

Investing in our Region

Annual Plan 2017/18

Consultation Document

Our focus for 2017/18

Our Annual Plan for 2017/18 proposes to continue the journey we outlined in our 10 Year Plan in 2015, with a focus on ongoing investment in our essential regional infrastructure as well as our critical role in managing the environment of the region.

We have managed our rates increase down from the 9.3% proposed in the 10 Year Plan 2015-25, to 5.6%. This 5.6% rates increase equates to \$28 for an average residential household, or 54 cents per week. Much of this increase is made up of committed projects which the regional community has already supported, particularly our continuing programme of investment in regional infrastructure. This includes reducing the debt we incurred when we purchased the new Matangi fleet, continuing to invest in the transformation of the public transport system and investing in projects like RiverLink which aims to protect the Hutt community from floods.

Our work was already focused on improving resilience, through our investment in the region's bulk water network and improving the protection of our communities from flooding. However, the Kaikoura earthquake of November 2016 has meant we need to re-evaluate some of our programmes, to re-prioritise and in some cases, to bring investment forward. Some of the changes we are proposing for next year reflect this.

These annual reviews are important because the world doesn't stand still, and in the case of the earthquake on 14 November 2016, it did anything but stand still. They allow us to review where we're at and how we're going. But more importantly they allow you to have your say. Are we getting things right or are we getting things wrong? Are the changes we're making good, or can they be better?

The Greater Wellington Regional Council has four priorities for 2017/18:

- Investing in resilient regional infrastructure
- Making sure we can cope in emergencies
- Growing public transport patronage
- Keeping our environment clean

Our plan reflects these priorities and we have outlined our key programmes in this document. We have also highlighted the changes we have proposed for next year (compared to our existing 10 Year Plan).

For more detailed information, we suggest having a look at our 10 Year Plan 2015-25, Great Work (our Annual Report for 2015-16) and our Annual Plan 2016/17. These are all available on our website.

Whilst this Consultation Document focuses on next year, we will shortly be starting the development of the next long term plan for sign-off in mid-2018. If you have any issues you wish to raise outside of the current consultation, we are starting our long term planning process soon and would welcome your input at that stage.

Do have your say. This is your region and your place and we want it to be one that serves you well.

Getting to know Greater Wellington Regional Council

The Wellington Region is a large and diverse area of 7,860km², extending north to Otaki in the west and almost to Eketahuna in the east. It incorporates nine territorial authority areas: Wellington City, Hutt City, Porirua City, Upper Hutt City, Kapiti Coast District, South Wairarapa District, Carterton District, Masterton District and part of Tararua District.

The role and activities of the Greater Wellington Regional Council are as diverse as the region.

We promote our natural and cultural heritage by planning, managing, and helping visitors to our network of regional parks, forests and trails. We build new cycle and walkways. We provide recreational facilities and protect the environment of these special places.

We build economic resilience by providing essential regional infrastructure and by funding the development of key business areas to grow our region – government and professional services; screen, digital and ICT; design and innovation-led manufacturing; and high-end food and wine.

We improve the public transport experience through better trains, a better bus network and continually improving services throughout the entire network.

We protect lives and livelihoods from flooding by developing flood management plans with communities, strengthening existing flood protection along riversides, maintaining \$263 million of flood protection assets, clearing streams and replacing bridges and tracks after heavy rain.

We protect biodiversity through controlling the spread of possums, rabbits and mustelids (stoats and ferrets), planting to prevent erosion, digging out and spraying weeds, and organising community planting days.

We care for our environment by supporting volunteer groups, working with landowners, managing resource consents, planning for water quality and erosion control.

We keep cyclists and pedestrians safe by teaching children and adults cycle safety skills, providing bus and bike safety workshops for drivers and by developing cycle ways.

We work with our volunteer partners through planting in our parks and recreational areas and monitoring of shorebirds and freshwater mussel.

And we aim to keep you safe on the water by ensuring the safe use of our harbours.

Working together for the greater good

We, like you, live in this place and, like you, want to see it blossom and flourish, and be the best place to live, work and play in.

That's what drives us, partnering with the region's territorial authorities, central government and others, to bring you the parks and environment you enjoy, the trains and buses to get you around, and the infrastructure to keep you safe and keep the region humming.

We take the lead on the issues that affect us as a region, including planning the next generation public transport system, monitoring our water quality and maintaining water supply, and delivering the essential infrastructure that drives our regional economy.

We all want to live in region with a dynamic economy a resilient infrastructure and a natural environment we can all enjoy. Our plans are about making that happen.

Trains, buses, ferries and bikes

We have an extensive public transport system, providing an easy means in which to access our region. Public transport is important and so is providing a comprehensive and efficient system that can take you where you need to go in a timely and hassle-free manner.

We operate a network of four rail lines, more than 100 bus routes, more than 200 school bus services, harbour ferry services, as well as discounted taxi services to people who have difficulty using our regular services.

We know you want our region to have a world-class public transport system, so we're focusing on:

- Providing an integrated approach to the network and getting more people using it
- High quality, reliable, safe, and customer-focused public transport services using modern vehicles and infrastructure
- A fares and ticketing system that attracts and retains customers
- Simple, visible and intuitive information to customers
- Transport for the disadvantaged
- Procurement that supports the efficient delivery of services and provides value for money
- Ensuring we have sustainable funding arrangements that balance fares with public funding.

Let's Get Wellington Moving

In the wake of the Basin Reserve decision we embarked on a joint initiative with the Wellington City Council and New Zealand Transport Agency to take a fresh look at the transport system in central Wellington. As the name – Let's Get Wellington Moving – suggests, it's about looking at the things that cause the biggest frustrations - congestion and traffic issues - as well as safety issues and creating a world-class public transport system that meets your future needs and supports the way we want our city to look, feel and function.

Caring for our water, land and air

We undertake a range of activities to ensure our water, land and air is not only safe for our everyday enjoyment but also that it is sustainable for generations to come.

We monitor the quality of the air and water.

We manage the water in the region, by making sure our freshwater can sustain us, now and in times of unexpected events, as well as protecting us from too much water when flooding occurs.

We help landowners keep the land productive by promoting soil conservation and helping them farm sustainably, and work with others to keep the pests in our region under control and ensure the natural habitat of the region can and will survive.

We also help keep our harbours safe so all water users, commercial and recreational, can enjoy our marine environment.

Flooding is one of the Wellington region's greatest hazards. We work to reduce the risk of flooding in our region, now and in the future. We inform communities about flood risks and consequences, maintain existing flood protection works, and plan and construct new flood protection in our communities.

RiverLink Project

This project, working with Hutt City Council and the New Zealand Transport Agency, is about delivering better flood protection and, at the same time, providing opportunities to improve the city centre and improved transport links. (It had previously been titled the Hutt River City Centre Upgrade Project).

By rethinking how we protect the Hutt Valley community from damaging floods that would otherwise cost our residents and businesses, this project provides an exciting opportunity to better connect Hutt city centre and adjacent suburbs with the Hutt River, contributing to a more vibrant city. We're linking our flood protection upgrade project to the Hutt City Council's Making Places Project (which includes proposals for a riverside promenade and improved access and visibility of the river, development of amenities and encouragement of mixed use development, such as apartments), and to NZTA's proposed improvements to the Melling interchange on SH2.

During 2017/18 we will have the preliminary design work completed and progress to detail design and the relevant resource consent requirements.

Proposed Natural Resources Plan

Working with iwi and the community as a whole, we are developing a single plan that guides how to manage our natural and physical resources for future generations.

It's not a 'one size fits all' plan. Rather, it takes into account the diversity of the region and the different communities, which uses scientific information and provides both regulatory and non-regulatory options on how we manage our natural resources. Our focus will now shift from creating the plan to running formal hearings so independent commissioners can hear and make decision on submissions to the plan, and working with our communities on how we'll implement the plan. In the meantime we're not standing still – we have started working with landowners to protect wetlands and other sites of significance to our region.

Parks

Our region includes 16 spectacular regional parks, forests and tracks –more than 15,000 hectares of parks are managed by GWRC for your recreational enjoyment. Our parks and forests offer a range of facilities from camping, walking and hiking trails, with recreational use by many clubs, as well as working farms and forestry operations.

Providing Regional Leadership

We want to ensure that the region has a sustainable and resilient future. We are actively involved in a range of issues that will and do impact on the region and we do this by partnering with others in the region. We work with mana whenua, local and central government agencies and you, the people that make our region unique.

Now, more than ever, we are working to help ensure we are resilient to the natural events that can hit our region. We are coordinating a programme of work with the organisations that manage the essential utility networks (water, power, transport and telecommunications) to make sure we continue to function in the event of a disaster or emergency. The Wellington Region Emergency Management Office (WREMO) will continue to provide regional emergency management services. We also continue to work with the Wellington Regional Economic Development Agency (WREDA) to improve the economic growth and prosperity of the region.

Good financial management provides the foundation for sound investments, now and in the future

We have managed our **rates** increase down from the 9.3% proposed in the 10 Year Plan 2015-25, to **5.6%**.

This 5.6% rates increase equates to \$28 for an average residential household, or 54 cents per week. Much of this increase is made up of committed projects which the regional community has already supported, particularly our continuing programme of investment in regional infrastructure. This includes reducing the debt we incurred when we purchased the new Matangi fleet, continuing to invest in the transformation of the public transport system and investing in projects like Riverlink which aims to protect the Hutt community from floods. We also need to fund the gap resulting from the reducing Funding Assistance Rate (FAR) we receive from NZTA for rail services ; as well as fund the costs of a new loan (at commercial rates) to replace the existing interest free loan from the Crown for rail infrastructure.

In the last few years there have been a number of external and internal drivers that have impacted our financial situation and have helped us to propose a lower rates increase. These include a reduction in interest rates and consequent reduction in our borrowing costs. Changes in revenue and reduced operational and capital expenditure including: growth in rail revenue, changed timing of fare initiatives and projects (Waiohine flood protection, Integrated fares and ticketing, rail heavy maintenance and other capital expenditure initiatives), lower fuel and trolley bus costs.

The Council is currently in a strong financial position, which allows us to manage any financial shocks that may come our way. The earthquakes this year will result in a substantial impact on CentrePort, in which we are a majority shareholder. We will manage this impact to reduce any consequential impacts on ratepayers.

It is important to us that we manage the funds of the Council well so that we can maximise the value we get from spending your money on the things that matter now and for the future generations.

Firstly, we	Secondly, we	And Thirdly, we
Maintain Existing Services	Provide for committed and mandatory expenditure	Prioritise new spending

The Council's Financial Strategy is:

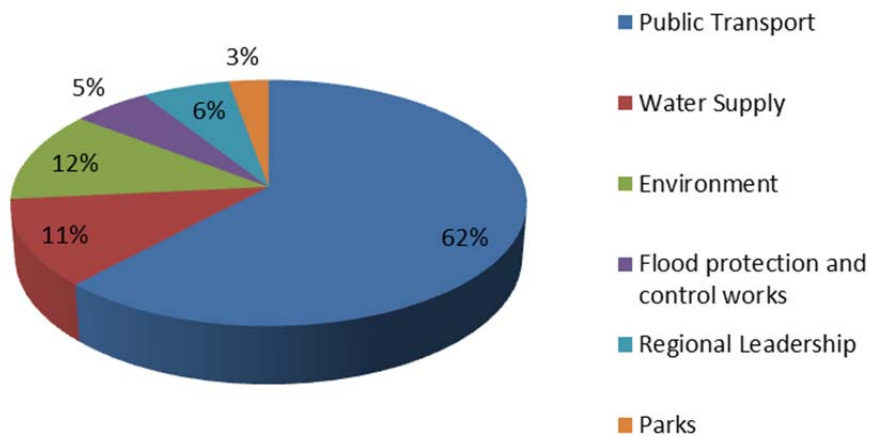
- Sustainable investment in our future through long term infrastructure and key regional services
- Ensure that ratepayers' funds are carefully managed in a prudent manner

- Ensure we juggle priorities effectively and invest in areas that give the most benefit
- Constantly look for value for money and more effective and efficient ways of delivering services to the community

Our Financial Principles (as set out in our Financial Strategy in the 10 Year Plan 2015-25)

- Financial prudence
- Ensuring fairness across generations (by spreading major capital costs over a number of years)
- Transparency
- Value for money (by delivering the right services at the best cost)

Where do the dollars go?



Changes for 2017/18

Finding the best solution for resilient water supply

The Council is responsible for collecting, treating and distributing water to the Wellington City Council, Hutt City Council, Upper Hutt City Council and Porirua City Council. This work is carried out for us by Wellington Water. Making sure your money is invested in the right area and at the right time is a key focus for Wellington Water in 2017/18. It is important that we implement the solutions that provide the best value for money. To ensure we are providing the best solution we have been undertaking some further investigation into options, and this has resulted in some changes to our work programme. We are proposing the deferral and reprioritisation of some projects. We have also identified some new priorities that we need to address. Whilst this means some deferrals in our capital programme for next year, we envisage accelerating our programme to improve resilience in future years. Overall our capital expenditure planned for 2017/18 has reduced from \$25.9m to \$12.3 million, with the following proposed changes to our work programme:

- Delay in the Cross Harbour pipeline project pending further investigations into the aquifer at Miramar as an option, to confirm the best value for money solution is identified
- A new project to replace chemical tanks at the treatment plants to meet HSNO standards
- A new project to address a touch voltage, which is creating a health and safety risk
- New projects to address reservoir seismic resilience in Ngauranga and Wainuiomata
- Deferral of the Kaitoke intake and strainer improvement
- Delay in the replacement of the Kaitoke main on Silverstream bridge
- Deferral of the replacement of the Wainuiomata main as we are awaiting value engineering work to be completed
- Replacing the planned 200 million litre storage reservoir at Takapu with alternative proposals to utilise a new water source as well as duplicating the pipeline network to provide additional resilience.

Managing the financial impacts of the November 2016 earthquake

The earthquake late last year had a significant impact on CentrePort operations with substantial damage to the wharves and surrounding land and buildings. This affected container shipping, the coolstore, log transport, the Interislander ferries and cruise ships to varying degrees. Whilst CentrePort is working hard to repair the damage and to keep operations running, there is a significant short-term impact on the revenue of the port, and there will be additional costs to repair the damage. As the major shareholder of CentrePort, we will not be able to rely on any financial dividends for a number of years and this will impact on the revenue and balance sheet of the Council. To manage this unexpected loss of revenue in the 2017/18 year we are proposing to use \$2 million from contingency funding set aside for events such as these and to increase debt by \$2 million.

Fast-tracking flood protection

As part of our RiverLink Project, we need to purchase homes to create enough space in the river for the size of floods being managed. This land will be redeveloped into stop banks for flood protection. Purchasing these properties as soon as possible allows those affected to re-establish their homes in safer areas with greater certainty. Due to the higher than anticipated uptake by landowners and increasing property values,

we have brought forward planned expenditure into the 2017/18 year. There is no financial or rates impact as the costs are covered by rental income received in the interim from the purchased property. We are also assisting Hutt City Council to help local business and industry find new premises in Lower Hutt to minimise disruption to the business community of the city.

Public Transport

Our vision is a world-class public transport system for the Wellington region and we have a transformational programme underway to get us there. Since the 10 Year Plan was adopted in 2015, we have encountered changes in our environment requiring us to respond with modifications to our programmes. In our Annual Plan 2016/17, and through the consultation process, we advised you of some of the adjustments we needed to make for that year and these have a flow-on effect for the 2017/18 year. These include delays in implementing an integrated fares and ticketing system, and changing the timing of our programme to deliver improvements for the bus network system. For 2017/18 we are also planning to change the timing of programmed heavy rail maintenance and carriage refurbishment. These changes have an impact on our overall capital expenditure programme. We anticipate that more in-depth planning will allow us to outline a revised programme for these activities as part of the next long term plan.

Public Transport Fares

In 2017/18 we are not intending to make any changes to fares. This includes no increase to public transport fares, which we have managed to hold for four successive years.

Our 10 Year Plan provided an allowance for free transfers and off peak discounts and fare structure review initiatives from 2017/18. We are now signalling our intention to bring in the package of fare initiatives in 2018/19 to align with the new bus contracts and the extension of Snapper as an interim bus ticketing system. The fare initiatives will be based on a review of the fare policies outlined in the Regional Public Transport Plan, and include off-peak discounts, transfer discounts, changes to one fare boundary and standardisation of fare rules. We also intend to consider whether a fare discount for tertiary students is affordable. Fare changes will form part of a comprehensive package of improvements to how public transport is delivered to our customers, including new bus networks, new bus operating contracts, new bus vehicles and new ticketing systems. We will have to also consider how the package of fare changes is funded and this may require some fare increases at that time.

Improving your peak hour commute on the rail network

In the next few years we intend to reorganise peak rail services to spread the load and match capacity and frequency with peak demand. In order to achieve this outcome there will need to be changes to the rail network including changes to some stations. The reorganisation is known as "Rail Scenario 1". In the next year we had intended to start this through work at key stations. However the rail network is owned by the Crown through KiwiRail and necessary funding has not yet been secured for all aspects of this plan. As such we propose to delay this work and review what improvements could be achieved without the network changes.

Masterton Building

We indicated in our 10 Year Plan that if required we may construct a new office building in Masterton in 2017/18. We are now undertaking investigations into possible interim structural improvements to the existing building to bring it up to a suitable seismic standard and re-examining the best options for a new building.

What's the impact on rates?

The following table provides an indication of the GWRC rates for the average valued property in each of the region's territory areas by property type, and the increase in GWRC rates from 2016/17. Figures include GST.

Residential Property - including GST	Average Capital Value	Average Increase in 2017/18	Average Increase Weekly	Average Rates 2017/18	Average rates weekly
Wellington city	\$551,000	\$24	\$0.46	\$486	\$9.35
Lower Hutt city	\$471,000	\$43	\$0.83	\$597	\$11.48
Upper Hutt city	\$413,000	\$40	\$0.77	\$516	\$9.92
Porirua city	\$487,000	\$42	\$0.81	\$565	\$10.87
Kapiti Coast district	\$389,000	\$22	\$0.42	\$394	\$7.58
Masterton district	\$251,000	(\$9)	(\$0.17)	\$150	\$2.88
Carterton district	\$264,000	(\$7)	(\$0.1)	\$184	\$3.54
South Wairarapa district	\$281,000	(\$10)	(\$0.19)	\$207	\$3.98
Rural Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week
Wellington city	\$755,000	\$34	\$0.65	\$406	\$7.81
Lower Hutt city	\$647,000	(\$6)	(\$0.12)	\$456	\$8.77
Upper Hutt city	\$648,000	(\$6)	(\$0.12)	\$408	\$7.85
Porirua city	\$982,000	(\$2)	(\$0.04)	\$522	\$10.04
Kapiti Coast district	\$603,000	\$25	\$0.48	\$394	\$7.58
Masterton district	\$601,000	(\$17)	(\$0.33)	\$261	\$5.02
Carterton district	\$731,000	(\$24)	(\$0.46)	\$333	\$6.40
South Wairarapa district	\$808,000	(\$29)	(\$0.56)	\$359	\$6.90
Tararua	\$567,000	\$35	\$0.67	\$224	\$4.31
These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers					
Business Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week
Wellington city	\$2,003,000	\$79	\$1.52	\$1,722	\$33.12
Wellington city - CBD	\$2,291,000	\$613	\$11.79	\$8,549	\$164.40
Lower Hutt city	\$1,615,000	(\$29)	(\$0.56)	\$1,888	\$36.31
Upper Hutt city	\$1,620,000	(\$30)	(\$0.58)	\$1,850	\$35.58
Porirua city	\$1,373,000	(\$7)	(\$0.13)	\$1,475	\$28.37
Kapiti Coast district	\$946,000	\$74	\$1.42	\$901	\$17.33
Masterton district	\$699,000	(\$29)	(\$0.56)	\$391	\$7.52
Carterton district	\$415,000	(\$49)	(\$0.94)	\$269	\$5.17
South Wairarapa district	\$603,000	(\$21)	(\$0.40)	\$411	\$7.90
These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers					
You can estimate your own projected regional rates on our website					

How to have your say

We would like to hear your feedback on the changes proposed for our Annual Plan 2017/18. You can respond by any one of the ways outlined below. We will need your feedback by **4pm on Wednesday 12 April 2017**.



ONLINE SUBMISSIONS

Visit our website

www.gw.govt.nz/have-your-say

to send an online submission.



WRITTEN SUBMISSION

Use the submission form on the next page or write us a letter and send it to: Annual Plan, Freepost 3156, GWRC, PO Box 11646, Manners Street, Wellington 6142.



SPEAK AT A HEARING

If you make a submission, you have the option to speak at a Council hearing. The hearing will be organised by topic and focused on the changes we are consulting on. Please let us know in your submission if you would like to be heard, and on which topic.

GETTING MORE INFORMATION

If you would like more detail such as a copy of the full supporting information to this consultation document, please visit:



OUR WEBSITE

Visit our website

www.gw.govt.nz/have-your-say



THE GWRC OFFICES

Shed 39, 2 Fryatt Quay, Pipitea, Wellington. Ph: 04 384 5708

34 Chapel Street, Masterton.

Ph: 06 378 2484

TALK TO YOUR COUNCILLOR

Contact one of your regional councillors. Councillors' details are on the back page.

Freepost Authority Number 3156

Greater Wellington Regional Council
Consultation for Annual Plan 2017/18
Freepost 3156
PO Box 11646
Manners Street
WELLINGTON 6142

Submissions close on
Wednesday 12 April 2017 at
4pm

Submission form

Name/Organisation

Street Name and Number

Suburb/Town and Postcode

Phone

Email

The Consultation Document proposes the following changes to the LTP in 2017/18:

You can complete this form or use the online form at www.gw.govt.nz/have-your-say. You can attach additional information if you choose.

Submissions may be made publicly available under the Local Government Official Information and Meetings Act 1987. If you are making this submission as an individual and do not want your contact details made publicly available, please let us know in your submission. We will then consider removing your contact details.

If you would like to present your views in person at a Council hearing, please tick a circle below to indicate which hearing topic you would like to be included in. **We will only consider submissions made on the specific changes proposed in this Consultation Document.**

A resilient water supply for Wellington region	Do you wish to attend a hearing on this topic?
We are proposing a reprioritisation of our bulk water work programme (through Wellington Water) to allow us to put in place the most cost effective and efficient options which will serve the community now and in the future.	Yes No
Comment:	

Managing the financial impacts of the November 2014 earthquake	Do you wish to attend a hearing on this topic?
We are proposing to fund the loss of revenue from the CentrePort dividend through using \$2 million of contingency funds set aside for events of this type and funding \$2 million through increasing our debt.	Yes No
Comment:	

Fast tracking flood protection	Do you wish to attend a hearing on this topic?
We are proposing to bring forward the planned expenditure to purchase properties as part of the RiverLink Project due to a faster than expected uptake from affected property owners and rising property values. There is no rate impact from this change.	Yes No
Comment:	

Public transport- changes to timing of programmes	Do you wish to attend a hearing on this topic?
We are proposing changes to the timing of some of our programmes to reflect changes in our environment. We are also proposing no changes to fares or fare initiatives in 2017/18. We are proposing a delay to the implementation of initiatives under the scope of Rail Scenario 1.	Yes No
Comment:	

Masterton Building	Do you wish to attend a hearing on this topic?
We are proposing to undertake investigations into interim structural improvements to our existing building and re-examine the options for a new building.	Yes No
Comment:	