



If calling, please ask for Democratic Services

Council

Thursday 11 June 2020, 1.30pm

Via Zoom meeting

Members

Cr Ponter (Chair)

Cr Staples (Deputy Chair)

Cr Blakeley

Cr Brash

Cr Connelly

Cr Gaylor

Cr Hughes

Cr Kirk-Burnnand

Cr Laban

Cr Lamason

Cr Lee

Cr Nash

Cr van Lier

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

Council

Thursday 11 June 2020, 1.30pm

Via Zoom

Public Business

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greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

Please note these minutes remain unconfirmed until the Council meeting on 11 June 2020.

Report 20.149

Public minutes of the Council meeting on Thursday 21 May 2020

All members participating by Zoom at 9.31am.

Members Present

Councillor Ponter (Chair)
Councillor Staples (Deputy Chair)
Councillor Blakeley
Councillor Brash
Councillor Connelly (until 9.52am, and from 11.01am)
Councillor Gaylor
Councillor Hughes
Councillor Kirk-Burnnand
Councillor Laban
Councillor Lamason
Councillor Lee
Councillor Nash
Councillor van Lier

All members participated at this meeting via Zoom, and counted for the purpose of quorum, in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.

Public Business

1 Apologies

There were no apologies.

2 Declarations of conflicts of interest

There were no declarations of conflict of interest.

3 Public participation

There was no public participation.

4 Confirmation of the Public minutes of 30 April 2020 – Report 20.140

Moved: Cr Staples / Cr Blakeley

That the Council confirms the Public minutes of the Council meeting 30 April 2020 – Report 20.140.

The motion was **carried**.

5 Confirmation of the Public excluded minutes of 30 April 2020 – Report PE20.141

Moved: Cr Blakeley / Cr Brash

That the Council confirms the Public excluded minutes of the Council meeting 30 April 2020 – Report PE20.141.

The motion was **carried**.

6 Action items from previous meetings – Report 20.143 [for information]

Greg Campbell, Chief Executive, spoke to the report.

Strategy, policy or major issues

7 Crisis Management Team business continuity update – oral update

Greg Campbell, Chief Executive, and Nigel Corry, General Manager People and Customer, updated Council on Greater Wellington's response to COVID-19.

Greater Wellington's offices will be open to the public from Monday, 25 May 2020. Staff will return to the office from Monday as well, but this will be at most 50 per cent of capacity. New protocols have been developed to ensure health guidelines are met, including contact tracing of staff. There is now a clear desk policy, with staff coming into the office this week to clear their desks so that a deep clean could be done before Monday.

The work of the Crisis Management Team (CMT) is being wound down. Mr Corry advised that the CMT is working on a terms of reference for a review of the CMT and processes.

Greater Wellington has moved into recovery phase, and is looking at how business as usual will work. This includes embedding flexible working policies.

The Wellington Regional Emergency Management Office (WREMO) continues to be staffed. WREMO has downscaled their response and has moved back into their principal office. Greater Wellington continues to provide resourcing to WREMO, particularly in the information and health, safety and wellbeing areas. There will be a review of the relationship between Greater Wellington and WREMO, and how they have worked together.

8 Reducing interactions between wastewater and stormwater networks – Report 20.131 [for information]

Al Cross, General Manager Environment Manager, Shaun Andrewartha, Manager Environmental Regulation, Lucy Baker Manager Environmental Science, Matt Hickman, Manager Environmental Policy, and Alastair Smaill, Programme Lead – Urban Water, spoke to the report.

Noted: Cr Connelly left the meeting at 9.52am, during questions on the above item.

9 Early bird fares trial – deferral – Report 20.147

Scott Gallacher, General Manager Metlink, and Margaret Meek, Business Advisor, spoke to the report.

Moved: Cr Blakeley / Cr Lee

That the Council:

- 1 Notes that, on 4 February 2020, Council agreed to proceed with an Earlybird off-peak bus fares trial (the Trial) to provide off-peak Snapper fares for Metlink bus services prior to 7am on working days - Earlybird off-peak fares trial (Report 20.22) (Attachment 1).
- 2 Notes that the Trial was to be run for a four month period from its start date (10 February 2020).
- 3 Notes that the Trial was to be monitored continually against success criteria to determine whether the Trial was effective in spreading peak demand on the bus network in Wellington City.
- 4 Notes that initial findings of the Trial were to be reported back to Council after three months (May 2020) to determine whether the Trial should be extended.
- 5 Notes that from mid-March 2020, the emergence of COVID-19 and the Government's associated alert level system have had a significant impact on patronage on Metlink bus services.
- 6 Notes that due to the impact of these emerging factors, the Trial was only able to generate comparable data for four weeks.
- 7 Notes that Greater Wellington has insufficient data available upon which to determine the success of the Trial.
- 8 Agrees that the current Trial be suspended until February 2021 and then be reinstated for a period of three months.
- 9 Notes that any formal change proposed to fare levels will require consideration and agreement as part of the Annual Fare Review process.

The motion was **carried**.

Corporate

10 Quarter 3 Report – Report 20.125

Greg Campbell, Chief Executive, and Alan Bird, Chief Financial Officer, spoke to the report.

Moved: Cr Lamason / Cr Kirk-Burnnand

That the Council accepts Greater Wellington’s performance report as at 31 March 2020 (the end of the third quarter of 2019/20) (Attachment 1).

The motion was **carried**.

Noted: Cr Connelly returned to the meeting a 11.01am during questions on the above item.

Resolution to exclude the public

11 Exclusion of the public – Report 20.143

Moved: Cr Brash / Cr van Lier

That the Council excludes the public from the following parts of the proceedings of this meeting, namely:

Wellington Regional Stadium Trust – trustee appointment

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter, and the specific ground/s under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

Wellington Regional Stadium Trust – trustee appointment – Report PE20.151	
<i>Reason/s for passing this resolution in relation to each matter</i>	<i>Ground/s under section 48(1) for the passing of this resolution</i>
<p>Information contained in this report includes personal and identifying information about the proposed candidate for appointment. Withholding this information prior to Council’s decision is necessary to protect the privacy of that natural person, as releasing the information would disclose their consideration for appointment as a trustee of the Wellington Regional Stadium Trust.</p> <p>Council has not been able to identify a public interest favouring disclosure of this particular information in public</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(a) of the Act (to protect the privacy of natural persons, including that of deceased natural persons).</p>

proceedings of the meeting that would override the need to withhold the information.	
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The motion was **carried**.

The public part of the meeting closed at 11.09am.

Councillor D Ponter
Chair

Date:



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Please note these minutes remain unconfirmed until the Council meeting on 11 June 2020.

The matters referred to in these minutes were considered by Council on 21 May 2020 in public excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report PE20.150

Public excluded minutes of the Council meeting on Thursday 21 May 2020

All members participating by Zoom at 11.11am.

Members Present

Councillor Ponter (Chair)
Councillor Staples (Deputy Chair)
Councillor Blakeley
Councillor Brash
Councillor Connelly
Councillor Gaylor
Councillor Hughes
Councillor Kirk-Burnnand
Councillor Laban
Councillor Lamason
Councillor Lee
Councillor Nash
Councillor van Lier

All members participated at this meeting via Zoom, and counted for the purpose of quorum, in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.

Public Excluded Business

1 Wellington Regional Stadium Trust – trustee appointment – Report PE20.151

Sean Mahoney, Company Portfolio Manager, spoke to the report.

Moved: Cr Hughes / Cr Lamason

That the Council:

- 1 Appoints Rachel Taulelei as Trustee to the Wellington Regional Stadium Trust for a third term from 1 July 2020 to 30 June 2023, subject to Wellington City Council confirming agreement to this appointment.
- 2 Delays, following the expiry of Mark McGuiness's term on 30 June 2020, the appointment of a Trustee to the related vacancy until no later than 1 January 2021.

The motion was **carried**.

The public excluded part of the meeting closed at 11.16am.

Councillor D Ponter

Chair

Date:

Council
11 June 2020
Report 20.163



For Decision

DRAFT ANNUAL PLAN 2020/21

Te take mō te pūrongo

Purpose

1. To present Council with the draft Annual Plan 2020/21 for its consideration, in advance of seeking Council's adoption of the Annual Plan on 25 June 2020, and to advise Council on the options for resolutions on rates and charges for 2020/21.

He tūtohu

Recommendations

That the Council:

1. **Agrees** to a rates increase for 2020/21 of an average of 3 percent for the Wellington Region (Option 1 – Preferred; paragraphs 29 to 37).
2. **Agrees** the content of the draft Annual Plan 2020/21 (Attachment 1), subject to any changes made at this meeting.
3. **Notes** the final Annual Plan 2020/21 and the related resolutions on rates and charges for 2020/21 will be presented to the 25 June 2020 Council meeting for formal adoption.
4. **Notes** that public consultation is not required on the Annual Plan 2020/21 under Option 1 as no significant or material changes have been proposed from Greater Wellington's Long Term Plan 2018-28.

Te tāhū kōrero

Background

2. Section 95(1) of the Local Government Act 2002 (LGA) requires a local authority to prepare and adopt an annual plan for each financial year.
3. Section 95(5) indicates that the local authority shall present a full account of any changes from the long-term plan for the year in which the annual plan is being developed and to include all relevant financial and funding impact statements for the year in which the annual plan is being prepared. Section 95(6)(b) of the LGA also states that appropriate reference needs to be made to the relevant parts of the relevant long-term plan.
4. This report presents Council's draft Annual Plan 2020/21 ([Attachment 1](#)). The purpose of presenting this draft is for Council to be able to provide feedback prior to the

proposed adoption of the Annual Plan 2020/21 and related rates resolutions on the 25 June 2020.

5. The draft Annual Plan 2020/21 sets out the programme and budget for the 2020/21 financial year (1 July 2020 to 30 June 2021). Whilst there are no significant changes from Year 3 of Greater Wellington's Long Term Plan 2018-28, the draft Annual Plan 2020/21 acknowledges that the full impacts of the COVID-19 pandemic on our activities, budget and communities will not be known until later in the financial year.

Te tātaritanga

Analysis

6. Greater Wellington is facing increased pressure on costs associated with activities and progressing major projects. In response to this, we have carried out a line-by-line review of all our activities to identify cost savings and efficiency improvements to keep the rates increase to a more satisfactory level. The average rates increase has been arrived at through a mixture of savings, use of reserves, and borrowing, so Greater Wellington can continue to invest in key work programmes such as public transport, flood defences and environmental work.
7. The emergence of the COVID-19 pandemic in March 2020 and subsequent Alert Level 4 lockdown had a substantial impact on our communities, including financial hardship and stress. Greater Wellington is mindful of keeping rates at a level where we can deliver our planned work programme while managing the increased costs and keeping the financial burden on communities to a minimum. Other impacts of the COVID-19 pandemic that affect this annual plan are outlined below.
8. The full economic impact of the COVID-19 pandemic is still uncertain; however, Greater Wellington is committed to the economic recovery of the Wellington Region. We continue to work with other councils to assess and seek opportunities to boost economic recovery as we emerge from the restrictions of COVID-19.
9. The draft Annual Plan 2020/21 has been prepared with a pragmatic approach to set out our work programme for the coming financial year, whilst acknowledging the unprecedented events and impacts of the COVID-19 pandemic as we assess these at the current time.

Wellington Regional Stadium Trust

10. Wellington Regional Stadium Trust (the Trust) has approached Council and Wellington City Council (WCC) as joint settlers for financial support over the next 12 months. The Trust is anticipating an 85 percent drop in revenues and requires funding to meet operational costs and committed capital expenditure.
11. The Trust has a high level of short-term uncertainty with the return to normal being constrained by both the Government's restrictions on mass gatherings and the closure of international borders.

12. The Annual Plan assumes that Council and the WCC will jointly and equally provide a loan facility to the Trust at a cost of \$2.1 million to Greater Wellington and which is repayable over 10 years. This loan facility has been assessed as not significant or material, as this is a loan with very limited impact on rates in 2020/21.

Public Transport revenue

13. Public Transport/Metlink is continuing to experience “unprecedented impacts” from the COVID-19 pandemic, including a significant loss of patronage resulting in lower revenue.
14. The New Zealand Transport Agency is working with Greater Wellington to provide financial support for the period up to 30 June 2020, for revenue lost from free travel and significantly lower patronage.
15. While fares will be reintroduced from the beginning of 2020/21, we anticipate that, for the foreseeable future, patronage numbers and fare revenue will be considerably lower than pre-COVID levels. There could be as much as a 40 percent drop in revenue. The draft Annual Plan 2020/21 assumes that any shortfall in revenue will continue to be financially supported by central government.
16. Without such support, Greater Wellington would be required to either:
 - a Significantly increase its debt levels (by around \$20 million), which would add a significant burden to future ratepayers (an increase in rates of approximately 1.9 percent for 10 years to repay the loan) to maintain the current levels of service or
 - b Reduce service levels to generate savings (of around \$40 million) that would bring into question the viability of public transport in the Wellington Region.
17. Officers continue to liaise with the New Zealand Transport Agency and Government on this issue, but at this time we do not have a firm commitment to financial support moving forward.

Low Carbon Acceleration Fund

18. On 21 August 2019, Greater Wellington declared a climate emergency and stated that we need to move away from business as usual and take climate action. This declaration was supported by Council setting an ambitious target to be carbon neutral across all of its operations and subsidiaries by 2030.
19. The full extent of these decisions will be worked through and developed as part of Greater Wellington’s Long Term Plan 2021-31. In order to demonstrate Council’s commitment to being carbon neutral by 2030, the draft Annual Plan 2020/21 includes a \$2 million budget for new low carbon initiatives. Council established the Low Carbon Acceleration Fund in April 2020 (Design of the Low Carbon Acceleration Fund – Report 20.112) to enable the acceleration of activities that will reduce Greater Wellington’s corporate carbon footprint and that would not otherwise have been funded.
20. For 2020/21, these activities will be funded by borrowing, which means the impact on rates is minimal for the upcoming financial year. Greater Wellington intends that this borrowing will be paid back from the sale of the emissions units that were allocated to Greater Wellington by the Government on the establishment of the New Zealand

Emissions Trading Scheme. Presently valued at around \$7.2 million, the eventual sale of these emissions units will be proposed in Greater Wellington's upcoming consultation on the Long Term Plan 2021-31.

Balanced budget requirement

21. Section 100(1) of the LGA requires a local authority to ensure that it has an annual balanced budget; that is, projected operating revenues are set at a level sufficient to meet that financial year's projected operating expenses.
22. Section 100(2) of the LGA allows a local authority to resolve not to have a balanced budget if it is financially prudent to do so. This will be part of the resolutions at the proposed adoption of the Annual Plan on 25 June 2020.
23. Option 1 (see paragraphs 29 to 37) proposes a 3 percent rates increase that uses \$3.2 million of reserves to fund expenditure during 2020/21. This results in not having a balanced budget for 2020/21. Projected revenues are at 97 percent of projected operating expenditure.
24. Officers' view is that this approach is financially prudent as it enables Greater Wellington's work programme to largely continue while limiting the rates increase. This approach will also help support ratepayers who have been financially impacted by the COVID-19 pandemic and the restrictions of the Government's alert level system.
25. Option 2 would also result in not having a balanced budget where projected revenues would be 98 percent of projected expenditure.
26. Option 3 would also result in not having a balanced budget where projected revenues would be 96 percent of projected expenditure.

Nga kōwhiringa

Options

27. Three options have been considered for average rates increases across the Wellington Region as part of the draft Annual Plan 2020/21.
28. The actual increase in rates for individual properties varies depending on factors such as a property's rating value and whether it is classified as residential, business or rural.

Option 1 - Average 3 percent rates increase [Preferred]

29. This option looks to find a balance between reducing rates increases in response to financial hardship being suffered by ratepayers due to the COVID-19 pandemic and the Government's alert level system without significantly impacting on Greater Wellington's service levels or significantly increasing our debt. Officers recommend this option for these reasons.
30. This increase in rates has been achieved by a combination of reduced spending in both operational and capital expenditure and the use of reserves.
31. At the start of the planning process for the Annual Plan 2020/21, Greater Wellington faced a number of costs that were largely outside its control and not anticipated in the Long Term Plan 2018-28.

32. A line-by-line review of operational and capital expenditure was undertaken to identify possible savings to reduce the impact of these increases in costs without significantly impacting on the levels of service provided to the community. As a result of the COVID-19 pandemic, a further review was undertaken on the work programmes of Greater Wellington.
33. These reviews have resulted in a number of proposed reductions in operating and capital expenditure. These reductions have been carefully managed to ensure no significant changes to the levels of service outlined in the Long Term Plan 2018-28.
34. Over a number of years, reserves have been created and set aside for future uncertainties. Given the impacts of the COVID-19 pandemic, 2020/21 would seem an appropriate time to use these reserves. To limit the rates increase to 3 percent, the majority of reserves not tagged to specific activities will be used.
35. It should be noted that these reserves are not cash backed and will result in an increase in overall debt for Greater Wellington. This will result in an increase in debt of approximately \$3.2 million that would not otherwise be incurred.
36. The use of these reserves has reduced the rates requirement by 2.5 percent.
37. If the total of the proposed 3 percent rates increase was debt funded this would result in an increase in rates of 0.4 percent for the next 10 years to repay this debt.

Option 2 - Average 6.3 percent rates increase [No change]

38. Greater Wellington's Long Term Plan 2018-28 anticipated a rates increase of 6.3 percent.
39. A number of factors have changed since the Long Term Plan was approved (over two years ago) that result in this level of rates increase not necessarily being relevant.
40. Under this option the use of reserves to assist in funding would not be used and the reserve balances could be maintained at current levels.
41. This option does not respond to the financial hardship being suffered by ratepayers across the region as a result of the COVID-19 pandemic.

Option 3 - Average 0 percent rates increase

42. To achieve a zero percentage rates increase would require a combination of:
 - a Further reductions in operational and/or capital expenditure
 - b Funding operational expenditure from additional debt.
43. A further reduction in operational and/or capital would require a reduction in the levels of services that Greater Wellington provides to its communities.
44. This option would likely result in significant or material changes to the Long Term Plan 2018-28, meaning we may need to consult on any changes. This could result in Greater Wellington adopting its Annual Plan 2020/21 late (i.e. after 30 June 2020).
45. Funding operational expenditure from debt would burden future ratepayers with the repayment of that debt.

46. This option would provide further relief to the ratepayers across the Wellington Region who are suffering financial hardship as a result of the COVID-19 pandemic, but would add a considerable burden to future ratepayers that would limit Greater Wellington's ability to respond to future needs.

Ngā hua ahumoni **Financial implications**

47. Under Option 1 (preferred option) Greater Wellington would deliver a work programme with a reduced rates impact from that envisioned in the Long Term Plan 2018-28 – averaging a 3 percent increase across the region. This reduction equates to an average increase of \$0.21 and \$1.18 per week for residential and business ratepayers respectively, and an average decrease of \$0.18 for the rural ratepayers across all the Wellington Region.

Te huritao ki te huringa o te āhuarangi **Consideration of climate change**

48. The matters requiring decision in this report were considered by officers in accordance with the process set out in Greater Wellington's *Climate Change Consideration Guide*.

Mitigation and adaptation assessments

49. No mitigation or adaptation assessments are required for these decisions.

Ngā tikanga whakatao **Decision-making process**

50. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government 2002.

Te hiranga **Significance**

51. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of these matters, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider that these matters are of low significance. This is because there are no significant or material differences to the Long Term Plan and the proposed rates increase is lower than what was initially planned.

Te whakatūtakitaki **Engagement**

52. As there are no material or significant differences from Greater Wellington's Long Term Plan 2018-28, section 95(2A) of the LGA provides that no consultation on the annual plan is required. Greater Wellington will instead engage with and inform the community of what is planned for 2020/21.

53. We have developed regional fact sheets to highlight Greater Wellington’s continued investment in the things that really matter for each area of our extraordinary region. These fact sheets provide regional and local information. This information will support councillors and staff to have discussions with community members on how the Annual Plan 2020/21 affects different parts of the Wellington Region.
54. Greater Wellington also plans to use our own channels (website, social media, and internal communications) and earned channels (media releases) to engage and inform on key messages for the 2020/21 year.
55. We also intend to provide the opportunity for people to provide early feedback on the direction of the Long Term Plan 2021-31.

Ngā tūāoma e whai ake nei

Next steps

56. Officers will finalise the Annual Plan 2020/21 and related rates and charges resolutions for consideration at the Council meeting on 25 June 2020.

Ngā āpitihanga

Attachment

Number	Title
1	Draft Annual Plan 2020/21

Ngā kaiwaitohu

Signatories

Writers	Tracy Plane, Manager Strategic and Corporate Planning Alan Bird, Chief Financial Officer
Approver	Luke Troy, General Manager Strategy

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or Committee's terms of reference</i> Council is responsible, under section 95 of the LGA, for preparing and adopting an annual plan for each financial year.
<i>Implications for Māori</i> The implications for Māori are addressed in Attachment 1 .
<i>Contribution to Annual Plan / Long term Plan / Other key strategies and policies</i> This is the draft Annual Plan 2020/21. There are no significant changes to the levels of service as outlined in Greater Wellington's Long Term Plan 2018-28.
<i>Internal consultation</i> There was consultation with Finance, Strategy, Communications, and the Chief Executive.
<i>Risks and impacts: legal / health and safety etc.</i> There are no identified risks relating to the content or recommendations of this report.



Te Pane Matua Taiao Mahere-ā-Tau
GREATER WELLINGTON REGIONAL COUNCIL

Mahere-ā-Tau 2020/21 Annual Plan 2020/21

Attachment 1 to Report 20.163

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He karere nā te Heamana me Te Tumu Whakarae | Message from the Chair and Chief Executive

Kia ora koutou

As New Zealand and the world deals with extreme levels of uncertainty surrounding the COVID-19 pandemic and what this means for our immediate lives as well as our shared future, our focus remains on ensuring our region remains resilient and connected, and that it continues to thrive during these difficult times.

Following the triennial local government elections in late 2019, we welcomed in six new Councillors and, in turn, the Council appointed a new Chair. This new Council intends to continue to invest in the things that really matter to our extraordinary region: from improving the quality of our lakes, rivers and streams, protecting our environment from pests, maintaining our regional parks for everyone to enjoy, and improving our public transport network, through to building our region's resilience through our flood protection work and undertaking crucial climate change mitigation activities.

We are pleased to present our 2020/21 Annual Plan, which sets out the work programme and the budget for the year ahead (1 July 2020 – 30 June 2021). In 2020/21 we will progress the work planned for year three of our 2018-28 Long Term Plan with no significant changes. We have considered the impacts of the COVID-19 pandemic as we understand them today but note that we may not fully realise the impacts of this pandemic until later in 2020/21.

With increased costs associated with activities such as our public transport operation, implementing our Natural Resources Plan, and progressing our major projects such as RiverLink in Hutt City and Let's Get Wellington Moving in Wellington City we were facing a rates increase for 2020/21 which would have been unsatisfactory. In response to this we carried out a line-by-line review of all our activities in late 2019 to identify cost savings and efficiency improvements. In March 2020 with the emergence of the COVID-19 pandemic and subsequent Alert Level 4 Lockdown we began reviewing the impact that this situation will have on our activities, our budget and our communities. As a result, we have kept our rates increase for 2020/21 at a level that will ensure we can continue delivering our planned work programme while managing the increased costs and keep the burden on our communities at a minimum.

Over the past 12 months we strengthened our focus on climate change with our Council declaring a climate emergency for the region and committed the Council to becoming carbon zero by 2030. In the next 12 months we are looking forward to putting our climate change plans into action and shifting our focus back to the importance of us being an environmental management agency for the region.

Last year we also reviewed the Wellington City bus network, and made the necessary improvements to deliver reliable bus services to the city. In 2020/21 we will continue rolling out the review of the bus network to the rest of the region, ensuring we deliver an integrated and accessible public transport network.

We continue to partner with mana whenua and work alongside community groups, central government, local bodies and other organisations to deliver many of our programmes to achieve the best for everyone in our region.

In addition to delivering our programme of work for 2020/21 we will be turning our attention to planning for the next ten years and we look forward to engaging with our communities on the issues that are important to you to help inform our 2021-31 Long Term Plan. We encourage you to sign up to <https://haveyoursay.gw.govt.nz/> so that you don't miss the opportunity to be part of the conversations to help shape our region for the next ten years.

Ngā mihi



Daran Ponter
Chair of Greater
Wellington Regional
Council



Greg Campbell
Chief Executive

Attachment 1 to Report 20.163





He karere nā te Heamana o Ara Tahī | Message from the Chair of Ara Tahī

Me huri whakamuri Ka titiro whakamua

He hiahia nōku ki te mihi ki ngā mana whenua katoa i pau te kaha ki te atawhai i ō tātou hapori ki te ārai atu i te mate urutā KOWHEORI-19. I ēnei wā tonu o KOWHEORI, ko te utu a te Māori, ko te kōkiri i te tino rangatiratanga. Nō roto tonu i ngā tikanga i hua ai te utu. Ko tōna tūāpapa ko te tangata; he kura te tangata ki te Māori. Huia katoatia ngā rangatira Māori, te hunga rangatahi me ngā pakeke ki te haumarū i ō rātou hapori whakaraerae, inarā ko ngā kaumātua – ā tātou mokopuna tae atu ki te hunga māuiui, kia tautokohia rātou katoa i tēnei wā. Kātahi rā te rangatiratanga ko tērā kia hāpaitia i a tātou e haere whakamua ana.

Kua werohia tātou e ngā rāhui a te Kāwanatanga (hei tauira, kia tokoiti ki ngā tangihanga), kia panoni ā tātou tikanga kia aukati i te hōrapa o te mate urutā (hei tauira, kia katia ngā marae) me te whakamātautau kia urutau ā tātou tikanga (hei tauira, ko te hongī, ko te harirū ērā) i te wā e manaaki ana i ngā whānau kirimate. Ko te whakamahi i te hangarau kia tau ki ngā kāinga o ngā whānau ngā momo hui (hei tauira, ngā hui whakamaumahara i a ANZAC) i āhei tōnu tātou ki te piri, ki te tautoko i tēnā, i tēnā o tātou.

I te nekehanga ki te Taumata Whakatūpato 2 kua āhua ngāwari ake ēnei wero engari kia mataara tonu, ā, kua āhei tātou ki te whakapau mahara i te nui o tēnei mate ki runga i a tātou me ngā akoranga hei para i te huarahi whakamua.

Nā ēnei wero tō tātou whakawhanaungatanga i pakari kia rite mō te whakamahere oranga i te aranga ake i te mate. I tēnei wāhanga, me noho tahi Te Pane Matua Taiao ki a tātou ngā hoapiri mana whenua ki te whakarite i ngā ara, i ngā hua ōhanga ā-rohe e hora ana i ngā painga ki tēnā, ki tēnā kia kaua ā tātou mokopuna e heke mai nei e whiwhi i te taiao pōhara i runga i te whāwhai o ngā tukanga whakaaetanga ā-ture.

Kia mahuta ake tā tātou titiro ki ngā rā ki tua mō te rohe me ō tātou tāngata, me mātua titiro whakamuri ki te whakanui i ngā mea i tutuki tahi ai i a tātou, he whakamaumahara hoki i a tātou nā te hononga kaha i taea ai e tātou ngā kaupapa nunui te whakaputa i runga i te whāinga kotahi.

Nō te tūranga o te Heamana o Ara Tahī, te pīrangī nei ki te whakamahi i te hononga mauroa i waenganui i te Kaunihera me ngā mana whenua o te rohe. Mō te rūranga ārahitanga ā-rohe mō te hoapiri mana whenua me te Kaunihera ka aro tahi tātou ki ngā take whairautaki hei take nui ki a tātou katoa. Kua maringanui tātou i te whaihua o te hononga ki Te Pane Matua Taiao nui ake i te 25 tau. Nō te waitohutanga o te Manatū Whakaaetanga i te tau 1993, i whakaae tātou ki ngā whāinga hei mahi tahi mō te rohe, kua kawea ake e tātou ngā kaupapa e poho kererū ai tātou.

He wā kia arotake, kia mihia hoki ngā kaupapa kua tutuki i a tātou me te mahara ake kia pēhea tēnei hononga mahi tahi mō ngā tau 25 e heke mai nei. Mā te mahi hei hoapiri e taea ai e tātou te ara ki

tua te whakarite e haumarū ai, e hūrokuroku ai te anamata. Nā te mahi ngātahi a ngā Mema Pōti me ngā mana whenua, i whakarite nei kia kaha ake te hononga hei te anamata, arā kia:

- mana tā tātou whai wāhi ki ngā whakawhitinga me ngā tikanga e whakatakoto ai i ngā whakataunga
- taea ai te mana me te aroha ki Te Ao Māori te whakatinana, mā reira e taea ai e tātou ngā hua pai katoa mō te Māori me te whānuitanga o ngā take o te rohe te tutuki – tō tātou taiao māori, he ahurea mārāma kua paiherea me tētahi ōhanga e tino ora ana.

Hei tāpīringa, ko ia iwi mana whenua kua mahi tonu ki tētahi o Te Pane Matua Taiao me te mahi motuhake hoki mō ngā kaupapa pēnei i ō tātou pāka ā-rohe me te whakahaumarū i ō tātou hapori mō ngā pānga o ngā aituā ohotata ā-taiao, ētahi atu āhua anō hoki. I te tekau tau kua hipa ake, ko te aranga nui o te nuinga o ngā iwi ko te whakataua i ngā take Tiriti o Waitangi o mua ki te Karauna. Hei te tekau tau ka heke mai, e tinga ana ka whakaoti haere tērā tukanga. Ka koke ake tātou ki tua ki te ao kua oti kē ngā kerēme te whakataua, ka pīrangī tātou kia pono te hononga hei hoapiri e mahi tahi ana mō ngā kaupapa e whai hua ana ki a tātou tahi, kia puta te ōhanga Māori hei ohu whaimana i roto i te ōhanga whānui o te rohe.

I tērā tau, hei tohu i te tīmatanga o te huringa toru tau hou, i tū tētahi whakataua mō ngā kaikaunihera me ō rātou whānau kia whakamanawhenuatia rātou ki tō tātou rohe. I te whakataua, i āhei mātou ki te hora i ō mātou tūmanako mō te mahi tahi i runga i te rangapūtanga ki te Kaunihera.

Nā runga i te mahi a te kaitiaki e pīrangī ana tātou ki te whai wāhi ki ngā whakataunga e pā ana ki ō tātou whenua, ō tātou rerenga wai, ō tātou moana me ā tātou kararehe, ahakoa he pānga huringa āhuarangi, he kōwhiringa rānei mō te whakamahi i ō tātou wāhi tūmananui. He wā tēnei ka rikarika te ngākau, nā te mea ko te ture e kawea ana i ngā ara hou me te pīrangī kia rerekē hoki te āhua o te mahi tahi. Ko ngā panonitanga o nāianei, o te wā heke hoki ka pā pea ki ngā hononga o Te Pane Matua Taiao. Ka tatu atu ki Te Mana Whakahono-ā-Rohe (te whai wāhitanga o ngā iwi ki ngā whakaritenga) me ngā whakaritenga a te Marine and Coastal (Takutai Moana) Act 2011 e whakatinana ana i ngā ara hou e mahi tahi ai tātou.

Ka kaha mahi tahi te mana whenua me Te Pane Matua Taiao kia mārāma ai ki ēnei āhua mō te rohe nei.

Ngā mihi

Mahinarangi Hakaraia

Chair of Ara Tahī

Look back and reflect So that we can move forward

I want to mihi to all of mana whenua for the ongoing work with our communities during the nations COVID-19 response. During this COVID times, the response from Maori has been to exercise tino rangatiratanga. This response has been founded on tikanga. It is premised on people, the biggest asset to Maori. Maori leaders, rangatahi and pakeke collectively have committed everything they can to protect their vulnerable communities, particularly kaumatua –and our mokopuna and ensuring that those with health conditions are supported and well during this time. It is this rangatiratanga that should be leveraged as we move into a new future.

We have been challenged with the Government restrictions (eg limiting numbers at tangihanga) forced us to change to prevent the spread of the virus (eg closing marae) and tested our ability to adapt our tikanga (eg hongī, hariu) in caring for grieving whanau. The use of technology to beam karakia directly into the homes of whanau for services (eg ANZAC remembrance services) enabled us to stay in touch and support each other.

The move to Level two has relaxed many of these challenges while requiring us to remain alert and has enabled us to reflect on the huge impact this event had on our everyday lives and the lessons learnt going forward.

All of these challenges strengthened our whakawhanaungatanga bonds in laying the foundations for the next post-recovery planning processes. This phase will require GW to work closely with us as mana whenua partners to ensure the regional economic drivers and outcomes are shared and equitable and balances the need to ensure that our mokopuna of the future do not inherit adverse environment outcomes due to the fast track consent legislative processes.

As we look to the future for our region and our people we have to first look back on the past and celebrate what we have achieved together, and remind ourselves that, through our strong relationship, we have been able to deliver ambitious projects based on our shared vision.

As Chair of Ara Tahi, I want to acknowledge the ongoing relationship between Council and mana whenua of the region. As the regional leadership forum for mana whenua partners and Council we are focused on the collective strategic matters that concern us all. We have enjoyed a productive relationship with Te Pane Matua Taiao (Greater Wellington) for more than 25 years. Since signing the Memorandum of Understanding in 1993, where we agreed on joint aspirations for the region, we have delivered projects that we can be proud of.

It is time to take stock - to acknowledge our achievements and to think about what we want the collective relationship to be for the next 25 years. As partners this will enable us to plan the next steps to build a secure and sustainable future.

Collectively, elected members and mana whenua have been planning for a stronger future as partners to:

- ensure we are actively engaged and involved in decision making
- enable Te Ao Māori to be recognised and valued so that together we can achieve the best outcomes for Māori across all aspects of our region – our natural environment, a connected cultural understanding and a thriving economy.

In addition, individual mana whenua iwi have continued to work separately and directly with Greater Wellington on projects including our regional parks and protecting our communities from the impact of natural and other emergencies. In the past decade, most of our iwi have had a major focus on settling our Treaty of Waitangi historical claims with the Crown. Within the next decade, that process is likely to be completed. As we move into the post-settlement world, we want our relationships to be one of true partnership working together on areas of mutual benefit where the Māori economy becomes a key player in our wider regional economy.

Last year, to mark the start of a new triennium, we commenced the triennium with a whakatau for councillors and their whānau and to welcome them as mana whenua to our region. The whakatau enabled us to set the foundation for how we wish to work in partnership with Council.

As kaitiaki we want to be involved in the decisions that affect our land, our waterways, our ocean and our wildlife, whether it is the impact of a changing climate or the ways we use our public spaces. We have already begun a process through Ara Tahi focused on designing our role as partners in the future decisions making processes of council. We look forward to a future where we sit alongside our partners to make the best decision for this region that are future focused and intergenerational, decisions that our mokopuna will acknowledge us for because it was the right decision to make.

This is an exciting time as legislation provides new opportunities and the need to work in different ways. Current and future changes to legislation are likely to impact on our relationships with Greater Wellington. This includes the Te Mana Whakahono-a-Rohe (iwi participation arrangements) and the Marine and Coastal Area (Takutai Moana) Act 2011 provisions that enable new innovative ways of working together. Mana whenua and Greater Wellington will work together closely to understand what this means for the region.

Ngā mihi

Mahinarangi Hakaraia

Chair of Ara Tahi



He Whakarāpopotanga | Overview

The 2020/21 Annual Plan reflects year three of Greater Wellington Regional Council’s 2018-28 Long Term Plan. Our 2018-28 Long Term Plan set the work programme and budget for the 10 year period.

Whilst our context has changed over the last few years and new challenges have emerged, including COVID-19, we are planning to deliver what we said we would in our 2018-28 Long Term Plan. This continues with our programme of regional infrastructure, including significant investment in the public transport network, investment in our network of flood defences for vulnerable communities and our extensive programme of environmental work.

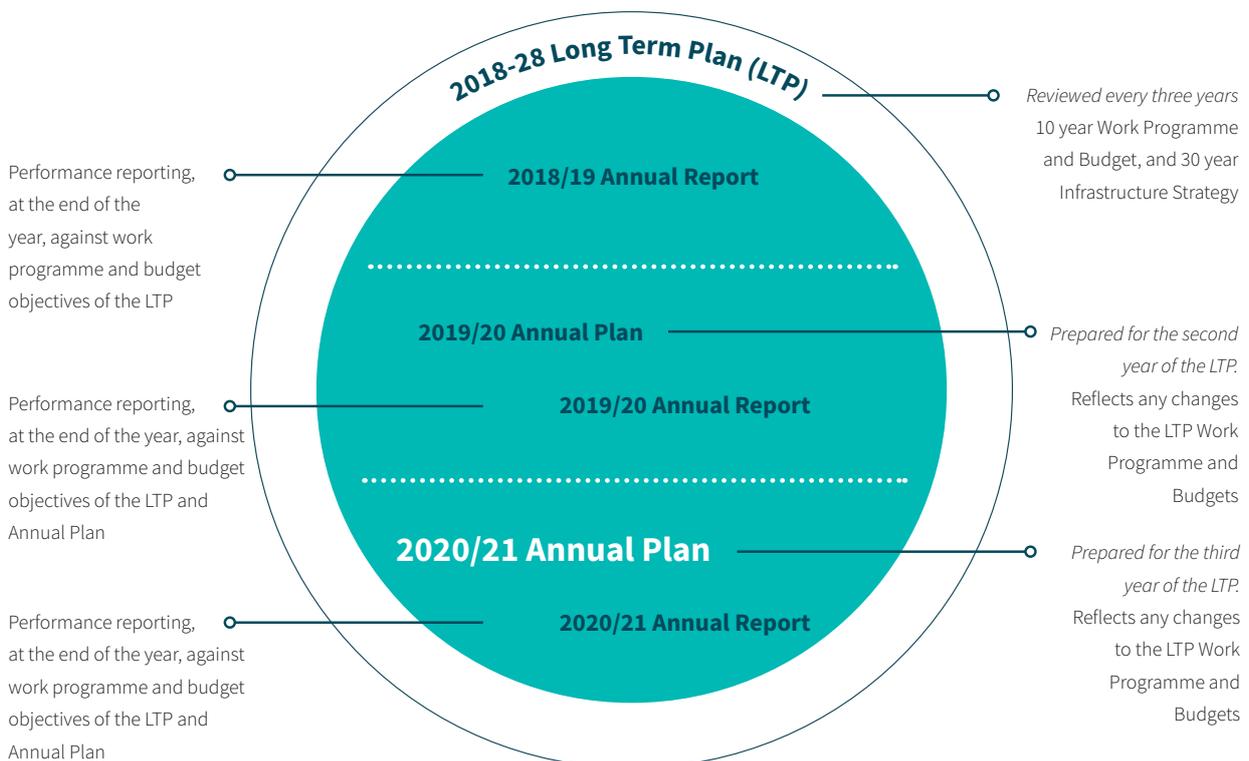
We have ensured that our programmes are designed to be adaptable as possible, to allow for these changes. However we also recognise that it is important that Greater Wellington takes a lead role in economic recovery. Many of our programmes of work are essential components, necessary to underpin a recovery. We also fund key regional initiatives and regional economic development programmes.

We are delivering this programme with a reduced rates impact from that envisioned in the Long Term Plan – averaging a 3% increase across the region. This equates to approximately an average increase of \$0.21 and \$1.18 per week for the residential and business ratepayer respectively, and an average decrease of \$0.18 for the rural ratepayer across all the regions. The specific rates for each part of the region and rating category can be found on pages 56-63 of this Plan.

We anticipate that our response to the impacts of COVID-19 will flow through into the Long Term Plan. We are starting to develop this Plan now and will seek to engage with the community to understand their priorities over the coming months. We encourage people to sign up to <https://haveyoursay.gw.govt.nz/> to have an input into the 2021-31 Long Term Plan.

There are uncertainties that may affect the delivery of this Plan, many of them relating to the impacts of COVID-19, which are still emerging. These impacts include the uncertain scale of change to our regional economy and the financial consequences for the community as well as the significant uncertainty of how the community’s travel patterns will change.

The diagram below illustrates the how this Plan fits within the planning and reporting cycle:



Ko tā Te Pane Matua Taiao whakahoki ki te mate urutā

KOWHEORI-19

How Greater Wellington is responding to the COVID-19 pandemic

As of March 2020 we find ourselves, like Councils across New Zealand, grappling with extreme levels of uncertainty surrounding the COVID-19 pandemic, and what this means not just for our immediate lives but for our shared future.

Greater Wellington remains committed to our vision of ensuring our extraordinary region remains resilient and connected, and that it continues to thrive during these difficult times.

We continue to monitor the unfolding situation and operate within the requirements set out by Central Government, ensuring our essential services continue to safely operate within our communities, while the rest of our work is adapted to be delivered in new and different ways where necessary.

While we are unsure what the full extent of the impact of the COVID-19 pandemic will be on our plans for 2020/21, we have made some assumptions and adjusted our Annual Plan accordingly. With the information we have at present, we have considered what activities or services might be reduced in scale, modified in some way or postponed due to the potential impacts of the COVID-19 pandemic on our communities and on the national economy.

Council reviewed the options for reducing the economic impact of the pandemic on our ratepayers in 2020/21 and arrived at the decision to reduce the average rates increase from what was originally planned in the 2018-29 Long Term Plan. The average rates increase of 3 percent has been arrived at through a mixture of savings, use of reserves and borrowing. The decisions made to achieve this rates increase are within the limits of our Significance

and Engagement Policy and our Revenue and Finance Policy and, in accordance with the Local Government Act 2002, no formal consultation has been carried out for this Annual Plan.

We are committed to supporting the economic recovery by working with other councils across the across the region on a suite of proposals to central Government to boost economic recovery. We continue to assess and look for opportunities to boost economic recovery as we emerge from the restrictions from the COVID -19 Pandemic.

As one of the two settlers of the Wellington Regional Stadium Trust (Sky Stadium) we have responded to their request for financial support as they realise the impact that the COVID-19 pandemic and lockdown has had on their operations. For 2020/21 Greater Wellington will be providing Sky Stadium with a loan of \$2.1m, that will only be drawn down when it is needed, which combined with a similar support package from their other settlor, Wellington City Council, will enable Sky Stadium to continue with essential seismic strengthening work and basic operations.

Our Public Transport operations continue to be impacted by the Alert Level restrictions. Under Alert Level 2 we are operating at 40 percent capacity on our buses and 30% capacity on our trains. As the country begins to return to their workplaces and schools it is expected that demand for public transport will increase but it is also expected that many people will continue to work from home or will change their modes of transport to walking or cycling. We expect this will impact on our public transport revenue although it is too early to predict how significant this impact will be.

He whakarāpopototanga Reti me ngā Panonitanga mō te Pūrongo ā-tau 2020/21

Summary of Rates and their Changes for the 2020/21 Annual Plan

For Year three of our 2018-28 Long Term Plan Greater Wellington proposed an average rates increase of 6.3 percent. After reviewing our work programme and our budgets for 2020/21 in light of the current COVID-19 pandemic, Council adopted an average rates increase of three percent. This equates to approximately an average increase of \$0.21 and \$1.18 per week for the residential and business ratepayer respectively, and an average decrease of \$0.18 for the rural ratepayer across all the regions.

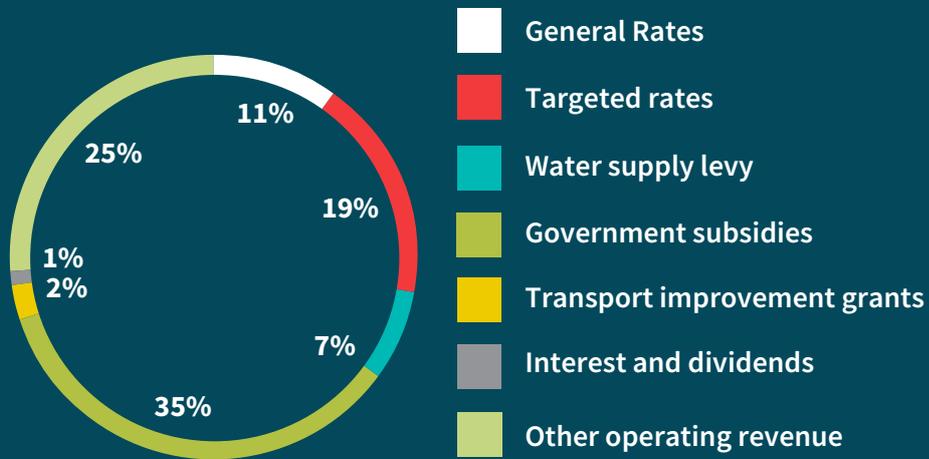
Your individual rate demand may differ from this percentage. This is due to the rate increase percentage being an average across the whole region. Each area within the region has a different set of inputs on which their rates are calculated.

For example, in determining your individual rate for 2020/21, your property may have changed in value and/or specific area targets rating inputs (such as public transport rates, river management rates, or pest management rates) may be applicable to you. What this means is that your rates bill is likely to differ from that of your neighbour's and your neighbouring areas.

What your rates pay for

 10% Regional Leadership	 52% Public Transport	 21% Environment	 13% Flood Protection and Control Works	 4% Regional Parks and Forests
General Rates and Targeted Rates	Targeted Rates	General Rates and Targeted Rates	General Rates and Targeted Rates	General Rates
Wellington Regional Strategy Emergency Management Democratic Services Relationships with Maori Regional transport planning and programmes Regional initiatives Capital projects	Metlink network planning and operations Metlink public transport network planning Rail operations and asset management Bus and ferry operations and asset management New public transport shelters, signage, pedestrian facilities, land and systems	Resource management Land management Biodiversity management Pest management Harbour management Environment projects	Understanding flood risk Maintaining flood protection and control works Improving flood security Hutt river improvements Otaki and Waikanae river improvements Wairarapa rivers improvements Other flood protection	Regional Parks Battle Hill Farm Forest Park Belmont Regional Park Queen Elizabeth Park Whitireia Park Pakuratahi Forest Akatarawa Forest Wainuiomata Recreation Area Kaitoke Regional Park East Harbour Regional Park Parks Other projects

How do rates contribute to Greater Wellington's overall income?



He aha ā mātou mahi mō tō tātou takiwā hei te 2020/21?

Some of what we've got planned for our region in 2020/21

Kāpiti Coast:

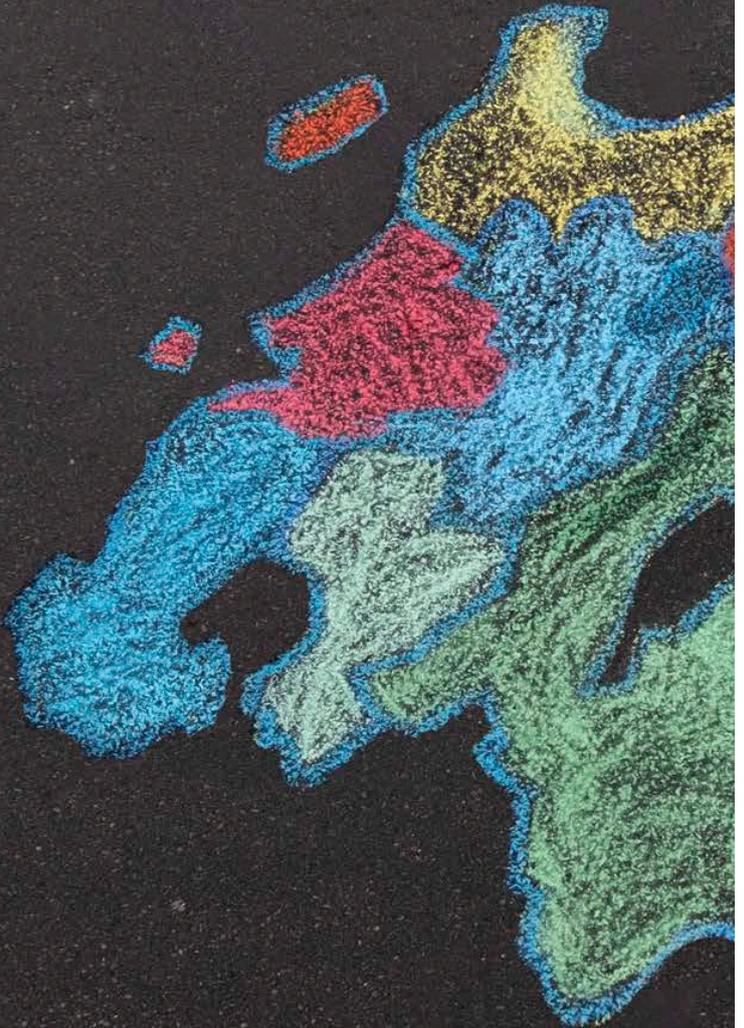
- Beginning the Kāpiti Whaitua Process.
- Implementing year one of the planned retreat of road, track and other visitor facilities from the Queen Elizabeth Park (QEP) shoreline between Raumati and Paekākāriki.
- Upgrading the Mackays Crossing entrance area at Queen Elizabeth Park to improve access for pedestrians, cyclists and vehicles.
- Establishing a new access track through the north eastern peatlands at QEP.
- Implementing the Ōtaki and Waikanae Flood Management Plans.

Porirua:

- Continuing to support the Te Awarua-o-Porirua Harbour and catchment strategy and action planning to implement the Te Awarua-o-Porirua Whaitua Implementation Programme.
- Renewing of the Setton Nossiter flood retention dam culvert.

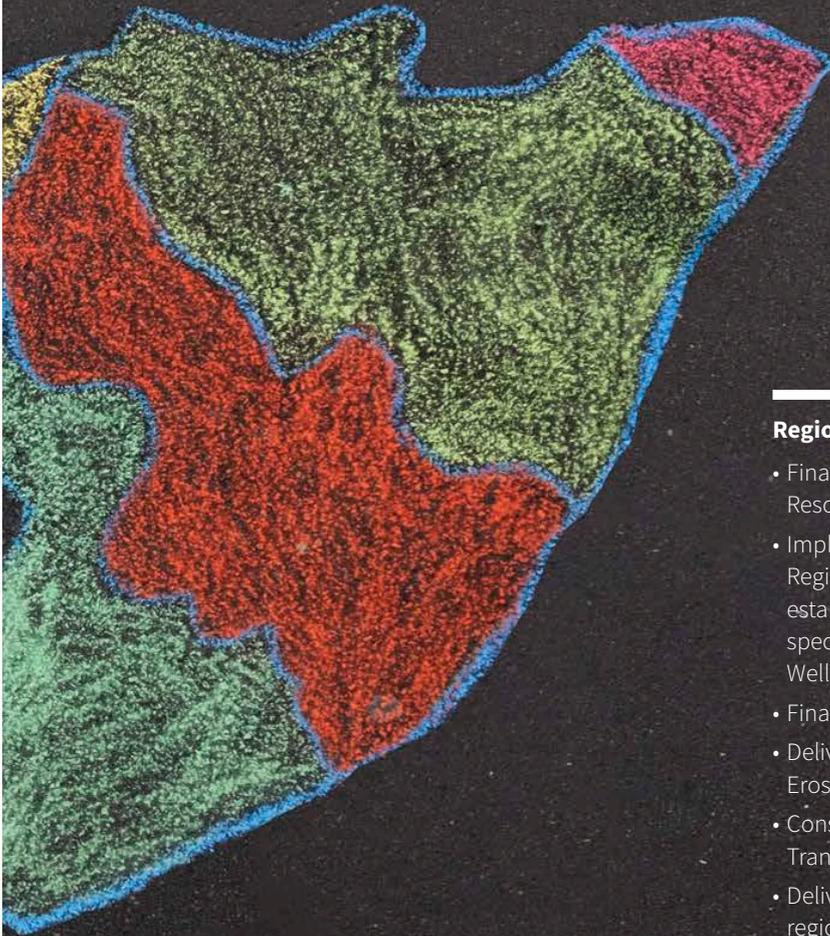
Wellington City:

- Completing the Te Whanganui-a-Tara Whaitua Implementation Programme.
- Progressing pest-free status for parts of Wellington City.
- Delivering early works and completing the indicative business case for the large components of the Let's Get Wellington Moving programme, including Mass Transit.
- Developing and partially implementing on-bus real-time passenger information (next stop announcements) in Wellington city.



Hutt City / Upper Hutt:

- Progressing the development of the RiverLink project.
- Continuing the double tracking of the rail line between Upper Hutt and Trentham.
- Commencing retirement and revegetation of the lower Kilmister block in Belmont Regional Park.



Wairarapa:

- Completing the soil mapping and production of electronic soil maps for the productive land in the Ruamahanga Whaitua Implementation Plan catchment.
- Continuing to provide efficient and effective scheme management services for Eastern Wairarapa catchment management schemes, maintaining community resilience, infrastructure protection and flood protection for key access assets.
- Completing and publishing the Waiohine Floodplain Management Plan.

Region Wide:

- Finalising and implementing the proposed Natural Resources Plan.
- Implementing year two of the Greater Wellington Regional Pest Management Plan 2019- 2039, which establishes a framework for managing or eradicating specified organisms efficiently and effectively in the Wellington region.
- Finalising and implementing the Parks Network Plan.
- Delivering the second year of the Wellington Regional Erosion Control Initiative programme.
- Consultation and adoption of the Regional Land Transport Plan.
- Delivering behaviour change programmes across the region to encourage active travel and use of public transport, including Movin' March (promoting active travel to school); and a region-wide bike festival encouraging all aspects of bike riding for families and communities.
- Continuing to work with our partners, KiwiRail and Transdev, to modernise and improve resilience, infrastructure, capacity and punctuality of the rail network.
- Working with our bus operators to implement a number of improvement packages in order to continually improve bus service performance.
- Implementing a number of improvements to our water supply infrastructure.

Ko ā mātou mahi | Our Role

Our vision for the region is:

He rohe taurikura – ka tōnui, ka honohono, ka pakari hoki

An extraordinary region – thriving, connected and resilient

We take care of the things that matter. We have a fundamental role in the region to support the nation's aspirations to improve the overall wellbeing of all New Zealanders. We provide the infrastructure, services and leadership to help connect and grow our region. Along with mana whenua, we are the guardians of the region's waterways and land.

We are part of a large network and system – mana whenua, community groups, central government, local bodies and other organisations – working together to achieve the best we can for everyone in this great region of ours.

Legislation directs the things we have to do and it is our role to work within this system and wider community, to establish and agree how and when those services and work programmes are delivered.

Greater Wellington has a role to play in achieving New Zealand's wellbeing goals. In the 2018-28 LTP we framed our priorities and work within five community outcomes and we believe these continue to provide a sustainable base in which to plan for the future of our region.



Community Outcomes

Strong Economy	Connected Community	Resilient Community	Healthy Environment	Engaged Community
A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment	People are able to move around the region efficiently and communications networks are effective and accessible	A regional community that plans for the future, adapts to climate change and is prepared for emergencies	An environment with clean air, fresh water, healthy soils and diverse ecosystems that supports community needs	People participate in shaping the region’s future, take pride in the region, value the region’s urban and rural landscapes, and enjoy the region’s amenities

Strategic Priorities

In developing the 2018-28 LTP we focused our work programme on four key priority areas that the community told us are the things that matter.

Fresh water quality and biodiversity	Regional resilience	Water supply	Public transport
The quality of the fresh water in our rivers, lakes and streams is maintained or improved, and our region contains healthy plants and wildlife habits	Our infrastructure is resilient to adverse events and supports our region’s economic and social development	The bulk water supply infrastructure consistently delivers high quality drinking water to the four city councils (Porirua, Hutt City, Upper Hutt and Wellington)	The Wellington region has a world-class integrated public transport network

Underpinning all of this work is how we respond to our changing environment. We have a responsibility to look ahead, to anticipate and consider how changes to our environment will impact the work we do. In our 2018-28 LTP we outlined eight areas we were anticipating change and how these changes will impact on our work. Please refer to pages 22-23 and 201-217 of the 2018-28 LTP for more detail on these Assumptions.

A Snapshot of Te Upoko o Te Ika a Maui – Wellington Region

3% of New Zealand's total land area,
8,049 km²

coastal marine area of
7,867km²



320km of rivers and
280km of stopbanks

25 marae which include a mix of
mana whenua and mātāwaka marae



We operate **20**
harbour navigation lights

3,600 bus,
380 rail, and
30 ferry journeys per weekday

83 two-car Matangi (electric) units and
24 locomotive hauled carriages

3,000 bus stops and shelters
and nearly **50** Station assets

1.8 million
visits to our six regional parks each year



Last year we carried out possum
and mustelid control over almost

123,000ha

1,692 air, land and water
monitoring sites throughout the region



21 million
data points collected each year to report
on the state of our natural resources

Ko te Mahi Tahī ki te Mana Whenua | Partnering with Mana Whenua

For over a quarter of a century, mana whenua and Greater Wellington have worked together in an evolving partnership arrangement.

The recent changes in our environment has resulted in unprecedented changes to the way mana whenua partners engage and work with Greater Wellington and with each other in helping contain the Coronavirus. Mana whenua proactively adapted their tikanga by putting a rahui on their hongī and harirū tikanga processes in welcoming manuhiri. These new processes will help reduce the spread of the virus and protect whānau, hapū and iwi and the wider community. Mana whenua are currently considering the new Ministry of Health guidelines and the far reaching proposed changes to the tikanga associated with Tangihanga.

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.

Greater Wellington 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. They are:

- **Ngāti Kahungunu ki Wairarapa**
Represented by Ngāti Kahungunu ki Wairarapa Charitable Trust
- **Taranaki Whānui ki te Upoko o te Ika**
Represented by the Port Nicholson Block Settlement Trust
- **Ngāti Toa Rangatira**
Represented by Te Rūnanga o Toa Rangatira Inc
- **Te Ātiawa ki Whakarongotai**
Represented by Ātiawa ki Whakarongotai Charitable Trust
- **Ngāti Raukawa ki te Tonga**
Represented by Ngā Hapū o Ōtaki

- **Rangitāne o Wairarapa**

Represented by Rangitāne o Wairarapa Inc

We work with our mana whenua partners in a number of ways:

- Ara Tahī is a leadership forum that includes six mana whenua partners and Greater Wellington, which focuses on regional strategic matters of mutual concern.
- Council committees and advisory groups – they are involved in Council decision making as:
 - Council-appointed members nominated by Ara Tahī (e.g. Environment, Finance, Risk and Assurance and Transport and Climate Committees); and
 - as appointees nominated directly by mana whenua iwi: eg 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. Other examples include Wairarapa Committee; Hutt Valley Flood Management Subcommittee; and Te Kāuru Upper Ruamāhanga River Floodplain Management Subcommittee); and
- 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 by more than 25 statutes. The most important are the Resource Management Act 1991 and the Local Government Act 2002 including the amendments to each Act.



Ko te Mahi mō te Āhuarangi | Climate Action

Climate change is arguably the biggest environmental challenge we have ever faced, and it affects everyone in the region. In the past twelve months the New Zealand Government has enacted its flagship Zero Carbon legislation and created the Climate Commission, and we've witnessed climate marches at scales that have brought our cities and towns to a stand-still. Pressure has been placed on our leaders over inaction, which resulted in many governments and local councils declaring climate emergencies over the last year, including our Greater Wellington.

We are still experiencing the impact of the global COVID-19 pandemic, the effects of which will continue to be felt for some time to come. The reset required to move us out of the economic crisis we are facing also provides the opportunity to address the climate crisis. While we must prioritise our immediate COVID-19 recovery response to ease the economic pressures our communities are facing, our response can also future proof the region, by reducing the impact on the climate while assisting in our transition to a low emissions economy. We cannot afford to take our eye off the ball and lose sight of our long-term goals and vision for our region; a smart, innovative, low carbon economy. If we fail to avert the looming climate crisis while addressing the short term COVID-19 challenge, future generations will be burdened with the cost of both.

Greater Wellington's climate emergency response

Greater Wellington's climate emergency declaration was strengthened by Council adopting two ten-point action plans – a Corporate Carbon Neutrality Action Plan and a Regional Climate Emergency Action Plan. Implementation of these action plans are led through a cross-organisational programme of work across Greater Wellington's activities.

The Corporate Carbon Neutrality Action Plan includes a target to reduce Greater Wellington's corporate carbon footprint to net zero by 2030, and provides a pathway to meet this target. The Regional Climate Emergency Action Plan supports activities to reduce carbon emissions in the region as a whole and improve our resilience to the effects of climate change which are now unavoidable for the region.

For the first time this Council has established a Climate Committee that is dedicated to tackling climate issues over the triennium. The committee oversees and informs the development and review of Council's strategies, policies, plans, programmes and initiatives from a climate perspective. It comprises eight elected officials, one or more mana whenua representatives and a non-elected climate expert appointed by Council. The committee will review the implementation and delivery of climate change policy and provide effective leadership on this for both Greater Wellington and the region.

Key initiatives for the year also include the early funding of a new contestable fund designed to accelerate carbon emissions reductions across the organisation. This fund will allow Greater Wellington to accelerate projects which will have a demonstrable impact on reducing our corporate carbon emissions, such as park restoration and electrification of our vehicle fleet.

It is intended that the fund could be funded from the sale of the emissions units that Greater Wellington received from the Government for its pre-1990 planted forests when the New Zealand Emissions Trading Scheme became operative. The sale of this asset will be considered through Greater Wellington's upcoming Long Term Plan consultation. Given the urgency of the climate challenge, we will start the fund this year by borrowing an initial \$2 million to speed up work we are already doing or have planned towards reducing Greater Wellington's carbon footprint.





Ngā Mahi a Te Pane Matua Taiao | Activities of Greater Wellington Regional Council



Te Taiao | Environment

We are responsible for regulating the use of the region's natural resources.
We do this through our work in five activity areas in the Environment group:

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

Some of our key Environment projects and programmes for 2020/21 include:

Project / Programme	What we will deliver in 2020/21
Whaitua Committee programme	<p>We will continue to support and enable our Whaitua committees; groups of local people, iwi and councillors responsible for identifying ways to manage water use and maintain or improve the quality of streams, rivers and harbours in their area.</p> <p>In 2020/21 we will complete the Whaitua Te Whanganui-a-Tara Committee Whaitua Implementation Programme and begin the Kāpiti whaitua process.</p>
Proposed Natural Resources Plan (pNRP)	<p>The pNRP is likely to be substantially operative by end of 2021, following the progression of the appeals process through the Environment Court.</p>
Wellington Regional Erosion Control Initiative (WRECI) programme	<p>We will deliver the second year of the WRECI programme which will include delivering the Hill Country Erosion Programme with MPI and treating at least 550 hectares of erosion prone land.</p>
Regional Pest Management Plan (RPMP)	<p>We will implement year two of the Greater Wellington RPMP 2019- 2039, which establishes a framework for managing or eradicating specified organisms efficiently and effectively in the Wellington region. Implementing the Plan will:</p> <ul style="list-style-type: none"> • Minimise the actual or potential adverse or unintended effects of these organisms • Maximise the effectiveness of individual actions in managing pests through a regionally coordinated approach • Reverse the loss of flora and fauna in the managed high-value areas in the region • Progress pest-free status for parts of Wellington city.
Key Native Ecosystem (KNE) Programme	<p>We will continue to deliver the KNE Programme, which protects and restores some of the highest value biodiversity areas in the region. Our Biodiversity department coordinates the programme across the region and develops operational plans for each individual KNE site detailing management activities targeted towards protecting or restoring the site's values (eg, shore birds, wetlands, reptiles, rare plants) as well as the ecosystem it represents as a whole.</p>

There have been no changes to the set of performance measures for 2020/21 from what is published in the 2018-28 Long Term Plan.

Refer to **pages 27-46 of the 2018-28 Long Term Plan** for a full set of projects, programmes, performance measures and targets for the Te Taiao – Environment Activity Group.

Attachment 1 to Report 20.163

Environment Prospective Funding Impact Statement

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Sources of operating funding		
General rate	30,378	32,061
Targeted rate	671	765
Subsidies and grants for operating purposes	2,929	-
Fees, charges, and targeted rates for water supply	7,535	6,770
Fines, infringement fees, and other receipts ¹	5,094	4,039
Total operating funding	46,607	43,635
Applications of operating funding		
Payments to staff and suppliers	39,635	34,180
Finance costs	342	437
Internal charges and overheads applied	8,854	7,882
Total applications of operating funding	48,831	42,499
Surplus/(deficit) of operating funding	(2,224)	1,136
Sources of capital funding		
Increase / (decrease) in debt	2,676	1,097
Gross proceeds from asset sales	79	67
Total sources of capital funding	2,755	1,164
Applications of capital funding		
Capital expenditure		
- to replace existing assets	2,966	2,168
Increase / (decrease) in reserves	(2,435)	132
Total applications of capital funding	531	2,300
Surplus/(deficit) of funding	-	-
Depreciation on Environment assets	1,203	1,292

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

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

All figures on this page exclude GST.

Attachment 1 to Report 20.163

Environment Prospective Funding Information

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Operating funding		
Resource management	24,588	23,225
Land management	7,920	6,073
Biodiversity management	4,778	4,954
Pest management	6,939	7,026
Harbour management	2,382	2,357
Total operating funding	46,607	43,635
Applications of operating funding		
Resource management	24,967	22,473
Land management	9,177	5,947
Biodiversity management	5,070	4,901
Pest management	7,254	6,872
Harbour management	2,363	2,306
Total applications of operating funding	48,831	42,499
Capital expenditure		
Environment projects	2,678	1,920
Capital project expenditure	2,678	1,920
Plant and equipment	5	5
Vehicles	283	243
Total capital expenditure	2,966	2,168

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

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

All figures on this page exclude GST.



Ngā Papa Whenua | Regional Parks and Forests

We manage a network of regional parks and forests for everyone to enjoy:

- Queen Elizabeth Park
- East Harbour Regional Park (including Baring Head/ Ōruapouanui)
- Battle Hill Farm Forest Park
- Akatarawa Forest
- Belmont Regional Park
- Kaitoke Regional Park
- Pakuratahi Forest
- Wainuiomata Recreation Area
- Whitireia Park (under the direction of the Whitireia Park Board)

Some of our key Regional Parks and Forests projects and programmes for 2020/21 include:

Project / Programme	What we will deliver in 2020/21
Planned retreat of road, track and other visitor facilities from the Queen Elizabeth Park shoreline between Raumati and Paekākāriki.	We will implement the first year of the retreat plan which includes building new facilities and hard infrastructure works on roads, tracks and access ways.
Upgraded entranceway at Mackays Crossing, Queen Elizabeth Park	Upgraded vehicle access and parking, and safer connections for walkers, cyclists and horse riders both from and within Queen Elizabeth Park. A separate exit gate will enhance visitor flow to and from the state highway network.
Park Master Plans	We will complete the Parks Network Plan and commence the process of implementation through parks master planning with the community. The Parks Master Plans will map out the short, medium and long term changes in the parks land management, from grazed land to large scale restoration of forests and wetlands and complementary recreational opportunities.

There have been no changes to the set of performance measures for 2020/21 from what is published in the 2018-28 Long Term Plan.

Refer to **pages 49-59 of the 2018-28 Long Term Plan** for a full set of projects, programmes, performance measures and targets for the Ngā papa whenua – Regional parks and forests Activity Group.

Attachment 1 to Report 20.163

Regional Parks and Forests Prospective Funding Impact Statement

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Sources of operating funding		
General rate	5,803	6,544
Fees, charges, and targeted rates for water supply	254	272
Fines, infringement fees, and other receipts ¹	654	717
Total operating funding	6,711	7,533
Applications of operating funding		
Payments to staff and suppliers	3,782	3,836
Finance costs	495	638
Internal charges and overheads applied	2,407	2,143
Total applications of operating funding	6,684	6,617
Surplus/(deficit) of operating funding	27	916
Sources of capital funding		
Increase / (decrease) in debt	2,740	1,346
Gross proceeds from asset sales	822	74
Total sources of capital funding	3,562	1,420
Applications of capital funding		
Capital expenditure		
- to replace existing assets	3,656	2,325
Increase / (decrease) in reserves	(67)	11
Total applications of capital funding	3,589	2,336
Surplus/(deficit) of funding	-	-
Depreciation on Parks assets	2,200	2,293

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 Greater Wellington's Revenue and Financing Policy.

All figures on this page exclude GST.

Attachment 1 to Report 20.163

Regional Parks and Forests Prospective Funding Information

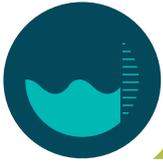
For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Operating funding		
Regional Parks	6,711	7,533
Total operating funding	6,711	7,533
Applications of operating funding		
Regional Parks	6,684	6,617
Total Applications of Operating Funding	6,684	6,617
Capital expenditure		
Battle Hill Farm Forest Park	21	22
Belmont Regional Park	1,001	1,277
Queen Elizabeth Park	1,663	402
Whitireia Park	13	-
Akatarawa Forest	156	-
Wainuiomata Recreation Area	33	-
Kaitoke Regional Park	84	85
East Harbour Regional Park	210	215
Parks Other	235	76
Capital project expenditure	3,416	2,077
Vehicles	241	248
Total capital expenditure	3,657	2,325

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

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

All figures on this page exclude GST.



Te Tiaki Me Te Arahi Waipuke | Flood Protection and Control Works

We are responsible for managing flood risk from the region's rivers and streams. Our flood protection and control work group includes three activities:

- Understanding flood risk
- Maintaining flood protection
- Improving flood security

Some of our key Flood Protection and Control Works projects and programmes for 2020/21 include:

Project / Programme	What we will deliver in 2020/21
RiverLink – Hutt river flood protection	RiverLink is a project to deliver better flood protection, better lifestyle and improved transport connections in Lower Hutt. In 2020/21 we will progress development of design and lodgement of resource consents, as part of RiverLink partnership with Hutt City Council and Waka Kotahi NZ Transport Agency.
Carrying out hazard investigations and developing Floodplain Management Plans	We will complete and publish the Waiohine Floodplain Management Plan.
Implementing the outcomes of the Flood Management Plans	We will implement the outcomes of a number of Flood Management Plans across Kāpiti, Porirua, Wairarapa and Upper Hutt.
Implement outcomes of the Hutt, Waikanae, Ōtaki and Pinehaven Environmental Strategies and supporting community groups to enhance the river environments	We will continue working with our partners and the community to implement the outcomes of Environmental strategies that enhance the river environments in the Hutt, Waikanae, Ōtaki and Pinehaven. This includes Trail safety and improvements.

There have been no changes to the set of performance measures for 2020/21 from what is published in the 2018-28 Long Term Plan.

Refer to **pages 75-88 in the 2018-28 Long Term Plan** for a full set of projects, programmes, performance measures and targets for the Te Tiaki Me Te Arahi Waipuke – Flood protection and control works Activity Group.

Attachment 1 to Report 20.163

Flood Protection and Control Works Prospective Funding Impact Statement

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Sources of operating funding		
General rate	11,716	12,851
Targeted rate	8,458	9,143
Fines, infringement fees, and other receipts ¹	4,792	5,254
Total operating funding	24,966	27,248
Applications of operating funding		
Payments to staff and suppliers	13,726	10,511
Finance costs	5,162	6,353
Internal charges and overheads applied	4,060	3,615
Total applications of operating funding	22,948	20,479
Surplus/(deficit) of operating funding	2,018	6,769
Sources of capital funding		
Increase / (decrease) in debt	12,757	13,224
Gross proceeds from asset sales	101	105
Total sources of capital funding	12,858	13,329
Applications of capital funding		
Capital expenditure		
- to improve the level of service	14,473	18,945
- to replace existing assets	1,418	308
Increase / (decrease) in investments	279	423
Increase / (decrease) in reserves	(1,294)	422
Total applications of capital funding	14,876	20,098
Surplus/(deficit) of funding	-	-
Depreciation on assets	1,787	1,785

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 Greater Wellington's Revenue and Financing Policy.

All figures on this page exclude GST.

Attachment 1 to Report 20.163

Flood Protection and Control Works Prospective Funding Information

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Sources of operating funding		
General rate	11,716	12,851
Targeted rate	8,458	9,143
Fines, infringement fees, and other receipts ¹	4,792	5,254
Total operating funding	24,966	27,248
Applications of operating funding		
Payments to staff and suppliers	13,726	10,511
Finance costs	5,162	6,353
Internal charges and overheads applied	4,060	3,615
Total applications of operating funding	22,948	20,479
Surplus/(deficit) of operating funding	2,018	6,769
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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 this group of activities, please refer to Greater Wellington's Revenue and Financing Policy.

All figures on this page exclude GST.



Ngā Kaihautū o te Rohe | Regional Leadership

We coordinate regional leadership activities in partnership with other local authorities on a range of issues across the region. The Regional leadership group includes the following activities:

- Regional economic development and the Wellington Regional Strategy
- Relationships with Māori and mana whenua
- Emergency management
- Regional transport planning and programmes
- Democratic services
- Regional initiatives

Some of our key Regional Leadership projects and programmes for 2020/21 include:

Project / Programme	What we will deliver in 2020/21
Economic Recovery from COVID-19	We will seek to understand the impact that COVID-19 has had on Greater Wellington's activities and the wider region, and we will take steps towards recovery as an organisation and a region.
Regional Growth Framework and Economic Recovery	We are taking part in a multi-agency project which will develop a growth framework for the Wellington region for the next 30+ years. This strategy will be completed this year.
Regional Land Transport Plan (RLTP)	We will be engaging the public on the draft RLTP and plan to adopt the new RLTP by April 2021.
Let's Get Wellington Moving (LGWM)	We will work with our partners, Wellington City Council and the NZ Transport Agency, on delivering a programme of early works and completing the indicative business cases for the large components of the LGWM Programme, including Mass Transit.
Multi User ferry Terminal	We will continue working with the other five partners to assess a preferred location for a Multi User Ferry Terminal and make recommendations on that project to the governance group. We will then commence planning for a preferred option.
Lead legislation and policy advice on areas of implication for Māori	Influencing and developing proactive and meaningful policy and strategy that reflects, serves and delivers for Māori.

There have been no changes to the set of performance measures for 2020/21 from what is published in the 2018-28 Long Term Plan.

Refer to **pages 107-122 in the 2018-28 Long Term Plan** for a full set of projects, programmes, performance measures and targets for the Ngā Kaihautū o te Rohe – Regional leadership Activity Group.

Attachment 1 to Report 20.163

Regional Leadership Prospective Funding Impact Statement

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Sources of operating funding		
General rate	9,558	10,002
Targeted rate	8,400	9,034
Subsidies and grants for operating purposes	2,513	1,402
Fees, charges, and targeted rates for water supply	18	19
Fines, infringement fees, and other receipts ¹	2,831	2,864
Total operating funding	23,320	23,321
Applications of operating funding		
Payments to staff and suppliers	34,027	21,425
Finance costs	938	1,028
Internal charges and overheads applied	184	649
Total applications of operating funding	35,149	23,102
Surplus/(deficit) of operating funding	(11,829)	219
Sources of capital funding		
Subsidies and grants for capital expenditure	510	-
Increase / (decrease) in debt	7,966	(191)
Gross proceeds from asset sales	30	31
Total sources of capital funding	8,506	(160)
Applications of capital funding		
- to replace existing assets	1,105	108
Increase / (decrease) in investments	(93)	(2)
Increase / (decrease) in reserves	(4,335)	(47)
Total applications of capital funding	(3,323)	59
Surplus/(deficit) of funding	-	-
Depreciation on Regional Leadership assets	461	504

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

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

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

All figures on this page exclude GST.

Attachment 1 to Report 20.163

Regional Leadership Prospective Funding Information

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Operating funding		
Wellington Regional Strategy	5,009	5,219
Emergency Management	4,093	4,135
Democratic Services	2,682	2,387
Relationships with Māori	1,038	1,312
Regional transport planning and programmes	5,592	4,908
Regional initiatives ¹	4,906	5,360
Total operating funding	23,320	23,321
Applications of operating funding		
Wellington Regional Strategy	5,108	5,332
Emergency Management	4,023	4,062
Democratic Services	2,604	2,308
Relationships with Māori	1,332	1,305
Regional transport planning and programmes	13,920	4,711
Regional initiatives ¹	8,162	5,384
Total applications of operating funding	35,149	23,102
Capital expenditure		
Capital project expenditure	1,000	-
Plant and equipment	5	5
Vehicles	100	103
Total capital expenditure	1,105	108

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 Greater Wellington's Revenue and Financing Policy.

All figures on this page exclude GST.



Ngā Puna Wai | Water Supply

We are responsible for collecting, treating and distributing safe and healthy drinking water to Wellington, Lower Hutt, Upper Hutt and Porirua cities.

This work is carried out for us by Wellington Water.

Some of our key Water Supply projects and programmes for 2020/21 include:

Project / Programme	What we will deliver in 2020/21
Securing Wellington's water source – cross harbour pipeline or harbour bores	We will complete the business case to test whether to proceed with this project, incorporating updated cost estimates; if the project proceeds, then preliminary design and consenting will commence during the year.
Renewal of water treatment assets (Waterloo, Te Marua, Gear Island, Wainuiomata)	As part of ongoing asset renewals we will replace the wells at Gear Island and Waterloo. We will also commence concept design, cost estimates and project planning for a capacity upgrade of Te Marua water treatment plant.
Replace Kaitoke main on Silverstream bridge	We will develop the detailed design, resource consenting and procurement for construction.

There have been no changes to the set of performance measures for 2020/21 from what is published in the 2018-28 Long Term Plan.

Refer to **pages 61-72 of the 2018-28 Long Term Plan** for a full set of projects, programmes, performance measures and targets for the Ngā Puna Wai – Water Supply Activity Group.

Attachment 1 to Report 20.163

Water Supply Prospective Funding Impact Statement

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Sources of operating funding		
Fines, infringement fees, and other receipts ¹	36,609	37,451
Total operating funding	36,609	37,451
Applications of operating funding		
Payments to staff and suppliers	22,232	20,467
Finance costs	5,097	5,782
Internal charges and overheads applied	2,469	2,198
Total applications of operating funding	29,798	28,447
Surplus/(deficit) of operating funding	6,811	9,004
Sources of capital funding		
Increase / (decrease) in debt	27,162	17,994
Gross proceeds from asset sales	-	-
Total sources of capital funding	27,162	17,994
Applications of capital funding		
Capital expenditure		
- to improve the level of service	7,919	3,666
- to replace existing assets	23,502	19,349
Increase / (decrease) in investments	3,061	3,983
Increase / (decrease) in reserves	(509)	-
Total applications of capital funding	33,973	26,998
Surplus/(deficit) of funding	-	-
Water supply levy	35,860	35,892
Depreciation on Water Supply assets	15,969	16,200

¹ This includes the Water Supply Levy charged to Wellington, Upper Hutt, Hutt and Porirua City Councils.

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

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

All figures on this page exclude GST.

Attachment 1 to Report 20.163

Water Supply Prospective Funding Information

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Operating funding		
Water Supply	36,609	37,451
Total operating funding	36,609	37,451
Applications of operating funding		
Water Supply	29,798	28,447
Total applications of operating funding	29,798	28,447
Capital expenditure		
Water sources	-	21
Water treatment plants	3,979	1,650
Pipelines	9,892	17,088
Pump stations	1,405	251
Monitoring and control	345	188
Seismic protection	2,610	-
Other	13,134	3,760
Capital project expenditure	31,365	22,958
Land and buildings	-	-
Plant and equipment	56	57
Total capital expenditure	31,421	23,015

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

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

All figures on this page exclude GST.



Ngā Waka Tūmatanui | Metlink Public Transport

We manage the Metlink public transport network and deliver public transport services to the regional population. The Metlink public transport group includes three activities:

- Metlink network planning and operations
- Rail operations and asset management
- Bus and ferry operations and asset management

Some of our key Metlink Public Transport projects and programmes for 2020/21 include:

Project / Programme	What we will deliver in 2020/21
Review and adopt a new Regional Public Transport Plan	We will consult on and adopt a new Regional Public Transport Plan.
Provide digital information that keeps pace with customers' expectations of ease and responsiveness	We will be upgrading and implementing new passenger information technology, including the development and partial implementation of the on-bus real-time passenger information (next stop announcements) in Wellington city, and discovery and procurement for the replacement of the aging real-time passenger information system.
Unlocking capacity – rail network infrastructure improvements to remove constraints on increasing capacity at peak times	We will continue working 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 Wellington Station, continuing 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.
Install new, maintain and upgrade Metlink's station and network assets to meet service demands	We will continue our programme of signage improvements, seismic strengthening, security-related and cycle storage facility improvements at select stations and upgrade toilet and platform facilities at Wellington Station in accordance with our Asset Management Plan (AMP).
Review and improve levels of service across the bus network, with a focus on further enhancements to the Wellington city network	Over 20/21, we will work with operators to implement a number of improvement packages in various parts of the network in order to continually improve bus service performance. This will include working with operators to ensure public transport services are delivered as contracted, and mitigating the effects of driver, fleet and other resource shortfalls. We will determine additional fleet requirements to meet forecast patronage growth.

There have been no changes to the set of performance measures for 2020/21 from what is published in the 2018-28 Long Term Plan.

Refer to **pages 91-105 of the 2018-28 Long Term Plan** for a full set of projects, programmes, performance measures and targets for Ngā Waka Tūmatanui – Public transport Group Activity.

Attachment 1 to Report 20.163

Metlink Public Transport Prospective Funding Impact Statement

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Sources of operating funding		
Targeted rate	76,798	78,511
Subsidies and grants for operating purposes	175,412	76,830
Fees, charges, and targeted rates for water supply	104,419	99,738
Fines, infringement fees, and other receipts ¹	7,102	2,759
Total operating funding	363,731	257,838
Applications of operating funding		
Payments to staff and suppliers	328,654	215,856
Finance costs	12,004	14,731
Internal charges and overheads applied	12,223	10,477
Total applications of operating funding	352,881	241,064
Net surplus/(deficit) of operating funding	10,850	16,774
Sources of capital funding		
Subsidies and grants for capital expenditure	14,300	30,947
Increase / (decrease) in debt ²	173	11,443
Total sources of capital funding	14,473	42,390
Applications of Capital Funding		
Capital expenditure		
- to improve the level of service	7,093	28,708
- to replace existing assets	901	3,648
Increase / (decrease) in investments ²	17,689	26,651
Increase / (decrease) in reserves	(360)	157
Total applications of capital funding	25,323	59,164
Surplus/(deficit) of funding	-	-
Depreciation on Public Transport assets	6,390	9,389

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

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

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

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

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

All figures on this page exclude GST.

Attachment 1 to Report 20.163

Metlink Public Transport Prospective Funding Information

For the year ending 30 June

	2020/21 Plan \$000s	2020/21 LTP \$000s
Operating funding		
Metlink network planning and operations	23,485	24,020
Rail operations and asset management	227,302	132,399
Bus and ferry operations and asset management	112,944	101,419
Total operating funding	363,731	257,838
Applications of operating funding		
Metlink network planning and operations	23,376	21,708
Rail operations and asset management	219,387	121,251
Bus and ferry operations and asset management	110,118	98,105
Total applications of operating funding (excluding improvements)	352,881	241,064
Investments		
Greater Wellington Rail Limited ¹	17,689	26,651
Total investment expenditure	17,689	26,651
Capital expenditure		
New public transport shelters, signage, pedestrian facilities, land and systems	7,994	32,356
Total capital project expenditure	7,994	32,356
Total capital expenditure	7,994	32,356
Total Investment in Public Transport Infrastructure	25,683	59,007

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

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

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

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

All figures on this page exclude GST.

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

Greater Wellington's investment 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)

WRC Holdings Limited (Holdings)	Holdings monitors the performance of the investment group and is accountable to Greater Wellington. It owns 100 percent investment in Greater Wellington Rail Limited and 76.9 percent of the equity in CentrePort Limited.
Greater Wellington Rail Limited (GWRL)	GWRL owns and maintains Greater Wellington's investment in rail service infrastructure assets. This includes rolling stock, carriages and physical assets including station buildings, carparks, bridges and subways.
Wellington Regional Economic Development Agency (WREDA)	WREDA is owned 20 percent by Greater Wellington and 80 percent by Wellington City Council, reflecting funding proportions. WREDA's focus is on shaping the regional destination story, advocating for major economic development projects and supporting businesses to upskill and grow.
Wellington Regional Stadium Trust (Sky Stadium)	The Sky Stadium is a regional facility, which provides a high-quality, multi-purpose venue for sporting and cultural events. It was created by an Empowering Act and established by Greater Wellington and Wellington City Council as joint settlers. The two councils jointly appoint trustees and also appoint one councillor each as a trustee. Greater Wellington is the Trust's principal funder.
Wellington Water	Wellington Water is jointly owned by Greater Wellington, Wellington City, Hutt City, Upper Hutt, Porirua, and South Wairarapa Councils. Wellington Water manages the operations of water services on behalf of each Council and the Councils remain owners of the assets, investments and service levels. One Councillor from each Council sits on the Wellington Water Committee, alongside mana whenua representatives. The Committee appoints the independent directors of Wellington Water Limited.

For full details about Greater Wellington's Council Controlled Organisations and Investments, please see Section 6 (pages 219-246) of the 2018-28 Long Term Plan.

He pūrongo pūtea | Financial information



Significant forecasting assumptions | He whakapae matua me ngā tūraru and risks

Refer to Section 5, pages 201-217 of the 2018-28 Long Term Plan.

He putunga tauākī pūtea | Total Council Financial Statements

Prospective Statement of Revenue and Expenses
For the year ending 30 June

	2019/20 Budget \$000s	2020/21 Plan \$000s	2020/21 LTP \$000s
Operating Revenue			
General rates	52,851	49,632	51,491
Targeted rates	86,832	94,326	97,454
Regional rates	139,683	143,958	148,945
Water supply levy	34,788	35,860	35,892
Government subsidies	80,759	180,853	78,232
Transport improvement grants	22,371	14,811	30,947
Interest and dividends	5,874	4,725	6,009
Other operating revenue	125,042	131,437	121,932
Total operating revenue and gains	408,517	511,644	421,957
Operating Expenditure			
Employee benefits	52,263	56,755	50,381
Grants and subsidies	203,883	211,933	198,699
Finance expenses	24,382	21,664	23,432
Depreciation and amortisation	28,574	29,891	34,298
Other operating expenses	86,700	206,875	80,266
Total operating expenditure	395,802	527,118	387,076
Operating surplus/(deficit) before other items and tax	12,715	(15,474)	34,881
Other fair value changes	8,800	13,821	4,068
Operating surplus / (deficit) after tax	21,515	(1,653)	38,949
Other comprehensive revenue and expenses			
Increases / (decreases) in revaluations ¹	-	-	-
Total comprehensive income	21,515	(1,653)	38,949

¹ The revaluations are primarily for property plant and equipment.
All figures on this page exclude GST.

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Prospective Statement of Changes in Equity

As at 30 June

	2019/20 Budget \$000s	2020/21 Plan \$000s	2020/21 LTP \$000s
Total opening ratepayers' funds	1,139,993	1,040,356	1,202,230
Total comprehensive income	21,515	(1,653)	38,949
Movement in ratepayers funds for year	21,515	(1,653)	38,949
Closing ratepayers' funds	1,161,508	1,038,703	1,241,179
Components of ratepayers funds			
Opening accumulated funds	364,224	252,902	422,772
Total comprehensive income	21,515	(1,653)	38,949
Movements in other reserves	7,444	11,032	(363)
Movement in accumulated funds for year	28,959	9,379	38,586
Closing accumulated funds	393,183	262,281	461,357
Opening other reserves	35,628	34,463	26,448
Movements in other reserves	(7,444)	(11,032)	363
Movement in other reserves for year	(7,444)	(11,032)	363
Closing other reserves	28,184	23,431	26,811
Opening asset revaluation reserves	740,141	752,991	753,011
Closing asset revaluation reserve	740,141	752,991	753,011
Closing ratepayers' funds	1,161,508	1,038,703	1,241,179

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Prospective Statement of Financial Position

As at 30 June

	2019/20 Budget \$000s	2020/21 Plan \$000s	2020/21 LTP \$000s
ASSETS			
Cash and other equivalents	26,254	23,837	19,724
Investments (current)	33,488	29,479	33,580
Other current assets	25,651	-	41,686
Current assets	85,393	53,316	94,990
Investments (non-current)	103,890	104,024	49,409
Investment in subsidiary	295,632	302,510	336,724
Property, plant and equipment	1,288,017	1,290,541	1,370,392
Non-current assets	1,687,539	1,697,075	1,756,522
Total assets	1,772,932	1,750,391	1,851,512
RATEPAYERS' FUNDS			
Retained earnings	393,183	262,281	461,357
Reserves	768,325	776,422	779,822
Total ratepayers' funds	1,161,508	1,038,703	1,241,179
LIABILITIES			
Debt (current)	126,800	126,800	126,800
Other current liabilities	43,281	66,670	42,642
Current liabilities	170,081	193,470	169,442
Debt (non-current)	441,343	518,218	440,894
Non-current liabilities	441,343	518,218	440,894
Total liabilities	611,424	711,688	610,336
Total equity and liabilities	1,772,932	1,750,391	1,851,515

All figures on this page exclude GST.

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Prospective Statement of Cashflows

For the year ending 30 June

	2019/20 Budget \$000s	2020/21 Plan \$000s	2020/21 LTP \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash is provided from:			
Regional rates	139,683	143,958	148,945
Water supply levy	34,788	35,860	35,892
Government subsidies	103,130	195,664	109,179
Interest and dividends	5,874	4,725	6,009
Fees, charges and other revenue	125,042	131,437	121,932
	408,517	511,644	421,957
Cash is disbursed to:			
Interest	24,382	21,664	23,432
Payment to suppliers and employees	342,845	475,563	334,070
	367,227	497,227	357,502
Net cash flows from operating activities	41,290	14,417	64,455
CASHFLOWS FROM INVESTING ACTIVITIES			
Cash is provided from:			
Investment withdrawals	-	5,400	-
Sale of property, plant and equipment	669	1,056	699
	669	6,456	699
Cash is applied to:			
Purchase of property, plant and equipment	81,250	78,248	81,721
Investment additions	20,590	17,689	26,651
	101,840	95,937	108,372
Net cashflows from investing activities	(101,171)	(89,481)	(107,673)
CASHFLOWS FROM FINANCING ACTIVITIES			
Cash is provided from:			
Loan funding ¹	87,433	109,209	81,706
Cash is applied to:			
Debt repayment	23,336	21,703	38,065
Net cashflows from financing activities	64,097	87,506	43,641
Net increase / (decrease) in cash and cash equivalents	4,216	12,442	423
Opening cash and cash equivalents	22,038	11,395	19,301
Closing cash and cash equivalents	26,254	23,837	19,724

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

All figures on this page exclude GST.

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Prospective Debt

As at 30 June

	2019/20 Budget \$000s	2020/21 Plan \$000s	2020/21 LTP \$000s
Environment	7,634	8,816	9,332
Public transport	279,120	264,800	305,725
Water supply	103,846	126,808	126,924
Parks	11,751	12,317	13,837
Flood Protection and Control Works	120,271	120,960	136,092
Stadium	-	2,100	-
Regional leadership	17,871	24,295	20,201
Property and investments	34,781	30,479	33,980
Corporate systems	17,642	33,592	14,940
Total activities debt	592,916	624,167	661,031
Treasury internal funding and debt repayments ¹	(24,773)	20,851	(93,337)
Total external debt	568,143	645,018	567,694
External debt (current)	126,800	126,800	126,800
External debt (non-current)	441,343	518,218	440,894
Total external debt ²	568,143	645,018	567,694

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

² Includes Finance Lease Liability from service concession arrangements.

All figures on this page exclude GST.

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Prospective Funding Impact Statements

For the year ending 30 June

	2019/20 Budget \$000s	2020/21 Plan \$000s	2020/21 LTP \$000s
Greater Wellington operations			
Sources of operating funding			
General rates	52,851	49,632	51,491
Targeted rates	86,832	94,326	97,454
Subsidies and grants for operating purposes	80,759	180,853	78,232
Interest and dividends from investments	5,875	4,725	6,009
Fees, charges, and targeted rates for water supply	104,236	112,415	106,992
Fines, infringement fees, and other receipts ¹	55,594	54,882	50,832
Total operating funding	386,147	496,833	391,010
Applications of operating funding			
Payments to staff and suppliers	342,846	475,563	329,350
Finance costs	24,382	21,664	23,432
Total applications of operating funding²	367,228	497,227	352,782
Operating surplus/(deficit)	18,919	(394)	38,228
Sources of Capital Funding			
Subsidies and grants for capital expenditure	22,371	14,811	30,947
Increase / (decrease) in debt	56,653	76,475	44,005
Gross proceeds from asset sales	669	1,054	299
Total Sources of Capital Funding	79,693	92,340	75,251
Applications of Capital Funding			
Capital expenditure			
- to improve the level of service	52,243	49,877	51,319
- to replace existing assets	29,008	28,372	30,402
Increase / (decrease) in investments	24,805	24,729	31,395
Increase / (decrease) in reserves	(7,444)	(11,032)	363
Total Applications of Capital Funding	98,612	91,946	113,479
Surplus/(Deficit) of Capital Funding	(18,919)	394	(38,228)
Funding Balance	-	-	-
Depreciation on council assets	28,574	29,891	34,298
Water Supply Levy¹	34,788	35,860	35,892

¹ This 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.

Ko ngā pūtea penapena | Financial reserves

We have two types of council created reserves, which are monies set aside by the council for a specific purpose:

- Retained earnings – any surplus or deficit not transferred to a special reserve is aggregated into retained earnings
- Other reserves – any surplus or deficit or specific rate set aside or utilised by council for a specific purpose. Reserves are not separately held in cash and funds are managed as part of Greater Wellington’s treasury risk management policy.

Other reserves are split in four categories:

- Area of benefit reserves – any targeted rate funding surplus or deficit is held to fund future costs for that area
- Contingency reserves – funds that are set aside to smooth the impact of costs associated with specific unforeseen events
- Special reserves – funds that are set aside to smooth the costs of irregular expenditure
- Other reserves – expenditure that has been rated for one year when the project will not be completed until the following year.

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Council Created Reserves	Purpose of the Fund	Opening Balance Jul-20 \$000s	Deposits \$000s	Expenditure \$000s	Closing Balance Jun-21 \$000s
Area of benefit reserves					
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	9,282	226	(97)	9,411
Transport plan-ning reserve	Any funding surplus or deficit relating to the provision of public transport planning services is used only on sub-sequent public transport planning ex-penditure	1,986	-	(1,295)	691
WREMO reserve	Contributions by other Local Authori-ties to run the WREMO	24	-	-	24
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is used only on subse-quent Wellington Regional Strategy expenditure	383	-	(100)	283
Catchment scheme reserves	Any funding surplus or deficit relating to the provision of flood protection and catchment management schemes is used only on subsequent flood protec-tion and catchment management ex-penditure	6,161	692	(1,375)	5,478
Contingency reserves					
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	121	-	(121)	-
Flood contingen-cy reserves	To help manage the costs for the repair of storm damage throughout the re-gion.	5,858	294	(100)	6,052
Rural fire reserve	To help manage the costs of rural fire equipment.	78	2	-	80
Special Reserves					
Election reserve	To manage the variation in costs asso-ciated with the election cycle	51	72	-	123
Corporate sys-tems reserve	To manage the variation in costs asso-ciated with key IT infrastructure and software.	2,682	114	(2,338)	458
Long term plan reserves	To manage the variation in costs asso-ciated with the long-term plan process	507	170	(390)	287
Other reserve balances	Rebudgets and other funds	7,330	141	(6,927)	544
Total Reserves		34,463	1,711	(12,743)	23,431

Ko te whakapuakanga ā-tau ki te tau mutunga 30 o Pipiri 2021 | Annual Plan disclosure statement for year ending 30 June 2021

What is the purpose of this statement?

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

The council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations).

Benchmark		Limit	Planned	Met
Rates affordability benchmark				
• income	limit on rates	\$221.6m	\$140.6m	Yes
• increases	limit on rates increases	\$6.7m	\$4.1m	Yes
Debt affordability benchmark				
	debt balance	\$800m	\$645m	Yes
Balanced budget benchmark				
		100%	97%	No ¹
Essential services benchmark				
	capital expenditure/depreciation	109%	177%	Yes
Debt servicing benchmark				
		30%	1.2%	Yes

¹ The Council adopted a lower rates increase for the 2020/21 annual plan due to economic fallout from the Covid-19 disruption requiring the Council to increase funding from reserves. In addition some of the operating strategic initiatives have been debt funded, which meant that the Council was slightly under delivering on the balanced budget benchmark. The Council is in a strong position to manage expenditure over and above delays to expenditure caused by disruption itself.

Ko ngā mōhiohio Reti | Rating base information

The Council is required to state in its Annual Plan the projected rating base within the region at the end of the preceding financial year.

Project rating base for 2020/21

Rating units	203,995
Capital value	\$166.5b
Land value	\$80.7b

He whakarāpopoto reti me ngā utu | Summary of rates and levies

Rates for Greater Wellington are mostly allocated to ratepayers on the basis of their capital values. Within the region, different territorial authorities undertake general revaluations at different times. To equalise the values, each year Council gets Quotable Value or another registered valuer to estimate the projected valuations of all the rateable land in the districts within the region. This means that rates are assessed on a consistent valuation basis, regardless of the timing of individual territorial authority revaluations.

The summary information in this section should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy.

This table shows the rates and levies for Greater Wellington in 2020/21 with the changes from last year 2019/20. Rates comprise the general rate and various targeted rates. Greater Wellington also charges a water supply levy directly to the four city councils in the region, and they set their own rates to cover the cost of this levy.

The total rate increase in regional rates for 2020/21 is 3.0%. The water supply levy, which is charged to the four metropolitan city councils is proposed to increase by 3.1% compared to 2019/20. When the water supply levy is included, Greater Wellington Regional Council's overall increase is 3.0%.

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Summary of rates and levies	2019/20 Plan \$000s	2020/21 Plan \$000s	Change \$000s	Change %
General rate	52,851	49,632	(3,219)	(6.1%)
Targeted rates				
Region wide targeted rates ¹ :				
River management rate	6,989	6,873	(116)	(1.7%)
Public transport rate	69,788	76,798	7,009	10.0%
Wellington regional strategy rate	4,706	5,008	302	6.42%
Specific area targeted rates:				
Pest management rate	577	596	19	3.3%
South Wairarapa district – river rates	97	98	1	1.0%
Wairarapa scheme and stopbank rates	1,465	1,561	96	6.5%
Total targeted rates ²	83,622	90,934	7,312	8.7%
Total regional rates	136,473	140,566	4,093	3.0%
Water supply levy	34,788	35,860	1,071	3.1%
Total regional rates and levies	171,261	176,426	5,164	3.0%
Warm Greater Wellington rates ³	3,209	3,392		
Total rates and levies	174,471	179,818		

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

2 This total excludes "Warm Greater Wellington" targeted rates because they only apply to ratepayers who participate in the scheme.

3 The Warm Greater Wellington scheme assists regional ratepayers to insulate their homes. Only ratepayers who participate in the scheme are charged this rate.

All figures on this page exclude GST.

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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.

Impact on each city and district	2019/20 Plan \$000s	2020/21 Plan \$000s	Change \$000s	Change %
Region-wide rates¹				
Wellington city	70,198	72,113	1,915	2.73%
Hutt city*	26,140	26,818	678	2.60%
Upper Hutt city	9,355	9,674	319	3.42%
Porirua city	10,639	11,070	431	4.05%
Kāpiti Coast district	11,265	11,677	412	3.65%
Masterton district	2,984	3,157	173	5.82%
Carterton district	1,396	1,430	34	2.46%
South Wairarapa district	2,353	2,367	14	0.62%
Tararua district	4	4	-	-
Total region-wide rates	134,334	138,310	3,976	2.96%
Specific area targeted rates:				
Pest management rate	577	596	19	3.29%
South Wairarapa district – river rates	97	98	1	1.03%
Wairarapa scheme and stopbank rates	1,465	1,562	97	6.62%
Total regional rates	136,473	140,566	4,093	3.00%
Water supply levy				
Wellington City Council	17,942	18,493	551	3.07%
Hutt City Council	9,221	9,506	285	3.09%
Upper Hutt City Council	3,513	3,622	109	3.10%
Porirua City Council	4,113	4,239	126	3.06%
Water supply levy	34,788	35,860	1,071	3.08%
Total regional rates and levies²	171,261	176,426	5,164	3.02%
Warm Wellington rate ³	3,209	3,392		
Total rates and levies	174,471	179,818		

*Hutt city refers to the local government administrative area of Lower Hutt City.

- 1 Region-wide rates are charged to all ratepayers in the region. They exclude targeted rates for pest management, Wairarapa river and drainage schemes, and "Warm Greater Wellington", because those rates only apply to highly specific ratepayers in those work programmes.
- 2 This total excludes "Warm Greater Wellington" targeted rates because they only apply to ratepayers who participate in the scheme.
- 3 The Warm Greater Wellington scheme assists regional ratepayers to insulate their homes. Only ratepayers who participate in the scheme are charged this rate.

All figures on this page exclude GST.

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Residential region-wide rates

Region-wide rates are charged to all ratepayers in the region. They exclude targeted rates for pest management, Wairarapa river and drainage schemes, and "Warm Greater Wellington", because those rates only apply to highly specific ratepayers in those work programmes.

Average value of residential property in each city or district	2019/20	2020/21
Wellington city	\$801,612	\$802,957
Hutt city*	\$477,016	\$627,429
Upper Hutt city	\$418,928	\$585,149
Porirua city	\$498,882	\$669,917
Kāpiti Coast district excl Ōtaki	\$575,864	\$579,334
Ōtaki rating area	\$356,220	\$359,624
Masterton district	\$334,357	\$339,148
Carterton district	\$357,455	\$355,072
South Wairarapa district	\$419,560	\$421,910

2020/21 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	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Wellington city	\$293.19	\$265.83	\$0.80	\$0.85	\$257.07	\$293.68	\$16.10	\$16.10	\$567.16	\$576.47
Hutt city*	\$226.31	\$219.17	\$119.12	\$117.68	\$294.58	\$317.19	\$16.10	\$16.10	\$656.11	\$670.15
Upper Hutt city	\$203.79	\$202.77	\$47.15	\$50.78	\$289.64	\$314.85	\$16.10	\$16.10	\$556.67	\$584.51
Porirua city	\$233.69	\$229.99	\$2.63	\$2.50	\$340.22	\$364.13	\$16.10	\$16.10	\$592.64	\$612.72
Kāpiti Coast district excl Ōtaki	\$240.58	\$228.42	\$59.96	\$55.59	\$196.34	\$232.73	\$16.10	\$16.10	\$512.98	\$532.84
Ōtaki rating area	\$148.82	\$141.79	\$37.09	\$34.51	\$96.23	\$102.08	\$16.10	\$16.10	\$298.24	\$294.48
Masterton district	\$140.81	\$137.72	\$0.00	\$0.00	\$47.63	\$61.68	\$16.10	\$16.10	\$204.53	\$215.50
Carterton district	\$150.15	\$141.72	\$3.62	\$3.57	\$70.91	\$80.23	\$16.10	\$16.10	\$240.79	\$241.62
South Wairarapa district	\$174.94	\$165.05	\$0.00	\$0.00	\$99.64	\$107.60	\$16.10	\$16.10	\$290.68	\$288.74

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2020/21 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	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Wellington city	\$36.57	\$33.11	\$0.10	\$0.11	\$32.07	\$36.57	\$68.74	\$69.79
Hutt city*	\$47.44	\$34.93	\$24.97	\$18.76	\$61.76	\$50.55	\$134.17	\$104.24
Upper Hutt city	\$48.64	\$34.65	\$11.25	\$8.68	\$69.14	\$53.81	\$129.04	\$97.14
Porirua city	\$46.84	\$34.33	\$0.53	\$0.37	\$68.20	\$54.35	\$115.57	\$89.06
Kāpiti Coast district excl Ōtaki	\$41.78	\$39.43	\$10.41	\$9.59	\$34.09	\$40.17	\$86.28	\$89.20
Ōtaki rating area	\$41.78	\$39.43	\$10.41	\$9.59	\$27.01	\$28.38	\$79.20	\$77.41
Masterton district	\$42.11	\$40.61	\$0.00	\$0.00	\$14.24	\$18.19	\$56.36	\$58.79
Carterton district	\$42.01	\$39.91	\$1.01	\$1.01	\$19.84	\$22.59	\$62.86	\$63.51
South Wairarapa district	\$41.70	\$39.12	\$0.00	\$0.00	\$23.75	\$25.50	\$65.44	\$64.62

*Hutt city refers to the local government administrative area of Lower Hutt City.

All figures on this page include GST.

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Average rates for each area and category

These tables show the region-wide rates that are charged to all ratepayers in the region. They exclude targeted rates for pest management, Wairarapa river and drainage schemes, and “Warm Greater Wellington”, because those rates only apply to highly specific ratepayers in those work programmes.

Residential, including GST	Average capital value	Increase / (decrease) in 2020/21	Increase / (decrease) per week	Rates 2020/21	Rates per week
Wellington city	\$802,957	\$9	\$0.18	\$576	\$11.09
Hutt city*	\$627,429	\$14	\$0.27	\$670	\$12.89
Upper Hutt city	\$585,149	\$28	\$0.54	\$585	\$11.24
Porirua city	\$669,917	\$20	\$0.39	\$613	\$11.78
Kāpiti Coast district excl Ōtaki	\$579,334	\$20	\$0.38	\$533	\$10.25
Ōtaki rating area	\$359,624	(\$4)	(\$0.07)	\$294	\$5.66
Masterton district	\$339,148	\$11	\$0.21	\$215	\$4.14
Carterton district	\$355,072	\$1	\$0.02	\$242	\$4.65
South Wairarapa district	\$421,910	(\$2)	(\$0.04)	\$289	\$5.55

Rural, excluding GST	Average capital value	Increase / (decrease) in 2020/21	Increase / (decrease) per week	Rates 2020/21	Rates per week
Wellington city	\$1,020,000	(\$18)	(\$0.35)	\$405	\$7.78
Hutt city*	\$868,000	\$4	\$0.07	\$530	\$10.18
Upper Hutt city	\$863,000	(\$15)	(\$0.28)	\$455	\$8.76
Porirua city	\$1,356,000	(\$0)	(\$0.00)	\$599	\$11.53
Kāpiti Coast district	\$751,000	(\$12)	(\$0.23)	\$415	\$7.97
Masterton district	\$724,000	\$5	\$0.10	\$333	\$6.40
Carterton district	\$856,000	(\$3)	(\$0.06)	\$398	\$7.66
South Wairarapa district	\$949,000	(\$10)	(\$0.20)	\$429	\$8.24
Tararua district	\$1,067,000	(\$33)	(\$0.64)	\$401	\$7.71

Business, excluding GST	Average capital value	Increase / (decrease) in 2020/21	Increase / (decrease) per week	Rates 2020/21	Rates per week
Wellington city	\$2,462,000	\$102	\$1.97	\$2,115	\$40.68
Wellington city - CBD	\$2,947,000	\$316	\$6.08	\$9,462	\$181.96
Hutt city*	\$2,038,000	\$46	\$0.88	\$2,168	\$41.68
Upper Hutt city	\$1,876,000	(\$140)	(\$2.70)	\$1,877	\$36.10
Porirua city	\$1,734,000	\$31	\$0.59	\$1,611	\$30.98
Kāpiti Coast district	\$1,106,000	\$82	\$1.59	\$1,054	\$20.28
Masterton district	\$765,000	\$50	\$0.96	\$547	\$10.53
Carterton district	\$443,000	\$37	\$0.71	\$333	\$6.41
South Wairarapa district	\$673,000	\$28	\$0.54	\$510	\$9.81

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

*Hutt city refers to the local government administrative area of Lower Hutt City.

Rates calculator 2020/21

Rates calculator for residential region-wide¹ rates for the year 2020/21.

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

Note: These calculations do not include Greater Wellington's 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.

	2020/21 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 2020/21 1
Wellington city	\$60.69	x		÷ 100,000	+	\$14.00	=
Hutt city*	\$90.65	x		÷ 100,000	+	\$14.00	=
Upper Hutt city	\$84.47	x		÷ 100,000	+	\$14.00	=
Porirua city	\$77.44	x		÷ 100,000	+	\$14.00	=
Kāpiti Coast district excl Ōtaki	\$77.56	x		÷ 100,000	+	\$14.00	=
Ōtaki rating area	\$67.31	x		÷ 100,000	+	\$14.00	=
Masterton district	\$51.12	x		÷ 100,000	+	\$14.00	=
Carterton district	\$55.23	x		÷ 100,000	+	\$14.00	=
South Wairarapa district	\$56.19	x		÷ 100,000	+	\$14.00	=
Hutt city example	\$90.65	x	\$350,000	÷ 100,000	+	\$14.00	=
						includes GST @ 15%	= \$380.95

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.

*Hutt city refers to the local government administrative area of Lower Hutt City.

He Tauākī Pūtea mō ngā Hua | Funding Impact Statement

Rating mechanism

This section sets out how Greater Wellington will set its rates for 2020/21. 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, in Wellington city differentiated by land use	Cents per dollar of rateable capital value
Targeted rates	For more detail about each activity within these Groups of Activities, refer to the Activities of Greater Wellington section of this plan			
Wellington regional strategy	Regional 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

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Funding mechanism	Groups of activities funded	Valuation system	Matters for differentiation/ categories of land	Calculation factor
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 ³
Wairarapa drainage schemes	Flood protection	N/A	Where the land is situated (Set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers)	Dollars per hectare in the area protected

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

As outlined in the introduction of this Plan, Greater Wellington has differential factors to the general rate within Wellington City. The objective of the differential is to address the impact of the allocation of rates within Wellington city in accordance with s101 (3) (b) of the Local Government Act.

The following differentials within Wellington City are designed to ensure that different property rating types pay an equitable share of the increased cost of providing services in 2020/21.

Residential	1
Wellington CBD	1.7
Business	1.3
Rural	1

The general rate for the other districts within the region is undifferentiated and rated at base category.

Estimate of projected valuation

Greater Wellington uses an estimate of projected valuation under section 131 of the Local Government (Rating) Act 2002 to recognise that valuation dates vary across the region.

Uniform annual general charge

Greater Wellington Regional Council does not set a Uniform Annual General Charge.

Lump sum contributions

Except as to a discretion to accept lump sum contributions for Warm Wellington rates, the Council will not invite lump sum contributions in respect of any targeted rates.

Ko ngā momo Reti | Rates categories

Each rating unit is allocated to a differential rating category based upon location and/or land use for the purpose of calculating general rates or targeted rates based upon capital or land value. As Greater Wellington rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities. Set out below are the definitions used to allocate rating units into rating categories.

Category 1 – Rates based on capital or land value

Location	Use	Description
Wellington city	Regional CBD	All rating units classified as commercial, industrial and business properties within the downtown area boundary, currently shown on the Downtown Levy Area map of Wellington city. See map on page 76 for Wellington city downtown city centre business area.
	Wellington city business	All rating units classified as commercial, industrial and business properties in the rating information database for Wellington city outside the Downtown Levy Area map boundary
	Wellington city residential	All rating units classified as base (excluding rural and farm) in the rating information database for Wellington city
	Wellington city rural	All rating units sub-classified as rural or farm within the base category in the rating information database for Wellington city
Lower Hutt city	Lower Hutt city business	All rating units not classified as residential, rural or community facilities in the rating information database for Lower Hutt city
	Lower Hutt city residential	All rating units classified as residential or community facilities in the rating information database for Lower Hutt city
	Lower Hutt city rural	All rating units classified as rural in the rating information database for Lower Hutt city
Porirua city	Porirua city business	All rating units classified as business in the rating information database for Porirua city
	Porirua city residential	All rating units classified as residential in the rating information database for Porirua city
	Porirua city rural	All rating units classified as rural in the rating information database for Porirua city
Upper Hutt city	Upper Hutt city business	All rating units classified as business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city residential	All rating units not classified as rural, business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city rural	All rating units classified as rural in the rating information database for Upper Hutt city

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Location	Use	Description
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 in the Kāpiti Coast district rating information database
	Kāpiti Coast district rural	All rating units classified in the rural rating areas for the Kāpiti Coast district
Masterton district	Masterton district business	All rating units classified as non-residential urban in the Masterton district rating information database
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database
	Masterton district rural	All rating units classified as rural in the rating information database for the Masterton district
Carterton district	Carterton district business	All rating units classified as urban commercial, urban industrial or urban smallholding – greater than one hectare in the Carterton district rating information database
	Carterton district residential	All rating units classified as urban residential in the Carterton district rating information database
	Carterton district rural	All rating units classified as rural in the rating information database for the Carterton district
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database
	South Wairarapa district rural	All rating units classified as rural in the rating information database for the South Wairarapa district
	Greytown ward	All rating units classified in the rating area of the Greytown ward in the rating information database for the South Wairarapa district
	Greytown urban	All rating units classified in the urban area of Greytown in the rating information database for the South Wairarapa district. (Prefaced Nos 18400 and 18420)
	Featherston urban	All rating units classified in the urban area of Featherston in the rating information database for the South Wairarapa district. (Prefaced Nos 18440 and 18450)
Tararua district		All rating units within the Tararua district area are classified as being within the boundaries of the Wellington region

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Category 1A – General rate Wellington city

The following differentials within Wellington City are designed to ensure that different property rating types pay an equitable share of the increased cost of providing services in 2020/21. This is a change for the Annual Plan 2020/21.

Location	Use	Description	Differential on the value for 2020/21
Wellington city	Regional CBD	As in Category 1 above	1.7
	Wellington city business	As in Category 1 above	1.3
	Wellington city residential	As in Category 1 above	1
	Wellington city rural	As in Category 1 above	1

The general rate is undifferentiated for other districts within the region.

Category 2 – Public transport rate

Public transport is funded from a targeted rate, based on capital value, with differentials based on where the land is situated and the use to which the land is put. The table below shows the rates differentials to be applied in 2020/21 under the first year of the transition provisions in the Revenue and Financing policy.

Location	Use	Description	Differential on the value for 2020/21
Wellington city	Regional CBD	As in Category 1 above	6.87
	Wellington city business	As in Category 1 above	1.03
	Wellington city residential	As in Category 1 above	0.83
	Wellington city rural	As in Category 1 above	0.21
Lower Hutt city	Lower Hutt city business	As in Category 1 above	1.41
	Lower Hutt city residential	As in Category 1 above	1.21
	Lower Hutt city rural	As in Category 1 above	0.31
Porirua city	Porirua city business	As in Category 1 above	1.50
	Porirua city residential	As in Category 1 above	1.30
	Porirua city rural	As in Category 1 above	0.33
Upper Hutt city	Upper Hutt city business	As in Category 1 above	1.52
	Upper Hutt city residential	As in Category 1 above	1.32
	Upper Hutt city rural	As in Category 1 above	0.33

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Location	Use	Description	Differential on the value for 2019/20
Kāpiti Coast district	Kāpiti Coast district business	All rating units used for a commercial, business, industrial purpose or utility network activity in the Kāpiti Coast district rating information database	1.05
	Kāpiti Coast district residential excl Ōtaki	All rating units located in the urban rating areas except those properties which meet the classification of rural, commercial, business, industrial purpose, utility network activity or Ōtaki residential in the Kāpiti Coast District rating information database.	0.85
	Ōtaki rating area residential	All rating units located in the Ōtaki urban rating area except those properties which meet the classification of rural, commercial, business, industrial purpose, utility network activity or “Kāpiti Coast District Residential excluding Ōtaki” in the Kāpiti Coast District rating information database	0.60
	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	0.22
Masterton district	Masterton district business	All rating units classified as non-residential urban in the Masterton district rating information database	0.62
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database	0.37
	Masterton district rural	As in Category 1 above	0.16
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	0.72
	Carterton district residential	All rating units classified as urban residential in the Carterton district rating information database	0.47
	Carterton district rural	As in Category 1 above	0.18
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database	0.80
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database	0.55
	South Wairarapa district rural	As in Category 1 above	0.20

Category 3 – Targeted rates based on land area, provision of service, land use or location.

Some targeted rates (either in whole or part) are allocated to differential rating categories (based on the area of land, provision of service, the use to which the land is put, or the location of the land) for the purpose of calculating pest management rates, catchment scheme rates, drainage scheme rates and river management scheme rates.

Some schemes have an additional fixed charge per separate use or inhabited part.

Rating units subject to river management scheme rates are shown within an approved classification register for each scheme. For more information on whether your rating unit is allocated to one or more of these categories, please contact Greater Wellington's Masterton office.

All rural rating units of four or more hectares are subject to the Pest management rate, that is all rating units that are four hectares or more sub-classified as rural or farm within the base category in the rating information database for each constituent district.

Category 4 – Flood protection – property rate for the Lower Wairarapa Valley Development Scheme

The Lower Wairarapa Valley Development Scheme is a targeted rate allocated according to extent of services received (as measured in a points system) and in some cases an additional fixed charge per separately used or inhabited part.

Rating units subject to this rate are shown within an approved classification register for each scheme. For more information on whether your rating unit is located in this area and for the points allocated to your property, please contact Greater Wellington's Masterton office.

Category 5 – Warm Greater Wellington rate

The Warm Greater Wellington rate is a targeted rate set on properties that have benefited from the installation of insulation provided by Greater Wellington in respect of the property. The rate is calculated as a percentage of the service amount until the service amount and the costs of servicing the service amount are recovered.

In the final year of payment, the rate may be the actual balance rather than a percentage of the service amount.

Attachment 1 to Report 20.163**Category 6 –Wellington Regional Strategy rate**

The Wellington Regional Strategy rate is a targeted rate allocated on a fixed-amount basis for residential and rural ratepayers, and capital value for businesses. For residential properties the fixed amount per rating unit is \$14 plus GST and rural properties \$28 plus GST. This rate funds the Wellington Regional Strategy activities including funding for WREDA, the region's economic development agency.

Location	Use	Description
Wellington city	Regional CBD	As per differential category 1
	Wellington city business	As per differential category 1
	Wellington city residential	As per differential category 1
	Wellington city rural	As per differential category 1
Lower Hutt city	Lower Hutt city business	As per differential category 1
	Lower Hutt city residential	As per differential category 1
	Lower Hutt city rural	As per differential category 1
Porirua city	Porirua city business	As per differential category 1
	Porirua city residential	As per differential category 1
	Porirua city rural	As per differential category 1
Upper Hutt city	Upper Hutt city business	As per differential category 1
	Upper Hutt city residential	As per differential category 1
	Upper Hutt city rural	As per differential category 1
Kāpiti Coast district	Kāpiti Coast district business	As per differential category 1
	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

He tauākī pūtea mō ngā Reti | Rates funding impact statements

The table below outlines the impact of rates in your city district.

Please also visit our rates calculator webpage to assess the impact of rates on your individual property:
www.gw.govt.nz/regional-rates-calculator.

General rate	2020/21 Cents per \$ of rateable capital value	2020/21 Revenue required \$
Wellington city - CBD	0.04894	4,793,680
Wellington city - Business	0.03743	1,741,637
Wellington city - Residential	0.02879	16,758,631
Wellington city - Rural	0.02879	233,507
Hutt city*	0.03038	8,603,023
Upper Hutt city	0.03017	3,425,797
Porirua city	0.02985	4,196,225
Kāpiti Coast district	0.03429	5,170,524
Masterton district	0.03531	2,149,605
Carterton district	0.03471	968,119
South Wairarapa district	0.03402	1,587,385
Tararua district	0.03496	3,731
Total general rate		49,631,864

*Hutt city refers to the local government administrative area of Lower Hutt City.

All figures on this page exclude GST.

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Targeted rate River management rate based on capital value	2020/21 Cents per \$ of rateable capital value	2020/21 Revenue required \$
Wellington city	0.00009	67,772
Hutt city*	0.01631	4,619,247
Upper Hutt city	0.00763	857,960
Porirua city	0.00032	45,532
Kāpiti Coast district	0.00834	1,258,244
Carterton district	0.00088	24,421
Total district-wide river management rate		6,873,176
Greytown ward	0.01192	95,344
Total river management rates based upon capital value		6,968,520

*Hutt city refers to the local government administrative area of Lower Hutt City.

Targeted rate River management	2020/21 Cents per \$ of rateable capital value	2020/21 Revenue required \$
Featherston urban: Donalds Creek Stopbank	0.00161	2,694
Total river management rates based upon land value		2,694
Total river management rates		6,971,214

Targeted rate Warm Greater Wellington Based on extent of service provided	2020/21 Percentage of service provided	2020/21 Revenue required \$
For any ratepayer that utilises the service	15.000%	3,391,733

All figures on this page exclude GST.

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Targeted rate Public transport rate	2020/21 Cents per \$ of rateable capital value	2020/21 Revenue required \$
Wellington city		
Regional CBD	0.26315	25,774,927
Business	0.03946	1,836,481
Residential	0.03180	18,514,128
Rural	0.00804	65,194
Hutt city*		
Business	0.05123	2,463,376
Residential	0.04396	10,151,810
Rural	0.01112	46,686
Upper Hutt city		
Business	0.05271	757,677
Residential	0.04682	4,135,815
Rural	0.01182	133,318
Porirua city		
Business	0.05440	757,428
Residential	0.04726	5,590,176
Rural	0.01196	100,034
Kāpiti Coast district		
Business	0.04313	634,127
Residential excl Ōtaki	0.03493	3,645,207
Residential Ōtaki rating area	0.02468	283,422
Rural	0.00886	179,607
Masterton district		
Business	0.02637	116,237
Residential	0.01581	441,235
Rural	0.00679	193,935
Carterton district		
Business	0.03002	30,192
Residential	0.01965	176,426
Rural	0.00767	137,406
South Wairarapa district		
Business	0.03235	68,320
Residential	0.02218	315,583
Rural	0.00821	248,820
Total public transport rate		76,797,567

*Hutt city refers to the local government administrative area of Lower Hutt City.

All figures on this page exclude GST.

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Targeted rate Wellington Regional Strategy rate	\$ per rating unit	2020/21 Cents per \$ of rateable capital value	2020/21 Revenue required \$
Wellington city			
Regional CBD		0.00893	874,234
Business		0.00893	415,358
Residential – per rating unit	\$14.00		1,014,972
Rural – per rating unit	\$28.00		22,260
Hutt city*			
Business		0.00847	407,145
Residential – per rating unit	\$14.00		513,534
Rural – per rating unit	\$28.00		13,552
Upper Hutt city			
Business		0.00840	117,855
Residential – per rating unit	\$14.00		210,854
Rural – per rating unit	\$28.00		34,804
Porirua city			
Business		0.00832	115,844
Residential – per rating unit	\$14.00		247,170
Rural – per rating unit	\$28.00		17,276
Kāpiti Coast district			
Business		0.00956	140,493
Residential – per rating unit	\$14.00		294,098
Rural – per rating unit	\$28.00		71,288
Masterton district			
Business		0.00984	43,382
Residential – per rating unit	\$14.00		114,800
Rural – per rating unit	\$28.00		98,168
Carterton district			
Business		0.00967	9,728
Residential – per rating unit	\$14.00		33,838
Rural – per rating unit	\$28.00		49,812
South Wairarapa district			
Business		0.00948	20,026
Residential – per rating unit	\$14.00		45,906
Rural – per rating unit	\$28.00		81,256
Tararua district – per rating unit	\$28.00		252
Total Wellington Regional Strategy rate			5,007,905

*Hutt city refers to the local government administrative area of Lower Hutt City.

All figures on this page exclude GST.

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Targeted rate River management schemes 1		2020/21 \$ per hectare	2020/21 Revenue required \$
Waingawa	A	151.19740	5,129
	B	98.27825	12,807
	C	75.59870	8,633
	D	68.03885	159
	E	60.47890	10,149
	F	52.91905	1,374
	G	22.67965	1,063
	H	15.11970	2,549
			41,862
Upper Ruamahanga	A	148.97388	13,262
	B	124.14490	819
	C	99.31592	12,391
	D	74.48694	1,312
	E	49.65796	14,733
	F	24.82898	979
	S	1,398.87726	3,637
			47,132
Middle Ruamahanga	A	134.98357	5,446
	B	112.48633	6,135
	C	89.98908	460
	D	67.49174	7,636
	E	44.99449	1,357
	F	22.49725	6,645
	S	1,361.28366	2,859
			30,537
Lower Ruamahanga	A	68.86852	8,641
	B	59.03019	3,178
	C	49.19186	11,027
	D	39.35342	12,504
	E	29.51509	9,549
	F	19.67677	24,091
	SA	1,726.85845	4,317
	SB	863.42933	1,554
			74,860
Waiohine Rural	A	47.20599	5,309
	B	39.33829	15,058
	C	31.47069	40,217
	D	23.60299	8,753
	E	15.73530	12,553
	S	786.76657	13,454
			95,344

All figures on this page exclude GST.

Attachment 1 to Report 20.163

Targeted rate River management schemes 1 (Continued)		2020/21 \$ per hectare	2020/21 Revenue required \$
Mangatarere	A	35.65896	765
	B	34.10851	7,147
	C	28.90368	456
	D	25.58138	1,838
			10,206
Waipoua	A	114.84504	10,049
	B	91.87603	27,593
	C	68.90703	1,547
	D	45.93802	13,654
	SA	3,881.76245	388
	SC	2,319.86986	232
			53,463
Kopuaranga	A2	123.98639	3,230
	A3	111.58873	7,689
	A4	61.99319	700
	A5	43.39526	2,505
	A6	24.79732	2,012
	B2	24.79732	1,520
	B3	22.32757	1,640
	B4	12.39866	115
	B5	8.67903	270
	B6	4.95950	596
	SA	155.10570	776
	SB	77.55790	1,086
			22,138
	Lower Taueru	A	5.06292
B		1.01256	286
C		0.50628	97
S		253.14768	384
			2,770
Lower Whangaehu	A	22.25939	744
	B	17.80751	1,156
	C	13.35563	727
	D	8.90376	682
	E	4.45188	782
	S	111.29695	148
		4,238	
Total river management scheme rates 1			382,555

All figures on this page exclude GST.

"Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid doubt, a rating unit that has only one use (i.e. it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling).

Attachment 1 to Report 20.163

Targeted rate River management schemes 2		2020/21 \$ per dwelling	2020/21 \$ per point	2020/21 Revenue required \$
Lower Wairarapa valley Development Scheme	A		0.25310	731,159
	Sa	20.30000		8,465
	Sb	40.62880		91,902
Total river management scheme rates 2				831,526
Total river management scheme rates				1,214,081

Targeted rate Catchment schemes 1		2020/21 \$ per hectare	2020/21 Revenue required \$	
Whareama	A	4.54890	3,254	
	B	1.75320	1,670	
	C	0.30690	13,987	
	D	0.00000	-	
	E	0.21850	3	
	F	0.17450	482	
			19,396	
Homewood	A	1.94035	4,453	
	B	1.84793	1,021	
	C	1.61690	5,922	
	D	0.23103	402	
			11,798	
Maungaraki	A	1.01000	3,339	
	B	0.50000	1,486	
			4,825	
Upper Kaiwhata	A	10.42267	340	
	B	4.55991	240	
	C	0.65137	624	
	D	0.39086	802	
	E	0.26061	428	
	F	0.13025	59	
			2,493	
Lower Kaiwhata	A	16.93853	778	
	B	7.41061	329	
	C	1.05866	1,227	
	D	0.63515	1,880	
	E	0.00000	-	
	F	0.21175	74	
			4,288	
Catchment management scheme 1 rates				42,800

All figures on this page exclude GST.

Attachment 1 to Report 20.163

Targeted rate Catchment schemes 2		2020/21 Cents per \$ of rateable land value	2020/21 Revenue required \$
Awhea-Opouawe	Land value	0.01584	10,734
Mataikona-Whakataki	Land value within scheme area	0.00530	3,934
Catchment management scheme 2 rates			14,668

Targeted rate Catchment schemes 3		2020/21 \$ per dwelling	2020/21 Revenue required \$
Awhea-Opouawe	Charge per dwelling	\$140.20 / \$70.09	12,057
Maungaraki	Charge per dwelling	\$22.63	430
Mataikona-Whakataki	Charge per dwelling	\$15.30	2,750
Catchment management scheme 3 rates			15,237

Targeted rate Catchment schemes 4		2020/21 Cents per metre of river frontage	2020/21 Revenue required \$
Maungaraki	River frontage	0.03608	1,718
Catchment management scheme 4 rates			1,718
Total catchment management scheme rates			74,423

All figures on this page exclude GST.

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Attachment 1 to Report 20.163

Targeted rate Pump drainage schemes		2020/21 \$ per hectare	2020/21 Revenue required \$
Te Hopai	A	42.78100	53,332
Moonmoot pump	A	119.97500	27,321
Onoke pump	A	69.79500	49,794
Pouawha pump	A	105.29100	99,553
Total pump drainage scheme rates			230,000

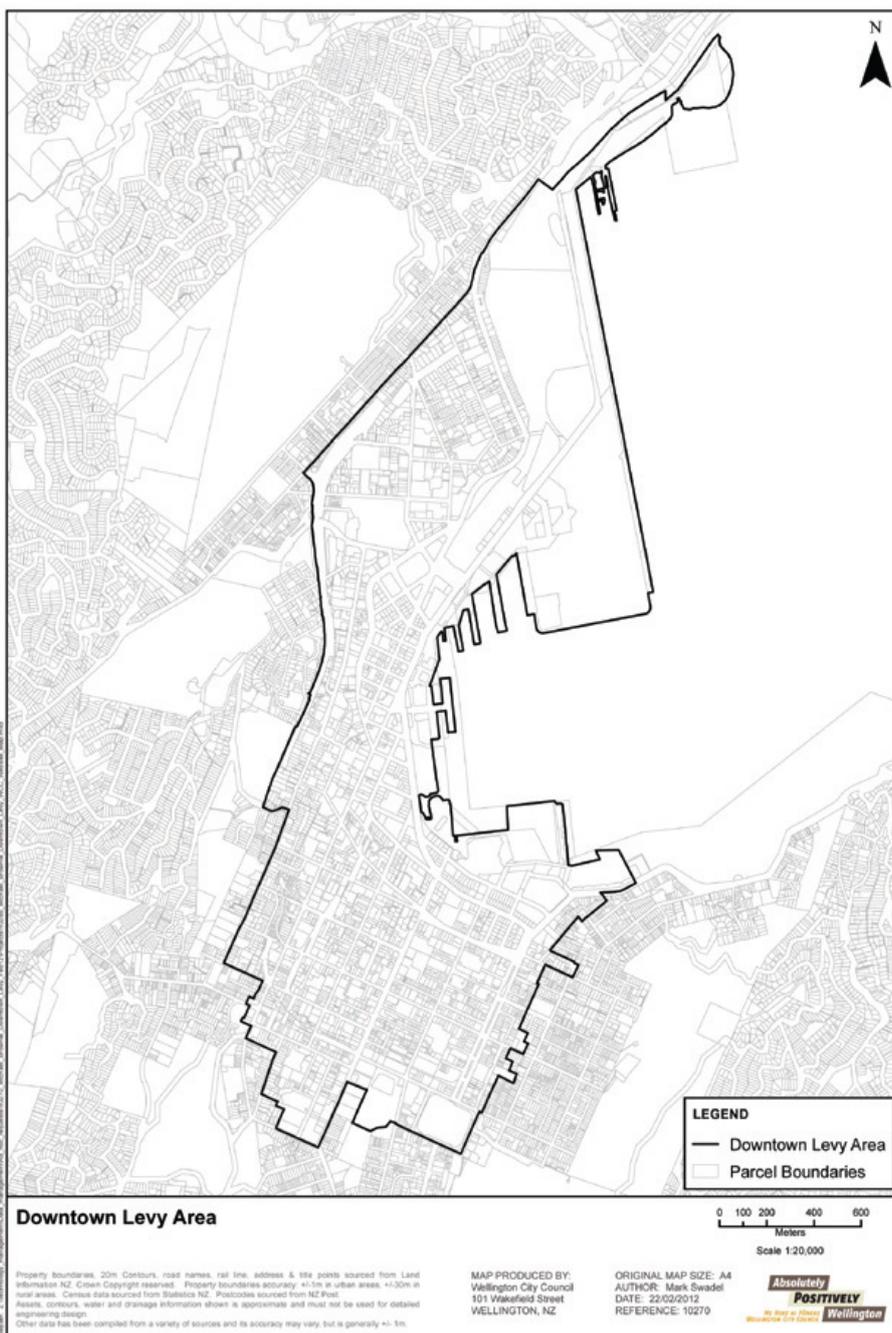
Targeted rate Gravity drainage schemes		2020/21 \$ per hectare	2020/21 Revenue required \$
Okawa	A	7.22039	2,036
Taumata	A	6.50359	1,890
East Pukio	A	28.59027	3,245
Longbush	A	16.23474	3,542
	B	8.11737	1,020
Otahoua	A	33.33465	3,091
Te Whiti	A	9.83023	1,389
Ahikouka	A	27.98468	3,140
Battersea	A	15.56127	2,625
	B	12.88407	2,517
	C	10.03950	3,176
	D	6.02374	920
	E	5.18706	1,052
	F	5.01980	354
Manaia	A	23.43028	4,088
Whakawiriwiri	A	11.82235	8,522
Total gravity drainage scheme rates			42,607

Targeted rate Pest management		2020/21 \$ per hectare	2020/21 Revenue required \$
Rural land area. Land area of 4 or more hectares in all rural classified areas		0.98994	596,457
Total pest management rate			596,457

All figures on this page exclude GST.

Ko te mapi o ngā utu o te Pokapū o Pōneke | 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.



Attachment 1 to Report 20.163

Attachment 1 to Report 20.163

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2020
GW/

Council
11 June 2020
Report 20.189



For Decision

REVIEW OF COUNCIL'S REVENUE AND FINANCING POLICY

Te take mō te pūrongo

Purpose

1. To advise Council on whether a further review of Council's Revenue and Financing Policy (the Policy) is appropriate at this time.

He tūtohu

Recommendations

That the Council:

- 1 **Notes** that Council's Revenue and Financing Policy had a major review in 2018.
- 2 **Notes** that an additional benefit analysis so soon afterwards is unlikely to result in a significantly different outcome.
- 3 **Agrees** to a substantive review of the Revenue and Financing Policy in 2023.

Te tāhū kōrero

Background

2. While the Long Term Plan or Annual Plan determines the rate requirement, Council's Revenue and Financing Policy determines who should pay. Therefore, any change in the Policy means that someone will pay more, and someone will pay less – it does not impact the rates requirement.

2018 Review

3. The Policy was last reviewed in 2018 during the development of the Long Term Plan 2018-28, with a further minor change made in the 2019/20 Annual Plan. The objective of the 2018 review was to establish a policy that was:
 - a Equitable
 - b Defensible, based on the distribution of benefits
 - c Simple
 - d Transparent.
4. Prior to the 2018 review, the Policy had not been significantly modified for some time.

5. The 2018 review proposed changes to the Policy were not well received by all parts of the community. This resulted in some changes not being adopted (e.g. Flood Protection) and some changes being adopted over a six year transition period (e.g. Public Transport).
6. When the current Policy was adopted (Report to adopt the Long Term Plan 2018-28, Revenue and Financing Policy and Rates Remission and Postponement Policies - Report 18.255), Council agreed to undertake a triennial review of the Policy.

2019 Review

7. In the 2019/20 Annual Plan, Greater Wellington introduced a general rate differential within Wellington City only as follows:

Rating Category	Differential Rate
Residential	1
Wellington CBD business	1.7
Business	1.3
Rural	1

8. This differential was in response to the extraordinary lift in residential property values (46 percent) from the Wellington City valuation cycle, compared to the other rating classifications (Central Business District (CBD) 25 percent, Business 20 percent, and Rural 34 percent). This change in valuation resulted in the residential share of the general rate allocated to Wellington City increasing, while there was an offsetting reduced share of the Wellington City general rate allocation to the Business and CBD classifications.
9. When adopting the 2019/20 Annual Plan (Report to adopt the Annual Plan 2019/20, Revenue and Financing Policy, and Resource Management Charging Policy - Report 19.270), Council agreed to undertake a review of the Policy in the 2019-22 triennium.

Legislative Framework

10. Under section 101 of the Local Government Act 2002 (LGA), a council must set out how the operational and capital expenditure of a council's activities will be funded from a combination of sources, including rates. In developing its related policy, Council must consider for each activity:
 - a Part One¹:
 - i The community outcomes to which the activity primarily contributes
 - ii The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
 - iii The period in or over which those benefits are expected to occur
 - iv The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity

¹ Section 101(3)(a) of the LGA.

- v The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
 - b Part Two² - the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.
11. Each activity is assessed under the LGA for the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals. Public benefits are more likely to be funded with a general rate, targeted rates are used where the benefits are more specific to areas of the community or individuals, and user charges are more appropriate when there is direct private benefit.
 12. When comparing the Public Transport to the Flood Protection activity, Public Transport receives a subsidy from central government and the private benefit is paid by the fare payer on consumption as they travel. The rates portion then becomes a charge relating to the public benefit of having a Public Transport network. In contrast, Flood Protection has no contribution from central government and there is no charge on consumption for the private benefit, so the rates portion funds both the public and private benefits of the Flood Protection activity. As the circumstances are different, the approach to the policy is different.
 13. Rates are a charge calculated by reference to benefits, not a charge for the use of services.

Te tātaritanga Analysis

14. Council should consider if the following aspects of the Policy require further review:
 - a Benefit analysis and funding source allocations³:
 - i Allocation between user charges and rates
 - ii Allocation between general and targeted rates
 - iii Differentials applied to different rate payer groups
 - b Impacts on the community⁴ - should other tools be used to allocate the rates requirement.
15. Greater Wellington undertook a comprehensive review of the above issues as part of the 2018 review of the Policy, which included consultation with the community.
16. Officers consider that the factors taken into account when considering the above issues are unlikely to have changed significantly since the 2018 review.

² Section 101(3)(b) of the LGA.

³ Section 101(3)(a) of the LGA.

⁴ Section 101(3)(b) of the LGA.

17. While a further review of the Policy could be undertaken, such a review will likely to require significant officer time, possibly with the assistance of external support, and any proposed changes would require a formal consultation process with the community.
18. Officers are of the view that requirements of section 101 of the LGA were well met in the 2018 review, and that it is unlikely that an additional benefit analysis so soon would result in a significantly different outcome.

Next substantive review

19. Officers recommend that the next substantive review of Council's Revenue and Financing Policy is scheduled for 2023 in advance of preparation of Greater Wellington's Long Term Plan 2024-34.

**Ngā hua ahumoni
Financial implications**

20. There are no material financial implications arising from the matters for decision.

**Te huritao ki te huringa o te āhuarangi
Consideration of climate change**

21. The matters requiring decision in this report were considered by officers in accordance with the process set out in Greater Wellington's *Climate Change Consideration Guide*.

Mitigation and adaptation assessments

22. No mitigation or adaption assessments are required for these decisions.

**Ngā tikanga whakatau
Decision-making process**

23. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

**Te hiranga
Significance**

24. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of these matters, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers recommend that these matters are of low significance given the Policy was the subject of a major review in 2018.

**Te whakatūtakitaki
Engagement**

25. No engagement on the matters addressed in this report was undertaken. This level of engagement aligns with the determination of a low level of significance.

Ngā tūāoma e whai ake nei

Next steps

26. The Policy will be updated, as part of the Long Term Plan 2021-31 process, to reflect any changes made to the group of activities structure.

Ngā kaiwaitohu

Signatories

Writer	Alan Bird – Chief Financial Officer
Approver	Samantha Gain – GM Corporate Services

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or Committee's terms of reference</i> Council is responsible for reviewing the Revenue and Financing Policy.
<i>Implications for Māori</i> There are no known impacts for Māori.
<i>Contribution to Annual Plan / Long term Plan / Other key strategies and policies</i> The Revenue and Financing Policy is one of the key supporting policies for Greater Wellington's Long Term Plan.
<i>Internal consultation</i> The Finance, and Strategic & Corporate Planning departments were consulted.
<i>Risks and impacts: legal / health and safety etc.</i> There are no risks that are specifically relevant.

Council
11 June 2020
Report 20.190



For Decision

**LOCAL GOVERNMENT NEW ZEALAND ANNUAL GENERAL MEETING 21
AUGUST 2020: ATTENDANCE AND PROPOSED REMIT**

Te take mō te pūrongo

Purpose

1. To seek approval for Councillor attendance at the 2020 Local Government New Zealand (LGNZ) Annual General Meeting (AGM), and authority for Council representatives to act as delegates at the AGM.
2. That Council consider and approve the attached remit for submitting to LGNZ for its AGM to be held on 21 August 2020.

He tūtohu

Recommendation

That the Council:

- 1 **Approves** the attendance of Councillors Staples, Blakeley and Nash, and Greg Campbell, Chief Executive, at the 2020 LGNZ AGM.
- 2 **Nominates** Councillor Staples as the Presiding Delegate for voting on behalf of the Council at the 2020 LGNZ AGM.
- 3 **Nominates** Councillors Blakeley, and Nash, and Greg Campbell, Chief Executive, as Alternate Delegates for voting on behalf of the Council at the 2020 LGNZ AGM if Councillor Staples is absent from the AGM.
- 4 **Adopts** the proposed remit (Attachment 1) to proceed to LGNZ for inclusion in LGNZ's AGM on 21 August 2020.
- 5 **Notes** that the Council Chair will proceed to seek the support of at least four other councils to the proposed remit in accordance with the LGNZ AGM Remit Policy.

Te horopaki

Context

Attendance

3. The 2020 LGNZ AGM will be held in Wellington on 21 August 2020. Greater Wellington Regional Council is entitled to have four delegates (including officers) at the AGM and must nominate:

- a the Presiding Delegate (the person responsible for voting on behalf of the Council at the AGM)
 - b one or more Alternate Delegates (person/s responsible for voting on behalf of the Council if the Presiding Delegate is absent from the AGM).
4. The Council Chair has advised officers that the proposed Councillor attendees are Crs Staples, Blakeley and Nash. The Chief Executive will also be attending.

Proposed remit

5. The proposed remit ([Attachment 1](#)) acknowledges the recognition and strong financial support to local government through Waka Kotahi New Zealand Transport Agency for public transport being designated as an essential service, as a result of Covid-19.
6. The remit is concerned with the sustainability of public transport during the recovery and rebuild related to post Covid-19 and signifies that councils across New Zealand will continue to be under significant financial pressure to maintain the viability of public transport. It further calls for Government to provide ongoing support and to work in partnership with councils to ensure the ongoing viability of public transport in the regions, cities, towns and communities across New Zealand.
7. All proposed remits and accompanying information must be forwarded to LGNZ no later than 5.00pm, Tuesday 16 June 2020.

**Te tātaritanga
Analysis**

8. The LGNZ's National Council's Remits Screening Policy includes but is not limited to major strategic 'issues of the moment' with a national focus articulating a major interest and concern at national political level.
9. For a remit to be submitted and screened by LGNZ formal support from at least one zone or sector group meeting (which have not been held during COVID-19 Alert Levels) or five councils (four others, with GWRC being the fifth) must be obtained for LGNZ to consider putting the remit forward to LGNZ for consideration and approval for progression to the LGNZ AGM to be held on 21 August 2020. The Council Chair will seek the support of at least four other councils for the proposed remit to proceed.

**Ngā hua ahumoni
Financial implications**

10. There are no financial implications.

**Te huritao ki te huringa o te āhuarangi
Consideration of climate change**

11. There is no need to conduct climate change assessments.

Ngā tikanga whakatau
Decision-making process

12. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga
Significance

13. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matters for decision, taking into consideration Council’s *Significance and Engagement Policy* and *Decision-making Guidelines*. Officers consider that these matters are of low significance.

Te whakatūtakitaki
Engagement

14. Due to the low significance of the matters for decision, no engagement was considered necessary.

Ngā tūāoma e whai ake nei
Next steps

15. LGNZ will be notified of Greater Wellington’s attendees for the AGM and of the proposed remit.

Ngā āpitihanga
Attachment

Number	Title
1	LGNZ AGM 2020 Remit: Covid-19 PT

Ngā kaiwaitohu
Signatory/Signatories

Writer	Marilyn Walker, Advisor, Democratic Services
Approver/s	Francis Ryan, Manager, Democratic Services Luke Tory, General Manager, Strategy

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council's roles or Committee's terms of reference</i></p> <p>The remit (Attachment 1) fits with Council's obligations and responsibilities related to public transport.</p>
<p><i>Implications for Māori</i></p> <p>There are no known implications for Māori.</p>
<p><i>Contribution to Annual Plan / Long term Plan / Other key strategies and policies</i></p> <p>The remit is to signify that ongoing financial support will be needed from Government for the ongoing sustainability of public transport during the recovery and rebuild related to post Covid-19.</p>
<p><i>Internal consultation</i></p> <p>There was no internal consultation.</p>
<p><i>Risks and impacts: legal / health and safety etc.</i></p> <p>There are no known risks or impacts.</p>

Attachment 1 to Report 20.190

**LGNZ Annual General Meeting 2020:
COVID-19 RELATED SUPPORT FROM GOVERNMENT FOR PUBLIC TRANSPORT**

Council:	Greater Wellington Regional Council
Contact:	Cr Roger Blakeley, Chair GWRC Transport Committee
Phone:	021 229 6928
Email:	Roger.Blakeley@gw.govt.nz
Remit:	<p>That LGNZ:</p> <ul style="list-style-type: none"> • acknowledges the Government for its recognition during COVID-19 of public transport as an essential service. • acknowledges the strong financial support provided by the Government through Waka Kotahi NZTA during the COVID-19 Alert Levels, that enabled Councils to continue to provide public transport for people providing essential services and transport for the public to receive essential services up to 30 June 2020. • recognises that Councils will continue to be under significant financial pressure to maintain the viability of public transport under current FAR rate settings for many months during the recovery phase from COVID-19. • calls on the Government to work with councils to maintain the financial viability of public transport during the recovery phase of COVID-19.
Proposed by:	Greater Wellington Regional Council
Supported by:	TBC

BACKGROUND INFORMATION AND RESEARCH

1. NATURE OF THE ISSUE

The Remit is important as an acknowledgement to the Government from the Local Government sector for the strong support for public transport during the response to the COVID-19 pandemic emergency, and to reinforce the need for ongoing support during recovery from COVID-19 to ensure the financial viability of public transport in councils across New Zealand.

The Remit meets the tests for acceptance of a proposed Remit to the LGNZ AGM in that it addresses a major strategic “issue of the moment”, and it has a national focus articulating a major interest and concern at the national political level.

2. BACKGROUND TO ITS BEING RAISED

This Remit gives deserved acknowledgement to the Government for its strong support of public transport during the response phase to the COVID-19 pandemic emergency. We know from experience in China that recovery of patronage on public transport has been slow following the passing of the worst of COVID-19. The recovery phase from COVID-19 in New Zealand may take many months, and even years, based on current projections.

The Government through Waka Kotahi NZ Transport Agency (NZTA) required and funded the delivery of public transport (as an essential service) throughout the Alert Levels.

NZTA has also funded;

- the shortfall in revenue for bus, ferry and train operations

- the additional costs that resulted from COVID-19 such as cleaning, stickers and advertising collateral;
- the Total Mobility Service receiving a full subsidy for a taxi service up to \$80 /trip until the end of June.

As at 11 June, we do not know what financial support will be available from the Government through NZTA for public transport beyond financial year 2020/2021. This Remit is calling for the Government to continue to work in partnership with councils to ensure the ongoing viability of public transport in the regions, cities, towns and communities across New Zealand.

3. NEW OR CONFIRMING EXISTING POLICY

This issue is not currently covered by existing LGNZ policy.

It is new policy, in so far as it relates to COVID-19 and the associated ongoing financial viability of public transport. One possible tool could be an increase in the appropriate Financial Assistance Rate (FAR) during the Recovery Phase from COVID-19.

4. HOW THE ISSUE RELATES TO THE OBJECTIVES IN THE CURRENT LGNZ WORK PROGRAMME

The issue directly relates to Issue “1. Infrastructure and Funding” of LGNZ’s “The six big issues for New Zealand councils, Our work, Our policy priorities”: <https://www.lgnz.co.nz/our-work/our-policy-priorities/the-six-big-issues/>

This also indirectly relates to LGNZ’s social priorities, as it is vital that public transport continues to be available to those in our communities who rely on it.

5. WHAT WORK OR ACTION ON THE ISSUE HAS BEEN DONE ON IT, AND THE OUTCOME

Because of the speed by which the pandemic has become an issue, no work has been undertaken on this issue by either LGNZ or the proposer. Current government support has primarily been concerned with the need to sustain public transport through the immediate response or emergency phase. This Remit is concerned with the sustainability of public transport during the recovery and rebuild phase’s post-COVID-19.

6. ANY EXISTING RELEVANT LEGISLATION, POLICY OR PRACTICE

- Land Transport Management Act 2003, no 118 (as at 22 October 2019): <http://www.legislation.govt.nz/act/public/2003/0118/77.0/DLM226230.html>
- Draft Government Policy Statement on Land Transport, 2021/22 – 30/31 including Outcome “Inclusive Access” (which includes “access to work, education and healthcare”), and Outcome “Resilience and security” (which includes “recovering effectively from disruptive events”): <https://www.transport.govt.nz/multi-modal/keystrategiesandplans/gpsonlandtransportfunding/gps-2021/>
- National Action Plan 3 “Unite Against COVID-19”, as of 23 April 2020, National Crisis Management Centre: <https://covid19.govt.nz/assets/resources/legislation-and-key-documents/COVID19-National-Action-Plan-3-as-of-22-April-extended.pdf>

7. OUTCOME OF ANY PRIOR DISCUSSION AT A ZONE OR SECTOR MEETING

Zone and Sector Meetings have not been held during COVID-19 Alert Levels.

8. SUGGESTED COURSE OF ACTION ENVISAGED

It is recommended that the President of LGNZ write to the Minister of Transport and the Minister of Local Government, to convey the Remit and seek a meeting with the Ministers to discuss a joint work programme between the Government and councils (through LGNZ) on policy to maintain the financial viability of public transport during the recovery phase of COVID-19.

Council
11 June 2020
Report 20.168



For Decision

PROPOSED CHANGE TO THE LOCAL GOVERNMENT FUNDING AGENCY'S DEBT TO REVENUE COVENANTS

Te take mō te pūrongo

Purpose

1. To advise Council on the Local Government Funding Agency (LGFA) proposal and the related process so Council can agree a change to the Local Government Funding Agency (LGFA) debt to revenue covenants.

He tūtohu

Recommendations

That the Council:

1. **Agrees** with the Local Government Funding Agency's proposal to increase the net debt / total revenue ratio from 250 percent to 280 percent.
2. **Appoints** Samantha Gain, General Manager Corporate Services, as proxy to vote on behalf of the Council at the Local Government Funding Agency's Special General Meeting on 30 June 2020, with Seán Mahoney, Manager Company Portfolio, as alternate.

Te horopaki

Context

2. The LGFA provides debt funding to local authorities. Greater Wellington is one of the 54 guarantor councils of this debt. Greater Wellington also borrows from LGFA and is an LGFA shareholder. The LGFA currently has \$10.8 billion of debt issued.
3. When lending to a local authority, the LGFA sets covenants to minimise the risk of default on the repayment of debt. These covenants include a Net Debt / Total Revenue ratio of 250 percent. This ratio was originally set in 2011 by the credit rating agencies as a proxy for the Debt/GDP ratios used to assess sovereign credit ratings. In simple terms, the ratio illustrates affordability.
4. The LGFA is anticipating that the impact of the COVID-19 pandemic may lead to reduced or constrained revenues (with rates freezes, lower than planned rates rises, or decreased revenues) while at the same time increasing capital demands for infrastructure over the next six years.

5. The LGFA is proposing to increase the Net Debt / Total Revenue covenants from 250 percent to 280 percent, phased in over a six year period. This will only apply to local authorities with credit ratings of "A" equivalent or higher. The ratio for those local authorities without this credit rating will remain unchanged at 175 percent.
6. Council should also be aware that all lending by the LGFA includes a security charge over rates, so the LGFA can recover any defaulted debt through the appointment of a statutory manager.

Te tātaritanga

Analysis

7. As the LGFA's proposal changes the foundation policy covenant, approving the proposal requires a special general meeting of the shareholders to pass an ordinary shareholder resolution. The notice for this meeting is included as [Attachment 1](#).
8. There are currently 31 local authorities with a credit rating of "A" or better, covering borrowings of \$9.63 billion.
9. The LGFA Shareholders' Council (SC) provides oversight and monitoring of the LGFA on behalf of all members. The SC has reviewed the proposal and sought feedback from credit ratings agencies, which included a report from Standard & Poor's Global Ratings. The SC was broadly in support of the proposal but required further information on incremental risks.
10. The LGFA responded with a risk assessment report ([Attachment 2](#)) which addressed the SC's concerns. This report included looking at the impact on the risk of default, the likelihood of local authorities increasing their ratio to the upper limits of the ceiling, and the impact of any default on the LGFA members.
11. The report considered that the predicted loss from default is negligible over a five year period.
12. The SC has sent a memo to shareholders indicating that it has voted to support the proposal ([Attachment 3](#)).
13. The Council may either vote in favour or against the LGFA increasing the Net Debt/ Total Revenue from the current 250 percent to 280 percent, or choose not to exercise its voting entitlement.
14. The proposed change provides greater financial flexibility and borrowing capacity for local authorities as a result of the short-term impacts of the COVID-19 pandemic and the medium-term structural changes to the local government sector to meet additional demand for infrastructure investment.
15. Officers recommend supporting the proposed increase in the Net Debt / Total Revenue ratio from 250 percent to 280 percent.
16. It is proposed that Council appoints Samantha Gain, General Manager Corporate Services, as proxy to vote on behalf of the Council at the Local Government Funding Agency's Special General Meeting on 30 June 2020 (with Seán Mahoney, Manager Company Portfolio, as alternate). The Special General Meeting is being held as a Zoom meeting.

Ngā hua ahumoni
Financial implications

17. There are no financial implications from agreeing to the proposal.

Te huritao ki te huringa o te āhuarangi
Consideration of climate change

18. The matters requiring decision in this report were considered by officers in accordance with the process set out in Greater Wellington's Climate Change Consideration Guide.

Mitigation and adaptation assessments

19. The matters addressed in this report are of a procedural nature, and there is no need to conduct climate change assessments.

Ngā tikanga whakatao
Decision-making process

20. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga
Significance

21. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of these matters, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers recommend that these matter are of low significance due to their procedural nature.

Te whakatūtakitaki
Engagement

22. The engagement process for considering the LGFA's proposal was conducted by the LGFA and the SC.

Ngā tūāoma e whai ake nei
Next steps

23. The proxy form for the LGFA special meeting ([Attachment 4](#)) will be completed and submitted to the LGFA.

Ngā āpitihanga
Attachments

Number	Title
1	Notice of Meeting – LGFA special meeting
2	Risk Assessment – LGFA special meeting
3	Memo to Shareholders – LGFA special meeting

Number	Title
4	Proxy Form – LGFA special meeting

**Ngā kaiwaitohu
Signatories**

Writer	Seán Mahoney – Company Portfolio Manager
Approver	Samantha Gain – General Manager, Corporate Services

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or Committee's terms of reference</i> Council, as a LGFA shareholder, must approve the proposal.
<i>Implications for Māori</i> There are no known implications for Māori.
<i>Contribution to Annual Plan / Long term Plan / Other key strategies and policies</i> There are no direct contributions to Council's or Greater Wellington's strategies, policies and plans.
<i>Internal consultation</i> There was no internal consultation.
<i>Risks and impacts: legal / health and safety etc.</i> The risk of defaults have been addressed by the LGFA and the SC.

**NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
NOTICE OF SPECIAL GENERAL MEETING**

Notice is given that a special meeting of shareholders of New Zealand Local Government Funding Agency Limited ("**Company**" or "**LGFA**") will be held virtually on **30 June 2020** commencing at **2:00pm**. The board of the Company has called this special meeting in accordance with clause 15.2(a) of the Company's constitution.

BUSINESS

1. **CHANGES TO FOUNDATION POLICIES**

In accordance with clause 5.1(c) of the SHA, to approve, by way of Ordinary Resolution, the amendments to the foundation policies of the Company ("**Foundation Policies**") as explained in the Explanatory Note.

2. **GENERAL BUSINESS**

To consider such other business as may properly be raised at the meeting.

Please refer to the explanatory note that accompanies this notice of meeting.

VIRTUAL MEETING

With measures to contain the spread of COVID-19 expected to remain in place for some time, the board of the Company has made the decision to hold this meeting as a virtual meeting, in accordance with clause 14.1(b) of the Company's constitution.

All shareholders will be able to participate in the meeting via an internet connection (using a computer, laptop, tablet or smartphone). In order to participate remotely you will need to join via Zoom:

Zoom Meeting ID: 957 7175 6899

Meeting Password: 843766

If you have any questions, or need assistance with the online process, please contact Jane Phelan.

Shareholders will be able to vote on the resolution and ask questions by using their own computer or mobile devices.

Shareholders will still be able to appoint a proxy to vote for them, as they otherwise would, by following the instructions on the proxy form.

By order of the board:



Craig Stobo, Chairman

12 May 2020

ORDINARY RESOLUTIONS: *Ordinary resolutions are resolutions approved by a simple majority of more than 50% of the votes of the shareholders entitled to vote and voting at the special general meeting.*

SHAREHOLDERS ENTITLED TO ATTEND AND VOTE: Pursuant to section 125 of the Companies Act 1993, for the purposes of voting at the special general meeting, those registered shareholders of the Company as at 9.00am on Tuesday 30 June 2020 shall be entitled to exercise the right to vote at the meeting.

CAPITALISED TERMS: Unless otherwise defined in this notice, capitalised terms have the meanings given to them in the Shareholders' Agreement dated 7 December 2011 (as amended and restated from time to time) ("SHA").

EXPLANATORY NOTE

CHANGES TO FOUNDATION POLICIES

This resolution seeks shareholders' approval for amendments to the Foundation Policies of the Company.

The Foundation Policies of the Company are set out in schedule 1 to the SHA. In summary, as relevant for the proposed resolution, clause 5.1(c) of the SHA provides that neither the Board nor any shareholder shall take or permit any action to cause any alteration to any of the Foundation Policies unless it is approved by Ordinary Resolution of the Company's shareholders.

The proposed changes to the Foundation Policies requiring shareholder approval by Ordinary Resolution relate to a change to the Net Debt / Total Revenue foundation policy financial covenant.

Proposed Change

The proposed change is to increase the Net Debt / Total Revenue foundation policy financial covenant from the current 250% to 280%, which applies to Local Authorities with a long-term credit rating of 'A' equivalent or higher.

However, such Local Authorities will not be required to comply with the revised Net Debt / Total Revenue foundation policy financial covenant until the financial year ending 30 June 2026. Until that date, such Local Authorities must comply with the Net Debt / Total Revenue foundation policy financial covenants set out in the table below:

Alternative Net Debt / Total Revenue Covenant	
Financial Year ending	Net Debt / Total Revenue
30 June 2020	<250%
30 June 2021	<300%
30 June 2022	<300%
30 June 2023	<295%
30 June 2024	<290%
30 June 2025	<285%

Then from the Financial Year ending 30 June 2026 the Net Debt/Total Revenue foundation policy financial covenant will be 280% for such Local Authorities with a long-term credit rating of 'A' equivalent or higher.

The proposed change is to provide greater financial flexibility and borrowing capacity for such Local Authorities as a result of the short-term impacts of COVID-19 and the medium-term structural changes to the local government sector to meet additional demand for infrastructure investment.

Local Authorities are faced with short-term revenue uncertainties as a result of the impact of COVID-19 on the New Zealand economy. This will impact both rates revenue and non-rates revenue for many Local Authorities and a recent Department of Internal Affairs Report projects revenue shortfalls of between 2.3% and 11% in the 2020-21 financial year.¹

The foundation policy and lending policy financial covenants were incorporated into the Foundation Policies in 2011 and have not subsequently been amended. Since 2011, Local Authorities have faced increased borrowing requirements to finance additional infrastructure to meet population growth, climate change and water quality issues. Central Government has also called upon Local Authorities to assist with additional infrastructure investment in the near term as part of the economic relief package post COVID-19.

The proposed changes only apply to Local Authorities with a long-term credit rating of 'A' equivalent or higher. As at 12 May 2020 thirty Local Authorities were required to meet the foundation policy financial

¹ DIA Local Government Sector COVID-19 Financial Implications Report 2 –4 May 2020

covenants. The other thirty-seven Local Authorities are required to meet the more restrictive lending policy financial covenants.

LGFA has undertaken scenario testing to determine the potential additional borrowing as a result of the proposed change to the foundation policy financial covenants and has concluded that the proposed changes do not incur significant additional risk for shareholders or guarantors of LGFA. This is because the probability of a default by a Local Authority remains low and if a default did occur then the probability of recovery of loans owing to LGFA remains high.

LGFA has discussed the proposed changes with both S&P Global Ratings Australia Pty Limited and Fitch Australia Pty Limited who provide a credit rating on LGFA. Both agencies were supportive verbally of the proposed change and S&P Global Ratings Australia Pty Limited provided their support in writing.²

² S&P Global Ratings Bulletin "New Zealand Local Government Funding Agency Ltd Ratings Can Tolerate Higher Council Leverage Limits. 5 May 2020

APPENDIX: FORM OF AMENDED FOUNDATION POLICIES



Analysis of additional risk to guarantors from proposed change to Foundation Policy limits

Background:

The LGFA Board has proposed to shareholders to change a Foundation Policy covenant at a Special General Meeting of shareholders on 30 June 2020. Please refer to the Notice of Meeting for the rationale to increase the Net Debt/Total Revenue covenant within the Foundation Policies.

The proposal is to increase the limit to 300% for the 2020/21 and 2021/22 years and then a tapering back to 280% over a five-year period (to June 2026) through a 5% reduction each year from June 2022.

There are no proposed changes to any of the Lending Policy covenants (for unrated councils or those with a credit rating less than "A") and no proposed changes to any of the other Foundation Policy covenants.

The proposed covenant change applies to those councils with a credit rating of "A" or better and there are currently 31 councils with borrowings from LGFA of \$9.63 billion as at 26 May 2020.

The Shareholder Council is in favour of the proposal but has asked

“the LGFA Board to determine (preferably through appropriate independent advice) how much (if any) additional risk could arise as a consequence of lifting the debt covenants to the proposed level and, if there is any additional risk to shareholders and guarantors, advice on what the appropriate response could be to mitigate it.”

LGFA management have estimated the additional risk through assessing the probability of default from a change to the covenant by using the S&P rating methodology. They have outlined the rationale for why there is a low likelihood of loss on a council loan if a default occurred. They have also highlighted the mitigants to a call on the guarantee in the unlikely event that a council did default, and a loss did occur.

The LGFA board believes it is not cost effective to undertake an independent review of this analysis as the quantitative analysis is drawn from S&P Global Ratings independent methodology and the qualitative assessment regarding mitigants has been well publicised by LGFA over the past five years. S&P Global Ratings also noted on an investor conference call on 26 May 2020 that the additional risk from the proposed changes to guarantors is very low.

Additional risk from proposed change:

The Net Debt/Total Revenue covenant was set in conjunction with the credit rating agencies in 2011 and is viewed as a crude proxy for the Debt/GDP ratios used to assess Sovereign credit ratings. It is a measure of debt affordability for borrowers. It is however an imperfect assessment for councils with constrained revenue sources (that are largely uncorrelated to economic growth) and the ratio is misleading given it is a comparison of a stock of debt to a flow of income. However, there is no better proxy available for an assessment of debt affordability.

The other covenant ratios are measures of debt serviceability and liquidity. The low level of interest rates means that there are no issues for councils when meeting debt serviceability covenants. Councils have high levels of access to liquidity.

The additional risk for LGFA (and its council guarantors) from relaxing the Net Debt/Total Revenue covenant for those councils with an external credit rating stems from those council borrowers either taking on additional debt or a reduced level of revenue than previously forecast. The risk will depend upon whether there is an increase in

1. Probability of default and/or
2. Likelihood of loss if a default occurs

Probability of default

We use S&P data to assess the probability of a borrower defaulting for a given credit rating. The S&P data shows:

- The probability of a "AA" issuer defaulting over the next 5-year period is 0.32%
- The probability of a "A" issuer defaulting over the next 5-year period is 0.50%
- S&P do not break the analysis down into individual ratings bands between "AA" and "A". It would be reasonable however to assume the outcomes for "AA-" and "A+" would be somewhere in between so we have used 0.38% and 0.44% respectively.
- We have used 5 years for the time period as it is a reasonable proxy for an average council loan (more accurate than using the 1-year data)

The question then becomes how much the risk of a council default increases by lifting the net debt to revenue covenant from 250% to 280%.

- The debt level of a council is only one part of what makes up the credit profile (or riskiness) of a council (the S&P weighting is 20%)
- For a council credit rating outcome, it is entirely possible that an increase in debt will be offset by an improved score for economic strength or liquidity. Therefore, the whole picture needs to be considered.
- LGFA's view is that only Auckland, Hamilton City and Tauranga City Councils are likely to see their net debt to revenue ratio increase to over 250% in the medium term.
- All other councils have enough headroom that makes it unlikely that forecast or actual net debt to total revenue will increase above 250% although it is possible that this could change when the 2021-2031 LTP's are completed.

Expected loss as a result of a default

The following analysis considers the potential loss from the proposed change to the Foundation Policy covenant¹

- Auckland, Hamilton City and Tauranga City Councils currently makeup 34.3% of LGFA's council lending.
- If it is assumed that these three councils are downgraded by 1 rating notch if their Net Debt / Total Revenue outcome increases from 250% to 280% then the probability of default increases by 0.06% (0.5%-0.32% divided by 3). The underlying assumption is that if a "AA" council is downgraded to "AA-" then the default probability would increase from 0.32% to 0.38%.
- 34.3% of the portfolio multiplied by 0.06% is 0.02%.
- A 0.02% expected loss on a \$10.8 billion loan book translates to a loss of \$2.2 million over 5 years.

LGFA would expect to recoup some (if not all) of any losses as we only lend to councils secured against rates. If we adjust the \$2.2 million expected loss for an 80% recovery rate, then this would be an expected loss of \$440,000.

On this basis the change in the predicted loss is negligible.

¹ Note this is an estimate of the additional potential loss and not the overall estimated loss on the loan book.

Likelihood of a call on guarantors – a qualitative assessment

If a council borrower defaults and there is a loss on the loans, then what are the implications for call upon the guarantee?

It must be noted that the guarantor councils guarantee the obligations of LGFA and not individual council loans. Any call under the guarantee would be made by the LGFA board in order to maintain solvency or meet repayment of LGFA obligation to investors.

The mitigants to a call upon the guarantee are

Reduce probability of council default	Reduce likelihood of loss if a council defaulted	Reduce risk of call on guarantee if a council defaulted and a loss incurred.
<p>Performance of Council Sector</p> <p>There has never been a default by a New Zealand Council. In addition, there is strong oversight of the sector by the Office of the Auditor General (OAG) and the Department of Internal Affairs (DIA). If the Government has concerns over the performance of a council, there are several intervention steps that can be taken including the appointment of a Crown Observer through to the appointment of Commissioners.</p>	<p>Security Over Rates</p> <p>All lending undertaken by LGFA to councils is done with a security charge over the council's rates. This means that in the event of a default by a council, LGFA can appoint a statutory manager who can impose a special rate that would be able to recover the amount owed to LGFA. This ensures all lending to councils is first ranking.</p>	<p>LGFA Capital</p> <p>As at March 2020, LGFA had capital of \$244.6 million. This was made up of \$81.5 million of equity and \$163.1 million of borrower notes which could be converted into equity. In addition, there is a further \$20 million of uncalled capital. This provides over \$250 million of equity that could be used before a call was made under the guarantee.</p> <p>LGFA is proposing to increase the Borrower Notes (BNs) percentage to 2.5% and the recently increased lending margins will increase capital. Increasing the BNs alone will increase capital by almost \$100 million in the next six years.</p>
<p>LGFA Financial Covenants</p> <p>LGFA covenants are set at a level that is roughly consistent with a "A+" credit rating from S&P global ratings. A borrower with a credit rating of "A+" remains of investment grade quality and is not expected to default on its obligations.</p>		<p>LGFA Relationship with Government</p> <p>The New Zealand Government does not guarantee LGFA. However, the Government is a 20% shareholder in LGFA. In addition, the Government provides a \$1 billion committed credit facility to LGFA. This would provide LGFA access to funding in the event of a severe market disruption in capital markets which in turn would provide continuity of funding to the New Zealand local authority sector. The Government is also a member of the LGFA Shareholder Council.</p>

<p>Current Headroom under Financial Covenants</p> <p>As at June 2019 no council had a net debt to revenue ratio above 200%. This means that there was enough headroom as a starting point. As a result, we do not think any council will breach the LGFA financial covenants as at June 2020.</p>		<p>LGFA Relationship with Reserve Bank of New Zealand (RBNZ)</p> <p>The RBNZ added LGFA bonds to its Large-Scale Asset Purchase (LSAP) programme in early April and can buy up to 30% of LGFA bonds on issue. The Minister of Finance has agreed to indemnify the RBNZ from any losses incurred through operating the LSAP. This provides a source of liquidity for LGFA and ensures we can borrow at cost effective yields.</p>
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Conclusion

LGFA assesses there to be a low probability of a council defaulting, a high expected recovery rate if a council did default and several mitigants to reduce the likelihood of a call upon the guarantee.

A statistical model-based outcome suggests an additional \$2.2 million expected loss to be considered should the Foundation Policy limit be increased and assuming that three councils move above the existing limit to the new higher limit of 280%. Assuming an 80% recovery rate, then this would be an expected loss of \$440,000.

Given the capital position and ongoing profitability of LGFA, we assess the additional risk to be minor and is outweighed by the benefits to the councils of additional headroom and borrowing capability. This will enable our council borrowers to facilitate infrastructure led growth in the post-COVID environment and meet their responsibilities under the Four Well beings of the Local Government Act.

28 May 2020

Dear Shareholders

LGFA Special General Meeting – Change to Debt to Revenue Covenant

As you are aware a Special General meeting for the Local Government Funding Agency (LGFA) has been called for 30 June 2020. This meeting is to consider proposed changes to the Debt to Revenue Lending covenant.

Before the Shareholders' Council (SC) position was finalised, LGFA sought feedback from the main credit rating agencies to establish the level of support for the proposal. A report subsequently published by S&P Global Ratings is attached.

At that time, the SC agreed that while it broadly supported the proposed changes, more information was required about any incremental risks arising. However, given the positive response from the rating agencies we gave our qualified support at that time, and agreed that preparations for the proposal to be put to shareholders at a Special General Meeting should be progressed by LGFA.

LGFA has responded to our request for further information (also attached). While this is not an independent assessment, the majority of SC members agree that this addresses our concerns and that the benefits of the proposal outweigh any associated risks.

Eight of the nine council members of the SC have voted to recommend that the proposal is supported, with one abstaining. The Government representative has also supported the SC recommendation, although it is noted that the Government is not a guarantor of LGFA.

We therefore support the proposed changes and recommend that all shareholders do the same.

Note: All council members of the SC are LGFA shareholders, guarantors and borrowers and therefore have an interest in any policy changes that allow further borrowing. Three councils (Auckland, Hamilton and Tauranga) have high Debt to Revenue ratios currently and could take advantage of the changes (if approved) in the near future. Other SC members could extend their planned borrowings via their 2021-31 Long Term Plans. However, given the cooperative structure of LGFA, we feel that these interests do not give rise to any specific conflicts that preclude any members from participation in the process.

Yours faithfully



Alan Adcock

Chair, LGFA Shareholders' Council

Attachment 4 to Report 20.168

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

PROXY FORM



I/We _____

of _____

being a shareholder of New Zealand Local Government Funding Agency Limited ("**Company**") appoint _____

of _____ or failing him/her _____

of _____ as my/our proxy to vote for me/us at the special general meeting of the Company to be held on 30 June 2020 and at any adjournment thereof.

If you wish to direct the proxy how to vote, please indicate with a in the appropriate box below. If the proxy can vote as he or she thinks fit, please indicate with a in the following box:

- | | For | Against |
|---|--------------------------|--------------------------|
| 1. To approve the changes to the foundation policies of the Company | <input type="checkbox"/> | <input type="checkbox"/> |

(Please refer to the notice of meeting for details of the resolution)

Signature of Shareholder

Dated: 2020

Notes:

1. In light of recent public health announcements relating to COVID-19, the Company's board has made the decision to hold the special general meeting as a virtual meeting. You may attend the virtual meeting and vote or you may appoint a proxy to attend and vote in your place.
2. If you wish you may appoint as your proxy the chairperson of the meeting. The chairperson intends to vote all discretionary proxies, for which they have authority to vote, in favour of the resolution.
3. If you are a body corporate, this proxy form must be signed on behalf of the body corporate by a person acting under the body corporate's express or implied authority.
4. For this proxy form to be valid, you must complete it and produce it to the Company at least 48 hours before the time for holding the meeting. You can produce it to the Company by delivering it to **Level 8, City Chambers, 142 Featherston Street, Wellington 6145** or via email to jane.phelan@lgfa.co.nz. **It must be received at least 48 hours before the time for holding the meeting.**
5. If this proxy form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this proxy form.
6. If you return this form without directing the proxy how to vote on the resolution, the proxy can vote how he or she thinks fit if authorised by you in this proxy form by ticking the appropriate box. Otherwise, the proxy will be deemed to have abstained from voting on that matter.
7. Capitalised terms in this proxy form have the meanings given to them in the shareholders' agreement dated 7 December 2011 (as amended from time to time) between the Company and its shareholders.

Council
11 June 2020
Report 20.174



For Decision

RESOLUTION TO EXCLUDE THE PUBLIC

That the Council excludes the public from the following parts of the proceedings of this meeting, namely:—

Appointments to Public Transport Advisory Group

Chief Executive performance indicators for 2020/21

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

Appointment to Public Transport Advisory Group	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<p>Information contained in this report includes personal and identifying information about a proposed candidate for appointment. Withholding this information prior to Council’s decision is necessary to protect the privacy of that natural person, as releasing the information would disclose their consideration for appointment as a member of the Public Transport Advisory Group.</p> <p>Council has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the need to withhold the information.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(a) of the Act (to protect the privacy of natural persons, including that of deceased natural persons).</p>

Chief Executive performance indicators for 2020/21	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<p>This report contains information relating to the current Chief Executive’s performance agreement. Release of this information would prejudice the privacy of Greg Campbell, Chief Executive, by disclosing information pertaining to the employment relationship between the Chief Executive and the Council.</p> <p>Council has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override Mr Campbell’s privacy.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(a) of the Act (to protect the privacy of natural persons, including that of deceased natural persons).</p>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.