SUPPORTING INFORMATION

for the

HEI WHIRIWHIRI | TE PAE TAWHITI 2021-31

2021-31 LONG TERM PLAN CONSULTATION DOCUMENT

Greater Wellington
Te Pane Matua Taiao

Contents

About this document and the 2021-31 Long Term Plan

Why do we need this document?

This document contains all the supporting information required for Greater Wellington Regional Council's 2021-31 Long Term Plan public consultation - *The Great Wellington Regional Story*

Why is the Long Term Plan is Important?

The Greater Wellington Regional Council's 2021-31 Long Term Plan is an important strategic document because it sets the strategic direction and priorities for Greater Wellington across the region over the next 10 years. The Plan sets out our four activity groups and how we propose to fund them. The Long Term Plan must be revised every three years [section 9 Local Government Act 2002] to ensure sure it remains current and any changes will be addressed during the annual planning process.

This document outlines the important issues facing the Wellington region and Greater Wellington's plan to address them. In this document you will find information on:

- The strategic context on which we base our outcomes on for the region – our vision, priority areas, overarching priorities and the things that are changing that we need to plan for
- The activities of Council and how they contribute to the outcomes we want for the region
- How we fund each activity
- Council Controlled Organisations
- The assumptions we are making about non-financial and financial events that help us guide our planning
- 10 year Financial Strategy that sets out all the financial information
- 30 year Infrastructure Strategy that sets out our assets and how we are going to manage them

You will also find the following supporting policies:

- Revenue and Financing Policy
- Treasury Risk Management Policy, Including Liability Management and Investments Policies
- Rates Remission and Postponement Policy
- Significance and Engagement Policy

Planning for the Opportunities and Challenges Ahead

Planning for the next 10 years and beyond requires us to look at the opportunities and challenges the region is facing. These changes or impacts are called Assumptions and we need to consider how they might affect the services we deliver and the ways we deliver them. Assumptions are only that, they are the best estimate we can make at the time with the information available. But when they are applied to our work, they help us to be better prepared for the future. This section gives a summary of the implications of the assumptions within the context of our work programme and within each Group of Activities and Infrastructure Strategy. More details of the Assumptions are covered from page 13 of this document.

Our Great Region

Approximately 530,000 people call this great Wellington region home. Our region makes up three percent of New Zealand's total land area, covering 8,111km^2 of the lower North Island - the northern boundary extends from north of Ōtaki on the west coast across to north of Castlepoint on the east coast. We have a coastal marine area of 7,867km^2 with almost 500km of coastline. We have 320km of rivers and waterways and we manage 280km of stockbanks along them.

We are an ethnically diverse region with diverse communities and a rich fabric of culture. We are all connected in some way to each other and to where and how we live, work and recreate in our region.

Who we are and what we do

Our **purpose** is to work together for the greater environmental good. Our core **role** is to protect the environment while enabling sustainable economic development and to do that, we are responsible for wide range of activities that contribute to the overall wellbeing of the region.

Greater Wellington's **vision**

He rohe taurikura – Nui te ora o te taiao, He hapori kotahi, He manawaroa te āpōpō	**An Extraordinary Region – Thriving environment, Connected communities, Resilient future**

We have roles in the following areas:

- Provision and management of regional infrastructure and services including **flood protection assets** to protect urban populations and productive rural land; management of **regional parks**; **harbour** management, navigation and safety
- Sustainable management of **natural and physical resources** (land, air, biodiversity and water) and control of **pests** to protect the resources on which our primary sector, export economy and quality of life are based
- **Strategic planning** for the region delivered through statutory instruments, such as the Regional Policy Statement, the Regional Land Transport Plan and the Regional Pest Management Strategy and also non-statutory instruments such as the Wellington Regional Growth Framework – the region's economic growth strategy
- The secure supply of safe, high-quality **drinking water**
- Delivery of **Metlink public transport** services to the regional population; as well as owning the train fleet and maintaining public transport assets including railway stations, bus and ferry shelters, signs, and Park & Ride facilities
- Leadership in mitigating and adapting to **climate change**

Greater Wellington is guided by legislation, including the Local Government Act 2002 (LGA) which directs local authorities to meet the current and future needs of communities for good-quality infrastructure, services and performance of regulatory functions, in a way that is most cost-effective for households and businesses.

The LGA also requires local authorities to be accountable and to ensure that their decision-making processes are open to the influence and scrutiny of their communities.

For more detail on Greater Wellington's activities see page 22-77 of this document

Our Key Issues and Priorities

Greater Wellington has identified four key overarching priorities for the Wellington region over the next 10 years. These overarching priorities impact on each activity group area, regardless of core functions:

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 are strengthening our commitment to working closely with mana whenua to achieve the best outcomes for Māori and the region, across 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.

Our partnership with mana whenua

Greater Wellington has six mana whenua partners: Ngā Hapū o Ōtaki, Te Atiawa 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[1] communities. Our Māori Outcomes Framework responds to priorities identified through our ongoing engagement with mana whenua.

In order for Greater Wellington to effectively succeed in improving outcomes for mana whenua and Māori, we are making a different set of decisions around the direction we collectively take. All references to 'Māori' in this document means the shared interests of mana whenua and mātāwaka Māori of the region.

We will be deliberate in enabling interventions and systemic changes that unlock the potential of Māori through the work that Greater Wellington delivers. Transforming the way we work as a Council with mana whenua and Māori will accelerate Māori outcomes.

[1] In referring to Māori, Greater Wellington means the projects and services in which mana whenua and mātāwaka have shared interests

This strategic priority will transform the way we plan, develop, prioritise, invest in and deliver with and for mana whenua and Māori. From proactive engagement in decision making to the incorporation of te ao Māori perspectives and mātauranga Māori as negotiated and agreed with mana whenua this Council will adopt and transform the best outcomes for Māori across all aspects of our region.

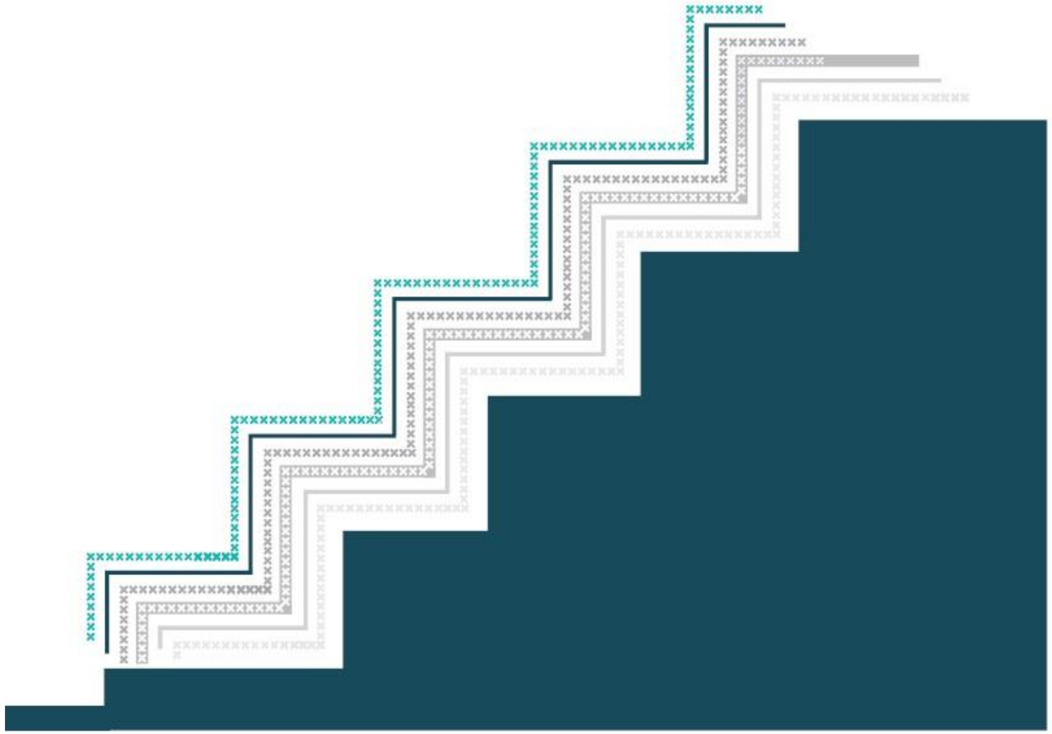
On one level Māori seek the same outcomes as all other New Zealanders – access to adequate food, good housing, educational attainment and adequate health care, preservation of the natural environment, and connection to community and culture.

Greater Wellington is required to deliver the four wellbeings: social, economic, cultural and environmental which generally aligns with broad Māori wellbeing frameworks. However, at a more significant level, wellbeing is fundamental to mana whenua and Māori given their status as tangata whenua of Aotearoa. Greater Wellington acknowledges the right of mana whenua and Māori to identify meaningful criteria to measure and monitor their own wellbeing.

In order to succeed, we must ensure our policies and processes assist Māori to succeed as Māori. In order to achieve measureable progress, we need to consider three interrelated questions:

- What criteria would be used to measure improved Māori wellbeing and outcomes that are meaningful for mana whenua?
- How do we measure improved outcomes for mana whenua and Māori in terms of the four wellbeings?
- What are some common signposts that will indicate how successful we are in working with mana whenua and Māori in delivering better wellbeing for Māori?

As a Council we are committed to improving outcomes for mana whenua and Māori. As we go forward we want to talk with you about how we can consider these questions.



Our Strategic Framework

Our Vision

An extraordinary region – thriving environment, connected communities, resilient future

Our Purpose

Working together for the greater environmental good

Our Community Outcomes

We promote the social, economic, environmental, and cultural wellbeing of our communities through our community outcomes:

Thriving Environment – healthy fresh and coastal water, clean and safe drinking water, unique landscapes and indigenous biodiversity, sustainable land use, a prosperous low carbon economy

Connected Communities – vibrant and liveable region in which people can move around, active and public transport, sustainable rural and urban centres that are connected to each other, including mana whenua and mātāwaka Māori communities

Resilient Future – safe and healthy communities, a strong and thriving regional economy, inclusive and equitable participation, adapting to the effects of climate change and natural hazards, community preparedness, modern and robust infrastructure

Overarching Strategic Priorities

Improving outcomes for mana whenua and Māori – proactively engage mana whenua and mātāwaka Māori in decision making, and incorporate Te Ao Māori and mātauranga Māori perspectives, so we can achieve the best outcomes for Māori across all aspects of our region

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

Adapting and responding to the impacts of COVID-19 – take a leadership role in responding to the economic consequences of COVID-19 and support the region's transition to a sustainable and low carbon economy

Aligning with Government direction – rise to the challenges set by Central Government to ramp up environmental protection and continue to provide high quality public transport services

Activity Group Strategic Priorities

Environment & Flood Protection	Regional Strategy & Partnerships	Metlink Public Transport	Water Supply
• Protect and restore our freshwater quality and blue belt • Protect and restore indigenous biodiversity and ecosystem health • Implementing nature based solutions to climate change • Communities safeguarded from major flooding	• Regional economic development and recovery in a COVID-19 era • Leading regional spatial planning • Taking regional climate action through regional strategy, collaboration and advocacy • Effective partnerships and co-designed agreements with mana whenua	• An efficient, accessible and low carbon public transport network	• A clean, safe and sustainable future drinking water supply • Reduce water demand to support a sustainable water supply to avoid unnecessary investment in significant new water supply infrastructure • A bulk water supply network that is respectful of the environment and plans for climate change

Key Result Areas			
Environment & Flood Protection	**Regional Strategy & Partnerships**	**Metlink Public Transport**	**Water Supply**
• Delivery of the Ruamahanga, Te Awarua-o-Porirua and Te Whanganui-a-Tara Whaitua implementation programmes • Climate change adaptation integrated within catchment management • Implement the Regional Pest Management Plan and support Predator Free Wellington initiatives • Develop a blue belt strategy to restore coastal marine area • RiverLink flood control works completed • Re-afforestation and protection and restoration of wetlands across our regional parks network • Improve recreational enjoyment and environmental value of regional parks	• Regional economic recovery including low carbon economic transition • Delivery and implementation of Let’s Get Wellington Moving • Implement the Wellington Regional Growth Framework • Working collectively with partners to take regional climate action • Explore, develop and implement individual and shared partnership arrangements with mana whenua and Māori to enable mutually beneficial outcomes	• Improving the customer experience across all areas of the public transport network • Reducing public transport emissions by accelerating decarbonisation of the vehicle fleet (bus, rail, ferry) • 40 percent increase in regional mode share from public transport and active modes by 2030, including delivery and implementation of Let's Gets Wellington Moving	• Support the reduction of the overall bulk water supply to the four metropolitan cities by 25 percent by 2030 • Reduce carbon emissions related to bulk water activities • Ensure bulk water infrastructure provides for metropolitan urban growth

Groups of Activities (LTP 2021-31)			
Environment & Flood Protection	**Regional Strategy & Partnerships**	**Metlink Public Transport**	**Water Supply**
• Resource management • Biodiversity management • Land management • Pest management • Flood protection and control works • Regional parks • Harbour management	• Regional spatial planning • Regional transport planning and programmes • Regional economic development • Democratic services • Regional partnerships with mana whenua and Māori • Emergency management • Climate change	• Strategy and customer • Operations and commercial partnerships • Assets and infrastructure	• Bulk water supply

Relevant Strategies and Plans			
Environment & Flood Protection	**Regional Strategy & Partnerships**	**Metlink Public Transport**	**Water Supply**
• Regional Policy Statement • Natural Resources Plan • Whaitua Implementation Programmes • Parks Network Plan • Regional Pest Management Plan • Biodiversity Strategy • Key Native Ecosystem Plans • Wellington Region Hazards Management Strategy • Floodplain Management Plans • Climate Emergency Action Plans 2019 • Asset management plans	• Wellington Regional Growth Framework • Wellington Regional Strategy • Wellington Regional Investment Plan • Wellington Regional Land Transport Plan • Māori Outcomes Framework • Memorandum of Partnership between Tangata whenua ki te Upoko o te Ika a Maui 2013 • Te Matarau a Māui: A Māori Economic Development Strategy for Te Upoko o Te Ika • Wellington Region Civil Defence Emergency Management Group Plan • Climate Change Strategy 2015 • Climate Emergency Action Plans 2019	• Regional Land Transport Plan • Regional Public Transport Plan • Regional Rail Plan • Wellington Regional Park and Ride Strategy • Climate Emergency Action Plans 2019 • Asset management plan	• Regional Water Strategy • Drinking Water Safety Plan • Wellington Water Limited five year plan to reduce water demand • Wellington Water Limited Asset Management Plan • Wellington Water Limited Sustainable Water Policy

Māori Outcomes Framework

Our Vision: An extraordinary region – thriving environment, connected communities, resilient future **Our Purpose:** Working together for the greater environmental good

Overarching Strategic Priorities	**Improving outcomes for mana whenua and Māori** – proactively engage mana whenua in decision making, and incorporate te ao Māori and mātauranga Māori perspectives, so we can achieve the best outcomes for Māori across all aspects of our region

Key Principles	Key Values
All Māori / Mana whenua 1. **Partnership –** Mana whenua as partners and kaitiaki are actively involved in decision making from begining to end. 2. **Opportunities focused –** Realise innovative opportunities to progress partnership aspirations in the dynamic Crown and Māori environment. 3. **Effective participation –** Mana whenua and Māori are resourced and enabled to participate in decision making. 4. **Evidence based decision making –** Mātauranga Māori is an integral part of our policy, planning and implementation.	**Manaakitanga –** We value our people and treat others with respect and dignity. **Tika –** Be consistent and authentic. **Tuku Ihotanga –** Preparing for the future through intergenerational development and growth.

Focus Areas

Effective partnering	Engagement for equitable outcomes	Strong, prosperous and resilient Māori communities	A capable workforce
• Mana whenua as kaitiaki are strengthened in their capability and capacity through co-design, co-governance and co-management models. • GW and mana whenua partners have a shared vision and understandings within a partnership built on shared responsibility, contribution and accountability to all Māori. • GW act in a manner that upholds the principles of Te Tiriti o Waitangi and fulfils our statutory obligations to Māori. • Explore future focused and long-term opportunities to partner. • Realise innovative opportunities to progress partnership aspirations in the dynamic Crown and Māori environment.	• Māori enabled and resourced to influence effective decision making in natural and urban environments. • Foster oppotunities for mana whenua and Māori to partner, input and influence decision making from beginning to end. • Enable Māori to identify and achieve their aspirations and succeed as Māori. • Mātauranga Māori is included and respected as a part of our work being in balance with science and knowledge. • Explore opportunities to support Māori internships. • We are engaging and collaborating with our CCO's to deliver for Māori outcomes.	• Contribute to the implementation of Te Matarau a Māui. • Social procurement including supplier diversity to support Māori social and economic opportunities, and to enhance Māori wellbeing in the work we do. • Increase GW Māori workforce. • Active support for Māori to prepare for and manage effective responses to civil defence and other emergencies • Support and advocate opportunities to showcase and protect Māori identity, culture and heritage (e.g. Matariki, Te Wiki o Te Reo Māori).	• Support our people to develop strong, meaningful and enduring relationships with Māori through active participation in cultural capability training. • Increased use of te reo across our services. • Value and recognise staff cultural competence. • Staff understand the Treaty settlement and historical accounts. • We establish best practise tools (policies, models and frameworks) to support our staff to engage with Māori. • Review training competency measures.

Outcomes

• Prosperous Māori communities as evidenced by strong partnership arrangements.	• Equitable outcomes for Māori are achieved through effective and resourced engagement.	• Māori communities are strong, resilient and realising opportunities.	• Mana whenua report that GW people have the capability, capacity, confidence and are partnering and engaging successfully with Māori.

Our Assumptions

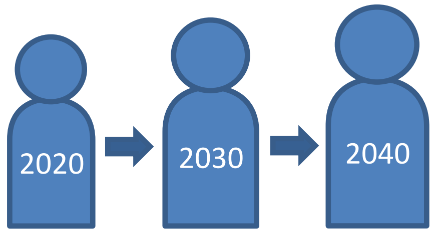
Non-financial assumptions

Understanding our future environment and the possible impacts on the region underpins much of our forward planning. Consequently, we reviewed and further developed the assumptions that underpin our planning to help inform the work programme in this Long Term Plan.

These assumptions have been applied across all of our work and are relatively consistent with the assumptions being made by the territorial authorities in our region. Assumptions are only that, they are the best estimate we can make at the time with the information available. However, when consistently applied to our work it can aid us in being better prepared for the future.

A growing population

The region's population is projected to grow almost 9 percent in the next 10 years, from approximately 525,000 in 2020 to 570,000 by 2030 and to 618,000 by 2040. Growth levels will vary across the region, with slower overall growth likely in the near-term (1-2 years) due to the impacts of COVID-19.



The resultant changes to patterns of development and demand will impact how we deliver our services, and place pressure on our environment and our infrastructure.

Changing demographics – increasingly aged and more diverse[2]

Our communities will become increasingly aged, with the proportion of people aged 65-and-over growing from approximately 15 percent in 2020 to 20 percent in 2040.

Our region will become more culturally and ethnically diverse. The proportion of mana whenua and mātāwaka Māori in the region is projected to grow from approximately 14 percent in 2020 to 18 percent in 2038. Pacific peoples and people of Asian descent populations are also projected to grow in the region, from 9 percent and 14 percent in 2020 to 10 percent and 20 percent in 2038 respectively.

These changes will impact how we engage with our communities and the services we deliver to meet their shifting needs.

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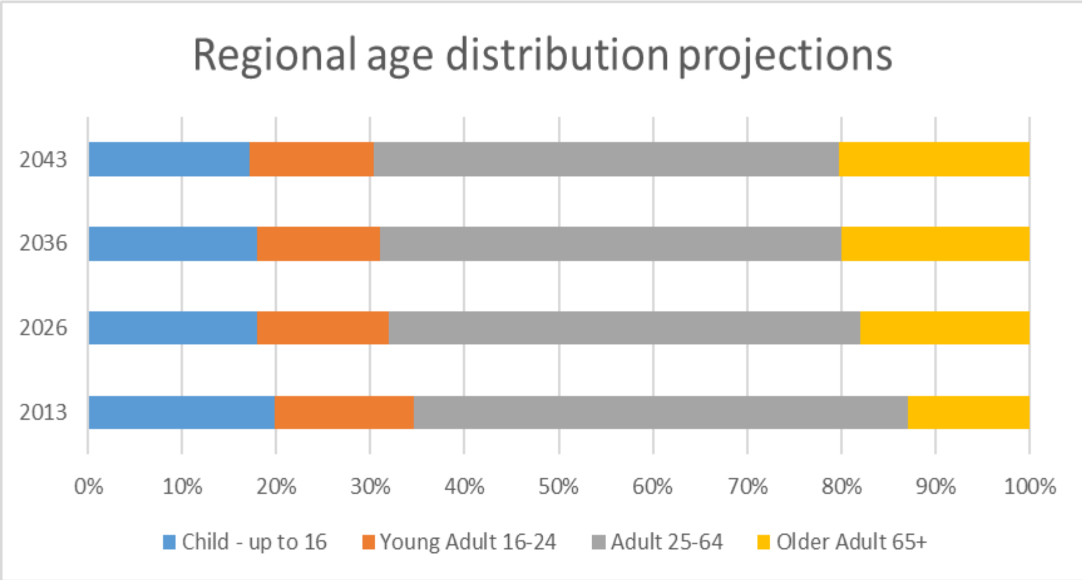
[2] **Data Sources:**

- Forecast.id population forecasts https://forecast.idnz.co.nz/
- COVID-19 economic impact scenario one summary, BERL, June 2020 - https://www.gw.govt.nz/assets/Uploads/GWRC-COVID-19-Impacts-for-LTP-Summary-FINAL.pdf
- Stats NZ demographic forecasts https://www.stats.govt.nz/

The level of uncertainty across our population and demographic projections is high. Near-term forecasts are particularly uncertain due to the impacts of COVID-19. Long-term changes are influenced by megatrends including migration and life expectancy. All figures represent a mid-point projection scenario.



Improved outcomes for mana whenua and Māori[3]

Greater Wellington provides leadership in creating positive advancements to support mana whenua and Māori to achieve their aspirations. We are committed to building systems and practices that uphold the principles of Te Tiriti o Waitangi. We will continue to promote positive outcomes that meet the expectations of Te Tiriti o Waitangi as New Zealand's founding document and deliver on our statutory obligations and key policy requirements.

We will support mana whenua and mātāwaka Māori succeeding as Māori by unlocking and maximising collective strengths-based approaches. We will achieve shared outcomes that include resilience to environmental and economic challenges, greater connection to healthy and vibrant natural and urban environments and improved economic prosperity.

[3] **Data sources:**

- BERL "Whano Toward futures that work: How Māori can lead Aotearoa forward" 2020
- Greater Wellington Regional Council "Te Matarau a Maui: Collaborative Pathways to prosperous Māori Futures" 2020

Creating a sustainable environment is a priority which enables Māori to flourish in ways that are informed by mātauranga Māori and is an integral part of our policy, strategy, planning and service delivery.

Effective future-focused priority relationships with each of our six mana whenua partners that are fit for purpose, agile and responsive to new opportunities will maintain particular importance for our organisation and our mana whenua partners. We will also develop new shared forums to help us discuss collective priorities of mutual benefit for the whole region.

We will build on our existing relationships with mātāwaka Māori on key priorities including the Māori economy and civil defence. Robust planning and monitoring will be essential to developing effective responses.

Our staff and organisation will continue to develop the cultural confidence and capability needed to initiate and sustain strong and enduring relationships and implement effective services with and for mana whenua and mātāwaka Māori.

A changing climate and increasing natural hazards[4]

Our climate is changing now and will continue to change. About a third of the warming predicted for mid-century has already happened in our region and the annual average temperature will continue to increase.

Over time there will be permanent sea level rise (0.12-0.24 metres above present levels by 2040 and 0.68-1.75m above present levels by 2090) and more frequent and intense coastal flooding and erosion. The region will experience more frequent and intense rainfall events, and longer duration and more frequent drought events. The region will also continue to be at risk from adverse natural events including earthquakes and tsunami.

Our natural environment will be negatively affected by biodiversity losses and increased wildfire risk. Agricultural productivity will be impacted by drought, reduced soil fertility and an increased risk of pests. Our communities will increasingly suffer negative health effects including from air pollution, seasonal allergies and increased risk of disease.

The broad nature of these impacts demands a systematic, and focused long term response by Greater Wellington in strong collaboration with our partners and communities. For the period of this Long Term Plan, land use and infrastructure planning, environmental protection, risk management, adaptation planning and identification of Greater Wellington's exposure to both the physical and transitional risks of climate change will be prominent.

[4] **Data sources:**

- Climate change and variability - Wellington Region, prepared for Greater Wellington Regional Council by NIWA, June 2017- http://www.gw.govt.nz/assets/Climate-change/Climate-Change-and-Variability-report-Wlgtn-Regn-High-Res-with-Appendix.pdf
- Greater Wellington – Preparing Coastal Communities for Climate Change, June 2019 - http://www.gw.govt.nz/assets/Uploads/Wellington-Regional-Coastal-Vulnerability-AssessmentJune-2019Final.pdf
- Wellington Region Natural Hazards Management Strategy - http://www.gw.govt.nz/assets/Uploads/Wellington-region-natural-hazards-management-strategyMay-2019.pdf
- Wellington Region Natural Hazards Management Strategy Stock Take Issues Report -http://www.gw.govt.nz/assets/council-hazards/WRNHMS-Stocktake-Issues-Report-Final-18-04-16.pdf
- Wellington Region Civil Defence Emergency Management Group Plan 2019 – 2024, WREMO - https://wremo.nz/assets/Publications/Group-Plan-2019-2024.pdf

While it is certain that climate change is happening it is less clear what the scale, timing and intensity of the impacts will be. The changes already observed in the region are compatible with the predictions from climate models, and there is broad scientific consensus regarding the projected impacts of a range of emissions scenarios. Much depends, however, on the actual reduction in emissions the world achieves in the next decade and beyond as this will significantly influence the magnitude of the impacts.

Natural hazards in the region are of varying uncertainty and consequence. Wellington Regional Emergency Management Office (WREMO) applies a risk assessment methodology to categorize these individually.

Ongoing economic uncertainty[5]

The ongoing and evolving global pandemic is delivering new and unforeseen challenges regionally, nationally and globally. This means that the level of uncertainty for our economic outlook is high.

Initial economic projections suggested COVID-19 would have significant immediate impacts for the region, followed by a recovery that could take between five and ten years. However, standard economic indicators for the region in 2020 have shown remarkable resiliency, including a Gross Domestic Product (GDP) growth of 2.4 percent and employment growth of 1.8 percent.

Despite this, near-term impacts have, and will vary across our communities, residents and economic sectors. We know that behind these numbers are different experiences, including those of struggle and longer term repercussions.

Sectors including Accommodation and Food, Education, Arts and Recreation and Public Utilities have been challenged with lockdowns and closed borders. Māori, women and young people have been disproportionally affected with fewer employment and career progression opportunities. The NEET[6] (15-24 years) unemployment rate is 10 percent and the current Māori unemployment rate is 6 percent. We're also aware that different parts of our region have experienced uneven effects and consequences, and no one can overlook how the pandemic has exposed and augmented pre-existing challenges.

Our relative economic resilience to date does not mean we can be complacent. While the region's position as the heart of Government, and relatively low economic reliance on tourism and face-to-face services, indicates that we won't be as negatively impacted as other regions in New Zealand, further shocks cannot be excluded as possibilities. The region will naturally be affected in the next one to five years as the wider nation recovers, the world strives to regain normalcy, and the Government response is scaled back.

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[5] **Data sources:**

- COVID-19 economic impact scenario one summary, BERL, June 2020 - https://www.gw.govt.nz/assets/Uploads/GWRC-COVID-19-Impacts-for-LTP-Summary-FINAL.pdf
- Wellington Region Economic Profile, Infometrics, 2021 https://ecoprofile.infometrics.co.nz/Wellington%20Region

[6] NEET: Youth 15-24 years old, not in employment, education or training.

Ongoing legislative change

Legislative, statutory and regulatory change will be ongoing with a high level of uncertainty. These changes will affect what we do, how we operate, our expenditure and our funding. During the lifetime of the 2021-31 Long Term Plan we will likely see stronger environmental regulation and increasing expectations for our environmental outcomes. We may also see new governance roles and responsibilities for climate change, water supply and public transport.

For the region, any law changes could affect the ways we utilise land, the allocation of water, the management of key infrastructure or the cost of providing services.

Rapid technological change

Advances in technology will be ongoing and rapid, with a high level of uncertainty. New products and capabilities will change the way we live and communicate, and enable Greater Wellington to improve the delivery of its services.

There will be raised expectations among our communities for more personalised services that connect more data sources in an increasingly timely and accessible manner. Robust security, privacy and transparency will remain both core principles and challenges for Greater Wellington.

Financial assumptions

For details on our Financial Assumptions, see our Financial Strategy on page 124.

A Climate Change Emergency

Climate change refers to changes in the earth's weather patterns and the gradual rise in average global temperatures caused by human emissions of greenhouse gases. Examples of these greenhouse gases, which can be referred to as "carbon emissions", include carbon dioxide and methane. These two gases are the largest drivers of the changes we are seeing.

While the global climate is constantly changing as a result of natural processes, this change usually occurs over long periods of time. However, there is overwhelming scientific consensus that the carbon emissions from human activities are now increasing at an unprecedented rate causing our climate to change. This accelerated climate change does not only affect humans and our environment on a global scale, it also affects the whole Wellington Region – our communities, infrastructure, economy and natural environment. A report we commissioned from NIWA projects that there will be significant impacts to our region by 2090 if global emissions are not significantly reduced. These include:

- Annual regional temperatures will increase by 3°C
- Wellington and Wairarapa will experience significant increases in number of hot days
- Frost in the high elevations of the Tararua Ranges is likely to disappear
- Spring rainfall will reduce by up to 15 percent in eastern areas
- Up to 15 percent more winter rainfall could be experienced along the west coast
- The risk of drought will increase in the Wairarapa
- More extreme rainfall events

A special report prepared by the Intergovernmental Panel on Climate Change says we only have until 2030 to cut carbon emissions almost in half if we are to limit temperature rise to 1.5° Celsius above the pre-industrial average. This is considered the danger line for global warming.

The New Zealand Government's response included passing the Climate Change Response (Zero Carbon) Amendment Act 2019 (Zero Carbon Act). This provides a framework to support New Zealand to contribute to the global effort under the Paris Agreement. Nations who have signed this international agreement have committed to limit the global average temperature increase to well below 2°Celsius above pre-industrial levels this century and to prepare for and adapt to the effects of climate change. The Zero Carbon Act is a key part of the Government's plan to tackle the collective and long-term challenge that climate change presents. As part of that plan the Government has also declared a national climate emergency and set a 2025 carbon neutrality goal for the public sector.

On a regional scale, Greater Wellington is responsible for many of the public services that are increasingly affected by the impacts of climate change. Currently carbon emissions from our operations and services also contribute to these impacts.

Greater Wellington's Climate Emergency Response

In August 2019, Greater Wellington joined a growing community of local governments around the world by declaring a climate emergency. This declaration signals a step change in how Greater Wellington addresses its response to the climate crisis. Our leadership is crucial and the closing window of opportunity to prevent the worst effects of climate change demands an extraordinary response.

As part of this response, Council set ambitious emission reduction targets for itself. The ultimate goal of the organisation is that by 2035 it will remove more carbon emissions from the atmosphere than it emits (also known as being ‘climate positive’), with an interim goal of being carbon neutral from 2030. Carbon neutrality is reached when emissions of carbon and the uptake of carbon dioxide by trees or other means cancel each other out. Two ten-point action plans were adopted that supplement our 2015 Climate Change Strategy.

These are focussed on internal actions to reduce our own emissions and also external actions to work towards a climate-resilient, low emissions future for our region. The Regional Climate Emergency Action Plan aims to address mainly regional mitigation and adaptation measures. The Corporate Carbon Neutrality Action Plan is tailored towards the reduction of carbon emissions by the Council and the Council-controlled organisations (CCOs), in particular CentrePort. Key outcomes of Greater Wellington’s response to the climate emergency are:

- Being carbon neutral by 2030
- Being climate positive (removing more carbon emissions than we emit) by 2035
- Planning for a climate-resilient, low emissions region

How Greater Wellington is responding to the COVID-19 pandemic

Since 27 January 2020, when the novel coronavirus became a notifiable disease under the Health Act in New Zealand, Greater Wellington quickly took action to protect staff and the region. By 17 February 2020, the executive leadership team approved a new Pandemic Plan and shortly after the Greater Wellington's Crisis Management Team (CMT) was activated and a first meeting was held.

How we responded to COVID-19

On 26 March 2020, the nationwide 'Alert Level 4 lockdown' commenced and while all our offices closed and staff were asked to stay home, work continued remotely and safely. A large number of staff were deployed to work in the Emergency Coordination Centre (ECC). Council meetings and workshops were held online as were all staff meetings.

For the region, Greater Wellington:

- Kept the Regional Parks open as usual, offering the community plenty of space to recreate with appropriate physical distancing
- Kept Public Transport operating, but at a reduced service with reduced capacity, in line with government guidelines and offered commuters free masks to wear
- Continued harbour management, operating Beacon Hill, as this was an essential service
- Suspended field work e.g. pest control work
- Issued public communications focussed on how to stay safe on Public Transport and when visiting Regional Parks at Alert Level 4
- Reduced the proposed rate increase in the 2020/21 Annual Plan from 6.3 percent to three percent

As the alert levels reduced, Greater Wellington maintained strict safety measures in line with the government's recommendations, not opening the offices to staff until Alert Level 2 and to the public until Alert Level 1.

What we are focusing on in this Long Term Plan

Our focus on providing core regional infrastructure from public transport to flood protection, enhancing our environment, and looking ahead to ensure that the region has the platforms to thrive and develop, supports the roles our local government partners play more directly in communities, and is framed by what Central Government expects and contributes.

The pandemic has brought us closer together in ways that can further benefit and augment our shared regional goals. Working in tandem to reinforce Central Government expectations to keep people safe and well, while supporting the essential role our local territorial authorities play in supporting community wellbeing, has provided us with new insights and ways of working that will benefit the region and our stakeholders into the future.

Greater Wellington is committed to building resiliency through regional collaboration, economic development and recovery to ensure the region benefits from our changing circumstances and opportunities.

From tackling climate change to developing robust forums for regional collaboration and sustainable growth, our recovery journey will expand our region's resiliency and ability to address our current and future challenges. Greater Wellington is focussed on developing deeper resiliency through coordinated recovery actions and efforts with our key stakeholders and partners. This coordination is essential to our region's capacity to emerge from this time with stronger resiliency than before.

Greater Wellington is utilising its position to help continue and improve the region's economic resiliency through the impacts of COVID-19 and beyond by:

- Lowering our operating expenses without cutting jobs
- Taking advantage of a central government funding boost to deliver a number of 'shovel ready' flood protection infrastructure projects in the Hutt and Ruamāhanga River catchments
- Working with multiple agencies across the Wellington Region, across the next five years, on delivering enhanced environmental activities through Jobs for Nature programme funding
- Utilising the low interest rates for financial borrowing to be able to afford the big projects
- Committing to regional collaboration and shared economic outcomes via the successful establishment of the Wellington Regional Leadership Committee. This new regional Joint Committee is a pivotal part of our recovery efforts. In providing a platform to solve infrastructure constraints with the Wellington Regional Growth Framework while progressing regional cooperative outcomes and interdependencies, the Joint Committee will better equip the region for resiliency via cooperative economic recovery and development.
- Thinking about how our procurement can be more diverse and deliver improved social outcomes, with better applications in support of our regional communities, economies and businesses.
- Supporting the visionary regional Māori economic development strategy, Te Matarau a Maui.

Our Activities

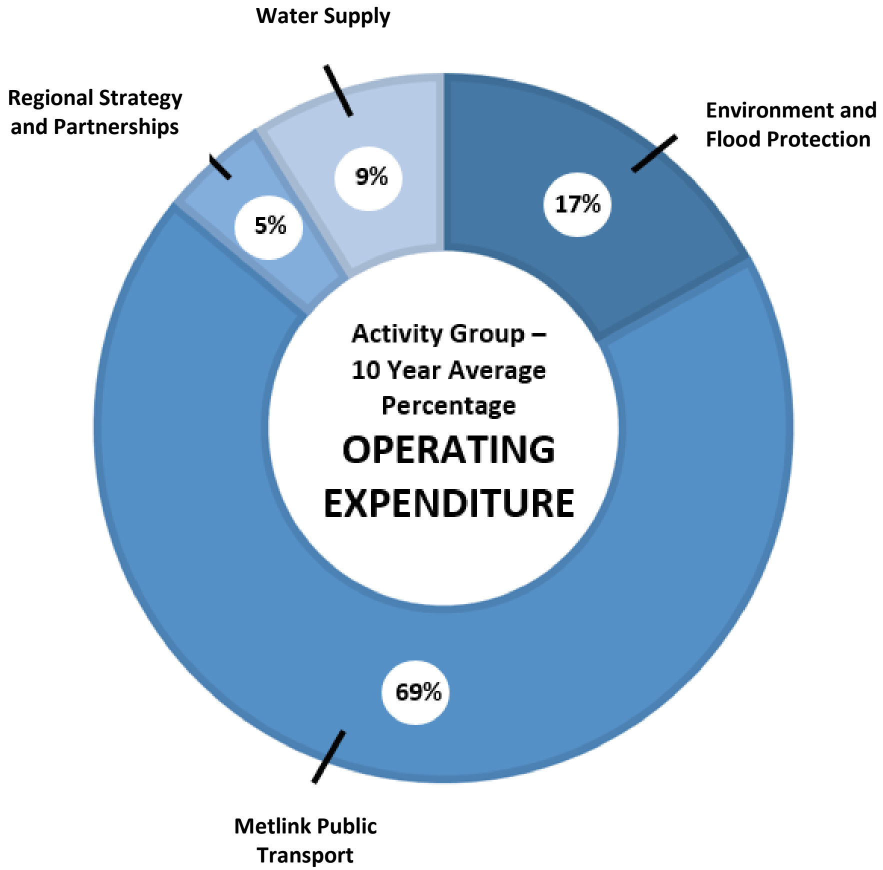
Greater Wellington has four key activity groups, these groups are:

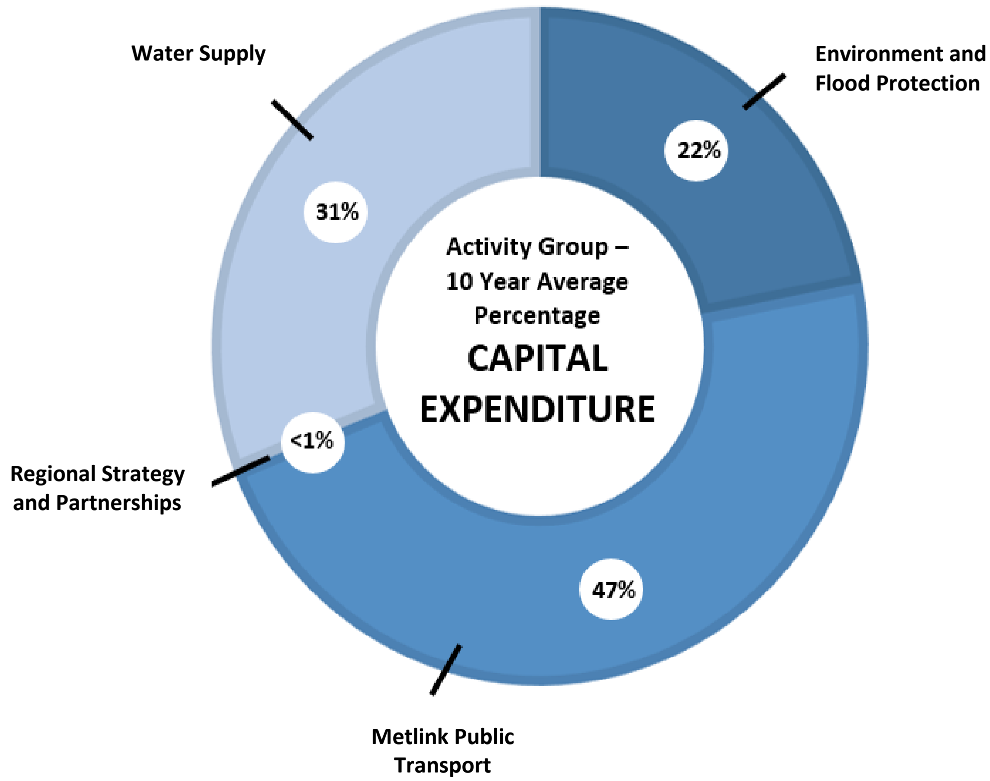
- **Environment and Flood Protection**
- **Metlink Public Transport**
- **Regional Strategy and Partnerships**
- **Water Supply**

Activity groups provide an important link between the LTP's strategic priorities and implementation.

Once we describe why we carry out a particular activity, we develop the levels of service the community can expect, and then describe how the community will know when the levels of service have been achieved through performance measures and targets. This structure is the essential link between strategy and operations, or strategy and implementation.

How our activities are funded





Funding – how your rates compare

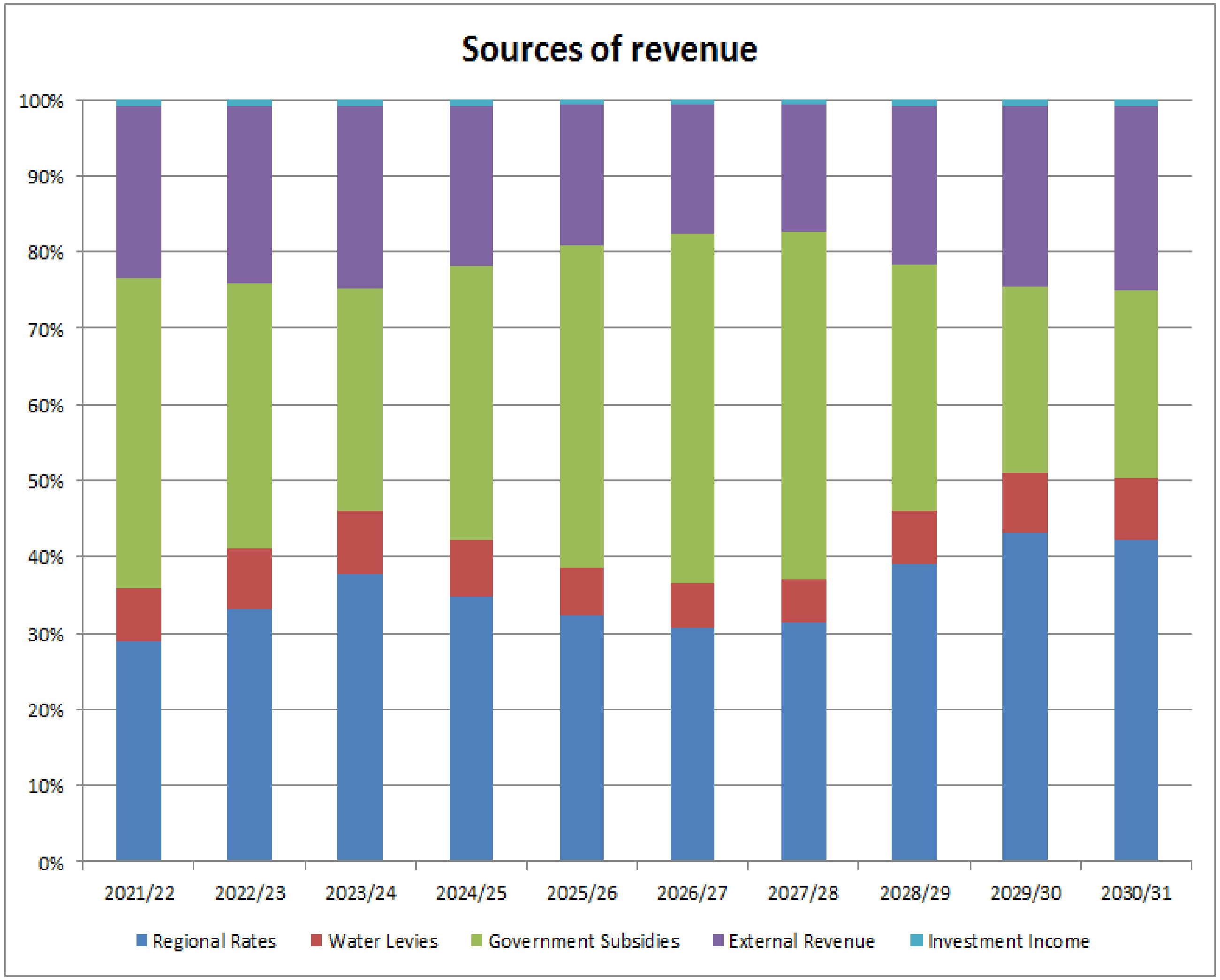
We fund activities through a range of sources.

The rates you pay contribute to funding all the activities that Greater Wellington operates and all the levels of service provided, however, rates are only one source of funds. The others are:

- **Water Levies**
- **Government Subsidies**
- **External Revenue**
- **Investment income**

Our funding mix over the Long Term Plan period is shown.

The way in which activities are funded is set out in our Revenue and Financing Policy.



Environment and Flood Protection

What we do

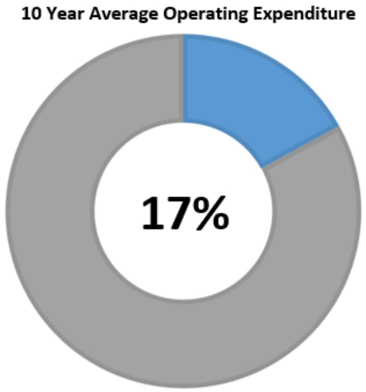
Our environment is important to us all. It's our home, our playground, the air we breathe, the water we drink, the places where we swim, walk and fish.

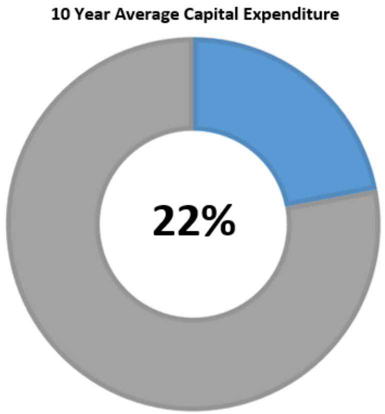
Greater Wellington is responsible for the regulation, protection and enhancement of the region's natural resources. We are responsible for regulating the use of these natural resources, protecting the highest value biodiversity areas, managing flood risk across the region and managing public land on behalf of the community including eight regional parks. We also look after the region's harbours and manage environmental threats such as pest plants and animals. We do this work through regional policies, plans, resource consents and working collectively alongside others, including a large team of volunteers, for the greater environmental good. We also acknowledge that the region has a large number of rivers and streams that are places of particular cultural importance to mana whenua.

Our environmental work connects to our strategic framework by ensuring our environment continues to thrive, and is resilient and prepared for the pressures ahead. We connect communities together to enhance our vibrancy as a region with a sense of collective wellbeing.

This group of activities supports the Community Outcomes:

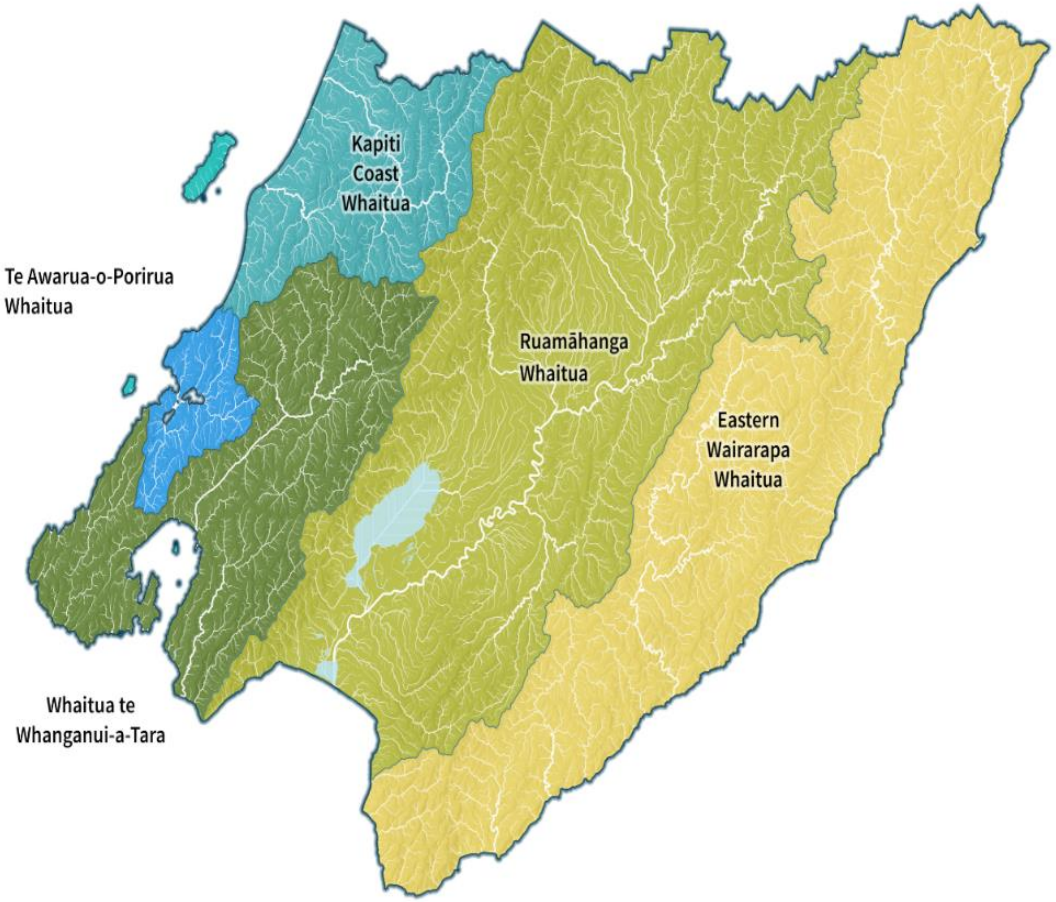
- ***Connected communities*** – our work with the community connects people with the environment they live in
- ***Thriving environment*** – we look after the region's special places to ensure they thrive and prosper
- ***Resilient future*** – we manage and protect the region's resources so they can be enjoyed for generations to come





The catchment-wide approach

The bar is being raised by both the government and our communities on their expectations for clean water, sustainable biodiversity and a resilient infrastructure. We need to think about new and better ways to deliver our services. In response to this, Greater Wellington is moving towards a catchment-based delivery model. Catchments are natural features which share common issues and opportunities around which services can be agreed with local communities, prioritised, planned, delivered and measured.



Internally, we are looking at how we need to be organised and resourced to meet the challenges ahead of us. This includes being sure we retain and build on our strengths, while working towards a much more joined up, integrated organisation. For our Environment and Flood Protection activities this would look like integrated catchment teams, the composition of which would reflect the work to be done, a significant departure from the current operating model of regional service delivery managed through vertical business units.

A catchment-wide approach enables us to better deliver for the environment, have closer engagement with our communities and with mana whenua to integrate our decisions with a rich mix of science and mātauranga Māori as negotiated and agreed with mana whenua. We’ve already started the journey with the introduction of the major catchment-based whaitua committees and their resulting implementation plans. These directly involve mana whenua and local communities in the development of quantity and quality limits for fresh water within each of the five regional catchment areas, known as whaitua. The more sub-catchment focused Mahi Waiora project reflects a new approach that enables greater clarity of purpose and delivery on a manageable scale.

Activities of the Environment and Flood Protection Group

Resource management

We are responsible for regional resource management including statutory policies and methods to achieve integrated management of natural and physical resources. We do this by preparing and measuring the effectiveness of required policy frameworks, statements and plans. We monitor rainfall, river flows, groundwater levels and quality, fresh water and coastal water quality, air quality, terrestrial ecosystems and soil quality. We also are responsible for regulatory consenting, compliance monitoring, enforcement and response to environmental incidents.

Biodiversity management

Our biodiversity activity focusses on maintaining, restoring and advocating good biodiversity management across the region. We manage sites with the highest biodiversity values and support landowners to protect wetlands and other sites of significance. We work with others to promote the importance of our indigenous ecosystems, and support community and school environmental restoration projects with funding and advice.

Land Management

Our land management activity seeks to manage the environmental impacts of the farming sector while ensuring the sector remains prosperous and secure. We deliver a range of programmes to encourage good land management practices and actively work on initiatives that deliver land management outcomes at the catchment level. We provide good management practice advice through assistance with planning and action delivery of Farm Environment Plans, assist landowners with reducing erosion risk, riparian management, manage the Akura Nursery and operate six Catchment Management Schemes.

Pest Management

Our pest management activity mitigates the adverse impacts of pest animals and plants on the environment, economy and community. We prepare and implement the Regional Pest Management Plan to prevent new pests from establishing, and reduce the impacts of pest plants and animals on native plants, animals and productivity. We fund and provide staff for the Predator Free Wellington project in collaboration with Wellington City Council, the NEXT Foundation and Predator Free 2050. We also regulate, inspect, monitor, advise, educate and support community initiatives and carry out the biological control of pests.

Regional Parks

We manage a network of eight regional parks for visitors’ use and enjoyment through the Toitū Te Whenua Parks Network Plan. We also work with others to manage other areas of public land and areas of open space available for public recreation, such as Whitireia Park. We work collaboratively with the community, including volunteers, and in partnership with mana whenua to support recreation, conservation and heritage values and restore healthy ecosystems. We also manage a network of trails and maintain, upgrade and renew park assets.

Harbour Management

We look after the region's harbours and coastal waters for navigation and safety purposes. We monitor harbour shipping movements, provide and maintain navigational aids and promote the safe use of harbours and coastal waters by educating recreational users and operating a harbour ranger service. We undertake oil spill planning, training and response, in partnership with other organisations to minimise environmental impacts.

Flood Protection and Control Works

Our flood protection and control works activity is responsible for managing flood risk in specific rivers and streams around the region. We identify the likelihood of a river flooding and develop floodplain management plans. We also provide advisory services to the community and support flood warnings and response. We maintain and build flood protection infrastructure and work with the community to improve the environment and recreational opportunities.

Other things you need to know

As a landowner and manager we're both a regulator and services provider when it comes to looking after the environment. We invest in and protect environmental assets and services for everyone's benefit. This includes 800km of flood protection assets along major rivers.

We have an obligation to comply with national direction through the Resource Management Act 1991 (RMA) and other legislation. In August 2020 the central government announced changes to the National Policy Statement for Freshwater Management 2020 (NPS-FM), giving local authorities direction on how to manage freshwater in our region under the RMA 1991.

At the heart of the new policy direction is 'Te Mana o te Wai'. The Essential Freshwater regulations address tangata whenua values and interests across all community wellbeing. It will bring tangata whenua and Council closer, further protecting Māori values and bringing waterway ecosystems to a healthy state within a generation

The proposed Natural Resources Plan was developed to manage the region's natural resources, including improving water quality in our region in a way that incorporates mana whenua values as well. The Whaitua (catchment) committees, which include representatives from the community, local iwi, local authorities and Greater Wellington were formed to help achieve this.

Central Government's Jobs for Nature programme is a $1.245 billion programme that manages funding across multiple government agencies to benefit the environment, people and the regions. It is part of the government's COVID-19 recovery package and intended to run for five years.

Central government's environmental priorities have seen several of Greater Wellington's projects receive funding boosts, including $3.5M for enhancement of the Wairarapa Moana wetlands, and $2.5M for riparian planting in the Ruamahanga River catchment. Greater Wellington was also successful gaining funding for 'shovel ready' infrastructure projects through the Provincial Development Unit. A total of $10.7M has been allocated to a number of flood protection projects in the Hutt and Ruamahanga River catchments. Central government's environmental priorities have seen funding boosts for several of Greater Wellington's projects such as wetland restoration, tree planting and pest control work.

We're accelerating investment using shovel-ready projects to stimulate the economy and bring back jobs for our communities. This is also a great opportunity to improve our economy's sustainability.

What's changing?

- For this Long Term Plan we've merged our environment, regional parks, and flood protection and control works activity groups into this overarching activity group – Environment and Flood Protection. This means better integration and a more holistic approach to environmental management
- We'll be changing the way we manage environmental activities and moving to an integrated catchment approach. Catchments share common issues and opportunities, so this change means we're in a better position to plan, prioritise and deliver improved services with our local communities

10 year focus

- Completion of Whaitua implementation Programme (WIP) development, and significant progress on delivery of our WIP
- Integrate climate change adaptation within catchment management
- Implement the Regional Pest Management Plan and support Predator Free Wellington initiatives
- Complete the RiverLink flood control works
- Re-afforestation, protection and restoration of land (including wetlands) across our regional park network
- Improve the recreational enjoyment and environmental value of our regional parks

Relationship with mana whenua and mātāwaka

We will partner with individual mana whenua partners to achieve improved environmental outcomes across the region on key projects that include:

- Taranaki whānui in co-managing the Parangarahu Lakes, East Harbour Regional Park
- Ngati Toa Rangatira to restore Te Awarua-o-Porirua Harbour and catchment under the Te Awarua-o-Porirua Whaitua Implementation Programme and Ngati Toa Statement
- Te Ātiawa ki Whakarongotai on the Waikanae ki uta ki tai programme
- Nga Hapu o Ōtaki (NHoŌ) on the Integrated Catchment Management Agreement work programme
- Co-manage Whitireia park with Ngati Toa Rangatira through the Park Board

We will work with groups of mana whenua partners on shared projects of importance that include:

- Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa in implementing the Ruamāhanga Whaitua Implementation Plan and developing and implementing the Wairarapa Coastal Whaitua catchment, the Wairarapa Moana Wetlands Project and the independent Wairarapa Moana Statutory Board along with the Department of Conservation and South Wairarapa District Council
- Taranaki Whanui and Ngati Toa Rangitira in developing and implementing the Whaitua Whanganui a Tara and the RiverLink project
- Ngati Toa Rangitira, Ngā Hapū ō Ōtaki, and Te Ātiawa ki Whakarongotai on the Kāpiti Whaitua starting in 2021

We will work with all of Greater Wellington's six mana whenua partners and regional community representatives on key projects that include:

- Implementing the Toitū Te Whenua Parks Network Plan 2020-30 goals and actions, complete Kaipupuritaonga ki te ao whanui (a regional biodiversity framework), cultural monitoring framework as Method 2 of the proposed Natural Resources Plan, development and offering of internships, and collaborative responses to oil spillage

Opportunities and challenges

Opportunities

- embed a catchment wide approach to the way we look after the region's natural features with common issues and opportunities
- increased pace of innovation in technology will have an impact on how we capture data that supports environmental sustainability decisions for the region for example, use of drones for aerial surveying, photography and parks asset inspection. Potential for parks users to obtain up to date information on trip planning information, condition of waterways, timely and accurate flood warnings, smart booking and permits
- recreational mobility enhancements such as cross-park trails and bikes on buses to enable more people access and experiences
- regional collaboration and design thinking to leverage shared technologies and infrastructure
- an increase in population will likely increase the number of parks visits and volunteers supporting health and wellbeing

- promote regional parks and key destinations in them as “must see and do” to support regional economic growth and as international tourism recovers from the impacts of COVID-19
- benefits from reduced economic activity on some environmental outcomes
- additional benefits from economic recovery could support habitat protection, pest control and biodiversity on public lands
- increased expectation of community to be involved in decision making and achievement of environmental outcomes

Challenges

- an ageing population will increase the demand for more accessible parks facilities and experiences
- increased number of consent application and monitoring putting pressure on resources
- risk of degradation of natural resources from development and enhanced resource take
- increasing pressure to build on areas that are subject to a high flood hazard risk
- growth in demand for water monitoring
- increasing pressure on resources in regulation, monitoring and community engagement
- decline in water quality, quantity and biodiversity, increased pest risk and societal demand to restore the natural environment
- more frequent and intense flood events with the potential to cause increased damage to property and damage infrastructure
- increased land use change

Significant negative effects and how we will address them

Pest Management – the control of pest animals and plants requires a range of methods including pesticides. Some people object to any form of animal control especially for game animals. There are also some objections to the use of chemicals to control pest plants and animals, of particular concern to some sectors of the community is the use of the toxin 1080 and the use of glyphosate (Roundup).

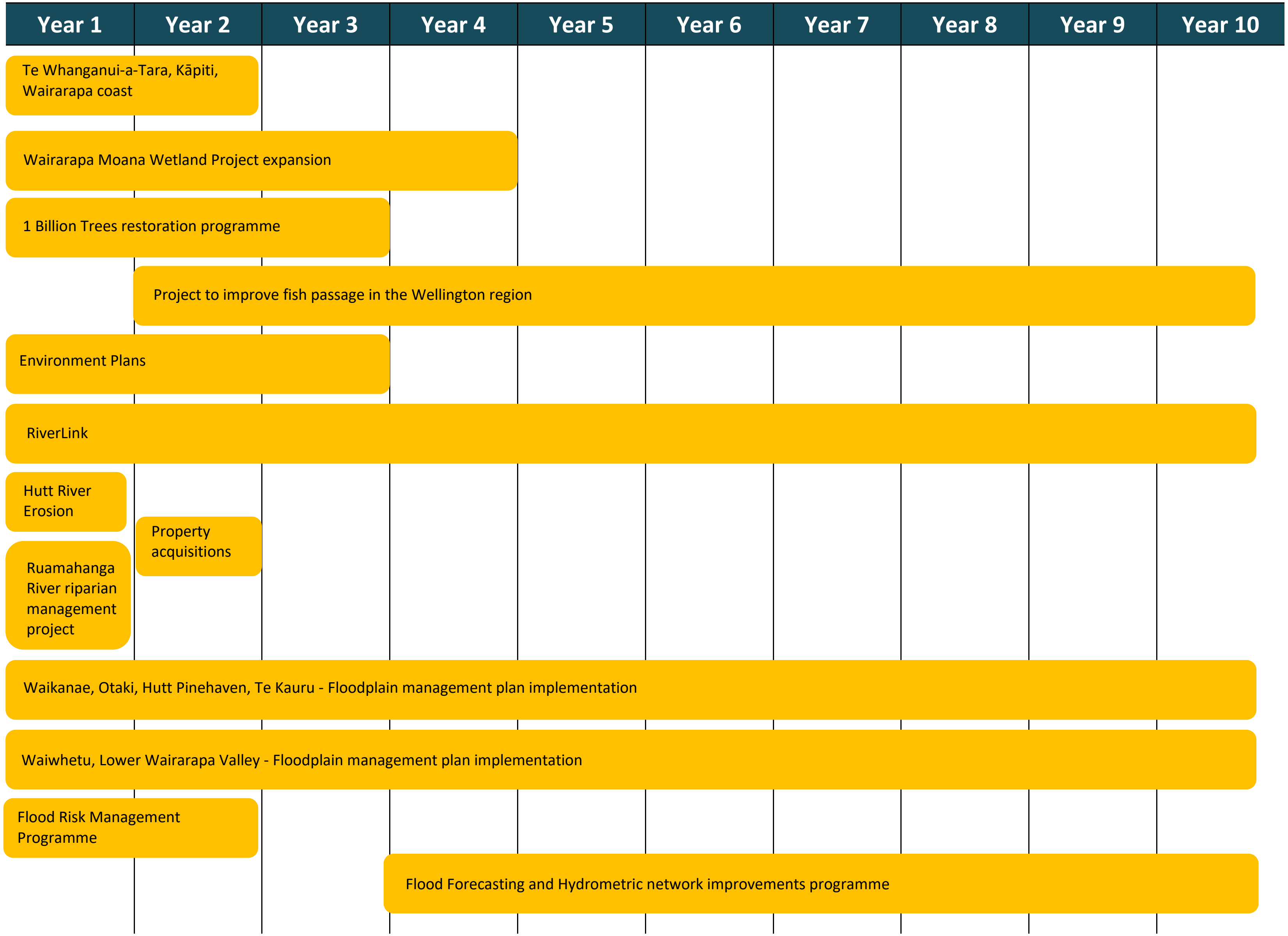
We will address these effects by carrying out pest control activities led by national best practice. We follow guidelines and rules set by the Environmental Protection Authority and WorkSafe. Our staff are trained experts in pest plant and animal management and certified to use pesticides. If there are cost-effective pest control methods that do not involve pesticides then we will consider using them. We use the least toxic chemical that will be effective in any given situation.

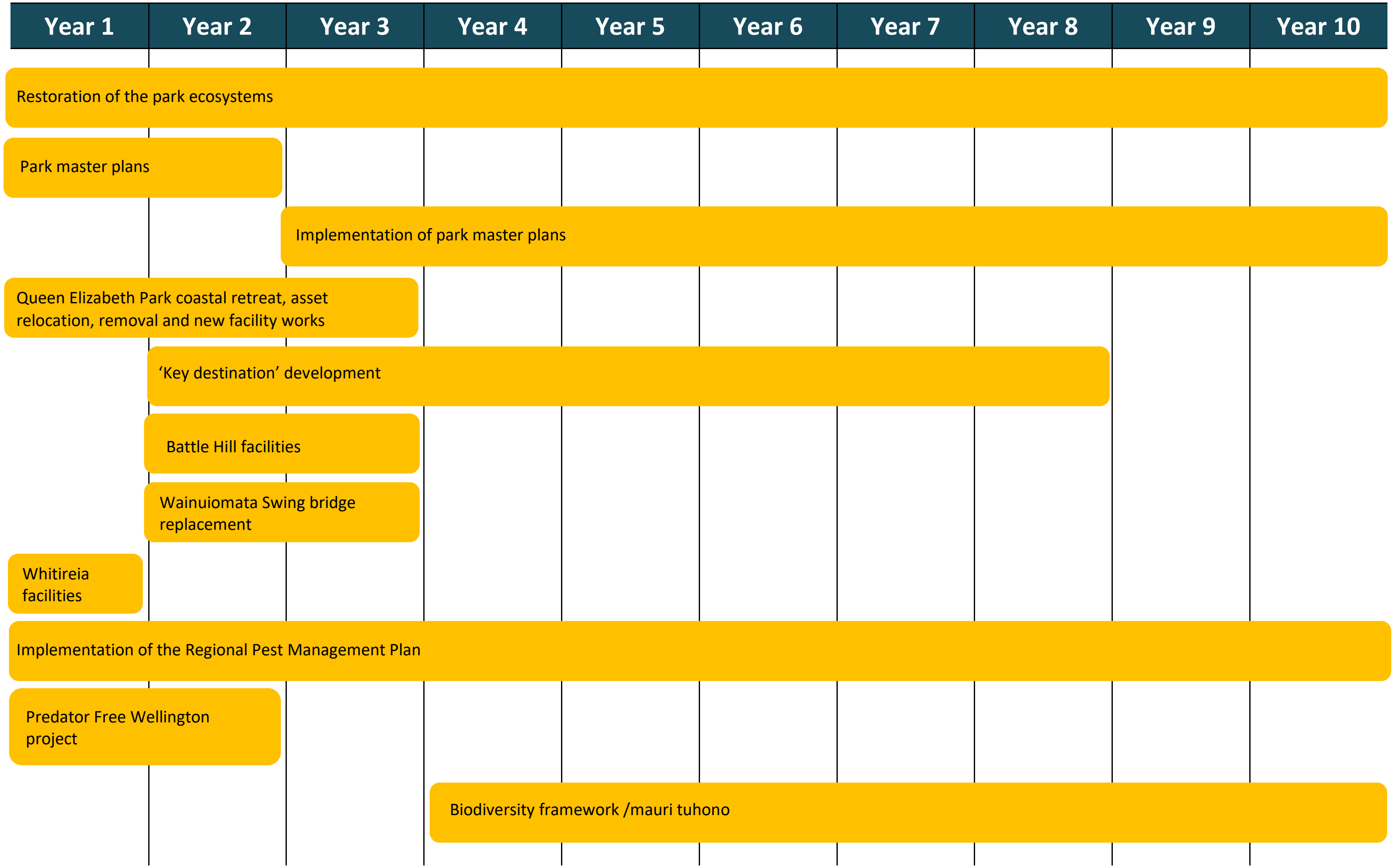
Flood Control Works – there is the potential for flood protection projects, and maintenance operations to have a negative effect on river ecology and natural character of the river and therefore our natural environment.

We will address these effects by minimising the impact of flood protection projects, maintenance operations on the environment by using a range of methods such as working within our Code of Practice and undertaking riparian planting and integrating land use and water management planning.

Regional Parks – stock grazing land management activities have high impacts on a range of ecosystem services, recreation amenity values and organisational reputation as custodian of parks for the community. Insufficient pest control can have significant impacts on environmental health and the success of restoration work.

Projects and key programmes of the Environment and Flood Protection Group




Year 1
Year 2
Year 3
Year 4
Year 5
Year 6
Year 7
Year 8
Year 9
Year 10
Restoration of the park ecosystems
Park master plans
Implementation of park master plans
Queen Elizabeth Park coastal retreat, asset relocation, removal and new facility works
'Key destination' development
Battle Hill facilities
Wainuiomata Swing bridge replacement
Whitireia facilities
Implementation of the Regional Pest Management Plan
Predator Free Wellington project
Biodiversity framework /mauri tuhono

Performance measures

Community Outcome	Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2022/23 Target	2023/24 Target	2024-31 Target	Reporting Activity
Thriving Environment	Protect and restore our freshwater quality and blue belt	Delivery of the Ruamāhanga, Te Awarua-o-Porirua and Te Whanganui-a-Tara Whaitua implementation programmes	Water quality in the region is maintained or improved	Water quality in priority freshwater management units is maintained or improved, as measured against Whaitua Implementation Programme objectives	New Measure	Achieved	Achieved	Achieved	Achieved	Environment
			Support landowners through incentive funding and advice to develop and implement freshwater farm plans, which reduce nutrient and sediment discharges.	Percentage of Greater Wellington incentive funding used to advance Whaitua Implementation Programme priorities, through completion of high impact freshwater farm plan actions	New Measure	75%	75%	75%	75%	Land management
			Deliver treatment programme on identified erosion-prone land	Erosion-prone hill country treated	755 ha	800 ha	825 ha	850 ha	850 ha	
			Provide environmental information to the community and our stakeholders	Environmental information is made available to the public via LAWA[7] and Greater Wellington websites	New Measure	Achieved	Achieved	Achieved	Achieved	Resource management
			Monitor compliance with resource consents	Where rates of compliance for high risk activities are less than 80 percent, develop and implement a strategy to improve the rate of compliance	> 80%	Improved	Improved	Improved	Improved	
			Customer satisfaction for the resource consent service	Level of overall satisfaction with consent processing services	4.33	> 4 when measured on a scale of 1 to 5	> 4 when measured on a scale of 1 to 5	> 4 when measured on a scale of 1 to 5	> 4 when measured on a scale of 1 to 5	

[7] LAWA = Land, Air, Water Aotearoa (https://www.lawa.org.nz/)

Community Outcome	Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2022/23 Target	2023/24 Target	2024-31 Target	Reporting Activity
Thriving Environment *(continued)*	Protect and restore indigenous biodiversity and ecosystem health Implementing nature based solutions to climate change	Re-afforestation and protection and restoration of wetlands across our regional parks network	Protect and care for the environment, landscape and heritage	Grazed land retired and restored to its native state	New Measure	100 ha	100 ha	100 ha	150 ha	Regional Parks
				Indigenous species planted	63,000	55,000	60,000	65,000	70,000	
		Improve recreational enjoyment and environmental value of regional parks	Customer satisfaction and improved public access	Percentage of regional park visitors that are satisfied with their experience	98%	95%	95%	95%	95%	
				Annual number of visits to a regional park	1.76 million	Increase from baseline	Increase from previous year	Increase from previous year	Increase from previous year	
		Implement the Regional Pest Management Plan (RPMP) and support Predator Free Wellington Initiatives	Provide pest species control services across the region	Provide pest animal and plant management as per RPMP Operational Plans	Not Achieved	Achieved	Achieved	Achieved	Achieved	Pest management
				Provide pest species control services as agreed under Predator Free Wellington	New Measure	Achieved	Achieved	Achieved	Achieved	
			Implement the objectives of the Greater Wellington Biodiversity Strategy	Biodiversity Strategy objectives are being actively progressed by Greater Wellington	New Measure	Achieved	Achieved	Achieved	Achieved	Biodiversity management
Resilient future	Communities safeguarded from major flooding	RiverLink flood control works completed	Progress towards completion of the RiverLink flood control works	Implement RiverLink in accordance with the approved Preliminary Design	New Measure	Statutory approvals issued	Construction started	Construction progressed	Construction complete	Flood protection and control works
			Provide the standard of flood protection agreed with communities	Major flood protection and control works are maintained, repaired and renewed to the key standards defined in relevant planning documents	Yes	Yes	Yes	Yes	Yes	
			Provide information and understanding of flood risk in the community	Percentage of identified vulnerable floodplains with a flood management plan in place	30%	35%	35%	40%	50%	
			Manage the safety of marine activities in the region's waters	Percentage of identified risks within the Harbour Risk Assessment that have been reviewed	New Measure	50%	60%	70%	80%	Harbour management

Funding impact statements

ENVIRONMENT AND FLOOD PROTECTION PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Sources of operating funding											
General rate	47,897	56,835	61,786	66,840	72,264	75,099	75,986	77,890	79,614	81,017	81,976
Targeted rate	9,129	9,178	10,612	11,286	12,554	12,898	13,829	14,120	13,819	14,637	14,982
Subsidies and grants for operating purposes	2,929	10,944	3,391	1,602	1,653	-	-	-	-	-	0
Fees and charges	7,789	8,270	7,998	9,692	9,924	10,178	10,419	10,677	10,948	11,231	11,528
Fines, infringement fees, and other receipts	10,540	15,132	10,696	8,370	7,386	6,782	6,525	7,106	7,262	7,614	7,695
Total operating funding	**78,284**	**100,359**	**94,483**	**97,790**	**103,781**	**104,957**	**106,759**	**109,793**	**111,643**	**114,499**	**116,181**
Applications of operating funding											
Payments to staff and suppliers	57,143	64,712	61,097	65,591	70,326	66,809	67,072	68,750	70,489	71,298	72,423
Finance costs	5,999	5,581	5,786	5,885	5,691	5,480	5,239	5,135	5,141	5,185	5,021
Internal charges and overheads applied	15,321	17,406	17,914	18,311	18,575	18,788	19,098	19,540	19,952	20,337	20,234
Total applications of operating funding	**78,463**	**87,699**	**84,797**	**89,787**	**94,592**	**91,077**	**91,409**	**93,425**	**95,582**	**96,820**	**97,678**
Surplus/(deficit) of operating funding	**(179)**	**12,660**	**9,686**	**8,003**	**9,189**	**13,880**	**15,350**	**16,368**	**16,061**	**17,679**	**18,503**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	18,173	20,673	30,074	142	13,422	9,332	15,737	5,900	(5,621)	(1,585)	(3,012)
Gross proceeds from asset sales	1,002	261	288	7,646	231	317	422	288	6,161	382	472
Total sources of capital funding	**19,175**	**20,934**	**30,362**	**7,788**	**13,653**	**9,649**	**16,159**	**6,188**	**540**	**(1,203)**	**(2,540)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	5,352	-	-	-	-	-	-	-	-	-
- to improve the level of service	14,473	10,815	10,683	7,946	10,273	10,113	12,361	8,233	5,663	6,205	3,940
- to replace existing assets	8,040	17,380	29,128	7,854	11,704	12,488	17,964	13,107	9,795	9,058	10,814
Increase / (decrease) in investments	279	241	251	258	278	299	322	345	366	389	402
Increase / (decrease) in reserves	(3,796)	(194)	(14)	(267)	587	629	862	871	777	824	807
Total applications of capital funding	**18,996**	**33,594**	**40,048**	**15,791**	**22,842**	**23,529**	**31,509**	**22,556**	**16,601**	**16,476**	**15,963**
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Environment and Flood Protection assets	5,190	5,317	6,196	6,909	7,144	7,604	8,077	8,461	8,668	8,770	8,873

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

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

All figures on this page exclude GST.

ENVIRONMENT AND FLOOD PROTECTION PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE

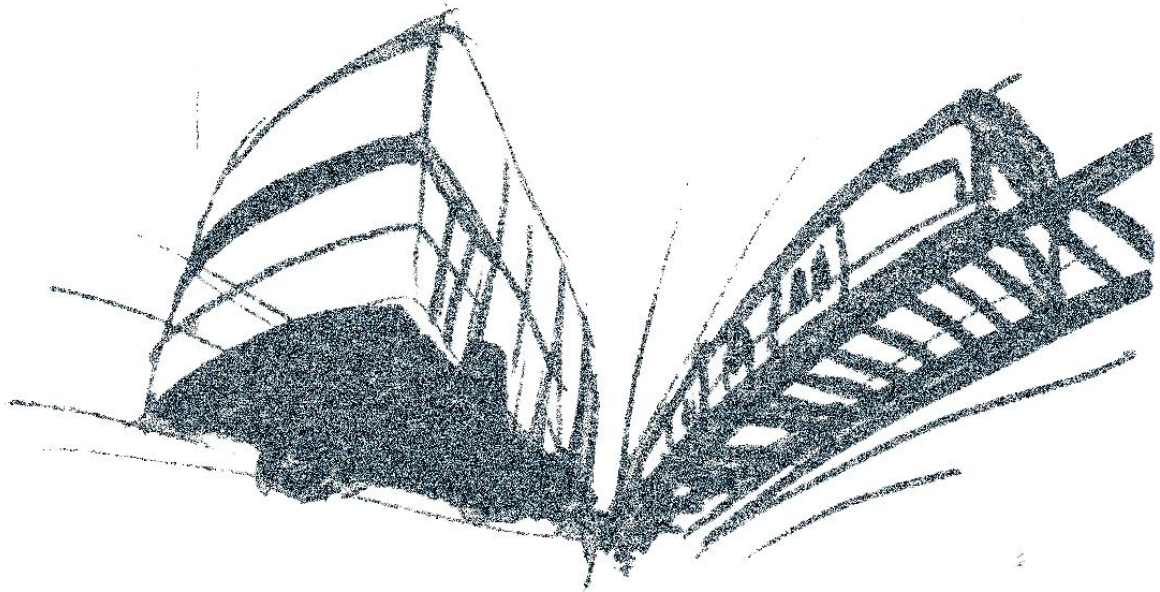
	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 LTP $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Operating funding											
Flood protection and control works	24,965	33,458	28,557	28,812	30,828	30,507	31,689	32,729	32,835	34,357	35,276
Regional parks	6,711	7,897	8,537	8,819	11,350	12,076	12,389	13,556	13,603	14,038	14,531
Resource management	24,588	27,614	28,165	29,759	30,293	30,837	30,680	30,641	31,488	31,567	31,148
Land management	7,920	11,636	12,067	11,870	12,224	12,605	12,856	13,170	13,439	13,788	14,079
Biodiversity management	4,778	6,191	6,484	7,352	8,016	7,560	7,527	7,851	8,009	8,184	8,313
Pest management	6,939	10,967	7,972	8,398	8,266	8,464	8,627	8,824	9,164	9,352	9,526
Harbour management	2,383	2,597	2,701	2,779	2,805	2,907	2,991	3,022	3,104	3,214	3,307
Total operating funding	**78,284**	**100,359**	**94,483**	**97,790**	**103,781**	**104,957**	**106,759**	**109,793**	**111,643**	**114,499**	**116,181**
Applications of operating funding											
Flood protection and control works	22,947	22,475	21,379	23,573	24,962	20,379	20,345	20,654	21,156	21,472	21,454
Regional parks	6,684	6,904	7,374	7,540	9,923	10,318	10,552	11,445	11,450	11,605	12,001
Resource management	24,967	26,959	27,040	28,605	28,914	29,477	29,126	29,082	29,930	29,995	29,801
Land management	9,177	11,459	11,893	11,712	12,059	12,394	12,706	13,005	13,261	13,561	13,899
Biodiversity management	5,070	6,182	6,469	7,319	7,920	7,438	7,381	7,676	7,809	7,957	8,058
Pest management	7,254	11,154	8,015	8,339	8,061	8,253	8,412	8,602	8,936	9,117	9,285
Harbour management	2,364	2,567	2,627	2,699	2,754	2,818	2,887	2,960	3,041	3,113	3,180
Total applications of operating funding	**78,463**	**87,699**	**84,797**	**89,787**	**94,592**	**91,077**	**91,409**	**93,425**	**95,582**	**96,820**	**97,678**
Capital expenditure											
Capital projects	21,681	32,495	38,684	14,633	21,066	21,339	28,953	20,271	14,208	13,970	13,136
Capital project expenditure	**21,681**	**32,495**	**38,684**	**14,633**	**21,066**	**21,339**	**28,953**	**20,271**	**14,208**	**13,970**	**13,136**
Land and buildings	-	-	-	-	-	-	-	-	-	-	-
Plant and equipment	23	165	165	151	43	216	164	92	179	87	290
Vehicles	809	887	962	1,016	868	1,046	1,208	977	1,071	1,206	1,328
Total capital expenditure	**22,513**	**33,547**	**39,811**	**15,800**	**21,977**	**22,601**	**30,325**	**21,340**	**15,458**	**15,263**	**14,754**

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

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

All figures on this page exclude GST.

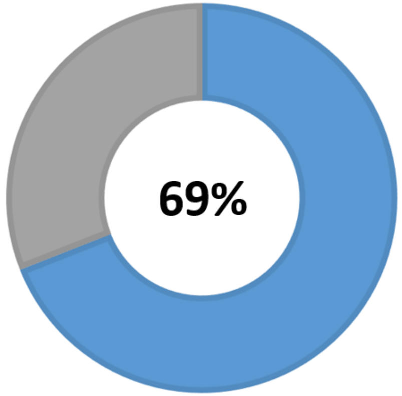
Metlink Public Transport



What we do

Our Metlink public transport network is fundamental to keeping people moving in our region. Greater Wellington manages the Metlink public transport network and delivers public transport services to the regional population. We deliver services across an integrated network of bus routes, five passenger rail lines, the harbour ferry service and total mobility. Passengers, ratepayers and road users all help fund these services through fares, rates and a subsidy from Waka Kotahi (the New Zealand Transport Agency). We are also responsible for developing and maintaining public transport infrastructure including railway stations, train maintenance depot, bus and ferry shelters, signs, and Park & Ride facilities. We are focussed on becoming a smarter, cleaner region by encouraging more people to travel by bus, train and ferry, especially at peak times.

10 Year Average Operating expenditure



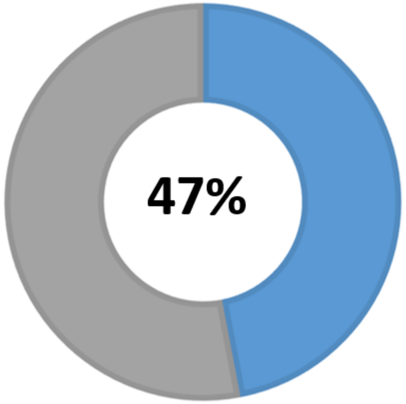
Our Metlink Public Transport group of activities contributes towards the following Community Outcomes:

Connected communities – people can get to the places they want to go to by using an accessible and efficient network

Thriving environment – with electrification of our network we are creating a more sustainable and low carbon region

Resilient future – people can move around the region on a public transport network that is future proofed

10 Year Average Capex Expenditure



Activities of the Metlink Public Transport Group

Strategy and Customer

The Strategy and Customer activity involves planning for a network that operates efficiently and effectively, and reviews services to ensure they are meeting the needs of the community. We deliver our strategic priorities through three key result areas: reducing public transport emissions by accelerating decarbonisation of the vehicle fleet (bus, rail, and ferry), achieving an increase in regional mode share for public transport including the delivery and implementation of Let’s Get Wellington Moving, and improving the customer experience across all areas of the public transport network. The customer experience lies at the heart of what we do. Through transforming and elevating the customer experience and ease of use of Metlink’s passenger services and infrastructure, we will have a service that responds to customer needs.

Operations and Commercial Partnerships

The Operations and Commercial Partnerships activity works to provide a high quality public transport network to improve journey times, is reliable and attracts users. Through the delivery of rail, bus, ferry and total mobility services in close partnership with our operators, Metlink provides the infrastructure and service delivery to support a high capacity, high quality, high frequency core public transport network.

Assets and Infrastructure

Our Assets and Infrastructure activity supports the overall strategic priority of an efficient, accessible and low carbon public transport network. We do this by providing high quality, reliable, safe, accessible and customer-focused public transport services using modern vehicles and infrastructure. Assets and infrastructure ensures that all vehicles and vessels continue to meet vehicle and vessel quality standards. We also work closely with our customer experience teams to improve the accessibility and standards of vehicles and access to infrastructure and facilities.

Other things you need to know

Greater Wellington manages the Metlink Public Transport network, delivering public transport services throughout the Wellington Region. Metlink provides more than 38 million journeys a year on buses, trains and ferries across the region. It also manages local railway stations, shelters, signage and Park & Ride facilities.

To build a world-class, reduced emissions network, we're making big improvements over the next 10 years to deliver faster, affordable, reliable and more frequent services for everyone.

The proposed draft Wellington Regional Public Transport Plan 2021-31 has just been through a public consultation process, so it's not discussed here, but it responds to the strategic priority of an efficient, accessible and low carbon public transport network. It will achieve that through increased use of public transport instead of private vehicles, reducing the carbon footprint of the public transport fleet and improving the public transport customer experience.

What else is changing?

- These areas have also formed part of our planning for public transport:
- The Employment Relations Amendment Act 2018 came into effect in May 2019, providing drivers with more rest and meal breaks, and dedicated rest facilities. Metlink has been working with unions, territorial authorities and our operators to ensure the implementation of these changes for drivers.
- The COVID-19 pandemic brought public transport travel to a grinding halt in 2020. Buses and trains had more regular and thorough cleaning processes to minimise the possibility of virus exposure and there was compliance with central government's decisions to make facemasks mandatory. Metlink supported customers by providing facemasks to those who didn't have them. Patronage has now recovered to over 80 percent of pre-COVID levels, but reduced ongoing revenue from fares is projected to continue across the first three years of this Plan.
- Customer feedback has clearly signalled two things we need to focus on over next ten years: investment in reducing emissions and providing seamless connections.

10 year focus

- Continuously improve our levels of service to customers
- Unlock capacity to cater for ongoing and expected high levels of population and economic growth
- Improve the resilience of the public transport network
- Deliver a National Ticketing Solution. Enhanced real time information and improved digital technology will improve customer experience and deliver a truly integrated and connected transport network

Relationship with mana whenua and mātāwaka

Metlink is committed to partnering with mana whenua. The Regional Public Transport Plan contains key actions Metlink will undertake to ensure there is a strong and enduring relationship with mana whenua. These actions involve working with Greater Wellington's six mana whenua partners: Ātiawa ki Whakarongotai Charitable Trust; Ngā Hapū ō Ōtaki; Ngāti Kahungunu ki Wairarapa Charitable Trust; Port Nicholson Block Settlement Trust, Taranaki Whānui; Rangitāne ō Wairarapa Inc and Te Rūnanga Toa Rangatira Inc to:

- develop a responsiveness to Māori framework for public transport that includes:
  - kaupapa Māori principles to enhance the design of public transport activity and guide current and future public transport policy
  - strategies to reach Māori communities and build relationships to encourage public transport use
  - Māori values reflected in the built environment through our design principles and sustainability interfaces
  - extending the use of Te Reo Māori in customer information channels and fare payment methods
- ensure that the public transport network aligns to new and existing papakāinga developments and marae within the region

Opportunities and challenges

Opportunities

More customers, improved services, improved customer journeys and better infrastructure:

- New technology will help facilitate the implementation of a nation-wide public transport electronic ticketing system. This system will provide customers with a more convenient payment solutions, integrated fares across all modes of travel (bus, ferry, and rail) as well as integration with other external transport providers
- New approaches such as transit oriented design and 'On-Demand' public transport services to complement or replace traditional public transport infrastructure and services, or to provide services to communities in areas not currently served by public transport
- The Government declaration of a climate change emergency presents an opportunity to explore a more ambitious and rapid decarbonisation pathway for all modes of public transport travel, enabling us to consider innovative ways to further decarbonise the Metlink bus, rail and ferry fleet
- Maintain and improve high levels of customer satisfaction through the delivery of effective public transport services. Adapt to changes to patronage and travel trends as a result of the COVID-19 pandemic through the flexible delivery of services that respond to changes in network demand
- The rise of electronic advertising and new technology on buses presents an opportunity for Metlink / Greater Wellington to explore ways of enriching customer experience on board through the provision of information, whilst also generating complementary revenue streams.

Challenges

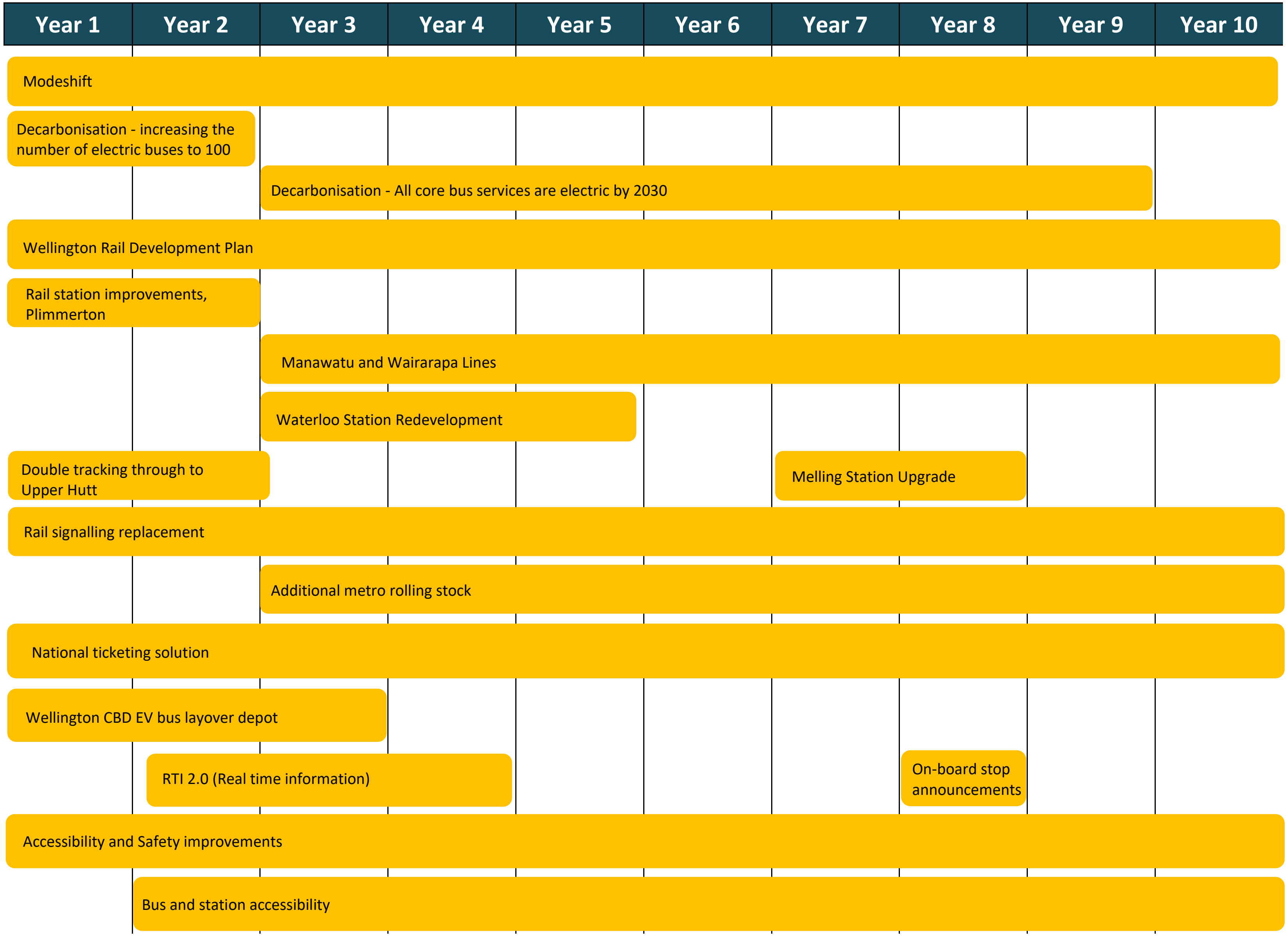
More customers, service delivery, customer journeys and infrastructure:

- Ensuring public transport capacity meets demand, then balancing this demand and our levels of service, with investment demands and affordability for users and ratepayers
- Responding to the short, medium and long-term impacts of COVID-19 on people's transport behaviour, patronage on the network, travel patterns and revenue impacts
- Changing demographics, populations and travel patterns may result in existing and new communities requiring additional service stops or routes. There will also be a need to address a greater volume of private vehicles. Metlink needs to keep encouraging mode shift to public transport from private car use post the implementation of significant regional roading improvements
- A changing climate is resulting in more frequent and severe weather events. Metlink must invest in infrastructure improvements, particularly rail infrastructure, to build resilience and mitigate the effect of these events on our network
- Advancements in digital technology will increase the expectations of customer service for accessibility, responsiveness and ease – with a specific focus on customer experience
- The emergence of 'mobility as a service' apps and the advent of, and increase in, autonomous vehicle and car sharing schemes could result in significant changes to the role of public transport. We need to respond to this changing role by integrating more active modes into public transport journey options

Potential negative effects and how we will address them

There is the potential for public transport projects and ongoing operations to have adverse effects on environmental wellbeing, although public transport has an overall positive effect on carbon emissions in the region. To mitigate possible adverse effects we will seek to minimise the impact of public transport projects and operations, for example, by taking steps to further decarbonise the bus network, and appropriately managing the storm water run-off from sealed car-parks.

Projects and key programmes of the Metlink Public Transport Group



Performance measures

Community Outcome	Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2022/23 Target	2023/24 Target	2024-31 Target	Reporting Activity
Connected Communities Resilient Future Thriving Environment	An efficient, accessible and low carbon public transport network	Improving the customer experience across all areas of the public transport network	Provide a consistent and high quality customer experience across the public transport network	Passengers overall satisfaction with the Metlink public transport network[8]	New Measure	>92% customer satisfaction score	>92% customer satisfaction score	>92% customer satisfaction score	>92% customer satisfaction score	Network & Customer
		40 percent increase in regional mode share for public transport and active modes by 2030	Promote and encourage people to move from private vehicles to public transport and active modes (e.g. walking, cycling, micromobility)	Proportion of Wellington public transport and active mode share of journeys	New Measure	35.05%	36.40%	37.74%	47.18%	Strategy & Investment
		Reducing public transport emissions by accelerating decarbonisation of the vehicle fleet (bus, rail, ferry)	Gross emissions for Metlink's public transport fleet will be minimised, reducing the offsets required to reach net carbon neutrality	Tonnes of CO_2 emitted per year on Metlink Public Transport Services	New Measure	20,626.3 tonnes	19,222.6 tonnes	17,818.9 tonnes	7,993 tonnes	
			Reduction of accidental death and serious injury on the public transport network and prioritisation of safety and maintenance on the Public Transport network to encourage safe behaviours	Accidental deaths and serious injuries sustained on the Public Transport network as a result of Metlink or operator activity	New Measure	Reduction compared to baseline	Reduction compared to previous year	Reduction compared to previous year	Reduction compared to previous year	Network & Customer

[8] The Metlink Public Transport Passenger Satisfaction Survey, which is run twice yearly, is used to determine Customer Satisfaction.

Funding impact statements

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

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Sources of operating funding											
General rate	-	-	-	-	-	-	-	-	-	-	-
Targeted rate	76,798	81,810	91,434	111,353	122,366	141,734	164,333	186,053	199,180	200,607	206,927
Subsidies and grants for operating purposes	175,412	196,006	154,390	120,715	118,813	126,943	134,008	150,340	153,836	161,491	169,669
Fees and charges	104,419	97,348	100,934	106,123	112,242	118,756	125,697	132,831	140,450	148,644	157,306
Fines, infringement fees, and other receipts [1]	7,102	4,109	4,142	4,128	4,286	4,481	4,550	4,710	4,835	5,003	5,071
Total operating funding	**363,731**	**379,273**	**350,900**	**342,319**	**357,707**	**391,914**	**428,588**	**473,934**	**498,301**	**515,745**	**538,973**
Applications of operating funding											
Payments to staff and suppliers	328,654	349,602	316,720	297,184	305,050	326,808	346,984	384,677	398,848	421,104	445,393
Finance costs	12,004	10,259	9,623	9,406	9,542	10,115	10,883	11,955	13,350	14,148	13,520
Internal charges and overheads applied	12,223	14,764	15,195	15,531	15,756	15,936	16,199	16,574	16,924	17,250	17,163
Total applications of operating funding	**352,881**	**374,625**	**341,538**	**322,121**	**330,348**	**352,859**	**374,066**	**413,206**	**429,122**	**452,502**	**476,076**
Net surplus/(deficit) of operating funding	**10,850**	**4,648**	**9,362**	**20,198**	**27,359**	**39,055**	**54,522**	**60,728**	**69,179**	**63,243**	**62,897**
Sources of capital funding											
Subsidies and grants for capital expenditure	14,300	18,285	28,075	35,119	110,765	194,987	270,449	281,937	103,453	15,955	16,130
Increase / (decrease) in debt [2]	173	9,262	13,281	7,658	41,848	63,938	83,061	79,961	52,877	(2,974)	(21,557)
Gross proceeds from asset sales	-	10	10	-	-	11	11	-	-	12	12
Total sources of capital funding	**14,473**	**27,557**	**41,366**	**42,777**	**152,613**	**258,936**	**353,521**	**361,898**	**156,330**	**12,993**	**(5,415)**
Applications of Capital Funding											
Capital expenditure											
- to meet additional demand	-	-	-	222	24,720	41,284	51,406	59,084	55,506	41,629	22,478
- to improve the level of service	7,093	3,328	5,738	11,296	9,229	12,993	9,046	3,481	3,578	3,678	2,523
- to replace existing assets	901	13,468	31,160	24,372	3,420	3,242	3,866	5,051	4,566	4,098	3,061
Increase / (decrease) in investments[2]	17,689	17,655	18,024	27,045	135,742	242,401	341,723	356,928	159,087	24,007	26,556
Increase / (decrease) in reserves	(360)	(2,246)	(4,194)	40	6,860	(1,929)	2,002	(1,918)	2,772	2,824	2,864
Total applications of capital funding	**25,323**	**32,205**	**50,728**	**62,975**	**179,971**	**297,991**	**408,043**	**422,626**	**225,509**	**76,236**	**57,482**
Surplus/(deficit) of funding	-	-	-	-	-	--	--	--	--	--	--
Depreciation on Public Transport assets	6,390	7,840	8,843	12,426	13,456	15,415	18,090	21,182	24,541	27,762	30,287

[1] This includes revenue from Greater Wellington Rail Limited for services provided to manage the rail assets.

[2] Greater Wellington fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the Waka Kotahi / NZ Transport Agency.

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

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

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

All figures on this page exclude GST.

METLINK PUBLIC TRANSPORT PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Operating funding											
Metlink network planning and operations	23,485	-	-	-	-	-	-	-	-	-	-
Rail operations and asset management	227,302	-	-	-	-	-	-	-	-	-	-
Bus and ferry operations and asset management	112,944	-	-	-	-	-	-	-	-	-	-
Strategy and customer	-	2,406	4,470	8,600	13,291	17,458	22,516	27,694	31,710	33,145	31,546
Operations and commercial relationships	-	250,616	278,221	274,675	291,087	299,452	324,305	347,500	364,687	385,285	407,053
Assets and infrastructure	-	126,251	68,209	59,044	53,329	75,004	81,767	98,740	101,904	97,315	100,374
Total operating funding	**363,731**	**379,273**	**350,900**	**342,319**	**357,707**	**391,914**	**428,588**	**473,934**	**498,301**	**515,745**	**538,973**
Applications of operating funding											
Metlink network planning and operations	23,376	-	-	-	-	-	-	-	-	-	-
Rail operations and asset management	219,387	-	-	-	-	-	-	-	-	-	-
Bus and ferry operations and asset management	110,118	-	-	-	-	-	-	-	-	-	-
Strategy and customer	-	2,099	3,487	6,556	8,594	9,281	10,211	10,877	11,830	12,852	12,975
Operations and commercial relationships	-	259,067	284,670	273,140	278,728	294,921	314,475	340,749	353,230	373,283	394,314
Assets and infrastructure	-	113,459	53,381	42,425	43,026	48,657	49,380	61,580	64,062	66,367	68,787
Total applications of operating funding (excluding improvements)	**352,881**	**374,625**	**341,538**	**322,121**	**330,348**	**352,859**	**374,066**	**413,206**	**429,122**	**452,502**	**476,076**
Net surplus/(deficit) of operating funding	**10,850**	**4,648**	**9,362**	**20,198**	**27,359**	**39,055**	**54,522**	**60,728**	**69,179**	**63,243**	**62,897**
Investments in Greater Wellington Rail Limited [1]											
Rail operations and asset management	**17,689**	**17,655**	**18,024**	**27,045**	**135,742**	**242,401**	**341,723**	**356,928**	**159,087**	**24,007**	**26,556**
Total investment expenditure	**17,689**	**17,655**	**18,024**	**27,045**	**135,742**	**242,401**	**341,723**	**356,928**	**159,087**	**24,007**	**26,556**
Capital expenditure											
Public transport network and infrastructure	7,994	16,756	36,858	35,890	37,369	57,475	64,273	67,616	63,650	49,357	28,013
Total capital project expenditure	**7,994**	**16,756**	**36,858**	**35,890**	**37,369**	**57,475**	**64,273**	**67,616**	**63,650**	**49,357**	**28,013**
Vehicles	-	40	40	-	-	44	45	-	-	48	49
Total capital expenditure	**7,994**	**16,796**	**36,898**	**35,890**	**37,369**	**57,519**	**64,318**	**67,616**	**63,650**	**49,405**	**28,062**
Total Investment in Public Transport Infrastructure	**25,683**	**34,451**	**54,922**	**62,935**	**173,111**	**299,920**	**406,041**	**424,544**	**222,737**	**73,412**	**54,618**

[1] Greater Wellington fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the Waka Kotahi / NZ Transport Agency.

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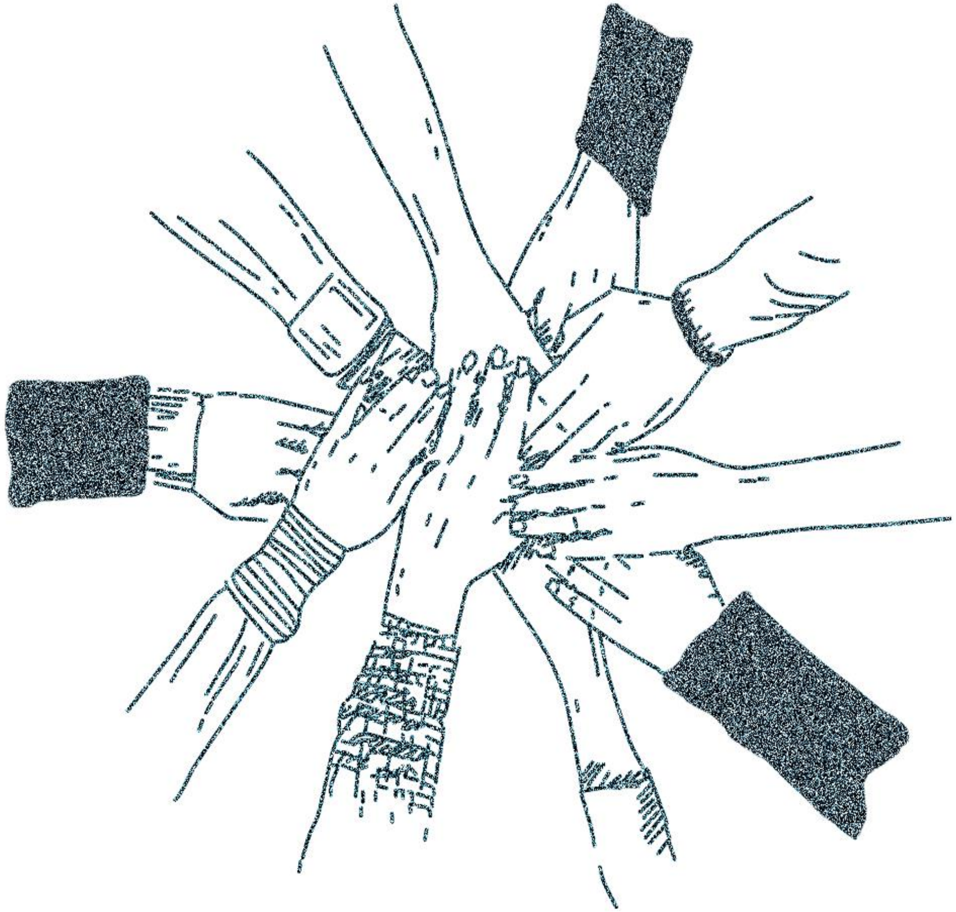
Regional Strategy and Partnerships



What we do

Greater Wellington coordinates regional strategy and partnerships activities on a range of issues and priorities across the region. Our long-term approach is to build, develop and maintain strong relationships at all levels so we can achieve integrated decision making at a regional level and to ensure successful delivery of key regional projects. This includes building sustainable partnerships and relationships with mana whenua and regional planning with other local governments and central government.

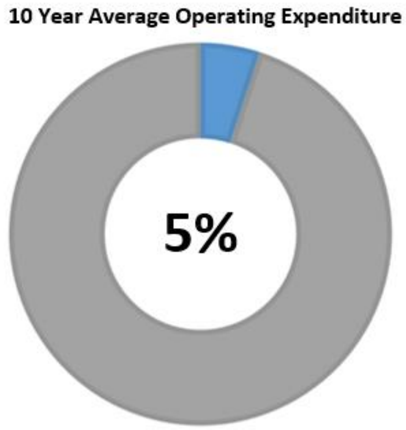
As the only regional government organisation in the Wellington Region, we coordinate regional spatial and transport planning, planning for action on climate change, regional economic development plans and emergency management. Many of the issues faced by our communities are complex and require a regional whole-of-system approach, including regional recovery as we transition to living in a COVID-19 era. We connect with our communities by actively partnering with mana whenua, and engaging with mātāwaka, key stakeholders, central government and local communities to have wider conversations.

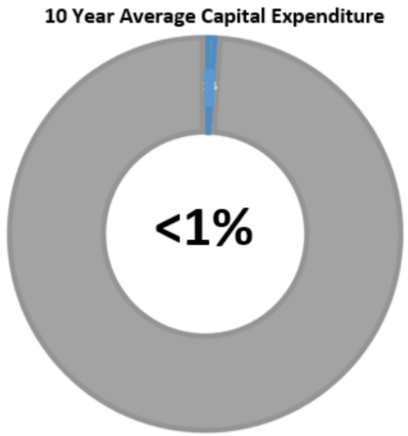
This group of activities supports our Community Outcomes:

Thriving environment – we lead from the front to ensure our environment is front and centre

Connected communities – people are engaged in the decisions that affect them

Resilient future – we plan for the big issues by connecting the dots, ensuring the future is resilient





Activities of the Regional Strategy and Partnerships Group

Regional partnerships with mana whenua and Māori.

The regional mana whenua relationships activity leads the organisation's approach to improving outcomes for mana whenua and Māori. This requires a programme focused on systemic changes to unlock the potential for mana whenua and Māori through the work that council delivers. The activity builds an organisational approach to partnership including co-design, co-governance and co-management opportunities with mana whenua that enhance and influence the strategic and operational outcomes of mana whenua and Māori across our work programmes. We aim to strengthen the capacity of mana whenua as kaitiaki to engage at all levels through mutually agreed arrangements for both urban and rural environments. We will build on our relationships with mātāwaka Māori through their marae on key projects in which they have shared interests with mana whenua. This programme also supports the advancement of Māori Economic Development through the implementation of the strategy Te Matarau a Māui, towards building prosperous outcomes for Māori of the region.

Climate change

Our Climate Change activity has a dedicated programme to improve organisational transparency and accountability for progressing climate action. We plan to address, respond and deliver on the challenges of climate change and our declared climate emergency. Our role is to accelerate the reduction of corporate carbon emissions, strengthen regional climate action and increase Greater Wellington's role in pursuit of a climate-safe region.

Regional transport planning and programmes

Greater Wellington is responsible for leading the development of objectives, policies and priorities for transport networks and services in the region. Our focus areas are the alignment of priorities, opportunities for advocacy and regional responsiveness. The Regional Transport Committee plays an important role in mediating national and local priorities, advocating for greater regional outcomes and enabling stronger collaboration across regional and district boundaries. The 2021-31 Regional Land Transport Plan (RLTP) is our blueprint for a transport network and recently completed public consultation. The focus of the RLTP is on 10 year transport targets including 40 percent reduction in deaths and serious injuries on our roads, 30 percent reduction in transport-generated carbon emissions and 40 percent increase in active travel and public transport mode share.

Regional spatial planning

The Wellington Regional Growth Framework (WRGF) provides a blueprint for regional growth. It addresses regional issues and provides councils, central government and mana whenua with an agreed regional direction for growth and investment. Greater Wellington is committed to the creation of the Wellington Regional Leadership Committee, a Joint Committee which will be responsible for the implementation of the WRGF. The role of the Joint Committee is to set regional direction and monitor activities with a particular focus on the WRGF, regional economic development and regional recovery.

Regional economic development

Greater Wellington is committed to leading and enabling regional economic development, prioritising COVID-19 recovery and supporting Māori economic development. We are well positioned to lead and facilitate growth and development opportunities and challenges facing our region to ensure the Wellington region is equipped to adapt and thrive into the future, working closely with our regional development agency WellingtonNZ.

Emergency management

The Wellington Region Emergency Management Office (WREMO) co-ordinates Civil Defence Emergency Management (CDEM) services on behalf of the nine local authorities across the Wellington Region including Greater Wellington. Greater Wellington provides equipment and trained staff to operate the Regional Emergency Coordination Centre (ECC) in the case of a civil defence emergency. We also engage in a programme of business continuity by identifying critical business functions and planning for any disruption.

Democratic services

The Democratic Services activity enables citizens and communities to engage with decision makers for the benefit of the region. We oversee Council and committee meetings on behalf of our regional communities. We also review Greater Wellington's representation arrangements, three yearly Council elections and any other elections and polls that are required. Greater Wellington has also established advisory groups to provide advice to the Council on a wide range of matters.

Other things you need to know

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:

- Funding for the feasibility phase of the project of $45m for years 1-3. That's a $31.9m rates impact over 10 years. Implementation phase of the project included in the Metlink Public Transport Group of $295.2m for years 4-10. That's a $99.45m rates impact over years 4-10.

We're focusing on the area from Ngauranga Gorge to Miramar, including the Wellington Urban Motorway, access to the port, hospital and the airport, and connections from the suburban centres to the central city. It looks at all the ways people get to and around our city, and how the city develops alongside its transport system. LGWM's vision is for a great harbour city, accessible to everyone, with attractive places, shared streets, and efficient local and regional journeys.

After releasing a Programme Business Case in 2019, the LGWM team have been progressing individual business cases for key projects, including a Mass Rapid Transit system, improvements on the state highways and bus priority, walking and cycling infrastructure improvements. LGWM will be consulting with stakeholders and the public on options as business cases are further developed. You can find out more at www.lgwm.nz

Wellington Regional Growth Framework (WRGF)

The WRGF is a spatial plan that has been developed by local government, central government and iwi partners in the Wellington-Wairarapa-Horowhenua region to provide an agreed regional direction for growth and investment and to deliver on the Urban Growth Agenda objectives of the Government. The region is facing a number of housing and urban development, transport and resilience challenges for the future, many of these challenges cross local council boundaries and the maximum benefits can be had from tackling these together.

The WRGF identifies how the region could accommodate a future population of 760,000 – an increase of 200,000 – and an additional 100,000 jobs in the next 30 years. The proposed changes to urban form for the region are a mix of development in both Urban Renewal Areas (brownfield) and Future Urban Areas (greenfield). Both are expected to have higher density development than we see at present, throughout the region, and include improved access to bus and rail services, which are expected to increase in frequency, capacity and reach over time.

The WRGF identifies improving west-east connections as an opportunity to unlock growth, improve resilience and improve regional accessibility to economic and social opportunities. The potential housing and urban development capacity of any future west-east multi-modal corridor(s) has yet to be determined and will need consideration alongside potential transport interventions. You can find out more at https://wrgf.co.nz/

Relationship with mana whenua and mātāwaka

We will strengthen systems and processes in working with our six mana whenua partners through a new poutama framework aimed at excellence in all that we do. We will continue to act in a manner that upholds the principles of Te Tiriti o Waitangi and fulfils our statutory obligations to Māori under the guidance of the Mana whenua and Māori Outcomes Framework.

We will aim for excellence in working with other councils and central government agencies to prepare for and position any new settlement redress arrangements as our mana whenua partners complete their Te Tiriti o Waitangi historical negotiations with the Crown and advance their aspirations in the post-settlement environment. We will increase the co-design, co-governance and co-management arrangements and our resources to mana whenua partners as kaitiaki to strengthen their capacity to engage in decision making through mutually agreed arrangements from beginning to end with regards to the natural and urban environments. We will build on our relationships with mātāwaka through their marae on key projects in which they have shared interests with mana whenua. We will also work with mātāwaka and build on the existing key projects on the Māori economy and marae preparedness for civil defence emergencies.

We value the opportunity to work with new emergent legislative and policy requirements. This includes working with mana whenua applicant groupings under the Marine and Coastal Area Act (MACA) and engaging with the new Mana Whakahono-ā-Rohe (Iwi partnership arrangements) under the new Resource Legislation Amendment Act 2017 as required.

Opportunities and challenges

Opportunities

- Opportunities to plan and provide for an uptake in alternative modes of transport
- Strengthen capacity for mana whenua partners as kaitiaki to engage in decision making
- Diversification of the regional economy by growing businesses in new and emerging sectors
- Leading the regional transition to a low carbon economy, which is resilient to the effects of climate change

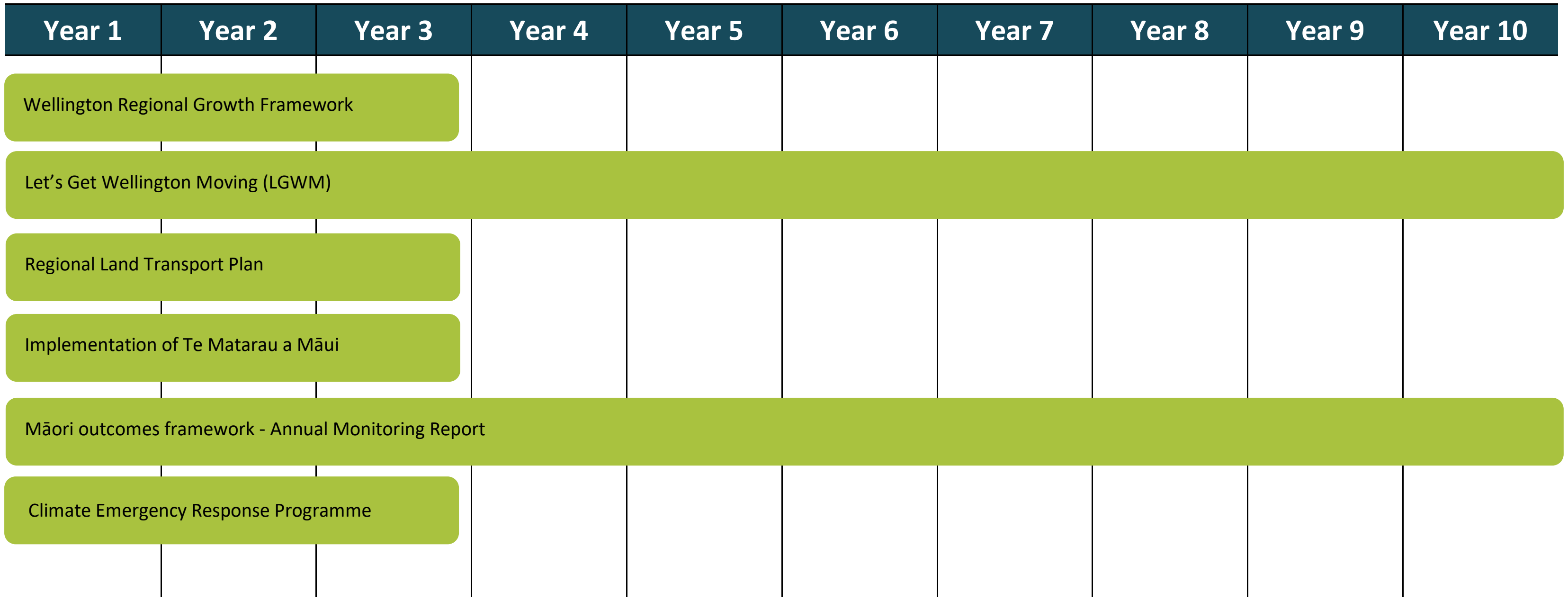
Challenges

- Greater pressures on our transport planning to allow for changing transport dynamics and movement of people around the region
- Robustness of our infrastructure and emergency management functions to respond to emergency situations including the ability to recover quickly
- Spatial planning that takes into account predicted trends in regional population growth and geographic distribution
- Uncertain regional economic growth in the region due to the ongoing COVID-19 pandemic
- Partnerships with mana whenua will be increasingly significant for Greater Wellington as co-design, co-governance, co-management arrangements increase and Te Tiriti o Waitangi/Treaty of Waitangi settlements are finalised in the region.

Potential negative effects and how we will address them

There are no significant negative effects from any Regional Strategy and Partnerships Activities.

Projects and key programmes of the Regional Strategy and Partnerships Group



Performance measures

Community Outcome	Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2022/23 Target	2023/24 Target	2024-31 Target	Reporting Activity
Resilient Future	Taking regional climate action through regional strategy, collaboration and advocacy	Working collectively with partners to take regional climate action	Reduction of Greater Wellington's corporate carbon emissions	Reduction in tonnes of CO_2 equivalent emissions	New measure	Reduction compared with baseline	Reduction compared with previous year	Reduction compared with previous year	Reduction compared with previous year	Climate change
	Regional economic development and recovery in a COVID-19 era	Regional economic recovery including low carbon economic transition	Alignment of Greater Wellington's activities and investment with the priorities of the Wellington Regional Leadership Committee	As the Administering Authority, Greater Wellington will ensure the Committee has an agreed annual work programme and regular progress reporting	New measure	Achieved	Achieved	Achieved	Achieved	Regional economic development
	Leading regional spatial planning	Implement the Wellington Regional Growth Framework								Regional spatial planning
			Maintain a state of readiness of the Emergency Coordination Centre that is appropriately staffed and equipped to respond to an emergency	A team of CIMS[9] trained Greater Wellington staff is ready to respond to an activation of the Emergency Coordination Centre	New measure	Achieved	Achieved	Achieved	Achieved	Emergency management

[9] CIMS = Coordinated Incident Management System

Community Outcome	Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2022/23 Target	2023/24 Target	2024-31 Target	Reporting Activity
Connected Communities Resilient Future	An efficient, accessible and low carbon public transport network	40 percent increase in regional mode share for Public Transport and active modes by 2030	Regional transport, planning, leadership, advice, and coordination to guide development and delivery of an integrated, multi-modal regional transport network	Wellington Regional Land Transport Plan is prepared and updated in accordance with the LTMA[10] and central government guidance	New measure	Annual Monitoring report is presented to RTC[11]	Annual Monitoring report is presented to RTC[11]	Annual Monitoring report is presented to RTC[11] and programme of activities is updated.	Annual Monitoring report is presented to RTC[11]	Regional transport planning and programmes
				Coordinate and deliver new workplace travel programmes with major regional employers	New measure	2	3	Increase over previous year	Increase over previous year	
	Effective partnerships and co-designed agreements with mana whenua	Collaborative decision making with mana whenua partners	Effective decision making achieved through active involvement with mana whenua through strong partnership arrangements	Mana whenua report evidence of strong partnership arrangements and progress towards positive outcomes	New measure	Achieved	Achieved	Achieved	Achieved	Regional partnerships with mana whenua and Māori
			Positive outcomes for Māori achieved through effective and resourced planning and engagement	Increased incorporation and use of mātauranga Māori across services delivered by Greater Wellington	New measure	Achieved	Achieved	Achieved	Achieved	
			Mana whenua and Māori are enabled to achieve strong, prosperous and resilient outcomes	Deliver Te Matarau a Māui annual work programme as agreed to by independent Board	New measure	Achieved	Achieved	Achieved	Achieved	
				Mana whenua and Māori report they are prepared for managing effective responses to civil defence and other emergencies	New measure	Achieved	Achieved	Achieved	Achieved	

[10] LTMA = Land Transport Management Act
[11] RTC = Regional Transport Committee

Funding impact statements

REGIONAL STRATEGY AND PARTNERSHIPS PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Sources of operating funding											
General rate	9,558	12,248	13,832	16,138	16,019	16,170	16,288	16,450	16,922	16,899	16,610
Targeted rate	8,400	7,559	7,255	7,955	8,628	8,903	8,306	9,619	9,785	9,984	7,061
Subsidies and grants for operating purposes	2,513	1,531	1,507	1,591	2,799	2,832	1,701	1,739	1,778	1,818	1,836
Fees and charges	18	18	19	19	20	20	21	21	22	22	23
Fines, infringement fees, and other receipts [1]	2,831	3,744	3,784	3,832	4,007	4,058	4,254	4,318	4,429	4,515	4,573
Total operating funding	**23,320**	**25,100**	**26,397**	**29,535**	**31,473**	**31,983**	**30,570**	**32,147**	**32,936**	**33,238**	**30,103**
Applications of operating funding											
Payments to staff and suppliers	34,027	37,466	39,604	47,393	25,518	26,156	26,404	27,462	28,825	29,002	24,201
Finance costs	938	1,184	1,531	1,981	2,113	1,842	1,596	1,454	1,366	1,273	1,102
Internal charges and overheads applied	184	77	87	90	87	80	77	82	84	84	59
Total applications of operating funding	**35,149**	**38,727**	**41,222**	**49,464**	**27,718**	**28,078**	**28,077**	**28,998**	**30,275**	**30,359**	**25,362**
Surplus/(deficit) of operating funding	**(11,829)**	**(13,627)**	**(14,825)**	**(19,929)**	**3,755**	**3,905**	**2,493**	**3,149**	**2,661**	**2,879**	**4,741**
Sources of capital funding											
Subsidies and grants for capital expenditure	510	510	57	133	-	34	58	-	36	63	-
Increase / (decrease) in debt	7,966	14,424	15,073	20,623	(3,053)	(3,532)	(1,388)	(2,342)	(5,909)	(5,623)	(7,247)
Gross proceeds from asset sales	30	30	31	-	48	18	67	35	54	18	-
Total sources of capital funding	**8,506**	**14,964**	**15,161**	**20,756**	**(3,005)**	**(3,480)**	**(1,263)**	**(2,307)**	**(5,819)**	**(5,542)**	**(7,247)**
Applications of capital funding											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	1,105	1,145	228	277	166	134	389	133	263	189	57
Increase / (decrease) in investments	(93)	364	347	452	482	501	735	596	(3,213)	(2,964)	(2,676)
Increase / (decrease) in reserves	(4,335)	(172)	(239)	98	102	(210)	106	113	(208)	112	113
Total applications of capital funding	**(3,323)**	**1,337**	**336**	**827**	**750**	**425**	**1,230**	**842**	**(3,158)**	**(2,663)**	**(2,506)**
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Regional Leadership assets	461	395	596	603	646	644	432	219	211	191	210

[1] This includes revenue from the territorial authorities to fund the amalgamated regional emergency management group.

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

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

All figures on this page exclude GST.

REGIONAL STRATEGY AND PARTNERSHIPS PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Operating funding											
Regional economic development [2]	5,009	4,693	4,761	4,897	5,017	5,147	5,272	5,404	5,544	5,691	5,835
Emergency Management	4,093	4,805	4,608	4,673	4,880	4,863	5,121	5,150	5,260	5,330	5,386
Democratic Services	2,682	2,642	2,866	2,775	2,825	3,108	2,989	3,025	3,350	3,154	3,251
Relationships with mana whenua and Māori	1,038	2,418	2,453	2,517	2,574	2,632	2,693	2,758	2,826	2,893	2,979
Regional transport planning and programmes	5,592	5,309	6,560	8,623	8,513	8,417	8,395	8,487	8,560	8,672	8,452
Regional integrated planning [1]	4,906	4,105	3,731	4,312	5,877	6,014	4,281	5,486	5,541	5,624	2,575
Climate change	-	1,128	1,418	1,738	1,787	1,802	1,819	1,837	1,855	1,874	1,625
Total operating funding	**23,320**	**25,100**	**26,397**	**29,535**	**31,473**	**31,983**	**30,570**	**32,147**	**32,936**	**33,238**	**30,103**
Applications of operating funding											
Regional economic development [2]	5,108	4,691	4,761	4,896	5,016	5,139	5,265	5,396	5,534	5,681	5,825
Emergency Management	4,023	4,735	4,572	4,673	4,768	4,863	4,963	5,069	5,177	5,287	5,386
Democratic Services	2,604	2,521	3,062	2,667	2,725	3,284	2,845	2,913	3,522	3,055	3,100
Relationships with mana whenua and Māori	1,332	2,417	2,452	2,516	2,573	2,630	2,692	2,757	2,825	2,892	2,978
Regional transport planning and programmes	13,920	15,818	18,588	25,525	5,673	5,560	5,470	5,438	5,473	5,527	5,490
Regional integrated planning [1]	8,162	5,700	4,858	6,147	6,002	5,662	5,919	6,510	6,831	7,005	1,679
Climate change	-	2,845	2,929	3,040	961	940	923	915	913	912	904
Total applications of operating funding	**35,149**	**38,727**	**41,222**	**49,464**	**27,718**	**28,078**	**28,077**	**28,998**	**30,275**	**30,359**	**25,362**
Capital expenditure											
Capital project expenditure	1,000	1,000	112	261	-	66	113	-	72	123	-
Land and buildings	-	-	-	-	-	-	-	-	-	-	-
Plant and equipment	5	45	17	16	5	15	51	18	16	5	57
			99								
Vehicles	100	100	99	-	161	53	225	115	175	61	-
Total capital expenditure	**1,105**	**1,145**	**228**	**277**	**166**	**134**	**389**	**133**	**263**	**189**	**57**

[1] Regional integrated planning includes the rates and expenditure associated with the Warm Greater Wellington Program. Only ratepayers participating in the scheme are charge a rate to recover the costs of the scheme. In the 2020/21 Annual Plan Regional Integrated Planning was presented as Regional Initiatives.

[2] In the 2020/21 Annual Plan Regional Economic Development was presented as Wellington Regional Strategy.

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

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

All figures on this page exclude GST.

Additional Note to Funding Impact Statement: Long Term Plan funding approach for Let's Get Wellington Moving (LGWM)

Funding arrangements beyond June 2021 are still to be agreed between LGWM partners.

For planning purposes, partners have agreed to a continuation of the current 60 / 20 / 20 split between Waka Kotahi/NZ Transport Agency and the councils for business case development work for the first three years of the long term plan, with assets being funded by the presumed asset owner. Greater Wellington is not expected to acquire any assets over this period.

Beyond the initial three year period, decisions are still to be made on the preferred programme, asset ownership, and funding split. Accordingly, provisional funding is planned for between the partners based on an updated version of the Indicative Package using the same funding split assumptions that were used in the Recommended Programme of Investment. On this basis, and for the purposes of LTP planning, Greater Wellington is currently planning for approximately 10 percent of the total LGWM costs. All costs other than operational expenditure is debt funded.

Water Supply

What we do

Greater Wellington is responsible for collecting, treating and distributing safe and healthy drinking water to Wellington, Hutt, Upper Hutt and Porirua city councils. This work is carried out for Greater Wellington by Wellington Water Limited, a joint council-owned water management company. City and district councils are responsible for the distribution of water to households and businesses through their own networks. Providing the bulk water supply to the city councils involves managing an extensive network of infrastructure, ensuring safe, high quality, secure and reliable water sources, and that our freshwater is sustainable.

Our priorities are focussed on providing clean and sustainable drinking water and reducing water demand and providing bulk supply that is respectful to the environment.

Our priority is a bulk water supply that is robust, to ensure sufficient drinking-water is available for the immediate future and for generations to come. We must also be able to cope with emergencies and the long-term impacts of climate change, whilst embracing the concept of Te Mana o te Wai on our source takes and ecology.

Risk prioritised investment balances future renewals and upgrade programmes giving us confidence in our investment decision making, increases our resilience and our ability to sustainably supply the district

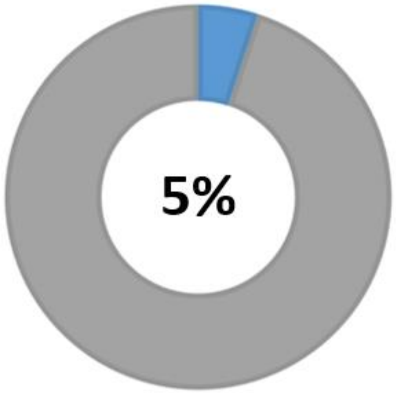
This group of activities contributes to the Community Outcomes:

Thriving environment – water supply is respectful to the environment that we live in

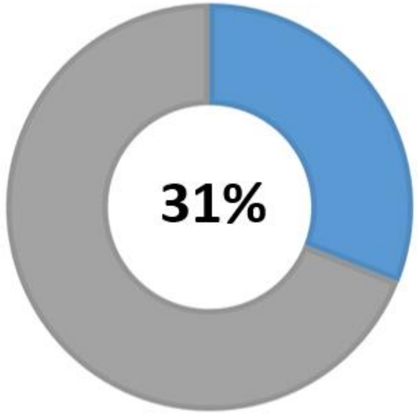
Connected communities – the region has sufficient water supply that is of high quality and safe

Resilient future – bulk water supply is sustainable to the community as our environment changes

10 Year Average Operating Expenditure



10 Year Average Capital Expenditure



Other things you need to know

Three Waters Reform

- Last year central government launched the Three Waters Reform Programme – a three year programme to reform local government water services arrangements
- Central and local governments are developing a policy framework guiding the reform process. It's expected Cabinet will receive detailed decisions for the reform programme in mid-2021. Three waters reforms is not an issue for consultation in the consultation document as there are no decisions requiring consultation at present
- The Government's starting intention is to reform local government's three waters services into a small number of multi-regional entities with a bottom line of public ownership. The exact size, shape and design of these entities is still being worked through. Greater Wellington expects to still own the bulk water supply assets in 3 years' time, and that they will transfer to a new water entity at some point in the following 10 years
- Drinking water supply is a critical service and will continue to be provided by Greater Wellington throughout the establishment and transfer period. This LTP presents bulk water supply information as we always have in earlier LTPs. The long term management and financial implications feature in our financial and infrastructure strategies, and the wider LTP
- Our communities need safe drinking water, and that activity is reflected in the 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

Asset Management of the Bulk Water Network
Lifecycle asset management has identified key areas of investment in the bulk water network over the next 50 years. Across the life of this Long Term Plan Wellington Water Limited will:

- focus on long term management of the assets, planning for maintenance and renewals at a pace that meets asset deterioration over the assets lifecycle
- renew and upgrade the network, according to performance and criticality
- work to reduce total water usage by 40 litres per person per day
- reduce leaks in the network, distribute district meters and other leakage technologies, educated and work with our customers to change their behaviour
- design and invest in reducing emissions for a carbon neutral future, while also reducing costs

In the 2018-28 Long Term Plan, we talked about the proposed construction of the Cross Harbour Pipeline, an option for securing a water source for Wellington City in the event of an earthquake or other disaster. The immediate concerns about the availability of water to Wellington city were resolved through the "community infrastructure resilience" project so this project has now been deferred to 2031, falling outside of this Long Term Plan.

10 year focus

- Maintenance and renewal of our critical infrastructure
- Planning for regional growth
- Reducing water consumption
- Reducing carbon emissions

Relationship with mana whenua and mātāwaka

Tāngata whenua play a strong role planning for capacity of resources, water and ensuring the mauri of our environment is maintained. Working with tāngata whenua iwi is critical to our ability to deliver many of our water supply projects.

Te Mana o te Wai recognises and realises the mana of our waters. Te Mana o te Wai is a concept for managing all waters in a way that prioritises the health and wellbeing of the water (quantity, quality and ecology).

Te Mana o te Wai is a cloak over all Greater Wellington bulk water supply work, freshwater regulation and Resource Management Act (RMA) activities functions and duties. All persons and duties in these functions must give effect to Te Mana o te Wai. This whole system approach recognises Te Ao Maori world view and the fundamentals of tikianga, matauranga Māori and kaitaikitanga, (to name a few).

Two iwi groups have joined the committee overseeing Wellington Water Limited. Te Rūnanga Toa Rangatira Inc and Taranaki Whānui now each have a seat on the Wellington Water Limited Committee, which also comprises a single member of each shareholding council.

Opportunities and challenges

Opportunities

- Embracing and realising Te Mana o te Wai and managing all waters in a way that prioritises the health and wellbeing of our water (quantity, quality and ecology) alongside a kaupapa Māori approach in our work programmes and services
- Community awareness of the value of water supply services and their provision will drive proactive leak detection and effective water conservation initiatives
- The establishment of a regulator and the broader reform process to ensure a consistent standard of safe and reliable drinking water across the country, but also health and wellbeing of all waters across the whole water cycle
- Climate change impacts are being felt now and within the lifetime of this LTP will be felt more keenly. This requires deliberate, evidence based decisions in the short term, to enable our long term, well planned adaptation approach, including how, and where, we deliver water assets and services
- Government progress on its infrastructure priorities of transport, housing and water, through new delivery mechanisms such as Te Waihanga (Infrastructure Commission) and Taumata Arowai (water services regulator) is promoting approaches to infrastructure is adaptive, optimised and future oriented – collaborative, with consideration for long-term use, and lifetime cost and demand factors

Challenges

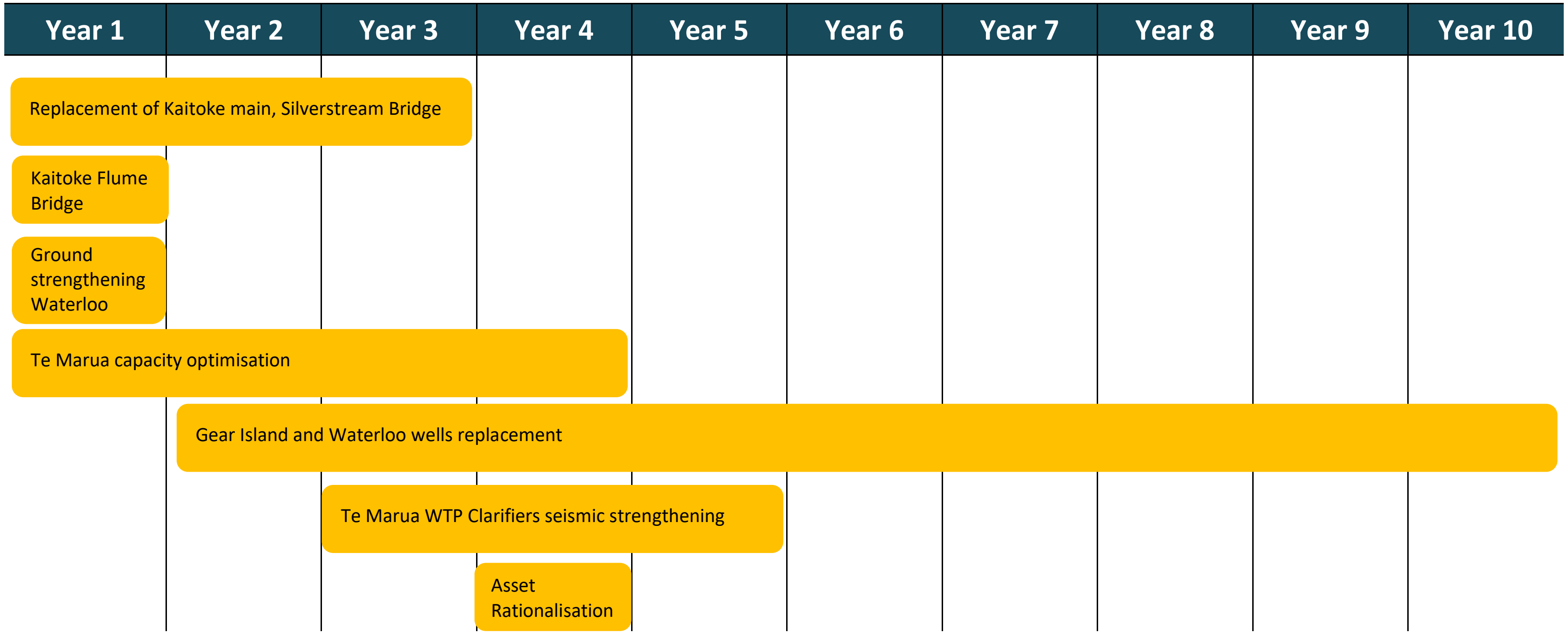
- Regulatory reforms, stricter water quantity and quality rules, decarbonisation, adapting to climate change, natural disasters, urban growth and demand and the structural aging of infrastructure all require changes to what was business as usual service delivery
- We are not meeting our 1 in 50 year drought resilience level of service. Changes in climate, water shortages during drought years and as demand from increases in population will contribute to our ability to meet current and future demand
- Funding and delivery of a significant capital work programme to maintain levels of service and support growth
- Reducing emissions associated with the abstraction, treatment and supply of drinking water and well as construction of new carbon intensive (concrete, steel) assets
- Skills shortage at all levels of the engineering industry from experienced consultants and contractors, to skilled labour are limiting the availability of contractors and consultants to progress programmed works. The limited availability is also leading to increased costs and timeframes for delivery

Potential negative effects and how we will address them

Water supply infrastructure for the collection, storage, treatment and distribution of water can have a negative effect on environmental wellbeing through water abstraction levels in groundwater and in rivers, and the use of electricity for treating and pumping water. A new supply could also result in an increase in these effects as well as on indigenous biodiversity.

We will address this by identifying the environmental impacts of existing water supply activities and very closely monitoring these through resource consents and an ISO 14001 accredited environmental management system. We are also reducing our impacts by continuing to use electricity and chemicals more efficiently and by encouraging people to use water wisely.

Projects and key programmes of the Water Supply Activity Group



Performance measures

Community Outcome	Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2022/23 Target	2023/24 Target	2024-31 Target	Reporting Activity
Thriving Environment	A clean, safe and sustainable future drinking water supply		Provide water that is safe, and pleasant to drink	Compliance with part 4 of the drinking-water standards (bacteria compliance criteria)[12]	100%	Compliant	Compliant	Compliant	Compliant	Bulk water supply *(Wellington Water Limited)*
				Compliance with part 5 of the drinking-water standards (protozoal compliance criteria)[12]	100%	Compliant	Compliant	Compliant	Compliant	
				Customer satisfaction: number of complaints regarding water clarity, taste, odour, pressure/flow, and supply[12]	0	<20 complaints per 1,000 connections	<20 complaints per 1,000 connections	<20 complaints per 1,000 connections	<20 complaints per 1,000 connections	
				Number of waterborne disease outbreaks	0	0	0	0	0	
Resilient Future	Reduce water demand to support a sustainable water supply to avoid unnecessary investment in significant new water supply infrastructure	Support the reduction of the overall bulk water supply to the four metropolitan cities by 25 percent by 2030	Provide a continuous and secure bulk water supply	Average consumption of drinking water per day per resident within the TA districts [12]	369.8 L/d/p	<375 L/d/p	<375 L/d/p	<375 L/d/p	<375 L/d/p	
				Maintenance of the reticulation network: Percentage of real water loss from the networked reticulation system[12]	0.07%	+/- 0.25%	+/- 0.25%	+/- 0.25%	+/- 0.25%	

[12] Non-Financial Performance Measures Rules 2013, Water Supply.

Community Outcome	Strategic Priorities	Key Result Areas	Levels of Service	Performance Measures	Baseline (2019/20)	2021/22 Target	2022/23 Target	2023/24 Target	2024-31 Target	Reporting Activity
Resilient Future *(continued)*	Reduce water demand to support a sustainable water supply to avoid unnecessary investment in significant new water supply infrastructure *(continued)*		Provide a continuous and secure bulk water supply *(continued)*	Response times to attend urgent call-outs in response to a fault or unplanned interruption to the network reticulation system[13]	Time to reach site: 0 min Time to confirm resolution: 0 hours	Time to reach site <90min Time to confirm resolution <8 hours	Time to reach site <90min Time to confirm resolution <8 hours	Time to reach site <90min Time to confirm resolution <8 hours	Time to reach site <90min Time to confirm resolution <8 hours	Bulk water supply *(Wellington Water Limited)*
				Response times to attend non-urgent call-outs in response to a fault or unplanned interruption to the network reticulation system[13]	Time to reach site: 0.9 hours Time to confirm resolution: 1.25 days	Time to reach site <72 hours Time to confirm resolution <20 days	Time to reach site <72 hours Time to confirm resolution <20 days	Time to reach site <72 hours Time to confirm resolution <20 days	Time to reach site <72 hours Time to confirm resolution <20 days	
				Number of events in the bulk water supply preventing the continuous supply of drinking water to consumers	0	0	0	0	0	
				Sufficient water is available to meet normal demand except in a drought with a severity of greater than or equal to 1 in 50 years	6.9%	<2%	<2%	<2%	<2%	

[13] Non-Financial Performance Measures Rules 2013, Water Supply.

Funding impact statements

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

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Sources of operating funding											
General rate	-	-	-	-	-	-	-	-	-	-	-
Targeted rate	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Fines, infringement fees, and other receipts [1]	36,609	39,985	43,391	46,267	48,681	51,252	53,626	55,616	57,675	59,969	61,906
Total operating funding	**36,609**	**39,985**	**43,391**	**46,267**	**48,681**	**51,252**	**53,626**	**55,616**	**57,675**	**59,969**	**61,906**
Applications of operating funding											
Payments to staff and suppliers	22,232	23,863	25,564	27,158	27,817	28,665	29,719	30,440	31,380	32,542	33,366
Finance costs	5,097	5,069	5,512	5,908	6,259	6,356	6,196	6,143	6,367	6,719	6,806
Internal charges and overheads applied	2,469	2,831	2,914	2,978	3,021	3,056	3,106	3,178	3,245	3,308	3,291
Total applications of operating funding	**29,798**	**31,763**	**33,990**	**36,044**	**37,097**	**38,077**	**39,021**	**39,761**	**40,992**	**42,569**	**43,463**
Surplus/(deficit) of operating funding	**6,811**	**8,222**	**9,401**	**10,223**	**11,584**	**13,175**	**14,605**	**15,855**	**16,683**	**17,400**	**18,443**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	27,162	33,681	28,675	20,373	32,207	18,598	20,992	11,256	9,241	9,133	12,695
Investment redemption	-	5,000	-	-	-	-	-	-	-	-	-
Total sources of capital funding	**27,162**	**38,681**	**28,675**	**20,373**	**32,207**	**18,598**	**20,992**	**11,256**	**9,241**	**9,133**	**12,695**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	7,919	19,377	-	-	11,822	2,378	-	-	-	-	-
- to replace existing assets	23,502	19,657	35,134	27,530	28,708	25,922	31,895	23,165	21,742	22,099	26,507
Increase / (decrease) in investments	3,061	7,869	2,942	3,066	3,261	3,473	3,702	3,946	4,182	4,434	4,631
Increase / (decrease) in reserves	(509)	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**33,973**	**46,903**	**38,076**	**30,596**	**43,791**	**31,773**	**35,597**	**27,111**	**25,924**	**26,533**	**31,138**
Surplus/(deficit) of funding	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Water supply levy	35,860	39,424	42,782	45,617	47,898	50,322	52,536	54,338	56,248	58,534	60,364
Depreciation on Water Supply assets	15,969	16,369	17,131	15,976	16,385	17,074	17,408	17,836	18,109	18,268	18,606

[1] This includes the Water supply levy charged to Wellington, Upper Hutt, Hutt and Porirua city councils

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

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

All figures on this page exclude GST.

WATER SUPPLY PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Operating funding											
Water Supply	36,609	39,985	43,391	46,267	48,681	51,252	53,626	55,616	57,675	59,969	61,906
Total operating funding	**69,609**	**39,985**	**43,391**	**46,267**	**48,681**	**51,252**	**53,626**	**55,616**	**57,675**	**59,969**	**61,906**
Applications of operating funding											
Water Supply	29,798	31,763	33,990	36,044	37,097	38,077	39,021	39,761	40,992	42,569	43,463
Total applications of operating funding	**29,798**	**31,763**	**33,990**	**36,044**	**37,097**	**38,077**	**39,021**	**39,761**	**40,992**	**42,569**	**43,463**
Capital expenditure											
Water sources	-	-	-	-	-	-	-	-	-	-	-
Water treatment plants	3,979	18,145	13,637	19,956	13,298	8,497	6,512	7,399	6,881	6,534	6,588
Pipelines	9,892	13,054	15,130	2,279	-	-	-	-	-	-	-
Pump stations	1,405	440	3,275	1,351	4,456	6,833	8,646	4,419	3,146	3,481	7,842
Reservoirs	-	470	810	15	4,199	-	-	15	15	16	-
Monitoring and control	345	1,129	1,076	1,627	1,725	1,911	1,962	1,133	1,215	1,289	986
Seismic protection	2,610	-	-	-	-	-	-	-	-	-	-
Other	13,134	5,739	1,149	2,243	16,792	10,997	14,711	10,134	10,418	10,710	11,020
Capital project expenditure	**31,365**	**38,977**	**35,077**	**27,471**	**40,470**	**28,238**	**31,831**	**23,100**	**21,675**	**22,030**	**26,436**
Land and buildings	-	-	-	-	-	-	-	-	-	-	-
Plant and equipment	56	57	57	59	60	62	64	65	67	69	71
Vehicles	-	-	-	-	-	-	-	-	-	-	-
Total capital expenditure	**31,421**	**39,034**	**35,134**	**27,530**	**40,530**	**28,300**	**31,895**	**23,165**	**21,742**	**22,099**	**26,507**

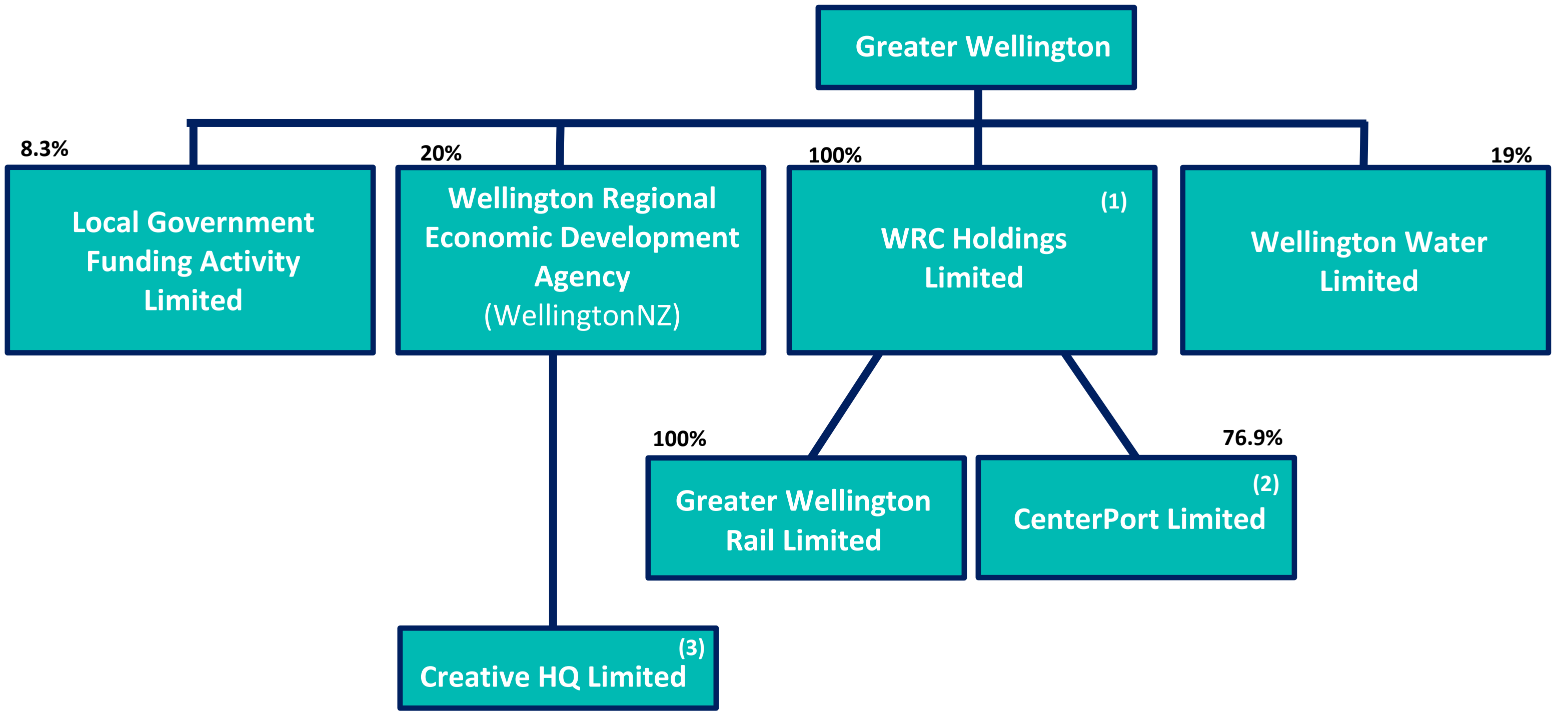
This statement is not an income statement. It excludes all non-cash transactions such as depreciation and valuations.

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

All figures on this page exclude GST.

Council Controlled Organisations (CCO) and Investments

A Council Controlled Organisation is any organisation (trading or not) where one or more local authorities own or control 50 percent or more of the voting rights or appoint 50 percent or more of the directors. Greater Wellington has established the following Council controlled organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) which assist in promoting our objectives for the region.



(1) Council Controlled Trading Organisation in accordance with the Local Government Act 2002
(2) Commercial Port Company pursuant to the Port Companies Act 1988 and not a Council Controlled Organisation in accordance with the Local Governance Act 2002
(3) Council Controlled Organisation in accordance with the Local Government Act 2002

Greater Wellington has a significant portfolio of investments, comprising of:

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

Greater Wellington's approach in managing investments is to balance risk against maximising returns. We recognise that as a responsible public authority, investments should be held for the long term benefit of the community, with any risk being managed appropriately. We also recognise that lower risk generally means lower returns.

From a risk management point of view, Greater Wellington is well aware that investment returns to the rate line are exposed to the success or otherwise of two main investments – the WRC Holdings Group (including CentrePort Limited) and our liquid financial deposits.

Investments offset the need for rates revenue. Regional rates would need to be 8 percent higher without the revenue from Greater Wellington's investments.

Treasury management

Greater Wellington's treasury management is carried out centrally to maximise our ability to negotiate with financial institutions.

We then on-lend these funds to activities that require debt finance. This allows the true cost of debt funding to be reflected in the appropriate areas. The surplus is used to offset regional rates.

Liquid financial deposits

Greater Wellington holds $33 million in liquid financial deposits as a result of selling our interest in CentrePort Limited to one of our wholly-owned subsidiaries, WRC Holdings Limited. We hold these liquid financial deposits, taking into account the general provisions of our Treasury Management Policy, including our attitude to risk and creditworthy counterparties.

Contingency Investments for Flood Protection and Water

Greater Wellington holds a number of short term contingency investments. They have been established with the purpose of having funds available to pay for the uninsured part of the damage to water supply and flood protection assets in case a disaster (earthquake, major floods etc.) strikes.

Administrative properties

Our interests in the Upper Hutt and Mabey Road depots are grouped to form an investment category, administrative properties.

Forestry

Greater Wellington and our predecessor organisations have been involved in forestry for many years, primarily for soil conservation and water quality purposes.

We currently hold 6,000 hectares of forested land of which around 4,000 hectares is in the western or metropolitan part of the region, with the remaining 2,000 hectares in Wairarapa.

The cutting rights to these forests were sold for a period of up to 60 years in the 2013/14 year.

Our overall investment policy with regard to forestry is to maximise long term returns while meeting soil conservation, water quality and recreational needs.

Civic Financial Services Limited

Greater Wellington has a minority interest in Civic Financial Services Limited. This investment is owned directly by Greater Wellington rather than via the WRC Holdings Group.

New Zealand Local Government Funding Agency Limited (LGFA) (8.3 percent owned by Greater Wellington)

Greater Wellington is a founding shareholder in the Local Government Funding Agency (LGFA). The LGFA was established by statute in December 2011 and Greater Wellington has subscribed to $1.866 million shares in the LGFA. The LGFA assists local authorities with their wholesale debt requirements by providing funds at better rates than are available to us directly in the market place. Greater Wellington sources term debt requirements from the LGFA and receives an annual dividend.

As part of the arrangement Greater Wellington has guaranteed the debt obligations of the LGFA along with the other shareholders of the LGFA in proportion to its level of rates revenue. Greater Wellington believes the risk of this guarantee being called on is extremely low, given the internal liquidity arrangements of the LGFA, the lending covenants of the LGFA and the charge over rates the LGFA has from all council borrowers.

Providing savings in annual interest costs for all participating local authorities, Making longer-term borrowings available to participating local authorities, Enhancing the certainty of access to debt markets for participating local authorities, subject always to operating in accordance with sound business practice; and Offering more flexible lending terms to participating local authorities.

LGFA will monitor the quality of the asset book so that it remains of high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector.

LGFA raises debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provides debt funding to New Zealand Local Authorities, and may undertake any other activities considered by the Board to be reasonably related or incidental to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (participating local authorities) and comply with the LGFA's lending policies.

A full list of the specific targets for the LGFA can be found in their statement of intent at: https://www.lgfa.co.nz/for-investors/annual-reports-and-statement-of-intent

Predator Free Wellington Limited

Predator Free Wellington Limited. (PFW) is a partnership between Greater Wellington, Wellington City Council, Next Foundation and the Crown funded Predator Free 2050. Each of the partners contribute funding to the programme. Greater Wellington contributes $250,000 per annum, under a five year funding agreement which expires 30 June 2023. Greater Wellington has included the payment of $250,000 per annum to PFW for the life of this LTP. A new funding agreement with PFW will be required from 1 July 2023.

Predator Free Wellington Limited. aims to achieve predator eradication across Wellington City, including both urban and rural environments. This will be a world first for an entire city. This programme relies on significant input from local Predator Free community groups and all property owners and occupiers.

The predator eradication programme (Phase 1) commenced in 2019, with the focus on achieving eradication on the Miramar Peninsula. Phase 1 is expected to be successfully completed by April 2021. Phase 2 will then commence with the objective of achieving eradication westwards to the Central Business District and south to Island Bay.

Greater Wellington employs the field staff undertaking this programme, a recognition of our pest management experience in urban environments.

Wellington Regional Economic Development Agency (WellingtonNZ) (20 percent Greater Wellington and 80 percent Wellington City Council)

WellingtonNZ was established in late 2014. It is owned jointly by Wellington City Council (80 percent shareholding) and Greater Wellington (20 percent percent shareholding). The ownership reflects the proportion of funding by the two shareholding councils. It is run by an independent board of directors and is accountable to the Wellington Regional Strategy Committee – a standing committee of Greater Wellington with membership representing the councils in the region. WellingtonNZ implements the Wellington Regional Strategy and will support other plans which are currently being developed.

WellingtonNZ is the key provider for economic development in the region, combined with tourism, venues and major events management for Wellington City. WellingtonNZ was established in late 2014 and is owned jointly by Wellington City Council (80 percent shareholding) and Greater Wellington (20 percent shareholding). The ownership reflects the proportion of funding by the two shareholding councils. It is run by an independent Board of Directors.

WellingtonNZ is the key provider for economic development in the region, combined with tourism, venues and major events management for Wellington city. It encompasses the functions, and funding, of the following previous organisations and programmes:

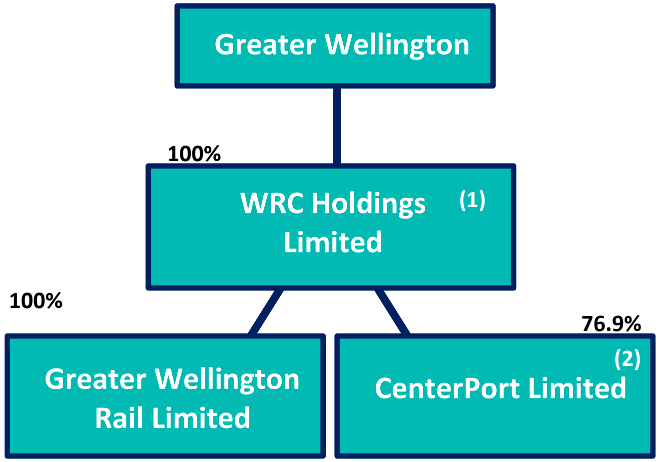
- Positively Wellington Tourism
- Positively Wellington Venues
- Wellington City Council's major events team

Grow Wellington and Creative HQ which were 100 percent owned by Greater Wellington have been absorbed into WellingtonNZ.

WRC Holdings Group (100 percent owned by Greater Wellington)

WRC Holdings Limited is Councils investment holding company. The primary objectives of WRC Holdings Limited are to support Greater Wellington's strategic vision and operate successful, sustainable and responsible businesses, manage its assets prudently and, where appropriate, provide a commercial return. WRC Holdings Limited has adopted policies that prudently manage risks and protect the investment. The main operating companies in the Group are CentrePort Limited and Greater Wellington Rail Limited. Each year WRC Holdings Limited provides to Greater Wellington, as 100 percent shareholder, a Statement of Intent for the WRC Holdings Group. The WRC Holdings Group structure was set up for the following reasons that are still applicable:

- Appropriate separation of management and governance
- Imposing commercial discipline on the Group's activities to produce an appropriate return by ensuring appropriate debt/equity funding and requiring a commercial rate of return where appropriate
- Separating Greater Wellington's investment and commercial assets from its public good assets
- To determine appropriate strategies for the Group and its subsidiary companies
- To provide a structure to allow external Directors with commercial background to provide advice and expertise at the governance level
- Minimise the risk of owning commercial assets such as rail rolling stock



1) Council Controlled Trading Organisation in accordance with the Local Government Act 2002
2) Commercial Port Company pursuant to the Port Companies Act 1988 and not a Council Controlled Organisation in accordance with the Local Governance Act 2002

Greater Wellington has established the following equity investments in the WRC Holdings Group:

Greater Wellington Rail Limited (GWRL) (100 percent owned by Greater Wellington)

GWRL is owned by WRC Holdings Limited. All capital purchases are funded via issuance of shares from WRC Holdings. The board of GWRL has external directorships providing advice and expertise, common with WRC Holdings Limited. GWRL is as asset holding (rolling stock and rail infrastructure) and contracts out the maintenance of these assets. GWRL is wholly owned by WRC Holdings Limited who in turn is wholly owned by Greater Wellington.

Greater Wellington Rail Limited owns Greater Wellington's investments in metro rail assets, which include:

- 18 – SW carriages
- 6 – SE Carriages
- 1 – AG luggage van
- 2 – remote controlled electric shunt crabs
- 83 – two Matangi two car units
- Thorndon electrical multiple unit depot and train wash, metro wheel lathe and building
- 48 – rail stations (excluding Wellington Central Station)
- 14 – pedestrian over-brides
- 11 – pedestrian underpasses

Various carparks, other station improvements and ancillary rail related assets. Greater Wellington Rail Limited is responsible for all aspects of asset management, procurement and stewardship, implemented through a management contract with Greater Wellington. An asset management plan is in place which articulates a structured programme to minimise the life cycle costs of asset ownership while maintaining the desired levels of service and sustaining the assets.

Operational delivery of the services is the responsibility of Greater Wellington, delivered via a long term (expiry 2031) contract performance based "partnering contract" with Transdev Wellington Limited for rail services and rolling stock maintenance.

Transdev have subcontracted the rolling stock maintenance services to Hyundai-Rotem Company. HyundaiRotem were the manufacturers of the GWRL Matangi fleet.

CentrePort Limited (76.9 percent owned by Greater Wellington and 23.1 percent owned by MWRC Holdings Limited - owned by Horizons Regional Council)

CentrePort is a Port Company under the Port Companies Act 1988. WRC Holdings holds the shares of CentrePort Limited. CentrePort is a commercial organisation and is run by an independent board of directors, unrelated to the Council. The Port provides a commercial return to WRC Holdings Limited by way of dividends.

The major activities of CentrePort Limited are:

- Port infrastructure (land, wharves, buildings, equipment, utilities)
- Shipping and logistical services (pilotage, towage, berthage)
- Operational service (cargo handling, warehousing, facilities management, property management, security, emergency services)
- Integrated logistics solutions (networks, communications, partnerships)
- Property services (development, leasing management)
- Joint ventures (coldstore, container repair, cleaning, packing, unpacking and storage).

Wellington Regional Stadium Trust (SKY Stadium)

SKY Stadium was established as a charitable trust to provide a high-quality, multi-purpose venue for sporting and cultural events.

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

Greater Wellington appoints one of its Councillors to the Wellington Regional Stadium Trust and jointly with the Wellington City Council appoints other trustees. Greater Wellington also monitors the Trust's performance against its Statement of Trustee Intent.

Wellington Water Limited (19 percent owned by Greater Wellington and 81 percent owned by Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council, South Wairarapa District Council)

Wellington Water Limited was established in September 2014. It is run by an independent Board of Directors and is accountable to the Wellington Water Limited Committee – a joint committee of elected representatives from each of the shareholding councils and mana whenua representation. Wellington Water Limited manages water supply activities, delivers capital works programmes and provides councils with asset management and planning advice. Wellington Water Limited manages the water treatment and supply, storm-water and waste-water service delivery in the Wellington region.

Wellington Water Limited manages Greater Wellington's bulk water supply function. They manage local supply, storm-water and waste-water service delivery for five of the territorial authorities in the Wellington Region. Wellington Water Limited is owned by Greater Wellington, Wellington City Council, Hutt City Council, Upper Hutt City Council, South Wairarapa District Council and Porirua City Council.

A full list of the specific targets for Wellington Water Limited can be found at: https://www.wellingtonwater.co.nz/publication-library/statutory-reports/

Investments Prospective Statement of Revenue and Expenses for the year ending 30 June

INVESTMENTS PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Sources of operating funding											
General rate [1]	(7,823)	(6,425)	(5,964)	(6,896)	(6,133)	(5,927)	(5,537)	(4,812)	(5,281)	(4,789)	(4,876)
Targeted rate	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fines, infringement fees, and other receipts [2,3]	29,722	27,319	27,235	27,433	26,829	25,356	23,595	21,921	21,647	21,526	20,550
Total operating funding	**21,899**	**20,894**	**21,271**	**20,537**	**20,696**	**19,429**	**18,058**	**17,109**	**16,366**	**16,737**	**15,674**
Applications of operating funding											
Payments to staff and suppliers	598	441	502	541	545	595	642	585	564	581	590
Finance costs	21,327	19,725	19,042	18,468	17,719	16,297	14,786	13,826	13,261	13,547	12,432
Internal charges and overheads applied	(328)	(504)	(129)	(105)	(108)	(110)	(120)	(144)	(143)	(178)	(206)
Total applications of operating funding	**21,597**	**19,662**	**19,415**	**18,904**	**18,156**	**16,782**	**15,308**	**14,267**	**13,682**	**13,950**	**12,816**
Surplus/(deficit) of operating funding	**302**	**1,232**	**1,856**	**1,633**	**2,540**	**2,647**	**2,750**	**2,842**	**2,684**	**2,787**	**2,858**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in debt	14,539	1,999	3,085	(496)	(9,900)	(1,076)	(5,150)	(1,794)	(5,890)	(5,907)	(6,465)
Gross proceeds from asset sales	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	**14,539**	**1,999**	**3,085**	**(496)**	**(9,900)**	**(1,076)**	**(5,150)**	**(1,794)**	**(5,890)**	**(5,907)**	**(6,465)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in investments	3,793	803	466	702	217	242	267	294	318	343	358
Increase / (decrease) in reserves	11,048	2,428	4,475	435	(7,577)	1,329	(2,667)	754	(3,524)	(3,463)	(3,965)
Total applications of capital funding	14,841	3,231	4,941	1,137	(7,360)	1,571	(2,400)	1,048	(3,206)	(3,120)	(3,607)
Surplus/(deficit) of funding	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Investment assets	287	60	39	39	39	39	39	39	38	37	37

[1] Net Investment surpluses are used to reduce the general rate. It is applied to general rate as all ratepayers benefit the same proportionally from a reduction in the general rates.

[2] Other receipts include revenue from pest control.

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

Internal interest revenue	24,808	22,946	22,620	22,678	22,067	20,602	18,679	17,020	16,625	16,417	15,430

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

For more information on the revenue and financing mechanisms applicable to investments, please refer to Greater Wellington's Revenue and Financing Policy.

All figures on this page exclude GST.

INVESTMENTS PROSPECTIVE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDING 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
NET CONTRIBUTION TO GENERAL RATES FROM INDIVIDUAL INVESTMENTS											
Liquid financial deposits	613	432	468	492	564	637	709	782	839	896	921
WRC Holdings	3,708	3,735	3,737	3,738	3,638	3,538	3,438	3,337	3,565	3,564	3,563
Treasury management	3,341	3,130	3,397	3,941	3,891	3,620	3,157	2,226	2,339	1,710	1,722
Other Investments and Property	161	(871)	(1,638)	(1,275)	(1,960)	(1,867)	(1,767)	(1,533)	(1,462)	(1,381)	(1,329)
Total contribution to general rates	**7,823**	**6,425**	**5,964**	**6,896**	**6,133**	**5,927**	**5,537**	**4,812**	**5,281**	**4,789**	**4,876**

For more information on the revenue and financing mechanisms applicable to investments, please refer to Greater Wellington’s Revenue and Financing Policy.

All figures on this page exclude GST.

Greater Wellington
Te Pane Matua Taiao

Infrastructure Strategy 2021-51

Introduction

Infrastructure is the Council's biggest area of activity (regulator, funder and provider): Greater Wellington is responsible for over $1 billion of assets. The core infrastructure assets we own for bulk water supply, flood protection, and public transport constitute the majority of Greater Wellington's asset value, and require our largest annual operating expenditure commitments to support our vision and outcomes for the region. Our regional parks provide recreation opportunities, attract visitors, support biodiversity and enable our quality of life. We operate a safe, clean and efficient harbours for multiple users. Environmental monitoring allows checks of the effectiveness of our plans and policies and informs land use changes and decisions.

A strategy is about shaping the future. A strategy needs to be visionary, relatable, and realistic. Our vision for the region is an extraordinary region: thriving environment, connected communities, resilient future.

A strategy is a high level plan to achieve one or more goals under conditions of uncertainty or in response to ever-evolving changes. A strategy involves options to achieve a vision, and mobilising resources to execute the options. A strategy describes how the vision will be achieved by applying the resources. Strategy is important because the resources available to achieve any vision are usually limited.

In our current environment we have the challenges and the uncertainty, we have a vision for the region and we have identified options to meet the challenges and achieve our vision.

The Wellington region needs to respond to some big challenges. As well as community wellbeing, the impacts COVID-19, and climate action considerations, there is also infrastructure affordability, Wellington being home to more people, structural and legislative reforms, and ensuring financial sustainability and equability. These are the key challenge we face:

- Achieving Carbon Neutrality
- Improving Resilience
- Managing Critical Infrastructure
- Affordability

Greater Wellington has a critical kaitiakitanga role in ensuring the well-being of our local communities and environment. We need to continue to provide essential services while dealing with legislative and regulatory changes, the impacts of a changing climate, all while the financial future is uncertain.

COVID-19 has shown us what is possible in terms of rapid response and adaptation. We are provided with an ideal and unprecedented opportunity to re-set our direction to achieve our vision, by harnessing what we've learnt, particularly local, regional and national resilience and self-sufficiency, being socially responsible and working together.

Greater Wellington's Infrastructure Strategy tells you how we plan to manage our infrastructure over the next 30 years. To support Greater Wellington's vision of an extraordinary region - thriving environment, connected communities, resilient future. This strategy defines the nature of the challenges we face, our approach and options for dealing with those challenges; and the implications of these actions whilst ensuring intergenerational equity.

Scope of Strategy

The strategy identifies our significant issues, the most likely scenarios and significant decisions we need to make, against the 30 year timeframe.

Greater Wellington manages the following infrastructure portfolios:

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

Whilst all are important to achieving our thriving environment, connected communities, resilient future vision, not all portfolios will face significant issues over the period of this strategy. It should be noted each of the significant issues identified in this strategy does not affect each asset group equally, or in some cases at all.

The Infrastructure Strategy provides details of the level and timing of investment needed to operate, replace, renew and upgrade existing facilities and the Financial Strategy outlines the required rating and debt levels to fund these investments. Together, the two strategies outline how Greater Wellington intends to balance investment in assets and services with affordability.

What has changed since 2018?

Our role has not changed; the type of work Greater Wellington needs to do and provide has not changed. However we continue to review and adjust how we operate and how we deliver our services.

Greater Wellington prepared its first Infrastructure Strategy as part of the 2015-25 Long Term Plan, and a second in the 2018-28 Long Term Plan. Much of the information and assumptions in these preceding strategies are valid today.

We have reviewed our 2018 strategy, and rather than starting from scratch, have used it as a base – we understand that we need to take an enduring approach to making infrastructure decisions.

The table (1) below summarises what the principle options and the issue they address in 2018 and their status in 2020.

Table 1

2018 Issue	Principle Options	Cost (2018)	Time	Status 2020
Ageing Infrastructure	Replacement of Kaitoke trunk water main	$19 million	2018-21	As planned
	Waterloo and Gear Island aquifer wells replacement	$9 million & $19 million	2019-25 2028-35	As planned

	Lower Wairarapa Valley Development including George Blundell Barrage Gates	$205 million	2018-48	As planned
	Replacement with Electro/Diesel Multiple Unit fleet	$33 million	2023-24	As planned
	Rail station infrastructure renewal and upgrades	$71 million	2019-29	As planned
	Real Time Information System replacement or renewal	$19 million	2028-29	As planned
2018 Issue	**Most Likely Scenario**	**Cost**	**Time**	**Status**
Resilience	Ngauranga and Wainuiomata reservoir strengthening	$5 million	2018 – 20	Wainuiomata underway Ngauranga reprioritised
	Cross harbour pipeline	$116 million	2018-23	Reprioritised until 2031-35
	Riverlink and other Floodplain Management Plans.	$515 million	2018-48	On going
2018 Issue	**Most Likely Scenario**	**Cost**	**Time**	**Status**
Affordability	Water Supply source development	$320 million	2032-40	On going
	Flood Protection provision of recreational and amenity facilities	$16 million	2018-48	On going
	Upgrade shelters and develop interchange hubs	$8.3 million	2018-19	Complete
	Install integrated ticketing	$48 million	2018-21	On going
	Let's Get Wellington Moving	$67 million	2021-26	On going

There have also been undertakings that have had an impact on what and how we deliver services and when, including:

- The biggest change is New Zealand's declaration of a climate emergency and the corresponding Carbon Neutral Government Programme, which requires the public sector to achieve carbon neutrality by 2025. In 2019 Greater Wellington committed to an organisational target of carbon neutral by 2030
- Climate change impacts are being felt now and within the lifetime of this Strategy will be felt more keenly. This requires deliberate, evidence based decisions in the short term, to enable our long term, well planned adaptation approach, including how, and where, we deliver assets and services

- Embracing a kaupapa Māori approach to our work programmes and services. Specifically kaitiakitanga (intergenerational sustainability), and whanaungatanga (connectedness and relationships) of our people and whenua. Realising Te Mana o te Wai and managing all waters in a way that prioritises the health and wellbeing of the water (quantity, quality and ecology) is a first step of this journey
- The government is progressing its infrastructure priorities of transport, housing and water, through new delivery mechanisms of Te Waihanga (Infrastructure Commission) and Taumata Arowai (water services regulator) in partnership with the outcomes focus of Waka Kotahi (Transport Agency) and Kainga Ora (Housing Agency)
- Taumata Arowai will be established in 2021. Greater Wellington expect to still own the bulk water supply assets in 3-years time, and that they will transfer to a new water service delivery entity at some point in the following 10years. Bulk water supply will be required throughout the establishment and transfer period, so we have planned and financed accordingly
- The Government Policy Statement on Land Transport 2021 (GPS) provides national strategic transportation direction and priorities, and guides funding allocation by Waka Kotahi. The GPS also confirms the Government's commitment to the Let's Get Wellington Moving programme and support of the New Zealand Rail Plan (NZRP). The NZRP in turn identifies the future opportunities for the Wellington Metro Rail Network and services
- Since the last Infrastructure Strategy we have reviewed and revised our Metlink activities, our infrastructure, our communication and our people to improve both quality of service and interactions between the Metlink Group and our customers. Our asset management approach, responsibilities and controls ensure our asset management decisions align with our strategic priorities
- The Wellington Regional Growth Framework is a spatial plan that will describe a long-term vision for how the region will grow, change and respond to key urban development challenges and opportunities. The Framework will identify regional infrastructure required - such as housing, three waters, and public transport- in the context of climate change, resilience and natural hazards as well as the aspirations of mana whenua
- COVID-19 pandemic and recovery planning, and the economic stimulus initiatives undertaken by government and regional development agencies will require us to reprioritise capex commitments. The economic impact on our region and on Aotearoa New Zealand is still not understood and the duration of the impact is difficult to determine
- Our knowledge of our assets and forecasting capability has continued to grow –as part of the installation of our new asset management information system – Nga Tahi TechOne

Our Strategic direction

Greater Wellington's infrastructure underpins our ability to deliver our vision, community outcomes and strategic priorities. This strategy outlines how our assets and the activities they support will contribute to achieving our vision, outcomes and priorities.

Our Vision

An extraordinary region – thriving environment, connected communities, resilient future

Our Purpose

Working together for the greater environmental good

Our Community Outcomes

We promote the social, economic, environmental, and cultural well-being of our communities through our community outcomes:

Thriving Environment – healthy fresh and coastal water, clean and safe drinking water, unique landscapes and indigenous biodiversity, sustainable land use, a prosperous low carbon economy

Connected Communities – vibrant and liveable region in which people can move around, active and public transport, sustainable rural and urban centres that are connected to each other, including mana whenua and mātāwaka Māori communities

Resilient Future – safe and healthy communities, a strong and thriving regional economy, inclusive and equitable participation, adapting to the effects of climate change and natural hazards, community preparedness, modem and robust infrastructure

Overarching Strategic Priorities

Improving outcomes for mana whenua and Māori – proactively engage mana whenua and mātāwaka Māori in decision making, and incorporate Te Ao Māori and mātauranga Māori perspectives, so we can achieve the best outcomes for Māori across all aspects of our region

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

Adapting and responding to the impacts of COVID-19 – take a leadership role in responding to the economic consequences of COVID-19 and support the region's transition to a sustainable and low carbon economy

Aligning with Government direction – rise to the challenges set by Central Government to ramp up environmental protection and continue to provide high quality public transport services

Infrastructure Strategy Principles

We take principles approach how we manage our assets, ensuring a consistent and considered approach.

- ***Forward looking*** – intergenerational equity. Infrastructure is future oriented – developed and managed with consideration for long-term use including future technology and population changes.
- ***Optimal*** – Greater Wellington will optimise its infrastructure planning to take account of lifetime cost and demand factors
- ***Adaptable*** – We will build and develop assets that are resilient to social and environmental changes, including adverse events
- ***Coordinated*** – We develop our infrastructure in consultation with our major partners reflecting our part in the national system (central government, Territorial Authorities, Council Controlled Organisations)

Public and Environmental Health

Providing, operating, managing and regulating infrastructure can have adverse effects on public health and safety and the environment. It is regional councils' job to protect the environment, and public health and safety. This mandate shapes everything we do – from looking after our regional parks, to controlling pests, and running the region's public transport system. An overriding assumption is that all Greater Wellington work aims to improve and protecting environmental outcomes, or at least mitigate any adverse effects.

Our assets and the services they provide

Water Supply

The bulk water supply assets include a network of pipelines, pumping stations, reservoirs, treatment plants and other assets. Greater Wellington owns the bulk water supply assets.

Greater Wellington provides bulk water supply to four of the region's cities - Wellington, Porirua, Hutt, and Upper Hutt. Those cities supply water to the end consumer through their local reticulation networks. Wellington Water Limited, a council-controlled organisation owned by the six local authorities, is contracted to manage the water supply activity on the councils' behalf.

Assets	Levels of Service	Performance 2019/20
Distribution pipework 187 km	Safe and healthy water	
Treatment Plants 4 No		
Tunnels 9 km	Respectful of the environment	
Water storage 3 No		
Pump stations 15 No	Resilient networks support our community	
Roads and tracks 45 km		
Raw water intakes & wells 2,688 No		Sufficient water cannot be guaranteed to meet normal demand in a drought with a severity of greater than or equal to 1 in 50 years.
Aquifer wells 18 No		

Metlink Public Transport

Greater Wellington plans, funds and operates the Metlink public transport network of train, bus and harbour ferry services throughout the region. We own and maintain parts of the public transport network including trains, railway stations, and bus shelters. We contract companies to operate the train, bus and harbour ferry services on our behalf - we do not own the buses or the ferries.

Assets	Levels of Service (2018)	Performance (against 2018 LOS)
Rail Rolling Stock Rail Station Infrastructure Bus Fleet Management Bus and Ferry Infrastructure Customer Information Assets	Transform and elevate customer experience and use of Metlink passenger services	Rail and bus users not satisfied with their trip. Passenger transport boardings did not meet target
	Maintain and improve the performance and condition of Metlink assets	Passengers satisfied with stop/station/wharf assets, but not satisfied with condition of shelters.
	Deliver services in accordance with the published timetable	Reliability and punctuality of services did not meet targets.
	Provide accessible and accurate information on Metlink services to the public	Users not satisfied with the provision of information.
	Provide a fares and ticketing system that attracts and retains customers	Measure changed in 2018/19

Flood Protection

We manage flood risk from the region's rivers and streams. We investigate flood hazards, develop floodplain management plans and maintain and build flood protection works in accordance with these plans. We also provide an advice and consultation service for internally and externally in relation to flood and erosion risks. In providing this activity we also enable public recreational use and enjoyment of river corridors and contribute to the restoration of the natural and cultural values of rivers.

Assets (number)	Levels of Service	Performance
Stopbank Reaches 1095 Individual Structures 107 Bank Edge Structural 1777 Bank Edge Vegetative 1539 Channel Assets 1074 Berms Amenity 744	Improve information and understanding of flood risk in the community	
	Infrastructure is managed to agreed level of service	
	Minimise the environmental impact of flood protection works	
	Improve community’s resilience to flooding	

Environmental Science

We monitor rainfall, river flows, groundwater levels and quality, freshwater coastal water quality, air quality and land quality and biodiversity. We gather this information to carry out our regulatory functions, to monitor the state of the environment and measure the effectiveness of policy statements and plans, and to make the information available to the public.

Assets (number)	Levels of Service	Performance
72 river/flow monitoring sites 79 rainfall monitoring sites 84 groundwater level monitoring sites 5 lake level monitoring sites 5 wetland level monitoring sites 2 tide level monitoring sites 6 air quality monitoring sites 17 climate monitoring stations 3 turbidity monitoring stations	Environmental information is available in the right way to the right people at the right place and the right time for good decision making.	

Regional Parks

Greater Wellington manages a network of regional parks for the community’s use and enjoyment, through the Toitū Te Whenua Parks Network Plan. The network includes a range of unique natural areas for recreation and conservation. We plan for the future of the network, provide services and facilities for visitors and work with mana whenua and community groups to protect and restore the environment of regional parks.

Assets	Levels of Service	Performance
Amenity area 119 Building 158 Environmental area 8 Park furniture 319 Heritage feature 90 Information 1557 Land management area 6 Production area 74 Structure 886 Track 213	Maintain/enhance the Park experience	
	Provide on-park administration, information, public relations and by-law enforcement	
	Provide information, skills and support to encourage the public to contribute to park visitor services	
	Get more people in	
	Work others to meet the recreational needs of current and future generations and protect values of regional significance	
	Degraded environments are restored	
	Develop and implement conservation plans for high priority heritage sites	

Harbours

We provide aids to navigation to assist all users of the region's coastal waters to navigate safely. This includes providing accurate, relevant and timely information via our Harbour Communication Station (Beacon Hill).

Assets	Levels of Service	Performance 2019/20
Navigation Aids with lights 19 Unlit channel markers 6 Large floating steel buoys with lights 2 Signal station operated 24/7 1 Vessels 3	Provide safe and competent maritime management for commercial and recreational users of our region's waters.	Maintaining our navigational safety equipment is critical and while we did not quite meet our targets by a very nominal amount, the equipment remained operational.

Critical Assets

Central to managing risks, hazards and resilience is the criticality of assets. Critical assets are those that the failure of them is likely to result in a more significant financial, environment and social cost in terms of impact on strategic priorities and agreed level of service. Just because they are critical does not mean that they necessarily have a high probability of failure. The criticality of assets is assessed by applying broad assumptions about the impact of failure. The more critical an asset, the better management it requires. The criticality of all Greater Wellington's assets (1 (Significant) to 5 (Insignificant)) has been established and used to inform their lifecycle management.

Asset management approach

Greater Wellington uses its asset management plans as a basis for, and to deliver, the Infrastructure Strategy.

The organisation has committed to best practice asset management. This means using practices to manage assets and long term works programmes to deliver agreed levels of service, in the most cost effective manner, throughout their lifecycle.

Our approach is guided by the International Infrastructure Management Manual (IIMM). Asset management is a core business process and integrated with all other business processes at Greater Wellington. Asset management is a continuous exercise and Asset Management Plans are refreshed annually, and reviewed three yearly, to deliver activities and contribute strongly to Greater Wellington's priorities.

Asset management is used to forecast the prudent expenditure needed to operate, maintain and renew or upgrade assets. The majority of our capital investment will be funded through debt, which will be paid back over an appropriate time period for the underlying asset. Operating expenditure is funded out of operating revenue. Rates and levies are set at a level to ensure that Greater Wellington achieves this objective.

The three components of best practice asset management relevant to this strategy are:

- Lifecycle analysis
- Service Levels
- Future demand and risks

Lifecycle analysis

Greater Wellington uses a lifecycle management approach in its management of assets. We maintain our assets until they reach the end of their useful lives, when they are renewed, or upgraded. As such, we consider lowest long-term/whole of life cost (rather than short-term savings) when making decisions.

Asset knowledge and information is crucial; it underpins this Infrastructure Strategy, and the LTP, and enables evidence based- decision making. Our knowledge of our assets and forecasting capability has continued to grow – as part of the implementation of our new asset management information system – Nga Tahi TechOne. Our asset inventory is integral to optimise our assets useful life.

An asset's useful life is managed based on:

- Age and condition profile;
- Performance and customer service issues;
- Growth and changing demands;
- Criticality and risk
- Ongoing maintenance requirements, and
- The differing economic lives of individual assets.

Table 2: Key for condition, data confidence, criticality and asset management maturity scales, all based on 1 – 5 rating scales

	Condition	Data confidence	Criticality	Maturity
1	Excellent	Systematic and fully optimised data programme	Significant, region wide, long term disruption and significant cost to restore service	Advanced – Programmes driven by optimised decision-making, risk management and service level /cost trade off. Improvement programme focus on maintaining ongoing practice
2	Some minor maintenance work is required	Reliable data in information system with analysis and reporting	Major disruption over an extended period	Intermediate – strategic context, analysis of condition and performance, customer engagement in LOS, ODM/risk applied to projects
3	Maintenance is required to return to the expected level of service	Sufficient information to support basic analysis	Moderate. Serious localised impacts and cost	Core – Approach to risk, condition and performance assessments, demand forecasts, 10 year financial and an improvement plan
4	Requires a significant upgrade	Basic /incomplete information based on assumptions	Minor service disruption	Basic – plan contains basic information on assets, service levels, planned works, and financial forecasts
5	The asset is unserviceable	No asset register	Negligible social or economic impact	Aware – intentions to develop Asset Management Plans

Table 3: Summary of Greater Wellington asset groups value, condition, reliability of asset data and criticality, covered by the Strategy

Asset Group	Replacement value	Overall condition	Data confidence	Criticality	Maturity
Water Supply	$565.8 million **(ODRC)**	2 Minor defects only	2 Reliable	1 Significant – for the entire network	2 Intermediate
Flood Protection	$493.7 million	2 Minor defects only	–1 Highly Reliable	1 Significant – stop banks, flood gates, barrage gates, detention dams	3 Core
Public Transport	$637 million (Rail only)	3 Maintenance required	2 Reliable	3 Moderate	2 Intermediate
Parks	$84 million	2 Minor defects only	2 Reliable	3 Moderate	2 Intermediate
Environmental Science	$6.6 million	2 Good	2 Reliable	2 Major River and rainfall monitoring equipment	3 Core
Harbours	$1.6 million	2 Minor defects only	2 Reliable	3 Moderate For the Signal Station at Beacon Hill	4 Basic

Levels of service

Lifecycle management delivers level of service. Greater Wellington's strategic priorities drive levels of service, which in turn influence timing and quality of maintenance, renewals and upgrade works. Levels of service are therefore the vital link between Greater Wellington's priority areas and expenditure requirement, and account for expenditure differences between:

- Asset types (such as between Water Supply and Parks assets)
- Asset components (such as between bus stops and railway carriages)
- Asset sub-components (such as asset types differences between catchments/Floodplain Management Plans)
- Expenditure categories (such as between maintenance and renewals).

Capital development funding is categorised according to whether it predominantly meets levels of service, growth or renewals needs.

Future Demands and Risks

Section 101B(3)(b) of the Local Government Act requires local authorities to provide for the resilience of their infrastructure by identifying and managing risks. Infrastructure managers are obligated to integrate increasingly complex risks and challenges within decision-making processes. This includes the regulatory reforms, limiting carbon emissions, adapting to climate change, natural and man-made disasters and the structural aging of infrastructure.

Risk management is about assessing and managing likelihood and consequences of an event happening, that will impact on the achievement of Greater Wellington's priorities. In terms of identifying demand and risks, the Infrastructure Strategy uses our 10 year LTP assumptions to underpin the risks and impacts to our assets. The individual Asset Management Plans which inform this Strategy analyse the risks associated with the assets and activities and manage and mitigate those risks.

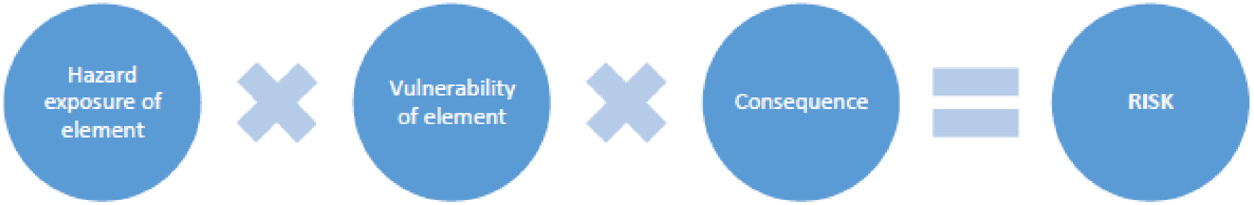


Figure 2.2: Risk screening approach

Environmental Scan – Big trends and risks.

The following section is a scan of future local needs as well as industry and global influences and the impacts these will have for infrastructure delivery in the region.

Our principles shape how we plan and manage our assets consistently. The considerations in this section will ensure our infrastructure is adaptive, optimised and future oriented – developed and managed, in collaboration, with consideration for long-term use, and lifetime cost and demand factors.

Then the COVID-19 pandemic hit and the majority of humanity stopped in their tracks. We adapted our daily lifestyles and how we did business changed. Pollution levels plummeted, canals ran clear again, the smog dissipated and nature began to reclaim urban environments.

So far 2020 has challenged our communities and us personally. It has taught us lessons and given us insights, particularly in regards local, regional and national resilience and self-sufficiency, being socially responsible and working together. The world is ever changing, the future is here- quantum and paradigm shifts are happening around us in technology, with climate stability, our demographics.

What if 2020 didn't happen? What if this year was like the ones before?

Before COVID-19, the Wellington regional economy was strong and the population was expected to grow almost 9 percent in the next 10 years. It could be ten years before the economy recovers to pre-COVID-19 levels. In the short-term unemployment and household income will challenge abilities to pay council rates, affecting our capex programme delivery. National economic stimulus spending may offset this challenge and present an opportunity for local government to have a key role in economic recovery and transition.

Increasing democratisation of our work, technological advances and growing prevalence of partnership models will provide opportunity to improve the quality of our services and outcomes for the community. There are also growing expectations around transparency, participation, partnerships and different funding models.

Globally, advances in technology are ongoing, rapid and unpredictable, changing the way we live and communicate. Through the early adoption of open and big data and analytics, augmented reality, real-time adaptability, the Industrial Internet of Things (IIOT), and the Everything-As-A-Service (XaaS) consumption model, there are huge opportunities to strengthen business, governance, asset management and the services we provide the community. There will be raised expectations in our communities for more personalised services that connect more data sources in an increasingly timely and accessible manner. Robust security, privacy and transparency will remain both core principles and challenges.

Our region's population growth is expected to slow in the near term (2021-2023) due reduced migration and economic activity in the region, and then recover to levels similar to those experienced in recent years. Our population is expected age and diversify, and to reach approximately 570,000 by 2030 (9 percent growth since 2020) and 632,000 by 2043 (20 percent growth since 2020), with higher growth rates expected in Porirua, north of Waikanae and the Wairarapa. The region is expecting between 46,000 and 68,000 more dwellings and 94,000 to 156,000 more people over the next 30 years.

As a region we are facing a number of challenges such as housing supply and quality and affordability constraints with water supply, transport and flood protection assets ability to support new development. Increases in population will place pressure on our existing infrastructure, increase demand for new (grey (concrete), carbon intensive) assets and have potential to exacerbate threats to the health of our waterways, indigenous biodiversity and our contribution to the climate crisis.

How best to use the opportunities of uncertainty?

Following COVID-19, the level of uncertainty in population and demographics, economics and demand assumptions is high. We don't know what the global economy will look like. We don't know about second waves, further lockdowns, about vaccines or when borders will open or the success of the Government's economic packages.

Working with uncertainty means that we have to consider a range of responses in our work, and using a range of scenarios. It also means that we need to review our projections regularly and adjust our asset management as needed.

In 2020 the only certainty is climate change. The impacts of climate change are already being felt across the region and the world and will continue to be exacerbated. Climate change is not a vague or uncertain set of predictions for the future; it gives us predictability in how we protect and develop our assets and the level of service we are able to provide.

Our natural environment will be negatively affected, there will be pressures on water supplies and quality, increases in predators, pests and new pathogens, and our communities could suffer negative health effects. Infrastructure and services provided will be under increasing pressure and risk.

The predicted and anticipated regional growth agenda, carbon reduction aspirations and a healthy environment are not mutually exclusive, but do pose planning and delivery challenges. We need to ensure urban development planning is cognisant of current and future infrastructure limitations, including flood risk, and compliance with increasing community expectations, environmental legislation and the ecosystem services values.

A coordinated, kaitiakitanga response is essential to wellbeing and resilience

These challenges can't be managed with a traditional approach. Carbon neutral mandates, urban growth and demand and stricter water quality rules all require changes to what was business as usual. The reset as a result of COVID-19 is a once in a generation opportunity and probably the only one we will get, to re-design our direction to define a new normal and make it our way of life, to be more resilient, cleaner, more sustainable and no longer a threat to life on this planet.

Internationally, a consensus seems to be growing that stimulus spending should be leveraged to achieve climate goals. Calls and commitments for a "green deal recovery" percolate through discussions of the post-pandemic future.

Greater Wellington sees these challenges as a context and opportunity to deliver and reshape decisions and plans, redirect energy and create a better environment supporting the needs of our community and ecosystems. The way we respond to the significant issues as a region will enable our transition to a thriving environment, connected communities and a resilient low carbon future.

Cross Cutting and Significant Issues

As outlined above the Wellington region needs to respond to some big challenges; community wellbeing post COVID-19, climate action, infrastructure affordability, Wellington being home to more people, structural and legislative reforms, and ensuring financial sustainability and equability.

To deliver the vision of an "Extraordinary Region - Thriving Environment, Connected Communities, Resilient Future" the significant issues for infrastructure identified are:

- Achieving Carbon Neutrality
- Improving Resilience
- Managing Critical Infrastructure

All these significant issues are impacted by and influence the wicked cross cutting issue of **affordability.**

Significance is applied as per Greater Wellington's Significance and Engagement Policy (2018).

It should be noted each of the significant issues does not affect each Greater Wellington asset group equally. In addition, the significant infrastructure issues are not mutually exclusive, and a change in one affects the others. The responses to each issue will have impact on capex forecasting- and affordability.

These issues are now explored in detail including what challenges they present to Greater Wellington and how we plan to manage them.

Achieving Carbon Neutrality

The rise in global temperatures is causing more volatile weather, having profound effects on biodiversity and ecosystems and threatening human health and well-being in numerous ways. To keep global temperatures from rising by more than 1.5°Celcious, we need carefully planned, rapid transitions to achieve steep carbon emissions reductions. In the Wellington Region this will be primarily from transport, energy source and agriculture.

Because of the risk to our communities, in 2019 Greater Wellington declared a climate emergency. In doing so adopted a goal of 40 percent reduction in Greater Wellington's net emissions by 2025, and to be carbon neutral (have net zero emissions) as an organisation by 2030 and 'climate positive' (be absorbing more emissions than it is emitting) by 2035[14].

Our Carbon Neutral 2030 goal is supported by a 10-point action plan, a Carbon Neutrality Policy (2020) and a Climate Consideration Guide (2020) requiring options for adaptation and mitigation considered for all work.

Since 2001, Greater Wellington has measured its greenhouse gas emissions using the Global Protocol for Community Scale Greenhouse Gas Emissions Inventory. In 2019 the Greater Wellington organisational emissions were independently verified by Toitū Envirocare.

It is acknowledged that directly or indirectly, infrastructure is a big carbon emitter and therefore has a pivotal role to play in achieving carbon neutrality. The greatest opportunities for organisational emissions reduction from our assets are in the public transport, ceasing stock in parks, and water supply activities (as well as corporate building energy and fleet improvements). Our land management, environment and parks activities provide opportunity for carbon capture and storage through reforestation and wetland enhancement.

Greater Wellington's carbon reduction will initially focus on reduction of operational emissions. We will achieve net zero carbon in operational energy emissions primarily through the electrification of the public transport network, ceasing grazing from the Regional parks and investing in restoration, and working with Wellington Water Limited to decarbonise the bulk water supply network.

We intend to cease grazing and restore 128.5 hectares of rare wetland and dune forest in Queen Elizabeth Park, and restore 21.8 hectares of pasture land at Kaitoke Regional Park. This decision will accelerate Council's move to become climate positive by 2035.

Reducing carbon emissions from operational energy use is a key priority for Greater Wellington. However carbon emissions associated with all lifecycle stages of an asset, (materials, manufacturing, transportation, labour, initial construction, operation, renewal and upgrade and end-of-life) are substantial. Currently assets lifecycle carbon is not accounted for.

We acknowledge the need to consider lifecycle carbon impacts of both new and existing assets. Integrating a lifecycle approach to carbon when planning and delivering assets is an important step in reducing carbon emissions to achieve emission targets. As such we are exploring expanding the Carbon Neutrality Policy scope to encompass lifecycle carbon of assets.

[14] There is not presently a target for regional emissions reductions. However, the national target is for long-lived Greenhouse Gases to be at net zero by 2050.

Through our proposed Procurement Policy we are seeking to encourage carbon, (and environmental and social) conscious purchasing. As well as reducing carbon, local government is a major purchaser of goods and services, and by implementing sustainable procurement policies we accelerate progress towards a green, circular economy.

We are in the early days of our carbon neutrality journey. Reducing whole of life carbon will demand fundamental step changes at all levels of the organisation. Taking a lifecycle approach represents a greater level of commitment. The reduction challenge will lead to new ways of thinking and working, innovation in digital technologies, construction techniques and development of standard products, underpinned potentially by new infrastructure, policy and investment.

Table 4: The following table demonstrates the issues arising from achieving our carbon neutral aspirations and the options available to us.

Issues	Options	Most likely scenario
To achieve net carbon neutral in operational emissions we need to: Phase out stock grazing from our regional parks Minimise gross emissions for the Metlink public transport fleet Reduce emissions associated with the abstraction, treatment and supply of drinking water.	Policy changes (low carbon consideration policy, energy and low carbon first) Change land uses Changes to levels of service. Low carbon Acceleration Funding Low carbon initiatives and innovations New infrastructure, investment and policy Do nothing- submit to >2°C warming /accept climate crisis	Bus Layover Decarbonisation $4.3M 2023/24 -2025/26 Belmont (Waitangirua) recreational facilities $830K 2022-2024 (Low Carbon Accelerator Fund) Investigation and assessment of options water treatment and distribution. OPEX
To achieve net carbon neutral and mitigate the lifecycle carbon of assets we need to: Reduce carbon in newly-built assets and materials, manufacturing, transportation, operations, renewals and labour and end-of-life	Policy changes (Lifecycle carbon) Capital Carbon Inventory PFSI (Permanent Forest Sink) registration of area review Low carbon Acceleration Fund New ways of thinking and working Innovation in digital technologies, construction techniques and development of standard products– i.e. cement free concrete, trenchless pipe construction or modular structures	'Toitu Te Whenua park-level master planning' $550K 2021-2024 Low Carbon Acceleration Fund for some implementation $6.1M of direct operating expenditure from 2021/22 to 2023/24. Capital Carbon and Inventory for assets. 2021 OPEX

Improving Resilience

For the Wellington region, natural hazard events and climate change pose risks to infrastructure, the environment, the economy and land use. Communities are already feeling the effects of climate change.

For Greater Wellington, resilience is a measure of the capacity of our communities, built environments, businesses, economy, infrastructure and natural ecosystems to respond and adapt to both sudden and slow moving changes, specifically growth, climate change and earthquakes. Resilience decisions we make anticipate, prepare for and adapt to changing conditions, seeking to lower the risks, vulnerability and consequences. Approaches can take a range of forms:

- Planning responses
- Adaptive design and engineering methods
- Behavioural change and education

To inform organisational understanding and asset management an initial, desktop risk assessment of Greater Wellington's built assets exposure to predicted impacts of climate change and natural hazard events[15] have been undertaken. The results of the risk assessment are summarised in Table 5 below. The assessment provided an understanding of the most vulnerable assets, and the events having the most impact. The assessment will be used in the respective AMPs to progress and inform resilience and adaptation responses.

Table 5

Hazard, threat	Water	Public Transport	Flood Protection	Parks	Environmental Science	Harbours
Surface flooding	Moderate 6	High15	V High 25	Moderate 10	Low 4	Moderate 9
Landslips	Moderate 6	High15	V High 20	Moderate 9	Low 4	Moderate 10
Rainfall	Low3	High15	High15	Moderate 6	Low 4	Low 1
Coastal Flooding	Moderate 6	Moderate12	V High 20	Moderate 9	Low 2	Moderate 9
Coastal Erosion	Moderate 6	High15	V High 20	Moderate 9	Low 2	Moderate 10
High winds	Low 1	High15	V High 20	High15	Low 1	Moderate 6
Extreme Temperatures	Low 1	High15	Moderate 10	Moderate 9	Low 1	Low 2
Fog & Humidity	Moderate 6	Low 2	Low 2	Low3	Low 1	Moderate 10
Drought	Moderate5	Moderate 6	Moderate 8	Moderate 9	Low 1	Low 2
Wildfire	Moderate6	Moderate 6	Low 2	Moderate 9	Moderate 9	Low 1
Earthquake	Moderate 4	High 12	V High 25	Moderate 9	Moderate 9	Moderate 6
Liquefaction	Moderate 5	High 12	V High 20	Moderate 9	Low 2	Low 1
Tsunami	Moderate 5	High 12	High 12	Moderate 9	Moderate 6	Moderate 9
Volcano	Low 1	Low 2	Low 1	Low 2	Low 2	Low 1

[15] Predictions and associated impacts from NIWA (2017) Climate Change Report for the Wellington Region. www.gw.govt.nz/climate-change

Table 6: Greater Wellington's risk assessment matrix. Risk is the result of consequence and the likelihood of an occurrence, and the key for the table above

	LIKELIHOOD					
5	Almost Certain > 90%	Low 5	Moderate 10	High 15	Very High 20	Very High 25
4	Likely 75 - 90%	Low 4	Moderate 8	Moderate 12	High 16	Very High 20
3	Unlikely 50 - 75%	Low 3	Moderate 6	Moderate 9	High 12	High 15
2	Highly unlikely 25 - 50%	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
1	Rare < 25%	Low 1	Low 2	Low 3	Moderate 4	Moderate 5
	Level 1-5	Minor 1	Moderate 2	Significant 3	Major 4	Extreme 5
		CONCEQUENCE				

Surface flooding, from more intense and frequent rain events, and coastal flooding, associated with sea level rise, are the biggest risks identified to Greater Wellington assets and services, in some cases the impacts are being felt now. Consequently, Greater Wellington assets and activities on floodplains and/or in relative proximity to the coast are the most at risk, i.e. the lower Hutt Valley or Porirua. The risk to water supply from increased drought is currently considered moderate, but this risk will become more apparent in the life of this strategy.

The asset portfolios with the greatest risk profile are Flood Protection, Public Transport and Bulk Water Supply.

The exercise has demonstrated the range of effects on, and differences between, asset sub-groups and the potential damage faced. It has also emphasised the difference between consequence to asset and the consequence to service and differences within asset classes depending on location.

Also highlighted is the increasing risks to our services due to failure of other infrastructure or services owned, controlled or managed by third parties. Flooding of roads affects our public transport capability; power outages due to extreme temperatures or high winds would remove services such as traffic signals. Similarly Fire and Emergency New Zealand rely on our water networks to fight fires.

Additionally, coastal whenua are of huge importance to mana iwi, with many important spaces located in coastal and/or flood prone areas, with limited options for retreat. Our kaitiaki and kaitiakitanga roles extends to our community and their wellbeing. How we approach these challenges needs to guarantee social wellbeing- now and into the future.

Improving the resilience of all our communities and assets is low risk/high impact approach – moving from a post event recovery costs position to investment in mitigation and adaptation that would limit the impact when adverse events do hit. The changes we need to make to reduce the risks to our communities are significantly less disruptive and cheaper if we make them now, proactively, rather than reactively.

Table 7: Demonstrates the issues around resilience and the options available to us

Issues	Options	Most likely scenario
The condition and configuration of the coastal rail network makes it vulnerable to service disruptions which have a flow on impact into the wider transport system. *Noting Greater Wellington doesn't own the rail network assets.*	Policy changes – including fight or flight, mode changes. Work with TAs (and others) on land use changes. Partnership for new infrastructure investment and/or edge protection Adaptive pathways and system thinking approaches Risk management approach to service provision Community and stakeholder awareness, partnership and adaptation approaches Decrease to level of service. Change insurance initiatives and innovations construction techniques and development of standard products Do nothing – accept the risk to assets and services	Asset renewals, including risk prioritisation, as a critical enabler of resilience and adaptation. Work with KiwiRail on resilience and alternative solutions - e.g. ferries. OPEX
Parks assets at risk from coastal erosion and undermining from sea level rise	Policy changes – including fight or flight, Managed relocation/retreat or retire from. Community and stakeholder awareness, partnership and adaptation approaches Adaptive pathways and system thinking approaches Rebuild or upgrade with new investment and innovation construction techniques. Work with TAs (and others) on land use changes. Decrease to level of service. Change insurance Do nothing – accept the risk to assets and services	Queen Elizabeth Park Coastal Erosion Plan $2.34M 2021/22-2023/24
Water supply network at risk from seismic events	New investment for upgrades and renewal Innovation construction techniques and development of standard products. Adaptive pathways and system thinking approaches Change level of service Partnership for investment Do nothing – accept the risk to assets and services	Ground strengthening Waterloo Treatment Plant $4M 2021-22 Replacement of Kaitoke main, Silverstream Bridge $30.5M 2021/22-2023/24 Kaitoke Flume Bridge Seismic Upgrade $4.2M 2021/22
We are not meeting our 1 in 50 year drought resilience level of service	Reduce consumption (Smart Services implementation, Leak detection, reduce network pressure, Education and behaviour change) Upgrading existing and new assets New raw water source for growth Different technology Integrated planning and delivery with Regional Growth Plan Partnerships and funding models Do nothing Decrease to level of service	Te Marua capacity optimisation $38.9M 2021-25 Investigations and planning for a new source. OPEX (whilst working with TAs to manage demand)

Issues	Options	Most likely scenario
Urban development planning is cognisant of current and future infrastructure limitations, including flood risk, and compliance with legislation and the ecosystem services values	Policy changes – no new development on hazardous land. Managed relocation/retreat or retire from. Adaptive pathways and system thinking approaches Community and stakeholder awareness, partnership and adaptation approaches Work with TAs (and others) on land use changes. Vegetated 'soft' erosion edge protection Critical stopbank building and /or reconstruction Partnership for new infrastructure investment; edge protection Stimulus funding and recovery approaches – i.e. Jobs for Nature and Provincial Development Unit. Decrease to level of service. Change insurance Do nothing- accept the risk to assets and services	RiverLink $76.5M over 10 years (to project completion) Other flood plain management plan implementation $60M over 20 years: • Waiwhetu - $10.6M over 2024/25 – 2037/38 • Waikanae - $8M to 2042/43 • Otaki - $12.8M to 2037/38 • Lower Waitohu - $5.3M to 2033/34 • Waiohine River - $13.9M to 2027/28 • Te Kauru - $12.6M 2024/25 to 2026/27

Delivering Critical Assets

Underfunded and aging asset issues have not gone away because of COVID-19. Infrastructure provides vital services but operational and capital works are now helping drive the economy. Infrastructure based recovery projects have significant social, cultural and economic wellbeing benefits.

The large critical infrastructure we own represents significant historic investment and a significant investment in the future. Growth and population dynamics change mean new and different infrastructure will be needed, and this comes at a cost. The upgrade and/or addition of new assets, to improve resilience or meet increased levels of service or to support growth in the region will add further to our costs.

While the region will become home to more ratepayers, it does not mean lower rates increases. It will mean the load is spread across more ratepayers, so we can fund new and relevant infrastructure to meet growth and changes in demand.

In 2020, Aotearoa's GDP declined by 6 percent. With a looming debt mountain, people having less money and spending less, it could be tempting to cut back on infrastructure maintenance and new investments. But such decisions, deferring or reducing expenditure on assets now, risk losing the benefits of having prudently invested historically and end up increasing our cost burden in the future whilst increasing the risk of asset failure and shortening the life of the asset.

Simultaneously the infrastructure industry is being turned on its head. We are in the midst of some disruptive, radical reshaping and transformative times. Legislative, statutory and regulatory change in all infrastructure fields is ongoing, and may change our role, relationships and ways of operating particularly due to stronger environmental regulation and increasing expectations for positive environmental outcomes. We will likely see new governance roles and changing responsibilities for land-use, water supply and transport.

The new drinking water regulator, Taumata Arowai, will be established in 2021. Taumata Arowai will be responsible for drinking water regulation plus have oversight of wastewater and stormwater. Establishing and structuring Taumata Arowai is a three year process. Greater Wellington expect to own the bulk water supply assets for at least the first two years of this LTP, assuming they will transfer at some point in the following 10 years. To continue to supply water to the community through the period and the transfer, we have programmed and budgeted that we will continue to manage and own them.

Market dynamics have led to a skills shortage at all levels of the engineering industry from experienced consultants and contractors, to skilled labour. There a number of projects nationally and within the region which are limiting the availability of contractors and consultants to progress programmed works. The limited availability is also leading to increased costs, where received proposals have been as much as 50 percent over estimate. This is impacting budgets and timeframes for delivery.

It is understood that the status quo will not deliver the future the region needs in the short or long term. To address the all these funding, regulatory, skills and capability issues requires a change of paradigm from the way we have often planned and managed the region in the past, to a sequential, multi-disciplinary, multi-agency approach.

We need to explore new streams of revenues for infrastructure assets and identify strategies for partnerships and investment programmes and procurement. Similarly we need to make evidence based decisions at the macro scale to deliver services on the back of other major investment for the well-being of our community. We need to prioritise critical and strategic assets that directly contribute to deliver a thriving environment, connected, resilient, low carbon future.

As such it is likely that interdisciplinary, multi-benefit projects such as Let's Get Wellington Moving and RiverLink, delivered with other stakeholders, will replace single focused projects, deliver multi- benefits and contribute to our priorities. Across public and private sectors we are redesigning how we work, combining people, teams and stakeholders collaboratively, powered by partnerships and Treaty-based relationships. These trans-disciplinary teams include engineers, ecologists and planners as well as social scientists can place the right priorities on how to best address the needs of people and their roles in the towns and communities.

With the councils across the region, and other stakeholder organisations, we have been thinking how we will respond and accommodate growth sustainably and resiliently through developing a 30 year Wellington Regional Growth Framework (with sight of 100 years). It is recognised that integrated growth and spatial planning results in healthier, resilient, more productive local communities, homes and places. This integrated planning of core services and infrastructure, including water, parks, transport and mobility, encourages alignment of service planning and mutually beneficial people-centred solutions.

Table 8: outlines the issues for managing our critical assets and the options available to us.

Issues	Options	Most likely scenario
Need to improve capacity reliability and customer experience across the PT network to enable mode shifts and reduce transport emissions.	Strategic, integrated approach to growth planning – smart connections, Wellington Regional Growth Framework etc. Fund renewals and upgrades of critical assets New infrastructure, investment and policy Change or decrease Levels of Service Partnership and funding models to drive efficiencies Do nothing	Metlink Bus new Capex $28M 2021/22-2049/50 Waterloo Interchange $22M 2023-2026/27 Integrated ticketing solution $48.4M from 2021/22-2023/24 Making shared and active modes attractive – upgrading rail station customer amenities $19M 2023/24-2029/30

Issues	Options	Most likely scenario
Current infrastructure is not capable of safely accommodating additional trains, which restricts the options available to accommodate future demand	Fund renewals and upgrades of critical assets New infrastructure, Partnerships and investment Decrease level of service Do nothing	$200M infrastructure Commission funding for rail network upgrades between Wellington, Wairarapa and Palmerston North and Wellington *Transitional rail – investment 100 percent Funding Assistance Rate (FAR)*
There is a small backlog of deferred water supply, flood protection and Metlink renewals which poses a growing risk to service reliability and performance.	Fund renewals and upgrades of critical assets Fund compliance and regulation driven activities Funding options – water levy, KiwiRail partnerships Decrease level of service Do nothing	Gear Island and Waterloo wells replacement $18M 2022-2030/31 Kaitoke intake $36M 2032-2036/37 Metlink Bus Capex renewals funded each year of Strategy from 800k from 2021/22 to $1.7M 2049/50 Lower Wairarapa Development Scheme, including the George Blundell Barrage $220.1M 2021/22 to 2050/51 Significant decision points to deliver major Floodplain Management Plans projects including: • Waiohine • Te Kauru (urban reach)
The average water use in the Wellington metropolitan region is 374 litres per person per day. This is significantly higher than the other major cities in New Zealand and comparable cities overseas.	Asset development – Advanced meter infrastructure (AMI, or “smart” meters) Demand Management (Leak detection, reduce network pressure, education and behaviour change) Decrease level of service Do nothing	Education and behaviour change in partnership with the TAs. (OPEX)
Our water supply system is under increasing pressure, with growth relatively high demand and requirements to ensure ecological flows, pushing us towards the limits of our current system.	New raw water source and new assets for growth Upgrading existing assets Different technology (modular desalination) Integrated planning and delivery with Regional Growth Plan Partnerships and funding models Do nothing	Renewals and new assets to support growth in Porirua; Pukerua High Level Pump Station $6M 2032-35 Plimmerton pump station $8M 2033-37 Judgeford Hills East High Level PS $5M 2042-49 Investigations and planning for a new source. OPEX (whilst working with TAs to manage demand)
Existing (and potential development) has a greater likelihood of flooding.	Vegetated ‘soft’ erosion edge protection Continue with traditional protection structure Integrated planning and delivery with Regional Growth Plan New policies - avoidance of inappropriate development in hazardous land – required Decrease Levels of service Do nothing	Hutt River Erosion $14.8M from 2022/23

Issues	Options	Most likely scenario
Increasing customer expectations, legislative requirements and increased and sustained demand for higher standard amenity and recreation facilities and ecological enhancement alongside provision of Parks and Flood Protection services.	Redesigning how we work, combining people, teams and stakeholders, powered by partnerships and Treaty-based relationships (i.e. Fit for Future (Parks and Flood Protection collaborating to deliver asset and service) Programme and fund provision of recreational and amenity facilities Partnership / alternative funding and delivery mechanisms Non-compliance with legislative and statutory obligations (National Policy Statement – Freshwater, Aotearoa Biodiversity Strategy 2020, Regional Policy Statement etc) Do nothing	Reframing our Floodplain Management Plans to deliver an agreed vision for regional rivers alongside implementing the code of practice river management activities. Including: • Waiwhetu • Lower Wairarapa Valley Development Scheme Use opportunities to partner with corporates and philanthropic organisations for planting and recreational amenity provision. Wainuiomata Lower Dam loop track construction $150k 2022-23
Increased demand and legislative changes have resulted in a higher level of service for monitoring of ecology, flood warning, groundwater quantity and quality and soils and climate.	Programme and fund asset development Partnerships and funding models Reduce levels of service Do nothing	Installation and provision of regional-scale: • Climate monitoring sites • Ground water quality and level monitoring • Coastal and lake quality monitoring • Upgrading safety of structures $362k 2021-23

Affordability

The timing and scope of capex projects is optimised to balance cost pressures, limit the rates increase, and maintain a healthy balance sheet.

The key affordability pressures we face are:

- Affordability is not uniform across the region
- Investment in the resilience of our assets and services, so that the region is better able to withstand and/or recover from major shocks and stresses – especially bulk water supply and flood protection
- Transitioning to a low carbon economy
- Public Transport Transformation Programme – The Public Transport Operating Model (PTOM) requires Greater Wellington to build long-term commercial partnerships with public transport operators, in order to improve services and grow patronage
- Population growth, together with relatively high per capita water consumption, is putting pressure on our existing water sources and an ageing network is contributing to an increase in leaks and water loss
- Project cost escalation including delivery, compliance, risk management, materials, bidding, and compromised productivity due to stricter health and safety

- Project resourcing, with increased demand on, and limited availability, of engineering capacity and capability and disrupted international supply chains
- Changing legislative, statutory, regulatory and reforms
- Increasing community and environmental expectations

Greater Wellington has a tolerance for rates increases around 15 percent for the first three years of the LTP. Rates increases are important and, although perceived objectionable, present value for money to the community. Without them risks deferring or reducing expenditure on assets now, losing the benefits of having prudently invested historically and end up increasing our cost burden in the future whilst increasing the risk of asset failure and shortening the life of the asset. Simply, they allow us to deliver vital operational and capital works as required, without deferral, and fund work to meet growth and changes in demand including enabling carbon emission reductions and increase resilience.

How much needs to be invested?

The capital investments Greater Wellington has made in the past, and will continue to make in the future, commit Greater Wellington to annual costs to maintain, operate, renew, and replace these assets.

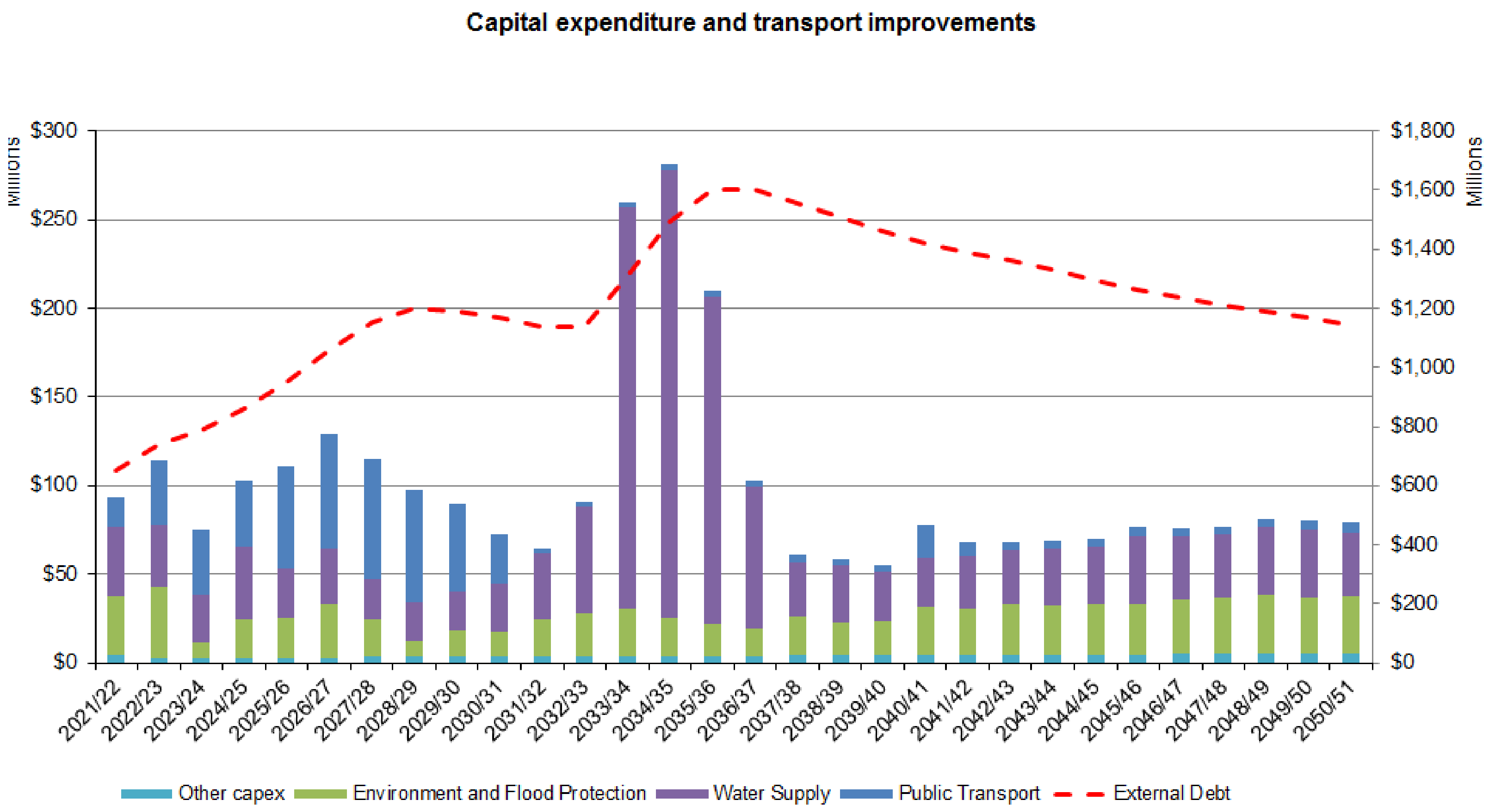
Capital expenditure

In maintaining levels of service, meeting priorities and addressing challenges, Greater Wellington expects to spend more than $3,012 million on renewals and new capital between 2021/22 and 2050/51.

Figure 1, below shows forecast annual capital expenditure, and debt levels, under the most likely scenario for the whole of Council, including the three larger asset groups over the 30 years of this Strategy.

The peaks represent large investment that we need to manage from both an affordability perspective and with our organisational ability to manage the workload.

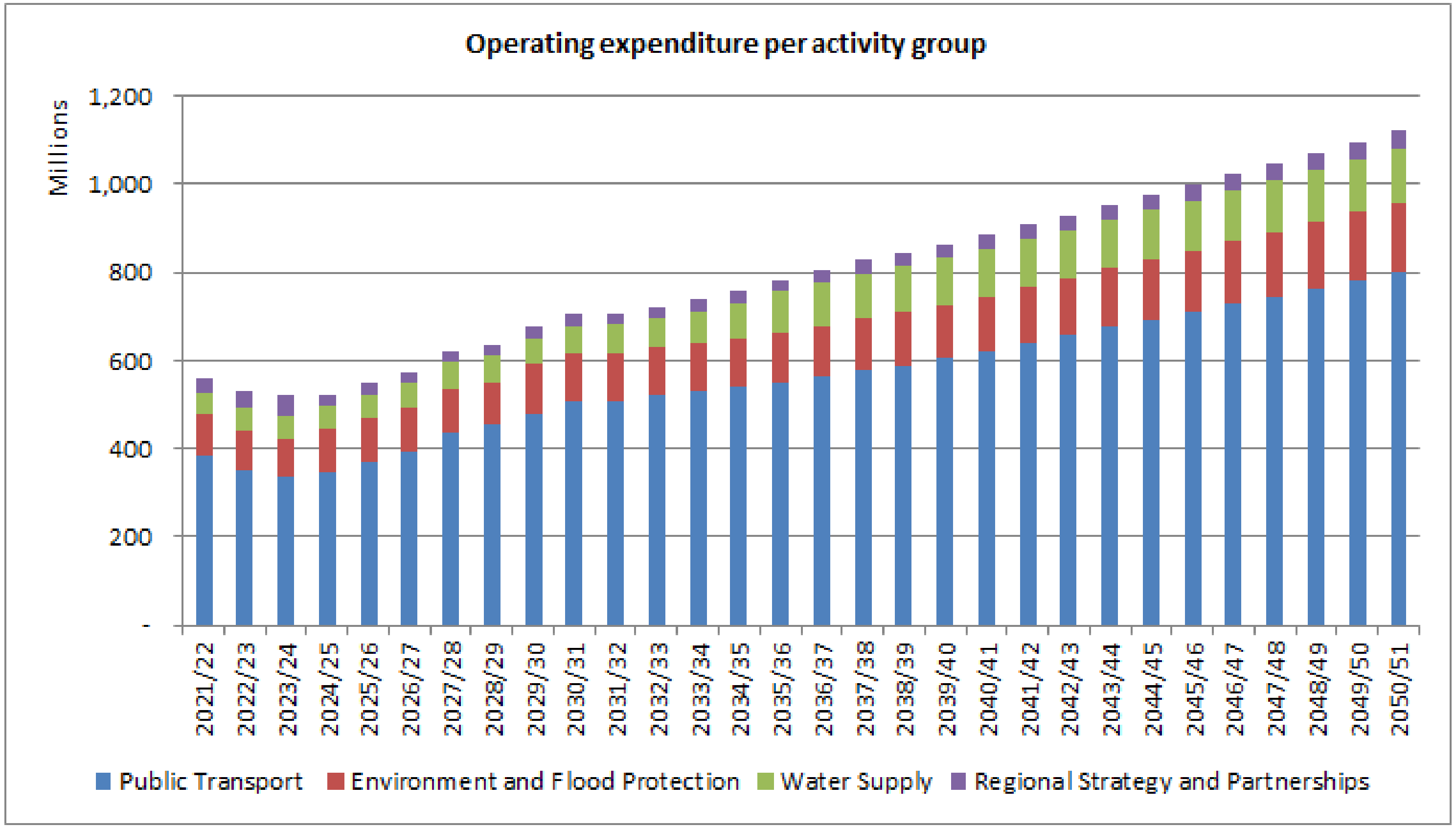
Figure 1: Forecast annual capital expenditure, and debt levels, for the 3 core asset groups over the 30 years of this Strategy.



Operating expenditure

Over the life of the 10 Year Plan our operating expenditure is forecast to increase by xx percent from $560 million in 2021/22 to $703 million in 2030/31. *Figure 2* below provides a 30 year view of operating expenditure for each of Greater Wellington activity groups.

Figure 2: Operating expenditure per activity group



Part of these consequential operating costs is to support new capital including asset renewals and upgrades. Though operational efficiencies are a continual area for improvement and savings are being pursued in this area. The larger increases include:

- **Public Transport Network:** Our activity plans will require operating expenditure to increase by $124 million (32 percent) over the next ten years to increase patronage, improve levels of services and to fund borrowing for the capital programme
- **Water Supply:** Our activity plans will require operating expenditure to increase by $14 million (29 percent) to maintain our existing infrastructure and to fund borrowings for the capital programmes
- **Flood Protection**: Our activity plans will require operating expenditure to increase by $4.4 million (18 percent) to maintain our existing infrastructure and to fund borrowing for the capital programme that includes investing in the RiverLink project

Principle Options and Significant Decisions.

Fundamental to delivering a thriving environment, connected communities, resilient, low carbon future for the region whilst managing our infrastructure in a manner that considers the current community and future generations we need to make some significant decisions about capital expenditure required over the 30 years.

For all issues the risk of deferring capital investment is not achieving the vision we have for the region.

Table 9: Includes what the decisions are, when we need to make those decisions, and the approximate scale or extent of the costs associated

Issue	Timing of project	Principal Option	Costs ($000)	Level of Service impact	Risks and implications of deferring
Achieving Carbon Neutral	2022-2024	Belmont (Waitangirua) recreational facilities	$830K	Increase / New	Traditional build will not achieve Greater Wellington's 2030 carbon neutral goals.
	2023/24 -2025/26	Bus Layover Decarbonisation	$4.3M	Increase / New	Reducing public transport emissions by decarbonising the fleet will assist achieve Greater Wellington's 2030 carbon neutral goals.
Asset renewals as a critical enabler of resilience and adaptation.	2021-51	Deliver major Floodplain Management Plans projects	$223M	Meet current	Not funding or deferring will put existing communities, services, assets and property at increasing risk.
	2021-24	Queen Elizabeth Park Coastal Erosion Plan	$2.3M	Meet current	
	2021-22	Ground strengthening Waterloo treatment plant	$4.4M	Meet current	
	2021/22-2023/24	Replacement of Kaitoke main, Silverstream Bridge	$30.5M	Meet current	
	2021/22	Kaitoke Flume Bridge Seismic Upgrade	$4.2M	Meet current	

Delivering an efficient, accessible, and low carbon public transport network	2021/22 - 2049/50	Metlink Bus new capex	$28M	Meet current	Without work and investment we will continue failing to meet public transport levels of service.
	2023-2026/27	Waterloo Interchange	$22M	Meet current	
	2021/22 – 2023/24	Integrated ticketing solution	$48.4M	Increase / New	
	2023/24 -2029/30	Upgrading rail station customer amenities	$19M	Increase / New	
	2023/24-2028/29	Wairarapa and Manawatu rail service and capacity enhancements.	$ 745M	Increase / New	
Managing our critical assets	2022-30	Gear Island and Waterloo wells replacement	$18M	Meet current	Deferring or underfunding renewals presents a growing risk to service reliability and performance.
	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	Failure to plan and invest in provision of infrastructure will not enable growth, dismiss intergenerational equity and affect future liveability and wellbeing
	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	Water shortages during drought years and as demand from growth increases.

Table 10: The impacts on levels of service from these decisions

Water Supply	We do not propose any significant changes to our current levels of service for water supply The most likely scenarios will address the impacts, and maintain the levels of service for safe to drink, and continuous and secure supply
Flood Protection	We do not propose any significant changes to our current levels of service for flood protection in the short term of this strategy. Increased investment may be required to maintain levels of service in the face of climate change and sea level rise.

Public Transport	We **do** propose changes to our current levels of service for Public Transport. We set levels of service to ensure they are customer focused, address the issues that are important to the communities we serve, are technically meaningful, and align with our vision of providing an efficient, accessible and low carbon public transport network. Our public transport service also needs to contribute to the government's strategic priorities for land transport. Therefore, we have realigned our levels of service with them and our corresponding strategic focus areas of facilitating mode shift (from private vehicle), maintaining a customer satisfaction rating greater than 92 percent for the overall trip, and achieving a 30 percent reduction in transport-generated emissions. Our levels of service are: • Provide a consistent and high quality customer experience across the public transport network • Promote and encourage people to move from private vehicles to public transport and active modes (walking, scooter, active MaaS etc) • Gross emissions for our public transport fleet will be minimised, reducing the offsets required to reach net carbon neutrality • Reduction of accidental death and serious injury on our public transport network to encourage safe behaviours These changes represent: • Longer term increases to levels of service • Investment programme to deliver these service improvements (frequency, integrated fares and ticketing, accessibility, renewals and decarbonising the fleet)

Conclusions

To support the vision we have for the Wellington Region, this strategy defines the nature of the challenges we face, our approach and options for dealing with those challenges, and the implications of these actions whilst ensuring intergenerational equity.

The big challenges the region needs to respond include achieving carbon neutral, improving our resilience and continuing to manage our critical assets, whilst considering infrastructure affordability. There is also community wellbeing, COVID-19 impacts, Wellington Region being home to more people, structural and legislative reforms, and enabling financial sustainability and equability.

Our principles shape how we plan and manage our assets consistently so it is future oriented, adaptive, optimised and collaborative. Best practice asset management can be used to help navigate and provide certainty to the changes and challenges faced by talking a lifecycle approach. As such asset management can enable community wellbeing, social prosperity and achieve our carbon neutral aspirations.

To deliver a thriving environment, connected communities, resilient, low carbon future for the region, one which manages its infrastructure and services in a manner that considers the current community and future generations, we must continue to use prudent, best practice asset management including asset information, as the basis for evidence-based planning decisions and investment.

Finance Strategy 2021-31

Introduction and background

We are required to prepare and adopt a financial strategy under section 101 of the Local Government Act 2002. The purpose of the financial strategy is:

- To facilitate prudent financial management by providing a guide to consider proposals for funding and expenditure against; and
- To provide context on our funding and expenditure proposals by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The objective of our financial strategy is to take a sustainable approach to service delivery and financial management. This means focusing on ensuring our levels of service and activities are financed and funded to generate and protect community outcomes and promote long-term community well-being.

As we prepare this financial strategy we are in a strong financial position. At 30 June 2020 we had $1,807 million of total assets including $704 million of total liabilities and total external borrowings of $520 million. Further, our long-term credit rating was recently affirmed by Standard and Poors at [AA+]. This is a strong rating only one notch below central government.

From a funding perspective, we have access to a range of revenue sources which enables us to reduce the funding burden on ratepayers as well as ensuring funding is more resilient to unforeseen events. In financial year 2019/20, the income we received from rates and water levies was less than 50 percent of total revenue.

Overview of financial strategy

In planning for the next ten years, our current financial position means we are well positioned to help the region respond to the various challenges it faces.

In particular, the financial strategy has been devised with the intention of ensuring we can support the region as it confronts the economic challenges posed by the COVID-19 pandemic. To do this we are investing in shovel ready projects that will help to stimulate an economic recovery, in addition to providing for environmental protection and supporting the region's transition to a sustainable and low carbon economy. There has also been a strong emphasis on ensuring we are able to maintain a sustainable approach to financial management. To help achieve this we have funded a portion of these projects through reserves to minimise the impact on debt and rates.

There is also an ongoing need to ensure regional infrastructure is 'future proofed' against the impact of climate change and to implement various carbon reduction initiatives. This will help to ensure we can achieve our target of achieving carbon neutrality by 2030. There are a range of investments within this Long Term Plan that will assist us in achieving these goals. To the extent this relates to capital expenditure, this will be funded through debt in the first instance.

Infrastructure Strategy provides details of the level and timing of investment needed to operate, replace, renew and upgrade existing facilities and the Financial Strategy outlines the required rating and debt levels to fund these investments. Together the two strategies outline how Greater Wellington intends to balance investment in assets and services with affordability.

The financial strategy further reflects the requirement to make continued investment in supporting regional growth and an aging demographic. This necessitates substantive infrastructure investment. In-line with this approach we have also reviewed the levels of service we provide to ensure we are delivering the right community outcomes.

Against this backdrop, we are undertaking close to $1 billion of capital expenditure over the course of the Long Term Plan period, including the following key investments:

- Electrification of Metlink buses;
- Rail station infrastructure and upgrades;
- Continued investment in Let's Get Wellington Moving;
- Development of integrates fares and ticketing solution;
- RiverLink;
- Delivery of major flood protection hazard and management programmes;
- Installation and provision of regional-scale environment and climate monitoring sites;
- Renewal and upgrade of critical drinking water abstraction, treatment and supply network assets;
- Te Marua Water Treatment Plant Capacity Optimisation;
- Relocation of Kaitoke main on Silverstream bridge

As these investments provide intergenerational benefits they will be predominantly debt financed. Over ten years we are expecting to borrow $527 million which results in total outstanding borrowings of $1.2 billion by the end of the plan after repayments. Importantly, we remain comfortably within our debt limits throughout the Long Term Plan period.

Consistent with our approach to ensuring a sustainable approach is taken to the region's financial management, the financial strategy also includes rate increases to fund expenditure that benefits the whole region. On average this equates to increases of around $18 million per annum over the Long Term Plan period. Where possible we have sought to minimise rate increases by leveraging various funding levers.

Guiding principles for our financial strategy

Using debt to fund assets that provide intergenerational benefits: Our approach ensures all ratepayers who use an asset contribute towards it. Using debt to fund assets allows us to increase service levels whilst ensuring the funding burden is shared across generations.

Who should pay based, where possible, on the distribution of benefits: We consider who benefits from an activity when evaluating how to fund it.

Willingness of ratepayers to pay, and affordability: Consideration is given to balancing the need for public facilities and services with consideration of the ratepayers' ability and willingness to pay. This is done by considering economic information about the region. The rates (increase) affordability benchmark has been reviewed, resulting in an additional benchmark showing the change in the quantum to a Dollar per average rating unit to reassure ratepayers of the affordability of Greater Wellington regional rates.

Prudent financial management and value for money: We aim to practice good financial management through sound decision making and where our actions are well thought through to minimise the risks and appropriately allocate costs to ratepayers now and in the future.

Challenges

COVID-19 global pressures

COVID-19 has, and could, continue to have a significant impact on well-being, jobs and business across the region. It is estimated the regional economy will be impacted over the short-term and take at least five years to return to positive growth in GDP and employment. Due to a decrease in employment and household incomes, it may be harder for households to pay rates.

It is expected to impact our funding sources too. This is likely to be through items such as lower patronage on public transport. At the same time, many of our costs remain fixed and our expenditure pre-committed. Despite this, we are committed to facilitating the region's economic recovery, particularly through the funding of shovel ready projects (a number of which feature in central government's infrastructure investment strategy). Our continued investment in services and infrastructure will contribute to the well-being of our community and stimulate the region's economy through the procurement of goods and services.

Environmental pressures – including adapting to climate change

The impacts of climate change are affecting communities across the world and is having impacts on aspects of our lives already. The risk to our communities is now too high to ignore, so in 2019, Greater Wellington declared a climate emergency.

To minimise the negative impact of climate change we must continue to ensure we are becoming a more climate resilient region. Climate change may result in increased risk of flooding, landslides, erosion, droughts and coastal hazards across the region and may impact regional services, infrastructure, coastal roads and constrain the water supply. Council has a mandated role to build the resilience of our communities against natural hazards and climate change

Our financial strategy assumes we have time to plan and prepare response options for most climate change related effects (i.e. rising sea levels). However our ability to deliver planned levels of service to the community may be affected if climate change occurs faster or with greater impact. If this occurs unbudgeted emergency work may need to be carried out. Additional unbudgeted costs may also be incurred to mitigate impacts, such as improving protection of critical infrastructure or increasing maintenance.

Our low level of debt provides flexibility to respond to any unexpected climate impacts through borrowing for emergency works. In addition, some self-insurance of our underground assets is in place to help provide for emergency work if required. We are ensuring that future assets are of sufficient standard to cater for the predicted effects of climate change.

Greater Wellington also has a role to play in reducing emissions, As a first step towards this, we have adopted a goal of 40 percent reduction in Greater Wellington's net emissions by 2025, and to be carbon neutral (have net zero emissions) as an organisation by 2030 and 'climate positive' (be absorbing more emissions than it is emitting) by 2035.

Our Carbon Neutral 2030 goal is supported by a 10-point action plan, a Carbon Reduction Policy (2020) and a Climate Change Consideration Guide (2020) requiring options for adaptation and mitigation considered for all work, including decision-making. We have also established the Low Carbon Acceleration Fund, designed to help spur a step change in Greater Wellington's activities to reduce emissions and put it on track to achieve Council's carbon reduction goals, and fund activities or initiatives that reduce net emissions more quickly and/or at a greater scale than otherwise would occur.

Many of the initiatives in the 2021-31 Long Term Plan, such as the electrification of our bus fleet and phasing out grazing from our regional parks, will support this direction.

Population and demographics

Current statistics estimates the region's resident population to come close to 537,000 in 2021. This is an increase of 1 percent since the 2018-28 Long Term Plan. By 2030, the population is expected to reach 570,000 and 632,000 by 2043, which will increase demand for services and infrastructure and may also impact the region's biodiversity, marine environment and waterways. Greater population density, and the impact it has on climate change, will need to be monitored too.

Managing the impacts of an ageing population will also be a challenge for the region. This may have rates affordability implications and impact the size and value of new dwellings. Ageing will affect demand for services, including public transport, emergency management and housing patterns.

Within the 2021-31 Long Term Plan, we are continuing to address these items by emphasising appropriate infrastructure investment and ensuring our approach to financial management is sustainable.

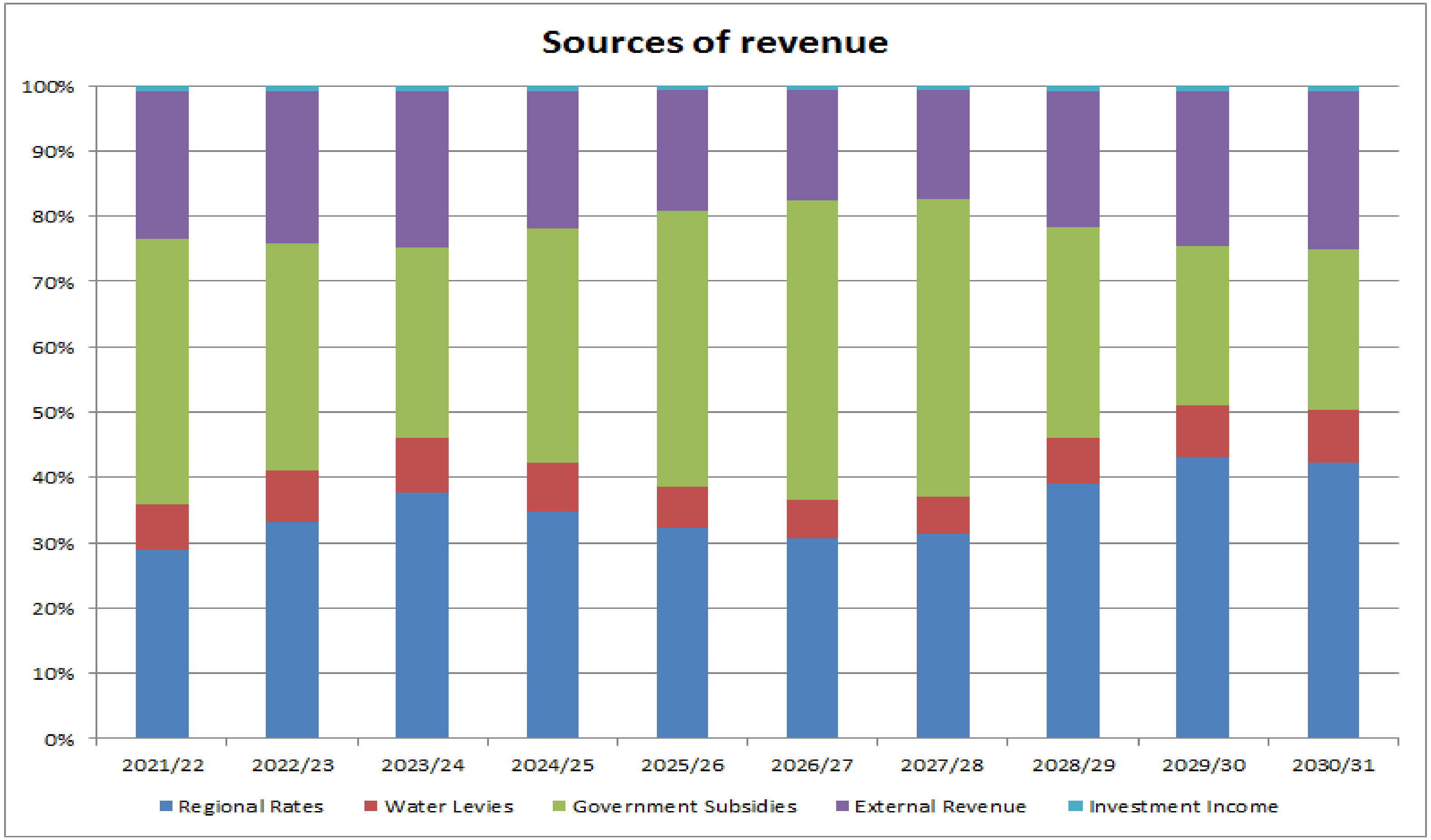
Funding

We fund activities through a range of sources. The way in which activities are funded is set out in our Revenue and Financing Policy. The key items considered when determining how to fund an activity are:

- The distribution of benefits between the community, any identifiable part of the community and individuals.
- The period over which benefits are expected to occur.
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.

- The costs and benefits of funding the activity distinctly from other activities.
- The overall impact of any allocation of liability for revenue needs on the community.
- The most appropriate fees and charges strategy so that adequate funds are recovered to offset operational expenses.

Our funding mix over the Long Term Plan period is shown here:



Investments

Investment income is used to reduce general rates and allows ratepayers to realise some of the benefits from the investment portfolio each year. This approach ensures intergenerational equity is maintained.

Investment income consists of direct equity investments in Council-controlled organisations and Council Controlled Trading Organisations; investment property; and holdings of financial assets.

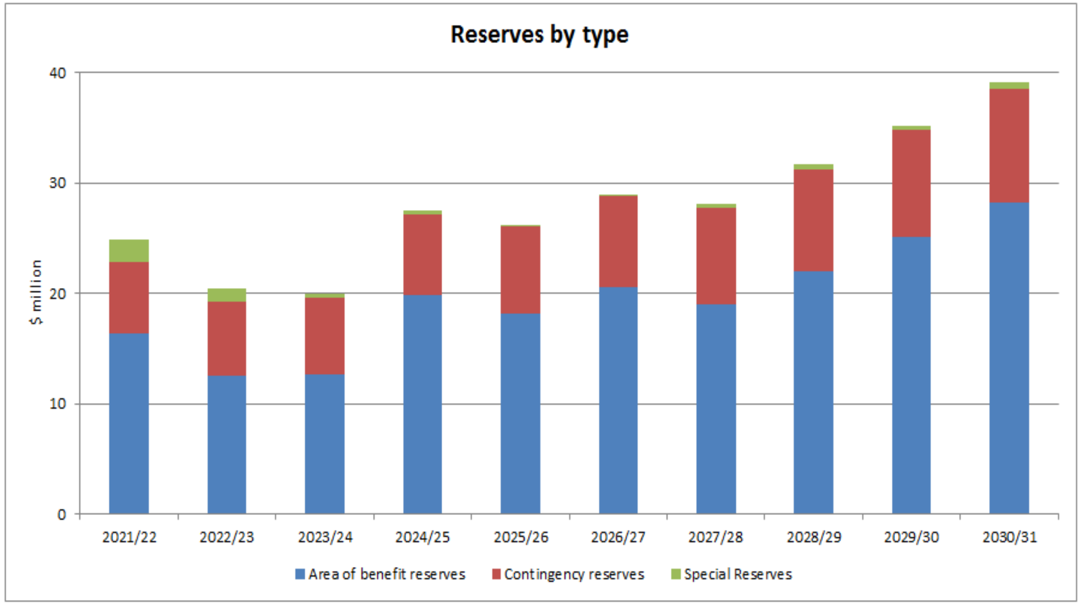
Over the term of the 2021-31 Long Term Plan period, we are forecasting $59 million of investment income. The largest contributor is expected to be CentrePort of $38 million.

As a responsible public authority, we understand any investments held should be low risk. Our primary objective when investing is the protection of investment capital and revenue generation. This means we will only invest with counterparties that are of sufficient financial strength, with approved, acceptable creditworthiness ratings.

Reserves

Reserves are generated using surplus funds from prior financial years and are used occasionally to fund expenditure. Maintaining reserves is a prudent form of financial management used to either minimise volatility in capital expenditure or to help protect against the impact of unexpected events. This ensures we can maintain our usual service levels after without putting pressure on debt and rates.

We expect to start the long-term process with $27.3 million worth of financial reserves. We expect to progressively drawdown on our reserves in order to strategically utilise the funds when required and reduce rates impact of our planned capital expenditure. The main drawdowns are expected to be in year 2021/22 and 2022/23 of $2.4 million and $4.3 million respectively to fund our public transport modernisation and offset rates increases. After that we expect to build up our financial reserves to reach $39.1 million by 2030/31.

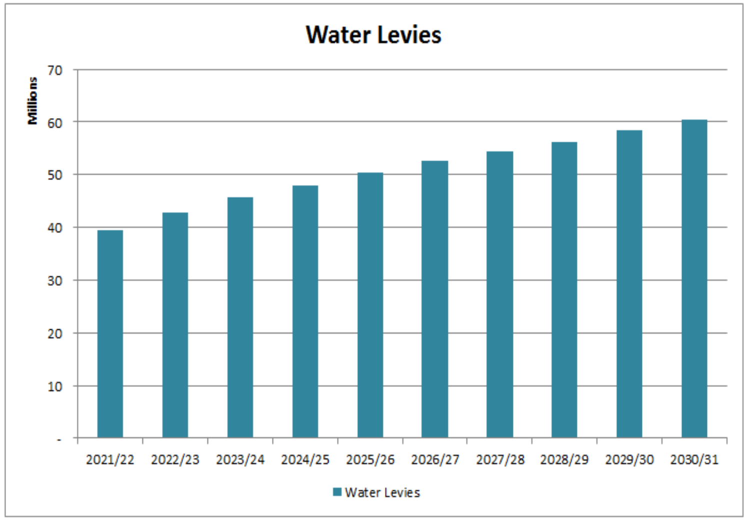


Water levy

Bulk water is delivered to Wellington, Hutt, Upper Hutt and Porirua through Wellington Water Limited, a joint council owned organisation. This is funded via a local council water levy which is on charged to ratepayers.

We plan to increase the levy by an average of 5.4 percent over ten years. The increases are driven by major capital projects aimed to look after the existing infrastructure, reduction in water consumption activities, key water treatment plant resilience programmes and the extension of the bulk water network aligned with the city council growth planning. Funding increase for each of the first three years will ensure reduction in service interruptions, lower risk of critical asset failure and maintenance of customer service.

The total water levy we expect to receive over the 2021-31 Long Term Plan period is $508 million.



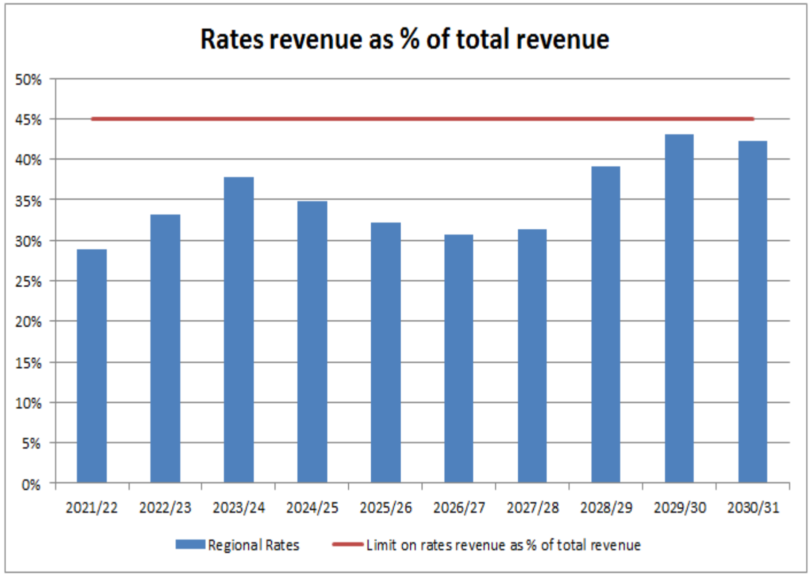
Rates

When setting rates we seek to balance the demand for additional work, regional economic development and long-term community well-being with ratepayers' willingness and ability to pay. This is always a challenge.

To ensure we can meet our planned levels of service, manage the financial impact of Covid-19 and address the impacts of climate change, rate increases are required as part of the financial strategy. The increase in rates will result in rates collection increasing from $141 million in 2020/2021 to $321 million by 2030/31 and represents an average annual rates increase of 8.71 percent. In 2021/2022 the rates increase is 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.

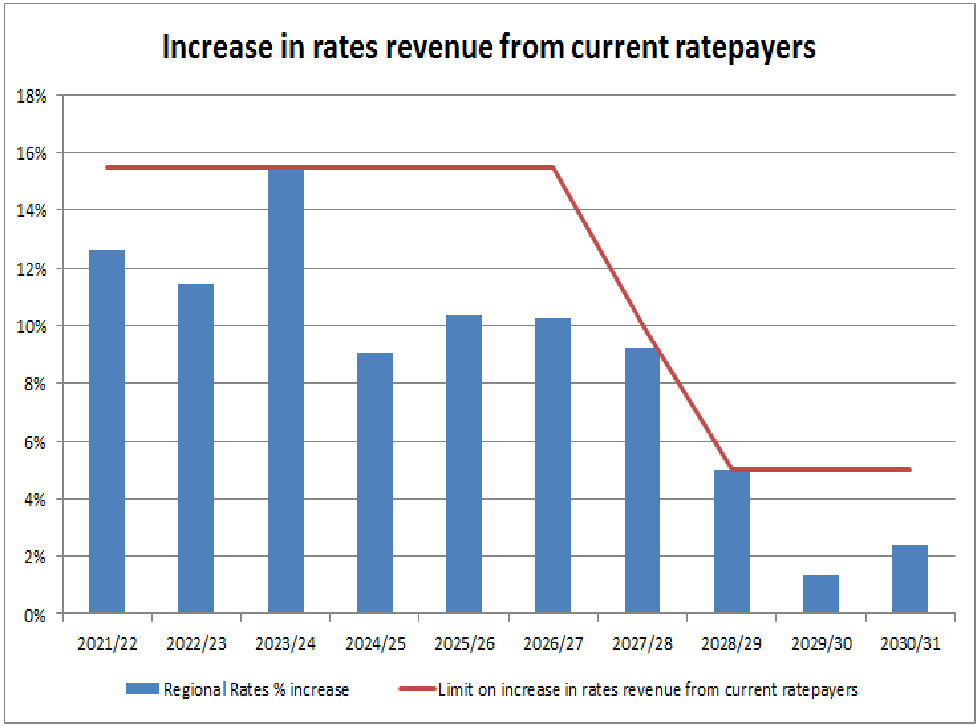
To provide ratepayers with certainty regarding rates over the Long Term Plan period we have set the following rate limits:

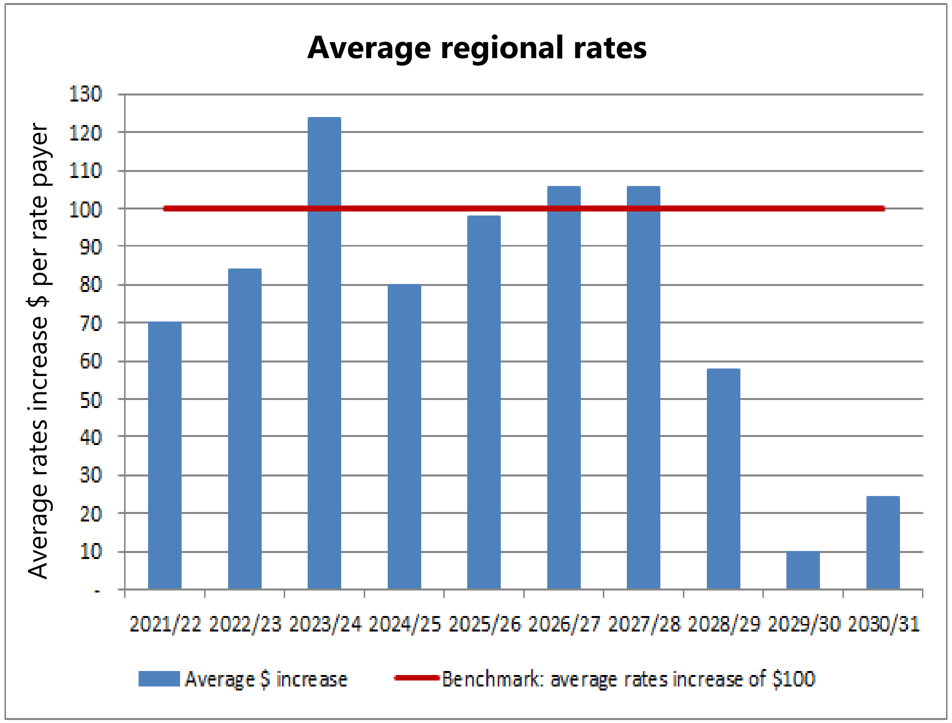
- Total rates revenue will comprise up to 45 percent of the Council's



annual revenue requirements.

- Increases in the annual rate revenue requirement will be limited to 16 percent increase in rates revenue from current ratepayers for the years from 2021/22 to 2026/2027, 10 percent in 2027/28 and 5 percent from 2028/29 to 2030/31.
- Regional rates per average ratepayer increase will be limited to $100 per annum.



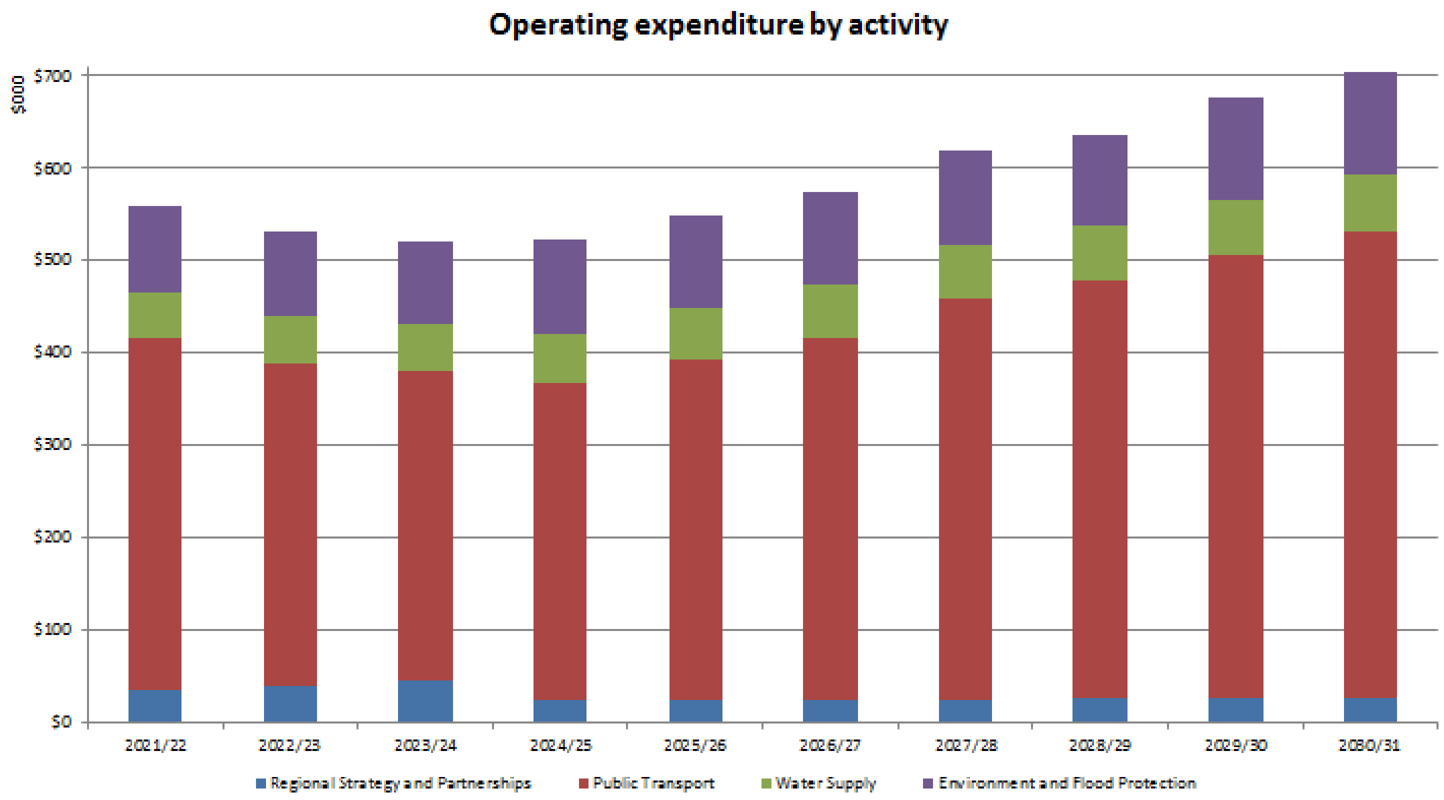


Operating expenditure

Our total operating expenditure over the Long Term Plan period is forecast to be $5.9 billion Expenditure by activity class is shown in the below chart.

Most operating expenditure is in public transport of $4 billion over the ten years and reflects costs associated with running the network, KiwiRail transitional rail pass through costs, increasing patronage and servicing borrowing costs. Operating expenditure is also expected to increase in the water supply and flood protection activity classes due to ongoing maintenance and servicing borrowings from capital expenditure aimed at improving resilience and reducing the impact of climate change.

Operating expenditure is funded by rates, levies, grants and subsidies and external revenue and they are set at levels to achieve this.

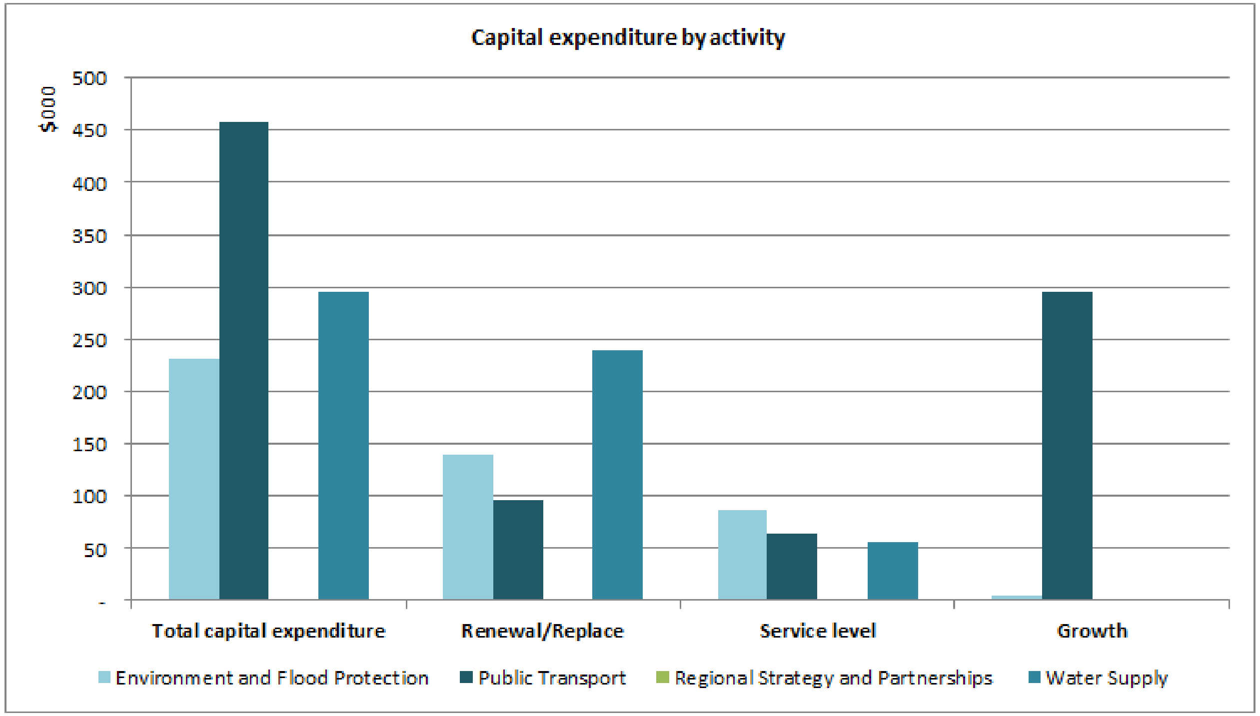


Capital expenditure

Capital expenditure is funded through the following means:

- borrowings (debt)
- proceeds from asset sales
- reserve funds

Total capital expenditure over the 2021-31 Long Term Plan period is $1 billion. The investment in the programme is for one or more of the following purposes: to maintain the required levels of service to enhance long-term community well-being through delivering critical assets, manage asset renewals, achieve carbon neutrality, improve resilience and support the economic recovery following COVID-19. Large capital expenditure investments are predominantly in public transport infrastructure of $457 million, water supply of $296 million and flood protection programmes of $178 million over the 2021-31 Long Term Plan.



We categorise our capital expenditure into asset renewals, service levels (i.e. new assets to improve existing services) and growth (i.e. new assets to support regional growth). The below chart details activity groups' capital expenditure by category over the course of the Long Term Plan period.

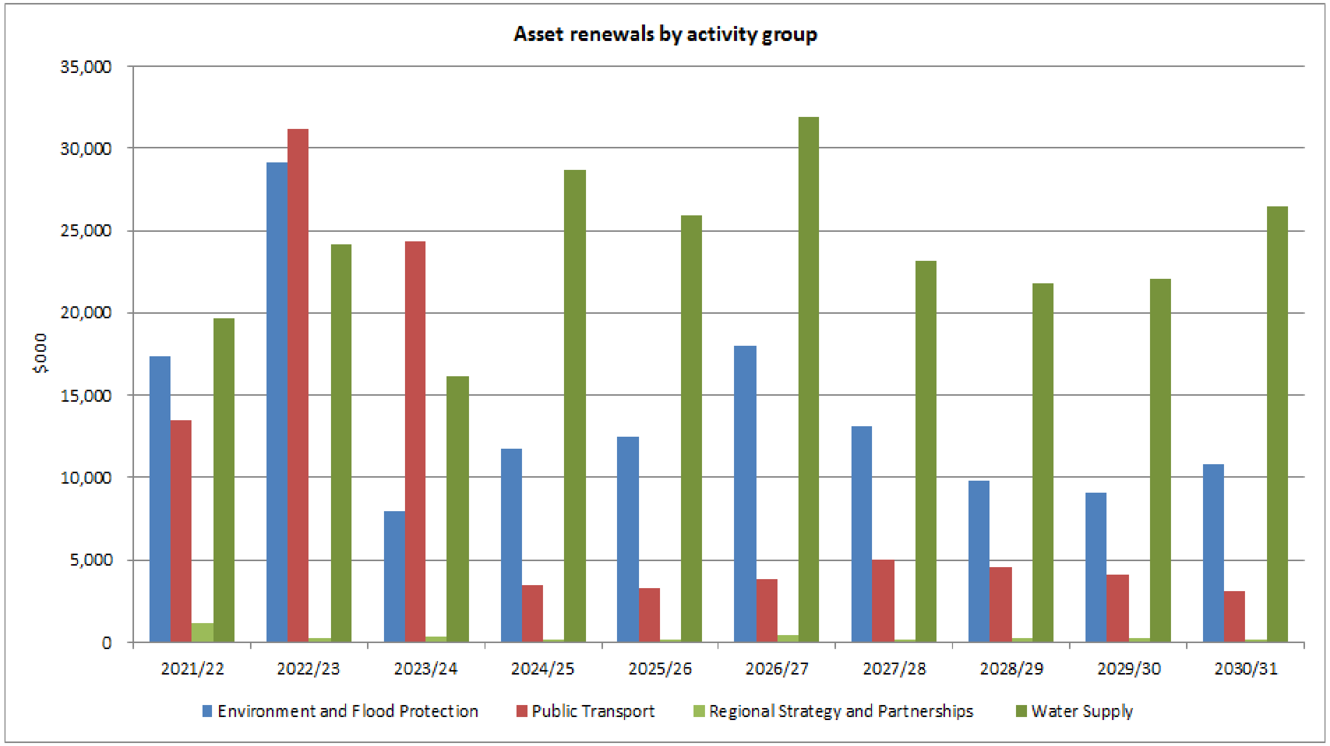
Detailed rationale and analysis of our capital expenditure is contained within our Asset Management Plans.

Asset renewals

We continue to replace and renew our existing assets to ensure they are fit for purpose and deliver an appropriate level of service. An important aspect of our asset renewal program is ensuring expenditure results in assets becoming more climate resilient.

Total asset renewal expenditure of $511 million is forecast over the 2021-31 Long Term Plan period. The majority of which is in public transport. Key asset renewals over the period include:

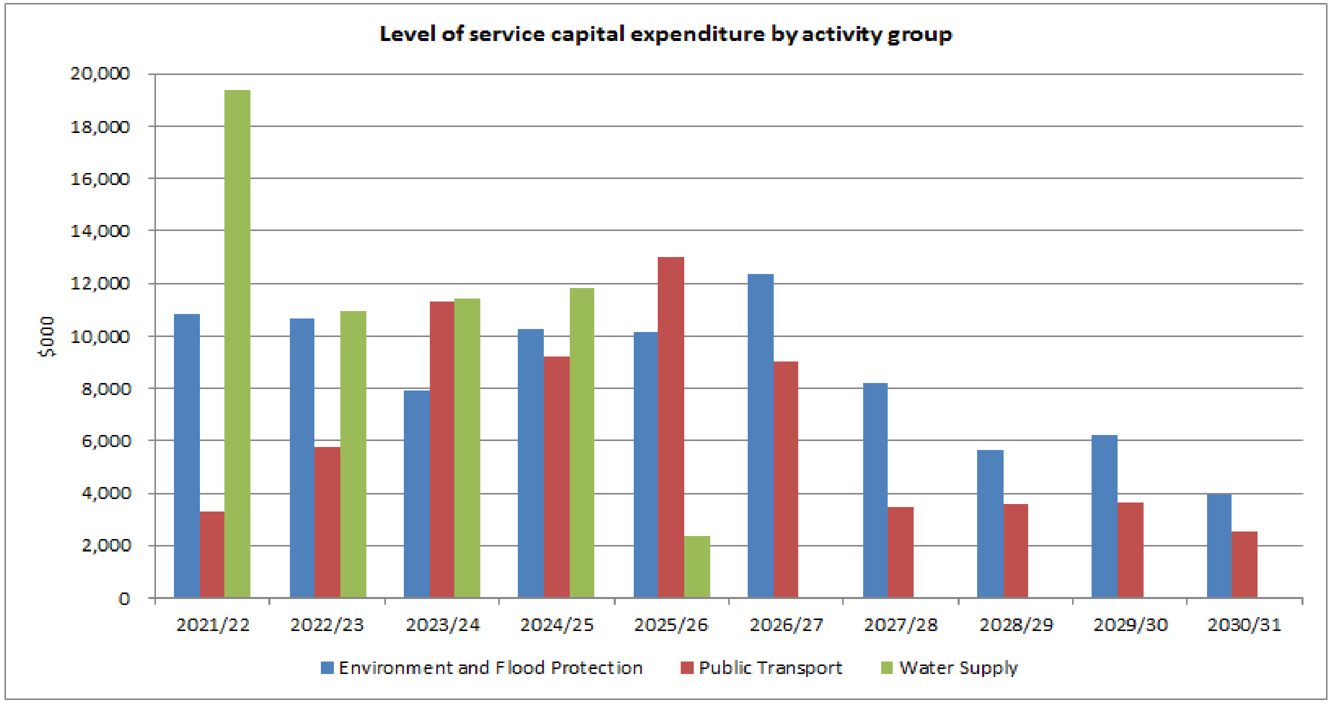
- Bus stop facilities renewals and enhancements $17.2 million
- RTDIS displays replacement and enhancements $9.3 million
- Bus and train station renewals and upgrades $6.1 million
- Integrated Fares and Ticketing solution $48 million
- Bus stop facilities renewals and new developments $17.2 million
- On-board stop announcements $10 million



Levels of Service

Total service level capital expenditure over the 2021-31 Long Term Plan period is $207 million. This includes the following major projects:

- Waterloo station redevelopment $22 million
- Upgrade to rail station customer amenities $19 million
- RTDI development $13.6 million
- Decarbonisation layover Centerport and Lambton Quay $6.8 million
- Kaitoke Flume Bridge Seismic Upgrade $4.2 million
- Te Marua water treatment plant water network resilience improvement $41.4 million
- Upgrade to Waterloo water treatment plant to prevent liquefaction in a major earthquake $4.4 million
- RiverLink construction $48.7 million for flood management resilience
- Various flood and hazard management and erosion programmes of $37.5 million

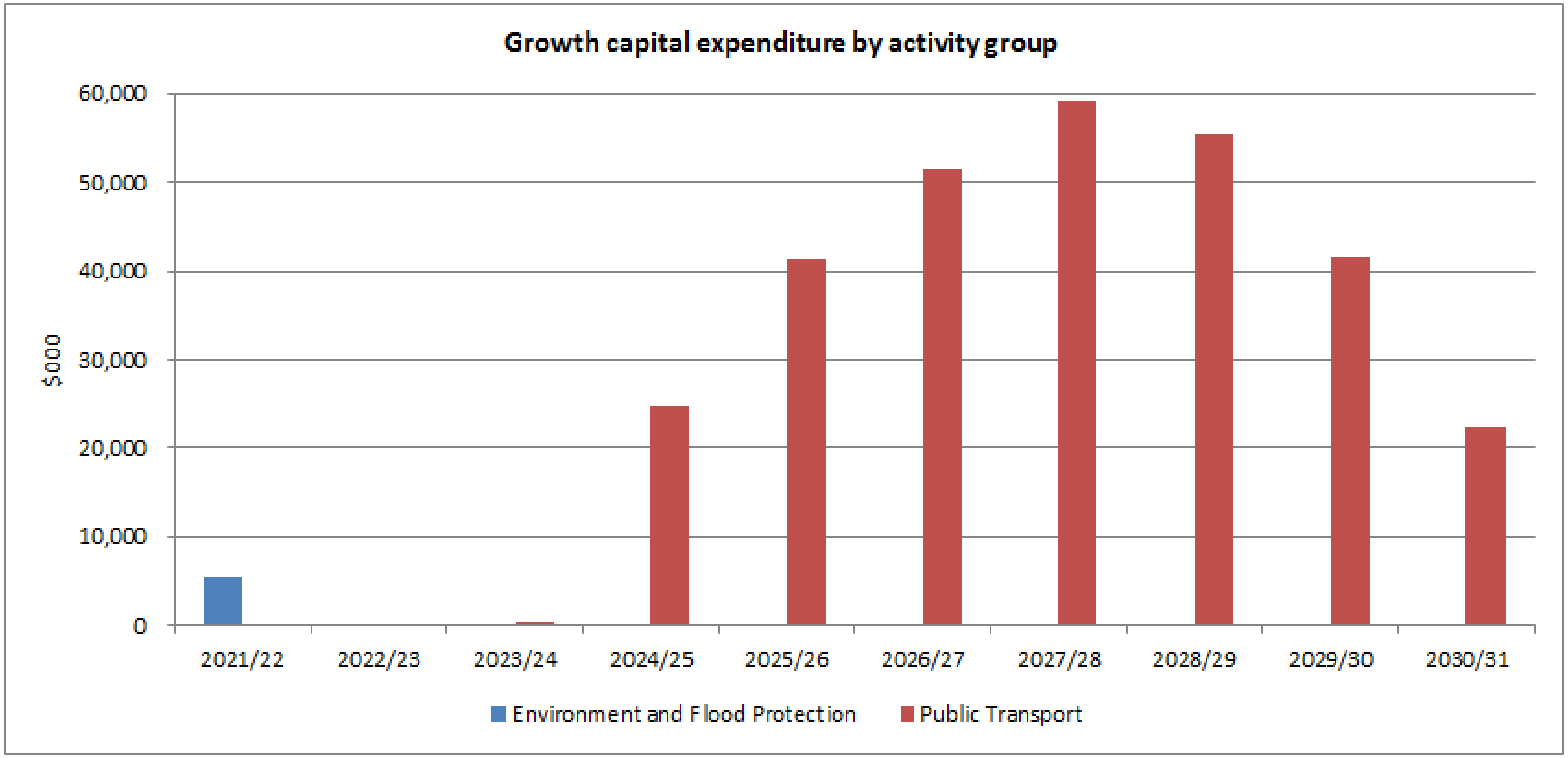


Growth

Additional demand for capital expenditure to meet growth is predominantly due to the need to modernise the region's public transport system. We have also received an extra boost from the Government's Shovel-Ready projects grants to enhance our existing flood protection and control works programme for stopbank protection, reconstruction and improvement, lake restoration, buffer establishment land and tree planting. These meaningful projects offer long-term positive outcomes for the environment and for our communities.

The financial strategy includes $302 million for growth expenditure to meet these requirements. Included within our growth expenditure forecasts are the following key initiatives:

- Raumāhanga – Shovel Ready Infrastructure Project: $1.5 million
- Port Road – Shovel Ready Infrastructure Project $3.9 million
- Let's Get Wellington Moving project implementation of $295.2 million



Debt

Debt is used for capital expenditure and ensures intergenerational equity is achieved by spreading the costs over the life of the asset. It also reduces volatility in our rates requirements and their absolute level.

Debt is managed within limits that are consistent with Local Government Funding Agency (LGFA). These are set at prudent levels and within LGFA and credit rating agency requirements. This ensures we retain debt capacity for unexpected events and can maintain a sustainable level of borrowings over the long term.

We use four different measures to limit the level of debt. Projected borrowings fall well within the limits set:

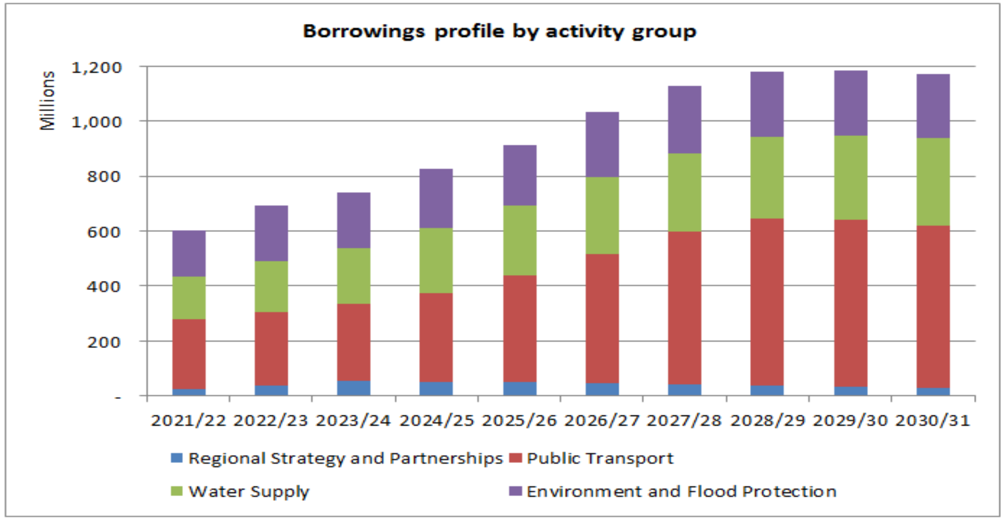
Treasury Management Policy	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & out years
Net external debt/Total revenue	<300%	<295%	<290%	<285%	<280%	<280%
Net interest on external debt/Total revenue	<20%	<20%	<20%	<20%	<20%	<20%
Net interest on external debt/Annual rates and levies revenue	<30%	<30%	<30%	<30%	<30%	<30%
Liquidity	>110%	>110%	>110%	>110%	>110%	>110%

External Borrowings

The financial strategy includes a $527 million increase in borrowings over the Long Term Plan period on the 2020/21 Annual Plan, resulting in total outstanding borrowings of $1.2 billion by the end of the period. This is driven by the significant investments being made throughout the period.

Debt is also being used to fund expected reductions in public transport revenue in the first three years of the Long Term Plan. This reflects the impact of COVID-19 and assumes fewer people will be using public transport. A return to pre COVID-19 patronage levels is expected by 2024/25.

The below charts outline the years of the proposed new borrowings, the programmes to be funded and our overall debt profile.



Security for borrowings

We use a Debenture Trust Deed to grant security to our lenders when we borrow funds. Under the Deed, our borrowings and interest rate risk management instruments are secured by way of a charge over rates and levy revenue under Local Government Rating Act. The security offered by us ranks equally with other lenders.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset it funds (such as an operating lease or project finance)
- Where security interests are leases or retention of the arrangements which arise under the terms of any lease or sale and purchase agreement
- We consider a charge over physical assets to be appropriate

Financial risk management

We provide a range of core services to our community. In doing this, there is a need for financial risk strategies to reduce the financial impacts of unforeseen events. Examples of this are disaster recovery provisions in relation to catchment management works and maintaining the sustainability of the region's flood infrastructure both from financial and environmental performance perspectives.

Our approach to insurance is to focus on the effects of low probability, high impact events. We do not insure all assets, because it is unlikely all assets would simultaneously be affected by a hazard event. Our annual budgets provide funding for repairs as a result of smaller, more frequent events.

Insurance coverage for our assets is provided in a variety of ways, with each insurance vehicle providing protection against a different level of risk. Our insurance framework is delivered through the following mechanisms:

- Commercial insurance
- Self-insurance through disaster recovery reserves and cash deposits
- Central government funding through National Recovery Plan

Disaster recovery reserves are budgeted at the required levels. Insurance cover has been put in place to address risks associated with the more frequent weather events that may cause damage to assets, reducing the requirement for self-insurance through the disaster recovery reserves. Adverse weather events will require funding to be drawn down from these reserves in order to meet costs to repair damages. Insurance vehicles is part of our Risk Financing Strategy summarised in Appendix 1.

Appendix 1: Insurance vehicles for infrastructure assets within our Risk Financing Strategy

Treatment Option	Item	Description
Internal financing	Recovery reserves – flood protection recovery fund	We maintain a major flood protection recovery fund to meet flood protection damages for larger floods (25 to 40 year return period). We have a contingency reserve for flood protection for smaller floods with a 5 to 25 year return period. Based on flood risk assessments, we have determined that the following reserve balances should be held: Flood protection recovery fund – an annual provision of $0.300 million Contingency reserve for flood protection– annual provision of $0.150 million from 2021/22 to 2023/24 and growing to $0.350 million from 2045/25 and out-years.
Internal financing	Disaster recovery reserves and cash deposits for underground assets – water supply	We hold funds for hazard events as cash deposits or reserves. Based on our hazard events assessment, we have determined that the hazard events fund should be held at $74.4 million by 2030/31. The gap between this amount and the maximum probable loss may be covered by a mix of insurance, borrowing or government assistance.
Risk transference	Insurance – above-ground assets	We maintain a material damage business interruption insurance policy for all our above-ground assets (excluding motor vehicles and rolling stock which are separately insured). Assets are insured on a maximum probable loss basis We partake in insurance collective with Hutt City, Upper Hutt, Kapiti Coast District and Porirua City councils. We share a large excess (5 percent of site sum insured to a maximum of $20 million for earthquake events) in order to reduce premium costs. The excess is substantially less for other hazards, such as fire. We have a material damage fund, which is at $13.2 million as at 30 June 2020 and is planned to rise to $26.2 million over the next ten years. We insure our rail rolling stock at the higher end of the maximum probable loss mainly due to the noted uncertainty around the Tsunami assessment. We transfer the rolling stock risks to our rail operator Transdev because they have a high degree of influence over the rolling stock. We are liable for a shared insurance excess with KiwiRail, which insures the bulk of the Wellington metropolitan rail assets under a maximum probable loss scenario. Our rail infrastructure assets, including station buildings (excluding Wellington Station), bridges, over and under passes and improvements on park & ride land are insured by our material damage property risk programme. We insure our two largest flood protection assets – the barrage gates and the Ruamahanga River at Lake Wairarapa, the flood walls on Hutt River at Waiwhetu, the Seton Nossiter and Stebbings Dams at Johnsonville
Risk transference	Underground assets – water supply	In March 2019 we agreed to supplement our contingency fund with insurance to meet our commitment along with Central Government's to cover the risk of a seismic event for these below ground assets.

Financial Information and Statements

Financial assumptions 2021-31

Schedule 10 of the Local Government Act 2002 requires that we identify the significant forecasting assumptions and risks used in setting our long term plan. Where there is a high level of uncertainty the Council is required to state the reason for the uncertainty, and provide an estimate of the potential effects on the financial assumptions.

External borrowings

It is assumed that Council's portfolio of debt, which has differing maturity dates from 1 to 10 years and new funding required, will be able to be raised on favourable terms. It is assumed that Council will be able to refinance existing loans on similar terms.

<u>Risk</u>

Loans are unable to be repaid in the planned maximum loan periods.

Council will not be able to raise new debt on favourable terms. The result would mean Council would have to borrow at higher than planned interest rates.

<u>Level of uncertainty</u>

Low

<u>Reasons and financial effect of uncertainty</u>

Local government is a very low risk to investors, second only to central government. For this reason it is very unlikely that Council will not be able to raise funds on favourable terms as and when required. Council has a comprehensive treasury policy and management practices, employs expert advice when required, has a debenture trust deed for raising loans and employs qualified staff.

Counterparties have always shown confidence in the Council in the past and this is not likely to change.

To ensure that debt levels continue to remain prudent and sustainable, the Council has set a prudential limit of net debt as depicted in the Financial Strategy.

The Council ensures that we have sufficient cash, liquid investments and committed lines of credit available to allow us to pay our bills for at least the next six months.

Local Government Funding Agency (LGFA) guarantee

Each of the shareholders of the LGFA is a party to a Deed of Guarantee, whereby the parties to the deed guarantee the obligations of the LGFA and the guarantee obligations of other participating local authorities to the LGFA, in the event of default.

Risk

In the event of a default by the LGFA, each guarantor is liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation to each guarantor’s rating base.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is low. The likelihood of a local authority borrower defaulting is extremely low and all the borrowings by a local authority from the LGFA are secured by a rates charge.

Local Government Funding Agency

The Council remains a shareholder and borrows direct from the LGFA that was developed to source lower-cost funding

Risk

LGFA rating falls or lower cost funding will not be achieved.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

For the non-shareholders of the LGFA, the lending margins would be higher which would affect the proposed rating levels.

Interest rates

The Council has an actual portfolio of fixed interest rate debt that matures at various times over the next 10 years. In preparing the long term plan the Council used the implied 90-day forward rates for its floating interest rate projection.

The fixed interest rate is based on the existing pay fixed rate swaps in place. A market determined credit margin of 0.75 percent is added to this for all years of the LTP.

The cost of funds for the Infrastructure Strategy has been set at 3.50 percent.

Taking into account the current economic state, the interest rate on the cost of borrowing for the Long-term Plan is as follows:

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
3.42%	3.00%	2.77%	2.61%	2.36%	2.12%	1.97%	1.93%	2.00%	1.97%

Risk

The prevailing interest rates will differ significantly from those estimated

Level of uncertainty

Low in short-term

Medium in long-term, up to 10 years

Reasons and financial effect of uncertainty

Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements.

The Council predominantly uses fixed interest rates, which locks the Council's future borrowing for a certain period of time to protect us from rising interest rates.

The Council has mitigated interest risk using interest rate swaps and is governed by a robust Treasury Management Policy that prescribes best practice interest risk and debt concentration risk covenants.

The Council has diversified portfolio of revenue sources to help it pay for interest costs, including rates, levies, fees and charges, fares and investment income.

Insurance

We anticipate insurance costs to increase over time in addition to growth attributed to asset value. It is assumed in the Long-term Plan that there will be no further major cost adjustors for insurance. The BERL recommended inflation factor and a relevant cost adjustor is included to reflect the current market conditions will be applied to each year.

Risk

The risk is that there could be further large adjustments in insurance that are not allowed for in the Long-term Plan.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

If New Zealand is struck by another major natural disaster, there is little doubt that insurance costs will be affected, however the effects from the recent major earthquakes have now been built into the existing premiums and the risk of further significant price increases is considered medium.

Financial risks from climate change

It is assumed that all critical climate risks drivers will remain in place for the duration of the LTP.

The Long Term Plan assumes that the Council will not experience significant additional costs due to climate change risks in particular:

- Interest costs on debt;
- Significant increase to insurance premiums;
- Capital and operational assets costs of assets and degradation of assets

The Long Term Plan also assumes that transitional risks towards a low carbon economy will not significantly impact the Plan, in particular

Income impact:

- Carbon tax
- Energy costs
- Carbon offsets
- Renewable energy purchase
- ICT solutions enabling carbon footprint reduction

Balance sheet impact:

- Investments in energy efficient technologies or upgrades
- Renewable energy projects

The Plan assumes that the Council will have no liability risks from contractual and legal obligations through service level agreements with third parties.

Risk

Emerging risk drivers are higher than expected

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

The Council is seen as a leader in the environmental hazard risk management in the region. Asset Management Plans capture climate risks by adjusting their thirty year plans with additional funding necessary to manage the risk for adaptation and transition.

Inflation impact on expenditure budget

For the first year of the Long-Term Plan (2021/22), all financial statements have been prepared using 2021 dollars. Price level adjustments for inflation have been included in all financial statements for the following nine years of the Long-Term Plan.

Price level adjustments for the years 2021/2022 onwards have been derived from forecasts prepared for Local Government New Zealand by Business and Economic Research Limited (BERL) and deal primarily with areas of expenditure local authorities are exposed to through their business.

The capital inflation rate used by the Council is a LGCI (Local Government Cost Index) capex category.

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1.5%	3.0%	2.6%	2.6%	2.7%	2.6%	2.8%	2.8%	2.9%	2.7%

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Salary inflation rate used by Council is LCI for all salary and wage rates for local government sector.

The operational inflation rates used by Council is LGCI (Local Government Cost Index) opex.

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1.5%	2.9%	2.5%	2.5%	2.5%	2.5%	2.6%	2.7%	2.7%	2.6%

CPI rate increases

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1.7%	1.7%	1.7%	1.6%	1.9%	2.0%	2.2%	2.3%	2.3%	2.3%

Risk

Actual inflation rates exceed budgeted inflation rates

Level of uncertainty

Low (short term)

Medium (up to 10 years)

Reasons and financial effect of uncertainty

A number of factors will affect economic performance and certainty around these cost factors is difficult to judge. BERL has had many years of experience in providing cost adjustors to local government and is the best known resource available. However, with volatility within the global economy and supply chains, currently the risk is considered low in the short-term, medium up to 10 years and high over 10 years.

Preparing an annual budget and resetting rates combined with triennial review of LTP mitigates the medium and long-term risks.

Fare revenue

We are assuming growth on public transport as outlined below.

Patronage Growth	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Bus	7.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
Rail	7.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
Ferry	5.5%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%

Patronage Growth

We are assuming that patronage levels will be around 10 percent lower than pre-COVID-19 expectations for the first year of the LTP. Patronage will then increase on average by three percent per annum for the duration of the 2021-31 LTP. This means that patronage will not bounce back to pre-COVID-19 levels (2018/19 levels) until 2025.

Patronage has grown at five percent per annum across the network over recent years, much faster than population growth of about 1.4 percent per annum. COVID-19 and possible consequential structural changes to our economy, commuting patterns and lifestyles are expected to reduce patronage growth rates for the earlier part of the LTP planning period, but these effects will diminish over time. Specifically:

A. Growth in population after July 2021 is likely to be slower than previously experienced and forecast, because of lower levels of migration, although Kiwis returning to NZ from overseas and lower migration levels to Australia could mitigate this effect.

B. Higher levels of unemployment may still exist at the start of the LTP planning period, which will reduce travel demand.

C. It is likely that an increasing proportion of Wellington's workforce will work from home on some (or all) days of each week or walk or cycle to work more than previously, reducing travel demand for both motor vehicles and public transport.

Rail.

1. Ongoing work on improving our rail network means that rail service improvements will continue to attract more customers.
2. Integrated fares and ticketing (IFT) will generate new customers by improving the convenience and ease of travelling by train (and by using more than one PT mode). IFT will also increase rail revenue through better revenue protection.

Bus.

1. A significant improvement to our bus network was implemented in July 2018 (with ongoing refinements) such that patronage will continue to increase because of the service improvements.
2. Integrated fares and ticketing (IFT) in about 2023 will generate new customers and facilitate travel on more than one PT mode.
3. The move towards more electric buses in the Metlink bus fleet is likely to be well received by customers and result in increased bus patronage growth.
4. Significant investment in public transport is expected under "Lets Get Wellington Moving" (LGWM) programme, with a greater emphasis on growth in PT over private motor vehicles, which will support increased patronage growth across the PT network. LGWM will stimulate PT patronage over the last half of the LTP planning period.

Fare increase

Fares are assumed to increase at the level of the consumer price index (CPI) during the term of the LTP. While the public appetite for fare increases will be low post COVID-19, small increases to fares relative to the cost of living are likely to be necessary, as Council looks across all budget areas to recover costs associated with the pandemic. Larger fare increases are not recommended as this would undermine Council's goals of increasing PT mode share, increasing accessibility and reducing greenhouse gas emissions.

Risk

Actual demand growth is less than projected growth as there exists uncertainty where growth is expected to occur within the region and due to COVID-19. This can have adverse impact on public transport service delivery costs.

Actual inflation exceeds budgeted inflation.
The risk of getting revenue assumptions too low can be profound on budgets.
Risk of getting the peak load estimates too low are likely to result in insufficient lead times to procure new buses and trains.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

There is some uncertainty with long-term demand growth projections as the growth of demand is dependent on the future population, household and employment growth in the region.

The council monitors growth and updates its long-term public transport plans to address variations in the rate or location of growth for public transport.

Preparing an annual budget and resetting growth rate assumptions combined with triennial review of LTP mitigates the risks.

Waka Kotahi / NZ Transport Agency

Waka Kotahi co-funding is provided at the agreed financial assistance rate (FAR) for all eligible transport planning activities and there are no unexpected changes to FARs.

All transport projects and services will receive funding assistance of 51 percent from Waka Kotahi.

Risk

Changes in the subsidy rate and variations in criteria for inclusion in the qualifying programme of works.

Lack of certainty over Waka Kotahi funding which puts risks that essential public transport projects and programmes are delivered as planned.

Level of uncertainty

Low/Medium

Reasons and financial effect of uncertainty

If the level of subsidy decreases or ceases there needs to be either a reduction in the public transport work programme or an increase in funding from alternative sources.

If FARs change, the Council will review budgets in subsequent Annual Plans.

Funding of Electrifying bus and rail network – rail rolling stock

The acquisition of the rail rolling stock includes an assumption that the Regional Council will receive 90 percent of the capital funding from Waka Kotahi. No decisions or commitments have been received from Waka Kotahi for this level of funding and the assumption is based on the best available information and funding arrangements that were in place for previous acquisition of rolling stock.

Risk

If we do not receive the assumed level of funding, the rail programme will have to be significantly revised.

Level of uncertainty

Medium/High

Reasons and financial effect of uncertainty

The uncertainty is due to there being no agreements or commitments in place for the funding and that the business case is still being developed. The process to obtain funding is competitive with competing pressures on Waka Kotahi to fund a range of projects. In the event of the funding not being received at the assumed level, we will have to seek funding from other sources such as debt or rates.

Useful lives of significant assets

The useful lives of significant assets with the appropriate depreciation rates are shown in the Significant Accounting Policies.

It is assumed that the useful lives will remain the same throughout the 10-year LTP period.

It is assumed that assets will be replaced at the end of their useful lives.

Risk

Assets need to be replaced earlier or later than budgeted

The Council activities change, resulting in decisions not to replace existing assets. These may impact Council’s cash flows.

Level of uncertainty

Low – Asset lives are based upon the National Asset Management Manual guidelines and have been assessed by independent qualified valuers and engineers

Reasons and financial effect of uncertainty

The financial effects of the uncertainty are relatively low. If capital expenditure was required earlier than anticipated, then depreciation and debt servicing costs could increase.

If assets need replacing earlier, this could lead to the Council reprioritising capital projects to mitigate the financial impacts.

The Council has a comprehensive asset management planning process. Where a decision is made not to replace an asset, this will be factored into capital projections.

Depreciation

Depreciation rates applying to existing assets are outlined in the Statement of Accounting Policies and is based on the assumed useful lives of assets. Depreciation on new major infrastructural assets is calculated on actual expected rates commencing from expected time of completion of the project. Depreciation is calculated on book values projected at 30 June, plus new capital.

Risk

The cost adjustor forecasts could be incorrect. Capital projects could take longer to complete than budgeted. To some extent these factors mitigate each other.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

The impact of applying incorrect depreciation rates is not considered material in the context of the LTP.

Other Revenue

The other revenue is assumed to grow by inflation for the life of the long term plan.

Risk

The other revenue does not grow as assumed in the plan and that has a negative impact on surplus or deficit.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

As inflation has been applied and other revenue is not the main source of revenue for Council the risk is considered negligible.

Dividend income

The Council invests in strategic assets and it is assumed that the Council will continue to control and own its strategic assets.

Risk

Income from dividends may differ from what was projected due to fluctuating market prices or decline in dividends.

Reduction in dividend income will affect the level of contribution able to offset the rate requirement.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

Any increase in the rate requirement due to reduced dividend levels is unlikely to be substantial, and if the shortfall is significant the Council would review its expenditure levels.

Dividend income forecasts can be restated every year through the Annual Plan

Return on short-term financial investments

Although the interest earned on short term cash investments will fluctuate considerably over the 10 years, it is assumed that the Council will earn at least a prudent return on investment between 1-1.70 percent per annum.

Risk

The risk is that the Council will obtain lower returns on its cash investments.

Level of uncertainty

Low

Reasons and financial effect of uncertainty

The Council bases its returns at prudent levels and the risk of returns going well below the estimated, prudent levels over the 10 year period is considered low.

Government and other external sources of capital grants funding

The Council receives funding from various sources for the development of infrastructure.

The Council has made an assumption that we will receive 90 percent Government funding for the purchase of new long distance commuter trains to service the Wairarapa Line and the Capital Connection and related rail projects.

Risk

The risk is that until capital grants can be guaranteed by the third party they may not be received as budgeted or could be lower than budgeted. This would result in a shortfall in funding for planned projects and could result in a negative impact on operating result and an increase in debt.

Projects are unable to be delivered within the proposed budgets.

Level of uncertainty

Medium

Reasons and financial effect of uncertainty

If rates change, the Council will review budgets in subsequent Annual Plans

If funding is not available through these sources, investment by Council will continue but will be scaled back to available funding.

Prior to committing to most operating or capital programmes, Council has an opportunity to ensure more certainty around funding. If the funding is lower or not available Council can look for alternative funding options to offset, or reassess the programme spending.

This approach is intended to minimise the risk for a funding shortfall to the LTP financial strategy.

NOTE:

*These assumptions and risks are not an exhaustive list of the assumptions and risks faced by Council and should be read in conjunction with the financial and infrastructure strategies in this Long-Term Plan. These strategies contain risks and assumptions that are more specific in nature.

Statement of Accounting Policies

Greater Wellington Regional Council (the Council) is governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002 (LG(R)A).

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of New Zealand equivalents to Internal Financial Reporting Standards (NZIFRS).

For the purposes of the plan, the Prospective Financial Statements (financial statements) cover all the activities of the Council as a separate legal entity. Group prospective financial statements have not been presented as the Council believes that parent statements are more relevant to users. The main purpose of these statements is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries and such effects are included in these parent prospective financial statements.

The financial statements have been prepared in accordance with the requirements of Section 93 which includes the requirement to comply with Section 95 of the LGA and New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Council is a public benefit entity (PBE) and complies with the Accounting Standards Tier 1 issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to Section 24(1)(a) of the Financial Reporting Act 1993.

The financial statements include a Prospective Statement of Comprehensive Revenue and Expense, a Prospective Statement of Changes in Net Assets/ Equity, a Prospective Statement of Financial Position and a Prospective Statement of Cash Flows.

The financial statements of the Council are for the years ending 30 June. The prospective financial statements will be authorised for issue by the Council in June 2021. Whilst there is no current intent to update these prospective financial statements, the Council reserves the right to update this plan in the future.

The financial information contained within these policies and documents is prospective financial information in terms of PBE FRS 42 Prospective Financial Statements. The Prospective Financial Statements comply with the Tier 1 PBE Standards (including PBE FRS 42 – Prospective Financial Statements).

The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Council over the financial years from 1 July 2021 to 30 June 2031, and to provide a broad accountability mechanism of the Council to the community.

The information in the prospective financial statements is uncertain and the preparation requires the exercise of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or Council may subsequently take actions that differ from the proposed courses of action on which the prospective financial statements are based.

The information contained within these prospective financial statements may not be suitable for use in another capacity.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by revaluation of certain assets and liabilities. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest million dollars. Both the functional and presentation currency of the Council is New Zealand dollars.

Significant Accounting Policies

The following accounting policies which materially affect the measurement of results and financial position have been applied.

a) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of goods and services tax, except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows. Commitments and contingencies are disclosed exclusive of GST.

b) Allocation of overheads

Net overhead expenses after offset of external recoveries and appropriations have been allocated to Council services. A variety of methods have been used appropriate to the overhead concerned. Examples include, staff numbers, estimate of time, operating expenditure, and capital expenditure.

c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. An operating lease is a lease that does not transfer substantially all of the risks and rewards incidental to the ownership of the asset. Operating lease payments are recognised as an expense in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the lease term.

d) Grants and subsidies

Grant expenditure: The Council makes grants to third parties, either on behalf of Government agencies (NZTA) or to further the community's needs where the Council believes it is within its mandate to deliver on community outcomes. In all cases an operative contract is drawn up with the respective third party for accountability. Grant expenditure is recognised when the contract is signed and the monies paid.

Grants and subsidies revenue: The Council receives these under agreements with other parties, or other parties give monies to the Council for a specific purpose or for general purposes. Recognition of grants and subsidies under agreement is noted under revenue following.

e) Revenue recognition

General Principles

- Revenue is measured at the fair value of consideration received or receivable.
- General revenue is recognised at the time of invoicing, performance of service or receipt of application of service or licence and by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Assets and revenues arising from exchange and non-exchange transactions are recognised in accordance with the requirements of PBE IPSAS 9: Revenue from Exchange Transactions or PBE IPSAS 23: Revenue from Non-Exchange Transactions.

Revenue from Exchange Transactions

- Interest earned is recognised on an accrual basis using the effective interest rate method.
- Dividends are recognised when received or the right to receive payment has been established.
- Revenue from the sale of goods and/or services is recognised when a product and/or service is sold to the customer.
- Revenue from user charges is recognised when billed or earned on an accrual basis.

Revenue from Non-exchange Transactions

- Rating revenue is recognised when assessments are issued or penalties incurred.
- Government grants are recognised when eligibility has been established by the granting agency.

- New Zealand Transport Agency subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Vested assets are recognised at fair value on the vesting of the assets.

f) Financial assets

The Council classifies its financial assets into the following four categories:

1. Financial assets at fair value through surplus or deficit designated upon initial recognition
2. Loans and receivables
3. Assets held to maturity
4. Available for sale

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The four categories of financial assets are:

1. Financial assets at fair value through surplus or deficit designated upon initial recognition

A financial asset is classified in this category if acquired principally for the purpose of inclusion in the Council's Perpetual Investment Fund or if so designated by management. Assets in this category are classified as noncurrent assets as there is no plan to dispose of them within 12 months of the balance date unless market conditions make it profitable, or prudent, to do so.
After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Revenue and Expense.
Financial assets in this category include quoted shares, bonds, private equity funds and share options.

2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.
After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the Statement of Comprehensive Revenue and Expense.

3. Assets held to maturity

Assets held to maturity are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at historic cost. Gains and losses when the asset is impaired or de-recognised are recognised in the Statement of Comprehensive Revenue and Expense.

Investments in this category include local authority stock and interest bearing bonds.

4. Available for sale

Financial assets available for sale are those that are designated into this category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of the balance date.

The Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the Statement of Comprehensive Revenue and Expense. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the Statement of Comprehensive Revenue and Expense.

g) Impairment of financial assets

The Council assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the Statement of Comprehensive Revenue and Expense.

The Council first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to, and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the Statement of Comprehensive Revenue and Expense. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through surplus or deficit if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit.

h) Derivative financial instruments

The Council uses interest rate swaps to mitigate its risk associated with interest rate fluctuations. These derivatives are initially recognised at fair value on the date the contract is entered into and subsequently remeasured to fair value each quarter. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivatives that are settled within 12 months are treated as current.

Interest rate swaps are entered into with the objective of reducing the risk of rising interest rates. Any gains or losses arising from the changes in fair value of derivatives are recognised in the surplus or deficit for the year.

The net difference paid or received on an interest rate swap is recognised as a part of the total finance revenue or finance cost over the period of the contract. The Council does not hold or issue derivative financial instruments for trading purposes.

i) Trade and other receivables

Receivables are recorded at fair value less any provision for impairment. The Council does not provide for any impairment on rates receivable as it has various powers under the LG(R)A to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. Provision has been made in respect of all other receivables where there is objective evidence that the Council will not be able to collect the amounts as per the original terms of the receivables.

The amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables the carrying amount of the asset is reduced through the use of an allowance account, and the amount of loss is recognised as a surplus or deficit. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, and government stock, are recognised directly against the instrument's carrying amount.

j) Non-current assets held for sale

Properties no longer required in the Council's operations and therefore intended for sale have been measured at the lower of carrying amount or fair value less selling costs. These are tested for impairment on an annual basis and any write-downs are recognised in the surplus or deficit. Non-current assets held for sale are not depreciated or amortised.

k) Property, plant and equipment (PPE)

Property, plant and equipment are included at their valuation as at 30 June 2020 with subsequent additions recorded at cost.
PPE consists of operational and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Greater Wellington and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

All PPE (other than operational plant, vehicles, work-in-progress, furniture and fittings which are not revalued) are revalued at fair value by reference to their depreciated replacement cost or market value on a class basis at least every three years. The carrying value of revalued assets are reviewed at each balance date to ensure they are not materially different to fair value. Any surplus arising on revaluation is credited to a revaluation reserve for that class. Any deficit is charged against the revaluation reserve, or if not available, expensed in the Statement of Comprehensive Revenue and Expense.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Property, plant and equipment is categorised into the following classes:

- Operational land and buildings
- Operational plant and equipment

- Operational vehicles
- Flood protection infrastructural assets
- Parks infrastructural assets
- Capital work in progress
- Port wharves and paving
- Navigational aids
- Transport infrastructural assets
- Water supply infrastructural assets
- Right of use assets.

Additions
The cost of an item of PPE is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals
Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Prospective Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs
Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Depreciation
Depreciation is provided on a straight line basis on all tangible property, plant and equipment, other than land and capital works in progress, at rates which will write off assets, less their estimated residual value over their remaining useful lives.
The useful lives of major classes of assets have been estimated as follows:

Port, wharves and paving	10 to 50 years
Operational port freehold land	Indefinite
Operational land	Indefinite
Operational buildings	10 to 75 years
Operational plant and equipment	2 to 40 years

Operational vehicles	2 to 37 years
Flood protection infrastructural assets	2 years to indefinite
Transport infrastructural assets	3 to 50 years
Rail rolling stock	5 to 35 years
Navigational aids infrastructural assets	1 to 80 years
Parks infrastructural assets	2 to 155 years
Regional water supply infrastructural assets	3 to 156 years
Right to use	20 years

Capital work in progress is not depreciated. Stopbanks included in the flood protection infrastructure asset class are maintained in perpetuity. Annual inspections are undertaken to ensure design standards are being maintained and to check for impairment. As such, stopbanks are considered to have an indefinite life and are not depreciated.

l) Intangible assets

Research, training, maintenance and development costs are expensed.
Computer systems where capitalised are amortised over their useful lives, generally between three to eight years on a straight line basis.
Carbon credits are recorded at cost and subsequently revalued to fair value.

m) Impairment of PPE and intangibles

The carrying values of PPE and intangibles are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of PPE is the greater of fair value less costs to sell and value in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount through the Statement of Comprehensive Revenue and Expense.

n) Accounting for revaluations

The Council accounts for revaluations of PPE on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

o) Investments in other entities and associates

The Council invests in other entities to further its service delivery and/or to maintain an appropriate degree of independence from political processes.

The Council's investment in the following subsidiaries is carried at cost in the prospective financial statements:

Entity	Nature of investment	Equity Holding
WRC Holdings Limited	Subsidiary of Greater Wellington	100%
CentrePort Limited	Subsidiary of WRC Holdings Limited	76.9%
Greater Wellington Rail Limited	Subsidiary of WRC Holdings Limited	100%
Wellington Regional Economic Development Agency	Minority Interest	20%
Wellington Water Limited	Council Controlled Organisation	15%

Any equity investment by the Council is recorded at cost, or share of net equity based on current financial statements with these investments being restated annually in accordance with financial reporting standards. In respect to the plan, these investments are stated at 30 June 2020 position.

In addition the Council is deemed to control, separately or jointly with others.

p) Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. Gains or losses arising from changes in fair value of investment property are included in the statement of comprehensive income in the period in which they arise.

q) Income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures except where the joint venture can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated as the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates that have been enacted or substantively enacted by balance date.

Current and deferred tax is charged or credited to the Statement of Comprehensive Revenue and Expense, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

r) Trade and other payables

Payables are valued at fair value.

s) Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

t) Employee benefits

Provision is made in respect of the Council's liability for annual leave which has been calculated on an actual entitlement basis at current rates of pay. Long-term entitlements (long service and retirement gratuities) have been calculated on present value at current rates of pay. Accumulated sick leave carried forward, which is anticipated to be taken in future periods, is not considered material for inclusion.

u) Interest bearing liabilities and borrowing costs

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains or losses are recognised in the Statement of Comprehensive Revenue and Expense when liabilities are derecognised as well as through the amortisation process. Borrowing costs are recognised as an expense in the period in which they are incurred.

v) Equity

Equity is the community's interest measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses.

The components of equity are accumulated funds, revaluation reserves and other reserves.

w) Reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

These comprise:

- Operating reserves to fund some short-term operations.
- Development funds include development and financial contributions held until applied against the capital works for which those contributions were charged.
- Renewal and disaster funds to meet future replacement costs of assets.

Asset revaluation reserves: These arise on revaluation of the Council's assets and are an accounting entry only - they are not represented by funds.

Retained earnings: This is the accumulated net worth of the Council not held in reserves and represents the community's equity in the Council.

x) Foreign currency

Transactions in foreign currencies are initially recorded in NZ$ by applying the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into NZ$ at the rate of exchange on the Statement of Financial Position date.

y) Cash and cash equivalents

Cash and cash equivalents means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments with maturities of three months and less in which the Council invests as part of its day-to-day cash management.

z) Annual Plan figures

The Annual Plan 2020/21 figures are those approved by the Council on adoption of the Annual Plan 2020/21.

aa) Emissions Trading Scheme (ETS)

New Zealand Units (NZUs) received for pre-1990 forests are recognised at fair value on the date received. They are recognised as an asset in the statement of financial position and income in the statement of revenue and expense. The deforestation contingency is not recognised as a liability as there is no current intention of changing the land use. The estimated liability that would arise should deforestation occur has been estimated in the notes to the accounts.

NZUs in respect of post 1989 forests are recognised at fair value on the date received. As trees are harvested or carbon stocks decrease a liability and expense will be recognised for the NZUs to be surrendered to Government.

Subsequently to initial recognition NZUs are revalued annually through the revaluation reserve.

bb) Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. For key assumptions refer to the significant forecasting assumptions section.

Changes in Accounting Policies

There has been no change in accounting policies since adoption of the Annual Report 2019/20.

Balancing the Budget

The Local Government Act 2002 requires that where the Council has resolved, under Section 100(2), not to balance its operating budget in any year covered by this plan, the Council must include a statement of the reasons for the resolution and any other matters taken into account and the implications of the decision.

Over the 2021-31 Long Term Plan period the budgets have been balanced.

Prospective financial statements

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

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Operating Revenue											
General rates	49,632	62,657	69,654	76,081	82,150	85,342	86,737	89,528	91,255	93,127	93,710
Targeted rates	94,326	98,548	109,301	130,594	143,548	163,535	186,468	209,793	222,783	225,227	228,970
Regional rates	**143,958**	**161,205**	**178,955**	**206,675**	**225,698**	**248,877**	**273,205**	**299,321**	**314,038**	**318,354**	**322,680**
Water supply levy	35,860	39,424	42,782	45,617	47,898	50,322	52,536	54,338	56,248	58,534	60,364
Government subsidies	180,853	208,481	159,289	123,907	123,265	129,775	135,709	152,079	155,615	163,308	171,505
Transport improvement grants	14,811	18,795	28,132	35,252	110,765	195,021	270,507	281,937	103,489	16,018	16,130
Interest and dividends	4,725	4,934	5,074	5,191	5,443	5,701	5,975	6,256	6,565	6,742	6,903
Other operating revenue	131,437	126,234	125,413	130,657	136,328	143,033	150,253	158,329	166,562	175,554	184,666
Total operating revenue and gains	**511,644**	**559,073**	**539,645**	**547,299**	**649,397**	**772,729**	**888,185**	**952,260**	**802,517**	**738,510**	**762,248**
OPERATING EXPENDITURE											
Employee benefits	56,755	63,736	63,230	64,732	65,695	66,892	68,229	69,470	70,858	72,273	73,121
Grants and subsidies	211,933	251,356	273,688	262,037	266,956	283,360	297,601	324,502	336,269	356,758	377,827
Finance expenses	21,664	20,131	19,961	19,918	20,066	20,156	20,566	21,949	23,259	24,806	23,759
Depreciation and amortisation	29,891	32,094	34,946	38,549	40,426	43,973	47,122	50,899	54,803	58,334	61,395
Other operating expenses	206,875	187,419	133,911	132,387	125,722	129,941	137,905	150,629	149,312	163,065	162,044
Total operating expenditure	**527,118**	**554,735**	**525,736**	**517,623**	**518,866**	**544,322**	**571,423**	**617,449**	**634,500**	**675,236**	**698,146**
Operating surplus/(deficit) before other items and tax	**(15,474)**	**4,338**	**13,909**	**29,676**	**130,531**	**228,407**	**316,762**	**334,811**	**168,017**	**63,274**	**64,102**
Other fair value changes	13,821	14,111	12,996	12,242	10,498	7,876	5,417	3,179	1,854	1,198	(77)
Operating surplus / (deficit) after tax	**(1,653)**	**18,449**	**26,905**	**41,918**	**141,029**	**236,283**	**322,179**	**337,990**	**169,871**	**64,472**	**64,025**
Other comprehensive revenue and expenses											
Increases / (decreases) in revaluations	-	-	129,657	1,438	3,805	-	-	151,219	753	3,976	-
Total comprehensive income	**(1,653)**	**18,449**	**156,562**	**43,356**	**144,834**	**236,283**	**322,179**	**489,209**	**170,624**	**68,448**	**64,025**

All figures on this page exclude GST.

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

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Total opening ratepayers' funds	**1,040,356**	**1,176,277**	**1,194,726**	**1,351,288**	**1,394,644**	**1,539,478**	**1,775,762**	**2,097,940**	**2,587,149**	**2,757,773**	**2,826,221**
Total comprehensive income	(1,653)	18,449	156,562	43,356	144,834	236,283	322,179	489,209	170,624	68,448	64,025
Movements in other reserves											
Movement in ratepayers funds for year	**(1,653)**	**18,449**	**156,562**	**43,356**	**144,834**	**236,283**	**322,179**	**489,209**	**170,624**	**68,448**	**64,025**
Closing ratepayers' funds	**1,038,703**	**1,194,726**	**1,351,288**	**1,394,644**	**1,539,478**	**1,775,762**	**2,097,940**	**2,587,149**	**2,757,773**	**2,826,221**	**2,890,246**
Components of ratepayers funds											
Opening accumulated funds	**252,902**	**365,033**	**385,910**	**417,290**	**459,643**	**593,094**	**830,707**	**1,150,218**	**1,488,962**	**1,655,308**	**1,716,317**
Total comprehensive income	(1,653)	18,449	156,562	43,356	144,834	236,283	322,179	489,209	170,624	68,448	64,025
Movements in other reserves	11,032	2,428	(125,182)	(1,003)	(11,383)	1,329	(2,667)	(150,465)	(4,278)	(7,439)	(3,965)
Movement in accumulated funds for year	**9,379**	**20,877**	**31,380**	**42,353**	**133,451**	**237,612**	**319,512**	**338,744**	**166,346**	**61,009**	**60,060**
Closing accumulated funds	**262,281**	**385,910**	**417,290**	**459,643**	**593,094**	**830,707**	**1,150,218**	**1,488,962**	**1,655,308**	**1,716,317**	**1,776,377**
Opening other reserves	**34,463**	**27,327**	**24,899**	**20,424**	**19,989**	**27,567**	**26,238**	**28,905**	**28,151**	**31,676**	**35,139**
Movements in other reserves	(11,032)	(2,428)	(4,475)	(435)	7,578	(1,329)	2,667	(754)	3,525	3,463	3,965
Movement in other reserves for year	**(11,032)**	**(2,428)**	**(4,475)**	**(435)**	**7,578**	**(1,329)**	**2,667**	**(754)**	**3,525**	**3,463**	**3,965**
Closing other reserves	**23,431**	**24,899**	**20,424**	**19,989**	**27,567**	**26,238**	**28,905**	**28,151**	**31,676**	**35,139**	**39,104**
Opening asset revaluation reserves	752,991	**783,917**	**783,917**	**913,574**	**915,012**	**918,817**	**918,817**	**918,817**	**1,070,036**	**1,070,789**	**1,074,765**
Movements in revaluation reserve	-	-	129,657	1,438	3,805	-	-	151,219	753	3,976	-
Movement in asset revaluation reserve for year	**-**	**-**	**129,657**	**1,438**	**3,805**	**-**	**-**	**151,219**	**753**	**3,976**	**-**
Closing asset revaluation reserve	**752,991**	**783,917**	**913,574**	**915,012**	**918,817**	**918,817**	**918,817**	**1,070,036**	**1,070,789**	**1,074,765**	**1,074,765**
Closing ratepayers' funds	**1,038,703**	**1,194,726**	**1,351,288**	**1,394,644**	**1,539,478**	**1,775,762**	**2,097,940**	**2,587,149**	**2,757,773**	**2,826,221**	**2,890,246**

All figures on this page exclude GST.

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
ASSETS											
Cash and other equivalents	23,837	21,012	21,263	21,521	21,800	22,099	22,420	22,766	23,132	23,521	23,923
Investments (current)	29,479	29,989	30,291	30,605	30,945	31,310	31,704	32,128	32,579	33,060	33,563
Other current assets	-	100,560	100,907	101,360	101,842	102,343	103,078	103,675	100,462	97,498	94,822
Current assets	53,316	151,561	152,461	153,486	154,587	155,752	157,202	158,569	156,173	154,079	152,308
Investments (non-current)	104,024	117,786	120,894	124,346	127,486	130,835	134,410	138,227	142,275	146,569	151,057
Investment in subsidiary	302,510	321,489	339,513	366,559	502,300	744,701	1,086,425	1,443,353	1,602,440	1,626,447	1,653,003
Property, plant and equipment	1,290,541	1,403,828	1,613,176	1,658,332	1,724,393	1,790,641	1,871,296	2,085,538	2,135,570	2,166,913	2,174,600
Non-current assets	1,697,075	1,843,103	2,073,583	2,149,237	2,354,179	2,666,177	3,092,131	3,667,118	3,880,285	3,939,929	3,978,660
Total assets	**1,750,391**	**1,994,664**	**2,226,044**	**2,302,723**	**2,508,766**	**2,821,929**	**3,249,333**	**3,825,687**	**4,036,458**	**4,094,008**	**4,130,968**
RATEPAYERS' FUNDS											
Retained earnings	262,281	385,909	417,289	459,643	593,095	830,707	1,150,218	1,488,961	1,655,308	1,716,317	1,776,377
Reserves	776,422	808,817	933,998	935,001	946,384	945,055	947,723	1,098,188	1,102,465	1,109,904	1,113,869
Total ratepayers' funds	**1,038,703**	**1,194,725**	**1,351,287**	**1,394,644**	**1,539,479**	**1,775,762**	**2,097,940**	**2,587,149**	**2,757,773**	**2,826,221**	**2,890,247**
LIABILITIES											
Debt (current)	126,800	125,684	145,766	190,852	145,943	146,039	191,140	146,246	146,359	191,477	146,601
Other current liabilities	48,707	69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100
Current liabilities	175,507	194,784	214,866	259,952	215,043	215,139	260,240	215,346	215,459	260,577	215,701
Debt (non-current)	518,218	549,492	617,264	617,774	734,434	819,144	884,739	1,020,007	1,061,958	1,007,211	1,025,020
Derivative financial instruments	17,963	55,663	42,627	30,352	19,809	11,884	6,414	3,185	1,268	-	-
Non-current liabilities	536,181	605,155	659,891	648,126	754,243	831,028	891,153	1,023,192	1,063,226	1,007,211	1,025,020
Total liabilities	**711,688**	**799,939**	**874,756**	**908,078**	**969,286**	**1,046,167**	**1,151,393**	**1,238,538**	**1,278,685**	**1,267,788**	**1,240,721**
Total equity and liabilities	**1,750,391**	**1,994,664**	**2,226,044**	**2,302,723**	**2,508,765**	**2,821,929**	**3,249,333**	**3,825,687**	**4,036,458**	**4,094,008**	**4,130,968**

All figures on this page exclude GST.

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

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash is provided from:											
Regional rates	143,958	161,205	178,955	206,675	225,698	248,877	273,205	299,321	314,038	318,354	322,680
Water supply levy	35,860	39,424	42,782	45,617	47,898	50,322	52,536	54,338	56,248	58,534	60,364
Government subsidies	195,664	227,276	187,421	159,159	234,030	324,796	406,216	434,016	259,104	179,326	187,635
Interest and dividends	4,725	4,934	5,074	5,191	5,443	5,701	5,975	6,256	6,565	6,742	6,903
Fees, charges and other revenue	131,437	126,234	125,413	130,657	136,328	143,033	150,253	158,329	166,562	175,554	184,666
	511,644	559,073	539,645	547,299	649,397	772,729	888,185	952,260	802,517	738,510	762,248
Cash is disbursed to:											
Interest	21,664	20,131	19,961	19,918	20,066	20,156	20,566	21,949	23,259	24,806	23,759
Payment to suppliers and employees	475,563	502,578	471,054	466,767	458,676	479,549	502,565	543,758	558,853	584,633	606,863
	497,227	522,709	491,015	486,685	478,742	499,705	523,131	565,707	582,112	609,439	630,622
Net cash flows from operating activities	**14,417**	**36,364**	**48,630**	**60,614**	**170,655**	**273,024**	**365,054**	**386,553**	**220,405**	**129,071**	**131,626**
CASHFLOWS FROM INVESTING ACTIVITIES											
Cash is provided from:											
Sale of property, plant and equipment	1,056	321	381	7,768	328	379	532	408	6,318	520	542
Investment redemptions	5,400	6,120	480	800	-	-	-	-	-	-	-
	6,456	6,441	861	8,568	328	379	532	408	6,318	520	542
Cash is applied to:											
Purchase of property, plant and equipment	78,248	94,709	114,929	82,650	102,956	111,494	129,946	115,476	104,468	90,401	72,752
Investment additions	17,689	27,689	22,164	31,871	139,499	246,415	346,015	361,514	163,953	29,172	31,948
	95,937	122,397	137,093	114,521	242,455	357,909	475,961	476,990	268,421	119,573	104,701
Net cashflows from investing activities	**(89,481)**	**(115,956)**	**(136,232)**	**(105,953)**	**(242,127)**	**(357,530)**	**(475,429)**	**(476,582)**	**(262,103)**	**(119,053)**	**(104,159)**
CASHFLOWS FROM FINANCING ACTIVITIES											
Cash is provided from:											
Loan funding [1]	109,209	115,976	129,890	99,343	142,505	153,916	191,369	176,534	138,849	91,664	76,431
Cash is applied to:											
Debt repayment	21,703	36,021	42,037	53,746	70,754	69,111	80,673	86,159	96,785	101,293	103,497
Net cashflows from financing activities	**87,506**	**79,955**	**87,853**	**45,597**	**71,751**	**84,805**	**110,696**	**90,375**	**42,064**	**(9,629)**	**(27,066)**
Net increase/(decrease) in cash and cash equivalents	**12,442**	**363**	**251**	**258**	**279**	**300**	**321**	**346**	**366**	**389**	**401**
Opening cash and cash equivalents	11,395	20,649	21,012	21,263	21,521	21,800	22,099	22,420	22,766	23,132	23,521
Closing cash and cash equivalents	**23,837**	**21,012**	**21,263**	**21,521**	**21,800**	**22,099**	**22,420**	**22,766**	**23,132**	**23,521**	**23,923**

[1] Greater Wellington now fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from Waka Kotahi / NZ Transport Agency.

All figures on this page exclude GST.

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE DEBT
AS AT 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Environment and flood protection	142,093	164,609	194,683	194,826	208,248	217,581	233,317	239,217	233,598	232,013	229,000
Public transport	264,800	277,597	290,878	298,536	340,384	404,322	487,382	567,344	620,220	617,247	595,689
Water supply	126,808	156,210	184,885	205,258	237,465	256,063	277,054	288,309	297,551	306,684	319,380
Stadium	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Regional strategy and partnerships	24,295	39,198	54,271	74,894	71,841	68,310	66,923	64,581	58,671	53,048	45,798
Property and investments	30,479	27,912	26,523	25,591	23,270	20,864	18,383	15,836	13,471	11,026	8,527
Corporate systems	33,592	33,816	31,480	28,775	26,002	23,546	20,990	18,383	15,747	13,074	11,596
Total activities debt	**624,167**	**701,442**	**784,820**	**829,980**	**909,310**	**992,786**	**1,106,149**	**1,195,770**	**1,241,358**	**1,235,192**	**1,212,090**
Treasury internal funding [1]	20,851	(26,266)	(21,791)	(21,354)	(28,933)	(27,603)	(30,270)	(29,517)	(33,041)	(36,504)	(40,469)
Total external debt	**645,018**	**675,176**	**763,029**	**808,626**	**880,377**	**965,183**	**1,075,879**	**1,166,253**	**1,208,317**	**1,198,688**	**1,171,621**
External debt (current)	126,800	125,684	145,766	190,852	145,943	146,039	191,140	146,246	146,359	191,477	146,601
External debt (non-current)	518,218	549,492	617,264	617,774	734,434	819,144	884,739	1,020,007	1,061,958	1,007,211	1,025,020
Total external debt [2]	**645,018**	**675,176**	**763,029**	**808,626**	**880,377**	**965,183**	**1,075,879**	**1,166,253**	**1,208,317**	**1,198,688**	**1,171,621**

[1] Greater Wellington manages community outcome debt via an internal debt function. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy.

[2] Includes Finance Lease Liability from service concession arrangements.

All figures on this page exclude GST.

TOTAL COUNCIL FINANCIAL STATEMENTS
PROSPECTIVE REGIONAL RATES AND CAPITAL EXPENDITURE
FOR THE YEAR ENDING 30 JUNE

	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
REGIONAL RATES											
Regional Strategy and Partnerships – excluding Warm Greater Wellington targeted rate	14,566	16,939	18,593	21,034	21,036	21,309	21,553	21,846	22,457	22,580	22,435
Metlink Public Transport	76,798	81,810	91,434	111,353	122,366	141,734	164,333	186,053	199,180	200,607	206,927
Environment and Flood Protection	57,026	66,013	72,398	78,126	84,818	87,997	89,815	92,010	93,433	95,654	96,958
Investments [1]	(7,824)	(6,426)	(5,964)	(6,897)	(6,134)	(5,927)	(5,537)	(4,811)	(5,283)	(4,789)	(4,876)
Total Rates excluding Warm Greater Wellington targeted rate	140,566	158,336	176,461	203,616	222,086	245,113	270,164	295,098	309,787	314,052	321,444
Regional Leadership – Warm Greater Wellington targeted rate	3,392	2,869	2,494	3,059	3,612	3,764	3,041	4,223	4,251	4,302	1,236
Total regional rates	**143,958**	**161,205**	**178,955**	**206,675**	**225,698**	**248,877**	**273,205**	**299,321**	**314,038**	**318,354**	**322,680**
CAPITAL EXPENDITURE											
Environment and Flood Protection	25,087	33,547	39,811	15,800	21,977	22,601	30,325	21,340	15,458	15,263	14,754
Metlink Public Transport [2]	7,994	16,796	36,898	35,890	37,369	57,519	64,318	67,616	63,650	49,405	28,062
Water Supply	31,421	39,034	35,134	27,530	40,530	28,300	31,895	23,165	21,742	22,099	26,507
Regional Strategy and Partnerships	1,105	1,145	228	277	166	134	389	133	263	189	57
Other	12,642	2,811	1,311	1,478	1,646	1,415	1,164	1,722	1,555	1,664	1,426
Total capital expenditure	**78,249**	**93,333**	**113,382**	**80,975**	**101,688**	**109,969**	**128,091**	**113,976**	**102,668**	**88,620**	**70,806**
Public Transport Investment in Rail	17,689	17,655	18,024	27,045	135,742	242,401	341,723	356,928	159,087	24,007	26,556
Total Capex and improvements	95,938	110,988	131,406	108,020	237,430	352,370	469,814	470,904	261,755	112,627	97,362

[1] Investment returns reduce the requirement for rates.

[2] Transport capital expenditure excludes investment in Greater Wellington Rail Limited for the purchase of rail rolling stock and infrastructure. This is disclosed separately as Public Transport Investment in Rail.

All figures on this page exclude GST.

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

Greater Wellington operations	2020/21 Budget $000s	2021/22 Plan $000s	2022/23 Plan $000s	2023/24 Plan $000s	2024/25 Plan $000s	2025/26 Plan $000s	2026/27 Plan $000s	2027/28 Plan $000s	2028/29 Plan $000s	2029/30 Plan $000s	2030/31 Plan $000s
Sources of operating funding											
General rates	49,632	62,657	69,654	76,081	82,150	85,342	86,737	89,528	91,255	93,127	93,710
Targeted rates	94,326	98,548	109,301	130,594	143,548	163,535	186,468	209,793	222,783	225,227	228,970
Subsidies and grants for operating purposes	180,853	208,481	159,289	123,907	123,265	129,775	135,709	152,079	155,615	163,308	171,505
Interest and dividends from investments	4,725	4,934	5,074	5,191	5,443	5,701	5,975	6,256	6,565	6,742	6,903
Fees, charges, and targeted rates for water supply	112,415	100,714	104,568	111,056	117,288	123,935	130,994	138,258	146,012	154,346	163,156
Fines, infringement fees, and other receipts [1]	54,882	64,944	63,627	65,218	66,938	69,420	71,795	74,409	76,798	79,742	81,874
Total operating funding	**496,833**	**540,278**	**511,513**	**512,047**	**538,632**	**577,708**	**617,678**	**670,323**	**699,028**	**722,492**	**746,118**
Applications of operating funding											
Payments to staff and suppliers	475,563	502,578	470,918	466,541	458,428	479,299	502,097	543,458	562,368	587,917	609,864
Finance costs	21,664	20,131	19,961	19,918	20,066	20,156	20,566	21,949	23,259	24,806	23,759
Total applications of operating funding [2]	**497,227**	**522,709**	**490,879**	**486,459**	**478,494**	**499,455**	**522,663**	**565,407**	**585,627**	**612,723**	**633,623**
Operating surplus/(deficit)	**(394)**	**17,569**	**20,634**	**25,588**	**60,138**	**78,253**	**95,015**	**104,916**	**113,401**	**109,769**	**112,495**
Sources of Capital Funding											
Subsidies and grants for capital expenditure	14,811	18,795	28,132	35,252	110,765	195,021	270,507	281,937	103,489	16,018	16,130
Increase / (decrease) in debt	76,475	82,921	83,124	45,025	78,319	82,425	111,839	88,378	51,949	(307)	(17,826)
Gross proceeds from asset sales	1,054	321	381	7,768	328	379	532	408	6,318	520	542
Total Sources of Capital Funding	**92,340**	**102,037**	**111,637**	**88,045**	**189,412**	**277,825**	**382,878**	**370,723**	**161,756**	**16,231**	**(1,154)**
Applications of Capital Funding											
Capital expenditure											
- to meet additional demand	-	5,352	-	222	24,720	41,284	51,406	59,084	55,506	41,629	22,478
- to improve the level of service	49,877	33,521	27,388	30,652	31,324	25,484	21,408	11,714	9,241	9,883	6,464
- to replace existing assets	28,372	55,836	87,541	51,776	46,912	44,726	57,132	44,678	39,721	38,889	43,810
Increase / (decrease) in investments	24,729	27,325	21,817	31,418	139,017	245,913	345,279	360,917	167,166	32,136	34,624
Increase / (decrease) in reserves	(11,032)	(2,428)	(4,475)	(435)	7,577	(1,329)	2,667	(754)	3,524	3,463	3,965
Total Applications of Capital Funding	**91,946**	**119,606**	**132,271**	**113,633**	**249,550**	**356,078**	**477,892**	**475,639**	**275,158**	**126,000**	**111,341**
Surplus/(Deficit) of Capital Funding	**394**	**(17,569)**	**(20,634)**	**(25,588)**	**(60,138)**	**(78,253)**	**(95,015)**	**(104,916)**	**(113,401)**	**(109,769)**	**(112,495)**
Funding Balance	-	-	-	-	-	-	-	-	-	-	-
Depreciation on council assets	29,891	32,094	34,946	38,549	40,426	43,973	47,122	50,899	54,803	58,334	61,395
Water Supply Levy [1]	35,860	39,424	42,782	45,617	47,898	50,322	52,536	54,338	56,248	58,534	60,364

[1] This includes the Water supply levy charged to Wellington, Hutt, Upper Hutt and Porirua city councils.

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

All figures on this page exclude GST.

Statement of Reserve Funds

The Council maintains reserve funds as a sub-part of its equity – refer to statement of accounting policies earlier in this section. Schedule 10 Clause 16 requires certain information to be included pertaining to these reserve funds. The following presents a summary of reserve funds over the period of this plan and is followed by a breakdown into the various reserve fund types giving a brief explanation of the types of funds under each category and a table giving the opening balances, movements and closing balances.

Summary of Reserve Funds

The following is a summary of the Council's expected reserve funds over the life of this plan.

	Budget 2020/21 ($000)	Plan 2021/22 ($000)	Plan 2022/23 ($000)	Plan 2023/24 ($000)	Plan 2024/25 ($000)	Plan 2025/26 ($000)	Plan 2026/27 ($000)	Plan 2027/28 ($000)	Plan 2028/29 ($000)	Plan 2029/30 ($000)	Plan 2030/31 ($000)
Opening balances	**34,461**	**27,327**	**24,899**	**20,424**	**19,989**	**27,567**	**26,238**	**28,905**	**28,151**	**31,676**	**35,139**
Deposits to reserves	1,713	1,479	1,472	1,188	8,368	1,800	4,417	1,983	4,433	4,509	4,590
Withdrawals from reserves	(12,745)	(3,907)	(5,947)	(1,623)	(790)	(3,129)	(1,750)	(2,737)	(908)	(1,046)	(625)
Closing balances	**23,429**	**24,899**	**20,424**	**19,989**	**27,567**	**26,238**	**28,905**	**28,151**	**31,676**	**35,139**	**39,104**

Area benefit reserves: This class of reserves include various specific reserves (i.e. Transport reserve, Wairarapa Scheme reserve, WREMO reserve, Land Management reserve) and any targeted rate funding surplus is held to fund future costs of that area. These reserves are broadly for specific projects which have been acquired from a specific subset of rate payers and need to be kept separate until utilised.

	Budget 2020/21 ($000)	Plan 2021/22 ($000)	Plan 2022/23 ($000)	Plan 2023/24 ($000)	Plan 2024/25 ($000)	Plan 2025/26 ($000)	Plan 2026/27 ($000)	Plan 2027/28 ($000)	Plan 2028/29 ($000)	Plan 2029/30 ($000)	Plan 2030/31 ($000)
Opening balances	**16,590**	**18,891**	**16,388**	**12,525**	**12,702**	**19,840**	**18,216**	**20,578**	**19,003**	**22,012**	**25,110**
Deposits to reserves	950	924	809	677	7,597	999	3,631	1,162	3,597	3,664	3,742
Withdrawals from reserves	(489)	(2,826)	(4,673)	(500)	(458)	(2,623)	(1,270)	(2,737)	(588)	(566)	(625)
Closing balances	**17,051**	**16,388**	**12,525**	**12,702**	**19,840**	**18,216**	**20,578**	**19,003**	**22,012**	**25,110**	**28,227**

Contingency reserves: This class of reserves are set aside to smooth the impact of costs associated with specific unforeseen events. Included in this class are Rural Fire Contingency, Flood Contingency and Environment Legal Contingency reserves.

	Budget 2020/21 ($000)	Plan 2021/22 ($000)	Plan 2022/23 ($000)	Plan 2023/24 ($000)	Plan 2024/25 ($000)	Plan 2025/26 ($000)	Plan 2026/27 ($000)	Plan 2027/28 ($000)	Plan 2028/29 ($000)	Plan 2029/30 ($000)	Plan 2030/31 ($000)
Opening balances	**6,057**	**6,206**	**6,455**	**6,683**	**6,899**	**7,340**	**7,806**	**8,258**	**8,746**	**9,242**	**9,750**
Deposits to reserves	294	249	227	217	441	465	453	488	496	509	512
Withdrawals from reserves	(221)	-	-	-	-	-	-	-	-	-	-
Closing balances	**6,130**	**6,455**	**6,683**	**6,899**	**7,340**	**7,806**	**8,258**	**8,746**	**9,242**	**9,750**	**10,263**

Special Reserves: This class of reserves include Election, Corporate Systems, LTP, and Wellington Regional Strategy reserves. This class of reserves are funds set aside to smooth the costs of irregular expenditure.

	Budget 2020/21 ($000)	Plan 2021/22 ($000)	Plan 2022/23 ($000)	Plan 2023/24 ($000)	Plan 2024/25 ($000)	Plan 2025/26 ($000)	Plan 2026/27 ($000)	Plan 2027/28 ($000)	Plan 2028/29 ($000)	Plan 2029/30 ($000)	Plan 2030/31 ($000)
Opening balances	**11,813**	**2,830**	**2,056**	**1,217**	**388**	**386**	**216**	**69**	**403**	**422**	**279**
Deposits to reserves	469	306	436	294	330	336	333	333	339	337	336
Withdrawals from reserves	(12,034)	(1,081)	(1,275)	(1,123)	(333)	(506)	(480)	-	(320)	(480)	-
Closing balances	**248**	**2,056**	**1,217**	**388**	**386**	**216**	**69**	**403**	**422**	**279**	**615**

Disclosure Statement

For the period commencing 1 July 2021

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

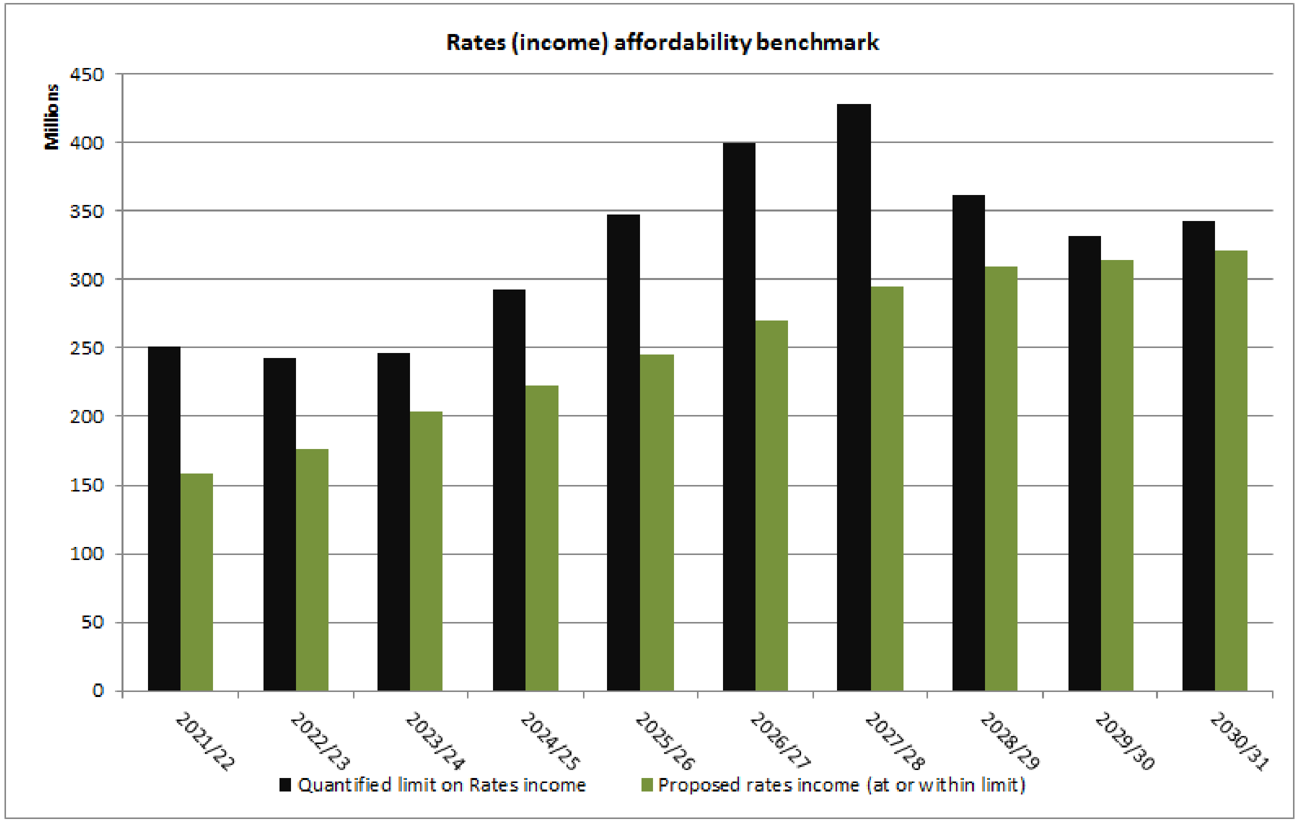
Rates affordability benchmark

The Council meets the rates affordability benchmark if:

its planned rates income equals or is less than each quantified limit on rates; and its planned rates increases equal or are less than each quantified limit on rates increases.

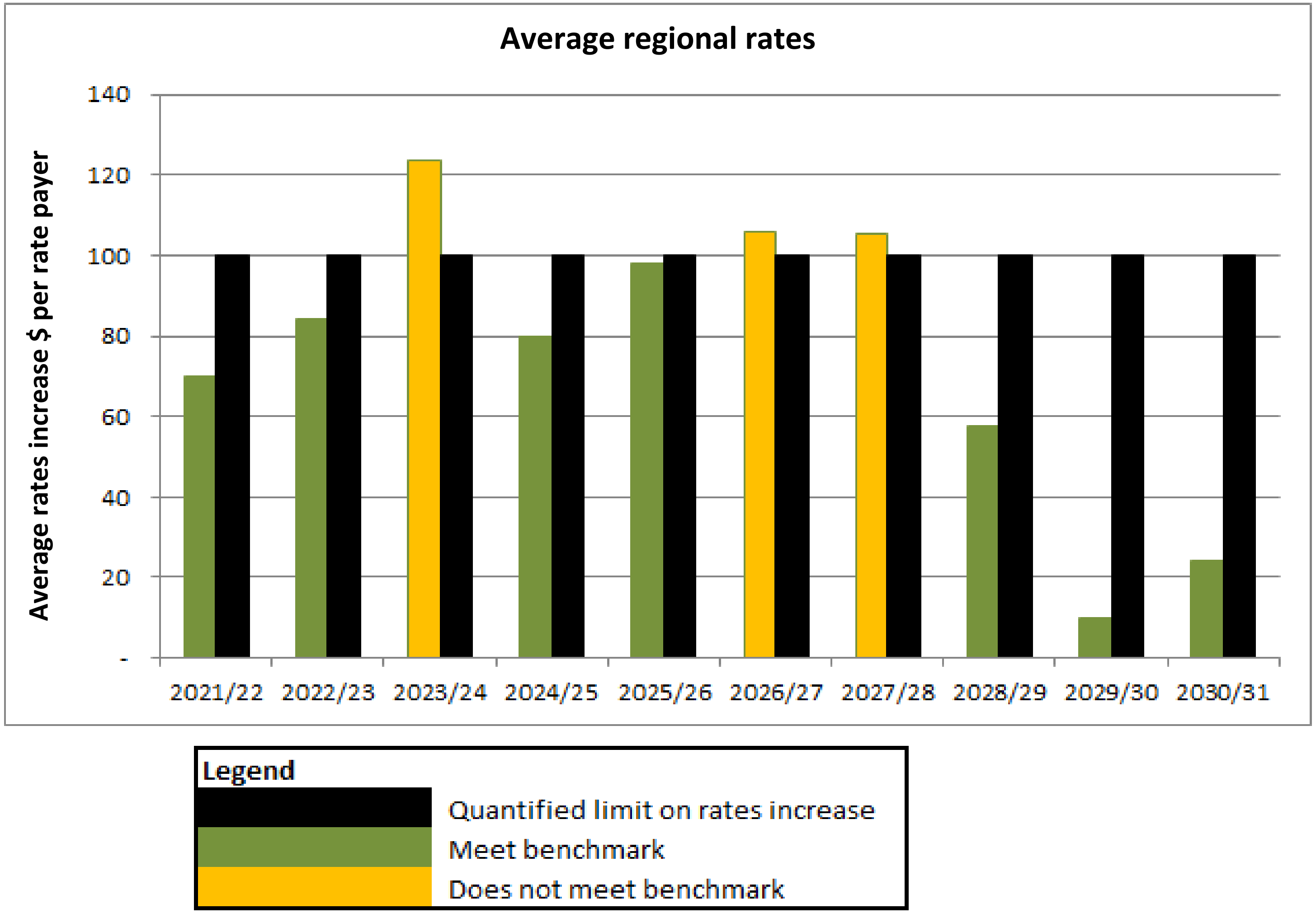
Rates (income) affordability

This graph shows the total rates planned for the Long Term Plan comparted to the overall rates limit adopted by council. The limit adopted is the estimated rates requirement in year 2031 at 45 percent of total that years' operating revenue.



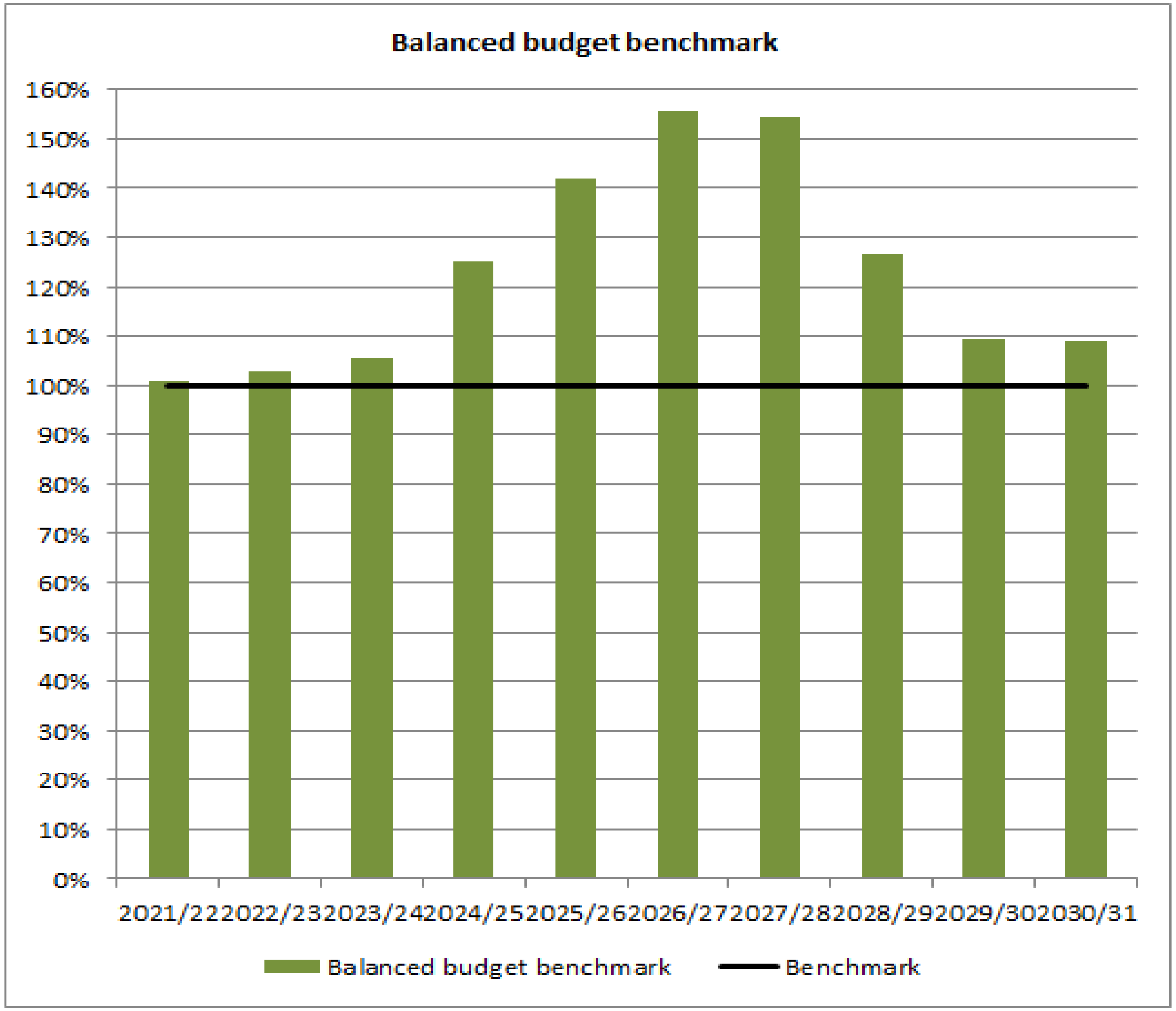
Rates (increase) affordability

The following graphs compares the Council's planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this LTP. The quantified limit is that increases in the annual rate revenue will be limited to an 8.7 percent and $100 increase in average rates per ratepayer.



Balanced Budget

The following graph displays the Council's planned revenue (excluding gains on derivative financial instruments) as a proportion of planned operating expenses (excluding losses on derivative financial instruments). The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

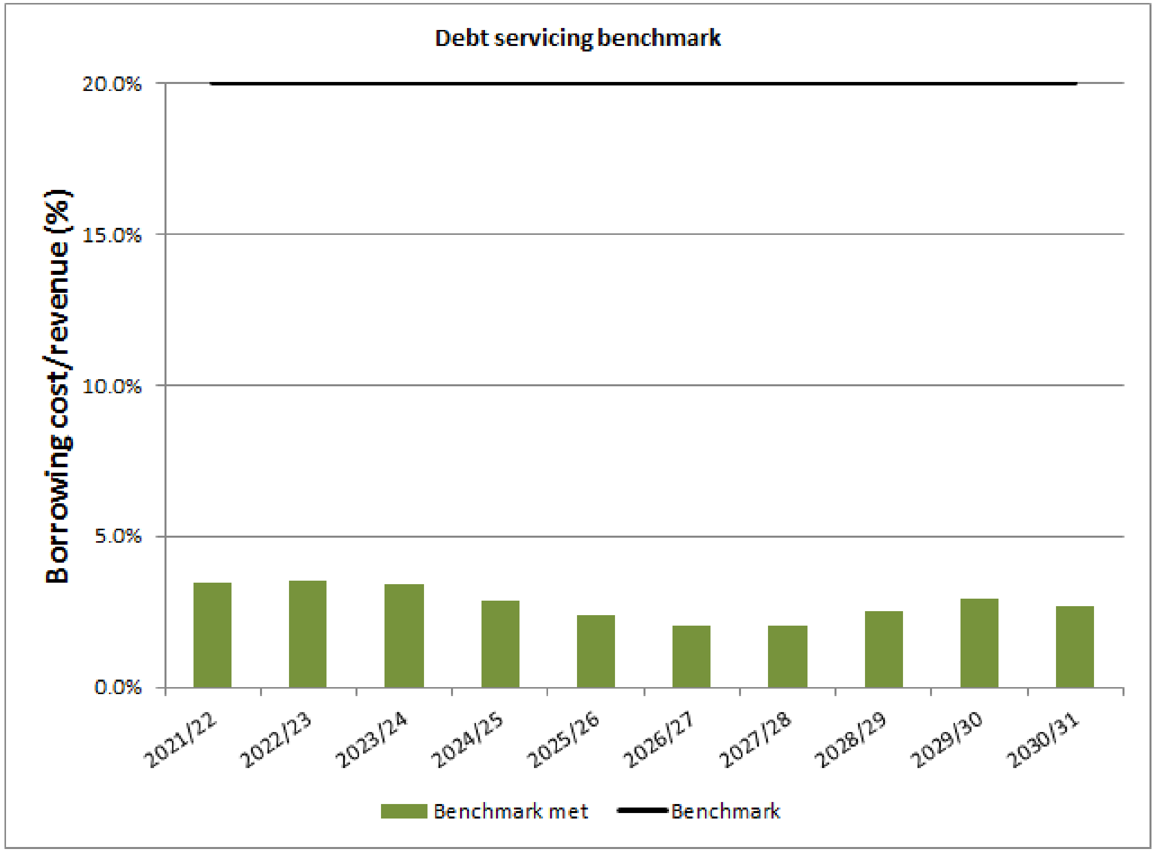


Debt Servicing Benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding gains on derivative financial instruments).

The benchmark prudential limit is set by central government at 10 percent for non-high population growth regions. Given that the Council's population will grow more slowly than the national population projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal, or are less than 10 percent of its planned revenue.

Over the life the LTP the council is well within this benchmark and the local government funding agency sets the benchmark of net interest at 20 percent of total revenue, which is still considered prudent by this institution.



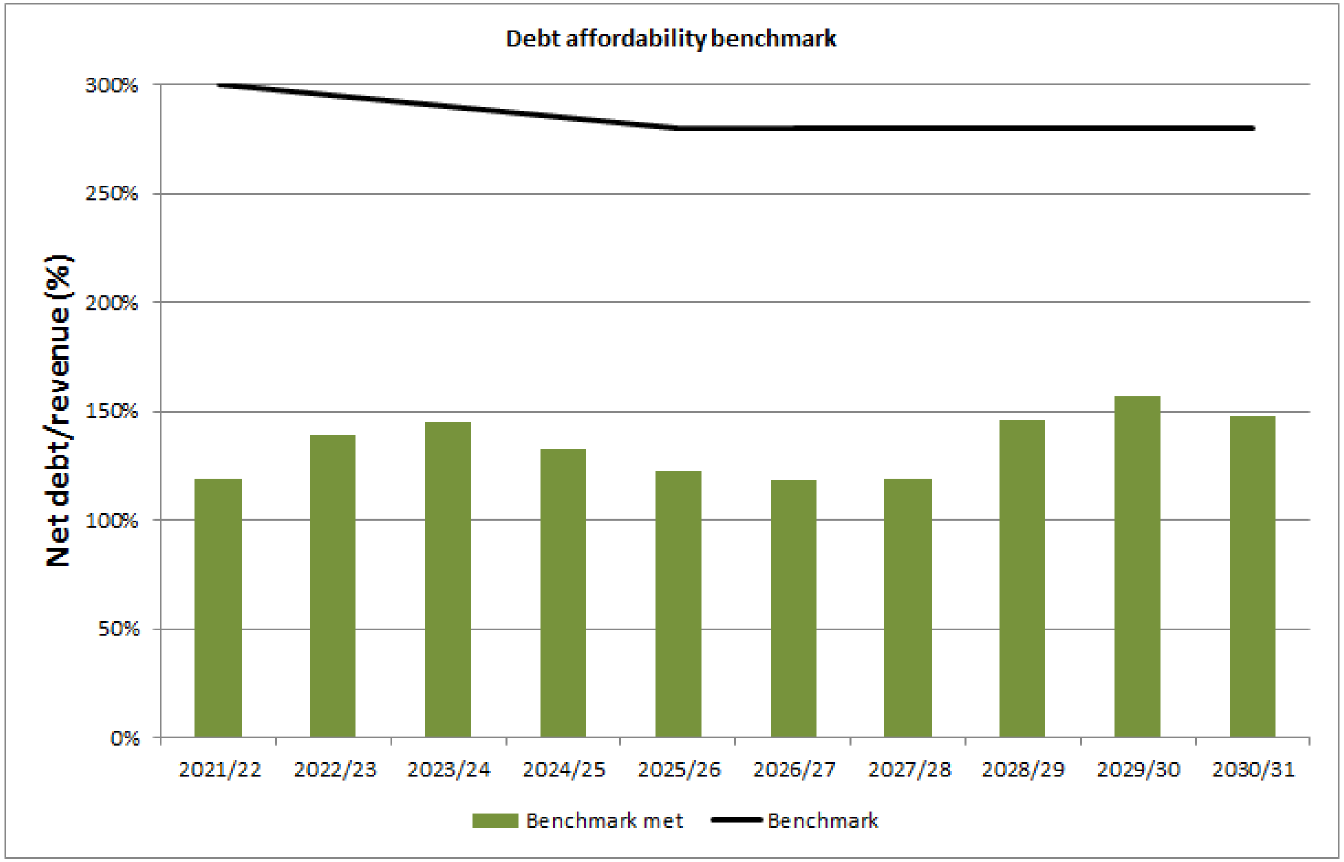
Debt affordability benchmarks

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing:

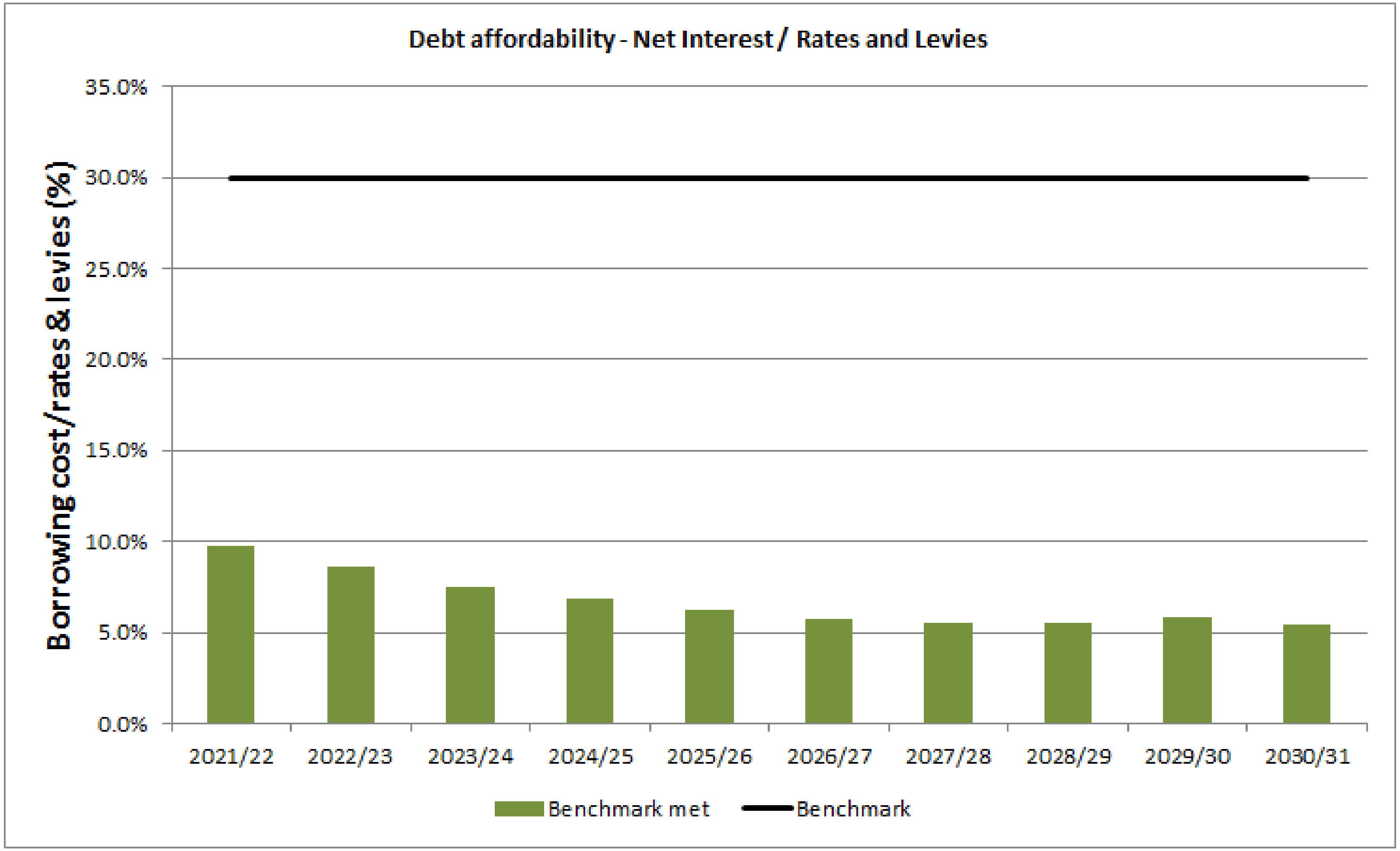
- interest expenses on external borrowings is less than each quantified limit on borrowing; and
- external debt is less than each quantified limit on borrowing.

Debt affordability

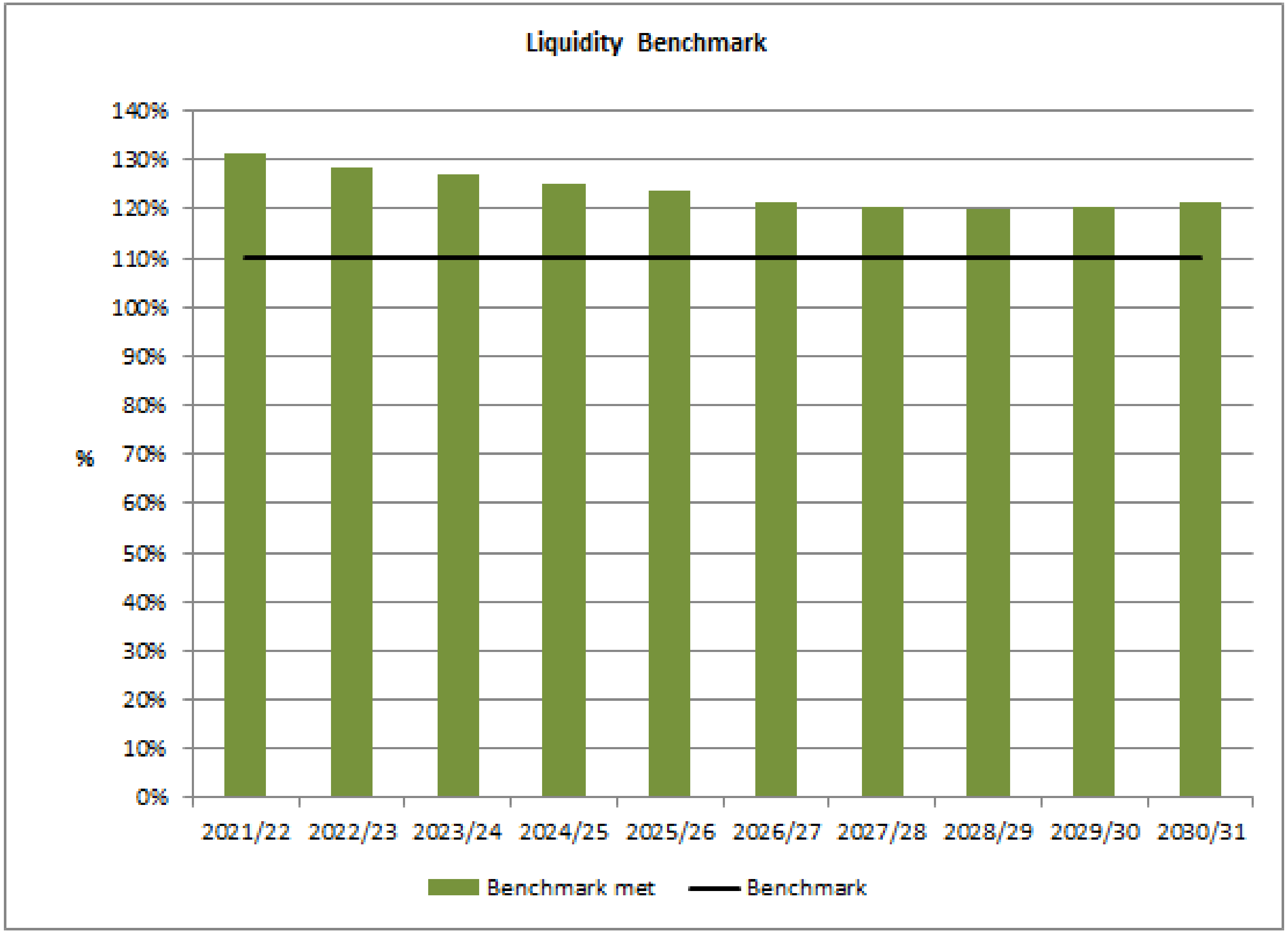
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this LTP. The quantified limit is that net debt/total revenue is lower than the allowable maximum percent as indicated in the Financial Strategy.



The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this LTP. The quantified limit is that net interest / total rates and levies is <30 percent.



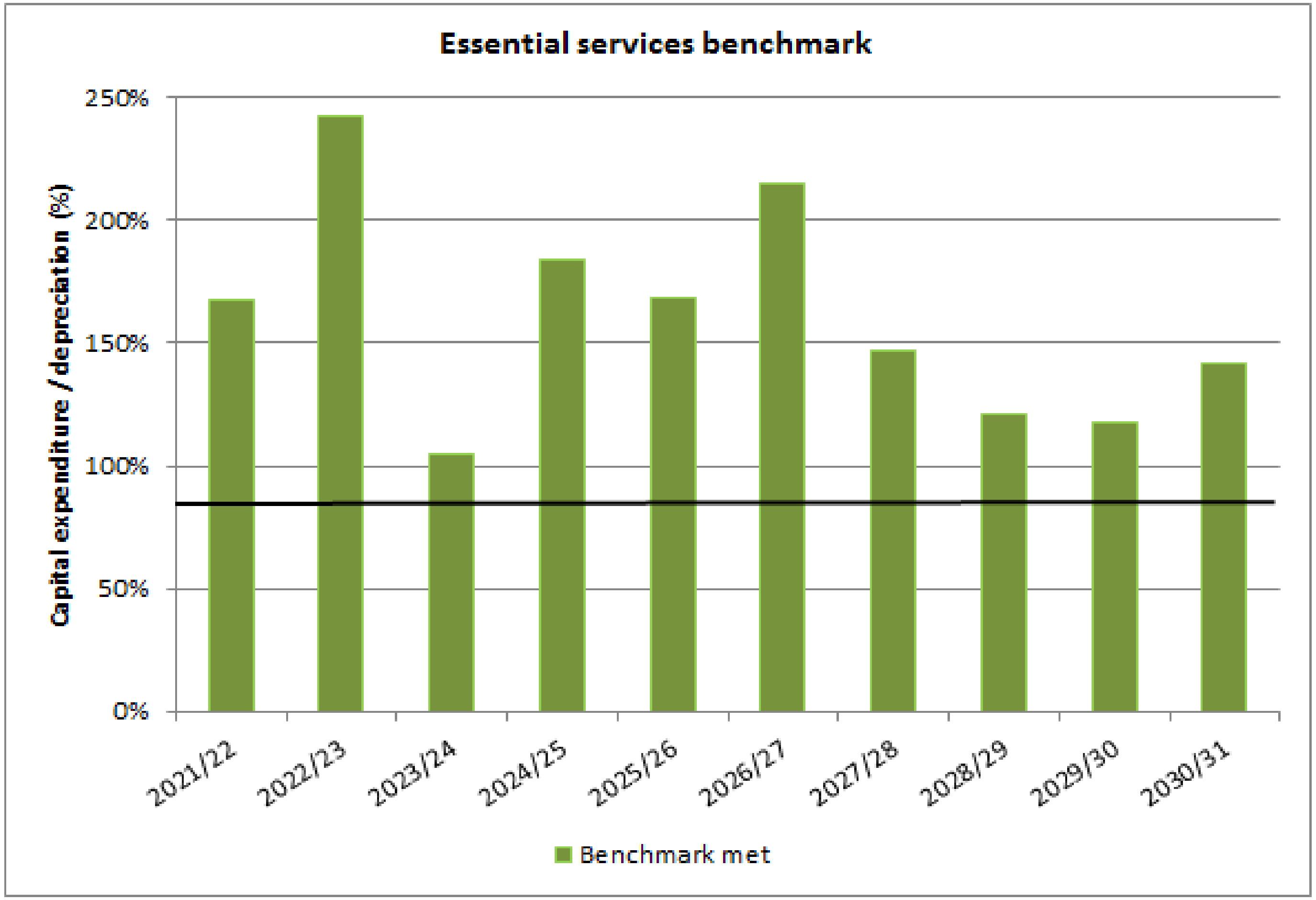
The following graph compares the council's planned borrowing with a quantified limit on borrowing contained in the financial strategy included in this LTP. The quantified limit is that liquidity is >110 percent. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.



Essential Services – Flood Protection and Water

This graph compares actual capital renewal expenditure with depreciation. The general concept is that over time capital expenditure will be similar to depreciation indicating that assets are being replaced in an appropriate and timely manner.

Over the 2021-31 Long Term Plan period we are not meeting this benchmark. With very long life assets such as pipelines this is not unexpected due to the extremely long replacement cycles. Assets like stop banks for flood protection are not expected to be renewed unless damaged by floods so do not have a renewal expectation. Over the long term, there will be periods of significant replacement that counters the short-term outlook of this particular benchmark.



Rating System and Information

Rating policies, systems and indicative rates

This section complies with the requirements under Schedule 10 clauses 15(3)-(5) and 15A of the Local Government Act 2002. It should be read in conjunction with the Council's Revenue and Financing Policy. Figures quoted are exclusive of GST unless otherwise stated.

Summary of Rates and Levies

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

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

This table shows the rates and levies for Greater Wellington in 2021/22 with the changes from last year 2020/21. Rates comprise the general rate and various targeted rates. Greater Wellington also charges a water supply levy directly to the four city councils in the region, and they set their own rates to cover the cost of this levy.

The total rate increase in regional rates for 2021/22 is 12.64 percent. The water supply levy, which is charged to the four metropolitan city councils is proposed to increase by 9.9 percent to 2020/21. When the water supply levy is included, Greater Wellington Regional Council's overall increase is 12.09 percent.

Summary of rates and levies

	2020/21 Plan $000s	2021/22 Plan $000s	Change $000s	Change %
General rate	**49,632**	**62,657**	**13,025**	
Targeted rates				
Region wide targeted rates [1]:				
River management rate	6,873	6,802	(71)	
Public transport rate	76,798	81,810	5,013	
Wellington regional strategy rate	5,008	4,691	(317)	
Specific area targeted rates:				
Pest management rate	596	667	70	
South Wairarapa district – river rates	98	100	2	
Wairarapa scheme and stopbank rates	1,561	1,609	48	
Total targeted rates [2]	**90,934**	**95,679**	**4,745**	
Total regional rates	**140,566**	**158,336**	**17,770**	**12.6%**
Water supply levy	**35,860**	39,424	3,564	9.9%
Total regional rates and levies	**176,426**	**197,760**	**21,335**	**12.1%**
Warm Greater Wellington rates [3]	3,392	2,869		
Total rates and levies	**179,818**	**200,629**		

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

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

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

All figures on this page exclude GST.

Impact on each city and district

Rates increases vary among cities and districts because of differing equalised capital values. Targeted rates are applied according to the Revenue and Financing Policy.

Impact on each city and district	2020/21 Plan $000s	2020/21 Plan $000s	Change $000s	Change %
Region-wide rates [1]:				
Wellington city	72,113	81,729		
Hutt city*	26,818	28,882		
Upper Hutt city	9,674	10,864		
Porirua city	11,070	12,011		
Kāpiti Coast district	11,677	13,660		
Masterton district	3,157	4,131		
Carterton district	1,430	1,742		
South Wairarapa district	2,367	2,935		
Tararua district	4	6		
Total region-wide rates	**138,310**	**155,960**		
Specific area targeted rates:				
Pest management rate	596	667		
South Wairarapa district – river rates	98	100		
Wairarapa scheme and stopbank rates	1,562	1,609		
Total regional rates	**140,566**	**158,336**		**12.6%**
Water supply levy				
Wellington City Council	18,493	20,106		
Hutt City Council	9,506	10,396		
Upper Hutt City Council	3,622	4,285		

Porirua City Council	4,239	4,636	
Water supply levy	**35,860**	**39,424**	9.9%
Total regional rates and levies [2]	**176,426**	**197,760**	**12.1%**
Warm Wellington rate [3]	3,392	2,869	
Total rates and levies	**179,818**	**200,629**	

*Hutt city refers to the local government administrative area of Lower Hutt City.

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

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

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

All figures on this page exclude GST.

Residential region-wide rates

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

Average value of residential property in each city or district	2020/21	2021/22
Wellington city	$802,957	803,297
Hutt city*	$627,429	631,442
Upper Hutt city	$585,149	588,216
Porirua city	$669,917	673,425
Kāpiti Coast district excl Ōtaki	$579,334	743,571
Ōtaki rating area	$359,624	513,228
Masterton district	$339,148	337,803
Carterton district	$355,072	361,020
South Wairarapa district	$421,910	426,423

2021/22 residential region-wide rates, for an average value residential property

	General rate		River management rate		Public transport rate		Wellington regional strategy rate		Total region-wide rates	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Wellington city	$265.83	$331.44	$0.85	$0.71	$293.68	$329.22	$16.10	$16.10	$576.47	$677.47
Hutt city*	$219.17	$276.85	$117.68	$109.83	$317.19	$317.86	$16.10	$16.10	$670.15	$720.65
Upper Hutt city	$202.77	$259.36	$50.78	$63.24	$314.85	$313.14	$16.10	$16.10	$584.51	$651.84
Porirua city	$229.99	$284.71	$2.50	$3.05	$364.13	$348.62	$16.10	$16.10	$612.72	$652.48
Kāpiti Coast district excl Ōtaki	$228.42	$288.29	$55.59	$56.34	$232.73	$261.67	$16.10	$16.10	$532.84	$622.39
Ōtaki rating area	$141.79	$198.98	$34.51	$38.89	$102.08	$113.82	$16.10	$16.10	$294.48	$367.78

Masterton district	$137.72	$184.44	$0.00	$0.00	$61.68	$77.33	$16.10	$16.10	$215.50	$277.86
Carterton district	$141.72	$180.78	$3.57	$3.66	$80.23	$87.79	$16.10	$16.10	$241.62	$288.33
South Wairarapa district	$165.05	$214.31	$0.00	$0.00	$107.60	$114.40	$16.10	$16.10	$288.74	$344.81

2021/22 residential region-wide rates per $100k of valued residential property

	General rate		River management rate		Public transport rate		Total region-wide rates excl Wellington regional strategy rate	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Wellington city	$33.11	$41.26	$0.11	$0.09	$36.57	$40.98	$69.79	$82.33
Hutt city*	$34.93	$43.84	$18.76	$17.39	$50.55	$50.34	$104.24	$111.58
Upper Hutt city	$34.65	$44.09	$8.68	$10.75	$53.81	$53.24	$97.14	$108.08
Porirua city	$34.33	$42.28	$0.37	$0.45	$54.35	$51.77	$89.06	$94.50
Kāpiti Coast district excl Ōtaki	$39.43	$38.77	$9.59	$7.58	$40.17	$35.19	$89.20	$81.54
Ōtaki rating area	$39.43	$38.77	$9.59	$7.58	$28.38	$22.18	$77.41	$68.52
Masterton district	$40.61	$54.60	$0.00	$0.00	$18.19	$22.89	$58.79	$77.49
Carterton district	$39.91	$50.07	$1.01	$1.01	$22.59	$24.32	$63.51	$75.41
South Wairarapa district	$39.12	$50.26	$0.00	$0.00	$25.50	$26.83	$64.62	$77.08

*Hutt city refers to the local government administrative area of Lower Hutt City.

All figures on this page include GST.

Average rates for each area and category

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

Residential, including GST	Average capital value	Increase / (decrease) in 2021/22	Increase / (decrease) per week	Rates 2021/22	Rates per week
Wellington city	$803,297	$101	$1.94	$677	$13.03
Hutt city*	$631,442	$50	$0.97	$721	$13.86
Upper Hutt city	$588,216	$67	$1.29	$652	$12.54
Porirua city	$673,425	$40	$0.76	$652	$12.55
Kāpiti Coast district excl Ōtaki	$743,571	$90	$1.72	$622	$11.97
Ōtaki rating area	$513,228	$73	$1.41	$368	$7.07
Masterton district	$337,803	$62	$1.20	$278	$5.34
Carterton district	$361,020	$47	$0.90	$288	$5.54
South Wairarapa district	$426,423	$56	$1.08	$345	$6.63

Rural, excluding GST	Average capital value	Increase / (decrease) in 2021/22	Increase / (decrease) per week	Rates 2021/22	Rates per week
Wellington city	$1,015,000	$79	$1.52	$484	$9.31
Hutt city*	$866,000	$55	$1.06	$585	$11.24
Upper Hutt city	$869,000	$88	$1.70	$544	$10.46
Porirua city	$1,354,000	$86	$1.65	$685	$13.17
Kāpiti Coast district	$965,000	$77	$1.48	$492	$9.45
Masterton district	$725,000	$106	$2.03	$438	$8.43
Carterton district	$873,000	$97	$1.86	$495	$9.52
South Wairarapa district	$950,000	$105	$2.03	$534	$10.27
Tararua district	$1,067,000	$164	$3.15	$565	$10.86

Business, excluding GST	Average capital value	Increase / (decrease) in 2021/22	Increase / (decrease) per week	Rates 2021/22	Rates per week
Wellington city	$2,456,000	$355	$6.84	$2,471	$47.51
Wellington city - CBD	$2,980,000	$860	$16.54	$10,322	$198.50
Hutt city*	$2,040,000	$167	$3.21	$2,335	$44.90
Upper Hutt city	$1,903,000	$244	$4.70	$2,122	$40.80
Porirua city	$1,786,000	$157	$3.01	$1,767	$33.99
Kāpiti Coast district	$1,341,000	$103	$1.99	$1,158	$22.27
Masterton district	$800,000	$191	$3.67	$738	$14.19
Carterton district	$449,000	$63	$1.21	$397	$7.63
South Wairarapa district	$675,000	$97	$1.86	$607	$11.67

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

*Hutt city refers to the local government administrative area of Lower Hutt City.

Rates calculator 2021/22

Rates calculator for residential region–wide rates for the year 2021/22.

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

	2021/22 region-wide rates per $100,000 of capital value		Enter the capital value of your property			Wellington regional strategy rate		Indicative rates on your property for 2021/22
Wellington city	$71.59	x		÷ 100,000	+	$14.00	=	
Hutt city*	$97.02	x		÷ 100,000	+	$14.00	=	
Upper Hutt city	$93.98	x		÷ 100,000	+	$14.00	=	
Porirua city	$82.17	x		÷ 100,000	+	$14.00	=	
Kāpiti Coast district excl Ōtaki	$70.90	x		÷ 100,000	+	$14.00	=	
Ōtaki rating area	$59.59	x		÷ 100,000	+	$14.00	=	
Masterton district	$67.38	x		÷ 100,000	+	$14.00	=	
Carterton district	$65.57	x		÷ 100,000	+	$14.00	=	
South Wairarapa district	$67.03	x		÷ 100,000	+	$14.00	=	
Hutt city example	$97.02	x	$350,000	÷ 100,000	+	$14.00	=	$353.58
						includes GST @ 15%		$406.62

Funding Impact Statement

Rating mechanism

This section sets out how Greater Wellington will set its rates for 2021/22. It explains the basis on which each ratepayer's rating liability will be assessed.

Funding mechanism	Groups of activities funded	Valuation system	Matters for differentiation/categories of land	Calculation factor
General rate	Regional Strategies and Partnerships, Environment and Flood Protection, Parks	Capital value	All rateable land, in Wellington city differentiated by land use	Cents per dollar of rateable capital value
Targeted rates	For more detail about each activity within these Groups of Activities, refer to the Activities of Greater Wellington section of this plan			
Wellington regional strategy	Regional Strategies and Partnerships	Capital value for business	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
		N/A for residential	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit
		N/A for rural	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit
Warm Greater Wellington	Regional Strategies and Partnerships	N/A	Provision of service to the land	Extent of service provided calculated as a percentage of the service provided
Public transport	Public transport	Capital value	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
Pest management	Environment	N/A	The use to which the land is put and the area of land within each rating unit	Dollars per hectare
River management	Flood Protection	Capital value/land value	Where the land is situated	Cents per dollar of rateable capital value / land value
Wairarapa river management schemes	Flood Protection	N/A	Where the land is situated (in some cases set under section 146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and/or the benefits accruing through the provision of services and in some cases use	Dollars per hectare in the area protected, or dollars per point attributed to each rating unit and in some cases a fixed charge per separately used or inhabited part (dwelling)[16]
Wairarapa catchment schemes	Flood Protection	N/A	Where the land is situated (in some cases set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and in some cases use and land value	Dollars per hectare or cents per metre of river frontage in the area protected and in some cases a fixed charge per separately used or inhabited part (dwelling) and cents per dollar of rateable land value[3]
Wairarapa drainage schemes	Flood Protection	N/A	Where the land is situated (Set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers)	Dollars per hectare in the area protected

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

Differential on the general rate

As outlined in the introduction of this Plan, Greater Wellington has differential factors to the general rate within Wellington City. The objective of the differential is to address the impact of the allocation of rates within Wellington city in accordance with s101 (3) (b) of the Local Government Act.
The following differentials within Wellington City are designed to ensure that different property rating types pay an equitable share of the increased cost of providing services in 2021/22.

Residential	1
Wellington CBD	1.7
Business	1.3
Rural	1

The general rate for the other districts within the region is undifferentiated and rated at base category.

Estimate of projected valuation

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

Uniform annual general charge

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

Lump sum contributions

Except as to a discretion to accept lump sum contributions for Warm Wellington rates, the Council will not invite lump sum contributions in respect of any targeted rates.

Rates categories

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

Category 1 – Rates based on capital or land value

Location	Use	Description
Wellington city	Regional CBD	All rating units classified as commercial, industrial and business properties within the downtown area boundary, currently shown on the Downtown Levy Area map of Wellington city. See map on page 76 for Wellington city downtown city centre business area.
	Wellington city business	All rating units classified as commercial, industrial and business properties in the rating information database for Wellington city outside the Downtown Levy Area map boundary
	Wellington city residential	All rating units classified as base (excluding rural and farm) in the rating information database for Wellington city
	Wellington city rural	All rating units sub-classified as rural or farm within the base category in the rating information database for Wellington city
Lower Hutt city	Lower Hutt city business	All rating units not classified as residential, rural or community facilities in the rating information database for Lower Hutt city
	Lower Hutt city residential	All rating units classified as residential or community facilities in the rating information database for Lower Hutt city
	Lower Hutt city rural	All rating units classified as rural in the rating information database for Lower Hutt city
Porirua city	Porirua city business	All rating units classified as business in the rating information database for Porirua city
	Porirua city residential	All rating units classified as residential in the rating information database for Porirua city
	Porirua city rural	All rating units classified as rural in the rating information database for Porirua city
Upper Hutt city	Upper Hutt city business	All rating units classified as business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city residential	All rating units not classified as rural, business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city rural	All rating units classified as rural in the rating information database for Upper Hutt city
Kāpiti Coast district	Kāpiti Coast district business	All rating units used for a commercial, business, industrial purpose or utility network activity in the Kāpiti Coast district rating information database

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

Category 1A – General rate Wellington City

The following differentials within Wellington City are designed to ensure that different property rating types pay an equitable share of the increased cost of providing services in 2021/22.

Location	Use	Description	Differential on the value for 2021/22
Wellington city	Regional CBD	As in Category 1 above	1.7
	Wellington city business	As in Category 1 above	1.3
	Wellington city residential	As in Category 1 above	1
	Wellington city rural	As in Category 1 above	1

The general rate is undifferentiated for other districts within the region.

Category 2 – Public Transport rate

Public transport is funded from a targeted rate, based on capital value, with differentials based on where the land is situated and the use to which the land is put. The table below shows the rates differentials to be applied in 2020/21 under the first year of the transition provisions in the Revenue and Financing policy.

Location	Use	Description	Differential on the value for 2021/22
Wellington city	Regional CBD	As in Category 1 above	6.91
	Wellington city business	As in Category 1 above	1.15
	Wellington city residential	As in Category 1 above	0.89
	Wellington city rural	As in Category 1 above	0.22
Lower Hutt city	Lower Hutt city business	As in Category 1 above	1.41
	Lower Hutt city residential	As in Category 1 above	1.14
	Lower Hutt city rural	As in Category 1 above	0.29

Location	Use	Description	Differential on the value for 2021/22
Porirua city	Porirua city business	As in Category 1 above	1.47
	Porirua city residential	As in Category 1 above	1.20
	Porirua city rural	As in Category 1 above	0.30
Upper Hutt city	Upper Hutt city business	As in Category 1 above	1.48
	Upper Hutt city residential	As in Category 1 above	1.22
	Upper Hutt city rural	As in Category 1 above	0.31
Kāpiti Coast district	Kāpiti Coast district business	All rating units used for a commercial, business, industrial purpose or utility network activity in the Kāpiti Coast district rating information database	1.17
	Kāpiti Coast district residential excl Ōtaki	All rating units located in the urban rating areas except those properties which meet the classification of rural, commercial, business, industrial purpose, utility network activity or Otaki residential in the Kāpiti Coast District rating information database.	0.90
	Ōtaki rating area residential	All rating units located in the Otaki urban rating area except those properties which meet the classification of rural, commercial, business, industrial purpose, utility network activity or "Kāpiti Coast District Residential excluding Otaki" in the Kāpiti Coast District rating information database	0.57
	Kāpiti Coast district rural	All rating units located in rural rating areas except those properties that meet the classification of commercial, business, industrial purpose, utility network or community activity in the Kāpiti Coast district rating information database	0.23
Masterton district	Masterton district business	All rating units classified as non-residential urban in the Masterton district rating information database	0.75
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database	0.42
	Masterton district rural	As in Category 1 above	0.19

Location	Use	Description	Differential on the value for 2021/22
Carterton district	Carterton district business	All rating units classified as urban commercial, urban industrial or urban smallholding – greater than one hectare in the Carterton district rating information database	0.82
	Carterton district residential	All rating units classified as urban residential in the Carterton district rating information database	0.48
	Carterton district rural	As in Category 1 above	0.21
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database	0.86
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database	0.53
	South Wairarapa district rural	As in Category 1 above	0.22

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

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

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

Rating units subject to river management scheme rates are shown within an approved classification register for each scheme. For more information on whether your rating unit is allocated to one or more of these categories, please contact Greater Wellington's Masterton office.
All rural rating units of four or more hectares are subject to the Pest management rate, that is all rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for each constituent district.

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

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

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

Category 5 – Warm Greater Wellington rate

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

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

Category 6 –Wellington Regional Strategy rate

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

Location	Use	Description
Wellington city	Regional CBD	As per differential category 1
	Wellington city business	As per differential category 1
	Wellington city residential	As per differential category 1
	Wellington city rural	As per differential category 1
Lower Hutt city	Lower Hutt city business	As per differential category 1
	Lower Hutt city residential	As per differential category 1
	Lower Hutt city rural	As per differential category 1
Porirua city	Porirua city business	As per differential category 1
	Porirua city residential	As per differential category 1
	Porirua city rural	As per differential category 1
Upper Hutt city	Upper Hutt city business	As per differential category 1
	Upper Hutt city residential	As per differential category 1
	Upper Hutt city rural	As per differential category 1
Kāpiti Coast district	Kāpiti Coast district business	As per differential category 1

Location	Use	Description
	Kāpiti Coast district residential	As per differential category 1
	Kāpiti Coast district rural	As per differential category 1
Masterton district	Masterton district business	As per differential category 1
	Masterton district residential	As per differential category 1
	Masterton district rural	As per differential category 1
Carterton district	Carterton district business	As per differential category 1
	Carterton district residential	As per differential category 1
	Carterton district rural	As per differential category 1
South Wairarapa district	South Wairarapa district business	As per differential category 1
	South Wairarapa district residential	As per differential category 1
	South Wairarapa district rural	As per differential category 1
Tararua district		As per differential category 1

Rates funding impact statements

The table below outlines the impact of rates in your city district.
Please also visit our rates calculator webpage to assess the impact of rates on your individual property www.gw.govt.nz/regional-rates-calculator.
All figures on this page exclude GST.

General rate	2021/22 Cents per $ of rateable capital value	2021/22 Revenue required $
Wellington city - CBD	0.06099	5,966,761
Wellington city - Business	0.04664	2,167,154
Wellington city - Residential	0.03588	20,928,568
Wellington city - Rural	0.03588	292,363
Hutt city*	0.03813	10,866,016

General rate	2021/22 Cents per $ of rateable capital value	2021/22 Revenue required $
Upper Hutt city	0.03839	4,391,732
Porirua city	0.03676	5,272,564
Kāpiti Coast district	0.03371	6,562,825
Masterton district	0.04748	2,899,729
Carterton district	0.04354	1,229,686
South Wairarapa district	0.04370	2,074,448
Tararua district	0.05028	5,367
Total general rate		**62,657,213**

*Hutt city refers to the local government administrative area of Lower Hutt City. All figures on this page exclude GST.

Targeted rate River management rate based on capital value	2021/22 Cents per $ of rateable capital value	2021/22 Revenue required $
Wellington city	0.00008	56,927
Hutt city*	0.01513	4,310,873
Upper Hutt city	0.00936	1,070,771
Porirua city	0.00039	56,420
Kāpiti Coast district	0.00659	1,282,535
Carterton district	0.00088	24,909
Total district-wide river management rate		**6,802,436**
Greytown ward	0.01195	97,251
Total river management rates based upon capital value		**6,899,687**

*Hutt city refers to the local government administrative area of Lower Hutt City.

Targeted rate River management	2021/22 Cents per $ of rateable land value	2021/22 Revenue required $
Featherston urban: Donalds Creek Stopbank	0.00163	2,748
Total river management rates based upon land value		**2,748**

Total river management rates		**6,902,435**

Targeted rate Warm Greater Wellington Based on extent of service provided	2021/22 Percentage of service provided	2021/22 Revenue required $
For any ratepayer that utilises the service	15.000%	2,868,618

All figures on this page exclude GST.

Targeted rate Public transport rate	2021/22 Cents per $ of rateable capital value	2021/22 Revenue required $
Wellington city		
Regional CBD	0.27780	27,177,100
Business	0.04635	2,153,716
Residential	0.03564	20,788,615
Rural	0.00897	73,096
Hutt city*		
Business	0.05401	2,596,509
Residential	0.04377	10,187,908
Rural	0.01103	46,236
Upper Hutt city		
Business	0.05517	805,310
Residential	0.04632	4,113,081
Rural	0.01165	133,792

Targeted rate Public transport rate	2021/22 Cents per $ of rateable capital value	2021/22 Revenue required $
Porirua city		
Business	0.05489	788,932
Residential	0.04502	5,428,815
Rural	0.01135	95,923
Kāpiti Coast district		
Business	0.03965	699,968
Residential excl Ōtaki	0.03060	4,118,674
Residential Ōtaki rating area	0.01928	316,011
Rural	0.00772	200,955
Masterton district		
Business	0.03584	157,661
Residential	0.01991	560,114
Rural	0.00911	259,946
Carterton district		
Business	0.03576	36,416
Residential	0.02115	194,591
Rural	0.00906	163,228
South Wairarapa district		
Business	0.03800	80,229
Residential	0.02333	337,332
Rural	0.00959	296,175
Total public transport rate	0.27780	**81,810,331**

*Hutt city refers to the local government administrative area of Lower Hutt City. All figures on this page exclude GST.

Targeted rate Wellington regional strategy rate	$ per rating unit	2021/22 Cents per $ of rateable capital value	2021/22 Revenue required $
Wellington city			
Regional CBD		0.00754	737,157
Business		0.00754	350,120
Residential – per rating unit	$14.00		1,016,638
Rural – per rating unit	$28.00		22,484
Hutt city*			
Business		0.00720	346,159
Residential – per rating unit	$14.00		514,276
Rural – per rating unit	$28.00		13,552
Upper Hutt city			
Business		0.00724	103,053
Residential – per rating unit	$14.00		211,064
Rural – per rating unit	$28.00		35,504
Porirua city			
Business		0.00694	99,799
Residential – per rating unit	$14.00		250,712
Rural – per rating unit	$28.00		17,472
Kāpiti Coast district			
Business		0.00637	112,396
Residential – per rating unit	$14.00		295,470
Rural – per rating unit	$28.00		71,260
Masterton district			
Business		0.00897	39,443
Residential – per rating unit	$14.00		116,186
Rural – per rating unit	$28.00		98,056

Carterton district			
Business		0.00822	8,374
Residential – per rating unit	$14.00		34,762
Rural – per rating unit	$28.00		50,176
South Wairarapa district			
Business		0.00825	17,427
Residential – per rating unit	$14.00		46,158
Rural – per rating unit	$28.00		82,852
Tararua district – per rating unit	$28.00		252

Total Wellington regional strategy rate	**4,690,802**

*Hutt city refers to the local government administrative area of Lower Hutt City. All figures on this page exclude GST.

Targeted rate River management schemes 1		2021/22 $ per hectare	2021/22 Revenue required $
Waingawa	A	154.22135	5,231
	B	100.24382	13,063
	C	77.11068	8,806
	D	69.39963	162
	E	61.68848	10,352
	F	53.97743	1,401
	G	23.13324	1,085
	H	15.42209	2,600
			42,700
Upper Ruamahanga	A	151.95336	13,527
	B	126.62780	835
	C	101.30224	12,639
	D	75.97668	1,338
	E	50.65112	15,027

Targeted rate River management schemes 1		2021/22 $ per hectare	2021/22 Revenue required $
	F	25.32556	998
	S	1,426.85481	3,710
			48,074
Middle Ruamahanga	A	137.68324	5,554
	B	114.73605	6,257
	C	91.78886	469
	D	68.84157	7,789
	E	45.89438	1,384
	F	22.94719	6,778
	S	1,388.50933	2,916
			31,148
Lower Ruamahanga	A	70.24589	8,814
	B	60.21079	3,241
	C	50.17570	11,248
	D	40.14049	12,754
	E	30.10540	9,740
	F	20.07030	24,573
	SA	1,761.39562	4,403
	SB	880.69792	1,585
			76,358
Waiohine Rural	A	48.15011	5,416
	B	40.12505	15,359
	C	32.10010	41,021
	D	24.07505	8,928
	E	16.05000	12,804
	S	802.50190	13,723
			97,251

All figures on this page exclude GST.

Targeted rate River management schemes 1 (Continued)		2021/22 $ per hectare	2021/22 Revenue required $
Mangatarere	A	36.37214	780
	B	34.79068	7,290
	C	29.48175	465
	D	26.09301	1,875
			10,410
Waipoua	A	117.14194	10,250
	B	93.71355	28,145
	C	70.28517	1,578
	D	46.85678	13,927
	SA	3,959.39769	396
	SC	2,366.26726	237
		36.37214	**54,533**
Kopuaranga	A2	126.46612	3,295
	A3	113.82050	7,843
	A4	63.23306	714
	A5	44.26316	2,555
	A6	25.29326	2,052
	B2	25.29326	1,550
	B3	22.77412	1,673
	B4	12.64663	117
	B5	8.85261	275
	B6	5.05869	608
	SA	158.20781	791
	SB	79.10906	1,108
			22,581
Lower Taueru	A	5.16418	2,043
	B	1.03281	292

Targeted rate River management schemes 1 (Continued)		2021/22 $ per hectare	2021/22 Revenue required $
	C	0.51641	99
	S	258.21063	392
			2,825
Lower Whangaehu	A	22.70458	758
	B	18.16366	1,179
	C	13.62275	741
	D	9.08183	695
	E	4.54092	797
	S	113.52289	151
			4,323
Total river management scheme 1 rates			**390,202**

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

Targeted rate River management schemes 2		2021/22 $ per dwelling	2021/22 $ per point	2021/22 Revenue required $
Lower Wairarapa valley Development Scheme	A		0.26322	760,406
	Sa	21.11200		8,804
	Sb	42.25395		95,578
Total river management scheme 2 rates				**864,788**

Total river management scheme rates	**1,254,990**

Targeted rate Catchment schemes 1		2021/22 $ per hectare	2021/22 Revenue required $
Whareama	A	4.63988	3,319
	B	1.78826	1,703
	C	0.31304	14,267
	D	0.00000	0
	E	0.22287	3
	F	0.17799	491
			19,784
Homewood	A	1.97915	4,542
	B	1.88489	1,041
	C	1.64924	6,040
	D	0.23565	410
			12,033
Maungaraki	A	1.03020	3,405
	B	0.51000	1,515
			4,921
Upper Kaiwhata	A	10.63112	347
	B	4.65111	245
	C	0.66440	637
	D	0.39868	818
	E	0.26582	436
	F	0.13286	60
			2,543
Lower Kaiwhata	A	17.27730	794
	B	7.55882	336
	C	1.07983	1,251

Targeted rate Catchment schemes 1		2021/22 $ per hectare	2021/22 Revenue required $
	D	0.64786	1,917
	E	0.00000	0
	F	0.21599	75
			4,373
Catchment management scheme 1 rates			**43,654**

Targeted rate Catchment schemes 2		2021/22 Cents per $ of rateable land value	2021/22 Revenue required $
Awhea-Opouawe	Land value	0.01615	10,949
Mataikona-Whakataki	Land value within scheme area	0.00541	4,013
Catchment management scheme 2 rates			**14,961**

Targeted rate Catchment schemes 3		2021/22 $ per dwelling	2021/22 Revenue required $
Awhea-Opouawe	Charge per dwelling	$142.82 / $71.49	12,298
Maungaraki	Charge per dwelling	$23.08	439
Mataikona-Whakataki	Charge per dwelling	$22.99	2,805
Catchment management scheme 3 rates			**15,542**

All figures on this page exclude GST.

Targeted rate Catchment schemes 4		2021/22 Cents per metre of river frontage	2021/22 Revenue required $
Maungaraki	River frontage	0.03680	1,752
Catchment management scheme 4 rates			**1,752**

Total catchment management scheme rates	**75,909**

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Targeted rate Pump drainage schemes		2021/22 $ per hectare	2021/22 Revenue required $
Te Hopai	A	43.63662	54,398
Moonmoot pump	A	122.37450	27,867
Onoke pump	A	71.19090	50,790
Pouawha pump	A	107.39682	101,544
Total pump drainage scheme rates			**234,599**

Targeted rate Gravity drainage schemes		2021/22 $ per hectare	2021/22 Revenue required $
Okawa	A	7.36480	2,077
Taumata	A	6.63366	1,927
East Pukio	A	29.16208	3,310
Longbush	A	16.55943	3,612
	B	8.27972	1,040
Otahoua	A	34.00134	3,152
Te Whiti	A	10.02683	1,417
Ahikouka	A	28.54437	3,203
Battersea	A	15.87250	2,677
	B	13.14175	2,567

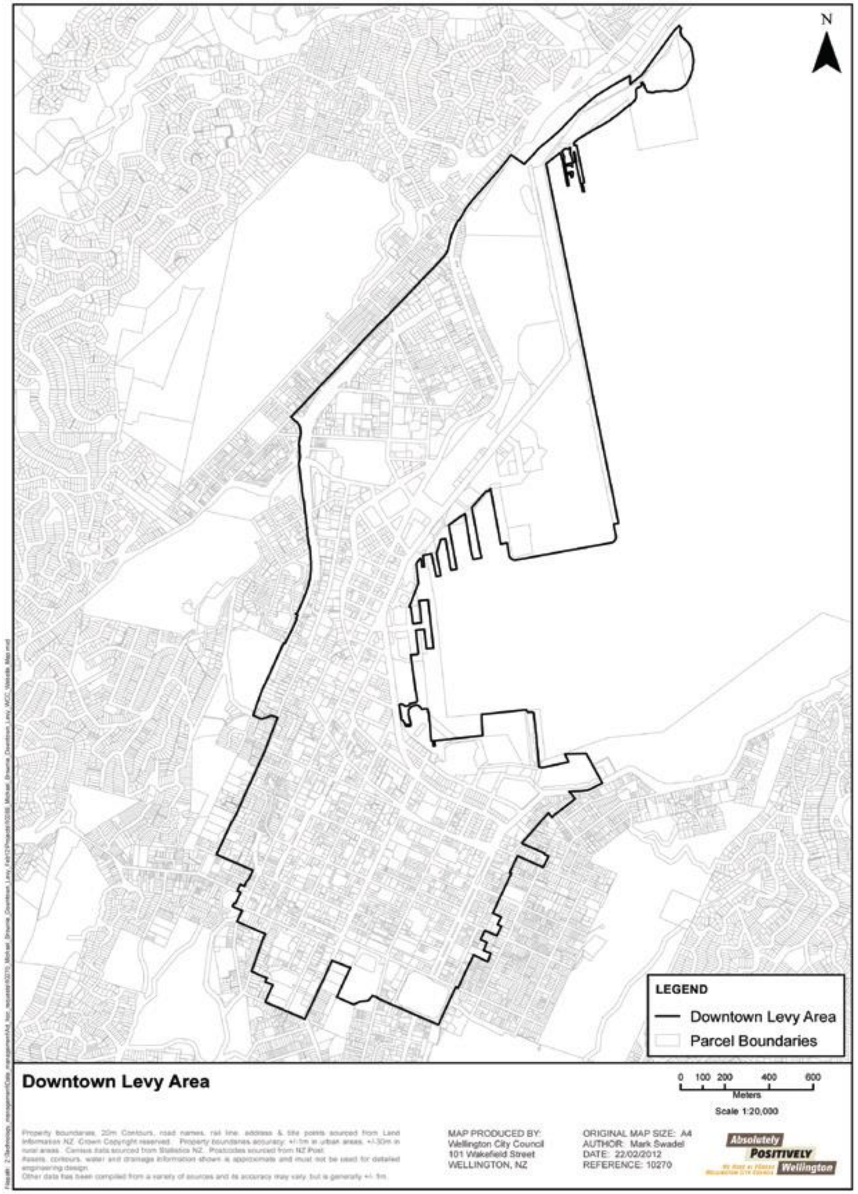
Targeted rate Gravity drainage schemes		2021/22 $ per hectare	2021/22 Revenue required $
	C	10.24029	3,240
	D	6.14422	938
	E	5.29080	1,073
	F	5.12020	361
Manaia	A	23.89889	4,170
Whakawiriwiri	A	12.05880	8,693
Total gravity drainage scheme rates			**43,459**

Targeted rate Pest management	2021/22 $ per hectare	2021/22 Revenue required $
Rural land area. Land area of 4 or more hectares in all rural classified areas	1.10668	666,800
Total pest management rate		**666,800**

All figures on this page exclude GST.

Wellington City downtown levy area map

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



Supporting Policies

To read the full policies, please refer: 'Supporting Policies' http://www.gw.govt.nz/assets/Uploads/Supporting-Policies-Updated-July-2019.pdf

Revenue and Financing Policy

The Revenue and Financing policy describes how Greater Wellington) intends to fund its expenditure. It outlines the sources of funding that Greater Wellington intends to use, and the relative level of funding from each source, for each activity.

The Revenue and Financing Policy underwent a major review in 2018 during the development of the 2018-28 LTP. It was amended following 2019/20 Annual Plan consultation to introduce a general rate differential for Wellington City only. The next substantive review of the Revenue and Financing Policy will be in 2023.

Treasury Risk Management Policy, Including Liability Management and Investments Policies

The Treasury Risk Management Policy provides the framework for all of the Council's treasury management activities and defines key responsibilities and the operating parameters within which treasury activity is to be carried out.

Rates Remission and Postponement Policies

The Rates Remission and Postponement Policies address financial assistance and support for ratepayers, as well as anomalies and other schemes. Greater Wellington Regional Council may remit some or all of the regional council rates in special circumstances where it considers it just and equitable to do so. The updated Rates Postponement Policy was adopted by Council on 20 August 2020.

Significance and Engagement Policy

The Significance and Engagement Policy records how we consider community views and preferences when making decisions. It identifies how and when communities can expect to be engaged in, or specifically consulted on, decisions about issues, proposals, assets, decisions and activities. It enables us and our communities to understand the significance that we place on certain issues, proposals, assets, decisions, and activities.

The Significance and Engagement Policy was updated to reflect changes in the Local Government (Community Well-being) Amendment Act 2019 and was made available to the general public in July 2019.

Our Councillors

Daran Ponter

Adrienne Staples

Chris Kirk-Burnnand

David Lee

Glenda Hughes

Jenny Brash

Josh van Lier

Ken Laban

Penny Gaylor

Prue Lamason

Roger Blakeley

Ros Connelly

Thomas Nash