



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

If calling please ask for: Democratic Services

29 March 2019

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington on:

Tuesday, 2 April 2019 at 9.30am

Membership

Cr Laidlaw (Chair)

Cr Blakeley
Cr Donaldson
Cr Kedgley
Cr Lamason
Cr Ogden
Cr Staples

Cr Brash
Cr Gaylor
Cr Laban
Cr McKinnon
Cr Ponter
Cr Swain

Recommendations in reports are not to be construed as Council policy until adopted by Council

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held on Tuesday, 2 April 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9.30am

Public Business

Page No.

1. Apologies
2. Declarations of conflict of interest
3. Public participation

Strategy/Policy/Major Issues

4. [Approval of the information document for the Annual Plan 2019/20 and supporting information](#) **Report 19.109 (Attachment 4 to come)** 3

Report 19.109
Date 28 March 2019
File CCAB-8-2173

Committee Council
Author Helen Guissane, Programme Lead - Corporate Planning and Reporting

Approval of the information document for the Annual Plan 2019/20 and supporting information

1. Purpose

To seek approval of the information document and supporting information for Greater Wellington's Annual Plan 2019/20. This report supersedes and replaces Report 19.84.

2. Background

Report 19.84 was withdrawn from the Council meeting of 21 March 2019. Officers were requested to examine and report on options for reducing the rates impact for rating units and property types most affected by the relative change in property values for 2019/20.

The Local Government Act 2002 (the LGA) requires the Council to develop an annual plan for each financial year.

The purpose of an annual plan, as set out in section 95(5) of the LGA is to:

(a) contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and

(b) identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and

(c) provide integrated decision making and co-ordination of the resources of the local authority; and

(d) contribute to the accountability of the local authority to the community.

Under section 95(2) and (2A) of the LGA, Council must consult before adopting an annual plan, unless "*the proposed annual plan does not include significant or material differences from the content of the long-term plan for the financial year to which the proposed annual plan relates.*"

3. Approach to the Annual Plan 2019/20

Greater Wellington's Long Term Plan 2018-28 sets out a programme of work for the 10 year period to achieve the long-term community outcomes and to address the identified priorities.

In setting the budget and rates requirement for the 2019/20 year, Greater Wellington must manage the ongoing costs of providing services and the long-term debt-servicing costs associated with major infrastructure assets. There are often tensions between affordability and community expectations.

Officers have undertaken a comprehensive review of the work programme and corresponding budgets for 2019/20 against those forecast in Year 2 of the Long Term Plan.

4. Changes from the Long Term Plan 2018-28

Since adopting the Long Term Plan in June 2018 there have been no significant or material changes to the proposed work programme; however, there have been some changes in circumstances that have resulted in changes to costs. In evaluating the changes, we considered the level of change of each item as well as the cumulative effect of these changes, including any resulting change in the financial statements or revenue and rating mechanisms. Our conclusion is that these do not amount to a significant or material change.

Adjustments are proposed in the Annual Plan 2019/20 to reflect these changes.

4.1 Public transport service changes and fares

Council has approved changes to enhance the Wellington bus network since the rollout of the new network in July 2018, in response to community feedback. This includes changes to add or alter bus routes and timetables. The introduction of these additional services amounts to a total cost of approximately \$3.7m with an associated rates impact of \$1.8m.

In the Long Term Plan the budget for 2019/20 included an annual fare increase for public transport at the rate of inflation (1.6%). At its meeting on 21 March 2019 Council agreed to no public transport fare increase for 2019/20 (Report 19.93) and provision for a fare increase for 2019/20 has been removed from the budget for 2019/20. The loss of revenue is partially offset by an increase in the forecast patronage and associated revenue for both rail and bus.

4.2 Reserves

To limit the impact on rates of increased public transport services and other cost pressures, a significant amount of reserves has been utilised. This includes an additional \$1.3m from the Public Transport Reserve. Given that the value of the Public Transport Reserve as at 1 July 2018 was higher than planned in the Long Term Plan this does not make a material change to the planned balance as at 30 June 2020. It also includes \$500,000 of reserves from the Wellington Regional Strategy and \$300k from the Pest Management reserve fund. These are one-off contingency funds that cannot be applied in future years.

4.3 Capital timing delays

In the current financial year a number of capital projects have had timing adjustments, reflecting both allocation of resources and additional investigative work required before the projects proceed. This has resulted in a reduction in the debt servicing (interest and principal repayments) within the Annual Plan 2019/20.

4.4 Other costs

Other cost increases since the Long Term Plan was prepared that have required a change to the Annual Plan budget for 2019/20 are:

- (a) Due to the hardening of the insurance market there has been an increase in insurance premiums of \$760,000 which has an impact on our rates and water levy. There is also an increase to our rail network contract with Kiwirail due to their increased insurance costs, which will have a rates impact of \$419,000.
- (b) The indexation payment assumption on the bus operator contracts (to reflect changes in fuel prices and other underlying costs) has been revised from 0.5% to 1.4%. This will have a total impact on the budget of \$511,000 and a rates impact of \$250,000. This is a contractual requirement.
- (c) Lease costs for both the Wellington and Masterton offices have increased and we have also made a small allowance for fit-out costs of the new Wellington office, which will be available for occupation in 2020.

There has been a robust exercise across the Council to identify savings, which have been included in the Annual Plan 2019/20 and will absorb some of these increases.

4.5 Financial assumptions

The financial assumptions in the Long Term Plan have also been reviewed, and where necessary, updated based on current information. Changes have been made to the assumptions relating to public transport as noted below.

	LTP assumption	Annual Plan assumption
Rail patronage increase	2.5%	4.5%
Bus patronage increase	1%	2%

The revised patronage assumptions are based on patronage figures for the most recent period and take account of planned changes to the network. They are considered to be realistic and achievable.

4.6 Ongoing budget risks and uncertainties

There remain some risks and uncertainties for the 2019/20 year as identified below.

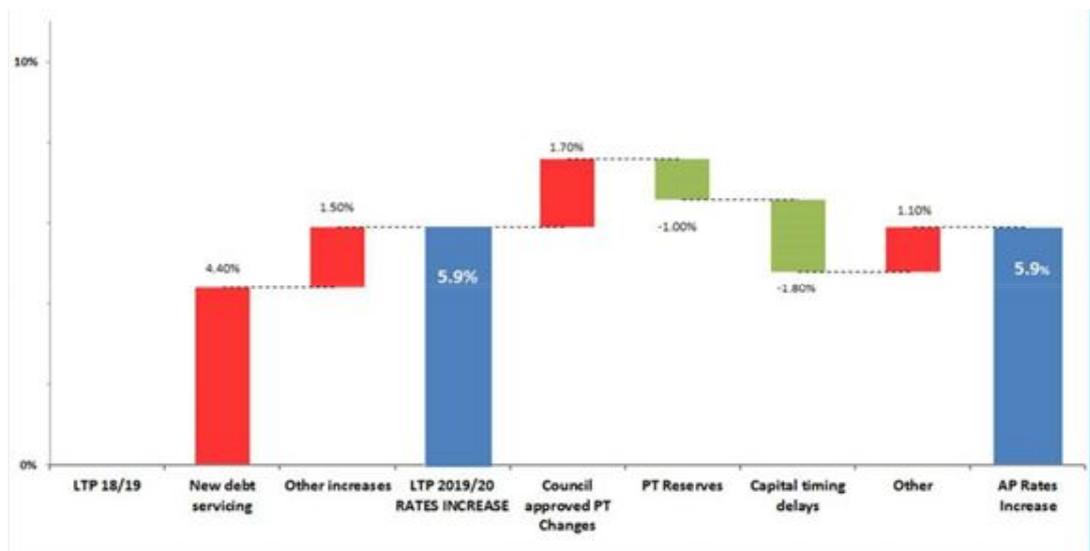
Risk / Uncertainty
NZTA funding for the bus enhancements

RiverLink project
Let's Get Wellington Moving (LGWM)
Fares revenue
Bus performance regime
Increase in contract costs
WREMO building rental costs
Long Distance Trains – options and funding
Ferry Terminal – business case and follow-up work
Hutt Valley rail line upgrade and impacts on revenue/patronage
Acceleration of electric buses
CentrePort dividend and subvention payment

5. Proposed rates for 2019/20

The Long Term Plan forecast a rates increase in 2019/20 of 5.9%. After adjusting the budget to reflect the ups and downs in costs, we have managed to maintain this rates increase. This equates to an annual increase of \$46.70 (GST inclusive), or \$0.90 per week per property.

The key driver behind the rates increase set out in the in the Long Term Plan is the commitments we have made to deliver key work programmes. In particular, these relate to the costs of debt servicing to cover our investments in rail infrastructure and trains, RiverLink and other flood protection work, the integrated ticketing programme and our ICT programme of work including the planned replacement of our core systems (Project Optimus).



6. Rates distribution across the region

Whilst the 5.9% increase is an average increase, the rates for each location and property type are different. This relates to the types of rates applied in each area, noting that targeted rates are necessarily applied unevenly across the region, and the different capital values of each property. The Revenue and Financing Policy sets out how Council will apply different types of rates to each part of the region.

6.1 Equalised Capital Value

Rates are calculated based on property values. Unlike territorial authorities, Greater Wellington does not maintain its own property valuation database and relies instead on the valuations developed by the territorial authorities. To equalise values, Greater Wellington contracts Quotable Value (QV) to estimate the projected valuations of all the rateable property in the districts within the region, each year. This is referred to as Equalised Capital Values (ECV). This estimation is enabled under s131 of the Local Government (Rating) Act, and provides a mechanism to assess valuations on a more consistent basis for the purposes of setting rates.

Whilst the ECV mechanism provides a useful and essential basis for more consistent capital valuations, it does not rule out the potential for significant swings in property valuations between one part of the region and the others caused by market factors.

6.2 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 Council intends to use, and the relative level of funding from each source, for each activity.

The **general rate** is a charge on the community as a whole, to fund Greater Wellington activities. It is mainly used to fund public good activities that benefit the region as a whole. The funding requirement for the general rate is apportioned across the whole region on an equalised capital value basis and then set according to the current rateable capital value of each city or district.

Greater Wellington also uses **targeted rates** to fund rates on properties that receive a particular and direct benefit from an activity and/or to be transparent about the rate funding requirements for some specific groups of activities. Council uses targeted rates, for example, to fund the Warm Greater Wellington Scheme and the Wellington Regional Strategy, and to part fund activities such as public transport, flood protection and control works and pest management.

Greater Wellington does not currently use rating differentials for general rates. However, **differential rates** are currently used for targeted rates for public transport and flood protection.

Greater Wellington applies user charges (fares) for the private benefits gained by people who use public transport. Our Revenue and Financing Policy sets out the following differentials, which take account of the remaining public and private benefits of public transport, while also taking account of the overall impacts of Council's funding requirements.

Residential (excl Wairarapa)	1
Residential (Wairarapa and Otaki rating units)	0.5
Wellington CBD	7
Business (excl Wairarapa)	1.4
Business (Wairarapa)	1
Rural	0.25

As set out in the Revenue and Financing Policy, it will take six years to transition the rates onto the new policy. Until the transition is complete, the annual transition differential will be calculated so that rates progressively shift to their new levels for each category of land use and for each location.

6.3 Key factors influencing rates for 2019/20

A number of factors drive changes to rates in any one year; this includes the budget agreed by Council, Equalised Capital Value (ECV) for one city or district and ECV for other parts of the region, capital valuations relative to property types within any one city or district, and the impacts of the Revenue and Financing Policy which distributes targeted rates across different rating units.

The 2019/20 year has seen some noticeable changes in several of these factors that have resulted in a significant increase in Wellington City residential (15.2%) and Tararua District rural rates (59.8%) for an average capital value property. It is important to understand the drivers for these swings.

For Wellington City the primary drivers have been:

- Wellington City Council’s triennial valuation process took place in September 2018. This resulted in significant increases in property values, notably 44% for an average capital value residential property.
- Wellington City has seen a larger increase in ECV compared to other parts of the region. This results in a greater share of total regional rates being applied to Wellington City.
- Within Wellington City there has been a distinct shift in the relative total values between CBD, business and residential properties. In essence the total value of residential property has risen much faster than CBD and business, with the share rising from 76% to 79%. Contributing to this has been the demolition or damage to many commercial buildings following the Kaikōura earthquake and the conversion of further office buildings to residential. This has the impact of pushing a greater share of the Wellington City regional rates to residential and a consequent reduction in CBD and business rates (-2.15%) and Wellington City business rates (-2.98%).
- The Revenue and Financing Policy provides for a six-year transition for the Public Transport targeted rate and 2019/20 will be Year Two of this. This impacts on the proportion of targeted rates paid by Wellington City and the rest of the region. In 2019/20 the transition would be expected to contribute to around 3% of the total residential rates increase proposed.

For Tararua District rural, which includes only 10 properties, the dominant driving factor for the proposed rates increase is the significant increase in ECV being 68%. This results in a greater share of total regional rates being applied to Tararua. With such a small number of properties, this area is particularly subject to swings as the value of just a few sales can have a significant impact on ECV. There were in fact no property sales in this area in the previous year but several in 2018/19. The recent sale price in Tararua provided an indication for QV to uplift its ECV, which has had the effect of combining two years' worth of property increases into one. It is relevant to recall the increases in rates within Year One of the Long Term Plan 2018-28 for neighbouring Wairarapa were significant due to a significant increase in property values comparative to other parts of the region. Therefore, the large increase in Tararua ECV has included a 'catch-up' in valuations.

7. Options for amending rates distribution in 2019/20

A number of options have been considered for how the distribution of rates across the region could be amended, if the current Revenue and Financing Policy approach is considered to have an undesirable impact on particular rating groups due to the unexpected impacts of property revaluations. We are presenting two alternative options for Council consideration. One of these options would require an amendment to the Revenue and Financing Policy and require a formal consultation process that meets the consultation principles of the Local Government Act (s82). Amending the Revenue and Financing Policy is not something that should be done lightly and requires careful consideration to ensure it can be justified. In assessing any options it is important to consider the relative impacts of any change on all parts of the region and all rating groups, the timeframe of any impacts and any costs and benefits to the community as a whole.

The Revenue and Financing Policy provides for general rates and targeted rates for specific activities. In amending the Revenue and Financing Policy it is possible to consider changes to the distribution of all of these rating types; however, for the purposes of the Annual Plan for 2019/20, a particular focus has been placed on options that would best reduce the identified peaks in rates for particular rating groups without having undesirable impacts on other rating groups.

The alternative options should be considered to be of a one-off nature. It is intended to undertake a more comprehensive review of the Revenue and Financing Policy for the 2020/21 Annual Plan, which will consider a more permanent mechanism for capping rates increases in any one year due to property valuation swings in different parts of the region.

7.1 Proposed Option – Existing Revenue and Financing Policy (Status Quo)

7.1.1 Description

This option would retain the current provisions of the Revenue and Financing Policy, including the six-year transition for the Public Transport targeted rate.

7.1.2 Impact

The following table below illustrates the impact of this distribution on rates for different rating groups. The key features are:

- An average rate increase of 5.9%.
- Higher than average rates increases for residential properties in Wellington City, Upper Hutt, Kapiti Coast (excluding Otaki), Masterton and Carterton
- Decreases for business rates in Wellington City and CBD
- A significant rural rates increase in Tararua.

Residential Property - including GST	Average Capital Value	Average Increase in 2019/20	Average Increase Weekly	Average Rates 2019/20	Average rates weekly	Increase %
Wellington city	\$800,545	\$79	\$ 1.51	\$597	\$ 11.48	15.2%
Hutt city	\$475,934	\$23	\$ 0.44	\$656	\$ 12.61	3.7%
Upper Hutt city	\$418,317	\$34	\$ 0.66	\$557	\$ 10.71	6.5%
Porirua city	\$496,841	\$13	\$ 0.25	\$595	\$ 11.44	2.3%
Kāpiti Coast district excl Ōtaki	\$574,400	\$42	\$ 0.81	\$513	\$ 9.87	9.0%
Ōtaki rating area	\$353,455	\$13	\$ 0.25	\$296	\$ 5.70	4.7%
Masterton district	\$331,288	\$17	\$ 0.33	\$201	\$ 3.86	9.3%
Carterton district	\$358,321	\$17	\$ 0.32	\$241	\$ 4.63	7.5%
South Wairarapa district	\$415,279	\$16	\$ 0.30	\$286	\$ 5.51	5.7%

Rural Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city	\$1,006,000	\$14	\$ 0.27	\$448	\$ 8.61	3.2%
Hutt city	\$649,000	\$24	\$ 0.46	\$519	\$ 9.98	4.8%
Upper Hutt city	\$681,000	\$36	\$ 0.69	\$480	\$ 9.22	8.1%
Porirua city	\$1,012,000	\$29	\$ 0.55	\$591	\$ 11.37	5.1%
Kāpiti Coast district	\$750,000	\$28	\$ 0.55	\$422	\$ 8.12	7.2%
Masterton district	\$721,000	\$23	\$ 0.44	\$321	\$ 6.18	7.7%
Carterton district	\$854,000	\$27	\$ 0.51	\$395	\$ 7.59	7.3%
South Wairarapa district	\$950,000	\$24	\$ 0.47	\$430	\$ 8.27	6.0%
Tararua district	\$1,067,000	\$157	\$ 3.03	\$421	\$ 8.09	59.8%

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	Increase %
Wellington city - CBD	\$2,970,000	(\$193)	-\$ 3.71	\$8,761	\$ 168.48	(2.15%)
Wellington city	\$2,445,000	(\$57)	-\$ 1.09	\$1,854	\$ 35.66	(2.98%)
Hutt city	\$1,616,000	\$129	\$ 2.48	\$2,128	\$ 40.93	6.5%
Upper Hutt city	\$1,585,000	\$83	\$ 1.60	\$2,023	\$ 38.90	4.3%
Porirua city	\$1,381,000	\$65	\$ 1.25	\$1,601	\$ 30.80	4.2%
Kāpiti Coast district	\$1,108,000	\$92	\$ 1.76	\$979	\$ 18.83	10.3%
Masterton district	\$789,000	\$57	\$ 1.10	\$497	\$ 9.55	13.0%
Carterton district	\$430,000	\$29	\$ 0.56	\$297	\$ 5.71	11.0%
South Wairarapa district	\$677,000	\$34	\$ 0.66	\$481	\$ 9.24	7.7%

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

7.1.3 Consultation and engagement

No consultation would be required for this option. The informing campaign for the Annual Plan will be expanded to include information on the calculation of rates.

7.1.4 Risks

The key risks of this approach relate to the likely perception of parts of the community that the proposed rates increase percentage is too high – this is particularly a risk for residential ratepayers in Wellington City and rural ratepayers in Tararua.

7.1.5 Implementation

This option is fully in accordance with existing policy and there are no particular implementation requirements.

7.2 Alternative Option 1 – Reduce the speed of the PT rate transition for 2019/20

7.2.1 Description

This option would retain the current provisions of the Revenue and Financing Policy, but reduce the speed of the six year transition for the Public Transport targeted rate for the 2019/20 year. The transition has been amended to reduce the transition for 2019/20 to 24% of the transition rate, the remaining 76% will be distributed over the remaining four years. However, it should be noted that this is an option for 2019/20 only to provide scope to undertake a full review of the Revenue and Financing Policy during the Annual Plan 2020/21 process.

7.2.2 Impact

The table below illustrates the impact of this distribution on rates for different rating groups. The key features are:

- An average rate increase of 5.9%.
- Higher than average rates increases for residential properties in most parts of the region
- Decreases for business rates in Wellington City/CBD
- A significant rural rates increase in Tararua.

Residential Property - including GST	Average Capital Value	Average Increase in 2019/20	Average Increase Weekly	Average Rates 2019/20	Average rates weekly	Increase %
Wellington city	\$800,545	\$66	\$ 1.27	\$584	\$ 11.23	12.7%
Hutt city	\$475,934	\$38	\$ 0.73	\$670	\$ 12.89	6.0%
Upper Hutt city	\$418,317	\$53	\$ 1.01	\$575	\$ 11.06	10.1%
Porirua city	\$496,841	\$36	\$ 0.69	\$618	\$ 11.88	6.2%
Kāpiti Coast district ex	\$574,400	\$34	\$ 0.66	\$505	\$ 9.72	7.3%
Ōtaki rating area	\$353,455	\$18	\$ 0.34	\$301	\$ 5.79	6.3%
Masterton district	\$331,288	\$13	\$ 0.24	\$196	\$ 3.77	6.9%
Carterton district	\$358,321	\$16	\$ 0.31	\$240	\$ 4.62	7.2%
South Wairarapa district	\$415,279	\$18	\$ 0.35	\$289	\$ 5.56	6.8%
Rural Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city	\$1,006,000	\$11	\$ 0.20	\$444	\$ 8.54	2.4%
Hutt city	\$649,000	\$28	\$ 0.55	\$524	\$ 10.07	5.8%
Upper Hutt city	\$681,000	\$43	\$ 0.82	\$486	\$ 9.35	9.6%
Porirua city	\$1,012,000	\$39	\$ 0.76	\$602	\$ 11.57	7.0%
Kāpiti Coast district	\$750,000	\$26	\$ 0.51	\$420	\$ 8.08	6.7%
Masterton district	\$721,000	\$17	\$ 0.32	\$315	\$ 6.06	5.6%
Carterton district	\$854,000	\$22	\$ 0.42	\$390	\$ 7.50	5.9%
South Wairarapa distric	\$950,000	\$20	\$ 0.39	\$426	\$ 8.20	5.0%
Tararua district	\$1,067,000	\$157	\$ 3.03	\$421	\$ 8.09	59.8%
These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers						
Business Property - ex	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city - CBD	\$2,970,000	(\$173)	-\$ 3.33	\$8,782	\$ 168.88	(1.93%)
Wellington city	\$2,445,000	(\$136)	-\$ 2.62	\$1,775	\$ 34.13	(7.12%)
Hutt city	\$1,616,000	\$138	\$ 2.66	\$2,138	\$ 41.11	6.9%
Upper Hutt city	\$1,585,000	\$109	\$ 2.09	\$2,048	\$ 39.39	5.6%
Porirua city	\$1,381,000	\$91	\$ 1.74	\$1,627	\$ 31.29	5.9%
Kāpiti Coast district	\$1,108,000	\$57	\$ 1.10	\$945	\$ 18.16	6.4%
Masterton district	\$789,000	\$29	\$ 0.56	\$469	\$ 9.01	6.6%
Carterton district	\$430,000	\$18	\$ 0.35	\$286	\$ 5.50	6.9%
South Wairarapa distric	\$677,000	\$22	\$ 0.43	\$468	\$ 9.01	5.0%
These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers						

7.2.3 Consultation and engagement

No formal consultation would be required for this option as it is consistent with the Revenue and Financing Policy, which provides for a 6 year transition, with the annual transition differential to be calculated each year. However, it is recommended that the community is made aware of this proposed approach through the informing campaign associated with the Annual Plan.

7.2.4 Risks

A risk of this approach is that some parts of the regional community perceive that rates have been altered to benefit one area of the region to the dis-benefit of other areas. One of the changes made to the Revenue and Financing Policy for 2018/19 was to introduce differentials for the public transport targeted rate. One of the key drivers for this was to ensure that the costs of providing public transport services more fell on those who benefited most.

The impact of the transition in following years will also be greater to compensate for the slower transition in 2019/20.

7.2.5 Implementation

This option is in accordance with existing policy. However the documentation for the Annual Plan 2019/20 will need to be revised to take into account the different rating outcomes – this will mean a slight delay in commencing engagement on the Annual Plan.

7.3 Alternative Option 2 – Amend the Revenue and Financing Policy to apply a business differential to the general rate for Wellington City

7.3.1 Description

This option would amend the Revenue and Financing Policy to introduce the following differentials on the general rate within Wellington City only.

Residential	1
Wellington CBD	2
Business	1
Rural	1

The objective of this option is to address the impact of the allocation of rates within Wellington city in accordance with s101(3)b of the Local Government Act.

Attachment 1 sets out a draft amended Revenue and Financing Policy for consultation on this option.

7.3.2 Impact

The table below illustrates the impact of this distribution on rates for different rating groups. The key features are:

- An average rates increase of 5.9%
- Higher than average rates increase for residential property in Wellington City, Upper Hutt City, Kapiti Coast (excl. Otaki), Masterton and Carterton
- An increase in business rates for the Wellington CBD and a decrease in business rates for Wellington City
- A significant rural rates increase in Tararua, and a decrease in rural rates for Wellington City.

Residential Property - including GST	Average Capital Value	Average Increase in 2019/20	Average Increase Weekly	Average Rates 2019/20	Average rates weekly	Increase %
Wellington city	\$800,545	\$41	\$ 0.78	\$559	\$ 10.75	7.9%
Hutt city	\$475,934	\$23	\$ 0.44	\$656	\$ 12.61	3.7%
Upper Hutt city	\$418,317	\$34	\$ 0.66	\$557	\$ 10.71	6.5%
Porirua city	\$496,841	\$13	\$ 0.25	\$595	\$ 11.44	2.3%
Kāpiti Coast district exc	\$574,400	\$42	\$ 0.81	\$513	\$ 9.87	9.0%
Ōtaki rating area	\$353,455	\$13	\$ 0.25	\$296	\$ 5.70	4.7%
Masterton district	\$331,288	\$17	\$ 0.33	\$201	\$ 3.86	9.3%
Carterton district	\$358,321	\$17	\$ 0.32	\$241	\$ 4.63	7.5%
South Wairarapa district	\$415,279	\$16	\$ 0.30	\$286	\$ 5.51	5.7%
Rural Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city	\$1,006,000	(\$28)	-\$ 0.53	\$406	\$ 7.81	-6.3%
Hutt city	\$649,000	\$24	\$ 0.46	\$519	\$ 9.98	4.8%
Upper Hutt city	\$681,000	\$36	\$ 0.69	\$480	\$ 9.22	8.1%
Porirua city	\$1,012,000	\$29	\$ 0.55	\$591	\$ 11.37	5.1%
Kāpiti Coast district	\$750,000	\$28	\$ 0.55	\$422	\$ 8.12	7.2%
Masterton district	\$721,000	\$23	\$ 0.44	\$321	\$ 6.18	7.7%
Carterton district	\$854,000	\$27	\$ 0.51	\$395	\$ 7.59	7.3%
South Wairarapa district	\$950,000	\$24	\$ 0.47	\$430	\$ 8.27	6.0%
Tararua district	\$1,067,000	\$157	\$ 3.03	\$421	\$ 8.09	59.8%
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	Increase %
Wellington city - CBD	\$2,970,000	\$583	\$ 11.21	\$9,537	\$ 183.40	6.51%
Wellington city	\$2,445,000	(\$158)	-\$ 3.03	\$1,753	\$ 33.72	(8.24%)
Hutt city	\$1,616,000	\$129	\$ 2.48	\$2,128	\$ 40.93	6.5%
Upper Hutt city	\$1,585,000	\$83	\$ 1.60	\$2,023	\$ 38.90	4.3%
Porirua city	\$1,381,000	\$65	\$ 1.25	\$1,601	\$ 30.80	4.2%
Kāpiti Coast district	\$1,108,000	\$92	\$ 1.76	\$979	\$ 18.83	10.3%
Masterton district	\$789,000	\$57	\$ 1.10	\$497	\$ 9.55	13.0%
Carterton district	\$430,000	\$29	\$ 0.56	\$297	\$ 5.71	11.0%
South Wairarapa district	\$677,000	\$34	\$ 0.66	\$481	\$ 9.24	7.7%
These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers						

7.3.3 Consultation and engagement

Consultation on the Revenue and Financing Policy is required to meet the principles of consultation outlined in s82 of the Local Government Act. This would require as a minimum ensuring that affected parts of the community are aware of the proposals and have the ability to present their views to the Council. An amendment to the Revenue and Financing Policy can be undertaken without an amendment to the Long Term Plan and the Special Consultative Procedure is not required.

Consultation will also be required on the Annual Plan because the change to the differentials would be a significant change to the Funding Impact Statement contained in the Long Term Plan 2018-28.

7.3.4 Risks

The key risk of this approach relates to the likely perception of the business community of the Wellington CBD that rates have been altered to benefit residential ratepayers to their dis-benefit. There is a risk that this community could launch a judicial review of the decision through the High Court – to challenge the rationale or process used to make the decision. If the Council were to lose any such challenge this could leave it with insufficient rating revenue to fund proposed services and a reputational risk.

This will require concurrent consultation on the Annual Plan 2019/20 for the amendment to the Funding Impact Statement only. However, it is likely that people will provide feedback on other aspects of the Annual Plan.

This will require concurrent consultation on the changed differentials in the Revenue and Financing Policy. However it is likely that people will provide feedback on other aspects of the Revenue and Financing Policy.

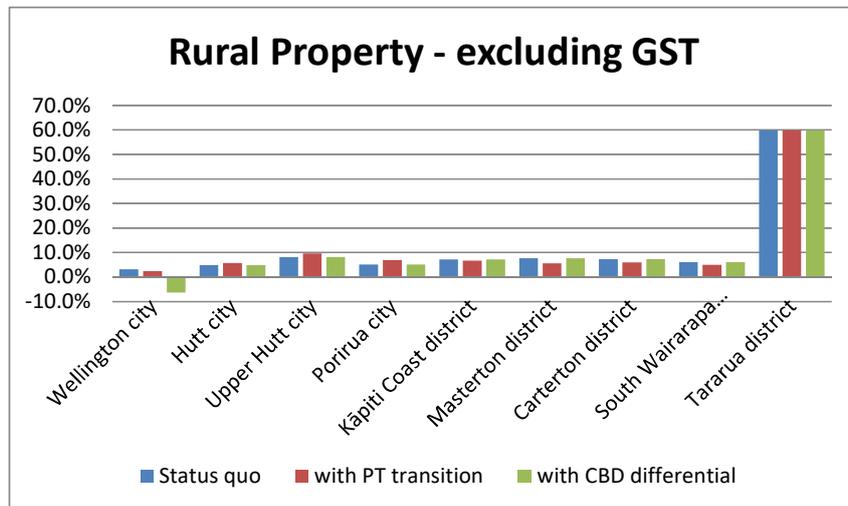
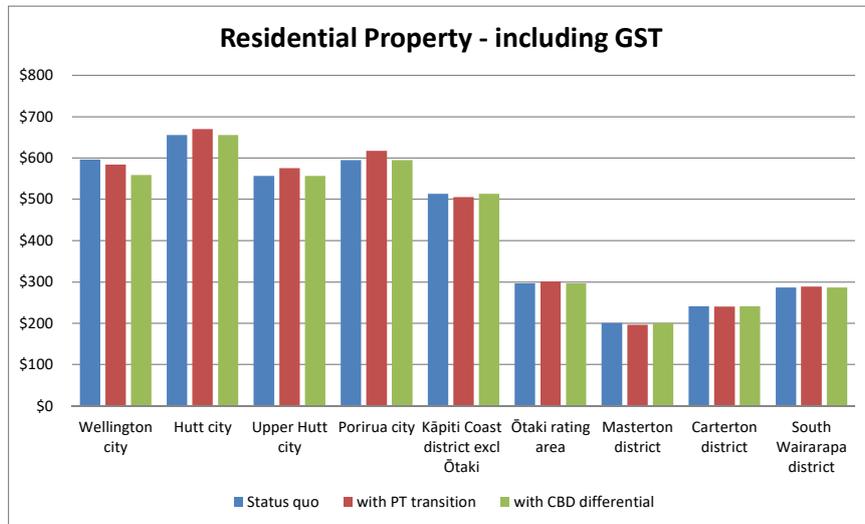
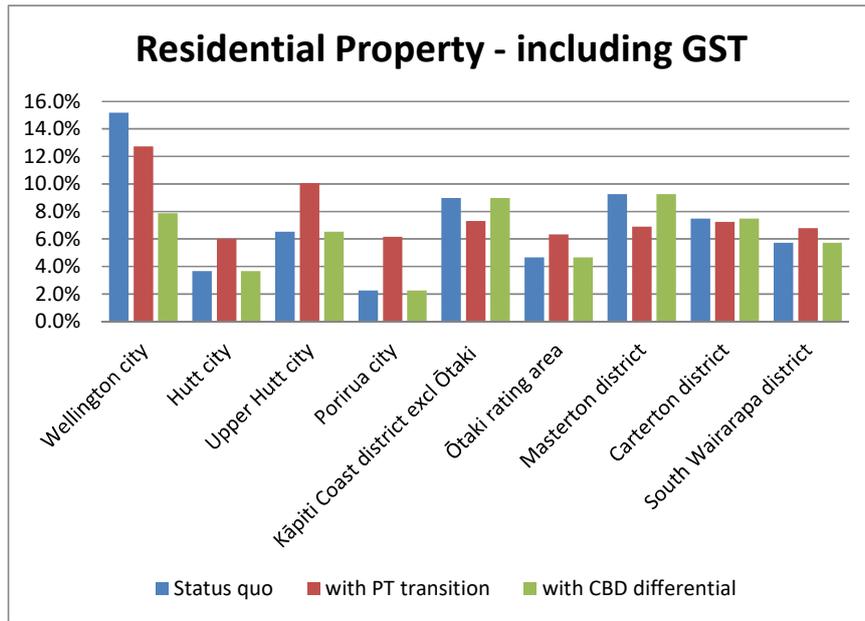
7.3.5 Implementation

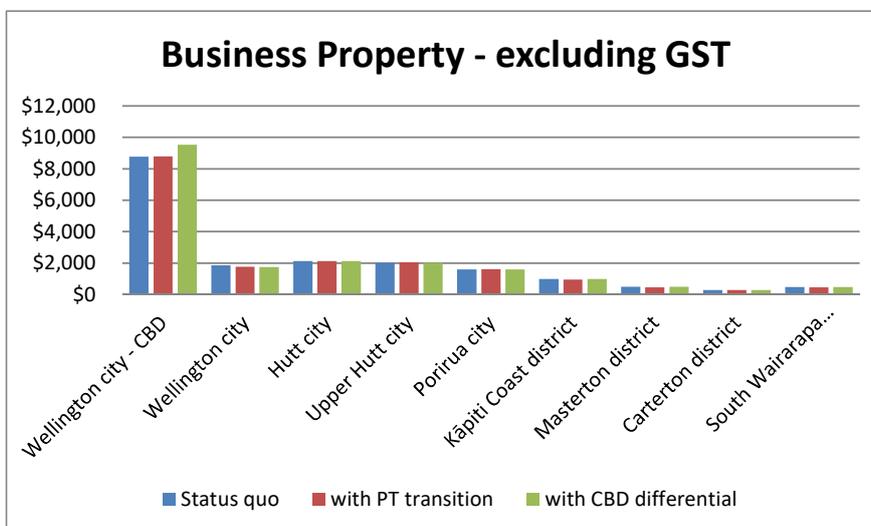
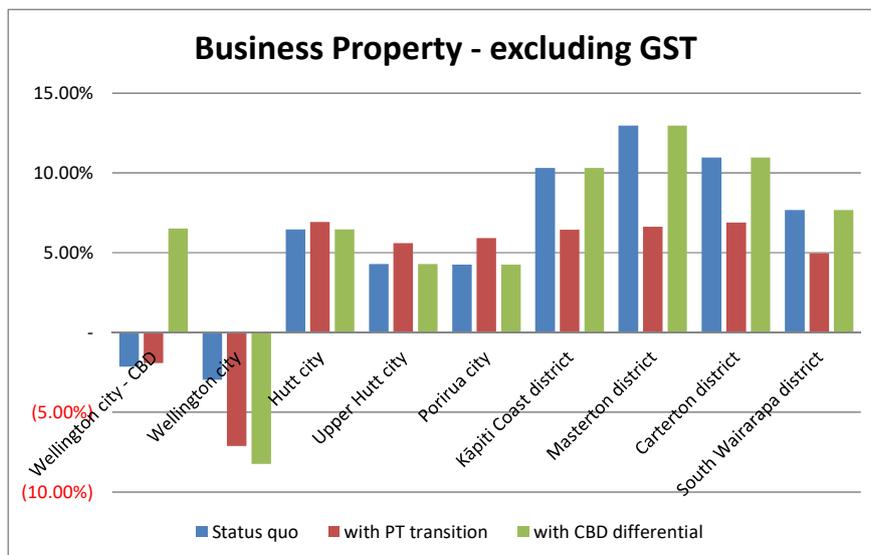
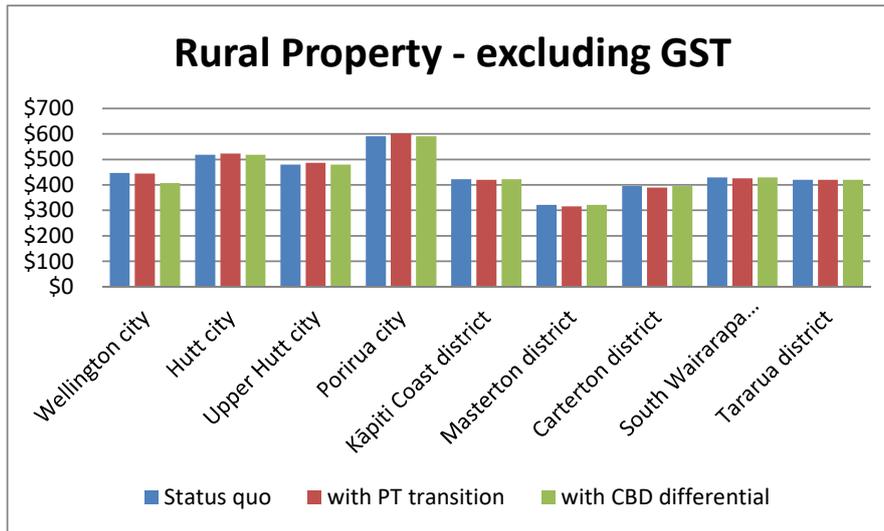
Amending the Revenue and Financing Policy requires a formal consultation process to be undertaken. If this option is agreed by the Council, the documentation for the Annual Plan 2019/20 will need to be revised to take into account the different rating outcomes – this will mean a delay in commencing engagement on the Annual Plan and consultation on the Revenue and Financing Policy.

The timeframes are very tight for a formal consultation approach and only a four week consultation timeframe is possible to allow sufficient time for a hearing to be held.

7.4 Comparing the options

The following graphs display the comparison of each option by average percentage increase and average rates in dollars.





8. Proposed Water Levy increase for 2019/20

An increase in the Water Levy of 6.1% is proposed for 2019/20, up from 3.5% forecast in the Long Term Plan. This is to cover increased insurance costs. This levy is charged to the four city councils of Wellington, Lower Hutt, Upper Hutt and Porirua.

Insurance premiums continue to rise in response to the Kaikōura and Canterbury Earthquakes. Premiums for Greater Wellington's above ground bulk water assets have risen over and above what was forecast in the Long Term Plan.

In addition, the bulk water underground assets have increased in value and the damage assessments for them have also increased. As a result, should there be a catastrophic event, the contingency funds Greater Wellington has set aside for this purpose and contributions from Government may be insufficient to cover the damage. Greater Wellington plans to purchase additional insurance from 2019/20 to prevent a shortfall.

9. *Staying on track* - Information Document

Assuming the Proposed Option (section 7.1) or Alternative Option 1 (section 7.2) is agreed, an information document will be provided ([Attachment 2](#)). This reflects that there are no material or significant changes from the Long Term Plan 2018-28 and no formal consultation process is required under section 82 of the Local Government Act 2002 for the Annual Plan 2019/20. Instead it is recommended that we take the approach of informing the regional community of Greater Wellington's plans for 2019/20.

The information document gives an overview of Greater Wellington's strategic priority areas and planned activities for the year ahead and provides information about rates for the 2019/20 year.

The information document will be updated to reflect any decisions made today by Council and which may result in amendments to Attachment 2. A designed version will be prepared for community engagement.

10. Supporting Information

The information document, *Staying on track*, will be complemented by the *Annual Plan 2019/20 Supporting Information* for members of the community who would like more detailed information on Greater Wellington's plans ([Attachment 3](#)). This will form the basis of the final Annual Plan 2019/20.

The supporting information document will be updated to reflect any decisions made today by Council and which may result in amendments to Attachment 3.

11. Consultation document

Should Alternative Option 2 (section 7.3) be agreed, a consultation document is required ([Attachment 4 – to come](#)), the content of which needs to comply with s95A of the LGA. This explains the change to the Funding Impact Statement from the Long Term Plan 2018-28 and the reasons for the proposal. This also provides the rationale for the change to the Revenue and Financing Policy.

12. Communication

Communications and engagement activities on the Annual Plan will run from 24 April through to 5pm, 24 May. These will include an online presence, media releases, councillor-led engagement with community and stakeholder groups, social media and community newspaper advertorials. The media campaign will include information on the work programme in the Annual Plan and the rates in order to help the community understand how Greater Wellington assesses and allocates rates.

A media statement will be released following this Council meeting.

While we are not requesting formal submissions, we are encouraging the community to provide feedback through our online engagement portal, *Have Your Say*, or via correspondence. Feedback received will be collated and reported back to Council. A holding page on *Have Your Say* will be running from 3 April with a message to convey the dates of the engagement period and also provide the community with an opportunity to register to receive further communication on the engagement.

If alternative option 2 is agreed, formal consultation will be required on the Revenue and Financing Policy and the Annual Plan 2019/20.

13. Consideration of climate change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide. It is expected that individual activities proposed and funded in the Annual Plan will have an impact on climate change. As these programmes and projects progress, full consideration will be given to the impact on climate change.

14. The decision-making process and significance

The subject matter of this report is part of a decision-making process that will lead to the Council making a decision of low significance within the meaning of the Local Government Act 2002. The decision-making process is explicitly prescribed for by section 95 of the Local Government Act 2002. The prescribed process is that no consultation process is required where the proposed annual plan does not include significant or material differences from the content of the long-term plan for the financial year to which the proposed annual plan relates.

Having considered the factors set out in the Council's Significant and Engagement Policy, this decision is considered a matter of low significance. While of high importance to the region and of high community interest (particularly rating matters), the proposed Annual Plan 2019/20 is consistent with the Long Term Plan 2018-28.

14.1 Engagement

In accordance with the Significance and Engagement Policy, officers have determined that the appropriate level of engagement is informing. Engagement will be carried out as detailed in the communication Section 8 of this report.

15. Recommendations

That the Council:

1. **Receives** the report.
2. **Notes** the content of the report.

EITHER (Proposed Option)

3. **Agrees** that there are no significant or material variations from the Long Term Plan 2018-28.
4. **Agrees** to inform the community of Greater Wellington's plans for the Annual Plan 2019/20.
5. **Agrees** to prepare the Annual Plan 2019/20 on the basis of a total rates requirement equivalent to a 5.9% average increase in rates.
6. **Agrees** to prepare the Annual Plan 2019/20 on the basis of a 6.1% increase to the Water Levy.
7. **Adopts** the Annual Plan 2019/20 Supporting Information for the purpose of providing the community with the information on the basis of which the Annual Plan 2019/20 will be prepared.
8. **Adopts** the 'Staying on track' information document for the purpose of informing the community of Greater Wellington's plans for 2019/20.
9. **Agrees** to the communication and engagement programme set out in section 11 of this report on the basis of informing the community.
10. **Authorises** the Council Chair and Chief Executive to make minor changes that may arise as part of finalising the Staying on Track and Annual Plan 2019/20 Supporting Information.
11. **Agrees** to undertake a more comprehensive review of the Revenue and Financing Policy before the 2020/21 Annual Plan.

OR (Alternative Option 1)

12. **Agrees** that there are no significant or material variations from the Long Term Plan 2018-28.
13. **Agrees** to inform the community of Greater Wellington's plans for the Annual Plan 2019/20.
14. **Agrees** to prepare the Annual Plan 2019/20 on the basis of a total rates requirement equivalent to a 5.9% average increase in rates.
15. **Agrees** to prepare the Annual Plan 2019/20 on the basis of a 6.1% increase to the Water Levy.
16. **Adopts** the Annual Plan 2019/20 Supporting Information for the purpose of providing the community with the information on the basis of which the Annual

Plan 2019/20 will be prepared, subject to any amendments required to give effect to Alternative Option 1.

17. **Adopts** the 'Staying on track' information document for the purpose of informing the community of Greater Wellington's plans for 2019/20.
18. **Agrees** to the communication and engagement programme set out in section 11 of this report on the basis of informing the community.
19. **Authorises** the Council Chair and Chief Executive to make minor changes that may arise as part of finalising the Staying on Track and Annual Plan 2019/20 Supporting Information.
20. **Agrees** to undertake a more comprehensive review of the Revenue and Financing Policy before the 2020/21 Annual Plan.

OR (Alternative Option 2)

21. **Agrees** that there will be a variation from the Long Term Plan 2018-28 to amend the Funding Impact Statement to introduce a general rates differential.
22. **Agrees** to undertake consultation with the community on the Annual Plan 2019/20 and the proposed amendment to the Revenue and Financing Policy.
23. **Agrees** to prepare the Annual Plan 2019/20 on the basis of a total rates requirement equivalent to a 5.9% average increase in rates.
24. **Agrees** to prepare the Annual Plan 2019/20 on the basis of a 6.1% increase to the Water Levy.
25. **Adopts** the draft Revenue and Financing Policy 2019 (Attachment 1) for the purposes of consultation.
26. **Adopts** the Annual Plan 2019/20 Supporting Information for the purpose of providing the community with the information on the basis of which the Annual Plan 2019/20 will be prepared, subject to any amendments required to give effect to Alternative Option 2.
27. **Adopts** the consultation document (Attachment 4).
28. **Adopts** the 'Staying on track' information document for the purpose of informing the community of Greater Wellington's plans for 2019/20.
29. **Agrees** to the communication and engagement programme set out in section 11 of this report on the basis of consulting with the community.
30. **Authorises** the Council Chair and Chief Executive to make minor changes that may arise as part of finalising the Staying on Track and Annual Plan 2019/20 Supporting Information.
31. **Agrees** to undertake a more comprehensive review of the Revenue and Financing Policy before the 2020/21 Annual Plan.

Report approved by:

Nicola Shorten
Manager Strategic and
Corporate Planning

Report approved by:

Luke Troy
General Manager Strategy

Report approved by:

Alan Bird
Chief Financial Officer

Report approved by:

Samantha Gain
General Manager Corporate
Services

Attachment 1 – Draft amended Revenue and Financing Policy

Attachment 2 – *Staying on track*, information document

Attachment 3 – Annual Plan 2019/20 Supporting Information

Attachment 4 – Consultation document (to come)

**DRAFT REVENUE AND
FINANCING POLICY 201~~9~~⁸**

Greater Wellington Regional Council

For consultation April 2019

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Core provisions

1. Introduction

The Revenue and Financing policy describes how Greater Wellington Regional Council (Council) intends to fund its expenditure. It outlines:

- the sources of funding that Council intends to use, and
- the relative level of funding from each source, for each activity.

2. Considerations for this policy

In developing the policy, Council has considered the specific matters required by section 101 (3)(a) of the Local Government Act 2002 (LGA). Council then considered the overall impact of any allocation of liability for revenue needs on the community. The funding indications in the [Funding for Activities](#) section of this policy are the end result of this process.

3. Valuation system

Council has chosen to use capital value as its valuation system for general rates.

Council has chosen to use capital value as the valuation system for the following targeted rates:

- Public transport
- Wellington Regional Strategy
- Some drainage schemes
- Land management rates
- River rates
- Some river management scheme rates

Council has chosen to continue to use land value as the valuation system for some river management scheme rates and drainage scheme rates.

Equalised capital value

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 estimation is enabled under s131 of the Local Government Rating Act.

This means that rates are assessed on a consistent valuation basis, regardless of the timing of individual territorial authority revaluations.

4. Operational considerations

Council contracts the territorial authorities within the region to collect regional rates on our behalf. This has several benefits:

- Residents and ratepayers only have to fund one rates collection service, for rates from both the territorial authority and the regional council.
- Information about each property is only captured in one Rating Information Database, so that Councils within the region do not have data coordination and synchronisation issues.
- Ratepayers only have to pay one bill, which may be paid in instalments.

5. Funding for operating expenditure

As a general rule, Council will fund its operating expenditure, including interest on debt, and principal repayments, from:

- rates
- water levies
- grants and subsidies
- fees and charges
- interest and dividends from investments
- and any other source, which may include reserves from time to time.

Council may decide to use debt funding for operating expenditure in the following situations:

- Where the cost or additional cost is expected to be one-off in nature. For example, a spike in insurance premiums.
- Where a loss of revenue is expected to be one-off or relatively short-term in nature. For example, loss of revenue as a consequence of the Kaikoura earthquake in November 2016.

- Where the expenditure will provide a future benefit. For example:
 - Council may fund rail track renewals where a third party owns the tracks, to provide a better public transport service.
 - Council may use debt to fund its contributions to the Wellington transport planning project “Let’s Get Welly Moving”.

6. Funding for capital expenditure

Council has large infrastructural assets with long economic lives that yield long-term benefits (particularly water supply assets, flood protection assets and rail rolling stock). Debt is an efficient and appropriate mechanism for achieving inter-generational equity, so that current and future ratepayers are liable for funding the value of the assets they use.

Council primarily funds capital expenditure using:

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

On a case by case basis, Council may decide to fund some capital expenditure from operating revenue.

7. Funding sources

Council may use any of these funding sources for its expenditure:

- General rates
- Targeted rates
- Grants and subsidies
- Fees and charges
- Interest and dividends from investments
- Lump sum contributions
- Borrowings
- Proceeds from asset sales
- Any other source (including reserves).

General rate

The general rate is a charge on the community as a whole, to fund Council activities. It is not a charge for the use of a service.

The general rate is mainly used to fund public good activities that benefit the region as a whole. The funding requirement for the general rate is apportioned across the whole region on an equalised capital value basis and then set according to the current rateable capital value of each city or district.

The general rate is used to fund more than 80% of each of the following activities:

- Regional leadership
 - Mana whenua engagement
 - Emergency management
 - Democratic services
 - Wairarapa water use project
- Environment
 - Resource management - Policy and planning
 - Environmental science - State of Environment monitoring
 - Land management advice
 - Biodiversity management
- Flood Protection
 - Understanding Flood Risk
- Parks.

The general also rate funds a portion of these Environment activities:

- Resource management – Compliance and enforcement
- Land management - Farm plans and advice
- Land management - catchment schemes

- Pest management
- Harbour management.

A general rate differential

We are proposing a differential be applied to the general rate within Wellington City. The objective of this option is to address the impact of the allocation of rates within Wellington city in accordance with s101(3)b of the Local Government Act.

Council has concluded that the following differentials within Wellington City take account of the significant up and downward movements in rates the City is currently experiencing with residential property value rising much faster than total business values, as well as the demolition or damage to many commercial buildings following the Kaikoura earthquake and the conversion of further office buildings to residential. This is designed to ensure that different property rating types pay an equitable share of the increased cost of providing services in 2019/20.

Residential	1
Wellington CBD	2
Business	1
Rural	1

Uniform Annual General Charge (UAGC)

Council does not use a Uniform Annual General Charge.

Targeted rates

Council may use targeted rates for any of the following reasons:

- to fund rates on properties that receive a particular and direct benefit from an activity.
- to be transparent about the rate funding requirements for some specific groups of activities.

Council uses targeted rates to fund all or some of the following activities:

- Regional Leadership - Wellington Regional Strategy
- Regional Leadership - Warm Greater Wellington
- Regional Leadership – Water Wairarapa
- Public Transport
- Environment - Land management - Catchment schemes
- Environment - Land management – Drainage schemes
- Environment - Pest management - Regional predator control programme
- Flood Protection - Maintaining flood protection and control works
- Flood Protection - Improving flood security

Water levies

Council provides bulk water to four city councils (Wellington, Hutt, Upper Hutt, and Porirua) and it levies them for the wholesale supply, based on the volume of water that is supplied to each city.

Grants and subsidies

Various central government agencies provide subsidies for a range of the work that Council does. Council’s main source of government subsidies is the New Zealand Transport Agency (NZTA), for regional public transport. NZTA provides subsidies for Council’s transport planning and programmes, and for public transport services.

Council receives a government subsidy in recognition of the national benefit provided to civil defence by our emergency management activity.

The Crown contributes to some activities and programmes including some erosion control programmes, and pest management services.

Fees and charges

Fees and charges are preferred as a funding mechanism when a private benefit can be identified, and it is efficient to collect the revenue.

Council may receive fee and charges revenue from:

- Service charges to:
 - public transport users (as fares)
 - commercial harbour users, for navigation and communication services
 - resource consent applicants, for processing and monitoring resource consents
 - landowners, for land management activities on their land
 - territorial authorities and utilities, for water supply services
 - territorial authorities, for pest management activities on their land
 - other recipients of Council services.
- Rents, lease revenue and fees, for the use of Council assets, including properties owned by Council and leased to third parties.
- Sales revenue from:
 - the Akura Conservation Centre
 - gravel extraction for flood protection activities
 - sundry other sales.
- Management and other fees, for administrative support to council-controlled organisations.
- Any other charges that Council may set from time to time.

Interest and dividends from investments

Council uses dividends from its equity investments to reduce general rates.

Council uses interest earned on other financial deposits to reduce general rates.

Any interest or other revenue that Council earns on its special funds is added to each fund, because these funds have been set up primarily for self-insurance purposes.

Borrowing

Council raises external debt primarily to:

- Fund Council's capital expenditure programme
- Manage timing differences between cash inflows and outflows and to maintain appropriate liquidity
- Fund other investment activity, usually when the benefit is for more than one year.

Council approves the overall borrowing programme during the annual planning process.

Proceeds from asset sales

Council generally uses proceeds from the sale of assets and investments to repay debt. Where Council intends to replace an asset, then the proceeds from the sale are used to help fund the replacement asset.

Reserve funds

From time to time Council uses surplus funds from previous years (in the form of reserves) to fund expenditure. There is a formal process for establishing and using these specific reserves which is undertaken as part of the annual reporting and planning process. Council does not hold reserves in the form of cash assets.

Reserves are used to reduce external borrowing, therefore reducing interest expense. When reserves are required to be used, new debt is raised to fund expenditure.

8. Differential rates

Council ~~proposes to use a~~ ~~does not use~~ rating differentials for general rates for the 2019/20 year as set out in section 7-

Council uses differential rates for targeted rates for:

- Public Transport
- Flood Protection – Property rates, which apply to specific properties within river management, drainage, and catchment schemes within the Wairarapa. Generally, these rates are made on a differential land area basis. They are apportioned to reflect the benefit to each separately rateable property in the part of the district benefiting from the scheme, on the basis of the area and the classification of the property as it appears in the approved classification register.

9. Transition provisions

In 2018, Council introduces a new approach to differential rate funding for Public Transport. These changes will have variable impacts on different categories of ratepayers, and would potentially cause large one-off increases.

Over the next six years, there will also be changes in the relative values of properties depending partly on their location (within each territorial authority) and their land use (residential, business, rural, Wellington CBD). Council cannot predict these changes, but they will affect the funding that is required from each location, or from each rating category.

Council will use differentials to transition the Public Transport rate to the new funding policy over the next six years, using the funding requirements from 2017/18 as the baseline.

10. Discounts

Council does not apply discounts to any rates.

11. Separately used part

Council policy is to rate the “separately used or inhabited part” of a rating unit for the following rates:

- Wellington Regional Strategy
- Rates that apply to specific properties within river management schemes ~~with~~in the Wairarapa.
- Land management scheme rates—that apply to specific properties within river management schemes within the Wairarapa.

Funding for Activities

12. Funding policy indications

Council's policy on the funding from each main source is shown in this section, at the bottom of the table for each activity. The funding percentages given in each table are an indication of Council's policy preference, but Council expects that there will be some variation in the revenue actually received for each activity in any one year. Council notes that it cannot always control the amount of funding it receives from any source.

13. Two stage approach

In developing this policy, Council used a two-stage approach.

For each activity, Council considered the s101(3)(a) matters in the Local Government Act 2002. These are summarised as-

Primary community outcomes

Each group of activities contributes primarily to achieving one of these community outcomes:

- Strong economy
- Connected community
- Resilient community
- Healthy environment
- Engaged community

Distribution of benefits

The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

Timeframe of benefits

Most activities provide ongoing benefits. Where an activity provides benefits that will last for future generations we have noted this too.

Contributors to need for activity

These contributors are any individuals or groups who, through their action, or inaction, contribute to the need to undertake the activity. For example, polluters create a need for Council to clean up the mess or make rules about how it is to be reduced or cleaned up.

Costs and benefits of funding activity distinctly

There are costs and benefits, including consequences for transparency and accountability, of funding an activity separately, whether by user charges or targeted rates or a combination of these.

Council then considered the overall impact of any allocation of liability for revenue needs on the community. That process led Council to decide on the funding policy indications shown for each activity.

14. Regional leadership

Relationships with mana whenua

Council builds and maintain constructive partnership relationships with iwi and Māori of the region to support Maori participation in decision making to deliver Council’s outcomes.

Community outcome	Engaged community
Purpose / rationale for activity	This activity enables Council to build and maintain constructive partnership relationships with iwi and Māori of the region.
Who benefits? How are the benefits distributed?	Mana whenua benefit from a partnership approach to managing the natural environment ensures that iwi fulfil their obligations as natural managers of the world, through their kaitiaki roles and responsible. Regional communities benefit from the quality of decision making that is enabled when mana whenua participate in decisions that affect them.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in its annual report.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Relationships with mana whenua				100%

Regional transport planning and programmes

Council plans for the long-term development of the region’s land transport network.

Community outcome	Connected community
Purpose / rationale for activity	A plan for development of the region’s land transport network is essential for integration with territorial authority plans, and to enable the efficient transport of people and goods.
Who benefits? How are the benefits distributed?	The community as a whole benefits from transport infrastructure planning services.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in annual report.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Regional transport planning and programmes		About 52% from NZTA		Balance of the funding.

Wellington Regional Strategy

Council supports growth and economic development in the region.

Community outcome	Strong economy
Purpose / rationale for activity	Council promotes economic growth, and hosts this activity on behalf of the region.
Who benefits? How are the benefits distributed?	Business communities are the primary beneficiaries of economic growth and increased wealth within the region. The community as a whole benefits to a lesser extent.
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Separate funding enables Council to apply revenue requirements that are consistent with the levels of benefit that different ratepayer categories receive. Separate funding also supports accountability and transparency to the ratepayers who fund the activity

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Wellington Regional Strategy			100%, charged on differential basis by land use, being- <ul style="list-style-type: none"> • a uniform charge on residential and rural ratepayers • a capital value basis for businesses. 	

Emergency management

Council contributes to emergency preparedness and management services within the region.

Community outcome	Resilient community
Purpose / rationale for activity	Wellington region has a wide range of natural hazards (earthquake, flooding, landslide, tsunami, storm) and hazard risks (biological, chemical, terrorism, other), and the region wants to be prepared to provide emergency services
Who benefits? How are the benefits distributed?	The community as a whole benefits from these services
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in the annual report.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Emergency management				100%

Democratic services

Council conducts democratic elections that are free from interference. Council supports elected members to engage with their communities and to make informed decisions.

Community outcome	Engaged community
Purpose / rationale for activity	Democracy services enable citizens and communities to engage with decision makers for the benefit of the region. These services also support Councillors in the performance of their roles
Who benefits? How are the benefits distributed?	The community as a whole benefits from these services.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its annual report

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Democratic services				100%

Regional initiative - Warm Greater Wellington

Council provides funding for home insulation. The communities in Wainuiomata and Masterton are also offered funding for clean heating because the air sheds in those areas have breached the national standards for air quality.

Community outcome	Resilient community
Purpose / rationale for activity	Good quality insulation helps keep the heat in during winter and out during summer. This makes houses easier and cheaper to heat properly, and more comfortable and healthy to live in.
Who benefits? How are the benefits distributed?	The major beneficiaries are those ratepayers who take up the funding. Wainuiomata and Masterton will also benefit when their airsheds no longer breach quality standards, because Council will then be able to approve consents for industrial discharges to air.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Separate funding enables Council to target those who benefit from the activity.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Regional initiative - Warm Greater Wellington			100%	

Regional initiative - Water Wairarapa

Council is exploring water storage options for agriculture, horticulture, and municipal uses in the Wairarapa.

Community outcome	Strong economy
Purpose / rationale for activity	Water storage options may increase the productive efficiency of agriculture and horticulture in the Wairarapa. It may also provide additional water for municipal and other community uses in the area.
Who benefits? How are the benefits distributed?	The primary beneficiaries are Wairarapa organisations and households that will use the water, or who can rely on the water as an alternative water source during an emergency. People in the Wairarapa may also benefit from increased resilience of source water for the drinking water supplies.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Separate funding would enhance transparency and accountability for this activity.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Regional initiative - Water Wairarapa				100%

The funding source for any expenditure beyond 2018/19 will be reviewed by Council if the project proceeds beyond that date.

15. Public transport

Community outcome	Connected community
Purpose / rationale for activity	Public transport makes a significant contribution to the region’s economic prosperity in a way that is environmentally and socially sustainable.
Who benefits? How are the benefits distributed?	<p><u>Private benefits</u> Public transport benefits the people who use it directly, enabling them to get to work, school, retail, and social activities.</p> <p><u>Public benefits</u></p> <ul style="list-style-type: none"> • More efficient land use and compact urban environments support the regional economy. The concentration and efficiency of economic activity, especially in the regional CBD and other commercial centres is increased by public transport. • Employers in the regional business hub (Wellington CBD) and the other regional business centres can attract staff from throughout the region. • Freight can travel more cheaply on less congested roads. • Any industry or activity that relies on people coming together from different parts of the region, including retail, hospitality, and education industries. • Efficient movement of private vehicles benefits everyone who drives on congested roads that are served by public transport, and it reduces the cost of goods and services to the whole region. <p><u>Environmental benefits</u> The region as a whole benefits from reduced emissions because of shorter private journey times, and because there are fewer vehicles on the road when people use public transport.</p> <p><u>Health and safety benefits</u></p> <ul style="list-style-type: none"> • The whole region benefits from fewer vehicles on roads, and safer driving. • More liveable environments. • The whole region benefits from fewer vehicles on roads, and safer driving. <p><u>Urban / rural benefits</u> Urban communities are significant beneficiaries of public transport, but rural communities do not benefit to the same extent.</p>
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Public transport is the single largest activity that Council funds. A mixture of user charges (fares) and targeted rates provide transparency to service users, residents, ratepayers, and funders about the costs and relative shares paid by different groups.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Public transport	35-50% from fares and other user charges	The maximum contribution from Crown agencies, primarily New Zealand Transport Agency (NZTA), Overall, intend to collect 25-35% from NZTA although this may be significantly higher for some specific programmes and investments.	25-35%, calculated on ECV, with differentials based on land use and by location.	

Council applies user charges (fares) for the private benefits gained by people who use public transport.

Council has concluded that the following differentials take account of the specific public and private benefits of public transport, while also taking account of the overall impacts of Council’s funding requirements.

Residential (excluding Wairarapa).....	1
Residential (Wairarapa and Otaki rating units)	0.5
Wellington CBD	7
Business (excluding Wairarapa)	1.4
Business (Wairarapa).....	1
Rural	0.25

Council will apply the new differentials as a targeted rate, based on ECV. All properties within each differential category will pay the same rates per \$100,000 of ECV.

Council may review these differentials at any time, and particularly if there are major changes in future funding requirements.

This is a considerable change from the previous policy which allocated costs based on a complex set of inputs.

Council will take six years to transition the rates onto the new policy. Until the transition is complete, Council will calculate an annual transition differential so that rates progressively shift to their new levels for each category of land use, and for each location.

16. Water supply

Council provides bulk water to four participating territorial authorities (the cities of Wellington, Hutt, Upper Hutt, and Porirua).

Community outcome	Strong economy, healthy environment, resilient community
Purpose / rationale for activity	Clean, safe drinking water is essential for life. It is also used for- <ul style="list-style-type: none"> residential purposes (gardens, swimming pools) community purposes (parks, swimming pools, schools, hospitals, turf, and other recreation services). industrial purposes (hygiene, other uses).
Who benefits? How are the benefits distributed?	The participating territorial authorities benefit from- <ul style="list-style-type: none"> being able to provide potable water for their residents the efficiency of a coordinated water collection, treatment, and distribution system.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Funding water supply services distinctly from other services has benefits for transparency and accountability. Because water is supplied in bulk to territorial authorities, a volumetric levy is a fairer and more efficient funding tool.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Water supply	95%-100% volumetric levy on the participating territorial authorities. User charges may also be applied to other bulk water users.			

17. Environment

Resource management - Policy and planning

Environmental science - State of Environment monitoring

Community outcome	Healthy environment, engaged community.
Purpose / rationale for activity	Council regulates the use and development of the environment via the Regional Plan and other planning documents, to ensure that natural and physical resources are managed sustainably.
Who benefits? How are the benefits distributed?	The community as a whole benefits from the policy, planning and monitoring services. Territorial authorities and individuals, benefit from Council's State of the Environment monitoring information.
Does anyone contribute to Council's need to provide this activity?	Everyone uses the region's natural resources to some extent.
Rationale for separate funding	Because the community as a whole is the main beneficiary, there is no particular benefit from distinct funding.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Resource management - Policy and planning				100%
Environmental science - State of Environment monitoring	10-20%			80-90%

Resource management – Consents

Resource management – Compliance and enforcement

Pollution prevention and control

Community outcome	Healthy environment
Purpose / rationale for activity	Council implements the Regional Plan, with consent, compliance, and pollution services.
Who benefits? How are the benefits distributed?	Consent applicants benefit from information services. Consent holders benefit from the right to use regional resources, and from monitoring services, because consents may be granted with greater confidence / certainty about the potential impacts.
Does anyone contribute to Council's need to provide this activity?	Polluters, create the need for pollution controls People who want to use the region's resources create the need for an allocation system.
Rationale for separate funding	These services are best funded jointly with other Resource management activities.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Resource management – Consents	100%, consent applicants			
Resource management – Compliance and enforcement	100% consent holders			Up to 100% for investigations where a liable party cannot be identified.
Resource management – Pollution prevention and control	100% identified polluters			

Land management

- Farm plans, and Farm environment plans, to reduce erosion in the eastern Wairarapa hills, and to support intensively farmed (dairy) areas in Wairarapa and Otaki.
- Wellington Regional Erosion Control Initiative
- Land management advisory services, mainly in the Wairarapa
- Erosion scheme services and coordination services to rural properties in the Wairarapa.

Community outcome	Healthy environment
Purpose / rationale for activity	Council seeks to mitigate the environmental impacts of farming, because land management practices can affect soil erosion, soil health water quality, and the health of streams, rivers, and the coast.
Who benefits? How are the benefits distributed?	<p>Farmers benefit from-</p> <ul style="list-style-type: none"> • stabilised soils and reduced erosion. • water and drainage schemes that enable greater productive use of the land. • reputation benefits from clean operations. <p>Rural communities benefit from local catchment schemes that protect local infrastructure (roads, utilities).</p> <p>The community as a whole benefits when farmers reduce their nutrient and sediment discharges.</p>
Does anyone cause Council to provide this service?	<p>Farmers who allow stock to graze in or adjacent to waterways.</p> <p>Farmers who allow nutrients to leach into waterways.</p>
Rationale for separate funding	Because the activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.

Funding policy indication

Activities and programmes	User charges	Subsidies	Targeted rate	General rate
Farm plans	70%			30%
Farm environment plans	50%			50%
Wellington Regional Erosion Control Initiative	40%	30% Crown		30%
Land management advice				100%
Land management erosion schemes	50%-100% to be met from targeted or scheme rates or a direct contribution from both the direct beneficiaries, and the beneficiaries in the economic catchment area.			Up to 50%

Council sets rates on specific properties within erosion schemes in the Wairarapa. Generally, these rates are apportioned to reflect the benefit to each separately rateable property in the part of the district benefiting from the scheme, on the basis of the area and the classification of the property as it appears in the approved classification register.

Soil and plant conservation

Community outcome	Healthy environment
Purpose / rationale for activity	Council seeks to mitigate the environmental impacts of farming, because land management practices create erosion, and affect the health and quality of streams, rivers, and the coast.
Who benefits?	The community as a whole benefits from stabilised soils in its reserves. The benefits from the Akura Conservation Centre are mostly the private landowners who plant poplars and willows for erosion and flood control.
Timeframe of benefits	Ongoing
How are the benefits distributed?	90% private landowners 10% community as a whole.
Does anyone cause Council to provide this service?	Farmers who do not plant tree cover on erosion prone soils.
Rationale for separate funding	Because the activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.

Funding policy indication

Activities	User charges	Subsidies	Targeted rate	General rate
Soil conservation reserves	100%			
Akura conservation centre	100%			

Biodiversity management

Community outcome	Healthy environment
Purpose / rationale for activity	Biodiversity contributes to the region’s natural character and supports the healthy functioning of ecosystems which in turn provide essential, life supporting services, including purifying air and water.
Who benefits? How are the benefits distributed?	The community as a whole share the benefits of a healthy environment.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	Farmers who have not yet fenced waterways so that stock can get into them contribute to the need for this activity.
Rationale for separate funding	This activity is one relatively small, part of the larger Group of Activities and separate funding would not be cost effective.

Funding policy indication

Activities and programmes	User charges	Subsidies	Targeted rate	General rate
Biodiversity management – Key Native Ecosystems programme				100%
Biosecurity services for territorial authorities	100%			
Biodiversity management – other activities				100%

Pest management

Community outcome	Healthy environment
Purpose / rationale for activity	Pest management supports economic activity and improves environmental outcomes.
Who benefits? How are the benefits distributed?	<p>Primary producers benefit from</p> <ul style="list-style-type: none"> • reduced loss of pasture • reduced loss of crops • reduced damage to trees and shrubs • sustained and increased primary production. <p>Cattle and deer farmers in operational areas benefit from reduced risk of disease to farmed animals.</p> <p>The regional community benefits from reduced spread of unwanted pest damage to high value ecosystems, and reduced pest impact on safety, amenity, and social values.</p>
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	Pest management, including possum control activities are undertaken in line with Biosecurity Act 1993, and the National Policy Direction for Pest Management.
Rationale for separate funding	Because Council provides two pest management programmes, with different funding policies, separate funding is useful to demonstrate the benefits of each activity.

Funding policy indication

Programmes	User charges	Subsidies	Targeted rate	General rate
Regional pest management plan	Up to 10%	Up to 10%		80-100%
Regional predator control programme			40% on all rural properties that are 4ha or more, assessed on a land area basis.	60%

Harbour management

Community outcome	Strong economy
Purpose / rationale for activity	Council provides this service to support safe commercial shipping and recreational activities in the regional harbours.
Who benefits?	Maritime traffic in the harbours benefit from Beacon Hill Communications station, navigational aids, and the enforcement of maritime safety regulations. Recreational boat users benefit from navigational aids, education programmes, and the enforcement of maritime safety regulations. Other harbour users receive a small benefit from the enforcement of maritime safety regulations.
Timeframe of benefits	Ongoing.
How are the benefits distributed?	Commercial shipping is the major economic beneficiary of this service. People using recreational boats and yachts also benefit substantially. The rest of the region gets some residual benefit.
Does anyone cause Council to provide this service?	Maritime traffic (commercial and recreational) is the major activity that creates the need for Council to provide navigational aids and safety services. Polluters create the need for monitoring, regulations and clean up services.
Rationale for separate funding	Separate funding via targeted rates is not sensible for this activity, because Council cannot identify and targeted land owners who would be the major beneficiaries of services for activities on and about water.

Funding policy indication

Activities and programmes	User charges	Subsidies	Targeted rate	General rate
Navigational aids and communications service	60% commercial shipping, (collected by CentrePort)			40%
Education; Enforce maritime safety regulations				100%
Pollution clean-up -- oil		95% Maritime NZ		5%
Pollution clean-up – other	100% charge to polluters, where they can be identified and charged.			Up to 100%

18. Flood protection

Understanding flood risk

Maintaining flood protection and control works

Improving flood security

Community outcome	Resilient community
Purpose / rationale for activity	Council provides flood protection services to protect the lives and property of people within the region.
Who benefits?	<p>Property owners (private, Crown, territorial authorities, others) and residents in flood hazard zones are the major beneficiaries of these activities. They benefit from-</p> <ul style="list-style-type: none"> • information about flood hazards • flood warnings • flood protection structures that directly protect lives and property, and downstream areas. <p>Local communities and catchments benefit from-</p> <ul style="list-style-type: none"> • Information about flood hazards to support land use planning • having their local infrastructure protected (schools, hospitals, roads and emergency lifelines, parks, and reserves). <p>Utilities benefit from-</p> <ul style="list-style-type: none"> • information about flood hazards • flood warnings • flood protection structures that directly protects their infrastructure (electricity transmission, telecoms, etc). <p>The region as a whole benefits from-</p> <ul style="list-style-type: none"> • advice about flood emergencies • any environmental protection that flood protection provides • protected arterial transport routes.
How are the benefits distributed?	<p>Property owners (including utility companies), and residents and flood hazard zones are the major beneficiaries of all these activities.</p> <p>Local communities, (including property owners in flood hazard zones) are also substantial beneficiaries of flood protection and control works in their communities.</p> <p>The community as a whole receives a relatively small share of the benefits.</p>
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Because of the substantial private benefits from these activities, and Council’s considerable commitment to this group of activities, separate funding provides transparency and accountability benefits.

Council has considered the matters above, including the benefits of flood protection to identifiable groups within the region, and has decided to retain the Flood Protection rate funding policy that applied in 2017/18.

Funding policy indication

Activities	User charges	Subsidies	Targeted rates	General rate
Understanding flood risk				100%
Maintaining flood protection and control works			The balance of costs (i.e., to 100%) met via targeted rates on the local authority area or via scheme rates or direct contribution from both the direct beneficiaries on the floodplain and the beneficiaries in the economic catchment area.	Up to 50%
Improving flood security				

Note: Where a utility provider makes a contribution for protection of infrastructure assets, the revenue is directly applied to alleviate the scheme's costs.

19. Parks

Council manages a network of regional parks and forests for the community's use and enjoyment. Council works with mana whenua and community groups to protect the environment within regional parks

Community outcome	Engaged community
Purpose / rationale for activity	Council provide parks for community recreation and enjoyment, and to protect regionally significant landscapes, bush, and heritage features.
Who benefits? How are the benefits distributed?	<p>Individuals and groups who use the camping facilities within regional parks.</p> <p>Organisations that use parks for commercial purposes. This includes, for example-</p> <ul style="list-style-type: none"> • stock grazing • film making • outdoor activities • education activities. <p>The region and the whole country benefit from being able to enjoy regionally significant landscapes, bush, and heritage features.</p> <p>The whole country benefits from the preservation of nationally significant landscapes, forests, and heritage features.</p>
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its annual report.

Funding policy indication

Activity	User charges	Subsidies	Targeted rate	General rate
Parks	10% for organised events, farming and other leases, license fees, other added value services.			90%

20. Summary table

<i>Group of Activities</i>	<i>Activity</i>	<i>User charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>
Regional Leadership	Relationships with mana whenua				100%
	Regional transport planning and programmes		About 52% from NZTA		Balance of the funding
	Wellington Regional Strategy			100%, charged on differential basis by land use, being- <ul style="list-style-type: none"> • a uniform charge on residential and rural ratepayers • a capital value basis for businesses. 	
	Emergency management				100%
	Democratic services				100%
	Regional initiative - Warm Greater Wellington				100%
	Regional initiative - Water Wairarapa				100%
Public transport	Public transport	35-50% from fares and other user charges	The maximum contribution from Crown agencies, primarily New Zealand Transport Agency (NZTA), Overall, intend to collect 25-35% from NZTA although this may be significantly higher for some specific programmes and investments.	25-35% calculated on ECV, with differentials based on land use and by location.	
Water supply	Water supply	95%-100% volumetric levy on the participating territorial authorities. User charges may be applied to other bulk water users.			

<i>Group of Activities</i>	<i>Activity</i>	<i>User charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>
Environment	Environmental science - State of Environment monitoring	10-20%			80-90%
	Resource management - Policy and planning				100%
	Resource management – Consents	100%, consent applicants			Up to 100% for investigations where a liable party cannot be identified.
	Resource management – Compliance and enforcement	100% consent holders			
	Resource management – Pollution prevention and control	100% identified polluters			
	Land management - Farm plans	70%			30%
	Land management - Farm environment plans	50%			50%
	Land management - Wellington Regional Erosion Control Initiative	40%	30% Crown		30%
	Land management advice				100%
	Land management, erosion, and drainage schemes			100% to be met from targeted or scheme rates or a direct contribution from both the direct beneficiaries, and the beneficiaries in the economic catchment area.	
	Soil conservation reserves	100%			
	Akura conservation centre	100%			
	Biodiversity management – Key Native Ecosystems programme				100%
	Biosecurity services for territorial authorities	100%			
	Biodiversity management – other activities				100%
	Regional pest management plan	Up to 10%	Up to 10%		80-100%
Regional predator control programme			40% on all rural properties that are 4ha or more, assessed on a land area basis.	60%	

Group of Activities	Activity	User charges	Subsidies	Targeted rate	General rate
Environment, continued	Harbour management - Navigational aids and communications service	60% commercial shipping, (collected by CentrePort)			40%
	Harbour management – Education, and enforce maritime safety regulations				100%
	Harbour management - Pollution clean-up – oil		95% Maritime NZ		5%
	Harbour management - Pollution clean-up – other	100% charge to polluters, where they can be identified and charged.			Up to 100%
Flood Protection	Flood Protection - Understanding flood risk	Apply charges to territorial authorities and other beneficiaries wherever practicable			100%
	Flood Protection - Maintaining flood protection and control works			The balance of costs (i.e., to 100%) met via targeted rates on the local authority area or via scheme rates or direct contribution from both the direct beneficiaries on the floodplain and the beneficiaries in the economic catchment area. Where a utility provider makes a contribution for protection of infrastructure assets, the revenue is directly applied to alleviate the scheme's costs.	Up to 50%
	Flood Protection - Improving flood security				
Parks	Parks	10% for organised events, farming and other leases, license fees, other added value services.			90%

Attachment 2 to Report 19.109

Staying on track

Information document for the draft Annual Plan 2019/20

As set out in the Long Term Plan 2018-28 we're continuing to invest in the things that really matter to our extraordinary region

Our priorities for 2019/20

Greater Wellington is responsible for a wide range of activities that contribute to the overall wellbeing of the region. Last year, we adopted a 10-year plan for the region – the Long Term Plan 2018-28 – after consulting with communities around the region. Currently, we’re planning for 2019/20, which will see us delivering Year 2 of the Long Term Plan 2018-28.

There are no significant changes planned for 2019/20. We’re committed to delivering our ongoing, long term programmes and these continue to drive much of what we do. This includes focussing on getting the bus network working well and building towards our long term goal of *a world-class integrated public transport network*.

The Long Term Plan 2018-28 outlines our strategic priority areas:

Regional priorities	Long term goal
Fresh water quality & biodiversity	The quality of the fresh water in our rivers, lakes and streams is maintained or improved, and our region contains healthy plant, bird and wildlife habitats
Regional resilience	Our infrastructure is resilient to adverse events and supports our region’s economic and social development
Water supply	The bulk water supply infrastructure consistently delivers high-quality water to the four city councils (Porirua, Hutt City, Upper Hutt and Wellington)
Public transport	The Wellington region has a world-class integrated public transport network
Leadership areas	
Partnering with mana whenua	The Greater Wellington and Māori relationship is one of partnership based on an acknowledgement that mana whenua are kaitiaki of the region
Economic development	Our regional economy is thriving and diverse. It provides business and job opportunities, leading to growth and investment in the region
Climate change	In partnership with local authorities and Crown agencies we plan how we can mitigate and adapt to the effects of climate change

We want to hear your thoughts

We’d love to hear from you on our plans for 2019/20, which will form our Annual Plan 2019/20. Because there are no significant or material changes to what we are proposing compared to the Long Term Plan 2018-28, we’re not seeking formal submissions, however, we value your feedback on where we’re heading.

Share your thoughts at haveyoursay.gw.govt.nz/ontrack2019-20 from 24 April to 5pm 24 May 2019.

Councillors will also be coming to speak with you at a wide variety of community and stakeholder events over the coming months and are keen to hear your views.

What's proposed for my rates?

Core to our Financial Strategy is striking a balance between delivering all the things the community would like us to do, and affordability. To carry out the work programme set in the Long Term Plan 2018-28, rates were forecast to increase by 5.9% in 2019/20. This reflects the continued roll-out of our capital investment plan, particularly continued investment in flood protection works, and rail and bus infrastructure.

We are proposing to maintain the rates increase to 5.9% in 2019/20

We've worked hard to manage our costs within this rates increase. We're facing unavoidable cost increases which are putting pressure on our budget. In particular, fuel prices and insurance costs are increasing more steeply than we anticipated in the Long Term Plan 2018-28.

We've prevented any additional impact on rates by re-examining our spending plans, reducing costs wherever possible, adjusting the timing of projects where we can without compromising on our commitments and using some of our reserve funds.

This change to your rates will commence from 1 July 2019. For an average residential household this equates to \$46.95 (GST inclusive), or \$0.90 per week. There are some differences to what you will pay across the region which reflect differences in targeted rates and the fact that property values have risen faster in some areas than others – these are shown in the table below:

Residential Property - including GST	Average Capital Value	Average Increase in 2019/20	Average Increase Weekly	Average Rates 2019/20	Average rates weekly	Increase %
Wellington city	\$800,545	\$79	\$ 1.51	\$597	\$ 11.48	15.2%
Hutt city	\$475,934	\$23	\$ 0.44	\$656	\$ 12.61	3.7%
Upper Hutt city	\$418,317	\$34	\$ 0.66	\$557	\$ 10.71	6.5%
Porirua city	\$496,841	\$13	\$ 0.25	\$595	\$ 11.44	2.3%
Kāpiti Coast district excl Ōtaki	\$574,400	\$42	\$ 0.81	\$513	\$ 9.87	9.0%
Ōtaki rating area	\$353,455	\$13	\$ 0.25	\$296	\$ 5.70	4.7%
Masterton district	\$331,288	\$17	\$ 0.33	\$201	\$ 3.86	9.3%
Carterton district	\$358,321	\$17	\$ 0.32	\$241	\$ 4.63	7.5%
South Wairarapa district	\$415,279	\$16	\$ 0.30	\$286	\$ 5.51	5.7%

Rural Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city	\$1,006,000	\$14	\$ 0.27	\$448	\$ 8.61	3.2%
Hutt city	\$649,000	\$24	\$ 0.46	\$519	\$ 9.98	4.8%
Upper Hutt city	\$681,000	\$36	\$ 0.69	\$480	\$ 9.22	8.1%
Porirua city	\$1,012,000	\$29	\$ 0.55	\$591	\$ 11.37	5.1%
Kāpiti Coast district	\$750,000	\$28	\$ 0.55	\$422	\$ 8.12	7.2%
Masterton district	\$721,000	\$23	\$ 0.44	\$321	\$ 6.18	7.7%
Carterton district	\$854,000	\$27	\$ 0.51	\$395	\$ 7.59	7.3%
South Wairarapa district	\$950,000	\$24	\$ 0.47	\$430	\$ 8.27	6.0%
Tararua district	\$1,067,000	\$157	\$ 3.03	\$421	\$ 8.09	59.8%

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	Increase %
Wellington city - CBD	\$2,970,000	(\$193)	-\$ 3.71	\$8,761	\$ 168.48	(2.15%)
Wellington city	\$2,445,000	(\$57)	-\$ 1.09	\$1,854	\$ 35.66	(2.98%)
Hutt city	\$1,616,000	\$129	\$ 2.48	\$2,128	\$ 40.93	6.5%
Upper Hutt city	\$1,585,000	\$83	\$ 1.60	\$2,023	\$ 38.90	4.3%
Porirua city	\$1,381,000	\$65	\$ 1.25	\$1,601	\$ 30.80	4.2%
Kāpiti Coast district	\$1,108,000	\$92	\$ 1.76	\$979	\$ 18.83	10.3%
Masterton district	\$789,000	\$57	\$ 1.10	\$497	\$ 9.55	13.0%
Carterton district	\$430,000	\$29	\$ 0.56	\$297	\$ 5.71	11.0%
South Wairarapa district	\$677,000	\$34	\$ 0.66	\$481	\$ 9.24	7.7%

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

To estimate your own projected regional rates visit www.gw.govt.nz/ratescalculator

Take a closer look at some of our planned work for 2019/20

In this document, we've outlined some of the key areas of work planned for 2019/20. This doesn't cover everything we do and if you want further information this can be found in our Supporting Information to the Annual Plan 19/20 document and the Long Term Plan 2018-28 on haveyoursay.gw.govt.nz/ontrack2019-20.

PRIORITY AREA - Public transport

Consolidating the bus network

The roll-out of the new bus network last year has been challenging and we have not been able to provide the high standard of customer service we aspire to. The focus for the upcoming year is to consolidate and continue working with the bus operators to improve the performance of the region's bus network.

We will conduct a post-implementation review of the bus network rollout and implement the recommendations. We will also continue our asset renewal programme and new bus infrastructure across the network. Our performance will improve and ensure that buses meet expected standards for reliability and punctuality.

An operational review of Porirua bus services will be implemented, as well as an upgrade of the bus facilities at Porirua Station. We will scope and implement a project to improve facilities at Wellington Bus Interchange and complete all Wellington City bus hubs and the Kilbirnie walkway canopy.

In partnership with Wellington City Council, we will work to improve the efficiency and flow of buses in the city through measures such as bus priority lanes, bus pre-emption signals and improved bus stop layouts. This activity will form part of the Let's Get Wellington Moving early delivery programme.

Looking further ahead, it is timely to consider how to achieve our aim to be the first region in the country with a fully electric bus fleet. We will develop a bus fleet strategy to understand the implications and options for progressively increasing our electric bus fleet over the next 3-10 years, and beyond. Our work will need to tie in with latest government policy, as well as our own policies for land transport and Let's Get Wellington Moving.

Changes from the Long Term Plan 2018-28

In response to community feedback following the launch of the new Wellington city bus network, Council made adjustments to bus routes and timetables. Council have also made the decision not to increase fares for public transport in 2019/20 as was originally planned.

Rail

We're focusing on projects to modernise and improve resilience, infrastructure, capacity and punctuality on the region's rail network. We will deliver a substantial programme of rail infrastructure improvements, which include:

- Traction system upgrade on the Hutt and Johnsonville lines and at Wellington Station
- Double tracking the line between Upper Hutt and Trentham
- Wairarapa track infrastructure renewals
- Improving the turn back facility at Plimmerton
- Capacity improvements at Wellington Station in conjunction with our partner Kiwirail.

Wellington Station is also set for a makeover, with the installation of a new visual and audio customer information system, which will include digital signage inside the station and at platforms. We will introduce better entrance signage at our outer stations, including electronic train replacement signage.

We will undertake a major programme of work to provide better shelter at outer stations, with renewals planned for Crofton Downs, Featherston, Silverstream, Wallaceville and Trentham. We will also improve the bicycle parking facilities at stations.

Let's Get Wellington Moving

We're continuing to work with our partners (Wellington City Council and the NZ Transport Agency) to plan for an integrated programme of transport network improvements and city redevelopment opportunities. We have invested \$1m in this project in 2019/20 for planning and investigation and the early delivery programme. This will be debt funded with a rates cost of \$45,000 in 2019/20.

PRIORITY AREA – Fresh water quality & biodiversity

Predator Free Wellington

We've partnered with iwi, Wellington City Council and the NEXT Foundation on the Predator Free Wellington project, to make Wellington the first predator free capital city in the world. Initially the plan is to eradicate rats, stoats and possums from the Miramar Peninsula, before rolling the programme out across the rest of Wellington City. From July until October this year, weekly station and trap check-ups will be conducted. From December 2019 to May 2020, Predator Free Wellington will conduct intensive monitoring using sniffer dogs to detect any surviving predators throughout 2020. Together with our partners, we will get every last rat, stoat and possum. Learn more about Predator Free Wellington at www.pfw.org.nz.

Whaitua committees

Ki uta ki tai, he taonga te wai. From mountains to the sea, water is life.

Whaitua committees are groups of local people, mana whenua, and representatives from local councils and Greater Wellington who are tasked with finding local solutions to maintain and improve the quality of our rivers, streams and harbours.

Five whaitua (the Māori word for catchment area) have been established over the past six years. Three of the five whaitua are underway:

- Ruamāhanga Whaitua – established in December 2013, Whaitua Implementation Programme completed August 2018
- Te Awarua-o-Porirua Whaitua – established December 2014, Whaitua Implementation Programme will be completed early 2019
- Whaitua Te Whanganui-a-Tara – established November 2018, Whaitua Implementation Programme in progress.

The remaining two whaitua – Kāpiti Coast and Wairarapa Coast – will have committees established in 2020. To stay up-to-date with the whaitua committee process visit www.gw.govt.nz/whaitua.

Wellington Region Erosion Control Initiative (WRECI)

We've received a significant boost to our erosion control programme with an additional \$7.6m over four years through the Provincial Growth Fund. This will allow us to expand our hill control erosion programme by about 100,000 additional trees planted in the region in 2019/20.

Natural Resources Plan (NRP)

At the end of July 2019, we will release decisions on the Natural Resources Plan. Following this, the community will have the opportunity to challenge these decisions.

PRIORITY AREA – Water supply

Wellington City's water comes from the Hutt Valley and is piped along State Highways 1 and 2, crossing a number of known earthquake fault lines. If a major earthquake damages these pipes, they could take months to repair and leave parts of the City without water for a long time.

In addition to an emergency water supply system for the days immediately after a quake, we're working on a project to make bulk water available for Wellington in the months following a major quake. This is proposed to be provided by an alternative cross-harbour pipeline, linking the Waterloo Treatment Plant in Lower Hutt to the Carmichael Reservoir in Newtown.

In addition to progressing this project, we plan to:

- Undertake upgrades at Wainuiomata Water Treatment Plant, Waiwhetu Wellfield and Waterloo Water Treatment Plant to improve seismic resilience
- Progress work to replace the water supply pipeline on the Silverstream Bridge.

PRIORITY AREA – Regional resilience

Flood protection

RiverLink is a joint project with Hutt City and the NZ Transport Agency to deliver better flood protection, urban revitalisation and improved transport connections for the Hutt city centre. During 2019/20 we will progress resource consents applications for flood protection and associated works.

We will continue the Mangatarere flood hazard assessment, review the Ōtaki Floodplain Management Plan and complete floodplain management plans for Te Kāuru and Waiohine.

Port Projects

We're working with CentrePort and a range of other partners to investigate the best options for a new multi-user ferry terminal. We aim to complete the Programme Business Case and agree with our partners on the next steps. We will also work with CentrePort as they finalise a Regeneration Plan for the port and with Wellington City Council on longer-term opportunities for redevelopment of land in and around the port area.

Other priorities

Climate change

Some of the impacts of climate change are now inevitable and we need adapt, while at the same time working to avoid the very worst impacts by reducing emissions.

Our ongoing climate-proofing work includes:

- Flood protection options and schemes for the region
- Whaitua (catchment) water management programmes
- Co-ordinating a regional approach to planning for natural hazards
- Implementing our climate change strategy.

We're also working to reduce our own greenhouse gas emissions. To accelerate a reduction of our carbon footprint, we're considering a carbon neutral target date. We'll be taking a good look at the options available to us, as well as seeking community feedback, to determine the best way to reduce our greenhouse emissions and future-proof the infrastructure and services we provide on behalf of the Wellington region.

Economic development

We will progress a number of economic development initiatives during the 2019/20 year. This includes the Wellington Regional Investment Plan, which is being jointly prepared by the local authorities in the region alongside Wellington Regional Economic Development Agency (WREDA) and central government. This plan will support growth through investment in a number of core areas including housing and urban development, transport, resilience and the economy. The focus will be on unlocking opportunities and accelerating results through integrating our investment across the region and with central government. We will also progress the development of a Māori Economic Development Strategy with mana whenua.

Partnering with mana whenua

For over a quarter of a century, mana whenua and Greater Wellington have worked together. Our relationships with mana whenua provide a way for us to engage directly on the issues that matter. We work with six mana whenua partners across our work programme, for example, by working through the whaitua committees and Te Upoko Taiao (our Natural Resources Plan Committee) to address environmental outcomes.

Attachment 3 to Report 19.109

Annual Plan 2019/20 Supporting Information

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Introduction

Greater Wellington's Annual Plan 2019/20 is being developed. The Annual Plan sets out our budget, work programmes and services for the year ahead. Our Annual Plan 2019/20 will update the work programme we set out in Year two of our Long Term Plan 2018-28.

This document contains the supporting information we will be drawing on as we prepare the Annual Plan 2019/20. In preparing this supporting information, we have reviewed the assumptions, work programmes, performance measures, budgets and rating information in the Long Term Plan 2018-28.

We have updated our budgets to include decisions made on the Wellington bus network since the Long Term Plan 2018-28 was adopted, revised some of our assumptions and updated our project costs. More details on this can be found on pages 16-17 under the Metlink Public Transport activity section.

This document is to be read in conjunction with the Long Term Plan 2018-28. Cross-references to the Long Term Plan 2018-28 are provided throughout.

We want to hear your thoughts

We'd love to hear from you on our plans for 2019/20, which will form our Annual Plan 2019/20. Because there are no significant or material changes to what we are proposing compared to the Long Term Plan 2018-28, we're not seeking formal submissions, however, we value your feedback on where we're heading.

Share your thoughts at **haveyoursay.gw.govt.nz/ontrack2019-20** from 24 April to 5pm 24 May 2019.

Your Councillors will also be coming to speak to a wide variety of community and stakeholder groups over the coming months and hear your views.

Rates explained - 2019/20

Greater Wellington is proposing to maintain the 5.9% rates increase forecast in the Long Term Plan 2018-28.

Whilst the 5.9% rates increase focusses on the average rates increase, in actuality rates for each location, rating unit and property type are different. This relates to the types of rates applied in each area, noting that targeted rates are necessarily applied unevenly across the region, and the different capital values of each property. The Revenue and Financing Policy sets out how Council will apply different types of rates to each part of the region.

Equalised Capital Value

Rates are calculated based on property values. Unlike territorial authorities, Greater Wellington does not maintain its own property valuation database and relies instead on the valuations developed by the territorial authorities. To equalise values, Greater Wellington contracts Quotable Value to estimate the projected valuations of all the rateable land in the districts within the region, each year. This is referred to as Equalised Capital Values (ECV). This estimation is enabled under s131 of the Local Government (Rating) Act, and provides a mechanism to assess valuations on a more consistent basis for the purposes of setting rates.

Whilst the ECV mechanism provides a useful and essential basis for more consistent capital valuations, it does not rule out the potential for significant swings in property valuations between one part of the region and the others caused by market factors.

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 Council intends to use, and the relative level of funding from each source, for each activity.

The **general rate** is a charge on the community as a whole, to fund Greater Wellington activities. It is mainly used to fund public good activities that benefit the region as a whole. The funding requirement for the general rate is apportioned across the whole region on an equalised capital value basis and then set according to the current rateable capital value of each city or district.

Greater Wellington also uses **targeted rates** to fund rates on properties that receive a particular and direct benefit from an activity and/or to be transparent about the rate funding requirements for some specific groups of activities. Council uses targeted rates, for example, to fund the Warm Greater Wellington Scheme and the Wellington Regional Strategy, and to part fund activities such as public transport, flood protection and control works and pest management.

Greater Wellington does not currently use rating differentials for general rates. However, **differential rates** are currently used for targeted rates for public transport and flood protection.

Greater Wellington applies user charges (fares) for the private benefits gained by people who use public transport. Our Revenue and Financing Policy sets out the following differentials, which take account of the remaining public and private benefits of public transport, while also taking account of the overall impacts of Council's funding requirements.

Residential (excl Wairarapa).....	1
Residential (Wairarapa and Otaki rating units)....	0.5
Wellington CBD.....	7
Business (excl Wairarapa).....	1.4
Business (Wairarapa).....	1

Rural.....0.25

As set out in the Revenue and Financing Policy, it will take six years to transition the rates onto the new policy. Until the transition is complete, the annual transition differential will be calculated so that rates progressively shift to their new levels for each category of land use and for each location.

Key factors influencing rates for 2019/20

A number of factors drive changes to rates in any one year; this includes the budget agreed by Council, Equalised Capital Value (ECV) for one city or district and ECV for other parts of the region, capital valuations relative to property types within any one city or district, and the impacts of the Revenue and Financing Policy which distributes targeted rates across different rating units.

The 2019/20 year has seen some noticeable changes in several of these factors that have resulted in a significant increase in Wellington City residential (15.2%) and Tararua District rural rates (59.8%) for an average capital value property. It is important to understand the drivers for these swings.

For Wellington City the primary drivers have been:

- Wellington City Council's triennial valuation process took place in September 2018. This resulted in significant increases in property values, notably 44% for an average capital value residential property.
- Wellington City has seen a larger increase in ECV compared to other parts of the region. This results in a greater share of total regional rates been applied to Wellington City.
- Within Wellington City there has been a distinct shift in the relative total values between CBD, business and residential properties. In essence the total value of residential property has risen much faster than CBD and business, with the share rising from 76% to 79%. Contributing to this has been the demolition or damage to many commercial buildings following the Kaikōura earthquake and the conversion of further office buildings to residential. This has the impact of pushing a greater share of the Wellington City regional rates to residential and a consequent reduction in CBD and business rates (-2.15%) and Wellington City business rates (-2.98%).
- The Revenue and Financing Policy provides for a six-year transition for the Public Transport targeted rate and 2019/20 will be Year Two of this. This impacts on the proportion of targeted rates paid by Wellington City and the rest of the region. In 2019/20 the transition would be expected to contribute to around 3% of the total residential rates increase proposed.

For Tararua District rural, which includes only 10 properties, the dominant driving factor for the proposed rates increase is the significant increase in ECV being 68%. This results in a greater share of total regional rates being applied to Tararua. With such a small number of properties, this area is particularly subject to swings as the value of just a few sales can have a significant impact on ECV. There were in fact no property sells in this area in the previous year but several in 2018/19. The recent sell price in Tararua provided an indication for QV to uplift its ECV, which has had the effect of combining two years' worth of property increases into one. It is relevant to recall the increases in rates within Year One of the Long Term Plan 2018-28 for neighbouring Wairarapa were significant due to a significant increase in property values comparative to other parts of the region. Therefore the large increase in Tararua ECV has included a 'catch-up' in valuations.

For further information please refer to the Revenue and Financing Policy in the Long Term Plan 2018-28 Supporting Policies.

Partnering with mana whenua iwi

For over a quarter of a century, mana whenua and Greater Wellington have worked together.

The relationships between mana whenua and Greater Wellington provide a way for us to engage directly on the issues that matter. Two key documents set out how we work together – a Memorandum of Partnership, signed in 2013, established a structural and operational relationship between Greater Wellington and mana whenua, and a Māori Partnership framework (2016) which sets out how we will work together to achieve mutually beneficial outcomes.

GW has six mana whenua iwi partners in our region who have kaitiaki roles and responsibilities over the land, waterways, animals and birds in their respective rohe. We work with them in a number of ways

1. Ara Tahi is a leadership forum of the six mana whenua partners and Greater Wellington, which focuses on strategic matters of mutual concern
2. Council committees and advisory groups – they are involved in Council decision making as:
 - a. council appointed members nominated by Ara Tahi (e.g. Environment, Finance, Risk and Assurance and Sustainable Transport Committees) or
 - b. as appointees nominated directly by mana whenua iwi (eg Wairarapa Committee; Hutt Valley Flood Management Subcommittee; and Te Kāuru Upper Ruamāhanga River Floodplain Management Subcommittee)
3. Te Upoko Taiao – the Natural Resources Plan Committee oversees Greater Wellington’s regulatory responsibilities in relation to resource management, including the review and development of regional plans. It comprises six elected Greater Wellington Regional Councillors and six appointed members from our mana whenua partners.
4. Direct relationships with mana whenua – on individual issues or programmes of work specific to one mana whenua partner, we work direct with the iwi concerned

Greater Wellington’s partnership with mana whenua is guided primarily by the Resource Management Act 1991 and the Local Government Act 2002 although there are more than twenty other statutes that impose specific obligations on Council in relation to Māori.

Some of the things we are partnering to deliver in 2019/20 include:

- Working with Ara Tahi appointed ohu advisory members on key regional projects, including:
 - the Wellington Regional Biodiversity Framework
 - CDEM Co-ordinating Executive Group
 - Māori economy
 - Wellington Regional Climate Change
- Working with Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa on projects that include:
 - improving environmental outcomes for the Wairarapa catchment
 - preparing to transfer the Wairarapa Moana Wetlands Project to the Wairarapa Moana Statutory Board once Ngāti Kahungunu ki Wairarapa complete their negotiations with the Crown to settle their historical Treaty of Waitangi claims.

- Working with Ngāti Toa Rangatira Inc and the Port Nicholson Block Settlement Trust to develop recommendations to improve environmental outcomes for Wellington Harbour and its catchment through the Whaitua Whanganui a Tara which includes representatives of Ngāti Toa Rangatira and Port Nicholson Block
- Working with Ngāti Toa Rangatira Inc to:
 - improve environmental outcomes for Te Awarua o Porirua Harbour and its catchment
 - Co-govern Whitireia Park
- Caring for the Parangarau Lakes with Port Nicholson Block Settlement Trust
- Working with the Ātiawa ki Whakarongotai Charitable Trust to:
 - Pilot a cultural health monitoring framework
 - Monitor the outcome of flood protection works on the Waikanae River
- Managing the Ōtaki River catchment under the Integrated Catchment Management Agreement with Ngā Hapū o Ōtaki.

Creating an extraordinary region

In making progress towards our vision, for the period 2018-28 we've identified four priority areas which we know are important to the region and where we are able to have the greatest influence. These strategic priorities enable us to focus on the things that matter and place our resources where they will have the greatest impact.

Council delivers to these outcomes through six activity areas.

Long Term Plan 2018-28: Section one, pg 5



Responding to climate change

Some of the impacts of climate change are now inevitable and we need to prepare to adapt to those, while at the same time working to avoid the very worst potential impacts by reducing emissions.

Some of our on-going climate proofing work includes:

- Flood protection options and schemes for the region
- Whaitua (catchment) water management programmes
- Co-ordinating a regional approach to planning for natural hazards
- Implementing our climate change strategy

We have been working to identify areas susceptible to coastal hazards that will be exacerbated by climate change. In 2019/20 we will partner with city and district councils to develop an approach to engage with communities on co-developing coastal adaptation plans for coastal hazards and sea level rise.

We will be doing work to climate-proof our own assets. Near the Paekakariki entrance of Queen Elizabeth Park, we will carry out the first stages of a coastal infrastructure retreat plan. Anticipating the effects of coastal erosion, we will be working with the community over time to remove and relocate park roads, car parks, toilets and tracks and to revegetate the foredune to be more resilient to high-impact weather events.

We are also working to reduce our own greenhouse gas emissions. Our carbon footprint (the total greenhouse gases emitted by our corporate activities) has increased over the last few years. We have an active programme to manage our carbon footprint and we expect it to reduce over the coming years as our equipment and facilities come due for upgrading or replacement.

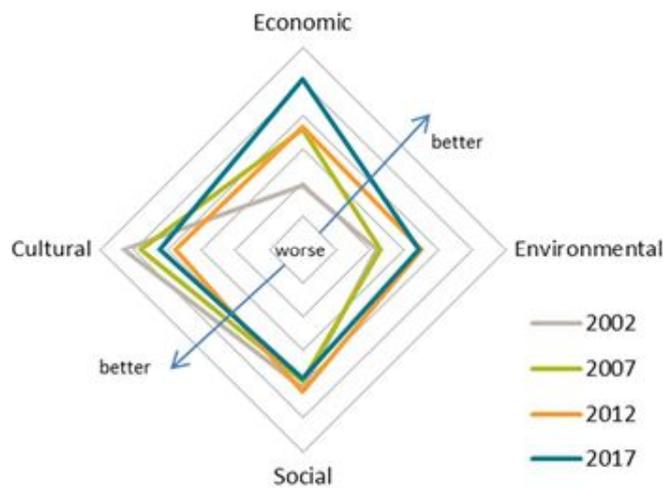
To accelerate a reduction of our carbon footprint, we are considering a carbon neutral target. This would involve setting a target date to become carbon neutral and then working to reduce our emissions as much as possible. Then, from the target date, use carbon credits to offset our annual emissions. It is possible that these could come from native forests plantings on Council land.

We'll be taking a good look at the options available to us, as well as seeking community feedback, on to determine the best way to reduce our greenhouse emissions and future-proof the infrastructure and services we provide on behalf of the Wellington region.

Wellbeing

Greater Wellington acknowledges and welcomes the moves by central government to increase its focus on wellbeing. Greater Wellington has had a wellbeing focus for a number of years. In 2009 it developed, in conjunction with the Wellington Regional Strategy, the Wellington Region Genuine Progress Index (WR-GPI), a holistic monitoring framework designed to measure change occurring amongst four principal aspects of wellbeing; economic, environmental, social and cultural. It was first published in 2011, but includes annual data going back to 2001 (see <http://www.gpiwellingtonregion.govt.nz/>). The measure's purpose is to assist the strategy's stakeholders to support, promote and facilitate sustainable economic growth in the region.

As the schematic diagram of WR-GPI outcomes indicates, although there is evidence of considerable improvements in economic wellbeing in the region over the last two decades, it is less clear that wellbeing has improved in other dimensions.



The growing national interest in wellbeing measures and frameworks provides opportunities for Greater Wellington to enhance its measures of wellbeing and develop measures that can be readily compared with national measures. We intend to unveil enhanced wellbeing measures for the Wellington region in the second half of 2019.

The wellbeing framework provides an important lens for planning council activities, providing purpose, and for assessing its performance. The council intends to become increasingly transparent about the intended and delivered contribution to wellbeing that its activities and services provided. Therefore, we are currently looking at how we align our budget to The Treasury's Living Standards Framework and will use this as a lens in the future to provide a greater picture of our contribution to this wellbeing framework.

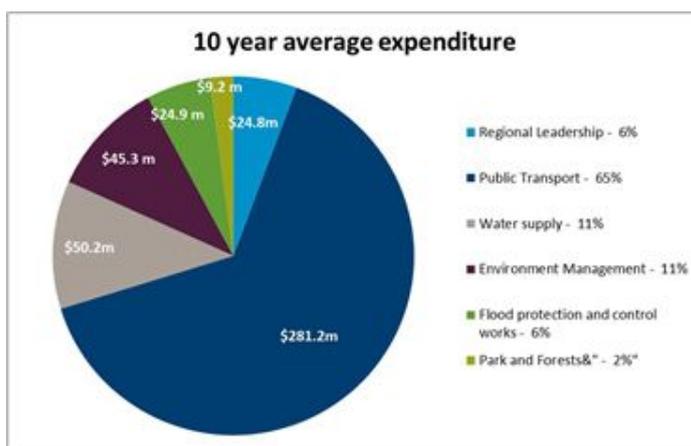
Activities of Greater Wellington - Ngā Mahi a Te Pane Matua Taiao

Long Term Plan 2018-28: Section two, pg 25

Our Long Term Plan 2018-28 provides a full set of projects, programmes, performance measures and targets for each Group of Activities.

The Annual Plan 2019/20 will highlight our key areas of focus for 2019/20 and provide updated financial information.

Average 10 year Spend by Group of Activities



Environment – Te Taiao

Long Term Plan 2018-18: Section two, pg 27

Priority Area: Fresh water quality and biodiversity

Greater Wellington is responsible for regulating the use of the region’s natural resources. We do this through regional policies, plans, resource consents and environmental monitoring and reporting. We help landowners keep the land productive by promoting soil conversation and helping them farm sustainably. We also work with city and district councils, community groups and the Department of Conservation to keep pests in our region under control and protect natural habitats. We help keep our harbours safe so all water uses, commercial and recreational, can enjoy our marine environment

The Environment group includes the following activities:

- Resource management
- Land management
- Biodiversity management
- Pest management
- Harbour management

Key projects for the year

Expanding the Wellington Region Erosion Control Initiative (WRECI)	With additional support from the One Billion Trees programme, we will expand WRECI, our Hill Country erosion control programme. Working with landowners, in 2019/20 we will treat up to 750 hectares of erosion-prone land (up from 500 hectares per year), using a mix of willow and poplar plantings, exotic forestry and reversion to native forest.
Progressing the Whaitua programme	We will support and enable our Whaitua committees; groups of local people, iwi and councillors responsible for identifying ways to maintain or improve the quality of streams, rivers and harbours in their area. We will assist Te Whanganui-a-Tara Whaitua as they develop a Whaitua Implementation Programme for Wellington Harbour/Hutt Valley catchment. We will also begin the process of integrating the Te Awarua-o-Porirua and Ruamāhanga Whaitua Implementation Programmes into the proposed Natural Resources Plan.
Caring for our environment	We will undertake a range of activities to protect natural habitats and ensure our water, land and air is not only safe for our everyday enjoyment, but also sustainable for generations to come, including: <ul style="list-style-type: none"> • completing phase 1 of development of a Cultural Health Monitoring framework • starting an air pollution prevention campaign in Masterton • working to eradicate weasels, stoats and rats from Miramar Peninsula as part of Predator Free Wellington • promoting citizen science by supporting community groups to gather their own environmental data • decisions and possible appeals on the proposed Natural Resources Plan.

Regional parks and forests – Ngā papa whenua

Long Term Plan 2018-28: Section two, pg 49

Priority Area: Fresh water quality and biodiversity

Greater Wellington manages a network of regional parks and forests for the community’s use and enjoyment. This network includes a range of unique natural areas for recreation and conservation. We provide visitor services and facilities, including a park ranger service. We work with mana whenua to support their expression of kaitiakitanga and to tell their history of our parks and forests. We also work with community groups to protect the environment and enhance recreational opportunities of regional parks.

Key projects for the year

Parks Network Plan	We will complete the refresh of the Parks Network Plan and start development of a series of more detailed ‘masterplans’ for key parks.
Restoring and enhancing visitor access	To enable connection with our region’s natural environment, we will work with our partners to reconnect cross-park links and create recreational access through currently closed areas. We’ll also construct a covered shelter with BBQs and toilets on the Top Terrace at Kaitoke Regional Park.
Maintaining and upgrading park facilities and assets	We will continue to maintain and upgrade park assets so that they are fit for their purpose of providing safe, durable access to the regional parks for a wide range of people. This work will be carried out with a particular focus on bridges, culverts and other instream structures that impact on water quality and fresh water habitat.
Contributing to improving fresh water quality and biodiversity	We will work with partners to revegetate formerly grazed areas of park land to improve the habitat for native fauna and flora, strengthen ecological connections and reduce sediment inflow to waterways. We will also plan for the first stages of large scale retirement and revegetation of currently grazed land across the parks network.

Water supply – Ngā puna wai

Long Term Plan 2018-28: Section two, pg 61

Priority Area: Water supply, Regional resilience

Greater Wellington is responsible for collecting, treating and distributing safe and healthy drinking water to Wellington, Hutt, Upper Hutt and Porirua city reservoirs. This work is carried out for Greater Wellington by Wellington Water, a joint council-owned water management company, which also distributes water from reservoirs to households and businesses on behalf of city councils..

Key projects for the year

<p>Improving resilience of the water supply network</p>	<p>The Wellington Water Supply Resilience Strategy identifies several areas where the ability to provide water following a major earthquake can be improved. Work will be carried out to improve the resilience of the water storage reservoir at the Wainuiomata Water Treatment Plant Improving resilience of the wellfield pipework drawing water from the Waiwhetu artesian aquifer will be completed, and planning for ground improvements to improve seismic resilience at the Waterloo Water Treatment Plant will commence.</p> <p>Work will progress on developing an alternative supply to Wellington. This supply route is proposed to link the Waterloo Treatment Plant in Lower Hutt to Carmichael reservoir in Newtown, via a cross harbour pipeline. The next stage is developing the project concept and carrying out engagement with stakeholders.</p>
<p>Reliability of the water supply network</p>	<p>We will continue to progress work for the replacement of the bulk supply pipeline on the Silverstream bridge. The existing pipeline across the Hutt River is close to the Wellington fault and considered a significant risk to the provision of a reliable water supply following a significant seismic event. This project will progress to design and consenting stages during 2019/20.</p> <p>Projects will also be carried out on sections of the network to add corrosion protection to the bulk supply pipelines to reduce the risk of failure.</p> <p>Planning will commence for the upgrade of the Te Marua Water Treatment Plant.</p>

Flood protection and control works – Te tiaki me te arahi waipuke

Long Term Plan 2018-28: Section two, pg 75

Priority Area: Regional resilience, Fresh water quality and biodiversity

Greater Wellington is responsible for managing flood risk from the region’s rivers and streams. We identify the likelihood of a river flooding, develop floodplain management plans, and maintain and build flood protection infrastructure. We also provide a free advice and consultation service, work with the community to improve the environment and recreational opportunities, and provide flood warnings.

The flood protection and control group includes activities:

- Understanding flood risk
- Maintaining flood protection and control works
- Improving flood security

Key projects for the year

Maintaining flood protection assets	We manage and maintain more than \$340 million of flood protection assets along 800km of rivers around the region. This includes making repairs and minor upgrades, repairing flood damage and managing the effects of our flood protection infrastructure on the environment. A specific focus in 2019/20 is getting new resource consents for our routine operations and maintenance activities.
Progressing RiverLink	RiverLink is a project to deliver better flood protection, better lifestyle and improved transport connections in central Lower Hutt. We will progress with seeking resource consents for flood protection works based on preliminary designs.
Carrying out hazard investigations and developing floodplain management plans	We will progress with the Mangatarere flood hazard assessment, review the Otaki Floodplain Management Plan and complete floodplain management plans for Te Kauru and Waiohine.

Metlink public transport – Ngā Waka Tūmatanui

Long Term Plan 2018-28: Section two, pg 91

Priority Area: Public transport

Our Metlink public transport network plays a crucial role in providing safe and sustainable access to economic and social opportunities for a growing number of people in the region. Following a period of significant change, the focus for the upcoming year will be around consolidation of Metlink public transport operations and ensuring they are reliable and resilient. We will be continuing investment in the underlying systems and infrastructure that form the backbone of the Metlink network.

To meet customer expectations, public transport services must be reliable, accessible, affordable integrated, and frequent especially on core routes. We want to make Metlink even better so it remains the preferred choice of travel for people, particularly in peak travel times where the benefits to the wider network and economy are more pronounced. To achieve this, we'll continue improving our network to encourage more people to travel by bus, train and ferry.

We are committed to taking a more customer-centred approach to the planning, design and implementation of the Metlink Public Transport network. Gaining a clearer view of customer needs will ensure improvements are effective, targeted and prioritised. Identifying improvements for customers who have difficulty in accessing public transport (yet also rely heavily on it) is a key component of this work.

The Metlink Public Transport group includes three activities:

- Metlink network planning and operations – an integrated and accessible network
- Rail operations and asset management – a high capacity rail system
- Bus and ferry operations and asset management – frequent, reliable bus and ferry services

Key projects for the year

<p>Enhancing performance of the bus network</p>	<p>Informed by the Post Implementation review, we will continue to work with operators and other partners to ensure the new bus network delivers on customers' expectations of a modern, high quality, sustainable and reliable public transport system.</p> <p>We will also continue to work with Wellington City Council and the NZ Transport Agency to improve bus priority on the most congested sections of the Wellington city's core bus network as part of the Let's Get Wellington Moving Programme.</p> <p>Looking ahead, it is timely to think about the entire fleet and develop a strategy which sets out how to achieve our aim to be the first region in the country with a fully electric bus fleet. We will look at the implications and options for progressively increasing our electric bus fleet, aligned with the latest government policy, as well as our own strategic policies for land transport and the Let's Get Wellington Moving project.</p>
<p>Improving the rail network</p>	<p>We will work with our partners KiwiRail and Transdev to modernise and improve resilience, infrastructure, capacity and punctuality of the rail network. This work includes continuing the traction system upgrade on the Hutt and Johnsonville lines, and at</p>

	<p>Wellington Station, commencing double tracking the line between Upper Hutt and Trentham, Wairarapa track infrastructure renewals, improving turn back facility at Plimmerton, capacity improvements at Wellington Station and upgrades of station shelters.</p> <p>We will also be working on the funding bid to replace locomotive hauled trains on the services to Wairarapa and Manawatū and for upgrades to the rail network beyond 2030.</p>
<p>Preparing the way for a new integrated fares and ticketing system</p>	<p>We will continue to work with the NZ Transport Agency and other regional public transport authorities, to procure and develop a new innovative national public transport ticketing system. Building on innovative payment technologies, the system will be modern, integrated and easy to use, resulting in a step change in customer experience. The Wellington region is expected to be the first to use the national ticketing system.</p>

Changes from the Long Term Plan 2018-28

In response to community feedback following the launch of the new Wellington city bus network on 15 July 2018, Council made adjustments to add or change bus routes and timetables. Delivering the enhanced services result in additional costs of \$3.7 million in 2019/20, with a rates impact of approximately \$1.8 million. In the 2019/20 budget, the rates impact of the public transport enhancements is partially offset by higher than forecast revenue from growth in public transport patronage and the additional application of reserve funds.

Regional leadership – Ngā kaihautū o te rohe

Long Term Plan 2018-28: Section two, pg 107

Priority Area: Water supply, Public transport, Regional resilience, Fresh water quality and biodiversity

Greater Wellington coordinates regional leadership activities in partnership with other local authorities. We involve mana whenua, key stakeholders, central government and the community in our processes and decision making. We also lead or are involved in regional initiatives in a variety of areas, including economic development, emergency management, regional resilience, transport planning and healthy homes.

The Regional leadership group includes the following activities:

- Wellington Regional Strategy
- Emergency management
- Democratic services
- Relationships with Maori and mana whenua
- Regional transport planning and programmes
- Regional initiatives

Key projects for the year

Progressing Let's Get Wellington Moving	We will work with our partners, Wellington City Council and the NZ Transport Agency, on the detailed investigation, design and consenting for a new transport system in the area from Ngauranga Gorge to Wellington Airport.
Leading regional emergency management	We will work with city and district councils and other partners to be even better prepared for a major emergency event in the future. This will include developing new Earthquake Response Plans for each district in the region.
Promoting regional economic development	We will work with a range of partners of initiatives to promote economic development including the Wellington Regional Investment Plan, Maori Economic Development Strategy and Action Plan, Workforce Development Plan and delivery of the Wairarapa Action Plan.
Regional Initiatives	We are working with CentrePort and a range of other partners to investigate the best options for a new multi-user ferry terminal. We aim to complete the Programme Business Case and agree with our partners on the next steps. We will also work with CentrePort as they finalise a Regeneration Plan for the port and with Wellington City Council on longer-term opportunities for redevelopment of land in and around the port area.

Council Controlled Organisations and investments – Tā te Kaunihera Rōpū me ngā Mahi Haumi

Long Term Plan 2018-28: Section 6, pg 219

Greater Wellington's investments portfolio consists of:

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

This section provides updates to Section 6 of the Long Term Plan 2018-28.

Civic Financial Services Limited Long Term Plan 2018-28 pg 220

Greater Wellington has minor equity interests in Civic Financial Services Limited. This investment is owned directly by Greater Wellington rather than via the WRC Holdings Group.

Westpac Stadium Long Term Plan 2018-28 pg 221

The Westpac Stadium is a regional facility, which provides a high-quality, multi-purpose venue for sporting and cultural events.

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

Greater Wellington appoints one Councillor to the Trust and, jointly with Wellington City Council, appoints the other Trustees. Greater Wellington also monitors the Trust's performance against its statement of intent.

WRC Holdings Ltd Long Term Plan 2018-28 pg 226

Directors

Prue Lamason (Chair)

Roger Blakeley

Barbara Donaldson

Nick Leggett

Ian McKinnon

Greater Wellington Rail Ltd (GWRL) Long Term Plan 2018-28 pg 227

Directors

Prue Lamason (Chair)

Roger Blakeley

Barbara Donaldson

Nick Leggett

Ian McKinnon

[Port Investments Ltd \(PIL\) Long Term Plan 2018-28 pg 232](#)

Directors

Prue Lamason (Chair)

Roger Blakeley

Barbara Donaldson

Nick Leggett

Ian McKinnon

[Wellington Regional Economic Development Agency \(WREDA\) Long Term Plan 2018-28
pg 241](#)

Directors

Tracey Bridges (Chair)

Wayne Mulligan

Kylie Archer

Thomas Pippas

Grant Guilford

Dave Gibson

Matt Clarke

Steve Maharey

Financial information

Significant forecasting assumptions and risks

Long Term Plan 2018-28: Section 5, pg 201

Financial assumptions

The following financial assumptions have been updated for 2019/20

Assumptions		Level of uncertainty	Estimate of potential effects
Insurance	Insurance cover is volatile and moving in an upward path therefore we have assumed an increase above the rate of inflation over our 2019/20 estimate supplied by our Broker Aon.	Medium	If insurance premiums continue to increase we will review in subsequent Annual and Long Term Plans.
Fare revenue	Patronage growth for 2019/20 Bus: 2% Rail: 4.5% The revised patronage assumptions are based on patronage figures for the most recent period and take account of planned changes to the network. Fare increase for 2019/20: 0%	Medium	If patronage growth differs from the revised assumptions we will review in subsequent Annual and Long Term Plans. The assumed patronage growth partially balances the removal of the fare increase.

Financial impact statements

PROSPECTIVE STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDING 30 JUNE

	2018/19 Budget \$000s	2019/20 Plan \$000s	2019/20 LTP \$000s
Operating Revenue			
General rates	47,283	51,063	52,132
Targeted rates	84,828	88,620	87,923
Regional rates	132,111	139,683	140,055
Water supply levy	33,069	35,081	34,230
Government subsidies	81,274	79,348	76,464
Transport improvement grants	24,439	22,272	30,048
Interest and dividends	4,282	5,791	5,006
Other operating revenue	118,899	124,936	123,121
Total operating revenue and gains	394,074	407,111	408,924
OPERATING EXPENDITURE			
Employee benefits	49,989	51,713	49,304
Grants and subsidies	197,896	202,713	196,250
Finance expenses	22,581	24,237	23,712
Depreciation and amortisation	26,434	29,776	30,239
Other operating expenses	84,706	81,298	81,705
Total operating expenditure	381,606	389,737	381,210
Operating surplus/(deficit) before other items and tax	12,468	17,374	27,714
Other fair value changes	8,907	8,800	7,439
Operating surplus / (deficit) after tax	21,375	26,174	35,153
Other comprehensive revenue and expenses			
Increases / (decreases) in revaluations ²	1,140	-	-
Total comprehensive income	22,515	26,174	35,153

¹ GWRC 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 the 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.
Where this expenditure is for assets owned by other entities, this expenditure is treated as operational expenditure.

² The revaluations are primarily for property plant and equipment.
All figures on this page exclude GST

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE**

	2018/19 Budget \$000s	2019/20 Plan \$000s	2019/20 LTP \$000s
Total opening ratepayers' funds	1,144,562	1,141,694	1,167,077
Total comprehensive income	22,515	26,174	35,153
Movement in ratepayers funds for year	22,515	26,174	35,153
Closing ratepayers' funds	1,167,077	1,167,868	1,202,230
Components of ratepayers funds			
Opening accumulated funds	359,782	368,712	385,044
Total comprehensive income	22,515	26,174	35,153
Movements in other reserves	2,747	4,863	2,574
Movement in accumulated funds for year	25,262	31,037	37,727
Closing accumulated funds	385,044	399,749	422,771
Opening other reserves	32,909	32,841	29,022
Movements in other reserves	(3,887)	(4,863)	(2,574)
Movement in other reserves for year	(3,887)	(4,863)	(2,574)
Closing other reserves	29,022	27,978	26,448
Opening asset revaluation reserves	751,871	740,141	753,011
Movements in revaluation reserve ¹	1,140	-	-
Movement in asset revaluation reserve for year	1,140	-	-
Closing asset revaluation reserve	753,011	740,141	753,011
Closing ratepayers' funds	1,167,077	1,167,868	1,202,230

¹ Movements in revaluation reserves are the projected revaluation of property, plant and equipment over the life of the plan

All figures on this page exclude GST

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

**PROSPECTIVE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE**

	2018/19 Budget \$000s	2019/20 Plan \$000s	2019/20 LTP \$000s
ASSETS			
Cash and other equivalents	18,915	7,732	19,301
Investments (current)	32,928	41,176	33,243
Other current assets	31,375	25,651	37,952
Current assets	83,218	74,559	90,496
Investments (non-current)	41,280	96,671	45,090
Investment in subsidiary	289,412	300,804	310,073
Property, plant and equipment	1,269,526	1,301,127	1,323,266
Non-current assets	1,600,218	1,698,602	1,678,429
Total assets	1,683,436	1,773,161	1,768,925
RATEPAYERS' FUNDS			
Retained earnings	385,044	399,749	422,771
Reserves	782,033	768,119	779,459
Total ratepayers' funds	1,167,077	1,167,868	1,202,230
LIABILITIES			
Debt (current)	126,800	126,800	126,800
Other current liabilities	42,642	43,281	42,642
Current liabilities	169,442	170,081	169,442
Debt (non-current)	346,917	435,212	397,253
Non-current liabilities	346,917	435,212	397,253
Total liabilities	516,359	605,293	566,695
Total equity and liabilities	1,683,436	1,773,161	1,768,925

All figures on this page exclude GST

**PROSPECTIVE STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING 30 JUNE**

	2018/19	2019/20	2019/20
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash is provided from:			
Regional rates	132,111	139,683	140,055
Water supply levy	33,069	35,081	34,230
Government subsidies	105,713	101,620	106,512
Interest and dividends	4,282	5,791	5,006
Fees, charges and other revenue	118,899	124,936	123,121
	<u>394,074</u>	<u>407,111</u>	<u>408,924</u>
Cash is disbursed to:			
Interest	22,528	24,237	23,712
Payment to suppliers and employees	332,591	335,724	330,522
	<u>355,119</u>	<u>359,961</u>	<u>354,234</u>
Net cash flows from operating activities	38,955	47,150	54,690
CASHFLOWS FROM INVESTING ACTIVITIES			
Cash is provided from:			
Sale of property, plant and equipment	1,614	419	426
Cash is applied to:			
Purchase of property, plant and equipment	98,021	79,856	84,373
Investment additions	30,748	19,943	20,693
	<u>128,769</u>	<u>99,799</u>	<u>105,066</u>
Net cashflows from investing activities	(127,155)	(99,380)	(104,640)
CASHFLOWS FROM FINANCING ACTIVITIES			
Cash is provided from:			
Loan funding ¹	85,184	83,942	80,906
Cash is applied to:			
Debt repayment	(6,767)	27,478	30,570
Net cashflows from financing activities	91,951	56,464	50,336
Net increase/(decrease) in cash and cash equivalents	3,751	4,234	386
Opening cash and cash equivalents	15,164	3,498	18,915
Closing cash and cash equivalents	18,915	7,732	19,301

¹ GWRC 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 the NZ Transport Agency.

All figures on this page exclude GST

**PROSPECTIVE DEBT
AS AT 30 JUNE**

	2018/19	2019/20	2019/20
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
Environment	6,186	8,383	8,235
Public transport	279,696	283,378	294,284
Water supply	98,637	106,523	108,930
Parks	10,919	12,251	12,491
Flood Protection and Control Works	107,177	121,475	122,867
Regional leadership	19,674	17,649	20,392
Property and investments	34,591	34,765	34,090
Corporate systems	12,385	21,362	15,737
Total activities debt	569,265	605,786	617,026
Treasury internal funding ¹	(95,548)	(43,774)	(92,973)
Total external debt	473,717	562,012	524,053
External debt (current)	126,800	126,800	126,800
External debt (non-current)	346,917	435,212	397,253
Total external debt ²	473,717	562,012	524,053

¹ GWRC 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

**PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2018/19	2019/20	2019/20
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
Greater Wellington operations			
Sources of operating funding			
General rates	47,283	51,068	52,132
Targeted rates	84,828	88,620	87,923
Subsidies and grants for operating purposes	81,274	79,348	76,464
Interest and dividends from investments	4,282	5,791	5,006
Fees, charges, and targeted rates for water supply	100,931	104,478	104,544
Fines, infringement fees, and other receipts ¹	51,037	55,539	52,807
Total operating funding	369,635	384,844	378,876
Applications of operating funding			
Payments to staff and suppliers	332,591	335,724	327,259
Finance costs	22,528	24,237	23,712
Other operating funding applications	-	-	-
Total applications of operating funding²	355,119	359,961	350,971
Operating surplus/(deficit)	14,516	24,883	27,905
Sources of Capital Funding			
Subsidies and grants for capital expenditure	24,439	22,272	30,048
Increase / (decrease) in debt	88,064	51,602	47,763
Gross proceeds from asset sales	1,214	419	426
Total Sources of Capital Funding	113,717	74,293	78,237
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	4,267	-	1,533
- to improve the level of service	36,151	52,243	61,525
- to replace existing assets	57,604	27,614	21,315
Increase / (decrease) in investments	34,098	24,182	24,343
Increase / (decrease) in reserves	(3,887)	(4,863)	(2,574)
Total Applications of Capital Funding	128,233	99,176	106,142
Surplus/(Deficit) of Capital Funding	(14,516)	(24,883)	(27,905)
Funding Balance	-	-	-
Depreciation on council assets	26,434	29,776	30,239
Water Supply Levy¹	33,069	35,081	34,230

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

**PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2018/19	2019/20	2019/20
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
Greater Wellington operations			
Sources of operating funding			
General rates	47,283	51,068	52,132
Targeted rates	84,828	88,620	87,923
Subsidies and grants for operating purposes	81,274	79,348	76,464
Interest and dividends from investments	4,282	5,791	5,006
Fees, charges, and targeted rates for water supply	100,931	104,478	104,544
Fines, infringement fees, and other receipts ¹	51,037	55,539	52,807
Total operating funding	369,635	384,844	378,876
Applications of operating funding			
Payments to staff and suppliers	332,591	335,724	327,259
Finance costs	22,528	24,237	23,712
Other operating funding applications	-	-	-
Total applications of operating funding²	355,119	359,961	350,971
Operating surplus/(deficit)	14,516	24,883	27,905
Sources of Capital Funding			
Subsidies and grants for capital expenditure	24,439	22,272	30,048
Increase / (decrease) in debt	88,064	51,602	47,763
Gross proceeds from asset sales	1,214	419	426
Total Sources of Capital Funding	113,717	74,293	78,237
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	4,267	-	1,533
- to improve the level of service	36,151	52,243	61,525
- to replace existing assets	57,604	27,614	21,315
Increase / (decrease) in investments	34,098	24,182	24,343
Increase / (decrease) in reserves	(3,887)	(4,863)	(2,574)
Total Applications of Capital Funding	128,233	99,176	106,142
Surplus/(Deficit) of Capital Funding	(14,516)	(24,883)	(27,905)
Funding Balance	-	-	-
Depreciation on council assets	26,434	29,776	30,239
Water Supply Levy¹	33,069	35,081	34,230

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

Financial reserves

Prospective funding impact statements

REGIONAL LEADERSHIP PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2019/20 Plan \$000s	2019/20 LTP \$000s
Sources of operating funding		
General rate	9,781	10,235
Targeted rate	7,915	8,577
Subsidies and grants for operating purposes	1,340	1,369
Fees, charges, and targeted rates for water supply	18	18
Fines, infringement fees, and other receipts ¹	2,850	2,817
Total operating funding	21,904	23,016
Applications of operating funding		
Payments to staff and suppliers	22,934	22,587
Finance costs	884	1,040
Internal charges and overheads applied	370	655
Total applications of operating funding	24,188	24,282
Surplus/(deficit) of operating funding	(2,284)	(1,266)
Sources of capital funding		
Subsidies and grants for capital expenditure	260	266
Increase / (decrease) in debt	1,385	717
Gross proceeds from asset sales	76	77
Total sources of capital funding	1,721	1,060
Applications of capital funding		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	772	787
Increase / (decrease) in investments	(600)	(553)
Increase / (decrease) in reserves	(735)	(440)
Total applications of capital funding	(563)	(206)
Surplus/(deficit) of funding	-	-
Depreciation on Regional Leadership assets	423	410

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 GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

**REGIONAL LEADERSHIP
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
Operating funding		
Wellington Regional Strategy	4,695	5,012
Emergency Management	4,152	4,123
Democratic Services	2,510	2,484
Relationships with Maori	1,492	1,469
Regional transport planning and programmes	4,502	4,576
Regional initiatives ¹	4,553	5,352
Total operating funding	21,904	23,016
Applications of operating funding		
Wellington Regional Strategy	5,206	5,222
Emergency Management	4,012	3,981
Democratic Services	2,728	2,698
Relationships with Maori	1,481	1,462
Regional transport planning and programmes	5,995	5,576
Regional initiatives ¹	4,766	5,343
Total applications of operating funding	24,188	24,282
Capital expenditure		
Capital project expenditure	510	521
Land and buildings	-	-
Plant and equipment	14	14
Vehicles	248	252
Total capital expenditure	772	787

¹ Regional initiatives 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.

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 GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

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

	2019/20 Plan	2019/20 LTP
	\$000s	\$000s
Sources of operating funding		
General rate	-	-
Targeted rate	71,525	70,193
Subsidies and grants for operating purposes	78,008	75,095
Fees, charges, and targeted rates for water supply	97,229	97,447
Fines, infringement fees, and other receipts ¹	8,130	6,194
Total operating funding	254,892	248,929
Applications of operating funding		
Payments to staff and suppliers	221,663	214,601
Finance costs	13,918	14,323
Internal charges and overheads applied	10,579	9,949
Total applications of operating funding	246,160	238,873
Net surplus/(deficit) of operating funding	8,732	10,056
Sources of capital funding		
Subsidies and grants for capital expenditure	22,012	29,782
Increase / (decrease) in debt ²	8,677	14,587
Gross proceeds from asset sales	-	-
Total sources of capital funding	30,689	44,369
Applications of Capital Funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	18,971	32,885
- to replace existing assets	4,120	3,100
Increase / (decrease) in investments ³	19,943	20,660
Increase / (decrease) in reserves	(3,613)	(2,220)
Total applications of capital funding	39,421	54,425
Surplus/(deficit) of funding	-	-
Depreciation on Public Transport assets	6,133	6,064

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

² GWRC 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 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 GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

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

	2019/20 Plan \$000s	2019/20 LTP \$000s
Operating funding		
Metlink network planning and operations	23,966	24,940
Rail operations and asset management	128,936	128,635
Bus and ferry operations and asset management	101,992	95,354
Total operating funding	254,894	248,929
Applications of operating funding		
Metlink network planning and operations	23,870	24,525
Rail operations and asset management	120,547	119,703
Bus and ferry operations and asset management	101,743	94,645
Total applications of operating funding (excluding improvements)	246,160	238,873
Investments in Greater Wellington Rail Limited ¹		
Rail operations and asset management	19,943	20,660
Total investment expenditure	19,943	20,660
Capital expenditure		
New public transport shelters, signage, pedestrian facilities, land and systems	23,091	35,985
Total capital project expenditure	23,091	35,985
Vehicles	-	-
Total capital expenditure	23,091	35,985
Total Investment in Public Transport Infrastructure	43,034	56,645

¹ GWRC 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 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. 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 GWRC's Revenue and Financing Policy. All figures on this page exclude GST

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

	2019/20 Plan	2019/20 LTP
	Plan \$000s	Ltp \$000s
Sources of operating funding		
General rate	-	-
Targeted rate	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	36,276	35,572
Total operating funding	36,276	35,572
Applications of operating funding		
Payments to staff and suppliers	21,392	20,293
Finance costs	5,032	5,194
Internal charges and overheads applied	2,220	2,088
Total applications of operating funding	28,644	27,575
Surplus/(deficit) of operating funding	7,632	7,997
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	11,949	10,294
Gross proceeds from asset sales	-	-
Total sources of capital funding	11,949	10,294
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	1,533
- to improve the level of service	11,950	7,900
- to replace existing assets	4,284	5,299
Increase / (decrease) in investments	3,347	3,559
Increase / (decrease) in reserves	-	-
Total applications of capital funding	19,581	18,291
Surplus/(deficit) of funding	-	-
¹ This includes the Water supply levy charged to Wellington, Upper Hutt, Hutt and Porirua city councils		
Water supply levy	35,081	34,230
Depreciation on Water Supply assets	15,740	15,951

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 GWRC's Revenue and Financing Policy. All figures on this page exclude GST

FINANCIAL INFORMATION

**WATER SUPPLY
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan Plan \$000s	2019/20 LTP ltp \$000s
Operating funding		
Water Supply	36,276	35,572
Total operating funding	36,276	35,572
Applications of operating funding		
Water Supply	28,644	27,575
Total applications of operating funding	28,644	27,575
Capital expenditure		
Water sources	20	20
Water treatment plants	792	1,492
Pipelines	3,332	4,865
Pump stations	41	245
Reservoirs	-	-
Monitoring and control	184	184
Seismic protection	-	-
Other	11,809	7,869
Capital project expenditure	16,178	14,675
Land and buildings	-	-
Plant and equipment	56	57
Vehicles	-	-
Total capital expenditure	16,234	14,732

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

Financing Policy.

All figures on this page exclude GST

**ENVIRONMENT
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
Sources of operating funding		
General rate	30,879	30,761
Targeted rate	650	676
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	6,788	6,634
Fines, infringement fees, and other receipts ¹	4,075	4,009
Total operating funding	42,392	42,080
Applications of operating funding		
Payments to staff and suppliers	33,648	33,402
Finance costs	361	366
Internal charges and overheads applied	8,036	7,485
Total applications of operating funding	42,045	41,253
Surplus/(deficit) of operating funding	347	827
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	2,535	2,050
Gross proceeds from asset sales	115	117
Total sources of capital funding	2,650	2,167
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	3,373	2,922
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	(376)	72
Total applications of capital funding	2,997	2,994
Surplus/(deficit) of funding	-	-
Depreciation on Environment assets	794	1,165

¹ This includes revenue from the TB Free New Zealand, sales of trees and rental income
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 GWRC's Revenue and Financing Policy.
All figures on this page exclude GST

**ENVIRONMENT
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
Operating funding		
Resource management	23,389	22,310
Land management	5,974	5,959
Biodiversity management	4,814	4,843
Pest management	6,614	6,655
Harbour management	2,355	2,313
Total operating funding	43,146	42,080
Applications of operating funding		
Resource management	22,952	21,864
Land management	5,952	5,790
Biodiversity management	4,761	4,790
Pest management	6,598	6,568
Harbour management	2,282	2,241
Total applications of operating funding	42,545	41,253
Capital expenditure		
Environment projects	2,957	2,457
Capital project expenditure	2,957	2,457
Land and buildings	-	-
Plant and equipment	5	47
Vehicles	411	418
Total capital expenditure	3,373	2,922

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 GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

**FLOOD PROTECTION AND CONTROL WORKS
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
Sources of operating funding		
General rate	12,013	12,031
Targeted rate	8,530	8,476
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	4,773	4,954
Total operating funding	25,316	25,461
Applications of operating funding		
Payments to staff and suppliers	10,282	10,249
Finance costs	5,674	5,760
Internal charges and overheads applied	3,650	3,432
Total applications of operating funding	19,606	19,441
Surplus/(deficit) of operating funding	5,710	6,020
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	16,345	15,688
Gross proceeds from asset sales	75	78
Total sources of capital funding	16,420	15,766
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	21,322	20,740
- to replace existing assets	262	266
Increase / (decrease) in investments	356	386
Increase / (decrease) in reserves	190	394
Total applications of capital funding	22,130	21,786
Surplus/(deficit) of funding	-	-
Depreciation on assets	1,606	1,526

¹ This includes revenue from the sales of shingle, rental income and direct contributions from territorial authorities for flood protection work

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 GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

**FLOOD PROTECTION AND CONTROL WORKS
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
Operating funding		
Understanding flood risk	2,588	2,746
Maintaining flood protection and control works	9,789	9,402
Improving flood security	12,939	13,313
Total operating funding	25,316	25,461
Applications of operating funding		
Understanding flood risk	2,103	2,226
Maintaining flood protection and control works	8,410	7,845
Improving flood security	9,093	9,370
Total applications of operating funding	19,606	19,441
Capital expenditure		
Hutt river improvements	14,657	14,662
Otaki and Waikanae river improvements	2,193	2,195
Wairarapa rivers improvements	3,006	2,507
Other flood protection	1,466	1,376
Capital project expenditure	21,322	20,740
Land and buildings	-	-
Plant and equipment	12	12
Vehicles	250	254
Total capital expenditure	21,584	21,006

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 GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

**PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
Sources of operating funding		
General rate	6,675	6,515
Targeted rates	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	256	254
Fines, infringement fees, and other receipts ¹	695	708
Total operating funding	7,626	7,477
Applications of operating funding		
Payments to staff and suppliers	3,834	3,824
Finance costs	569	580
Internal charges and overheads applied	2,182	2,035
Total applications of operating funding	6,585	6,439
Surplus/(deficit) of operating funding	1,041	1,038
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	1,558	1,572
Gross proceeds from asset sales	90	92
Total sources of capital funding	1,648	1,664
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	2,683	2,691
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	6	11
Total applications of capital funding	2,689	2,702
Surplus/(deficit) of funding	-	-
Depreciation on Parks assets	2,208	2,251

¹ This includes rental income and park activity fees

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 GWRC's Revenue and Financing Policy.

All figures on this page exclude GST

PARKS

**PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
Operating funding		
Regional Parks	7,626	7,477
Total operating funding	7,626	7,477
Applications of operating funding		
Regional Parks	6,585	6,439
Total Applications of Operating Funding	6,585	6,439
Capital expenditure		
Battle Hill Farm Forest Park	110	110
Belmont Regional Park	1,020	1,023
Queen Elizabeth Park	346	346
Whitireia Park	-	-
Pakuratahi Forest	164	164
Akatarawa Forest	284	284
Wainuiomata Recreation Area	33	33
Kaitoke Regional Park	358	358
East Harbour Regional Park	12	13
Parks Other	54	54
Capital project expenditure	2,381	2,385
Land and buildings	-	-
Plant and equipment	-	-
Vehicles	302	306
Total capital expenditure	2,683	2,691

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 GWRC's Revenue and Financing Policy. All figures on this page exclude GST

**PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
Sources of operating funding		
General rate ¹	(8,285)	(7,411)
Targeted rate	-	-
Subsidies and grants for operating purposes	-	-
Fines, infringement fees, and other receipts ^{2,3}	33,237	31,232
Total operating funding	24,952	23,821
Applications of operating funding		
Payments to staff and suppliers	176	1,170
Finance costs	23,826	21,495
Internal charges and overheads applied	(74)	363
Total applications of operating funding	23,928	23,028
Surplus/(deficit) of operating funding	1,024	793
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	4,972	2,072
Gross proceeds from asset sales	-	-
Total sources of capital funding	4,972	2,072
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	-	-
Increase / (decrease) in investments	1,135	290
Increase / (decrease) in reserves	4,861	2,575
Total applications of capital funding	5,996	2,865
Surplus/(deficit) of funding	-	-
Depreciation on Investment assets	284	204

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

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	26,903	25,780
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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 the "Revenue and Financing Policy" in the All figures on this page exclude GST

**INVESTMENTS
PROSPECTIVE INCOME INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2019/20 Plan \$000s	2019/20 LTP \$000s
NET CONTRIBUTION TO GENERAL RATES FROM INDIVIDUAL INVESTMENTS		
Liquid financial deposits	905	1,161
WRC Holdings	3,789	3,957
Treasury management	3,408	3,823
Other Investments and Property	183	(1,530)
Total contribution to general rates	8,285	7,411

For more information on the revenue and financing mechanisms applicable to investments, please refer to the "Revenue and Financing Policy" in the this 10-Year Plan 2018-28

All figures on this page exclude GST

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.

All figures on this page exclude GST.

This table shows the rates and levies for GWRC in 2019/20, with the changes from last year 2018/19. Rates comprise the general rate and various targeted rates. GWRC 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 2019/20 is 5.9%. The water supply levy, which is charged to the four metropolitan city councils is proposed to increase by 6.1% compared to 2017/18. When the water supply levy is included, Greater Wellington Regional Council's overall increase is 5.9%

Summary of rates and levies				
	2018/19	2019/20	Change	Change
	Plan	Plan	Change	Change
	\$000s	\$000s	\$000s	%
General rate	47,283	51,060	3,777	
Targeted rates				
Region wide targeted rates ¹				
River management rate	6,459	7,041	582	
Public transport rate	68,110	71,525	3,415	
Stadium purposes rate	0	-	-	
Wellington regional strategy rate	4,908	4,706	(202)	
Specific area targeted rates:				
Pest management rate	532	577	45	
South Wairarapa district – river rates	95	97	2	
Wairarapa scheme and stopbank rates	1,487	1,465	(22)	
Total targeted rates²	81,591	85,411	3,820	
Total regional rates	128,874	136,472	7,597	5.9%
Water supply levy	33,069	35,081	2,012	6.1%
Total regional rates and levies	161,943	171,553	9,610	5.9%
Warm Greater Wellington rates ³	3,237	3,209		
Total rates and levies	165,180	174,762		

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.

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. The next page shows the different rates paid in each city and district.

All figures on this page exclude GST.

Impact on each city and district				
	2018/19 Plan	2019/20 Plan	Change	Change
Region-wide rates ¹	\$000s	\$000s	\$000s	%
Wellington city	66,367	70,405	4,038	
Hutt city	25,014	26,108	1,094	
Upper Hutt city	8,680	9,330	650	
Porirua city	10,301	10,637	336	
Kāpiti Coast district	10,320	11,248	928	
Masterton district	2,650	2,921	271	
Carterton district	1,270	1,369	98	
South Wairarapa district	2,154	2,309	155	
Tararua district	3	4	2	
Total region-wide rates	126,760	134,332	7,572	
Specific area targeted rates				
Pest management rate	532	577	45	
South Wairarapa district – river rates	95	97	2	
Wairarapa scheme and stopbank rates	1,487	1,465	(22)	
Total regional rates	128,874	136,472	7,597	5.9%
Water supply levy				
Wellington City Council	17,697	18,254	557	
Hutt City Council	8,206	9,270	1,063	
Upper Hutt City Council	3,318	3,428	111	
Porirua City Council	3,848	4,130	281	
Water supply levy	33,069	35,081	2,012	6.1%
Total regional rates and levies²	161,943	171,553	9,610	5.9%
Warm Wellington rate ³	3,237	3,209		
Total rates and levies	165,180	174,762		

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.

Residential region-wide rates

All figures on this page include GST

Average value of residential property in each city or district

	2018/19	2019/20
Wellington city	\$554,460	\$800,545
Hutt city	\$474,859	\$475,934
Upper Hutt city	\$415,367	\$418,317
Porirua city	\$495,585	\$496,841
Kāpiti Coast district excl Ōtaki	\$571,429	\$574,400
Ōtaki rating area	\$350,606	\$353,455
Masterton district	\$329,153	\$331,288
Carterton district	\$352,807	\$358,321
South Wairarapa district	\$408,450	\$415,279

2019/20 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	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Wellington city	\$282.66	\$316.14	\$0.52	\$0.81	\$218.80	\$263.70	\$16.10	\$16.10	\$518.08	\$596.75
Hutt city	\$205.63	\$218.76	\$111.16	\$118.88	\$299.55	\$301.82	\$16.10	\$16.10	\$632.43	\$655.55
Upper Hutt city	\$178.84	\$197.07	\$38.92	\$46.85	\$288.90	\$296.87	\$16.10	\$16.10	\$522.76	\$556.90
Porirua city	\$211.80	\$226.48	\$1.86	\$2.66	\$351.85	\$349.48	\$16.10	\$16.10	\$581.62	\$594.72
Kāpiti Coast district excl Ōtaki	\$218.22	\$232.82	\$59.41	\$63.13	\$177.35	\$201.39	\$16.10	\$16.10	\$471.09	\$513.44
Ōtaki rating area	\$133.89	\$143.27	\$36.45	\$38.85	\$96.78	\$98.19	\$16.10	\$16.10	\$283.23	\$296.40
Masterton district	\$127.46	\$135.78	\$0.00	\$0.00	\$39.99	\$48.68	\$16.10	\$16.10	\$183.55	\$200.56
Carterton district	\$137.13	\$147.40	\$3.58	\$3.68	\$67.40	\$73.78	\$16.10	\$16.10	\$224.21	\$240.96
South Wairarapa district	\$157.18	\$168.51	\$0.00	\$0.00	\$97.54	\$101.73	\$16.10	\$16.10	\$270.82	\$286.34

2019/20 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	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Wellington city	\$50.98	\$39.49	\$0.09	\$0.10	\$39.46	\$32.94	\$90.54	\$72.53
Hutt city	\$43.30	\$45.96	\$23.41	\$24.98	\$63.08	\$63.42	\$129.79	\$134.36
Upper Hutt city	\$43.06	\$47.11	\$9.37	\$11.20	\$69.55	\$70.97	\$121.98	\$129.28
Porirua city	\$42.74	\$45.58	\$0.38	\$0.54	\$71.00	\$70.34	\$114.11	\$116.46
Kāpiti Coast district excl Ōtaki	\$38.19	\$40.53	\$10.40	\$10.99	\$31.04	\$35.06	\$79.62	\$86.58
Ōtaki rating area	\$38.19	\$40.53	\$10.40	\$10.99	\$27.60	\$27.78	\$76.19	\$79.30
Masterton district	\$38.72	\$40.99	\$0.00	\$0.00	\$12.15	\$14.69	\$50.87	\$55.68
Carterton district	\$38.87	\$41.14	\$1.02	\$1.03	\$19.10	\$20.59	\$58.99	\$62.75
South Wairarapa district	\$38.48	\$40.58	\$0.00	\$0.00	\$23.88	\$24.50	\$62.36	\$65.07

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 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 in 2019/20	Increase per week	Rates 2019/20	Rates per week
Wellington city	\$800,545	\$79	\$1.51	\$597	\$11.48
Hutt city	\$475,934	\$23	\$0.44	\$656	\$12.61
Upper Hutt city	\$418,317	\$34	\$0.66	\$557	\$10.71
Porirua city	\$496,841	\$13	\$0.25	\$595	\$11.44
Kāpiti Coast district excl Ōtaki	\$574,400	\$42	\$0.81	\$513	\$9.87
Ōtaki rating area	\$353,455	\$13	\$0.25	\$296	\$5.70
Masterton district	\$331,288	\$17	\$0.33	\$201	\$3.86
Carterton district	\$358,321	\$17	\$0.32	\$241	\$4.63
South Wairarapa district	\$415,279	\$16	\$0.30	\$286	\$5.51

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

Rural, excluding GST	Average capital value	Increase in 2019/20	Increase per week	Rates 2019/20	Rates per week
Wellington city	\$1,006,000	\$14	\$0.27	\$448	\$8.61
Hutt city	\$649,000	\$24	\$0.46	\$519	\$9.98
Upper Hutt city	\$681,000	\$36	\$0.69	\$480	\$9.22
Porirua city	\$1,012,000	\$29	\$0.55	\$591	\$11.37
Kāpiti Coast district	\$750,000	\$28	\$0.55	\$422	\$8.12
Masterton district	\$721,000	\$23	\$0.44	\$321	\$6.18
Carterton district	\$854,000	\$27	\$0.51	\$395	\$7.59
South Wairarapa district	\$950,000	\$24	\$0.47	\$430	\$8.27
Tararua district	\$1,067,000	\$157	\$3.03	\$421	\$8.09

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

Business, excluding GST	Average capital value	Increase in 2019/20	Increase per week	Rates 2019/20	Rates per week
Wellington city	\$2,445,000	(\$57)	(\$1.09)	\$1,854	\$35.66
Wellington city - CBD	\$2,970,000	(\$193)	(\$3.71)	\$8,761	\$168.48
Hutt city	\$1,616,000	\$129	\$2.48	\$2,128	\$40.93
Upper Hutt city	\$1,585,000	\$83	\$1.60	\$2,023	\$38.90
Porirua city	\$1,381,000	\$65	\$1.25	\$1,601	\$30.80
Kāpiti Coast district	\$1,108,000	\$92	\$1.76	\$979	\$18.83
Masterton district	\$789,000	\$57	\$1.10	\$497	\$9.55
Carterton district	\$430,000	\$29	\$0.56	\$297	\$5.71
South Wairarapa district	\$677,000	\$34	\$0.66	\$481	\$9.24

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

Rates calculator – Residential region – wide ¹ rates

To calculate region-wide rates for all property types, use the calculator on our website <http://www.gw.govt.nz/regional-rates-calculator/>

Note: These calculations do not include GWRC 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.

	2019/20 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 2019/20 ¹
Wellington city	\$63.07	x		÷ 100,000	+	\$14.00	=	
Hutt city	\$116.83	x		÷ 100,000	+	\$14.00	=	
Upper Hutt city	\$112.42	x		÷ 100,000	+	\$14.00	=	
Porirua city	\$101.27	x		÷ 100,000	+	\$14.00	=	
Kāpiti Coast district excl Ōtaki	\$75.29	x		÷ 100,000	+	\$14.00	=	
Ōtaki rating area	\$68.96	x		÷ 100,000	+	\$14.00	=	
Masterton district	\$48.42	x		÷ 100,000	+	\$14.00	=	
Carterton district	\$54.57	x		÷ 100,000	+	\$14.00	=	
South Wairarapa district	\$56.59	x		÷ 100,000	+	\$14.00	=	
Hutt city example	\$116.83	x	\$350,000	÷ 100,000	+	\$14.00	=	\$422.91
						includes GST @ 15%		\$486.35

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.

Rating Mechanism

This section sets out how Greater Wellington will set its rates for 2019/20. 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 Leadership, Environment, Flood Protection, Parks	Capital value	All rateable land	Cents per dollar of rateable capital value
Targeted rates				
For more detail about each activity within these Groups of Activities, refer to the Activity section of this plan.				
Wellington regional strategy	Regional leadership	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 leadership	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) ¹
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 ⁴⁴
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

¹ "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

There are no differentials on Greater Wellington's general rate.

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 does not set a Uniform Annual General Charge.

Lump sum contributions

The Council will not invite lump sum contributions in respect of any targeted rates. Council has the discretion to accept lump sum contributions for Warm Wellington 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, as may be amended from time to time by Wellington city See map on page 186 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
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
	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 and all community activities 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

Location	Use	Description
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 2 – Public Transport rate

Public transport is funded from a targeted rate, based on property 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 2019/20 under the first year of the transition provisions in the Revenue and Financing policy.

Location	Use	Description	Differential on the value for 2019/20
Wellington city	Regional CBD	As in Category 1 above	6.83
	Wellington city business	As in Category 1 above	0.91
	Wellington city residential	As in Category 1 above	0.77
	Wellington city rural	As in Category 1 above	0.20
Lower Hutt city	Lower Hutt city business	As in Category 1 above	1.41
	Lower Hutt city residential	As in Category 1 above	1.28
	Lower Hutt city rural	As in Category 1 above	0.32
Porirua city	Porirua city business	As in Category 1 above	1.53

Location	Use	Description	Differential on the value for 2019/20
	Porirua city residential	As in Category 1 above	1.40
	Porirua city rural	As in Category 1 above	0.35
Upper Hutt city	Upper Hutt city business	As in Category 1 above	1.57
	Upper Hutt city residential	As in Category 1 above	1.43
	Upper Hutt city rural	As in Category 1 above	0.36
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	0.94
	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 or utility network activity and all community activities, and all residential rating unit in the Ōtaki rating area in the Kāpiti Coast district rating information database	0.80
	Ōtaki rating area residential	All residential rating unit in the Ōtaki rating area in the Kāpiti Coast district rating information database	0.64
	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	0.20
Masterton district	Masterton district business	All rating units classified as non-residential urban in the Masterton district rating information database	0.50
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database	0.33
	Masterton district rural	As in Category 1 above	0.13
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	0.63
	Carterton district residential	All rating units classified as urban residential in the Carterton district rating information	0.46

Location	Use	Description	Differential on the value for 2019/20
		database	
	Carterton district rural	As in Category 1 above	0.16
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database	0.73
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database	0.56
	South Wairarapa district rural	As in Category 1 above	0.19

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.

Location	Use	Description
Wellington city	Wellington city rural	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 Wellington city
Hutt city	Hutt city rural	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 Lower Hutt city
Porirua city	Porirua city rural	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 Porirua city
Upper Hutt city	Upper Hutt city rural	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 Upper Hutt city
Kāpiti Coast district	Kāpiti Coast district rural	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 the Kāpiti Coast district
Masterton district	Masterton district rural	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 the Masterton district

Location	Use	Description
Carterton district	Carterton district rural	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 the Carterton district
South Wairarapa district	South Wairarapa district rural	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 the South Wairarapa district
Tararua district	Tararua district rural	All rating units within the Tararua district area that are classified as being within the boundaries of the Wellington region, that are four hectares or more sub-classified as rural or farm within the base category in the rating information database of the Tararua 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	Wellington city downtown city centre business	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
	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

General rate	2019/20 Cents per \$ of rateable capital value	2019/20 Revenue required \$
Wellington city	0.03434	25,017,891
Hutt city	0.03997	8,603,531
Upper Hutt city	0.04105	3,390,994
Porirua city	0.03964	4,109,460
Kāpiti Coast district	0.03525	5,249,544
Masterton district	0.03564	2,110,071
Carterton district	0.03577	967,631
South Wairarapa district	0.03528	1,607,158
Tararua district	0.03680	3,927
Total general rate		51,060,208

Targeted rate River management rate based on capital value	2019/20 Cents per \$ of rateable capital value	2019/20 Revenue required \$
Wellington city	0.00009	63,804
Hutt city	0.02172	4,675,267
Upper Hutt city	0.00976	806,234
Porirua city	0.00047	48,239
Kāpiti Coast district	0.00956	1,423,425
Masterton District	0.00000	0
Carterton district	0.00089	24,179
South Wairarapa District	0.00000	0
Total district-wide river management rate		7,041,148
Greytown ward	0.01225	94,400
Total river management rates based upon capital value		7,135,548

Targeted rate River management	2019/20 Cents per \$ of rateable land value	2019/20 Revenue required \$
Featherston urban: Donalds Creek Stopbank	0.00163	2,667
Total river management rates based upon land value		2,667
Total river management rates		7,138,215

All figures on this page exclude GST.

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Rates funding impact statement		
Targeted rate Public transport rate	2019/20 Cents per \$ of rateable capital value	2019/20 Revenue required \$
Wellington city		
Regional CBD	0.25271	25,071,881
Business	0.03358	1,557,519
Residential	0.02864	16,470,136
Rural	0.00727	57,811
Hutt city		
Business	0.06089	2,321,630
Residential	0.05514	9,592,741
Rural	0.01398	44,264
Upper Hutt city		
Business	0.06632	799,238
Residential	0.06178	3,846,959
Rural	0.01564	134,894
Porirua city		
Business	0.06686	736,637
Residential	0.06117	5,285,985
Rural	0.01552	96,749
Kāpiti Coast district		
Business	0.03555	524,921
Residential excl Otaki	0.03049	3,143,579
Residential Otaki rating area	0.02416	270,923
Rural	0.00778	154,376
Masterton district		
Business	0.01918	83,082
Residential	0.01278	342,265
Rural	0.00503	141,330
Carterton district		
Business	0.02433	23,630
Residential	0.01790	153,781
Rural	0.00629	110,001
South Wairarapa district		
Business	0.02764	58,396
Residential	0.02130	292,527
Rural	0.00706	209,655
Total public transport rate		71,524,908

Targeted rate Warm Greater Wellington Based on extent of service	2019/20 Percentage of service provided	2019/20 Revenue required \$
For any ratepayer that utilises the service	15.000%	3,209,151

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Rates funding impact statement			
Targeted rate		2019/20	2019/20
Wellington regional strategy rate	\$ per rating unit	Cents per \$ of rateable capital value	Revenue required \$
Wellington city			
Regional CBD		0.00782	775,888
Business		0.00782	362,757
Residential – per rating unit	\$14.00		1,005,564
Rural – per rating unit	\$28.00		22,120
Hutt city			
Business		0.00910	347,086
Residential – per rating unit	\$14.00		509,964
Rural – per rating unit	\$28.00		13,664
Upper Hutt city			
Business		0.00933	110,307
Residential – per rating unit	\$14.00		208,222
Rural – per rating unit	\$28.00		33,572
Porirua city			
Business		0.00903	99,458
Residential – per rating unit	\$14.00		243,516
Rural – per rating unit	\$28.00		17,248
Kāpiti Coast district			
Business		0.00803	118,517
Residential – per rating unit	\$14.00		292,838
Rural – per rating unit	\$28.00		69,776
Masterton district			
Business		0.00812	35,162
Residential – per rating unit	\$14.00		112,938
Rural – per rating unit	\$28.00		96,600
Carterton district			
Business		0.00815	7,912
Residential – per rating unit	\$14.00		32,578
Rural – per rating unit	\$28.00		48,860
South Wairarapa district			
Business		0.00804	16,979
Residential – per rating unit	\$14.00		44,870
Rural – per rating unit	\$28.00		79,156
Tararua district – per rating unit	\$28.00		252
Total Wellington regional strategy rate			4,705,805

All figures on this page exclude GST.

Targeted rate			
River management schemes 1		2019/20 \$ per hectare	2019/20 Revenue required \$
Waingawa	A	149.74607	5,080
	B	97.33495	12,672
	C	74.87304	8,549
	D	67.38573	157
	E	59.89843	10,051
	F	52.41112	1,360
	G	22.46191	1,051
	H	14.97461	2,528
			41,448
Upper Ruamahanga	A	135.43124	12,056
	B	112.85937	744
	C	90.28749	11,265
	D	67.71562	1,193
	E	45.14375	13,393
	F	22.57187	890
	S	1,271.71035	3,306
			42,847
Middle Ruamahanga	A	133.58145	5,389
	B	111.31787	6,076
	C	89.05430	455
	D	66.79072	7,561
	E	44.52715	1,343
	F	22.26357	6,582
	S	1,347.14362	2,829
			30,235
Lower Ruamahanga	A	64.27079	8,064
	B	55.08925	2,966
	C	45.90771	10,282
	D	36.72617	11,698
	E	27.54463	8,911
	F	18.36308	22,482
	SA	1,611.57080	4,190
	SB	805.78551	1,370

All figures on this page exclude GST.

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Rates funding impact statement				
Targeted rate		2019/20	2019/20	
River management schemes 1		\$ per hectare	Revenue required	\$
Waiohine Rural	A	46.75400	5,259	
	B	38.94400	14,916	
	C	31.16300	39,828	
	D	23.40400	8,695	
	E	15.61400	12,468	
	S	778.39400	13,233	
				94,400
Mangatarere	A	35.30636	758	
	B	33.77130	7,077	
	C	28.61789	451	
	D	25.32847	1,820	
				10,105
Waipoua	A	113.70796	9,949	
	B	90.96637	27,320	
	C	68.22478	1,532	
	D	45.48319	13,519	
	SA	3,843.32915	384	
	SC	2,296.90086	230	
				52,934

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Targeted rate		2019/20	2019/20
River management schemes 1		\$ per hectare	Revenue required \$
Kopuaranga	A2	122.71450	3,197
	A3	110.54410	7,617
	A4	61.45830	694
	A5	42.95090	2,479
	A6	24.54390	1,991
	B2	24.54390	1,504
	B3	22.08960	1,622
	B4	12.27250	114
	B5	8.59100	267
	B6	4.90940	590
	SA	153.57000	768
	SB	76.79000	1,075
			21,919
Lower Taueru	A	4.13994	1,687
	B	0.82799	234
	C	0.41399	74
	S	206.99719	314
			2,308
Lower Whangaehu	A	22.05553	736
	B	17.64442	1,148
	C	13.23332	720
	D	8.82221	676
	E	4.41111	769
	S	110.27765	147
			4,196
Total river management scheme rates 1			370,355

Rates funding impact statement				
Targeted rate		2019/20	2019/20	2019/20
River management schemes 2		\$ per dwelling	\$ per point	Revenue required \$
Lower Wairarapa valley Development Scheme	A		0.23887	690,055
	Sa	19.17852		7,997
	Sb	38.37169		86,797
Total river management scheme rates 2				784,849
Total river management scheme rates				1,155,203

¹ "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 (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

All figures on this page exclude GST.

Targeted rate		2019/20	2019/20
Catchment schemes 1		\$ per hectare	Revenue required
			\$
Whareama	A	4.45921	3,190
	B	1.71893	1,637
	C	0.30085	13,711
	D	0.25781	0
	E	0.21488	3
	F	0.17184	474
			19,016
Homewood	A	1.97000	4,521
	B	1.71061	945
	C	1.55980	5,713
	D	0.22300	388
			11,566
Maungaraki	A	0.99000	3,272
	B	0.49000	1,456
			4,728
Upper Kaiwhata	A	9.80000	320
	B	4.20000	221
	C	0.62000	594
	D	0.39000	801
	E	0.27000	443
	F	0.14500	66
			2,444
Lower Kaiwhata	A	16.19000	744
	B	7.10000	315
	C	1.01901	1,181
	D	0.63858	1,890
	E	0.00000	0
	F	0.21183	74
			4,203
Catchment management scheme 1 rates			41,958

All figures on this page exclude GST.

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Rates funding impact statement			
Targeted rate		2019/20	2019/20
Catchment schemes 2		Cents per \$ of rateable land value	Revenue required
			\$
Awhea-Opouawe	Land value	0.01553	10,523
Mataikona-Whakataki	Land value within scheme area	0.00523	3,885
Catchment management scheme 2 rates			14,408
Targeted rate		2019/20	2019/20
Catchment schemes 3		\$ per dwelling	Revenue required
			\$
Awhea-Opouawe	Charge per dwelling	\$114.54 / \$57.27	11,821
Maungaraki	Charge per dwelling	\$22.18	421
Mataikona-Whakataki	Charge per dwelling	\$15.30	2,668
Catchment management scheme 3 rates			14,910
Targeted rate		2019/20	2019/20
Catchment schemes 4		Cents per metre of river frontage	Revenue required
			\$
Maungaraki	River frontage	0.03540	1,686
Catchment management scheme 4 rates			1,686
Total catchment management scheme rates			72,962

¹ "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 of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

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Targeted rate		2019/20	2019/20
Pump drainage schemes		\$ per hectare	Revenue required
			\$
Te Hopai	A	37.14400	46,304
Moonmoot pump	A	89.11500	20,294
Onoke pump	A	59.94600	42,767
Pouawha pump	A	90.42700	85,499
Total pump drainage scheme rates			194,864
Targeted rate		2019/20	2019/20
Pest management		\$ per hectare	Revenue required
			\$
Rural land area			
Land area of 4 or more hectares in all rural classified areas		0.95798	577,200
Total pest management rate			577,200

All figures on this page exclude GST.

Rates funding impact statement			
Targeted rate		2019/20	2019/20
Gravity drainage schemes		\$ per hectare	Revenue required
			\$
Okawa	A	7.14724	2,016
Taumata	A	6.43814	1,871
East Pukio	A	28.29511	3,213
Longbush	A	16.06959	3,506
Longbush	B	8.03485	1,010
Olahoua	A	33.00455	3,060
Te Whiti	A	9.73253	1,375
Ahikouka	A	27.70973	3,109
Battersea	A	15.33805	2,588
Battersea	B	12.67432	2,476
Battersea	C	9.91899	3,154
Battersea	D	5.99678	916
Battersea	E	5.12856	1,041
Battersea	F	5.17038	364
Manaia	A	23.20786	4,048
Whakawiriviri	A	11.70593	8,438
Total gravity drainage scheme rates			42,184

What is the impact of the 5.9% rates increase on your city or district? (NB: this table reflects no changes to the Revenue and Financing Policy 2018.)

Residential Property - including GST	Average Capital Value	Average Increase in 2019/20	Average Increase Weekly	Average Rates 2019/20	Average rates weekly	Increase %
Wellington city	\$800,545	\$79	\$1.51	\$597	\$11.48	15.2%
Hutt city	\$475,934	\$23	\$0.44	\$656	\$12.61	3.7%
Upper Hutt city	\$418,317	\$34	\$0.66	\$557	\$10.71	6.5%
Porirua city	\$496,841	\$13	\$0.25	\$595	\$11.44	2.3%
Kāpiti Coast district excl Ōtaki	\$574,400	\$42	\$0.81	\$513	\$9.87	9.0%
Ōtaki rating area	\$353,455	\$13	\$0.25	\$296	\$5.70	4.7%
Masterton district	\$331,288	\$17	\$0.33	\$201	\$3.86	9.3%
Carterton district	\$358,321	\$17	\$0.32	\$241	\$4.63	7.5%
South Wairarapa district	\$415,279	\$16	\$0.30	\$286	\$5.51	5.7%

Rural Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city	\$1,006,000	\$14	\$0.27	\$448	\$8.61	3.2%
Hutt city	\$649,000	\$24	\$0.46	\$519	\$9.98	4.8%
Upper Hutt city	\$681,000	\$36	\$0.69	\$480	\$9.22	8.1%
Porirua city	\$1,012,000	\$29	\$0.55	\$591	\$11.37	5.1%
Kāpiti Coast district	\$750,000	\$28	\$0.55	\$422	\$8.12	7.2%
Masterton district	\$721,000	\$23	\$0.44	\$321	\$6.18	7.7%
Carterton district	\$854,000	\$27	\$0.51	\$395	\$7.59	7.3%
South Wairarapa district	\$950,000	\$24	\$0.47	\$430	\$8.27	6.0%
Tararua district	\$1,067,000	\$157	\$3.03	\$421	\$8.09	59.8%

These projected rates exclude the targeted rural pest and river management rates that are not charged to all ratepayers

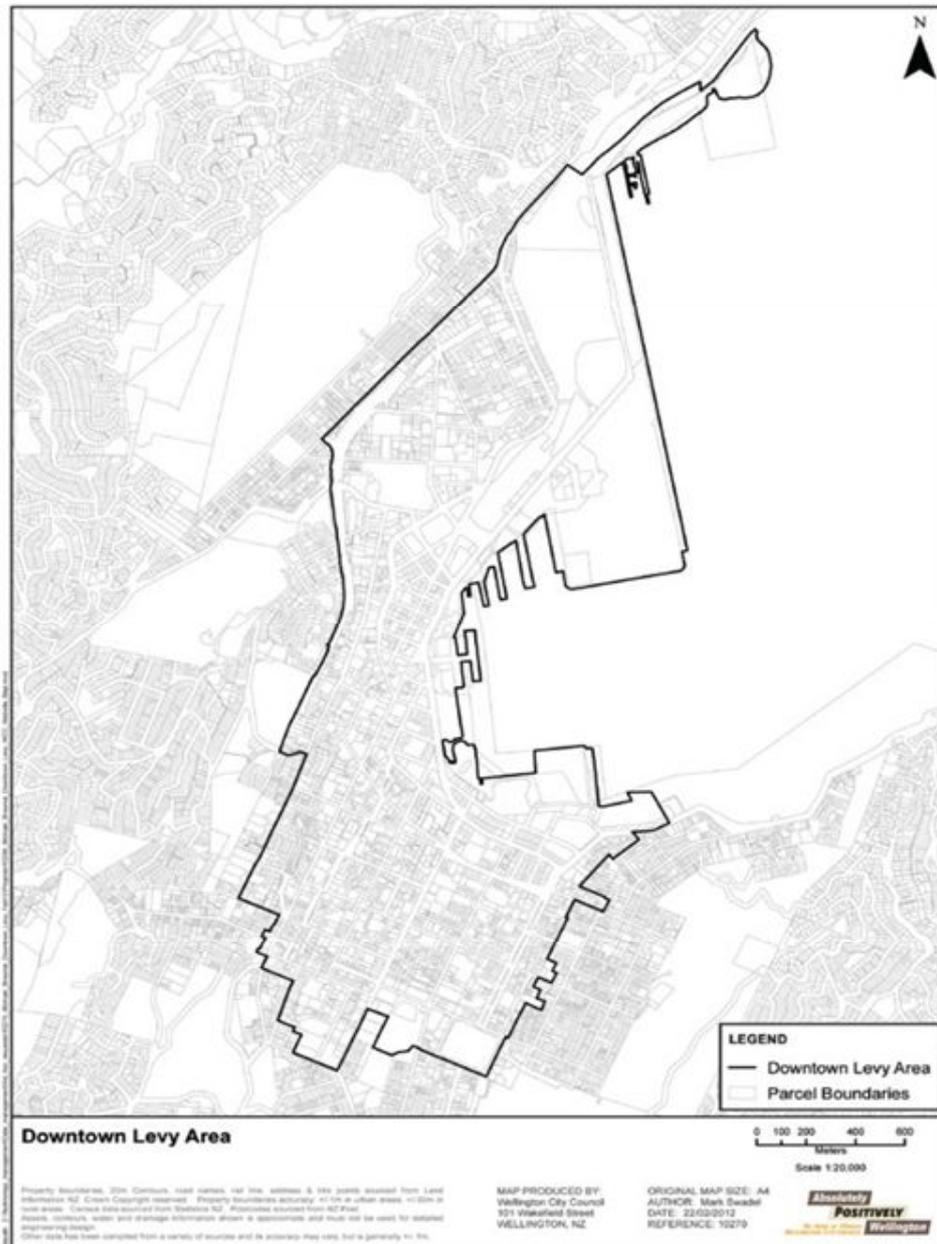
Business Property - excluding GST	Average Capital Value	Average Increase per year	Average Increase per week	Average Rates per year	Average rates per week	Increase %
Wellington city - CBD	\$2,970,000	(\$193)	(\$3.71)	\$8,761	\$168.48	(2.15%)
Wellington city	\$2,445,000	(\$57)	(\$1.09)	\$1,854	\$35.66	(2.98%)
Hutt city	\$1,616,000	\$129	\$2.48	\$2,128	\$40.93	6.5%
Upper Hutt city	\$1,585,000	\$83	\$1.60	\$2,023	\$38.90	4.3%
Porirua city	\$1,381,000	\$65	\$1.25	\$1,601	\$30.80	4.2%
Kāpiti Coast district	\$1,108,000	\$92	\$1.76	\$979	\$18.83	10.3%
Masterton district	\$789,000	\$57	\$1.10	\$497	\$9.55	13.0%
Carterton district	\$430,000	\$29	\$0.56	\$297	\$5.71	11.0%
South Wairarapa district	\$677,000	\$34	\$0.66	\$481	\$9.24	7.7%

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

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.



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Consultation document on the Annual Plan 2019/20

Proposed changes to the Annual Plan 2019/20

We would like to hear your views on our proposed Annual Plan 2019/20. We are not making any changes to our work programme (see *Staying on track*) but we are proposing a change to how we allocate our general rate within Wellington City for 2019/20.

Consultation is open from Wednesday 24 April and will close 5pm Friday 24 May.

Councillors will also be speaking at a number of community and stakeholder events during the consultation period and are keen to hear your views. If you would like to speak with your Councillor please feel free to contact them.

Visit www.haveyoursay.gw.govt.nz/ontrack2019-20

<p>The why</p>	<p>2019/20 has seen some significant changes in property values and, in particular, in Wellington City. There has been a distinctive shift in the relative value of residential property values and CBD business values. To ensure fairness and equity we are proposing a change to even out these movements.</p> <p>The main drivers of this shift are:</p> <ul style="list-style-type: none"> • Property values in Wellington City have increased significantly over the last year (by 44% for an average capital value residential property). This increase is higher than other parts of the region and after applying Council’s Equalised Capital Value, Wellington City has an increased share of regional rates • Commercial property in Wellington City has been impacted by demolition and damage from the Kaikōura earthquake and the conversion of office buildings to residential which has reduced the total value of commercial property. This has the effect of increasing residential rates within Wellington City.
<p>The variation (proposal)</p>	<p>Given the significant and unexpected movements of capital values, we are proposing a differential be applied on the general rate within Wellington City only. This is a change to our rating Financial Impact Statement in the Long Term Plan 2018-28 and a change to the Revenue and Financing Policy. This would re-balance the shift in relative values within the Wellington City by distributing the general rate¹ through the following differentials:</p> <p style="padding-left: 40px;">Residential 1 Rural..... 1 Wellington CBD..... 2 Business 1</p> <p>This would have the effect of distributing a greater proportion of general rates (for the Wellington City share of general rates) to Wellington CBD business.</p> <p>Rates within other parts of the region (outside Wellington City) would not be affected.</p>

¹ A general rate is a charge to the community as a whole to fund activities that benefit the whole region.

	<p>General rates represent approximately 12.5% of total revenue for Greater Wellington.</p> <p>Applying this differential would:</p> <ul style="list-style-type: none"> • reduce the rates increase for an average Wellington city residential property from 15.2% (average \$597 per year) to 7.9% (average \$559 per year) • reduce the rates increase for an average Wellington city rural property from 3.3% (average \$448 per year) to -6.3% (average \$406 per year) • increase the rates increase for an average Wellington CBD from -2.14% (average \$8,761 per year) to 6.51% (average \$9,537 per year) • decrease the rates increase for an average Wellington city business from -2.98% (average \$1,854 per year) to -8.24% (average \$1,753 per year) <p>All other rating categories within the region would remain unchanged.</p>
<p>Alternative option (keep status quo)</p>	<p>The alternative is to maintain the current policy settings and not apply a differential to the general rate. The general rate will continue to be calculated on “cents per dollar of rateable capital value” across all rating categories in the region. In the Wellington City this would mean that the overall rates movement from 2018/19 to 2019/20 would be:</p> <ul style="list-style-type: none"> • Wellington residential rates for an average property would increase by 15.2% to \$557 per year • Wellington city rural rates for an average property would increase by 3.3% to \$448 per year • Wellington CBD business rates for an average property would reduce by -2.14% to \$8,761 per year • Wellington city business rates for an average property would reduce by -2.93% to \$1,855 <p>All other rating categories within the region would remain unchanged.</p>
<p>Where to find more information</p>	<p>More information is available on our online engagement platform www.haveyoursay.gw.govt.nz/ontrack2019-20</p> <p>Hard copies of the material can be accessed at public libraries in the region or at our offices, including:</p> <ul style="list-style-type: none"> • <i>Staying on Track</i> • Annual Plan 2019/20 Supporting Information and • Draft Revenue and Financing Policy <p>We also need to make a change to our Revenue and Financing Policy to implement the proposed general rate differential for Wellington City. You can comment on the change to the Revenue and Financing Policy on the submission form at the end of this document.</p>
<p>Next Steps</p>	<p>Submit your feedback by 5pm Friday 24 May 2019 and let us know if you want to attend the Public Hearings on Friday 7 June 2019.</p>

Do you want to comment on our Draft Revenue and Financing Policy?

As outlined on the previous pages, we are proposing to make changes to the Revenue and Financing Policy for 2019/20 to moderate the effects of unforeseen movements in property valuations across the region.

What is the Revenue and Financing Policy?

The Revenue and Financing Policy describes how Greater Wellington Regional Council (Council) funds its expenditure. It outlines:

- The sources of funding that council intends to use, and
- The relative level of funding from each source, for each activity.

Greater Wellington uses a range of mechanisms to fund its activities, including rates, as set out in the Policy. Council uses capital value as its valuation system for its general rates and most of the targeted rates. For some other schemes we use a land use valuation system.

We use an equalised capital value

Within the region, different territorial authorities undertake revaluations at different times. To equalise the values, each year Council gets Quotable Value to estimate the projected valuations of all rateable land in the districts within the region. This estimation is enabled under s131 of the Local Government Rating Act.

The proposed change

This year Wellington City property values increased higher than other parts of the region and after applying Council's Equalised Capital Value, Wellington City has an increased share of regional rates. The total value of Wellington City residential properties also increased in proportion to the total CBD business value which has the effect of increasing residential rates.

To ensure that rates are equitable, we're proposing to apply a differential on the general rate within Wellington City only to re-balance the proportions paid by business and residential properties.

To do this we need to make a change to our Revenue and Financing Policy. We are proposing to change how the general rate is allocated within Wellington City by applying a differential of 2:1 to business rates within the Wellington CBD.

The Draft Revenue and Financing Policy can be found on www.haveyoursay.gw.govt.nz/ontrack2019-20.

[Submit your feedback by 5pm 24 May 2019 using the submission form and let us know if you want to attend the Public Hearings on 7 June 2019.](#)

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HOW TO HAVE YOUR SAY

We would like to hear your feedback on the options outlined in this document. To ensure your voice is counted we need your feedback returned no later than 5pm Friday 24 May 2019.

HAVE YOUR SAY ONLINE

To submit online visit www.haveyoursay.govt.nz/ontrack2019-20

HAVE YOUR SAY IN WRITING

Complete the submission form and send it to:

Annual Plan 2019/20 Submission
Freepost 3156
Greater Wellington Regional Council
PO Box 11646
Manners Street
Wellington 6142

SPEAK TO SOMEBODY ABOUT OUR PLANS

During the consultation period of 24 April to 24 May, our Councillors are available to attend meetings or receive enquiries. To contact them, please visit www.gw.govt.nz/council-and-councillors

SPEAKING AT A HEARING

If you make a submission about the options contained in this document, or another issue, you have the option to speak at a Council hearing. Council will hold hearings on Friday 7 June at its offices in Walter Street, Te Aro. Please let us know in your submission if you would like the chance to attend a hearing and speak to your submission, and which issue/s you would like to speak to. We will contact you and advise details of the hearings process.

WANT MORE INFORMATION

If you would like more detail, including a copy of the Draft Revenue and Financing Policy and Supporting Information to the Annual Plan, please visit www.haveyoursay.govt.nz/ontrack2019-20

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Please provide any further comments below or attach a separate document:

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greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

Free  

Greater Wellington Regional Council
Consultation Document for Annual Plan 2019/20
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