



HELP US WRITE
 THE
 GREAT

WELLINGTON
 REGIONAL STORY



HEI WHIRIWHIRI I TE PAE
 TAWHITI 2021-31

2021-31 LONG TERM PLAN
 CONSULTATION DOCUMENT

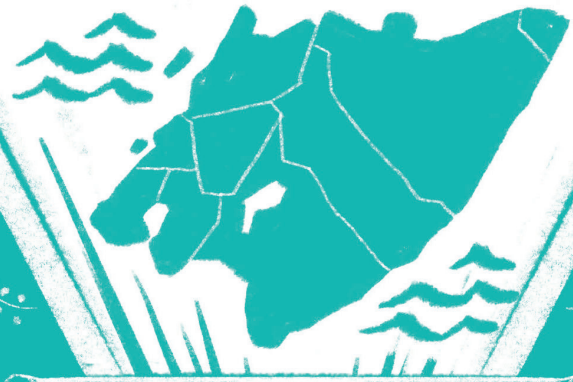


Greater
 Wellington
 Te Fonu Mātaia Taiao



HELP US WRITE *in*
THE
GREAT

WELLINGTON
REGIONAL STORY



GREATER WELLINGTON

LONG TERM PLAN

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What is the Long Term Plan?

The Long Term Plan sets out the budget for the next ten years to help us clearly plan for some pretty big spending, for example buying new trains, or building bulk water storage. This document is formed once the public has informed us about how they think the big ticket items should be funded, and when they get funded. This document gets reviewed every three years to keep it up to date with ever-changing environments.

What is the consultation document?

This consultation document invites public comments on the important financial considerations for the next 10 years. It focuses only on these financial scenarios and how each option could impact those who live in the region. It is NOT a summary of any other document, but the outcomes from it will guide the budgets for the Long Term Plan.

What is the Supporting Information document?

This document has been provided in conjunction with the consultation document to give you all the information you may want or need to know about what the organisation does, where it spends its money and what need to be considered when developing a 10 year budget.



He aha te hanga o tau 2031?

What does 2031 look like?

Greater Wellington stretches from coast to coast, with the rural beauty of Wairarapa down to the bustling city of Wellington. From our parks, water ways and coastline to farmlands, forests and all the spaces in between – we're a unique region with our own set of challenges and exciting opportunities.

Every day, in hundreds of ways, we work hard to protect and enhance this precious place we call home and right now we have some big decisions to make to secure our region's future. This affects all of us and we'd love for you to be involved.

This is an important moment in time for everyone. There's so much we can, and must, plan and prepare for in our region – and that's exactly what this document is all about.

We're excited about the opportunities for sure, but we're also realistic about the challenges we're up against. Right now we're dealing with a global pandemic and doing all we can to recover and come out of it stronger. In 2019, we declared a climate emergency, determined to meet the threat of climate change head on. Our population's growing and so is the pressure on public transport. All of this means that we have more things to pay for, with less revenue coming in. So we'll need to put rates up over the next few years.

There's plenty to consider, but we have a choice about how our region looks in 2031 and the Long Term Plan looks at all the big issues and how we can tackle them. As a starting point we've agreed on four strategic priorities, or guiding lights, to focus on:

- **Responding to the climate emergency.** Urgent action is needed now and we have set a big, bold target to be carbon neutral by 2030 and climate positive by 2035.
- **Improving outcomes for mana whenua and Māori.** We'll kōrero with mana whenua and Māori in all the decisions that need to be made, incorporating Te Ao Māori and mātauranga Māori protocols. We've created a Māori Outcomes Framework to show how we'll work with mana whenua so people and environment are at the centre of everything we do.
- **Adapting and responding to the impacts of COVID-19.** We plan to lead the way in supporting our region through the COVID-19 recovery, transitioning along the way to a sustainable, low carbon economy.

- **Aligning with Government direction.** The Government's setting some big environmental goals. Some are still evolving, and several align with what we're doing already. We plan to be in the best position to respond well.

Greater Wellington has six mana whenua partners: Ngā Hapū o Ōtaki, Te Ātiawa ki Whakarongotai, Te Rūnanga o Toa Rangatira Inc, the Port Nicholson Block Settlement Trust, Rangitāne O Wairarapa and Ngāti Kahungunu ki Wairarapa. We also have relationships with mātāwaka marae around the region.

We are shifting our focus from strengthening our capacity as an organisation to engage with Māori entities, to delivering for Māori communities. The Māori Outcome Framework responds to priorities identified through our ongoing engagement with mana whenua. It provides practical steps to help us deliver on improved outcomes for our mana whenua and mātāwaka Māori communities by:

- Working with mana whenua and mātāwaka Māori to identify focus areas where we can best influence and direct resources
- Providing measures so we can ensure consistent delivery

There's hard work ahead but we're constantly working towards

*He rohe taurikura –
nui te ora o te taiao, he hāpori
kotahi, he manawaroa te āpōpō*

*An Extraordinary Region –
Thriving environment, Connected
communities, Resilient future*

Ārahi i te-whanaketanga ā-rohe ki tau 2031

Leading regional development to 2031

Our 2021-2031 Long Term Plan gives us a clear picture of what we need to do to achieve our goals for the next 10 years. From protecting and restoring our freshwater quality and indigenous biodiversity, to safeguarding communities from flooding and running an efficient, low carbon public transport network, we have a lot to do and a plan to achieve it.

We'll take a leading role in regional climate action and regional recovery following COVID-19, but to make the biggest impacts we'll partner closely with mana whenua, central government and territorial authorities across the region. We'll be stronger together to deliver on our vision for 2031 – to be an extraordinary region with a thriving environment, connected communities and a resilient future. Through this consultation we want to hear from you, so please share your thoughts on what the year 2031 should look like for the Greater Wellington Region.



Daran Ponter
Greater Wellington Regional Council Chair

Me māia ngā whakataua mō ngā wero me ngā āheinga nui

Big challenges and opportunities need bold decisions

The Greater Wellington Region is a special place and we're facing some serious challenges as we plan for the future. COVID-19 brought a lot of uncertainty and amongst other things it has meant we have lost revenue from public transport services in the past and may do so again in the future.

There's a fast-moving tide of Government sponsored change coming our way and we're determined to be in the best position to deliver it, working closely with mana whenua to improve outcomes for Māori and the region. All of this adds pressure to our services, but our long-term planning will ensure we continue to protect and strengthen this precious region of ours.

In 2020/21 Council opted to keep rates low in order to reduce the financial impact on our communities. However this does mean we now need to catch up to ensure we can meet all of our obligations. Council have carefully considered the affordability of rates, financial risks and investment towards our activities. In the first year rates will increase by approximately \$1.25 per week for the residential ratepayer. It is a difficult time to increase rates, but unfortunately we have very few options left to limit rates increases while also meeting all of our obligations and ensuring we are effectively providing for the region's future. The options we do have are outlined in this document, and I encourage you to have your say.



Greg Campbell
Greater Wellington Regional Council Chief Executive

To kōrero Your story

This is where we need your help. This affects all of us, our whānau, our friends and our future. Your views can directly influence the decisions we make because we should make them together.

There are three
big topics we
specifically need
your thoughts on:

- 1. Pushing the go button on electrifying our bus and rail network**
- 2. Ramping up our restoration of regional parks to fight climate change**
- 3. Taking joint action to super charge our region**

Long or short, detailed or general, however you'd like to respond we'd love to hear from you.

(See page 32 on how to send us your feedback).



Me mātua mōhio koe What you need to know

There are a lot of things to consider and urgent decisions to make to ensure we protect and develop our region in the right way – which is why this is a fairly chunky document! We want you to have a clear picture of all the key details.

While our region is precious, so is your time, so we've put the big topics for feedback right up front.

You'll find all the information to help you make a call on the best way we can actively tackle these urgent areas.

You'll also find the nitty gritty on other things of interest, such as finances, rates, infrastructure, COVID-19 and some key changes to our activities.

As part of this package, you'll also find a Supporting Information document where you can dive deeper into detail if that's what you like to do.

How to find your way around

There's a lot of information so we've colour coded the pages to make it easier.

Consultation – 3 big topics that need your input

Long Term Plan – plus 3 questions we'd like your thoughts on

Tell us your story - how to send us your response

Submission form

Audit Report



Whiriwhiri –
Kōrerotia mai

Consultation –
have your say

There are three big topics we'd really like your thoughts on. Two are focused on the need for urgent action to tackle climate change. The third is about the best way to support joint action to boost regional growth and development.

Options for action

We have carefully explored options for each topic. Each scenario looks at a go hard and early approach, as well as a slow and steady one. It's always a balancing act and there are pros and cons for each approach – but it's time to make a decision together. You'll see what our preferred options are, but we want to hear what you think.



Climate change

Our biggest challenge

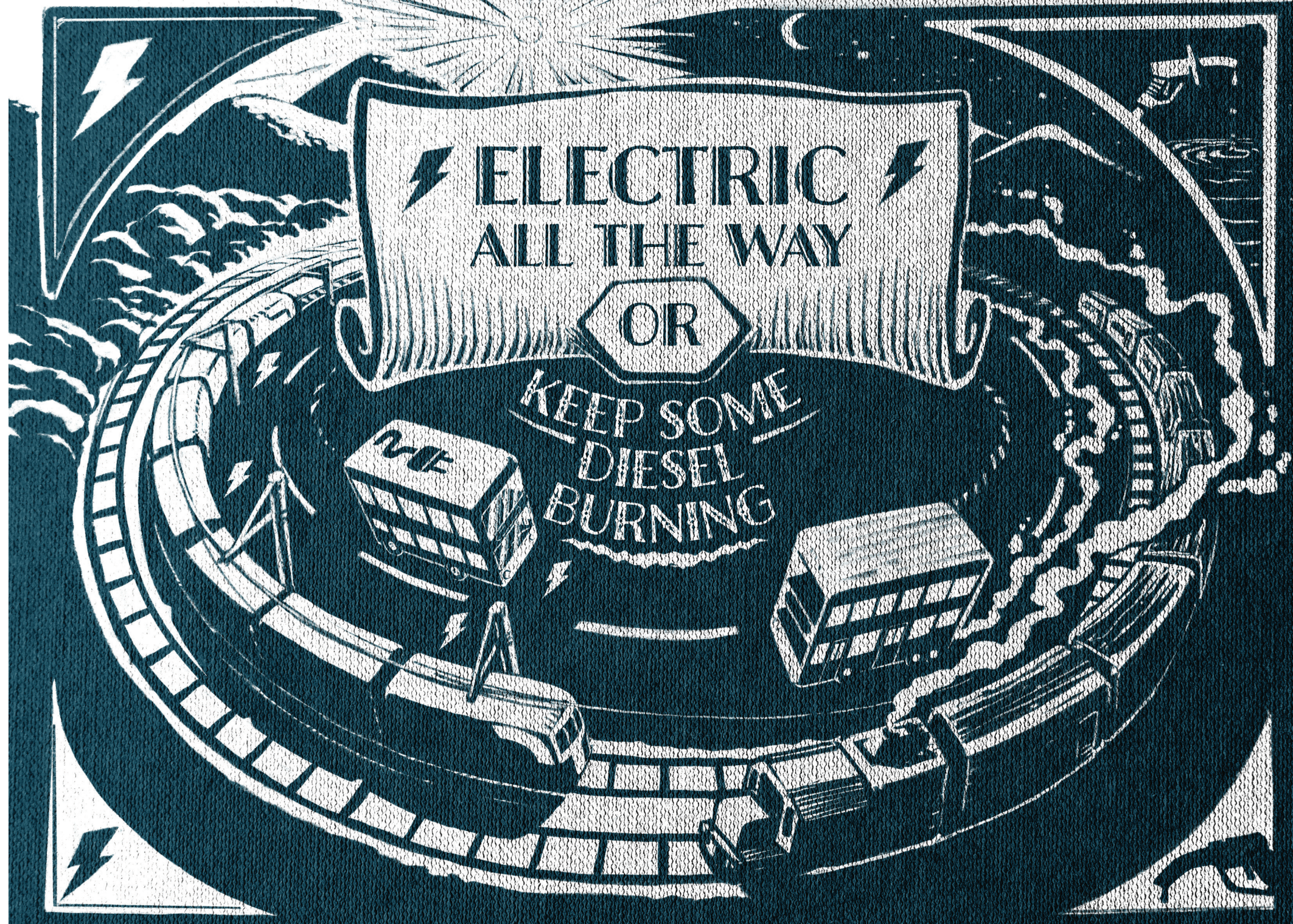
Climate change is seriously affecting our region and the world, and we need to take urgent action in the areas we control and influence. Globally we need to drastically reduce emissions to limit global temperature rise to 1.5 degrees Celsius, in order to minimise impacts to our region such as sea level rise, floods, droughts and biodiversity loss.

Greater Wellington is responsible for many public services affected by climate change, including increasing threats to property and infrastructure. We need to address the broad nature of the impacts of climate change in collaboration with our partners and communities. Over the next three years this will affect Greater Wellington's land use and infrastructure planning, environmental protection and regulation activities and the need to manage climate related risks.

We know our communities look to us to take action on environmental issues. But we also know we need to have our house in order before we can provide guidance or direction to others. Over the past several years our corporate carbon footprint has been increasing year on year. This is not headed in the right direction. So we need to take urgent action to reduce our carbon footprint¹.

In 2019 we declared a climate emergency and set a goal of being carbon neutral by 2030. By 2035 we intend to be climate positive, which means our forests will remove carbon from the atmosphere at a faster rate than our organisation emits. The following options relate to how we will achieve these goals.

¹ Greater Wellington has been measuring its carbon footprint each financial year since 2014/15. Corporate emissions rose from ≈1,198 tonnes of carbon equivalent (tCO₂-e) in the 2014/15 year to ≈1,629 tCO₂-e in the 2017/18 year.



⚡ **ELECTRIC** ⚡
ALL THE WAY

OR

**KEEP SOME
DIESEL
BURNING**

Whakawhiti
whakaaro

We'd like
your thoughts
on...

1

Pushing the go
button on
electrifying our bus
and rail network

We're a large region with a growing population, so public transport's super important to us.

Where are we now?

- Greater Wellington manages public transport under the Metlink brand
- Emissions from buses currently make up 70 percent of Metlink's carbon footprint, or 36 percent of Greater Wellington's carbon footprint
- Emissions from rail account for 14 percent of Greater Wellington's carbon footprint
- We have an ambitious goal to be carbon neutral by 2030 – reducing public transport emissions through decarbonisation is one of the best ways to make that happen quickly.

What can we do?

Alternative, renewable energy's come a long way and we now have the chance to change the source of energy that powers our buses and trains – while still maintaining reliability of our services. We can ditch the diesel and embrace electricity.

- Electrification of our buses and trains is the number one thing we can do to reduce our carbon emissions – and that's not all. An electrically powered network is better for our health and wellbeing as we move around our region. It will also improve the overall resilience of our networks to external shocks like fuel shortages and local price rises
- Sustainably powered public transport is more appealing, so if we improve frequency with more cost-effective services, we'll have less people driving cars – and that means an even bigger reduction in emissions

**Go hard and early
or go slow and steady?**

Both of the scenarios we've investigated include the electrification of our bus and train network and both will achieve our goals, but one will do it a lot faster and cost us a bit more.

Option one and option two are based on assumptions we've made regarding Crown funding. The assumption for the rolling stock investment is Government funding at 90 percent. If we don't get the assumed Government subsidy our rail programme affordability will be at risk and, therefore we'll need to significantly revise the programme through future planning processes.

OPTION 1

**Our preferred
option**

Electric all the way

- All 320 existing buses (except approximately 48 needed for stand-by, emergencies or occasional high-volume service) are replaced with, or converted to, battery electric power when the contracts with the bus service providers are renewed in 2027 and 2030
- Approximately 169 new buses to address capacity increases would also be electric
- Moving to electric or hydrogen powered trains and associated infrastructure in Wairarapa and Manawatū over the next 10 years (introducing electric or hydrogen trains into service in 2026)
- This option doesn't assume any extension of the existing overhead line network
- This option will have the biggest impact on our carbon emissions and therefore reduce our contribution to climate change
- In this option, annual emissions from the public transport fleet are expected to reduce by 74 percent or 15,826 t CO₂-e by 2031

Cost:

\$1.1b over 10 years - The majority of the spend will take place between 2023-2028 and is dependent on factors such as commercial arrangements e.g. paying upon delivery of trains and/or paying once contracts are signed. (These are total costs and do not include Government contributions; these costs are indicative only until the business case is complete).

We're in the middle of a business case process on the future of rail services and converting to entirely electric-powered trains and associated infrastructure in Wairarapa and Manawatū. When that's complete, we can make a final call, but if it stacks up, it'll make sense to make that move.

Rates Impact:

\$74.37 per rate payer, per annum over 10 years. A total of \$160m over 10 years as large capital projects are debt financed over 20-30 years

Debt Impact:

\$90m over 10 years

OPTION 2

Keep some diesel burning

- As with Option 1, diesel buses will be converted or replaced by electric buses
- New trains introduced in 2026 for passenger rail in Wairarapa and Manawatū will use a combination of diesel fuel and electric power from overhead lines where they exist or hydrogen power
- This option doesn't assume any extension of the existing overhead line network
- This option means we may need to rely more heavily on carbon offsets to meet our carbon neutral goals, it is a slower option and therefore we will not be acting with the urgency required to tackle climate change
- In this option, annual emissions from the public transport fleet are expected to reduce by 61 percent or 13,112 t CO₂-e by 2031

Cost:

\$812m over 10 years (these are total costs, so do not include Government contributions, these costs are indicative only until the business case is complete)

Rates Impact:

\$69.73 per rate payer, per annum over 10 years. A total of \$150m over 10 years as large capital projects are debt financed over 20-30 years

Debt Impact:

\$60m over 10 years

	Option 1 10 Year Costs	Option 2 10 Year Costs	Funding
	\$'m	\$'m	
Decarbonisation - Bus Fleet electrification including 169 growth buses and 272 renewals	204	204	49 percent Rates and 51 percent from Waka Kotahi
Wairarapa and Manawatū Carriage - Long Distance Rolling Stock Design and build (15 four-carriage units)	653	353	10 percent Loan and 90 percent from Waka Kotahi
Wairarapa and Manawatū Carriage - Associated Operational costs	61	61	49 percent Rates and 51 percent from Waka Kotahi
Wairarapa and Manawatū Carriage - Maintenance Depot design and build	23	23	49 percent Loan and 51 percent from Waka Kotahi
Wellington Rail Development Plan - Additional Rolling Stock (15 two-carriage units) to increase capacity in electrified area in 2027-2030	134	134	49 percent Loan and 51 percent from Waka Kotahi
Wellington Rail Development Plan- Associated Operational costs	37	37	49 percent Rates and 51 percent from Waka Kotahi
	1,112	812	

Option one and option two are based on assumptions we've made regarding Crown funding, as presented in the table above. The assumption for the rolling stock investment is Government funding at 90 percent. If we don't get the assumed Government subsidy our rail programme affordability will be at risk and, therefore we'll need to significantly revise the programme through future planning processes.



*Whakawhiti
whakaaro*

*We'd like
your thoughts
on...*

2

**Ramping up our
restoration of
regional parks to
fight climate change**

We're lucky to have so many stunning regional parks, but we think we could be doing more with them in our battle against climate change.

Where are we now?

- Grazing in regional parks has historically been used as a land management tool to help reduce weeds, unwanted plant growth and mitigate fire risk – but it has an impact on our carbon footprint. In 2018/19 grazing made up 20 percent of our carbon footprint

What can we do?

- Our Parks Network Plan 2020-30 looks at a new direction for managing our parks, including phasing out grazing and restoring the land back to its natural state. Parks are a great tool in combating climate change as reforestation and restoration of land helps capture carbon from the atmosphere
- Restoring our regional parks supports biodiversity enhancement and freshwater quality, reduces erosion and the effects of extreme weather events. It also provides better recreational experiences
- Areas retired for grazing would be restored in a phased, sustainable way and mostly back to native forest

**Go hard and early
or go slow and steady?**

- The reality is restoration takes a long time. It needs good planning, in collaboration with the community, to help figure out which areas are restored and where we keep land for recreation and other things
- Sometimes we'll need to source plants from seed and in other cases we may need to restore the habitat itself
- Just how much we can achieve and how quickly, will depend on how much we choose to invest to reach our climate goals
- We want to take an ambitious approach because planting forests is a super effective way to reduce our carbon footprint and help offset our other activities where we can't reduce our footprint

OPTION 1

Our preferred
option

Sow the seeds now

- Remove livestock from 1,350 hectares of the 2,083 hectares of grazed land in regional parks and actively restore the land to its natural state over 10 years
- By 2031 grazing would be significantly reduced, with low levels of livestock in some parks
- It's a big ask, but it will mean all conversions will happen in a careful, well-planned and phased way
- It will reduce our carbon footprint, move towards a climate positive future and deliver on our goals in the Parks Network Plan
- It will also limit other environmental impacts that come from grazing on park land
- In this option annual emissions from grazing in Parks is expected to reduce by 71 percent or 6,073 t CO₂-e by 2031

Rates Impact:

\$11.81 per rate payer, per annum over 10 years.

The first three years is funded from the Low Carbon Acceleration Fund (LCAF²), reducing the rates impact significantly to an average of \$672k per annum. Years 4-10 have a rate impact average of \$3.3m per annum. A total rates impact of \$25.4m over a 10 year period

Debt Impact:

Up to \$2m per annum for years 1-3 only

² Council established a Low Carbon Acceleration Fund in 2020. This is funded through borrowing, using our carbon credits as leverage for the loan. At some stage in the future we will look to sell an allocation of carbon credits to help repay the debt for the Low Carbon Acceleration Fund and reduce the impact on rates

OPTION 2

Beat about the bush

- Less land converted from grazing to land restoration and at a slower rate
- Remove livestock from 1,115 hectares of the 2,083 hectares of grazed land in regional parks and actively restore the land to its natural state over 15 years
- Conversions would be phased and completed by 2035
- In this option annual emissions from grazing in Parks is expected to reduce by 32 percent or 2,751 t CO₂-e by 2031

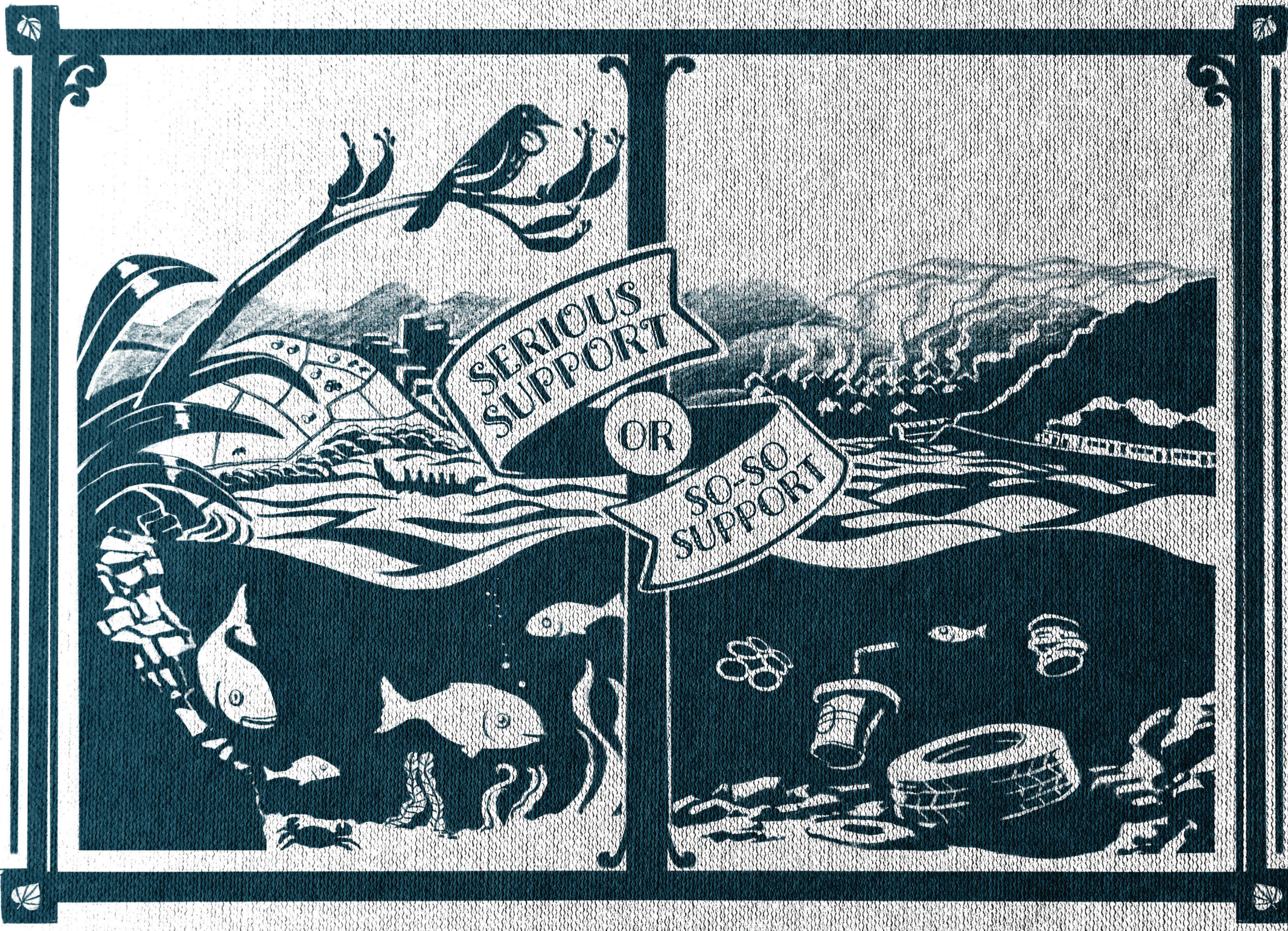
Rates Impact:

\$8.18 per rate payer, per annum over 10 years.

The rates impact for the first three years is the same as the preferred option. Years 4-10 have a rate impact average of \$2.2m per annum. A total rates impact of \$17.6m over a 10 year period

Debt Impact:

Up to \$2m per annum for years 1-3 only



SERIOUS
SUPPORT

OR

SO-SO
SUPPORT

*Whakawhiti
whakaaro*

*We'd like
your thoughts
on...*

3

**Taking joint action
to super charge our
region**

Our region's facing a number of challenges ahead with housing and urban development, economic development, transport and resilience. Many of these challenges cross local council boundaries so to really make an impact, we need to work together with Government, mana whenua and aligned territorial authorities.

Where are we now?

- The Greater Wellington Regional Council, along with the territorial authorities in the region and Horowhenua District Council, mana whenua and central government have agreed to establish the Wellington Regional Leadership Joint Committee (Joint Committee)
- They'll set direction and monitor activities across regional plans that support the Wellington Regional Growth Framework, and help regional economic development and recovery
- It's the first time we've had so many big players around the table making joint decisions about the future of our region, rather than focusing solely on local growth
- The Joint Committee will mean some of the previous roles and responsibilities of the Wellington Regional Strategy Committee (WRS) will be transferred to the Joint Committee
- They'll be making important decisions and will need support to have all the information they need, then make things happen

What can we do?

- We believe the Joint Committee will have most success if it's properly supported, so along with the other territorial authorities we're proposing a joint secretariat is established
- A secretariat is a group of professionals who give support and advice. They bring together all the relevant information, administer projects, manage the work programme and make sure things get done, not just talked about
- The secretariat will support the Joint Committee to ensure the right decisions are made about our biggest regional challenges

**Go hard and early
or go slow and steady?**

- To be effective, a secretariat must be properly funded. If it's not, decisions and actions risk being less coordinated, putting a strain on the Joint Committee's ability to succeed. There is very little capacity to lead this work from existing resources
- We have one shot at this and it's important to get it right

OPTION 1

Our preferred
option

Serious Support

Greater Wellington Regional Council funds the Joint Committee secretariat on behalf of the region

- This means the Joint Committee will:
 - Hit the ground running
 - Have a supported, committed infrastructure
 - Create employment
 - Increase the speed of economic recover from COVID-19

Rates Impact:

\$0.93 per rate payer, per annum over 10 years.

The rates impact would be \$200k per annum.

The total cost of this option is \$600k per annum, however, \$400k per annum of rated funds would be reallocated to the secretariat from our economic development activity.

Debt Impact:

Nil

OPTION 2

So-so support

- There would not be enough funds for a dedicated secretariat to support the Joint Committee
- We would still fund the secretariat, but at a reduced capacity using existing funds from WRS
- The reality is underfunding would limit the success of the Joint Committee and affect our region's future because:
 - The Joint Committee would risk being unable to manage and maintain its role. It could lose credibility and membership commitment
 - Individual councils would need to fund support and that would mean ratepayers would still have to pay
 - Underfunding would create a domino effect, impacting other areas by putting more stress on existing finances and staff to research issues, develop papers and action decisions

Rates Impact:

The rates impact for this option is nil. We would still use the \$400k as per option 1 to support the Joint Committee approach.

Debt Impact:

Nil

Kia nui te ora o te rohe hei te tau 2031 neke atu Ensuring our region's in the best shape for 2031 and beyond

We've been careful to balance the need for action to secure the region's future with what's affordable.

Specifically we've considered:

- Affordability of rates
- Financial risk
- Investment in the right activities

The proposed average increase per week will be \$1.25 (incl. GST) for the residential ratepayer, \$4.78 (excl. GST) for the business ratepayer and \$1.83 (excl. GST) for the rural ratepayer region-wide.

The average rates increase for years 1-3 will be \$21 million per annum and an average rate increase of \$18 million per annum over the next 10 years.

Your individual rates bill may differ from the figures above as they are an average across the whole region. They will also likely differ from that of your neighbour's and your neighbouring areas as each area within the region has a different set of inputs on which your rates are calculated.

We know any rates increase has an impact on households, so we've worked hard to keep increases to a minimum level that still allows us to act decisively to protect the region's future.

For more financial information:

- See pages 23 to 27 in this document on The Financial Story
- See pages 108 to 196 of the Supporting Information document for more financial information
- Refer page 171 of the Supporting Information document for the breakdown of the rates across the region
- Refer page 175 of the Supporting Information document to calculate your individual rates.



Ngā Mahi a Te Pane Matua Taiaro

Activities of Greater Wellington

Plans and priorities to get things done

To make sure we're always improving the social, economic, environmental and cultural well-being of our communities, we have four activity groups planning and managing the things we need to achieve:

Environment and Flood Protection

Resource Management, Biodiversity Management, Land Management, Pest Management, Flood Protection and Control Works, Regional Parks, Harbour Management

This is about integrated catchment management, protecting and restoring our freshwater quality and coasts, supporting the indigenous biodiversity and ecosystem health, by increasing restoration and plantings in our parks as mitigation methods to climate change and protecting everyone from major flooding events.

Metlink Public Transport

Strategy and Customer, Operations and Commercial Partnerships, Assets and Infrastructure

One of the great things about our region is the way we connect, but we know we can always improve. This group puts everything into making public transport accessible and efficient with low carbon emissions.

Regional Strategy and Partnerships

Regional Spatial Planning, Regional Economic Development, Climate Change, Emergency Management, Democratic Services, Regional Mana Whenua Partnerships, Regional Transport Planning and Programmes

This group leads strategy and planning to ensure our region continues to be a great place to live. This includes spatial planning, economic development and region-wide recovery from COVID-19. We also have a lead role in climate change policy and in planning and building strong partnerships with mana whenua.

Water Supply

Water is a fundamental need for our communities, so we'll continue supplying clean, safe water as well as educating people on the part they can play to make supply sustainable. Respecting the environment and tackling climate change are part of everything we do.



*He aha
ā matou
panonitanga
e whakaaro
ana mō te
rohe?*

*What changes
are we expecting
across our
region?*

These are the watch outs we keep a close eye on, to turn into opportunities. COVID-19 had an impact on everything, so we've had to be even smarter about how we plan and respond. Read more about our planning assumptions in the Supporting Information document (page 13-18).



CHANGING
CLIMATE
& INCREASING
NATURAL
HAZARDS



POPULATION
GROWTH




LEGISLATIVE
CHANGE



INFLATION



IMPROVED
OUTCOMES FOR
MANA WHENUA
& MAORI



RAPID
TECHNO-
LOGICAL
CHANGE



AGEING,
MORE
DIVERSE
DEMOGRAPHIC

INTEREST
RATES



ONGOING
ECONOMIC
UNCERTAINTY

*Ko ngā kōrero
tāhūa – he
aha ā matou
whiriwhiringa
me te pūtea
tautoko*

*Our financial
story – what we
consider and how
we fund it*

Balancing the budget can be tricky because there's a lot to consider and some things we just can't predict – like COVID-19. What we always come back to though, is what we can do to deliver a high level of service at a price people can afford.

The key questions that shape our financial strategy:

Who can afford it?

We look to balance rates affordability with growth and modernisation of our public transport infrastructure and service level across all of our activities, maintenance of existing assets and alignment to national legislative requirements and standards.

What about the risks?

Our net debt to revenue won't exceed benchmarks throughout the 10 year period. We manage risks for unplanned events with commercial insurance and self-insurance through recovery reserves and cash deposits.

What do we choose to invest in?

We support sustainable growth. We balance affordability and delivering critical assets, improving resilience and modernising our infrastructure through carbon neutrality. Growth brings increased costs and this is paid for through rates, external revenue (including fees and charges and government subsidies), loans and the balance comes from reserves.

What will rates look like?

We've made considered, informed decisions about what to fund so we can be sure rates rises remain stable over a period of time, while maintaining sustainable, affordable public transport, environment and flood protection programmes.



Our Long Term Plan is a balance to remain money wise, while focusing on COVID-19 recovery efforts and COVID-19 recovery efforts, responding to climate change and service delivery.

Rates 2021-31

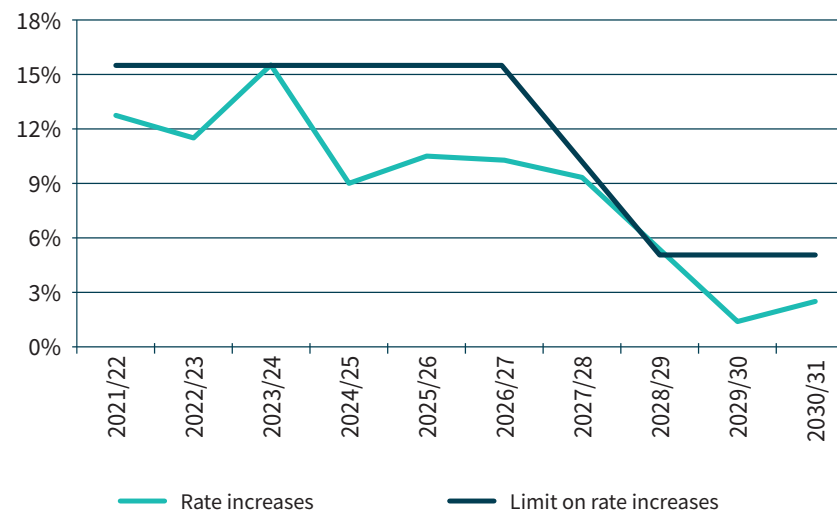
Pre-COVID-19 lockdowns, we were facing significant cost increases to deliver existing, quality services. In the 2020/21 Annual Plan we've had to make some adjustments and rely on our financial reserves as we responded to the unprecedented situation arising from COVID-19 to provide us enough funding to deliver quality services to our community, while easing the financial burden to our ratepayers. The significant use of reserves, reduction in the public transport fare revenue and increases in the cost pressures has meant that our 2021/22 average rates increase will be 12.64 percent. This equates to approximately an average increase per week of \$1.25 (incl. GST) for the residential ratepayer, \$4.78 (excl. GST) for the business ratepayer and \$1.83 (excl. GST) for the rural ratepayer region-wide.

The rates funding required by Greater Wellington will increase by an average of \$21m per annum for years 1-3, and by \$18m per annum over the 10 year period.

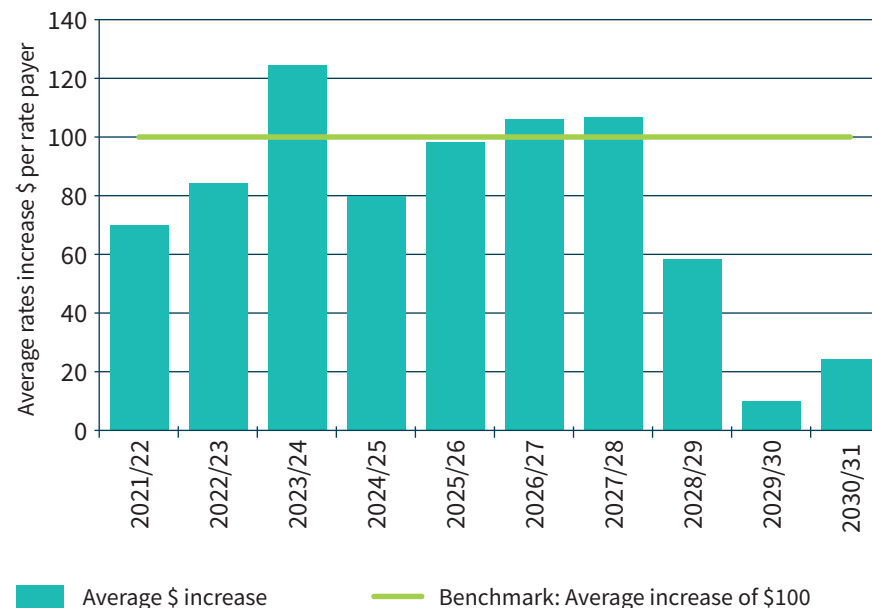
All councils must set a limit on rates and increases over the 10 years of a Long Term Plan. Our rate increases meet our affordability benchmarks and, over the ten years, will be less than \$100 per annum per ratepayer.

We have worked to ensure that the number remains below the \$100 average for the 10 years. This means it is over in some years but under in others.

Rates increase and rates limit



Average regional rates

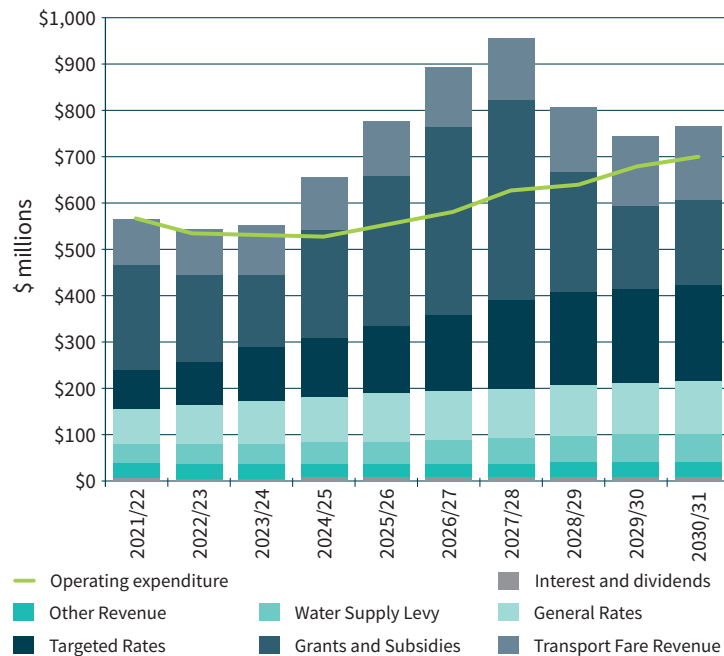


How do we fund the future?

There are six main sources of income to fund our future plans:

- General rates
- Targeted rates
- Water levy
- External revenue
- Grants and subsidies
- Investment income

How we will fund our operational activity 2021-31

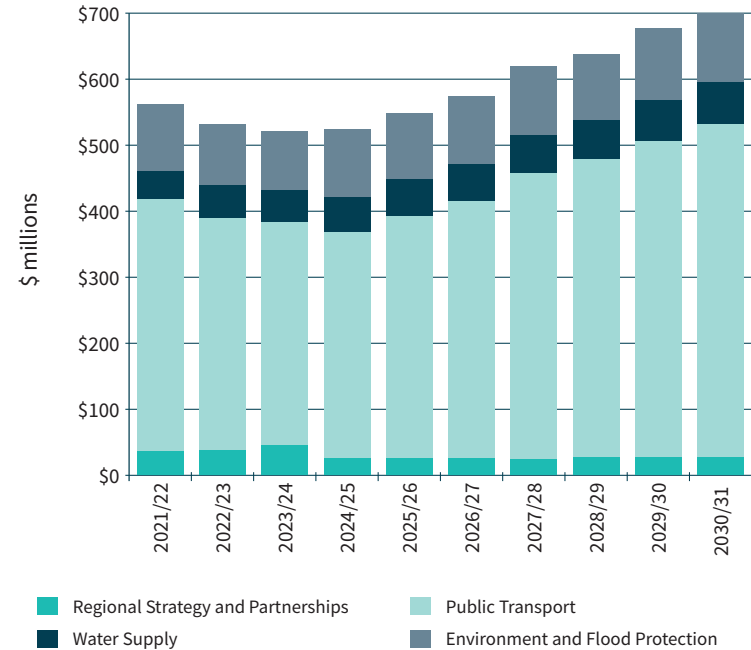


This graph shows that actual operating expenditure (green line) is less than the total amount we collect in revenue. This is because we spend some of the revenue on capital assets and put some into reserves for future capital work programmes, self-insurance and emergency reserves.

Where does the money go?

By far the largest proportion of our expenditure is on providing public transport. This graph shows the split of expenditure across activities.

Operating expenditure by activity



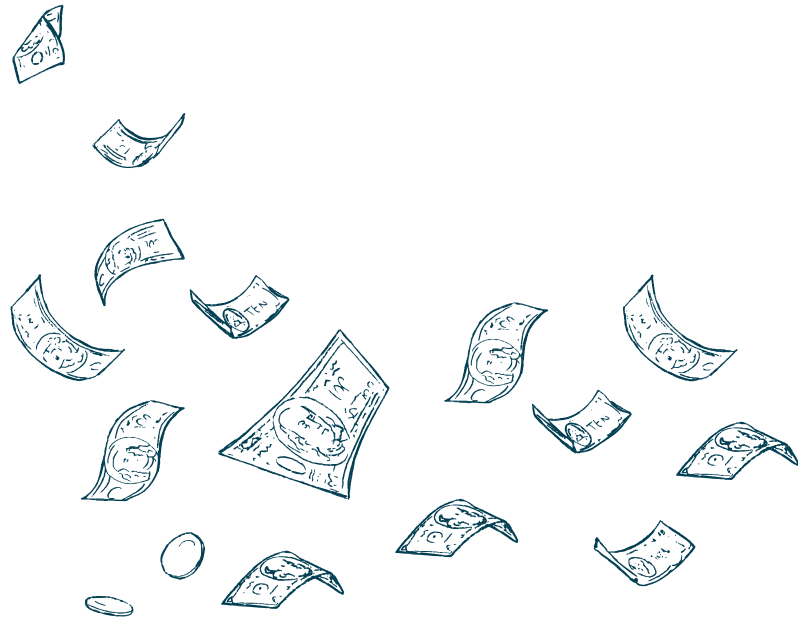
What does the capital expenditure look like?

Over the 10 years of the Plan there are large priority infrastructure investments planned, achieving increased levels of service and maintaining and renewing capital programmes. Most of these are in public transport, flood protection and water supply activities. In order to achieve this, the capital expenditure (including our investment in Greater Wellington Rail) has increased from our previous LTP average of \$105M per annum to an average of \$235M per annum in this LTP. This has been carefully set to factor in deliverability of our programmes.

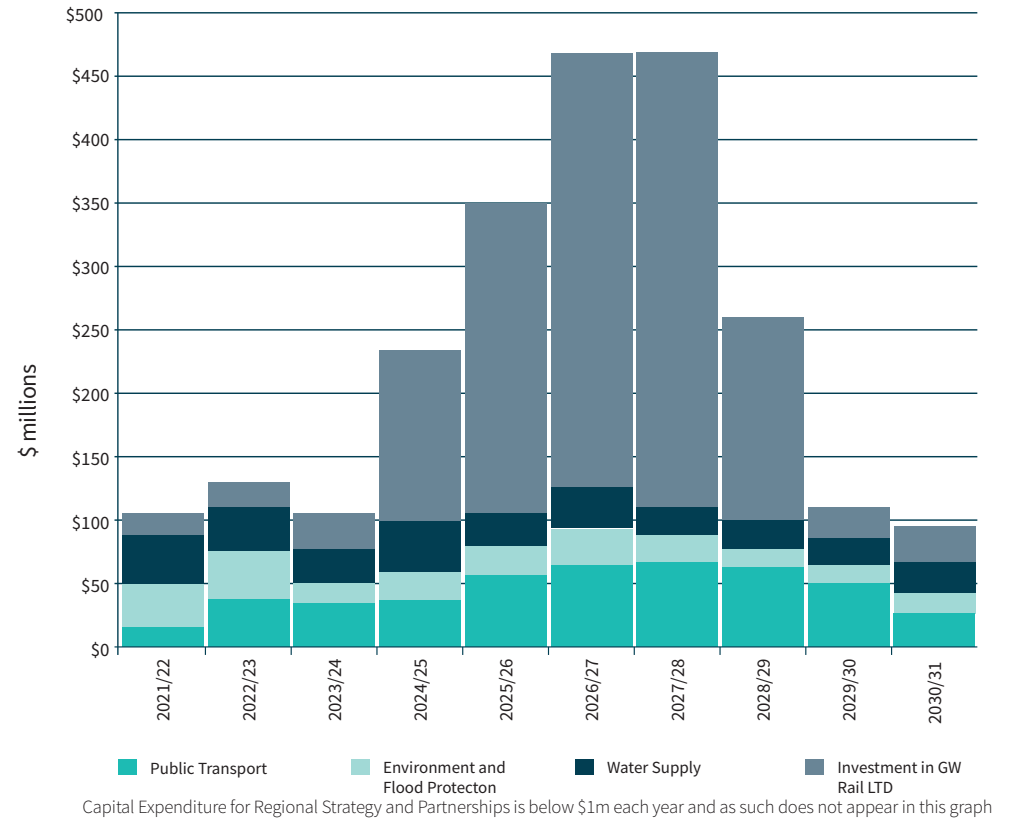
We acknowledge that there are some risks to our ability to deliver our capital expenditure programme which are outside of our control, like contractor availability and supply of materials.

There is significant capital expenditure projected in years 1-4 and year 6 of the Long Term Plan, to be financed through external borrowings and crown funding.

This graph shows our proposed capital expenditure and borrowings profile.



Capital Expenditure per activity group and Investment in Greater Wellington Rail Ltd



How much debt can we handle?

We use debt to fund projects so future ratepayers pay for their share of the assets they'll benefit from.

In our Long Term Plan debt funding is used for:

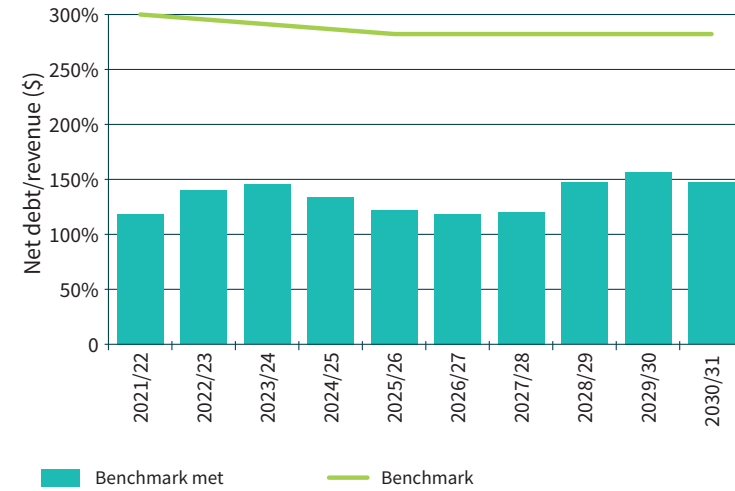
- Capital expenditure
- Working capital, due to timing differences between cash inflows and outflows
- Some operating expenditure such as one-off projects and expenditure providing longer term benefits
- Loss of public transport fare revenue. Debt has been used to fund the fare revenue shortage for the first three years of the Plan

These ratios will be used to limit the level of debt we acquire:

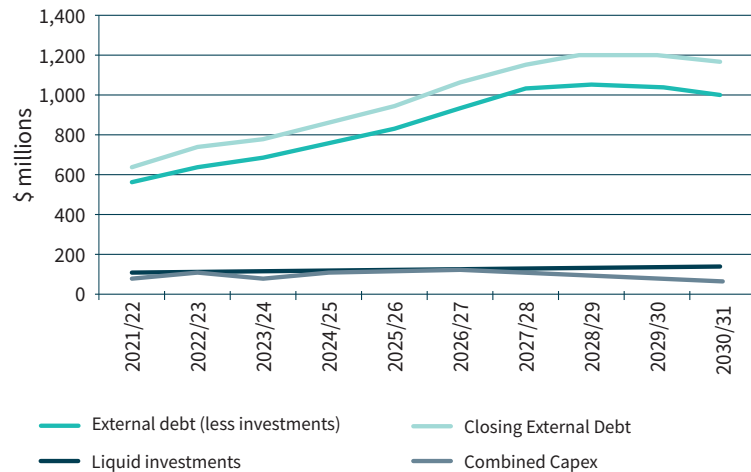
- Net external debt will not exceed more than 2.8 – 3 times our total revenue throughout the 10 year plan
- Net interest will not be more than 30 percent of total rate and levy income

This graph shows our net debt to total revenue ratio is forecast to be well below the benchmark limits.

Debt affordability benchmark



Capex, Debt and Net Debt - 10 years



Ko ngā ititi o te hanganga

The nuts and bolts of infrastructure

These are the big ticket items that keep us safe, moving and thriving. Our Infrastructure Strategy looks at how we manage infrastructure over the next 30 years. It defines the challenges, our approach, options and implications.

The strategy is informed and delivered by these asset management plans:

- Water Supply
- Public Transport
- Flood Protection
- Regional Parks
- Environmental Science
- Harbours

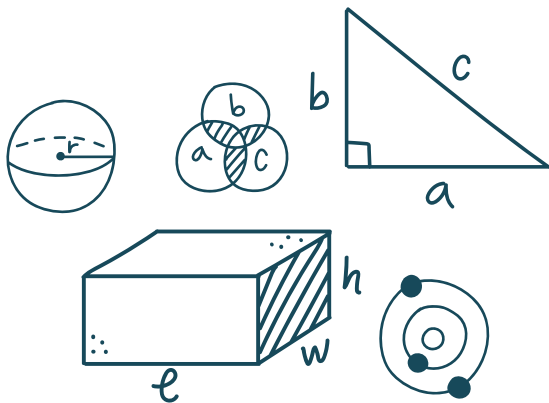
So many things impact our infrastructure like a growing population, climate action, legislative reforms and more recently, COVID-19. On top of these impacts we must ensure all aspects of infrastructure are financially sustainable. The key challenges we're planning for are:

- Achieving carbon neutrality
- Improving resilience
- Managing critical infrastructure
- Affordability

Last year, Greater Wellington deliberately delayed and slowed the capital expenditure programme in response to the uncertainty of the COVID-19 pandemic and subsequent Alert Level lockdowns. Outside of last year Greater Wellington has a reasonable to strong history of delivering our capital expenditure programme.

Our capital expenditure programme for 2021-31 has been phased to ensure it is deliverable. There is a level of uncertainty around timing of delivery due to market risks like contractor and material availability. External partner contributions to projects and funding contributions also remain a risk. We manage these risks through maintaining good relationships and project planning, accountability and reporting. If we do not achieve our capital expenditure programme, this has the potential to impact the level of service we provide to our ratepayers, our ability to meet the demands of a growing region and reduce our carbon footprint.

The following table shows the issues and some of the projects we'll use to address the challenges.



Issue	Timing of project	Principal Option	Costs	Impact on Level of Service (LOS)	LOS / Renewal or Growth
Achieving Carbon Neutral 2030	2022 - 2024	Belmont (Waitangirua) recreational facilities	\$830K	Increase / New	LOS
	2023/24 - 2025/26	Bus Layover Decarbonisation	\$4.3M	Increase / New	LOS
Asset renewals as a critical enabler of resilience and adaptation	2021 - 51	Deliver major Floodplain Management Plans projects	\$223M	Meet current	LOS
	2021 - 24	QEP Coastal Erosion Plan	\$2.3M	Meet current	LOS
	2021 - 22	Ground strengthening Waterloo treatment plant	\$4.4M	Meet current	LOS
	2021/22 - 2023/24	Replacement of Kaitoke main, Silverstream Bridge	\$30.5M	Meet current	Renewals
	2021/22	Kaitoke Flume Bridge Seismic Upgrade	\$4.2M	Meet current	LOS
Delivering a high quality, reliable public transport network	2021/22 - 2049/50	Metlink Bus new capex	\$28M	Meet current	Renewals
	2023 - 2026/27	Waterloo Interchange	\$22M	Meet current	Growth
	2021/22 - 2023/24	Integrated ticketing solution	\$48.4M	Increase / New	LOS
	2023/24 - 2029/30	Upgrading rail station customer amenities	\$19M	Increase / New	LOS
	2023/24 - 2028/29	Wairarapa and Manawatū rail service and capacity enhancements	\$908M	Increase / New	LOS
Meeting future demands	2022 - 30	Gear Island and Waterloo wells replacement	\$18M	Meet current	Renewals
	2032 - 36	Kaitoke intake	\$36M	Meet current	
	2021/22 - 2049/50	Metlink Bus Capex renewals	800k to \$1.7M	Meet current	
	2021/22 to 2050/51	Lower Wairarapa Development Scheme, including the George Blundell Barrage	\$220.1M	Meet current	
Meeting future demands	2021 - 23	Installation and provision of regional-scale monitoring and structures	\$468k	Increase / New	Growth
	2021 - 25	Te Marua capacity optimisation	\$38.9M	Meet current	
	2021/22 - 2032/33	RiverLink	\$76.5M (Flood Protection only)	Increase / New	
	2032 - 49	Water Supply assets to support growth	\$19M	Meet current	

Ētahi atu taipitopito kōrero

Other things you need to know

- COVID-19 Recovery
- Wellington Regional Growth Framework
- Three Waters Reform
- Let's Get Wellington Moving
- Ferry Terminal
- North Island Passenger Business Case

COVID-19 recovery

COVID-19 has hit us all pretty hard, and the knock on effects will be felt for years to come. We are looking at smart ways to support the region, the environment and each other.

We've focused on strengthening our people and organisational capabilities against economic impacts. We're committed to keeping people employed and investing in infrastructure to maintain regional stability and resilience, efficiently delivering key services across the region.

See page 20 of the supporting document for more information.

Wellington Regional Growth Framework (WRGF)

This is our regional spatial plan that provides clear future direction for growth and investment which will support housing, transport and other infrastructure needs. The WRGF identifies how the region could accommodate an additional 200,000 people and an additional 100,000 jobs in the next 30 years.

See page 53 of the supporting document for more information. If you would like to comment on the draft Framework, please visit <https://wrgf.co.nz>

Three Waters Reform

Central and local government are developing a policy framework for guiding the reform process and it's expected that policy decisions will be made in April/May 2021.

For our Long Term Plan we are assuming business as usual.

We have agreed to work together across central and local government to identify approaches that consider the following design features.

We're exploring water service delivery entities that are:

- Of significant scale to enable benefits from aggregation to be achieved over the medium to long term
- Asset owning entities, with balance sheet separation to support improved access to capital, alternative funding instruments and improved balance sheet strength
- Structured as statutory entities, with competency-based boards

You should be aware:

- Delivery of drinking water will continue to be a priority
- Water entities will be publicly owned, with a preference for collective council ownership and protections against privatisation
- There will be an opportunity for you to have your say on new entities in the future

Our communities need safe drinking water. This is reflected in our financial and infrastructure strategies as well as the Water Supply activity section of the Supporting Information document. We'll continue to deliver and invest in this activity, until otherwise directed by central government. You'll find more information on the Three Waters Reform here: www.dia.govt.nz/three-waters-reform-programme

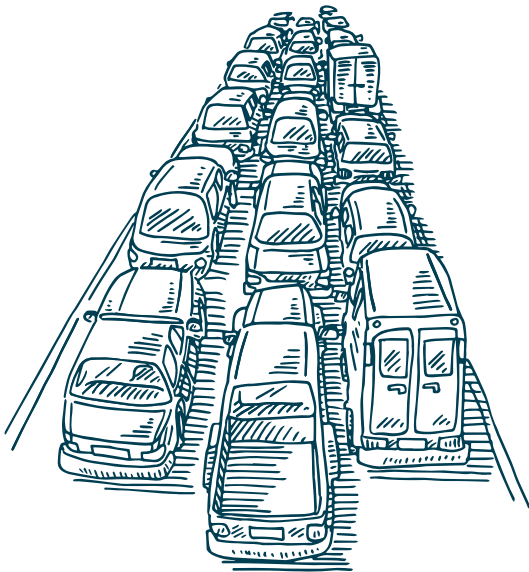
Let's Get Wellington Moving (LGWM)

This is all about developing a world-class transport system to support Wellington's growth, making it easier and safer for people to get around. It's a joint initiative between ourselves, Wellington City Council and Waka Kotahi NZ Transport Agency.

The current funding set aside for LGWM is as follows:

- In years 1-3 funding for the feasibility phase of the project is \$45m, this is a \$31.9m rates impact over the 10 years
- In years 4-10 funding for the implementation phase of the project is \$295m, this is a \$99.5m rates impact over the 10 years.

See page 53 of the supporting document for more information about what our focus areas are for the years ahead. You can also find out more at www.lgwm.nz.



Ferry Terminal

The Ferry Terminal is a significant asset for both the Wellington region and New Zealand. The Future Ports Steering Group (Greater Wellington, Wellington City Council, KiwiRail, CentrePort, Waka Kotahi, Bluebridge) has re-formed and agreed to work together (with mana whenua) towards a multi-user ferry precinct at Kaiwharawhara. This group will be developing a masterplan for the development and considering the best solutions and processes, including consenting and consultation. This is driven by the need to meet Kiwirail's timetable for new ferries and mirrors a similar project approach at the Port of Marlborough.

This project will comprise both marine and landside infrastructure as well as possible changes to off-port transport infrastructure. CentrePort will be the responsible for the marine infrastructure. There are not expected to be any funding requirements on Greater Wellington, apart from a contribution to overall project coordination.

North Island Passenger Business Case

We have set aside some funding in our budget for a business case on the future of rail services in Wairarapa and Manawatū. The business case will consider infrastructure and services for modern long distance fully electric-powered commuter trains and station improvements.

*Kōrerotia
mai to kōrero*

*Tell us your
story*



How to share your feedback and ideas

Imagining our future is both exciting and serious. We live together in a very special part of the country and it's right we should make the big decisions on our region together.

To learn more about the councillors holding the pen on the final decisions go to www.gw.govt.nz/meet-your-councillors/

There are the three important topics we'd value your feedback on, plus two questions highlighted in this consultation. Short or detailed, written or in person, we'd love to hear what's important to you and why.

Our public consultation is open for a month commencing **2 April, 2021**

How to share your feedback

Submission form

If you'd like to use the submission form in this document, you can pop it in the post (free postage) or download it here

Online

Go to haveyoursay.gw.govt.nz

and follow the instructions

Email

Write us an email and send to longtermplan@gw.govt.nz

By post

Write us a letter!

Post to:

LTP Submission

Greater Wellington Regional Council

P O Box 11646

Cuba Street, Te Aro

Wellington 6011

Drop off

Drop your feedback into a Greater Wellington Office:

Wellington

100 Cuba Street, Te Aro

Upper Hutt

1056 Fergusson Drive

Masterton

Level 4, Departmental Building, 35-37 Chapel Street

In person

You'll have an opportunity to speak at the council hearings on May 2021. Tick the box on your submission form if you'd like to attend the hearing and speak to your submission. We'll contact you about the dates and process.

Need to know more?

If you're not sure about anything or would like more information, or a hard copy of this document please contact us and we'll help straight away.

P: 04 384 5708

E: longtermplan@gw.govt.nz

*Thanks for your time and your interest.
We're looking forward to your feedback.*

Puka Tāpaetanga

Submission form

We welcome your feedback on the Consultation Document and Supporting Information document to help us form the 2021-31 Long Term Plan.

Personal Information

What is your full name?

Are you submitting on behalf of an organisation or group?

Yes No

If yes, what is the name of the organisation or group?

What is your email address?

What is your phone number?

What part of the region do you live in?

What ethnic group(s) do you belong to?

Options for action

1. Pushing the go button on electrifying our bus and rail network (see page 8 of this document)

Which option do you think Greater Wellington should go for? (*tick one*)

Electric all the way (our preferred option)

Keep some diesel burning

Do you have any comments about these options?

2. Ramping up our restoration of regional parks to fight climate change (see page 12 of this document)

Which option do you think Greater Wellington should go for? (*tick one*)

Sow the seeds now (our preferred option)

Beat about the bush

Do you have any comments about these options?

3. Taking joint action to super charge our region (see page 16 of this document)

Which option do you think Greater Wellington should go for? (*tick one*)

Serious Support (our preferred option)

So-so support

Do you have any comments about these options?

Do you support the general direction of this plan?

Yes No

Do you have any comments about the direction of this plan?

Have we got the balance right between level of rates/charges and the services we provide?

Yes No

Do you have any comments about the proposed level of rates/charges and the services we provide?

Do you have any other comments you would like to make about the information in this consultation document, or the Supporting Information document?

Would you like to present your submission in person to Greater Wellington Councillors at a formal hearing?

Yes No

If you wish the whole or any part of your submission or objection to be kept confidential, you must tell us and outline the reasons. However, any information provided to Council will become subject to the Local Government Official Information and Meetings Act 1987 and may be released by the Council under that Act.

Do you wish for the whole, or any part of your submission to be kept confidential?

Yes No

If yes, please tell us which part or parts of your submission you would like to remain confidential and why:

Would you like to hear more about Greater Wellington activities in the fortnightly e-newsletter To Tātou Rohe - Our Region?

Yes No

The personal information collected from you in your submission is held securely by Greater Wellington. We use this information to develop and advise on the 2021-31 Long Term Plan (including compiling statistical information), to contact you to arrange your oral submission (if required), and to contact you about the outcome of the process.

Audit report



To the reader:

Independent auditor's report on the Greater Wellington Regional Council's consultation document for its proposed 2021-31 long term plan

I am the Auditor General's appointed auditor for the Greater Wellington Regional Council (the Regional Council). The Local Government Act 2002 (the Act) requires the Regional Council to prepare a consultation document when developing its long term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 1 April 2021.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Regional Council's decisions about the proposed content of its 2021-31 long term plan, because it:
 - fairly represents the matters proposed for inclusion in the long term plan; and
 - identifies and explains the main issues and choices facing the Regional Council and the Greater Wellington Region, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over the electrification of the bus and rail networks

Pages 9 to 11 outline that the Regional Council plans to electrify its bus and rail networks. In the information underlying the consultation document, the Regional Council assumes that the Government will provide a significant level of funding. If the Regional Council does not receive the assumed government funding, its rail programme affordability will be at risk and it will need to significantly revise its plans.

Uncertainty over the delivery of the capital programme

Pages 26 and 28 outline that the Regional Council is proposing a significant increase in its capital expenditure programme compared to its previous long term plan. While the Regional Council has taken steps to manage its risk to delivering the programme, there is a level of uncertainty around the timing of delivery of the programme, due to constraints like contractor and material availability. If the Regional Council is not able to deliver the capital programme, it has the potential to impact the level of service provided, the ability to meet the demands of a growing region and the ability of the Regional Council to reduce its carbon footprint.

Uncertainty over three waters reforms

Page 30 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Regional Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Regional Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Regional Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Regional Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Regional Council needs to be able to prepare the consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

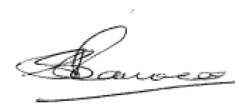
We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality control

We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits and reporting on the Regional Council's debenture trust deed assurance engagement, we have no relationship with or interests in the Regional Council or any of its subsidiaries.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor General, Wellington, New Zealand



Greater Wellington

Te Pane Matua Taiao

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