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Report to the Policy and Finance Committee  
from John Allard, Corporate Policy Manager

## **Investing in the Future**

### **1. Purpose – To Give Direction for the Indicative Ten Year Plan**

The Wellington Regional Council will be adopting a new ten year long-term financial strategy in June next year. In order for the officers to prepare detailed business plans, the Council needs now to decide on an indicative programme. The Council will then be in a position to consider more closely what it wishes to include in the programme for public consultation.

### **2. Background – Time to Invest**

The time has now come for the Council to decide how it wishes to invest for the future of the region. The past few years have been characterised by planning, discussing with the community and strategizing. In a number of areas, the community has clearly said that it now wishes to see the Council move on to the “doing”, for example in protecting the community from the effects of floods and improving the environment. The Council should now develop its proposals in response. It will later need to go back to the community to make sure that it has correctly understood what the community has said to it. Furthermore, it will need to check that the community is prepared to provide the funds to pay for the investment.

Because the Council has been careful to make sure that the plans and strategies are in place and that it is doing the basics well, the level of funds sought from the community in recent years has been kept low. In fact, even allowing for the investment in the Regional Stadium, regional rates have declined in real terms by some 10% over the last nine years. But there is a limit to the length of time that such an approach can be sustained, and already there are

indications that the Council may not have quite kept up with some of its basic maintenance. Such issues need to be addressed along with the investment for the future. The Council has spent a lot of time preparing the foundations. It now needs to consider building on them.

### **3. Comment – Proposed Regional Investment Profile**

Councillors have received a lot of background information on the state of the region and have discussed informally at Workshops how they would like to see the region progress. The importance of having a prosperous economy and living in a region with a high quality environment have been emphasised. Similarly we all want to be healthy and safe whilst living in a democratic society. The Regional Council can contribute to these aims and the indicative ten year investment strategy would do just that. It deliberately has an environmental emphasis reflecting perceived priorities.

The overall programme which it is proposed should be adopted as the basis for the preparation of the business plans is attached as Appendix One. The rationale for the programme is as follows.

#### **3.1 Time to Invest in Transport**

The Wellington Region has recently adopted the Regional Land Transport Strategy. That Strategy was developed in consultation with all the various key players – territorial authorities, Transit New Zealand, users, and so on. It is a strategy for balanced development of the transport system to improve access in a way which acknowledges the needs both of the economy and of the environment. This Council's role is to facilitate the early development of the public passenger transport elements so that the road improvements can follow.

It is logical that investment should start at the common hub of the system – with improvements around the Wellington railway station, to provide bus/rail interchange and improve the ease of use of public transport with an integrated ticketing system.

The programme proposed follows up with a package to make public transport much more attractive in the western corridor. This includes:

- electrification to Waikanae
- a new station at Raumati South
- upgrades to other stations
- better bus links.

A package to make public transport an easier choice in the Hutt Valley should follow with:

- station refurbishment/rebuild at Upper Hutt and Petone
- enhanced rail frequencies

- additional bus services
- more commuter car parks.

The fourth stage would see quicker journeys for passengers through bus priority systems for Newtown and Karori and from Petone to Ngauranga and providing passengers with real-time information. Further out in time new rail units and other new and upgraded stations, which would provide a better quality alternative for car users, would depend on having some form of road pricing.

### 3.2 Time to Invest in the Environment

The Council's focus since the Resource Management Act 1991 was passed has tended to be towards getting in place the Regional Policy Statement (RPS) and the various Regional Plans and successfully carrying out its more statutory functions. It has also been monitoring the state of the regional environment. With much of the policy framework in place, the time has come for the Council to start to act on more of the "methods" in the RPS and the plans. Further, monitoring the environment has revealed areas where our regional performance is not as good as it should be and has shown major gaps in our knowledge base. Lastly, the Environment Education strategy, with its emphasis on community involvement, is a Council initiative to work closely with the community to create a better environment.

Therefore, a programme of investment in the future is proposed which seeks to develop a more sustainable region where the high standard of the environment is a competitive advantage. The programme would include:

- Taking advantage of the community's desire to improve the quality of the environment through its own efforts by setting up and servicing a number of community groups.
- Improving younger people's understanding of their environment through education programmes.
- Working with business to reduce pollution and help environmental understanding.
- Using the Council's own lands for environmental education.
- Enhancing some of the best ecological sites in the region by moving to control all animal pests and plants in Key Native Ecosystems.
- Restoring bush and wetlands on the Council's own land and carrying out various ecological enhancements in river corridors.
- Researching freshwater habitats and the needs of key species.
- Restoring and enhancing a variety of wetlands.

- Addressing a number of coastal issues such as marine protection, active management of highly valued dune systems, and a programme of investigations and remedial actions for the Pauatahanui area.
- Improving the quality of fresh water in rivers and streams through riparian management and directly addressing a number of waterways.
- Improving the Council's ability to monitor the ambient air quality, water and soil.
- Enhancing the Council's management of surface water by assessing comprehensively the effects of stormwater discharges.
- Managing hazardous waste by collection of unwanted agrichemicals.
- Actively addressing the problem of contaminated sites and clearing up such sites on Council lands.
- Protecting the native flora by extending the programme to remove Old Man's Beard.

### **3.3 Time to Invest in Protecting Communities from the Effects of Floods**

The Council can make a major contribution to protecting the infrastructure and economy of the region and the wellbeing of its inhabitants through reducing the likely impact of natural disasters.

It has spent a great deal of time and effort over the last few years working with the local people to develop floodplain management plans and river strategies. For example, it has done so very recently in the Hutt Valley. Now that preferences for the level of protection and the management of the floodplains have been established, the Council needs to indicate the funding profile it proposes so that there is an appropriate balance between affordability and reducing the impact of floods on the community. While noting the desire of the Hutt River Advisory Committee for an "as soon as practicable" implementation programme, for the western side of the region this is based on a \$2 million p.a. capital spend to achieve, in the Hutt Valley, a general 2300 cumecs protection standard and a 1 in 100 year return period for the two Kapiti Coast rivers.

Some instances where the level of maintenance indicated by the asset management plans has not been achieved should also be addressed.

### **3.4 Time to Invest in Special Places and Recreation**

For a number of years now the Council has provided for informal recreation in the regional parks and forests, but some areas have had little or no investment to allow people to get the full benefit of these special places, despite their identification through the "Signature Values" process as being of high value.

A notable example is the East Harbour Regional Park towards Pencarrow. Investment is therefore proposed to allow unique environments to be managed and enjoyed at East Harbour, at Whitireia, where the Parks Board and Porirua City Council have proposed that the Regional Council take responsibility and Lake Wairarapa where the wetlands are of international significance.

In the Parks area, too, there is some deferred maintenance to be addressed. A ranger for the Hutt River will enhance the enjoyment of the Trail.

### **3.5 Time to Invest in Linking with the Communities of the Region**

The Council has put in a considerable effort in recent times to further develop its relationships with the Iwi of the region. In order to allow improved Iwi liaison and for Iwi to contribute fully to resource management, it needs to make appropriate funds available.

The provision of regional economic data – recommenced in 1999/2000 - has been put to the Council as being an important contribution to the business community that would not otherwise happen and is therefore included in the indicative programme. At present more active regional economic initiatives are not lawful, despite a clear body of opinion favouring the Wellington Regional Council taking a lead in this area. Provision to do so in later years may be prudent.

Allowance is also made for the Council to continue to improve its two-way communication with the regional community. It needs the ability to take a regional position on relevant issues on behalf of that community in the way that it did to make sure that a tertiary hospital remained in the region.

### **3.6 Time to reap the benefit of past investment in the Metropolitan Water Supply**

By contrast with the other regional responsibilities the metropolitan water supply has continued to have a significant level of investment put into it in recent years. The people of the metropolitan area can have confidence that they will continue to enjoy a high quality, reliable water supply. At the same time the Wellington Regional Council can now choose to reduce the cost of water to its four city customers, or reduce debt, as there is no need for further major investment for some years.

### **3.7 The Base Programme should continue**

There has been no indication that the programme the Council has traditionally been carrying out is inappropriate. Indeed, the reverse is the case with general support for the work of the Council. The indicative programme therefore allows for the continuation of the core functions, with the costs updated to 1999/2000 values. Allowance is made for further progress towards the elimination of bovine Tb to take advantage of the excellent progress made in this area.

#### **4. Next Stages**

If the recommendations attached to this report are accepted, officers will prepare detailed business plans to bring back to Councillors in February. As previously resolved by Council, as part of the LTFS process, the business plans will be based on the Funding Policy and Treasury Management Policy adopted on 2 November 1999. They will show the impact on the community of the chosen investment.

Officers will also be able to show then the impact of the Council's proposed investment programme on the Council's debt levels and on the rates bills of typical properties in the region.

The Funding Policy was adopted for the purpose of preparing the LTFS. If changes to it were to be contemplated they would need to be flagged at the February round of meetings otherwise it would not be possible to amend the proposed Long Term Financial Strategy in time for formal public consultation starting in April.

Councillors should note that the provisional timetable for 2000 has the LTFS and Funding Policy adopted for consultation on 21 March 2000.

#### **5. Commuicatisn**

If the recommendations in this report are adopted, the Council will be proposing a significant step forward in making the Wellington Region a better place now and in the future.

A commensurate communications programme will therefore be put in place to make sure that the people of the region understand what is being put forward and why and to allow them to indicate their response to it.

#### **6. Recommendations**

*That the Policy and Finance Committee recommend to Council that:*

- i) officers be instructed to develop 10 year business plans for consideration by Council in February 2000 based on the indicative programme in Appendix One and following the themes in this Report.*
- ii) it note that the business plans and Long Term Financial Strategy will be prepared on the basis of the Treasury Management Policy and the Funding Policy adopted for that purpose on 2 November 1999.*

- iii) *further information on the impact of the indicative ten year programme will be prepared and presented once the draft ten year business plans have been prepared.*



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## Indicative Expenditure Programme (\$,000s)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Core Business	44168	44252	43726	43357	43627	41686	41484	41493	41546	41542
Transport Investment	945	2145	3420	4080	5270	5270	5270	5270	5270	5270
Asset Management	825	820	900	735	730	555	565	570	270	70
Community Linkage	730	820	1270	1200	1220	1235	1220	1220	1220	1220
Regional Parks	40	140	255	215	450	860	820	1330	1310	1285
Flood Protection	110	320	540	750	970	1185	1400	1615	1830	2050
Bovine Tb	205	140	105	150	150	150	150	150	150	150
Environment - General	1625	2115	2135	2090	2325	1930	2220	1940	2175	1955
Environment - Council Lands	320	295	360	295	345	350	355	345	345	345
Total	48648	50752	52351	52577	54742	52871	53129	53588	53771	53542