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Committee Council  
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## Approval of the supporting information and consultation document for the Long Term Plan 2015-25 for consultation purposes

### 1. Purpose

To seek approval of the supporting information and the consultation document for Greater Wellington Regional Council's (GWRC) Long Term Plan 2015-25, to be released for consultation purposes and to establish a Hearing Committee to consider submissions.

### 2. Background

The Local Government Act 2002 (the LGA) requires the Council to develop a long term plan every three years. The long term plan incorporates the annual plan for the first year.

The purpose of a long term plan, as defined by section 93(6) of the Act is to:

- (a) describe the activities of the local authority; and*
- (b) describe the community outcomes of the local authority's district or region; and*
- (c) provide integrated decision-making and co-ordination of the resources of the local authority; and*
- (d) provide a long-term focus for the decisions and activities of the local authority; and*
- (e) provide a basis for accountability of the local authority to the community.*

With the 2013 amendments to the LGA, there are a number of new or altered requirements for the preparation of a long term plan. These include the requirement to prepare a clear, simple consultation document as well as a 30 year infrastructure strategy.

Section 93A of the Act requires a ‘consultation document’ to be prepared for engagement on the long term plan. This must:

- Be a fair representation of long term plan matters
- Focus on the key issues, including options and implications, proposals, rates and debt
- Include a summary of the financial strategy
- Include a summary of the infrastructure strategy
- Outline significant changes to funding policy
- Outline changes to levels of service
- Include a report from the Auditors.

The consultation document is not permitted to include a draft long term plan, any policy in full, a full financial strategy or infrastructure strategy, or any detailed information. All supporting information that the consultation document relies upon must be adopted in advance.

GWRC’s Long Term Plan (LTP) has been in development over the last 14 months and councillors have been through an extensive process which has reviewed: community outcomes; existing activities and levels of service; emerging issues and options; proposed service improvements; potential savings; the financial strategy; a 30 year infrastructure strategy; and budget projections.

The Significance and Engagement Policy was adopted by Council on 5 November 2014 (**Report 14.557**). The Treasury Risk Management Policy (including Liability Management and Investment Policies) was adopted by Council on 26 June 2014 (**Report 14.326**).

The next step in development of the LTP is to adopt the supporting information and the consultation document to enable consultation with the community. The LGA requires the use of the s83 special consultative procedure in adopting a Long Term Plan and compliance with the consultation processes outlined in sections 82 and 82A for supporting financial policies.

### **3. Supporting Information for the LTP**

There are a number of important documents that support the consultation document and which will go on to form the final LTP. These must be adopted as supporting information in advance of the adoption of the consultation document. These documents provide more detailed reference information for the community and enable the audit opinion to be issued.

The supporting information for the LTP (see **Attachment 1**) includes the following:

- Community outcomes
- Financial Strategy

- Infrastructure Strategy
- Financial and level of service information on groups of activities
- Financial information on GWRC and its Council Controlled Organisations.

It also includes the following policies:

- Draft Revenue and Financing Policy
- Draft Rates Remission and Postponement Policies
- Treasury Risk Management Policy (includes the Liability Management Policy and Investment Policy)
- Policy on Development Contributions or Financial contributions.
- Significance and Engagement Policy.

#### **4. Shape Your Region – consultation document**

The consultation document for the LTP ‘Shape Your Region’ is provided in **Attachment 2**. This has been drafted in the spirit of the LGA requirements to be an accessible and easy to read document that focuses on the key decisions to be considered by the community. As such it has been designed in a consistent and appealing graphical style, it is as short and simple as possible, it uses plain English, and it focuses on the proposed changes in levels of service for our activities.

This document must be adopted for the purposes of public consultation on the LTP and will be the main focus of engagement with the community. It will be available in hardcopy through council offices and libraries as well as online in the form of interactive ‘HTML’ pages on the GWRC website. It refers to the Supporting Information for the LTP, where people can access additional detailed information on our proposed activities, funding proposals and policies.

Note that a change will be made to the version of the Shape your Region consultation document that is made public to add reference to a rates limit of \$175.5m by 2025. This will ensure consistency with the Financial Strategy and compliance with the requirements of section 93C of the LGA.

##### **4.1 Key issues**

There are a wide range of contextual issues affecting our region and our activities. These are discussed in the Supporting Information for the LTP document. They include a range of environmental challenges, resilience, demographic change, economic patterns, and significant investment in transport connections.

However, for the purposes of the Shape your Region consultation document, four key issues have been identified as follows:

- Investing in regional infrastructure
- Growing public transport use and people walking and cycling

- Making sure we can cope in emergencies
- Improving our environment.

The project packages which have been proposed link back directly to these key issues.

## 4.2 Project packages

The Shape your Region consultation document focuses consultation on a set of packages. These bring together a number of individual projects that aim to improve the level of service for our activities. They incorporate new proposals and proposals that have already been the subject of consultation but have not yet substantially commenced. The packages highlight the proposed spending that is not currently committed and enables a conversation with the community about what the appropriate level of investment should be in each area and overall.

The packages are as follows:

### **Package 1: Public transport infrastructure**

- New and upgraded bus infrastructure, new hybrid buses, faster more frequent rail services, upgraded train carriages, bike racks on buses, new and upgraded park and ride.

### **Package 2: Protecting communities from flood risk**

- New or reviewed floodplain management plans and new or upgraded flood protection schemes.

### **Package 3: Getting more people on public transport**

- Integrated electronic ticketing, fare structure review and improved passenger information.

### **Package 4: Getting out and about (walking and cycling)**

- Upscaling sustainable transport and road safety programmes and contributing to a new walk and cycle link between Wellington City and Hutt Valley.

### **Package 5: Keeping the water flowing**

- Cross-harbour pipeline linking Hutt Valley and Wellington City; emergency storage lake at Takapu Road to supply Porirua and North Wellington; renewal of Waterloo wells that supply Waterloo treatment plant.

### **Package 6: Improving our environment**

- Accelerate establishment of Whaitua (catchment) committees; additional Farm Environment Plans and Riparian/Wetland Plans; additional possum predator control; enhanced Enviroschools programme.

## 5. Financial Strategy

The Financial Strategy outlines how the Council proposes to manage its finances over the 10 years of the LTP. It sets out five key principles for funding activities:

- Financial prudence
- Meeting our statutory requirements
- Ensuring fairness across generations
- Transparency
- Value for money.

The Financial Strategy proposes to limit rates increases to 6.5% average per annum over the 10 years of the LTP and sets a range of borrowing limits. It forms part of the Supporting Information for the LTP.

## 6. Infrastructure Strategy

A new statutory requirement for this LTP is a 30 year infrastructure strategy. This covers the three core infrastructure areas for GWRC – flood protection, water supply and public transport. While it is not a statutory requirement to include public transport in the strategy, public transport has been included in the draft strategy due to its significance to GWRC and the region.

The infrastructure strategy outlines the strategic approach to managing GWRC assets, taking into account the identified issues and options. The overall approach is to maintain or renew infrastructure assets to provide the community with a consistent level of service over the long term. There are also proposed improvements to infrastructure assets to provide for higher levels of service. It forms part of the supporting information for the LTP.

## 7. Draft Revenue and Financing Policy

The Revenue and Financing Policy is required as part of the LTP (clause 10, Schedule 10 of the LGA). There are some changes proposed to the policy, as follows:

- Bovine Tb vector control rate – a review of the funding of the national Tb Plan for Bovine Tb recommended that the current ‘regional share’ provided by regional councils should be discontinued and instead collected via two existing industry commodity levies. GWRC has agreed to formally support this recommendation and proposes to discontinue rating for pest management related to Bovine Tb.
- Catchment schemes – these are currently part funded from general rates, targeted scheme rates, and contributions from the region’s territorial authorities. It is proposed to change the policy applying to the proportion funded from general rates from 50% to “up to 50%” – this would allow the contribution from targeted rates or the district council contribution to be increased to better reflect where the benefits fall.

- Overall the policy has been edited to improve legibility and readability. This has not altered any substantive matters.

These changes are not considered to be significant. The draft Revenue and Financing Policy forms part of the supporting information for the LTP.

## **8. Other Policies**

A Significance and Engagement Policy was adopted by Council in November 2014. The Treasury Risk Management Policy (including Liability Management and Investment Policies) was adopted by Council in June 2014. The Policy on Development Contributions or Financial Contributions is unchanged.

The Rates Remission and Postponement Policies have been reviewed, updated and edited, but no substantive changes have been proposed. It is a requirement that these be reviewed and consulted on at least every 6 years.

These policies all form part of the supporting information for the LTP.

## **9. Proposed Rates and Water Levy Increases for 2015/16**

Rates income for 2015/16 is proposed to increase by 9.8% (compared to 2014/15), made up of an increase of:

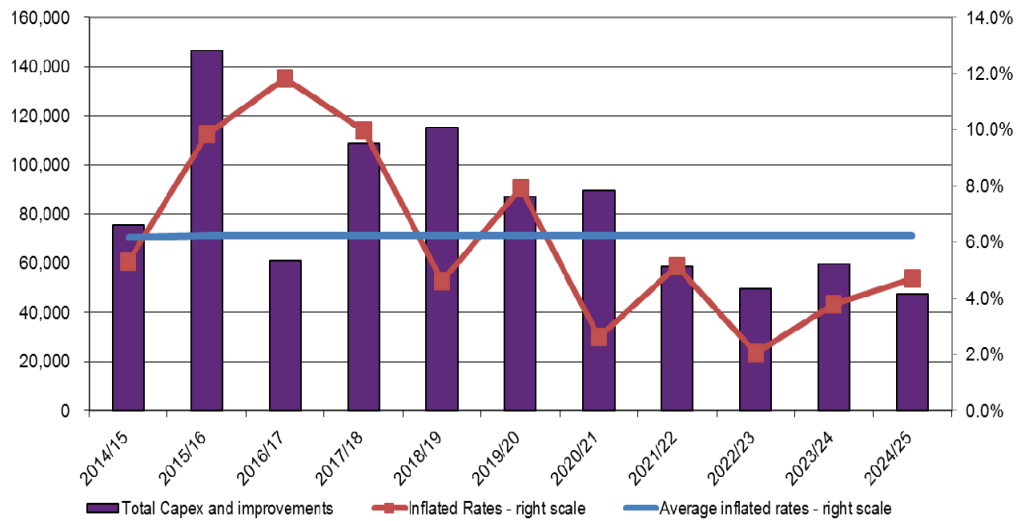
- 1.1% for existing services
- 4.8% for commitments
- 3.9% for enhancements to levels of service.

This equates to an overall average increase of approximately \$38 per year for the average residential rateable property.

It is proposed to increase the water levy by 5% from 2014/15 to 2015/16. This is charged to the four cities of Wellington, Lower Hutt, Upper Hutt and Porirua.

The graph below shows the proposed rates and levies on the right hand scale, and capital expenditure on the left hand scale over the 10 years of the plan.

Capital expenditure (including transport investments) and rates



This expenditure is funded by rates and the water levy, whose annual increases reduce over time as capital expenditure declines.

The rates, water levy and capital expenditure are in inflated dollars, which is a more likely representation of how the dollars will look over time.

## 10. Audit opinion

Audit NZ has audited the Shape your Region consultation document and supporting information for the LTP. Their opinion is to be tabled at the meeting.

## 11. Communication and engagement activities

An extensive consultation and engagement programme is proposed, as follows:

Element	What's proposed	Date
Pre-consultation	Survey using the Citizens' Panel on the community's issues, priorities and willingness to pay.	Aug/Sep 2014
	Newspaper advertisements in Dominion Post on key issues	Jan/Feb 2015
Media statement	A media statement has been issued outlining the proposals in the consultation document that are being considered at this meeting	20 Feb
1 page leaflet	1 page leaflet to be mailed to all households in region to encourage viewing of website	Early March

	and consultation document	
Newspaper and radio advertisements	In Dominion Post and regional papers to advise people of upcoming consultation	Early March
Social media (Facebook, Twitter etc.)	To encourage viewing of the website and consultation document	March
Shape your Region consultation document	Hardcopies distributed to council offices and libraries across the region. Available for download on GWRC website along with supporting information	From 16 March
Interactive website	HTML version of Shape your Region providing access through a regional map or by package with interactive links to supporting information and online submission form.	From 16 March
Submissions	Submission form available online, as a separate handout for events or within the consultation document. Verbal submissions are also an option on request	From 16 March
Engagement events	Seven engagement events held in popular public gathering places across the region. A display stand will be manned by councillors and staff. A 'voting box' will encourage participants to indicate their preferred priority for the project packages.	March/April
Hearing	Consideration of submissions and other consultation feedback, including hearing of submissions.	19, 20, 21 May

The consultation period runs from 16 March – 20 April 2015.

Note that a new option provided for under section 83 (d) of the LGA is for people to be able to present their submission to the Council verbally (or through sign language). To enable this to occur it is recommended that specified officers be delegated the authority to hear and transcribe these verbal submissions if requested.

It is not proposed to allow remote participation in this hearings process due to the large numbers of submitters expected.



## **12. Establishment of a Hearings Committee**

It is proposed to establish a Hearings Committee to consider submissions and public feedback on the Long Term Plan 2015 – 2025 and to recommend any changes to Council.

The proposed dates for the hearing are 19 to 21 May. It is proposed that Cr Barbara Donaldson be appointed chair of the Hearings Committee and that all councillors be appointed members.

It is consistent with best practice and the requirements of section 83(1) of the Local Government Act 2002 (special consultative procedure) that members considering submissions should be present for the duration of the consideration of the submissions, which will include submitters having the opportunity to speak to their submissions. The only constraint, therefore, is the availability to sit through the anticipated two days of hearings and be available for deliberations. The recommended Terms of Reference for the Hearings Committee is included as **Attachment 3**. The Terms of Reference do not include a provision for submitters to speak to their submission via remote participation. Given the large number of submitters likely wishing to speak to their submissions officers do not consider it practicable to offer remote participation to submitters for this hearing.

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

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

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

### **13.1 Significance of the decision**

The subject matter of this report is part of a decision-making process that will lead to the Council making a decision of high significance within the meaning of the Local Government Act 2002. The decision-making process is explicitly prescribed for by section 93 of the Local Government Act 2002, which requires the use of the special consultative procedure.

## **14. Additional consultation on policies**

Two draft policies, which are proposed to be adopted as Supporting Information for the LTP, will themselves require consultation under sections 82 and 82A of the LGA before they can be formally adopted. This is the draft Revenue and Financing Policy and the draft Rates Remission and Postponement Policies.

These policies will need to be formally adopted before the Council adopts the LTP. It is anticipated that these matters will be considered at the Council meeting in June.

In order to be able to adopt these policies it is necessary for the Council to carry out the consultation before June. It is therefore recommended that consultation on these policies be undertaken in parallel to the engagement on the consultation document.

Sections 82 and 82A of the LGA require consultation to be consistent with the principles set out in section 82(1), and that consultation materials must include:

- the proposal and reasons for the proposal,
- analysis of the reasonably practicable options, including the proposal, and
- a draft of the proposed policies, or details of the proposed changes to the policies.

Draft statements of proposal on the draft Revenue and Financing Policy and the draft Rates Remission and Postponement Policies have been prepared and are provided in **Attachment 4**. It complies with the requirements for consultation materials in section 82A of the LGA.

The Council has some discretion in undertaking a consultation process under sections 82 and 82A. After consideration of the factors in section 82(4) of the LGA, it is recommended that the Council carry out consultation concurrently with and using the same process as the consultation on the Shape your Region consultation document. This approach is consistent with the Council's Significance and Engagement Policy.

Any consideration of submissions responding to the statement of proposal on the draft Revenue and Financing Policy and the Rates Remission and Postponement Policies should be dealt with at the hearing being held for submissions on the Shape your Region consultation document and the Supporting Information to the LTP.

The Council is also proposing to amend its Resource Management Charging Policy (see separate report for this meeting). This will also be subject to a special consultative procedure and will form part of the submission and hearing process.

## 15. Recommendations

*That the Council:*

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Agrees** that the matters in the report will lead to the Council making a decision with a high degree of significance.
4. **Approves** the proposed rates and levies for 2015/16 year and for the subsequent years through to 2024/25 inclusive, for the purpose of including relevant aspects of this information in the Shape your Region

*consultation document for the Long-Term Plan 2015-2025 as set out in section 9 of this report.*

5. **Approves** the draft Financial Strategy and draft Infrastructure Strategy for the purpose of including relevant aspects of this information on the Shape Your Region consultation document and in the Supporting Information for the Long-Term Plan 2015-2025.
6. **Adopts** the statement of proposal for the draft Revenue and Financing Policy and draft Rates Remission and Postponement Policies as set out in Attachment 4, for the purposes of consultation.
7. **Agrees** that consultation on the draft Revenue and Financing Policy and draft Rates Remission and Postponement Policies will be undertaken concurrently with and using the same process as consultation on the Shape Your Region consultation document, and that this approach meets the requirements of sections 82 and 82A of the Local Government Act 2002.
8. **Adopts** the Supporting Information for the Long-Term Plan 2015-2025 contained in Attachment 1 for the purposes of consultation.
9. **Notes** the addition of a rates limit to the final version of the Shape your Region consultation document as outlined in section 4 of this report.
10. **Adopts** the Shape your Region consultation document for the Long Term Plan 2015-25, as set out in Attachment 2, for the purposes of consultation in accordance with section 93A of the Local Government Act 2002.
11. **Notes** the submission period from 16 March to 20 April 2015 and the proposed public engagement activities.
12. **Delegates** to the Chair the ability to make minor editorial changes to the Supporting Information for the LTP and the Shape Your Region consultation document prior to publication to correct errors and improve public understanding.
13. **Delegates** to the following officers the authority to receive verbal submissions on the Long Term Plan 2015-25: Luke Troy, Manager Corporate Planning; Finola Dunn, Statutory Planner; Kate Barker, Statutory Planner.
14. **Resolves** to establish the Long Term Plan 2015-2025 Hearing Committee to consider submissions and other feedback on the Long-Term Plan 2015-2025 including matters in the Shape your Region consultation document and the Supporting Information to the Long-Term Plan 2015-2025 and in the draft Revenue and Financing Policy, draft Rates Remission and Postponement Policies and the proposed amendments to the Resource Management Charging Policy, and to recommend any amendments to the Council.

*14. Appoints all councillors as members of the Hearing Committee and appoints Cr Donaldson as Chair.*

*15. Adopts the terms of reference for the Hearing Committee as set out in Attachment 3 to this report.*

Report prepared by:

**Luke Troy**  
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Report approved by:

**Jane Davis**  
General Manager Strategy  
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Report approved by:

**Mike Timmer**  
Acting Chief Financial Officer

Report approved by:

**Greg Campbell**  
Chief Executive

**Attachment 1: Supporting Information for the Long Term Plan 2015-2025**

**Attachment 2: Shape your Region consultation document for the Long Term Plan 2015-2025**

**Attachment 3: Long Term Plan 2015-2025 Hearing Committee Terms of Reference**

**Attachment 4: Statement of proposal on the draft Revenue and Financing Policy and the draft Rates Remission and Postponement Policies**