type: none"> ▪ Foreign currency deposits ▪ Purchased currency options ▪ Collars (one-for-one) ▪ Forward foreign exchange contracts

2.2 Any other financial instrument must be specifically approved by the Council on a case-by-case basis and only be applied to the one singular transaction being approved. Credit exposure on these financial instruments will be restricted by specified counterparty credit limits.

2.3 All unsecured investment securities must be senior in ranking. The following types of investment instruments are expressly excluded;

- I. Structured debt where issuing entities are not a primary borrower / issuer
- II. Subordinated debt (other than Borrower Notes subscribed from the LGFA), junior debt, perpetual notes and debt/equity hybrid notes such as convertibles.

3. Interest rate exposure

3.1 Exposure to interest rate risk is managed and mitigated through the controls defined in the table below: Council's forecast gross external debt should be within the following fixed/floating interest rate risk control limits.

Debt Interest Rate Policy Parameters <i>(calculated on rolling monthly basis)</i>		
Debt Period Ending	Minimum Fixed	Maximum Fixed
Current	40%	90%
Year 1	40%	90%
Year 2	35%	85%
Year 3	30%	80%
Year 4	25%	75%
Year 5	20%	70%
Year 6	0%	65%
Year 7	0%	60%
Year 8	0%	55%
Year 9	0%	50%
Year 10	0%	50%**
Year 11	0%	50%**
Year 12	0%	50%**
Year 13	0%	50%**
Year 14	0%	50%**
Year 15	0%	50%**
Year 16*	0%	50%**

*Council management has delegated authority to tactically position the interest rate risk portfolio within approved ranges out to a maximum period of 16 years, based on anticipated future interest rate movements. The exception to this will be if LGFA introduce funding terms exceeding 16 years; in this event, management can position the interest rate portfolio to maturities that match LGFA funding terms. Council may enter into interest rate swaps beyond 16 years where LGFA debt

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exceeds this term, but only where the swap is used to convert Fixed or Floating rate LGFA debt, i.e. there is a corresponding LGFA debt position.

*** The maximum hedging percentage each year for fixed rate or hedged debt beyond 10 years is 50 % of forecast debt but shall not exceed 100 % of existing debt.*

3.2 A fixed rate maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile outside of the above limits beyond 90-days requires specific approval by Council.

3.3 Forecast gross external debt is the amount of total external debt for a given period. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed (signed off by the Group Manager Finance and Risk or Head of Finance), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the Policy minimum and maximum limits. Forecast gross external debt excludes any pre-funded debt amounts.

3.4 The Group Manager Finance and Risk can consider alternative debt forecast scenarios that make assumptions around such matters as, the delivery and timing of the capital expenditure programme when designing and approving the interest rate strategy.

- **“Net debt”** is all external debt ((existing and forecast) including WRC Holdings Limited) at the given debt ending period net of any liquid financial assets and investments and excluding CentrePort Limited debt.
- **“Fixed Rate”** is defined as all known interest rate obligations on forecast gross external debt, including where hedging instruments have fixed movements in the applicable reset rate.
- **“Floating Rate”** is defined as any interest rate obligation subject to movements in the applicable reset rate.

3.5 Fixed interest rate percentages are calculated based on the average amount of fixed interest rate obligations relative to the average forecast gross external debt amounts for the given period (as defined in the table above).

4. Use of Approved Interest Rate Management Instruments

4.1 Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, one side of the collar cannot be closed out by itself, both must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate “in-the-money”.

4.2 Purchased borrower swaptions must mature within 12 months.

4.3 Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation.

4.4 The forward start period on swap/collar strategies is to be no more than 36 months unless the forward starting swap/collar starts on the expiry date of an existing fixed interest rate instrument (i.e. either derivative or fixed rate borrowings) and has a notional amount which is no more than that of the existing fixed interest rate instrument.

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5. WRC Holdings Limited

5.1 WRC Holdings has wholesale interest rate risk arising from its borrowing activity from GWRC. This borrowing typically has a term of up to three years and is either on a floating rate or fixed rate basis. WRC Holdings can determine its own mix of fixed and floating rate debt, managing its interest rate risk through either fixed rate debt or using interest rate swaps. Any fixing or hedging of interest rate risk can be no more than 100% of the current, outstanding borrowed amount and for a term of no greater than three years. Any interest rate strategy is approved by the Group Manager Finance and Risk of the Council.

6. Liquid Financial Investment Portfolio

6.1 The following interest rate re-pricing percentages are calculated on the projected 12-month rolling Financial Investment Portfolio total. This allows for pre-hedging in advance of projected physical receipt of new funds. When cash flow projections are changed, the interest rate re-pricing risk profile may be adjusted to comply with the policy limits.

Interest Rate Re-Pricing Period	Minimum Limit	Maximum Limit
0 to 1 year	70%	100%
1 to 5 years	0%	30%

6.2 To ensure maximum liquidity, any interest rate position up to five years will be made with acceptable financial instruments such as investor swaps.

6.3 The re-pricing risk mix may be changed, within the above limits through selling/purchasing fixed income investments and/or using approved financial instruments, such as swaps.

7. Special Funds/Reserve Funds

7.1 Where such funds are deemed necessary, they will be used for internal borrowing purposes. This will negate counterparty credit risk and any interest rate gap risk that occurs when the Council borrows at a higher rate compared to the investment rate achieved by special/reserve funds.

7.2 Liquid assets will not be required to be held against special funds or reserve funds unless such funds are required to be held within a trust. For non-trust funds, the Council will manage these funds using internal borrowing facilities.

8. Liquidity Risk / Funding Risk

8.1 Cash flow deficits in various future periods based on long-term financial forecasts are reliant on the maturity structure of loans and facilities. Liquidity risk management focuses on the ability to borrow at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time, in order to achieve pricing (fees and borrowing margins) and maturity terms that are the same or better than existing facilities.

8.2 Managing the Council's funding risks is important as changing circumstances can cause an adverse movement in borrowing margins, term availability and general flexibility such as:

8.3 Local Government risk is priced to a higher fee and margin level.

8.4 The Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons.

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- 8.5 A large individual lender to the Council experiences its own financial/exposure difficulties resulting in the Council not being able to manage its debt portfolio as optimally as desired.
- 8.6 New Zealand's investment community experiences a substantial 'over supply' of the Council's investment assets.
- 8.7 A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time. Then, if any of the above circumstances occur, the overall borrowing cost is not unnecessarily increased and the desired maturity profile is not compromised.

9. Liquidity/Funding Risk Control Limits

9.1 These control limits will be determined by the following:

- a) Alternative funding mechanisms, such as leasing, will be evaluated. The evaluation will take into consideration, ownership, redemption value and effective cost of funds.
- b) External debt and available committed loan facilities together with liquid investments, will be maintained at an amount that is greater than 110% of total external debt.
- c) The maturity profile of total external debt in respect to all loans, bonds and committed facilities, will be controlled by the following:

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	10%*	60%

- d) A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval by Council.
- e) To minimise concentration risk, the LGFA require that no more than the greater of NZD 100 million or 33% of a Council's borrowings from the LGFA will mature in any 12-month period.

**When total external debt falls below \$400 million this minimum will reduce to 0%.*

- 9.2 The Group Manager Finance and Risk will have the discretionary authority to re-finance existing debt.
- 9.3 The Council may pre-fund its forecasted debt requirements up to 18 months in advance including the re-financing of existing debt maturities. Once debt has been refinanced with a contracted term deposit (pre-funded), the term deposit amount, will net off the maturing debt amount, from the funding maturity profile percentage calculation.

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10. Commercial Paper

- 10.1 Commercial Paper² (CP) should not be issued to fund core term debt requirements unless there are bank standby, committed bank or committed undrawn lending facilities that are available to cover any outstanding CP. As a result, any undrawn credit lines to cover maturing CP do not count as excess liquidity.
- 10.2 Nevertheless, the coverage of CP by back-up facilities is a Credit Rating Agency requirement, and the Council will adhere to the requirements of the rating agencies in the first instance.
- 10.3 The exception to the above is where CP is used for working capital or bridging financing purposes and where certain, know or contracted cashflows are used to repay the CP on maturity.

11. Counterparty Credit Risk

- 11.1 Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument.
- 11.2 Credit risk will be regularly reviewed by the Council. Treasury related transactions will only be entered into with organisations specifically approved by the Council.
- 11.3 Counterparties and limits may only be approved on the basis of long-term credit ratings (S&P Global or Moody's) being A- and above or short-term rating of A2 or above, with the exception of New Zealand Local Authorities.
- 11.4 Limits will be spread amongst a number of counterparties to avoid concentrations of credit exposure.
- 11.5 To avoid undue concentration of exposures, financial instruments will be used with as wide a range of counterparties as possible. Where possible, transaction notional sizes and maturities will also be well spread. The approval process to allow the use of individual financial instruments will take into account the liquidity of the market in which the instrument is traded and repriced.

² Commercial Paper is a promissory note, akin to a post-dated cheque. It is colloquially known as one name paper issued by a non-bank borrower, as distinct from bank paper, or a bankers acceptance which has two or more names (parties) who are liable to honour the debt on maturity if the acceptor (bank) fails to.

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11.6 The following matrix guide will determine limits:

Issuer / counterparty	Instruments	Minimum credit rating (short-term / long-term)	Maximum exposure per counterparty(NZD) % of rates revenue	Maximum exposure per counterparty grouping as a % of rates revenue
New Zealand Government	Treasury bills, NZ government bonds, debt issued by entities explicitly guaranteed by the NZ Government	n/a	unlimited	100%
RBNZ registered banks	Bank deposits, bank bills, bank bonds, interest rate risk management contracts, foreign exchange contracts	A1+ / AA-	60%	100%
		A1+ / A+	40%	
		A1 / A	25%	
		A1 / A-	15%	
Offshore banks	Bank deposits, bank bills, bank bonds, interest rate risk management contracts, foreign exchange contracts	A1 / A	15%	75%
Local Government Funding Agency	Borrower notes	n/a	60%	60%
Local authorities – rated	Local authority bonds, CP	A1+ / AA-	20%	20%
Local authorities - non rated	Local authority bonds, CP	n/a	10%	10%
Other issuers including state owned enterprises, listed and unlisted companies	Commercial paper, corporate bonds	A1+ / AA-	5%	10%
		A1 / A-	5%	5%

* Current counterparty credit ratings will be reviewed and monitored monthly. The definition of annual rates revenue includes water levy.

11.7 In determining the usage of the above gross limits, the following product weightings will be used:

- Financial investments (e.g. deposits, bonds) -100% of the principal value.
- Interest Rate Risk Management* (e.g. swaps, FRAs) – Any positive month-end mark to market value (as provided by the treasury management system) plus: 3% of the notional principal for all interest rate hedging instruments.
- Foreign Exchange instruments* (e.g. Forward Exchange Contracts) – Any positive month-end mark to market value (as provided by the treasury management system) plus 30 % of the notional value of the instrument.

*GWRC will not net off marked to market values against counterparties. Only positive marked to market values (from GWRC's perspective) will contribute to the counterparty calculation. Negative marked to market values will always have a value of zero for counterparty calculation purposes.

11.8 Each transaction will be entered into a reporting spreadsheet and a monthly report will be prepared to show assessed counterparty actual exposure versus limits.

11.9 The above limits may be amended by Council, especially in the case where the NZ Government credit rating is changed.

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11.10 Individual counterparty limits will be kept on a register by management and updated on a day-to-day basis. Specific approvals will be made by the Group Manager Finance and Risk. Credit ratings will be reviewed by the Manager Treasury on an ongoing basis and in the event of material credit downgrades, this will be immediately reported to the Group Manager Finance and Risk and the Council and assessed against exposure limits. Counterparties exceeding limits will be reported to the Council.

12. Borrowing Mechanisms for Council Controlled Organisations and Council Controlled Trading Organisations

12.1 To better achieve its strategic, community and commercial objectives, Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs

12.2 Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.

12.3 Any lending arrangement (direct or indirect) to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval, the Group Manager Finance and Risk considers the following:

- a) Credit risk profile of the borrowing entity, and the ability to repay interest and principal amount outstanding on due date.
- b) Impact on Council's credit standing and rating, debt cap amount (where applied), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- c) The form and quality of security arrangements provided.
- d) The lending rate given factors such as: CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.
- e) Lending arrangements to the CCO or CCTO must be documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties.
- f) Accounting and taxation impact of on-lending arrangement.

12.4 All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed by Council's independent legal counsel and approved by Council.

13. To CentrePort Debt and Guaranteeing Debt

13.1 The Council, through its wholly owned CCO WRC Holdings Limited, is a 76.9% (10/13) owner of the Port Company CentrePort Limited. From time to time the Council will guarantee these obligations, given that the level of CentrePort's debt varies over time and the lenders to CentrePort may also change.

13.2 The Council, by providing a guarantee, formally recognises this relationship and as a result means CentrePort can borrow funds at a similar cost to the Council. This is cheaper than borrowing on its own, ultimately resulting in a financial benefit to the rate payers.

13.3 The Council may lend funds directly to CentrePort when it believes that there is further benefit to be given to the ratepayer.

13.4 CentrePort may wish from time to time if it has surplus funds to invest those with Council in the form of short-term debt securities at prevailing rates.

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14. Foreign Exchange Risk Recognition

14.1 The Council's policy is to identify and record these risks by their respective types and then to manage each risk under predetermined and separately defined policies and risk control limits.

14.2 It is prudent practice to pre-hedge potential adverse foreign exchange rate movements on capital imports from the time the capital expenditure budget is approved by Council. There is a risk that the net NZ dollar cost could increase substantially between the time the expenditure is approved by Council and the actual placement of the purchase order. It is expected that the payment currency and payments schedule are known at the time the purchase order is issued and the contract is signed with the supplier.

14.3 The Council has foreign exchange risks on imported items or services (capital and operating expenditure). There is a contingent risk when there is a time lapse between expenditure approval and placement of orders or finalisation of contracts and a further risk when the contract is signed, or order is placed.

14.4 **Full risk:** is at the time the expenditure is approved and legal commitments are made.

15. Foreign Exchange Risk Control Limits

15.1 All individual items/services greater than NZ\$100,000 must be hedged at all times in accordance with the following risk control limits:

Time – point	Exposure hedged by forward exchange contracts or options	Exposure hedged by purchased foreign exchange options
1. Budget approved by Council – (Medium Probability)		Maximum 50%
2. Specific item approved – (High probability)		Maximum 100%
3. Contract / Order confirmed – (Undoubted Risk)	Minimum 100%	

16. Use of Foreign Exchange Instruments and Forecasting

16.1 Financial instruments, other than those stipulated in section 5 (2), will require Council approval. Foreign exchange options will not be sold outright. The purchase price paid for an option (premium) will be amortised (spread) over the period of cover and added to the actual average exchange rate achieved.

16.2 All significant tenders will allow bidders the opportunity to select desired currencies and where possible, allow for suppliers to transparently link price escalations to clear financial market references.

16.3 Project managers will update any assumptions prior to budgets being finalised and, where necessary, discuss with the Manager Treasury and Head of Finance. The following approach will be used when calculating foreign exchange rates for budgeting purposes:

- In determining a suitable foreign exchange rate to use in the calculation of budgets for procurement purposes, a purchased NZD Put option at the market forward rate to the middle of the budgeted financial year is used. The all-up premium cost in dollar terms of the option expressed in foreign exchange points is subtracted from the market forward rate to provide the appropriate budget rate to be used.

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17. Managing Operational Risk

17.1 This Policy is designed to reduce the operational risk, which is the risk of loss as a result of human errors including:

- fraud,
- system failures, or
- inadequate procedures and controls.

17.2 Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood
- Too much reliance is often placed on the specialised skills of one or two people
- Most treasury instruments are executed over the phone

18. Dealing Authorities and Limits

18.1 Transactions will only be executed by those persons and within limits approved by the Council.

19. Segregation of Duties

19.1 There will be adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting. However, there are a small number of people involved in borrowing and investment activity. Accordingly, strict segregation of duties will not always be achievable.

19.2 The risk will be minimised by the following:

- a) The Head of Finance will report directly to the Group Manager Finance and Risk to control the transactional activities of the Manager Treasury.
- b) There will be a documented approval process for borrowing and investment activity.

20. Procedures and controls

20.1 The Group Manager Finance and Risk will have responsibility for establishing appropriate structures, procedures and controls to support borrowing and investment activity.

20.2 All borrowing, investment, cash management and risk management activity will be undertaken in accordance with approved delegations authorised by the Council.

20.3 All treasury products will be recorded and diarised, with appropriate controls and checks over journal entries into the general ledger. Deal capture and reporting will be done immediately following execution and confirmation. Details of procedures, including templates of deal tickets, will be included in a treasury procedures manual separate to this policy. The Council will capture the percentage of deals transacted with banks to determine competitiveness and reconcile the summary.

20.4 Procedures and controls will include:

- a. Regular management reporting
- b. Regular risk assessment, including review of procedures and controls
- c. Organisational systems, procedural and reconciliation controls to ensure:
 - All borrowing and investment activity is bona fide and properly authorised
 - Checks are in place to ensure the Council's accounts and records are updated promptly, accurately and completely

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- All outstanding transactions are revalued regularly and independently of the execution function to ensure accurate reporting and accounting of outstanding exposures and hedging activity
 - Cheque/Electronic Banking Signatories will be approved by the Chief Executive. Dual signatures will be required for all cheques and electronic transfers.
- d. All counterparties will be provided with a list (at least annually or at the time of key personnel changes) of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.
 - e. All deals will be recorded on properly formatted deal tickets by the Manager Treasury and approved, where required, by the Group Manager Finance and Risk. Market quotes for deals (other than cash management transactions) will be perused by the Manager Treasury before the transaction is executed. Deal summary records for borrowing, investments, interest rate risk management and cash management transactions (on spreadsheets) will be maintained and updated promptly following completion of transaction.
 - f. GWRC generated deal tickets may be approved by electronic /email means where the approver is not in the office or its more efficient to do so.
 - g. All inward letter confirmations, including registry confirmations, will be received and checked by the Head of Finance against completed deal tickets and summary spreadsheets records to ensure accuracy.
 - h. Deals, once confirmed, will be filed (deal ticket and attached confirmation) in deal date/number order.
 - i. Any discrepancies arising during deal confirmation checks which require amendment to the Council records will be signed off by the Group Manager Finance and Risk.
 - j. The majority of borrowing and investment payments will be settled by direct debit authority.
 - k. For electronic payments, batches will be set up electronically. These batches will be checked by the Head of Finance to ensure settlement details are correct. Payment details will be authorised by two approved signatories as per Council registers.
 - l. Bank reconciliations will be performed monthly by the Head of Finance. Any unresolved unreconciled items arising during bank statement reconciliation which require amendment to the Council's records will be signed off by the Group Manager Finance and Risk. A monthly reconciliation of the Debt Management system and borrowing and investment spreadsheets to the general ledger will be carried out by the Manager Treasury and reconciliation reviewed by the Head of Finance.

21. Managing legal risk

21.1 Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction, usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, the Council may be exposed to such risks.

21.2 In the event that the Council is unable to enforce its rights due to deficient or inaccurate documentation, the Council will seek to minimise this risk by:

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- a) The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- b) The matching of third-party confirmations and the immediate follow-up of anomalies.
- c) The use of expert advice for any non-standardised transactions.

22. Agreements

22.1 Financial instruments will only be entered into with banks that have in place an executed International Swap Dealer's Association (ISDA) Master Agreement with the Council. All ISDA Master Agreements for financial instruments will be signed under seal by the Council.

22.2 The Council's internal/appointed legal counsel will sign-off on all documentation for new loan borrowings, re-financings and investment structures.

22.3 Currently, the Council has ISDA agreements with the following banks:

- Bank of New Zealand
- ANZ Banking Group (New Zealand) Ltd
- ASB/CBA Bank
- Westpac
- Kiwibank

23. Financial Covenants and Other Obligations

23.1 The Council will not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

23.2 The Council will comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

24. Diesel hedging

24.1 Other risks, such as commodity price risk associated with diesel, will be considered for risk management by the Council. Management is aware of the indirect risk to diesel procurement that is embedded in existing transport contracts. To this end the Council has delegated to the Group Manager Finance and Risk the power to enter into any price hedges or options with the following conditions:

- a) The Group Manager, Finance & Risk will report any hedges to the Council on a quarterly basis
- b) Maximum term of a hedge or option contract once it becomes operational is one year
- c) Contracts shall only be with a counterparty with a S&P rating of at least A.

25. Electricity Hedging

25.1 Wholesale electricity spot market price risk will be considered for risk management by the Council. Management is aware of the inherent price volatility of the electricity spot market. To this end, the Council has delegated to the Chief Executive the power to enter into price hedges with the following conditions:

Treasury Risk Management Policy

- a) An electricity hedge contract will be in place for the duration of any spot market physical supply agreement.
- b) The price exposure can be hedged via an over-the-counter electricity swaps contract, a contract for difference or a futures contract.
- c) The notional value of the hedge contract will be in New Zealand dollars.
- d) The hedge contract will be for a maximum duration of no more than three years and will be signed no earlier than 12 months prior to contract commencement.
- e) The expiry of any hedge contract will be no more than four years.
- f) For any given reporting year, the hedge volume will be between 85% and 115% of the expected actual consumption. The hedge ratio will be monitored and reported annually.
- g) The credit rating of the hedge counterparty will be at least investment grade from Standard and Poor's at the time of entering into the contract (i.e., a long-term rating of not less than BBB-). In the event of the rating falling below this, the Council would be advised and a recommendation on how to deal with existing hedges and any new hedges contemplated would be made to the Council. If the preferred hedge counterparty does not have an external credit rating with S&P Global the Group Manager Finance and Risk may review the financial position of the proposed counter-party and provide a recommendation for approval by the Chief Executive.

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Treasury Risk Management Policy

SECTION SIX

Cash

1. Cash Management

1.1. The Manager Treasury has the responsibility to carry out the day-to-day cash and short-term debt management activities. The Manager Treasury will:

- Calculate and maintain comprehensive cash flow projections on a daily (two weeks forward), weekly (four weeks forward), monthly (12 months forward) and annual (five years) basis
- Electronically download all the Council bank account information daily
- Co-ordinate the Council's operating units to determine daily cash inflows and outflows with the objective of managing the cash position within approved parameters
- Undertake short-term borrowing functions as required, minimising overdraft costs
- Ensure efficient cash management, through improvement to accurate forecasting using spreadsheet modelling
- Minimise fees and bank/Government charges by optimising bank account/facility structures
- Monitor the Council's usage of cash advance facilities
- Match future cashflows to smooth over time

1.2. Maximise the return from available funds by ensuring significant payments are made within the vendor's payment terms, but no earlier than required, unless there is a financial benefit from doing so.

Treasury Risk Management Policy

SECTION SEVEN

Measuring Treasury Performance

1. Measuring Treasury Performance

1.1. In order to determine the success of the Council's treasury management function, benchmarks and performance measures have been prescribed. Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) will be reported to the Finance, Risk and Assurance Committee on a quarterly basis.

2. Operational performance

2.1. All treasury limits will be complied with, including, but not limited to, counterparty credit limits, dealing limits and exposure limits. All treasury deadlines will be met, including reporting deadlines.

3. Management of debt, investments and interest rate risk

3.1. The actual funding cost for the Council (taking into consideration costs of entering into interest rate risk management transactions) will be below the budgeted interest cost and investment returns will be above the budgeted interest rate income.

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Treasury Risk Management Policy

SECTION EIGHT

Reporting

1. Reporting – Performance Measurement

1.1 When budgeting forecast interest costs/returns, the actual physical position of existing loans, investments and interest rate instruments must be incorporated.

2. Treasury Reporting

2.2 The following reports will be produced:

Report Name	Frequency	Prepared by	Recipient
Treasury Exceptions Report	Upon occurrence	Manager Treasury	Group Manager Finance and Risk and Head of Finance
Risk Exposure position	Monthly	Head of Finance / Manager Treasury	
Policy Compliance			
Interest rate exposure			
Funding risk report			
Cash flow forecast			
Treasury investments			
Cost of funds		Quarterly	
Borrowing limits	Quarterly		
Summary Treasury Report	Monthly Quarterly		
Limits Report	Daily on exceptions Quarterly on exceptions	Head of Finance	Manager Treasury / Finance, Risk and Assurance
Revaluation of financial instruments	Quarterly	Manager Treasury	Group Manager Finance and Risk / Finance, Risk and Assurance
LGFA covenant reporting	At least annually	Manager Treasury	LGFA and Group Manager Finance and Risk
Counterparty credit compliance report	Monthly	Manager Treasury	Group Manager Finance and Risk and Head of Finance

Treasury Risk Management Policy

3. Accounting treatment of financial instruments

- 1.1 The Council uses financial arrangements (derivatives) for the primary purpose of reducing its financial risk to fluctuations in interest rates. The purpose of this section is to articulate Council's accounting treatment of derivatives in a broad sense.
- 1.2 Under NZ IPSAS changes in the fair value of derivatives go through the Income Statement unless derivatives are designated in an effective hedge relationship.
- 1.3 Council's principal objective is to actively manage the Council's interest rate risks within approved limits and chooses not to hedge account. Council accepts that the marked-to-market gains and losses on the revaluation of derivatives can create potential volatility in Council's annual accounts.
- 1.4 The Head of Finance is responsible for advising the Group Manager Finance and Risk of any changes to relevant NZ IPSAS which may result in a change to the accounting treatment of any financial derivative product.
- 1.5 All treasury financial instruments must be revalued (marked-to-market) at least every six months for risk management purposes.

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Treasury Risk Management Policy

SECTION NINE

Policy Review

1. Review of the Treasury Risk Management Policy

- 1.1 This Treasury Risk Management Policy will be formally reviewed every three years. The Group Manager Finance and Risk has the responsibility to prepare a review report (following the preparation of annual financial statements) that is presented to the Finance, Risk and Assurance Committee. The report will include:
- a) Recommendations on changes, deletions and additions to the policy.
 - b) Overview of the treasury management function in achieving the stated treasury objectives, including performance trends in actual interest cost against budget (multi-year comparisons).
 - c) Summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension.
 - d) Analysis of bank and lender service provision, share of financial instrument transactions, etc.
 - e) Comments and recommendations from the Council's external auditors on the treasury function, particularly internal controls, accounting treatment and reporting.
 - f) Total net debt servicing costs.
- 1.2 The policy review will be completed and presented to the Finance, Risk and Assurance Committee. The Finance, Risk and Assurance Committee will approve any resulting policy changes.

Treasury Risk Management Policy

ABBREVIATIONS REFERENCE:

CCO	Council Controlled Organisation
CCTO	Council Controlled Trading Organisation
CHIEF EXECUTIVE	Chief Executive
CP	Commercial Paper Commercial Paper is a promissory note, akin to a post-dated cheque. It is colloquially known as one name paper issued by a non-bank borrower, as distinct from bank paper, or a bankers acceptance which has two or more names (parties) who are liable to honour the debt on maturity if the acceptor (bank) fails to.
DTD	Debenture Trust Deed
FRA's	Forward Rate Agreements
FRN's	Floating Rate Notes
GWRL	Greater Wellington Rail Ltd
LGFA	Local Government Funding Agency
LTP	Long-Term Plan
NZU	New Zealand Units used in the NZ Emission Trading Scheme
RCD's	Registered certificates of deposit
RPS	Redeemable Preference Shares
S&P Global	Standard & Poors (Credit Rating Agency)
SOE	State-owned Enterprise
WRC	WRC Holdings Limited

For Decision

REVIEW OF RESOURCE MANAGEMENT CHARGING POLICY

Te take mō te pūrongo

Purpose

1. To advise Council of proposed amendments to the Resource Management Charging Policy and approve the release of these amendments for consultation.

He tūtohu

Recommendations

That Council:

1. **Determines** the user charge recovery percentage for state of the environment monitoring costs as Option 3 – 13.5% (preferred option).
2. **Adopts** the Statement of Proposal (Attachment 1) and Summary of Information (Attachment 2) for the proposed amendments to the Resource Management Charging Policy, in line with state of the environment user charge recovery.
3. **Authorises** the following officer to receive oral submissions on the proposed amendments to the Resource Management Charging Policy:
 - a. Stephen Thawley, Project Leader Environmental Regulation

Te tāhū kōrero

Background

2. The Resource Management Charging Policy 2021-2024 (the Policy) contains the regime of fees and charges for resource management services provided by Greater Wellington. The current structure of the Policy and its overall approach has been in place since 1997.
3. As this review coincides with the Long Term Plan (LTP) 2024-34, it is intended that the Policy be in place for three years.
4. Changes to the Policy are required to be made using the Special Consultative Procedure as set out in section 83 of the Local Government Act 2002 (LGA). This procedure involves issuing a statement of proposal which must be adopted by the Council.

Te tātaritanga Analysis

5. Overall, the Policy is working well - evidenced by the fact that Greater Wellington Regional Council (Greater Wellington) receives very few formal objections to resource management charges under the Policy.
6. The review has focussed on two main areas:
 - a Charge out rate for all resource management services
 - b Annual state of the environment (SOE) monitoring charges for resource consents.

All other changes made are minor in nature.

A copy of the Proposed Resource Management Charging Policy (2024-2027) is provided in **Attachment 3** to this report. The Statement of Proposal and the Summary of Information for the purposes of consultation are attached as **Attachment 1** and **Attachment 2**.

Charge out rate

7. The charge out rate for all resource management services has been reviewed to keep pace with staff costs and market rates since 2021. The current and proposed charge out rates are as follows:

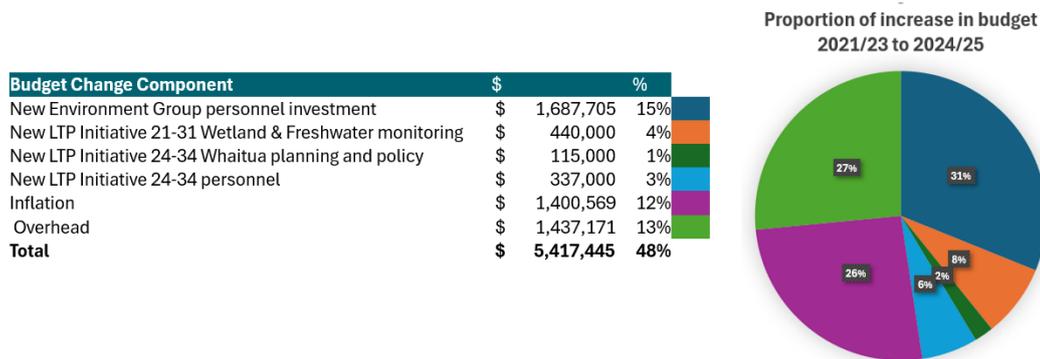
Service	Current rate (excl. GST)	Proposed rate (excl. GST)
Resource management services	\$120/hour	\$130/hour
Consent processing / compliance monitoring services	\$140/hour	\$150/hour
Technical and/or science expert advice services	\$155/hour	\$170/hour

8. As the Policy will be in place for three years alongside the LTP cycle, the charge out rate will be reviewed on an annual basis. Guidance for undertaking these annual reviews within the LTP cycle are outlined in the Policy.

State of the environment charges

9. Consent holders benefit from our state of the environment (SOE) monitoring programme undertaken by our Knowledge and Insights team. Council's Revenue and Financing Policy identifies that 10%-20% of the cost of Knowledge and Insights programmes should be recovered as user charges.
10. The current Policy was set in 2021 to recover 15%, which was an increase from the previous Policy which recovered 12.6%. The increase in recovery to 15% was phased in over three years.
11. Since the last review in 2021, the cost of Knowledge and Insights programmes has increased significantly from \$11.2 million to \$16.7 million. This equates to an increase of \$5,417,445 or 48% over three years. Of this total increase, 15% is for increases in personnel, 12% is inflation, and 13% is overhead. The remaining 8% of the increase is attributed to growth in our wetland and freshwater monitoring programmes, providing

science and insights information to the Whaitua planning and policy programmes and three new monitoring and science roles.



12. Between 2021-2024, these additional costs were not applied to SOE user charges as these increased costs were not forecasted at the time. This has meant that now in 2024, the total amount of SOE user charge and recovery (\$1.86 million) represents only 11.1% of the total costs of our Knowledge and Insights programme. To maintain cost recovery at 15% a total of \$2.5 million of SOE user charges would be required. An increase of 35% from the 2021 Policy SOE cost recovery rate would be required to maintain 15% cost recovery.

Nga kōwhiringa

Options for SOE monitoring charges

13. Four options to set SOE monitoring user charges were presented to a Council workshop on 14 March 2024. At the workshop, an additional fifth option was requested to increase the total recovery to 20%. This option was discussed further in a subsequent workshop on 21 March 2024.

These options are presented below:

Option and cost recovery %		Amount	Increase from current charges
Option 1	Set recovery at 20%	\$3.34 million	80%
Option 2	Set recovery at 15%	\$2.5 million	35%
Option 3	Set recovery at 13.5%	\$2.26 million	22%
Option 4	Set recovery at 12.5%	\$2.1 million	13%
Option 5	No increase in charges (11.1%)	\$1.86 million	0%

14. The increases identified in the options above are an overall average increase for all SOE monitoring charges. There will be a range of increases for various consent types and activities. This is due to changes in consent numbers and resource use pressure since the last review. For example, as the number of discharge to land/water consents has increased which means the costs identified for these consents can be distributed more widely. For other consent types like water takes and discharges to air (which have slightly decreased) the costs cannot be more widely distributed hence the increases are proportionally larger.

15. Officers have reviewed the options and implications for users and we recommend Option 3 for the following reasons:
 - a This option is consistent with the principles outlined in section 2 of the Policy, which requires charges to be fair, reasonable, and predictable.
 - b There are no financial implications (see below) for lowering recovery rate from 15% to 13.5%
 - c This option will increase SOE user charges generally in line with LTP increases proposed
 - d A reasonable amount of the increase in costs between 2021-2024 is not directly attributable to SOE monitoring.
 - e A comprehensive review of our SOE monitoring programme is underway. We will be in a better position to analyse costs during this current LTP cycle.
16. If the preferred option is not selected, and other options for greater cost recovery (i.e. options 1 or 2) are chosen, it is recommended that the following additional actions are considered:
 - a Phasing in of the charges. This would reduce the immediate burden of increased costs from 1 July 2024
 - b Review and extend the list of major activities with special SOE monitoring charges. There are four major activities at present that receive special monitoring charges ranging from \$25,000 to \$75,000. There are some existing activities which could be included in this list of major activities. This would reduce the burden of increased costs on standard/minor activities.

Ngā hua ahumoni

Financial implications

17. The proposed amendments have been costed in consultation with the Finance team. The impact is felt by consent holders (particularly those receiving SOE monitoring charges) and consent applicants. Options 2-4 are all within costings and proposed budgets put forward as part of the LTP cycle. Option 1 will slightly reduce the amount regional ratepayer contribution to Knowledge and Insights, however at the significant cost/expense to consent holders.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

18. There are minimal implications that relate specifically to Māori. We have existing financial commitments to enable mana whenua to provide comments on non-notified resource consents. The increase in our charge out rate enables us to continue to provide an appropriate level of support. Also, the Policy itself provides for mechanisms for Greater Wellington to recover costs that mana whenua incurs for input into regulatory processes.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

19. The matters requiring decision in this report were considered by officers in accordance with the process set out in Greater Wellington's Climate Change Consideration Guide 2020.
20. The proposed matters neither contributes to nor is at odds with Council's and Greater Wellington's policies and commitments relating to climate change.

Ngā tikanga whakatau

Decision-making process

21. The process for deciding these matters is prescribed explicitly by section 83 of the Local Government Act 2002. That prescribed process is Special Consultative Procedure, which provides a consultation period of no less than one month for persons interested in the proposal, with an opportunity to present their view to the Council.
22. Consultation will take place from mid April to mid May 2024. It is anticipated that Council will hear and consider the submissions received on the proposed amendments to the Resource Management Charging Policy at the end of May 2024.

Te hiranga

Significance

23. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of these matters, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers recommend that these matters are of low significance. This is because the matters are updating an existing Policy within current principles outlined in that Policy, the matters have low community interest, and the matters do not impact on Council's capability and capacity.

Te whakatūtakitaki

Engagement

24. All affected consent holders and recent consent applicants will be directly contacted about the proposed amendments. The consultation period will be managed through the 'Have Your Say' community engagement platform.

Ngā tūāoma e whai ake nei

Next steps

25. A Statement of Proposal (Attachment 1) and Summary of Information (Attachment 2) has been prepared for the consultation period as required by the Special Consultative Procedure.
26. Once the consultation period has finished, officers will consider any views/submissions presented. An opportunity will be provided for any person/organisation to speak to their views/submissions. Council will then make a decision on proposed amendments.

**Ngā āpitihanga
Attachments**

Number	Title
1	Draft Statement of Proposal
2	Draft Summary of Information
3	Proposed Resource Management Charging Policy 2024-2027

**Ngā kaiwaitohu
Signatory/Signatories**

Writer	Stephen Thawley – Project Leader, Environmental Regulation James Luty – Manager, Data and Monitoring
Approver	Fathima Iftikhar – Director, Strategy Policy and Regulation David Hipkins – Kaiwhakahaere Matua Taiao Acting Group Manager Environment

**He whakarāpopoto i ngā huritaonga
Summary of considerations**

Fit with Council's roles or with Committee's terms of reference

Council is accountable for the development and review of policies under the RMA, and consultation with the regional community under the LGA.

The proposed changes to the Policy are made under section 36 of the Resource Management Act 1991, section 150 of the Local Government Act 2002, and section 243 of the Building Act 2004

Contribution to Annual Plan / Long Term Plan / Other key strategies and policies

The proposed amendments are intended to be in effect for a three year period to coincide the Long Term Plan (LTP) 2024-2034. Financial considerations of the Policy are consistent with LTP financial planning.

Internal consultation

Internal consultation has been undertaken with Finance, and Strategy & Corporate Planning departments. Consultation with other departments directly affected by proposed amendments will be completed as part of the formal consultation process

Risks and impacts - legal / health and safety etc.

The Resource Management Charging Policy meets the requirements of section 36 of the RMA. There are no health and safety implications arising from the proposed changes to this Policy

Statement of Proposal

Proposed Amendments to the Resource Management Charging Policy

1. Purpose

The purpose of this document is to inform the public and seek feedback on the proposed amendments to the Resource Management Charging Policy for Greater Wellington Regional Council (Greater Wellington).

2. Background

Greater Wellington's Resource Management Charging Policy (the Policy) contains a regime of resource management charges for the Wellington Region including:

- Resource consent application charges
- Consent monitoring charges
- Other charges relating to the Resource Management Act 1991
- Charges for work relating to dams under the Building Act 2004.

Greater Wellington undertakes a wide variety of regulatory functions relating to resource management activities including processing resource consent applications, undertaking compliance monitoring of consent conditions, monitoring the state of our environment, and responding to environmental incidents. The Policy adopts a beneficiary pays principle whereby those who benefit from using natural and physical resources are expected to pay the full costs of that use.

The current structure of the Policy and its overall approach has been in place since 1997. The last changes to the Policy were made in 2021.

The proposed changes to the Policy are made under section 36 of the Resource Management Act 1991, section 150 of the Local Government Act 2002, and section 243 of the Building Act 2004. The charges are consistent with Greater Wellington's Revenue and Financing Policy.

3. Proposal

A review of the Policy has been completed and there are key outcomes which have resulted in some proposed changes to the Policy. Overall, the proposed Policy is intended to be in place for three years in line with the Long Term Plan cycle. A full copy of the proposed Policy and current Policy can be viewed on our website www.gw.govt.nz/fees.

3.1 Principles of charging unaltered

The Policy sets out a number of underlying principles for determining charges. These remain unaltered.

3.2 Consent processing charges

Changes are proposed to the hourly charge-out rate for Greater Wellington staff as follows:

	Current rate (excl GST)	Proposed rate (excl GST)
Resource management services including consent registration, database entry, and notified consent processing support	\$120/hour	\$130/hour
Consent processing and compliance monitoring services including assessment of consent applications, decision recommendations, monitoring of consent conditions	\$140/hour	\$150/hour
Technical or science expert services for technical and/or science expert advice on consent applications or compliance monitoring	\$155/hour	\$170/hour

Adjustments are made to all non-notified initial fixed application fees to reflect the proposed charge out rates and the approximate median cost of processing particular consent types.

3.3 Consent monitoring charges

Currently all consents receive a Consent Monitoring Charge. This charge is made up of three components:

- *Customer service charge* (a fixed charge covering costs incurred for keeping up to date consent records, providing information and advice to consent holders, and other administration costs for maintaining consents)
- *Compliance monitoring charge* (a fixed or variable charge for staff time spent monitoring consents)
- *State of the environment monitoring charge* (a fixed or variable charge covering a proportion of costs incurred for environmental monitoring and investigations).

3.3.1 Customer service charge

The **customer service charge** for every consent is proposed to increase from \$70/year to \$75/year. Where there are multiple consents for the same activity in place, a discount of \$20/consent applies after the first consent.

3.3.2 Compliance monitoring charge

Only minor changes are proposed to **compliance monitoring charges**. The number of activities with fixed compliance charges (a set amount each year) is reduced. There will be more activities that will now receive variable compliance charges (the actual and reasonable cost of monitoring the consent). All fixed and variable compliance monitoring charges are subject to the proposed changes to the hourly charge out rate as shown in the table above.

3.3.3 State of the environment (SOE) monitoring charge

The current Policy recovered 15% of the total Knowledge and Insights budget from consent holders through **state of the environment monitoring (SOE) charges**. Greater Wellington's Revenue and Financing Policy requires that 10-20% of the cost state of the environment monitoring programmes is recovered as user charges (i.e. SOE monitoring charges). It is proposed to set the recovery rate to TBC% from 1 July 2024 as follows:

	Recovery rate	Total amount
Current Policy (2021)	15%	\$1.69 million
Proposed Policy (2024) - effective 1 July 2024	TBC%	\$TBC million

The review process identified a number of changes that have occurred since 2021 that have influenced the proposed changes to SOE monitoring charges including:

- Changes to consent numbers
- Changes to SOE monitoring programmes
- Changes in level of stress/risk (low, medium, high) for each consent type

This means that there are different rates of increases for different consent types as follows:

Consent type	No. of consents	Current ave. cost	Proposed ave. cost (from 1 July 2024)	Proposed ave. % increase
Land use	62	\$140	\$TBC	TBC%
Surface water takes	308	\$1648	\$TBC	TBC%
Groundwater takes	230	\$824	\$TBC	TBC%
Discharges to water	184	\$2066	\$TBC	TBC%
Discharges to land	643	\$636	\$TBC	TBC%
Discharges to air	150	\$443	\$TBC	TBC%

The most significant increase is for consent holders who discharge contaminants to air or take water. The lowest increase is for consent holders who discharge contaminants to land or water.

3.4 Review of

As the Policy will be in place for three years, it is proposed to complete an annual review of the charge-out rate and SOE monitoring charges and adjusted as required during the period of this Policy. This review will focus only on adjustments required to reflect personnel and programmes costs changes.

4. Reasons for the proposal

4.1 Consent processing and compliance monitoring charges

The proposed changes to the charge out rate are consistent with the range of resource management services provided and the cost changes for those services since 2021. The charge out rate for consent processing services is approximately at the mid-point of other Regional Council charge out rates for similar services.

4.2 Customer service charge

The current charge was phased in from 2021, and the cost is based on half an hour of staff time. The proposed charge represents on average half an hour of staff time cost in 2024, at the new charge out rate.

4.3 State of the environment (SOE) monitoring charges

The costs of our state of the environment (SOE) monitoring activities undertaken by our Knowledge & Insights team have changed since the last review of SOE charges in 2021. All Knowledge & Insights programmes have been assessed to determine the benefit to consented activities balanced against the benefit to the regional ratepayer. There is a wide range – some programmes have no benefit to consented activities (0% recovery) whilst other programmes have 100% benefit to consented activities (e.g. systems managing telemetry of water takes). Greater Wellington believes that the proposed recovery reflects an appropriate balance of users pays and what costs of SOE monitoring should be borne by the regional ratepayer.

4.4 Assessment of options and cost

The current structure and underlying principles of the Policy have been in place since 1997 and are consistent with other regional councils. Any alternative options for funding Greater Wellington's regulatory functions would be contrary to the beneficiary pays principle reflected in section 36 of the Resource Management Act 1991.

5. Consultation and submission process

The consultation period where views and submissions are invited on the proposed amendments to the Policy is from 18 April 2024 – 17 May 2024. You can have your say on the proposed amendments to the Policy by providing either written or verbal submissions.

Written comments and submissions on the proposed amendments to the Resource Management Charging Policy are invited to be received by Greater Wellington by 5pm, 18 May 2024. Written submissions need include your name and contact details and can be completed in the following ways:

- **Online** at <https://www.gw.govt.nz/have-your-say/>
- **By email** to notifications@gw.govt.nz
- **By post** to P O Box 11-646, Wellington or P O Box 41, Masterton
- **By hand** to our offices at 100 Cuba St, Wellington; or 34 Chapel St, Masterton.

Oral submissions can be provided by making an appointment with Stephen Thawley, Project Leader Environmental Regulation (stephen.thawley@gw.govt.nz).

Submitters are requested to indicate in their submission if they wish to be heard in person to support their submission. Submissions may be made publicly available. If you are making a submission as an individual, Greater Wellington will consider removing your personal contact details if you so request in your submission.

Summary of Information - Greater Wellington's Proposed Resource Management Charging Policy (2024-2027)

Greater Wellington has reviewed its Resource Management Charging Policy ("the Policy"). The Policy sets out a regime for resource management charges for the Wellington region including:

- Resource consent application charges
- Consent monitoring charges
- Other charges relating to the Resource Management Act 1991
- Charges for work relating to dams under the Building Act 2004

The charges in the Policy are made in accordance with either section 36 of the Resource Management Act 1991, section 150 of the Local Government Act 2002 or section 243 of the Building Act 2004. The charges are consistent with Greater Wellington's Revenue and Financing Policy.

The review has resulted in some key proposed changes to the Policy including:

- Changes to our charge-out rates for providing resource management services as follows:

Greater Wellington staff:	Current rate	Proposed rate
Resource management services including consent registration, database entry, and notified consent processing support	\$120/hour (excl. GST)	\$130/hour (excl. GST)
Consent processing and compliance monitoring services including assessment of consent applications, decision recommendations, monitoring of consent conditions	\$140/hour (excl. GST)	\$150/hour (excl. GST)
Technical or science expert services for technical and/or science expert advice on consent applications or compliance monitoring	\$155/hour (excl. GST)	\$170/hour (excl. GST)

- A change to our annual customer service charge for consents from \$70/year to \$75/year
- Changes to state of the environment (SOE) monitoring charges to reflect current costs of Knowledge and Insights activities and current consent types and activities.

A copy of the Statement of Proposal and the Policy can be viewed on our website www.gw.govt.nz/fees. The consultation period for the proposed changes is 18 April 2024 – 17 May 2024.

Written comments and submissions on the proposed Resource Management Charging Policy (2024) are invited to be received by Greater Wellington by 5pm, 17 May 2024. Written submissions need include your name and contact details and can be completed in the following ways:

- **Online** at <https://www.gw.govt.nz/have-your-say/>
- **By email** to notifications@gw.govt.nz
- **By post** to P O Box 11-646, Wellington or P O Box 41, Masterton
- **By hand** to our offices at 100 Cuba St, Wellington; or 35-37 Chapel St, Masterton.

Oral submissions can be provided by making an appointment with Stephen Thawley, Project Leader Environmental Regulation (stephen.thawley@gw.govt.nz). Submitters are requested to indicate in their submission if they wish to be heard in person to support their submission. Submissions may be made publicly available. If you are making a submission as an individual, Greater Wellington will consider removing your personal contact details if you so request in your submission.



Proposed Resource Management Charging Policy (2024 – 2027)

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Highlights

The Resource Management Charging Policy ("Policy") contains our regime of resource management charges for the region. It comes into force on 1 July 2024 and includes:

- Resource consent application charges
- Consent monitoring charges
- Charges for not complying with a rule in a regional plan or the Resource Management Act 1991 (RMA)
- Charges for providing information in relation to plans and resource consents
- Application charges for changing a plan or the Regional Policy Statement
- Charges associated with our work administering dams under the Building Act 2004.

The charge out rate for Greater Wellington Regional Council (Greater Wellington) staff for all work relating to our resource management charges is between \$130 – \$170 per hour depending on the level of service provided.

When you apply for a resource consent, an initial fixed application fee is required to be submitted with your application. These fees vary depending on the type of consent you apply for and how your application will be processed. Additional charges may apply depending on the nature and complexity of your application.

Once you receive a consent, you will receive either a one-off or ongoing (eg, quarterly or annual) consent monitoring charge which is split into three parts:

- A customer service charge
- A compliance monitoring charge (variable depending on your consent)
- A state of the environment monitoring (SOE) charge (variable depending on your consent).

Greater Wellington will charge actual and reasonable costs for carrying out and monitoring all abatement notices and enforcement orders. This includes both consented and unconsented activities. All inspections for non-complying environmental incidents will incur a minimum standard charge.

The key changes to the 2021 Policy are:

- From 1 July 2024, there will be an **increase to the charge out rate** for all services. Resource management services increase from \$120/hour to \$130/hour (excl. GST). Consent processing and compliance monitoring services increase from \$1140/hour to \$150/hour (excl. GST). Technical and science expert advice services increase from \$155/hour to \$170/hour (excl. GST).

- An **increase in state of the environment monitoring (SOE) charges**. The last review of SOE charges was undertaken in 2021. Greater Wellington's Revenue and Finance Policy requires that 10-20% of the cost of Environmental Science activities are funded from user charges (SOE charges). In 2021, around 15% of the cost of Environmental Science activities was recovered through the application of this policy. The proposed Policy will recover XX%¹ of the cost of Knowledge & Insights activities.

We have made several other minor amendments to the 2021 – 2024 Policy to update it for 2024 – 2027 Policy.

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¹ The final amount to be recovered is being decided at the 11 April 2024 Council meeting.

Part 1: Policy

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1. Introduction

1.1 About this document

This document is the Resource Management Charging Policy ("Policy") for the Greater Wellington Regional Council (Greater Wellington). It describes the charges that are payable to Greater Wellington for a range of resource management services.

We charge for processing your resource consent application. This charge is made up of an initial fixed application fee and, in some cases, an additional charge when the cost of processing your consent exceeds the initial fixed application fee paid by \$75 or more. Should consent processing costs work out to be at least \$75 below the initial fixed application fee, you will receive a refund.

If you obtain a consent, you will most likely receive a consent monitoring charge.

This document also describes our charges for:

- Processing applications for a change to a Regional Plan or the Regional Policy Statement
- Recovering costs for responding to environmental incidents that are not linked to the operation of a resource consent
- Providing information and/or documents in relation to plans and resource consents
- Administering dams under the Building Act 2004.

All of the charges in the Policy are made under either section 36 of the Resource Management Act 1991, section 150 of the Local Government Act 2002, or section 243 of the Building Act 2004. These charges are also consistent with the Greater Wellington Revenue and Funding Policy.

1.2 Our philosophy

The Resource Management Act has an emphasis on the beneficiary pays principle: those who benefit from the use of natural and physical resources are expected to pay the full costs of that use.

The charges in this Policy reflect that philosophy, but they also recognise that the community benefits from much of the environmental monitoring carried out by Greater Wellington. The regional community is therefore expected to share some of the costs of state of the environment monitoring.

1.3 Access to community resources

Greater Wellington manages the community's resources. No individual owns our rivers, aquifers, air, and coastal waters. They are used by the entire regional community. However, by obtaining a resource consent, individuals can access these resources for their own private use and economic benefit.

Greater Wellington 's job is to facilitate this resource use. But it must also make sure that the resource use is sustainable, meaning that resources are available both now and in the future. The charges for consent applicants and consent holders in this Policy reflect the reasonable cost of Greater Wellington doing this job.

1.4 Customer service

We are a customer service organisation. We want to provide you with excellent service and value for money. You have a right to high-quality service which comes with the payment of your charges.

We recognise your desire to run a successful business or carry out activities on your land. We see ourselves as a partner in that success, looking after your continued access to the resources that are your raw materials.

To this end, the charges in this Policy are:

- Reasonable, fair, and consistent
- Based on the services we deliver
- Able to be estimated before you start your activity.

If you want help with your consent, information about our monitoring programmes, or have a query about your account, email us at notifications@gw.govt.nz or call us on 0800 496 734 and we'll get back to you as soon as we can.

1.5 Charge out rate and SOE cost recovery

Many of the charges identified in this Policy are determined based on staff charge out rates. The staff charge out rates at the commencement of this Policy (1 July 2024) are:

Table 1.1: Charge out rates

Hourly charge out rate	Excl. GST	Incl. GST
Resource management services includes work associated with administration of consent applications, resource consents, and information requests	\$130.00	\$149.50
Consent processing, compliance monitoring, and environmental incident response services includes work associated with processing consent applications, monitoring resource consents and permitted activities, dam activities under the Building Act, and responding to environmental incidents	\$150.00	\$172.50
Technical or science expert services for technical and/or science expert advice on consent applications, compliance monitoring, and environmental incidents	\$170.00	\$195.50

Our state of the environment (SOE) monitoring charges are also determined based on staff and material costs. The SOE charges at the commencement of this Policy (1 July 2024) are set out in Part 2 of this Policy based on costs assessments provided in Appendix 1.

As this Policy will be in force for a three-year period to coincide with the three year cycle for Greater Wellington's Long Term Plan (2024-2034), a review of charge out rates and SOE monitoring charges will be undertaken and adjusted as required during the period of this Policy.

The following process will be undertaken when reviewing charge out rates and SOE monitoring charges:

- The review will be undertaken in May-June each year with any changes commencing from 1 July.
- When reviewing the charge out rate, data will be collated on changes in personnel costs including salary changes during the previous year. Any increase of staff charge out rates will reflect the actual movement in Greater Wellington personnel costs.
- When reviewing SOE monitoring charges, data on costs of SOE monitoring programmes will be used to update charges to ensure the set cost recovery rate of TBC% is maintained.

Following the review, if there are changes made, the Policy will be updated to reflect the changes including the rationale for the changes and demonstration that the changes satisfy the above process and principles outlined in section 2 of this Policy.

1.6 Goods and Services Tax

The charges and formulae described in this document **do not include** GST unless otherwise stated.

2. Principles

The principles which have guided Greater Wellington in setting its resource management charges are set out below.

2.1 Charges must be lawful

Greater Wellington can only levy charges which are allowed by the Resource Management Act, the Local Government Act, and the Building Act.

Section 36 of the Resource Management Act provides for consent application charges, consent administration and monitoring charges, and charges for carrying out state of the environment monitoring. Applications for the preparation of, or changes to, regional plans or policy statements may also be charged. This section also covers charging for information in respect of plans and resource consents and the supply of documents.

Section 150 of the Local Government Act enables Greater Wellington to prescribe the fees payable in respect of any inspection made by Greater Wellington under the Local Government Act or any other legislation. This provides for recovering the costs of responding to environmental incidents.

Section 243 of the Building Act allows for Greater Wellington to impose fees or charges for performing functions and services under the Act. It also allows Greater Wellington to recover its costs from a dam owner should we need to carry out building work in respect of a dangerous dam.

2.2 Charges must be reasonable

The sole purpose of a charge is to recover the reasonable costs incurred by Greater Wellington in respect of the activity to which the charge relates – see Resource Management Act (section 36AAA(2)), Local Government Act (section 150), and Building Act (section 243).

2.3 Charges must be fair

Charges must be fair and relate to consent holders' activities. Greater Wellington can only charge consent holders to the extent that their actions have contributed to the need for Greater Wellington's work.

Greater Wellington must also consider the benefits to the community and to consent holders when setting a charge. It would be inequitable to charge consent holders for resource management work done entirely in the interests of the regional community, with no associated benefits to their resource use, and *vice versa*. We take this into account when setting the proportion of charges we wish to recover for state of the environment and compliance monitoring from an individual consent holder.

Where possible, Greater Wellington will look for opportunities to streamline and improve processes to ensure that consent processing and compliance monitoring functions continue to be cost effective and efficient.

With regard to state of the environment monitoring, Greater Wellington must also relate any charge to the effects of consent holders' activities on the environment (see Resource Management Act section 36AAA(3)(c)).

2.4 Charges must be uniformly applied

Charges should be applied uniformly and consistently to users whose activities require them to hold a consent, and where Greater Wellington incurs ongoing costs.

2.5 Charges must be simple to understand

Charges should be clear and easy to understand. The administration and collection of charges should be simple and cost effective.

2.6 Charges must be transparent

Charges should be calculated in a way that is clear, logical, and justifiable. The work of Greater Wellington for which costs are to be recovered should be identifiable.

2.7 Charges must be predictable and certain

Consent applicants and resource users are entitled to certainty about the cost of their dealings with Greater Wellington. The manner in which charges are set should enable customers to evaluate the extent of their liability.

Resource users need to know the cost of obtaining and maintaining a consent to manage their business and to plan for future growth and development. Charges should not change unnecessarily: any charges must be transparent and fully justified.

2.8 Greater Wellington must act responsibly

Greater Wellington should implement its charging policy in a responsible manner. Where there are significant changes in charges, Greater Wellington should provide advance warning and give consent holders the opportunity to make adjustments.

3. Application charges

3.1 Introduction

This section of this Policy describes our charges for your:

1. Application for a resource consent, application to change conditions or a lapse date on an existing consent, application to transfer an existing consent, certificates of compliance, and deemed permitted activities
2. Application for the preparation or change of a regional plan or the Regional Policy Statement.

3.2 Applications for resource consents

3.2.1 Types of resource consent and resource consent application process

Resource consents permit you to do something that would otherwise contravene the Resource Management Act. Greater Wellington processes the following consent types as classified by section 87 of the RMA:

- Water permit
- Discharge permit
- Land use consent
- Coastal permit

Resource consents are processed as either non-notified, limited notified or publicly notified. The majority of consent applications are processed as non-notified consents. Our staff are happy to provide advice about your application for a resource consent. Our aim is to ensure your application is processed quickly and simply, while meeting the requirements set down in the Resource Management Act.

3.2.2 Charges for processing applications

Greater Wellington charges consent applicants for any costs incurred when processing resource consent applications and most other application types. Charges include the costs of technical assessment, Resource Management Act assessment, peer review work and administration costs. We may also charge for travel time associated with site visits.

Our policy is that we charge the actual and reasonable costs for processing a resource consent application or other application type. This is based on the charge out rates identified in Table 3.1 below.

Table 3.1: Staff charge out rates for processing applications

Hourly charge out rate	Excl. GST	Incl. GST
Resource management services including consent registration, database entry, and notified consent processing support	\$130.00	\$149.50
Consent processing services including assessment of consent applications, decision recommendations	\$150.00	\$172.50
Technical or science expert services for technical and/or science expert advice on consent applications	\$170.00	\$195.50

Note: Staff charge out rates may alter following annual reviews as identified in section 1 of the Policy. The rates are not for any **external** expert services – the direct actual and reasonable costs are applied where external experts are required.

Before beginning to process an application, we require an initial fixed application fee to be paid in full. These application fees are shown in Tables 3.2 and 3.3 and are explained in more detail in sections 3.3 and 3.4.

Under section 36AAB(2) of the Resource Management Act, **we will not begin to process any application until the initial fixed application fee is paid.**

Where processing costs exceed the initial fixed application fee an additional charge for actual and reasonable costs will be billed after the consent has been issued.

Please note that application processing charges apply **even if your consent application is declined or you withdraw your application.**

3.2.3 Charges associated with pre-application advice

Greater Wellington provides a pre-application advice service. Getting things right early in the process can save considerable time and expense later on. We believe it is important that you know how to apply and how your application will be processed.

Staff time for the following pre-application services are **free of charge** for individuals or small-medium enterprises:

- Initial pre-application meeting (1-2 hours)
- Site visit (1-2 hours)
- Follow up written advice following meeting and/or site visit (1- 2 hours).

The staff time associated with our free pre-application service is capped at a total of 1-2 hours for each of the above services and a cumulative total of 4 hours. It is only applicable to non-notified consents where the effects on the environment are considered to be minor.

The free pre-application service does **not** apply in the following circumstances:

- For larger or complex non-notified consents and/or notified consents

- Where external experts are engaged in pre-application services,
- Where time is spent reviewing draft applications including any Assessment of Environmental Effects (AEE).
- When the free pre-application criteria is exceeded.

In the above circumstances we will charge for pre-application services. We will advise you before we start charging for pre-application advice.

Pre-application costs will be calculated at the end of the service. In most instances charges will be invoiced separately and prior to the resource consent application process. In a small number of circumstances the pre-application costs may be included in the final consent processing charges.

3.3 Application charges for non-notified resource consents, and other application types

3.3.1 Schedule of fees

Resource consent applications are processed as non-notified consents (i.e. not advertised in the newspaper and public submissions not called for) if their effects are minor, and those who might be affected by the activity agree to the consent being granted. The initial fixed application fees for non-notified resource consents are outlined in Table 3.2 on the following page.

There are other application types for resource management services. Most of these incur application charges which are also outlined in Table 3.2 on the following page. There are no charges for surrendering a resource consent.

All initial fixed application fees are the average cost of processing the application type. In many cases they will be the total cost you pay. However, for some applications the cost of processing may vary from these charges. In some circumstances you may receive a refund on your application fee or we may require an additional charge. When the processing costs are nearing the application fee paid, and costs are likely to significantly exceed the application fee paid, you will be advised of any potential additional charges.

Table 3.2: Initial fixed application fees for non-notified resource consents, and other application types

Non-notified consent Type (s87 Resource Management Act)	Initial fee (excl. GST)	Initial fee incl. GST)	Hours
Discharge to Land	\$2,660.00	\$3,059.00	18
Discharge to Land/Water / Land Use (combined earthworks and operational stormwater greater than 0.3 hectare)	\$5,960.00	\$6,854.00	40
Discharge to Land/Water / Land Use (earthworks or operational stormwater greater than 0.3 hectare)	\$3,860.00	\$4,439.00	26
Discharge to Land/Water / Land Use (combined earthworks and operational stormwater less than 0.3 hectare)	\$3,860.00	\$4,439.00	26

Non-notified consent Type (s87 Resource Management Act)	Initial fee (excl. GST)	Initial fee incl. GST)	Hours
Discharge to Land/Water / Land Use (earthworks or operational stormwater less than 0.3 hectare)	\$1,460.00	\$1,679.00	10
Discharge to Land / Land Use (intensive winter grazing - standard)	\$1010.00	\$1,161.50	7
Discharge to Land / Land Use (intensive winter grazing – non-standard)	\$2,060.00	\$2,369.00	14
Discharge to Water (other)	\$3,860.00	\$4,439.00	26
Discharge to Air	\$2,660.00	\$3,059.00	18
Take/Use, Water – new application	\$2,360.00	\$2,714.00	16
Take/Use, Water – replacement/renewal application	\$1,910.00	\$2,196.50	13
Dam/Divert Water	\$1,310.00	\$1,506.50	9
Discharge Land/Water / Land Use (vegetation clearance, land clearing, logging, soil disturbance, forestry)	\$2,060.00	\$2,369.00	14
Land Use - works in the bed of a lake or river, bridge, culvert	\$1,310.00	\$1,506.50	9
Land Use (bore) – standard	\$1010.00	\$1,161.50	7*
Land Use (bore) – non-standard (eg, sand trap/bore spear/geotechnical bore outside of Lower Hutt groundwater zone and any community drinking water supply protection area)	\$785.00	\$902.75	5.5*
Coastal Permit (existing boatshed or driving on beaches)	\$935.00	\$1,075.25	6.5
Coastal Permit (other including new boatshed)	\$2,060.00	\$2,369.00	14
Other Consent Types	\$1,460.00	\$1,679.00	10
Change of consent conditions – administrative conditions only (s127) – see key note 3 below	\$710.00	\$816.50	5
Change of consent conditions – all other conditions (s127) – see key note 3 below	\$1,460.00	\$1,679.00	10
Other Application Type	Initial fee (excl. GST)	Initial fee incl. GST)	Hours
Change of lapse date (s125)	\$600.00	\$690.00	4
Transfer of water permit or discharge permit from site to site (s136(2)(b) & s137(3))	\$1,460.00	\$1,679.00	10
Certificate of compliance (s139)	\$1,760.00	\$2,024.00	12
Deemed permitted activities (s87BB) – see key note 4 below	\$450.00	\$517.50	3
Surrender of consent (s138)	No charge		
Transfer of land use consent, coastal permit, water permit, discharge permit to another person at the same site (s134, 135, 136(1), s136(2)(a), s137(1) – see key note 5 below	\$130.00	\$149.50	1

Key notes:

1. The hours specified above for most consent types include 2 hours for resource management services (\$130/hour), and the remaining balance for consent processing services (\$150/hour) and any expert advice. If charge out rates alter following any annual review as identified in section 1 of the Policy, the above initial fixed application fees will be changed to reflect any adjusted charge out rate.
2. The initial fixed application fee for consent types marked with a * includes a consent monitoring charge of \$75.00. This covers 0.5 hours for compliance monitoring (e.g. registering bore logs on our Wells Database). This is because the majority of these consent types are one-off and not monitored with a site inspection.
3. For applications to change consent conditions, *administrative conditions* include monitoring and reporting requirements. *All other conditions* include conditions relating to avoiding, remedying, or mitigating environmental effects, e.g. rates of take/discharge, water quality standards, maintaining environmental flows, construction methodology.
4. Deemed permitted activities (DPAs) are generally invoiced when a decision on a DPA is made in writing. If the actual and reasonable costs are less than the fixed fee of \$450.00, a lesser fee will be applied. If the actual and reasonable costs are greater than the fixed fee of \$450.00, an additional charge will apply.
5. This only applies to transfers of consent(s) to another person/entity which do not include any changes to the activity or conditions. Payment of the fixed fee must be made by one party at the time of submitting the request form. Where other changes are required, the actual and reasonable cost of transferring consent(s) are recovered. These costs are invoiced to the new consent holder at the completion of the transfer.

3.3.2 Waiver of fees

Greater Wellington may, at its discretion, waive non-notified fees in relation to any consents required for wetland restoration. This is because Greater Wellington supports the protection of wetland ecosystems and their restoration.

Where there is more than one application required for the same proposal, an initial fixed application charge is required for each application. In some instances, Greater Wellington may waive, at its discretion, the requirement to pay all initial fixed application fees associated with multiple applications.

3.4 Application charges for limited and publicly notified resource consents

3.4.1 Schedule of fees

In general, a resource consent is **publicly notified** (i.e. advertised on our website and public submissions called for) if its effects are more than minor. Where the effects on the environment are considered to be minor, but it is not possible to obtain the written agreement of all those who might be affected by a proposed activity, the application is **limited notified**.

The fixed application charges for limited and publicly notified consents are required to be paid at two points in time:

1. When the application is lodged (initial application fee)
2. When a hearing is notified (further application fee in the event that a hearing is required to determine the application)

The initial fixed application charges for a limited notified or publicly notified resource consent are as follows:

Table 3.3: Initial fixed application fees for limited notified or publicly notified resource consents

Resource consent process	Initial fee (excl. GST)	Initial fee (incl. GST)
Initial limited notified application fee (up to hearing)	\$10,000	\$11,500
Initial publicly notified application fee (up to hearing)	\$25,000	\$28,750
Further application fee (if hearing scheduled for less than 5 days)	\$25,000	\$28,750
Further application fee (if hearing scheduled for 5 days or more)	\$50,000	\$57,500

Key notes:

1. The initial fixed application fee for limited notified or publicly notified consents applies to each proposal and not each consent application if multiple consents are required for the same proposal.
2. The initial fixed application fee also applies to changes to consent conditions (s127, Resource Management Act) which are required to be processed on a limited notified or publicly notified basis.

Under section 36AAB(2) of the Resource Management Act, the processing of the application will not commence until the initial fixed application fee is paid in full. If a hearing is required, the processing of the application will be stopped and, if required, the hearing postponed until the full fee is paid.

The actual and reasonable cost of processing a limited or publicly notified resource consent varies considerably and is dependent on factors such as how well the applicant has consulted relevant parties, how well the application is prepared, the number of submissions received, and how difficult the issues are to resolve.

3.4.2 Resource consent hearings

The cost of the Hearing Panel when made up from Council members is charged as per the schedule set in the Local Government Members (2023/24) (Local Authorities) Determination 2023 and any further updated Determination. Council members are reimbursed for time spent at a formal site inspection, preparing for a hearing, the hearing, and in deliberations. At the time of writing this Policy the charges are as follows:

- Chairperson of hearing panel – \$116/hour
- Elected member on hearing panel – \$93/hour

Independent commissioners can be appointed to decide your consent application in the following circumstances:

1. An iwi commissioner is commonly appointed to a Hearing Panel
2. Where Greater Wellington considers the issues are sufficiently complex in nature, or there is significant public interest
3. Where there is a conflict of interest, eg, where an internal department of Greater Wellington is applying for resource consent
4. At the request of a submitter
5. At the request of an applicant.

Where independent commissioners are appointed at the request of the applicant or Council, the full costs of the independent commissioners are charged to the applicant.

Where independent commissioners are appointed at the request of submitters, the applicant pays for the hearing costs that would have been incurred if there was a Hearing Panel of Councillors, whilst the balance of any additional costs are passed on to the submitters who requested independent commissioners.

Any disbursements incurred by the Hearing Panel and/or independent commissioners such as photocopying, meals, travel and accommodation are charged to the applicant.

3.4.3 Cost estimates and regular invoicing

For limited and publicly notified resource consent applications we will provide you with a summarised cost estimate which we will update where necessary.

Greater Wellington has the discretion to invoice additional charges during the processing of an application and once processing has been completed. Once any consent processing costs exceed the paid initial fee or further fixed fee, Greater Wellington will regularly invoice (eg, monthly or quarterly) or at key stages of the notified process.

3.4.4 Application charges where the application is processed by Environment Protection Authority or via direct referral to Environment Court

Where an application is processed by the Environment Protection Authority either through any fast track consenting process or when proposal of national significance that the Minister for the Environment directs to be processed by the Environment Protection Authority, Greater Wellington will seek to recover all actual and reasonable costs incurred from the applicant.

Where an application is processed via direct referral to the Environment Court, all actual and reasonable costs incurred by Greater Wellington up to referral of the application to the Environment Court will be charged to the applicant. All costs incurred after that point will be sought through the Environment Court costs order process.

3.5 Application charges for the preparation or change of a Regional Plan or the Regional Policy Statement²

3.5.1 Receiving, accepting or adopting a request

When Greater Wellington receives a request to prepare or change a Regional Plan or to change the Regional Policy Statement, it may treat the request in one of three ways.

Greater Wellington may decide to:

1. Decline the request. In this case, the request would go no further
2. "Accept" the request, but charge the applicant the cost of processing the application
3. "Adopt" the request. In this case we will meet the cost of making the change after the initial assessment.

A request may be adopted if Greater Wellington considers the benefit of the change accrues wholly to the community as distinct from the person or persons making the request.

In all three cases above, we charge the actual and reasonable costs for the initial assessment of the merits of the request. The application charge for this assessment is set out in Table 3.4. The actual costs of this assessment will vary depending on the nature and complexity of the request.

The charge out rate for any actual and reasonable costs are the same as those outlined in Table 3.1.

3.5.2 Schedule of fees

The charges levied by Greater Wellington in relation to a Regional Plan or Regional Policy Statement changes are set out in Table 3.4.

² Only Ministers of the Crown or local authorities can apply to change the Regional Policy Statement.

Table 3.4: Initial fixed application fee for the preparation or change of a Regional Plan or the Regional Policy Statement

	Initial fee (excl. GST)	Initial fee (incl. GST)
Charge for assessing a request before deciding to decline, accept, or adopt it; <u>and</u>	\$6,900.00	\$7,935.00
Charge for processing a request which is accepted; <u>or</u>	\$17,250.00	\$19,837.50
Charge for processing a request which is adopted	No charge	

The charge for processing a change which Greater Wellington has accepted (but not adopted) is intended to provide for:

- Public notification of the change and the calling of submissions
- Preparation of a summary of submissions
- Advertising for further submissions.

The actual cost will vary depending on the number and complexity of submissions received.

The charge **does not** include any cost associated with processing the change after the receipt of further submissions. This is because the amount of work necessary to take the proposed change through the remainder of the process laid down in the First Schedule of the Resource Management Act may vary considerably depending on the magnitude or complexity of the proposal and the number of submissions received.

This can best be estimated once the public has demonstrated its interest in the change through the public submission and further submission phase. We will recover any actual and reasonable costs that exceed the amounts shown in this section by way of an additional charge under section 36 of the Resource Management Act.

We will provide an estimate of the total cost of the application when the period for submissions on the requested change has closed.

If the cost of processing a request which has been accepted is less than \$17,250 (excl. GST), we will refund the difference.

3.6 Charging basis

To process your resource consent application or other application type, or request to change a Regional Plan or the Regional Policy Statement, we charge for our actual and reasonable costs in the following way:

1. Staff services:

Staff time is charged on the basis of actual time spent. The charge-out rate is dependent on the services provided as outlined below:

Hourly charge out rate	Excl. GST
Resource management services including consent registration, database entry, and notified consent processing support	\$130.00
Consent processing or plan change services including assessment of consent applications, decision recommendations	\$150.00
Technical or science expert services for technical and/or science expert advice	\$170.00

Note: Charge out rates may alter following annual reviews as identified in section 1 of the Policy.

2. External consultant services:

External consultant services are charged on the basis of actual and reasonable cost of the services provided.

3. Iwi services:

Where iwi services are required to work through any matters raised through the resource consent process, Greater Wellington will (at its discretion) pass on the actual and reasonable costs of iwi providing those services. This will most likely occur in any resource consent applications where the activity is undertaken in or near a Schedule C site of significance to mana whenua as prescribed in the Natural Resources Plan.

(Explanatory note: Greater Wellington incurs the cost of standard comments provided by iwi for non-notified consent applications. This cost is not passed on to consent applicants. However, in instances such as those described above, there may be considerable time and associated costs for iwi to appropriately advise on a resource consent application. In such instances, consent applicants are encouraged to engage and reimburse iwi services directly. This policy recovers costs of iwi services in the circumstances where it is necessary for Greater Wellington to pass on the actual and reasonable costs of iwi services.

4. Disbursements:

Disbursements include advertising expenses, laboratory analysis, consultants, photocopying (at 20 cents per A4 page), and hearing costs (other than staff time) eg, venue hire.

The fees do not include any charges payable to the Crown in respect of any application (eg, the Maritime New Zealand's fee for checking the navigational safety of maritime structures).

3.7 Resource Management (Discount on Administrative Charges) Regulations 2010

3.7.1 Introduction

Changes to the Resource Management Act in 2009 resulted in the implementation of the Resource Management (Discount on Administrative Charges) Regulations “Discount Regulations” which sets a default discount policy for resource consents that are not processed within statutory timeframes.

Whilst the Discount Regulations allow for Councils to implement a more generous policy, Greater Wellington’s policy is to adhere to the Discount Regulations.

3.7.2 Value and scope of Discount Regulations

The Discount Regulations set out a discount of 1% for each day an application is processed over the statutory timeframes specified in the Resource Management Act, up to a maximum of 50% (ie, 50 working days).

The Discount Regulations apply to the processing of most resource consent applications or applications to change consent conditions. They do not apply to the following:

- Applications to extend consent lapsing periods (s127)
- Consent reviews (s128)
- Certificates of compliance (s139)
- Replacement consent applications when applications are processed prior to the expiry of a resource consent
- When an applicant withdraws a resource consent application.

If your application is not processed within statutory timeframes, you will be advised at the time a decision is made on your consent and a discount will be identified accordingly in line with the Discount Regulations.

If you have any questions regarding your charges and whether the Discount Regulations apply to the processing of your consent, email us at notifications@gw.govt.nz or phone us on 0800 496734.

The Discount Regulations can be viewed in full at <http://www.legislation.govt.nz/>. The Ministry for the Environment (MfE) has prepared some helpful guidance on the Discount Regulations³. This information can be accessed at the MfE website www.mfe.govt.nz.

³ Ministry for the Environment. 2010. *Resource Management (Discount on Administrative Charges) Regulations 2010 – Implementation Guidance*. Wellington: Ministry for the Environment.

3.8 Your right of objection and appeal

If you consider any additional charge (that is any charge which exceeds the initial fixed application fees specified in Tables 3.2, 3.3, or 3.4) is unreasonable, you may object to Greater Wellington in accordance with s357 of the Resource Management Act. You need to make your objection in writing to Greater Wellington within 15 working days of receiving your invoice. Greater Wellington will hear your objection and make a decision on whether to uphold it.

If you are still not satisfied, you may appeal Greater Wellington's decision to the Environment Court.

You may not object to any of the charges listed in Tables 3.2, 3.3, or 3.4.

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4. Consent monitoring charges for resource consents

4.1 Introduction

This section of the Policy sets the charges which Greater Wellington levies annually in relation to resource consents. Under section 36(1)(c) of the Resource Management Act, Greater Wellington may charge for costs associated with its ongoing consent management responsibilities. These include:

- The administration and monitoring of resource consents
- The gathering of information necessary to monitor the state of the region’s environment.

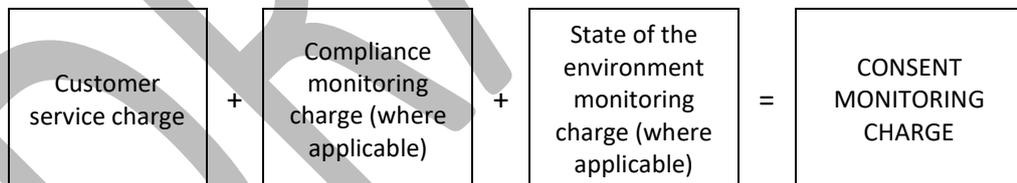
Where the charges set in this section are inadequate to cover Greater Wellington 's reasonable costs, Greater Wellington may impose an additional charge under section 36(5) of the Resource Management Act.

4.2 Consent monitoring charges

The components of the consent monitoring charge which consent holders face are:

- A fixed customer service charge
- A fixed or variable charge for compliance monitoring
- A fixed or variable charge for state of the environment monitoring.

Your Consent Monitoring Charge



4.3 The customer service charge

Summary: The annual customer service charge for administering your consent is \$75 (excl. GST). Where there are multiple consent IDs for the same activity (ie, all under the same WGN/WAR consent number) a discount of \$20 per consent will apply for any additional consents.

4.3.1 What we do for your money

There is a cost in providing a range of customer services relating to consents. We pass this cost on to consent holders. The services we provide are:

- Information and advice about your consent
- The maintenance of an up-to-date record of your consent on our database

- A record of any changes in the status of your consent (eg, if you surrender your consent)⁴
- The administration of these charges
- The maintenance and storage of your permanent consent file.

We welcome any enquiry about your consent and are happy to assist you in understanding these charges. Please email us at notifications@gw.govt.nz or phone us on 0800 496 734.

4.3.2 The basis for the customer service charge

The basis for the customer service charge is the time spent on the above tasks by Greater Wellington staff. As most consents take about the same time to maintain, this cost is averaged across all consent holders. A standard customer service charge applies to all consents.

The charge includes overhead costs which are related to the services we deliver. These costs include office rental, stationery, and IT costs. Only those overheads that can be reasonably attributed to the provision of consenting services to customers are charged for. Other Greater Wellington overheads, such as the cost of corporate services, management, and Council meetings are **not** charged to consent holders.

4.3.3 Application of the customer service charge

The customer service charge is \$75 per consent per year (excl. GST).

The full customer service charge applies to consents which:

- Are active and where there is ongoing administration and/or monitoring by Greater Wellington or by the consent holder
- Are temporarily inactive, but where there will be ongoing administration and/or monitoring when the consent becomes active.

Where a consent holder has multiple consents for the same activity, a discount is applied to each consent after the first consent as shown below:

No. of consents for an activity	Cost (excl. GST)
1	\$75
2	\$130
3	\$185
4	\$240
5	\$295

⁴ We will not accept a surrender or transfer of a consent unless all outstanding fees have been paid.

Generally an activity is considered to have the same location and same purpose and be linked to one WGN/WAR number. Where there may be different WGN/WAR numbers they will be considered as a separate activity, unless special circumstances apply.

4.3.4 Circumstances where the customer service charge does not apply

The customer service charge does not apply:

- For some land use consents (bores and works in the bed of a lake or river) and coastal permits, where no compliance inspections are required to be undertaken
- When the activity for which the consent was granted has concluded, and the consent will most likely not be active in the future
- In other circumstances at our discretion.

The charge does not apply in these circumstances because little or no work is required to maintain the record on the database in the long term.

4.4 The compliance monitoring charge

Summary: Your compliance monitoring programme is tailored to your individual circumstances. You pay only the cost of monitoring your consent.

4.4.1 What we do for your money

The purpose of compliance monitoring is to confirm that consent holders are meeting the conditions of their consents. The conditions on resource consents are designed to control any adverse effects on the environment arising from the exercise of the consent. We need to know that consents are being complied with. In this way we can ensure the resource you are using remains fit for you and other consent holders to use.

We have a strategic compliance monitoring programme that prioritises monitoring of particular consented activities. In principle, this programme focuses our monitoring on consents likely to have an environmental impact if their conditions are not being complied with.

How your activity fits within our strategic compliance monitoring programme is determined at the time your consent is granted and when our programme is reviewed each year. How much compliance monitoring is required varies according to the nature of your activity, its extent and duration, and its potential environmental impact.

As part of the compliance monitoring programme for a consent, we may:

- Carry out site visits and inspections (where required)

- Review management plans and/or the results of any monitoring carried out by you or your consultants
- Advise you on the outcome of the compliance visit.

Occasionally, we may also need to use outside expertise to assist with the monitoring of some consents. The costs of these experts may be included as part of your compliance monitoring charge.

4.4.2 The basis for the compliance monitoring charge

The basis for the compliance monitoring charge is the actual and reasonable cost of carrying out your compliance monitoring programme. You pay only the cost of monitoring compliance with your consent.

Greater Wellington has considered the criteria in section 36 of the Resource Management Act before setting this charge. We consider that the need for this type of monitoring arises only because of consent holders activities and that the benefits accrue entirely to consent holders. It is appropriate, then, for consent holders to bear the reasonable cost of this monitoring.

Fixed and variable charges are made up of the cost of staff time to carry out an inspection (if required), audit any monitoring information provided by you, follow up any non-compliance, and reporting back to you outcomes of any compliance monitoring (if required).

The charge-out rate is dependent on the services provided as outlined in Table 4.1 below:

Table 4.1: Charge out rates for consent monitoring

Hourly charge out rate	Excl. GST
Compliance monitoring services including undertaking site visits and auditing any monitoring information supplied by consent holders	\$150.00
Technical or science expert services for technical and/or science expert advice on compliance monitoring information supplied by consent holders	\$170.00

Note: Charge out rates may alter following annual reviews as identified in section 1 of the Policy.

Where Greater Wellington uses an external consultant, the actual and reasonable costs of consultant services will be passed on to the consent holder.

Where iwi services are required to work through any matters relating to compliance monitoring, Greater Wellington may at its discretion, pass on the actual and reasonable costs of iwi providing those services. This will most likely occur for any resource consents where the activity is undertaken in or near a Schedule C site of significance to mana whenua as prescribed in the Natural Resources Plan. Any such, monitoring costs are also likely to have been identified at the time your resource consent is processed.

4.4.3 Application of the compliance monitoring charge

The compliance monitoring charge applies to all consents for which a compliance monitoring programme is established. Depending on the activity, either fixed or variable charges will apply.

Fixed charges are set charges which generally apply to consented activities where conditions are very similar or the same. Fixed charges for compliance activities are provided in Part 2A of this Policy.

Where the actual and reasonable costs incurred by us in carrying out compliance monitoring exceed any fixed compliance monitoring charge identified for your resource consent by \$75.00 or more, these costs may be recovered by way of an additional **variable charge** (see below).

Where non-compliance is observed the following fixed charges may be applied

Table 4.3: Fixed non-compliance charges

Non-compliance fixed charge	Excl. GST
Advisory notice (issued to remedy any non-compliance)	\$300.00
Late submission of management plan and/or monitoring information	\$150.00

Note: Fixed non-compliance charges may be adjusted if there is a change to the charge out rate following any annual review as identified in section 1 of the Policy.

The above fixed non-compliance charges may be waived at the discretion of Greater Wellington.

Fixed charges under section 36(1) of the Resource Management Act are not open to objection or appeal.

Variable charges apply to activities where consent conditions and the nature and scale of activity are likely to vary or when the fixed charge is not sufficient to recover the actual and reasonable cost of monitoring your consent. All variable charges are based on actual and reasonable costs since the previous invoice. There may be some instances where the variable charge may be \$0 as no monitoring is undertaken in the previous year.

Variable charges are considered additional charges under section 36(5) of the Resource Management Act. Section 36(7) provides for any additional charge to be open to objection and appeal.

All **fixed and variable charges** for compliance monitoring activities are provided in Part 2A of this Policy.

Where we carry out an inspection as a result of an **incident notification** (for example, a complaint about water pollution or odour release), the consent holder is only charged if the consent is breached and/or non-compliance is observed.

4.4.4 Circumstances where the annual compliance monitoring charge does not apply

Some activities in our strategic compliance monitoring programme are not inspected. Only minimal monitoring is completed for these activities e.g. bores.

For these activities a compliance monitoring charge of \$75.00 is included when the consent is processed. Note: In some circumstances, for some of the above activities an inspection may be required and fixed or variable charges will apply.

4.5 The state of the environment monitoring charge

Summary: Greater Wellington charges consent holders for the cost of state of the environment monitoring where that monitoring benefits consent holders.

The charge you pay is related to the effects of your activity on the environment.

Consent holders pay for only a part of the cost of this monitoring. The regional community pays for the rest as it also benefits from the information gained.

4.5.1 What we do for your money

State of the environment (SOE) monitoring is the gathering of information about a resource (water, land, and air) so that it can be managed on a sustainable basis. Greater Wellington is tasked under section 35 of the Resource Management Act to monitor the state of the environment in the Wellington region in order to effectively carry out our functions. The information is used, amongst other purposes, to determine the nature and state of a resource, to enable us to grant resource consents with confidence, and to check whether the management tools for resources in regional plans are working properly.

Greater Wellington carries out SOE monitoring in many of the air sheds, catchments and groundwater zones of the region. We operate a network of hydrological recording stations which measure such variables as rainfall, river flow, and water depth in aquifers. We also routinely test the quality of water in our rivers, aquifers, and the sea. In addition, we monitor ambient air quality.

State of the environment monitoring and investigations focus on a resource in a more general way than the monitoring of an individual consent (eg, a catchment or area basis). We measure a range of environmental variables to identify a resource's availability and quality, and the uses to which it is being put. In relation to rivers for example, we monitor changes in water quality and quantity to ensure that our rivers remain available for a wide range of private and community uses, both now and in the future.

We carry out a wide range of monitoring and investigations and produce publicly available information on:

- The quantity and quality of surface water
- The quantity and quality of groundwater
- Coastal water quality
- Air quality.

Greater Wellington seeks to optimise and co-ordinate its SOE monitoring programme in a cost effective manner in order to avoid duplicating monitoring that may be undertaken by consent holders.

You can find out about the resource you are using by accessing this information: it may be useful in operating your business. Please contact our Knowledge and Insights team on 0800 496 734 for more information.

4.5.2 The basis of the state of the environment charge

The basis of the SOE monitoring charge is the cost to Greater Wellington of undertaking this monitoring. However, we only charge consent holders for a portion of our monitoring that benefits consent holders. The cost is shared with the regional community (ie, ratepayers), as they also need this type of monitoring and benefit from the knowledge acquired through the programme. We do not charge consent holders for monitoring undertaken for flood warning, river management, or regional planning purposes.

The benefits of state of the environment monitoring for consent holders are:

- Protection of the resource through its management on a sustainable basis
- Early warning of changes in resources
- Reduced costs for future consent applications
- Better information to aid business planning.

However, as indicated above, SOE monitoring is carried out for a variety of reasons, of which meeting the needs of consent holders is but one. It is appropriate to only charge consent holders for their share of this monitoring.

Greater Wellington's SOE monitoring programme is undertaken by our Knowledge and Insights team. Greater Wellington's Revenue and Financing Policy requires that between 10%-20% of programme cost for the Environmental Science Department is recovered from resource users (ie, consent holders). The 2021-24 Policy recovered approximately 15% of the Environmental Science programme. This Policy aims to recover XX%⁵. Further information on the basis of SOE monitoring charges is provided in Part 2, Appendix 1.

Greater Wellington considers that the SOE monitoring charges established by this Policy meet the requirements for setting SOE monitoring charges in section

⁵ The final amount to be recovered is being decided at the 11 April 2024 Council meeting.

36AAA of the Resource Management Act. As part of these requirements, Greater Wellington also examines the monitoring programme to determine whether consent holders benefit from it to a greater extent than other members of the regional community. Greater Wellington is of the view that consent holders do enjoy a benefit which non-consent holders do not, that is, a legal right to access the resource for their economic benefit.

4.5.3 Application of the state of the environment charge

A SOE monitoring charge applies to most consent types. This includes:

- Land use consents where there are ongoing environmental effects relating to our environmental science programme
- Water permits to take surface water or groundwater
- Discharge permits to discharge contaminants to land
- Discharge permits to discharge contaminants to fresh water
- Discharge permits to discharge contaminants to air
- Coastal permits to discharge contaminants to coastal water
- Coastal permits where there are ongoing environmental effects relating to our environmental science programme.

A scale of fixed SOE monitoring charges are applied to consents. These charges vary due to the following factors:

- The nature and scale of activity, eg, the size of a water take or type of discharge
- The level of stress a particular catchment or groundwater zone is under, eg, the level of allocation in a groundwater zone.

The scale of fixed charges applied to consents are more specifically identified in Part 2B of this Policy.

4.5.4 Waiver or reduction in state of the environment monitoring charges

Greater Wellington may waive or reduce the SOE monitoring charge in the following instances:

1. Where an activity has multiple consents (relating to the same consent type), the SOE monitoring charge may be reduced.
2. Where through the operation of the formula for setting the charge in the Schedules to this Policy, the resulting amount does not satisfy the principles of reasonableness and fairness in sections 2.2 and 2.3 of this Policy.

4.5.5 Additional state of the environment monitoring charges

Greater Wellington may apply an additional SOE monitoring charge. This will occur in instances where due to the nature and scale of the activity, the formulas set in the Schedules to this Policy are not adequate to recover the

reasonable costs related to our SOE monitoring programme. Any additional charges will need to satisfy the principles of reasonableness and fairness in sections 2.2 and 2.3 of this Policy. Any additional charge is levied under section 36(5) of the Resource Management Act. Section 36(7) provides for any additional charge to be open to objection and appeal.

4.6 Other matters relating to consent monitoring charges

4.6.1 Consent termination

Where a resource consent expires or is surrendered during the course of the year, and the activity to which it relates ceases, then the customer service, compliance, and state of the environment charges apply only to that period of the year (based on complete months) for which the consent was operative. We may not accept a surrender of consent unless any outstanding fees and charges have been paid in full.

4.6.2 Consent expiry and replacement

Where a resource consent expires during the course of the year, but the activity to which the consent relates continues until the consent is replaced, then the consent monitoring charges outlined in this Policy apply.

4.6.3 Consent transfer

Where a resource consent is transferred during the course of the year (eg, when a property with a consent is sold to a new owner), it is the responsibility of the original owner to advise us of the change. *Any apportionment of fees after the charge has been made remains the responsibility of the respective owners.* We may not accept a transfer of consent unless any outstanding fees and charges have been paid in full.

4.6.4 Partial remission of consent monitoring charges for minor activities with community service or good

Greater Wellington recognises that there are some minor activities undertaken by not-for-profit organisations relating to community services that incur consent monitoring charges which can significantly impact the ability for the consent holder to provide this community service or good. If a consent holder can demonstrate that their minor activity is for a community good or service, and it is primarily operated through sourcing public funding (eg, charitable grants or donations), they can apply for a remission of up to 50% of their consent monitoring charge. Greater Wellington at its discretion will consider each request on a case by case basis.

5. Permitted activity monitoring charges

5.1 Introduction

This section of the Policy sets the charges which Greater Wellington levies in relation to permitted activities. Under section s36(1)(ae) and s36(1)(cc) two types of permitted activities can be charged:

1. Deemed permitted activity under section 87BB of the Resource Management Act
2. Any specified permitted activities in a National Environmental Standard (NES).

At the time of writing this Policy, the NES for Plantation Forestry and NES for Freshwater have specified permitted activities where charges can apply.

5.2 The permitted activity monitoring charge

The charge-out rate for permitted activity monitoring is **\$150⁶ per hour** (excl. GST). All permitted activity monitoring charges are **variable charges**. All variable charges are based on actual and reasonable costs incurred for monitoring the permitted activity.

Where Greater Wellington uses an external consultant, the actual and reasonable costs of consultant services are passed on to the person/organisation undertaking the activity. A **customer service charge** and **state of the environment monitoring charge** do not apply to any permitted activity monitoring.

5.2.1 Deemed permitted activities

Most deemed permitted activities will not be monitored and therefore monitoring charges will not apply except under special circumstances.

5.2.2 NES for Plantation Forestry

Under Part 3 of the Resource Management (National Environmental Standards for Plantation Forestry) Regulations 2017, the only activities where permitted monitoring charges are applicable are earthworks (regulation 24), river crossings (regulation 37), forestry quarrying (regulation 51), and harvesting (regulation 63(2)).

5.2.3 NES for Freshwater

Under Part 4 of the Resource Management (National Environmental Standards for Freshwater) Regulations 2020, the costs of monitoring the permitted activities identified in the NES may be charged to the person/organisation undertaking the activity.

⁶ The charge out rate for permitted activity monitoring may alter following annual reviews as identified in section 1 of the Policy.

6. Building Act charges

6.1 Introduction

Prior to 2004, territorial local authorities (ie, city and district Councils) were responsible for dams. The Building Act altered the regime by which territorial authorities handled matters pertaining to dams. The Building Act referred matters pertaining to dams to regional councils.

In July 2008, Greater Wellington transferred various Building Act 2004 functions relating to dams to Waikato Regional Council. The Building Consent Authority functions transferred relate to the assessment, processing, inspection and granting of building consents, and certificates of compliance.

Section 243 of the Building Act allows Greater Wellington to retain some functions such as the processing and issuing of a project information memorandum, certificates of acceptance, building warrant of fitness' and the dam safety requirements. The Building Act allows Greater Wellington to impose fees or charges for performing these functions.

6.2 Schedule of charges

The fees and charges for various activities for administering the Building Act are outlined in Table 6.1 below:

Table 6.1: Building Act 2004 fees and charges (all figures exclude GST)

Function	Deposit
Project Information Memorandum (PIM)	Large Dam (above \$100,000 value) \$1,000
	Medium Dam (\$20,000 to \$100,000 Value) \$750
	Small Dam (\$0 to \$20,000 value) \$500
Building consent application (lodged directly with WRC)	Large Dam (above \$100,000 value) \$4,000
	Medium Dam (\$20,000 to \$100,000 Value) \$2,000
	Small Dam (\$0 to \$20,000 value) \$1000
Amendment to compliance schedule	\$1,000
Certificate of Acceptance	Large Dam (above \$100,000 value) \$4,000
	Medium Dam (\$20,000 to \$100,000 value) \$2,000
	Small Dam (\$0 to \$20,000 value) \$500

The staff charge out rate at the time of writing this Policy are outline in Table 6.2 below:

Table 6.2: Building Act 2004 fees and charges (all figures exclude GST)

Work type	Hourly rate (excl. GST)
Resource Use Directorate Managers	\$185/hour
Building Act Officer	\$160/hour

Key notes:

1. The charges associated with building consent applications are those that are directly applied by Waikato Regional Council as these functions have been transferred to Waikato Regional Council. It is therefore advised to contact Waikato Regional Council (www.waikatoregion.govt.nz) to check building consent application charges and charge-out rates.

2. Building consents incur BRANZ and Department of Building and Housing levies. The levies are payable to Waikato Regional Council.

The costs for processing various applications under the Building Act vary greatly due to the scale, complexity, and specialist design features associated with each project. Hence the charges listed in Table 6.1 are considered deposits only and in most circumstances additional charges will apply at the charge out rates specified.

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7. The provision of information

7.1 Information provided under the Resource Management Act 1991

Greater Wellington may charge for the provision of information in relation to resource consents and regional plans and policies (see Resource Management Act sections 36(1)(e) and (f)).

We recognise that we hold a significant amount of information in relation to resource consents and regional plans and policies. Our aim is to assist you to have access to the information you need to make effective use of your resource consent. To this end, we provide a reasonable amount of information free of charge, as listed below. If more time is spent, or more printing required than is allowed for here, the provision of information may be subject to the following charges.

Any charge for information is made in accordance with the following:

1. **Staff time** spent in making information available, or in providing technical advice is charged after the first half hour (except in relation to applications for resource consents) at the following rates:

Hourly charge out rate	Excl. GST
Resource management services from our Environmental Regulation (Technical Support) staff	\$130.00
Resource management services from our Environmental Regulation (Consents & Compliance) staff	\$150.00
Technical or science expert services from our Knowledge & Insights staff	\$170.00

Note: Charge out rates may alter following annual reviews as identified in section 1 of the Policy.

2. **Printing** charges are 20 cents per A4 page after the first 10 pages
3. **All other disbursements** are charged at cost. We may pass on charges to the person requesting the information where the information held by us is subject to agreements with commercial data suppliers who may require us to levy charges.

7.2 Local Government Official Information and Meetings Act 1987

Information provided in response to requests under the Local Government Official Information and Meetings Act (LGOIMA) may be charged for under section 13(1A) of the Act. We follow the Ministry of Justice Guidelines for charging, therefore Greater Wellington's costs for responding to information requests will be charged in the following way (GST inclusive):

The first hour of time spent searching, abstracting, collating, copying, transcribing and supervising access should be free

\$38 may be charged for each subsequent half hour (or part of this time), irrespective of the seniority of the staff member (unless specialists are required)

20c per A4 sized page may be charged after the first 20 pages

The actual costs may be recovered for the

- Provision of documents on devices
- Retrieval of information off-site
- Reproduction of film, video or audio recording
- Provision of maps, plans or other documents larger than A4 size.

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8. Environmental incident inspection charges

8.1 Circumstances in which a charge may apply

Where a person (or persons) or organisation does not hold a resource consent and carries out an activity in a manner which does not comply with the provisions of Resource Management Act sections 9, 12, 13, 14, 15, 315, 323, 327, or 329, Greater Wellington will charge that person or organisation for the cost of any inspection it undertakes in relation to that activity. This cost may include:

1. Time spent by Greater Wellington officers identifying and confirming that the activity is taking place or has taken place
2. Time spent by Greater Wellington officers identifying and confirming the person or organisation responsible for causing or allowing the activity to take place or to have taken place
3. Time spent by Greater Wellington officers alerting and informing the person or organisation responsible of their responsibilities in relation to the activity, including any suggestions or advice relating to how any adverse effects might be managed
4. Staff travel time
5. Costs of disbursements (such as laboratory analysis costs, expert or professional services, clean-up costs and materials).

Greater Wellington will only charge for time spent which exceeds 30 minutes. Travel time will be included in the calculation of this time.

A minimum standard charge of \$300 (2 hours staff time) will apply to all environmental incidents which do not comply with provisions of Resource Management Act sections 9, 12, 13, 14, 15, 315, 323, 327, or 329. This covers minimum costs associated with travel time, inspection time, identifying parties, initiating follow up action and advice eg, issuing advisory notice, advice letter, or warning letter. In many instances there may be actual and reasonable costs greater than the minimum standard charge and will therefore be invoiced accordingly at the charge out rates identified in the Table 8.1 below.

Table 8.1: Staff charge out rates	Hourly charge out rate	Excl. GST
Compliance monitoring and enforcement services		\$150.00
Technical or science services used to determine a breach of the Resource Management Act		\$170.00

Note: Charge out rates may alter following annual reviews as identified in section 1 of the Policy.

8.2 Charges applicable to consented activities

Where an environmental incident occurs on a site that holds a resource consent and a breach of consent conditions is confirmed, then section 8.1 does not apply. Any actual and reasonable costs incurred in investigating the incident will be recovered as variable compliance monitoring charges in accordance with section 4.4.3 of this Policy.

8.3 Authority to charge

These charges are made under section 150 of the Local Government Act 2002.

8.4 Relationship of charges to infringement offences

Where we use the Resource Management (Infringement Offices) Regulations 1999 for environmental incidents, no charge will be made for preparation of documents relating to the issue of the infringement notice.

8.5 Relationship of charges to enforcement orders and abatement notices

Greater Wellington may also seek reimbursement for any actual and reasonable costs it incurs in inspecting an activity to determine compliance with an enforcement order or abatement notice under sections 315 and 323 of the Resource Management Act.

A minimum standard charge of \$300 will apply for any follow up visit to confirm that full compliance with any abatement notice (or enforcement order) has been achieved. This charge covers minimum time associated with travel time, inspection time, and the provision of follow up advice. In many instances there may be actual and reasonable costs greater than the minimum standard charge and will therefore be invoiced accordingly at the charge out rates identified in the Table 8.1.

8.6 Relationship of charges to the Maritime Transport Act 1994

These charges do not apply to marine oil pollution incidents. These are provided for under the Maritime Transport Act 1994.

9. Payment of charges

9.1 Date charges become operative

This Policy applies from 1 July 2024 and will continue in effect until amended or replaced under section 36(3) of the Resource Management Act. The Policy covers the period from 1 July 2024 to 30 June 2027 or when a replacement Policy comes into force after this date.

9.2 When charges are due or invoiced

Payment of all invoices except initial fixed application fees for are due within 28 days.

9.2.1 Consent application charges

Initial fixed application fees must be paid in full before Greater Wellington will begin processing resource consent applications. Additional charges for processing resource consents are invoiced on completion of processing of your consent, or when the amount owing exceeds \$2,000. This means that for notified consents particularly, we will invoice at regular intervals during the processing of your consent.

9.2.2 Consent monitoring charges

Consent monitoring charges are invoiced in accordance with our Strategic Compliance Monitoring Programme timetable. Various compliance activities are invoiced during the months identified below:

Month	Activity	
July	Air discharges	Earthworks
	Forestry	Reclamation/offset mitigation
October	Wineries	Water takes
	Onsite wastewater	
January	Agricultural effluent	Municipal water supplies & races
	Swing moorings & boatsheds	Coastal
	Municipal wastewater	Stream works
April	Landfills/cleanfills	Other discharges
	Stormwater	

If variable compliance monitoring charges exceed \$2,000 during a financial year, consents will be identified for regular checks and an invoice(s) will be issued either monthly, quarterly, or at another frequency.

9.3 Remission of charges

We may remit any charge referred to in this Policy, in part or in full, on a case by case basis, and solely at our discretion (see section 36AAB(1) of the Resource Management Act).

9.4 Credit

Credit is not generally available for application charges or consent monitoring charges in this Policy. We will consider staged payments in exceptional circumstances. In some circumstances, we may require full payment of the estimated cost of processing an application prior to initiating work.

9.5 Debtors and unpaid charges

Under this Policy, debtors and unpaid charges are treated like any other outstanding amount owed to Greater Wellington. An outstanding debt will be pursued according to Greater Wellington's procedures which are summarised below:

- Reminders are sent by Greater Wellington Finance staff between 1–3 months after the charge has been processed and sent to you.
- If charges are not paid within three months of being invoiced to you, a final reminder letter is issued by Finance staff. This letter gives a final deadline to pay any unpaid charges.

If charges remain unpaid and unresolved after the final deadline, Greater Wellington will place the account in the hands of a collection agency and reserves the right to recover actual and reasonable costs for recovering the unpaid charges. This is through the combination of a minimum fixed charge of \$260 (excl. GST) and any additional actual and reasonable costs for staff time charged at \$130/hour (excl. GST)

9.6 Charges required to be paid

All **application charges** for resource consents or for Plan or Policy Statement changes shall be paid according to the provisions of sections 3 and 9 of this Policy.

All **consent monitoring charges** for customer services, compliance monitoring, and state of the environment monitoring shall be paid according to the provisions of sections 4 and 9 of this Policy and the relevant sections in Part 2 of the Policy.

All **permitted activity charges** for shall be paid according to the provisions of sections 5 and 9 of this Policy and the relevant sections in Part 2 of the Policy.

All **Building Act charges** shall be paid according to the provisions of sections 6 and 9 of this Policy.

All **provision of information charges** shall be paid according to the provisions of sections 7 and 9 of this Policy.

All **environmental incidents charges** not related to resource consents shall be paid according to the provisions of sections 8 and 9 of this Policy.

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Part 2: Compliance and SOE monitoring charges

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A. Compliance monitoring charges

A.1 Fixed charges

Fixed charges are applied to compliance activities where there are a significant number of consents monitored with standard conditions. The compliance activities subject to fixed charges are outline in Table A1 below:

Table A1: Fixed charges (all figures exclude GST)

Compliance activity	Fixed charge		
	Cost	Notes	Code
Agricultural Effluent, Onsite Wastewater & Wineries	\$300	Inspection	DL2
	\$75	Audit only	DL3
Takes	\$225	Audit – verification, data check	WT2
	\$300	Audit – verification, low flows, telemetry	WT3
	\$150	Audit – data check	WT4
	\$225	Audit – data check, low flows	WT5

There will be some circumstances (e.g. when non-compliance occurs or where there are non-standard conditions) where the above fixed charges do not cover the actual and reasonable cost for monitoring the consent. In these circumstances a variable charge (see below) will also apply.

All fixed charges are invoiced annually, at a time based on our Strategic Compliance monitoring programme (see part 1 section 9.2.2 of this Policy). Depending on your compliance assessment, the category of your charge may change from year to year.

A.2 Variable charges

Variable charges are applied to all other compliance activities and also compliance activities with fixed charges that are either not sufficient or not applicable. The compliance activities subject to variable charges are outlined in Table A2 below:

Table A2: Variable charges

Compliance activity	Variable charge
Agricultural Effluent	Any non-complying or non-standard consents
Air Discharges	All consents
Coastal	All consents
Earthworks	All consents
Forestry	All consents
Landfills & Cleanfills	All consents
Major Projects & Global Consents	All consents

Compliance activity	Variable charge
Onsite Wastewater & Wineries	Any non-complying or non-standard consents
Other Discharges	All consents
Stormwater	All consents
Streamworks	All consents
TA Water Supply	All consents
TA Wastewater	All consents
Takes - Telemetry	Any non-complying or non-standard consents
Takes – Other & Bores	Any non-complying or non-standard consents

Most variable charges are invoiced annually, at a time based on our Strategic Compliance monitoring programme (see part 1 section 9.2.2 of this Policy). They are based on actual and reasonable amount of time spent monitoring your consent since your last invoice. There are some instances where more regular invoicing of your variable charges may apply. This is normally for large projects where significant monitoring occurs on a regular basis.

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B. State of the Environment (SOE) monitoring charges

The fixed SOE monitoring charges for each consent type are presented in section B.1 – B.6.

Further detail on the cost of the SOE monitoring programme is provided in Appendix A.

All **land use consents, water permits to dam/divert water, and coastal permits (excluding discharges)** with ongoing effects on the environment will receive an annual SOE monitoring charge as outlined in Table B.1 except for land use consents relating to earthworks, operational stormwater, and forestry which are covered in section B.3 of this Policy. (Note: This does not apply to one-off construction related activities.)

Special SOE monitoring charges apply to the activities shown in Table B.1. These charges are made as the nature and scale of these activities are not fairly reflected in the fixed charges specified in section B.1 – B.6:

Table B.1: SOE monitoring charges for land use consents and other specified activities

Consent type	Activity	Current fixed charge	Proposed fixed charge
Land use	Any activity with ongoing effects on the environment	\$140	
Consent holder	Activity	Current fixed charge	Proposed fixed charge
Greater Wellington, Flood Protection	River works maintenance for all schemes in the region	\$56,000	TBC
Wellington Water Ltd	Water take from the Hutt Aquifer	\$72,000	TBC
NZTA, Transmission Gully	All works associated with the construction of Transmission Gully	\$75,000	TBC
NZTA, Peka Peka to Ōtaki	All works associated with the construction of Peka Peka to Ōtaki	\$25,000	TBC

B.1 Surface water takes

The SOE monitoring charge for this consent type is levied on all surface water and groundwater take consents ('Category A' and 'Category B' where there is a stream depletion effect managed by a minimum flow). The charge is dependent on:

- The level of stress (based on a low, medium, or high level of allocation) created by water takes in a primary surface water management zone when assessing allocation under the Natural Resources Plan (NRP)
- The size of water take based on the maximum instantaneous rate of take in litres/second (for surface water takes from catchments) or average instantaneous rate of take in litres/second from total weekly allocation (for groundwater takes from 'Category A and B' groundwater management zones).

Category 1 – LOW level of allocation (<50% of NRP allocation limit)			
<u>Surface water management zones in PNRP</u>			
Kāpiti Streams	Wairarapa coast	All other catchments not specifically identified in Cat. 2 or 3	
HuangaruaTe Awarua o Porirua	Waitohu Wellington City catchments		
<u>Connected 'Category A and B' groundwater management zones in PNRP</u>			
Ōtaki	Te Horo	Huangarua	
Raumati	Waikanae		
<i>Rate of take</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
0–9.99 litres/sec	\$120	TBC	2.3.1.1
10–19.99 litres/sec	\$200	TBC	2.3.2.1
20–29.99 litres/sec	\$400	TBC	2.3.3.1
30–39.99 litres/sec	\$600	TBC	2.3.4.1
40–59.99 litres/sec	\$800	TBC	2.3.5.1
60–99.99 litres/sec	\$1,550	TBC	2.3.6.1
100–299.99 litres/sec	\$2,400	TBC	2.3.7.1
300 + litres/sec	\$4,000	TBC	2.3.8.1

Category 2 – MEDIUM level of allocation (50%-80% of NRP allocation limit)		
<u>Surface water management zones in PNRP</u>		
Tauherenikau	Ruamahānga (upper) Ōtaki	Waiohine Waipoua
<u>Connected 'Category A and B' groundwater management zones</u>		
Ōtaki	Te Horo	Upper Ruamahānga
Tauherenikau	Te Ore Ore	Waiohine
Waingawa		

<i>Rate of take</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
0–9.99 litres/sec	\$200	TBC	2.3.1.2
10–19.99 litres/sec	\$400	TBC	2.3.2.2
20–29.99 litres/sec	\$800	TBC	2.3.3.2
30–39.99 litres/sec	\$1,200	TBC	2.3.4.2
40–59.99 litres/sec	\$1,550	TBC	2.3.5.2
60–99.99 litres/sec	\$2,400	TBC	2.3.6.2
100–299.99 litres/sec	\$3,000	TBC	2.3.7.2
300 + litres/sec	\$6,000	TBC	2.3.8.2

Category 3 – HIGH level of allocation (>80% of NRP allocation limit)			
<u>Surface water management zones in PNRP</u>			
Booths	Ōrongorongo	Waikanae	
Hutt (upper & lower)	Otakura	Wainuiomata (upper & lower)	
Kopuaranga	Papawai		
Lake Wairarapa	Parkvale	Waingawa	
Mangaone	Ruamāhanga (lower)	Whangaehu	
Mangatarere	Ruamāhanga (middle)		
	Ruamāhanga (other)		
<u>Connected 'Category A and B' groundwater management zones in PNRP</u>			
Dry River	Parkvale	Tauherenikau	
Lake	Mangatarere	Upper Hutt	
Lower Hutt	Middle Ruamahanga	Upper Ruamāhanga	
Lower Ruamāhanga	Moiki	Waikanae	
	Ōnoke	Waingawa	
	Taratahi	Waiohine	
<i>Rate of take</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
0–9.99 litres/sec	\$400	TBC	2.3.1.3
10–19.99 litres/sec	\$1,000	TBC	2.3.2.3
20–29.99 litres/sec	\$1,400	TBC	2.3.3.3
30–39.99 litres/sec	\$2,000	TBC	2.3.4.3
40–59.99 litres/sec	\$2,600	TBC	2.3.5.3
60–99.99 litres/sec	\$4,000	TBC	2.3.6.3
100–299.99 litres/sec	\$6,000	TBC	2.3.7.3
300 + litres/sec	\$16,500	TBC	2.3.8.3

Surface water takes from catchments – size of take based on maximum instantaneous rate in litres/second.

Groundwater takes from connected 'Category A and B' groundwater management zones – size of take based on average instantaneous rate in litres/second from total weekly allocation.

Reduction for water storage or frost protection

For surface water takes where consent holders take water from supplementary allocation for water storage or for frost protection purposes, the applicable SOE monitoring charge may be reduced at the discretion of Greater Wellington. This is because these activities often abstract large volumes of water for only short periods during the year, often at times where water resources are less stressed (ie, at higher river/stream flows or during spring months when river/stream flows are on average greater).

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B.2 Groundwater takes

The SOE monitoring charge for this consent type is levied on all groundwater take consents (excluding 'Category A and B' groundwater takes assessed under B.1). The charge is dependent on:

- The level of stress (based on a low, medium, or high level of allocation) created by water takes in a groundwater management zone when assessing allocation under the Natural Resources Plan (NRP)
- The size of groundwater take which is based on the annual volume of water taken (in m³).

Category 1 – LOW level of allocation (<50% of NRP allocation limit)			
Groundwater management zones in NRP			
Taratahi	Upper Ruamahānga	All other groundwater zones not specifically identified	
Te Horo	Waitohu		
Upper Hutt			
<i>Rate of take</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
0–99,999 m ³ /year	\$85	TBC	3.3.1.1
100,000–199,999 m ³ /year	\$170	TBC	3.3.2.1
200,000–299,999 m ³ /year	\$250	TBC	3.3.3.1
300,000–399,999 m ³ /year	\$345	TBC	3.3.4.1
400,000–599,999 m ³ /year	\$840	TBC	3.3.5.1
600,000–999,999 m ³ /year	\$1,100	TBC	3.3.6.1
1,000,000 + m ³ /year	\$1,650	TBC	3.3.7.1

Category 2 – MEDIUM level of allocation (50% – 80% of NRP allocation limit)			
Groundwater management zones in NRP			
Ruamahānga (other)	Waingawa		
<i>Rate of take</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
0–99,999 m ³ /year	\$170	TBC	3.3.1.2
100,000–199,999 m ³ /year	\$250	TBC	3.3.2.2
200,000–299,999 m ³ /year	\$345	TBC	3.3.3.2
300,000–399,999 m ³ /year	\$550	TBC	3.3.4.2
400,000–599,999 m ³ /year	\$1,100	TBC	3.3.5.2
600,000–999,999 m ³ /year	\$1,400	TBC	3.3.6.2
1,000,000 + m ³ /year	\$2,800	TBC	3.3.7.2

Category 3 – HIGH level of allocation (>80% of NRP allocation limit)			
<u>Groundwater management zones in NRP</u>			
Dry River	Lower Ruamāhanga	Parkvale (confined/ & unconfined)	
Fernill Tiffen	Mangatarere	Raumati	
Huangerua	Martinborough	Tauherenikau	
Lake	Ōnoke	Te Ore Ore	
Lower Hutt		Waikanae	
<i>Rate of take</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
0–99,999 m ³ /year	\$335	TBC	3.3.1.3
100,000–199,999 m ³ /year	\$420	TBC	3.3.2.3
200,000–299,999 m ³ /year	\$550	TBC	3.3.3.3
300,000–399,999 m ³ /year	\$840	TBC	3.3.4.3
400,000–599,999 m ³ /year	\$1,400	TBC	3.3.5.3
600,000–999,999 m ³ /year	\$4,200	TBC	3.3.6.3
1,000,000 + m ³ /year	\$7,000	TBC	3.3.7.3

Groundwater takes from Category A and B (where there is a stream depletion effect managed by a minimum flow) groundwater management zones are covered in section B.1 of this Policy.

B.3 Discharges to water or land

The SOE monitoring charge for this consent type is levied on all discharge to water consents, as all discharges are considered to cause additional stress on waterways, whereby the consent holder should pay for a proportion of SOE monitoring costs. It also covers discharge to land and land use consents for earthworks, operational stormwater, and forestry.

The SOE monitoring charge is dependent on the type of discharge to water and the level of contaminants (both quality and quantity) discharged into the receiving environment. The level of contaminants discharged is split into three categories – high, medium, and low. Below each table are guidance notes for each activity, however, discretion will be applied if the guidance notes are not applicable/suitable in special circumstances.

<i>Nature of contaminants discharged – HIGH</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Human wastewater	\$12,000	TBC	4.3.1.1
Forestry		TBC	4.3.2.1
Earthworks	\$3,750	TBC	4.3.3.1
Stormwater	\$3,000	TBC	4.3.4.1
Landfill leachate	\$2,250	TBC	4.3.5.1
Other discharges	\$2,250	TBC	4.3.6.1

Notes:

Human wastewater – any wastewater treatment plant servicing a population of more than 1000 people

Forestry – any forestry related consents issued within a red zone

Earthworks – any area greater than 0.3ha where treatment devices are required (e.g. decanting earth bunds and/or sediment retention ponds)

Stormwater – any global operational stormwater discharge consents

Landfill leachate - any open landfill servicing a population of more than 1000 people

Other discharge – will be assessed on a case by case basis

<i>Nature of contaminants discharged – MEDIUM</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Human wastewater	\$6,000	TBC	4.3.1.2
Forestry		TBC	4.3.2.2
Earthworks	\$2,250	TBC	4.3.3.2
Stormwater	\$1,800	TBC	4.3.4.2
Landfill leachate	\$1,500	TBC	4.3.5.2
Other discharges	\$1,500	TBC	4.3.6.2

Notes:

Human wastewater – any wastewater treatment plant servicing a population of less than 1000 people but more than 100 people

Forestry – any forestry related consents issued within an orange zone

Earthworks – any area greater than 0.3ha where only control devices (i.e. no treatment) is required (e.g. silt fences and/or clean water diversions)

Stormwater – any operational stormwater discharge from a site greater than 0.3 hectares where the majority of the development is greenfield development

Landfill leachate - any open landfill servicing a population of less than 1000 people and any closed landfill servicing a population of more than 1000 people

Other discharge – will be assessed on a case by case basis

<i>Nature of contaminants discharged – LOW</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Human wastewater	\$3,000	TBC	4.3.1.3
Forestry		TBC	4.3.2.3
Earthworks	\$1,500	TBC	4.3.3.3
Stormwater	\$600	TBC	4.3.4.3
Landfill leachate	\$600	TBC	4.3.5.3
Other discharges	\$450	TBC	4.3.6.3

Notes:

Human wastewater – any wastewater treatment plant servicing a population of less than 100 people

Forestry – any forestry related consents issued within a green zone

Earthworks – any area less than 0.3ha

Stormwater – any operational stormwater discharge from a site less than 0.3 hectares where the majority of the development is greenfield development and a brownfield development site of any size

Landfill leachate - any closed landfill servicing a population of less than 1000 people

Other discharge – will be assessed on a case by case basis

SOE monitoring charges for **earthworks and forestry** activities are only applicable if works are undertaken during the year in which consent monitoring charges apply.

Where there are two or more discharge to water consents relating to the same activity, only one SOE monitoring charge applies.

B.4 Discharges to land

The SOE monitoring charge for this consent type is levied on all discharge to land consents. The charge is dependent on:

- The quality of groundwater in the area where your discharge to land activity occurs, and
- The nature of contaminants discharged to land.

The tables below lists three categories of areas in the region in terms of the level of groundwater quality based on nitrate-nitrogen state and trends from Land, Air, Water Aotearoa (LAWA (www.lawa.org.nz))

Category 1 – LOW level of groundwater quality stress:			
<ul style="list-style-type: none"> • Any groundwater zone with a nitrogen-nitrate state less than 1 mg/L N and a trend that is not degrading • Any land area not covered by a groundwater zone 			
Hutt Lake Ōnoke	Middle Ruamāhanga Parkvale	Raumati Waiohine	
<i>Nature of contaminants discharged</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Municipal wastewater	\$1,250	TBC	5.3.1.1
Onsite wastewater / wineries	\$190	TBC	5.3.2.1
Agricultural	\$500	TBC	5.3.3.1
Landfill leachate	\$500	TBC	5.3.4.1
Industrial		TBC	5.3.5.1
Other discharges	\$190	TBC	5.3.6.1

Category 2 – MEDIUM level of groundwater quality stress			
<ul style="list-style-type: none"> • Any groundwater zone with a nitrogen-nitrate state or less than 1 mg/L N and a trend that is degrading • Any groundwater zone with a nitrogen-nitrate states of between 1-5 mg/L N and a trend that is not degrading 			
Fernhill Tiffen Huangarua Martinborough	Moiki Upper Hutt	Waikane Waingawa	
<i>Nature of contaminants discharged</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Municipal wastewater	\$1,900	TBC	5.3.1.2
Onsite wastewater / wineries	\$250	TBC	5.3.2.2
Agricultural	\$630	TBC	5.3.3.2
Landfill leachate	\$630	TBC	5.3.4.2
Industrial		TBC	5.3.5.2
Other discharges	\$250	TBC	5.3.6.2

Category 3 – HIGH level of groundwater quality stress			
<ul style="list-style-type: none"> Any groundwater zone with a nitrogen-nitrate state or more than 1 mg/L N and a trend that is degrading 			
Mangatarere	Tauherenikau	Te Horo	
Otaki	Te Ore Ore	Upper Ruamahanga	
Taratahi			
<i>Nature of contaminants discharged</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Municipalwastewater	\$2,500	TBC	5.3.1.3
Onsite wastewater / wineries	\$320	TBC	5.3.2.3
Agricultural	\$760	TBC	5.3.3.3
Landfill leachate	\$760	TBC	5.3.4.3
Industrial		TBC	5.3.5.3
Other discharges	\$320	TBC	5.3.6.3

Notes:

- Any earthworks and operational stormwater discharges to land are covered in section B.3 of this Policy
- Where there are two or more discharge to land consents relating to the same activity, only one SOE monitoring charge applies. For example a municipal wastewater discharge may have one consent to discharge contaminants from the base of oxidation ponds, and another consent to discharge contaminants to land via irrigation. In such circumstances only one SOE monitoring charge will be applied.
- Where there is an associated discharge to water consent for exactly the same activity, no SOE monitoring charge applies. The SOE monitoring charge is applied to the discharge to water consent.

B.5 Discharges to air

The SOE monitoring charge for this consent type is levied on all discharge to air consents. Air discharges are assigned one of the four categories as shown in the table below.

<i>Nature of contaminants discharged</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Cleanfill, refuse transfer stations, and composting discharges in non-sensitive receiving environments; small community wastewater discharges; abrasive blasting; natural gas fired boiler/generator discharges	\$120	TBC	6.2.1
Cleanfill, refuse transfer stations, and composting discharges in sensitive receiving environments; medium/large community wastewater discharges; small scale industrial discharges; landfill discharges with minor environmental effects; crematoria discharges; odour discharges in non-sensitive receiving environments	\$360	TBC	6.2.2
Medium scale industrial discharges; all other landfill discharges; odour discharges in sensitive receiving environments	\$1,750	TBC	6.2.3
Large scale industrial discharges; significant odour discharges	\$4,800	TBC	6.2.4

Where there are two or more discharge to air consents relating to the same activity, only one SOE monitoring charge applies.

In instances where a discharge to air activity does not fit in any of the types of discharge listed above, Greater Wellington will exercise its discretion as to which SOE category applies based on the nature and scale of contaminants discharged.

B.6 Coastal discharges

The SOE monitoring charge for this consent type is levied on all consents that discharge contaminants to coastal water. All discharges are considered to cause additional stress on coastal waters, whereby the consent holder should pay for a proportion of SOE monitoring and investigations.

The SOE monitoring charge is dependent on the type of discharge to water and the level of contaminants (both quality and quantity) discharged into the receiving environment. The level of contaminants discharged is split into three categories – high, medium, and low.

<i>Nature of contaminants discharged – HIGH</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Human wastewater	\$12,000	TBC	7.1.1.1
Stormwater	\$3,000	TBC	7.1.2.1
Intermittent discharges	\$2,250	TBC	7.1.3.1
Other discharges	\$2,250	TBC	7.1.4.1
Earthworks	\$3,750	TBC	7.1.5.1

Notes:

Human wastewater – any wastewater treatment plant servicing a population of more than 1000 people

Stormwater – any global operational stormwater discharge consents

Intermittent or other discharge – will be assessed on a case by case basis

Earthworks – any area greater than 0.3ha where treatment devices are required (e.g. decanting earth bunds and/or sediment retention ponds)

<i>Nature of contaminants discharged – MEDIUM</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Human wastewater	\$6,000	TBC	7.1.1.2
Stormwater	\$1,800	TBC	7.1.2.2
Intermittent discharges	\$1,500	TBC	7.1.3.2
Other discharges	\$1,500	TBC	7.1.4.2
Earthworks	\$2,250	TBC	7.1.5.2

Notes:

Human wastewater – any wastewater treatment plant servicing a population of less than 1000 people but more than 100 people

Stormwater – any operational stormwater discharge from a site greater than 0.3 hectares where the majority of the development is greenfield development

Intermittent or other discharge – will be assessed on a case by case basis

Earthworks – any area greater than 0.3ha where only control devices (i.e. no treatment) is required (e.g. silt fences and/or clean water diversions)

<i>Nature of contaminants discharged – LOW</i>	<i>Current fixed charge</i>	<i>Proposed fixed charge</i>	<i>Charge category</i>
Human wastewater	\$3,000	TBC	7.1.1.3
Stormwater	\$600	TBC	7.1.2.3
Intermittent discharges	\$450	TBC	7.1.3.3
Other discharges	\$450	TBC	7.1.4.3
Earthworks	\$1,500	TBC	7.1.5.3

Notes:

Human wastewater – any wastewater treatment plant servicing a population of less than 100 people

Stormwater – any operational stormwater discharge from a site less than 0.3 hectares where the majority of the development is greenfield development and a brownfield development site of any size

Intermittent or other discharge – will be assessed on a case by case basis

Earthworks – any area less than 0.3ha

SOE monitoring charges for **stormwater discharges from bulk earthworks** are only applicable if works are undertaken during the year in which consent monitoring charges apply.

Where there are two or more discharge to water consents relating to the same activity, only one SOE monitoring charge applies.

Appendix 1 – SOE monitoring charges

Table A: Environmental Science Department – Project codes and costs based on TBC cost recovery

Project	Project Code	Total operating expenses	Consent holder activity	Consent holder operating expenses
General Science				
Staff Costs, Overhead		\$8,061,436	TBC	TBC
Sub Total				TBC
Knowledge – Land, Air, and Climate				
Outcome Monitoring	100256	\$58,165	0%	\$0
Performance Monitoring	100257	\$178,796	5%	\$8,939
Research and Survey	100258	\$171,624	5%	\$8,581
Wainuiomata Mainland Island	100260	\$18,109	0%	\$0
Climate	100265	\$58,853	0%	\$0
Land Monitoring	100266	\$92,644	30%	\$27,793
SMap	100267	\$5,120	15%	\$768
Ambient Air Quality	100321	\$265,685	5%	\$13,284
Sub Total				\$59,366
Knowledge - Water				
Groundwater Quality Investigations	100263	\$90,543	5%	\$4,527
Surface Water Science	100282	\$218,976	30%	\$65,692
Groundwater Science	100287	\$212,761	30%	\$63,828
Coastal Water Quality & Ecology	100306	\$275,652	30%	\$82,695
Targeted Surface Water Quality Investigations	100307	\$124,620	30%	\$37,386
Lake Water Quality & Ecology	100309	\$117,050	30%	\$35,115
Porirua Harbour & Catchment Strategy	100311	\$58,703	15%	\$8,805
Sub Total				\$298,050
Knowledge – Evaluation and Insights				
Science Information Management	100326	\$359,322	0%	\$0
Matauranga Māori	100349	\$247,981	5%	\$12,399
SOE Report	100329	\$769,244	5%	\$38,462
Sub Total				\$50,861
Monitoring - Data				
Contaminated Land	100268	\$127,187	30	\$38,156
Data Management/Databases	100268	\$238,704	15	\$35,805
Sub Total				\$73,961
Monitoring - Water				
River Water Quality & Ecology	100303	\$736,712	30%	\$221,013
Recreational Water Quality	100308	\$243,511	15%	\$36,526
Didymo	100311	\$20,215	0%	\$0
Porirua Harbour turbidity monitoring	100312	\$21,907	30%	\$6,572
Whaitua Implementation Monitoring	102551	\$175,201	15%	\$26,280
Sub Total				\$290,392

Monitoring - Water Resilience				
Groundwater Quality Monitoring	100264	\$235,290	30%	\$70,587
Surface Water Monitoring	100277	\$994,090	30%	\$298,277
Telemetry of Water Takes	100283	\$10,159	100%	\$10,159
Groundwater Level Monitoring	100289	\$285,903	30%	\$85,770
Sub Total				\$464,743
Monitoring - Land, Ecosystems, and Air				
Terrestrial State	100259	\$191,743	5%	\$9,587
Wairarapa Moana	100261	\$99,620	30%	\$29,885
Wetland health	100271	\$438,735	15%	\$65,810
Air Quality Monitoring	100325	\$298,487	15%	\$14,924
Sub Total				\$120,207
Services				
Other	Various	\$997,505	0%	\$0.00
Sub Total				\$0.00
Total cost		Total operating expenses		Consent holder operating expenses
		\$16,722,110		TBC

Notes to Table A

0% – No costs could be assigned from the work undertaken to consent holder activity.

5% – Some benefit from the programme could be assigned to consent holder activity but predominantly of benefit to the public (typically would include terrestrial and aquatic monitoring that may be of natural state).

15% – Programme has medium benefit to the consent holder.

30% – The benefit that a standard SOE programme is considered to have for a consent holder, this recognises that ~30% of sites and work occasioned by Council in monitoring is a result of consent holder activity.

100% – The programme is occasioned by consent holder activity. An example is telemetering water takes whereby the work is undertaken purely to assist water take consent holders.

Consent holder activity – Included where work is known to be generated as a result of that activity.

The Policy aims to recover up to TBC% or \$TBC million. The charges identified Part 2B of the Policy have been determined to ensure that based on current consent numbers (at the time of writing the Policy) that the amount recovered does not exceed the agreed recovery rate

Table B: Costs assigned to consent types

Project	Consent holder expenses	Land use consents	Surface water takes	Groundwater takes	Discharges to water	Discharges to land	Air discharges
Administration, Staff Costs							
Administration & Staff Costs		TBC	TBC	TBC	TBC	TBC	TBC
Knowledge – Land, Air, and Climate							
Performance Monitoring	\$8,939	0%	0%	0%	0%	100%	0
Research and Survey	\$8,581	0%	10%	10%	10%	70%	0
Land Monitoring	\$27,793	0%	10%	10%	10%	70%	0
SMap	\$768	0%	15%	15%	0%	70%	0
Ambient Air Quality	\$13,284	0%	0%	0%	0%	0%	100
Knowledge - Water							
Groundwater Quality Investigations	\$4,527	0%	20%	20%	10%	50%	0%
Surface Water Science	\$65,692	5%	70%	10%	10%	5%	0%
Groundwater Science	\$63,828	0%	20%	60%	10%	10%	0%
Coastal Water Quality & Ecology	\$82,695	0%	0%	0%	80%	20%	0%
Targeted Surface Water Quality Investigations	\$37,386	10%	25%	5%	40%	20%	0%
Lake Water Quality & Ecology	\$35,115	10%	25%	5%	40%	20%	0%
Porirua Harbour & Catchment Strategy	\$8,805	0%	0%	0%	80%	20%	0%
Knowledge – Evaluation and Insights							
Matauranga Māori	\$12,399	5%	35%	20%	15%	15%	10%
SOE Report	\$38,462	10%	25%	25%	10%	20%	10%
Monitoring - Data							
Contaminated Land	\$38,156	0%	0%	0%	10%	90%	0%
Data Management/Databases	\$35,805	5%	35%	20%	15%	15%	10%
Monitoring - Water							
River Water Quality & Ecology	\$221,013	0%	0%	0%	10%	90%	0%
Recreational Water Quality	\$36,526	10%	25%	5%	40%	20%	0%
Porirua Harbour turbidity monitoring	\$6,572	0%	0%	0%	80%	20%	0%
Whaitua Implementation Monitoring	\$26,280	5%	35%	20%	20%	20%	0%
Monitoring - Water Resilience							
Groundwater Quality Monitoring	\$70,587	0%	20%	20%	10%	50%	0%
Surface Water Monitoring	\$298,277	5%	70%	10%	10%	5%	0%
Telemetry of Water Takes	\$10,159	0%	70%	30%	0%	0%	0%
Groundwater Level Monitoring	\$85,770	0%	20%	60%	10%	10%	0%
Monitoring - Land, Ecosystems, and Air							
Terrestrial State	\$9,587	0%	10%	10%	10%	70%	0%
Wairarapa Moana	\$29,885	0%	20%	0%	70%	10%	0%
Wetland health	\$65,810	0%	0%	30%	0%	70%	0%
Air Quality Monitoring	\$14,924	0%	0%	0%	0%	0%	100%

For Information

GOVERNMENT POLICY STATEMENT – POST 100 DAYS UPDATE

Te take mō te pūrongo

Purpose

1. To update Council on the Government's policy direction, now that the first 100-day period has been completed.

Te tāhū kōrero

Background

2. Officers provided an update to Council on 11 December 2024 on the direction of the new government (refer to Government's Policy Direction – Understanding what it means for Greater Wellington – Report 23.642).
3. This report highlights key areas of change now that the first 100-day period has been completed.

Te tātaritanga

Analysis

4. **Attachment 1** sets out a table of policy direction that is relevant to Greater Wellington and how this has changed after the first 100-days of the Government. Council has already been briefed on many of the 'big-ticket' items.
5. **Attachment 2** sets out a timeline from the Government for resource management reform (from a pro-actively released Cabinet paper).
6. In summary, this 100-day update includes:
 - a Release of Government Policy Statement on Land Transport
 - b Repeal of the Natural and Built Environment Act 2023 (NBEA) and Spatial Planning Act 2023 (SPA)
 - c Indicated changes to the planning framework including upcoming reviews of the National Policy Statement – Freshwater Management (NPS-FM), National Policy Statement – Indigenous Biodiversity (NPS-IB), and National Policy Statement – Highly Productive Land (NPS-HPL)
 - d Introduction of a Fast-track Approvals Bill
 - e Central Government's withdrawal from the Let's Get Wellington Moving programme (LGWM)

- f The Minister of Transport’s removal of the requirement for Road Controlling Authorities (RCAs) and Regional Transport Committees (RTCs) to develop speed management plans
- g Road User Charges (Light Electric RUC Vehicles) Amendment Bill introduced.

Resource Management

- 7. Looking forward, the Minister for RMA Reform recently gave a speech to the planning profession on resource management (see [Speech to the New Zealand Planning Institute | Beehive.govt.nz¹](https://www.beehive.govt.nz/speech/speech-new-zealand-planning-institute)), indicating two broad objectives to the Government’s work programme:
 - a “making it easier to get things done by unlocking development capacity for housing and business growth, enabling delivery of high-quality infrastructure for the future, including doubling renewable energy, and enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture, and mining).”
 - b “to safeguard the environment and human health, adapt to the effects of climate change, improve regulatory quality in the resource management system, and uphold Treaty of Waitangi settlements and other related arrangements.”
- 8. The Minister outlined resource management reform as having a number of phases.

Phase 1:

- 9. Repeal the NBEA and SPA (complete).

Phase 2:

- 10. Introduce Fast-track Approvals Bill (complete).

Phase 2B:

- 11. Make targeted changes to the existing Resource Management Act 1991 (RMA)
 - a First set of changes to be introduced by May 2024:
 - i Clarify the application of the hierarchy of obligations in the National Policy Statement (NPS) for Freshwater Management to resource consenting
 - ii extend the duration of marine farm consents
 - iii cease the implementation of new Significant Natural Areas for three years to enable a thorough review of their operation.
 - b Second set of changes by end of 2024:
 - i make the Medium Density Residential Standards optional and require councils to ratify their use
 - ii require councils to zone 30 years of growth, and strengthen the National Policy Statement on Urban Development, particularly around mixed-use zoning

¹ <https://www.beehive.govt.nz/speech/speech-new-zealand-planning-institute>

- iii Enable more renewable energy (as part of 'Electrify New Zealand' policy)
- iv All other work on national direction combined into a single review and engagement process for decision-making and engagement (including national policy statements).

Phase 3

- 12. Replace the RMA by end of 2025.
- 13. The shifting of priorities for central government expenditure and the introduction of new policies with financial dimensions will influence Greater Wellington's budgetary position.

Transport

- 14. The draft Government Policy Statement (GPS) – Land Transport indicates a significant change in direction for land-transport with an overarching strategic focus on economic growth and productivity. While this GPS signals ongoing support for public transport in the Wellington Region, including support for important major public transport projects, funding in the two public transport activity classes has reduced in real terms. In addition, the draft GPS signals the need to increase farebox recovery and revenue generated from third party sources (primarily, it is understood, from passengers).

Public Transport

- 15. As this report is being finalised, New Zealand Transport Agency - Waka Kotahi (NZTA) has commenced consulting on fares and pricing requirements for public transport authorities in line with the farebox recovery positions outlined in the draft GPS.
- 16. Officers have yet to determine how changes to fare-box recovery rates signalled through the new NZTA fares and pricing workstream will specifically impact or influence Wellington Region fare settings in general and any current services (e.g. the on-demand trial service in Tawa) which are not currently funded in the National Land Transport Fund (NLTF).
- 17. It is clear, however, that changes to the way SuperGold concession funding is accounted for nationally will impact on how farebox settings are calculated and considered by the Crown. Under the new draft fares and pricing requirements, all sources of Crown funding are to be counted as part of the public share of operating costs along with local and NLTF funding sources.
- 18. As SuperGold concession funding is currently accounted for by the Crown as 'fare revenue', the financial policy change signalled by NZTA will mean Greater Wellington will need to adjust how fare revenue sources are represented and, therefore, how future Crown funding is off-set against any nationally mandated expectation relating to the proportion of fares expected to be comprised from direct passenger-generated revenues.
- 19. Officers will bring a report to a future Council meeting (date to be confirmed) on policy or requirements in NZTA's fares and pricing workstream requiring Council consideration or decision-making.

Water Infrastructure

20. Greater Wellington will continue to include Bulk Water Supply in the Long-Term Plan and Financial Strategy. However, the increasing cost pressures of delivering water will be an affordability challenge for local government in the Region and is likely to require government funding assistance or a change to the ownership and funding mechanisms at some point in the near future.
21. Regional/City Deals may offer a funding route to address regional infrastructure funding shortfalls but would need to be negotiated with the government. At this time, the shape and structure of regional/city deals are uncertain. The Wellington Regional Leadership Committee is facilitating initial thinking on a regional deal.

Ngā Take e hāngai ana te iwi Māori Implications for Māori

22. The new policy direction will have major impacts on our mana whenua partners in the Wellington Region and Māori in general.
23. The National Iwi Chairs Forum (NICF) was held between 31 January – 2 February 2024 at Waitangi and recommendations were agreed by NICF, which include to be in opposition to the Crown's policies and legislation that impact on Te Tiriti o Waitangi rights of whānau, hapū and iwi within each rohe, including the protection of rights guaranteed in each Treaty of Waitangi settlement.
24. The Fast-track Approvals Bill has limited recognition of Te Tiriti which undermines the interests of Māori, with high concern for iwi yet to settle with the Crown. Furthermore, the concerns from our mana whenua partners regarding the Bill are as follows:
 - a Unhappy that the decision power sits at Ministerial level
 - b Significantly reduces their involvement in the decision-making process, which negatively impacts mana whenua long-term management plans, aspirations, putting them decades behind in the current achievements they have made to date
 - c Economic development will overpower the needs of the environment for a flourishing te taiao
 - d Unsettled mana whenua partners are to be disadvantaged more than those that have settlement agreements i.e Te Ātiawa ki Whakarongotai and Raukawa ki te Tonga (who have delegated specific responsibilities to Ngā Hapū o Ōtāki) and have not yet gone through redress.
25. Further Fast-track Approvals Bill implications that may impact on iwi and hapū are as follows:
 - a Commitment to upholding Te Tiriti is uncertain
 - b Consultation with iwi/hapū is lacking for non-settled iwi, and likely to be too short and resource intensive for those who are consulted
 - c Need stronger assurance of expert panel's Tiriti, tikanga and mātauranga expertise
 - d Panel consultation timeframe with Māori-focused Ministers is short.

26. With further consideration, the Government's approach of working with Post Settlement Governance Entities (PSGEs) is likely to be problematic for all our mana whenua partners. Although Ngāti Toa Rangatira and Taranaki Whānui as their PSGEs are the same entities we partner with, there may be lack of consultation at a hapū level. The entities we partner with in the Wairarapa are not PSGEs. And it is unclear what this will mean for Te Ātiawa ki Whakarongotai and Ngā Hapū o Ōtāki who are not yet settled with the Crown and have overlapping rohe with Muaūpoko which has a PSGE.
27. Changes to Te Mana o Te Wai (TMoTW) hierarchy and the removal of consideration of TMoTW for consent decisions (including those under fast track) will result in poorer outcomes for freshwater which may not align with commitments in Treaty Settlements and structures that flow from these Settlements. Whilst the TMoTW hierarchy is being removed from the consenting considerations, the Regional Policy Statement (RPS) Change 1 currently has three mana whenua expressions of what TMoTW means to respective mana whenua. Those expressions, even though currently still proposed, will need to be considered in some form alongside the operative RPS.
28. On 4 April 2024 the Minister of Local Government advised that the Government will introduce a Bill in the next few months to restore binding polls on the establishment of Māori wards and constituencies. Under the proposed legislation the Council will have the options of A: resolving this year to rescind its decision to create a Māori Constituency by council resolution, to take effect at the 2025 local elections, or B: holding a binding poll on the question of Māori Constituencies at the 2025 local elections, to take effect at the 2028 local elections.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

29. The Government has removed the previous focus on climate change from its draft GPS – Land Transport. It has signalled an overarching strategic priority of economic growth and productivity with a focus on roading. The draft GPS indicates that the Government will be looking to a strong and stable Emissions Trading Scheme (ETS) and measures to be developed as part of the second Emissions Reduction Plan (ERP2) to reduce emissions. The descriptions of the proposed activity classes in the GPS, coupled with reductions from previously signalled investments in public transport and active modes restrict the ability of local bodies to seek multi-modal solutions which would have assisted in reducing transport-related emissions through mode shift. These draft proposals will make it more challenging to achieve the Region's and national emissions targets.
30. The purpose of the proposed Fast-track Approvals Bill is to expedite the approval of projects deemed to have significant regional or national benefits. It overrides consent processes under the RMA, but also a wide range of authorisations under other legislation including the Wildlife Act 1953, the Conservation Act 1987, and the Reserves Act 1977.
31. The purpose of the bill has primacy with no limiting environmental parameters (in contrast to the Resource Management Act 1991). Unlike the fast-track consenting under previous legislation, Ministers (of Infrastructure, Transport and Regional Development) have ultimate decision-making power over approvals and conditions.

Note that because the Schedules listing projects eligible for the fast-track process were not introduced with the Bill, there will be no opportunity for public scrutiny or expert input as part of the Select Committee process.

32. Greater Wellington will be making a submission on the Bill (Report 24.160), as discussed at the Council workshop on 28 March 2024. Submissions are due on 19 April 2024.
33. As noted in the previous report, a number of policy measures will impact on the ability of the Region to reduce carbon emissions. This includes making Medium Density Residential Standards optional for councils, the repeal of the Spatial Planning Act 2023, reducing funding for building cycleways, cancellation of Let's Get Wellington Moving and increased priority for new Roads of National Significance.

Ngā tūāoma e whai ake nei

Next steps

34. Further advice will be provided to Council as the details continue to emerge for both the detailed policy and the process around engagement.
35. The Government has published its second 100 days plan which contains 36 actions. These are reproduced in **Attachment 3**. Officers will provide a further update when the next 100-day period has been completed.

Ngā āpitihanga

Attachments

Number	Title
1	Table of Government Policy Direction relevant to Greater Wellington
2	Government's RM reform timeline
3	Coalition Government's Action Plan for New Zealand: 1 April – 30 June 2024

Ngā kaiwaitohu

Signatories

Writers	<p>Matt Hickman – Principal Advisor, Strategy, Policy & Regulation</p> <p>Emmet McElhatton – Manager, Policy Metlink</p> <p>Grant Fletcher – Head of Regional Transport</p> <p>Ana Nicholls – Director, Mātauranga Taiao</p> <p>Francis Ryan - Head of Governance and Democracy</p> <p>Catherine Knight – Principal Strategic Advisor, Urban Development</p> <p>Natasha Hayes – Senior Strategic Advisor, Regional Transport</p>
Approvers	<p>Fathima Iftikar – Director – Strategy, Policy and Regulation, Environment Group</p> <p>Luke Troy - Group Manager Strategy Kaiwhakahaere Matua Rautaki</p>

**He whakarāpopoto i ngā huritaonga
Summary of considerations**

Fit with Council's roles or with Committee's terms of reference

A shift in central government policy direction impacts directly on Council's roles, responsibilities and work programmes.

Contribution to Annual Plan / Long Term Plan / Other key strategies and policies

Changing priorities and funding arrangements for central government will impact on Council's Long Term Plan and other key planning documents.

Internal consultation

This report has been prepared by a number of teams across Council including Strategy, Policy & Regulation, Metlink Policy, Democratic Services, Te Hunga Whiriwhiri, Regional Transport.

Risks and impacts - legal / health and safety etc.

There may be legal risks to Council as policy and legislation changes. Further detail will be provided when known.

Central government policy direction – post 100-days update

Note this is not comprehensive list of all policy changes – these are changes of most interest to Greater Wellington

Theme	Specific direction <i>(taken from 100-day plan and coalition agreements, with some double-ups to show difference in wording in some cases)</i>	Impact on GW's work programme	Response required from GW	100-day update
Resilience, response & recovery	Meet with Councils and communities to establish regional requirements for recovery from Cyclone Gabrielle and other recent major flooding events.	Limited impact on Wairarapa area		
	Make any additional Orders in Council needed to remove red tape to speed up cyclone and flood recovery efforts.		Support national recovery agency role to support regional/local roles	
Regulatory reform	New ministerial portfolio for regulation including introduction of proposed Regulatory Standards Act and establishment of new regulations government department.	Cross-cutting impacts to be determined across GW functions	<ul style="list-style-type: none"> • Ongoing watching brief • Advocate reform of, from a public transport perspective, current regulatory measures that may be impeding public transport planning and operations • Advocate for reform to Regional Land Transport planning processes to speed delivery of programmes of work. 	New Ministry of Regulation established 1 March.
Regional transport and public transport	Begin work on a draft new Government Policy Statement on Transport (GPS) reflecting new Roads of National Significance and public transport projects.	<p>New Roads of National Significance (RoNS) in the Wellington region:</p> <ol style="list-style-type: none"> 1. Petone to Grenada Link Road & Cross-Valley Link 2. Second Mt Victoria Tunnel <p>Development of the Regional Land Transport Plan (RLTP) 2024-27 mid-term review of the programme of activities (coordinated by GW) and funding bids for National Land Transport Fund (NLTF) 2024-27 are underway. Changes in the GPS may affect transport programme submissions around activity class, State</p>	<p>Consideration of standing up of RoNS consenting team again.</p> <p>GW (and RTC) submit on the new draft GPS GW officers incorporate GPS changes (and subsequent changes to Approved Organisation (AO) transport programmes in the region) into the RLTP 2024-27 mid-term review once these are confirmed and submitted. Direction re LGWM will affect Waka Kotahi SHIP and WCC transport programmes.</p>	<p>The Ministry of Transport released a new draft GPS 2024 on land transport for feedback on the 6 March.</p> <p>The draft GPS includes significant changes in policy direction and associated funding allocation. Two RoNS projects have been identified for the Wellington region, along with support for several other major roading and public transport projects. Funding in the two public transport activity classes has reduced in real terms. In addition, the draft GPS signals the need to increase farebox recovery and looking at third party sources. This raises concern around the affordability of maintaining and improving our public transport network.</p> <p>Submissions on the GPS are being prepared by the Regional Transport Committee and Council, along with</p>

Central government policy direction – post 100-days update

Note this is not comprehensive list of all policy changes – these are changes of most interest to Greater Wellington

		<p>Highway Improvement Programme (SHIP) changes, etc. and would trigger updates to the RLTP review programme. On 5 December, the Regional Transport Committee (RTC) considers endorsement of proposed timelines on how officers will feed updates into the RLTP 2024 review programme of activities once the new draft GPS is released.</p> <p>Until the GPS is release there is uncertainty over the levels of funding available to support current operations post 1 July 2024 and capital improvements.</p>	<p>The NLTF remains underfunded to maintain the current network. GW with regional and local partners should advocate for the completion of Future of Transport Funding Review.</p>	<p>various regional and local government sector submissions.</p> <p>Still awaiting release of the subsequent State Highway Investment Proposal (SHIP). Delays have meant significant impacts on the regional sector’s ability to complete their statutory RLTPs and Waka Kotahi have confirmed a time extension until 1 August 2024 to submit final RLTPs.</p>
	<p>Withdraw central government from Let’s Get Wellington Moving programme (LGWM).</p>	<p>Uncertainty on future of component projects of overall LGWM programme</p> <p>Change in GW partnership role, planning input, funding, contribution to projects and activities previously covered by LGWM that are likely to continue.</p> <p>FAR funding for expanded Travel Choice Programme will not be available under LGWM and will need to be secured for 24-27.</p>	<p>Advocacy for importance of elements of the existing LGWM programme continuing</p> <p>LTP funding discussions re level of contribution to City Streets projects under new WCC led approach</p> <p>Incorporation of any transport programme changes into the RLTP 2024-27 mid-term review.</p> <p>Urgently work with LGWM partners to transition programmes of work and agree new funding arrangements.</p>	<p>In early February LGWM partners mutually agreed to end the partnership, terminating the relationship and funding agreement.</p> <p>Council paper to 29 Feb meeting outlines the LGWM Programme close-down process and notes the project status and next steps for elements of the former programme that will continue.</p> <p>Early collaboration (WCC-GW) underway and will continue with joint work expected to develop a re-shaped package of street improvements – some scope, timing, phasing changes are expected in the context of affordability.</p> <p>WCC and GW draft LTPs have made provision for bus priority going forward, these are subject to consultation and final decisions. A joint programme to manage this work is being established across both councils.</p>

Central government policy direction – post 100-days update

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				Awaiting new GPS for direction regarding project priorities and funding for activities that will continue post LGWM.
	Stop Labour’s blanket speed limit reductions and start work on replacing the Land Transport Rule: Setting of Speed Limits 2022.	Implications for Regional Speed Management Plan 2024 development underway (coordinated by GW officers on behalf of the RTC) if the Rule is replaced / Speed Management Plan (SMP) process changes. Some Road Controlling Authorities (RCA)s have already submitted their SMPs to the Director of Land Transport for certification – reversing the speed management direction and programmes could result in significant wasted resource and time by councils and local communities.	Continue working closely with RCAs and Waka Kotahi in the region to understand impacts on existing Regional Speed Management Plan process and opportunities to engage. Work with government for an improved speed management regime to achieve objective of reducing harm in higher risk areas.	In December 2023, the Minister of Transport removed the requirement for RCAs and Regional Transport Committees (RTCs) to develop speed management plans. Where speed management plans were not yet final, the Minister encouraged RCAs and RTCs to consider the new Rule before making any final decisions. On 26 March, GW officers brought a decision paper to the RTC to pause work on the development of the combined RSMP until such time as the new Rule is available and the role of the RTC (if any) is understood. Some RCAs whose SMPs have been certified by the Director are proceeding to implementation, while other RCAs are awaiting the new Rule before progressing.
	Reverse speed limit reductions where it is safe to do so. (National-ACT agreement)	Regional Transport is recommending to RTC that all work on the regional speed management plan cease.		
	Upgrade the Super Gold Card and Veterans Card to maximise its potential benefit for all holders.	Potential impact on Metlink Super Gold concession use policy and practice with potential related finance/funding impacts. Resourcing (project) impacts from any new fares policy arising.	Ongoing watching brief to ensure any changes to Super Gold use policy, and implementation costs, are wholly central government funded.	No policy changes signalled to date.
	Reduce expenditure on cycleways.	‘Walking and cycling’ is an activity class in the draft GPS 2024 under which Authorised Organisations (those able to access funds from the NLTF) have submitted activities in	GW (and RTC) submit on the new draft GPS	While the draft GPS activity class has an increased allocation for walking and cycling, it is now the only activity class able to fund these types of improvements – including maintenance – which means it needs to do much more than previously and represents a reduction in real terms. There is also a much narrower criteria for

Central government policy direction – post 100-days update

Note this is not comprehensive list of all policy changes – these are changes of most interest to Greater Wellington

		<p>their transport programmes for the NLTF 2024-27 funding bid. The forthcoming draft GPS may reflect funding implications on allocation for walking and cycling</p>		<p>funding eligibility – contribution to economic growth & productivity + existing high volumes + safety.</p> <p>Government has already withdrawn all funding for cycling and walking under Better Off Funding arrangements and all support from Climate Emergency Response Fund (CERF) funding except where contracts were already in place.</p>
	<p>Replace fuel excise taxes with electronic RUC for all vehicles, starting with electric vehicles</p>	<p>Financial impacts for public transport on how fuel is paid (and how much) under current contracts</p>	<p>Review impacts under current public transport operator contracts work stream.</p> <p>Support introduction of RUC for all users as a way to better capture true cost of usage, charge appropriately and use the most economically efficient means of transport. Contains possibility of reducing overall vehicle use.</p>	<p>RUC exemption for electric vehicles set to expire 31 March 2024. Road User Charges (Light Electric RUC Vehicles) Amendment Bill (a government Bill) introduced February 2024.</p>
	<p>Work with Auckland to implement time of use road charging</p>	<p>Potential extension over the triennium to Wellington.</p> <p>The RTC and GW has previously submitted in support of introducing legislation to enable road pricing or congestion charging in Wellington region as a potential tool to support mode shift and emission reduction goals.</p> <p>The draft Wellington Transport Emissions Reduction Pathway highlights the important role that road pricing mechanisms play in reducing transport-generated emissions.</p>	<p>Review impacts under current public transport operator contracts work stream.</p> <p>Continue to advocate for enabling legislation to support road pricing in Wellington and for hypothecation of revenue raised directly into public transport and active mode improvements.</p>	<p>Draft GPS 2024 signals support for new approaches to transport network revenue, including road pricing (congestion or time of use) schemes.</p> <p>Removal of the Auckland Regional Fuel Tax – which may be a pre-cursor to progressing a new congestion charging tool.</p>
	<p>Commitment to supercharge electric vehicle infrastructure with a comprehensive, nationwide network of 10,000 public EV chargers by 2030 will specifically take into</p>	<p>This will assist the electrification of the vehicle fleet in the region and</p>	<p>Consideration for RLTP development</p>	<p>Draft GPS includes a commitment to fund Electric Vehicle Charging Infrastructure. However, this is</p>

Central government policy direction – post 100-days update

Note this is not comprehensive list of all policy changes – these are changes of most interest to Greater Wellington

	account that there must be robust cost benefit analysis to ensure maximum benefit for government investment.	contribute to reducing emissions.		alongside the removal of other incentives to support EV uptake like RUC exemptions and clean car discount.
	Cancel Labour’s planned “fuel tax hikes” that would add another 12 cents per litre, or and extra \$8 for a full tank.	Places continued downward pressure on funding within the NLTF for maintenance, operations and renewals including funding of public transport.	Lobby for completion of future of transport funding study currently underway by the Ministry of Transport.	Draft GPS notes that government will be rapidly advancing reforms to the National Land Transport Fund’s revenue system.
	Repeal Clean Car Discount (National-Act agreement)	This will not assist the electrification of the vehicle fleet in the region and therefore reducing emissions.		Has been repealed, effective end of 2023.
Infrastructure, Energy & Natural Resources	Establish a National Infrastructure Agency under the direction of relevant Ministers, to coordinate government funding, connect investors with New Zealand infrastructure, and improve funding, procurement, and delivery.	Could provide a vehicle for more effective regional coordination of infrastructure development and funding with positive impacts in areas of Three Waters, Transport and clean energy supply. Planning, funding and procurement impacts for Metlink infrastructure including for new developments and TOD. Opportunity to secure funding for regionally significant infrastructure projects.	Understand the reach and scope of the Agency and lobby for effective regional coordination and planning. Ongoing watching brief and review of policy development and implementation for opportunities to increase funding options and pathways.	Understood to be a work in progress.
	Build infrastructure with 13 new Roads of National Significance (RoNS) and four major public transport upgrades.	Public Transport upgrades: Expected to include ‘Improvements to increase capacity and reliability on Lower North Island train services for passengers and freight’ (as per National Party Policy Programme) RoNS: Expected to include – Second Mt Vic Tunnel	Incorporation of any transport programme changes into the RLTP 2024-27 mid-term review Consider how to influence the shape of RoNS projects going forward to contribute to GW’s strategic objectives, outcomes and targets. Work with WRLC to consider impacts on FDS once timing of and process for road development is known.	New draft GPS 2024 identifies 2 RoNS for Wellington: <ul style="list-style-type: none"> • Second Mt Victoria Tunnel and Basin Reserve upgrade • Petone to Grenada Link Road and Cross Valley Link) Three other major transport projects: <ul style="list-style-type: none"> • Otaki to North of Levin • SH58 Stage 2 • SH2 Melling Transport Improvements

Central government policy direction – post 100-days update

Note this is not comprehensive list of all policy changes – these are changes of most interest to Greater Wellington

		<p>(including Basin Reserve grade-separation), Petone to Grenada and Hutt Valley Cross Valley Link</p> <p>Future Development Strategy accounts in a general sense for the regional new roads (e.g. identifies the need for an east-west connection). The Future Development Strategy Implementation Plan (draft March 2024 and final June 2024) can include these projects and any associated urban development aspects.</p>		<p>And two major public transport:</p> <ul style="list-style-type: none"> • Lower North Island Rail Integrated Mobility • acceleration of Wellington’s North-South, East-West, and Harbour Quays’ bus corridors.
	<p>Institute long-term city and regional infrastructure deals, allowing PPPs, tolling and value capture rating to fund infrastructure.</p>	<p>Significant opportunity for this region to negotiate a deal to help fund infrastructure necessary to support growth as well as consider regulatory changes, partnership arrangements and devolution of powers on a bespoke basis.</p> <ul style="list-style-type: none"> • Planning, funding and procurement impacts for Metlink infra including infra for new developments and TOD • Councils and regions are urged to begin identifying priority projects immediately. (from National Party Policy re National, Regional City Deals) • Advocate via the WRLC for a regional approach to a regional deal (as distinct from multiple city deals) focused on the strategic direction in the Future Development Strategy and 	<ul style="list-style-type: none"> • Ongoing watching brief and review of policy development and implementation for opportunities to increase funding options and pathways. • Regional and City Deals – consider how best to pivot quickly from the current strategic transport and housing processes to identify and package projects for a regional or city deal - housing/ infrastructure/transport. • WRLC has discussed at a regional level the level of interest in pursuing a regional deal and agreed a framework for a deal. The GWRC Chair in his role as Deputy Chair of the WRLC will be attending, along with the WRLC Chair a meeting with Minister Brown in early April to discuss this framework. 	

Central government policy direction – post 100-days update

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		the Regional Economic Development Plan.		
	Prioritise strategic infrastructure to improve the resilience of heavy industry in New Zealand.			
	Establish a Regional Infrastructure Fund with \$1.2 billion in capital funding over the Parliamentary term.	<ul style="list-style-type: none"> Seeking \$47M crown funding for a \$62M capital investment in flood resilience infrastructure over the next 3 years Potential opportunity to explore funding opportunities for some of the Palmerston North LNIRIM components 	Funding (GWRC \$25M Share) allowed for in Draft LTP Potential opportunity to explore funding opportunities for some of the Palmerston North LNIRIM components.	
	Facilitate the development and efficiency of ports and strengthen international supply networks.	Could impact on the role of CentrePort in the national supply chain. Opportunity to position CentrePort as a key element of the national supply chain and grow its role	WRC Holdings preparing an Investment Strategy and working with CentrePort Board to look for partnership opportunities	
	Require the electricity regulator to implement regulations such that there is sufficient electricity infrastructure to ensure security of supply and avoid excessive prices.	<p>Potential impact on Metlink fleet electrification strategy.</p> <p>Opportunity to better plan a carbon neutral future if owners and operators can build for anticipated future demand.</p>	<p>Watching brief.</p> <p>Engage in change process to support moves to build sufficient future capacity to meet increased demand from decarbonised energy future.</p>	No update.
	Plan for transitional low carbon fuels, including the infrastructure needed to increase the use of methanol and hydrogen to achieve sovereign fuel resilience.	Potential impact on Metlink fleet decarbonisation strategy including vehicle standards and procurement.	Watching brief.	No update.

Central government policy direction – post 100-days update

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Affordable Water Reform	Repeal Three Waters legislation.	Bulk Water responsibilities remain with GW	Status Quo. However, GW may wish to pursue transfer of bulk water assets and responsibilities to TAs or any new structures created	Previous Government's Affordable Water Reform repealed.
	Stop all work on establishing the agencies	Contractors resourced through DIA need to refocus their efforts to continue being effective for GW until the new government provides a new approach. Watercourses Agreements need to be reviewed	Workstream required. Continued lobbying for the government to contribute to the affordability of the significant investment required for water infrastructure.	
Housing	Begin work on Going for Housing Growth policy, to expand housing supply, build infrastructure and give councils flexibility over MDRS standards.	Potentially could impact on the implementation of the Future Development Strategy under the Wellington Regional Leadership Committee.	The Future Development Strategy (FDS) is our regions vision for the next 30 years. The strategy has been updated to reflect some new government direction, such as Petone to Grenada and has removed all reference to Let's Get Wellington Moving. The FDS implementation plan is currently being developed and will be socialised, including confirming with GWRC staff over April/May and taken to the WRLC committee meeting in June for adoption.	Continue monthly central government partnership meetings to keep up with government direction and work with them to implement the FDS.
	Introduce financial incentives for councils to enable more housing, including considering sharing a portion of GST collected on new residential builds with councils.	Potential positive impact on public transport infrastructure funding planning.	<ul style="list-style-type: none"> Advocate, from a public transport perspective, that some GST share should go towards public transport infrastructure development to enable access to new high-density developments. 	
	Legislate to make the MDRS optional for councils, with the need for councils to ratify any use of Medium Density Residential Standards (MDRS), including existing zones.	The draft RPS urban intensification provisions assume the existence of the MDRS and LGWM rapid transit corridor. Their removal or dilution is likely to reduce the ability to achieve the environmental objectives of the RPS.	<ul style="list-style-type: none"> Work through the Regional Leadership Committee to understand the intent of each TA and lobby for continued intensification along key transport corridors and around centres. 	MDRS legislation planned for end 2024.

Central government policy direction – post 100-days update

Note this is not comprehensive list of all policy changes – these are changes of most interest to Greater Wellington

<p>Natural resource management</p>	<p>Repeal NBEA and SPA and introduce a fast-track consenting regime.</p>	<p>Ability to fast-track critical transport projects of regional significance.</p> <p>GW (Env Reg) will have the compliance and enforcement functions for any projects fast-tracked in the region.</p>	<p>Feed into design of new fast-track consenting regime (most probably via Te Uru Kahika). Engage at Select Committee via submission process.</p> <p>Support use of process for critical regional infrastructure projects.</p>	<p>NBEA and SPA repealed.</p> <p>Fast-track Bill introduced 7 March.</p>
	<p>Repeal the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023 by Christmas.</p>	<p>No impact on plan changes as plan change work programme operating under the old RMA. Significant impact on long-term spatial planning as the draft FDS has been written as a stepping stone towards the effective regional spatial planning contained within the SPA and was the vehicle for more effective infrastructure planning.</p> <p>Need to consider impact on any consents issued under the NBEA framework.</p>	<p>Lobby in replacement legislation for regional spatial planning.</p> <p>Work with existing tools through a Regional Planning Committee (which could be WRLC) to progress a unified regional spatial plan and approach towards infrastructure provision.</p>	<p>NBEA and SPA repealed.</p>
	<p>Amend the Resource Management Act 1991 to:</p> <ul style="list-style-type: none"> • Make it easier to consent new infrastructure including renewable energy, allow farmers to farm, get more houses built, and enhance primary sector including fish and aquaculture, forestry, pastoral, horticulture and mining. • Streamline the plan preparation process in Schedule 1 of the RMA. • Simplify the planning system and related statutes including the Public Works Act and the Reserves Act. • The Parties commit to establish a fast-track one-stop-shop consenting and permitting process for regional and national projects of significance. The process will include a referral by 	<p>No immediate impact on plan change work programme.</p> <p>Will impact plan change work programme once legislation is enacted.</p>	<p>Feed into drafting of new legislation (most probably via Te Uru Kahika). Engage at Select Committee via submission process.</p>	<p>Fast-track Bill introduced 7 March which establishes an approvals process outside the RMA.</p>

Central government policy direction – post 100-days update

Note this is not comprehensive list of all policy changes – these are changes of most interest to Greater Wellington

	Ministers for suitable projects. A Bill to introduce this process and make other essential statutory amendments will have its first reading as part of the government's 100-day plan.			
	Replace the Resource Management Act 1991 with new resource management laws premised on the enjoyment of property rights as a guiding principle.	No immediate impact on plan change work programme. Will impact plan change work programme once legislation is enacted.	Feed into drafting of new legislation (most probably via Te Uru Kahika). Engage at Select Committee via submission process.	Planned by end of 2025.
	Replace the National Policy Statement for Freshwater Management 2020 to allow district councils more flexibility in how they meet environmental limits and seek advice on how to exempt councils from obligations under the National Policy Statement for Freshwater Management 2020 as soon as practicable.	Possible implications for Plan Change 1, depending on when the replacement NPS-FM is gazetted. Implications for work underway to implement the NPS-FM 2020 which may be inconsistent with a new replacement NPS-FM.	Feed into drafting of new NPS-FM. Engage via submission process.	Process for review and rewrite as part of resource management reform.
	Replace the National Policy Statement for Freshwater 2020 to rebalance Te Mana o te Wai to better reflect the interests of all water users.	Possible implications for Plan Change 1, depending on when the replacement NPS-FM is gazetted. Implications for work underway to implement the NPS-FM 2020 which may be inconsistent with a new replacement NPS-FM. Uncertainty in resource consenting, with applicants already expecting a paradigm shift.	Feed into drafting of new NPS-FM. Engage via submission process.	Process for review and rewrite as part of resource management reform.
	Replace the National Policy Statement for Freshwater Management 2020 and the	Possible implications for Plan Change 1, depending on when	Feed into drafting of new NPS-FM. Engage via submission process.	Process for review and rewrite as part of resource management reform.

Central government policy direction – post 100-days update

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	National Environmental Standards for Freshwater to better reflect the interests of all water users.	the replacement NPS-FM is gazetted. Implications for work underway to implement the NPS-FM 2020 which may be inconsistent with a new replacement NPS-FM.		
	Commence an urgent review into the implementation of the National Policy Statement on Indigenous Biodiversity before any implementation.	Uncertainty in resource consenting, with applicants already expecting a paradigm shift.	Participate in review if possible; possible implications for RPS Change 1 hearings.	Review of all national resource direction to be aligned.
	Improve Farm Environment Plans so they are more cost-effective and pragmatic for farmers.		Ensure farm planning is designed to be cost-effective and pragmatic.	Direction to implement 'with a light touch'.
	Support Farm Environment Plans administered by regional councils and targeted at a catchment level.			
	Adopt standardised farm level reporting.			
	Cut red tape and regulatory blocks on irrigation, water storage, managed aquifer recharge and flood protection schemes.	Depending on the nature of this work could have implications for work underway to implement the NPS-FM 2020 which may be inconsistent with this direction.		
	Amend the National Environmental Standards for Plantation Forestry (NES-PF) regulations to place a duty upon harvesters to contain and remove post-harvest slash.	Unclear is this has already been superseded with the new NES for Commercial Forestry.	Review plans NRP to ensure consistent when appropriate.	
	Deliver longer durations for marine farming permits and remove regulations that impede the productivity and enormous potential of the seafood sector.	There are no marine farms in the region		Engagement period closed.

Central government policy direction – post 100-days update

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	Liberalise genetic engineering laws while ensuring strong protections for human health and the environment.			
Climate change	Deliver Net Zero by 2050 including by doubling New Zealand’s renewable electricity and supporting new technology to reduce agricultural emissions.	Opportunity for GW’s Energy Transformation Initiative		
	Maintain a split-gas approach to methane and carbon dioxide through to 2050 and review the methane science and targets in 2024 for consistency with no additional warming from agricultural methane emissions.	Likely to reduce the ability to reduce emissions from the agriculture sector		
	Enable farmers and landowners to offset sequestration against their on-farm emissions.	Will have links through to farm planning and rural land use change.		
	Plan for transitional low carbon fuels, including the infrastructure needed to increase the use of methanol and hydrogen to achieve sovereign fuel resilience.	Opportunity for CentrePort heavy freight		
	Ensure that climate change policies are aligned and do not undermine national energy security.			
	Ensure the government’s energy settings allow for the exploration of natural geological hydrogen in New Zealand, to maximise future energy resilience.			
	Stop the current review of the ETS system to restore confidence and certainty to the carbon trading market.	Supports upward pressure on emissions unit (NZU) prices in the short and medium term, which increases the value of NZUs held by council and therefore the value of the Low Carbon Acceleration Fund		
	Progress work to recognise other forms of carbon sequestration, including blue carbon.			

Central government policy direction – post 100-days update

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	Incentivise the uptake of emissions reduction mitigations, such as low methane genetics, and low methane producing animal feed.			
Te Tiriti and outcomes for Māori	Honour the undertakings made by the Crown through past Treaty of Waitangi settlements.	Existing settlements not affected; unclear how partners who have not settled yet will be affected.		
	Reverse measures taken in recent years which have eroded the principle of equal citizenship, specifically: <ul style="list-style-type: none"> Remove co-governance from the delivery of public services. Restore the right to local referendum on the establishment or ongoing use of Māori wards, including requiring a referendum on any wards established without referendum at the next Local Body elections. Confirm that the Coalition Government does not recognise the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as having any binding legal effect on New Zealand. 	Introduced legislation may impact Council's resolution to establish a Māori Constituency for the 2025 triennial elections.	Consider the impact of introduced legislation on Council's establishment of a Māori Constituency and the 2024 representation review. Engage with Select Committee via submissions process.	On 4 April 2024 the Minister of Local Government advised that the Government will introduce a Bill in the next few months to restore binding polls on the establishment of Māori wards and constituencies. Under the proposed legislation the Council will have the options of: <p>A: resolving this year to rescind its decision to create a Māori Constituency by council resolution, to take effect at the 2025 local elections, or</p> <p>B: holding a binding poll on the question of Māori Constituencies at the 2025 local elections, to take effect at the 2028 local elections.</p>
	Amend section 58 of the Marine and Coastal Area Act to make clear Parliament's original intent, in light of the judgment of the Court of Appeal in Whakatohea Kotahitanga Waka Edwards) & Ors v Te Kahui and Whakatohea Maori Trust Board & Ors [2023] NZCA 504.	There are significant overlaps shown of the maps of applicants seeking recognition of their Customary Marine Title (CMT) and/or their Protected Customary Rights (PCRs) in the Wellington region.	Feed into review process and drafting of new provisions.	
	Amend the Waitangi Tribunal legislation to refocus the scope, purpose, and nature of its inquiries back to the original intent of that legislation.	Five of six of GW's mana whenua partners have completed the Waitangi Tribunal aspects of their settlement processes.	Feed into review process and drafting of new provisions.	

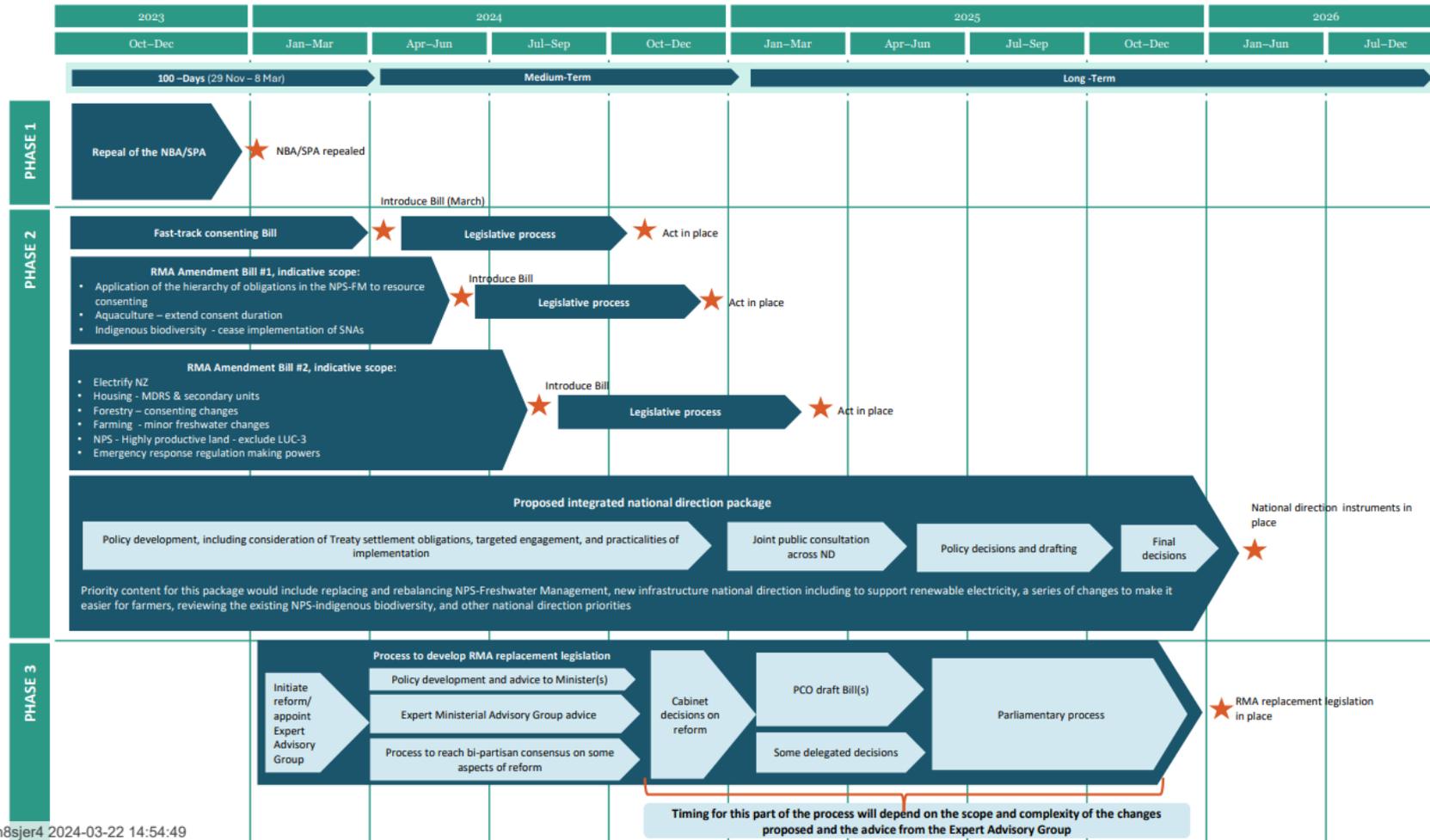
Central government policy direction – post 100-days update

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	Conduct a comprehensive review of all legislation (except when it is related to, or substantive to, existing full and final Treaty settlements) that includes “The Principles of the Treaty of Waitangi” and replace all such references with specific words relating to the relevance and application of the Treaty, or repeal the references	May have a knock-on effect on documents that flow from legislation (e.g. RLTP, RPMP, RPS, NRP, etc.).		100-day Bills have excluded references to Principles.
	Remove co-governance from the delivery of public services.			
Employment and Immigration	Improve the Accredited Employer Work Visa to focus the immigration system on attracting the workers and skills NZ needs	May impact on off-shore recruitment for bus drivers.	Advocate to keep public transport workforce needs high on INZ skills shortage register.	No update.
	Investigate the establishment of an “Essential Worker” workforce planning mechanism to better plan for skill or labour shortages in the long term.	May impact on off-shore recruitment for bus drivers.	Advocate to keep public transport workforce needs high on INZ skills shortage register. Determine, and advocate for, other crucial skills shortages across transport (e.g. specialist engineers) to be included in EW mechanism.	No update.

Government’s Resource Management Timeline

Appendix 1: Reforming the Resource Management System - Three-Year Indicative Work Programme



Source: [Work-Programme-for-Reforming-the-Resource-Management-System.pdf \(environment.govt.nz\)](#)

Coalition Government's Action Plan for New Zealand 1 April – 30 June 2024

Coalition Government's Action Plan for New Zealand - 1 April-30 June 2024

Rebuild the economy and ease the cost of living

1. Deliver a budget that reduces wasteful spending while investing in frontline services like health, education and Police.
2. Legislate for personal income tax relief.
3. Legislate to introduce the FamilyBoost childcare tax credit.
4. Finalise the Government Policy Statement on Land Transport, freezing fuel tax until the end of 2026 and delivering significant investment for transport.
5. Take decisions to implement the Going for Housing Growth plan while making the MDRS optional for councils.
6. Respond to the independent review of Kāinga Ora's financial situation, procurement, and asset management.
7. Introduce legislation to improve the rental market.
8. Release draft plan to ease restrictions on building materials from overseas for public consultation.
9. Take decisions on measures to increase investment in renewable electricity generation.
10. Introduce legislation to amend the RMA to clarify application of National Policy Statement on Freshwater Management in relation to individual consents for freshwater and to extend marine farm consent.
11. Introduce legislation to suspend the requirement on councils to identify and adopt new Significant Natural Areas.
12. Finalise policy to keep agriculture out of the ETS.
13. Commence an independent review of the methane science and targets for consistency with no additional warming from agricultural methane emissions.
14. Reform the CCCFA regime to improve access to credit for home buyers.
15. Initiate the first regulatory sector review.
16. Take decisions on the scope of the extension to the Covid-19 inquiry.
17. Take decisions on reform of the Holidays Act
18. Raise the energy New Zealand brings to key relationships through international engagements, focussing on our traditional partners, the Pacific, and South East and South Asia.
19. Take decisions on the removal of the ban on offshore oil and gas exploration.
20. Commission a study into New Zealand's fuel security, including investigating the feasibility of reopening the Marsden Point Oil Refinery.
21. Establish a Regional Infrastructure Fund.

Coalition Government's Action Plan for New Zealand 1 April – 30 June 2024

Restore law and order

22. Progress legislation to improve rehabilitation, reintegration and safety outcomes in the corrections system, including by extending eligibility to offence-based rehabilitation programmes to remand prisoners.
23. Take decisions to restore Three Strikes.
24. Launch a review of the firearms registry.
25. Take decisions on establishing a Youth Serious Offender Category and making Youth Military Academies a standalone sentencing option for the Youth Court.

Deliver better public services

26. Set targets for improving public service outcomes.
27. Take decisions on the rollout of structured literacy for year 1-3 students, including a phonics check.
28. Take action to strengthen teacher training, including refocusing Professional Learning and Development for teachers on numeracy, literacy and assessment.
29. Take action to develop standardised assessment and regular reporting to parents.
30. Introduce legislation to reintroduce charter schools.
31. Launch an Attendance Action Plan and introduce the first phase of initiatives to lift school attendance.
32. Take decisions to disestablish Te Pūkenga and consult on a proposed replacement model.
33. Issue a new Government Policy Statement on Health, setting the government's priorities for the health system for the next three years.
34. Take decisions to streamline the Medsafe approval process.
35. Take decisions to tighten controls on youth vaping.
36. Take decisions on the repeal of Section 7AA of the Oranga Tamariki Act.

For Decision

SUBMISSION ON FAST-TRACK APPROVALS BILL

Te take mō te pūrongo

Purpose

1. To advise the Council of the submission on the Fast-track Approvals Bill.

He tūtohu

Recommendations

That Council

1. **Approves** the submission developed on behalf of the Council, responding to the Fast-track Approvals Bill.
2. **Delegates** to the Deputy Council Chair the ability to make minor editorial changes to the document prior to submission being finalised and sent.

Te horopaki

Context

2. The Government introduced its Fast-track Approvals Bill (the Bill) to the House under urgency on 7 March 2024.
3. The purpose of the Bill is to expedite the approval of projects deemed to have significant regional or national benefits. It covers approval processes under the following Acts:
 - a. Resource Management Act 1991
 - b. Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012
 - c. Wildlife Act 1953
 - d. Freshwater Fisheries Regulations 1983
 - e. Conservation Act 1987
 - f. Reserves Act 1977
 - g. Crown Minerals Act 1991 (for access)
 - h. Heritage New Zealand Pouhere Taonga Act 2014
 - i. Public Works Act 1981
 - j. Fisheries Act 1996.

4. The process set out in this Bill overrides the respective authorisation processes in these other pieces of legislation. Clause 17(5) states that 'A project is not ineligible just because the project includes an activity that is a prohibited activity under the Resource Management Act 1991.'
5. To be eligible for fast-track approvals, projects will either be listed in the legislation, or referred to an expert panel by Ministers. The Bill will include two lists of eligible projects: Schedule 2A – projects to be referred immediately to the Expert Panel and Schedule 2B – projects that are 'shovel ready,' but not yet ready for consents.
6. Once the Ministers with decision-making authority under this legislation (Ministers for Infrastructure, Regional Development, and Transport) refer projects to the expert panel, the panel prepares an assessment and recommendations report. There is no requirement to seek comment from the public, and rights to appeal are very limited. Ministers make the final decisions on project approvals – the panel has only an advisory function.
7. The Bill has been referred to the Environment Select Committee. Submissions are due on 19 April.

Te tātāritanga Analysis

8. The Bill is a component of the second part of a three-phase approach to resource management reform. Part 1 was repeal of the National and Built Environment and Strategic Planning Acts; Part 2 is a series of intermediate steps to accelerate infrastructure; and Part 3 is replacement resource management legislation.
9. As a regional council, Greater Wellington is responsible for a number of statutory functions that are of direct relevance to this Bill. These include consenting, compliance monitoring, and enforcement functions under the Resource Management Act (RMA), and we also have a role in developing regional land use and transport strategies and policies. As such, officers understand the rationale behind the Bill, but hold significant concerns about its provisions, wide reach and unintended consequences. These were workshopped with Council on 28 March 2024 and the output from that workshop used to develop a Greater Wellington submission enclosed as **Attachment 1**.
10. The key points of the submission are as follows:
 - a The proposed fast-track legislation poses significant risks to the environment and economy, to mana whenua and communities, and should not move forward without substantial amendments.
 - b We are concerned that the limited recognition of Te Tiriti articles which undermines the interests of Māori, with high concern for iwi yet to settle with the Crown.
 - c The roles of regional and unitary councils in the process should be strengthened.
 - d There is no balance between development goals and environmental/climate considerations in this legislation that will lead to long term negative impacts on the environment, society and the economy.

- e The public should have the opportunity to see and comment on the list of eligible projects.
 - f The Bill should contain a sunset clause to make fast-tracking temporary while wider substantial RMA reform legislation is developed.
11. The submission sets out a number of recommendations for change:
- a The final decision-making function, including the ability to apply conditions, should sit with the expert panel. If Recommendation (a) is not accepted, then we strongly recommend that:
 - i The Minister for the Environment be added as a deciding Minister, and
 - ii Ministers be required to disclose their reasons for declining any expert panel recommendations.
 - b The Bill should give effect to Te Tiriti articles, and the principles of the Treaty of Waitangi, to protect and uphold iwi and hapū rights and interests set out in Te Tiriti o Waitangi.
 - c The addition of provisions to provide protection for Treaty claimants who are yet to settle to ensure that the project does not compromise any future settlement.
 - d Local authorities and iwi mana whenua groups should be able to recover from the applicant the actual and reasonable costs incurred by their participation in the Fast-track process.
 - e Inclusion of fast-track eligibility provisions that require projects to be aligned with the regional priorities set out in a Future Development Strategy and other statutory regional plans including the Regional Land Transport Plan.
 - f The applicant and expert panel be required to consult with regional or unitary councils on the development of conditions which should be aligned with operative RMA Regional Planning documents.
 - g Inclusion of economic and whole of life cost-benefit analysis within the criteria for granting approval.
 - h Provisions that require recognition of private property rights including provisions to consult with property owners whose land or property is subject to a fast-track approval project.
 - i The full list of projects to be made available to the public for comment before being added to the Bill.
 - j A sunset clause be inserted to make fast-tracking temporary while wider substantial RMA reform (and reviews of other conservation-related legislation) is undertaken.

Ngā hua ahumoni

Financial implications

12. There are no financial implications arising directly from this report but there will be implications for any projects approved under a fast-track regime.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

13. The Bill as drafted contains significant implication for Māori. There is no requirement to “give effect to” Te Tiriti articles and the Principles of the Treaty of Waitangi in the Bill, to protect and uphold the rights of Māori, especially the interests of iwi and hapū set out in Te Tiriti o Waitangi. In the context of the Treaty itself, the Bill only provides iwi and hapū some protection for those rights and interests arising from treaty settlements and specified customary rights. This has the potential to disadvantage iwi groups who have yet to settle their claims and jeopardise their potential property rights.
14. Furthermore, there appears to be no provision to recover the costs incurred by iwi or hapū in responding to fast-track consent applications, which increased risk has been identified in short turnaround timeframes. Potentially, this could mean that iwi or hapū would either have to spend their own time and resources, thereby diverting them from other priority Kaupapa or work, or they might not even be able to afford to comment on or respond to applications in a meaningful way.
15. Another potential risk for iwi and hapū is lands that have multiple ownership rights, and who will be appointed on the expert panel, especially if an iwi or hapū is unsettled. This process has the potential to cause conflict and inflammation between iwi and hapū relationships with each other.
16. These concerns are highlighted in the draft submission.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

17. The submission highlights that both environmental and climate change considerations are effectively missing from decision-making around projects put forward for fast-tracking.
18. In its current framing, the Bill prioritises its own purpose and focuses primarily on economic development. There is no recognition that climate resilience will be a key benefit for an increasingly unstable future.

Ngā tikanga whakataurua

Decision-making process

19. The matters requiring decision in this report were considered in accordance with Part 6 of the Local Government Act 2002.

Te hiranga

Significance

20. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of this matter, taking into account Council’s *Significance and Engagement Policy* and Greater Wellington’s *Decision-making Guidelines*. Officers recommend that these matters are of low significance due to its administrative nature.

Te whakatūtakitaki
Engagement

21. Due to the low significance of the matters for decision, engagement was not considered necessary.

Ngā tūāoma e whai ake nei
Next steps

22. We request that that approval be given to the Deputy Chair to make minor editorial changes as required prior to submission to Select Committee.

Ngā āpitihanga
Attachments

Number	Title
1	Council submission on the Fast-track Approvals Bill 2024

Ngā kaiwaitohu
Signatories

Writers	Grant Fletcher – Head Regional Transport Jo Francis – Lead Consenting Advisor, Environment Keri Hawkins – Senior Advisor, Mātauranga Māori Matt Hickman – Principal Advisor, Strategy, Policy and Regulation, Environment Catherine Knight – Principal Strategic Advisor, Regional Transport
Approvers	Fathima Iftikar – Director Policy, Strategy and Regulation David Hipkins – Director Knowledge and Insights, Acting Group Manager, Environment Luke Troy – Kaiwhakahaere Matua Rautaki Group Manager Strategy

**He whakarāpopoto i ngā huritaonga
Summary of considerations**

Fit with Council's roles or with Committee's terms of reference

The Council has responsibility to approve submission to external organisations on matters relating Greater Wellington's statutory roles and responsibilities. Given the broad reaching nature of the Bill, whole of Council is considered appropriate for approving this submission.

Contribution to Annual Plan / Long Term Plan / Other key strategies and policies

The submission relates to the Council's ability to deliver on its te Tiriti obligations, and other statutory functions including environmental regulation and consenting. The Bill if passed would have an impact on the Greater Wellington region's Future Development Strategy and the speed at which it could be progressed.

Internal consultation

Input on the submission was received internally from Environment Group, Te Hunga Whiriwhiri, and Strategy Group.

Risks and impacts - legal / health and safety etc.

There are no known risks.



By email

18 April 2024

Email to: en@parliament.govt.nz

Office of the Chairperson
100 Cuba Street
Wellington T 04 384 5708
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Tēnā koutou katoa

Fast-track Approvals Bill – Greater Wellington Regional Council Submission

Greater Wellington Regional Council (Greater Wellington) makes the following submission to the Environment Select Committee on the Fast-track Approvals Bill.

As a regional council, Greater Wellington is responsible for a number of statutory functions that are of direct relevance to this Bill. These include consenting, compliance monitoring, and enforcement functions under the Resource Management Act (RMA), and we also have a role in developing regional land use and transport strategies and policies. As such, we understand the rationale behind the Bill, but have significant concerns about its drafting and implementation. We would welcome the opportunity to work with Government to resolve these.

1. Summary of key points

The key points of our submission are as follows:

- a. The proposed fast-track legislation poses significant risks to the environment and economy, to mana whenua and communities, and should not move forward without substantial amendments.
- b. We are concerned that the limited recognition of Te Tiriti articles which undermines the interests of Māori, with high concern for iwi yet to settle with the Crown.
- c. The roles of regional and unitary councils in the process should be strengthened.
- d. There is no balance between development goals and environmental/climate considerations in this legislation that could lead to long term negative impacts on the environment, society and the economy.
- e. The public should have the opportunity to comment on the list of eligible projects.
- f. The Bill should contain a sunset clause to make fast-tracking temporary while wider substantial RMA reform legislation is developed.

2. Our points in detail

2.1. The proposed fast-track legislation poses significant risks to the environment and economy, to mana whenua and communities, and should not move forward without substantial amendments.

Greater Wellington recognises that there are sometimes barriers to the construction of large and complex projects leading to costly delays. However, there are existing mechanisms in the RMA for such projects to short-cut parts of the standard consenting process, including direct referral to the Environment Court to cut out appeals, and applicants are able to apply for a private plan change for a proposed project where there is no current consenting pathway. Regional plans include more lenient rules or policies specifically for regionally significant infrastructure to recognise their benefit to regional communities.

This proposed legislation, by design, bypasses existing mechanisms in the resource management framework. This includes the existing regional planning framework and fast-track provisions. In the case of the former, these have often gone through both a public and judicial process to reach the agreed regional framework.

The now-repealed COVID-19 Recovery (Fast-track Consenting) Act 2020 allowed for an expedited process while still aligned with the Resource Management Act. The similarly repealed Natural and Built Environment Act 2023 also provided for a fast-track consenting process in which an independent expert panel, appointed by the Chief Environment Judge, was the decision-maker. Many of the safeguards in these repealed Acts are missing from the current proposal and should be reinstated.

We have specific concerns and recommendations about the following aspects of the Bill:

- a. The expert panel only has the ability to make recommendations. This in effect gives Ministers the dual roles of submitting consents into the process as well as granting the consents. The panel should have decision making powers with referral to Ministers only if there is a recommendation to decline the application.
- b. The breadth of legislation that the Bill overrides (clause 10) coupled with the lack of full Regulatory Impact Statement (RIS) raises the risk of unintended consequences. Great care is required in the absence of this analysis to avoid unintended and irreversible economic and environmental consequences.
- c. There is no requirement for Ministers or the expert panel to seek comment from the public, affected parties, or to hold a hearing. Rights to appeal are very limited and can only be made on questions of law. As a minimum, affected property owners should be advised and have the right to make submissions. Clause 16 consultation requirements for applicants does not currently require this.
- d. Eligibility criteria for projects to be fast-tracked (clause 17) are overly broad, heavily weighted to economic development, and lack the overall rigour of cost-benefit analysis that would make it clear why a project was to be fast-tracked. The eligibility criteria should explicitly include whole of life cost-benefit analysis and strong environmental considerations.
- e. Alignment with regional spatial plans and Future Development Strategies should be included as criteria for being accepted for fast-tracking (clause 17). Ad-hoc project approvals are at

odds with sound planning and work against desired outcomes over the long term. This will also cut across the long-term and future development planning that local government is required to undertake, alongside its communities, by the National Policy Statement on Urban Development. Furthermore, we recommend that the Infrastructure Commission moderate this list at a national level so that projects are being prioritised at both the national and regional levels. At a minimum, we recommend the Bill reference existing spatial plans (including Future Development Strategies) as a criterion for determining where a project is suitable for acceptance as a fast-tracked project, and that the Panel is required to consider consistency with a Future Development Strategy as part of their assessment.

2.2. The Bill contains limited recognition of te Tiriti articles, which undermines the interests of Māori, especially the interests of iwi yet to settle with the Crown.

There is no requirement to “give effect to” Te Tiriti articles, and the principles of the Treaty of Waitangi in the Bill, to protect and uphold iwi and hapū rights and interests set out in Te Tiriti o Waitangi. In the context of the Treaty itself, the Bill only provides iwi and hapū some protection for those rights and interests arising from Treaty settlements and specified customary rights.

Greater Wellington has worked in partnership with mana whenua for thirty-one years, which includes working with mana whenua partners to develop the region’s Future Development Strategy, and to develop an overarching approach to managing the Environment (such as development up to notification of the proposed Natural Resources Plan). Under clause 6, the Bill only acknowledges obligations under existing Treaty settlements and certain customary rights. Clause 13 further sets out that before making their decision, Ministers must ‘consider Treaty settlements and other obligations’. We are concerned that this clause has the potential to disadvantage iwi groups who have yet to settle their claims and jeopardise their potential property rights. We believe therefore that the rights of iwi and mana whenua groups yet to settle should be explicitly recognised.

We believe that provision be made in the expert panel for iwi and mana whenua membership or representation. Panel members must collectively have excellent understanding of te Tiriti o Waitangi articles and its principles, and a high-level understanding of tikanga Māori and mātauranga Māori.

Unlike other participants in the proposed process, there appears to be no provision to recover the costs incurred by iwi or hapū in responding to fast-track consent applications (clause 14). There is also a high risk with limited consultation time periods, that iwi and hapū infrastructure are unable to respond accordingly like other effected parties. Potentially, this could mean that iwi or hapū would either have to spend their own time and resources, thereby diverting them from other priority Kaupapa or work, or they might not even be able to afford to comment on or respond to applications in a meaningful way. Another potential risk for iwi and hapū is lands that have multiple ownership rights, and who will be appointed on the expert panel, especially if an iwi or hapū is unsettled. This process has the potential to cause conflict and inflammation between iwi and hapū relationships with each other.

2.3. The roles of regional and unitary councils should be strengthened.

Regional and unitary councils have a specific role as the environmental regulator, and become the compliance, monitoring and enforcement agent of any projects granted by the proposed

process. The expert panel should take into account operative regional planning documents (Regional Policy Statement and Regional Plans). Membership of the expert panel should also include a member nominated by a regional council (as well as the relevant territorial authority).

A mandatory requirement should be introduced for consultation with the relevant local authorities before the lodgement of the application and as a requirement of acceptance under Schedule 4 (including showing how any comments received have been incorporated into the proposal). Our experience with COVID fast-track consenting shows that workable, robust and enforceable conditions are a key outcome of the decision-making process. Where the conditions imposed are not workable, the project must apply for consent variations and/or faces problems with compliance. This causes delays and a loss in efficiency to the project, and importantly further economic cost. Consideration should be given to a mandatory 'conditions' hearing to ensure robust conditions are imposed, which the compliance agencies are confident they can enforce.

All costs incurred should be recoverable by Local Authorities. The Bill isn't clear on the recovery of costs for pre-lodgement consultation and providing comments on a referral application. Schedule 3 14(2) should be expanded to make this explicit.

The panel should be required to have particular regard to the reasons for a project being declined by any previous consenting/approval process, or being advised that there was no consenting pathway. For example, development in a flood-hazard area, on a fault line, or at risk of impacting an aquifer or water-supply area should hold weight in fast-track decision-making.

2.4. Loss of balance between development goals and environmental or climate considerations in this legislation

In making decisions on a project, the purpose of the Bill (to facilitate projects with significant regional or national benefits) will take precedence over considerations in other legislation. There are currently no environmental parameters in which the purpose must be achieved, unlike for instance, the Resource Management Act 1991. We believe that there are environmental limits, beyond which development will have long-term detrimental effects not only to the environment but economic and social ones as well.

Eligibility criteria for projects to be fast-tracked (clause 17), are very broad and heavily weighted to economic development (of the 15 criteria listed, only two make reference to climate or environment). Of particular note, clause 17(5) spells out that 'A project is not ineligible just because the project includes an activity that is a prohibited activity under the Resource Management Act 1991.' This clause should be removed. Prohibited activities are determined as being beyond the limits of the environment, and/or beyond limit of what mana whenua and the community are prepared to accept. Prohibited activity status also applies in sites identified as tapu by iwi mana whenua. This clause may also directly conflict with Sections 62 and 66 of the Marine and Coastal Area (Takutai Moana) Act 2011; it is our understanding that MACA protections sit above the Fast-track provisions.

We strongly recommend that the Minister for the Environment be included as one of the decision-making Ministers in order to preserve that balance between development goals and long-term environmental sustainability. We also recommend that operative regional planning documents such as the Regional Policy Statement, Regional Plan, and Future Development

Strategy need to be considered by the expert panels in recommending consenting conditions. We also recommend that the eligibility criteria for projects reflect the environmental limits that they need to work within.

We also note and support the submission from Te Ura Kahika – Regional and Unitary Councils Aotearoa.

2.5. The public should have the opportunity to see and comment on eligible projects

Without the schedules in the Bill being populated with projects, there is no ability to comprehend the scope of the legislation and the impacts it will have on communities and the environment. We can get a sense of some of the projects that may be included from the coalition agreements, but for members of the public that have already participated in consenting processes which have resulted in projects being declined – they may have a totally different view of the Bill if those projects were actually listed.

We are concerned that these projects will only be added to the Bill after the select committee process, which will not allow for any public scrutiny or input. Full understanding of the ramifications of the Bill is hampered by the lack of concrete examples of the projects the fast-track process will consider. In many cases, these projects will have direct impacts on people, their property rights, communities and/or have potentially significant environmental or climate implications. It is our view that the public should therefore have a right to comment on the list as part of the select committee process, or where a project is nominated for fast-track approval after the Bill's passage, these be notified for the public to be able to comment. This is particularly important where proposed projects will affect private property owners who should have the right to visibility and compensation if their land or property is subject to a fast-track application.

The lack of visibility of the projects also means that the scale of approvals cannot be measured. The 'bulk' approval of large infrastructure projects will result in pressure on the country's capacity to begin these projects quickly. Such an increase in demand for construction resources will inevitably lead to cost increases and cause other projects (which may be more economically and socially worthwhile) being delayed. The bar should be as high as possible for projects to receive special treatment under this regime. We believe that a thorough cost-benefit analysis should be part of the fast-track process.

2.6. This bill is part of a wider package of resource management reform and should contain a sunset clause

We note that this Bill is intended as an interim step to accelerate construction of required infrastructure and is part of a wider resource management reform package. The issues that impede infrastructure construction are wider than the pace of consenting where viable fast-track mechanisms exist and are already used. They include availability of funding, construction sector capacity, market conditions and depending on the sector - long and convoluted planning processes. A wider system review is required if the construction of much needed projects is to be accelerated. These considerations should form part of the wider resource management reform process in the problem definition phase.

We recommend a sunset clause is inserted to make fast-tracking temporary, while wider

substantial RMA reform (and reviews of other conservation-related legislation) is undertaken. Additionally, any projects approved under this process should be transitioned into any new regime.

3. What we would like to see changed in the bill

A summary of our recommendations for changes are as follows:

- a. The final decision-making function, including the ability to apply conditions, should sit with the expert panel.
- b. If recommendation (a) is not accepted, then we strongly recommend that:
 - The Minister for the Environment be added as a deciding Minister, and
 - Ministers be required to disclose their reasons for declining any expert panel recommendations.
- c. The Bill should give effect to Te Tiriti articles, and the principles of the Treaty of Waitangi to protect and uphold iwi and hapū rights and interests set out in Te Tiriti o Waitangi.
- d. The addition of provisions to provide protection for Treaty claimants who are yet to settle to ensure that the project does not compromise any future settlement.
- e. Local authorities and iwi mana whenua groups should be able to recover from the applicant the actual and reasonable costs incurred by their participation in the Fast-track process.
- f. Inclusion of fast-track eligibility provisions that require projects to be aligned with the regional priorities set out in a Future Development Strategy and other statutory regional plans including the Regional Land Transport Plan.
- g. The applicant and expert panel be required to consult with regional or unitary councils on the development of conditions which should be aligned with operative RMA Regional Planning documents.
- h. Inclusion of economic and whole of life cost-benefit analysis within the criteria for granting approval.
- i. Provisions that require recognition of private property rights including provisions to consult with property owners whose land or property is subject to a fast-track approval project.
- j. The full list of projects to be made available to the public for comment before being added to the Bill.
- k. A sunset clause be inserted to make fast-tracking temporary while wider substantial RMA reform (and reviews of other conservation-related legislation) is undertaken.

I.

4. Closing remarks

Greater Wellington Regional Council once again thanks the Environment Select Committee for the opportunity to provide feedback on the Fast-track Approvals Bill.

We would like to speak to our submission.

Ngā mihi nui

Adrienne Staples

Deputy Chair, Greater Wellington Regional Council

DRAFT

For Decision

SETTING GROSS ORGANISATIONAL EMISSIONS TARGETS

Te take mō te pūrongo

Purpose

1. To set gross greenhouse gas emissions targets for Greater Wellington as an organisation, which will enable the Council to qualify for Climate Action Loans from the Local Government Funding Agency.

He tūtohu

Recommendations

That Council:

- 1 **Adopts** the proposed organisational gross greenhouse gas (GHG) emissions targets:
 - a 25% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2025 compared to FY2019
 - b 50% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2030 compared to FY2019
 - c 65% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2035 compared to FY2019.
- 2 **Notes** that officers will assemble an Organisational Emissions Reduction Plan, which brings together all relevant existing Council emissions reduction commitments, policies and programmes of work, along with new gross emissions targets that Council sets, into one document.

Consideration by Committee

2. This matter was considered by the Climate Committee at their meeting on 28 March 2024 [Report 24.108 – Setting Gross Organisational Emissions Targets]. The Climate Committee endorsed the proposed organisational gross GHG emissions targets set out in the recommendations to Council.

Te tāhū kōrero

Background

3. In August 2019 the Council adopted the following organisational emissions targets:
 - A net emissions reduction of 40% in 2025 compared to 2019

- To be 'carbon neutral' (a net emissions reduction of 100%) from 2030
 - To be 'climate positive' (a net emissions reduction of more than 100%) from 2035.
4. These targets are all 'net' in the sense that they include the effect of removals of carbon dioxide by forests on Greater Wellington owned or managed land, as well as our emissions of GHGs. Emissions totals stated without the effect of removals are known as 'gross' emissions.
 5. These targets were developed via a facilitated consensus building process at a workshop with Councillors and various staff, including the Executive Leadership Team, earlier in August 2019. No gross targets were set at the time.
 6. Council also agreed that in addition to our direct (known as 'Scope 1' or 'Category 1') and electricity (known as 'Scope 2' or 'Category 2') emissions sources the targets would cover those emissions sources that Greater Wellington had shares in, namely CentrePort, bulk water supply and Sky Stadium, and also emissions for public transport services: buses, trains, ferries and Total Mobility taxis, which along with contractor emissions and flights taken by staff, are all classed as 'indirect' emissions sources ('Scope 3' or 'Category 3 to 6').
 7. Along with adopting its net emissions targets, Council also:
 - a Adopted its two 10-point climate emergency action plans, which included the most critical organisational emissions reduction actions.
 - b Provided funding for these actions in the 2021-31 Long Term Plan and through establishment of the Low Carbon Acceleration Fund.
 - c Established the Climate Change Consideration Process and an Emissions Reduction Policy.
 - d Set up governance arrangements including the Climate Committee, the Climate Emergency Response Programme Board and the Organisational Emissions Reduction Steering Group.
 - e Committed to ongoing organisational GHG emissions measurement with external verification.
 - f Established performance management and accountability for the programme through the inclusion of two emissions indicators in the 2021-31 Long Term Plan performance framework, and in the Chief Executive's key performance indicators.
 8. All these elements are needed for an effective GHG emissions reduction programme. But there was previously no need to centralise these elements into a single emissions reduction plan document.
 9. The Local Government Funding Agency (LGFA) now offers its member councils Climate Action Loans (CALs), provided they can meet their criteria for emissions management and reduction practices. CALs are all-purpose loans, that only differ from other borrowing in that their interest rate is always 0.02% per annum lower.
 10. Provided Greater Wellington can meet the criteria, it can switch all its loans to be CALs as they reach their renewal dates. The annual interest saving to Greater Wellington will increase as it does so.

11. Greater Wellington applied for CALs in 2023. Feedback from the LGFA Sustainability Committee was that Greater Wellington needed to set 'science-aligned' gross organisational emissions targets for its Scope 1 & 2 emissions for the short (< 5 years), medium (5 – 10 years) and long term (< 20 years) that are consistent with limiting global warming to 1.5°C, and adopt a single, centralised organisational emissions reduction plan to qualify.

Te tātaritanga Analysis

Science-aligned targets

12. A science-aligned target in this context means being consistent with global emissions pathways that limit global warming to 1.5°C. The Science-Based Targets Initiative (SBTI) provides further guidance to organisations regarding this but has no advice specific to local government. The default approach is for organisations to lower their emissions by at least 42% by 2030 compared to 2020, since this is the median global net emissions pathway consistent with providing a 50% chance of limiting warming to 1.5°C, according to the Intergovernmental Panel for Climate Change (IPCC).
13. However, what individual actors, like organisations and countries, decide to contribute to this global goal in reality is a complex and political question, relating in part to their responsibility for past emissions, how cautious they are and their willingness and ability to act, as well as what the 'science' says. Consideration of these factors led Greater Wellington to put forward a target of a 50% reduction in net regional emissions by 2030 in Plan Change 1 to the Regional Policy Statement.

Council's Scope 1 and 2 emissions sources

14. Greater Wellington's Scope 1 emissions sources include use of petrol and diesel in our corporate vehicle fleet, use of fossil gas for heating and emissions from Greater Wellington owned and managed land, that is, from livestock and horse grazing. Our Scope 2 emissions include electricity use in Parks, at our offices and depots and for Metlink buildings.
15. In FY2023, Greater Wellington's GHG emissions total across all scopes was 33,728 tonnes CO₂e. Scope 1 & 2 GHG emissions were 6,477 tonnes CO₂e, which represents 19% of the total.
16. Looking only at Greater Wellington's Scope 1 & 2 GHG emissions, between 2019 and 2023 there has already been a 25% reduction. Grazing emissions are by far the largest part (at 85%), so what happens with grazing is the biggest determinant of these emissions in the future. For the most part this grazing is in Regional Parks.

The future of grazing in Belmont Regional Park

17. Council's directions in Toitū Te Whenua Parks Network Plan 2020-30 (Toitū Te Whenua) are to restore ecosystem health across parks and phase out high impact, low benefit grazing activities in Regional Parks. The last large stock grazing licence is for 1,065 hectares (Ha) in eastern Belmont Regional Park and it expires in January 2026.
18. Continuing the large-scale high-impact commercial stock grazing licence would not support the Toitū Te Whenua vision of 'restoring healthy ecosystems for the benefit of

people and nature’. Plan Action A200 provides specific directions for Belmont, grazing and climate action: ‘Support action in response to Greater Wellington’s Climate Emergency declaration and achieve its 2030 carbon neutrality goal by accelerating destocking of grazed areas of the park following priorities identified in this Plan and master planning.’

19. Removing grazing across the entire 1,065 Ha licence area in Belmont Regional Park in January 2026 would be challenging given the Council does not have the resources allocated to restore all that area at once. The target of the Recloaking Papatūānuku Restoration Plan is to restore 150 Ha of retired grazing per year. This will only partly be achieved through ‘blanket’ planting; it will also involve supporting natural processes with enrichment planting and pest control.
20. Mowing is the most broadly utilised amenity area and open space management activity. Low-impact grazing may also be appropriate in parts of eastern Belmont to support restoration work, weeds and reduce fuel to support fire risk minimisation. This could be at a lower stocking rate than at present. Another option is hay or silage baling, but this is limited to suitable access and terrain areas. There are a range of options, and using a combination is likely to be the best approach. Council staff are exploring these at present and will present findings and recommendations to Councillors later in the year.
21. Depending on the outcomes of planning for how grazing is removed from Belmont Regional Park, there is potential that some grazing may continue beyond 2026. This may be through reducing grazed areas, reduction in stock numbers or other means. A conservative estimate is the reduction of grazing by half to three quarters by 2030 which translates to a projected reduction of 58%-65% in Scope 1 & 2 emissions from the 2019 baseline.
22. When the entire remaining 1,065 Ha grazing licence area in Belmont has been retired, Greater Wellington’s Scope 1 & 2 emissions are projected to be 74% lower than 2019. Note that no reduction in grazing on other Greater Wellington-owned land (Flood Protection land and land held for building reservoirs) has been included in emissions projections as yet.

Organisational Emissions Reduction Plan

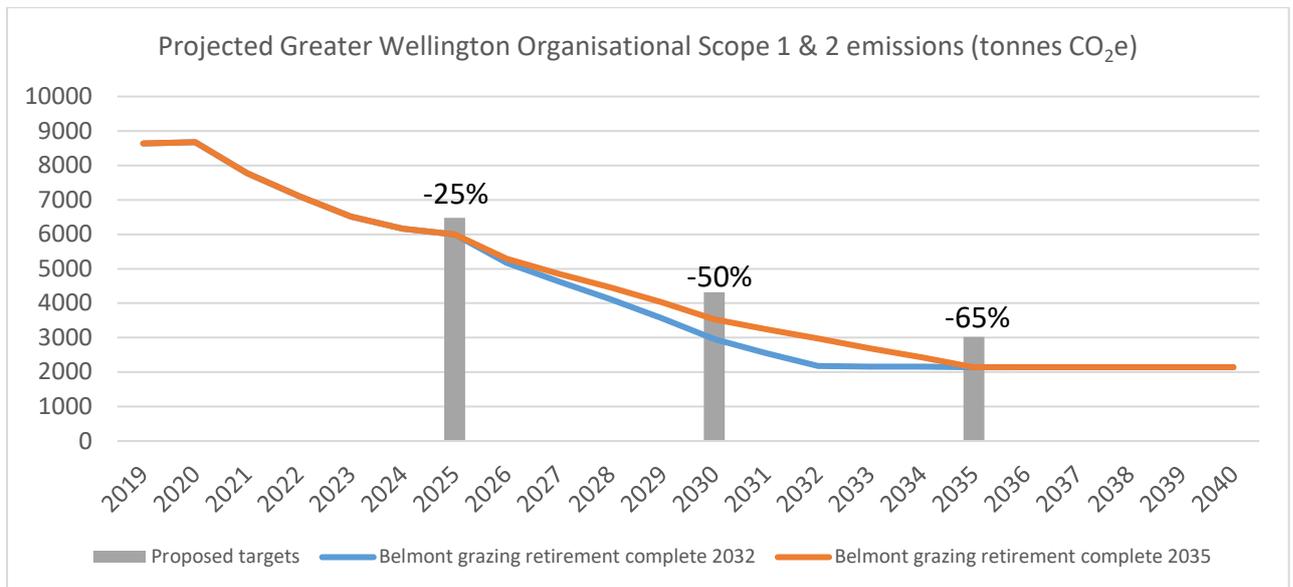
23. A single Organisational Emissions Reduction Plan document would include descriptions of all the elements of Greater Wellington’s emissions reduction programme described in paragraph 7 above and address all the criteria set out by the LGFA (see **Attachment 1**, Aspect 3 & 4).
24. The criteria include the organisation committing to net-zero emissions by 2050. The Council’s 2030 target is a net-zero target, so it satisfies this requirement.
25. The criteria also include Council providing “Timeframes and plans to include value chain emissions (Scope 3) in the measuring, monitoring and reduction programmes and evidence of this being approved and integrated within council plans”. This is already Action 3 in the Organisational 10-point action plan but requires timeframes to be set.
26. As explained above, Council’s organisational emissions inventory is already mostly Scope 3 emissions. More Scope 3 emission sources could be included, provided robust methods for making accurate estimates of them can be found. These new sources could

include the emissions of cloud computing services and/or the emissions of materials used for Council’s capital works. This is an ongoing area of work as improvements are incremental.

27. Once assembled, the Organisational Emissions Reduction Plan will be approved by the Executive Leadership Team as it is an operational document that reflects in one place all the content that has been previously approved or endorsed by Council.

**Nga kōwhiringa
Options**

28. For the sake of simplicity and to avoid unnecessary risk, we propose the following organisational gross GHG emissions targets:
 - 25% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2025 compared to FY2019
 - 50% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2030 compared to FY2019
 - 65% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2035 compared to FY2019
29. These targets align with our existing net emissions target years and meet the LGFA criteria. Greater Wellington is also very likely to meet them, as the figure below shows.



30. Other combinations of targets are possible. Setting targets for deeper cuts than what is proposed will leave less margin for error. Weaker targets may not satisfy the LGFA criteria that the targets are science-aligned and may be perceived as being out of step with the draft Regional Policy Statement Plan Change 1 regional emissions target, which is a 50% reduction in net GHG emissions by 2030 compared to 2019.

Ngā hua ahumoni

Financial implications

31. There are no financial costs from adopting the proposed gross emissions reduction targets and creating a centralised Organisational Emissions Reduction Plan. Greater Wellington has already committed to actions that will put us on track to achieve the proposed targets, in particular, a grazing phase out.
32. The estimated operational savings from Greater Wellington accessing the CAL interest rate are more than \$2M in total over the next 10 years.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

33. As this is largely an administrative matter, there are no implications specifically for Māori arising from the matter for decision.
34. Officers will take iwi views into consideration when developing grazing phase out options for Belmont Regional Park.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

35. This report follows Greater Wellington's climate change guidance.
36. Adoption of gross emissions targets will support Greater Wellington's emissions reduction efforts and the strategic priority for this in the 2021-31 Long Term Plan (which is proposed to continue in the 2024-34 Long Term Plan). There are no obvious issues in relation to climate change adaptation or resilience arising from the matter for decision.

Ngā tikanga whakatau

Decision-making process

37. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga

Significance

38. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of these matters, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider that these matters are of low significance as they have only a minor impact on residents and ratepayers and they do not affect Greater Wellington's ability to perform its role.

Te whakatūtakitaki

Engagement

39. Given the low significance of the matters for decision, officers considered that no related public engagement was required.

Ngā tūāoma e whai ake nei

Next steps

40. The approved gross emissions targets will be included in the Organisational Emissions Reduction Plan document that meets the LGFA's CAL criteria.
41. We will then re-apply to the LGFA so Greater Wellington can access their Climate Action Loans.

Ngā āpitihanga

Attachment

Number	Title
1	LGFA Climate Action Loan Criteria

Ngā kaiwaitohu

Signatories

Writer	Jake Roos – Kaiwhakahaere Matua Manager Climate Change
Approvers	Zofia Miliszewska – Kaiwhakahaere Matua Head of Strategy and Performance Luke Troy – Kaiwhakahaere Matua Rautaki Group Manager Strategy

**He whakarāpopoto i ngā huritaonga
Summary of considerations**

Fit with Council's roles or with Committee's terms of reference

The considerations in this report align with Council's role and responsibilities.

Contribution to Annual Plan / Long Term Plan / Other key strategies and policies

This work responds directly to the 2021-31 Long Term Plan strategic priority of 'responding to the climate emergency (meeting the challenge of climate change by demonstrating leadership in regional climate action and advocacy, and ensuring our operations are carbon neutral by 2030)' as well as to the draft 2024-34 Long Term Plan cross-organisational focus area of "Leading action for climate resilience and emissions reduction"

Internal consultation

Consulted groups include the Organisational Emissions Reduction Steering Group, Finance and Rōpū Taiao.

Risks and impacts - legal / health and safety etc.

There are no identified risks or impacts arising from the matters for decision in this report, other than reputational risk if Greater Wellington does not achieve these new targets. The risk of this is low.



Climate Action Loan – Supporting your application for a Climate Action Loan

Introduction

This checklist has been designed to **support** Member councils gather the evidence needed to support their application for a Climate Action Loan (CAL).

This document does not replace the CAL eligibility requirements, nor does it replace the Application Form. For reference:

- The CAL, and its requirements, is found here: <https://www.lgfa.co.nz/sustainability/sustainable-lending/climate-action-loans>
- The CAL Application Form is found here: https://www.lgfa.co.nz/sites/default/files/2023-04/LGFA_LoanApplication_ClimateActionProgramme-Apr23.pdf.

Five key requirements for all CAL's are covered in this document:

- **Aspect 1:** Verified emissions inventory
- **Aspect 2:** Science-aligned emissions reduction targets
- **Aspect 3:** Approved Emissions reduction plan (ERP)
- **Aspect 4:** Performance reporting
- **Aspect 5:** Supporting information.

Member council/borrower:	
Date of application:	
Loan duration:	
Loan amount sought:	
Checklist completed by:	
Date:	



Aspect 1: Verified Emissions Inventory

Prior to applying for a CAL, the Member council is required to have developed, and have independently verified, a GHG Emissions Inventory.

“Before entering a CAL, the Borrower is to provide an GHG Emissions Inventory and Emission Reduction Plan (ERP) (which can be included in a transition plan) that sets out the Borrower’s intended pathway to reduce its Scope 1 and Scope 2 GHG emissions in line with a science-based trajectory (i.e., to support limiting global warming to no greater than 1.5°C above pre-industrial levels and net zero by 2050)”.

Requirements	Things for the Member council to consider	Provided to LGFA? (Y/N)	Name of document(s) to support the application.	Comment
The inventory includes a baseline year and baseline performance	<ul style="list-style-type: none"> Is the baseline year consistently documented? Has this been communicated internally? Where has this been communicated externally? 			
The inventory includes historical data and the baseline data (if applicable)	<ul style="list-style-type: none"> Applies to existing inventories 			
The inventory includes all Scopes 1 and 2 (absolute gross) GHG emissions	<ul style="list-style-type: none"> Have we reported net of offsetting? Which approach (e.g., equity share) have we used? 			
The inventory has been calculated using GHG Protocol or ISO 14064 Standard				
The inventory has been subject to third party verification or assurance	<ul style="list-style-type: none"> Have we used a separate entity to undertake the independent verification or assurance? What assurance standard did they use? Is the provider qualified to issue an assurance statement? 			



Requirements	Things for the Member council to consider	Provided to LGFA? (Y/N)	Name of document(s) to support the application.	Comment
The inventory been updated every year since it was first developed				
The inventory (or another document) includes concrete plans and timeframes to include Scope 3 emissions across the value chain	<ul style="list-style-type: none"> • Have we defined our value chain? • What are our timeframes to measure, monitor, and reduce Scope 3 emissions within two years from the date the CAL was approved? • What is our approach, and timeframes, to measure emissions from capital works? • What is our approach to CCOs? 			
For established reduction programmes we can provide evidence that emissions have reduced against the baseline year	<ul style="list-style-type: none"> • Have our emissions increased under our existing ERP? (the CAL criteria is that emissions cannot go up from the baseline year) • Why was this? • Where do we report our progress on reducing emissions - internally and externally? 			



Aspect 2: Science-aligned Emissions Reduction Targets

Prior to applying for a CAL, the Member council is required to have set science aligned emission reduction targets to support limiting global warming to no greater than 1.5°C above pre-industrial levels and net zero by 2050.

“Science: Supporting the achievement of net-zero greenhouse gas emissions by 2050 under a 1.5°C alignment (including a 50% reduction in emissions by 2030). The ‘short-term targets’ may be established using a straight-line trajectory to achieve benchmark targets intervals of every three years. The Science-Based Targets initiative (SBTi) and/or credible third parties can provide guidance on suitable target setting approaches (if required)”.

Requirements	Things for the Member council to consider	Do we have this? (Y/N)	Name of document(s) to support the application.	Comment
We set short-term annualized science-aligned absolute gross emission reduction targets for Scopes 1 and 2 for the short-term (<5 years) aimed at achieving net zero by 2050 or sooner and aligning with a 1.5-degree temperature target pathway	<ul style="list-style-type: none"> Do these targets cover the next 3 – 5 years? Are they science aligned? Have these targets have been formally approved by Council? Where do we communicate these targets - internally and externally? How, and where, have we integrated these targets into council plans? Are we focusing on reducing absolute gross emissions (noting the requirement to be science-aligned)? 			
We set medium-term science-aligned absolute gross emission reduction targets for Scopes 1 and 2 for the medium-term (years 6 to 10) aimed at achieving net zero by 2050 or sooner and aligning with a 1.5-degree temperature target pathway	<ul style="list-style-type: none"> Do these targets cover the next 6 – 10 years? Are they science aligned? Have these targets have been formally approved by Council? Where do we communicate these targets - internally and externally? How, and where, have we integrated these targets into council plans? Are we focusing on reducing absolute 			



Requirements	Things for the Member council to consider	Do we have this? (Y/N)	Name of document(s) to support the application.	Comment
	gross emissions (noting the requirement to be science-aligned)?			
We set long-term science-aligned absolute gross emission reduction targets for Scopes 1 and 2 for the long-term (<20 years) aimed at achieving net zero by 2050 or sooner and aligning with a 1.5-degree temperature target pathway	<ul style="list-style-type: none"> • Are we allowing for limited use of off-setting in line with science base target initiative requirements (i.e. use of offsets to be circa 10%)? • How, and where, have we integrated these targets into council plans? 			
Our targets been verified by the SBTi (https://sciencebasedtargets.org/how-it-works)	<ul style="list-style-type: none"> • Optional to have verification 			



Aspect 3: Emissions Reduction Plan (ERP)

Prior to applying for a CAL, the Member council is required to have an ERP to reduce emissions.

“In the ERPs, the Borrower is required to provide a strategy to achieve the emission reduction targets (e.g., key levers, decarbonisation projects, activities, costs, and timeframes).”

ERP requirements	Things for the Member council to consider	Do we have this? (Y/N)	Name of document(s) to support the application.	Comment
There is an established ERP	<ul style="list-style-type: none"> Has the ERP been approved? By whom? How have we integrated the ERP into council planning and budgets (e.g. within the Long-Term Plan)? 			
The ERP specifies the baseline year and performance at that year				
The ERP includes the short-term targets (as per above)	<ul style="list-style-type: none"> Does the ERP extend out far enough to capture short-term target timeframes? 			
The ERP includes the medium-term targets (as per above)	<ul style="list-style-type: none"> Does the ERP extend out far enough to capture medium term target timeframes? 			
The ERP explicitly commits us to net zero by 2050				
The ERP includes tangible actions/projects to reduce absolute gross emissions in line with targets	<ul style="list-style-type: none"> Do we know (roughly) how many GHG emissions each mitigating action will achieve? Will all the actions collectively achieve the short-term and medium-term emission reduction targets? 			
The ERP includes anticipated costs (these can be qualitative)	<ul style="list-style-type: none"> Have the costs for the actions been budgeted? 			



ERP requirements	Things for the Member council to consider	Do we have this? (Y/N)	Name of document(s) to support the application.	Comment
The ERP include timeframes to achieve actions	<ul style="list-style-type: none"> Have the actions been included in capital work programmes? 			
The ERP includes commitments and timeframes to extending the inventory to measure and monitor Scope 3 emissions across the value chain				
The ERP includes commitments and timeframes to reduce Scope 3 emissions (in line with 1.5-degree temperature target)				



Aspect 4: Performance reporting (applicable to those with existing ERPs)

For existing ERPs, the Member council is required to provide historical performance.

“Historical performance: Where possible, comparison of the targeted ‘short-term’ emissions reductions against the Borrower’s historical emissions performance”.

Requirements	Things for the Member council to consider	Provided to LGFA? (Y/N)	Name of document(s) to support the application.	Comment
For established reduction programmes evidence that emissions have reduced against the baseline year	<ul style="list-style-type: none"> • Have emissions increased under our existing ERP? • Why was that? • What have we put in place to remedy this? • Where do we report our progress on reducing emissions - internally and externally? 			
Include recalculations or revisions of the baseline year in the ERP ¹	<ul style="list-style-type: none"> • Have we changed our baseline year since inception? • Does this change in baseline necessitate a change in targets or actions? • Are the new targets still science aligned? 			
Outline any changes to the emission reduction targets since the first ERP was approved ²	<ul style="list-style-type: none"> • Are the new targets science aligned? • Are these reflected in the current ERP? 			

¹ Changes to baselines once a CAL has been issued need to be agreed with LGFA

² Changes to emission reduction targets once a CAL has been issued need to be agreed with LGFA



Aspect 5: Supporting information

To complete the CAL application, the following information is required:

Information required	Provided to LGFA? (Y/N)	Document reference or link to external source (note relevant section and page numbers)
GHG Emissions inventory calculated using the GHG Protocol or the ISO 14064 Standard – baseline year (at a minimum includes Scope 1 and 2)		
GHG Emissions inventory calculated using the GHG Protocol or the ISO 14064 Standard – current year of application (at a minimum includes Scope 1 and 2)		
The independent third-party audit to verify the GHG Emissions Inventory (including the baseline year inventory) against the GHG Protocol or ISO 14064 Standard, and a written commitment to complete this annually		
Evidence of a commitment to science science-aligned absolute gross emission reduction targets (short-term (<5 years), medium-term (<10 years), and longer-term (<20 years)) aimed at achieving net zero by 2050 or sooner and aligning with a 1.5°C target pathway, including a minimum reduction by 2030		
Evidence the emission reduction targets have been approved within council, and evidence these targets have been integrated within council plans (e.g. within Long-Term Plan)		
Forward looking ERP, evidence of its approval within council, and evidence of these actions (and their costs) have been integrated within council plans (e.g. within Long-Term Plan)		
Reporting on progress against current ERPs - internal and external		
An ERP that includes actions, anticipated costs (these can be qualitative), and timeframes to achieve the emission reduction targets		
Timeframes and plans to include value chain emissions (Scope 3) in the measuring, monitoring and reduction programmes and evidence of this being approved and integrated within council plans		



Supplementary documents (which can be provided for background purposes) can include:

- Examples include historical inventories for the years between the baseline year and the current application year
- Material regarding the Member Council's wider district/regional plans to reduce emissions
- Historical ERPs
- Historical inventories
- Climate policies
- Declaration of a Climate Emergency

For further details of the information required, refer to **Section 2.1** of the CAL Programme Criteria: https://www.lgfa.co.nz/sites/default/files/2023-07/LGFA_CAL_Programme_Criteria.pdf



Emissions Reduction Plan

This provides a potential structure and list of key topics for Member councils to consider when developing their ERPs.

Introduction

- Purpose
- Objective - overall climate ambition (long-term target/ambition to achieve net zero by 2050)
- Scope

Integration and implementation

- Overall accountability
- Management roles and responsibilities
- Communicating our commitments - internally and externally
- Training and awareness
- Integration into council plans (e.g. Long-Term Plan)
- Funding
- Key performance indicators

Current state

- Current inventory (reference to)
- Baseline GHG emissions
- Significant emission sources

Targets for emissions reduction

- Short-term targets against baseline
- Medium-term targets against baseline

Emission reduction actions

- Overview of options and actions (refer to Table 1 below)
- Optional sub-sections to support each of the actions or significant emission sources
- Actions (see attached table)
 - Possible actions
 - Selected actions
 - Anticipated emission reductions
 - Potential consequences
 - Critical dependencies
 - Estimated costs



- Completion timeframes

Monitor and reporting

- Actions to improve data quality (Scopes 1 and 2)
- Actions to measure, monitor and reduce Scope 3
- Measuring performance against plan (and baseline year) (who, how often)
- Reporting performance against plan (and baseline year) (who to, how often, where (internally and externally))

Review and approve

- Approved by, date (who, and when)
- Revision due by, date (who, and when)

Table 1: Overview of (Member Councils') Emission Reduction Plan

Emission source Objective	Key actions	Action approved? (Y/N)	Completion date (Mo/Yr)	Responsibility	Estimated emission reduction (annual) (% contribution to target)	Estimated costs (NZ\$)	Budget approved? (Y/N)	Comments / key dependencies
Scope 2 – reduce electricity usage	Replace ceiling lights to LED lighting	Yes	June 2024	Building services	5%	\$10,000	Yes	Will be completed as part of building upgrade

For Decision

DRAFT STATEMENT OF INTENT FOR WRC HOLDINGS 2025

Te take mō te pūrongo

Purpose

1. To advise Council of the draft WRC Holdings Statement of Intent 2025 and seek any further comment and feedback.

He tūtohu

Recommendations

That Council:

- 1 **Receives** the draft Statement of Intent from WRC Holdings.
- 2 **Provides** any further comment and feedback to be considered for the final Statement of Intent.
- 3 **Authorises** the Council Chair to finalise a letter to the Chair of WRC Holdings with any comments and feedback to be considered for the final Statement of Intent.

Te horopaki

Context

2. Schedule 8 to the Local Government Act 2002 (the Act) requires the board of a council-controlled organisation to deliver a draft statement of intent to its shareholders on or before 1 March in the year preceding the financial year to which the draft statement of intent relates.
3. The board must consider any comments on the draft made by the shareholders on or before 1 May. The board must then deliver a completed statement of intent to the shareholders before the commencement of the financial year to which it relates.
4. The WRC Holdings draft Statement of Intent (SOI) was delivered to the shareholder (Council) on 28 February 2024 and is attached (**Attachment 1**).
5. Council issued a Statement of Expectations in December 2023 outlining several areas it wished WRC Holdings to address in its SOI. This letter is included as an attachment at the end of the draft SOI.

Te tātaritanga Analysis

6. While the WRC Holdings SOI does include and incorporate the performance of CentrePort at a group level, the focus and intent of the SOI are the matters of strategic importance to WRC Holdings and Greater Wellington Rail Limited (GWRL). CentrePort has produced a draft Statement of Corporate Intent which the board of WRC Holdings will consider and provide feedback to CentrePort on by 1 May 2023.
7. All specific expectations set out in the Statement of Expectations sent from Council to WRC Holdings on 12 December 2023 have been addressed in the draft WRC Holdings SOI.
8. The draft SOI includes five new non-financial performance measures for WRC Holdings (see Table 1 below) to tell a more comprehensive performance story at a group level when combined with the existing performance measures.

Table 1: New performance measures proposed for WRC Holdings

Objective	Activity	Performance measure
Operate a successful, sustainable, and responsible business for the benefit of future generations	Review board performance against best practice governance standards	WRC Holdings will undertake board effectiveness/performance reviews on an annual basis
	Monitor performance of WRC Holdings Group companies to ensure continuous improvement to health and safety outcomes	The WRC Holdings Board reviews the quarterly Health, Safety and Wellbeing reports and seeks assurance that controls to manage critical risks are in place and effective
	Monitor performance of the WRH Holdings Group companies in measuring, reporting and reducing Greenhouse Gas (GHG) emissions	Measure and publicly report our GHG emissions and progress towards our target of net zero emissions by 2030 in the Annual Report
	Monitor performance of WRC Holdings Group companies to ensure opportunities to give effect to Te Whāriki (Council's Māori Outcomes Framework) are considered and implemented	Publicly report how we give effect to Te Whāriki in the Annual Report
	Paying the living wage	Ensure that all direct employees within the WRC Holdings Group of companies are paid at living wage or above

9. A new performance measure was also added for GWRL relating to the increased use of the Accessibility Concession on rail (see **Attachment 1**, page 12). This aligns with the Council's Accessibility Action Plan and Council's enduring expectation to improve access to services and equitable outcomes for communities.
10. Additional key activities set out for GWRL in the draft SOI reflect the need to:
 - continue current work with major stakeholders to further develop and implement the Wellington Strategic Rail Plan
 - continue to maintain awareness of the risks to GWRL and CentrePort associated with the rail network assets
 - monitor the Riverlink-Melling station relocation and the renewal of Waterloo station.
11. More generally, the draft SOI has been streamlined. WRC Holdings will be reviewing its investment strategy and overall strategic direction during the course of 2024, and future SOIs (2025-26 onwards) will be refreshed accordingly.

12. The draft SOI has a placeholder in place for the financial projections and will be updated at the final SOI stage.
13. The content of the draft SOI was presented at a Council workshop on 14 March 2024. From this workshop, the following feedback was noted and will be incorporated into the feedback letter from Council to WRC Holdings regarding the draft SOI:
 - Stronger emphasis on the importance of CentrePort’s commercial performance and the need for a suitable financial return to Council
 - More emphasis on the investment strategy review being undertaken by WRC Holdings
 - Additional context could be provided on the potential acquisition of Horizons Regional Council’s shareholding in CentrePort (as noted in the 2024-34 draft Long Term Plan)
 - Additional context that Council, as shareholder of WRC Holdings, considers:
 - CentrePort to be a strategic asset and a long-term investment for Council in the Wellington Region
 - The ability to integrate important outcomes (including regional economic development, generating a commercial rate of return, incorporating te ao Māori into decision making, and emissions reduction) into the long-term development of the port as key benefits of ownership in CentrePort.

Ngā hua ahumon

Financial implications

14. The financial implications of delivering activities in accordance with the draft SOI are in line with Council’s draft 2024-34 Long Term Plan. There are no financial implications to this report.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

15. The Statement of Expectations sent from Council to WRC Holdings sets out the expectation that WRC Holdings will work to give effect to Te Whāriki, Greater Wellington’s Māori Outcomes Framework. The draft SOI has addressed this expectation and has a specific section on how WRC Holdings will continue to look for opportunities to deliver on Te Whāriki. Going forward, the WRC Holdings annual report will also include how WRC Holdings gives effect to Te Whāriki.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

16. Reporting on progress towards net zero emissions, with a particular onus on CentrePort activity, continues to be a focus for WRC Holdings in the draft SOI and will be included in the annual report of WRC Holdings going forward.

17. The matters requiring decision in this report were considered by officers in accordance with the process set out in Greater Wellington Regional Council's *Climate Change Consideration Guide*.
18. The matters addressed in this report are of a procedural nature, and there is no need to conduct climate change assessments.

Ngā tikanga whakataua
Decision-making process

19. The matter requiring decision in this report was considered by officers against the decision-making requirements of Part 6 of the Act.

Te hiranga
Significance

20. Officers considered the significance of the matter, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making guidelines*. Officers recommend that the matter is of low significance due to its administrative nature.

Te whakatūtakitaki
Engagement

21. Given the low significance of this matter, no engagement was undertaken.

Ngā tūāoma e whai ake nei
Next steps

22. Council's feedback noted in paragraph 13, as well as any additional feedback from today, will be incorporated into a letter to WRC Holdings by 1 May 2024. This will allow WRC Holdings to address this feedback in the final SOI.

Ngā āpitihanga
Attachment

Number	Title
1	WRC Holdings draft Statement of Intent 2025

Ngā kaiwaitohu
Signatories

Writer	Sarah Allen - Kaitohutohu Mātāmua Principal Advisor, Company Portfolio and Economic Development
Approver	Luke Troy – Kaiwhakahaere Matua, Rautaki Group Manager, Strategy

**He whakarāpopoto i ngā huritaonga
Summary of considerations**

Fit with Council's roles or with Committee's terms of reference

It is Council's responsibility under the Act to review the draft Statement of Intent.

Contribution to Annual Plan / Long Term Plan / Other key strategies and policies

The performance measures and plans are in line with Council's draft 2024-34 Long Term Plan and Asset Management Plans.

Internal consultation

Various Council officers have contributed to this document across the relevant services.

Risks and impacts - legal / health and safety etc.

There are no risks to considering the draft SOI.



STATEMENT OF INTENT

For the year ending 30 June 2025

DRAFT

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1. Introduction

WRC Holdings Limited (Holdings) is a Council-Controlled Trading Organisation owned by Greater Wellington Regional Council. It was established to manage Council's commercial investments.

This Statement of Intent (SOI) for 2024/25 to 2026/27 is prepared in accordance with section 64 and Schedule 8 of the Local Government Act 2002.

The SOI sets out the performance measures, targets, objectives, and activities of Holdings and forms a major part of the companies' accountability relationship with its shareholder, Greater Wellington Regional Council (Council).

Council issued a Statement of Expectations to Holdings in December 2023 as prescribed in section 64b of the Local Government Act 2002. This statement has been considered when completing the SOI.

The group SOI includes information for Greater Wellington Rail Limited (GWRL).

2. Objectives of the Group

The primary objectives of Holdings are to:

- 1) operate a successful, sustainable, and responsible business for the benefit of future generations
- 2) impose commercial discipline on the Group's activities and generate a commercial rate of return
- 3) manage its assets prudently
- 4) support Council's strategic priorities.

GWRL

Specifically for GWRL, the key objectives are to prudently manage and maintain the rail rolling stock and rail infrastructure (GWRL's Rail Assets) through a management service agreement entered into with the Council, providing for asset management, accounting, advisory, secretarial and general administration services. In particular, making sure that:

- the Council as its appointed agent carries out all services and activities, in relation to the GWRL's Rail Assets, that are reasonably necessary to enable the Council to provide quality rail services to the public in accordance with the contractual obligations entered into with the then current rail operator of the rail services and maintenance provider of GWRL's Rail Assets;
- GWRL complies with its responsibilities as a rail participant under the Railways Act 2005, the current health and safety legislation and any other legislation affecting the GWRL's Rail Assets and operations; and
- GWRC develops and maintains a systematic approach for the long-term management of GWRL's public transport rail assets in a manner consistent with industry best practice.

CentrePort Limited

In responding to the challenge of the port regeneration and developing responses to the governance of the group, Holdings created a Statement of Strategic Intent with regards to CentrePort. This was first developed in late 2019 and has been refined to provide four key strategic elements for Holdings when considering the activity and performance of the port.

Objective area	Intent
Strategic	Secure port development as enabler of regional economic growth
Strategic	Strategic asset to promote community benefits
Financial	Optimise return on Council capital
Financial	Secure capital for port investment and future growth

3. Approach to governance

Holdings is governed by a board of eight directors all of whom are appointed by the shareholder. Council has a policy on the appointment and remuneration of directors as specified in Section 57 of the Local Government Act 2002. All director remuneration is set by Council. Holdings provides directors and officer's liability insurance cover at its own expense.

Holdings provides a structure that allows independent external directors with commercial backgrounds to provide advice and expertise at the governance level. The current directors of Holdings / GWRL are:

Director	Appointed	Current term expiry
Chris Kirk-Burnnand (Chair)	November 2019	December 2025
David Bassett	November 2022	December 2025
David Lee	November 2022	December 2025
Thomas Nash	November 2022	December 2025
Lucy Elwood *	October 2023	September 2026
Ripeka Evans*	October 2023	September 2026
Alexandra Hare *	October 2023	September 2025
Helmut Modlik	October 2023	September 2025

*Independent Directors

The Holdings Board meets regularly to conduct the business of the organisation. Holdings reports on its activities to the shareholder through quarterly reports, annual reports and through the SOI process. The Holdings structure is illustrated in Figure 1.

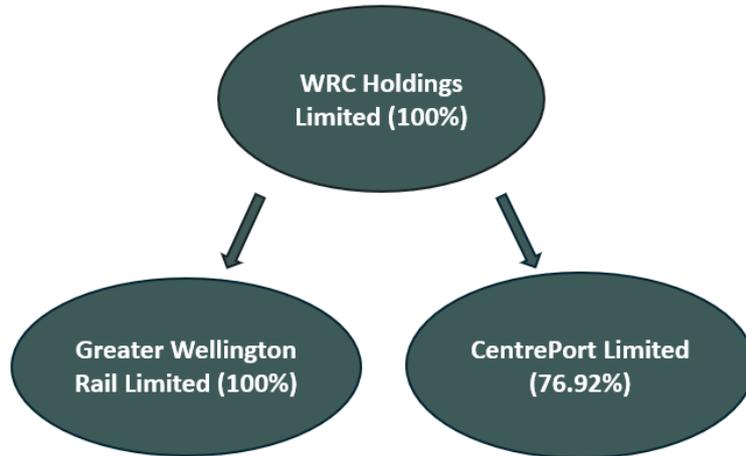


Figure 1

GWRL

Council approves the directors of GWRL, who are appointed by special resolution of Holdings. Holdings and GWRL share the same directors.

CentrePort Limited

Holdings own 76.9% of the shareholding in CentrePort Limited. The remaining shareholding is held by MWRH Limited. All CentrePort directors are independent and external of Council. CentrePort directors are appointed in accordance with the Port Companies Act 1988 and the company constitution.

4. Reporting Framework

The Holdings Board will provide quarterly briefings to Council, which will include reporting against the performance measures, a summary of the activities and a strategic overview of the coming quarter. In addition, the Board will provide statutory reporting including the delivery of a half-yearly report by 28 February 2025, an annual report for the year by 30 September 2025 and a draft Statement of Intent by 1 March 2025. The Board will continue to report on matters that arise outside of these reporting timeframes on a no-surprises basis.

5. Health, safety and wellbeing

The Holdings Board takes an active and engaged interest in the health and safety of employees and customers at all its sites and operations and has an annual health and safety due diligence work programme, with particular focus on management of critical risks and controls.

GWRL

The Holdings Board takes an active interest in the ongoing maintenance programme for the stewardship of railway assets including rolling stock maintenance and station asset safety. These form regular reporting items and performance measures, in addition to board activities and site visits.

CentrePort Limited

As a major employer in the Wellington region, CentrePort continues to focus on the identification and effective management of critical risk and reducing serious harm. A culture of engagement around Health, Safety and Wellbeing is created through active worker consultation and participation in Health, Safety and Wellbeing matters. Specific wellbeing initiatives are delivered and are detailed in CentrePort's own Statement of Corporate Intent.

6. Improving outcomes for Māori

Greater Wellington's Māori Outcomes Framework (Te Whāriki) guides our decision-making to achieve the best outcomes for Māori across all aspects of our region. As well as complementing cultural awareness through the organisations that we hold shareholdings in, including cultural competency and te reo Māori training, the Holdings Board will continue to look for opportunities to deliver on Te Whāriki. The Holdings Board acknowledges these opportunities may be limited given its narrow role as an asset owner, but will continue to pursue and develop opportunities as they arise. The main way in which WRC Holdings gives effect to Te Whāriki is through setting its expectations to CentrePort through the annual Statement of Expectations, to ensure that CentrePort proactively engages mana whenua in decision making and incorporates te ao Māori and mātauranga Māori perspectives into its decision making.

7. Reducing emissions

CentrePort has a target of net zero emissions by 2040, and will be targeting a 50% reduction in emissions from 2019 to 2030. There are ongoing investments into low carbon vehicles and plant with ongoing work to embed the zero emissions target into the regeneration plans and to replace end of life assets with the best available low emission technology.

The delivery of Rail Passenger Services is focused on improving customer satisfaction, leading to driving mode shift from private motor vehicle to Public Transport, and hence reducing overall transport emissions for the region. New procurement of rolling stock will seek low or zero emission vehicles to minimise emissions.

WRC Holdings**8. Nature and Scope of Activities**

WRC Holdings is the holding company for investment in GWRL and CentrePort.

CentrePort produces a Statement of Corporate Intent as required by the Port Companies Act 1988. CentrePort is a strategic asset for the Wellington region. It provides a full range of port services, including imported goods and exports by container, bulk trade (ie logs, vehicles and cement), fuel imports, and provides the northern hub for the Cook Strait ferry service. The services provided by CentrePort support businesses across the region and into Taranaki, Manawatu, and Marlborough. The Cook Strait ferry service is a nationally important link between the North Island and South Island. CentrePort also has a critical role as a lifelines asset during an emergency, such as an earthquake – providing

an essential service to import food, water, fuel, equipment, first responders and evacuation of people. WRC Holdings monitors the performance of CentrePort through regular reporting and presentations, and has issued its own Statement of Expectations to CentrePort for the 2024-2025 year. Operational performance measures for CentrePort are set out in CentrePort's Statement of Corporate Intent, which are published on CentrePort's website.

The scope of GWRL's activities, performance measures and financial information are set out in detail in sections 11, 12 and 13 of this SOI.

Key activities for WRC Holdings in the 2024-2025 year include:

- developing a new Investment Strategy and reporting back to Council on this
- an increased focus on maximising profitability and dividends to Council
- maintain awareness of the risks and opportunities associated with KiwiRail's ferry terminal development
- providing advice, as appropriate, to Council on any new public transport assets from a holding company perspective
- supporting, as appropriate, the implementation of the Regional Economic Development Plan.

9. Non-financial performance targets

Objective	Activity	Performance measure
Support Council's strategic priorities	Review and approve WRC Holdings Group Statement of Intent (SOI) for consistency with Council's strategic direction	<ul style="list-style-type: none"> • Review draft WRC Holdings SOI by 1 March each year • Approve WRC Holdings SOI by 30 June each year
	Review and provide comments on the draft CentrePort Statement of Corporate Intent (SCI) to ensure consistency with Council's strategic direction	<ul style="list-style-type: none"> • Review draft SCI and provide comments by 1 May each year
	Set expectations through annual Statement of Expectation letter to CentrePort	<ul style="list-style-type: none"> • Send Statement of Expectations to CentrePort by 31 December each year
	Consult with the shareholder in a timely manner on Holdings Group strategic or operational matters which could compromise the Council's community outcomes	<ul style="list-style-type: none"> • All such matters escalated to the Council in a timely manner • Holdings to provide briefings to Councillors on matters of significance as required
	Substantive matters, including those likely to generate media coverage, are reported to Council	<ul style="list-style-type: none"> • Matters of this nature should be reported to Council as soon as practicable

Objective	Activity	Performance measure
Operate a successful, sustainable, and responsible business for the benefit of future generations	Review board performance against best practice governance standards	<ul style="list-style-type: none"> WRC Holdings will undertake board effectiveness/performance reviews on an annual basis
	Monitor performance of WRC Holdings Group companies to ensure financial returns are optimised	<ul style="list-style-type: none"> WRC Holdings Board monitor Holdings Group companies' progress against their SOI targets quarterly WRC Holdings receives a quarterly report from CentrePort on its financial and non-financial performance
	Monitor performance of WRC Holdings Group companies to ensure continuous improvement to health and safety outcomes	<ul style="list-style-type: none"> The WRC Holdings Board reviews the quarterly Health, Safety and Wellbeing reports and seeks assurance that controls to manage critical risks are in place and effective
	Monitor performance of the WRH Holdings Group companies in measuring, reporting and reducing Greenhouse Gas (GHG) emissions	<ul style="list-style-type: none"> Measure and publicly report our GHG emissions and progress towards our target of net zero emissions by 2030 in the Annual Report
	Monitor performance of WRC Holdings Group companies to ensure opportunities to give effect to Te Whāriki (Council's Māori Outcomes Framework) are considered and implemented	<ul style="list-style-type: none"> Publicly report how we give effect to Te Whāriki in the Annual Report
	Paying the living wage	<ul style="list-style-type: none"> Ensure that all direct employees within the WRC Holdings Group of companies are paid at living wage or above.
Prudently manage and maintain the rail rolling stock and rail infrastructure (GWRL's Rail Assets)	Monitor the management of rail assets and risk to ensure GWRL's assets are fit-for-purpose	<ul style="list-style-type: none"> WRC Holdings Board review quarterly risk reporting for GWRL WRC Holdings Board receives the GWRL Annual Business Plan by 30 June each year WRC Holdings Board receives the GWRL Asset Management Plan by 30 September each year

10. Financial information

- a. **Shareholder Funds to Assets**
- b. **Prospective statement of comprehensive income**
- c. **Prospective statement of financial position**
- d. **Prospective statement of changes in equity**
- e. **Prospective statement of cash flow**
- f. **Financial Statements commentary**
- g. **Financial Performance targets**
- h. **Statement of Accounting Policies**

The financial statements are presented in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002 and New Zealand Generally Accepted Accounting Practices (NZ GAAP).

These prospective financial statements are presented in accordance with Tier 1 PBE Accounting Standards and comply with PBE Standards.

The detailed accounting policies are available in our most recent annual report as published on Greater Wellington Regional Council website.

- i. **Assumptions in preparing the prospective financial statements**

GWRL

11. Nature and Scope of Activities

GWRL is responsible for asset management, procurement, and stewardship through a management contract with Council. Operational delivery of the service is the responsibility of Council via a long-term performance-based contract with Transdev Wellington.

GWRL owns the investment on metro rail assets. These include the following rolling stock and infrastructure assets:

Rolling Stock

- 18 SW Carriages
- 6 SE Carriages
- 1 AG Luggage Van
- 2 Remote controlled electric Shunt crabs
- 83 2-Car Matangi units
- 1 Matangi driving simulator.

Infrastructure Assets

- Thorndon electric multiple unit (EMU) depot and EMU train wash Metro wheel lathe and building
- 48 Railway stations
- 11 Pedestrian over-bridges
- 11 Pedestrian underpasses
- A range of car parks, station improvements and ancillary rail related assets.

Key Activities and Initiatives	
Wellington Strategic Rail Plan	Continue to work with major stakeholders to further develop and implement the Wellington Strategic Rail Plan. Significant investment is required across rolling stock, rail station infrastructure and rail network infrastructure, to deliver the improvements in customer experience, network dependability, and network capacity/frequency.
Maintenance	Deliver train maintenance services, within approved budgets, through an operations and maintenance contract, while ensuring that train condition and performance is maintained, to deliver required level of service, throughout the assets' life.
	Deliver rail station infrastructure cleaning and maintenance, within approved budgets, through various contracts ensuring assets are able to deliver the required level of service throughout the assets' life.

Renewals	Deliver rolling stock heavy maintenance renewals, within approved budgets, through an operations and maintenance contract, while ensuring that train availability and reliability targets are met.
	Deliver rail infrastructure asset renewals and like-for-like replacement and improvement programme, to ensure the assets are able to meet the required level of service throughout the assets' life.
Seismic strengthening	Undertake seismic strengthening works on a number of earthquake prone subways, and station buildings, in accordance with the multi-year programme to ensure all structures have at least 67% seismic strength of the New Building Standard.
Procurement of rolling stock (Lower North Island Rail Integrated Mobility)	Procurement of 18 x 4-car low emissions multiple units to replace near life expired carriage fleet and provide improved rail connectivity between Wellington and regional centres Masterton and Palmerston North.
Accessibility	Commence programme to improve station accessibility in line with Council's Accessibility Action Plan.
RiverLink - Melling Station Relocation	Continue to monitor the multi-stakeholder RiverLink project in relation to the design and construction of the relocated rail-bus Melling interchange to ensure the ideal end outcomes.
Waterloo Station	Commence development of the reference design and business case for the renewal of the Waterloo Bus-Rail Interchange while enabling future commercial transit orientated development.
Additional assets	Maintain oversight and awareness of potential expanding asset portfolio.
Risks associated with the rail network assets	Maintain awareness of the risks to GWRL and CentrePort associated with the rail network assets.

12. Non-financial performance targets

Operational performance targets for GWRL are set within the context of the strategic targets and objectives of GWRC's emerging Long Term Plan (LTP) 2024-34 strategic framework and associated GWRL Asset Management Plan.

Level of Service	Current performance result	2024/25 Performance target	Performance target (by end of 2024-34 LTP)
CUSTOMER SATISFACTION WITH RAIL ASSETS			
Percentage of passengers who are satisfied with their current trip	94%	≥93%	≥93%
Percentage of customers who are satisfied with the condition of the station	90%	94%	>96%
Percentage of customers who are satisfied with the inside temperature of vehicles	93%	≥93%	≥93%
Percentage of passengers who are satisfied with the condition of the vehicle fleet	96%	≥94%	>96%
Percentage of passengers who are satisfied with overall station	94%	≥92%	≥92%
Percentage of passengers who are satisfied with the cleanliness of the station	85%	≥91%	≥92%
Percentage of passengers who are satisfied with provision of shelter from weather at shelter/station	82%	≥84%	≥85%
Percentage of customers who are satisfied with their personal safety at station	91%	≥93%	≥95%
Percentage of passengers who are satisfied with information about service delays or disruptions	67%	≥73%	≥85%
Increased boardings by people that use the Accessible Concession ¹ (as a percent of total rail boardings)	0.6% ²	>0.6%	3%

¹ The Accessible Concession provides a 50% discount on adult Snapper fares for registered members of the Blind Low Vision NZ or passengers with a Te Hunga Whaikaha Total Mobility card; a bona fide carer can travel for free with the cardholder.

² Based on boardings between Dec 22-Jun 23

Level of Service	Current performance result	2024/25 Performance target	Performance target (by end of 2024-34 LTP)
ROLLING STOCK - ASSET MANAGEMENT			
Matangi - Mean distance between failure	66,529	≥40,000km	≥40,000km
Carriage - Mean distance between failure	95,446	≥80,000km	≥80,000km

Level of Service	Current performance result	2024/25 performance measures
RAIL FIXED ASSET - ASSET MANAGEMENT		
Percentage of pedestrian bridges and subways which meet at least 67% of NBS earthquake rating	79%	100%
Percentage of stations with CCTV coverage	96%	≥99%
Average condition grade³ of:		
Station buildings and shelters:	1.7	≥2.5
Structures (pedestrian subways & bridges):	2.4	≥2.5
Park & Ride:	2.1	≥2.5
Percentage of assets in condition grade 4 (Poor) or worse		
Station buildings and shelters:	1%	≥2.3%
Structures (pedestrian subways & bridges):	5.4%	≥8%
Park & Ride:	5%	≥8%

³ NB: Conditional grade score – 1: Is very good condition and, 5: very poor condition requiring replacement.

13. Financial information

- a. Shareholders' Funds to Assets**
- b. Prospective statement of comprehensive income**
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- d. Prospective statement of changes in equity**
- e. Prospective statement of cash flow from operations**
- f. Financial Statements commentary**
- g. Performance targets**
- h. Statement of Accounting Policies**

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- i. Assumptions in preparing the prospective financial statements**

14. Attachment – Statement of Expectations from Council (December 2023)

By email

12 December 2023

Chris Kirk-Burnnand
 Chair, WRC Holdings Limited
chris.kb@gw.govt.nz

100 Cuba Street
 Te Aro, Wellington 6011
 PO Box 11646
 Manners Street
 Wellington 6142
 T 04 384 5708
 F 04 385 6960

Tēnā koe Chris

WRC Holdings Limited - Statement of Expectations 2024/25

This letter sets out a statement of our expectations, as the shareholder in WRC Holdings Limited (WRCHL), as you begin drafting the Statement of Intent (SOI) for 2024/25 to 2026/27. Our statement of expectations, as prescribed in section 64B of the Local Government Act, specifies the relationship we expect to have with you over the period and our general expectations of the WRC Holdings Group.

The draft SOI is due to Council by 1 March 2024. We will then consider this document and provide feedback by 1 May 2024 to allow the document to be finalised before 30 June 2024.

Enduring expectations

Our enduring expectations are that WRCHL:

- meets best practice governance standards
- is aligned with Council’s emerging Long Term Plan (LTP) 2024-34 strategic framework, with the four focus areas acting as a guide for WRCHL in developing its SOI:
 - Active partnerships with mana whenua and improved outcomes for Māori
 - Leading action for climate resilience and emissions reduction
 - Holistic approaches to deliver improved outcomes for te taiao
 - Improved access to services and equitable outcomes for communities.
- is aligned with Council’s specific objectives for WRCHL, as set out in the LTP 2021-2031, to:
 - Support Greater Wellington’s strategic vision
 - Operate successful, sustainable and responsible businesses
 - Manage its assets prudently
 - Where appropriate, provide a commercial return.
- reflects the overarching principles of Te Whāriki (Greater Wellington’s Māori Outcomes Framework) by proactively engaging mana whenua in decision making and incorporating te ao Māori and mātauranga Māori perspectives, so we can achieve the best outcomes for Māori across all aspects of our region
- maintains an ongoing focus on health and safety, particularly regarding the management of critical risks and controls
- follows robust processes at a governance level to identify and manage risks

- reflects Council's expectations that Council Organisations pay the Living Wage and mitigate the risk of modern slavery in their commercial activities
- ensures legislative compliance, and
- operates under a 'no surprises' policy with Council.

In addition to these enduring expectations, we have set out our specific expectations for the SOI for 2024/25 to 2026/27.

Governance

In support of the enduring governance expectations set out above, we ask that a performance review take place of the overall WRCHL Board, individual directors and the Board Chair, on an annual basis going forward. The next board performance review during the 2024/25 year should include (but not be limited to):

- eight elements of effective governance (<https://oag.parliament.nz/good-practice>)
- management of conflicts of interest
- quality of reporting
- how te ao Māori is considered within decision-making
- a review of the board skills matrix, with te ao Māori included on the skills matrix.

On completion of this review, Council should receive an update that describes the form the review took and the outcomes of it. Council would also like to receive a copy of the skills matrix, reviewed annually, by 30 September each year.

Financial considerations

The LTP anticipates a continued revenue stream from dividend payments and these need to continue to be factored into the SOI. WRCHL should work with its subsidiaries to see how it can increase its level of profitability and dividend stream.

Developing a new Investment Strategy

WRCHL own a significant portion of investment on behalf of Council. The WRCHL Board have previously considered their ownership and strategic objectives and we wish for further work in this area to be undertaken. To this end, we ask that WRCHL develop a new Investment Strategy to maximise returns to Council and to ensure that potential opportunities are maximised for the benefit of the Wellington region, and report back to Council on this in 2024.

Public Transport assets

We expect that WRCHL and Greater Wellington Rail Limited (GWRL) will:

- maintain awareness of the potentially expanding asset portfolio, with regard to the procurement of rail rolling stock (Lower North Island Rail Integrated Mobility) and Council's draft Asset Control Strategy
- maintain awareness of the risks associated with the rail network assets - given their criticality to both the CentrePort business, as well as to the rail assets and services provided by Metlink.

Performance reporting

We expect that WRCHL will review and seek continuous improvement of its performance measures in its 2024/25 SOI. Council will continue to require quarterly updates from WRCHL to ensure we have a good understanding of performance against the SOI. These updates should also focus on strategic issues facing the WRCHL and how these are being managed.

Health and Safety

The health, safety and wellbeing of our workforce and residents are key issues for Council as shareholder. We would like to see continued clarity that WRCHL is aware of and seeking assurance that key critical risks across both GWRL and CentrePort are appropriately managed, and that any assurance needed from other parties is satisfactory. Health and safety should remain a key focus of the board work programme.

Regional Economic Development Plan

Where appropriate, WRCHL should look to support and align to Council's regional projects, including the implementation of the Regional Economic Development Plan.

A continuing emphasis on emissions reductions

Council expects to see the importance of carbon reduction planning emphasised to WRCHL's subsidiaries. We note that CentrePort's activities are already well aligned with key outcomes sought by recent National Freight and Supply Chain Strategy, including zero emissions, resilience, productivity and efficiency, safety and sustainability. Please let us know if you believe Council's support and assistance to engage with wider stakeholders would be helpful to WRCHL.

If you have any need for clarification on the above matters, then please feel free to contact me at the soonest opportunity. We look forward to receiving your draft SOI by 1 March 2024. In accordance with section 64B of the Local Government Act 2002, this letter will be published on Greater Wellington's website.

Nāku noa, nā

Daran Ponter
Chair - Wellington Regional Council

For Decision

REGIONAL COLLABORATION OF A WATER SERVICES DELIVERY PLAN

Te take mō te pūrongo

Purpose

1. The purpose of this report is to:
 - a advise Council of the Government's intended legislative changes to give effect to the *Local Water Done Well* policy,
 - b seek Council's agreement to enter into a Memorandum of Understanding (MoU) to collaboratively develop a Water Services Delivery Plan with other councils in the Wellington Region; and
 - c request the nomination of an elected member to be Council's representative on the Advisory Oversight Group (AOG) for the joint water service delivery plan process.

He tūtohu

Recommendations

That Council:

- 1 **Notes** the Government's intended legislative changes to give effect to *Local Water Done Well* policy, including the requirement on councils to develop a Water Services Delivery Plan.
- 2 **Approves** the signing of a Memorandum of Understanding (MoU) to jointly develop a Water Services Delivery Plan with the other councils in the Wellington Region.
- 3 **Authorises** the Chief Executive to finalise the MoU, subject to any amendments required by the Council.
- 4 **Notes** the key messages intended to be used in a Letter of Clarification (Attachment 2); the letter will append a signed MoU and will be sent to all councils in the Wellington Region and relevant Ministers, stating the position of Council on this subject.
- 5 **Nominates** Cr ... as Council's representative, and Cr ... as alternate, to the Advisory Oversight Group (AOG) for the joint Water Service Delivery Plan process.

Te tāhū kōrero

Context

2. Change is coming to how water is regulated and managed by local authorities. The Government has repealed the Water Services Entities Act 2022 and set out the process and legislative changes required to give effect to their *Local Water Done Well* policy.
3. The *Local Water Done Well* policy is based on a clear premise that change is required and will happen. The policy is still under development, but indicatively will be based on the following requirements.
 - a Councils to develop a Water Services Delivery Plan: within a year, councils must develop a plan to transition to a new water service delivery model that can meet regulatory and investment requirements.
 - b Increased regulation in relation to:
 - i Water quality
 - ii Infrastructure investment
 - c Financial sustainability – water services models must be financially sustainable, based on:
 - i Revenue sufficiency
 - ii Ringfencing to fund investment
 - iii Funding for growth
4. The Government has signalled that it intends to give effect to this policy through two further pieces of legislation (refer Figure 1 below).

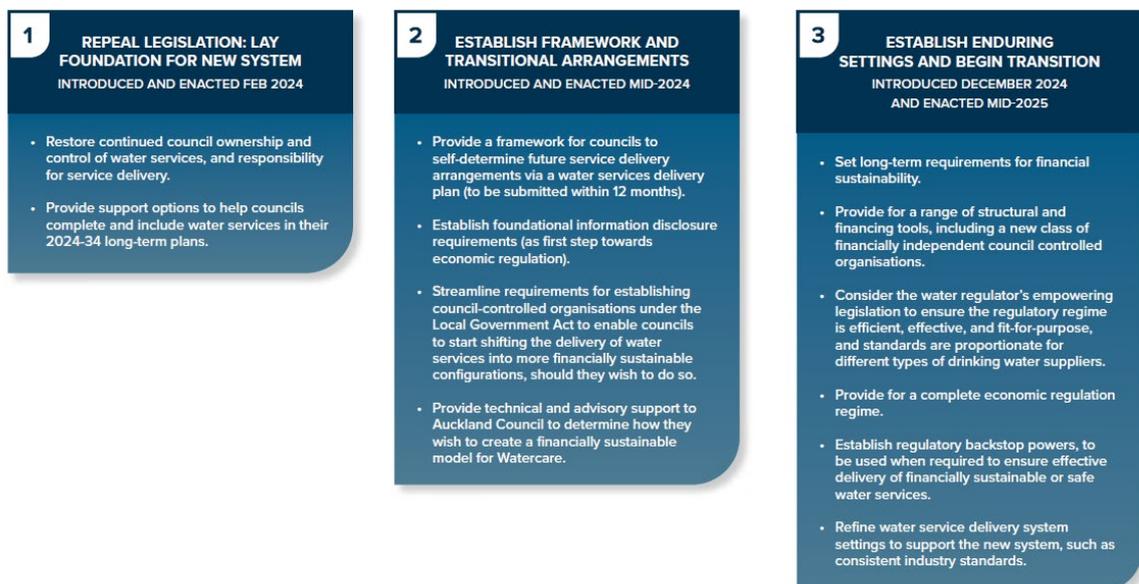


Figure 1: Giving effect to Local Water Done Well, legislative pathway

5. The first new Bill (Stage 2 in Figure 1) is expected to be introduced and enacted mid-2024. This Bill is being informed by an expert Technical Advisory Group. This legislation is expected to set out a clear framework for councils to develop a future water service

delivery plan within 12 months of enactment. It is also expected to set out the foundations for economic regulation and streamline requirements for establishing Council-Controlled Organisations under the Local Government Act 2002. This will enable councils to move to different models, should they choose to do so.

6. The second Bill (Stage 3 in Figure 1) is expected to be introduced in late 2024 and enacted by mid-2025. This is expected to set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council-controlled organisation.
7. The second Bill will also establish regulatory backstop powers, to be used when required to ensure effective delivery of financially sustainable or safe water services. In addition, it will make amendments to the water regulator's legislation to be used to ensure delivery of financially sustainable or safe water services.
8. All legislation to support the implementation of *Local Water Done Well* is expected to be passed by mid-2025 – ahead of the local government elections in October 2025.

Need for Change

9. Councils in the Wellington Region are facing stark challenges to meet the investment needed for drinking water, wastewater, and storm water infrastructure.
10. The need for change to how water services are funded and delivered has been the subject of several major reviews, policy processes and legislative reform since at least 2016. Three major reviews (the Havelock North Drinking Water Inquiry 2016-2017, the Three Waters Review - 2017-2019, WCC Mayoral Task Force on Three Waters 2020), all concluded that councils were struggling to maintain and renew their ageing water infrastructure.
11. These reviews have confirmed that significant and sustained investment is required over the coming decades to ensure councils can continue to enable growth, provide safe drinking water, improve environmental water quality, and are resilient to future seismic and climate change events. This level of investment is not possible for local government under current borrowing settings and any attempts to increase expenditure through rates will be unaffordable for communities. Raising revenue through volumetric water metering is an avenue that could help with funding the cost of water drinking services.
12. For Council, the key issues being faced are:
 - a The level of Bulk Water Supply is lower in Wellington than other parts of the country. Currently the level of stored bulk water per capita in Wellington is 12m³ whereas Auckland is currently storing 59m³ per capita. Ultimately, this affects the level of supply available when conditions or events mean we must switch from drawing from water sources (e.g. rivers) and draw from water storage (e.g. storage lakes).
 - b Ongoing challenges with climate change raise the risk of drought and extreme weather events creating issues with water supply. The Wellington Region should currently be set up to handle a 1 in 50 year drought in terms of water supply, by contrast Auckland is set up to service a 1 in 200 year drought. The current status

of the Wellington Region supply means the region can only handle a 1 in 13 year drought event.

- c Ongoing increases to rates will be ultimately unaffordable. Investment cannot be based on borrowing only and must also be based on a balance of funding between current and future users to ensure a fair share of the true cost of the service. To ensure long term financial sustainability, water investment for asset renewals must be structured on an equitable intergenerational basis.
 - d The acute water shortage faced in the Wellington Region this summer highlighted the shortfalls in water supply and retention. It also highlighted how demand management effectiveness is limited (in the current model) until the emergency response stages. Running the water services network close to emergency measures on a consistent basis has raised significant concerns from Taumata Arowai.
 - e Enabling growth and housing supply will be increasingly challenging. Key costs for enabling growth include investment in further water storage options and water treatment facilities options to ensure year-round supply.
 - f The ability to meet increased environmental, drinking water and economic regulatory requirements will be challenging and costly.
 - g A significant backlog of investment in an aging and failing reticulation network by territorial authorities.
 - h The Greater Wellington Regional Council (Greater Wellington) also holds the statutory role of environmental regulator in the Wellington Region. The factors identified above are contributing to increased tension between this function and that of the water supply operator.
13. For Greater Wellington, investment coordination is particularly important for the connected metro water networks of Wellington City, Porirua City, Hutt City and Upper Hutt City councils where bulk water supply, wastewater treatment and stormwater solutions are shared across city boundaries. This is proving very challenging under the current service delivery model because:
- a Service delivery is devolved from councils to a council-controlled organisation (CCO) that can only recommend but not require investment levels, leading to inconsistent decision making on shared infrastructure across territorial authority boundaries.
 - b Each shareholding Council prioritises CAPEX and OPEX expenditure on water service delivery differently, leading to different funding arrangements with the CCO.
 - c Large scale infrastructure renewals and upgrades require planning and investment spanning many years into the future. These long-term horizons can often look further than LTP horizon of 10 years.
14. It will be critical, therefore, that any future water service model can deliver a consistent level of investment throughout the Wellington Region. This will need a model that is able to borrow, and over time can increase revenue from water users to a level where this sustainably covers the true costs of services. This could be through some form of

charges or rates with a crucial consideration being to ensure that this is that this is fair, affordable and delivers value for money for the community.

15. It was indicated by Council, that if Greater Wellington were to sign the MoU, it should be sent alongside a Letter of Clarification to all other Councils and relevant Ministers. The Letter of Clarification is yet to be finalised, however, the key messages this letter will deliver are outlined in **Attachment 2**.

Te tātaritanga

Analysis

16. Informed by these considerations, council Chief Executives developed an approach to enable regional collaboration on a Water Services Plan for the consideration of councils in the Wellington Region. This is based on a collaborative and non-binding partnership between councils that opt into this framework to work through this process robustly and efficiently.
17. A commitment to participating in this regional collaboration would be confirmed by signing a joint MoU. The draft MoU is attached (**Attachment 1**).
18. As part of this approach, councils would establish a joint governance oversight group called the 'Advisory Oversight Group' (AOG) made up of elected members. Iwi / Māori partner representatives will also form part of this group, with the approach to be confirmed working with Iwi / Māori partners during the establishment phase.
19. The AOG would be chaired by an independent chair with suitable expertise in local government, financial models, and large-scale utility operations.
20. The draft Terms of Reference for the AOG is appended to the MoU, see Attachment 1. Importantly for Greater Wellington, the AOG is not a statutory joint committee and the process of establishing the AOG does not transfer any formal decision-making responsibilities or delegations from Council to the AOG. Any future decisions on a water service plan, preferred models or commitments to future change remain with Council.
21. Formation of the AOG and signing of the MoU would signal a commitment by councils and Iwi / Māori partners to work together through a collaborative and non-binding process. See **Attachment 3** for information on which Councils have agreed to the MoU to date.
22. The proposed structure for a Wellington regional collaborative approach is shown below in Figure 2.

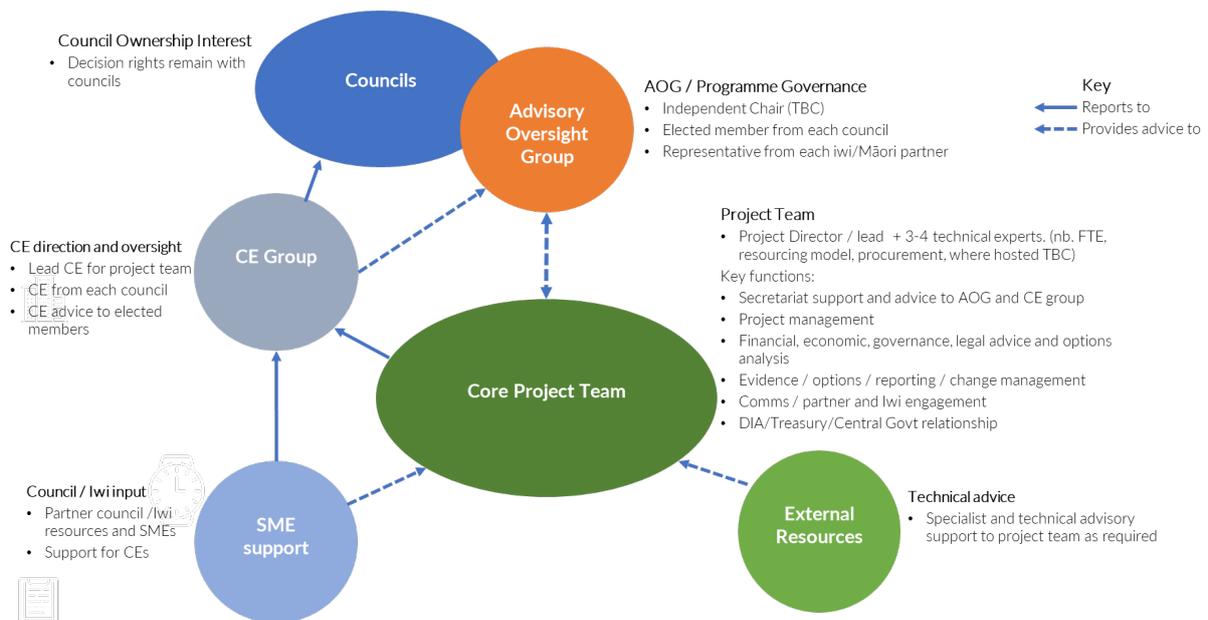


Figure 2: Proposed structure for regional approach to developing a joint Water Services Delivery Plan

23. The Water Services Delivery Plan and future models and options to be considered will need to respond to agreed objectives and consider future approaches that are workable, affordable, sustainable, and meet the needs of communities and the environment.
24. The key deliverable from this joint process would be a joint Water Services Delivery Plan for the region, including options for future delivery models based on strategic option selection and high-level design. This process and outputs do not preclude any council from choosing to develop its own Water Services Delivery Plan.
25. Critical success factors are that the Water Services Delivery Plan and any future model:
 - a Is supported by all councils and Iwi / Māori partners which are part of this process.
 - b Is supported by the Government *and* enabled through legislative change.
 - c Is based on a sustainable funding model.
 - d Enables commitment from councils and Government to move to subsequent phases to deliver the plan – detailed design and implementation.
26. The high-level process and timing for this approach is shown in Figure 3. A more detailed timeline and guidance has been sent to Council from The Department of Internal Affairs, see **Attachment 4**.

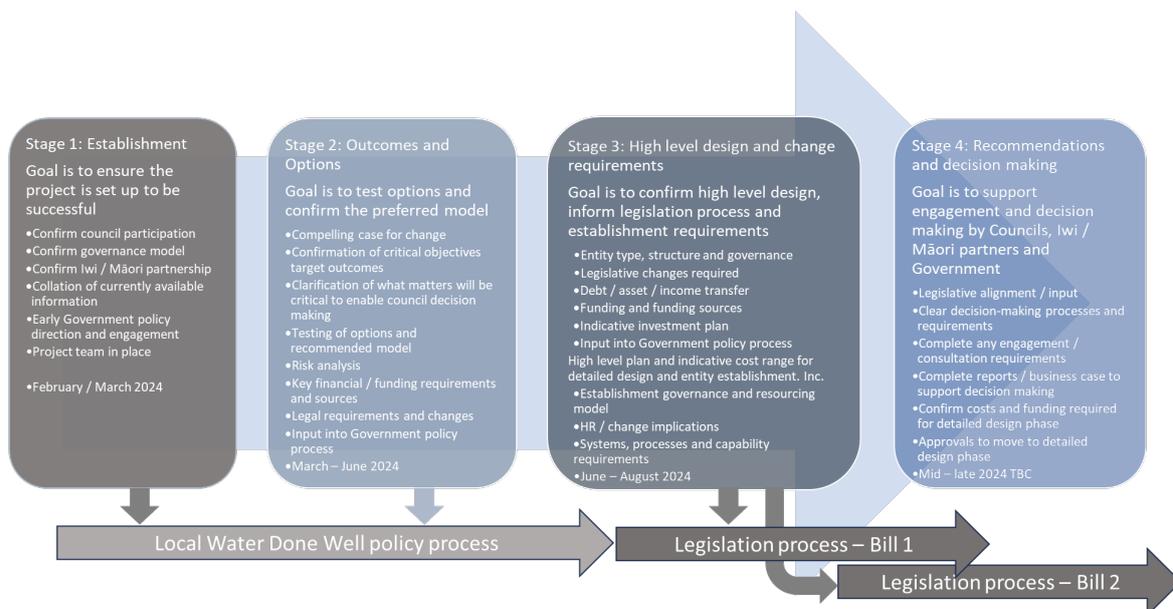


Figure 3: Indicative process and timing for Wellington regional Water Services Plan

27. This process anticipates a staged approach to the development of a Water Services Delivery Plan aligned with the development of legislation. This would be focused on clear testing of options based on agreed outcomes by around mid-2024. This would inform the development of a high-level design for a future model to support any required engagement and decision-making happening around late 2024. This would enable the completion of the Water Services Delivery Plan by early to mid-2025, aligned with the expected requirements of legislation.
28. If a council fails to submit a plan by the statutory deadline, the Minister of Local Government will be able to appoint someone to prepare a Plan on that council's behalf, and (if necessary) to direct the council to adopt and submit this Plan (a 'regulatory backstop' power). Again, any expenses associated with this appointee and the preparation of the Plan would be covered by the council.

Ngā hua ahumoni

Financial implications

29. There are no immediate financial implications from the matters for decision in this report.
30. The financial implications of committing to this process will be confirmed as part of the establishment phase of the project. The costs to Greater Wellington are not expected to be significant at this point in the process. It is recognised that time commitment by the Chief Executive and relevant officers within the organisation is a cost that adds to the tangible monetary contribution to the design process.
31. Future stages of the process would most likely incur larger costs through contribution. Depending on the nature of Greater Wellington's involvement, it is possible that future stages would incur higher costs and internal time commitment than the current design phase.

32. The medium to longer term implications of legislative change and any future Water Services Plan are expected to be significant. These will be a key consideration for the process and any future decisions required of Council.
33. The proposed legislative changes and Water Services Delivery Plans will raise a range of legal issues and considerations for councils to work through. These are expected to be confirmed as part of the two proposed Bills to be introduced during 2024 and enacted by mid-2025.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

34. Changes to water management will raise a range of significant issues for Iwi / Māori including water quality, priorities for investment and how to give effect to Te Mana o te Wai.
35. The speed with which councils have been directed to respond has meant that officers have not been able to seek the position of mana whenua on this intended approach.
36. Freshwater is considered as taonga (treasure) by Māori, providing fundamental cultural values and being important in maintaining cultural traditions and knowledge in contemporary society to be passed on to future generations.
37. Partnership with mana whenua to identify catchment outcomes and balance these with regional outcomes will be vital to the management of water across the region. It will be the responsibility of councils to ensure that mana whenua can partner in the design of any approach to ensure that their rights as kaitiaki and their kaitiakitanga at place and space can be upheld within their rohe pōtae.
38. Within this process, councils have the opportunity to reorient the way in which partnership with mana whenua. The proposed structures need to be reviewed with mana whenua and may require amendments to the way in which mana whenua are active in design phase. Where these amendments are required, these will be brought back to Council for recommendation. Investment in the right partnership will need to be confirmed with mana whenua through the establishment phase.

Ngā tikanga whakatau

Decision-making process

39. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga

Significance

40. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of these matters, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider that these matters are of low significance for the following reasons:

- a While the issue of water and associated delivery models is overall critical for the Wellington Region, the MoU and collaborative process the subject of this decision does not bind Council to any particular decision or immediately result in any change to the current service delivery model, service levels or any associated commercial or statutory structures; and
- b The process allows for exit points for any contributing council. The agreement of the MoU at this stage does not preclude Council from deciding to use those exit points.

Te whakatūtakitaki

Engagement

- 41. Given the level of significance detailed above, this decision does not require any type or level of engagement or consultation.
- 42. However, it is expected that the proposed legislative changes and eventual Water Services Delivery Plan will be of considerable interest to communities, partners, and other stakeholders. The parties to the MoU (via the AOG) will need to consider how informal engagement this is effectively undertaken, including any future statutory requirements for engagement or formal consultation in relation to a Water Services Delivery Plan or future delivery models.

Ngā tūāoma e whai ake nei

Next steps

- 43. The councils that have agreed to work within the MoU, will coordinate a series of workshops with CEs and relevant SMEs to start the design process.

Ngā āpitihanga

Attachments

Number	Title
1	Memorandum of Understanding
2	Letter of Clarification Key Messages
3	Council status on Memorandum of Understanding
4	Information for Councils 5 April 2024

Ngā kaiwaitohu

Signatories

Writers	Pri Patel - Kaitohutohu Chief Advisor - Business Performance Improvement Monica Fraser - Te Pou Whakarae Group Manager, Te Hunga Whiriwhiri Julie Knauf – Kaiwhakahaere Matua Ratonga Rangapū Group Manager, Corporate Services
Approvers	Nigel Corry – Te Tumu Whakarae Chief Executive

**He whakarāpopoto i ngā huritaonga
Summary of considerations**

Fit with Council's roles or with Committee's terms of reference.

As the current supplier of bulk water services to relevant territorial authorities and shareholder in the current CCO, entry into the MoU and subsequent planning processes falls squarely within Council's current statutory obligations and role.

Contribution to Annual Plan / Long Term Plan / Other key strategies and policies

This decision itself has no effect on the Annual or Long Term Plans or any other key strategies and policies. Any future decisions may have considerable impact and will be the subject matter of future reports to Council.

Internal consultation

Internal consultation has been undertaken between Corporate Services (as responsible for bulk water supply), Finance and relevant compliance functions such as internal legal. The future design process would require wider and more thorough consultation with relevant officers.

Risks and impacts - legal / health and safety etc.

Given the nature of the decision, being a potential entry into a non-binding MoU that will only enable a planning and design process at low cost to Greater Wellington with no commitment to a final model, this is low risk in terms of any compliance (Finance, Legal, and Health & Safety) requirements.

Entry into the MoU and subsequent process will be politically impactful, enabling influence over the final service delivery design in light of Council's continued indications that it wishes to concentrate on its regulatory role and extract itself from bulk water supply in a manner that is beneficial for the Wellington Region.

Memorandum of Understanding

Water Services Delivery Plan for the Wellington region

DRAFT

Regional approach to a water services plan

Regional approach to a water services plan

Based on direction from Government and expected legislative changes, councils will be required to develop a water service delivery plan by around mid-2025.

The signatories to this Memorandum of Understanding (MoU) have committed to a process of working together to develop a water services plan including consideration of future delivery models.

This process is based on a collaborative and non-binding partnership approach between councils in the Wellington region to work through this process robustly and efficiently.

The future model and options to be considered will need to respond to agreed objectives and consider future approaches which are workable, affordable, sustainable and meets the needs of communities and the environment.

Outputs from this process

The key deliverable from this joint process is a joint water services plan, including for a future delivery models based on strategic option selection and high-level design. This process and outputs do not preclude any council from choosing to develop its own water services plan.

Critical success factors are that the water services delivery plan and any future model:

- Is supported by all councils and Iwi / Māori partners which are part of this process
- Is supported by the Government *and* enabled through legislative change
- Is based on a sustainable funding model
- Enables commitment from councils and Government to move to subsequent phases to deliver the plan – detailed design and implementation

This MoU outlines the expectations on signatories and the Terms of Reference (ToR) for the Advisory Oversight Group (AOG) for this process.

Changes to three waters

Change is coming to how water is regulated and managed by local authorities. The Government has repealed the Water Service Entities Act 2022 and has set out the process for legislative change to give effect to the Local Water Done Well policy through two further stages of legislative change which are expected to be passed by mid-2025.

Local Water Done Well policy is based on a clear premise that change is required and will happen. The policy is still under development, but indicatively will be based on the following requirements:

- **Councils to develop a water services plan:** Within a year, councils must develop a plan to transition to a new water service delivery model that can meet regulatory and investment requirements.
- **Increased regulation in relation**
 - Water quality regulation
 - Infrastructure investment regulation
- **Financial sustainability** – water services models must be financially sustainable, based on:
 - Revenue sufficiency
 - Ringfencing to fund investment
 - Funding for growth

Regional approach to a water services plan

In the context of this change, the signatories to this MoU have agreed to work with other councils in the region as this offers the opportunity to collectively engage in this legislative process to ensure a sustainable, workable future model is identified and can then be implemented. This may include a specific model for council or some form of joint model with other councils.

This approach will enable regional collaboration on a water services plan based on a collaborative and non-binding partnership between councils in the Wellington region to work through this process robustly and efficiently.

The process does not transfer any formal decision-making responsibilities or delegations from any council. Any future decisions on a water service plan, preferred models or commitments to future change would remain with each council.

Advisory Oversight Group

As part of this approach, councils have agreed to establish a joint governance oversight group called the 'Advisory Oversight Group' (AOG) made up of elected members. Iwi / Māori partner representatives will also form part of this group, with the approach and membership to be confirmed working with Iwi / Māori partners during the establishment phase.

The AOG would be chaired by an independent chair with suitable expertise in local government, financial models and large scale utility operations.

The draft terms of reference for the AOG is appended to this MoU, see **Appendix X**. The AOG is not a formal joint committee and has no formal decision-making rights. Support would be provided by Chief Executives and a joint project team.

Formation of the AOG and signing of the MoU signals a commitment by councils and Iwi / Māori partners to work together through a collaborative and non-binding process.

Dated: Endorsed on behalf of signatory councils by members of the AOG on **DATE**.

SIGNATURES OF MEMBERS ON BEHALF OF ORGANISATIONS – **TO BE INSERTED**

COUNCIL

COUNCIL

APPENDIX 1: Terms of Reference for the Advisory Oversight Group

Water services plan process for Wellington regional councils

Councils in the Wellington region have committed to a process of working together to develop a water services plan including consideration of future delivery models. This process represents a collaborative partnership approach between councils in the Wellington region and Iwi / Māori partners. The value proposition of the process is to ensure that the region can collaboratively work through this process robustly and efficiently.

Outcomes and options

The water services plan and future models and options to be considered will need to respond to agreed objectives and consider future approaches that are workable, affordable, sustainable and meet the needs of communities and the environment.

The key deliverable from this joint process would be a joint water services plan for the region, including options for future delivery models based on strategic option selection and high-level design. This process and outputs do not preclude any council from choosing to develop its own water services plan.

Critical success factors are that the water services delivery plan and any future model:

- Is supported by all councils and Iwi / Māori partners which are part of this process
- Is supported by the Government *and* enabled through legislative change
- Is based on a sustainable funding model
- Enables commitment from councils and Government to move to subsequent phases to deliver the plan – detailed design and implementation

Advisory Oversight Group

As part of this approach, councils have agreed to establish a joint governance oversight group called the 'Advisory Oversight Group' (AOG) made up of elected members. Iwi / Māori partner representatives will also form part of this group, with the approach to be confirmed working with Iwi / Māori partners during the establishment phase.

Decision making and delegations

The AOG does not have any formal decision-making responsibilities or delegations. These remain with each council, including any future decisions on preferred models or commitments to future change.

The AOG is not a formal joint committee. Formation of the AOG forms part of the commitment by councils and Iwi / Māori partners to work together through a collaborative and non-binding process.

Where direction on the process or options being considered is required from the AOG, this will as far as possible be undertaken by consensus.

Key tasks and partnerships outcomes

The AOG will work in partnership to:

- Provide political oversight and alignment of this process to demonstrate visible and collaborative leadership
- Build trust and stronger organisational relationships
- Build better understanding of partners' perspectives and identify shared objectives and areas of alignment
- Operate at a strategic level owning key relationships for the future water model process and supporting the mitigation of any escalated risks
- Test and confirm the direction for the process including investment objectives, options analysis and required analysis in order to provide confidence and certainty to stakeholders and the community
- Provide advice and direction and to assist the responsible staff to manage and resolve issues and risks including alignment with wider strategic regional issues, the expectations of key partners, stakeholders and the community.
- Assist information sharing, efficient and effective working including opportunities to collaborate, and provide a stronger voice when advocating to others including a shared story for the people of the Wellington region and for investment

Advisory Oversight Group membership and structure

Membership

The Advisory Oversight Group shall consist of:

- An independent Chair (with an agreed Deputy Chair in the event that the Chair is unavailable)
- An elected representative from each of the partner councils
- Representative from Iwi / Māori partners – to be confirmed working with Iwi / Māori partners
- Any other person considered necessary by the AOG to ensure the effective functions of the group

Attendance at meetings would include council CEs.

Structure for AOG

- A quorum is the majority of members, or half the members where there is an even number of members. No business may be transacted at a meeting if a quorum is not present.
- Members are expected to attend all meetings, except in exceptional circumstances, as notified to and agreed by the Chair.
- In the event that the Chair is unavailable, the Deputy Chair shall chair the meeting.
- In the event that any member is unavailable for a meeting, any of the partners may nominate an alternate. **Or** There will be no alternate appointments.
- The AOG will be supported by a Secretariat and Project Team. The role and focus of this Secretariat is set out below.
- The AOG shall meet at least XXX, or as otherwise required. Meetings shall be hosted by one of the partners as agreed. Invites and coordination of meetings shall be managed by XXX.
- Wider invites to relevant partner organisations [such as DIA], shall be determined by the meeting Agenda.
- The meetings are not public but shall be transparent in terms of agenda and outcomes. Effort will be made to distribute any meeting papers at least 3 working days ahead of the meeting date. Recognising that the AOG does not hold any formal decision-making powers or delegations, papers shall be brief and avoid duplication with matters best dealt with through existing council decision making processes and delegations.

- Membership shall be reviewed and reconfirmed on an annual basis or if the project moves beyond confirmation of a plan for future water to the implementation of this model.

Senior managers group

The AOG will be supported by a Senior Managers group of the partners. This will consist of CEs or nominees from each partner organisation (CE or GM level).

This group will be chaired by a nominated Chair (with an agreed Deputy Chair in the event that the Chair is unavailable).

The role and focus of the Senior Managers Group is to ensure advice and support to the AOG is effective and efficient, including:

- Provide senior management oversight and alignment of this process to demonstrate visible and collaborative leadership
- Testing and confirm the direction for the process including objectives, options analysis and required analysis in order to provide confidence and certainty to stakeholders and the community
- Provide advice and direction and to assist the responsible staff to manage and resolve issues and risks including alignment with wider strategic regional issues, the expectations of key partners, stakeholders and the community.
- Support the identification, mitigation or management of key risks and issues
- Assist information sharing, efficient and effective working, and provide a stronger voice when advocating to others including a shared story for the people of the Wellington region and for investment
- Ensure that the project team is resourced and supported.

Project team and Secretariat – role, responsibilities and membership

Support for the AOG will be provided by the project team based on a small core team supported by resources from partners. Detail to be confirmed through the project scope, based on expectation of:

- Project Director reporting to the senior managers group. This role will lead the project and be responsible for coordination of the Agenda for AOG meetings (including actions) and programme design and delivery across the partners (nb. role description and tasks to be defined)
- 3-4 technical resources (size, resourcing model, procurement, where hosted TBC) providing expertise and workstream leadership for:
 - Secretariat support for AOG and Senior Managers group
 - Project management
 - Financial and options analysis
 - High level design of financial, funding, legal, governance etc elements for the preferred option
 - Evidence/options/reporting; change management
 - Comms planning and deliver for partner and iwi engagement
 - DIA relationship
 - Operational requirements

- Nb. Other resources and functions to be confirmed by agreement of the scope and timeline e.g. financial analysis, options analysis, change management / HR requirements etc as detailed in the project plan.

Funding

Funding required for this process will include the independent Chair, Project lead, workstream leads, secretariat and programme resources.

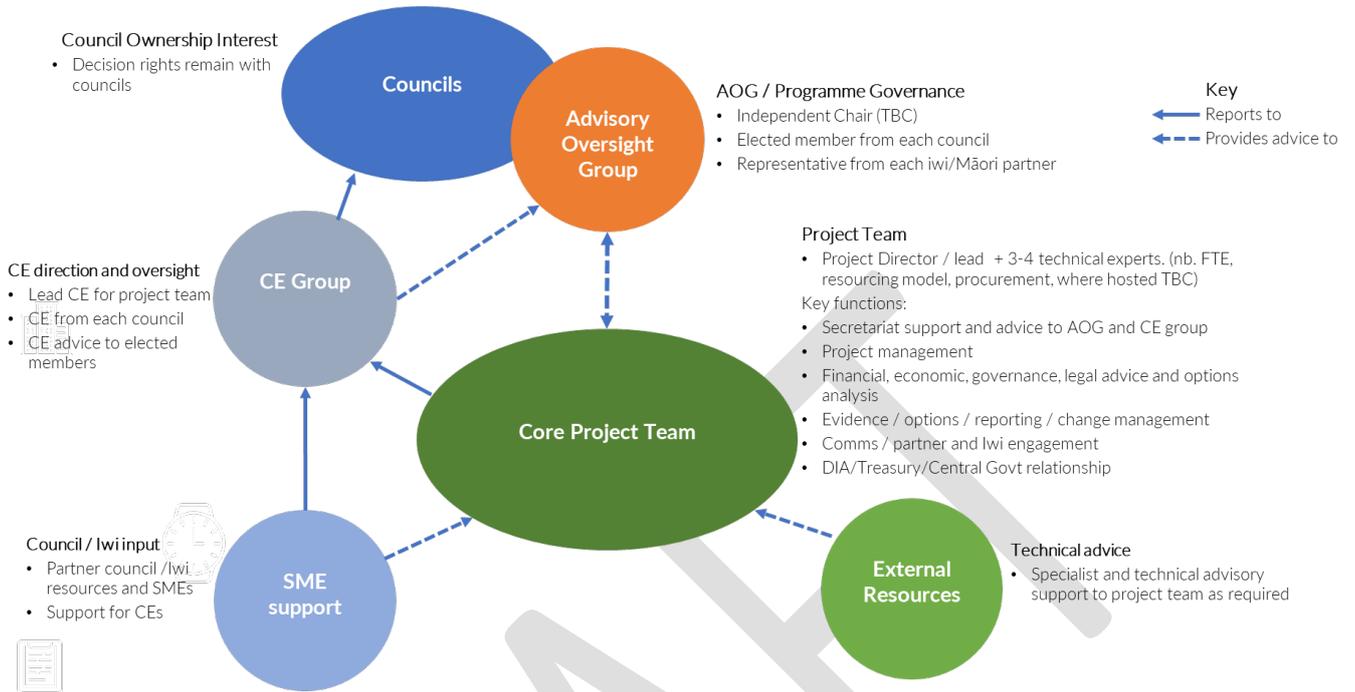
The partners will confirm a budget. A funding plan shall be developed with the costs split on an agreed basis. This budget and funding plan shall be reviewed and updated at least on an annual basis.

Communications and media protocols

The partners commit to working together to ensure a coordinated communications and engagement approach to ensure a no surprises basis. This includes utilisation of agreed key messages and communications plan along with any developed communications brand and website as required.

The partners will develop and agree a communications plan that sets out key messages, protocols and channels in more detail as required for each phase of the project. This shall be reviewed and updated at least on an annual basis.

Attachment 1: Structure of Advisory Oversight Group and supporting functions



Attachment 2: Charter / Project scope

Under development



By email

[Date]

100 Cuba Street
Te Aro, Wellington 6011
PO Box 11646
Manners Street
Wellington 6142
T 04 384 5708
F 04 385 6960

[Address Field 1]
[Address Field 2]
[City] [Postcode]

Tēnā koutou

Letter of Clarification: Regional Collaboration of Water Services Delivery Plan

Key points

- GWRC wishes to explore its options to release its responsibility for Bulk Water Supply to the metropolitan areas of the Wellington region
- GWRC expects to retain its environmental regulatory powers
- GWRC also expects to retain ownership of the Hutt and Wainuiomata Water Collection Areas. We would seek to agree management arrangements that provided for operation on similar terms and conditions as currently exist, and for joint consideration of future proposals.
- GWRC will only hand over responsibility to an entity it believes to have a viable and appropriate setup for effective management and supply of Bulk Water
- In releasing responsibilities and assets to a new entity, a suitable financial arrangement would need to be agreed. GWRC will seek to dispose of the bulk water supply assets and the associated debt.
- GWRC agrees to enter the initial design phase with the above position stated and clear to the other working parties



- GWRC wishes to strengthen the level of involvement and influence that Iwi / Māori partners have at all levels of the design process. Resourcing this effectively needs to be thought about.
- Policy, legislation and practice have consistently undervalued Māori rights and interests in water.

Click here to choose a sign off from the drop down box

[Name]

[Position]

[Department]

DD: [Phone Number]

[Email Address]

Mobile: [Mobile Number]

Copy: [delete if not applicable]

Encl: [delete if not applicable]

Council's status on Memorandum of Understanding

Status as of 05/04/2024

Council	Status of MoU	AoG Elected Member	AoG Alternate Member
Hutt City Council	Agreed	Mayor Barry	Unknown
Upper Hutt City Council	Agreed	Mayor Guppy	Councillor Bentley
Wellington City Council	Agreed	Mayor Whanau	Councillor Brown
Porirua City Council	Agreed	Mayor Baker	Councillor Leggett
Carterton District Council	TBC		
Horowhenua District Council	TBC*		
Masterton District Council	TBC		
Kapiti District Council	TBC		
South Wairarapa District Council	TBC		

Source: Official minutes for relevant council meetings

*It is understood through the Carterton District Council CEO that the MoU has been agreed with the elected member to be Mayor Mark. This has not yet been officially stated in meeting minutes.



April 2024

Local Water Done Well: Information for councils

This document provides an overview of policy decisions that will be reflected in the proposed Local Government Water Services (Transitional Provisions) Bill, which will soon be considered for introduction to Parliament. It also contains information on other transitional matters that may be of interest to councils.

It is based on Cabinet decisions announced by the Minister of Local Government in April 2024.

Introduction

Measures to be introduced through new legislation in mid-2024 will establish the Local Water Done Well framework and the transitional arrangements for the new water services system.

The measures include requirements for councils to develop Water Services Delivery Plans, steps towards future economic regulation, and streamlined processes for setting up water services council-controlled organisations (water services CCOs).

Water Services Delivery Plans

What are they?

The overarching purpose of the Plans is for councils – individually or jointly – to publicly demonstrate their intention and commitment to deliver water services in ways that are financially sustainable, meet regulatory quality standards for water network infrastructure and water quality, and unlock housing growth.

What do they mean for councils?

Through the development of these Plans, councils will provide an assessment of their water infrastructure, how much they need to invest, and how they plan to finance and deliver it through their preferred service delivery model.

Ringfencing of water services and revenue from other council activities is a key feature of the Plans.

The Plans will be a way for councils to provide transparency to their communities about the costs and financing of water services, and empower them to make decisions about managing and delivering high-quality water services that reflect their local needs and circumstances.

The Plans can also be prepared jointly, and so provide an opportunity for councils to have conversations with other councils about joint arrangements for water services delivery.

What information do they need to cover?

The Plans cover information across three key areas:

1. Financial and asset information	Information about each council's financial and asset information and performance measures, pricing and other related policies, methodologies, and assumptions
2. Investment required	Planned levels of investment, approach to operations, and whether these are sufficient to deliver proposed level of service, meet infrastructure standards and meet regulatory standards
3. Service delivery arrangements	Councils' proposed service delivery arrangements – including proposals for joint arrangements, across more than one council

To demonstrate financial sustainability, councils will have to show what needs to be invested to deliver water services to regulated standards and to provide for growth. They will also have to show how they will fund and finance long-term investment in water infrastructure, including renewals and operating costs.

What is the process and timeline for producing a Plan?

Activity	Indicative timing / milestone
DIA releases Plan guidance Councils formally begin development of Plans	Mid-2024 Local Government Water Services (Transitional Provisions) Bill enacted
DIA/council check-in Councils identify contact point(s), whether they will be submitting an individual or joint Plan, whether they need technical support	+ 3 months (following Bill enactment)
DIA/council check-in(s) to monitor progress	+ 6-9 months (following Bill enactment)
Councils submit final Plan to DIA	Within 12 months (of Bill enactment)
DIA accepts the Plan meets statutory requirements or refers back to council for further work	Following submission of Plan
Council publishes Plan on council website	Once Plan is accepted by DIA

What happens if council(s) don't submit a Plan?

There will be a series of check-ins by the Department of Internal Affairs throughout the Plan development process to ensure councils are on track in preparing and submitting an acceptable plan. There will be guidance and some 'light touch' technical support provided by DIA.

During the Plan preparation process, councils may request, and the Minister of Local Government will be able to appoint, a Crown Facilitator who could provide additional assistance (at councils' expense). For example, the Crown Facilitator could assist and advise a council on how to prepare a Plan, or work across a group of councils to facilitate or negotiate a joint Plan (including providing an arbitration role if requested and agreed by councils).

If a council fails to submit a plan by the statutory deadline, the Minister of Local Government will be able to appoint someone to prepare a Plan on that council's behalf, and (if necessary) to direct the council to adopt and submit this Plan (a 'regulatory backstop' power). Again, any expenses associated with this appointee and the preparation of the Plan would be covered by the council.

Key information



Plans are one-off, transitional documents, to set a pathway forward to sustainability.



Plans can be developed by individual councils, or jointly where groups of councils are planning to jointly establish a water organisation.



Plans must include drinking water, wastewater and stormwater – but councils have flexibility about transferring stormwater in proposed new service delivery arrangements.



It will be up to councils to determine how best to engage with their communities as part of the Plan development process.



Plans have no regulatory function – LTPs continue to be councils' primary planning and accountability document.



Plans cover a 10-year timeframe, with detailed information provided on the first three years.

Steps towards future economic regulation

Economic regulation is a key feature of Local Water Done Well. It is intended to ensure consumers pay efficient, cost-reflective prices for water services, that those services are delivered to an acceptable quality, and that water services providers are investing sufficiently in their infrastructure.

Development of an economic regulation system for water services will be led by the Ministry of Business, Innovation and Employment. Relevant provisions would be included in the third Local Water Done Well Bill (to be passed in mid-2025), and implemented by the Commerce Commission after that point.

Through the Water Service Delivery Plans, councils will be asked to provide baseline information about their water services operations, assets, revenue, expenditure, pricing, and projected capital expenditure, as well as necessary financing arrangements.

This is not a regulatory information gathering exercise, but is a useful first step to build the capability of councils and prepare the Commerce Commission ahead of the full economic regulation regime being introduced from the middle of next year.

All councils that have water service delivery responsibilities (either directly or through existing council-controlled organisations) will be subject to these requirements. As well as the Plans being published, information collected through them will be shared with the Commerce Commission, to help them with the development of the future regulatory regime.

The Bill will also provide for some councils to be subject to an early form of information disclosure by the Commerce Commission, prior to the full economic regulation regime.

This will build on the information collected through the Plans, and is intended to be for councils that have more advanced asset/financial management practices, or those that moved quickly to establish new organisations and are ready for a faster track toward more detailed oversight.

Streamlined processes for establishing council-controlled organisations

Under Local Water Done Well, a range of structural and financing tools will be available to councils to use for water services including a new class of financially independent council-owned organisations.

These options will be included in the third Local Water Done Well Bill, with policy decisions expected to be announced in mid-2024. This Bill is expected to be introduced in December 2024, and passed in mid-2025.

However, it is recognised that some councils may want to move quickly to start shifting the delivery of water services into more financially sustainable models. The Local Government Water Services (Transitional Provisions) Bill will include provisions that help streamline the process for establishing water services CCOs, as currently provided for under the Local Government Act 2002.

The Bill will contain a bespoke set of consultation and decision-making arrangements that will enable councils to streamline this process, while continuing to provide the opportunity for community input. These streamlined arrangements are voluntary for councils to choose to use, as an alternative to some of the standard requirements in the Local Government Act.

The arrangements include provisions that:

- Clarify that councils can set up joint committees that can consult on a proposal across multiple districts (instead of each council carrying out separate consultation), and to make recommendations to participating councils
- Set minimum consultation and information requirements – so one round of consultation is required, and information only needs to be provided on the analysis of two options (status quo + preferred option)
- Enable councils to consider the collective benefits/impacts of a proposal (across multiple districts), in addition to the interests of their individual districts – and to factor in the view of other participating councils.

Current Better Off and Transition Support funding arrangements will be retained

Cabinet has agreed to retain existing funding arrangements under the previous Government's water reform programme, and has asked the Department of Internal Affairs to work with councils and Iwi Collectives to align these to Local Water Done Well.

This includes:

- Retaining current Better Off funding for all councils, but for the Department of Internal Affairs to work with councils to identify opportunities to redirect unspent Better Off funding to increase investment in water infrastructure or to help establish new water services delivery organisations.
- Retaining current Council Transition Support funding to enable councils to use this funding for work relating to Local Water Done Well, including supporting the establishment of new water services delivery organisations, or other planning work to support the transition to Local Water Done Well.

The Department of Internal Affairs will work with councils on any changes to current contractual arrangements to reflect decisions in relation to aligning funding to LWDW.

The Department of Internal Affairs will follow up with individual councils to provide further details.

Next steps

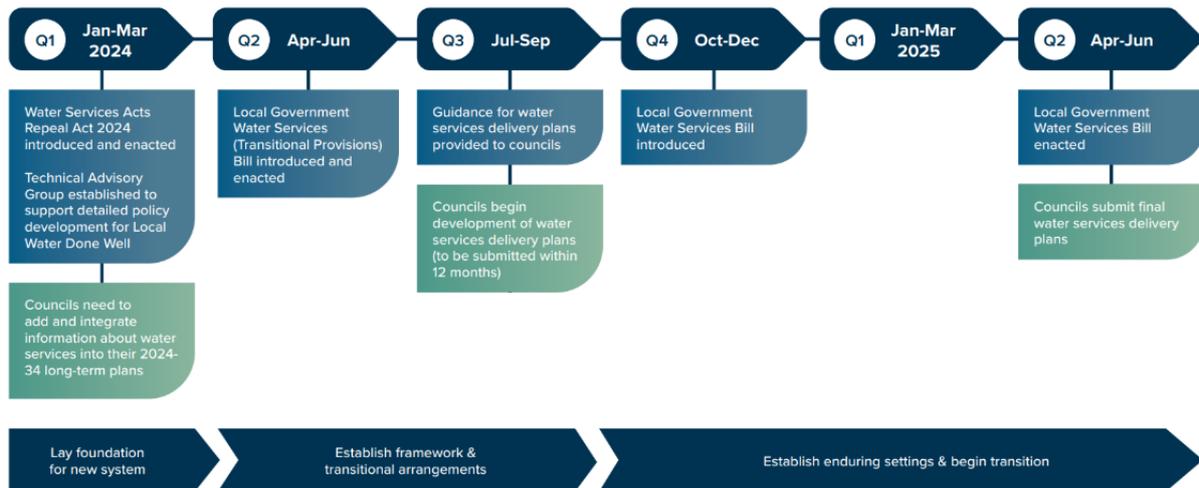
The Government will provide details in mid-2024 on the broader range of structural and financing tools, including through the New Zealand Local Government Funding Agency (LGFA), which will be available to councils to ensure they can access the long-term debt required for investment in water services infrastructure. These tools will be implemented through further legislation that will establish the enduring settings for the new system.

Policy areas to be included in further legislation include:

- Setting long-term requirements for financial sustainability
- Providing for a range of structural and financing tools, including a new class of financially independent council organisations
- Planning, accountability and reporting frameworks for water services
- Considering the empowering legislation for Taumata Arowai to ensure the regulatory regime is efficient, effective, and fit-for-purpose, and standards are proportionate for different types of drinking water suppliers
- Providing for a complete economic regulation regime
- Considering additional Ministerial powers of assistance and intervention in relation to water services, and regulatory powers to ensure effective delivery of financially sustainable water services.

Indicative timeline

The below timeline provides an indicative outline of policy, legislation and related council activity. It is subject to parliamentary processes and timetables.



Further information

Once the proposed Local Government Water Services (Transitional Provisions) Bill has been introduced to Parliament, it will be available at www.legislation.govt.nz.

For further information about Local Water Done Well, visit www.dia.govt.nz/Water-Services-Policy-and-Legislation

Questions? Contact waterservices@dia.govt.nz

For Information

FINANCE UPDATE – FEBRUARY 2024

Te take mō te pūrongo

Purpose

1. To provide Council with Greater Wellington Regional Council's (Greater Wellington's) summary financial reports for the eight months ended 29 February 2024.

Te tāhū kōrero

Background

2. This report provides a summary of the financial performance of Greater Wellington's activities for the eight months ended 29 February 2024. Please refer to **Attachment 1**. The amounts stated in this report and the attachment are GST exclusive.
3. The year-end forecast to anticipate the end of year position was updated in November 2023 and will be refreshed for the period ended March 2024 Council report. Commentary has been supplied where there is a material variance to the revised budget.
4. The result to February 2024 is a \$25 million operating deficit. Greater Wellington had budgeted for an operating deficit of \$9.1 million. This unfavourable variance to budget of \$15.9 million is explained in the Analysis section below.

Te tātaritanga

Analysis

Key results

Revenue

5. Other revenue is \$35.2 million lower, there were two main drivers for this:
 - providing half-price fares for public transport through July and August, \$7.1 million.
 - change in travel choice since the patronage level assumptions were set in the 2021-31 LTP, \$24.9 million. Patronage levels have been revised in the 2024-34 LTP to reflect current travel choice forecast.
6. Farebox revenue is forecasted to be down \$36 million by the end of year. The contra to this is the increase in grants and subsidies revenue by \$18 million. The reason for this is

51% of all farebox is returned to Waka Kotahi as part of the net cost arrangement. Less farebox results in a higher claim as less farebox is offset against the operational costs.

7. To cover the farebox revenue losses, an additional loan has been included in the LTP budget in case Waka Kotahi funding cannot be secured.

Expenses

8. Consultants, contractors, and suppliers are under budget by \$17.5 million significantly attributed to Let's Get Wellington Moving \$11.9 million and deferrals of EV bus programmes \$6.3 million. As Let's Get Wellington Moving has concluded on 31 March 2024, we are expecting \$19.8 million underspend by end of the financial year.
9. Financing costs are \$6.2 million over budget mainly due to prefunding of future debt repayments and capital requirements. The higher pre-funding cost has been offset by interest received on reinvesting the same pre-funding. There was a slight gain due to the pre-funding being invested at a rate above what it was borrowed at.

Capital Expenditure (CAPEX)

10. Capital expenditure as at February month end is 25% behind budget mostly due to Riverlink works on Mills Street improvements commencing late February and the National Ticketing Solution Transition project (\$9m) reclassified as an Operating Expenditure (OPEX). Factoring the increased scope and fast tracking of the Wellington Water – Te Marua Water Treatment Plant project and improved forecasts of Riverlink spend, we are expecting to end the year 3% over budget.

Ngā hua ahumoni

Financial implications

11. The report has no financial implications.

Ngā āpitihanga

Attachment

Number	Title
1	Councillor Financial Report – 29 February 2024

Ngā kaiwaitohu

Signatories

Writers	Sean Nicholson – Te Whakamahere me te Kaute Pūrongo Planning & Reporting Accountant Darryl Joyce – Kaiwhakahaere Matua Manager Accounting Services
Approver	Ali Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager Finance and Risk

**He whakarāpopoto i ngā huritaonga
Summary of considerations**

Fit with Council's roles or with Committee's terms of reference

The Council has governance oversight of the robustness of the organisation's financial performance.

Contribution to Annual Plan / Long Term Plan / Other key strategies and policies

The report reviews performance against the financial statements in Council's 23/24 Annual Plan plus rebudgets.

Implications for Māori

Improving outcomes for mana whenua and Māori is one of the overarching strategic priorities in the Greater Wellington's 2021-31 Long Term Plan, and therefore reported against in Annual reports and outcomes are included in our budgeting and financial results.

Risks and impacts - legal / health and safety etc.

There are no risks arising from this report.

Council Report (February 2024)

This report provides year to date financials for period ending 29 February 2024 with:

1. comparisons to the budget set in the 2023-24 Annual Plan and includes re-budgets approved by Council
2. projected variance for the full-year comparing the approved budgets to the current forecast

Summarised Profit and Loss as at February 2024

Summarised Profit and Loss as at February 2024

	Year to date				Full Year			
	Actual \$000s	Revised Budget \$000s	Variance \$000s		Forecast \$000s	Revised Budget \$000s	Variance \$000s	
Operating Revenue								
Rates and Levies	176,189	175,748	441	0%	265,118	263,622	1,496	1%
Grants and Subsidies	116,927	105,357	11,571	11%	181,070	157,953	23,117	15%
Other Revenue	69,277	104,506	(35,229)	-34%	123,170	162,189	(39,019)	-24%
Total Operating Revenue	362,392	385,610	(23,217)	-6%	569,358	583,764	(14,406)	-2%
Operating Expenditure								
Personnel	55,862	56,021	(159)	0%	84,833	84,021	812	1%
Grants and Subsidies	170,361	167,248	3,114	2%	264,658	252,152	12,506	5%
Consultants, Contractors and Suppliers	104,827	122,294	(17,467)	-14%	174,521	183,769	(9,248)	-5%
Finance Costs	33,210	27,039	6,170	23%	52,623	42,252	10,371	25%
Depreciation	23,145	22,120	1,025	5%	32,581	33,181	(600)	-2%
Total Operating Expenditure	387,405	394,722	(7,317)	-2%	609,216	595,374	13,841	2%
Operating Surplus/(Deficit) before other items	(25,013)	(9,112)	(15,901)	175%	(39,858)	(11,610)	(28,248)	243%
Fair Value Movements	-	-	-	0%	-	-	-	0%
Operating Surplus/(Deficit)	(25,013)	(9,112)	(15,901)	175%	(39,858)	(11,610)	(28,248)	243%
Capital Expenditure	94,666	125,944	(31,278)	-25%	195,256	189,257	5,999	3%

GM of Finance and Risk Overview

With four months remaining in the financial year, it is timely to consider how GW is projecting to finish the year. The current forecast indicates a consistent trend of decreased fare revenue and higher finance expenses, noting upward interest rates pressure appears to be easing. I am pleased to report we are now forecasting to achieve our capital programme budget at a group level.

Farebox revenue has been a consistent variance in this year's reporting. Providing half-price fares for public transport through July and August has reduced farebox by \$7.1m. Overall, farebox revenue is forecasted to be down \$36.0m by the end of year, this is offset by increased grants and subsidies revenue of \$18.0m. The reason for this is 51% of all farebox is returned to Waka Kotahi as part of the net cost arrangement. Less farebox results in a higher claim as less farebox is offset against the operational costs. To cover the farebox revenue losses, an additional loan of \$15 million was approved in the LTP budget.

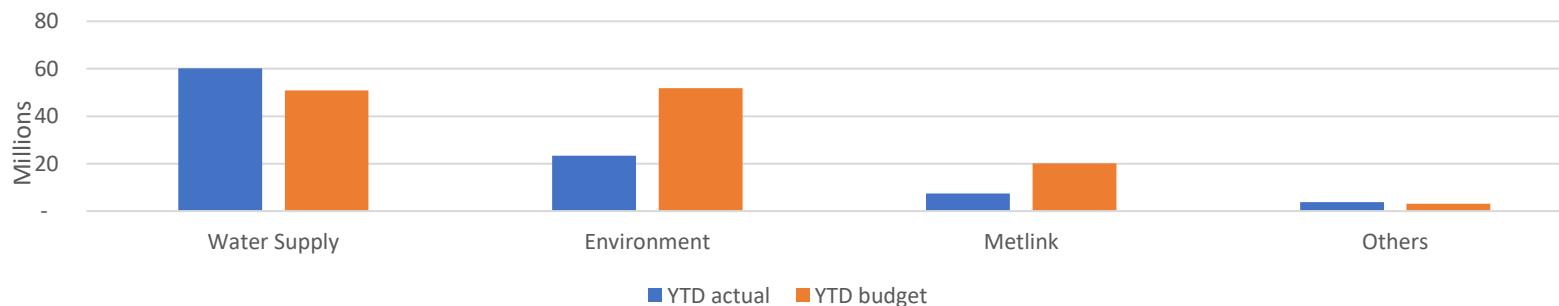
Following our clean sheet capital budgeting exercise, we are expecting to end the year with a 3% overspend. Riverlink has accelerated the progress in late February and is expected to achieve 94% CAPEX by year end. Higher costs are estimated for Te Marua Water Treatment Plant (TMP) due to scope increase and fast tracking of various works. This is offset by an underspend in Metlink driven by National Ticketing System (NTS) project being reclassified as OPEX.

Other Items of Interest:

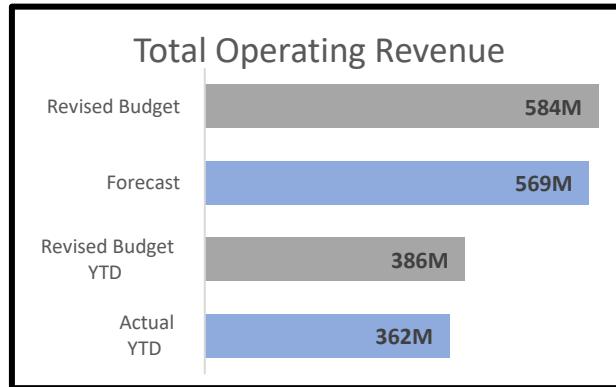
- Council currently has external debt of \$975m up from a starting balance of \$775m on 1 July 2023, of which \$136m is pre-funded debt.
- Council currently holds investments (excluding subsidiaries) of \$314m up from a starting balance of \$247m on 1 July 2023. This includes \$67m of contingency funds of which the Water contingency makes up \$50m, and pre-funding of \$136m.
- With GW currently out for consultation on the LTP it finds itself impacted by political and economic change on a number of large projects (LGWM, LNIRIM, Riverlink) and our Water Supply.

** Revised budget is budget set in the 2023-24 Annual Plan plus re-budgets approved by Council

Capital Expenditure by Group



Key Variance Commentary



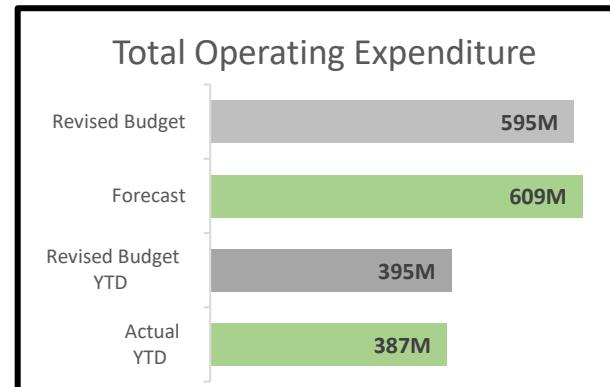
Metlink PT –

Council approved half-price fares for public transport through July and August has reduced farebox by **\$7.1m**.

The balance of the reduced fare box, **\$24.9m** is driven by a change in travel choice since the patronage level assumptions were set in the 2021-31 LTP. Patronage levels have been revised in the 2024-34 LTP to reflect current travel choice forecast.

Grants and Subsidies from Waka Kotahi are over budget and offsetting the reduced farebox revenue by **\$8.5m**. This is a result of the sum of allowable expenditure and revenue claimable from Waka Kotahi. It is above budget due to lower fare revenue off-set by lower operational and capital expenditure.

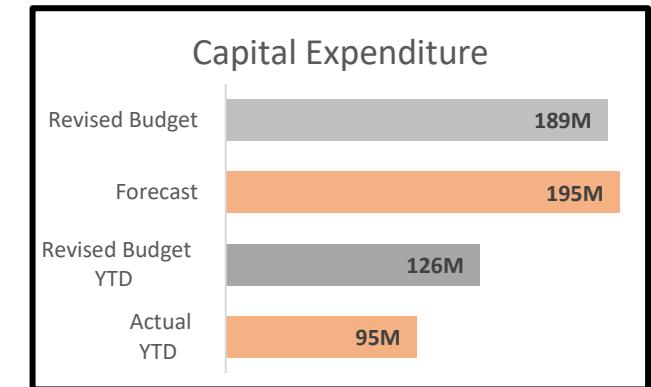
Environment – Fees and charges is **\$5.8m** below budget due to reduced consent application. The budgeted revenue for **\$5m** of RiverLink interim property will be retained on the balance sheet until final settlement and cannot be recognised as revenue yet. The funds have been received from Waka Kotahi.



Strategy and Metlink PT –

Consultants, contractors, and suppliers are under by **\$17.5m** significantly attributed to Let's Get Wellington Moving **\$11.9m** and deferrals of EV bus programmes **\$6.3m**. As Let's Get Wellington Moving is concluding on 31 March, we are expecting **\$19.8m** underspend by end of the financial year.

Finance costs are **\$6.2m** over budget due to higher prefunding of future debt repayments and capital requirements. This is offset by **\$6.1m** additional interest revenue. As the upward pressure is anticipated to remain, a net impact of **\$4.8m** unfavourable variance is estimated by end of June 2024.



Metlink PT –

National Ticketing Solution Transition of **\$5.2m** YTD budget has been reclassified as operating instead of capital expenditure.

Environment –

RiverLink implementation is **\$25.7m** behind budget mostly due to Mills Street improvements commencing in late February. Subject to Mills Street stopbank progress, a **\$6.0m** underspend is being forecasted by the end of financial year.

Water - Te Marua Treatment Plant capacity upgrade – overspend due to increased scope and fast tracking of various works. Full year forecast has also increased following additional budget approved to be brought forward into 2023/24, **\$22.6m**.