

If calling, please ask for Democratic Services

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## Council

Thursday 30 May 2024, 11.30am

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Taumata Kōrero - Council Chamber, Greater Wellington Regional Council, 100 Cuba St, Te Aro, Wellington

*Quorum: Seven Councillors*

### Members

#### Councillors

Daran Ponter (Chair)

Adrienne Staples (Deputy Chair)

David Bassett

Ros Connelly

Quentin Duthie

Penny Gaylor

Chris Kirk-Burnnand

Ken Laban

David Lee

Thomas Nash

Hikitia Ropata

Yadana Saw

Simon Woolf

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

# Council

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Thursday 30 May 2024, 9.30am

Taumata Kōrero - Council Chamber, Greater Wellington Regional Council, 100 Cuba St, Te Aro, Wellington

## Public Business

No.	Item	Report	Page
1.	Apologies		
2.	Conflict of interest declarations		
3.	Public participation		
4.	Confirmation of the Public minutes of the Council meeting of 11 April 2024	24.169	4
5.	Confirmation of the Public Excluded minutes of 11 April 2024	PE24.171	12
6.	Confirmation of the Public minutes of the Council meeting of 16 May 2024	24.237	14

## Strategy/Policy/Major Issues

7.	Analysis of the Revenue and Financing Policy public consultation submissions	24.211	20
8.	Consultation on Dangerous Dams Policy 2024	24.242	49
9.	Te Wai Takamori o Te Awa Kairangi: Agreed transport objectives	24.273	67
10.	Waterloo Priority Development Area	24.131	188
11.	Wellington Rapid Transit Bus Corridors	24.229	204
12.	Request to increase the 2023/24 delegation to borrow money	24.191	214
13.	Rebudgeting of Operational and Capital Expenditure from Financial Year 2023/24 to Financial Year 2024/25	24.257	218
14.	Addressing the 2023/24 Public Transport Funding Gap	24.190	224
15.	Audit New Zealand's Report on Council's 2024-34 Long Term Plan Consultation Document	24.258	229
16.	Greater Wellington's Quarter Three 2023/24 summary	24.255	253
17.	Finance update - April 2024	24.263	290

## **Resolution to Exclude the Public**

18.	Resolution to exclude the public	24.276	296
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## **Public Excluded Business**

19.	Appointment of member to the Wellington Regional Leadership Committee	PE24.271	299
20.	Property purchase – Lower Hutt	PE24.275	303
21.	Confirmation of the Restricted Public Excluded minutes of 11 April 2024	RPE24.170	312
22.	Confirmation of the Restricted Public Excluded minutes of 16 May 2024	RPE24.240	316
23.	Southern Depot lease arrangement ( <i>To come</i> )	RPE24.250	

**4**



Please note these minutes remain unconfirmed until the Council meeting on 30 May 2024.

Report 24.169

## **Public minutes of the Council meeting on Thursday 11 April 2024**

Taumata Kōrero – Council Chamber, Greater Wellington Regional Council  
100 Cuba Street, Te Aro, Wellington, at 9.31am.

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### **Members Present**

Councillor Staples (Deputy Chair)  
Councillor Bassett  
Councillor Connelly  
Councillor Duthie  
Councillor Gaylor (from 9.32am)  
Councillor Kirk-Burnnand  
Councillor Laban (until 10.21am)  
Councillor Lee  
Councillor Nash  
Councillor Ropata  
Councillor Saw  
Councillor Woolf

Councillor Staples, as Council Deputy Chair, presided at the meeting in the absence of the Council Chair.

### **Karakia timatanga**

The Presiding Member opened the meeting with a karakia timatanga.

### **Public Business**

#### **1 Apologies**

Moved: Cr Lee / Cr Nash

That Council accepts the apology for absence from Councillor Ponter and the apology for early departure from Councillor Laban.

The motion was **carried**.

Councillor Gaylor arrived at the meeting at 9.32am at the conclusion of the above item.

**2 Declarations of conflicts of interest**

There were no declarations of conflicts of interest.

**3 Public participation**

There was no public participation.

**4 Confirmation of the Public minutes of the Council meeting on 29 February 2024 – Report 24.97**

Moved: Cr Kirk-Burnnand / Cr Laban

That Council confirms the Public minutes of the Council meeting on 29 February 2024 – Report 24.97.

The motion was **carried**.

**5 Confirmation of the Public Excluded minutes of the Council meeting on 29 February 2024 – Report PE24.98**

Moved: Cr Laban / Cr Duthie

That Council confirms the Public Excluded minutes of the Council meeting on 29 February 2024 – Report PE24.98.

The motion was **carried**.

**6 Confirmation of the Restricted Public Excluded minutes of the Council meeting on 29 February 2024 – Report RPE24.99**

Moved: Cr Ropata / Cr Lee

That Council confirms the Restricted Public Excluded minutes of the Council meeting on 29 February 2024 – Report 24.99.

The motion was **carried**.

**7 Confirmation of the Public minutes of the Council meeting on 21 March 2024 – Report 24.144**

Moved: Cr Kirk-Burnnand / Cr Bassett

That Council confirms the Public minutes of the Council meeting on 21 March 2024 – Report 24.144.

The motion was **carried**.

**8 Confirmation of the Public minutes of the Council meeting on 28 March 2024 – Report 24.154**

Moved: Cr Connelly / Cr Saw

That Council confirms the Public minutes of the Council meeting on 28 March 2024 – Report 24.154.

The motion was **carried**.

## **Strategy, policy or major issues**

### **9 Treasury Risk Management Policy – Report 24.128**

Matthias Zuschlag, Manager Treasury, Ali Trustrum-Rainey, Group Manager Finance & Risk, Brett Johanson, Executive Director, PwC, spoke to the report.

Moved: Cr Connelly / Cr Nash

That Council:

- 1 Approves the updated Treasury Risk Management Policy.

The motion was **carried**.

The Presiding Member afforded priority to agenda item 16 in accordance with standing order 3.5.2.

### **16 Finance Update – February 2024 – Report 24.162 [For Information]**

Ashwin Pai, Head of Finance and Ali Trustrum-Rainey, Group Manager Finance & Risk, spoke to the report.

### **10 Review of Resource Management Charging Policy – Report 24.165**

Stephen Thawley, Project Leader, and David Hipkins, Director Knowledge & Insights, spoke to the report.

Moved: Cr Gaylor / Cr Duthie

That Council:

- 1 Determines the user charge recovery percentage for state of the environment monitoring costs as Option 3 – 13.5% (preferred option).
- 2 Adopts the Statement of Proposal (Attachment 1) and Summary of Information (Attachment 2) for the proposed amendments to the Resource Management Charging Policy, in line with state of the environment user charge recovery.
- 3 Authorises the following officer to receive oral submissions on the proposed amendments to the Resource Management Charging Policy:
  - a Stephen Thawley, Project Leader Environmental Regulation.

The motion was **carried**.

### **11 Government Policy Statement – Post 100 Days Update – Report 24.112 [For Information]**

Matthew Hickman, Principal Advisor Strategy, Policy & Regulation and Emmet McElhatton, Manager Policy, spoke to the report.

## **12 Submission on Fast-Track Approvals Bill – Report 24.160**

Grant Fletcher, Head of Regional Transport and Matthew Hickman, Principal Advisor Strategy, Policy and Regulation, spoke to the report.

Moved: Cr Ropata / Cr Lee

That Council:

- 1 Approves the submission developed on behalf of the Council, responding to the Fast-track Approvals Bill.
- 2 Delegates to the Deputy Council Chair the ability to make minor editorial changes to the document prior to submission being finalised and sent.

The motion was **carried**.

Councillor Laban left the meeting at 10.21am during the above item and did not return.

## **13 Setting Gross Organisational Emissions Targets – Report 24.153**

Zofia Miliszewska, Head of Strategy and Performance and Jake Roos, Manager Climate Change, spoke to the report.

Moved: Cr Gaylor / Cr Saw

That Council:

- 1 Adopts the proposed organisational gross greenhouse gas (GHG) emissions targets:
  - a 25% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2025 compared to FY2019
  - b 50% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2030 compared to FY2019
  - c 65% reduction in gross Scope 1 & 2 (Category 1 & 2) GHG emissions in FY2035 compared to FY2019.
- 2 Notes that officers will assemble an Organisational Emissions Reduction Plan, which brings together all relevant existing Council emissions reduction commitments, policies and programmes of work, along with new gross emissions targets that Council sets, into one document.

The motion was **carried**.

## **14 Draft Statement of Intent for WRC Holdings 2025 – Report 24.159**

Sarah Allen, Principal Advisor Company Portfolio, spoke to the report.

Moved: Cr Bassett / Cr Kirk-Burnnand

That Council:

- 1 Receives the draft Statement of Intent from WRC Holdings.

- 2 Provides any further comment and feedback to be considered for the final Statement of Intent.
- 3 Authorises the Council Chair to finalise a letter to the Chair of WRC Holdings with any comments and feedback to be considered for the final Statement of Intent.

The motion was **carried**.

## **15 Regional Collaboration of a Water Services Delivery Plan – Report 24.167**

Julie Knauf, Group Manager Corporate Services and Pri Patel, Chief Advisor Business Performance Improvement, spoke to the report.

Moved: Cr Gaylor / Cr Woolf

That Council:

- 1 Notes the Government’s intended legislative changes to give effect to *Local Water Done Well* policy, including the requirement on councils to develop a Water Services Delivery Plan.
- 2 Approves the signing of a Memorandum of Understanding (MoU) to jointly develop a Water Services Delivery Plan with the other councils in the Wellington Region.
- 3 Authorises the Chief Executive to finalise the MoU, subject to any amendments required by the Council.
- 4 Notes the key messages intended to be used in a Letter of Clarification (Attachment 2); the letter will append a signed MoU and will be sent to all councils in the Wellington Region and relevant Ministers, stating the position of Council on this subject.

The motion was **carried**.

Moved: Cr Lee / Cr Kirk-Burnnand

That Council:

- 5 Nominates Cr Connelly as Council’s representative, and Cr Ponter as alternate, to the Advisory Oversight Group (AOG) for the joint Water Service Delivery Plan process.

The motion was **carried**.

**Noted:** Councillor Connelly requested her abstention be recorded.

The meeting adjourned at 11.26am and resumed at 11.40am.

## **Resolution to exclude the public**

### **17 Resolution to exclude the public – Report 24.164**

Moved: Cr Kirk-Burnnand / Cr Lee

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

Confirmation of the Public Excluded minutes of the Council meeting on 21 March 2024 – Report PE24.145

East by West funding arrangements – Report RPE24.157

Lower North Island Rail Integrated Mobility: approval of shortlisted Expression of Interest respondents – Report RPE24.132

Confirmation of the Restricted Public Excluded minutes of the Council meeting on 28 March 2024 – Report RPE24.155

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:

<b>Confirmation of the Public Excluded minutes of 21 March 2024 – Report PE24.145</b>	
<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>The information included in these minutes relates to an opportunity to purchase land in Northern Wellington. Considering this information in public would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on negotiations (section 7(2)(i)). It would also prejudice Greater Wellington’s ability to maintain legal privilege (section 7(2)(g)).</p> <p>Greater Wellington 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 for this part of the meeting is excluded as per section 7(2)(i) of the Act in order to enable Greater Wellington to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations), and section 7(2)(g) of the Act in order to maintain legal professional privilege.</p>
<b>East by West funding arrangement – Report RPE24.157</b>	
<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 is commercially sensitive. Release of this information would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on commercial negotiations (section 7(2)(i)). It would</p>	<p>The public conduct for this part of the meeting is excluded as per section 7(2)(i) of the Act in order to enable Greater Wellington to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial</p>

<p>also prejudice Greater Wellington’s ability to maintain legal professional privilege (section 7(2)(g)).</p> <p>Greater Wellington has not been able to identify a public interest favouring disclosure of this information in public proceedings of the meeting that would override the need to withhold the information.</p>	<p>negotiations) and section 7(2)(g) of the Act in order to maintain legal professional privilege.</p>
<p><b>LNIRIM: Endorsement of Tender Shortlist – Report RPE24.132</b></p>	
<p><i>Reason/s for passing this resolution in relation to each matter</i></p>	<p><i>Ground/s under section 48(1) for the passing of this resolution</i></p>
<p>Certain information contained in this report relates to future rail service procurement and contracting in the Wellington Region. Excluding the public from the proceedings of the meeting is necessary as considering this information in public would be likely to prejudice or disadvantage the ability of Greater Wellington to carry out, without prejudice or disadvantage negotiations (section 7(2)(i) of the Act).</p> <p>Greater Wellington 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 for this part of the meeting is excluded as per section 7(2)(i) of the Act in order to enable Greater Wellington to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>
<p><b>Confirmation of the Restricted Public Excluded minutes of the Council meeting on 28 March 2024 – Report RPE24.155</b></p>	
<p><i>Reason/s for passing this resolution in relation to each matter</i></p>	<p><i>Ground/s under section 48(1) for the passing of this resolution</i></p>
<p>The information included in these minutes relates to RiverLink Project procurement and contracting information and costs. Release of this information would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on negotiations without prejudice (section 7(2)(i)).</p> <p>Greater Wellington has not been able to identify a public interest favouring</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(i) of the Act in order to enable Greater Wellington to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>

disclosure of this information in public proceedings of the meeting that would override the need to withhold the information.	
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This resolution is made in reliance on section 48(1)(a) of the Act 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.

The motion was **carried**.

The public part of the meeting closed at 11.40am.

Councillor D Ponter

**Chair**

Date:





Please note these minutes remain unconfirmed until the Council meeting on 30 May 2024.

The matters referred to in these minutes were considered by Council in Public Excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report PE24.171

## **Public Excluded minutes of the Council meeting on Thursday 11 April 2024**

Taumata Kōrero – Council Chamber, Greater Wellington Regional Council  
100 Cuba Street, Te Aro, Wellington, at 11.40am

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### **Members Present**

Councillor Staples (Deputy Chair)  
Councillor Bassett  
Councillor Connelly  
Councillor Duthie  
Councillor Gaylor  
Councillor Kirk-Burnnand  
Councillor Lee  
Councillor Nash  
Councillor Ropata  
Councillor Saw  
Councillor Woolf

Councillor Staples, as Council Deputy Chair, presided at the meeting in the absence of the Council Chair.

### **Public Excluded Business**

#### **18 Confirmation of the Public Excluded minutes of the Council meeting on 21 March 2024 – Report PE24.145**

Moved: Cr Nash / Cr Woolf

That Council confirms the Public Excluded minutes of the Council meeting on 21 March 2024 – Report PE24.145.

The motion was **carried**.

The Public Excluded part of the meeting closed at 11.41am.

Councillor D Ponter

**Chair**

Date:



Please note these minutes remain unconfirmed until the Council meeting on 30 May 2024.

Report 24.237

## **Public minutes of the Council meeting on Thursday 16 May 2024**

Taumata Kōrero – Council Chamber, Greater Wellington Regional Council | Te Pane Matua Taiao  
100 Cuba Street, Te Aro, Wellington at 11.30am

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### **Members Present**

Councillor Ponter (Chair)  
Councillor Staples (Deputy Chair)  
Councillor Bassett  
Councillor Connelly  
Councillor Duthie  
Councillor Gaylor  
Councillor Kirk-Burnnand  
Councillor Laban  
Councillor Lee  
Councillor Nash  
Councillor Saw

Councillor Gaylor participated at this meeting remotely via Microsoft Teams and counted for the purpose of quorum in accordance with clause 25B of schedule 7 to the Local Government Act 2002.

### **Karakia timatanga**

The Council Chair opened the meeting with a karakia timatanga.

### **Public Business**

#### **1 Apologies**

Moved: Cr Nash / Cr Saw

That Council accepts the apologies for absence from Councillors Ropata and Woolf.

The motion was **carried**.

## **2 Declarations of conflicts of interest**

- 3** Councillor Connelly declared a conflict of interest with regard to item 6 - Appointment of members to the Regional Transport Committee – Report 24.186.

## **4 Public participation**

There was no public participation.

The Council Chair advised that agenda items 4 and 5 will be moved to the end of the agenda in accordance with Standing Order 3.5.2.

## **5 Appointment of members to the Regional Transport Committee – Report 24.186**

Moved: Cr Staples / Cr Bassett

That Council:

- 1 Revokes the appointment of Mayor Martin Connelly, South Wairarapa District Council, to the Regional Transport Committee.
- 2 Appoints Deputy Mayor Melissa Sadler-Futter to represent South Wairarapa District Council.
- 3 Appoints Councillor Aidan Ellims as alternate for South Wairarapa District Council.
- 4 Appoints Kesh Keshaboina, Regional Manager Systems Design (Wellington/Top of the South), as alternate member for the NZ Transport Agency – Waka Kotahi on the Regional Transport Committee.

The motion was **carried**.

Councillor Connelly, having declared a conflict of interest, did not participate in the discussion or vote on the above item.

## **6 Proposed Not Significant Variation to Te Mahere Waka Whenua Tūmatanui o Te Rohe o Pōneke Wellington Regional Public Transport Plan 2021-31 – Report 24.181**

Emmet McElhatton, Manager Policy, Metlink, spoke to the report.

Moved: Cr Nash / Cr Saw

That Council:

- 1 Notes that section 126 of the Land Transport Management Act 2003 sets out the process for varying a regional public transport plan.
- 2 Notes that proposed variations which are not significant require consultation with public transport operators.
- 3 Notes that initial consultation with public transport operators has taken place in relation to the variations that are relevant to them.

- 4 Notes the outcome of further consultation with public transport operators, as reported to the Council during consideration of this report.
- 5 Notes that in accordance with the Te Mahere Waka Whenua Tūmatanui o te Rohe o Pōneke Wellington Regional Public Transport Plan 2021-31 Significance Policy, the following proposed variations have been deemed not significant:
  - a establish a unit for Tawa On-demand Public Transport
  - b revise the 'Exempt Services' section to reflect the amendment to the Land Transport Management Act 2003
  - c amend the Appendices "Current Route Structure" to:
    - i reflect bus route changes implemented since the adoption of the current Wellington Regional Public Transport Plan
    - ii to remove reference to 'After Midnight' Routes N1 to N88.
- 6 Notes that there will be a staged replacement of the 'After Midnight' routes with later and earlier services on existing core routes that cover key areas of demand.
- 7 Adopts the Proposed not significant variation to Te Mahere Waka Whenua Tūmatanui o te Rohe o Pōneke Wellington Regional Public Transport Plan 2021-31 as set out in Attachment 1 to this report.

The motion was **carried**.

## **7 National Ticketing Solution: Approach to Fares Transition – Report 24.184**

Tim Shackleton, Senior Manager Commercial Strategy and Investments, Metlink, and Anske Janssen, Manager Integrated Fares and Ticketing, Metlink, spoke to the report.

Moved: Cr Nash / Cr Connelly

That Council:

- 1 Notes that as part of the ongoing programme of work to implement integrated fares and ticketing with the National Ticketing Solution (NTS) in the region, officers have finalised the fares approach as agreed by Council as part of its resolutions on the Future Fares Direction Strategy.
- 2 Agrees to adopt the following fares changes to coincide with the NTS implementation in the region:
  - a Continue with the current concentric zones fare structure, with the fares charged based on the number of zones travelled through on a journey, including the zones where the journey starts and ends.
  - b Integrate fares across bus and rail journey combinations in the region to remove the additional costs associated with transfers between services within the same zone.
  - c Continue with the current 50% off-peak discount.
  - d Extend the number of fare zones using existing zonal pricings methodology to account for the longer multi-modal, or cross-line

journeys that will be possible when fares and ticketing will be integrated under the NTS.

- e Implement a journey-based 7-Day Cap, with a pricing approach that encourages greater use of public transport and off-peak travel while balancing user contribution with public funding.
  - f Implement a journey-based Daily Cap, with a pricing approach in line with the 7-Day Cap.
  - g Remove existing multi-trip and period passes (which will be replaced with the proposed capping scheme).
- 3 Notes that the pricing, level of discount and the number of journeys for fare capping will be determined taking an approach that is intended to balance: the fare impacts on existing users; fare revenue received by Greater Wellington; and network capacity considerations. This will be reported to Council for decision through the Annual Fares Review process prior to NTS implementation.
- 4 Agrees to adopt the following transition approach relating to cash payments:
- a Phase out cash on board trains once the NTS rail ticket vending machines are fully operational in the region.
  - b Progressively phase out cash on board buses on a route-by-route basis once an agreed set of criteria is developed through the Wellington Regional Public Transport Plan.
  - c Ensure the phase out strategy will provide for the needs of the cash reliant community through appropriate measures including targeted customer engagement, review of the retail network coverage and on the ground promotion of alternative payment and ticketing solutions.
  - d Where cash continues to be able to be used, continue with the current pricing approach for cash-based fares, as follows:
    - i Cash-based fares will continue to be set 25% higher than the equivalent contactless fares and rounded up to the nearest 50 cents.
    - ii No discounts or concessions will apply when fares are paid with cash, with the exception of the Child Concession.
    - iii Separate fares will be charged for each trip of a journey when fares are paid using cash.
- 5 Notes that Council's decisions on the proposed approach will guide the development of a detailed technical and operational specifications for delivery of the adopted approach as part of the region's requirements for the NTS solution design process.

The motion was **carried**.



## Resolution to exclude the public

### 4 Resolution to exclude the public – Report 24.220

Moved: Cr Staples / Cr Duthie

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

Lower North Island Rail Integrated Mobility: Delegation of Authority to Release Request for Proposal to Market – Report RPE24.185

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:

<b>Lower North Island Rail Integrated Mobility: Delegation of Authority to Release Request for Proposal to Market – Report RPE24.185</b>	
<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>Certain information contained in this report relates to future rail service procurement and contracting in the Wellington Region. Excluding the public from the proceedings of the meeting is necessary as considering this information in public would be likely to prejudice or disadvantage the ability of Greater Wellington Regional Council (Greater Wellington) to carry out, without prejudice or disadvantage negotiations (section 7(2)(i) of the Act).</p> <p>Greater Wellington 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)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>

The motion was **carried**.

The public part of the meeting closed at 11.48am.

Councillor D Ponter

**Chair**

Date:



## For Decision

# ANALYSIS OF THE REVENUE AND FINANCING POLICY PUBLIC CONSULTATION SUBMISSIONS

## Te take mō te pūrongo

### Purpose

1. To provide Council with an overview of the submissions received during the 2024 Proposed Revenue and Financing Policy (R&FP) consultation, including initial officer responses on key topics raised in the submissions.

## He tūtohu

### Recommendations

That Council:

- 1 **Considers** the submissions on the 2024 Proposed Revenue and Financing Policy.
- 2 **Determines**, following consideration of the submissions, and relevant officer advice, any changes to the 2024 Proposed Revenue and Financing Policy.
- 3 **Notes** that a finalised Policy will be submitted to Council for adoption on 11 June 2024.

## Te horopaki

### Context

2. The R&FP is about where the funding (money) will come from, and how Greater Wellington Regional Council (Greater Wellington) will share the costs of services across the region, and among different groups of ratepayers.
3. The Local Government (Rating) Act 2002 (LGRA) provides councils with powers to set, assess and collect “rates” to fund local government activities. These rates are locally-set property-based taxes. There are three main purposes of the LGRA:
  - a) To provide local authorities with flexible powers to set, assess, and collect rates.
  - b) To ensure rates reflect decisions made in a transparent and consultative manner.
  - c) To provide for processes and information to ensure ratepayers can identify and understand their liability for rates.

4. The R&FP is required to be reviewed a minimum of once every five years but is often reviewed at the same time the Long-Term Plan (LTP) is developed, if resources allow for it.
5. On 29 February 2024, Council approved the proposed 2024 R&FP for public consultation (Report 24.58). Consultation commenced 12 March 2024.
6. The public consultation period ran from 12 March to 22 April 2024. Details of the public consultation engagement are covered in paragraphs 19-21 in this report.

## **Te tātaritanga**

### **Analysis**

7. A total of 15 submissions were received either by individuals or on behalf of a group or organisation. 14 submissions were received through 'Have your say', and one via email. (**Attachment 1**).
8. Information about the submitters is as follows:
  - 12 submitters are ratepayers, 1 is not, and 2 are unidentified.
  - 11 submitters are residential, 1 is business and 3 are unidentified.
  - 6 submitters are from Wellington City, 3 from Lower Hutt City, 2 from Kāpiti Coast and 1 from Masterton District.
9. Support for the proposed changes was majority in favour, with 9 supportive, 5 unsupportive and 1 undecided.

### ***What was heard through the submissions?***

10. Those in favour of the proposal noted they support simplifying the rating differential to unifying it to one rate only and that the CBD has experienced struggling times with the COVID pandemic and now a recession and cuts to public servant jobs. They'd like to see the city thrive again.
11. Submitters who did not support the proposed changes were asked to provide their reasons for why one rating category should be paying more than another for the general rate portion in Wellington City, to which one submitter noted, the CBD is treated with higher priority for addressing issues and receiving better services, therefore it makes sense to higher rates weightings in the CBD.
12. Submitters were asked if they had other comments about the Policy. Much of the commentary was not related to this Policy; however, some comments were:
  - Vacant land blocks should not be charged rates, such as Public Transport rates as the service cannot be utilised until the property is developed.
  - Rates are too high.
  - GWRC needs to review the entire plan (LTP) and reduce expenditure. They also need to be cognisant of the current economy and impact on businesses and individuals, which they clearly are not.
  - It's time for an overall rates cut rather than another endless rates increase. GWRC should follow the NZ Government and make cuts.

13. Federated Farmers were the only submitter to provide feedback via email. Their feedback (**Attachment 2**) largely focused on the use of Uniform Annual General Charges (UAGC). The UAGC has been a regular focus for submission from the Federated Farmers.

### **Ngā hua ahumoni**

#### **Financial implications**

14. Any decisions made in relation to the public feedback on any of the proposed funding methods has potential to negatively impact particular communities in the region. The full extent of the financial impacts will be determined following the deliberations and will be reported to Council in June if needed.

### **Ngā Take e hāngai ana te iwi Māori**

#### **Implications for Māori**

15. There are no known impacts to Māori as a result of the proposed changes to the Policy.

### **Te huritao ki te huringa o te āhuarangi**

#### **Consideration of climate change**

16. There are no known impacts to Climate Change as a result of the proposed changes to the Policy.

### **Ngā tikanga whakatau**

#### **Decision-making process**

17. 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**

18. 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 high significance, as the proposed 2024 R&FP submissions and hearing process meets our statutory obligation to provide a fair opportunity for the public to have their say on the 2024 R&FP.

### **Te whakatūtakitaki**

#### **Engagement**

19. The public consultation was a digital only campaign, using email, social media and media releases to get the message out. We also relied on the support of our stakeholders to help spread the message out to the communities.
20. It ran in conjunction with the 2024-34 Long-Term Plan (LTP), although did not combine any engagement activity, however, did utilise the LTP online landing page to notify

visitors about the R&FP consultation, as well as providing a link to drive traffic to Have Your Say (HYS) to make a submission.

21. Known key stakeholder groups were also emailed to notify them of the consultation and to share the HYS link, in the hopes they would share it in their networks.

### **Ngā tūāoma e whai ake nei**

#### **Next steps**

22. Deliberations on the submissions received and heard, and recommendations for changes to the Policy will then be applied.
23. The final 2024 Revenue & Financing Policy and the report will be prepared by officers for Council's approval in late June.

### **Ngā āpitihanga**

#### **Attachments**

<b>Number</b>	<b>Title</b>
1	Public Submissions
2	Federated Farmers submission

### **Ngā kaiwaitohu**

#### **Signatories**

Writer	Kyn Drake – Principal Finance Policy Advisor
Approver	Alison Trustrum-Rainey – Group Manager, Finance and Risk

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

The Local Government Act 2002 requires Council to update their financial policies at least once every five years (usually in line with the Long Term Plan every three years). This report is part of that process for the 2024 Policy.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

This report contains the public feedback which ultimately helps Council make an informed decision on the R&FP which sets out the funding mechanisms for the LTP.

***Internal consultation***

Democratic Services and Finance were consulted in the preparation of this report.

***Risks and impacts - legal / health and safety etc.***

There are no identified risks relating to the content or recommendations of this report.



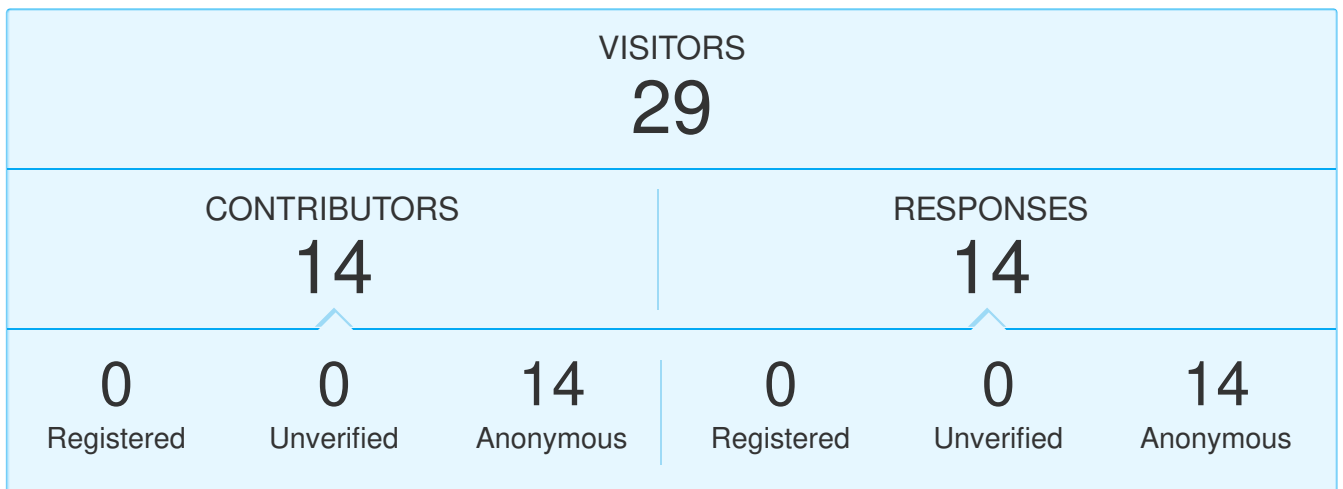
# Survey Responses

08 March 2011 - 29 April 2024

## Revenue and Finance Policy

# Have Your Say | Greater Wellington

Project: Proposed Revenue and Finance Policy



**Respondent No:** 1**Login:** Anonymous**Email:** n/a**Responded At:** Mar 20, 2024 13:31:00 pm**Last Seen:** Mar 20, 2024 13:31:00 pm**IP Address:** n/a

- Q1. **What is your name?** not answered
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** not answered
- 
- Q3. **Are you a ratepayer?** not answered
- 
- Q4. **If yes, what rating category are you?** not answered
- 
- Q5. **If yes, which Territorial Authority do you reside in?** not answered
- 
- Q6. **Do you support the proposed change?** not answered
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**  
not answered
- 
- Q8. **Do you have any other comments about the changes to the policy?**  
not answered
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** not answered
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-

**Respondent No:** 2**Login:** Anonymous**Email:** n/a**Responded At:** Mar 22, 2024 10:46:43 am**Last Seen:** Mar 22, 2024 10:46:43 am**IP Address:** n/a

Q1. What is your name?	Nikki
Q2. Is this feedback on behalf of a group or organisation? If so, who?	No
Q3. Are you a ratepayer?	Yes
Q4. If yes, what rating category are you?	Residential
Q5. If yes, which Territorial Authority do you reside in?	Kapiti Coast
Q6. Do you support the proposed change?	No
Q7. If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.	There are a lot of properties in Wellington that sit empty and their potential unrealised. How are these places being fairly taxed?
Q8. Do you have any other comments about the changes to the policy?	There should be incentives for properties to be developed for the benefit of the community
Q9. Do you wish to be heard at the hearings? (late May 2024)	no
Q10. If yes, please provide us with your email or phone number	not answered

**Respondent No:** 3**Login:** Anonymous**Email:** n/a**Responded At:** Mar 24, 2024 06:38:03 am**Last Seen:** Mar 24, 2024 06:38:03 am**IP Address:** n/a

- Q1. **What is your name?** Justin Crawshay
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** not answered
- 
- Q3. **Are you a ratepayer?** Yes
- 
- Q4. **If yes, what rating category are you?** Residential
- 
- Q5. **If yes, which Territorial Authority do you reside in?** Wellington City
- 
- Q6. **Do you support the proposed change?** No
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**
- I think it makes total sense for higher rates weightings in the cbd. It is often treated higher priority to address issied there (water leaks for example). It is also more expensive with traffic controls etc.
- 
- Q8. **Do you have any other comments about the changes to the policy?**
- This feels like an attempt to increase rates and rate intake without being fully honest about it. Possibly a better way is to put effort into reduce rates and costs. My experience with the council leaves me feeling the problem is internal, too many people involved in decisions, many lacking the appropriate skills or experience to make them well.
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** no
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-

**Respondent No:** 4**Login:** Anonymous**Email:** n/a**Responded At:** Mar 25, 2024 14:16:40 pm**Last Seen:** Mar 25, 2024 14:16:40 pm**IP Address:** n/a

- Q1. **What is your name?** Roger Ellis
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** no.
- 
- Q3. **Are you a ratepayer?** Yes
- 
- Q4. **If yes, what rating category are you?** Residential
- 
- Q5. **If yes, which Territorial Authority do you reside in?** Wellington City
- 
- Q6. **Do you support the proposed change?** Yes
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**  
I support simplifying the rating differential to unifying it to one rate only.
- 
- Q8. **Do you have any other comments about the changes to the policy?**  
I disagree with the change to 25% fares for public transport. The rationale that fares haven't kept pace with inflation seems to be very flimsy. Why not simply increase the fares then? it looks like a blatant grab for ratepayers funding.
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** no
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-

**Respondent No:** 5**Login:** Anonymous**Email:** n/a**Responded At:** Mar 26, 2024 11:45:16 am**Last Seen:** Mar 26, 2024 11:45:16 am**IP Address:** n/a

Q1. What is your name?	Greg Hastie
Q2. Is this feedback on behalf of a group or organisation? If so, who?	not answered
Q3. Are you a ratepayer?	Yes
Q4. If yes, what rating category are you?	Residential
Q5. If yes, which Territorial Authority do you reside in?	Wellington City
Q6. Do you support the proposed change?	No
Q7. If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.	Stop charging public transport rates for vacant blocks of land. Its inequitable to charge fees for a service that cant be utilized until a house is built
Q8. Do you have any other comments about the changes to the policy?	no
Q9. Do you wish to be heard at the hearings? (late May 2024)	no
Q10. If yes, please provide us with your email or phone number	not answered

**Respondent No:** 6**Login:** Anonymous**Email:** n/a**Responded At:** Apr 05, 2024 12:25:58 pm**Last Seen:** Apr 05, 2024 12:25:58 pm**IP Address:** n/a

- Q1. **What is your name?** Margaret Jeune
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** No
- 
- Q3. **Are you a ratepayer?** No
- 
- Q4. **If yes, what rating category are you?** not answered
- 
- Q5. **If yes, which Territorial Authority do you reside in?** not answered
- 
- Q6. **Do you support the proposed change?** Yes
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**  
not answered
- 
- Q8. **Do you have any other comments about the changes to the policy?**  
The CBD has been struggling in recent times. I believe that both Covid-19 and the current recession have impacted spending in the CBD. I would like to see a thriving CBD. The impact of cuts to the public service will also have an effect on the CBD with less foot traffic.
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** no
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-

**Respondent No:** 7**Login:** Anonymous**Email:** n/a**Responded At:** Apr 15, 2024 16:21:26 pm**Last Seen:** Apr 15, 2024 16:21:26 pm**IP Address:** n/a

- Q1. **What is your name?** Mary Prescott
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** No
- 
- Q3. **Are you a ratepayer?** Yes
- 
- Q4. **If yes, what rating category are you?** Residential
- 
- Q5. **If yes, which Territorial Authority do you reside in?** Wellington City
- 
- Q6. **Do you support the proposed change?** Yes
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**  
not answered
- 
- Q8. **Do you have any other comments about the changes to the policy?**  
Yes, I would like Greater Wellington Regional Council to help the Haewai / Houghton Valley / Houghton Bay community get a solution to our leachate problem, it's constant and worsening, and detrimental to the environment and community.
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** no
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-



**Respondent No:** 8**Login:** Anonymous**Email:** n/a**Responded At:** Apr 15, 2024 16:24:39 pm**Last Seen:** Apr 15, 2024 16:24:39 pm**IP Address:** n/a

- Q1. **What is your name?** Alistair bache
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** not answered
- 
- Q3. **Are you a ratepayer?** Yes
- 
- Q4. **If yes, what rating category are you?** Residential
- 
- Q5. **If yes, which Territorial Authority do you reside in?** Kapiti Coast
- 
- Q6. **Do you support the proposed change?** No
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**  
not answered
- 
- Q8. **Do you have any other comments about the changes to the policy?**  
not answered
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** no
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-

**Respondent No:** 9**Login:** Anonymous**Email:** n/a**Responded At:** Apr 15, 2024 23:11:43 pm**Last Seen:** Apr 15, 2024 23:11:43 pm**IP Address:** n/a

- Q1. **What is your name?** Rachael Boisen Round
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** no
- 
- Q3. **Are you a ratepayer?** Yes
- 
- Q4. **If yes, what rating category are you?** Residential
- 
- Q5. **If yes, which Territorial Authority do you reside in?** Wellington City
- 
- Q6. **Do you support the proposed change?** Yes
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**  
not answered
- 
- Q8. **Do you have any other comments about the changes to the policy?**  
not answered
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** no
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-

**Respondent No:** 10**Login:** Anonymous**Email:** n/a**Responded At:** Apr 18, 2024 18:08:09 pm**Last Seen:** Apr 18, 2024 18:08:09 pm**IP Address:** n/a

- Q1. **What is your name?** Isla
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** not answered
- 
- Q3. **Are you a ratepayer?** Yes
- 
- Q4. **If yes, what rating category are you?** Residential
- 
- Q5. **If yes, which Territorial Authority do you reside in?** Wellington City
- 
- Q6. **Do you support the proposed change?** No
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**
- Why are you charging public transport rates on vacant land? It's totally inequitable. Wellington city and the RMA, plus your draconian rules in the NRP make it very, very expensive to develop vacant land for housing
- 
- Q8. **Do you have any other comments about the changes to the policy?**
- Remove the inequitable public Transport rates on vacant land. You're charging for a service which isn't provided. Daylight robbery
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** no
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-



Respondent No: 11

Login: Anonymous

Email: n/a

Responded At: Apr 20, 2024 18:07:34 pm

Last Seen: Apr 20, 2024 18:07:34 pm

IP Address: n/a

Q1. What is your name?	Chris Bennett
Q2. Is this feedback on behalf of a group or organisation? If so, who?	not answered
Q3. Are you a ratepayer?	Yes
Q4. If yes, what rating category are you?	Residential
Q5. If yes, which Territorial Authority do you reside in?	Hutt city
Q6. Do you support the proposed change?	No
Q7. If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.	<p>Its time for an overall rates cut rather than another endless rates increase. So much of the rates increase seems to be based on spend money on new items rather than cutting back on endless expenditure , GWRC should follow the NZ Government and cut out an needed expenditure. After 34 years of the current system of local government everything should have been done. Its time for a zero rates increase.</p>
Q8. Do you have any other comments about the changes to the policy?	<p>Its time for an overall rates cut rather than another endless rates increase. So much of the rates increase seems to be based on spend money on new items rather than cutting back on endless expenditure , GWRC should follow the NZ Government and cut out an needed expenditure. After 34 years of the current system of local government everything should have been done. Its time for a zero rates increase.</p>
Q9. Do you wish to be heard at the hearings? (late May 2024)	no
Q10. If yes, please provide us with your email or phone number	not answered

**Respondent No:** 12**Login:** Anonymous**Email:** n/a**Responded At:** Apr 21, 2024 12:16:55 pm**Last Seen:** Apr 21, 2024 12:16:55 pm**IP Address:** n/a

Q1. What is your name?	Paul Gruschow
Q2. Is this feedback on behalf of a group or organisation? If so, who?	not answered
Q3. Are you a ratepayer?	Yes
Q4. If yes, what rating category are you?	Residential
Q5. If yes, which Territorial Authority do you reside in?	Hutt city
Q6. Do you support the proposed change?	No
Q7. If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.	Ratepayers cannot afford this I will be paying last years rates increased by the %increase in benefits. Sue me if you want to waste our money.
Q8. Do you have any other comments about the changes to the policy?	not answered
Q9. Do you wish to be heard at the hearings? (late May 2024)	no
Q10. If yes, please provide us with your email or phone number	not answered

**Respondent No:** 13**Login:** Anonymous**Email:** n/a**Responded At:** Apr 22, 2024 11:44:58 am**Last Seen:** Apr 22, 2024 11:44:58 am**IP Address:** n/a

- Q1. **What is your name?** John Donnelly
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** not answered
- 
- Q3. **Are you a ratepayer?** Yes
- 
- Q4. **If yes, what rating category are you?** Business  
Residential
- 
- Q5. **If yes, which Territorial Authority do you reside in?** Hutt city
- 
- Q6. **Do you support the proposed change?** No
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**
- The feedback boxes do not allow an overview set of comments, therefore I have emailed my submission to info@gw.govt.nz
- 
- Q8. **Do you have any other comments about the changes to the policy?**
- The GWRC is increasing spending and debt, and asking rate payer to pay an increasing share of personal income, over and above wage growth for their "good idea" at a time when this is not sustainable. GWRC needs to review the entire plan and reduce expenditure. They also need to be cognisant of the current economy and impact on businesses and individuals, which they clearly are not. I would have liked to upload my submission document rather than just answer individual questions on individual points in the LTP
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** yes
- 
- Q10. **If yes, please provide us with your email or phone number** [REDACTED]
-

**Respondent No:** 14**Login:** Anonymous**Email:** n/a**Responded At:** Apr 22, 2024 15:02:09 pm**Last Seen:** Apr 22, 2024 15:02:09 pm**IP Address:** n/a

- Q1. **What is your name?** Ilka Kapica
- 
- Q2. **Is this feedback on behalf of a group or organisation? If so, who?** not answered
- 
- Q3. **Are you a ratepayer?** not answered
- 
- Q4. **If yes, what rating category are you?** not answered
- 
- Q5. **If yes, which Territorial Authority do you reside in?** not answered
- 
- Q6. **Do you support the proposed change?** Yes
- 
- Q7. **If no, please provide us with your reasons for why one rating category should be paying more than another for the General Rate portion in Wellington City.**  
not answered
- 
- Q8. **Do you have any other comments about the changes to the policy?**  
I don't understand the question, if I am a rate payer or not as I believe everyone pays rates, either directly as home owner or via rents paid to a landlord
- 
- Q9. **Do you wish to be heard at the hearings? (late May 2024)** no
- 
- Q10. **If yes, please provide us with your email or phone number** not answered
-



**Submission to:** Greater Wellington Regional Council

**Re:** Proposed Revenue & Financing Policy 2024  
Proposed Long-Term Plan 2024-2034

**Submission from:** Wairarapa Federated Farmers

**Address for Service:** Elizabeth McGruddy  
Senior Policy Adviser  
[emcgruddy@fedfarm.org.nz](mailto:emcgruddy@fedfarm.org.nz)  
027 217 6732

**Hearing:** We wish to be heard.



## INTRODUCTION

Wairarapa Federated Farmers (WFF) welcome the opportunity to submit on the Proposed Revenue & Financing Policy (R&F Policy), and the Proposed Long-Term Plan (LTP) 2024-2034.

The LTP proposes a 20% increase in rates in the upcoming year:

- **For farm ratepayers, our reading is that increases will be 30% or more.**

The R&F Policy proposes that average per ratepayer increases will be limited to \$200:

- **For farm ratepayers, our reading is that increases will be up to \$3000 or more.**

Wairarapa Federated Farmers does not support these proposals. We make alternative recommendations below.

## PROPOSED REVENUE & FINANCING POLICY 2022

Wairarapa Federated Farmers lodged detailed feedback in 2021 and in 2022 in response to earlier Council engagement. In those earlier contributions, WFF:

- Provided rates information for a number of farm properties highlighting the significant costs levied on farming families including for democratic and planning services, and for public transport; notwithstanding that public transport is principally an urban amenity, and that democratic and planning activities are undertaken in service of the population at large
- Emphasised the need for more rigour and transparent analysis of where benefits and costs lie, against the current simple reliance on capital value (CV) for the majority of rates levied
- Agreed with the Council analysis (*UAGC Analysis using the 2022/23 financial year*) that GWRC has moved more of its funding tools to be based on a capital value rating system, however ***“this form of justifying wealth and affordability is a one-size-fits-all approach that actually drastically penalises many”***.
- Challenged Council to explain why farmers should pay disproportionately more than rural lifestyle or residential properties for public transport services, and **why Farmer A should be required to pay every ten days the same amount of General Rate that a residential property pays once per annum?**

## GENERAL RATE

WFF commend Council for the robust analysis of the General Rate subsequently undertaken (*Council Report 23.178, 18 May 2023*). That analysis demonstrated that the effect of spreading part of the General Rate more equitably across the population at large (200,000 rating units) would be to reduce the disproportionately high level of rates on a small number of properties (including farms), but only a modest or negligible increase in rates for the large number of residential properties in the region.

Council analysis assessed differing levels of spreading the General Rate via a UAGC (Uniform Annual General Charge). WFF support use of the UAGC at 30% (as allowed under the Local Government Rating Act) – at that level, a UAGC would be set at around \$250 per property:

- WFF estimate the effect would be an average residential rates increase of around **\$60 pa or just over \$1 per week**, ie, a slightly higher contribution towards all the democratic, planning and other population based services that Council provide
- WFF submit that this is a modest increase – witness to the principle that “many hands make light work”
- WFF note that - to the extent this modest increase may nevertheless be challenging for some very low income property owners – that rates remission schemes are available for exactly that situation (and that those remissions are specifically assessed on income, rather than relying on untested assumptions about income and ability to pay based only on CV).

Notwithstanding the analysis provided to Council in May last year, Council nevertheless propose to continue raising all of the General Rate based on CV. No reasons are presented in the proposed R&F Policy other than to suggest that “*the whole region benefits*” (WFF agree) but then, in a mysterious leap of logic, to propose that:

- the general rate be funded using “*taxation principles*” (notwithstanding that – unlike IRD – Council has no visibility on incomes): and that,
- using “*solely capital value*” is the “*most appropriate*” method (but with no discussion or analysis of other methods).

**WFF recommend that the Proposed R&F Policy be amended to provide for a UAGC of around \$250 to be levied across all ratepayers.**

Importantly, the effect of this recommendation is that Farmer A would still be paying a disproportionately large amount of General Rates, albeit a bit less than the “*every ten days*” under Council’s current and proposed regime. Accordingly, we recommend that the R&F Policy make provision for “capping” the maximum amount that may be levied on an individual ratepayer:

- This maximum “cap” would serve to protect the small number of ratepayers who are otherwise unreasonably penalised when most of the General Rate is still raised using CV
- In the same way that Rates Remissions schemes serve to protect the small number of ratepayers who are otherwise unable to afford small increases

**WFF recommend that the Proposed R&F Policy be amended to provide for an upper limit on the total General Rate that may be levied on an individual property:**

- **We suggest the General Rate be capped at no more than double the average amount of General Rate levied**, eg, if the average General Rate per household is \$1000 pa, then the maximum would be \$2000 pa.

Alternatively – recognising the General Rate is applied to activities for the benefit of the population – WFF commend the approach taken by Masterton District Council (MDC), wherein:

- MDC do not use UAGC
- Instead they spread the General Rate first by population, then by CV
- The urban/rural population is roughly 80/20 and accordingly, MDC apply Targetted Uniform Charges (TUC) as follows:
  - 80% is targetted to urban ratepayers, and then spread to individual properties using CV
  - 20% is targetted to rural ratepayers, and then spread to individual properties using CV

In the case of GWRC, WFF understand that the urban/rural population is roughly 95%/5%:

- As at June 2023, the total regional population was around 550,000 and the urban population was around 525,000
- Accordingly, the General Rate would appropriately be apportioned as follows:
  - 95% targetted to urban ratepayers, and then spread to individual properties using CV
  - 5% targetted to rural ratepayers, and then spread to individual properties using CV

On balance, WFF submit this option may provide for the most appropriate balance of apportioning costs to benefits and assist in smoothing out the current disproportionate weight of rates paid by a small number of ratepayers. We commend this option to Council for closer consideration.

In summary, WFF does not agree that the General Rate should be levied only on CV:

- **WFF recommend that the General Rate instead be apportioned based on TUC, ie:**
  - **Urban TUC 95%, then apportioned by CV**
  - **Rural TUC 5%, then apportioned by CV**

## **PUBLIC TRANSPORT RATES**

Currently, Public Transport rates are levied by CV, albeit with a small differential applied in respect of rural ratepayers (be it lifestylers who are generally clustered around towns, or farmers who are generally further out):

- Notwithstanding this differential, the effect of relying principally on CV is that (as set out in earlier WFF feedback to Council), **farms are routinely being charged in excess of \$1000 pa, and some individual farms are paying in excess of \$4000 pa**

WFF reiterate that this is an inequitable policy: these costs are manifestly out of proportion relative to benefits received and amount to a significant subsidisation of services available to 95% of the population by the 5% of the population in the rural hinterland.

To date – by contrast with the analysis undertaken for the General Rate - Council have not undertaken any analysis of alternative rating tools for the Public Transport rate. This is a significant and unexplained omission. Pending that analysis, WFF anticipate that the effect of spreading public transport rates more equitably across the (large) urban ratepayer base will be modest or negligible at individual property scale.

**WFF recommend urgent attention to analysis of alternative rating tools for the public transport rate to target costs principally to urban ratepayers who are the principal beneficiaries of public transport services.**

Council propose reducing the contribution from public transport fares from 30% to 25%:

- The rationale presented is that *“fares were behind inflation which meant they were not generating enough revenue to maintain a 30 percent share. In February 2024, Council agreed to increase fares by 10 percent to catch up to inflation, however this is still not enough to maintain fees and charges revenue at 30 percent”*
- The effect is that ratepayers – rather than users of the service - will pick up the difference
- In the context that farmer ratepayers are already paying over the odds, this proposal serves only to exacerbate the inequity.

WFF strongly oppose reducing the contribution from fares:

- There seems to be a very significant anomaly between Council restricting increases to do no more than '*catch up to*' the rate of inflation for public transport users, while merrily proposing increases five times the rate of inflation for ratepayers

**WFF recommend the user contribution to public transport costs be maintained at 30%:**

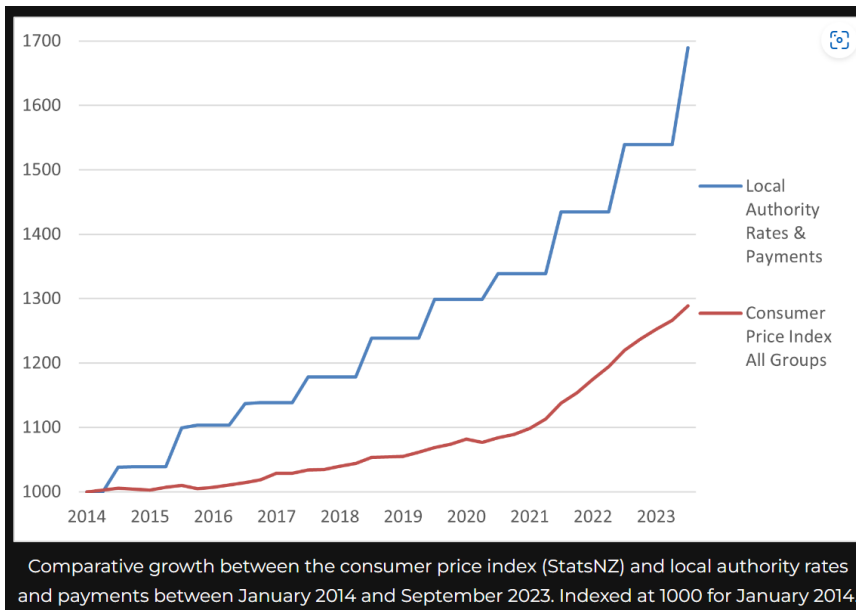
- **And further, that the analysis recommended above include assessment of user contributions up to 50% of total operating revenue.**

**PROPOSED LONG-TERM PLAN**

As noted above, Council propose average rates increases close to 20% but on our reading, the proposed rural increases would be closer to 30%:

- The Consultation Document shows “proposed rates changes” by district and by ratepayer group
- The highest number of rural ratepayers are in the Masterton District, and the forecast increase for that group is 27%
- However, the number of rural ratepayers in the Masterton district is heavily skewed to lifestylers (with an average CV around \$1m) which means the “average” rural increase will be significantly higher for the smaller number of farms (with CV > \$1m)
- Accordingly, WFF estimate the average rates increase for farms in the region will be up to 30% or greater

WFF acknowledge and agree that “we have seen inflation and interest rates reach levels no-one anticipated” (page 13). Nevertheless, the proposed rates increases are well in excess of any inflationary pressures. The following graph illustrates the discrepancy between CPI increases and local authority rates increases in recent years:



To the extent that inflationary pressures outside Council control compel rates increases to maintain services, then it would be appropriate that proposed increases were tied to the rate of inflation. In this case however, it is evident that Council propose ramping up activities and costs well beyond any inflationary pressures.

The effect is to double down on the regions ratepayers. Ratepayers are already grappling with the same inflationary pressures experienced by Council across all other aspects of their businesses, but **Council propose rates increases five times the rate of inflation.**

Council propose “softening the blow” by setting rates limits (page 13), ie, that:

- Average regional rates per ratepayer will be limited to \$200 pa.

WFF support the principle. However, in practice, the “average” obscures the actual impact:

- We have assessed the impact of a 27% increase on the seven farms whose details were provided to Council last year
- **Our estimate is the average increase for those seven farms will be > \$3000**

Acknowledging Councils zeal to progress and ramp up activities across the gamut of its responsibilities, WFF caution that that zeal must be constrained within more realistic financial limits.

**WFF recommend that Council set the following financial limits:**

- **Limit rates increases to the rate of inflation**
- **Limit average per property rates increases to \$200 pa (as is proposed)**
- **Limit maximum per property rates increases to no more than double the average**

Consequentially, WFF recommend that Council:

- Align all core activities/budgets within those fiscal limits
- Identify discrete projects outside those limits for specific public engagement, supported by analysis of the average/maximum impact over and above those limits.

Currently, the Consultation Document describes or lists various activities but these are not well-structured for readers to assess the main drivers of the proposed rates increases.

Instead, on our reading:

- Most of the activities are on the “other side of the hill” and mainly located within the urban areas for the benefit of the urban population (public transport is “*top of the list*”, plus Riverlink, Wellington Water, Regional Parks, Predator Free Wellington etc)
  - **WFF request that Council provide specific details of total costs and proposed investments in the Wairarapa**
- The document is silent on any recent or projected increases in personnel costs
  - **WFF request that Council provide details of total personnel costs, any increases in the last five years, and projected changes in the upcoming five years**
- The document is silent on exposure to any significant business or litigation risks
  - **WFF request that Council identify the level of financial provision being made for the settlement of recent court decisions against Council in respect of wetlands**

- Council invites specific feedback on two projects – bus depots and Centreport
  - The rationale for both appears to be mostly about Council “*control*” - currently Council holds a majority share in the latter and has contract arrangements in respect of the former
  - **WFF is not persuaded that any benefits of increased “*control*” are outweighed by the impact on rates – including and especially in the context that Council is proposing exorbitant increases for farmer ratepayers**

In summary: WFF recommend that Council first set more realistic financial disciplines before proposing increases which are well in excess of the rate of inflation and which disproportionately impact a small number of ratepayers, including farmers.

## CONCLUSION

Wairarapa Federated Farmers do not agree with Council proposals as set out above. Our principal recommendations are that:

### Longterm Plan

WFF recommend that Council set the following financial limits:

- Limit rates increases to the rate of inflation
- Limit average per property rates increases to \$200 pa (as is proposed)
- Limit maximum per property rates increases to no more than double the average

### General Rate

WFF recommend that the General Rate be apportioned based on TUC, ie:

- Urban TUC 95%, then apportioned by CV
- Rural TUC 5%, then apportioned by CV

### Public Transport Rate

WFF recommend urgent attention to analysis of alternative rating tools for the public transport rate to target costs principally to urban ratepayers who are the principal beneficiaries of public transport services.

WFF recommend the user contribution to public transport costs be maintained at 30%:

- And further, that the analysis recommended above include assessment of user contributions up to 50% of total operating revenue.





## For Decision

### CONSULTATION ON PROPOSED DANGEROUS DAMS POLICY 2024

#### Te take mō te pūrongo

##### Purpose

1. To seek Council’s approval of the proposed Policy on Dangerous Dams, Earthquake-Prone Dams and Flood-Prone Dams 2024 for consultation.

#### He tūtohu

##### Recommendations

That Council:

1. **Approves** the proposed Policy on Dangerous Dams, Earthquake-Prone Dams and Flood-Prone Dams 2024 (**Attachment 1**) and Statement of Proposal (**Attachment 2**) for consultation under section 83 of the Local Government Act 2002.
2. **Authorises** the Environment Committee to consider the submissions received on the proposed Policy on Dangerous Dams, Earthquake-Prone Dams and Flood-Prone Dams 2024, and report for Council on any recommended changes for the finalisation and adoption of the policy.

#### Te horopaki

##### Context

2. Section 161 of the Building Act 2004 requires a regional authority<sup>1</sup> to adopt a policy on Dangerous Dams, Earthquake-Prone Dams and Flood-Prone Dams within its region. Section 162 of the Building Act stipulates that the policy must be adopted in accordance with the special consultative procedure in section 83 of the Local Government Act 2002. The Statement of Proposal is **Attachment 2** to this report.
3. Council first adopted a dangerous dams policy in 2006, which was updated in 2011. The 2011 policy never came into effect as it was contingent on the Building (Dam Safety) Regulations 2008 coming into force – which never occurred. After many years of deferral, the Building (Dam Safety) Regulations 2022 (“the regulations”) came into force on 13 May 2024, and therefore it is timely to update our policy. A draft of the policy was discussed at the Council workshop on 14 May, and feedback has been incorporated.

<sup>1</sup> The Building Act defines regional authority as “a regional council or a unitary authority”.

## **New regulatory framework**

### ***Requirements as the regulator***

4. The Council's role as regulator is to administer the new regulations, including establishing a register of classifiable dams. The regulator must also have a policy that sets out how it will respond if it is notified of a dangerous, earthquake-prone or flood-prone dam. The policy must state:
  - a The approach the regional authority (as the regulator) will take in performing its functions
  - b The regional authority's priorities (as the regulator) in performing those functions, and
  - c How the policy will apply to heritage dams.
5. Regional authorities have worked closely over the past year to develop a draft policy template with the aim of having policies closely aligned across the regions. The proposed policy (**Attachment 1**) adheres closely to the template but also includes text added by other regional authorities as a result of submissions.

### ***Requirements as the dam owner***

6. The Building Act 2004 and Building (Dam Safety) Regulations 2022 place requirements on dam owners to ensure their dams are being managed appropriately, proportionate to the potential risks they pose. The onus is on dam owners to assess the potential impact of a dam failure and to determine if this potential impact is low, medium, or high.
7. The potential impact classification (PIC) will reflect the impact of a dam's hypothetical failure on the community, cultural sites, critical and major infrastructure, and the natural environment. If the dam is assessed as a medium or high potential impact dam, the dam owner will need to prepare a dam safety assurance programme (DSAP). The regulator does not undertake this assessment, nor is it responsible for preparing the dam safety assurance programme; this is the role of the dam owner and their recognised engineer.
8. Greater Wellington Regional Council (Greater Wellington) is a dam owner and manages land where dams are located. Greater Wellington also owns dams that are managed by other entities (e.g. the Stuart Macaskill Lakes are managed by Wellington Water Limited). As a dam owner, Greater Wellington is required to comply with the regulations.

## **Ngā hua ahumoni**

### **Financial implications**

9. The costs associated with updating the policy are funded from within our baseline work programme. Establishing a registry of dams in the region will also be considered within our existing work programmes.
10. The Building Act allows regional authorities as the regulator to impose fees or charges for performing functions under the Act. These charges are laid out in the Greater Wellington Resource Management Charging Policy. Dam owners will be invoiced for

actual and reasonable time to process the documents they are required to submit under the new regulations, and for costs in the event of an emergency response.

## **Ngā Take e hāngai ana te iwi Māori**

### **Implications for Māori**

11. The proposed policy contains a commitment to upholding Te Tiriti o Waitangi obligations while undertaking functions in relation to dangerous dams (clause 3). Mana whenua have been added to the list of entities to be notified if information is received about a dangerous, earthquake-prone, or flood-prone dam in the region (clause 12). The addition of these clauses reflects Council's commitment to partnering with the mana whenua of the Wellington Region.
12. Mana whenua and Māori have strong connections to water bodies as they are recognised and valued as ancestors. As such, looking after rivers and not interrupting their flow (i.e. through damming) is culturally important.
13. The proposed policy states the approach the Council will take in performing its functions in relation to dam safety under the Building Act 2004. The proposed policy does not interact with resource consent processes under the Resource Management Act 1991, where engagement with relevant mana whenua would form a key part of any consent application to dam water, with mana whenua potentially considered an affected party.

## **Te huritao ki te huringa o te āhuarangi**

### **Consideration of climate change**

14. The impacts of climate change increase the likelihood of dam safety issues and dam failure, and the need for Council to follow the actions set out in the policy.
15. More frequent and more extreme rainfall events are projected to occur in the Wellington Region, with up to 30% more rain during heavy rainfall days. Extreme rainfall events may exceed the capacity of some dams in the region – for example flood detention dams, or put additional strain on dangerous, earthquake-prone, or flood-prone dams. Therefore, having the policy in place, and protocols for Council to respond in an emergency become increasingly important.
16. The proposed policy, and consultation on the policy do not impact on Greater Wellington's greenhouse gas emissions positively or negatively to any significant degree.

## **Ngā tikanga whakatau**

### **Decision-making process**

17. The Building Act directs regional authorities to use the Special Consultative Procedure in section 83 of the Local Government Act 2002 to consult on and adopt the proposed policy. That process provides a consultation period of no less than one month for written submissions, with an opportunity for submitters to present their views to the Council.
18. It is proposed that the Environment Committee considers any submissions received and reports to Council with any recommended changes for the finalisation and adoption of the policy.

## **Te hiranga Significance**

19. The purpose of this paper is to seek Council approval to consult on the proposed Policy. Officers considered the significance of this matter (as defined by Part 6 of the Local Government Act 2002), taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers recommend that this matter is of low significance, as The Building Act 2004 directs Council to update the proposed Policy using the Special Consultative Process in s.83 of the Local Government Act.

## **Te whakatūtakitaki Engagement**

20. The Ministry for Business, Innovation and Employment (MBIE) has consulted and engaged with dam owners and sector groups in finalising the regulations, and launched an education campaign. MBIE have developed many resources to assist dam owners in understanding and complying with the regulations, and have held seminars with sector groups, national bodies, and dam owners.
21. To date, Greater Wellington has not engaged with dam owners or sector groups on the new dam safety regulations and requirements, or the proposed policy. As well as publicly advertising consultation on this policy, we will directly communicate with dam owners (where we are aware of the presence of a dam and have contact details) and direct them to the policy consultation, our webpage and MBIE's resources. Sector groups (e.g. Irrigation New Zealand, HortNZ, Federated Farmers) have made submissions on the policy of other regional authorities and will likely be looking out for the Wellington consultation and communicating with their members.
22. The Greater Wellington webpage on dams has recently been updated with information on the new regulatory requirements, and links to the MBIE resources.

## **Ngā tūāoma e whai ake nei Next steps**

23. Following the approval of Council to consult on the proposed Policy, consultation will be promoted via public notice, the 'Have Your Say' platform, and existing media channels. Where Greater Wellington is aware of a dam and have contact details, officers will contact dam-owners directly regarding the policy consultation.
24. The submission period will be 3 June to 7 July 2024, after which a hearing will be held if requested by submitters.
25. The finalised policy will go to Council for adoption as soon as possible following the completion of this process, anticipated to be August 2024.

**Ngā āpitihanga  
Attachments**

<b>Number</b>	<b>Title</b>
1	Proposed Policy on Dangerous Dams, Earthquake-prone Dams, and Flood-prone Dams 2024
2	Statement of Proposal

**Ngā kaiwaitohu  
Signatories**

Writers	Jo Frances – Lead Consenting Advisor, Regulation, Rōpū Taiao
Approvers	Shaun Andrewartha – Manager, Regulation. Rōpū Taiao Fathima Iftikar – Director of Strategy, Policy and Regulation, Rōpū Taiao

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

Council retains the power to approve proposals for consultation under the Local Government Act 2002.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

There are no implication from consulting on the proposed Policy for Council's/Greater Wellington's strategies, policies and plans.

***Internal consultation***

Input and feedback was sought on this paper and the proposed Policy from the Delivery function of the Environment Group, Te Hunga Whiriwhiri, the Climate Change Team, Customer Engagement, Democratic Services, Finance, and WREMO, prior to being approved for submission to Council.

***Risks and impacts - legal / health and safety etc.***

Consulting on the proposed policy is low risk. Use of the Special Consultative Process in the Local Government Act 2002 is directed by the Building Act 2004.



# Policy on Dangerous Dams, Earthquake-prone Dams, and Flood-prone Dams (2024)

under Section 161 of the Building Act 2004

Adopted by Council XX Month 2024



A policy to provide for the identification and management of dams of concern in the Wellington Region, and the measures Greater Wellington will take (along with the dam owner) to reduce or remove the danger.

Policy owner	Wellington Regional Council
Date policy comes into effect	Date adopted by Council
Related policies, legislation, and documents	Dangerous Dams, Earthquake-prone Dams, and Flood-prone Dams Policy 2011 Resource Management Charging Policy 2024-2027 Building Act 2004 Building (Dam Safety) Regulations 2022
Policy review date	By August 2029
Policy history	The first Dangerous Dams policy was adopted in 2006. It was updated in 2011 to become the Policy on Dangerous dams, Earthquake-prone Dams, and Flood-prone dams. The Building Act requires the policy to be reviewed every 5 years.

Date of the Council's adoption: XX Month 2024

## Introduction

1. This document sets out the policy on dangerous dams, earthquake-prone dams and flood-prone dams adopted by Wellington Regional Council ("the Council") in accordance with [sections 161](#) and [section 162](#) of the Building Act 2004.
2. The policy states the approach and priorities the Council will take in performing its functions in relation to dangerous dams, earthquake-prone dams and flood-prone dams in the Wellington region, and how the policy will apply to heritage dams.
3. The Council is committed to upholding Te Tiriti o Waitangi obligations when undertaking its functions in relation to dangerous, earthquake-prone dams and flood-prone dams.
4. This policy applies to dams defined in [section 7](#) of the Building Act 2004 ("the Act"). The dam safety provisions in [Subpart 7 of Part 2](#) of the Building Act, apply to:
  - A. Classifiable dams (defined in [regulation 5](#) of the Building (Dam Safety) Regulations 2022 ("the Regulations")<sup>1</sup>
  - B. Referable dams as defined in the Regulations<sup>2</sup>
  - C. All dams but only for the purposes of [section 133B](#)<sup>3</sup> (height measurement of dams) and [sections 157](#) and [section 158](#) (measures by a regional authority to avoid immediate danger).

## Application of this policy

5. This policy applies to dams everywhere in the Wellington region, and irrespective of the age and intended life of the dam. Some parts of this policy may apply to all dams. Where required by the Act, this policy applies to all classifiable dams, which also includes "large dams" as defined in [Section 7](#) of the Act.
6. The terms 'dangerous dam', 'earthquake-prone dam' and 'flood-prone dam' have the same meaning as provided in [section 153](#), [section 153A](#) and [section 153AA](#) of the Act.<sup>4</sup> This policy must be read alongside the Building (Dam Safety) Regulations 2022 ("the Regulations") which defines terms used in the Act in relation to "dangerous dams", "earthquake-prone dams" and "flood-prone dams".<sup>5</sup>
7. The Regulations and the Act can be accessed at [www.legislation.govt.nz](http://www.legislation.govt.nz) <sup>6</sup>.

<sup>1</sup> At the time of drafting this policy (May 2024), the Regulations define a classifiable dam as being "4 or more metres high and storing 20,000 or more cubic metres volume of water or other fluid." Regulations are subject to change, which will impact the application of this policy. It is worth checking the regulations before following this policy to determine the definition at that point in time.

<sup>2</sup> The Regulations currently do not define a referable dam (as of May 2024).

<sup>3</sup> When measuring the height of the dam under this section, the crest of the dam includes any freeboard – refer to section 133B of the Act for the definition.

<sup>4</sup> This includes buildings in areas designated under subpart 6B as set out in section 153AA of the Act.

<sup>5</sup> Section 19 of the Regulations defines moderate earthquake, moderate flood, earthquake threshold event and flood threshold event.

<sup>6</sup> The Regulations: <https://www.legislation.govt.nz/regulation/public/2022/0133/latest/whole.html> and The Act: <https://www.legislation.govt.nz/act/public/2004/0072/latest/whole.html>

8. The Regulations come into force on 13 May 2024. This policy will commence as soon as it is adopted by Council after following the special consultative procedure in [section 83](#) of the Local Government Act 2002.
9. This policy will be reviewed every five years or earlier as required. The policy remains in effect even though it is due for review or being reviewed.

## Principles

10. The Council will apply the following principles to the exercise of its dangerous dams, earthquake-prone dams and flood-prone dams functions under the Building Act
  - A. Dam owners have the primary responsibility for identifying, monitoring and reporting on dangerous, earthquake-prone and flood-prone dams and for reducing or removing the risk of harm to people, property and the environment in a timely and effective manner.
  - B. A recognised engineer who is engaged (by the owner) to provide a certificate for the purposes of [sections 135\(1\)\(b\)](#), [142\(1\)\(b\)](#), or [150\(2\)\(f\)](#) will notify Council and the dam owner if they believe that the dam is dangerous.
  - C. The state of all dangerous, earthquake-prone and flood-prone dams (as defined in the Act and the Regulations) must be known (noting that other dam safety provisions in the Act apply to all dams) and this information, if known to the Council, will be made readily available by the Council to all persons potentially affected by the safety risks of a dangerous, earthquake-prone or flood-prone dam.

## Council's approach to performing these functions

### Information on dam status

11. The Council will keep a register of all dams as required by [section 151](#) of the Act, recording the dangerous, earthquake-prone and flood-prone status of each classifiable dam. The Council will develop a monitoring procedure to maintain the register.
12. Should the Council receive information about a dangerous, earthquake-prone and flood-prone dam in its regional boundary, the Council will notify the Wellington Region Emergency Management Office (WREMO), the relevant territorial authority and mana whenua entities.

### Working with dam owners

13. The Regulations require owners of all classifiable dams to know whether their dam is dangerous, earthquake-prone or flood-prone. They also require these owners to take the necessary steps, in a timely manner, to comply with the Act and the Regulations. The Act requires dam owners to immediately notify the Council if they have reasonable grounds for believing their dam is dangerous. This applies to dams that are either a high potential impact dam or a medium potential impact dam and are likely to fail in the ordinary course of events, or a "moderate earthquake" or "moderate flood" (as defined in the Regulations).

14. The Act also requires a recognised engineer (engaged by the owner) to provide documentation for the purposes of [sections 135\(1\)\(b\)](#), [section 142\(1\)\(b\)](#), or [section 150\(2\)\(f\)](#), and to notify Council and the owner of the dam if they believe that the dam is dangerous.
15. The Council will work with the owners of identified dangerous dams, earthquake-prone dams and flood-prone dams to develop an action plan (with timeframes) with the goals of increasing the safety of the dam and eliminating or reducing the risks of the dam to people, property and the environment. It is not realistic to specify a timeframe in this policy for achieving this goal because timeframes will be dictated by the circumstances of each case. When setting a timeframe for action, the Council will consider the state of the dam, and the likelihood and consequences of dam failure.

#### Directing and taking action

16. The Council may intervene:
  - A. For dangerous, earthquake-prone and flood-prone dams
    - i. If the owner of any dam is not acting in accordance with an agreed action plan; or
    - ii. Where there is no agreed action plan, or
    - iii. Where it considers that the agreed action plan requires review or amendment; or
    - iv. Where ownership is not known or is disputed; or
  - B. For all dams, where there is or is likely to be a risk of immediate danger.
17. Before exercising any of its powers under sections 154 to section 159 of the Building Act the Council will, unless the circumstances dictate otherwise (such as where there is immediate danger to the safety of persons, property, or the environment), seek to discuss options for action with the owner of the dam, with a view to obtaining from the owner a mutually acceptable formal proposal for reducing or removing the danger. Acceptable actions by the dam owner may include but are not limited to, one or more of the following:
  - A. Operational changes such as reducing the volume of impounded fluid or completely emptying the reservoir.
  - B. Reconfiguring an existing spillway or creating a new or supplementary spillway to limit the maximum impounded volume and/or to safely route flood flows.
  - C. Increased surveillance and monitoring.
  - D. Development of emergency preparedness and response plans.
  - E. Review of the dam safety assurance programme.
  - F. Engage a dam specialist to investigate and make recommendations with any report provided to the Council.
  - G. Implementing measures to enable controlled, rapid emptying of the impounded fluid.
  - H. Undertaking measures downstream to mitigate the impact of dam failure.

- I. Physical works including reconstruction or partial demolition of the dam.
  - J. Decommissioning and/or removal of the dam.
18. The whole or part of any agreement between the Council and the dam owner may be formalised in a Notice to Fix issued under [section 164](#) of the Act. If agreement cannot be reached between the Council and the dam owner, the Council may exercise any of its statutory powers in sections 154 to section 159 and section 164 of the Act.
  19. For the purposes of [section 164](#) of the Act, the term ‘dam warrant of fitness’ in section 164(1)(b) is taken to mean ‘annual dam compliance certificate’ as set out in the [section 26](#) of the Regulations.
  20. The Council will notify potentially affected communities downstream of a dangerous, earthquake-prone or flood-prone dam. The Council will do this by publishing information about any dangerous, earthquake-prone or flood-prone dams in its region. The Council will notify operators of critical infrastructure or lifeline utilities downstream of a dangerous, earthquake-prone or flood-prone dam. The Council will also work with WREMO.
  21. The Council may at any time require the dam owner to review a dam safety assurance programme if the dam is an earthquake-prone or flood-prone dam.
  22. In a situation where a dam is a dangerous dam, or immediate danger is present, the Council may (amongst other actions):
    - A. Erect a hoarding or fence to prevent people from approaching the dam nearer than is safe.
    - B. Attach a notice on or near the dam (or affected downstream areas) that warns people not to approach.
    - C. Give written notice to the owner requiring work to be carried out on the dam, and within the time stated in the notice to remove or reduce the danger.
  23. In a situation where the Chief Executive of the Council considers that, because of the state of the dam, immediate danger to the safety of persons, property, or the environment is likely, then the Chief Executive of the Council may:
    - A. Cause any action to be taken to that is necessary to remove that danger, and
    - B. Recover the costs of taking any action from the dam owner.

### Council’s priorities in performing these functions

24. The dangerous dam provisions of the Building Act will be used by the Council as a mechanism to remedy an unsatisfactory situation that has developed in relation to classifiable dams in the Wellington region, rather than a means of responding to “emergencies” that arise in the future. The Council’s approach to dangerous dams is therefore tailored toward achieving a reduction in the pre-existing risk whilst still being able to deal with risks that emerge in the future.
25. The priorities for classifiable dams, where 1 is the highest priority and 5 is the lowest priority, are as follows.
  1. Dams that, upon commencement of the Regulations, are dangerous and/or earthquake-prone and/or flood-prone due to their pre-existing condition (and

not an actual change in risk), and do not have a Dam Safety Assurance Programme (DSAP) that complies with the Regulations. This priority would first consider classifiable high potential impact dams followed by medium potential impact dams.

2. Dams that are dangerous and/or earthquake-prone and/or flood-prone due to their pre-existing condition (and not an actual change in risk) and do have a Dam Safety Assurance Programme that complies with the Regulations. This priority would first consider classifiable high potential impact dams followed by medium potential impact dams.
3. Dams that, due to deterioration or damage (e.g., reduction in structural integrity), or identification of previously unobserved defects, are regarded as a dangerous dam and/or earthquake-prone and/or flood-prone (i.e. a change in likelihood of failure). This priority would first consider classifiable high potential impact dams followed by medium potential impact dams.
4. Dams that, because of new or improved information (or their exposure or their setting e.g., change in assessment of whether the dam constitutes a “moderate flood” or “moderate earthquake” for that site) are regarded as a dangerous dam and/or earthquake-prone and/or flood-prone. This priority would first consider classifiable high potential impact dams followed by medium potential impact dams.
5. Dams that, due to the potential impact classification for the dam increasing from low to medium or high or from medium to high are regarded as dangerous and/or earthquake-prone and/or flood-prone (i.e. a change in consequence of failure). This priority would first consider classifiable high potential impact dams followed by medium potential impact dams.

In the event of there being a dangerous dam, earthquake-prone dam or flood-prone dam the Council will always give precedence to the requirement to remove or reduce the danger by, first, ensuring public safety at all times, and then having regard to damage or loss of property, environment and economic welfare, followed by any heritage matters that might be present.

### Application to heritage dams

Heritage dams as defined in [section 7](#) of the Act means a dam that is included on:

- a) the New Zealand Heritage List/Rārangī Kōrero maintained under [section 65](#) of the Heritage New Zealand Pouhere Taonga Act 2014; or
- b) the National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu list maintained under [section 81](#) of the Heritage New Zealand Pouhere Taonga Act 2014.

[Section 4\(2\)\(l\)](#) of the Building Act recognises “the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value”.

The Council recognises the need to retain heritage values of the dam itself, but also the need to reduce or remove any risk posed by a heritage dam which has been

classified as dangerous, flood-prone or earthquake-prone. When considering heritage dams under this policy, account will be taken of the need to facilitate the preservation of parts of the dams with significant heritage value.

When dealing with heritage dangerous dams, the Council will seek advice from the Heritage New Zealand/Pouhere Taonga before any actions are undertaken by the Council under sections 153 to section 160 of the Act.

The Council may also engage suitably qualified professionals with engineering expertise and heritage expertise to advise and recommend actions. When considering any recommendations, the Council will have regard to the priorities set out in clause 5 of this policy. Copies of all served notices for heritage dangerous dams, earthquake-prone dams and flood-prone dams will be provided to Heritage New Zealand/Pouhere Taonga.

The Council will record the heritage listing of all dangerous, earthquake-prone and flood-prone dams it is made aware of in its register of dams and a record of that will also be made available on the relevant property file for inclusion on any relevant Land Information Memorandum.

PROPOSED



## Statement of Proposal

# Proposed Amendments to the Dangerous Dams Policy

### 1. Purpose

The purpose of this document is to inform the public and seek feedback on the proposed Policy on Dangerous Dams, Earthquake-prone Dams, and Flood-prone Dams 2024 (the proposed Policy).

### 2. Background

Section 161 of the Building Act 2004 (the Act) requires all regional councils to adopt a policy on Dangerous Dams, Earthquake-prone Dams and Flood-prone Dams (Dangerous Dams Policy for short). Greater Wellington has had a Dangerous Dams Policy in place since 2006, and it was reviewed in 2011.

The Dangerous Dams Policy sets out what Wellington Regional Council (the Council) will do in relation to a dangerous, earthquake-prone or flood-prone dam in the Wellington Region. It is a short policy that covers our regulatory and legislative responsibilities in relation to these dams under the Building Act 2004.

The changes in the proposed Policy are made under sections 161 and 243 of the Building Act 2004, and section 83 of the Local Government Act 2002.

### 3. Reasons for the proposal

We are updating our Dangerous Dams Policy so that it aligns with the new dam safety requirements created by central government - the Building (Dam Safety) Regulations 2022 (the Regulations) which came into effect on 13 May 2024. From that date, owners of dams that meet the height and volume requirements in the regulations will need to confirm the potential risk their dam poses, put in place safety plans, and undertake regular dam inspections.

A review of the current Policy has been completed and resulted in some proposed changes to align with the new regulations, and with the dam safety policies of other regional authorities.

The proposed Policy on Dangerous Dams, Earthquake-prone Dams, and Flood-prone Dams 2024 is intended to be in place for five years - in line with the direction from the Building Act 2004 to review the policy every five years.

A full copy of the proposed Policy on Dangerous Dams, Earthquake-prone Dams, and Flood-prone Dams can be viewed on our website at [Have Your Say | Greater Wellington \(gw.govt.nz\)](#), and the current Policy can be found at <https://www.gw.govt.nz/assets/Uploads/adopted-dangerous-dams-policy-2011.pdf>



#### 4. Who should read the proposed Policy?

You should read the proposed Policy if you are a dam owner or have a dam on your property that is a classifiable dam.

- Measures taken by a regional authority to avoid immediate danger apply to all dams.
- A classifiable dam (as defined in regulation 5 of the Regulations) is:  
4 metres or more in height and holding 20,000 m<sup>3</sup> or more in volume.

#### 5. What are dangerous, earthquake-prone and flood-prone dams?

These terms are defined in the Building Act 2004.

A dam is a dangerous dam for the purposes of the Act if the dam is a high potential or medium potential impact dam; and is likely to fail –

- in the ordinary course of events
- or in a moderate earthquake (as defined in the Regulations)
- or in a moderate flood (as defined in the Regulations).

A dam is an earthquake-prone dam if the dam is a high potential impact dam or a medium potential impact dam, and

- is likely to fail in an earthquake threshold event (as defined in the Regulations).

A dam is a flood-prone dam for the purposes of the Act if the dam –

- is a high potential impact dam or a medium potential impact dam, and
- is likely to fail in a flood threshold event (as defined in the Regulations).

#### 6. What doesn't the proposed Policy cover?

The proposed Dangerous Dams, Earthquake-prone Dams, and Flood-prone Dams Policy does not classify dams. The Regulations require dam owners to assess their dam as either low, medium or high potential impact. Their assessment considers the impact to the community, cultural sites, critical and major infrastructure, and the natural environment. If it is a medium or high potential impact dam, the Building Act 2004 requires the dam owner to prepare a dam safety assurance programme.

The Council does not undertake this assessment nor is it responsible for preparing the dam safety assurance programme - this is the role of the dam owner and their recognised engineer.

However, the dam owner must immediately notify Greater Wellington if they believe their dam is dangerous. We will then respond in accordance with the policy.

The proposed Policy also does not cover consenting matters under the Resource Management Act 1991 or Building Act 2004.

Submissions should relate to the contents of the proposed Policy. The Council is not able to change anything in the Act or Regulations.

#### 7. Consultation and submission process

Anyone can make a submission on the proposed Policy.

Written submissions are invited on the proposed Policy from 3 June 2024 to 5pm, 7 July 2024. You can make a written submission in the following ways:

- Online at <https://www.gw.govt.nz/have-your-say/>
- By email to [damsafety@gw.govt.nz](mailto:damsafety@gw.govt.nz)
- By post to P O Box 11-646, Wellington; or P O Box 41, Masterton
- By hand to our offices at 100 Cuba St, Wellington; or 34 Chapel St, Masterton.

## 8. What information do we collect, and how will we use it?

During the consultation process, we ask for:

- your first and last name (mandatory)
- the name of your organisation or group (if you are submitting for them)
- your email address or phone number, if you want us to contact you (see below)
- your submission on the proposed Policy
- whether you:
  - want to make a presentation at a hearing
  - request the removal of your personal contact details from any publicly available copy of your written submission.

We collect this information from you through the written submission form on Greater Wellington's Have Your Say website, or from your submission by the other methods outlined above.

If you make a presentation at the hearing, we will document your name and the key elements of your presentation.

If you do not provide your email address or phone number, we cannot contact you for the related purposes stated below.

### Purposes of collection and use

Greater Wellington will use the collected information to:

- identify your written submission and your presentation (if you make one)
- make your written submission publicly available (see below)
- prepare a Council report that includes aggregated analysis of written submissions and presentations
- contact you to:
  - clarify any aspect of your written submission or presentation
  - arrange for your attendance at the hearing (if you request this)
  - advise you of the decision(s) on the proposed Policy.

### Sharing your information - public availability of submissions

Greater Wellington treats all submissions received through our public consultation processes as public information. As such, we:

- may be required to release all or part of your written submission, and our documentation of your presentation, if a request is made under the Local Government Official Information and Meetings Act 1987
- will consider removing your personal contact details from any publicly available copy of your written submission if you request this in your submission
- may choose to publish submissions, including on the Greater Wellington website, in full or as a summary. Your contact details will be excluded from website publication.

### Using your information

We will only use the information provided to us:

- for the purposes we collect that information (as outlined above above)
- for other reasons permitted by the Privacy Act 2020 (e.g. with your consent, for a directly related purpose, or where the law permits or requires this use).

### 9. What happens next?

After the hearing (if one is requested), the Council will consider all submissions received and make decisions on any amendments to the proposed Policy. All submitters will be notified of the Council's decision after the policy is adopted.

DRAFT



## For Information

### TE WAI TAKAMORI O TE AWA KAIRANGI - AGREED TRANSPORT OBJECTIVES

#### Te take mō te pūrongo

##### Purpose

1. To inform Council on the transport objectives of Te Wai Takamori o Te Awa Kairangi project and to highlight how the project connects with other strategically significant national and regional policy and projects.

#### Te tāhū kōrero

##### Background

2. Te Wai Takamori o Te Awa Kairangi project (Te Awa Kairangi), formerly known as RiverLink, is a partnership between Greater Wellington, Hutt City Council (HCC), NZ Transport Agency (NZTA), Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o Te Ika.
3. Each organisation's focus in Te Awa Kairangi ties back to their overarching roles, strategies, and plans. For Greater Wellington, the flood protection upgrades support the delivery of the Hutt River Floodplain Management Plan (2001) and protect Lower Hutt City's CBD by connecting completed works between Ewen Bridge and Ava Rail Bridge (completed 2009) and the Boulcott stopbank (completed 2011).
4. Delivery of Te Awa Kairangi relates to Greater Wellington's strategic priorities for regional resilience and public transport. Strategic priorities for freshwater quality, biodiversity, and multi-modal transport options will also be supported by the successful completion of Te Awa Kairangi.
5. Te Awa Kairangi is strategically aligned with other regionally significant plans and strategies, including the Regional Land Transport Plan and the Future Development Strategy.
6. As stated in the RiverLink Project Update Report (Report 23.375) of 22 August 2023, the overarching objectives for Te Awa Kairangi are:

Achieve Ora Tangata, Ora Taiao and Ora Wairua	To reorient the city to face and connect with Te Awa Kairangi / Hutt River and respond to climate change by: <ul style="list-style-type: none"><li>• Providing resilient transport choices allowing all people and businesses to move safely and reliably to, from and within our city centre.</li><li>• Improving flood protection for the Lower Hutt city centre and areas south of the city to enable better resilience for people and property.</li></ul>
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	<ul style="list-style-type: none"> <li>Stimulating and supporting urban regeneration and economic development. Encourage growth and the regeneration of Lower Hutt city centre and promote commercial and residential development.</li> </ul>
--	---

7. Specifically for transport, four Investment Benefits and six corresponding Investment Objectives were developed for the New Zealand Transport Agency as part of the 2019 Melling Transport Improvements Single Stage Business Case:

Investment Benefit	Investment Objective
<b>Safer journeys for all road users, by:</b> <ul style="list-style-type: none"> <li>Safer interchange eliminating high-speed at-grade intersections.</li> <li>Separating walking and cycling from SH2.</li> <li>83% reduction in deaths and serious injuries (DSIs).</li> </ul>	Improve KiwiRAP Star Rating for SH2 from a minimum 2 star to minimum 4 star by 2031
	Reduce five-year serious injury crash rate from six to one by 2031
<b>Improved access between Lower Hutt City Centre and SH2 during peak periods and weekends, by:</b> <ul style="list-style-type: none"> <li>Improved access across Te Awa Kairangi and SH2 via new walking and cycling bridge, road bridge and grade separated interchange.</li> </ul>	Reduce travel time for key movements between SH2 and Lower Hutt City Centre to less than 5 minutes by 2031
<b>Better access to quality transport choices in the vicinity of Melling, by:</b> <ul style="list-style-type: none"> <li>Relocated Melling train station and transport bus hub better serving the central city</li> <li>Directly connected new station, via new walking and cycling bridge.</li> <li>Well-connected walking and cycling routes along Te Awa Kairangi, including connecting with Te Ara Tupua.</li> </ul>	Increase walking and cycling trips through Melling intersections in the AM peak from 150 to 200 by 2031
	Increase peak boardings at Melling Station from 774 to 1000 by 2031
<b>Improve security and availability of the road network, by:</b> <ul style="list-style-type: none"> <li>Better walking and cycling connections into existing and new infrastructure.</li> <li>60% reduction in events affecting SH2.</li> </ul>	Reduce frequency of events disrupting traffic on SH2 from average of one per week to average of one per month by 2031

## **Te tātaritanga Analysis**

8. The transport improvements of Te Awa Kairangi have been developed based on the following problem statements (again as stated in the 2019 Melling Transport Improvements Single Stage Business Case):
  - a. The configuration of intersections either side of Melling Bridge, some of which are in a high volume and high-speed environment is causing a number of serious injuries.
  - b. High and increasing traffic volumes, combined with intersections with insufficient capacity and underutilisation of public transport and active modes leads to delays at peak times and weekends reducing the accessibility of goods and services in Lower Hutt.
  - c. The quality of infrastructure constrains access to alternative modes and leads to unnecessary car travel between SH2 and Lower Hutt and suppresses access by, and use of, these modes.
  - d. A high crash risk and flooding in storm events results in journeys through the Melling intersections being impacted on a regular basis.
9. The scope of work to address these problem statements includes replacing the Melling bridge, building a new grade separated SH2 interchange, and local road realignment.
10. The Melling Line will also be closed while the station is moved south to make way for the new interchange and bridge. The new station is proposed to have park and ride facilities, a bus interchange with safer access to SH2, as well as safer walking and cycling paths to the CBD, western hills, and links to cycling routes.
11. A direct pedestrian/cycle bridge from the city centre to the relocated Melling Station is proposed as an essential part of the project. This link would provide an attractive route, increasing the accessibility between Melling Station and the Lower Hutt city centre and will also support the proposed growth in residential activity within the city centre.
12. When completed, the Melling station will also provide an option for people who are walking or cycling on the 4.5km long Te Ara Tupua between Wellington City and Lower Hutt to use public transport for part of their journey. This is expected to be particularly beneficial to families with younger children, or anyone choosing to explore this new walking and cycling link in our region recreationally.

## **Strategic Context**

### ***National strategic alignment*** – Government Policy Statement (GPS)

13. Te Awa Kairangi project transport objectives align with the strategic priorities of safety and economic growth and prosperity of the draft Government Policy Statement on land transport released in 2024.
14. Melling Transport Improvements is referenced in the GPS as a project identified for Crown funding. This has since been confirmed to be the 'Roads of Regional Significance' funding class.

15. This Roads of Regional Significance funding supersedes the 'NZ Upgrade Programme' funding allocated to the project by the last government.
16. The draft GPS has specific limitations on how funding can be sought from National Land Transport Fund Activity Classes, including that walking and cycling infrastructure activities can only be funded through specific walking and cycling funding categories and not as part of a larger package.
17. The Regional Transport Committee submission to the Ministry of Transport on the draft GPS, submitted 2 May, advocated against this more prescriptive approach to funding. The final GPS is expected to be released by 1 July 2024.

### ***Emissions Reduction Plan***

18. The current Emissions Reduction Plan has an ambitious target of target of 41% reduction in emissions from the transport sector by 2035. However, the Government signalled in the draft GPS that it will replace this with an updated (legislatively mandated) second Emissions Reduction Plan (ERP) by the end of 2024. The draft GPS also indicates an intention for this second ERP to use the Emissions Trading Scheme as the key tool to reduce emissions.
19. If an Emissions Trading Scheme is used, it will be essential to ensure our region's residents have a choice of transport options less impacted by an Emissions Trading Scheme (such as walking, cycling and public transport). This will ensure an equitable approach to transport which means people who are already experiencing the cost-of-living stretch can still affordably get to workplaces, schools, and other activities.

### ***Regional strategic alignment***

20. Te Awa Kairangi is strategically aligned with the strategic outcomes of other significant regional plans, including the Long Term Plan 2018-2028, the Regional Land Transport Plan, and the Future Development Strategy.

### ***Greater Wellington's Long Term Plan 2018-2028***

21. Te Awa Kairangi specifically aligns to regional resilience, public transport, freshwater quality and biodiversity.
22. Te Awa Kairangi project is listed for funding in the GW Long Term Plan for flood protection and to relocate the Melling Station.

### ***Regional Land Transport Plan 2021***

23. Te Awa Kairangi aligns with the three 10-year headline targets of the RLTP, which are:
  - a **Safety:** 40 percent reduction in deaths and serious injuries on our roads by 2030,
  - b **Carbon emissions:** 35 percent reduction in transport generated carbon emissions by 2030, and
  - c **Mode share:** 40 percent increase in active travel and public transport mode share by 2030.
24. Te Awa Kairangi improvements that are yet to be secured (e.g. local road and walking and cycling improvements) are currently included in the top 10 'significant activities' list in the draft Regional Land Transport Plan Review (2024).



## **Future Development Strategy**

25. The Future Development Strategy aligns with Te Awa Kairangi under each of its six strategic priorities. These are:
  - a Providing for affordable housing that meets our needs, and for compact well-designed towns and cities,
  - b Realising iwi and hapū values and aspirations,
  - c Promoting a flourishing zero-emissions region,
  - d Protecting what we love,
  - e Ensuring we have the infrastructure we need to thrive, and
  - f Providing opportunity for productive and sustainable local employment.
26. The Future Development Strategy prioritises growth in the Hutt Valley in existing urban areas along this corridor. The completion of Te Awa Kairangi will mean suburbs are well connected by low-emissions transport to the public transport network, making it easier for communities to access the things they need daily.
27. As the fastest growing area in our region, transport status quo for Lower Hutt city centre will not be sustainable, and will result in congestion and higher travel times, which will in turn impact travel times and attractiveness of the area. Therefore, options which support people to get around central Lower Hutt on foot, cycle or by public transport will be essential to reducing congestion, while also improving safety for these road users.

## **Ngā hua ahumoni**

### **Financial implications**

28. Melling safety improvements have been signalled as a Road of Regional Significance, meaning the majority of the project will be funded by crown funds. However, precise details of what is to be funded by crown sources is yet to be confirmed.
29. Greater Wellington officers will continue to work with HCC and NZTA colleagues and will advocate for the multi-modal approach to be funded in its entirety. This is due to the additional benefits from active mode components, including economic and congestion reduction benefits - notwithstanding the requirements signalled in the draft GPS that these will be funded from separate activity classes.
30. Funding for Te Awa Kairangi improvements that are yet to be secured (e.g. local road and walking and cycling improvements) is signalled as a significant activity in the draft Regional Land Transport Plan Review (2024). This package of works is listed at number 10 (of 30) of the significant activities list. This plan is open for public consultation from 24 May to 24 June 2024. Based on this public consultation, the priority order list may be revised.
31. Once finalised, the plan will be submitted to NZTA for its consideration and inclusion into the National Land Transport Plan, from which funding from the National Land Transport Fund will be allocated. Hutt City Council will be required to fund its local share of this project from rates.

32. Hutt City Council’s draft 2024-2034 Long Term Plan (LTP) has been consulted on and hearings held. HCC is scheduled to adopt its LTP in June. The draft LTP includes additional funding for Te Awa Kairangi. HCC is currently assessing the options for the delivery pathway for their scope of work, in addition to being involved with the overall affordability process for the project.
33. There are likely to also be inter-dependencies with another project, the Petone to Grenada and Cross-Valley link; a Road of National Significance proposed to be built between Tawa and Seaview. Planning and pre-implementation is scheduled to begin in the next triennium.

**Ngā take e hāngai ana te iwi Māori**  
**Implications for Māori**

34. Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o Te Ika are long-standing members of Te Wai Takamori o Te Awa Kairangi Governance Group.
35. The Mana Whenua Steering Group established between Waka Kotahi and Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o Te Ika to oversee Te Ara Tupua and Eastern Bays Pathway has been expanded to include Te Awa Kairangi.

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

36. The proposed Te Awa Kairangi transport improvements will increase the attractiveness and accessibility of active and public transport modes, thereby contributing to the overall reduction of transport-generated greenhouse gases.

**Ngā tūāoma e whai ake nei**  
**Next steps**

37. Funding for transport components to be delivered by Hutt City Council for Te Awa Kairangi is expected to be confirmed in September 2024 through the National Land Transport Plan process. Funding for the NZTA Roads of Regional Significance project will come through the Major Crown Investment Projects capped fund.
38. A further report will be provided to Council to outline the approach for managing temporary construction disruption once more detailed planning is underway.

**Ngā āpitihanga**  
**Attachment**

Number	Title
1	Melling Transport Improvements SSBC – 2019

**Ngā kaiwaitohu**  
**Signatories**

Writers	Emma Hope – Senior Strategic Advisor – Regional Transport
Approvers	Grant Fletcher – Head of Regional Transport   Kaiwhakahaere Matua Waka-ā-rohe Luke Troy - Group Manager Strategy   Kaiwhakahaere Matua Rautaki

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

A shift in central government policy direction has the potential to impact directly on the successful implementation of Te Awa Kairangi, which is one of GWs key work programmes.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

Te Awa Kairangi requires central government funding support as well as GW and HCC's contributions in order to complete design and implementation phases.

***Internal consultation***

This report has been prepared by Regional Transport with input from Te Awa Kairangi programme comms leads, and Metlink. External partners, including Hutt City Council and New Zealand Transport Agency have also had an opportunity to review and input into this report.

***Risks and impacts - legal / health and safety etc.***

General uncertainties regarding NZTA funding will likely continue for some time, with implications for delivery. Cost pressure on construction is ongoing.

# NOTE ON THE MELLING TRANSPORT IMPROVEMENTS SINGLE STAGE BUSINESS CASE

## November 2020

The Single Stage Business Case (SSBC) for the Melling Transport Improvements in Lower Hutt was prepared during 2018/19 and finalised in November 2019.

A SSBC combines a project's Indicative Business Case and Detailed Business Case. It confirms the preferred option and includes a more detailed analysis of the project and its risks, benefits and opportunities.

The SSBC for the Melling Transport Improvements was prepared on the basis that the project would be funded through the National Land Transport Programme, with construction expected to begin after 2028.

In January 2020, after completion of this SSBC, the government announced the NZ Upgrade Programme which included funding to deliver the Melling Transport Improvements. This alters the funding and timing considerations within the SSBC.

## Funding

The NZ Upgrade Programme provides \$258m to fully fund delivery of the Melling Transport Improvements; including:

- A new grade-separated SH2 Melling interchange,
- A new Melling Bridge over Te Awakairangi Hutt River
- Relocating the Melling train station and its park and ride facilities,
- Improved walking and cycling paths.

The NZ Upgrade Programme funding replaces the funding and cost-sharing arrangements that were documented in the SSBC.

The SSBC signalled joint funding for parts of the project (including the Hutt River Bridge), with costs to be shared by Hutt City Council and Greater Wellington Regional Council. These components will instead be fully funded through the NZ Upgrade Programme.

## Timing

Funding through the NZ Upgrade Programme also means construction can start in late 2022.

The SSBC noted that construction was expected to begin after 2028, once other components of RiverLink had been completed. This expectation has now been superseded, as the NZ Upgrade Programme funding provides for construction to begin in late 2022.

## Next steps

The project expects to jointly seek consents and approvals within a package of applications for the RiverLink group of projects. We expect to lodge these applications in early 2021.

As part of the consenting stage, updated designs for all the RiverLink projects, including the Melling Transport Improvements, will be shared with the community in late 2020. These designs will reflect further development of the preferred option signalled in the SSBC.

RiverLink is a partnership between Waka Kotahi NZ Transport Agency, Greater Wellington Regional Council and Hutt City Council, working together with mana whenua Taranaki Whānui ki te Upoko o te Ika and Ngāti Toa Rangatira.

More information on RiverLink can be found at [riverlink.co.nz](http://riverlink.co.nz)

More information on the NZ Upgrade Programme can be found at [nzta.govt.nz/nzupgrade](http://nzta.govt.nz/nzupgrade)



# MELLING TRANSPORT IMPROVEMENTS SSBC

PREPARED FOR NZ TRANSPORT AGENCY

September 2019

Released under the Official Information Act 1982

Melling Transport Improvements Single Stage Business Case

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This disclaimer shall apply notwithstanding that the report may be made available to other persons for an application for permission or approval to fulfil a legal requirement.

## QUALITY STATEMENT

**PROJECT MANAGER**

Section 9(2)(a)

**PROJECT TECHNICAL LEAD**

Section 9(2)(a)

**PREPARED BY**

Section 9(2)(a)

...../...../.....

**CHECKED BY**

Section 9(2)(a)

...../...../.....

**REVIEWED BY**

Section 9(2)(a)

...../...../.....

**APPROVED FOR ISSUE BY**

Section 9(2)(a)

...../...../.....

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## REVISION SCHEDULE

Rev No.	Date	Description	Signature or Typed Name (documentation on file)			
			Prepared by	Checked by	Reviewed by	Approved by
1	28/6/18	Draft front end for internal review	Section 9(2)(a)	Section 9(2)(a)		
2	29/6/18	Draft front end for client review				
3	16/8/19	Draft Part A and B for client review				
4	06/9/19	Draft Part A, B and C			Section 9(2)(a)	
5	13/9/19	Cost Estimate updated & Exec Sum included				
6	27/11/19	After NZ Transport Agency and Partner feedback				Section 9(2)(a)

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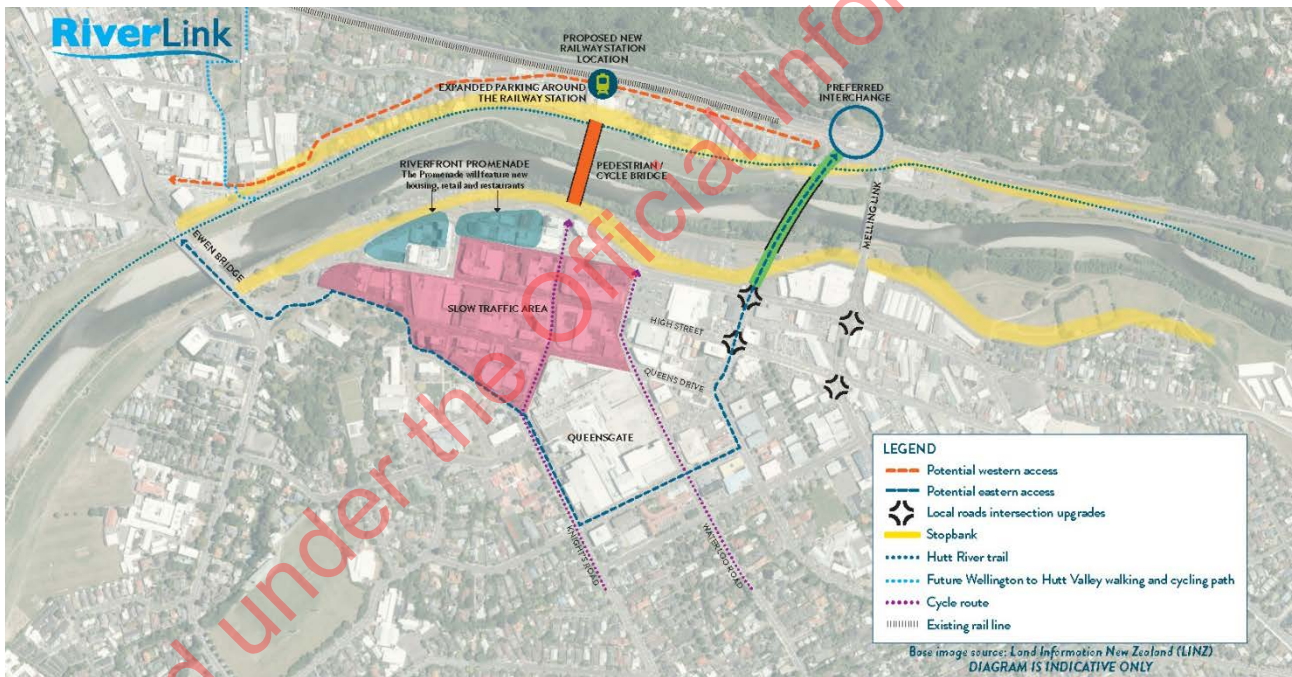


# Executive Summary

## Context

The Melling Transport Improvements project is a fundamental element of two overarching Programme Business Cases (PBC), SH2: Ngauranga to Te Marua (2016) and Melling Gateway (RiverLink) (2015). The SH2 PBC recommended programme aimed to increase rail patronage and reduce commuter traffic on SH2, with Melling Intersection Improvements identified as necessary in the early/short term phases of programme delivery to address safety and access to Hutt City Centre. The RiverLink PBC aimed to deliver on three areas: improved protection from Hutt River flood events; better access to Hutt City Centre and the railway station by all modes; and, improved liveability and quality of life for people working and living in Hutt City Centre. The grade separation of the SH2 Melling intersection was recommended as a short-term activity to complement the flood protection works, improve safety and reliability, and to provide the catalyst for revitalisation of Hutt City Centre through HCC's Making Places plan.

The NZ Transport Agency has been working closely with their two RiverLink partners, Greater Wellington Regional Council (GWRC) and Hutt City Council (HCC), both of which are working on turning the RiverLink programme into reality. GWRC is proposing to spend \$125m improving Hutt River flood protection, while HCC is proposing to spend \$59m to implement the 'Making Places' regeneration and growth plan for Lower Hutt (now encompassed by the City Centre Transformation Plan 2019).

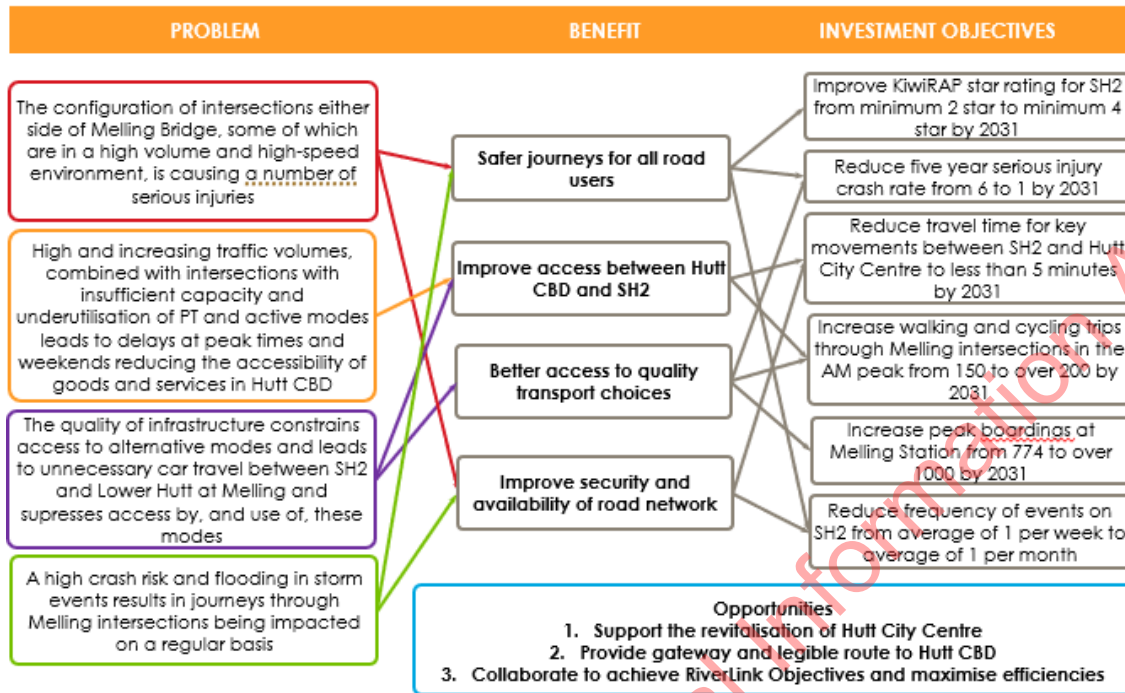


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Melling Transport Improvements Single Stage Business Case

### Problems, Benefits, Opportunities and Investment Objectives

The problem statements and benefits for this business case were derived from stakeholder workshops and the two preceding PBCs.

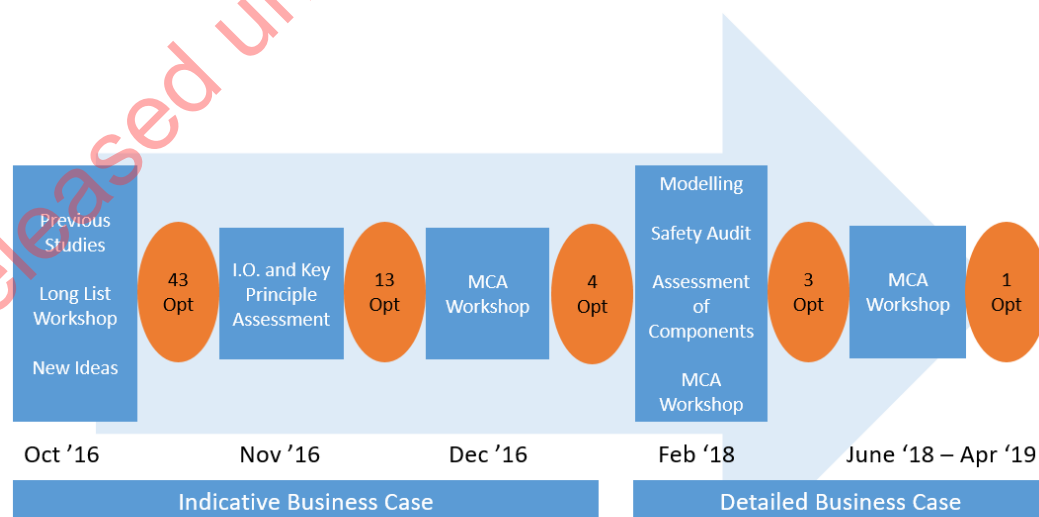


### Option Development and Assessment

In addition to the problems and investment objectives, the following key principles were developed with key stakeholders to ensure any investment was appropriately focused on wider outcomes:

- Traffic to connect into edge of Hutt City Centre
- All routes for all modes should be legible and all existing connectivity retained
- Full pedestrian and cycle connectivity
- Retain the ability to extend the Melling rail line further north
- Permit the flood protection works for a 2800 cumec flood (1-in-440 year return period) including the predicted effects of climate change to 2120.
- Clearly define Melling as the Gateway to the Hutt City Centre

The figure below shows the progression of option development and refinement throughout this project





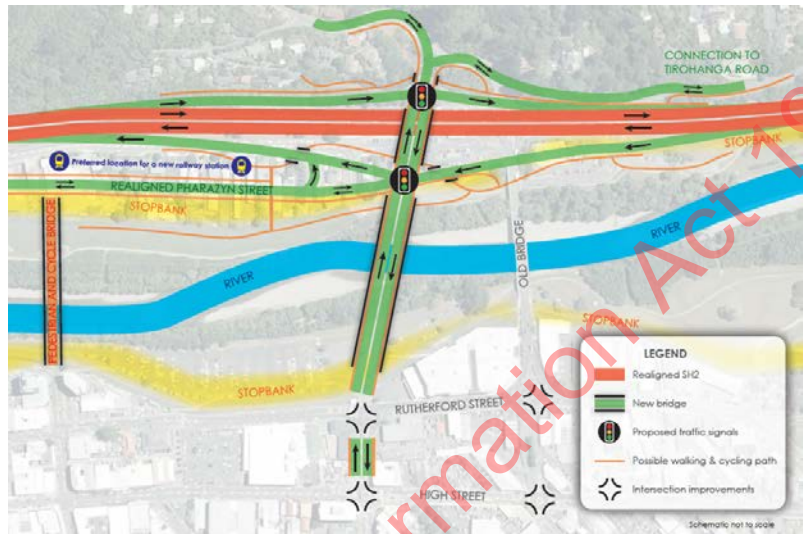
Melling Transport Improvements Single Stage Business Case

Option Shortlist

The final MCA workshop debated three shortlisted options for a grade separated SH2 diamond interchange with a new bridge connecting to Hutt City Centre. These options were:

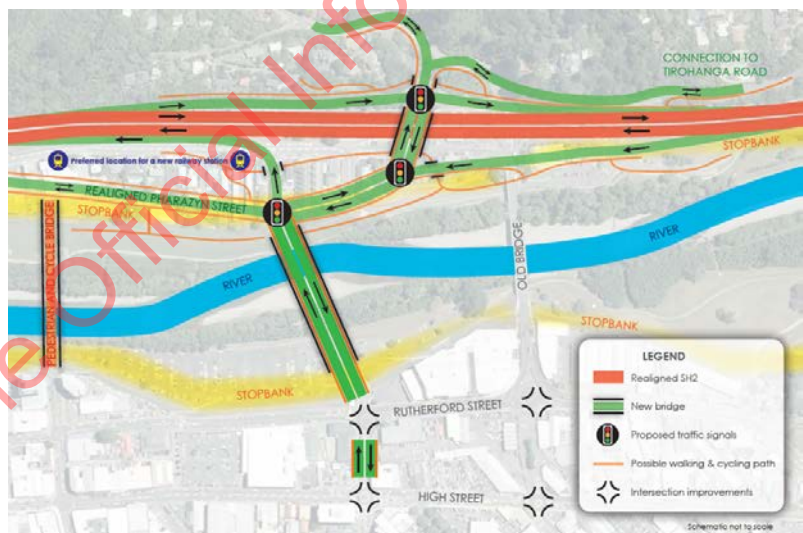
**QUEENS DIRECT:**

- Direct gateway entrance to Hutt City Centre with a new bridge connecting at Queens Drive.
- Requires only two signalised intersections at the interchange.



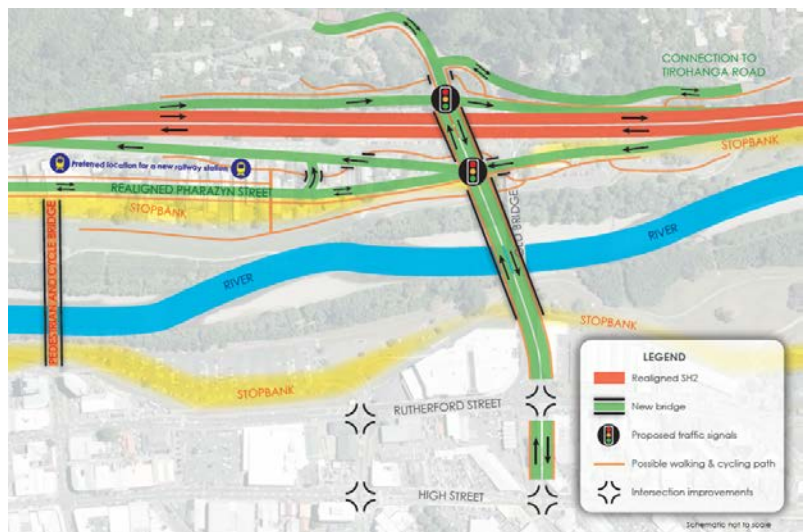
**QUEENS INDIRECT:**

- Indirect gateway entrance to Hutt City Centre with a new bridge connecting at Queens Drive.
- Has three signalised intersections at the interchange.
- Separates SH2 southbound on-ramp from the interchange.



**MELLING DIRECT:**

- A new bridge connects to Melling Link
- Requires only two signalised intersections at the interchange



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## Melling Transport Improvements Single Stage Business Case

The three options were publicly consulted on during May and June 2018, with Queens Direct the most popular option of the three. Following the public consultation, a third and final multi criteria analysis (MCA) workshop was held with the key stakeholders, which through considering around a dozen different criteria, also determined that Queens Direct was the recommended option. There were many key positive attributes for this option, including;

- An opportunity to improve flooding resilience by reducing the floodway constriction created by the existing Melling Link Bridge location.
- A direct gateway entrance to Hutt City which better defined the desired edge of the city centre.
- Better gateway alignment than existing situation with the desired edge of the city centre, the proposed Eastern Accessway route around the city centre<sup>1</sup> and other local roads.
- Better access than existing situation to a relocated Melling Station and therefore better public transport mode integration.
- Provides good walking and cycling connections into Hutt City Centre.

## Recommended Option Assessment

The Queens Direct option performs well against all five investment objectives and provides numerous multi-modal benefits across all transport user modes. When assessed against One Network Road Classification criteria, again Queens Direct performs well and achieves the desired levels of service.

The total expected cost is \$237M yielding a BCR of 1.7.

The Melling Transport Improvements achieves a VERY HIGH alignment under the State Highway Improvements Activity Class. Safety achieved a VERY HIGH rating due to the expected reduction in death and serious injury crashes with the recommended option. Access (Thriving Regions) achieved a HIGH rating as the SH2 corridor (and hence the local roads that feed onto it) would be impeded less often by crashes and localised flooding events, whilst also reducing travel times for commuters and freight. Access (Liveable Cities) achieved a HIGH rating as the project supports high priority elements in agreed integrated land use and multi-modal plans: HCC Making Places Plan, Urban Growth Strategy and Central City Transformation Plan as well as the RiverLink PBC and SH2 PBC.

The recommended option also enables the RiverLink programme to deliver resilience to natural hazard outcomes that are not part of the Melling assessment framework. Specifically, this is protecting against a predicted \$1.1B of direct damages (and an equivalent amount in intangible damages) resulting from a flood hazard failure event at the constriction point within the floodway created by the under capacity of the existing Melling Bridge.

## Readiness and Assurance

### Funding

In recognition of the inter-relationships between the different elements of the RiverLink programme and the fact that many of the elements contribute to different organisational goals, cost sharing principles have been developed. These state that if the benefits of delivering a component of RiverLink align to only one organisation then the costs would fall to that organisation, and where benefits of a component align to more than one party the costs are shared between those parties. This model provides flexibility and fairness for the allocation of costs across the three agencies involved.

The table below outlines how the cost of the different RiverLink elements, including the Melling Transport Improvements could be distributed according to these funding principles. It is noted that this funding split has not been endorsed by the project partners and it is just one of several scenarios that have been considered.

Further discussion on cost sharing is currently underway.

<sup>1</sup> The existing western access route along Daly Street is removed due to the location of the new stop banks, placing greater importance on the function of the eastern accessway route

Melling Transport Improvements Single Stage Business Case

Section 9(2)(j)



It is noted that there is currently only very limited funding available within the State Highway Improvement activity class. Early in 2019, the Transport Agency announced their decision that implementation of the Melling Transport Improvement projects would be considered after 2028.

**Next Phase**

The NZ Transport Agency have recently announced that they are funding the consenting of the Melling transport improvement project alongside RiverLink.

Once the designation of the project is confirmed, it opens up the Agency to having to purchase properties under the designation. Section 9(2)(j)

Other pre-implementation activities, such as detailed design, should be considered once funding for the implementation is programmed.

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<sup>2</sup> Includes an allowance for cost recovery of selling unneeded property

<sup>3</sup> It is noted that funding a new bridge is not within GWRC’s statutory responsibilities. However, GWRC may contribute to enable the bridge to proceed via, for example, gifting property.

# NZ Transport Agency

## Melling Transport Improvements Melling Transport Improvements SSBCase

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## PART A – THE CASE FOR THE PROJECT

### 1. Introduction

The Melling Transport Improvements is a package of work that emerged from two overarching programmes:

- SH2: Ngauranga to Te Marua Programme Business Case (2016) – this programme was focussed on multi-modal inter-regional connections. The recommended programme includes projects to increase rail patronage and reduce commuter traffic on State Highway 2 (SH2) by improving rail services on the Hutt Valley and Wairarapa lines and enhancing park and ride opportunities at stations in the Hutt Valley. Melling Intersection Improvements was identified as being required in the early/short term phases of programme delivery to address safety and access to Hutt City Centre.
- Melling Gateway (RiverLink) Programme Business Case (2015) – this multi-agency programme involving the NZ Transport Agency (herein referred to as the Transport Agency), Greater Wellington Regional Council (GWRC) and Hutt City Council (HCC), seeks to deliver:
  - Improved protection from Hutt River flood events;
  - Better access to Hutt City Centre and the railway station by all modes;
  - Improved liveability and quality of life for people working and living in Hutt City Centre.

In both programmes, the grade separation of Melling intersection was recommended as a short-term activity to complement the flood protection works, improve safety and reliability, and to provide the catalyst for revitalisation of Hutt City Centre through HCC's Making Places plan.

The Transport Agency has been working closely with their two RiverLink partners, both of which are working on significant projects in the same area. GWRC is proposing to spend \$125m improving Hutt River flood protection, while HCC is proposing to spend \$59m<sup>4</sup> to implement the 'Making Places' regeneration and growth plan for Lower Hutt. These are significant, game-changing projects for Lower Hutt and beyond, and the partners have been collaborating since 2015 to develop a shared plan for the area which ensures that all elements are complementary and work together to achieve the overall community outcomes. The business case process has involved all three parties working together.

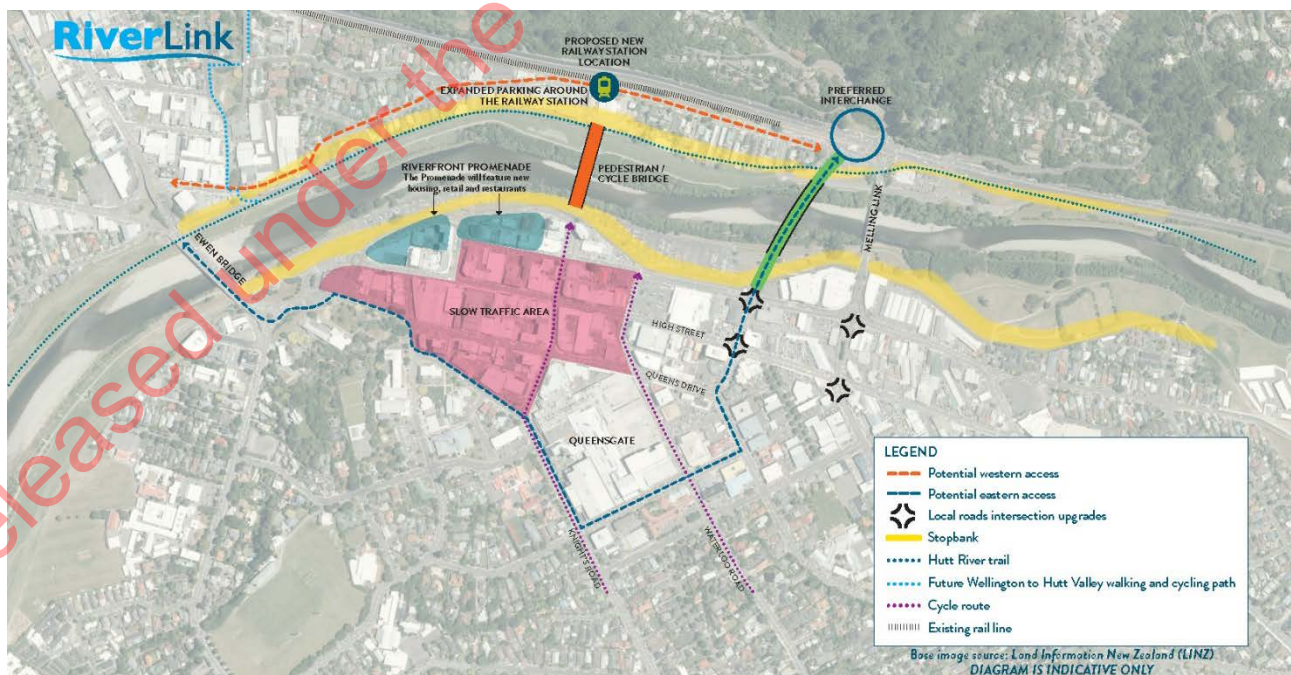


Figure 1-1: Potential RiverLink Scheme

<sup>4</sup> 38m budgeted in LTP, but underspend from previous years is available

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GWRC is proceeding with the flood protection works, with consenting and detailed design being undertaken in 2019/20 and construction start scheduled for 2021/22. Improvements include construction of new, higher level, stopbanks adjacent to Hutt River. These enhanced stopbanks require land which is currently used for other purposes, such as residential properties, local roads and car parks. More information on the RiverLink programme is in Section 2.6.

The existing Melling Bridge contributes to the flood risk, because the area underneath it is insufficient to pass a 2,800 cumec design flood (the flood standard for the Hutt River). The bridge is too low to allow free passage of flood waters, and is in the most constrained part of the Hutt River due to encroaching urban and state highway development on the floodway. When the new stopbanks are constructed, it will be the only significant flood constraint on this river. When the bridge reaches the end of its life, the replacement would be required to meet the standard for the river floodway capacity. With RiverLink and the stopbank upgrade, there is an opportunity to meet the design standard now. Replacing the bridge would presents opportunities to address other deficiencies with the bridge and surrounding transport infrastructure, such as a lack of provision for active modes. Because of the proximity of the bridge to SH2 and local road intersections, it is not possible to raise the bridge alone, without significant changes and impacts to nearby intersections.

There are benefits of progressing these transport improvements alongside the RiverLink Programme, or at least developing and consenting an integrated design for the area which identifies those improvements now, even if the non-urgent ones are not scheduled to be completed in the short-medium term.

This Business Case revisits the case for change, explains the process that was used to progress from a long list to a recommended option including the results of technical assessments and consultation/engagement activities, and confirms the scope, design and risks of the recommended option. It explores possible staging and arrangements for ongoing collaboration with the RiverLink partners to co-ordinate and optimise investment. Confirming a recommended option for Melling Transport Improvements will allow the Transport Agency to meaningfully engage with GWRC and HCC's flood protection and city centre revitalisation projects to provide cost efficiencies, integrate design and reduce consenting risk for all RiverLink partners.

There is a high level of community interest in this potential project, and this is reflected by the articles in the media and the interest shown by local and central government politicians. The vast majority of opinion is wanting the improvements delivered as soon as possible.

## 2. Background and Context

### 2.1 Study Area

SH2 is an interregional route linking Wellington with the Wairarapa. The study area is located within the Lower Hutt metropolitan area which is 16km from Wellington City Centre. The area encompasses two at-grade crossroad intersections of SH2 with local roads (Harbour View Road/Melling Link and Tirohanga Road/Block Road). Melling Link is one of the main ways to access the city centre if travelling from elsewhere in the region. As well as the city centre, it allows people to get to the hospital, residential areas and Melling Railway Station including the park and ride facility. The study area is shown in Figure 2-1.



## Melling Transport Improvements Single Stage Business Case



Figure 2-1: Melling Transport Improvements Study Area

## 2.2 Transport Context

The Melling Transport Improvements must cater for multi-modal transport improvements.

- SH2 National (High Volume) Highway:** SH2 is an interregional route linking Wellington with the Hutt Valley and Wairarapa. The corridor connects the cities of Upper Hutt, Lower Hutt and provides access to and from Wellington City. SH2 is a National (High Volume) highway south of Melling intersection and a National highway to the north. It carries approximately 40,000 vehicles per day (both north and south of Melling Link), of which around 4% are heavy vehicles.
- Melling Intersections:** The two Melling intersections provide access to Hutt City Centre and residential suburbs of Lower Hutt. Both are signalised crossroads. These are two of four signal controlled at-grade intersections between the grade separated Dowse interchange and grade separated SH2/SH58 interchange. The primary highway intersection is with Harbour View Road and Melling Link. Melling Link provides access over the Hutt River via the Melling Bridge, to Hutt City Centre, Hutt Hospital and Lower Hutt residential communities, and performs an important multi-modal access function for people travelling within the Lower Hutt area and to destinations north and south of Melling, including Wellington City. Many people living in the area work in either Lower Hutt or Wellington City Centre, resulting in strong commuter flows. Figure 2-2 shows the main travel movements in the morning peak for all modes.
- Melling Railway Station and free Park and Ride Facility:** The Melling Railway Line is adjacent to SH2, providing a weekday daytime service to Wellington City Centre. Adjacent to the intersection is Melling Railway Station, which is at the end of the Melling line. Supporting the station is a 187 space Park and Ride facility which is popular with commuters. Growth in patronage in 2019 is 33% higher than in 2014 at peak times, and 26% higher overall (based on figures for Hutt line which includes Melling Station). GWRC is currently developing a Park and Ride Strategy. All stations were assessed using an Investment Prioritisation Framework to understand which locations were most feasible for Park and Ride<sup>5</sup>. Melling fell into band 1 of 5 – indicating it is one of the most feasible locations, based on considerations such as potential customer base (indicated by residential density and access), commercial zoning around the station as well as the ability to intercept car commuters early to avoid congestion bottlenecks. Parking was assessed and indicates that for Melling surface level parking is likely to be more viable than multi-storey due to lower land values. This work indicates Melling is a strategic location for Park and Ride and any planned changes should protect the facility. It is assumed that as a minimum the current footprint of the station and car park will be

<sup>5</sup> Technical Note 3 – Where Should Park & Ride Investment Occur (MRCagney for GWRC, 2018)

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retained in any future plans, and that they should be futureproofed to allow for possible expansion when required<sup>6</sup>.

- Bus Services:** The Lower Hutt Queensgate Bus Interchange is located at the Queensgate Shopping Centre at the Queens Drive/Bunny Street intersection (12 min walk from Melling Railway Station). Buses go to Upper Hutt, Waterloo Interchange, Petone and Wellington City. There are three high frequency services (every 10-15 minutes) and two standard services (every 30-60 minutes).
- Walking and Cycling:** The pedestrian and cycling environment between Hutt City Centre, Melling Station and the Western Hill suburbs need improvement, with provision for these modes restricted to a narrow pedestrian walkway on Melling Bridge and pedestrian phases at the traffic signals. The intersections on both sides of the river are traffic dominated and add to community severance created by SH2, with its high volumes and speeds. On SH2 there is a sealed shoulder that cyclists (except for northbound cyclists north of the intersection) can use but no dedicated cycling facilities. On Melling Bridge there are no cycling facilities. Running alongside the west banks for the Hutt River from Petone to Upper Hutt, the 29km Hutt River Trail is a scenic walk and cycle path. The trail runs the entire length of the eastern riverbank is located on the western banks of Hutt River, and provides a connection to the Wellington to Hutt Valley walking and cycling path currently under investigation.

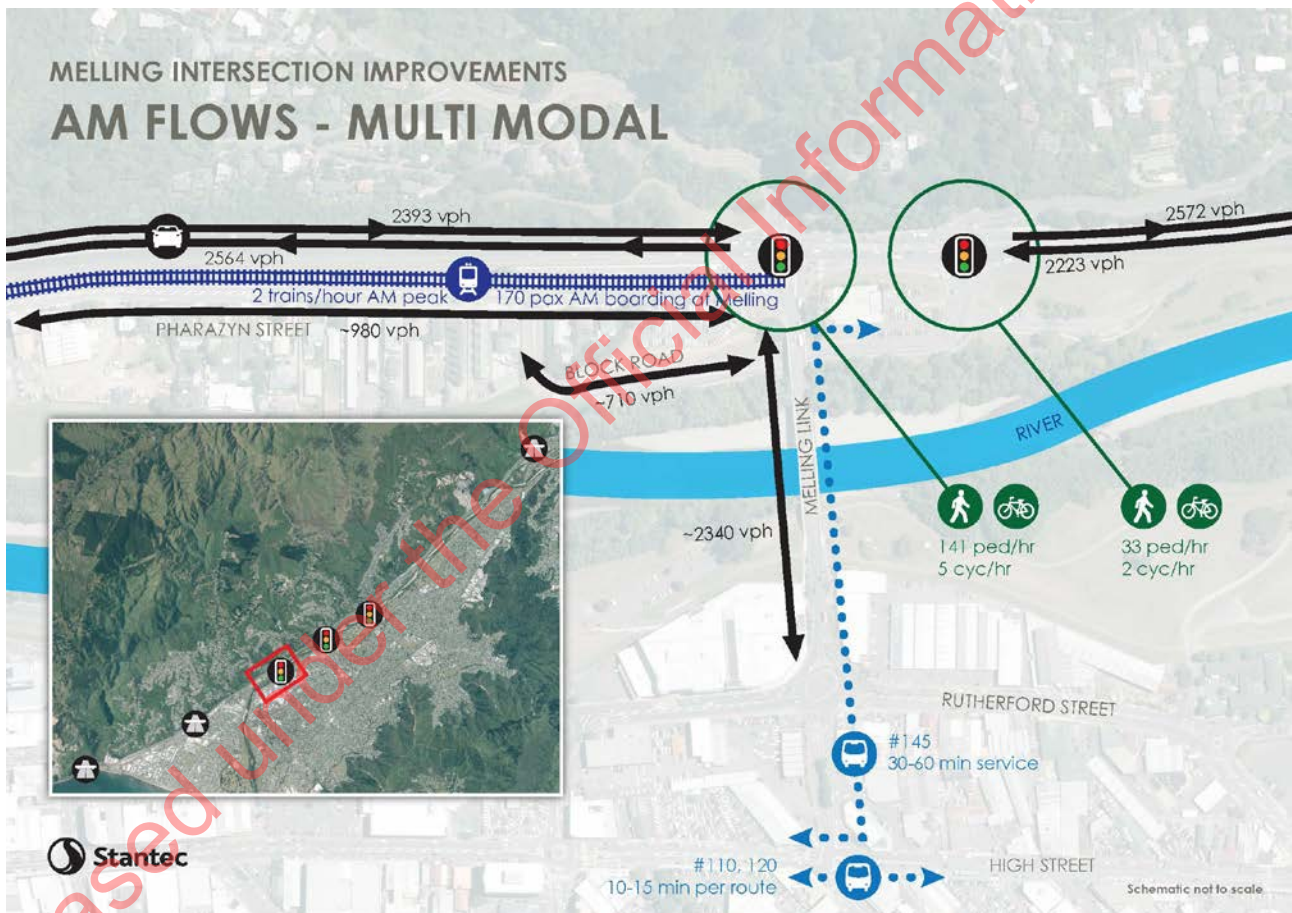


Figure 2-2: AM peak movements (all modes)(Source: SH2 data [NZTA website]; local road volumes [Mobile Road]; public transport data [GWRC])

Note the local road hourly volumes are based on a 10% assumption from AADT volumes.

<sup>6</sup> Melling Station Relocation Assessment (Stantec for NZTA, 2017)

## 2.3 Wellington and Lower Hutt Growth Context

### 2.3.1 Greater Wellington Region

The Greater Wellington region has the third largest regional economy, the largest knowledge based sector in NZ, the political hub of the country and the third largest regional population. As a result, the region's transport network is subject to the growing and diverse needs of national, regional and local customers.

The region performs a critical connecting role. It links North and South Island freight and tourism customers and connects Palmerston North distribution hubs and inland ports in the North Island to CentrePort and industrial areas in Seaview. SH1 and SH2 are important tourism routes connecting Auckland, Rotorua and Napier with Cook Strait ferries and the South Island. More than one million passengers cross the Cook Strait annually. More than seven million tonnes of long-distance freight pass through Wellington via road and rail each year. Approximately five million people use Wellington Airport every year.

At a regional level, the dominance of Wellington City as the main employment hub and home of key regional facilities means there is a strong demand from customers to access the City. The City produces 73% of the regional GDP, and 60% of the region's jobs are located here. Unlike other parts of the region, Wellington City is the only area to have more jobs than employed people, which means people need to commute between Wellington City and other urban centres (in the region and beyond).

In the next 30 years 85% of employment growth in the region is forecast to occur in Wellington City. Wellington City and Hutt will remain the largest urban centres, with secondary centres in Porirua, Kapiti and Upper Hutt. Growth projections indicate that strong demand from customers to commute will continue.

At a local level, customers are increasingly seeking accessible, liveable urban centres that offer transport choices. The dominance of Wellington City as a regional destination means these different functions – connecting freight and tourism flows, enabling flows to and from Wellington City, and creating a sense of place – often play out in the same location, creating competing demands and requiring trade-offs.

### 2.3.2 Lower Hutt Growth Story

Hutt City is the second largest city and employment centre in the Wellington region. There is easy access to Wellington City Centre, which is the largest employment centre in the region. Lower Hutt has a mixture of rural, rural-residential and urban areas. Part of the district is composed of steep hills and there is a limited amount of flat land on the valley floor, some of which is within the Hutt River floodplain. HCC's Urban Growth Strategy aims to encourage population growth in the Lower Hutt area, and provide residential development opportunities at a range of densities, with 80% of development within existing urban areas, including in the city centre. The Council's vision is for Lower Hutt to be 'a great place to live, work and play'. This is supported by the Council's Central City Transformation Plan which includes a variety of initiatives aimed at urban regeneration of Hutt City Centre (refer to Section 5.4 for more information) and population growth. Further detail is available in the Hutt Story 2018<sup>2</sup>.

There are over 105,000 residents in Lower Hutt Council area. Hutt City Centre is the primary commercial and retail centre within the sub-region, providing services and amenities for the greater Wellington community. Hutt Hospital, located to the east of the study area and accessed from SH2 and western suburbs via the Melling Bridge, is regionally significant, with 322 beds. There are several schools in the vicinity, such as Hutt Valley High School in Lower Hutt (1600 students), and Wellington Institute of Technology in Petone (8500 students). Some students in Hutt Valley travel to schools or tertiary institutions in Wellington. The manufacturing industry is the largest employer in the Hutt Valley, followed by construction, retail, education and health sectors.

Lower Hutt faces several challenges including an ageing population, low population growth, modest economic growth and areas of social deprivation. HCC's Central City Transformation Plan (2019)(updated from the 2009 Making Places plan), aims to transform Hutt City Centre by 2030 through creating the foundations for a sustainable, vibrant, and buoyant future for Lower Hutt, with a key focus on improving people's lifestyles by making Lower Hutt an attractive place to live, visit and invest (refer to Figure 2-3). One of the aims is for Lower Hutt to become a 'River City', to strengthen the community's sense of identity and ensure a strong link between the city centre and the river corridor. Other aspects of the initiative include strengthening the gateway into the city provided by the replacement of Melling Bridge, a pedestrian/cycle bridge connecting the city centre to the railway station, and amenity improvements and development of multiple recreation opportunities in the vicinity of the river corridor, such as the creation of a Riverside Promenade which will be a high quality public space with opportunities for a high quality built edge to the eastern stopbank. A further aim is to make the city a more attractive place to invest.



## Melling Transport Improvements Single Stage Business Case



Figure 2-3: City Centre 'Making Places': Artists Impression

Historically, Hutt City has historically experienced low population growth compared to the Wellington Region, with an average growth rate of 0.55% (2006-2013). Stats NZ Medium population projections anticipated decline in population from 2028. However, over the last two years the Hutt City population has grown more rapidly, at a rate of 1.3% (2015-2017)<sup>7</sup>. Various population forecasts are available from both Stats NZ and HCC, however regardless of different forecast ranges, HCC is mandated under the National Policy Statement – Urban Development Capacity to provide sufficient development capacity in its District Plan for housing and business growth to meet demand.

The Council's aim is to achieve an additional 11,000 people and 6,000 homes by 2032 (from a 2012 baseline). This is likely to be exceeded as the 2019 estimated population is already 105,900 (which was the Stats NZ population forecast for post 2030).

The desire to focus residential growth in the city centre is reinforced in the Central City Transformation Plan<sup>7</sup> (CCTP) which is a strategic framework to guide future development. The plan aims to create a vibrant 24-hour city focused firmly on the river and contributes to the growth of Lower Hutt beyond the central city.

The CCTP has a focus on housing. Careful residential development is considered the most effective way to reinvigorate the central city by turning it from "a place to get stuff to a place to do stuff". Its authors note that the city centre has the "potential to dramatically reposition itself as a vibrant location for inner city living".

The Lower Hutt Urban Growth Strategy 2012 plans to provide for more intensification opportunities to encourage a greater level of population growth, provide for a broader range of housing types and support the economic prosperity of commercial centres. The specific targets for population are:

- A total population of at least 110,000 people (additional 10,000) by 2032
- An increase of 6,000 additional homes by 2032

Within Lower Hutt approximately 20% of new dwellings will be provided through greenfield development (Wainuiomata, Kelson and Stokes Valley) and 80% through residential intensification in Lower Hutt Central City (including RiverLink), Petone, and key centres along the public transport corridor, as illustrated in Figure 2-4. This growth will lead to increased travel demand within the study area intensification in the Lower Hutt Central City is supported by the Hutt City Making Places Strategy which focuses on revitalising the central city, creating a riverside promenade and reconfiguring the central city.

<sup>7</sup> <http://www.huttcity.govt.nz/Your-Council/Projects/central-city-transformation-plan/>



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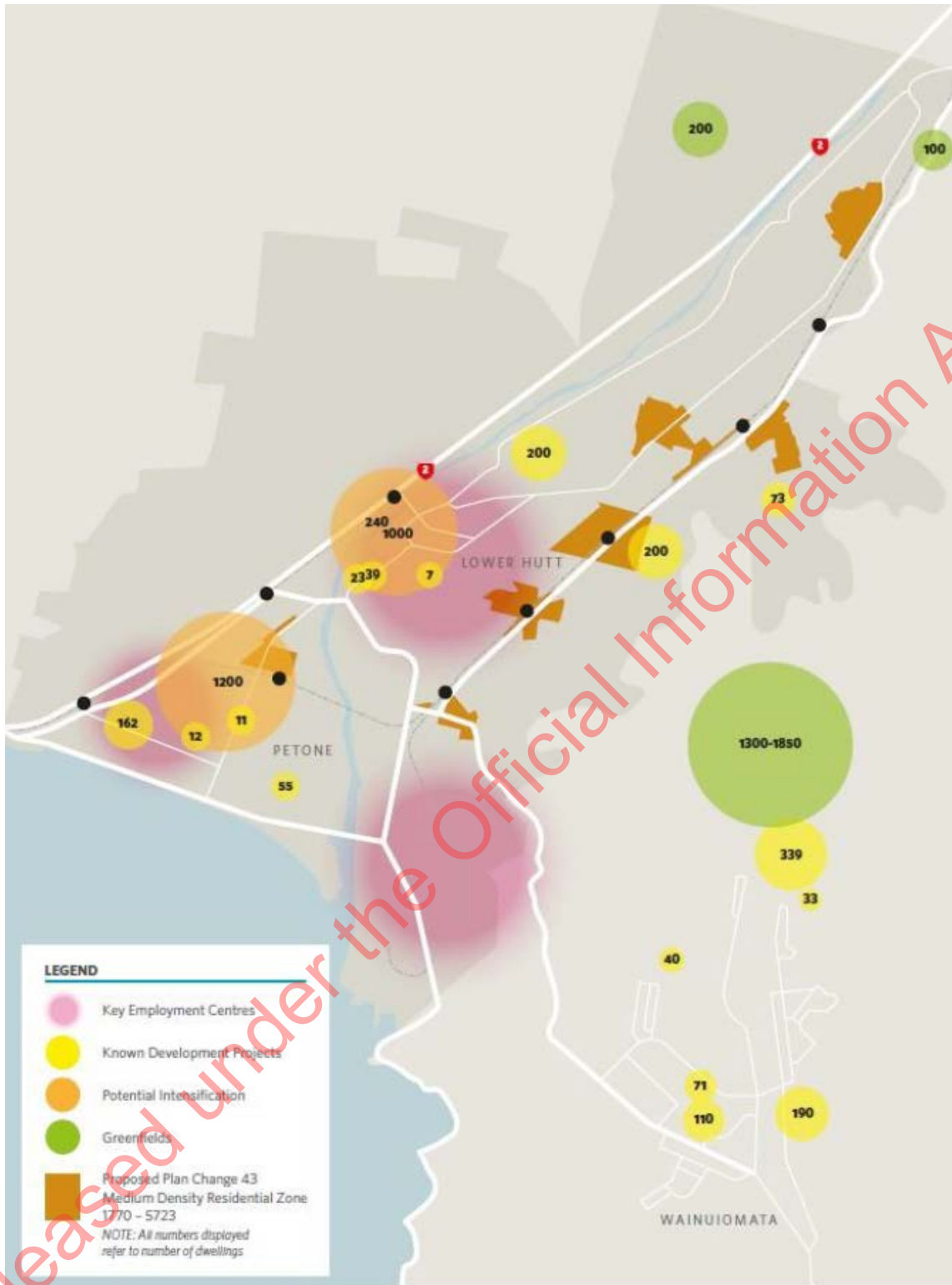


Figure 2-4: Location of growth/new developments across Lower Hutt (Source: HCC March 2018 cited in Lower Hutt Growth Story 2018)

The Lower Hutt Growth Story<sup>8</sup> summarises the urban growth, transport, land use and resilience goals and activities for Lower Hutt. Figure 2-5 summarises the transport issues facing Hutt City, which are a combination of unacceptably high flood risk with significant consequences, and poor transport network performance.

<sup>8</sup> Lower Hutt Growth Story (2018, Hutt City Council, Greater Wellington Regional Council and NZ Transport Agency)

## Melling Transport Improvements Single Stage Business Case

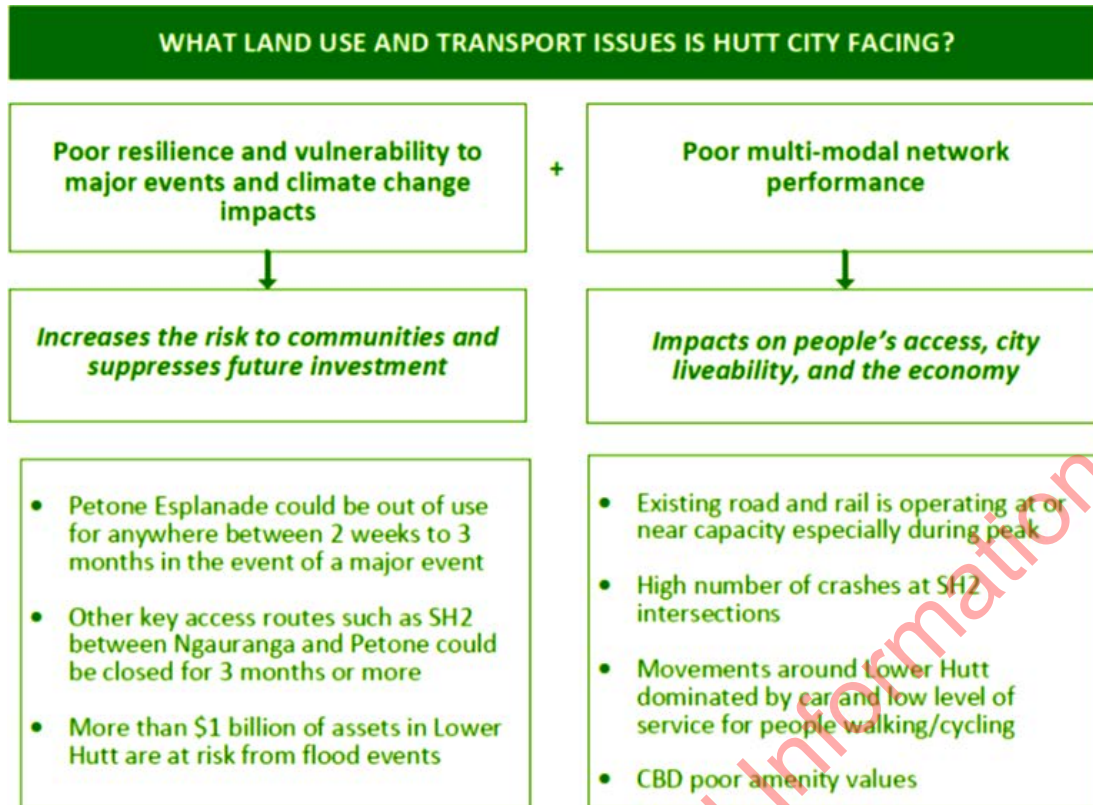


Figure 2-5: Developed from information in Lower Hutt Growth Story 2018

## 2.4 Geographic and Environmental

The Wellington Regional Transport Plan identifies that the study area is susceptible to surface and river flooding, landslides, tsunamis and liquefaction. The Melling intersection is located between the Hutt River to the east and a steep escarpment to the west. The SH2 corridor in this location runs alongside the Wellington Fault.

Flooding of the Hutt River is a recurring problem. There have been twelve major flood events from 1855 to 2005. The consequences of future catastrophic design flooding event was estimated in 2014 at **\$1.1b** physical damage to Hutt City Centre plus additional social, economic and environmental effects. Such a flood potentially results in loss of life and impact property and commercial activities of thousands of people. These potential social, economic and environmental costs may double that cost estimate<sup>9</sup>. Recent experience with other natural disasters nationally indicates that the consequential losses and reconstruction costs could be much greater than this estimate, and have a wider impact on the region in terms of the migration of people from Hutt Valley to other parts of the region or country.

Table 2-1 shows predicted property damage, which varies depending on whether the west or east stopbank fails first. Note once one stopbank has failed, the other will not, so damage will be approximately \$1.1b (plus indirect damages that tend towards an equivalent additional amount), rather than both.

<sup>9</sup> Melling Gateway Strategic Case (2014) for NZTA, GWRC, HCC

## Melling Transport Improvements Single Stage Business Case

Table 2-1: Predicted properties affected and damage to tangible items should either Melling stopbank breach during a 1 in 440 year flood event<sup>10]</sup>

Corridor breach	Property types affected				Estimated tangible damages <sup>9</sup>
	Commercial	Residential	Schools	Industrial	
West bank at Melling Bridge (Pharazyn St)	462	2,111	4	91	\$1.1 billion
Breach of east stopbank at Melling Bridge (left stopbank)	126	3,115	5	596	\$1.06 billion

Concern about the community, economic and social impacts of significant flood events led GWRC to develop the Hutt River Flood Management Plan. Following extensive consultation, it is proposed to build to a 1 in 440 year return period flood protection level that includes an allowance for climate change by enlarging and moving stopbanks further west of the river, requiring significant property removal. This is the highest level of flood protection in the country, and reflects the value of public and private assets located within the flood plain and the importance of Hutt City Centre within the wider region.

There are two existing constraints to providing protection for a 1 in 440 year flood event. These are:

- Pharazyn Street, Block Road and Melling Park and Ride – the preferred flood protection works require stopbanks to be constructed in locations that are currently occupied by transport infrastructure and housing;
- Melling Link Bridge – the bridge restricts the flow of water in a flood event, and at its current capacity can only pass floodwaters from a 1 in 65 year event. This could be extended to a 1 in 200 year event with additional stop banks and waterway improvements around the bridge.

The impact of a 2800 cumec flood (1 in 440 year event) is illustrated in Figure 2-6 and would be catastrophic for the population of Lower Hutt. In terms of the transport network, areas in this map shaded yellow, orange and red would cause vehicles to float. Areas adjacent to stopbank breaches would be inundated with sediment and debris closing those local roads until clean up could be mobilised. Buildings adjacent to breach locations are likely to have been pushed off foundations and may have been forced into the local road network causing impacts for weeks or even months.

SH2 could remain available for use (subject to surface flooding), but Block Road would be flooded and unpassable as would affected areas of the local roading network which at some locations would have been damaged/affected by debris and sediment accumulations, all of which would affect the operation of SH2 and how the wider transport network would operate.

The Melling intersection and Block Road are also susceptible to flooding due to stormwater runoff during high intensity storm events. Anecdotally, the Wellington Traffic Operations Centre note Block Road is closed due to flooding approximately eight times a year. This affects the operation of through traffic on SH2 if the southbound traffic queues to leave SH2 extend beyond the turn bay into the SH2 through traffic lane.

<sup>10</sup> Source: Melling Gateway Strategic Case 2014. Note tangible damages include direct costs e.g. damage to property and other assets and indirect costs such as loss of production.



Melling Transport Improvements Single Stage Business Case

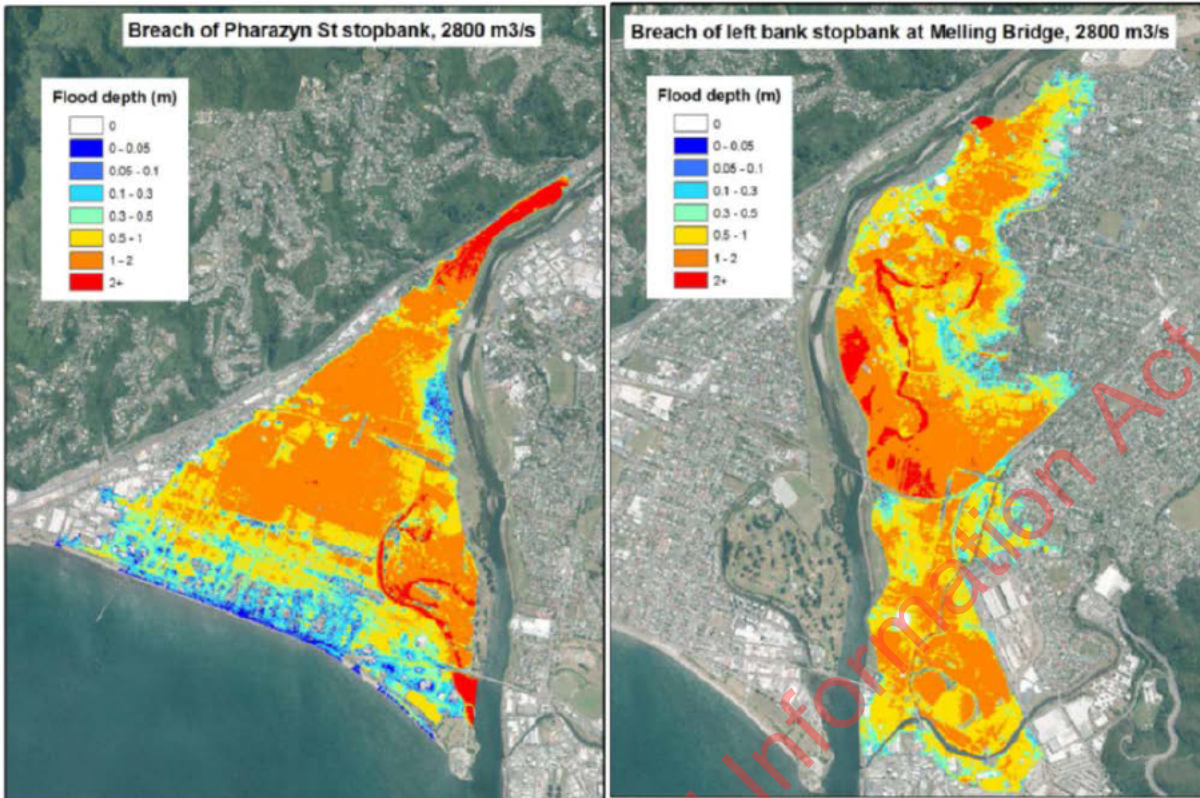


Figure 2-6: Hydraulic model of stopbank breach either side of Melling during a 1 in 440 year flood event (Source: Melling Gateway Strategic Case 2014)

## 2.5 Overarching Programme Business Cases

The outcomes that were sought from the two overarching Programme Business Cases (PBC) are shown in Table 2-2. The transport outcomes are aligned. The main differences are the primary driver for the Melling Transport Improvements, RiverLink aims to improve protection of public and private assets in the event of a major flood, as well as availability/resilience of the transport network, by upgrading the existing flood defence system. RiverLink also includes aspects of the Making Places urban revitalisation plan of HCC which capitalise on opportunities presented by the flood works and transport improvements. The SSBC outcomes align closely with these overarching PBC objectives.

Table 2-2: Outcomes Sought from the two overarching Programme Business Cases

Programme Business Case	Outcomes Sought (Investment Objectives)
Melling Gateway Programme Business Case (RiverLink) (2015)	<ul style="list-style-type: none"> <li>• Increase flood plain resilience of the Hutt River Valley to reduce the economic and social impacts of a catastrophic flood event valued at \$1.1B of direct damages (and an equivalent amount of intangible damages)</li> <li>• Improve connectivity between the Hutt City centre and its adjacent transport corridors and the Hutt River</li> <li>• Improve SH2 and local road network safety, reliability and multi-modal transport choices</li> <li>• Provide the opportunity for urban regeneration in the Hutt City Centre</li> </ul>
SH2: Ngauranga to Te Marua Programme Business Case (2016)	<ul style="list-style-type: none"> <li>• Improve travel time reliability on SH2 between Ngauranga and Te Marua</li> <li>• Improve public transport in the Hutt Valley</li> <li>• Improve the safety of the transport corridor by reducing the number of deaths and serious injuries</li> <li>• Improve the quality of infrastructure by increasing the KiwiRAP Star Rating</li> <li>• Increase availability along the transport corridor by reducing the number of journeys impacted by natural closures and delays</li> </ul>

## Melling Transport Improvements Single Stage Business Case

The status and indicative timing of each programme is outlined in Table 2-3.

Table 2-3: Programme Status

Programme Business Case	Status
Melling Gateway Programme Business Case (RiverLink)	<ul style="list-style-type: none"> <li>GWRC has consulted on the flood protection works and approved the design and implementation of works to provide protection for a 2800 cumec flood (1 in 440 year event). This will require extensive stopbank works and raising the height of Melling Bridge. Funding of \$125m for RiverLink is included over the ten years of the 2018-28 Long Term Plan (LTP).</li> <li>HCC have consulted on financing options to fund the city centre Making Places: RiverLink plan through the Annual Plan process, and have included in the 2018-28 LTP (noting that they are budgeting greater expenditure): <ul style="list-style-type: none"> <li>Promenade and Urban Improvements: \$25.5m (\$12m between 2019/20 and 2022/23; \$13.5m between 2023/24 and 2033/34)</li> <li>Footbridge: \$6.5m 2023/24 to 2025/26</li> <li>\$5.6m for strategic property purchase</li> </ul> </li> <li>In 2019 GWRC and HCC signed a contract to develop an Assessment of Environmental Effects and Notice of Requirement application before end of 2020.</li> </ul>
SH2: Ngauranga to Te Marua Programme Business Case	<ul style="list-style-type: none"> <li>Grade separation of Melling Intersection was recommended for short-term implementation. The Transport Agency Board supported the PBC and its HH (0.9-2.0) assessment profile, up to (but not including) the implementation of the recommended programme within the next decade<sup>11</sup>. The Board advised in 2016 that their implementation would not be before 2026, and subsequently confirmed in 2019 that implementation would not be before 2028.</li> </ul>

## 2.6 RiverLink

### 2.6.1 RiverLink – Scope

RiverLink involves three separate but interdependent projects: flood protection (GWRC), Making Places urban development plan (HCC) and Melling Intersection Improvements (NZTA). In a transport context, the programme aims to improve the resilience, accessibility, efficiency, and safety of the Melling intersections and the wider transport network.

The overall outcomes sought are:

- a connected, resilient and secure floodplain;
- an integrated, resilient, safe and efficient transport network;
- a more liveable Hutt City and enhanced economic growth.

To achieve these, the programme of works includes:

- Making Places City Revitalisation
- Pedestrian/Cycle Bridge between the CBD and the relocated railway station
- Eastern Access Route
- Western Access Route
- Riverfront Promenade
- Bulk Car Parking Facility
- Stopbanks and River Works
- Walking and Cycling Paths

<sup>11</sup> The decision can be found here: <http://www.nzta.govt.nz/planning-and-investment/our-investments/investment-decisions/board-decisions/portfolio-of-inter-regional-business-cases-north-island/>



## Melling Transport Improvements Single Stage Business Case

- Relocated Railway Station and new Park & Ride
- New Melling Interchange
- New Melling Bridge over the Hutt River
- River Park Corridor Amenity Improvements
- Ecological and Environmental Enhancements
- Stormwater quality and quantity improvements
- Improvements to four intersections within Hutt City centre



Figure 2-7: Central City Transformation Plan incorporating RiverLink and Melling intersection improvements

### 2.6.2 RiverLink – SSBC integration

In addition to the ongoing RiverLink management co-ordination, the RiverLink partners were involved in each of the key steps through the Melling SSBC. In addition, there are several key project interactions for which ongoing dialogue has been occurring:

- Development of Problems, Benefits, Investment Objectives and Key Principles
- Development of Long List Options
- All MCA processes, including using RiverLink personnel as criteria specialists
- Financial split discussions
- Interaction between the bridge abutment and the eastern stopbanks
- Interaction between the on and offramps and the western stopbanks
- Structural options and impact on the floodway and urban design framework
- Railway station and Park & Ride optioneering
- Promenade options and interaction with Melling Intersection Improvements
- Property impacts across all options
- Impacts on local roads at tie in points
- Intersection configuration and layouts

## Melling Transport Improvements Single Stage Business Case

### 2.6.3 RiverLink – Timelines

Figure 2-8 shows the historic and indicative forward timeline for RiverLink as at 2018.

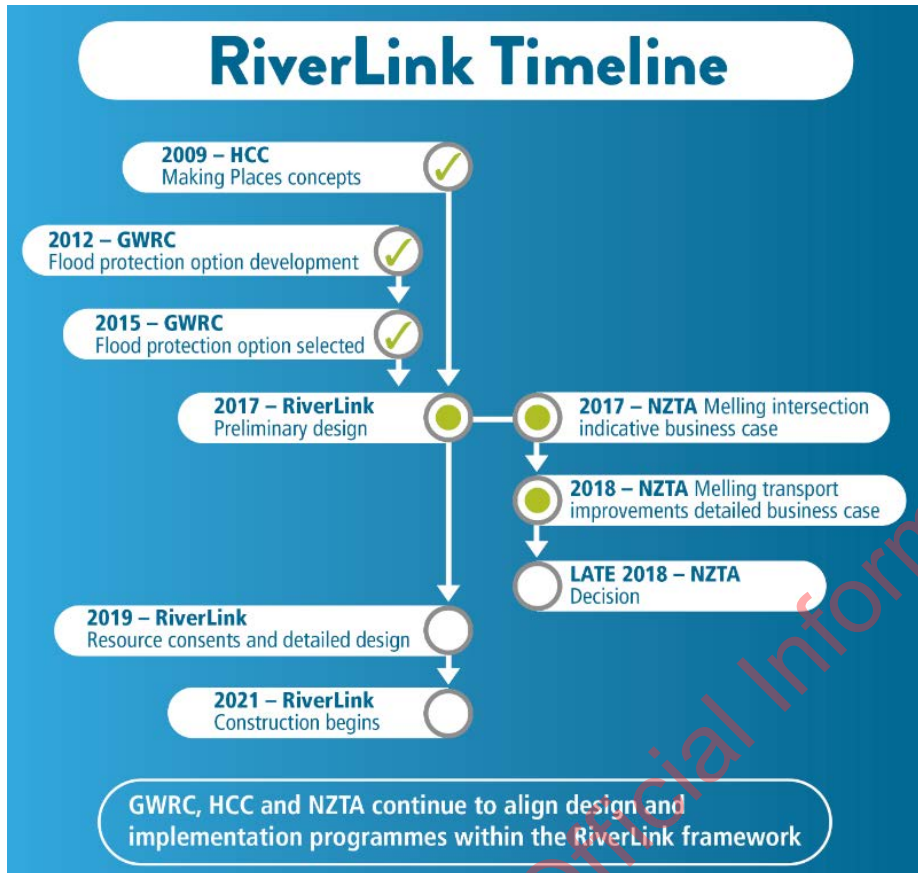


Figure 2-8: Key Programmes of Work and Timelines

### 2.6.4 Transport Project Re-Evaluation and Impact on RiverLink Timeline

The decision to undertake a re-evaluation of this project to confirm its alignment with Government objectives resulted in the timeframes presented above being delayed. Work stopped on the SSBC in July 2018. The re-evaluation outcomes were communicated in April 2019 and work then recommenced on the SSBC.

The delay caused by the Project Re-evaluation has delayed the overall RiverLink timeline, but to a lesser extent. The flood protection and urban re-vitalisation elements progressed by commissioning a consulting team to commence preparation of consenting and Notice of Requirement applications.

The revised RiverLink timeline is shown in Figure 2-9. This shows that a decision on the next phases of the Melling project will be made early 2020. However, in September 2019, the NZ Transport Agency announced that funding was available for the consenting phase and work is now underway on that element. However, this is likely to again delay the RiverLink consent lodgement date.



## Melling Transport Improvements Single Stage Business Case

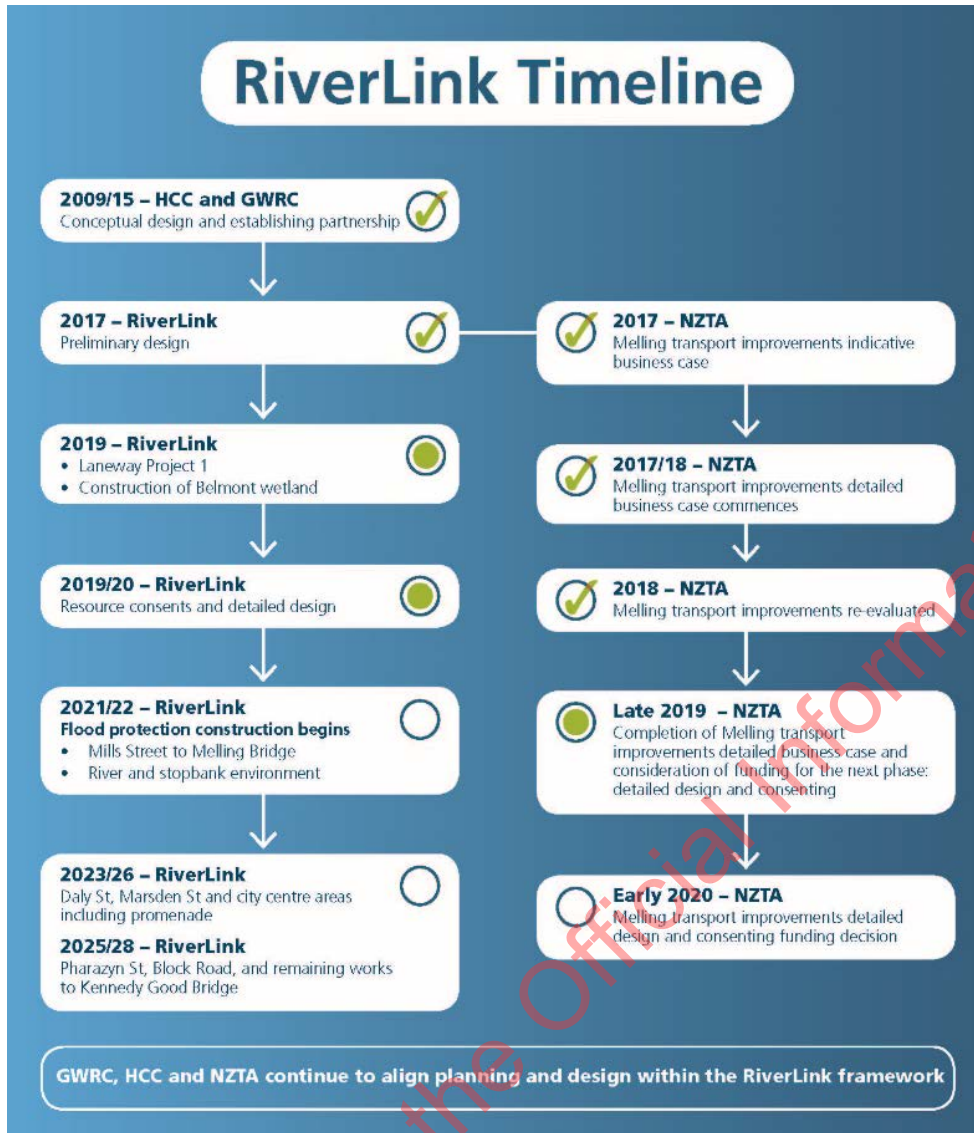


Figure 2-9: Revised RiverLink Timeline

## 2.7 Project Inter-Dependencies

There is a critical interdependency between the flood plain resilience activities and the Melling Transport Improvements. The interdependencies for the wider RiverLink programme is outlined in Figure 2-10. The diagram illustrates that improving flood plain resilience means that other activities must happen, such as reconstructing stopbanks and altering the Melling Link Bridge so that more flood water can pass under during an event. These changes drive other essential activities, such as relocating Melling Station because the intersection improvements require the land, and offer opportunities to address deficiencies with other transport elements, such as considering the best configuration for a new Melling Bridge.

As shown, the Melling Bridge replacement presents an opportunity to improve access and connectivity to Hutt City Centre by all modes, optimise the transport network, improve safety and provide a gateway to the city centre. It is expected that these improvements would support the revitalisation and redevelopment of Hutt City Centre. The Melling Transport Improvements encroach on the Melling Station car park, meaning this needs relocating. This presents an opportunity to consider increasing park and ride capacity, as well as improving pedestrian connectivity between Hutt City Centre and Melling Station, while facilitating land use changes around the city centre.

The Melling Transport improvements are a key component to providing better access and connectivity for the Lower Hutt communities and provides better conditions for people and freight travelling along SH2. The project outcomes are wider than just transport, as improving multi-modal access would unlock social and economic opportunities.



## Melling Transport Improvements Single Stage Business Case

It is expected that traffic volumes through the study area will be influenced by the opening of Transmission Gully in 2020 and the timing of the potential Petone to Grenada link. Both projects are expected to increase traffic volumes through the Melling intersections.

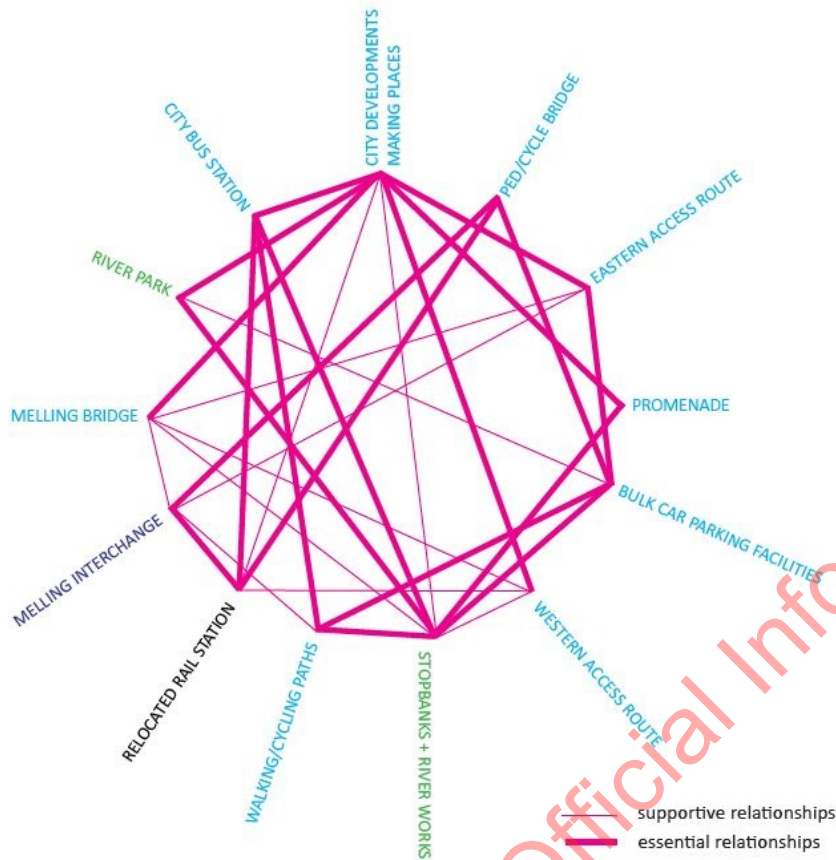


Figure 2-10: Interdependent Activities

The overlapping project and interrelationships can be used to advantage the efficiency and effectiveness of the outcomes for the mutual benefit of all. By considering the whole system of overlaps and relationships in the form of Riverlink the case for investment here is strong.

## 2.8 Work Completed to Date

There have been many studies looking at transport improvements at Melling over the last few decades. None, except the more recent, have considered the integration of improvements with resilience and re-vitalisation outcomes. This was the focus of the first stage of this study, the Melling Gateway (RiverLink) Programme Business Case and the subsequent Melling Intersection Improvements Indicative Business Case (IBC).

A draft of the IBC was completed and presented to the Transport Agency's Value Assurance Committee in June 2017. Rather than approve the report for issue, the Committee directed the team to progress and develop a Single Stage Detailed Business Case (SSBC) for approval.

Work completed during the development of the draft IBC demonstrated that lack of integrated planning for the flood protection and transport infrastructure would increase delivery costs, result in sub-optimal outcomes and could limit future options for transport improvements.

## 3. Engagement

### 3.1 RiverLink

#### 3.1.1 Partners

The RiverLink partners for this Business Case are shown in Table 3-1. These parties have worked very closely together under the RiverLink banner and are constantly communicating with each other to ensure the best outcomes for all parties.

Table 3-1: RiverLink Partners

Partner	Focus Area of Relevance to this SSBC
NZ Transport Agency	The Transport Agency's primary purpose is to provide transport solutions for a thriving New Zealand. The Transport Agency invest in land transport activities, regulate access and use of the land transport system, and maintain, operate, plan for and improve the state highways. The Transport Agency are responsible for the state highway. For RiverLink the Transport Agency are responsible for investigating the transport improvements at and around the Melling intersection including the railway station, Melling Bridge and adjacent local road intersections.
Hutt City Council	HCC is responsible for managing local roads, including the walking and cycling network. The Council's focus is on realising the revitalisation and transformation of Hutt City Centre through the initiatives identified in the Central City Transformation Plan (previously 'Making Places') and the LTP. For RiverLink the HCC are responsible for investigating the urban redevelopment opportunities, local road alterations away from the Melling intersection area and the new pedestrian/cycle bridge over the Hutt River.
Greater Wellington Regional Council	Relevant Regional Council responsibilities are flood protection for major river and major stream flooding, public transport and regional transport planning. The proposed flood protection works present an opportunity to improve landscaping and community access to the river, in partnership with HCC, to facilitate the Making Places plan. There are also opportunities for investment in public transport, such as ensuring the relocated train station meets future needs, and better connecting the rail network with bus and pedestrian networks. GWRC are primarily focussed on the flood protection aspects of the RiverLink programme.

#### 3.1.2 Governance

The RiverLink Governance structure is outlined in Part C.

The Transport Agency are a key partner in RiverLink and are represented in working groups and management groups. The SSBC has been developed in consultation with RiverLink partners and integrated with the partners' components of RiverLink.

### 3.2 Stakeholder and Community Engagement

There has been many community engagement activities undertaken on this project throughout the project development with most of it, if not all, undertaken under the RiverLink umbrella in partnership with the Councils. The project has established an ongoing dialogue with the community and key stakeholders. Community engagement has included one on one meetings, customer insights, RiverLink open days, station relocation engagement, SH2 interchange options engagement, participation in Festival of Lights and RiverLink markets, as well as regular newsletters and use of the RiverLink website. The three larger community engagement activities for the Melling transport improvements were as follows:

- Late 2016: Customer Insights
- Early 2017: Feedback on design work so far, Melling bridge location and Melling station relocation
- Early 2018: Consultation on shortlisted options.

The summary reports for these phases are in Appendix A and Appendix G.

## 4. Strategic Alignment

Melling Transport Improvements align closely with national, regional and local strategies, policies and plans, as demonstrated in Table 4-1. Further information is provided in the Hutt Story 2018<sup>12</sup>.

Table 4-1: Alignment with national, regional and local strategies, policies and plans.

Document	Alignment
Ministry of Transport - Transport Outcomes Framework	<p>Board endorsed alignment with Transport Outcomes Framework through re-evaluation noting:</p> <ul style="list-style-type: none"> <li>Implementing the transport improvements has <b>High</b> alignment with: Inclusive access; economic prosperity; and resilience &amp; security outcomes, and <b>Medium</b> alignment with: healthy &amp; safe people; and Environmental Sustainability Outcomes.</li> </ul> <p>This is because they will:</p> <ul style="list-style-type: none"> <li>Increase resilience to events such as flooding</li> <li>Provide certainty of investment, enabling adjacent works to proceed</li> <li>Increase travel choices to public transport via walking and cycling improvements</li> <li>Improve safety</li> <li>Improve journey times.</li> </ul> <p>Proceeding with RiverLink partners to finalise the co-investment plan, and carry out designation/consenting is expected to bring added benefits of:</p> <ul style="list-style-type: none"> <li>Clarity on intended outcomes and quantity and return on investment</li> <li>Assurance that the long-term proposed option can be implemented.</li> </ul>
NZTA Statement of Intent (2018-22)	<p><b>Strong</b> alignment with three of the five long-term outcomes:</p> <ul style="list-style-type: none"> <li><b>Inclusive access:</b> Improves access to Hutt City Centre by all modes and to Wellington City and the wider region by rail and road. Increases mode choice for people in green and brownfields developments.</li> <li><b>Economic prosperity:</b> Supports economic revitalisation of Hutt City Centre by providing effective access for freight and enabling HCC's placemaking plans</li> <li><b>Healthy and safe people:</b> addresses known safety issues on SH2 and at Melling intersection</li> </ul>
Safer Journeys Action Plan 2016-20 (soon to be superseded by the Road to Zero Strategy)	<p>The focus of the plan is on reducing risk on the country's highest risk roads. The project aligns with the objective to ensure roads and roadsides reduce the likelihood of crashes and minimise trauma when crashes occur, particularly those:</p> <ul style="list-style-type: none"> <li>on urban arterial roads,</li> <li>related to head on, run off-road crashes and intersection crashes,</li> <li>related to vulnerable road users</li> <li>involving motorcyclists</li> </ul> <p>There is <b>strong</b> alignment with this objective, as the primary intersection and the corridor have a high collective risk. Also four of the seven serious injury crashes in the last five years involved motorcyclists.</p>
NZTA Hutt Corridor Plan	<p>The vision for the Hutt Corridor is to provide a high level of access and reliability for both passengers and freight. The strategic responses envisioned include improvements to SH2 intersections to provide better east-west connectivity, safety upgrade works including safe and attractive walking and cycling routes, and a reliable and modern rail corridor supported by feeder bus services. In the future, a 'High quality rail and bus services will accommodate a majority of commuters along this corridor during the peak period.' Melling Intersection Improvements are identified. There is <b>strong</b> alignment with the strategy.</p>

<sup>12</sup> Hutt Story Strategic Context, May 2018, NZ Transport Agency

## Melling Transport Improvements Single Stage Business Case

Document	Alignment
GWRC Wellington Region Land Transport Plan 2015: 2018 Mid-Term Update	The RLTP <b>includes</b> 'Melling Safety and Efficiency Improvements' and notes this project is now linked more closely to the wider RiverLink programme of work through collaboration between partners. The RLTP includes funding for cycleways on SH2 Hutt – Wellington, and frequency/capacity enhancements for Hutt Valley Railway line. These projects support Let's Get Wellington Moving, which has a focus on mode shift for journeys to Wellington City Centre.
GWRC Regional Public Transport Plan	The PT Plan has a goal of continually improving the network. This <b>includes</b> the rail network through the study area as well as park and ride facilities.
GWRC LTP 2018-28	Identifies key projects and programmes for the next ten years. RiverLink is <b>highlighted</b> as a priority programme delivering on regional Resilience outcomes for GWRC to widen the river and construct larger stopbanks, contribute to the regeneration of Hutt City Centre and improve transport options between SH2 and Lower Hutt. A figure of \$125m is included in the GWRC consultation document.
HCC Urban Growth Strategy 2012-2032	Targets population growth to at least 110,000 people living in Hutt City by 2032; a 10% increase from 2013. In Lower Hutt, 80% of new dwellings will be provided through residential intensification, including in Hutt City Centre. Presents growth areas.
HCC LTP 2018-28	Identifies RiverLink as a priority project worth \$200m. States HCC are leading the development of the 'Riverside Promenade' and that the project includes a new pedestrian footbridge between Hutt City Centre and a relocated Melling Station, as well as new walking and cycling facilities on the promenade.
HCC 'Making Places' Report (2009) updated as Central City Transformation Plan (2019)	Vision for revitalisation and growth of Hutt City Centre. Recognises that improving connectivity and access for all modes is critical to revitalisation, and identifies improved connections between SH2, Hutt City Centre and Melling Station/Park and Ride including a new city centre to Melling Station footbridge.
Hutt River Floodplain Management Plan	Programme of works for improvement of flood security for the Hutt Valley Floodplain to the design standard for the Hutt River



## 5. Case for Change

The case for change for the overall RiverLink project is based on three separate but inter-related problems – the flood risk; severance between Hutt City, the river and the strategic transport network; and localised transport issues around Melling Bridge.

The Melling Gateway Strategic Case was jointly developed by the RiverLink partners in 2014. The Strategic Case outlines the context and case for a co-ordinated investment programme to improve resilience, accessibility and safety.

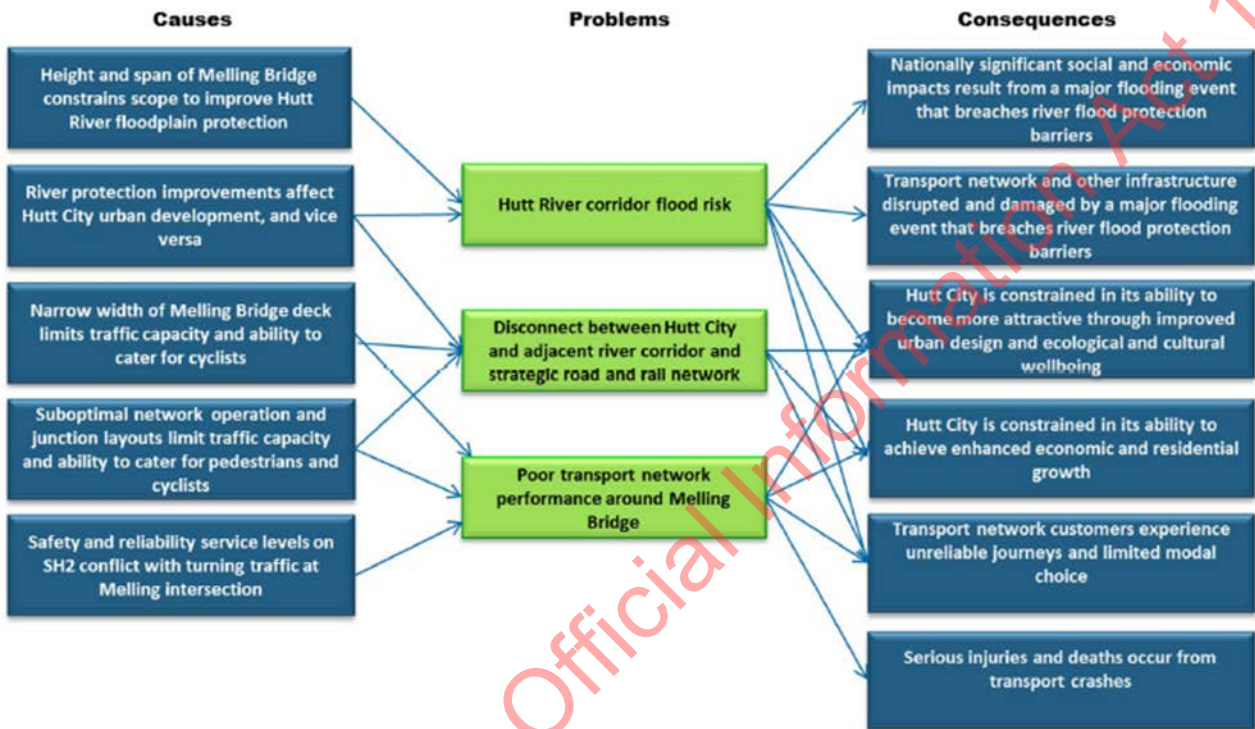


Figure 5-1: Summary of case for investment (Source: Melling Gateway Strategic Case 2014)

This business case relates to transport improvements specifically. However due to the inter-related nature of the RiverLink projects, the Transport Agency has been working very closely with HCC and GWRC to identify the transport solution that will deliver the best outcomes for the community and offer value for money.

In the next section the problems that relate specifically to severance between Hutt City Centre, the river, railway and SH2, as well as localised transport network performance around Melling Bridge and SH2 Melling intersections is assessed and evidence provided.

## 6. Problems, Opportunities and Benefits

### 6.1 Problems

The problem statements for this transport improvements business case are derived from the two sets of overarching Programme Business Case problems, as shown in Table 6-1. The problems, benefits and investment objectives were reviewed as part of the Transport Agency's Re-evaluation Project. The Findings Report suggested that the evidence was strong in support of access and resilience, but less so for safety because the intersection did not feature on the High Risk Intersections List. It stated that problem 2 should be amended to be mode neutral. This amendment is shown in **bold red**. Other changes were introduced to make the statement more specific (problem 1) or show the consequence clearly (problems 2 and 3). The updated problem statements and evidence is presented below and in the remainder of this chapter.

Table 6-1: Evolution of Problem Statements

Melling Gateway Programme Business Case	SH2: Ngauranga to Te Marua Programme Business Case	Melling Transport Improvements Problem Statements
Capacity constraints at Melling Bridge and the immediate vicinity result in exacerbated flood risk and inefficient multi modal network performance.  The disconnect between the city, river corridor and transport has undermined the status of the access from State Highway 2 as the main gateway to the city centre.	High traffic volume and insufficient network capacity results in peak delay and unreliable journey times that adversely affect regional productivity.  Poor configuration and operational environment of SH2 and associated local network results in poor multi-modal network performance.	<ol style="list-style-type: none"> <li>1. The configuration of intersections either side of Melling Bridge, some of which are in a high volume and high speed environment, is causing a <b>number of serious injuries</b></li> <li>2. High and increasing traffic volumes, combined with intersections with insufficient capacity and <b>underutilisation of PT and active modes</b> leads to delays at peak times and weekends <b>reducing the accessibility of goods and services in Hutt City</b></li> <li>3. The quality of infrastructure constrains access to alternative modes and leads to unnecessary car travel between SH2 and Lower Hutt at Melling <b>and suppresses access by, and use of, these modes</b></li> </ol>
A constrained river corridor is increasing the flood risk and the potential economic and social impacts.	Constrained topography, the geology and lack of alternative routes results in poor network resilience.	<ol style="list-style-type: none"> <li>4. A high crash risk and flooding in storm events results in journeys through the Melling intersections being impacted on a regular basis</li> </ol>

#### 6.1.1 Problem 1: Safety

**The configuration of intersections either side of Melling Bridge, some of which are in a high volume and high speed environment, is causing a number of serious injuries (35%).**

Table 6-2: Safety Problem Overview

Cause	<ul style="list-style-type: none"> <li>• Below standard infrastructure on SH2 in the vicinity of Melling intersections, with KiwiRAP star rating of 3 around the Melling Link intersection, and 2 star northbound at the Tirohanga Road intersection, compared to expected standard of 4 star south of the intersection, and high 3 or 4 star to the north.</li> <li>• High speed environment (100 km/h speed limit) and high traffic volumes on SH2</li> <li>• Long queues at peak times on SH2 from right turn bay into Melling increases safety risk</li> <li>• Complex intersection configuration at SH2</li> <li>• Poor intersection geometry of the roundabouts on the eastern side of the river</li> </ul>
Effect	<ul style="list-style-type: none"> <li>• High collective risk at SH2/Melling Link intersection</li> <li>• Medium collective risk at SH2/Block Road intersection</li> </ul>
Consequence	<ul style="list-style-type: none"> <li>• Six serious injury crashes in five year period (2014-2018), three of which were in 2017. Four of these were on SH2, and one each at Melling Link/Rutherford Street and Melling Link/High Street intersection.</li> <li>• All four serious injury crashes on SH2 involved motorcycles travelling southbound. Three of the crash reports mentioned cars breaking suddenly due to traffic lights/queues.</li> <li>• Delay to other traffic whilst emergency services attend the crash scene.</li> </ul>

Melling Transport Improvements Single Stage Business Case

6.1.1.1 SH2 Infrastructure Rating

KiwiRAP star ratings for SH2 are shown in Figure 6-1. This reflects the road’s engineering features assessed by inspection of several road and roadside design elements such as land and shoulder width, power poles and ditches, intersection frequency, and the presence of safety barriers. Between 1 and 5 stars are awarded to road segments (typically 100m in length) depending on the level of safety which is ‘built in’ to the road. A 5 star rating represents the safest road infrastructure design for the speed environment, and 1 star rating represents a road with poor infrastructure design for the speed environment. The target for a National High Volume Road (SH2 southwest of Melling Link) is 4 star. The target for a National Road (SH2 northeast of Melling Link) is high 3 star or 4 star. Of particular concern is the 2 star section which passes Tirohanga Road, and the 3 star sections adjacent to the Melling Link intersection.

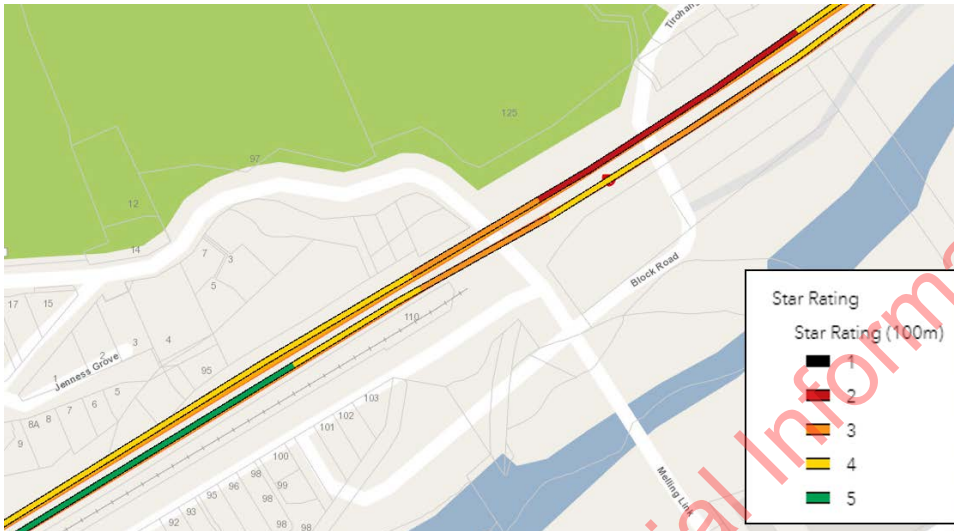


Figure 6-1: KiwiRAP Infrastructure Star Rating Map for SH2 at Melling

The star ratings for SH2 reflect that traffic signals are located within a high speed environment which is highly undesirable and does not fit within the Safe System philosophy. These traffic signals are the first impediment to the free flow of vehicles on the expressway environment travelling north from Wellington and are out of context with the form and function of this route. The presence of traffic signals combined with capacity constraints at this intersection result in significant queuing during peak hours. Rear-end crashes are therefore a common occurrence, accounting for 40% of the crashes at this intersection. The two serious injury crashes on the southbound approach both involved motorcyclists in queuing traffic – one was a rear end crash and the other a lane change to avoid stationary traffic. However, the two serious injury crashes at the Melling Link intersection were a result of vehicles running the red light and colliding with other traffic.

6.1.1.2 Crash Totals

Within the study area<sup>13</sup> there were 181 reported crashes of all types and injuries between 2014 and 2018. Figure 6-2 shows the breakdown by severity and year.

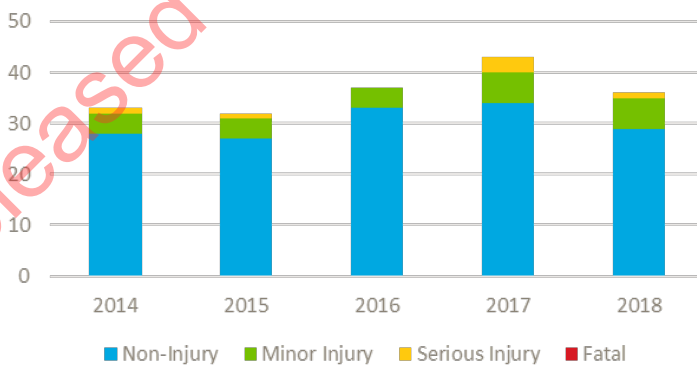


Figure 6-2: Annual distribution of crashes by severity (2014-2018)

<sup>13</sup> SH2 and intersections with Melling Link and Block Road; Rutherford Street and intersections with Melling Link and Queens Drive; High Street and intersections with Melling Link and Queens Drive, Melling Link



Melling Transport Improvements Single Stage Business Case

The total number of crashes fluctuates, with no clear trends emerging over the five year period. The number of reported crashes peaked in 2017, but this was not sustained in 2018. More serious injury crashes occurred in 2017 (three), which equals the total for all other years combined. Minor injury crash numbers were higher during both 2017 and 2018 compared to the previous three years.

6.1.1.3 Crash Type and Location

The heat map in Figure 6-3 shows where the main crash clusters<sup>14</sup> are located, and the stars indicate the location and year of the serious injury crashes. The crashes analysed on SH2 extend approximately 200m south of the Melling Link intersection and approximately 150m north of the Block Road intersection.

The majority of crashes within the study area are intersection related, with the SH2/Melling Link and High Street/Melling Link recording 34 and 33 crashes respectively (2014-2018). The two intersections are quite different with the former being a multi-lane traffic signal controlled crossroads and the latter being a small radius roundabout with two lane approaches on each of the four legs.

Of the serious injury crashes, four were on SH2 (two at the intersection and two on the northern approach to the intersection), and 1 each at Melling Link/Rutherford Street and Melling Link/High Street intersection.

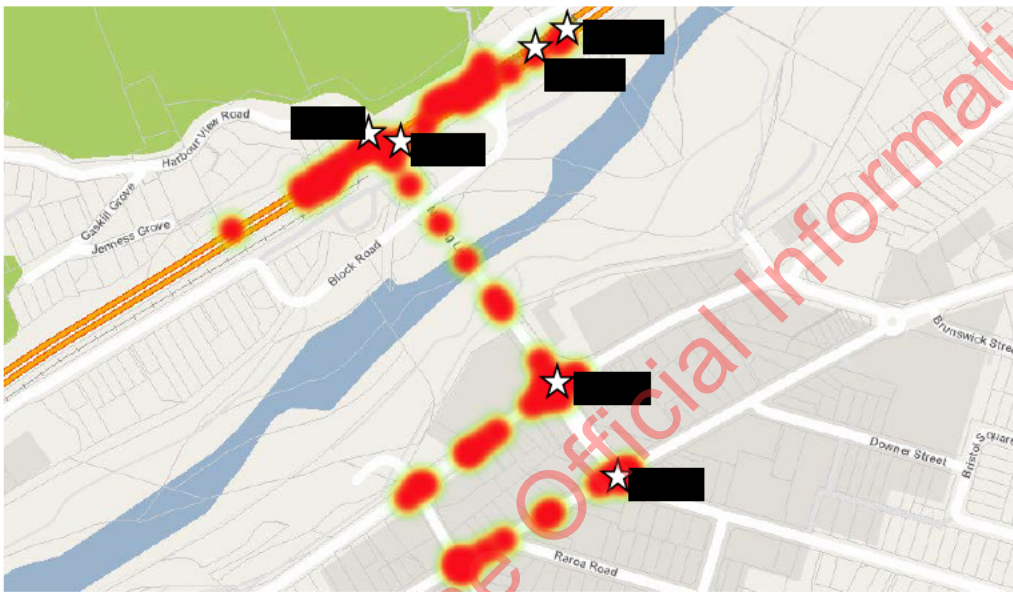


Figure 6-3: Crash Clusters and Location/Dates of Serious Injury Crashes, 2014-2018 (Source: CAS)

The most common type of crash in the study area is a rear end crash, making up 40% of all crashes. Crashes at the six main intersections are summarised in Table 6-3.

Table 6-3: Intersection Crashes and Intersection Collective Risk

Intersection	Main Crash Types	Injury crashes	Intersection Collective Risk
Melling Link/High Street	Failure to give way Rear end crashes	1 serious 4 minor	Medium collective risk <sup>15</sup>
SH2/Melling Link	Rear end crashes	4 serious 4 minor	High collective risk <sup>16</sup>
SH2/Block Road	Rear end crashes	2 minor	Medium collective risk <sup>4</sup>
Melling Link/Rutherford Street	Wide range of types	1 serious 3 minor	Medium collective risk <sup>3</sup>
Rutherford Street/ Queens Drive	Range of types	None	
Queens Drive/ High Street	Crossing movements Rear end crashes	3 minor	

<sup>14</sup> The clusters shown on the map include all reported crashes

<sup>15</sup> Calculated using estimated DSI equivalents from High Risk Intersection Guide (NZTA, 2013)

<sup>16</sup> Information from SafetyNET (2018)



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## 6.1.1.4 Risk

The High Risk Intersection Guide defines an intersection as high collective risk if it has three or more serious injury crashes or fatalities in a five year period. Considering the SH2/Melling Link/Block Road intersections have had four serious injury crashes in the five year period 2014-2018, it therefore classifies it as a high risk intersection that should be addressed. In addition, all four serious crashes involved motorcycles, which is an identified area of focus in the Safer Journeys strategy.

Figure 6-4 shows the Corridor Collective Risk for SH2 within the study area. Collective Risk is based on the total number of crashes within a section of road. The corridor Collective Risk is High on SH2 for both directions to the north of the Melling Link and Block Road intersections. The SH2/Melling Link intersection itself is classified as High risk. South of the Melling Link intersection, the northbound lanes are classified as High risk, while the southbound lanes are Medium-High risk. The overall high level of risk is expected given SH2 has two signalised intersections in close proximity in a 100km/h speed environment.

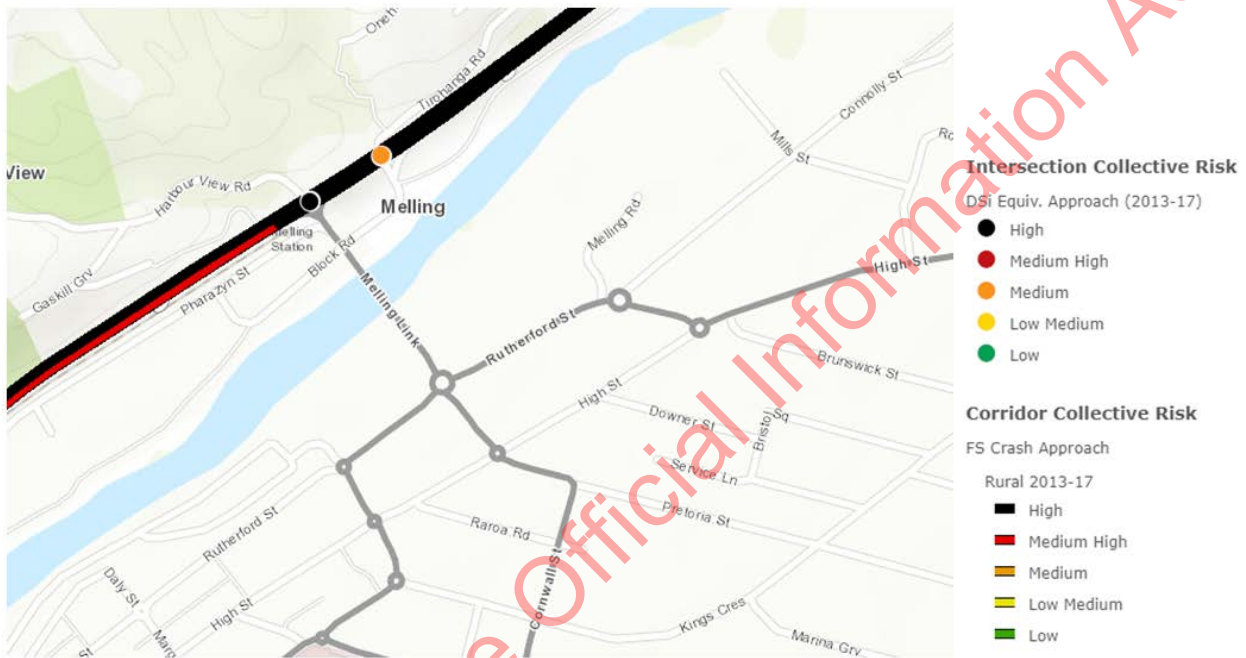


Figure 6-4: SH2 Collective Risk 2013-17 (MegaMaps, 2019)

## 6.1.1.5 Consequences

The lower than desirable infrastructure star rating for a National High Volume and National Highway is manifesting in a high collective risk at the SH2/Melling Link intersection. It is notable that vulnerable users (motorcycles) are represented in all four serious injury crashes on SH2. The stretch of SH2 is also noted on the High Benefit Speed Management – top 10% DSI saving that would benefit from a lower speed limit.

The two predominant consequences of crashes are injuries and delays. There have been six crashes that resulted in six serious injuries in this period. Three of these crashes were reported in 2017 which was a significant increase on previous years. Four of the serious injury crashes were on SH2 at the Melling Link intersection, involving motorcyclists approaching the intersection travelling southbound. Injury crashes have an overall cost to society estimated in 2018 at \$458,000 for a serious injury and \$27,700 for a minor injury.

The other effect of crashes is the ensuing delay created for other road users when a crash closes a lane or a link. When a serious or fatal crash occurs it can cause delays over many hours while emergency services attend the crash site. Due to the fragility of the wider transport network during peak periods, non-injury rear-end crashes may also result in significant delays. This effect is part of Problem 4 (section 7.4).

## Melling Transport Improvements Single Stage Business Case

**6.1.2 Problem 2: Access**

**High and increasing traffic volumes, combined with intersections with insufficient capacity and underutilisation of PT and active modes, leads to delays at peak times and weekends reducing the accessibility of goods and services in Hutt City (30%)**

Table 6-4: Access Problem Overview

Cause	<p>Current demand exceeds the capacity of the intersections:</p> <ul style="list-style-type: none"> <li>• In the morning peak, for southbound travel from Melling Link and from further north on SH2</li> <li>• In the evening peak the volumes turning out of Melling Link and Block Road conflict with the right turn on to Melling Link</li> <li>• The single lane eastbound across the Melling Link Bridge precludes providing a double right turn to improve accessibility because of the need to retain two lanes westbound in all periods</li> <li>• The intersections on the eastern side of the river limit the amount of traffic that can be serviced by the Melling Bridge.</li> <li>• Hutt River, rail and highway corridor divide some parts of the Lower Hutt community and make it difficult to easily and safely get to essential goods and services in and near Hutt City Centre</li> <li>• Underutilisation of rail service due to constrained car park for Park &amp; Ride and poor access for active mode users (refer Problem 3 evidence). The 145 bus services the Park &amp; Ride facility.               <ul style="list-style-type: none"> <li>• Underutilisation of active modes due to poor level of service (refer problem 3 evidence)</li> </ul> </li> </ul>
Effect	<ul style="list-style-type: none"> <li>• Creates delays and means travel times are increasingly variable during peak hours and weekends.</li> <li>• Customer insights data shows people in private vehicles avoid the SH2 Melling intersections, using local roads instead.</li> </ul>
Consequence	<ul style="list-style-type: none"> <li>• Longer travel times and reduced accessibility to Hutt City Centre goods and services including Hutt Hospital</li> <li>• Longer travel times and trip distances for those taking alternative routes to avoid the Melling intersections, which is inefficient and increases traffic on routes that may be unsuitable</li> <li>• More traffic on local roads rather than on SH2, which has negative effects on safety and amenity</li> <li>• Bus travel becomes unreliable and the service is unattractive.</li> </ul>

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This section of SH2 and the local roads carry high volumes of traffic, as shown in Figure 6-5. The highest volumes are experienced on SH2. There are three possible connections<sup>17</sup> between SH2 and Hutt City Centre, with the Melling Link providing the most direct connection, and therefore the busiest, at 23,400 vehicles per day.



Figure 6-5: Daily traffic flows in the study area

The high traffic volumes and inadequate intersection capacity results in delays. Figure 6-6 shows southbound vehicle speeds at different times of day, from 2km upstream of the Melling Link intersection to 2km downstream. A similar pattern is evident for northbound traffic. At all times of day speeds are significantly slower at the Melling intersection as a result of the traffic signals. Average traffic speeds are reducing to 10km/h in some instances, whereas the speed limit is 100km/h.

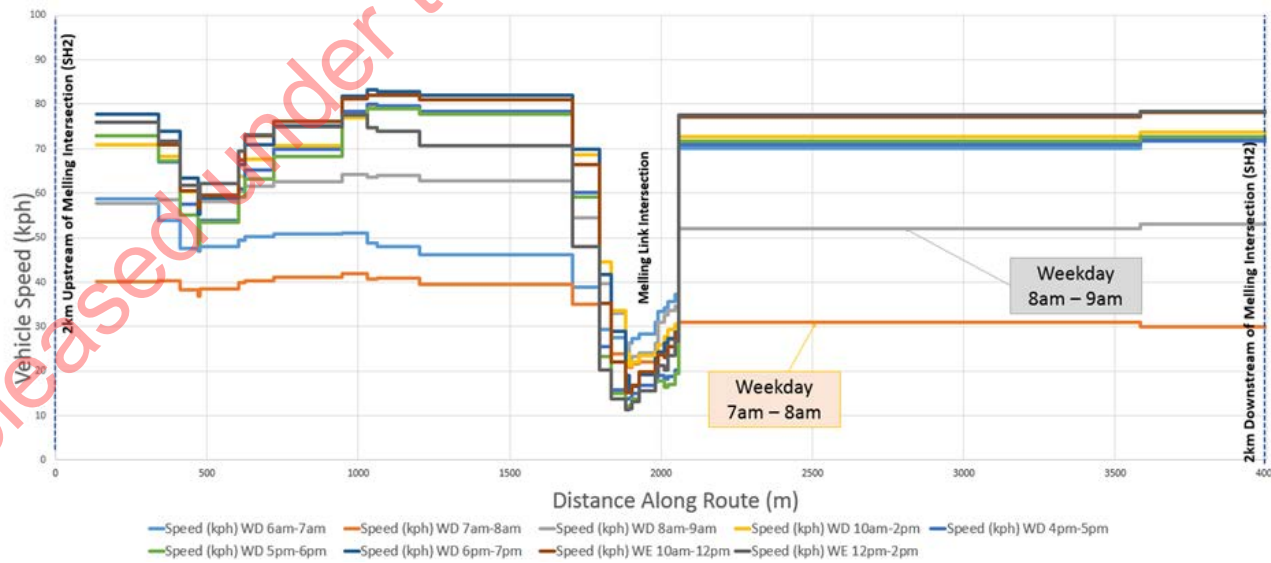


Figure 6-6: Travel speeds on SH2 southbound 2km either side of Melling Intersection (Source: TomTom data)

<sup>17</sup> Melling Link, Dowse interchange and Kennedy Good Bridge.



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The queues at the Melling intersections can become very long at peak times. Queues also extend at the other intersections in the vicinity as shown in Figure 6-7 and Figure 6-8. In the morning peak the longest queue is 1.5km on the southbound approach of SH2, and in the evening peak the longest queue is over 250m on the Melling Link approach for traffic turning both left and right onto SH2. Traffic queues cause travel time delays and create safety issues. Three of the four serious injury crashes on SH2 in the vicinity of the Melling intersections were caused by queues.



Figure 6-7: Queuing Morning Peak Period

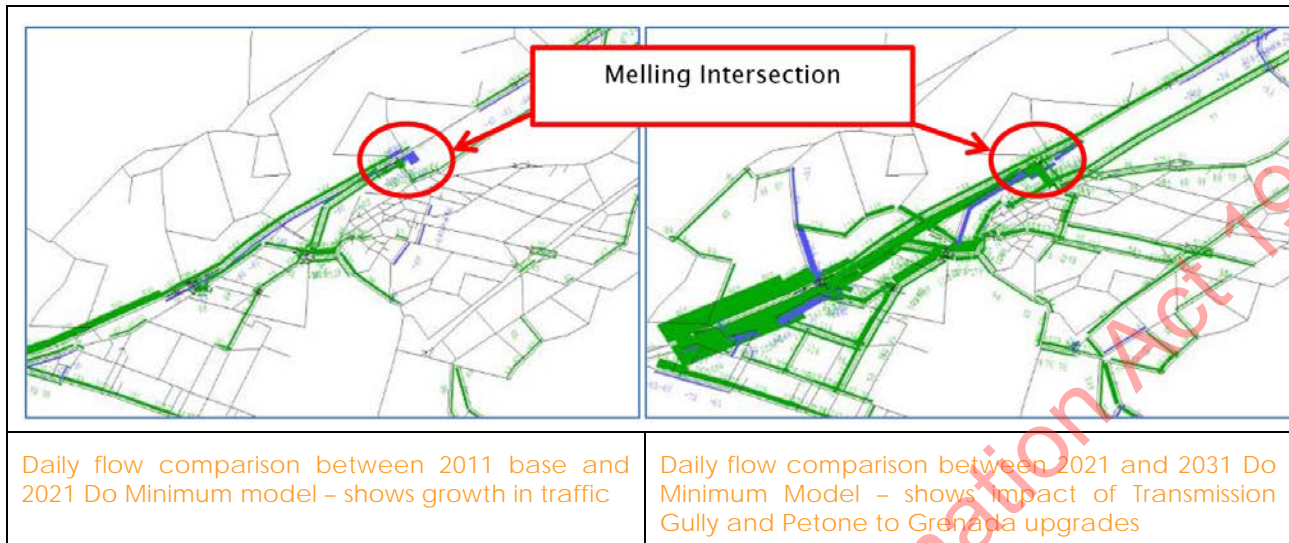


Figure 6-8: Queuing Evening Peak Period

The opening of Transmission Gully in 2020 is expected to bring 4-5,000 more vehicles per day to SH58 and SH2. This will increase the volumes using the Melling Intersections. HCC's Urban Growth Strategy is also expected to increase the population in Lower Hutt, as well as those living in the city centre. This will compound existing issues. Traffic modelling for 2011, 2021 and 2031 is shown in Table 6-5. This shows the locations where traffic flows are predicted to increase (green) and decrease (blue). The image on the left shows some traffic growth on the network to 2021, whereas the image on the right shows significant traffic growth between 2021 and 2031, once the Transmission Gully and Petone to Grenada upgrades are completed. This image shows there is little or no growth on SH2 north of Melling, which may be because the intersection is at capacity and presents a constraint to growth.

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Table 6-5: Comparison of growth on network with and without other network upgrades (Source: SATURN Traffic Model)



For a National High Volume highway, which is defined as a ‘state highway that makes a significant contribution to the social and economic wellbeing of the country by connecting major population centres, international ports or major airports’, delays have wide reaching economic effects on prosperity regionally and nationally. Anticipated traffic increases will exacerbate these delays.

Data on underutilisation of public transport and active modes is presented in Problem 3. It shows that those living on the hills (Tirohanga Drive/Harbour View) have a much higher percentage of people using a motor vehicle to travel to work (80% compared to 64% for those living on the flat), a much lower percentage of people walking to work (12% compared to 3%) and a lower percentage using public transport (both bus and train).

The consequences of this constrained capacity, travel delays and unreliable travel times are that accessibility to Hutt City Centre goods and services, including the hospital, is reduced. The reliability of bus services passing through the area is affected, reducing the attractiveness of the service. Business profit margins are eroded as goods take longer to get to market, and business travel is affected. The poor operation of the intersection may erode the attractiveness of Hutt City Centre as a destination for visitors and shoppers. The parallel river, rail and highway corridor cuts the Lower Hutt community in two and forms a barrier, which reduces the accessibility of Hutt City Centre and hospital. The route to Hutt City Centre is not direct or legible for new users.

One of the key findings from the Customer Insights survey was that many people who avoid using the Melling intersections, using a variety of alternative routes instead. This is because of safety concerns, congestion, navigation issues and traffic delays. Figure 6-9 shows the change in traffic flow with an interchange option at Melling from the Saturn traffic model. Traffic decreases on local roads (shown in blue) and increases on SH2 (shown in green). It is far better for this traffic to be accommodated on SH2 which provides for through movements, rather than on local roads where it has a negative amenity and safety impact and can add to distance travelled.

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Figure 6-9: Change in traffic flow with an interchange at Melling (evening peak). Green shows increase in traffic, blue decrease

**6.1.3 Problem 3: Transport Choice**

**The quality of infrastructure constrains access to alternative modes and leads to unnecessary car travel between SH2 and Lower Hutt at Melling and suppresses access by, and use of, these modes (15%)**

Table 6-6: Transport Choice Problem Overview

Cause	<ul style="list-style-type: none"> <li>The lack of safe, connected and efficient pedestrian and cycle connection/facilities between Hutt City Centre, Melling Station and the Western Hills</li> <li>Hutt River, rail and highway corridor separate some Lower Hutt communities from essential goods and services in and near to Hutt City Centre</li> <li>Demand for parking at Melling Park and Ride exceeding capacity</li> <li>Traffic dominated environment reduces amenity for active modes</li> <li>Buses delayed by traffic at the Melling Intersections</li> </ul>
Effect	<ul style="list-style-type: none"> <li>Active mode and public transport facilities do not meet customer expectations</li> <li>Community severance due to location of river, rail and highway corridor</li> </ul>
Consequence	<ul style="list-style-type: none"> <li>Greater car use than is necessary or desirable for the network</li> <li>Reduced reliability of travel by car and bus</li> <li>Supressed demand for active travel</li> <li>Social exclusion</li> <li>Negative environmental impacts (air pollution, fossil fuel use)</li> <li>Increased safety risk for active modes.</li> </ul>

Melling Link is the only route between Hutt City Centre, Melling Station and the hillside communities. SH2, the railway line and Hutt River act as barriers. The Melling Link itself also presents a barrier to uptake of walking and cycling due to the poor quality or absent infrastructure for these modes. For example, there are:

- No on-road or off-road cycling facilities on the Melling Link Bridge, on SH2 (which is a high speed road with no shoulders in some locations) or on the local road network
- Narrow footpaths on Melling Link over the Hutt River

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- Car dominated environment
- Narrow, steep and disconnected footpaths on Harbour View Road
- No controlled or protected facilities at the roundabouts on the eastern side of the river
- No street lighting on some of the pedestrian connections e.g. the stopbank footpath that runs behind Harvey Norman, which is currently narrow and unlit, and is the shortest route for people walking between the city centre and Melling Station.

Access by active modes to Melling Station, Hutt City Centre and the surrounding suburbs is poor. The route between the station and the city centre is indirect and circuitous, being about 500m longer than a direct route. It also involves using the substandard walking and cycling infrastructure on the Melling Link. The lack of quality walking and cycling facilities will act as a deterrent to use and reduce the number of people walking and cycling across SH2 and the river to the station and the city centre.

Census data from 2013 was used to understand the modes which people use to travel to work. Figure 6-10 compares mode choice for those living on the 'Hill' (Tirohanga Area Unit and ten other meshblocks representing properties accessed from Harbour View) and those living on the 'Flat' (Hutt Central Area Unit) with figures for Lower Hutt and Wellington City Council areas, and national figures.

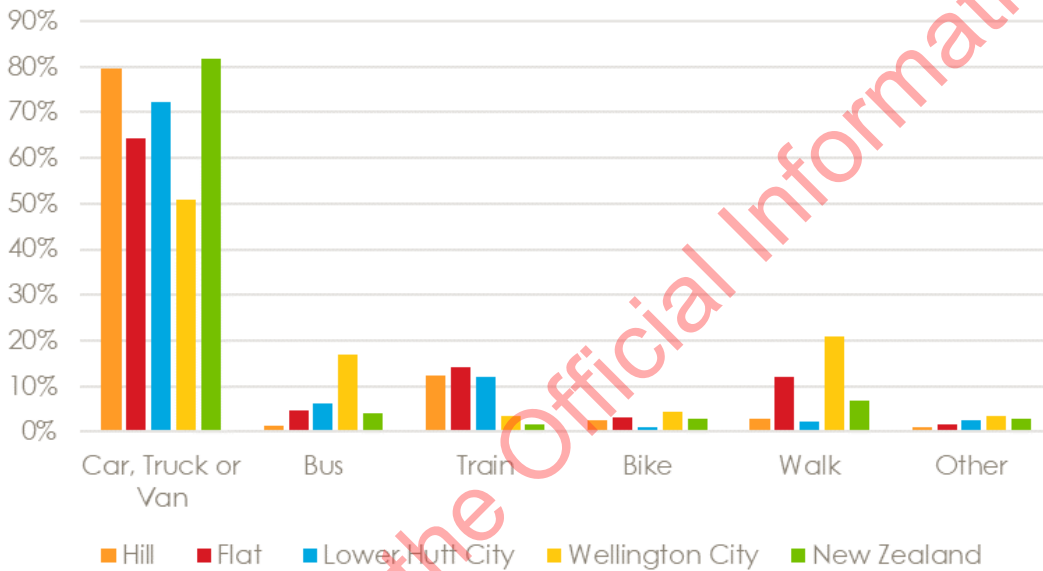


Figure 6-10: Mode Splits Comparison (Source: Census 2013)

The data shows the preferred modes are quite different between those living on this hills and those living on the flat. For those living on the hill, 80% use a motor vehicle, compared to 64% of those on the flat. Only 3% of those living on the hill walk compared to 12% of those living on the flat. Bus use is higher for those living on the flat, and train use is also slightly higher. This data suggests that the severance of effect of SH2 and Melling Link has a significant effect on mode of travel to work, with walking and public transport less attractive. Cycling rates are the same for both locations.

There are trains throughout the weekday from Melling Station, and a Park and Ride facility is provided. However in 2010, a survey showed that the parking facilities do not meet demand, with the main car park (155 spaces) fully occupied by 8am, and the secondary car park (45 spaces) full by 9.15am (Figure 6-11). It is likely demand has increased since 2010 however no more recent data is available.

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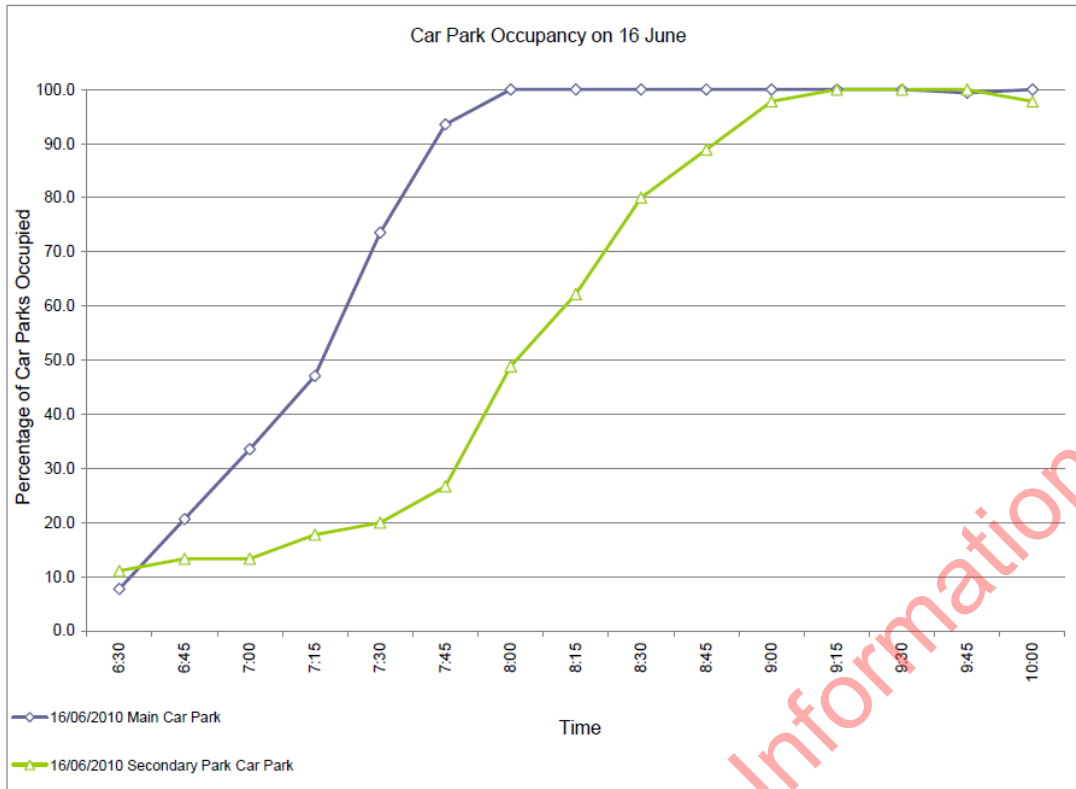


Figure 6-11: Melling Park and Ride Car Parking Survey (Source: Melling Railway Line Survey, 16/6/10)

Six bus services travel through the study area. Only one stops at Melling Station (Route 145 which operates 14 times per day, refer Figure 2-2). There are no services in the suburbs of Harbour View and Tirohanga, and it is noted that the steep topology of these suburbs could be a hindrance to people making the decision to walk or cycle to Melling Station or Hutt City Centre.

The combined effect of the barriers presented by the river and the current infrastructure, the poor quality of the walking and cycling facilities, the limited Park and Ride capacity and limited public transport feeder services is that:

- Active and public transport mode use is suppressed, and the opportunity to capture more of this travel market to reduce congestion and realise health/environmental benefits is missed.
- There is underutilisation of the seated train capacity on the Melling line.

Figure 2-2 displays the flows by each mode in the morning peak, and public transport routes and frequencies.

The 2010 survey asked how people got to the station, with 70% driving and 30% using active or public transport. It was noted that only half of those living within walking distance of the station actually walked there. This suggests there is scope to increase the active mode share.

The survey also noted that there between 170 and 240 people boarded at Melling Station between 6.30am and 9.30am, and that the trains are only about half full when they leave Melling Station, which demonstrates underutilisation of public transport. There is additional capacity for rail trips on the network, which would also help to reduce congestion.

Poor provision and network design for public and active transport leads to low uptake and higher personal vehicle use. In turn, the higher vehicle use leads to a greater exposure to vehicle related safety issues associated with travel in this area, and contributes to deteriorating network reliability (as described in the previous problems). Low uptake of active modes also means health and environmental benefits are lower than they could be, for individuals and the community. Increased use of active modes has been linked to more social and liveable communities, with potential flow on to economic activity in Hutt City Centre.

The 2013 census data shows the mode share for walking and using public transport to get to work, is suppressed for those living on the hills west of SH2 Melling intersections compared to those living on the flat in the Hutt Central Census Area Unit. Cycling rates are the same.



#### 6.1.4 Problem 4: Resilience

**A high crash risk and flooding in storm events results in journeys through the Melling intersections being impacted on a regular basis.**

Table 6-7: Resilience Problem Overview

Cause	<ul style="list-style-type: none"> <li>High crash risk and surface flooding during storm events.</li> <li>Proximity of the transport corridor to natural hazards, with limited alternative routes.</li> <li>Inadequate stormwater drainage capacity.</li> </ul>
Effect	<ul style="list-style-type: none"> <li>Reduction in capacity or forcing traffic to use an alternate route via the Dowse Interchange and local roads.</li> <li>Lane or road closure.</li> <li>City network congestion.</li> <li>Delays on SH2.</li> </ul>
Consequence	<ul style="list-style-type: none"> <li>Increased travel time and reduction in reliability for affected users and those subject to diversions.</li> </ul>

Crashes and weather events can cause delays and diversions for people travelling through the Melling intersections. Table 6-8 summarises the frequency of events on SH2 in the study area during the five year period to June 2018. Flooding was the most common natural event affecting SH2. Using the TREIS commentary it can be assumed that during the period, the Block Road intersection was closed thirteen times, with six of those in the 2016/17 year. Breakdowns were the most common non-natural event recorded, followed by crashes.

Table 6-8: Summary of events that occurred on SH2 within study area (Source: TREIS five years to June 2018)

Event Type	Approximate Frequency (2013-18)	Average Occurrence
Crashes	48 events	10 per year
Breakdown	68 events	14 per year
Obstruction	29 events	6 per year
Surface flooding	39 events	8 per year
Slips or fallen trees	2 events	1 every 2.5 years
Traffic signal fault	36 events	7 per year
<b>Total events<sup>18</sup></b>	<b>216 events</b>	<b>45 per year</b>

All flood events recorded in TREIS for SH2 since June 2013 are caused by surface water due to insufficient capacity or blockage of the stormwater network. Block Road flooding is a result of the Hutt River breaching its banks during high intensity events. The likely flood effects from a 1 in 440 year return period event is shown in Figure 6-12. In this scenario Block Road floods first (refer Figure 6-13), followed by the Melling Link Bridge. SH2 would follow but this would be very unlikely as it is above the level of the proposed new stopbanks.

<sup>18</sup> If all occurred in isolation

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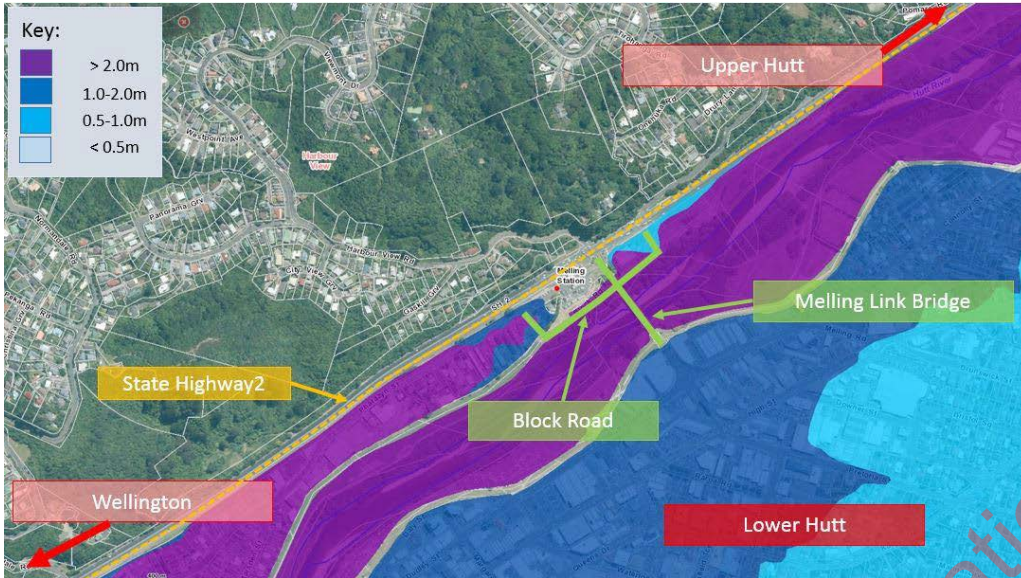


Figure 6-12: Flooding in 1 in 440 year event without stopbank upgrade



Figure 6-13: Block Road Flooding

Unplanned events reduce the capacity of the transport network by making lanes or links unavailable for an unforeseeable length of time, which depends on the severity of the incident, or forcing traffic to use an alternate route. The evidence from TREIS shows that events affect the intersection area every 1-2 weeks on average. Resilience is also about how well the network can cope with such disruptions. For SH2, there are few suitable alternative routes for parts of the network. Detours cause redistribution of traffic on to parts of the local road network that are not designed to function as highly trafficked streets, such as streets in the Hutt City Centre (refer Figure 6-14).



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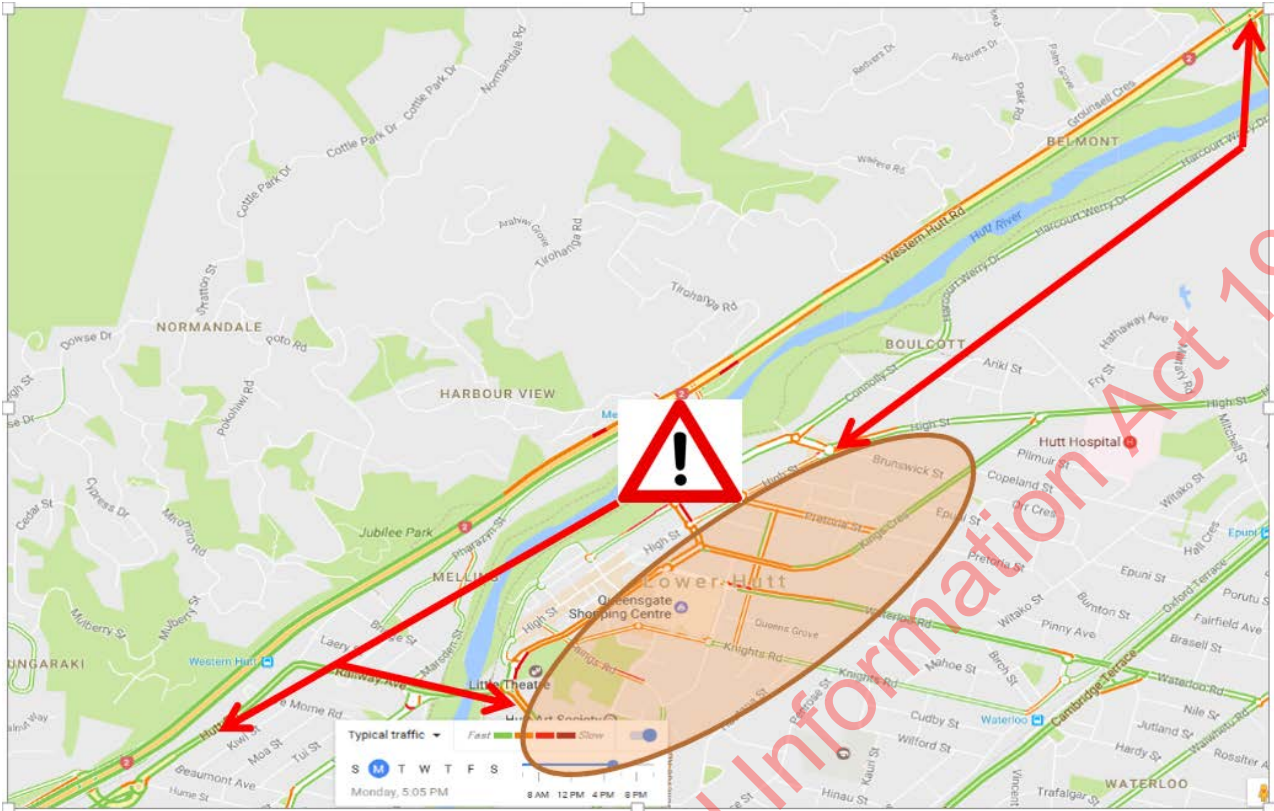


Figure 6-14: Localised Detour/Alternative Routes

If there is a closure of SH2 at the Melling intersections, it is likely that highway traffic will be diverted onto the local road network as shown in Figure 6-14. However, if a more significant section of SH2 is unavailable, the alternative inter-regional route is via SH58 and SH1, as shown in Figure 6-15. SH58 is a two-way, two lane route through challenging topography which is not designed to carry large volumes of traffic, and adds an additional 30km of travel between Wellington and Lower Hutt. This equates to an additional half hour of travel time in off peak periods; vastly more in peak periods. The unpredictable nature of such events results in a greater economic impact, when compared to regular and expected congestion on the network. These events lead to delays for all road users and erosion of profit margin for commercial activities relying on the transport network. This impacts economic productivity in the wider region.

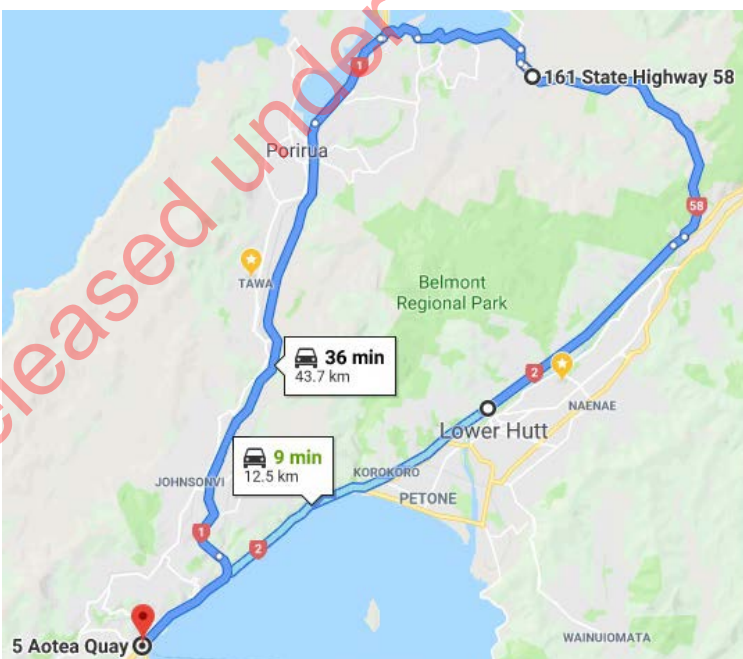


Figure 6-15: Inter-regional state highway detour route

### 6.1.5 Customer Insights Survey

The data shows issues with safety, access and resilience at the SH2 Melling Intersections. In 2016, the Transport Agency undertook a Customer Insights survey in October 2016, to understand how people using the intersections feel about them. These insights align with and support the problem statements. Key themes were:

- Hutt City is considered a great place to live and bring up families – there are excellent schools, services, retailers and recreational activities.
- There are many people who aim to avoid using the Melling area, using a variety of workarounds to do so.

*"We avoid Melling. We go up to Kennedy Good Bridge from Lower Hutt to get out, even though Melling is closer, it's just because of the intersection."*

- Safety concerns, congestion, navigation issues and traffic delays are all contributing factors to why people avoid using the Melling intersections and bridge.

*"Sit out there at 5:30pm and count the amount of people that run red lights at Kelson, run red lights at Belmont, run red lights [at Melling], they just go."*

- People's views about the Melling train station were polarised – for some the station is easily accessible, safe and a pleasant open space. For others the limited frequency of the train service and limited parking are considerable pain points.

*"Moving down from Auckland we were blown away by how good the public transport is here."*

- There is a 'lack of attachment to place' in terms of Melling being the gateway to Hutt city or a specific destination.

*"Ugly, industrial and hard, it's a funnel, which is a different tone from something like gateway. Gateway has a sense of presence...whereas Melling when I use it it's simply a way to get somewhere...it's aesthetically unpleasing but you know, it's a road."*

- There is a complex set of interactions that occur between those travelling along SH2 past Melling, and those using Melling to into and out of the Hutt.
- There is poor allowance for those who don't drive (pedestrians and cyclists) at the intersection and station.

*"Pushbike is a little bit more daunting because realistically if I want to bike into Wellington I have to go along State Highway 2 or take a hell of a long route through Pharazyn Street. There's not a lot of room for cyclists, in fact there's none"*

## 6.2 Opportunities

The opportunities of investing in Melling Transport Improvements are identified below.

### 6.2.1 Support the revitalisation of Hutt City Centre

The Melling Transport Improvements represent significant infrastructure spending, which is expected to increase developer confidence in Hutt City and lead to further investment and growth which supports the revitalisation of Hutt City Centre. This effect combined with the improved level of flood protection, would make property development less risky and more viable.

### 6.2.2 Provide gateway and legible route to Hutt City Centre

HCC's Making Places plan identifies the opportunity to make the turn off from SH2 into a Gateway for Hutt City Centre, and there is an opportunity to improve the urban design elements as well as functionality of the existing road layout. Once traffic arrives in the Hutt City Centre it distributes within the local road network, and many of the roads are similar in terms of their appearance, which makes the route to the city centre difficult to follow. There is an opportunity to provide a more legible journey to Hutt City Centre as part of the Melling Transport Improvements, and also to use the road network adjacent to the city centre to achieve the goal of a more compact urban centre. Anecdotally the customer insights data supports the view that the current road layout is a barrier to accessing Hutt City Centre.

There is also an opportunity to create a legible route to Hutt City Centre for other modes by investment in quality walking and cycling infrastructure along the route across SH2 and river, as well as to and from the

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railway station from the Hutt City Centre and Hillside communities. HCC have identified within the Making Places plan a direct pedestrian/cycle bridge from the city centre to the relocated Melling Station which would provide an attractive route and also supports the proposed growth in residential activity within the city centre. Dwellings that are within walking distance of public transport can become highly sought after.

### 6.2.3 Collaborate to achieve RiverLink objectives and maximise efficiencies

This project presents a significant opportunity for the Transport Agency to collaborate with its partners, the GWRC and HCC, who have worked together to date on the planning and consultation on the RiverLink project. All three organisations are planning to invest in the locality. Each organisation has a different focus, but by collaborating there is an opportunity to develop a package of improvements which can achieve a broader spectrum of outcomes.

The RiverLink Investment Objectives are to:

- Increase flood plain resilience of the Hutt River Valley to reduce the economic and social impacts of a catastrophic flood event – valued at \$1.1B of direct damages (and an equivalent amount of intangible damages)
- Improve connectivity between the Hutt City Centre and its adjacent transport corridors and the Hutt River
- Improve SH2 and local road network safety, reliability and multi-modal transport choices
- Provide the opportunity for urban regeneration in Hutt City Centre

There is an opportunity to collaborate through the consenting and designation process, which will maximise land use and transport integration, reduce consenting risk for all partners and provide cost efficiencies.

Collaboration also results in efficiency of effort and streamlining of resources. For example, consultation processes can be run as one package, with no duplication of effort or repetition for community and stakeholders. Land/property purchase can be managed more efficiently, for example as GWRC acquire properties for flood defences they can make an in kind<sup>19</sup> contribution of land they do not need to the partners. In terms of consenting, this can be managed as one package of works, again preventing duplication of effort and costs.

Other opportunities of collaboration include land use and transport integration, and potential District Plan rezoning as a Transit Oriented Development or similar.

## 6.3 Benefits

The benefits have developed from those identified in the two overarching PBCs, as identified in Table 6-9.

Table 6-9: Project Benefits

Melling Gateway Programme Business Case	SH2: Ngauranga to Te Marua Programme Business Case	Melling Transport Improvements Benefit Statements
An integrated, resilient, safe and efficient transport network	Safer journeys for all users	Safer journeys for all road users
Enhanced Economic Growth	Efficient, reliable journeys that support economic productivity and growth	Improve access by all modes to Hutt City Centre, Hutt Hospital and to/from SH2 during peak periods and at weekends improving the accessibility of goods and services in Hutt City and supporting economic growth
Improved liveability of Hutt City Centre		Improve access to quality transport choices in the vicinity of Melling
A connected, resilient and secure floodplain	Reduce social and economic impact of HILP <sup>20</sup> and LIHP <sup>21</sup> events	Improved security and availability of the road network

<sup>19</sup> An in kind contribution is a financial contribution covering GWRC share of costs, as explained in Part C.

<sup>20</sup> HILP: High Impact Low Probability

<sup>21</sup> LIHP: Low Impact High Probability



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It is recommended that a benefit realisation assessment occur post construction to confirm (or otherwise) if the benefits were achieved.

## 7. Outcomes

### 7.1 Investment Objectives

Investment Objectives have been developed for the Melling Transport Improvements. The problems and benefits have been used to develop the Investment Objectives. The connections are shown in Figure 7-1.

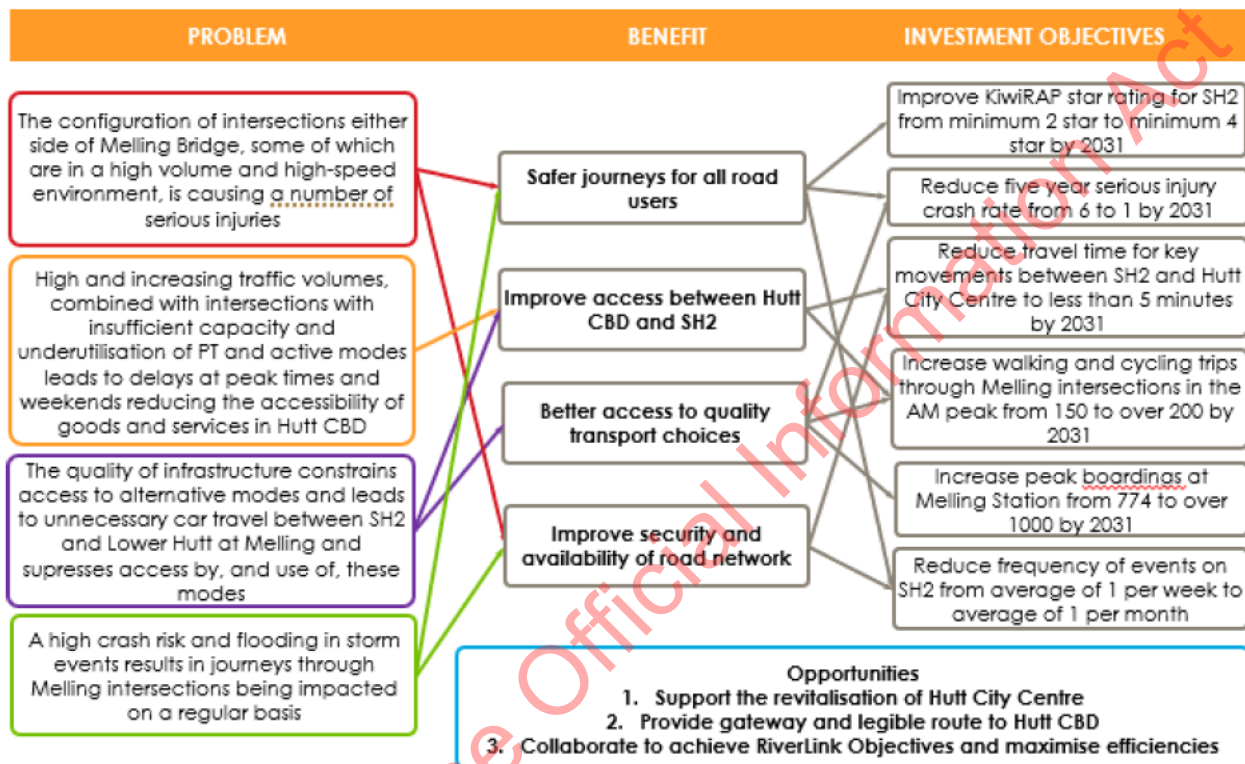


Figure 7-1: Diagram showing development of Investment Objectives

Timeframes for the Investment Objectives will be determined when an implementation programme has been confirmed. At this stage, 2031 has been used as a target date, which assumes implementation of the Melling Transport Improvements begin in 2028, the earliest date for construction as indicated by the Board. Key performance indicators have been identified for each Investment Objective. These will be used to measure the effectiveness of any improvements, and to evaluate the options. These are shown in Table 7-1.

Table 7-1: Indicators and Outcomes

Investment Benefit	Indicator	Investment Objective
Safer journeys for all road users	Road Assessment Rating (State highways)	Improve KiwiRAP Star Rating for SH2 from a minimum 2 star to minimum 4 star by 2031
	Deaths and serious injuries	Reduce five-year serious injury crash rate from six to one by 2031
Improve access between Hutt City Centre and SH2 during peak periods and weekends	Peak period travel time between SH2 and Hutt City Centre	Reduce travel time for key movements between SH2 and Hutt City Centre to less than 5 minutes by 2031
Better access to quality transport choices in the vicinity of Melling	People – throughput of pedestrians, cyclists and public transport boardings	Increase walking and cycling trips through Melling intersections in the AM peak from 150 to 200 by 2031
		Increase peak boardings at Melling Station from 774 to 1000 by 2031

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Investment Benefit	Indicator	Investment Objective
Improve security and availability of the road network	Temporal availability – road	Reduce frequency of events disrupting traffic on SH2 from average of one per week to average of one per month by 2031

## 7.2 Urgency to Address Problems

The evidence shows that the current transport issues are affecting access to Hutt City Centre and will undermine efforts to regenerate and grow the area. With future growth in travel demand resulting from population growth and other schemes such as Transmission Gully reaching completion, there is a need to act now to address the existing issues relating to access, mode choice, resilience and safety. It is expected that pre-implementation activities such as property purchase, designations and consenting could take 4-5 years to complete. The urgent problems to address are:

- Congested SH2 and intersections during peak hours of commuter travel. Queues on SH2 can extend back up to 1.5km during peak hours, which proves the inefficiency of the two signalised intersections. This is causing safety concerns on the highway but also rat-running and putting state highway traffic onto local roads.
- Future flood risk and climate change. The community, businesses and developers want confidence that Hutt City will not flood in a significant rainfall event (possible in a 1-65 year event) and that their lives, property and possessions are protected. Climate Change adds a level of uncertainty to future climate patterns, but scientists predict that it will mean more extreme weather events, which makes large floods more likely.
- Current crash risk (not just historic) will get worse as traffic volumes increase, especially traffic induced by other regional routes that are being upgraded, such as Transmission Gully (and further beyond on SH1) which makes commuting for work from the Kapiti Coast Region a better proposition. There are stretches of KiwiRAP 2 star highway which present a significant risk to death or serious injury. This is also reflected in the Safe System Assessment Framework which has a poor score for the current situation.
- Transmission Gully traffic volumes will add further pressure to an already stressed segment of the Hutt Valley road network.

Natural population growth, let alone the additional urban development as proposed by the Making Places element of RiverLink, will further exacerbate these problems.

## 7.3 Uncertainty Log

There are several uncertainties which may impact the timing and need for the recommended option. These uncertainties were originally identified in the SH2 Ngauranga to Te Marua PBC and reviewed and updated in mid-2018 for the Project Re-Evaluation. These uncertainties have been revisited and updated for this SSBC and are summarised in the uncertainty log in Appendix B.

The assessment shows that there are no uncertainties that would reduce the need for the project or that would result in the project needing to be pushed further into the future. However, there are uncertainties that could influence exactly when the project could or should be designated and delivered. These fall under two broad areas:

1. Those that will be managed through RiverLink:
  - GWRC need to dispose of surplus land which has been purchased as part of the flood protection works. Some of this land is needed for the interchange and it would be both efficient in terms of cost and process if this land could be directly transferred/sold to the Transport Agency. A decision has not been made that this should happen, nor has a process for land transfer been determined.
  - Co-funding contributions from partners for key elements of RiverLink are included in the respective LTPs. However, for improvements where the benefit is shared between the partners (e.g. River Bridge, Railway Station), co-funding contributions have not been confirmed and there is a risk they may not materialise.
2. Other transport network upgrades which could affect travel demand. These have been modelled, but the uncertainty is around whether the real effects of these upgrades are different to what is expected. The main upgrades are:

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- **Transmission Gully:** The impact of this project has been included in the modelling and increased traffic expected to be generated has been considered. However, there is a risk that this demand differs from what occurs upon project opening.
- **Petone to Granada:** This project was recently re-evaluated and found that the need for improved east-west connections generally aligns with the Government's priorities, but further investigation is needed on how best to improve resilience, safety, and east-west transport choice. This means taking a step back and ensuring other east-west options across the state highway network (the triangle formed by SH1, SH2 and SH58) are considered. In endorsing the recommendations, the Transport Agency Board has noted that a link road is required, but funding will be considered later. The re-evaluation recommended that construction of an east-west connection be considered for funding from 2028.

Transport modelling was undertaken to determine the likely impacts of either the Petone to Granada Link Road occurring, or a smaller intervention of geometric improvements at the Petone Interchange to improve capacity though this location.

The Petone to Granada link is expected to increase traffic on SH2 between Petone and Melling of around 300 vehicles in the peak hour. This will result in significantly increased travel times (up to 5 minutes) for some movements at the Melling Interchange.

Even capacity improvements at the Petone Interchange will result in an increase in travel time of 2 mins for vehicles turning right into Hutt City in the PM peak.

Both examples demonstrate that the current intersection in operating at capacity and any increase in demand will result in significant additional delay.



## 8. Issues and Constraints

This section provides a high level explanation of the expected issues and constraints for the project. These are explored in more detail in Part B, for each option.

- Environmental:** The most significant environmental issue within the study area is the Hutt River. The riverbanks are vegetated and highly valued by the community for their natural amenity and recreation opportunities. The river floods during storm events and the existing stop banks and the Melling Bridge constraint mean that protection can only be provided up to a 1 in 65 year event (when resilience for a 1 in 440 year event is desired). Impacts on the natural environment within, and adjacent to, the river will need to be considered as part of the selection of a recommended option. Greater Wellington's proposed Natural Resources Plan and the National Policy Statement for Freshwater Management reflect the very high importance of this issue.
  - Property Acquisition:** Much of the land in the vicinity of RiverLink is held in private ownership. GWRC have started purchasing properties required for the flood works. Some property would be additional to GWRC needs, and it is proposed that this land be provided for other RiverLink works.
- Depending on the extent of the Melling Transport Improvements, there are buildings near the existing road network which will be required, or where access will be affected.
- Resource Management:** Improvement works will trigger the need for consents as required under the Resource Management Act and other legislation. The area is particularly sensitive because of the proximity to the Hutt River watercourse, which would lead to additional consent requirements.
  - Geotechnical:** Geotechnical investigation was undertaken for the short-listed options to understand more about the strength and suitability of soils, underlying bedrock and the floodplain soils. The historic riverbed material is a significant issue. Geotechnical engineering is discussed further in Section 10.3.
  - Available Land:** The project site is significantly constrained with limited land available between the steep hillside and the river corridor. Within that narrow width there needs to accommodate SH2 traffic, local traffic, rail, cycle and pedestrian networks. This could result in closely spaced intersections and means that decisions to accommodate one aspect may negatively impact on other aspects. The lack of available land may necessitate land purchase and/or the use of retaining structures to limit the footprint of the project.
  - Heritage Building:** There is a heritage building located on the western side above SH2, between Harbour View Road and Tirohanga Road. The Transport Agency own this building and property. The building is scheduled in the HCC District Plan and listed as Category 2 Building in the Heritage List / Rārangī Kōrero of Heritage New Zealand. Any options that would require land on this side of SH2 need to be cognisant of this building.
  - Hillside Topography:** Encroachment into the hillside on the western side of SH2 should be restricted as much as possible to limit geotechnical instability risks and negative visual impact.
  - Wellington Fault:** The Wellington seismic fault runs parallel to both the Hutt River and SH2 and is thought to lay between the two. Whilst the exact location of the fault zone is not currently known, a previously estimated location has been used. This would pose a significant constraint on the layout of the intersections and the derivation of options.
  - Rail Line, Melling Station, Park & Ride:** Any new transport solution layout should incorporate any possible future extension of the Melling railway line northwards.
  - RiverLink Stopbanks:** The proposed new positions and crest levels of the RiverLink stopbanks are major constraints and are, for all intents and purposes, non-negotiable. GWRC has expressed the desire that, where possible, no hard infrastructure should be incorporated into the stopbanks to enable and maximise the space available for the river to pass the design flood.
  - New bridge connections south of Melling Link:** A new bridge would need to land at the intersections of Rutherford Street with either Queens Drive or Margaret Street after crossing over the stopbank. The constraint is limiting the amount these intersections would need to be raised whilst retaining the integrity of the stopbank and geometric design criteria for the bridge and intersection approach. Raising the intersection by up to 2.0 metres (or more) would require additional urban design and landscaping treatment to incorporate this into the surrounding current and future environment, as the height difference would be aesthetically unpleasant for adjacent retail and commercial premises.

The Design Philosophy in Appendix C reports on additional constraints for the recommended option.

## PART B – OPTION DEVELOPMENT

### 9. Option Development and Assessment

This section outlines the option development and assessment process which led to the recommended option.

The following sections summarise the optioneering described in the Draft IBC (Part B presented in Appendix D), Further Options Report (Appendix E) and MCA Workshop Report (Appendix F). It outlines how the three shortlisted options for consultation were further assessed to reach a recommended option. It outlines how the investment objectives and MCA criteria were used throughout the option assessment process.

The option development and assessment process was subject to review through the re-evaluation process. The review found that:

- The idea generation process was inclusive of stakeholders and appeared robust.
- The long list option development was transparent and identified features which were crucial to the desired outcomes (identified as ‘key principles’).
- The revisions to the Investment Logic Map (ILM) arising from the re-evaluation are not likely to significantly influence the outcome of the option development process.

Overall, the finding from the re-evaluation was that ‘while minor changes to the ILM are proposed, the relevancy of the existing ILM should not change. Therefore, the outcomes of the options development process remain valid within the current strategic context.’.

#### 9.1 Process Overview

The overall process for the development of options is presented in Figure 9-1. The numbers in the orange ovals represent the number of options remaining at that stage.

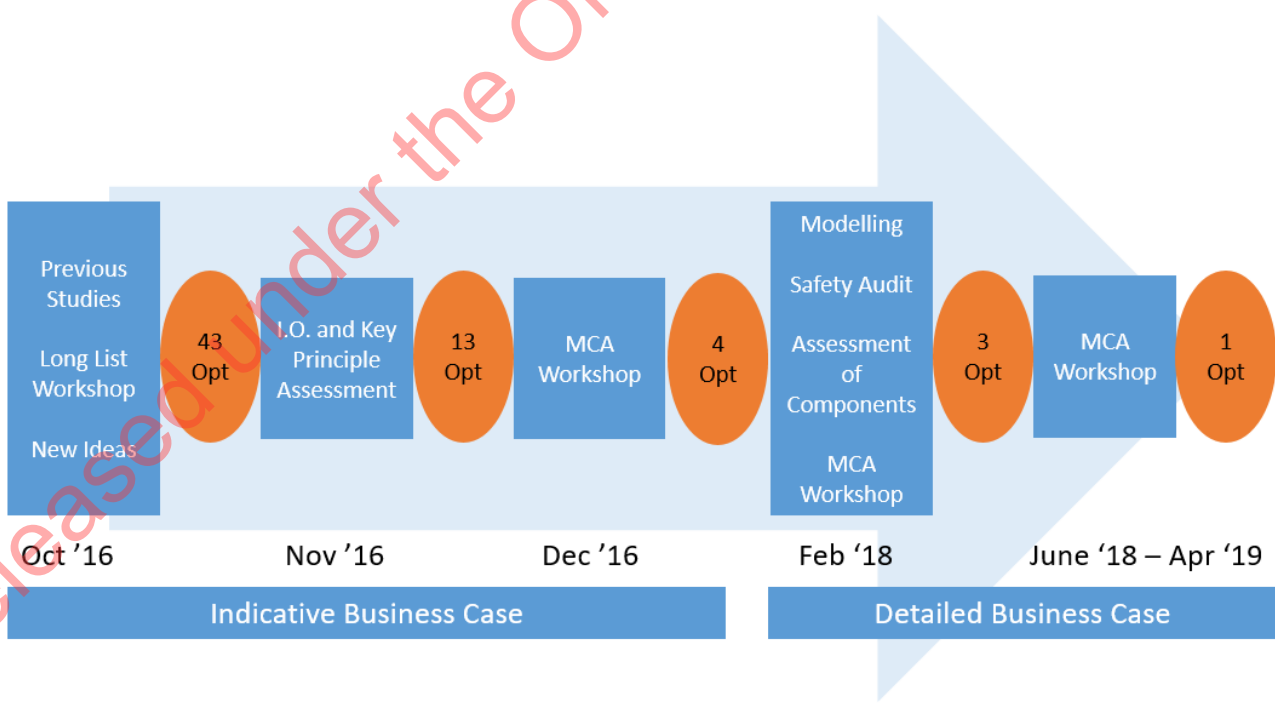


Figure 9-1: Option long list to recommended option process

Options to solve the transport and wider programme issues were identified by holding a long list workshop with the three funding partners, reviewing previous reports as well as the consultant team looking for new ideas. A total of 43 options were identified and subject to an assessment against the Investment

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Objectives. This process discarded 30 options as they did not contribute meaningfully to the Investment Objectives.

The remaining 13 options were subject to an initial MCA workshop which identified four options for further investigation in the SSBC. At this point these options were further assessed under three categories of: traffic modelling performance, (external) safety audit of the concept design, and topographical survey investigation into the feasibility of the Tirohanga sub-option. This assessment provided more information about the performance of the options, but in turn also resulted in the identification of further options and sub-options. Therefore, a second MCA was conducted on four design elements, three of which could be included in the design independent of the others.

Following a Transport Agency review of the Safety Audit assessment, Option 11 was discarded. This was due to significant risks relating to the complexity of a Diverging Diamond Interchange that would have been a first for the country, and noted the site is too constrained to enable simple wayfinding which would be needed for such a complex design.

The remaining three options were put out for public consultation. A third and final MCA workshop<sup>22</sup> followed thereafter, which determined the recommended option.

The process is explained in more detail below. A full write up of the options considered and the process used at each stage is in Appendix D and Appendix E.

## 9.2 Key Principles

The key principles the options should aim to achieve were developed with key stakeholders at the end of the Problem Definition workshop after a long list of options was identified. These were agreed as:

- Traffic to connect into edge of Hutt City Centre - not the core or further away
- All routes for all modes should be legible and all existing connectivity should be retained
- There should be full pedestrian and cycle connectivity, taking desire lines into account
- Retain the ability to extend the Melling rail line further north should the need arise in the future.
- Proposal should allow for the flood protection works which were being designed for a 1 in 440 year event.
- Maintain Melling as the Gateway to the Hutt City Centre with the bridge to connect into road network adjacent to the Hutt River. The location of the bridge is critical for regeneration as it forms a 'gateway' to Hutt City Centre and influences people's first impressions. Ideal locations balance proximity to Hutt City Centre but do not interfere with the proposed slow zone.

## 9.3 Option Identification

A long list of 43 options was prepared by:

- reviewing previous studies
- developing new ideas that had not been considered previously, and
- through an Option Identification workshop with key stakeholders.

Options identified ranged from at-grade options, to public transport only options to large grade separated interchanges at Melling and grade separated interchanges at other locations.

## 9.4 Option Shortlisting Methodology

The 43 options were shortlisted by passing through several different sieves. These included:

- An assessment of the options against the Investment Objectives
- An assessment of the options against the Key Principles
- Transport Modelling

<sup>22</sup> Melling Intersection Improvements MCA Workshop (June 2018) Report (NZTA: May 2019)

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- Road Safety Audit
- MCA Workshops

The options that did not substantially achieve the Investment Objectives or align with the Key Principles were discarded. This reduced 43 options down to 13. Discarded options are summarised in section and more detail is provided in Appendix D.

Following this point, three MCA workshops were used at appropriate points to move towards a Recommended Option. The process for the MCA workshops and assessment follows best practice including guidance from the Transport Agency and the New Zealand Asset Management Support organisation (NAMS)<sup>23</sup>. At each stage of the MCA process, the 'Decision Conferencing' method was adopted. This method is one where the investment partners, key stakeholders and technical specialists shared information and work through the issues and come to agreement on the principles, the options, the criteria, the weightings and the scoring to be applied to each option. Additional details on some of these steps are provided in Appendix D and Appendix E.

The criteria used to evaluate the options at each of the three MCA workshops are shown in Table 9-1. As indicated in the table, not all criteria were used at each workshop. This reflects the fact that at later stages:

- the options were narrowed down to similar options and therefore there was no differentiation on some of the criteria,
- more detail on the options were available so new criteria could be evaluated.

Whilst the Investment Objectives are not specific criteria, they are reflected by other criteria in the analysis. This relationship is shown in the table below..

Table 9-1: Assessment Criteria used across the three MCA Workshops

Criterion	Relevant Investment Objectives	MCA 1	MCA 2	MCA 3
Transport benefits	Road Assessment Rating Deaths and serious injuries Travel time Temporal availability – road	Y	Y	Y
Fit with local road system	n/a	Y	Y	Y
Utility for non-motorised travel modes	Numbers walking and cycling	Y	Y	
Railway/bus system utility	Number of rail boardings	Y	Y	
Impacts on tangata whenua values	n/a	Y		
Visual and landscape impacts	n/a	Y		Y
Natural hazards management fit	Temporal availability - road	Y	Y	Y
Impact on adjacent land uses	n/a	Y		Y
Urban design opportunities	n/a	Y	Y	Y
Consentability	n/a	Y		Y
Engineering degree of difficulty	n/a	Y	Y	Y
Ability to be staged	n/a		Y	Y
Additional Safety Benefits	Deaths and serious injuries		Y	
Recreational impacts	n/a			Y
Cost	n/a	Y	Y	Y

<sup>23</sup> <http://www.nams.org.nz>

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A five point scoring system was used for each MCA, as outlined in Table 9-2.

Table 9-2: MCA Scoring System

Score	Description
1	The option presents few difficulties based on the criterion being evaluated and/or may provide significant benefits in terms of the attribute.
2	The option presents only minor aspects of difficulty based on the criterion being evaluated and/or may provide some benefits in terms of the criterion.
3	The option presents some aspects of reasonable difficulty in terms of the criterion being evaluated and/or problems cannot be completely avoided. There are few apparent benefits in terms of the criterion.
4	The option includes clear aspects of difficulty in terms of the criterion being evaluated, and/or very limited perceived benefits.
5	The option includes significant difficulties or problems in terms of the criterion being evaluated and/or no apparent benefits.

## 9.5 Discarded Options

As presented above, a wide range of options (43) were identified at the start of the process, with many options being a slight variation on a common element/theme that grouped them together. Of these, 30 were discarded following an initial screen against the Investment Objectives and Key Principles. Others were discarded through the first two MCA processes before the team settled on the final three options.

This section outlines some of the key option elements/themes and describes why they were discounted through the process. For more detail refer to Appendix D and Appendix E.

### 9.5.1 Public transport only options

Assessment Criteria		Achieved?
Investment Objectives	Improve KiwiRAP Star Rating for SH2 to 4 star	✘
	Reduce five year serious injury crash rate at SH2/Melling intersections	✘
	Maintain travel time in study area	✘
	Increase walking and cycling trips through Melling intersections	✘
	Increase boardings at Melling Station	✔
	Reduce frequency of events disrupting traffic on SH2	✘
Flood Protection Benefits		✘

The Ngauranga to Te Marua PBC includes a range of public transport interventions for this corridor, including capacity, frequency and reliability improvements for rail and bus. These address the large and increasing demand for travel particularly between the Hutt Valley and Wellington, primarily by improving services on the Hutt Valley Line.

However, the problems at Melling, as presented earlier, are such that they cannot be solved by Public Transport alone. For example, public transport would not significantly address the safety issue as this is due to the layout and form of the road network.

It would also miss the opportunity to address resilience concerns, as a new bridge for public transport only would still leave the floodway restraint of the old bridge, or if only a public transport bridge was available then the key principle of retaining connectivity of all routes for all modes would not be met.

Public transport can improve access to Hutt City Centre. Bus service improvements are included in other options in the long list, rather than as a standalone public transport option.



**9.5.2 At grade options retaining the existing Melling Link Bridge**



Figure 9-2: One possible at-grade reconfiguration of Melling Link and SH2

Assessment Criteria		Achieved?
Investment Objectives	Improve KiwiRAP Star Rating for SH2 to 4 star	✘
	Reduce five year serious injury crash rate at SH2/Melling intersections	✘
	Maintain travel time in study area	✘
	Increase walking and cycling trips through Melling intersections	✘
	Increase boardings at Melling Station	✘
	Reduce frequency of events disrupting traffic on SH2	✘
Flood Protection Benefits		✘

An at-grade option refers to the treatments at the SH2 intersections with Melling Link and Block Road, that maintains the existing road levels and would retain the signalised intersections on SH2 (Figure 9-2). This option would fail to achieve both the Investment and RiverLink Objectives, particularly on resilience issues, as the current Melling Bridge presents a significant capacity constraint on both the floodway and the road network. Traffic conflict points at the SH2 intersections would also remain and there would be no distinct safety benefit for pedestrian and cyclist movements across (or through) SH2, as they would still be exposed to traffic movements. Right turning traffic from Hutt City would need to travel through the railway station carpark and under the Melling Bridge which exacerbates the existing safety and resilience issues.

Also, if the Melling Rail Line was extended, then a level crossing would be required which is an undesirable outcome for safety and traffic delays.

Under this option type, there would only be comparatively minor journey reliability benefits. These benefits would be restricted to improvements gained by any Block Road improvements.

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9.5.3 At grade options connected with a new Queens Drive bridge

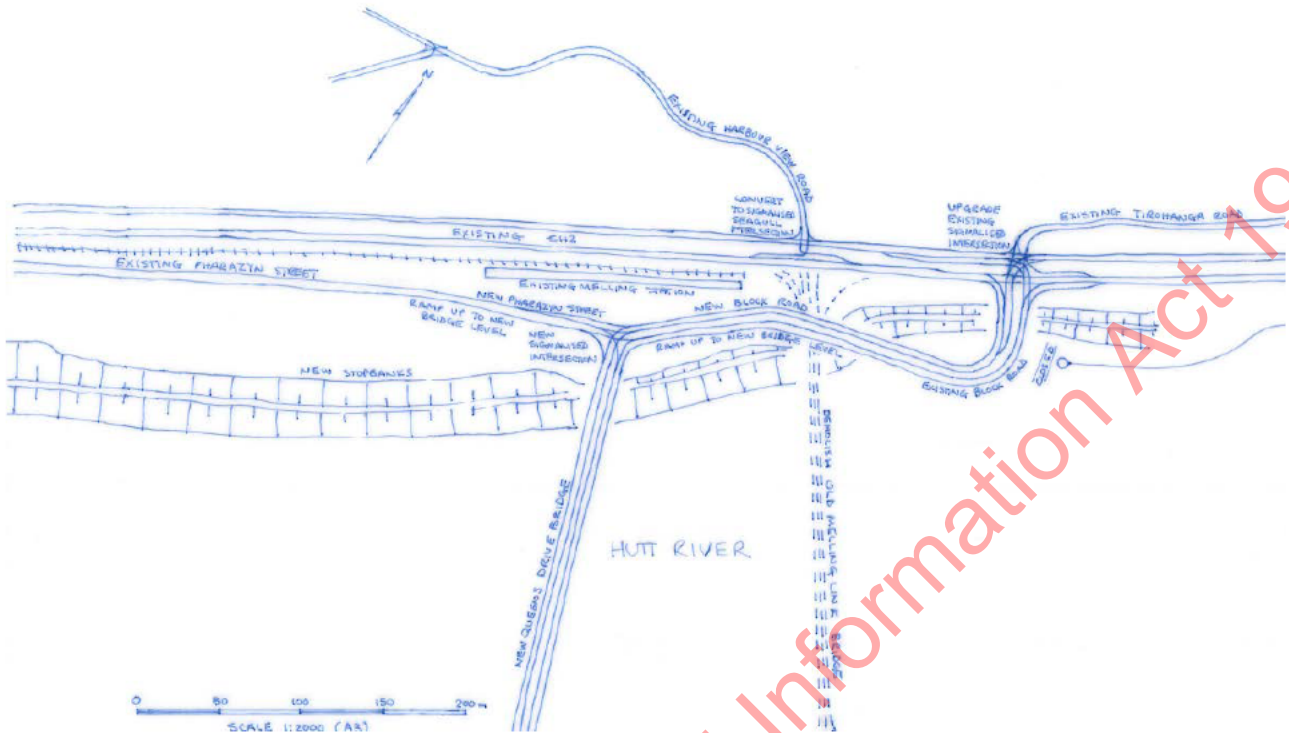


Figure 9-3: Possible reconfigured at-grade option with new bridge

Assessment Criteria		Achieved?
Investment Objectives	Improve KiwiRAP Star Rating for SH2 to 4 star	✗
	Reduce five year serious injury crash rate at SH2/Melling intersections	✗
	Maintain travel time in study area	✗
	Increase walking and cycling trips through Melling intersections	✗
	Increase boardings at Melling Station	✗
	Reduce frequency of events disrupting traffic on SH2	✗
Flood Protection Benefits		✓

This option was developed to determine if an option could be progressed that enabled the flood protection benefits to be realised without significant investment on the highway network. The above option was developed to deliver the requisite flood protection as well as being future-proofed for a future interchange.

A new higher bridge would help to address the flood risk, however retaining a section of road within the floodway would somewhat undermine this objective. This option would not address the safety and reliability issues occurring on SH2, and the conflict points would remain. It is likely the safety issues would worsen over time with increasing traffic volumes and further improvements would be limited by the need to link to the new bridge.

Traffic modelling has demonstrated that the traffic performance would be significantly worse than currently with all movements (except SH2 to Lower Hutu) being delayed by an additional 30s to 2m 40s in the morning peak. It also pushes around 2,000 more vehicles away from this location and probably onto the local road network.

Significant queuing is also predicted on SH2, even for through traffic. Significant queuing is also predicted Block Road, and the queues are predicted to extend back into the Lower Hutu area, creating a grid lock situation on Queens Drive.



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The entry location from SH2 to Hutt City Centre changes, with a longer and more convoluted gateway (Figure 9-3). This could be confusing to people unfamiliar with the network and may also negatively affect the RiverLink goal of creating a better 'front door' gateway into Hutt City Centre.

**9.5.4 Interchange and bridges in other locations**



Figure 9-4: Other indicative new bridge locations

Assessment Criteria		Achieved?
Investment Objectives	Improve KiwiRAP Star Rating for SH2 to 4 star	✓
	Reduce five year serious injury crash rate at SH2/Melling intersections	✓
	Maintain travel time in study area	✗/✓
	Increase walking and cycling trips through Melling intersections	✗
	Increase boardings at Melling Station	✗
	Reduce frequency of events disrupting traffic on SH2	✓
Flood Protection Benefits		✓

New bridges over the Hutt River (Figure 9-4) that connected into different local roads (other than Melling Link or Queens Drive) would change the connection point to the City Centre. A key principle of the Melling project is that the bridge connection should be to the edge of the city centre and not into the city centre core or further away. This ensures the new bridge is a gateway to Hutt City Centre but does not affect the slow traffic zone created to encourage pedestrians and cyclists in the retail area. Bridge locations north of Melling Link were considered out of sync with HCC's desire for Melling to be a gateway into Hutt City Centre and increase travel distances for all road users (particularly those coming from the south). Bridge locations south of Queens Drive would place too much traffic directly into Hutt City Centre, significantly affecting the operation of the commercial area impacting on the amenity sought for the city centre. They also would not tie in well with the public transport or walking and cycling networks.

Only bridge locations at Melling Link and Queens Drive were retained in the short list.

9.5.5 Roundabout interchange

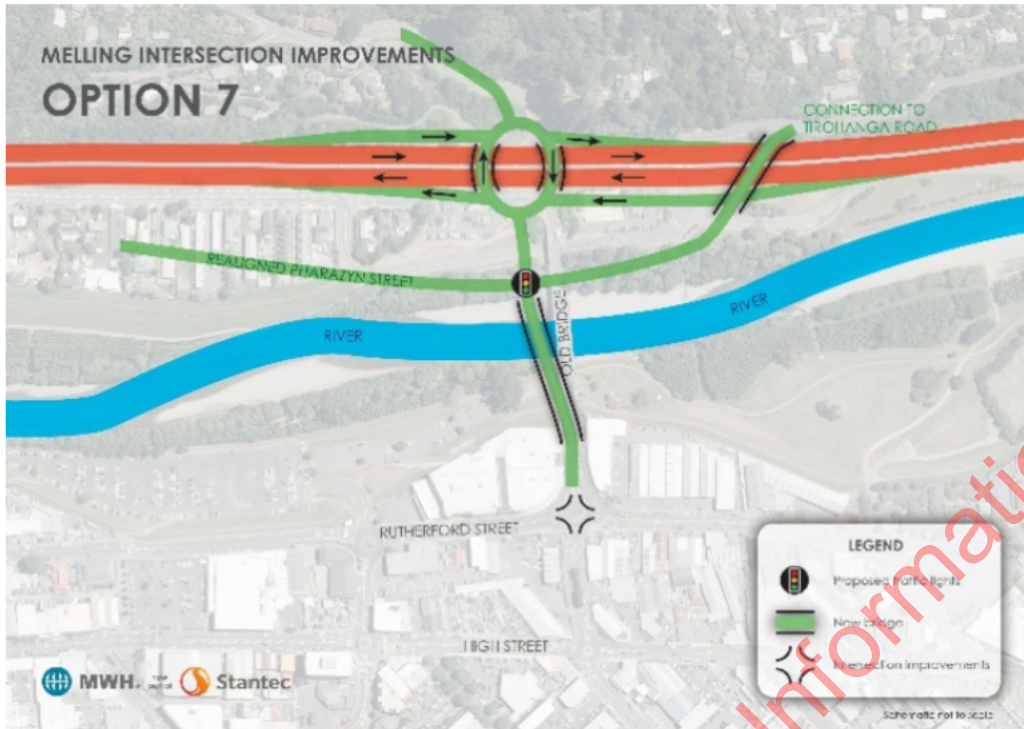


Figure 9-5: Possible roundabout interchange

Assessment Criteria		Achieved?
Investment Objectives	Improve KiwiRAP Star Rating for SH2 to 4 star	✓
	Reduce five year serious injury crash rate at SH2/Melling intersections	✓
	Maintain travel time in study area	✓
	Increase walking and cycling trips through Melling intersections	✗
	Increase boardings at Melling Station	✗/✓
	Reduce frequency of events disrupting traffic on SH2	✓
Flood Protection Benefits		✗

A roundabout interchange form progressed to the second MCA process (as Option 7 in Figure 9-5), with sub-options including a signalised roundabout or larger gyratory interchange<sup>24</sup>. The idea of a roundabout interchange initially made good sense as it would be consistent with the Dowse and SH2/58 interchanges, west and east respectively of Melling Link. However, there were several problems identified that meant a roundabout interchange was not appropriate. These were

- The higher traffic volumes through Melling Link (compared to Dowse) coupled with the strong opposing traffic movements for the northbound on-ramp and the northbound off-ramp meant that the layout was very inefficient and would result in queuing back onto SH2 from the northbound off-ramp. Signalising improved the efficiency but not to a point that it was comparable to other interchange options.
- When considering pedestrians and cyclists, roundabouts are traditionally unsuited to intersections for particularly cyclists to safely negotiate. The need to signalise crossing points for pedestrians would add further delays to traffic movement.

<sup>24</sup> Such as Dowse and SH2/58 interchanges.



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- Finally, all roundabout type interchanges would encroach into the floodway, impacting on the effective performance of the flood protection scheme and increasing the likelihood of flood damage.

9.5.6 Diverging diamond interchange



Figure 9-6: The diverging diamond interchange

Assessment Criteria		Achieved?
Investment Objectives	Improve KiwiRAP Star Rating for SH2 to 4 star	✓
	Reduce five year serious injury crash rate at SH2/Melling intersections	✗
	Maintain travel time in study area	✓
	Increase walking and cycling trips through Melling intersections	✓
	Increase boardings at Melling Station	✓
	Reduce frequency of events disrupting traffic on SH2	✓
Flood Protection Benefits		✓

The diverging diamond interchange progressed to the second MCA process (as Option 11 as in Figure 9-6). This interchange form switches the side of the road a motorist drives on by diverging the traffic lanes (the lanes would cross over). After the Road Safety Audit process, the Transport Agency abandoned the diverging diamond interchange due to the safety concerns held by both the Safety Auditors and internally at the Transport Agency.

The main concern was the unique interchange lay out, when compared to the existing road environment and New Zealand in general. No such intersection type currently exists (where motorists are effectively driving on the other side of the road) in New Zealand. It was also felt that the constrained available space created by the escarpment and the Hutt River, meant in this location, it would not be possible to build a "tried and tested" diverging diamond design. Therefore it was deemed a less than desirable location to first introduce this interchange type in New Zealand.

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### 9.5.7 Lower speed limit on SH2

Lowering the speed limit on SH2 in the vicinity of the Melling and Tirohanga intersections would help to reduce the crash risk, however it would not contribute to the access and resilience investment objectives, which are the key drivers for the project. It was therefore excluded as a long term option, although it should be considered in the short term to improve safety.

Assessment Criteria		Achieved?
Investment Objectives	Improve KiwiRAP Star Rating for SH2 to 4 star	✘
	Reduce five year serious injury crash rate at SH2/Melling intersections	✔
	Maintain travel time in study area	✘
	Increase walking and cycling trips through Melling intersections	✘
	Increase boardings at Melling Station	✘
	Reduce frequency of events disrupting traffic on SH2	✘
Flood Protection Benefits		✘

## 9.6 Short Listed Options Assessment

### 9.6.1 Common attributes

The following outlines the common attributes of the three options shortlisted for consultation. A deeper analysis against the assessment criteria is found in the MCA 3 Workshop Report in Appendix F. The three options have the following attributes in common:

- Multi-modal grade separated SH2 diamond interchange improving safety and accessibility for all modes to Hutt City Centre, the Western Hill communities and Melling Station. This removes the existing at-grade SH2 traffic signalled intersections at Melling.
- A new river bridge as in integral part of the interchange improving access and flood resilience for all transport users, the Hutt City community and businesses.
- Relocated Melling Station closer to Hutt City Centre (moved southwards) with a larger car park, improved bike storage facilities, direct connection to Hutt City Centre via a separate walking and cycling bridge and revised hours of rail operation
- Pedestrians and cyclists are, for the most part, separated from traffic by dedicated facilities to access Hutt City Centre, Melling Station, connecting to the Melling to Petone cycleway and local Hutt City Centre Connections.
- New improved local road intersections with traffic light phasing synchronised to manage conflicting demands of vehicles, pedestrians and cyclists.
- Future proofed design to allow for a possible extension of the Melling railway line northwards.
- Tirohanga Road connects directly to Harbour View.
- Close alignment to, and enabling of, relevant sections of Hutt City Spatial Plan.

### 9.6.2 Differentiating attributes

There are also some key differentiating attributes amongst the three options, such as:

- Two possible locations for the new Melling Bridge connection, either Melling Link or Queens Drive.
- A Queens Drive connection helps to promote a more compact city centre.
- A Queens Drive connection provides better walking and cycling connections to Melling Station from the city centre.
- A Melling Link connection reduces the effectiveness of flood prevention work because the bridge will be at the narrowest part of the river.

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### 9.6.3 QUEENS DIRECT: diamond interchange directly connected to Queens Drive

The key features of this option were:

- Direct gateway entrance to Hutt City Centre with a new bridge connecting at Queens Drive.
- Requires only two signalised intersections at the interchange.

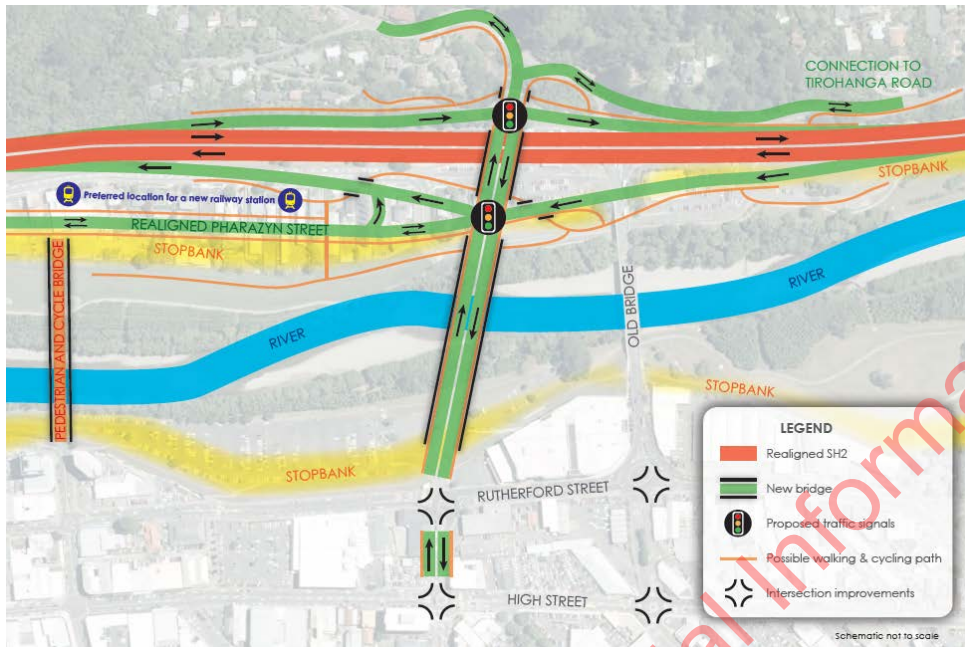


Figure 9-7: Diamond Interchange with direct connection to Queens Drive

There were many key positive attributes for this option, including;

- An opportunity to improve flooding resilience by reducing the floodway constriction created by the existing Melling Link Bridge location.
- A direct gateway entrance to Hutt City which better defined the desired edge of the city centre.
- Better gateway alignment than existing situation with the desired edge of the city centre, the proposed Eastern Accessway route around the city centre<sup>25</sup> and other local roads.
- Better access than existing situation to a relocated Melling Station and therefore better public transport mode integration.
- Provides good walking and cycling connections into Hutt City Centre.

The key negative attributes for this option included;

- Concerns over the safety and efficient operation of the five-leg intersection on the eastern side of interchange.
- The new traffic bridge would be above the riverbank carpark and may degrade the amenity, as it is a well-used public space for markets.
- The visual effect for adjacent local businesses of lifting Rutherford Street up to decrease the gradient to the bridge level on the eastern stop bank.

<sup>25</sup> The existing western access route along Daly Street is removed due to the location of the new stop banks, placing greater importance on the function of the eastern accessway route



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### 9.6.4 QUEENS INDIRECT: diamond interchange indirectly connected to Queens Drive

The key features of this option were:

- Indirect gateway entrance to Hutt City Centre with a new bridge connecting at Queens Drive.
- Has three signalised intersections at the interchange.
- Separates SH2 southbound on-ramp from the interchange.

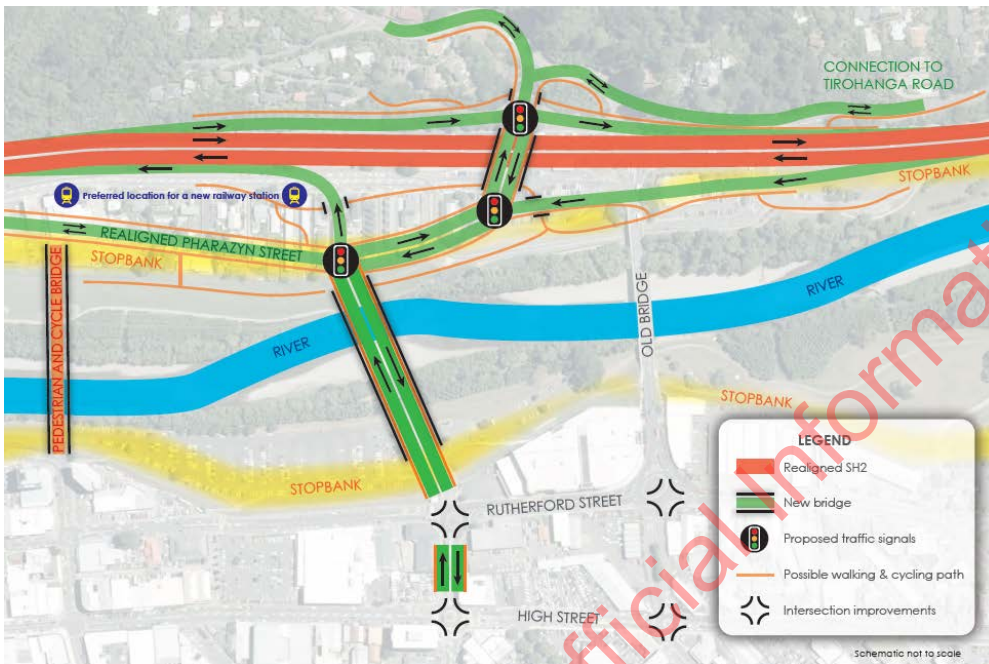


Figure 9-8: Diamond Interchange with indirect connection to Queens Drive

There were also many similar key positive attributes for this option, including;

- An opportunity to improve flooding resilience by reducing the floodway constriction created by the existing Melling Link Bridge location.
- Better gateway alignment than existing situation with the desired edge of the city centre, the proposed Eastern Accessway route and other local roads.
- Better access to a relocated Melling Station than existing situation and therefore better public transport mode integration.
- Reduces traffic congestion more than the Queens Direct option because of the distance between the intersections.
- Allows more local traffic to avoid the interchange because of the direct connection to Pharazyn Street.

The key negative attributes for this option, included;

- The indirect approach from the SH2 interchange does not achieve the desired gateway effect, therefore providing poorer legibility.
- The new traffic bridge would be above the riverbank carpark and may degrade the amenity, as it is a well-used public space for markets.
- The visual effect for adjacent local businesses of lifting Rutherford Street up to decrease the gradient to the bridge level on the stop bank.
- Engineering degree of difficulty was high due to significant interaction of the road on top of the western stop bank.
- The visual impact of the road running atop of the western stop bank was undesirable.

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### 9.6.5 MELLING DIRECT: diamond interchange directly connected to Melling Link

The key features of this option were:

- A new bridge connects to Melling Link
- Requires only two signalised intersections at the interchange

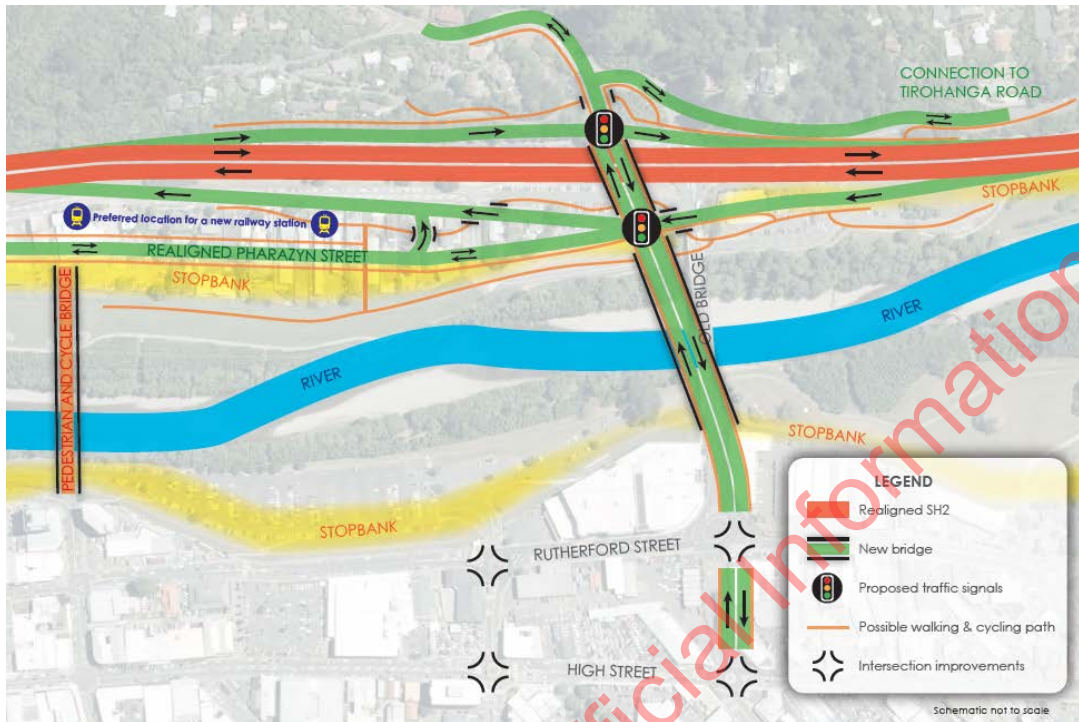


Figure 9-9: Diamond Interchange with direct connection to Melling Link

The key positive attributes for this option included:

- It left the well-used public space for markets on the eastern side of the river free from an overhead bridge.

The most significant negative attribute for this option was that although the bridge height was increased, the location of the bridge meant that it still presented a long term constraint to flood waters<sup>26</sup>, and as such contributed only minimally to reducing the overall flood risk. The other key negative attributes for this option, included;

- The possible introduction of additional piers into the waterway than would otherwise be necessary (dictated by the staging of bridge construction), could further increase flood risks.
- Poor gateway alignment with the desired edge of the city centre, the proposed Eastern Accessway route and other local roads.
- The difficulty in building a new bridge that connected at the existing bridge location, whilst keeping existing traffic volumes operational.
- More difficult to consent this option under Section 6 of the RMA, as the management of a significant risk from a natural hazard was not being mitigated.

<sup>26</sup> As land acquisition of the businesses located west of Rutherford Street and the Hutt River (between Queens Drive and Melling Link) was not considered at this stage but would be considered in the long term. Replacing the bridge at this location removes the possibility of increased flood protection in the future.

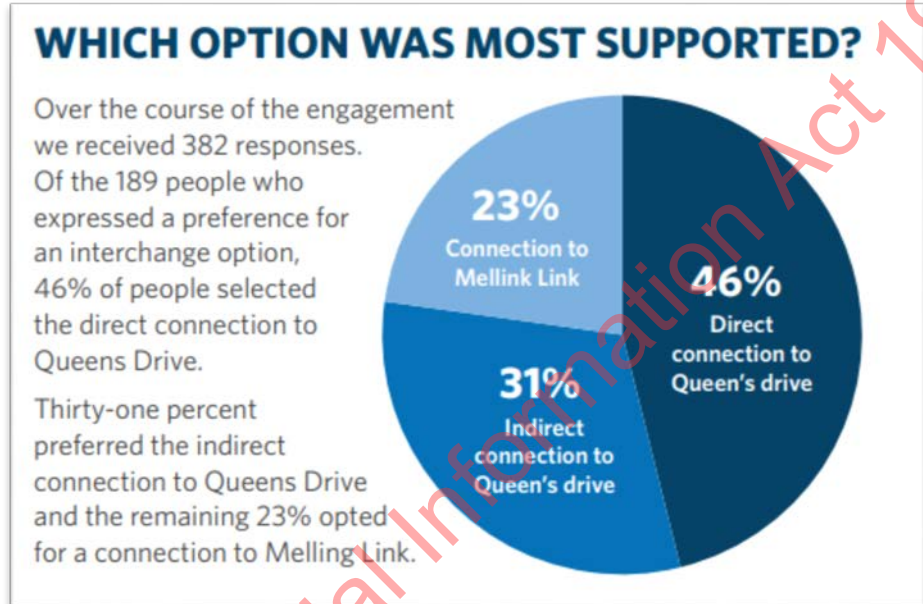


### 9.6.6 Results of Consultation

The three shortlisted interchange options were presented to stakeholders and community for feedback during May and June of 2018, using a range of communication channels to ensure broad participation. A total of 382 responses were received. Of the 189 people identifying a preference, the direct connection to Queens Drive was the most popular, with 46% of people selecting this option. Respondents said they preferred this option because it has fewer traffic lights, was easy to navigate, had better access to the city centre and minimises disruption during construction.

31% supported an indirect connection to Queens Drive, and 23% the Melling Link connection. Factors identified as important by respondents were:

- Minimising local traffic queues.
- Ability to accommodate future expansion of rail network.
- Pedestrian and cyclists' safety.
- Ability to achieve flood protection goals.



Further details of engagement activities and community feedback is provided in the RiverLink Community Engagement Report (Appendix G).

### 9.6.7 MCA 3 workshop

An all-day workshop for MCA 3 was held in June 2018 following public consultation on three short listed options. By this point the specialists evaluating each MCA criterion had also completed their assessment (refer Appendix F).

MCA 3 helped the workshop panel to explore the key differences between the options and agree a recommended option. The workshop was attended by experts from each discipline, who prepared assessment material and initial scores for each of the options. Scores were then discussed by the panel and a final score confirmed. The overall community preferences<sup>27</sup> were rescored in light of the consultation results. For a full write up see Appendix F.

#### 9.6.7.1 MCA Criteria

Initially ten criteria were proposed, however, during the workshop, the criterion of 'Urban Design and Recreational Opportunities' was modified to extract recreational considerations into a new category labelled as 'Recreational Functional Amenity'. The eleven criteria evaluated were as follows:

- Transport benefits.
- Fit with local road system.
- Visual and landscape impacts.
- Natural hazards management fit.
- Landuse effects
- Urban design opportunities
- Recreational Functional Amenity

<sup>27</sup> There were some affected parties whose views differed from the overall community and required further discussion.

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- Consentability
- Engineering degree of difficulty
- Ability to be Staged
- Cost

## 9.6.7.2 MCA Scores

The scoring outcomes of the three options are set out in Table 9-3 (a low number is a good score, a high number is a bad score). While there was general agreement at the workshop, some of the scores differed from those initially proposed by the technical specialist in their presentation. Changes in score were robustly discussed amongst the workshop attendees, who sometimes would offer a point of consideration from their field of expertise that may not have been considered by the technical specialist. All scoring achieved consensus.<sup>28</sup>

The key topics of discussion that led to the scores are detailed following on from the table.

Table 9-3: MCA scoring summary

Option	Transport benefits	Fit with local road system	Visual and landscape impacts	Recreational Functional Amenity	Natural hazards management fit	Landuse effects and opportunities	Urban design opportunities	Consentability	Engineering Degree of Difficulty	Ability to be staged	Cost
Melling Link	2	3	3	2	5	3	2	4	5	5	3
Queens Direct	2	1	3	3	2	2	1	3	3	4	3
Queens Indirect	1	2	5	4	3	3	3	3	5	4	4

NB: dark green means a positive outcome (best) and dark red means a negative outcome (poor).

- **Transport benefits:** The options would all provide a significant but similar travel time improvement when compared to the existing road layout. All options were expected to significantly improve safety on SH2, by separating the local and state highway traffic streams. There were some concerns held about the safe and efficient operation of the five-leg intersection in the Queens Direct option. The Queens Indirect option had a better bus route alignment for Melling train station, as it takes buses nearer to the station. Queens Indirect would also provide a more direct connection (than the other two options) for walking /cycling to the train station.

**MOST FAVOURED OPTION:** Queens Indirect

- **Fit with local road system:** The technical specialist leading the discussion highlighted the future importance of connectivity to HCC's Eastern Access Route, because the Western Access Route via Daly Street would be closed by the construction of the eastern stopbank for RiverLink. Therefore, the two options that connect to Queens Drive are preferred in order to help meet these objectives. These options also work better from a public transport point of view, as they would provide a more direct connection to Hutt City Centre than the Melling Link option. Queens Direct was preferred over Queens Indirect as it was considered to provide a more legible connection to the local road network, particularly Pharazyn Street.

**MOST FAVOURED OPTION:** Queens Direct

- **Visual and landscape impacts:** The Queens Indirect option was considered the worst option because it requires the road to run along the top of/above the western stopbank which would have significant visual impacts particularly from the river corridor. The Melling Link connection was slightly favoured over the Queens Drive options, as there was already a bridge which would be familiar to residents and provide less of an adverse visual effect, and there would be no need to lift Rutherford Street for the

<sup>28</sup> Some scores may have changed since the workshop, such as engineering degree of difficulty related to Hutt River bridge now integrated with stopbank rather than going over it.

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bridge connection. Overall these differences were considered minor in comparison to the effect of the road on the stop banks in the Queens Indirect option.

**MOST FAVOURED OPTION:** Melling Link or Queens Direct

- **Recreational functional amenity:** There were concerns about shading and noise from a new bridge above the vicinity of the car park / market area. As both options which connect to Queens Drive would only be 260m from the proposed new pedestrian bridge, it was thought that it would negatively impact on the recreational use of this popular stretch of the river corridor without providing significant additional benefits.

**MOST FAVOURED OPTION:** Melling Link

- **Natural hazards management fit:** The main natural hazard concern is the waterway and river constrictions. If Melling Link was chosen, it would lock in the existing river channel constraint for the next 100 years. This would greatly restrict any chance of future flood protection improvements at this highly constrained location. The seismic, landslide and tsunami hazards were predicted to be similar for all three options, with no distinguishing differences.

**MOST FAVOURED OPTION:** Queens Direct

- **Landuse effects:** All three options have impacts on land parcels on the city centre side of the river, as either Queens Drive needs widening or Melling Link needs realignment. The possible 5.0 m lift of Rutherford Street required for the Queens Indirect option would have major adverse effects for existing adjacent land uses, particularly close to the intersection where the height differential is greatest. A potential opportunity was identified that if a Queens Drive option was progressed, the current Melling Link could be used as a new informal connection to the river.

**MOST FAVOURED OPTION:** Queens Direct (by a narrow margin)

- **Urban design opportunities:** The Melling Link option did not create the gateway effect into Hutt City Centre desired by HCC, whereas the two options that connect to Queens Drive do. The Queens Indirect option was, however, less desirable due to the dog-leg approach from SH2, which was thought to be less legible. The Queens Direct option was most preferred but would need more urban design development around how the new Rutherford Street level would work with the existing city centre blocks.

**MOST FAVOURED OPTION:** Queens Direct

- **Consentability:** The key consideration was section 6 Matters of National Importance – in this case section 6(h): the management of significant risks from natural hazards<sup>29</sup>. Melling Link did not perform well against this criterion as it did not improve the existing river constraint at this location created by the width of the river channel at this point

**MOST FAVOURED OPTION:** Queens Indirect or Queens Direct

- **Engineering degree of difficulty:** The Melling Link option provides the largest engineering challenge to overcome, as a segment of the existing bridge needs to be removed to enable completion of construction of the new bridge. Both the permanent and temporary works for this option make it complex to design and build. The Queens Indirect option has a significant interaction with the eastern stopbank, as the road would need to be constructed on top for the dog leg. This also increases the earthquake risk to the road in this option as it runs along the fault line and requires an approximately 5.0 m lift to Rutherford Street if interaction with the western stopbank is to be avoided. The Queens Direct has the least impact on the stopbanks and is the least complex to design overall.

**MOST FAVOURED OPTION:** Queens Direct

- **Ability to be Staged:** With all options, the bridge and SH2 interchange would need to be built after the stopbanks. It is not possible to build the interchange before the bridge for any option, as the interchange would be too high to connect to the existing Melling Bridge. However, constructing the bridge before the interchange is feasible, as the rearrangement of the road connections between the new bridge, SH2 and local roads can be made. However, building the bridge before the interchange

<sup>29</sup> While other RMA section 6 matters of natural character of the river environment (section 6(a)) and public access to the river corridor (section 6(d)) were also potentially relevant the options were not distinguishable on the basis of those considerations.

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would result in increased travel time delays and poor access to the Hutt City Centre. Overall, staging would provide disbenefits against some of the project objectives.

**MOST FAVOURED OPTIONS:** Queens Indirect or Queens Direct

- **Cost:** All options currently have similar cost estimates which are likely to be within 20% of each other. Queens Indirect is expected to be the most expensive of the three options due to it having the longest bridge and the likely additional cost of construction associated with the stopbanks. The Melling Direct option, whilst having the shortest bridge, will also have significant additional costs associated with traffic management and temporary diversions due to building a bridge alongside, and tying into the same location as the existing bridge. It must be noted that only indicative cost estimates were available at this stage, so certainty about costs was low.

**MOST FAVOURED OPTIONS:** Melling Direct or Queens Direct

#### 9.6.7.3 MCA Weighting Systems and MCA Result

There were six weighting systems applied to the MCA scores and these were used to understand the sensitivity of the MCA. The weighting systems are explained in detail in Appendix F. The systems used were as follows:

- **Workshop** - based on values of the attendees. Transport Benefits and Natural Hazards Management Fit were the most important aspects, followed by Fit with Local Road System and Urban Design Opportunities.
- **Alternative Workshop Weighting** – Visual and Landscape, Recreational Functional Amenity and Urban Design Opportunities reduced to 1/3 of their weighting to account for potential double counting.
- **RMA Balanced** – This reflects the important elements of the Resource Management Act.
- **Environment** – This weighting system emphasised the impacts on the physical environment.
- **Community** – This weighting system emphasised the aspects likely to be most important to the community and was informed, in part, by community feedback.
- **Economic** – This weighting system placed full weight on the criteria with a significant economic component.

Figure 9-10 graphically represents the outcome for each weighting scenario, with the shortest bar indicating the most favoured for each weighting scenario. A clear order of preference emerged from the overall analysis across the various weighting systems. Based on the Workshop Weighting, **Queens Direct** was the most-favoured option with the lowest aggregated score. The subsequent additional weighting systems also all identified Queens Direct as the most favoured. In all but the Environmental Weighting, the Queens Indirect option was second favoured and Melling Link least favoured.

The analysis was also run with costs excluded and similar results were obtained.

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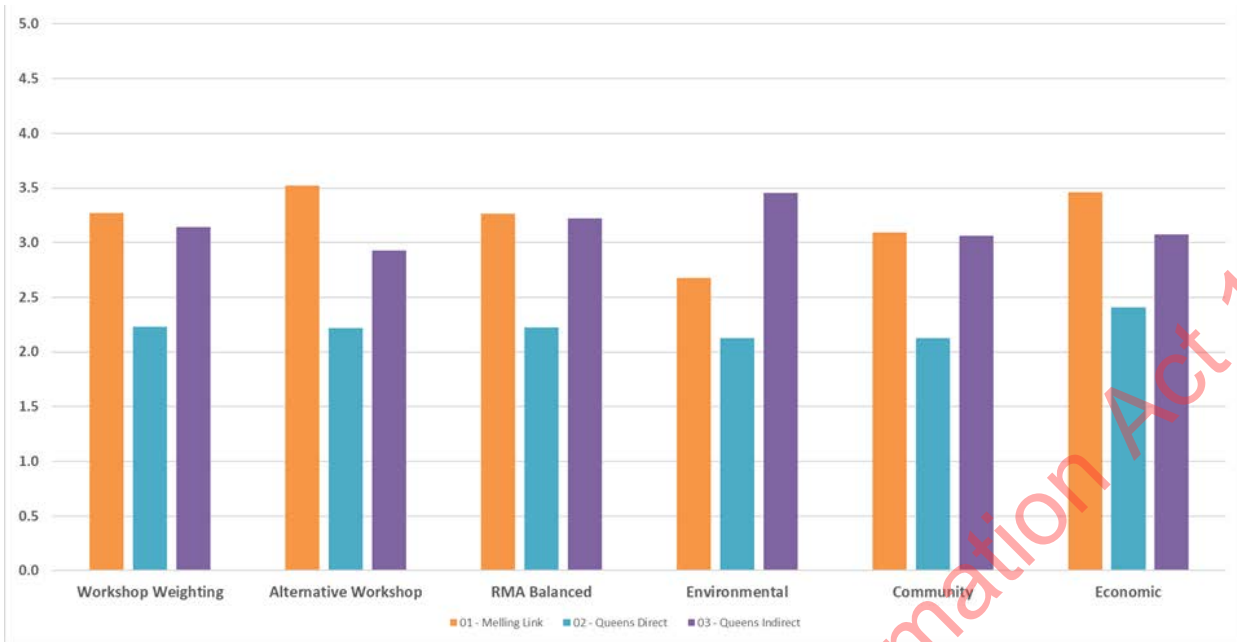


Figure 9-10: Outcome of MCA weighting process

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## 10. Recommended Option

The recommended option of Queens Direct (Figure 10-1), was endorsed by the Transport Agency Board at its December 2018 meeting.



Figure 10-1: Recommended Option of Queens Direct

The main roading aspect of the project involves the replacement of the two signalised at-grade intersections of SH2/Harbour View Road/Melling Link and SH2/Tirohanga Road with a grade-separated interchange to create a safer, less congested junction. The project also includes the realignment of local roads, a new river crossing into Hutt City and the upgrade of public transport, walking and cycling infrastructure.

The existing road network (connectivity) has been maintained, however some re-routing has been required to replace the existing dual signalised intersections with one interchange. The recommended option proposes a diamond interchange (DI) south of the current SH2/Harbour View Road intersection with a direct (straight) connection to a new bridge across the Hutt River landing in Queens Drive. Tirohanga Road is connected to Harbour View Road via a new link adjacent to the northbound entrance ramp. Pharaoh Street connects to the interchange at a combined intersection with the southbound on and off ramp terminal intersecting on the eastern side.

The recommended option comprehensively outperformed both other short listed options under each of the MCA weighting systems used. This was also the option preferred by the community during consultation. It is the most compliant solution (from a geometric design perspective) given the general layout of the adjoining road network. The key benefits of the recommended option over the alternative options considered, include:

- **Resilience:** The bridge in this location, combined with new stopbanks, will reduce the risk of flooding in Lower Hutt and around the Melling intersection.
- **Safety:** The grade separated interchange will be safer for motorists, cyclists and pedestrians as the traffic lights are removed, turning movements are separated, and pedestrians and cyclists have dedicated facilities that tie into the recreational routes.
- **Transport choice:** Access for pedestrians, cyclists and public transport will be improved. The railway station will be moved closer to the city centre and better park and ride facilities provided. The improvements will also future proof for a possible extension of the Melling railway line.
- **Readability:** Provides an alignment into Hutt City that is direct, easy to understand, and easy to sign;



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- **Land use integration:** A Queens Drive connection promotes a more compact city centre and enables a gateway into the Hutt City Centre.
- **Land use:** The layout minimises the area of land required for infrastructure, maximising the future development potential for the Pharazyn Street area and reduced the need for additional work on or over the stopbanks and in the flood plain.
- **Reliability:** A new interchange and river bridge will reduce congestion during peak travel periods and enable through traffic to use SH2 rather than rat running on local roads, improving conditions for driving to and from the city centre.

The high level scope of the Recommended Option is shown in Table 10-1 and illustrated in Appendix H. The table also shows transport improvements being undertaken by HCC.

Table 10-1: Overview scope of Recommended Option

No.	Element
1	Section 9(2)(i)
2	Relocate railway station, car park, Pharazyn Street access, realign railway line
3	Section 9(2)(i)
4	New bridge over Hutt River, including walk/cycleways
5	New SH2/Melling interchange, including walk/cycleways
6	New signalised intersections on Queens Drive (2 sets)
7	Intersection changes Melling Link/Rutherford Street
8	Intersection changes Melling Link/High Street
9	Demolish existing Melling Link bridge
10	Potential extension of pedestrian and cycle river bridge across the highway into the western hill suburbs

### 10.1 Road design

- **Design speed:** Although SH2 north of Ngauranga operates as an expressway, the design standards adopted would be applicable to a motorway. Therefore, a design speed of 110 km/h has been adopted for the SH2 alignment through the interchange and 80 km/h for the interchange ramps. A design speed of 50 km/h has been retained for the local road network
- **Cross section:** Typical cross sections are shown in the drawings in Appendix H and reproduced schematically in Figure 10-2. A 3.5m width is proposed for all traffic lane elements and a 4m median is proposed for SH2, incorporating a wire rope barrier.

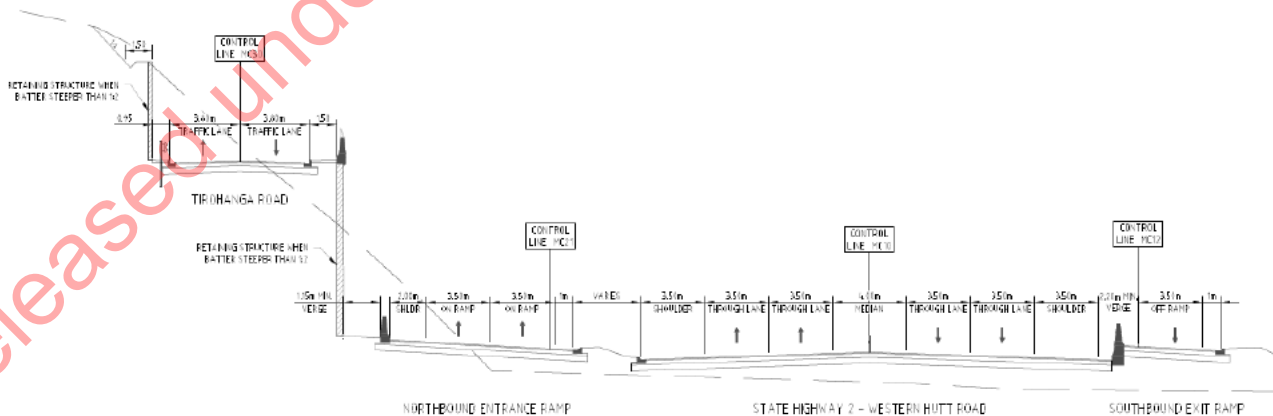


Figure 10-2: SH2 design cross section

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- **Pavement design:** Detailed pavement investigation work is yet to be completed, however based on engineering judgement the following outline design has been adopted:

Table 10-2: Pavement Design Assumptions

SH2 Expressway	Ramps and Queens Drive	Tirohanga and Harbour View
40 mm SMA or OGPA 200 mm of AC20 250 mm of GAP65 Subgrade of 3.5%	40 mm SMA 180 mm of AC20 200 mm of GAP65 Subgrade of 3.5%	40 mm SMA Membrane seal 180 mm of M4 200 mm of GAP65 Subgrade of 3.5%

- **Barrier design:** Median and side protection barriers are provided in accordance with the Safe System philosophy. A TL-5 median barrier is proposed for SH2 and for side barriers on the interchange bridge and river bridge. Wire rope barriers (WRB) are preferred for outside shoulder protection and semi-rigid barriers have been detailed where WRB is not feasible
- **Street lighting:** Light poles are currently proposed to be placed in the berm areas or on the edge of structures, as there is a preference for wire rope barrier to be provided within a 4.0m wide the central median on SH2.
- **Signs and markings:** The recommended option proposes a road and lane layout that is clear and legible for all road users and can be signed in a straightforward manner. Road markings have been detailed for the recommended option in accordance with MOTSAM Part 3 (SH2) and MOTSAM Part 2 (local roads). ATP and RRPMs will also be required.

## 10.2 Intersection Treatments

The design seeks to reduce conflicts. A grade-separated interchange is proposed to replace the following at-grade signalised intersections:

- SH2/Harbour View Road/Melling Link, and
- SH2/Tirohanga Road/Block Road.

Signalised intersections are proposed at the following locations:

- the ramp terminal intersections either side of the interchange (including the consolidated intersection with Pharazyn Street); and
- The four local road intersections of Melling Link / Rutherford Street, Melling Link / High Street, Queens Drive / Rutherford Street, and Queens Drive / High Street<sup>30</sup>

A priority-controlled intersection is proposed at the new Tirohanga Link / Harbour View Road intersection.

## 10.3 Geotechnical Engineering and Earthworks

Geotechnical assessment to date has been limited to a Preliminary Geotechnical Appraisal Report (PGAR) which included a review of readily available historical information at the site. This is appended to the Design Philosophy Statement which is in Appendix C. A high-level ground investigation has been completed in the general locations of proposed large structures (interchange at SH2 and bridge over the Hutt River), consisting of one fully cored borehole and Cone Penetration Testing at several locations.

Significant geotechnical risks at this stage of the project include variable ground conditions, the location of the Wellington Fault, which is understood to be between the proposed interchange and bridge (roughly following Block Road), and constructing deep foundations into the artesian gravel aquifer.

In order to mitigate these risks, further geotechnical investigations will need to be undertaken. Some, such as fault line trenching are currently programmed. In the meantime, assumptions have been made about the location of areas of instability and risk, and an allowance has been made in the cost estimate.

In relation to cut and fill slopes, the following design philosophy has been adopted:

<sup>30</sup> The Road Safety Audit challenged the use of signals instead of roundabouts at the Melling Link intersections and therefore this element may change as this is further investigated.

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**Cut slopes:** No significant cut slopes are anticipated. If cut slopes in natural materials are required, then the cut batter angle will depend upon the nature of the cut material and height. cuts in slightly to moderately weathered greywacke rock should be capable of supporting slope angles of 0.5H:1V (64°). Superficial soil layers such as colluvium and alluvial deposits may stand up at between approximately 1H:1V (45°) to 2H:1V (26°).

**Fill slopes:** Fill under 3m should remain stable unsupported between 2H:1V (26°) and 1.5H:1V (32°) depending upon the nature of the fill material. Slopes steeper than this should be reinforced or retained while fill slopes adjacent to the Wellington Fault zone may require reinforcing.

## 10.4 Structural Design

A range of options were investigated for the different structures and this is presented in the Preliminary Structural Options Report (This is appended to the Design Philosophy Statement which is in Appendix C). This section outlines the recommended approach.

For details refer to Appendix H and Preliminary Structural Options Report. All preliminary bridge and retaining structure designs are in accordance with the NZ Bridge Manual 3rd Edition Amendment 2. Due to proximity to the Wellington Fault, designs need to be highly tolerant to seismic movements. A site-specific seismic hazard assessment is recommended during final detail design.

- **Interchange bridge:** The bridge deck comprises 35m precast pre-stressed concrete Super-T beams with insitu concrete deck on reinforced concrete bankseats on mechanically stabilised earth (MSE) abutments. Dead and live loads are transferred through the girders directly into the abutment beam and into the MSE abutment retaining walls. Figure 10-3 shows the typical bridge cross section.

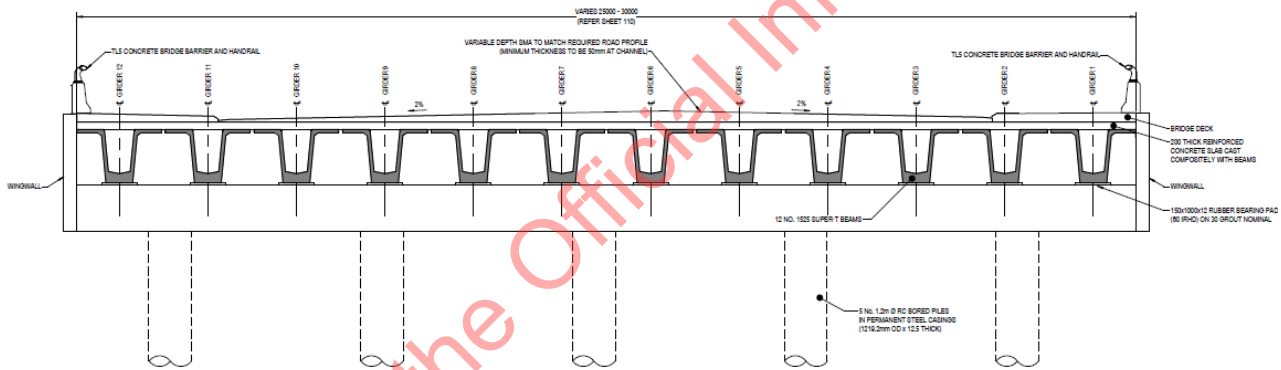


Figure 10-3: Proposed interchange bridge typical cross-section

- **Cycleway subways:** The pedestrian/cycle underpass providing access to and from the relocated railway station comprise reinforced concrete off-the-shelf box culvert/subway units. The path alignment is relatively straight on all options therefore visibility through the underpass structure is good and public safety not compromised. Lighting will be provided for night time use.
- **Hutt River Bridge:** The approximate length of a new Hutt River Bridge from stopbank to stopbank is approximately 175 m. It is proposed to span this distance with a five-span Super-T superstructure with spans of approximately 35 m on piled foundations. This type of structure is tried and tested in NZ and has proven to be a cost-effective solution with low whole-of-life costs.

Bridge piers would generally follow the river alignment and be parallel with the flow of the river to minimise river disturbance and scouring effects. Given the proposed width of the bridge a solid slab pier is proposed as this reduces the likelihood of debris entrapment and the lateral loading effects when the river is in flood.

The required hydraulic capacity of the river influences the size and shape of the piers and the height of the underside of the bridge (required freeboard at points across the river). Early optioneering allowed for the river bridge to span over the top of the eastern stopbank as this was an initial GWRC constraint. However further design suggested this would adversely impact Rutherford Street and access to adjoining properties, significantly increasing cost. The recommended option, agreed with GWRC, now proposes to integrate the eastern bridge abutment with the stopbank to reduce the impact on Rutherford Street.

Figure 10-4 shows the typical bridge cross section at a pier.

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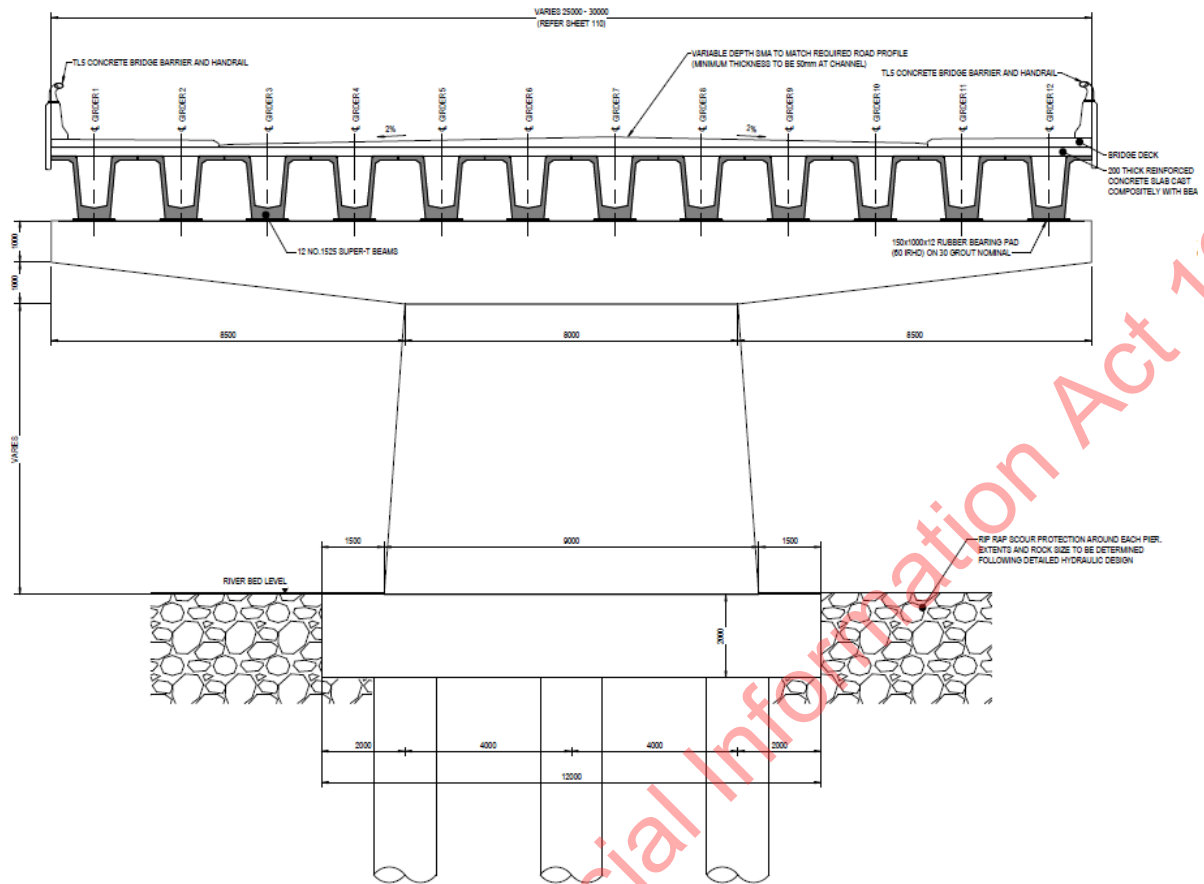


Figure 10-4: Proposed Hutt River Bridge typical cross section at pier

- Retaining walls.** The design intent is to avoid interchange ramp retaining walls on the river side to prevent an impact on the GWRC river hydraulics. The design philosophy is to locate the ramps slightly outside the stopbank alignment such that any ramp fill slopes tie into the top of the stopbank. MSE type structures are the proposed retaining method for retaining the interchange on and off ramps. This is in keeping with other recently constructed sections along the SH2 route. Retaining structures above the northbound off ramp and Tirohanga Road are proposed to be soldier pile walls tied back with grouted anchors.

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## 10.5 Stormwater

The western side of SH2 is mountainous, and between Dowse Drive (Maungaraki) and Wairere Road (SH2 north of Melling Bridge) there are a number of culverts already under SH2, some which take significant hill catchments and some have concrete wall surrounds at the SH2 road edge.

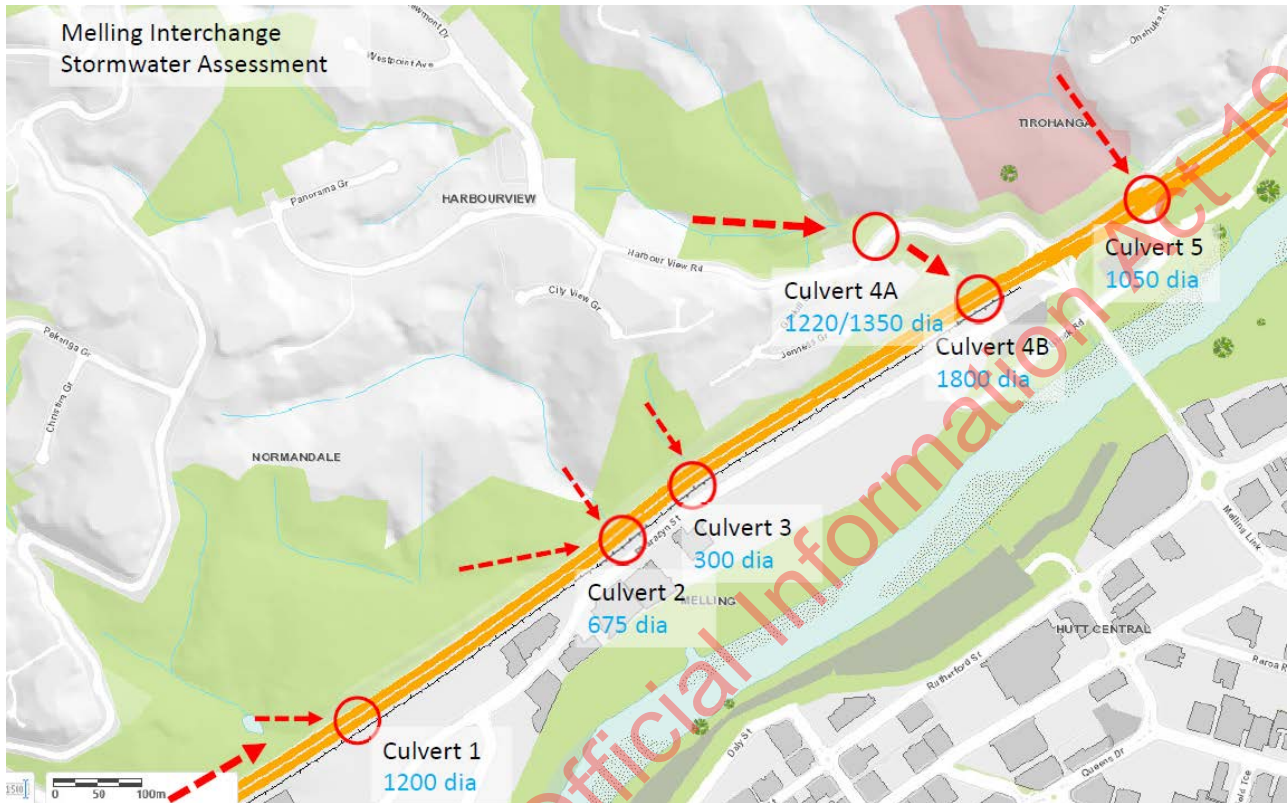


Figure 10-5: Cross drainage culverts

The initial high-level assessment indicates several of the cross-drainage culverts are undersized with a level of service between a 5 and 10-year storm event ARI (average return interval). This is reflected in the TREIS data which shows that flooding of SH2 is an ongoing concern.

The catchment with the largest flow drains the Harbour View Road gully and is in the direct location of the proposed Melling Interchange. The works associated with the proposed new bridge crossing and approach into Harbour View Road, will impact on the 1350mm pipe, open channel and entry point into the box culvert and require a new stormwater pipe to avoid the bridge piles and new earthworks.

The hydraulic capacity shortfall at several other cross highway culverts may be resolved through the creation of a secondary overland flow path between those culverts and the installation of the new stormwater culvert from the Harbour View Road Gully.

A new stormwater collection system will be required to collect stormwater from the new Melling Interchange – the system should be designed to meet performance limits outlined in Transport Agency standards, namely, providing a collection system capacity to meet a future 10 year ARI storm event (with climate change), and passing stormwater through a stormwater quality treatment device, either at source or located in downstream locations, prior to discharge into the Hutt River.

The recommended design approach is to minimise the volume of stormwater runoff needing conveyance and treatment by maximising the use of ground soakage and or mitigation storage through the use of Raingardens, Swales, Tree pits and Wetlands to both reduce the peak runoff flow and to remove contaminants, sediments and silts.

## 10.6 Pedestrian and Cycling Infrastructure

The design approach for cycling is that facilities separated from general traffic (i.e. dedicated cycle lanes and/or off road shared use paths and/or separated cycle paths) will be provided for cyclists passing through the SH2 Melling Link interchange and across the Hutt River. On local roads, on-road facilities (e.g. wider traffic lanes or shoulders) will be provided for experienced riders. Pedestrians will be accommodated on a network of shared use paths and footpaths tying into and matching existing footpaths. Crossings will be toucan style signalised crossings or subways for both pedestrians and cyclists.

A minimum width of 4.0 m for the shared use path has been adopted. This allows several shared or separated arrangements to be considered during the detail design phase. It is proposed that the shared use path be grade separated through the interchange to provide an equivalent level of service for cyclists and pedestrians as that provided to road based traffic.

A high level of service cycling network with complete connectivity is proposed. The network is designed so that it can be expanded beyond the limits of the scheme to tie in with any future walking and cycling facilities, especially with Petone to Melling and Ngauranga to Petone cycleways to the south and with the Hutt cycle trail to the north.

- SH2:** The design philosophy for SH2 is to provide a safer alternative to crossing the exit and entrance ramp gore areas in both north and southbound directions. The ramps will have generous road shoulders that can be utilised by cyclists. In both northbound and southbound directions, cyclists will be able to cycle on the ramp shoulder up to the ramp terminal intersections where they can join the off-road shared use path facilities and cross the intersections by means of signalised toucan crossings. They will be able then to re-join the entrance ramp shoulder on the far side of the intersections and continue down to the expressway. In addition, southbound cyclists have the option of leaving the ramps just past the nose and using a network of two-way shared use paths and subways instead of continuing up to the ramp terminal intersections and crossing at the toucan crossings. These shared use facilities, which are separated from road traffic, connect with existing cycle trail/lanes in the Hutt River corridor so that cyclists can leave or join the SH2 expressway route at the Melling Interchange if desired.
- Local roads:** On local roads minimum 1.5 m wide footpaths have been provided. Footpaths are provided on both sides of the road, where possible. On Harbour View Road and Tirohanga Road, for example, a footpath is only provided on one side of the road. In the HCC CBD area footpaths are a minimum of 2.4m wide as agreed with HCC.

Section 9(2)(j)

## 10.7 Railway line, Melling Station and Pharazyn Street

The Melling Interchange will require replacement of the existing railway station with a new facility (similar to the recently constructed facilities at Tawa or Naenae), along with a relocated park 'n' ride, a realignment and shortening of the rail line (in order to create space for the interchange construction and correct the current run-out space deficiency), and realignment of Pharazyn Street. More detail on the rearrangement of these two assets is provided in the Melling Station Location Options Assessment (Appendix J) and the Pharazyn Street Options Assessment (Appendix K).

To date, no specific design has been undertaken of the railway station or rail line however any ultimate redesign would need to be in accordance with KiwiRail standards and guidelines. In consultation with GWRC, HCC and KiwiRail a land requirement plan is being developed that will show a preliminary design of the train station alongside a Park 'n' Ride with like for like parking provision. At this stage enough space has been allocated for two lines and two platforms to future proof for a potential rail line extension. The span under the interchange bridge has been sized to accommodate a future single line rail extension.



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Future work on the train station design and land use integration will be undertaken as part of the RiverLink ULDF, with the ultimate extent of design and integration decided by GWRC as they are the owners of the train stations.

The railway station, Pharazyn Street and Park 'n' Ride area will become GWRC and HCC assets and therefore the ongoing design of this area will be led by them. Accordingly, the current drawings do not show any detail in this area, but some initial thinking about the layout has been discussed between GWRC and HCC and is presented in Figure 10-6.

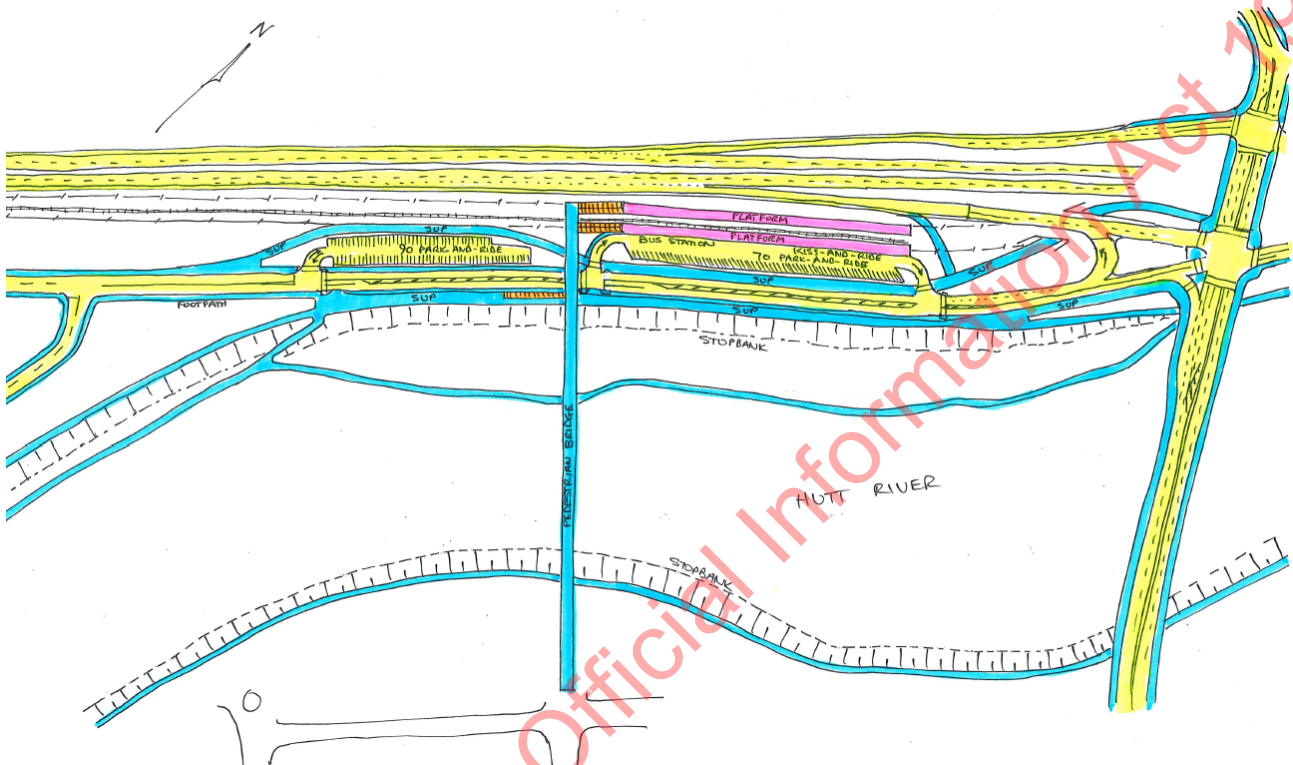


Figure 10-6: Potential Railway Station Area Layout

### 10.8 Railway Line Extension

The preferred layout of the interchange has been designed so as to not preclude the possible extension of the Melling rail line to the north at a later date.

This has primarily been done by lengthening the span of the interchange bridge to provide enough width and height to thread a single-track envelope through the interchange alongside SH2. The approximate alignment of the extended rail corridor is shown in below.

## Melling Transport Improvements Single Stage Business Case

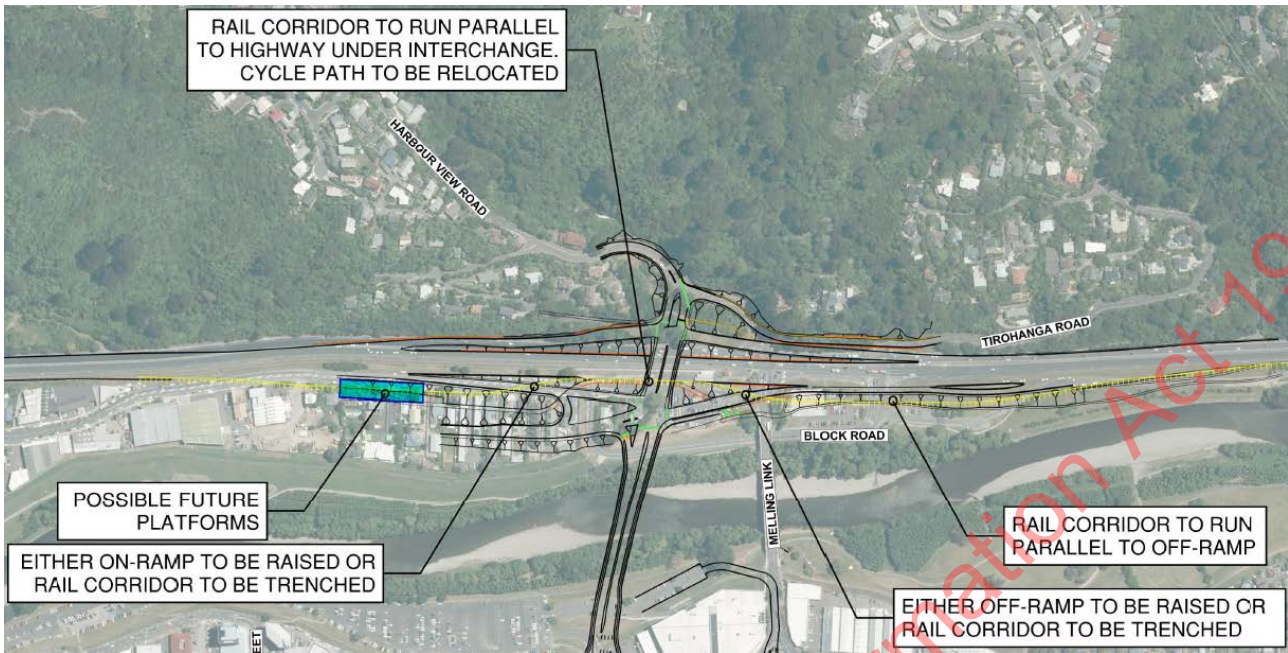


Figure 10-7: Potential Railway Line Extension (Yellow Line)

Extending the rail line north would be a costly and technically challenging exercise due to (amongst other things):

- the need to construct two significant box culverts under the southbound entrance and exit ramps, likely necessitating the full reconstruction of both ramps and rerouting the cycleway/share use path along the riverbank;
- the location and interaction with the Wellington seismic fault; and
- the need to transition the rail line over the stopbank north of the interchange to a position within the river flood plain, which could have an impact on the resilience of the stopbank system.

These elements would need further investigation and detailed design when options for extending the railway line are considered in the future.

## 10.9 Safety Audit

An external Safety Audit of the Recommended Option scheme design has been conducted. The Project Team has responded to the auditors findings and currently are awaiting the client decision from the Transport Agency. The Safety Audit report is appended in Appendix L.

## 11. Recommended Option Assessment

### 11.1 Investment Objectives and Outcomes

The assessment of the recommended option forms part of the Economic Case for the project along with the Economic Analysis. The assessment identifies all the impacts of the proposal and the resulting value for money. This section outlines the extent to which the option meets the Investment Objectives.

Table 11-1: Investment Objectives and Outcomes Summary

Investment Benefit	Investment Objective	Recommended Option																								
Safer journeys for all road users	Improve KiwiRAP star rating for SH2 from minimum 2 star to minimum 4 star by 2031	✓ The current KiwiRAP star rating is 2 for the northbound lane as it passes Tirohanga Drive, and 3 star for other parts of the highway. The project will bring these ratings up to 4 star.																								
	Reduce five year serious injury crash rate from six to one by 2031	✓ The recommended option will achieve the following reductions in DSIs: <ul style="list-style-type: none"> <li>SH2 – 4 DSIs</li> <li>Local Roads – 1 DSI</li> </ul> In real terms this equates to a saving of 1 DSIs per year over the next five years. This represents an 83% reduction in the number of people who would have been seriously injured when travelling through the study area.																								
Improve access between Hutt City Centre and SH2	Reduce travel time for key movements between SH2 and Hutt City Centre to less than five minutes by 2031	✓ <p>SH2 South to Hutt City Centre 2031</p> <table border="1"> <thead> <tr> <th></th> <th>AM</th> <th>IP</th> <th>PM</th> </tr> </thead> <tbody> <tr> <td>Do Min</td> <td>7:15</td> <td>3:55</td> <td>9:25</td> </tr> <tr> <td>Option</td> <td><b>2:55</b></td> <td><b>2:40</b></td> <td><b>3:50</b></td> </tr> </tbody> </table> <p>SH2 North to Hutt City Centre 2031</p> <table border="1"> <thead> <tr> <th></th> <th>AM</th> <th>IP</th> <th>PM</th> </tr> </thead> <tbody> <tr> <td>Do Min</td> <td>3:30</td> <td>2:55</td> <td>6:00</td> </tr> <tr> <td>Option</td> <td><b>2:40</b></td> <td><b>2:05</b></td> <td><b>2:30</b></td> </tr> </tbody> </table>		AM	IP	PM	Do Min	7:15	3:55	9:25	Option	<b>2:55</b>	<b>2:40</b>	<b>3:50</b>		AM	IP	PM	Do Min	3:30	2:55	6:00	Option	<b>2:40</b>	<b>2:05</b>	<b>2:30</b>
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Better access to quality transport choices	Increase walking and cycling trips through Melling intersections in the AM peak from 150 to over 200 by 2031	✓ <ul style="list-style-type: none"> <li>100-200 additional pedestrian movements by improving connections between the Hill suburbs and the railway station / city centre.</li> <li>In addition, the project will also improve connections between the railway station and city centre. An increase in recreational trips are also expected.</li> </ul> This will increase even further once coupled with the other RiverLink programme elements.																								
	Increase peak boardings at Melling Station from 774 to over 1000 by 2031	✓ Based on elasticities from research reports: <ul style="list-style-type: none"> <li>Relocating and upgrading the station is expected to increase patronage by 30% (TIC, 2018; NZTA, 2016; TRL, 2004).</li> <li>Improving walking and cycling facilities to the station is expected to increase this even further.</li> </ul>																								
Improve security and availability of network	Reduce frequency of events disrupting traffic on SH2 from average of one per week to average of one per month	✓ Estimated reduction from 45 per year to 17 per year. (Estimated 80% reduction in crashes, 0% reduction in breakdowns, 80% reduction in obstruction, 100% reduction in flooding, 100% reduction in traffic signal faults)																								



## Melling Transport Improvements Single Stage Business Case

### 11.1.1 Transport System Users

The following table outlines the benefits of the project for the different users of the transport system

Table 11-2: Road User Assessment

Road User	Considerations
Local residents and businesses	Improved capacity at the intersections means that local residents will experience fewer delays and improved safety at these locations. Better facilities for walking and cycling mean active modes will be safer and more attractive for local residents accessing Hutt City Centre or the railway station, while addressing perceptions of severance created by SH2. Reduced flood risk and improved safety means the transport network will be more resilient and less subject to closures, benefiting residents and local businesses.
Commuters	Improved capacity and reliability at the Melling intersections will reduce journey times for commuters. Mode choice for commuters will also be improved through local access and active mode improvements, as well as improved access to Melling Station for those travelling south. There would be improved safety for commuters also.
Long distance freight and traffic	Providing an expressway interchange means that through traffic including freight travelling between Wellington, the Hutt Valley, Wairarapa and Hawkes Bay will experience far fewer delays than are currently experienced. It will also improve the journey for Seaview/Gracefield trips with an origin or destination north up SH2 or SH1 (once Transmission Gully is opened) Safety will be improved as the current signals are out of context on a 100km/h highway, and are leading to increased risk.
Rail passengers	Relocating Melling station would allow the possibility for a larger parking area to be provided for Park & Ride, aligning with GWRC ranking of Melling Park & Ride in the top band for potential expanded services. It will be located closer to Hutt City Centre which will increase the number of working rail commuters within walking distance. It will be accessed by a walk/cycle bridge (part of HCC's remit) which will improve access to the station from the CBD, plus the possible extension of the bridge across SH2 into the western hill suburbs. It would make any new Hutt City Centre apartments more accessible to travel to Wellington by train
Cyclists	A full network of cycle lanes, paths and shared paths are being provided throughout the interchange, on local roads and along the river corridor. These would significantly improve the safety and accessibility of this mode. Specific new connections would link with Petone to Melling and Ngauranga to Petone cycleways to the south and with the Hutt Cycle Trail to the north. Thereby improving the safety and experience for cyclists.
Pedestrians	The HCC footbridge over the river and the Riverside Promenade will improve local access and through movement between residential areas, Melling Station and Hutt City Centre destinations. To compliment this, the new interchange will provide a network of connecting footpaths that meet Transport Agency standards, and traffic signals will all have pedestrian phases to improve the safety of pedestrians crossing the road.

### 11.1.2 ONRC Performance

The ONRC defines the Customer Levels of Service expectations for each road category. SH2 is classified as a National High Volume highway to the south of Melling Link intersection, and a National highway to the north. For this reason, the National High Volume Highway standards have been used to assess the current performance of SH2 in the vicinity of Melling. This is summarised in Table 11-3.

Highlighted in red are the criteria where a significant gap currently exists between expected levels of service and actual levels of service. Orange indicates an identified gap, while green indicates the levels of service are acceptable. Overall, a gap assessment is based on an understanding of how the road is performing against all criteria. A significant gap is assigned to a road that is significantly underperforming against at least one key criteria, resulting in a performance that is lower than its classification. The assessment shows that SH2 in the vicinity of Melling is underperforming, with significant gaps for speeds, safety and accessibility.

## Melling Transport Improvements Single Stage Business Case

Table 11-3: One Network Road Classification Assessment of SH2 (Melling Intersections)

Criteria		Level of service benchmark – National High Volume State Highway	Assessment of Existing Conditions (2018)			Recommended Option
			Significant Gap	Identified Gap	Achieved	
Mobility	Travel Time Reliability	The majority of road users experience consistent travel times with some exceptions in major urban centres	Travel times are inconsistent, with sometimes considerable delays at peak times and during the weekend, and route unavailable due to events, including crashes on average once per week.			Travel times would be far more consistent for all road users with the new interchange. Flood and crash risk would be reduced, improving resilience.
	Resilience	Route or viable option is always available. Very rapid restoration of route affecting normal operating conditions. Road users are advised well in advance of issues affecting network performance and availability.	Normal highway operating conditions are disrupted around once a week. Alternative routes are mostly available, although they are not suitable for all traffic and add delays. The Block Road off ramp has been closed thirteen times due to flooding in the five year period. Melling Bridge is a constraint to flood protection for local road network and other assets. This is significant, but does not affect the resilience of SH2 <sup>31</sup> .			Flood and crash risk would be significantly reduced, and route would normally be available.
	Speeds	Higher speeds on KiwiRAP 4 star dual carriageway roads, lower or variable speeds where required to support network safety/productivity.	The speed limit on SH2 through the Melling intersections is 100km/h. Traffic lights in a high speed environment is not good practice. The Safe and Appropriate Speed is 80km/h. The operating speed is 70-80km/h.			A 100km/h speed limit can be maintained on SH2 and is much safer as a grade separated interchange. KiwiRAP 4 star rating would be achieved.
Safety	Mostly forgiving roads and roadsides, equivalent to KiwiRAP 4 star. User hazards absent or mitigated including head on risk. Active road users generally do not have access – if present they are provided with separate space or are physically separated.	SH2 in the vicinity of the Melling intersections has a KiwiRAP 3 star rating, with a section of 2 star on the northbound exit. This falls short of the desired standard. The combined SH2 / Melling Link / Block Road intersection has a HIGH intersection collective risk (based on four DSI crashes). The SH2/Block Road intersection has a medium collective risk. Cyclists are not provided for on the SH2.			The SH2 intersection collective risk would be lowered to LOW (based on one DSI on SH2). A KiwiRAP 4 star rating would be achieved. Cyclists would be provided for through the intersection. Safety for active road users would be greatly improved.	
Amenity	High level of comfort, no discernible roughness. Aesthetics of adjacent road environment reflects journey experience needs of higher numbers of through traffic users. Character of scenic/tourist routes protected/enhanced.	The road is functional with trees on one or both sides providing some aesthetic amenity. The rail corridor is immediately adjacent to the road.			Amenity would be enhanced.	
Accessibility	Land use access for road users rare and highly engineered, usually only to highway service centres. Strategic network connectivity for road users due to infrequent connections. High volume traffic will not be unimpeded by other traffic at junctions. Active road users generally do not have access – if present they are provided with network access and journey continuity by a separate space or are physically separated.	SH2 corridor is not consistent, with intersections to north and south grade separated. SH2 does not have priority when signals are red; highway traffic gives way to a lower order road. When signals are red traffic backs up on SH2 with queues of up to 1.5km on the southbound approach in the morning peak, and 160 m on the northbound approach in the evening peak. Active road user provision is inadequate given the traffic volumes, speeds and presence of heavy vehicles.			The SH2 intersection would be consistent with Dowse and SH58 intersections with SH2. Red light signals will no longer cause queues on the through lanes of SH2. Active mode facilities will be provided throughout the intersection. Improved accessibility for all modes.	

<sup>31</sup> The Wellington Region Resilience PBC addresses wider resilience issues for highways in the region.

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### 11.1.3 Summary

The recommended option supports the RiverLink objectives and is well integrated into HCC and GWRC RiverLink components. The recommended option would:

- Improve the resilience of the transport network which is susceptible to an average of one closure per week due to unplanned events (crashes, floods, etc)
- Improve safety with an 80% reduction in the number of people who would have been killed or seriously injured when travelling through SH2/Melling intersections. Over the next 5 years this represents a saving of 5 DSIs.
- Increase the SH2/Melling intersections KiwiRAP rating from 2 to 4 stars
- Support future growth in Hutt by improving accessibility for people moving between SH2 and Hutt residential areas and Hutt City Centre.
- Improve travel choices for Hutt residents by providing for active mode access to Hutt City Centre and Melling station from the western hill suburbs; improving attractiveness of Melling Station by relocating it closer to Hutt City Centre, improving active mode access and increasing capacity of the Park & Ride car park.

The overall outcome of the complete Melling RiverLink Improvements is an integrated, aligned, consistent and future proofed solution.

## 11.2 Constructability

In terms of construction complexity, whilst not easy, the Queens Direct Option was the least complex of the three short-listed options. The five-legged intersection on the eastern side of the interchange is less than ideal, however was much more efficient (for peak hour travel times) than having two intersections closely spaced together, which was considered in an earlier iteration of this option. There are certainly some design challenges that need to be overcome, some of which may require design exceptions, however on whole the scheme is implementable.

An advantage of the Queens Direct Option is that it can be built largely offline, meaning that disruption to existing traffic is minimised, something that the Melling Link Option could not achieve. The western river bridge abutment may be able to be progressed without any interaction with the stopbanks. The existing Melling railway line and any potential future extension need to both cross under the SH2 southbound on-ramp and off-ramp restively, which can be catered for although it would be a tight fit.

Relocation of Melling Railway Station and trackwork is driven by the other transport improvements. The trackwork and building works are considered to require different expertise and resources from what is required for the rest of the project. The timing is also likely to be earlier than for other project elements.

The recommended high level stages of construction are:

- Section 9(2)(j) [REDACTED]
- Relocate railway station, car park, Pharazyn Street access, realign railway line;
- Section 9(2)(j) [REDACTED];
- New bridge over Hutt River, including walk/cycleways;
- New SH2 / Melling interchange, including walk/cycleways;
  - Construct the southbound exit and entrance ramps and as much of the southbound carriageway as possible.
  - Deviate southbound traffic onto the southbound exit and entrance ramps.
  - Complete construction of the southbound carriageway and deviate northbound traffic onto the new southbound carriageway.
  - Construct the new northbound carriageway and northbound exit and entrance ramps, including a new temporary signalised intersection north of the interchange bridge.



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- Deviate northbound traffic onto the northbound exit and entrance ramps and complete construction of the bridge over the motorway.
- Deviate traffic onto the new interchange bridge, decommission the signalised intersection, and open the northbound and southbound carriageways to traffic.
- New signalised intersections on Queens Drive (2 sets);
- Intersection changes Melling Link / Rutherford Street;
- Intersection changes Melling Link / High Street;
- Demolish existing Melling Link bridge;

### 11.3 Operability

The main element of the operability of the recommended option is the traffic signals, and particularly the operation of the five-arm intersection where Pharazyn Street connects to the interchange.

To ensure operability aspects were covered, a Traffic Signals Design Review was commissioned (Appendix M). This review has recommended several changes to help with the operation and safety of the intersections, but no major flaws were found.

### 11.4 Statutory requirements

An assessment of the most suitable approach to obtaining statutory approvals for the SH2 Melling Intersection Improvements has been completed (Appendix N). This looked at risks and benefits of three different approaches to consenting and concluded:

1. Designation – best approach as protects the land from the time the Notice of Requirement is submitted to the Council and allows much more flexibility to make changes to the design prior to construction. The robustness of the process followed to determine a recommended option means the project should withstand any challenge through the designation process. Section 9(2)(g)(i)
2. Resource consent – possible but key risk is that consent can be granted for activities on land now owned by the applicant, but if the land owner is opposed to the application and can demonstrate that the proposal will have significant adverse effects on them that cannot be avoided, remedied or mitigated, then the consent could be declined.
3. Plan change – not viable option, plan changes are not used for establishment of specific infrastructure projects.

These options are discussed further in the Commercial Case.

Works or activities associated with the Melling Intersection Improvements which are expected to trigger the need for designation, alteration to existing designation or consent under the Hutt City District Plan:

- Upgraded and new connections to local roads (outside existing designation)
- Construction of new over bridge, interchange and new Melling Link Bridge
- New cycleway/lanes
- Relocation of the Melling railway line and Melling station
- Earthworks (if not using designation process) – if certain thresholds are exceeded and then will need resource consent (discretionary activity)
- Works and activities in a listed Natural Resource area (Harbour View and Jubilee Park Bush – resource consent (discretionary activity)

There is a heritage building in the study area and works resulting in demolition or relocation of that building would have resulted in a resource consent. However, the recommended option affects access to the heritage building only, so a consent will not be needed.

There are also works or activities which trigger the need for designation, alteration to existing designation or consent under the Natural Resources Plan for the Wellington Region, as follows:

- Earthworks and associated sediment discharges

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- Discharge of stormwater from the state highway
- Structures in the riverbed including disturbance of the riverbed, deposition on the riverbed, diversion of water, discharge of sediment to water, temporary damming of water, partial stream reclamation associated with the structure.

It still needs to be confirmed whether other activities which will trigger the need for a consent are required as part of the scheme. This would include dewatering, discharge of contaminants from contaminated land and discharges other than sediment and stormwater.

Statutory approvals will not be required from Heritage NZ as there are no significant Archaeological Resource Sites or Significant Cultural Resource Sites in the vicinity of the study area. The works avoid the need to demolish or relocate the only heritage building within the study area. It will be necessary to identify whether the 'River Recreation', 'Primary River Corridor' and 'Secondary River Corridor' District Plan zones are classified as Reserves under the Reserves Act and therefore subject to the Act's provisions and if there are any relevant management plans that apply.

It will be necessary to seek statutory acknowledgements in conjunction with Port Nicholson Block Settlement Trust and Te Runanga o Ngati Toa as affected parties.

## 11.5 Property impacts

The recommended option impacts on 56 properties, however the vast majority of these are properties owned by the Crown or Councils, including those that are currently being purchased for the RiverLink flood protection works. The impacts on these properties is the same across all options.

The major differences between options were the properties affected by the tie in at Queens Drive or at Melling Link. Property and land use impacts was discussed at the MCA workshop and it was hard to differentiate between the options.

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Further information on property costs and strategy is presented in Part C.

## 11.6 Social and Environmental impact

Investigation was undertaken into the social and environmental effects of the options to help with the option selection processes. Much of this is presented in the MCA reporting. In addition, an Environmental and Social Responsibility Screen has been populated and this, along with supplementary information is presented in Appendix O.

Some of the more significant impacts of the recommended option are presented below:

- The Hutt River is the highest value environmental and cultural asset within the study area. However, this is being substantially modified by the RiverLink project through dredging, river channel works and stopbank upgrades. If Melling Intersection Improvements were to happen after RiverLink then the effects on the river will need significant mitigation.
- The District Plan identifies Harbour View Bush and Jubilee Park Bush as listed natural resources that will be affected by construction. There are also two notable trees in the SH2 road reserve near the intersection of Harbour View Road.
- Whilst there are no significant Archaeological Resource Sites or Significant Cultural Resource Sites in or within the study area identified in the Hutt City District Plan, there is a Category 2 heritage building listed at 125 Western Hutt Road, opposite the Melling Bridge. Whilst the works will not affect the building, it may affect its setting. This building and property is owned by the Transport Agency.
- Engagement with iwi has not identified any significant concerns however a full cultural impact assessment will need to be undertaken.
- The Hutt River corridor is also a significant social and recreational asset. Our initial assessment through the MCA process has identified some adverse impacts with the Queens Drive bridge location due to shading and noise.

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The above impacts will need to be investigated and mitigation proposed through the designation and consenting processes.

## 11.7 Safety impacts

A Safe System Assessment Framework analysis has been undertaken (see Appendix P) to assess the level of alignment of this project to the Safe System objectives, for both the existing intersection and the recommended option. The framework assessment considers key crash types and road user types and assigns a numerical risk score to their exposure, the likelihood of a crash and the severity of a crash, should one occur. These are multiplied to give a score for each crash or road user type. The overall sum of these scores gives a total score for the scheme.

The current scheme yields a score of 228 out of 448, whereas the recommended option yields a score of 72 out of 448, a vast improvement as the lower the score, the closer the scheme comes to meeting the Safe System objectives.

Released under the Official Information Act 1982

## 12. Economic Analysis

The economic analysis forms part of the economic case and is focused on the monetised and non-monetised elements of the analysis as defined in the Transport Agency Economic Evaluation Manual (EEM). Full calculations using the specified EEM proforma are included in Appendix Q.

### 12.1 Travel Time Benefits

The assessment used two tiers of traffic modelling, the North Wellington SATURN model and a PARAMICS microsimulation model of Melling. The modelling assessment showed that the majority of the benefits of the Recommended Option are derived from travel time savings.

The travel time savings are expected to be significant during the morning peak and greater still during the evening peak. This is because significant congestion is predicted in the Do Minimum scenario in the 2031 evening peak, and the Recommended Option provides additional capacity to alleviate that. The most significant travel time savings are expected on SH2 between north and south, particularly northbound in the evening peak where a reduction from the Do Minimum of 8:05 minutes for to 2:20 minutes (5:45 minutes saving) with the project. For journeys from SH2 south to Lower Hutt, a similar saving is expected in both the morning and evening peaks.

Queuing is expected in the morning and evening peaks for the Do Minimum scenario. For the Recommended Option, queues on the motorway ramps at the Melling Interchange are expected to remain within the length of the off-ramps, and not extend back on to the motorway through lanes. Queueing within Lower Hutt will still be present for the option albeit significantly less than the Do Minimum.

### 12.2 Safety Benefits

A total of four serious injury crashes were reported at the SH2/Melling Link/Block Road intersection over the most recent five year period with a further two serious crashes within the project area.

As the recommended option provides a grade separated solution for the SH2 through traffic and travelling to/from local roads, the safety issue of a signalised intersection in a high-speed environment is removed. Although traffic signals remain a feature of the interchange design, these are now located in a lower speed environment which reduces the severity of any future accidents. However, the project is expected to enable higher travel speeds along SH2 which could result in shift to lane change crash types.

### 12.3 Road User Cost Benefits

Project benefits for all road users have been assessed against the Do Minimum. Discounted project benefits compared to the Do Minimum are shown in Table 12-1. As noted above, the majority of benefits are derived from travel time savings.

Table 12-1: Discounted benefits (\$) millions

Benefit Stream	Recommended option
Travel Time Savings	153.9
Driver Frustration (Congestion)	26.1
Vehicle Operating Costs	14.3
Vehicle Emissions	0.7
Trip Reliability	9.0
Crash Costs	7.8
Active Modes	1.3
Public Transport (decongestion)	5.0
<b>TOTAL</b>	<b>218.1</b>

### 12.4 Economic summary of recommended project option

The economic assessment has used a 40 year evaluation period and a 6% discount rate. The project has been assumed to start in July 2028 with an assumed contraction period of three years, and a 37 year benefit period from August 2031 to July 2068.

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Table 12-2 provides a brief economic summary of the expected monetised impacts for the recommended option.

Table 12-2: Economic Summary Table

Timing	
Earliest Implementation Start Date	1 July 2028
Expected Duration of Implementation	3 years
Economic Efficiency	
Time Zero	1 July 2019
Base date for Costs and Benefits	1 July 2028
Present Value net Total Project Cost of Recommended Option	\$131.0m
Present Value net Benefit of Recommended Option (exc. WEBs)	\$218.1m
BCR	1.7

## 12.5 Incremental assessment

No incremental assessment has been undertaken because the options are very similar in benefits in costs and the recommended option was clearly preferred over the other shortlisted options through the MCA processes.

## 13. Investment Assessment Profile

The Investment Assessment Framework (IAF) 2018-21 was applied to the Melling Transport Improvements, with the Results Alignment presented in Table 13-1.

Table 13-1: Recommended Option – Results Alignment with IAF (2018-21)

Activity Class	State highway improvements
Alignment	Very High – Priority Order = 1
Explanation for rating	<p><b>Safety (Very High)</b></p> <ul style="list-style-type: none"> <li>The SH2/Melling intersections have a high crash risk.</li> <li>Vulnerable road users (motorcyclists) have been involved in all serious injury crashes on SH2 in the vicinity of the Melling intersections. Motorcycle crashes are a Safer Journeys area of high concern.</li> <li>This stretch of SH2 is in the top 10 percent of the network that will result in the greatest reduction in deaths and serious injuries if a speed management approach is taken</li> <li>This stretch of SH2 has a high collective risk with the recommended option estimated to achieve a DSI reduction of 80%</li> </ul> <p><b>Access – Thriving Regions (High)</b></p> <ul style="list-style-type: none"> <li>Addresses significant resilience gap or impediment to access on nationally important social and economic connections: SH2 closed on average once a week due to unplanned events and the flood risk is compounded by the restriction Melling Bridge has on the floodway.</li> <li>Makes best use of key corridors that prioritise national freight and tourism: SH2 is a National highway which plays a key role in the national network for freight and tourism. It is also part of the national wine trail corridor.</li> </ul> <p><b>Access – Liveable Cities (High)</b></p> <ul style="list-style-type: none"> <li>Supports high priority elements in agreed integrated land use and multi-modal plans: HCC Making Places Plan, Urban Growth Strategy and Central City Transformation Plan, as well as the RiverLink PBC and SH2 PBC.</li> </ul> <p>Addresses a significant resilience risk to continued operation of key corridors: Currently SH2 at Melling is affected on average once per week due to unplanned events including crashes and flooding; Melling Bridge adds to flood risk as can only pass waters from a 1 in 65 year flood. The recommended option removes this constraint.</p>



## PART C – READINESS AND ASSURANCE

### 14. Commercial Case

#### 14.1 Summary

Commercial arrangements for future phases of the Melling Transport Improvements will be aligned to the Transport Agency's Procurement Strategy. Procurement activities will be progressed in accordance with the rules and guidelines documented in the latest version of the Transport Agency Procurement Manual.

The Transport Agency have stated that funding for the construction of the Melling Transport Improvements Project will be considered beyond 2028. While it has been agreed that consenting will begin now, a decision is yet to be made on when other pre-implementation activities may commence, including final design, and property purchase, however, this is very much dependent on the timing of construction.

Two scenarios have been considered for the implementation phase:

1. **Combined with RiverLink:** transport improvements are implemented as part of the wider RiverLink scheme with a merged delivery programme
2. **Independent (and after):** progression of the transport improvements separate to the remainder of RiverLink.

Following a review of these scenarios, which is outlined in more detail below and in Commercial Considerations Report (Appendix R), it is recommended that the Transport Improvements be delivered separately and after the flood protection and place-making elements of RiverLink via a collaborative contract managed by the Transport Agency.

#### 14.2 Approach to Assessing Alternative Commercial Arrangements

The assessment investigated whether enough benefits are gained, or risks reduced, by implementing the public projects together as a combined work. The assessment is presented in Appendix R. It considered:

- Strategic context
- Scale and complexity of works
- Timing, duration and urgency of works, including consequences of not investing
- Uncertainties and risks, including consenting and property issues and hydrological and geotechnical information
- Innovation potential and appetite
- Management approaches, practices and maturity of the contracting parties
- The need for specialist skills and the supplier market.

The conclusion was that the majority of benefits of collaboration are obtained for the pre-implementation phase, rather than the implementation phase. Overall the combined project option yields more benefits due to co-operation at the consenting and preliminary design phases. However, delivering it together may be more expensive as competitive pressures will be lower. Also, there is currently a misalignment of implementation timelines between RiverLink (2021-2026) and Melling (2028 beyond). Accordingly, a combined approach for consenting only is recommended.

The benefits that may be derived from the ongoing collaboration of RiverLink Partners during pre-implementation activities include:

- Clarity of full benefits of combined project – merged and managed risks plus cost savings
- Quality of outcome
- Certainty of outcome
- Disruption minimisation
- Reputational enhancement

## Melling Transport Improvements Single Stage Business Case

- Matching cash flows

After pre-implementation, it is recommended that the Melling Intersection Improvements proceed separately to RiverLink and utilise either a shared risk delivery model or a lump sum design and construction model to implement the transport improvements.

## 14.3 Pre-Implementation

### 14.3.1 Designation and Consenting Strategy

The Consenting Strategy is provided in Appendix N. The strategy outlines:

- Proposed activities and works
- An assessment of the key planning instruments
- Statutory approvals required including designations, resource consents, historic places act, natural resources plan etc]
- The current scope and status of the RiverLink RMA approvals process and options to integrate with this process
- A discussion on the different RMA approval options to protect the study area (plan change, designation or resource consents)

The strategy confirms that efficiencies would be gained and risks reduced by completing the consenting for the transport improvements at the same time as the other elements of RiverLink. The benefits of a joint designation/consenting process are:

- Enables integrated planning so that priorities and trade-offs are optimised and transparent
- Easier for those determining the planning decision to understand the combined benefits of the programme
- Easier for communities to understand the combined benefits of the programme
- Cost savings resulting from sharing expert witnesses and a single hearing for all NoR
- Encourages partner organisations to resolve any differences collaboratively prior to any hearings.
- Shared professional services costs for property acquisition/transfer/disposal; legal services for preparation and presentation applications for resource consents, NoRs for the land for the combined project; investigation and modelling for an AEE and to support design (archaeological, ecological, survey, geotechnical, hydraulic, services, groundwater, traffic, visual and noise); engineering design services; project management services to act for the project's principles from each partner organisation.
- Ability for the Transport Agency to acquire property for the transport improvements, some of which GWRC have purchased for the flood works but do not need.

The risks of a joint designation/consenting process with RiverLink are:

- If the Transport Agency lodges a NoR and a designation is granted, the Agency would be required to purchase or lease any land within the designation, where the owner wishes to sell. The Transport Agency needs to make allowance for property acquisition funds when considering this decision.
- Any designation is time limited which means that applying for a designation assumes delivery within a set timeframe or risk wasting the money spent on achieving statutory approval. However a longer designation timeline can be requested.

It is noted that the Transport Agency has not committed to completing and integrated consenting design, AEE and NoR with the RiverLink partners. After this, a key decision point follows, when the Transport Agency Board will decide whether they wish to apply for a designation. Even if, at this stage, the Transport Agency decide not to apply for a designation, the Transport Agency and RiverLink will still achieve the integration that is so important for delivering the community and project outcomes.

## Melling Transport Improvements Single Stage Business Case

### 14.3.1 Designation and Consenting Commercial Approach

Previously, the RiverLink Project Partners agreed in principal to pursue a consenting pathway for the RiverLink project that involves, as much as possible, a collaborative approach, comprising:

- Separate Notices of Requirement (NoRs) and resource consent applications prepared together as single package of documents;
- The supporting environmental and technical input provided by a single team of experts, contributing to one overarching Assessment of Environmental Effects and evidence set, and
- The designations and resource consents being issued under each responsible requiring / consenting authority and implemented by the respective agencies in a coordinated approach.

On this basis, a Professional Services Contract was prepared for the designation and consenting of all three project partners' work. At that time, the Transport Agency could not commit to being part of the contract due to their business cases approvals process and funding availability, so their elements were included as an additional service and not part of the core scope. The Transport Agency Contract proforma for professional services was used, and the Transport Agency were on the Tender Evaluation Team.

In July 2019, this contract was awarded, without the Transport Agency element. However, in September 2019 the Transport Agency announced that it would join the consenting process and negotiations are currently underway with the preferred supplier.

However, as the team selected to undertake the designation and consenting have had no involvement in the development of the Melling Transport Improvements SSBC, it is suggested that specialists from the Melling Intersection Improvements SSBC team are brought in to bring continuity, technical knowledge and project history of this part of the scheme. This would have several benefits including; a greater understanding of the transport improvements, better co-ordination between the project elements, better understanding of impacts if elements are changed, and expert witnesses with a better understanding of the project development process. This would also have overarching benefits of reducing the time in getting the new team up to scratch, reducing the cost involved in incorporating the transport improvements and reducing the risk of difficult conditions.

Key risks for the pre-implementation stage have been identified, evaluated and recorded in the risk register. The main risks are:

- Political shifts in objectives and managing associated scope change
- Managing Public Relations
- Engagement of third parties (e.g. Iwi)
- Alignment of objectives across three agencies
- Coordination of specialists
- Providing the right level of detail in a 'consenting' design
- Not thinking big enough (innovation curtailed)

The Transport Agency needs to ensure these risks are understood and managed appropriately by the RiverLink supplier and/or RiverLink partners.

### 14.3.2 Design Strategy and Commercial Arrangements

The Melling SSBC has developed the design to a level that can inform operational requirements, the designation boundary and the cost estimate. However, additional design will be needed for consenting and subsequently implementation.

Table 14-1 outlines the design that has been completed under the current SSBC and what additional design and investigation would be required to submit for designation and consents.

Table 14-1: Level of design completed at SSBC stage

Element	Melling SSBC Scope	RiverLink Consenting Design Scope for Melling Intersection Improvements
Topographical Survey	Limited survey undertaken	Survey needed to accurately assess footprint for notice of requirement

## Melling Transport Improvements Single Stage Business Case

Element	Melling SSBC Scope	RiverLink Consenting Design Scope for Melling Intersection Improvements
Geometrics	3D Design at SSBC level	Incorporate Melling into RiverLink design models
Traffic Design	Preliminary intersection design, cross sections etc	Pharazyn Street design to be progressed alongside Railway Station. Parking design will be needed.
Geotechnical	Limited geotechnical design undertaken for retaining walls and bridge abutments to ensure a workable solution.	No additional work expected. However, this may change once geotechnical test results are received. Erosion and Sediment Control Plan to be done by RiverLink.
Structural	Preliminary Structure Options Report includes <ul style="list-style-type: none"> <li>• Service requirements</li> <li>• Design philosophy and constraints</li> <li>• Structural form, materials, constructability cost for a range of options</li> <li>• Recommended options</li> </ul>	Preliminary design, including urban design elements, to enable structure form and element sizing, particularly for works in the bed of the river and visual/landscape assessment. Incorporation into other RiverLink elements.
Architectural and ULDF	Not required	Incorporation into the existing RiverLink Architectural and Urban and Landscape Design Framework (ULDF) particularly for the interchange and bridge design.
Cultural Input	N/A	RiverLink to obtain cultural input
Drainage	Hydraulics, catchment analysis, project drainage path identification and outline of infrastructure required for cost estimate	Treatment options to be identified and analysed. Preliminary design phase to enable water quantities, contaminants and treatment process to be robustly reported
Pavement	Concept level for cost estimation purposes only	No additional work except incorporation into wider RiverLink
Services	Identification of where services could be relocated and approximate cost	No additional work except incorporation into wider RiverLink
Property	High-level land information plans	Development of land requirement plans
Transport Analysis	Modelling and impacts analysis undertaken	Transport impacts analysis and reporting including wider scheme
Construction methodology	High level programme only	Construction methodology to understand impacts, including; discharges from construction, diversion of watercourses, disturbance of riverbed, traffic diversions and additional land needed for construction worksites
Railway Station	Location confirmation only	Railway station and site layout design
Walking and Cycling	Preliminary design	No additional work except incorporation into wider RiverLink
Noise	None undertaken	Investigation and design of any noise mitigation needed
Impacts assessment	High level assessment of impacts – updating MCA assessments	AEE and specialist assessments

Subsequent to statutory approvals being achieved, additional design work will be needed before implementation. The level of design and the commercial arrangements for this will depend on the commercial arrangements agreed for the implementation phase; i.e. Traditional, Design and Construct or Alliance.

### 14.3.3 Property Strategy and Commercial Arrangements

A property strategy (Appendix S) has been developed by The Property Group which outlines the estimated current market value of land required underneath the assumed Transport Agency and KiwiRail designations.



## Melling Transport Improvements Single Stage Business Case

The strategy makes several key points and assumptions:

- As the Transport Agency project is not being constructed for some time, Section 9(2)(j) [REDACTED]
- The acquiring of replacement land for the Melling Park and Ride Facility, a realigned Pharazyn Street and associated access should be the responsibility of GWRC and/or HCC.

Section 9(2)(j) [REDACTED]

Section 9(2)(j) [REDACTED]

The above figures are based on an expected cost sharing arrangement with Greater Wellington and Hutt City Council. This is subject to change, as presented in the Meeting Record also in Appendix S, and discussions are ongoing between the different partners.

The property strategy identifies a total of 60 properties affected by the project. This is broken down into:

- Section 9(2)(j) [REDACTED]
- Seven land parcels on Harbour View Road which are owned by the Crown or HCC
- Three land parcels around Melling Bridge which are either Legal Road and/or owned by the Crown
- Four land parcels in the river corridor which are owned by GWRC
- Nine land parcels around the railway corridor which are owned by the Crown or GWRC
- Section 9(2)(j) [REDACTED]
- One parcel on the western side of Pharazyn Street which will be required for a realignment of the rail designation.

The property strategy recommends a simple approach to the purchase of land from GWRC Regional Council, which would enable the property to be transferred in one transaction.

Land required from local roads will not need to be compensated due to the provisions of the Public Works Act.

Further investigation is required into some of the Crown land to determine which department administers this land.

Section 9(2)(j) [REDACTED]

The land adjacent to Queens Drive also has high re-development potential and therefore it is recommended that discussions continue with HCC as to the future use of this land and whether they want to facilitate or encourage appropriate development at this location through initially acquiring some of the land.

Section 9(2)(g)(i) [REDACTED]

#### 14.3.4 Timing

The current timelines for RiverLink, are

- lodgement of NoRs and resource consent applications (with Melling) - December 2020

## Melling Transport Improvements Single Stage Business Case

- construction commencement (without Melling) 202
- construction completion 2026

It is understood that the construction of the project could be expanded or contracted to fit Transport Agency implementation timeframes (within reason) or respond to Council cashflow requirements.

## 14.4 Implementation Phase

Given the Transport Agency have not programmed the transport improvements until after 2028, it is assumed that delivery will be separate from, and after the other elements of, the RiverLink programme.

At this point in time and given the size and complexity of the transport improvements, it is recommended that the Melling Intersection Improvement works be delivered via a design and construction (D&C) delivery model. Given the expected timing for delivery of the transport improvements is more than 10 years away, market and commercial considerations may be very different. Therefore, an assessment of market conditions has not been undertaken at this time. Nor has an outline procurement plan for this project been prepared. These items should be revisited nearer the delivery date and a final decision made on the delivery model.

Staging the transport improvements has not been considered as the two major elements, the interchange and the river bridge, should be delivered together to avoid additional safety and congestion concerns, and these elements comprises the vast majority of the project. This is discussed earlier in Section 9.6.7.2.

### 14.4.1 Project Elements and Key Considerations

The project elements, as initially presented in the recommended option section in Part B, are replicated below along with an assessment of whether the elements are typical for Transport Agency projects or whether they are more unusual. Table 14-2 summarises these as follows.



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Table 14-2: Key considerations for project elements

No.	Element	Standard or Specialist Expertise
1	Demolish existing Melling Link bridge	Specialist demolition contractor may be required, as a separable portion to the main contract, particularly to appropriately manage effects on the Hutt River.
2	New bridge over Hutt River at Queens Drive, including walk/cycleways	Standard bridge construction can be applied, assuming super-T structure is progressed, noting the presence of an aquifer which may be reached by the bridge piers.
3	New SH2/Melling interchange, including ramps, walk/cycleways and western suburbs connections	Standard road construction, with the exception of the southbound off-ramp which will double as a stopbank so will need careful oversight and approval by GWRC.
4	Relocate railway station, car park, Pharazyn Street access, realign railway line	The track works and railway station require different expertise and resources to the remainder of the project. Furthermore, the timing of these works is likely to be earlier than required for the other project elements.  If indeed it is progressed earlier then this should be a separate contract and procured through KiwiRail procurement processes, alternatively a specialist supplier could be novated under the main contract.
5	Demolish properties on Queens Drive	Specialist demolition contractor may be required but as a separable portion to the main contract.
6	Realignment and new signalised intersections on Queens Drive (2 sets)	Standard construction
7	Intersection changes Melling Link/Rutherford Street	Standard construction
8	Intersection changes Melling Link/High Street	Standard construction
9	Property purchase associated with: interchange; railway realignment; railway station; Queens Drive	Property purchase only.

Based on the above, and on the key principles identified by the Project Partners, it is important that the delivery mechanism and approach enable consideration of the following key outcomes:

- Managing the resilience risk from floods and earthquakes during construction and in the long term
- Undertake stopbank works in compliance with GWRC's needs and railway works in compliance with KiwiRail and GWRC
- Appropriately manage effects of construction and demolition around the Hutt River
- Minimal disruption to / innovation in managing people and freight movement during construction. This may include consideration of incentivising people to change modes to reduce the impact of delays on the road network during construction. Impact on the following areas need to be managed:
  - rail services
  - access to the railway station
  - pedestrian and cycle movements
  - bus services
  - local road traffic and access to businesses and homes
  - state highway traffic

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- Achieving appropriate urban design outcomes

To obtain the above outcomes, it is recommended that construction tenders are assessed using the Price Quality Method (PQM) with a high-quality weighting.

In addition, a Tangible Cost Assessment (or Adjustment) can be used to consider and monetise risks or opportunities inherent in each submission. For example, it may be felt that a Tenderer has not adequately considered the resilience risks, and that potentially variations may be required to fully address these risks during construction. Or it may be that there are opportunities or value in the submission e.g. traffic management innovations not included in the NPA assessment, that the client may wish to value or take account of in the assessment.

#### 14.4.2 Potential for Risk Sharing

A key consideration in deciding a procurement model for implementation is the way that the Transport Agency would like to apportion risk. When project risks are best shared, a collaborative procurement model such as an Alliance or ECI would be appropriate. These models would include fully assigned risks in addition to shared risks.

Where project risks are fully assigned to either the Principal or Contractor, any form of contract would be suitable. However, this scenario is generally suited to competitively based tenders such as Design and Construct (D&C).

Some risk share is possible in competitively bids such as D&Cs or Lump Sums. For example, the Contractor may be required to take the risk of pile depth up to such 30m, beyond which they are paid a liner metre rate.

For this scenario with different principals, there will be a need to consider risk sharing between these organisations. Councils have previously signalled that they have no appetite for risk sharing and much prefer a lump sum for their contribution. This need for cost certainty might influence the commercial model recommended.

No assessment has currently been made as to how the project proposes to apportion risks between the principal and potential provider. This will need to be undertaken before a procurement model is agreed.

#### 14.4.3 Contractual Arrangement

The scale and value of the work is medium to large Section 9(2)(j) There is a high concentration of large structures in a confined site over a highway and a river into a city centre. The implied average spend rate is Section 9(2)(j) and may be at least double that at peak due the high concentration of structures.

Complexity, uncertainty and risk are correspondingly medium to large as well. Geotechnical risks are significant due to large cuts required and piling with the avoidance of damage to underlying aquifers. Traffic management and health and safety risks will also significant as the work involves working on a live and congested four lane state highway. Subcontractor and materials coordination, scheduling and complex temporary traffic management will be demanding.

There is a solid opportunity for the supplier to innovate during delivery in terms of staging, lifts, materials and sequencing. The Transport Agency will be funding the majority of the work and will have an eye to obtaining the best overall value and transferring the major risks to the contractor, where appropriate.

Consequently, the available options for procurement are design and construct (D&C), Early Contractor Involvement (ECI) or Alliance. A Lump Sum contract is not considered to be particularly suitable considering the scale, complexity and risk of the two-element contract. Furthermore, it lacks the benefits of designer and constructor integration of the abovementioned models.

A D&C model potentially has advantages for the following reasons:

- Whilst the risks are high, they are known and can be adequately priced.
- Historically, lower out-turn costs have generally been achieved for D&Cs as compared with ECIs or Alliances, although there are some high-profile exceptions of D&Cs that have incurred significant additional claims.
- Geotechnical risk may be mitigated through a higher level of ground investigation, and provision for remeasurable geotechnical payment items within the Lump Sum schedule of prices.

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- Client input may be achieved through well documented tender documents, albeit to a lesser extent than ECI or Alliance.

D&C models have arguably not always provided Clients with the value that they have sought, particularly on non-structural contracts. The amount of risk that a D&C contractor is required to take on a civil contract is high, particularly in respect of geotechnical uncertainties. This risk is very relevant to this project. Nevertheless, the risk can be adequately managed if the details around these risks are well known and priced.

ECI and Alliance models, are typically introduced for projects larger than this. However, these have the added benefits of:

- Providing for a high level of client or community input during the contractor-led design phase
- Having greater flexibility to change the scope of the contract in response to external political, community or funding pressures
- Appropriate consideration and assignment of project risks during the design and pricing phase of the project
- Flexibility to manage and address project risks during the course of the contract. Examples include:

Proceeding to tender even if all land or resource consents have not yet been acquired or received, and completing these processes during the design phase, or even the construction phase of the contract.

Operational requirements such as client participation in temporary traffic management and intervening, as required, to preserve or restore required traffic flows.

A potential disadvantage of an ECI model is that the construction phase is priced as a Lump Sum, and similar commercial pressures are often experienced in this phase of an ECI, as in the case of D&Cs. These pressures are somewhat reduced in the case of an ECI, as a more robust inclusion of risk is incorporated into the design and pricing phase than is the case for a D&C.

An Alliance model is capable of effectively addressing the objectives, risks and disadvantages discussed above. The contractor's risks and potential commercial pressures are substantially mitigated by the capping of their contract liability to the amount of their off-site overheads and profit (known as the Limb 2 payment). A further advantage is a saving in MSQA costs.

Given that the likely schedule is more than ten years away, a market assessment is premature at this point suffice to say that there should be a competitive market for this scale of work if it is promoted early enough, all other things being equal.

Overall, there are pros and cons of all the above procurement options, but the Design and Construction option is preferred due to the size, risk and potential for risk transfer. However, as the project is still at least 10 years away, it is recommended that the procurement model be agreed closer to the time of implementation, once market considerations and principal requirements of the day are considered.

### 14.5 Recommended Timing for Future Project Phases

The recommended programme for future phases is presented in the simplified programme below.

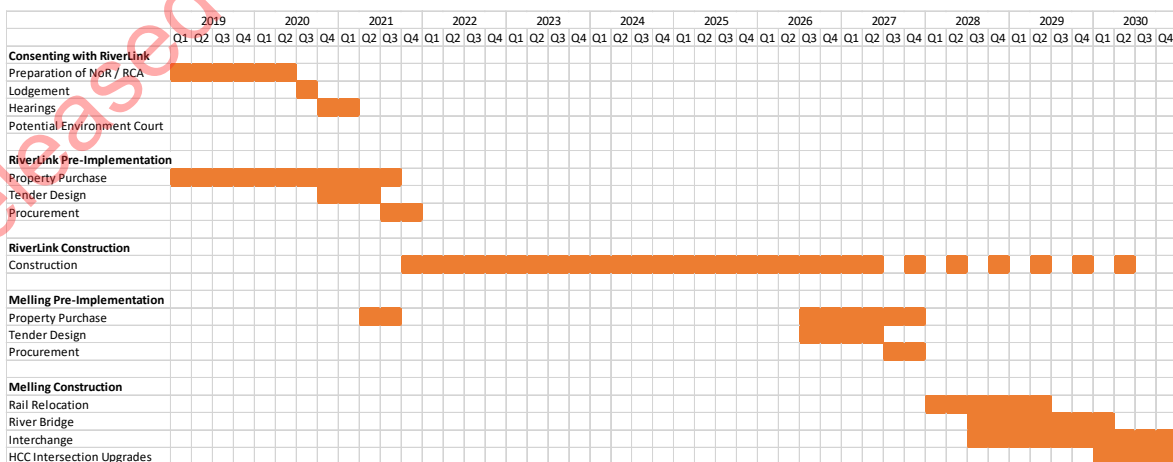


Figure 14-1: Potential RiverLink project timeline

## Melling Transport Improvements Single Stage Business Case

This programme assumes that implementation of the project will not commence until 2028. This is because, although the project is justifiable now, the project is not affordable due to NLTP cashflow restrictions, until 2028.

The construction of the Melling Intersection project can be split into four sections – railway works, river bridge, interchange and Hutt Centre intersections, which have varying degrees of inter-relationships. We have shown a recommended staging approach to these below, but others are possible, or may be needed, particularly if funding for the rail relocation cannot occur before 2028.

As presented above, construction of the RiverLink elements is currently scheduled to occur between 2022 and 2026, however, this programme can be stretched out past 2028 to incorporate the Transport Agency works if the timing of this becomes certain, as shown in Table 14-1.

When considering the timing for progressing the Melling Transport Improvements decision-makers must consider the affordability of:

- the Transport Agency's contribution to pre-implementation activities
- possible liability for land property within a designation
- delivering different components of the Melling Transport Improvements

Other considerations which may influence any decision on timing include:

- land use changes
- other changes to the transport network.
- funding contributions from local authority partners; and
- advances from local authorities designed to accelerate the project.

This is discussed further in the Financial Case section.

## 15. Financial Case

### 15.1 Project Delivery - RiverLink Costs, Cashflow & Funding Sources

The Melling Transport Improvements is just one project component of the overarching RiverLink programme. To realise the full benefits of the programme, each partner organisation must deliver their component project. The constrained space means that infrastructure needs to be integrated and the designations will need to overlap.

This section provides context to the Transport Agency's decision of how to proceed with the Melling Transport Improvements by outlining what the Councils are committing and signalling. It gives an indication of the quantum of potential transport agency expenditure relative to the Councils.

The current cost estimates for the RiverLink programme are presented in Table 15-1.

Table 15-1: Estimated Costs for RiverLink Programme (excluding Melling)

Element	RiverLink Flood Protection (GWRC)	Making Places (HCC)
Property (excl Melling)	\$82m	
Flood Protection Infrastructure	\$43m	
Making Places (including Ped Bridge)		\$59m
<b>TOTAL</b>	<b>\$125m</b>	<b>\$59m</b>

The current funding commitments from the partner organisations, are summarised in Table 15-1 above.

The vast majority of this is allocated in the respective councils LTPs and, where there is a perceived shortfall, additional money is available through underspend in previous years.

However, no funding is currently allocated by the Transport Agency for the Melling Intersection Improvement elements, with the exception of the consenting, nor is any budget put aside by the partner organisations for any those elements that could be shared across the partner organisations. Specifically, no partner budgets include an allowance for the following shared elements of the Melling Intersection improvements:

- Station and Park & Ride
  - Melling – Demolish and Replace Bridge
  - Melling – Melling Link Intersections
  - Property
  - Pedestrian bridge over SH2 (if this were to occur)

Section 9(2)(i)

land is land that will be required by the Melling Intersection Improvement project. Some of this land is land that will be required by the Melling Intersection Improvement project. Hutt City are also expecting some residual land value, but this will not affect the Melling project.


### 15.2 Pre-implementation Costs

There are two main elements to the pre-implementation costs; consenting and detailed design.

The Transport Agency has agreed to partner with RiverLink to deliver the consenting phases of the project. The budget allocated for this element of pre-implementation phase of the Melling Transport Improvements are shown in Table 15-2.


Melling Transport Improvements Single Stage Business Case

Section 9(2)(j)



The Transport Agency are currently negotiating with the RiverLink consenting supplier to deliver the works within this budget.

Section 9(2)(j)



his figure is subject to change however, based on the agreed construction contract form (i.e. traditional vs design and construct) and the timing of the phase.

Released under the Official Information Act 1982



Melling Transport Improvements Single Stage Business Case

## 15.3 Delivery Costs for the Melling Transport Improvements

### 15.3.1 Expected Capital Costs

Assuming the Melling Transport Improvements are delivered after the wider RiverLink programme, expected delivery costs by main element are shown in Table 15-3.

Section 9(2)(j)

The above cost estimates were developed based on the working plot drawings in Appendix H. They include a 30% contingency above the base estimate. Section 9(2)(j)

The detailed cost estimate is provided in Appendix T along with a list of assumptions and exclusions.

Section 9(2)(j)

### 15.3.2 Cost of Land Needed for Transport Improvements

Section 9(2)(j)

Section 9(2)(j)

Some of the property could be considered for cost sharing:

- GWRC have been purchasing entire properties along Pharazyn Street, the majority of each property will be required for flood protection, but there will be residual land and some of this will be required for the transport improvements. GWRC have stated that this could be transferred to the Transport Agency and considered a payment-in-kind for its contribution to other elements of the scheme<sup>32</sup>. Section 9(2)(j)
- The property required for Queens Drive may be considered for purchase by HCC to facilitate and encourage appropriate development at the gateway entrance to the Hutt City Centre. Section 9(2)(j)

Both above opportunities should be considered as cost sharing discussions progress.

<sup>32</sup> However, this figure would increase if the Transport Agency were too late to purchase the land from GWRC and would need to buy improved parcels from private landowners.

<sup>33</sup> The Transport Agency and GWRC will need to negotiate to confirm this with GWRC through a resolution of council. GWRC is unable to legally hold the land for another party. At present GWRC would be forced to resell the residual land not required for the project upon completion of the flood protection works

### 15.3.3 Ongoing Maintenance and Operations

Additional costs associated with ongoing maintenance and operations of the new scheme will be estimated in the pre-implementation phase.

Increases in operational costs are expected due to additional Intelligent transport systems (ITS) infrastructure and increased pavement surface. However, the project will be replacing a lot of older infrastructure with higher maintenance costs.

HCC will incur additional maintenance costs for the new signal controlled intersections.

The Melling Bridge is currently an HCC asset and it has been agreed that the new Melling Bridge would remain an HCC asset.

## 15.4 Cost Sharing Principles

Discussions regarding cost sharing arrangements for the RiverLink programme were first developed between November 2017 and June 2018, before the Transport Improvements project was put "on hold" pending re-evaluation against the National funding priorities. A variety of co-funding models were considered (Appendix U), with a hybrid cost allocation model being preferred. This stated that if the benefits of delivering a component of RiverLink align to only one organisation then the costs would fall to that organisation, and where benefits of a component align to more than one party the costs are shared between those parties. This model provides flexibility and fairness for the allocation of costs across the three agencies involved.

Based on this funding model, and assuming all three parties continue to co-operate on an integrated programme, the following proposed co-funding principles were developed and confirmed at a meeting between the partners in August 2019. These funding principles will be further discussed with RiverLink project board on 18<sup>th</sup> September to seek their agreement.

1. Any costs associated with developing designs to a level appropriate for consenting would be paid by the organisation promoting and leading that element of RiverLink<sup>34</sup>;
2. Applicant costs associated with managing and developing a single Assessment of Environmental Effects (AEE), notice of requirement (NOR) and resource consent applications would be shared between HCC, GWRC and the Transport Agency in proportion with the complexity and risk associated with their element of the application;
3. Any cost savings or cost overruns resulting from planning, specialist assessment or management involved in the consenting process would be shared between HCC, GWRC and the Transport Agency in proportion with the complexity and risk associated with their element of the application;
4. Where the benefits of delivering (constructing) a component of RiverLink are aligned to only one organisation, then the cost of that component would be borne by that one organisation<sup>35</sup>
5. Where a project component delivers multiple benefits aligned to more than one of the parties to RiverLink, the costs would be shared between those parties;
6. The Transport Agency would contribute no more than the agreed Funding Assistance Rate (FAR) for any new asset or improved asset which will ultimately be owned by the HCC, GWRC or KiwiRail;
7. Commercial and management arrangements to apportion and manage risk to progress of the project and partner organisations will be developed to the satisfaction of HCC, GWRC and the Transport Agency and documented in a deed before commencing pre-implementation activities;

<sup>34</sup> The Transport Agency would pay for design necessary to inform Notice of Requirement and Resource Consent Applications associated with relocating Melling Station, a new road bridge across the Hutt River and the SH2 interchange.

<sup>35</sup> For example, only the GWRC has a statutory objective to deliver flood protection outcomes.

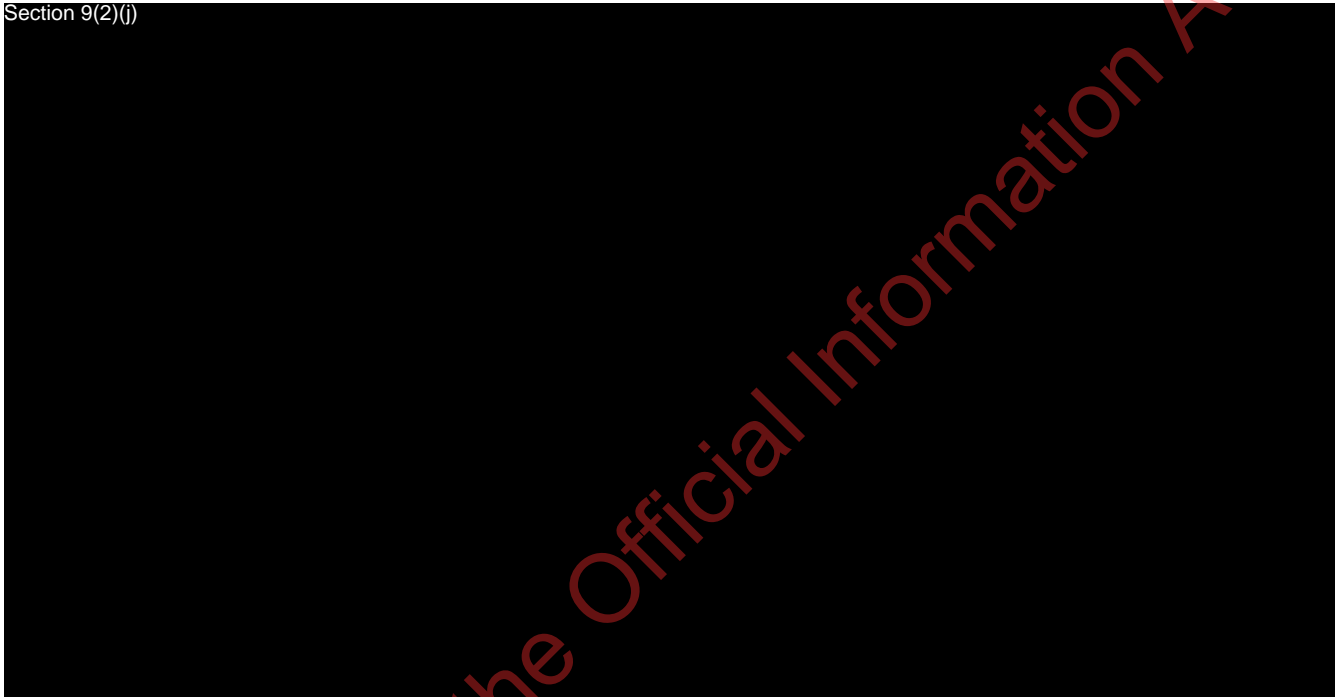
## Melling Transport Improvements Single Stage Business Case

8. Transfer of appropriately valued land from one party to another may be accepted in place of a monetary funding contribution; and
9. Co-funding arrangements for any additional transport system changes that emerge during the further development of RiverLink would be negotiated using the agreed Funding Assistance Rate as a starting point.

The Co-funding Principles Memo in Appendix U outlines the officer interpretation of these funding principles.

The table below outlines how the cost of the Melling Transport Improvements could be distributed according to these funding principles.

Section 9(2)(j)



A draft Deed, governing how the three organisations would collaborate was developed by GWRC for discussion by the three partners to RiverLink. If the Transport Agency decides to progress the Melling Transport Improvements project then some, or all, of the co-funding principles could be incorporated within that legal agreement.

## 15.5 Funding Sources

There is currently only very limited funding available within the State Highway Improvement activity class. Early in 2019, the Transport Agency announced their decision that implementation of the Melling Transport Improvement projects would be considered after 2028.

The total project cost could be funded from the State highway and local roads improvements activity class. Alternatively, relevant elements could be funded from the public transport and/or walking/cycling improvements activity classes. However, there is no allowance in the National Land Transport Programme (NLTP) 2018 – 21 for either pre-implementation or implementation. All relevant activity class are oversubscribed for the current NLTP and therefore it will need to be prioritised with other activities in future years.

<sup>36</sup> Includes an allowance for cost recovery of selling unneeded property

<sup>37</sup> It is noted that funding a new bridge is not within GWRC's statutory responsibilities. However, GWRC may contribute to enable the bridge to proceed via, for example, gifting property.

Melling Transport Improvements Single Stage Business Case


## 15.6 Summary

GWRC and HCC have committed over \$150M towards the RiverLink programme to cover flood protection and urban development.

The implementation of the Melling Intersection Improvements is estimated to cost \$210M.

There is an opportunity to RiverLink partners to contribute around \$33M towards Melling Transport Improvements for their share of the benefits associated with the bridge, local road improvements and public transport improvements.

Section 9(2)(j)



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## 16. Management Case

### 16.1 Governance Structure

The Transport Agency has an internal governance structure for the Melling Transport Improvements, which reflects their organisational structure. The current structure is outlined in Figure 16-1. Alongside the project manager there are several NZ Transport Agency support staff as part of the project team, presented in the adjacent table.

However, this is likely to change as it proceeds into the pre-implementation phase and will be different depending on whether the Transport Agency integrate with RiverLink.



Figure 16-1: NZ Transport Agency governance structure

### 16.2 Pre-Implementation Roles and Responsibilities

RiverLink is an integrated project that brings together three Client organisations; HCC, GWRC and the Transport Agency. While each partner organisation has its own strategic objectives, they recognise that investment activities need to be coordinated because they are inter-dependent. The Partners need to work closely together to achieve their individual and collective objectives and to meet the needs of residents, businesses, commuters, road users and visitors in and through the Hutt Valley region. Figure 16-2 illustrates how the partners propose to work together. To facilitate close working and collaboration, a Project Office has been established that reports to a joint Project Board to maximise the integration and coordination between the projects and across the whole programme.

Melling Transport Improvements Single Stage Business Case

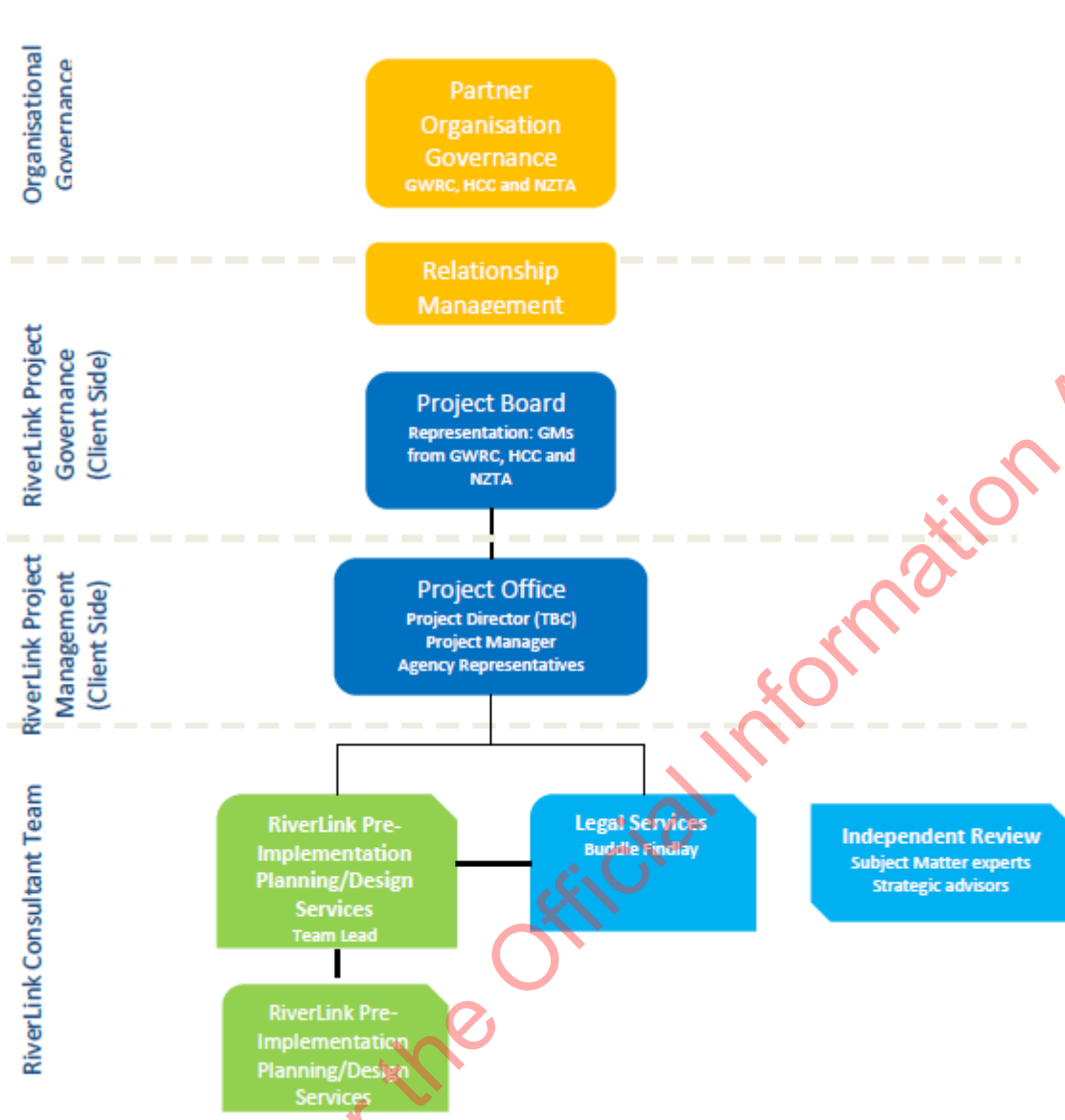


Figure 16-2: Proposed Collaboration Arrangements

A deed has been developed for RiverLink, governing how the three organisations would collaborate. HCC and GWRC are signatories and if the Transport Agency decides to progress pre-implementation as part of RiverLink then they could also become a signatory to this document.

The Transport Agency representative on the Project Board is Adam Nicholls

The Transport Agency representative in the Project Office is Eddie Anand.

### 16.2.1 Personnel implications

With the Transport Agency joining RiverLink for the consenting and designation activities, there will be a requirement for ongoing Transport Agency involvement in the project to ensure that the transport improvements element of the programme is progressing appropriately and in line with the Agency's objectives. It is expected that this could involve 0.3 to 0.5 FTEs during the bulk of the project, however this will ramp up to 1-2 FTEs during the NoR review, approval and hearings processes.

In addition, it is suggested that the Transport Agency procure their own specialist input into the project through Stantec due to their role in the development of the SSBC design and impacts analysis.



## Melling Transport Improvements Single Stage Business Case

### 16.2.2 Project Plan

A Project Procedures Manual has been prepared by the RiverLink project team to document governance and management arrangements and streamline decision making processes. The manual provides clear responsibility and accountability for all decisions made on the project. The intention is to enable the project to be managed efficiently, with agreed parameters for decision making and accountability. This Manual is attached as Appendix V.

### 16.2.3 Design and Implementation

The governance of any subsequent design and implementation activities will be determined later once a decision has been made into timing and procurement model.

## 16.3 Assurance and Acceptance

Several key decisions will need to be made during the consenting and designation phase. These are outlined in Table 16-1.

Table 16-1: Key decision responsibilities

Task	Responsibility	Approval
Safety audit of consenting design	Eddie Anand	James Hughes
Approval of consenting design	Eddie Anand	Various Internal
Approval of local road aspects	HCC	
Approval of public transport impacts	GWRC	
Approval of rail infrastructure impacts	KiwiRail	
Approval of interface with flood protection	GWRC	
Approval of funding of mitigation proposed in AEE	Caroline O'Fallon	NZTA Board
Public engagement prior to lodgement (if any)	Rachel Dahlberg	Chloe Grosser
Approval of lodgement of AEE	Heather Sinclair	NZTA Board
Property acquisition	Jonathan Gulland	NZTA Board

Any conflicts between partners will be resolved by escalating the issue through the project office and project board.

## 16.4 Change Control

The Project Procedures Manual outlines the change control procedures associated with RiverLink.

The physical interfaces between the Melling Interchange project and the other elements of RiverLink, for which changes could affect the scope, cost or risk of the Transport Agency's project are summarised below:

- The requiring authorities will need overlapping designations – the size, scope and order of layers is important.
- On the western side of the river the embankments that will support part of Pharazyn Street (south of the interchange) and the southbound off-ramp (north of the interchange) may need to operate as stopbanks and form part of the flood protection system.
- The design and location of stopbanks on the eastern side of the river where the new Queens Drive bridge abutment would ideally integrate within the stopbank, as per the current design.
- Dredging of the riverbed and disposal of surplus material at Melling and along Pharazyn Street which will form the new ground level on the western side of the river where the transport improvements are proposed. The Melling project could also make use of this material.

## 16.5 Outstanding Decisions / Hold Points

### 16.5.1 Current Decisions

There are several key decisions that will need to be made at the pre-implementation phase. These are outlined below.

- **Pharazyn Street Layout:** The exact position and design of the train station, the layout of the park and ride and the alignment of Pharazyn Street are yet to be decided. The project team have deferred decisions on this area to GWRC and HCC as they will be the ultimate owners of the infrastructure in this area. It is noted that GWRC and HCC need the Agency to commit to an interchange design before they are able to confirm the Pharazyn Street layout.
- **Rail designation:** The width of the relocated railway designation needs to be agreed by KiwiRail and therefore the impact on the properties on the north-western side of Pharazyn Street.
- **Recent discussions with GWRC** have resulted in an agreed conceptual realignment of the stopbank at the eastern abutment of the new Queens Drive bridge to reduce bridge costs and adjacent urban amenity impacts. However, the design of this needs to be undertaken to determine any additional property impact and subsequent land costs.
- **Agreement as to the design integration** for the southbound and northbound on/off ramps. These structures may negate need for stopbanks in these locations because they remove at risk elements from the floodplain.
- **The Road Safety Audit and Traffic Signal review** have been completed and the majority of the items identified have been resolved through design refinement, however there are some outstanding items. The audits need to be closed out with Transport Agency decisions. One key item still being resolved is the future intersection form of the Melling Link intersections to balance motorist safety, non-motorised user safety and traffic flow.

However, the key decision for the Transport Agency and its partners is how to split the costs of the entire RiverLink programme, including Melling, across the three agencies.

### 16.5.2 Future Hold Points

Hold points can be used throughout the pre-implementation and implementation phases to make decisions on the project development and to re-confirm investment. These include:

- **Before lodgement** – whether to lodge designations and consents
- **Pre-implementation** – whether to proceed with other elements of pre-implementation such as property purchase and detailed design
- **Pre-implementation** – when the timing of construction is clearer, a decision on the procurement model for construction

### 16.5.3 Timing of Construction

The timing of construction is likely to be a function of funding availability. Nevertheless, consideration has been given as to how the Melling Intersection Improvements should be programmed against other projects such as the Petone to Grenada Link Road, the Cross Valley Link and Kennedy Good Bridge intersection upgrade.

From the initial modelling that has been undertaken, it is clear that the Cross Valley Link and the Kennedy Good Bridge intersection upgrade would not have a significant impact on the numbers of vehicles travelling through the Melling Interchange. Accordingly the programming of these elements is not of much consequence. If the Cross Valley Link was coupled with a de-tuning of The Esplanade, this may result in a shift in traffic routes, however this is more likely to impact on the Dowse Interchange than Melling.

However, the Petone to Grenada Link Road is expected to significantly change traffic routes around the southern part of the Hutt Valley and result in an increase in traffic using the Melling Interchange. This will create additional safety risk, additional severance and significant additional delays. Accordingly, it is recommended that the Melling Interchange be progressed in advance of the Petone to Grenada Link Road.

## 16.6 Risks

The key risks going forward include:

- Political:** The project is highly political. Both GWRC and HCC have funding in their LTPs to progress key elements of the RiverLink programme flood defences and regeneration initiatives. RiverLink is progressing to designation/consenting. The partners believe the Transport Agency's involvement is key to deliver an integrated outcome for Lower Hutt, to reduce the flood risk created by the Melling Bridge, and to ensure the success of regeneration activities by improving access to Hutt by all modes. This situation adds to pressure on the Transport Agency. There appears to be wide political support for this project and local politicians have been publicly calling on the Transport Agency for action and clarity. This is resulting in increased community and stakeholder perception of indecision as well as an increased expectation of action. Mitigation: Ongoing communication with local and national politicians.
- Financial:** The financial risk profile is different depending on whether the transport improvements are implemented with the wider RiverLink programme and how the cost split arrangements are structured. The main risk of progressing pre-implementation now is the Transport Agency's liability for property purchase once a designation for roading is approved. Mitigation: additional work on the funding splits to understand the likelihood and consequence of this risk.
- Flood risk:** The Transport Agency have indicated that construction will not be until after 2028. Given that the existing Melling Bridge restricts the passing of flood waters from a 1 in 65 year event or greater, there is a significant risk that flooding will occur in the next ten years, causing damage to assets within the floodplain, which could be extensive. Mitigation: consider previously identified works to increase flood protection for at least 1 in 120 year event, however this would not benefit Block Road and the connection to/from SH1.
- Safety:** Given the SH2/Melling intersection has a high collective risk and there have been four serious injury crashes in the last five years all of which have involved vulnerable road users (motorcyclists), there is a significant risk of a fatality before construction starts. Mitigation: it is recommended that an urgent safety review be completed of the intersection, focusing particularly on signage for southbound traffic and potential lowering of the speed limit to 80km/h, to reduce the risk.
- Cost estimates:** At this stage the accuracy of the cost estimates is a risk. The uncertain ground conditions combined with the inherent difficulty in estimating risks at this stage mean there will be a margin of error in the risks. In addition, there is also a risk that market conditions and supply chains which change significantly over the next 10 years before this project is constructed. Mitigation: allow for contingency in the risks and couple the estimate with an explanation of the uncertainties.
- Property:** GWRC already own a significant proportion of the property required for the flood scheme but will not require all of it. Some of the surplus property will be required for the transport improvements. However, with the uncertainty around the timing of the Transport Agency's investment, there is a risk that the surplus property will be disposed of, rather than transferred to the Transport Agency. This will add to costs if the Transport Agency must acquire improved land from private landowners. Mitigation: discuss with GWRC possibility of retaining land or leasing to the Transport Agency at a reduced rate.
- Unknown ground conditions:** The Wellington Fault traverses this area and is seismically active. The river and hillside also add uncertainty around stability and geotechnical risks. Assumptions have been made about the location of areas of instability and risk, however until ground conditions are fully understood, this is an area of risk. Mitigation: geotechnical investigations are currently underway, but more may be required.

Melling Transport Improvements Single Stage Business Case

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## For Decision

### WATERLOO PRIORITY DEVELOPMENT AREA

#### Te take mō te pūrongo

##### Purpose

1. To advise Council on the findings from work-to-date on the Waterloo Transit Oriented Development (TOD) Priority Development Area (PDA).
2. To agree on the approach for Phase III, Reference Design, for the project.

#### He tūtohu

##### Recommendations

That Council:

- 1 **Agrees** that Greater Wellington proceed with a Phase III of the Waterloo Priority Development Area (PDA) project that is focused on:
  - a De-coupling the station rectification works from adjacent development to ensure the maintenance objectives can be achieved, whilst future proofing future development
  - b Finalising *Station* Minimum Requirements
  - c Procuring Waterloo Station Reference Design
  - d Commencing work to enable Detailed Business Cases to be prepared.
  - e Continue to refine options and approaches for the commercial component of the project (the *Development*) for further Council consideration.
- 2 **Agrees** in principle that replacing the Waterloo Station canopy in a like-for-like manner is not in scope, and that focus be on commissioning a replacement transport hub which can:
  - a Fully integrate all public transport services in a single coherent structure which incorporates a bus interchange into the build
  - b Improve customer experience including accessibility
  - c Facilitate adjacent commercial development on Greater Wellington land in the precinct through a TOD-enabling transport hub design
  - d Facilitate urban development in the immediate catchment.
- 3 **Agrees** that Greater Wellington continues to hold ownership of the land in Waterloo (south-west quadrant of the precinct that includes old Railways

Corporation building and carparking spaces) currently ear-marked for the TOD until market conditions improve and a development can be undertaken that will add value to the surrounding area.

- 4 **Notes** that officers will continue to bring items on the Waterloo PDA project for consideration and decision-making to Council in the 2024/25 Financial Year including direction on the Station Minimum Requirements.

## **Te tāhū kōrero**

### **Background**

3. In November 2021 (refer Report 21.501), Greater Wellington’s Transport Committee approved an inception project to commence investigation and initiation of Transit Oriented Development (TOD) opportunities on the Wellington Metropolitan Rail Network.
4. A TOD is a project that mixes residential and commercial opportunities with the objective of optimising the use of land for public good and maximising access to public transport. TODs are standard practice internationally and a range of TOD projects have been delivered to date, or are in active development, across New Zealand, particularly in Auckland (e.g. New Lynn, Manukau and Puhunui train stations).
5. Waterloo Station in the central Lower Hutt Valley was selected as the first TOD focus location due to:
  - a. A need by Greater Wellington to address major and pending end-of-life infrastructure issues in the train station.
  - b. Greater Wellington’s ownership of prime commercially developable land in the wider station precinct which is currently under-utilised from a land use perspective.
  - c. The station precinct’s strategic location in the Hutt Valley and the significant physical ‘footprint’ of the site (approximately 18,865m<sup>2</sup> of developable land), currently dominated by free-to-use carparks.
  - d. The opportunity to redevelop Waterloo as an integrated transport hub for the Hutt Valley linking with RiverLink, Hutt City CBD and connections to and from Wellington Central, Upper Hutt and the Wairarapa
  - e. The precinct’s potential to contribute to Wellington Regional Growth Framework (WRGF) objectives and goals in the Hutt Valley through a project that contributes to, and enables urban intensification and enhancement in Hutt City
  - f. The precinct’s potential to facilitate urban intensification in the wider catchment (particularly for Crown Partner Kāinga Ora) as a site for employment (e.g. anchor tenant office space) and social services provision (i.e. health, education and social services provision).
6. Phase I of the Waterloo TOD project, running from December 2021 to June 2022, comprised a Concept Study which explored opportunities for TOD at Waterloo. Phase I included engagement with key Crown and local government partners including Kāinga

Ora, NZ Transport Agency Waka Kotahi (NZTA), KiwiRail, Ministry of Housing and Urban Development, and Hutt City Council (HCC).

7. Phase I Concept Study, completed with advisory services from Willis Bond property and Athfield Architects, demonstrated the feasibility and viability of a TOD in the Waterloo precinct.
8. Phase II, Commercial Investigation, of the project ran from November 2022 to November 2023 and focused on the objectives: to better understand project feasibility and development approaches; to evaluate commercial opportunities and considerations; and to explore funding models and attracting private investment.
9. Phase II outputs included a report from Property Economics on commercial and demographic considerations for the project and Willis Bond's Commercial Investigation Report.
10. In May 2022 Waterloo TOD was given Complex Development Opportunity (CDO) status under the Wellington Regional Leadership Committee (WRLC), a body comprising all regional Mayors, Greater Wellington Chair, the Ministers of Transport and Housing, and iwi partners. Waterloo TOD is one of seven CDOs in the Wellington region. CDOs were later renamed Priority Development Areas (PDAs) by the WRLC.
11. PDA status formalises partnership for the project between central and local government, enables collective planning, decision making, problem solving and issue resolution and risk mitigation, and enhances the ability to access central government resources.

#### *Land ownership in the Waterloo precinct*

12. The precinct includes 19K m<sup>2</sup> of developable land in five definable parcels. 12,500+ m<sup>2</sup> of this is Crown land under KiwiRail holdings, currently utilised in carparks on the eastern and north-western side of the precinct (note. these figures do not include rail corridor holdings and sub-platform land).
13. HCC owns a 1650 m<sup>2</sup> block adjacent to the Wellington Free Ambulance building which is currently utilised for Metlink Park and Ride.
14. In addition to the current rail station facility, 4700 m<sup>2</sup> of land is under Greater Wellington ownership. This land, which includes the former Railways Corporation administration building, was purchased by Greater Wellington in 2017 from Land Information NZ. Valuation in 2017 was \$2.65 mil.
15. The Greater Wellington land is predominantly used for Park and Ride, while the old administration building has one short-term lease-hold tenant, the Potter's House Christian Fellowship Church which mainly uses the building on Sundays and Wednesday evenings. In addition, Two Degrees lease space on the station canopy for three cellphone antennas.
16. Greater Wellington has the ability to develop its land subject to Local Government Act and Long Term Plan processes. The Greater Wellington property has been determined through the Commercial Investigation to be the most developable parcel in the precinct due to its west-facing aspect, CBD adjacency and favourable land dimensions.

17. While KiwiRail have given support in principle for their land to be included in TOD investigations, the ultimate inclusion of this land in any commercial development will be dependent on negotiations and on the terms of any Crown covenants which have yet to be determined.

#### *Waterloo Station infrastructure*

18. Waterloo is second busiest rail station (after Wellington) by passenger volumes. It is a stop at peak times for all Hutt Valley Line express services, a Hutt Valley stop for all Wairarapa Line services (Upper Hutt, Waterloo, Petone) and will continue to be a stop for increased Wairarapa services under Lower North Island Rail Integrated Mobility (LNIRIM).
19. Waterloo is a bus hub for services to/from major catchments in the region including Wainuiomata (standard routes 160,170), Naenae (high frequency route 130), Seaview (standard route 121), and Kelson (standard route 150).
20. The 'Waterloo Bus-Rail Interchange' was opened in November 1988 in a development partnership between Wellington Regional Council, Railways Corporation and Lower Hutt City Council (as these organisations were then known). Total cost of the project was \$11.6m in 1988 dollars, equating to an inflation adjusted sum of approximately \$28.3m in 2024 dollars using CPI indexing. A key feature of this structure was a "huge tubular steel and transparent plastic space frame", then the largest of its kind in New Zealand (quote from contemporary Wellington Regional Council brochure).
21. The 'space frame' feature dominates the precinct and gives the station and environs its overall character. Largely due to the design and effect of this predominant feature, Waterloo faces significant infrastructure issues requiring Council decision-making to determine whether to extend the life ('sweat') of the existing structure, or to demolish and replace it with something more fit-for-purpose which also facilitates development of the TOD.
22. The original structure was built in 1987 (37 years old) and now manifests an increasing maintenance burden for which, Greater Wellington bears significant annual costs, specifically around the extensive use of tiles throughout the precinct and Perspex canopies in the subways, on top of the ongoing work to assess and maintain the space frame. In addition, the existing structure and layout does not provide the ability for optimisation in line with a modern public transport hub or the expanded local community.
23. In a 2017 engineering study, refurbishing and maintaining the existing space frame structure was estimated to cost approximately \$13ml with replacement of the canopy at approx. \$16m. Factoring in seven years of infrastructure escalation rates over the past seven years, particularly the rapid escalation of the past two years, current pricing is likely to be at least double these estimates.
24. 'Canopy Assessments' were commissioned in 2021 and 2024 to estimate the lifespan of individual canopy elements and determine mitigation costs. These assessments have indicated ever higher costs of maintaining the existing canopy over the coming five-to-ten years (see paragraphs 71 to 75).

25. From a service perspective the station, while uniquely 'iconic' in comparison with all other regional stations bar Wellington, provides a less than ideal customer experience. Athfield Architects noted eight 'challenges' for the station structure in Phase I:
  - a Identity/presence – dilapidated structure as an 'island' in a sea of carparking
  - b Shelter – over-height ineffective shelter, too exposed to the elements
  - c Legibility – Non-intuitive way-finding at both urban and local scale
  - d Accessibility – Subway ramps and thresholds between platforms cause generally poor and inequitable accessibility
  - e Interface/connection – Station is poorly integrated with surrounding community, streets and broader networks – bus, pedestrian, cycling etc.
  - f Crime Prevention Through Environmental Design (CPTED) – Observationally, inactive, poorly connected and dilapidated spaces appear problematic
  - g Carparking – not efficiently configured or legibly distributed
  - h Bike parking – location and connection not optimally connected.

*Waterloo as a regional transport hub*

26. Due to its location as the nearest major rail station to the eastern side of Hutt CBD, direct intra-regional connections from the local roading network, high public transport passenger volumes, extensive available land for development, and the imminent need to address infrastructure issues, Waterloo is best placed as a focus for regional lower Hutt Valley bus/rail integrated transport hub development.
27. Planning work with stakeholders including HCC recognise Waterloo is the ideal rail hub for consolidated bus links to/from significant Lower Hutt destinations including the CBD and retail centre, the Civic Centre, and Hutt Hospital.
28. Waterloo currently hosts the second largest Park and Ride facility on the network with 779 car parking spaces. In contrast, nearby Eponi has no Park and Ride spaces, and Woburn has 119.
29. In officers' considered opinion, no other rail station in the lower Hutt Valley currently has comparative attributes to warrant consideration as a major transport hub development.

*Waterloo Water Treatment Plant*

30. A notable feature of the Waterloo precinct is the Waterloo Water Treatment Plant, built in the early 1980s, which is partially surrounded by the broader station facilities on the north, south and east.
31. The Water Treatment Plant is a significant factor in considerations relating to the broad Waterloo project. Considerations include: plant access requirements for essential materials delivery by heavy vehicle which constrain final location and utility of the bus function of the transport hub; negating any impacts from future development on the aquifer; and the 'aesthetic' of the current plant building which will need to be considered in design approaches to the proposed transport hub.

### ***Strategic context***

32. Waterloo is a PDA under WRLC and the Future Development Strategy (FDS).
33. Waterloo is a Metlink key activity in the draft Greater Wellington LTP 2024-34.
34. Waterloo Station is ranked #26 on Regional Land Transport Plan Significant Activities prioritised by Regional Transport Committee.
35. Waterloo is a featured project in HCC's Lower Hutt draft Spatial Plan.

### ***Elected member engagement to date***

36. Officers have engaged on this project with internal and external elected members since inception of the TOD programme in 2021. These were: 31 August 2021 (workshop), 25 November 2021 (report 21.501), 24 March 2022 (workshop), 5 May 2022 (combined Greater Wellington/HCC field trip), 16 June 2022 (workshop), 16 November 2022 (WRLC workshop), 23 March 2023 (workshop), 12 July 2023 (HCC workshop), 19 October 2023, and 1 February 2024 (workshop).

### **Te tātaritanga**

#### **Analysis**

37. Analysis will focus on: TOD explorations to date; commercial development potential for the precinct; transport hub redevelopment; and conclusions focussing on Phase III of the project.

#### ***TOD explorations to date***

##### *Phase II findings*

38. Phase II of the project focused on the commercial development opportunities of the TOD, and in particular the development opportunities of the Greater Wellington owned land in the Waterloo precinct. Phase II comprised:
  - a General investigation of TOD typologies, procurement and funding models appropriate at Waterloo TOD and included:
    - i Benchmarking of TODs locally and internationally
    - ii General funding and procurement models
    - iii Appropriate Waterloo TOD funding strategies
    - iv Overall development and procurement process
    - v Legal and Resource Management Act planning context and implications
  - b Focus on the Greater Wellington owned property (south-west quadrant) including:
    - i High level feasibility providing potential development returns for several development options including:
      - Value
      - Construction costs
      - All associated development costs



- c Indicative land value of each of the above
  - d SWOT analysis of each of the above, discussing both financial and non-financial considerations
  - e Potential development, funding and procurement models and their ability to contribute to the broader requirements of Greater Wellington (station upgrades etc.).
39. Phase II ran from November 2022 to November 2023. Phase II aimed to work towards the formalisation of the development and procurement approach for the project.
40. Property Economics research objectives were to provide an overview of Waterloo Station in the context of the wider Lower Hutt market and existing urban environment and amenities including to:
- a Identify the primary market any commercial activities within Waterloo Station is designed to service
  - b Utilise the latest Sense Partners population and household projection series to determine the size of the current and future residential base of the catchment out to 2053
  - c Assess the existing commercial and retail market in the immediate and broader area and assess the total supportable commercial and retail floorspace and land area requirements
  - d Assess the existing supply of medical facilities in the localised market and the expected demand for additional medical facilities
  - e Education: Assess the demand for both schools and specialised education (such as adult vocational and language courses).
41. Key findings for population and dwelling growth in the wider catchment show characteristics including a population generalised as being older, having higher average incomes, and paying higher rents than the district average.
42. Property trends indicate more rapid dwelling growth/demand in the catchment to match the higher rates of population growth in the HCC area. Demand for accommodation is anticipated to further drive development towards attached dwellings. There is already a rapid growth in consenting for attached dwellings in Hutt City with a change in detached/attached mix from approximately 80/20% in 2017 to approximately 30/70% in 2022. Trends indicate that most dwellings delivered in the Waterloo catchment in the decades ahead will be either terraced houses or apartments.
43. Regarding retail growth, the report highlights the potential for Waterloo to act as a local centre for wider the catchment with 68% retail expenditure growth from catchment forecast over the coming 30 years. Food retailing (supermarket) has the highest net predictive growth (50% of all growth) followed by 'food & beverage services'.
44. The report presents Waterloo as 'an efficient and attractive option' for convenience-related store types particularly more 'boutique' brands and posits that the risk of a supermarket in Waterloo undermining the city centre is 'negligible'.

45. Employment in the catchment is predicted to grow from 13.6k in 2023 to 20K+ in 2053. Commercial office floorspace is projected to grow by 183K sqm in the district, 30.5K sqm in the wider catchment, and by 3K sqm Waterloo over the coming 30 years. The report highlights that the Waterloo catchment could capture approximately 10% of potential localised commercial office growth over this period.
46. The report, while caveating the influence of government policy in uptake levels, highlights strong demand and growth in the preschool education market with 1 to 3 new preschools needed in the catchment over the coming 30 years.
47. Waterloo itself has seen a change in medical business activity in the past decade but no significant shift in its position in the market. In and of itself, the Waterloo Station Core Catchment represents a significant gap in the distribution of medical facilities. Consequently, the addition of new medical services at Waterloo Station represents not just an opportunity from a market perspective but could also provide better access to health care for the local community.
48. Although the demand generated by the catchment itself is considerably smaller than this (the core catchment represents 7% of Lower Hutt's projected population growth), the wider catchment has a considerably greater proportion of Lower Hutt's non-hospital medical activities. Any medical facilities at Waterloo Station would be well positioned to be accessible to both the local community and the wider Lower Hutt district, particularly those within walking distance of another train station. Therefore, there is the potential for a small medical centre at Waterloo Station, one that services both the local and wider district markets.

#### *Current market conditions*

49. Market conditions have deteriorated rapidly over the past two years with rising input costs (materials, cost of borrowing, rising insurance premiums) and falling market values across sectors in the short term. The market has seen 27% increases in construction price over the past three years, with residential building construction increasing by 32%. Construction costs are predicted to continue rising by 12% per year over the short term. Residential house values in the region have decreased by 22% from 2022.
50. Over this period Wellington prime commercial capitalisation rates have softened, now sitting at 7.02% with a resulting decrease in development activity and limited transactions occurring and investors and developers struggling to meet return targets.

#### ***Commercial development potential for precinct***

51. The Phase II Commercial Investigation concluded that there was a demonstrable theoretical capacity for intensified development in the Waterloo catchment noting, "The land parcels adjacent to the existing station infrastructure, including the Greater Wellington property presents an opportunity to intensify with mixed-use urban development that leverages the proximity to the existing station, and provides a catalyst for the further intensification of the walkable catchment".
52. The investigation acknowledged that difficult market conditions limit ability to maximise site value in the immediate term (1-4 years) with a commercial development focus most feasible in the medium term (5 years+).

53. While the investigation demonstrated clear housing opportunities in the broader precinct (both eastern and western sides), it concluded that intensified residential development in immediate precinct was not economically feasible in the short-medium term.
54. The investigation highlighted both favourable and challenging aspects of the precinct as a focus for commercial development. On the favourable side of the ledger were noted: strength of support for the project at Greater Wellington and its local and central government partners; the station's status as a high patronage interchange node connecting the Hutt Valley rail to the Wainuiomata catchment; the precinct's interface with HCC's planned Beltway and east-west cycleways; realisable benefits from the National Policy Statement on Urban Development (NPS-UD) intensification; generally north south orientation beneficial for residential development to utilise east and west aspects; the forecast catchment growth over the coming decade.
55. In addition, the investigation highlighted opportunities for urban development in the immediate catchment adjacent to the precinct including: the relatively low-value of surrounding land suitable for intensified housing; Government owned land with potential access to patient investment capital; the availability of more favourable funding mechanisms to local government than are available to the private sector; and, non-financial benefits driven by government initiatives to present a catalyst for future development.
56. On the challenging side of the ledger, the investigation highlighted a range of considerations Greater Wellington will have to face when progressing the project. These fall into the three broad categories of: precinct location, construction and design constraints, and contribution of the project to urban development in the catchment.
57. Regarding precinct location, while dislocation of the precinct from Lower Hutt CBD is stated as a challenge in the investigation, it should be noted that Metlink is embracing this challenge as an opportunity through the project to innovate in the way we approach sub-regional network design. Officers have had particular focus on the rail hub/CBD connections in RPTP workshops with HCC and extensive workshops with all stakeholders on the Waterloo project itself. This aspect, and potential service design options for the new transport hub will be worked through with Council and the Transport Committee over the coming year.
58. Regarding construction constraints, these will be considered and addressed as, following Council approval, Reference Design work is progressed through Phase III of this project. Structural and geotechnical engineering considerations to negate impacts on the Waiwhetū Aquifer will form an important part of the Reference Design brief. Advice from the Environment Group and Wellington Water will be sought in the pending Reference Design brief development stage. Additional constraints around construction in proximity to the rail corridor are 'business as usual' for Metlink's Rail Assets team.
59. The potential contribution of the project to urban development in the catchment has been a central focus of the project to date and has been a significant driver in the project's designation as a PDA.
60. While the provision of high frequency, high capacity public transport is on its own a major contributor to urban development, the 'public space' and amenity provision

aspects of design are acknowledged as important factors and contributors which will form part of future Council decision-making on the Reference Design and the provision of public open space to support intensification.

61. A key consideration put to Council in 2022 regarding our 'ambition of scope' in relation to Waterloo. A fundamental question, which will be brought to Council for decision in the coming financial year, will be one that determines how aspirational and ambitious Council wishes to be on what contribution the project makes to public 'space and place' in the immediate catchment and wider Valley area (see paragraph 87).
62. The Greater Wellington property has been determined through the Commercial Investigation to be the most developable parcel in the precinct due to its west-facing aspect, CBD adjacency and favourable land dimensions.

### ***Transport hub redevelopment***

63. Officers have kept a constant and active watching brief on Waterloo infrastructure condition with 'canopy assessments' commissioned in 2021 and 2024. Both assessments have confirmed that the main space frame is nearing end-of-economic life with different components of the frame deteriorating at different paces to other components, some of them at an accelerated pace.
64. The recently commissioned 'Canopy Reassessment' has indicated that while, overall, the structure is in reasonable condition considering its age, immediate treatments will be required to mitigate the need to replace canopy elements over the short term if they are left untreated for much longer.
65. While, it must be emphasised, there are no public safety-related concerns with any aspect of the station structure, from an asset maintenance perspective, the current consideration there relates to how long, and at what cost, we should continue to prolong the life of the current structure before it becomes more prudent to replace it completely?
66. While the 2024 canopy reassessment report has recommended a course of actions to prolong life of this essential infrastructure, Officers have yet to be provided with an indicative estimate of how much the treatment programme could cost and for what long term benefit.
67. Waterloo canopy maintenance is already a notable component of Metlink OPEX yearly costs. As an illustration, over Christmas 2023 alone, \$350,000 was spend on various activities, of which roughly \$90,000 were solely on permits, health and safety management and equipment required to work up on the roof.
68. As noted in paragraph 23, previous quotes have indicated multi-million-dollar investment-levels required to either bring the current infrastructure 'up-to-spec' or undertake a like-for-like replacement. Either of these approaches would still leave a fundamental issue unresolved, that is that the current infrastructure is not delivering an ideal customer experience and has a negative aesthetic presence in the neighbourhood.
69. While officers continue to undertake due diligence on the canopy mitigation options and costs, and will present these to Council in future Reference Design deliberations, it is generally agreed that any canopy mitigations undertaken should only be to extend

the short-term life of individual canopy components and that the most prudent and value-for-money approach would be to remove the existing space frame.

70. Development of a new transport hub will provide the ability to optimise the customer experience and aid in the flow of passengers across multiple transport choices while providing high standards of accessibility by utilising modern design requirements and understanding.
71. The significant works that will be needed to remove the existing space frame will provide an opportunity to remove other redundant structure including the old Railways Corporation building.
72. Pending further Council decisions, Officers consider that replacing the canopy in a like-for-like manner should not be in scope, rather the focus should be on commissioning a replacement transport hub which can:
  - a Fully integrate all public transport services in a single coherent structure which incorporates a bus interchange into the build
  - b Improve customer experience including accessibility
  - c Facilitate adjacent commercial development on Greater Wellington land in the precinct through a TOD-enabling transport hub design
  - d Facilitate urban development in the immediate catchment.

**Conclusions: Phase III focus**

73. The Phase II Commercial Investigation has validated the conclusions of Phase I, i.e. that Waterloo precinct is an ideal location for a TOD based on a range of social, economic, commercial and environmental considerations.
74. The investigation has shown Waterloo as an ideal site for a mixed-use commercial facility hosting office accommodation and essential services like medical and childcare, all located in an adjacent facility integrated into the transport hub.
75. Phase II has also given Officers a clear understanding of the market dynamics that drive our ability to maximise site value in the immediate term and have indicated that further work is required to refine an options analysis for Council consideration for the commercial component of the project. This work should not be done at the expense of progressing the main station rebuild itself.
76. In addition, the project has given Officers a broader framework of considerations through which to weigh-up options for addressing the end-of-life infrastructure horizon at the station.
77. It is a key recommendation from the investigation that Council adopt an 'Adjacent Station Development' model for the project going forward. Under this model, a demarcation is placed between *Station* and *Development* (collectively the TOD) to help refine definitions of legal ownership, liability, operational responsibility, and revenue and cost allocation.
78. Practically, this demarcation enables the project work to progress in a manner where the *Station* is not reliant on the *Development*. This means all components, structure, facilities, spaces, security, operational systems etc. that are required for the

uninterrupted functional performance of the station asset can be delivered without reliance on the commercial development's progress.

79. The *Development* may however rely on the *Station* but should be carefully considered – for instance secondary retail entrance ways. Demarcation may be in the horizontal (defined by a floor, roof, transfer deck) or vertical plane (defined by a wall/door/window). The more integrated a TOD is, the more complex the demarcation, however this principle should prevail. In addition to this, clear demarcation enables decoupling of TOD components, meaning *Station* and *Development* can be procured (and re-procured as development generally comes to end of life before station infrastructure does) on their own eliminating reliance on other components for success.
80. Phase II has thus consolidated Officer thinking on progressing this project and it is proposed that a two-track approach is taken from now. This is:
  - a The Transport Hub (*Station*) work continues to be progressed at pace on the public transport component of the TOD
  - b In parallel, the commercial work continues to advance work on the development with focus on following market cycles to ensure value maximisation is pursued.
81. Officers recommend therefore that Council agrees that we proceed with a Phase III of the Waterloo PDA project that is focused on:
  - a De-coupling the station rectification works from adjacent development to ensure the maintenance objectives can be achieved, whilst future proofing future development
  - b Finalising *Station* Minimum Requirements
  - c Procuring Waterloo Station Reference Design
  - d Commencing work to enable Detailed Business Cases to be prepared
  - e Continue to refine options and approaches for the commercial component of the project (the *Development*) for further Council consideration.
82. In addition, based on the discussion to this point, officers recommend that Council formally resolves that Greater Wellington continues to hold ownership of the land in Waterloo (south-west quadrant of the precinct that includes old Railways Corporation building and carparking spaces) currently ear-marked for the TOD until market conditions improve and a development can be undertaken that will add value to the surrounding area.
83. As highlighted in paragraph 63, a key focus for Phase III and further decision-making by Council will focus on determining the scale of ambition Greater Wellington will take to the scope, form, function and budget of the *Station* component of the TOD. This work will continue with Council in the coming financial year.

## **Ngā hua ahumoni**

### **Financial implications**

84. Redevelopment of Waterloo Station to address extant infrastructure issues was included in the 2021-31 Long Term Plan (LTP). The current budget allocation of \$22M



over 2023-2026/27 will likely only cover some of the station redevelopment work and did not include funds to redevelop the broader station precinct for full TOD delivery.

85. Draft LTP has a \$110ml allocation with current intention to scale this back considerably for actual build allocation. Consideration of scale and potential cost of build will occur with Council in Phase III (FY24/25) during the Reference Design process.
86. Station redevelopment component is to be funded through LTP and NZTA funding with the commercial development to be funded through a mix of private investment and non-NLTF public funds in a model yet to be determined.
87. Officers have been working to four key funding assumptions for the TOD project, namely:
  - a National Land Transport Fund (NLTF) FAR funding through NZTA for Waterloo TOD will only be available for the station and bus interchange components of the project, not for the broader station commercial precinct. Funding for these components are likely to be confirmed in the next 2 – 3 months with a risk to funding being present due to constraints on NLTF
  - b Future expected demands on Greater Wellington for public transport infrastructure projects (e.g. asset ownership strategy, new rail rolling stock and network upgrades) means that Waterloo TOD PDA funding from Greater Wellington borrowing will not be a baseline assumption
  - c A targeted rate for the project on Hutt Valley residents will be politically unpalatable
  - d Alternative funding sources including private investment must be actively considered in line with government signals from the Government Policy Statement on Land Transport.
88. The Phase I Concept Study for Waterloo identified that the broader station precinct would be attractive to private investors and developers. This was particularly the case for the approximate 4700m<sup>2</sup> west-facing quadrant of the precinct which is under direct Greater Wellington ownership.

#### *Procurement*

89. In February 2021, Greater Wellington contracted Willis Bond to undertake the Phase I Concept Study to the value of \$85,000. Willis Bond in turn sub-contracted Athfield Architects for the design-work portion of the Concept Study. Contracted was completed in June 2022.
90. Procurement for Phase I was through a direct procurement based on Willis Bond's extensive expertise and experience in TOD projects in Australasia.
91. Greater Wellington directly procured the services of Willis Bond for Phase II (approx. \$195K in value). The rationale for this is:
  - a Willis Bond's extensive expertise and experience in property investment and development for local government projects
  - b Their previous experience with the project and all key partners

- c Their credibility as an investor/developer with key partners particularly Kāinga Ora
  - d Their availability to undertake Phase II to project timeframes.
92. Greater Wellington established a Probity Framework for the overall project going forward to ensure:
- a Procurement for all phases of the project is transparent and defensible to all stakeholders and the market
  - b Any private sector party involved in previous phases of the project is not excluded from any future phases of the project including tenders brought to open market for investment and/or development and/or delivery.

### **Ngā Take e hāngai ana te iwi Māori Implications for Māori**

- 93. Officers are exploring opportunities for iwi engagement and initial engagement has occurred with Wellington Tenth Trust.
- 94. Access to reliable public transport is essential for connectivity to places such as employment, social services, education facilities, marae, and community events.
- 95. Public Transport allows Māori to travel affordably to places such as employment, social services, education, and culturally significant events.
- 96. Public Transport also aims to decrease the amount of greenhouse gas emissions in the environment which appeals to the protection of the environment which is important in te ao Māori given a special connection to the whenua (land).

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

- 97. “Locations with least current and future impact from natural hazards and climate change” is one of the evaluation criteria used to determine priority locations for TOD development.
- 98. The principles adopted by Council (report 21.501) for this project embed sustainable approaches to development. The specific principle, “that sustainable, human-centred, and accessible design underpins the approach to each development”, will form part of the Minimum Requirements informing the Reference Design brief for Phase III of the project.
- 99. More specific climate change considerations will be outlined in future reports once more concrete development plans have been developed.

### **Te hiranga Significance**

- 100. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of this matter, taking into account Council's *Significance and Engagement Policy*,

Greater Wellington’s *Decision-making Guidelines* and the *Significance Policy* of the RPTP.

101. Advancing the Waterloo PDA project is considered to be of high significance due to the potential impact on local communities and for financing in the 2024-34 Long-Term Plan.
102. Waterloo PDA will be publicly consulted on through the review of the RPTP 2025-35.

### **Te whakatūtakitaki Engagement**

103. Community engagement on Waterloo redevelopment commenced in April 2024 with particular focus on the businesses and residents in the immediate precinct-adjacent area. To date, engagement has consisted of a presentation on the project to Hutt Valley Rotary and a targeted information-drop (and brief in-person discussions) to local businesses and dwellings.
104. A dedicated email for the project ([waterloorenewal@gw.govt.nz](mailto:waterloorenewal@gw.govt.nz)) has been set up and comments and contact information received already to date from residents.
105. A fuller range of engagement activities is being planned and will include further information campaigns and on-site drop-in activities. Councillor participation in community engagement activities is under discussions with Greater Wellington’s Lower Hutt elected members.
106. Waterloo will be included as a featured activity in the Wellington Regional Public Transport Plan (RPTP) review and will be publicly consulted on in October 2024.
107. Officers conducted a workshop on Transit Oriented Development in general, and the Waterloo opportunity in particular, with the Metlink Public Transport Advisory Group (PTAG) on 5 May 2022. PTAG members were positively disposed towards the project considering it “an ambitious best practice development catering to the immediate population, wider population and future population. Built around public transport but not limited to this function. Creating a destination of amenity, function, connectivity, and leisure” (see report 22.264).

### **Ngā tūāoma e whai ake nei Next steps**

108. Following Council decision, officers will commence Phase III activities.

### **Ngā kaiwaitohu Signatories**

Writers	Emmet McElhatton – Manager Policy, Metlink Nathan Briggs – Manager, Rail Assets, Metlink
Approvers	Tim Shackleton – Senior Manager, Commercial, Strategy and Investment, Metlink Samantha Gain – Group Manager Metlink

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

Decisions relating to Transit Oriented Developments rest with Council.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

Waterloo is a Metlink key activity in the draft Greater Wellington LTP 2024-34. Waterloo is a PDA under Wellington Regional Leadership Committee and the Future Development Strategy (FDS). Waterloo Station is ranked #26 on Regional Land Transport Plan Significant Activities prioritised by Regional Transport Committee. Waterloo is a featured project in Hutt City Council's Lower Hutt draft Spatial Plan.

***Internal consultation***

Internal consultation on the matters covered in this report have been had with functions across the Metlink Group and with Regional Transport.

***Risks and impacts - legal / health and safety etc.***

There are no known current risks associated with matters covered in this report.



## For Decision

### WELLINGTON RAPID TRANSIT BUS CORRIDORS

#### Te take mō te pūrongo

##### Purpose

- 1 To advise Council of the indicative scope of the Wellington Rapid Transit Bus Corridors programme.
- 2 To seek Council agreement to enter into a partnership agreement with Wellington City Council (WCC), to prioritise the accelerated development of Wellington Rapid Transit Bus Corridors programme subject to the adoption of the Draft Long Term Plan 2024 - 2034.

#### He tūtohu

##### Recommendations

That Council:

- 3 **Notes** that on 31 March 2024, Let's Get Wellington Moving (LGWM) was disestablished following the mutual agreement of all three parties - Greater Wellington Regional Council, Wellington City Council and the NZ Transport Agency Waka Kotahi.
- 4 **Notes** that Greater Wellington has \$88m budgeted within the Draft Long Term Plan 2024-2034 to participate in various roading corridor improvements, planned within the LGWM programme, \$6m of which has been allocated to Travel Choices (making \$82m available).
- 5 **Notes** that considerable planning has been undertaken to identify bus priority opportunities on Wellington City bus corridors through LGWM 'City Streets' and the Greater Wellington-Wellington City Council 2019 'Bus Priority Action Plan'.
- 6 **Notes** that the Draft Government Policy Statement on Land Transport specifically identifies the acceleration of work on Wellington's North/South, East/West, and Harbour Quays' bus corridors.
- 7 **Notes** that bus prioritisation is identified as a priority in the Wellington Regional Public Transport Plan 2021-2031.
- 8 **Notes** that Greater Wellington and Wellington City Council officers have been working together to develop a joint programme of work to deliver bus prioritisation on the North/South and East/West corridors, and other key Wellington City bus routes.



- 9 **Notes** that the Wellington Rapid Transit Bus Corridors programme includes:
  - a A joint programme of work with Wellington City Council to deliver bus prioritisation on the North/South and East/West corridors, and other key Wellington City bus routes (Joint Programme)
  - b A programme of work led by Greater Wellington to develop and implement a regional rapid transit bus prioritisation strategic plan.
- 10 **Notes** that the Wellington Rapid Transit Bus Corridors programme has an indicative cost of \$117.8m over the first four years (24/25-28/29), and a total programme cost of \$387.8m over 10 years.
- 11 **Notes** that Greater Wellington's share of the Wellington Rapid Transit Bus Corridors programme cost over the next four financial years (24/25-28/29), is \$36.8m.
- 12 **Notes** that the proposed local government funding contribution for the Joint Programme will be equally shared by Greater Wellington and Wellington City Council.
- 13 **Notes** that the LTP Committee has agreed as part of its deliberations on the Draft Long Term Plan 2024-2034 that Council reallocates the \$82m budgeted within the Draft Long Term Plan 2024-2034 for former LGWM projects to the Wellington Rapid Transit Bus Corridors programme.
- 14 **Authorises** the Chief Executive to enter a formal partnership agreement with Wellington City Council to develop and fund the Joint Programme.

## **Te tāhū kōrero Background**

### ***Strategic context***

#### *Bus Priority*

1. In 2019, Greater Wellington and Wellington City Council (WCC) endorsed the Draft Bus Priority Action Plan (Draft Action Plan).
2. The Draft Action Plan identifies the key routes, issues and opportunities to improve the reliability of buses on Wellington's busiest routes.
3. The 2019 Draft Action Plan was a foundational document for Let's Get Wellington Moving City Streets and WCC Transitional Programme.

#### *Let's Get Wellington Moving*

4. Let's Get Wellington Moving (LGWM), was set up as a joint initiative between WCC, Greater Wellington, and NZ Transport Agency Waka Kotahi (NZTA), with support from mana whenua partners Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira.
5. LGWM was responsible for the design and delivery of multiple transport projects in Wellington City, including bus prioritisation and rapid transit.
6. In early 2024 Greater Wellington, WCC and NZTA agreed to the discontinuation of jointly funded LGWM programme.

7. As part of the agreement to discontinue LGWM, responsibility for the delivery of projects was returned to the respective agencies.

*Draft Government Policy Statement on Land Transport*

8. In April 2024, the Government released the Draft Government Policy Statement for Transport (Draft GPS).
9. The Draft GPS noted support for delivering reliable, effective, and efficient public transport, particularly in Auckland and Wellington.
10. The Draft GPS specifically identifies the acceleration of work on Wellington's North-South, East-West, and Harbour Quays' bus corridors.

*Funding provided under the Draft Long Term Plan*

11. During the development of the Draft Long Term Plan 2024-2034, approximately \$300m of funding was allocated to LGWM projects was reduced to \$88m.
12. The \$88m budgeted for in the Draft Long Term Plan 2024-2034 was to participate in various roading corridor improvements, planned within the LGWM programme, \$6m of which has been allocated to Travel Choices (making \$82m available).

***Development of proposed Wellington Rapid Transit Bus Corridors programme with WCC***

13. Given the high degree of maturity of various work-packages from LGWM and the Bus Priority Action Plan, WCC and Greater Wellington identified an opportunity to develop a joint programme of work to deliver bus prioritisation on the Harbour Quays and East/West corridors, and other key Wellington City bus routes.

**Proposed Wellington Rapid Transit Bus Corridors programme**

14. The overall Programme consists of the following projects intended to be funded by Greater Wellington:
  - a Wellington Regional Rapid Transit Bus Corridors Programme - Strategic Plan
  - b Harbour Quays (Second Spine) Bus Corridor - Stage 1 (with WCC as part of the Joint Programme)
  - c Harbour Quays - Stage 2 Rapid Transit Bus Corridor – Business case and early design work
  - d Eastern Bus Corridor to Miramar and the Airport - Stage 1 (with WCC as part of the Joint Programme)
  - e Eastern Corridor – Stage 2 Rapid Transit Bus Corridor – Business case and early design work
  - f Wider WCC Bus Network Improvements including city to Karori, Johnsonville, Taranaki, Wallace and John Streets, and South West CBD – funded for year 1 of 7 (with WCC as part of the Joint Programme)
  - g Prioritised Regional Busways Programme and Wider Bus Network Improvements – Business case, detailed design, and early works
  - h Golden Mile Bus Shelters and related infrastructure.

### *Funding*

15. As part of the partnership approach with WCC, Greater Wellington is sharing the local government contribution cost of the project equally.
16. Greater Wellington and WCC are seeking 51% FAR funding from NZTA for all the projects in the Programme.
17. Indicative costings for the Joint Programme, which includes the transitional Harbour Quays Second Spine and Eastern Bus Corridor, are based on estimates of similar works planned as part of LGWM.
18. Initial costings for the remainder the Proposed Programme have been estimated at a high level (see table below) and dependent on business case development.
19. At this stage, the Proposed Programme has an indicative cost of \$117.8m over four years, and a Programme cost of \$387.8m over 10 years if more transformational rapid transit solutions are pursued.
20. Currently only \$117.8mn of the estimated early works are firm with the remainder of the \$387.8m budget (\$270.0m) being notional profiles, conditional upon a variety of business cases, funding arrangements and subsequent LTP consideration in 3 years' time.
21. Greater Wellington's share of this cost over the next four financial years is \$36.8m, which will deliver the Joint Programme.
22. Note that all costs are indicative only and final costs will not be known until business casing has been completed.
23. The amounts allocated in the Draft Long Term Plan 2024-2034 are notional amounts and will be rephased once the business cases have been finalised.
24. Greater Wellington's share will not exceed the total amount of funding made available over the four-year and 10-year horizons.
25. The following table provides the indicative costs for each project over the next four financial years.

Project	2024/25 \$m	2025/26 \$m	2026/27 \$m	2027/28 \$m	Total \$m
Wellington Regional Rapid Transit Bus Corridors Programme - Strategic Plan	1.0	-	-	-	1.0
Harbour Quays Bus Corridor	5.9	18.7	19.8	7.9	52.4
Harbour Quays - Stage 2 Rapid Transit Bus Corridor	-	1.0	1.5	7.5	10.0
Eastern Bus Corridor	1.0	2.9	10.9	1.3	16.2
Eastern Corridor - Stage 2: Rapid Transit Bus Corridor	-	-	1.5	8.5	10.0
Wider WCC Bus Network Improvements	-	-	-	6.8	6.8
Prioritised Regional Busways Programme and Wider Bus Network Improvements	1.8	2.3	3.0	3.0	10
Golden Mile bus Shelters	5.5	0.1	5.6	0.2	11.4
<b>Programme Total</b>	<b>15.2</b>	<b>25.0</b>	<b>42.3</b>	<b>35.0</b>	<b>117.8</b>
<b>Greater Wellington Share</b>	<b>5.8</b>	<b>6.9</b>	<b>12.8</b>	<b>11.3</b>	<b>36.8</b>
<b>Greater Wellington LTP Budget</b>	<b>7.0</b>	<b>8.2</b>	<b>20.5</b>	<b>19.0</b>	<b>54.7</b>

### Programme benefits

26. A number of measurable benefits that the Proposed Programme will deliver have been identified. These will require further analysis to establish cost/benefit ratios as part of the business case process.
27. A significant body of analysis relating to benefits has already been undertaken by Greater Wellington as part of the network planning activity, and by the former LGWM programme as part of business cases for transitional and transformational workstreams.
28. The benefits take a wider commercial focus, as well as a customer focus to align them with the focus on economic outcomes required in the Draft GPS.

Programme Benefit	Measurable outcome	Dependencies
<p><b>Increased operational efficiency and productivity of the bus network.</b></p> <p><i>Increased value for money from improved bus access and journey times enabling more efficient utilisation of the</i></p>	<ul style="list-style-type: none"> <li>• Reduced journey times and variability.</li> <li>• Optimised/increased utilisation with existing fleet.</li> <li>• Increased carrying capacity by future fleet.</li> <li>• Establishing future resilience and capacity of the network.</li> </ul>	<ul style="list-style-type: none"> <li>• Separation of bus traffic from general traffic congestion.</li> <li>• Bus priority at intersections.</li> <li>• Optimal bus stop placement</li> <li>• Higher productivity bus fleet.</li> </ul>

Programme Benefit	Measurable outcome	Dependencies
<i>bus fleet and greater bus driver productivity.</i>		<ul style="list-style-type: none"> <li>Addressing corridor constraints such as inadequate lane widths and poor intersection layouts.</li> </ul>
<p><b>Improved region-wide access for people using public transport.</b></p> <p><i>Making public transport a convenient alternative to private vehicle reliance, especially to key regional destinations such as employment centres, health care and the airport.</i></p>	<ul style="list-style-type: none"> <li>Moving more people on constrained road corridors</li> <li>Reduced journey times for relevant bus services.</li> <li>Peak and off-peak patronage growth.</li> <li>Patronage growth to key regional destinations.</li> <li>Patronage growth from transport disadvantaged communities.</li> </ul>	<ul style="list-style-type: none"> <li>Separation of bus traffic from general traffic.</li> <li>Bus priority at intersections.</li> <li>Optimal bus stop placement.</li> <li>Provision of quality bus infrastructure (shelter, bus layover and road access).</li> </ul>
<p><b>Increased productivity of road corridors.</b></p> <p><i>Reducing traffic congestion, to improve access and journey times for freight, service delivery and essential road traffic.</i></p>	<ul style="list-style-type: none"> <li>Reduction of vehicle journey times.</li> <li>Improvements to freight and service delivery sector productivity.</li> </ul>	<ul style="list-style-type: none"> <li>Separation of bus traffic from general traffic.</li> <li>Adequate general traffic maintained/enhanced.</li> <li>General traffic access transformed by Mt Victoria Tunnel (long term).</li> </ul>
<p><b>Activating the urban environment.</b></p> <p><i>Increasing community and commercial engagement and activity along public transport corridors.</i></p>	<ul style="list-style-type: none"> <li>Increased liveability and community activity along public transport corridors.</li> <li>Increased commercial activity along public transport corridors.</li> </ul>	<ul style="list-style-type: none"> <li>Provision of quality bus stop amenity (shelter and access).</li> <li>Integration of bus stop amenity with the over-all urban design.</li> <li>Integration of pedestrian and cycle amenity.</li> </ul>
<p><b>Activating urban economic development.</b></p> <p><i>Increasing community and commercial engagement and activity along public transport corridors and supporting residential development.</i></p>	<ul style="list-style-type: none"> <li>Increased economic activity along public transport corridors.</li> <li>Residential development opportunities.</li> <li>Counterfactual of not doing anything.</li> </ul>	<ul style="list-style-type: none"> <li>Corridor improvements aligned to urban development opportunities, including residential, retail, and industrial developments.</li> </ul>

29. Initial analysis demonstrates that the identified benefits align with most of the activities in the Proposed Programme (see table below).

<b>Programme benefit alignment</b>					
<b>Key</b>	<i>Full Value Proposition</i>			<i>Partial Value Proposition aligned</i>	
<b>Wellington Regional Rapid Transit Bus Corridors Workstreams</b>	<b>Increased operational efficiency of the bus network</b>	<b>Improved access and journey times for bus passengers</b>	<b>Increased productivity of road corridors</b>	<b>Activating the urban environment</b>	<b>Activating urban economic development</b>
Harbour Quays Bus Corridor			No disbenefit		
Harbour Quays - Stage 2 Rapid Transit Bus Corridor					
Eastern Bus Corridor			No disbenefit		
Eastern Corridor - Stage 2: Rapid Transit Bus Corridor					
Wider WCC Bus Network Improvements			No disbenefit		
Prioritised Regional Busways Programme and Wider Bus Network Improvements					
Golden Mile bus shelters			Not relevant		

## **Ngā hua ahumoni**

### **Financial implications**

30. Current estimates indicate a commitment of \$36.8m (\$25.5m within the next triennium) by Greater Wellington over the next 4 years to deliver the Proposed Programme.
31. The Draft Long Term Plan 2024-2034 contains a budget of \$82m over the next 10 years for LGWM legacy projects, with \$54.7m currently budgeted for over the next 4 years.
32. The current estimates for the Proposed Programme will be refined as part of the detailed business case process.

## **Ngā Take e hāngai ana te iwi Māori**

### **Implications for Māori**

33. Access to reliable public transport is essential for connectivity to places such as employment, social services, education facilities, marae, and community events.



34. Public Transport allows Māori to travel affordably to places such as employment, social services, education, and culturally significant events.
35. Public Transport also aims to decrease the amount of greenhouse gas emissions in the environment which appeals to the protection of the environment which is important in te ao Māori given a special connection to the whenua (land).
36. The planned improvements to bus routes are expected to make public transport more accessible for many communities in the region, including Māori and those already experiencing transport challenges.

### **Te huritao ki te huringa o te āhuarangi**

#### **Consideration of climate change**

37. The issues raised in this report were considered by officers in accordance with the process set out in Greater Wellington's Climate Change Consideration Guide.
38. Officers consider that planned improvements to bus routes helps Greater Wellington achieve its climate change and related travel choice shift goals. Creating Rapid Transit Bus Corridors and providing more rapid bus movements is also expected to increase the efficiency of the existing bus network (and thereby help decrease CO2 emissions).

### **Ngā tikanga whakataua**

#### **Decision-making process**

39. 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**

Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matters for decision, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider that the decision being sought in this report (to enter into a partnership agreement with WCC to accelerate the development of Wellington Rapid Transit Bus Corridors and to reallocate funding assigned to Let's Get Wellington Moving to the Wellington Rapid Transit Bus Corridors programme) has been assessed to be of low significance. The projects have already been consulted on as part of the LGWM, the funding for these projects was committed in the current Long Term Plan 2021 -2031 and has been signalled in the Draft Long Term Plan 2024-2034.

### **Te whakatūtakitaki**

#### **Engagement**

40. Greater Wellington has worked closely with WCC and NZTA on the development of the Proposed Programme.
41. A detailed communication and engagement plan is being developed as part of the work programme.

## Ngā tūāoma e whai ake nei

### Next steps

42. Following Council decision on this matter:
- a The Chief Executive will enter into a formal agreement with WCC.
  - b A Joint Governance Group of senior officers will be established with WCC and NZTA.
  - c Business cases for various work packages will be developed.
  - d A Project team within Greater Wellington will be stood up.
43. In addition, officers will work with WCC to develop:
- a A Wellington Rapid Transit Bus Corridor Strategic Plan which will prioritise investment and help redesign a much faster and efficient bus network across the entire region.
  - b Transformational programmes that will support other key projects such as the Basin Reserve / Mount Victoria Tunnel to deliver fully integrated rapid transit bus corridors.
  - c Development of a Wellington City Transport Plan, in much the same way as the 2019 Bus Priority Action Plan was developed.
  - d Wider regional bus network improvements with other Territorial Authorities.
- Council will be advised of the outcomes of these steps (as necessary).

## Ngā kaiwaitohu

### Signatories

Writers	Kevin Forward – Principal Advisor Strategy, Commercial, Strategy & Investments David Boyd – Manager Customer Experience, Network & Customer Alex Campbell – Principal Advisor Network Design, Network & Customer
Approvers	Tim Shackleton – Senior Manager Commercial, Strategy & Investments, Metlink Bonnie Parfitt – Senior Manager Network & Customer, Metlink Samantha Gain Samantha Gain – Kaiwhakahaere Mauta, Waka-ā-atea   Group Manager, Metlink

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

Council is required to make decisions on funding re-allocation.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

The proposals in this report contribute to the delivery of Public Transport aspects of the 2021-31 Long Term Plan. The proposals also implement policies in the Regional Public Transport Plan.

***Internal consultation***

Metlink has been consulted with relevant internal parties on the matters contained in this report.

***Risks and impacts - legal / health and safety etc.***

There are no identified legal or health and safety risks arising from the matters in this report.



## For Decision

### REQUEST TO INCREASE THE 2023-24 DELEGATION TO BORROW MONEY

#### Te take mō te pūrongo

##### Purpose

1. This report seeks Council's approval to increase the Greater Wellington Regional Council (Greater Wellington) borrowing amount for the 2023/24 financial year.

#### He tūtohu

##### Recommendations

That the Council:

1. **Approves** an increase, to \$1,075 million, for the 2023/24 borrowing limit.
2. **Notes** that this increase equates to an additional \$290.3 million to the Long-Term Plan (LTP) budget or an additional \$126.6 million to the Annual Plan 2023/24.

#### Te horopaki

##### Context

2. Clause 32(1)(c) of Schedule 7 to the Local Government Act 2002 (LGA) notes the power to borrow money, other than in accordance with the LTP, is the sole responsibility of Council.
3. The LGA allows delegation of the borrowing limit to Council officers to the extent approved by Council in the LTP. This is not a change to our internal delegation framework, but a delegation limit under the Act.
4. The LGA makes no mention of the Annual Plan approved limits nor if the limit is net of prefunding. This report is adopting a conservative approach by noting the gross external debt funding and accordingly asking for Council approval.
5. The need to request additional delegation is not commonly required as capital programmes often take longer to deliver than planned and budgeted. Given the increase in prefunding (\$96m) and the approval of additional deliverables, notably the RiverLink increase (\$50m), subsequent to the approval of the LTP and considering the 131% delivery on water capital this year (\$24m), there is a need for additional funding.
6. Prefunding is used to gain funding and financing cost certainty. It is used to secure funding for the repayment of maturing debt and provide security of financing costs. It is integral to the treasury strategy to maintain liquidity and is an aspect evaluated by Standard and Poor's (S&P) credit rating assessment.

7. The request is to increase the maximum delegation. We borrow funds as and when required using short- and long-term cash-flow forecasting. Actual borrowing will be undertaken as required and not necessarily right up to the delegated limit.

Total maximum forecast borrowing, as at 30 June 2024, is \$1,075m, of which \$1,018m has currently been borrowed. Excluding pre-funding this is \$877m and is below the approved Annual Plan delegation of \$948m. The new maximum year end borrowing – excluding \$96m Local Government Funding Agency (LGFA) prefunding is \$979m.

## **Te tātaritanga**

### **Analysis**

8. The additional borrowing will be made within Treasury Policy guidelines and is unlikely to have any impact on the credit rating. It will not cause Council to exceed any benchmark limits.
9. There are three main risks if this delegation is not approved:
  - a There is the worst-case risk that not all payments will be made on time and some deliverables may have to be delayed.
  - b There is the risk lower borrowing capacity which could negatively impact our credit rating.
  - c Greater Wellington would be likely to breach its minimum Liquidity Ratio of 110%, which would increase the probability of a credit rating downgrade by S&P.

## **Ngā hua ahumoni**

### **Financial implications**

10. Raising our borrowing will lead to higher interest expenses. However, since most of the borrowing is prefunded, it is balanced out by the interest earned on the prefunding deposit. The projected prefunding of \$96m, as of 30 June 2024, along with the corresponding held deposit, will result in a positive funding of \$577k over the prefunding periods.
11. There are two currently approved prefunding in place and one proposed, they are as follows:

	Value	Start Date	Maturity Date
Prefunding #1	\$46,000,000	12/09/23	15/10/24
Prefunding #2	\$25,000,000	11/03/24	15/04/25
Proposed prefunding	\$25,000,000	04/06/24	15/06/25

12. Appropriate costs for this capital borrowing have been budgeted for in the 2024-34 LTP.

## **Ngā Take e hāngai ana te iwi Māori**

### **Implications for Māori**

13. There are no known specific implications for Māori. All ratepayers will be rated for the debt funding and benefit from prefunding deposits through the General Rate in accordance with the Revenue and Financing Policy.



**Te hiranga**  
**Significance**

14. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of this matter, considering, Council's Significance and Engagement Policy and Greater Wellington's Decision-making Guidelines. Officers recommend that this matter is of medium significance.

**Ngā tūāoma e whai ake nei**  
**Next steps**

15. The Treasury function will manage the debt in line with Treasury Policy. Treasury performance and policy compliance is reported quarterly to the Finance Risk and Audit Committee as part of the financial report.

**Ngā kaiwaitohu**  
**Signatories**

Writer	Ali Trustrum-Rainey-Group Manager Finance and Risk
Approver	Nigel Corry-Chief Executive

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

Clause 32(1)(c) of Schedule 7 to the Local Government Act 2002 notes the power to borrow money, other than in accordance with the Long Term Plan, is the sole responsibility of Council

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

This delegation is in addition to the approval for the 2021-31 Long Term Plan.

***Internal consultation***

Treasury and the Financial Reporting Team have been consulted on this paper.

***Risks and impacts - legal / health and safety etc.***

There are three main risks. If this delegation is not approved:

- a There is the worst-case risk that not all payments will be made on time and some deliverables may have to be delayed.
- b There is the risk lower borrowing capacity which could negatively impact our credit rating.
- c Greater Wellington would be likely to breach its minimum Liquidity Ratio of 110%, which would increase the probability of a credit rating downgrade by S&P.



## For Decision

### **RE-BUDGETING OF OPERATIONAL AND CAPITAL EXPENDITURE FROM FINANCIAL YEAR 2023/24 to FINANCIAL YEAR 2024/25**

#### **Te take mō te pūrongo**

##### **Purpose**

1. For Council to approve the revised budgets for financial year 2024/25, which incorporate various budget items (and their associated funding) not completed during the 2023/24 financial year.

#### **He tūtohu**

##### **Recommendations**

That Council:

- 1 **Approves** the operating and capital expenditure items, as outlined in Attachment 1 to be re-budgeted from financial year 2023/24 to financial year 2024/25.

#### **Te horopaki**

##### **Context**

2. Re-budgets are reviewed annually and brought to Council for consideration.
3. For reasons outlined in **Attachment 1**, the planned activities were not able to be completed during the 2023/24 financial year. The attachment lists these projects and the reason for the delay.
4. Approval is sought from the Council for inclusion of the re-budgets as budget revisions for 2024/25 financial year. This will allow the projects to be initiated or continued in the next financial year and will enable the Council to maintain its levels of service.
5. The re-budgets ensure funding, including rates, are applied to already budgeted and committed projects to able their completion.
6. A continued focus on capital do-ability when setting capital budgets in the 2023/24 Annual Plan process has resulted in a material drop in the number and a value of re-budgets requested;
  - a The operating expenditure (OPEX) re-budget request has decreased from \$11.3 million in 2022/23 to the current request of \$4.5 million in 2023/24.
  - b The capital expenditure (CAPEX) re-budget request has decreased from \$10.6 million in 2022/23 to the current request of \$0.2 million in 2023/24.

## **Te tātaritanga**

### **Analysis**

7. The proposed re-budgeted OPEX of \$4.5 million is driven by the commitments to complete the operational projects within Metlink and Strategy business units.
8. The proposed re-budgeted CAPEX of \$0.2 million is the commitment to complete security upgrades for both Akura Nursery and Ngaumutawa Road offices.
9. The complete breakdown of re-budgeted expenditure for projects, from financial year 2023/24 to financial year 2024/25, with their explanations, is provided in Attachment 1.
10. All of the above numbers are exclusive of GST.

## **Ngā hua ahumoni**

### **Financial implications**

11. Debt funding or direct funding for each project has been rated for. This report recommends utilising that funding in the next financial year.
12. The proposed re-budgets in Attachment 1 is based on the year-end forecasts prepared in April 2024 for projects that are unlikely to be completed by 30 June 2024. The identified underspends are requested to be added to the 2024/25 financial year capital and operating project list for Council to honour these commitments.

## **Ngā Take e hāngai ana te iwi Māori**

### **Implications for Māori**

13. The re-budgeting of capital and operational expenditure from financial year 2023/24 to financial year 2024/25 reflects the 2021-31 Long Term Plan strategic priority of improving outcomes for mana whenua and Māori, and Te Whariki, Greater Wellington's Māori Outcomes Framework.

## **Te huritao ki te huringa o te āhuarangi**

### **Consideration of climate change**

14. This submission includes the Regional Emissions Inventory and the Energy Transformation Initiative for solar farm developments. Approving the re-budgets would help our climate change goals to move forward.

## **Ngā tikanga whakatau**

### **Decision-making process**

15. The matter requiring decision in this report was considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

## **Te hiranga Significance**

16. 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 due to their procedural nature.

## **Te whakatūtakitaki Engagement**

17. Community views and preferences on each of the projects were sought during consultation on the previous Long-Term Plan. No further public engagement is required.
18. Officers consider that the proposed re-budgets are required for the achievement of levels of service and community outcomes.

## **Ngā tūāoma e whai ake nei Next steps**

19. Once the re-budgets are approved, officers will be able to action the projects. Not carrying funding over would result in the projects not proceeding and having to be reconsidered in the next Long-Term Plan or Annual Plan.

## **Ngā āpitihanga Attachments**

<b>Number</b>	<b>Title</b>
1	Re-budgeted operational and capital expenditure for projects – 2023/24 to 2024/25

## **Ngā kaiwaitohu Signatories**

Writers	Darryl Joyce – Kaiwhakahaere Matua   Manager Accounting Services
Approver	Ashwin Pai - Kaiwhakahaere Matua   Head of Finance Ali Trustrum-Rainey - Kaiwhakahaere Matua, Pūtea me ngā Tūraru   Group Manager Finance and Risk



**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

Council is responsible, under section 95 of the Local Government Act 2002, for preparing and adopting a Long-Term Plan or an Annual Plan for each financial year. Re-budgets of expenditure from the previous financial year enables the Council to honour its stated priorities in the previous Long-Term Plan.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

Consistency with policies and plans for each of the projects was considered when the projects were initially approved by the Council.

***Internal consultation***

There was consultation with business unit managers on re-budgets in operating and capital projects.

***Risks and impacts - legal / health and safety etc.***

There are no identified risks relating to the content or recommendations of this report.

**2023/24 to 2024/25 proposed Operating Expenditure re-budgets**

<b>Business Unit</b>	<b>Project name</b>	<b>Description</b>	<b>Re-budgets amount \$</b>	<b>Explanation</b>
<b>Metlink</b>	Wellington Rapid Transit Bus Corridor programme	This is a collaborative programme with Wellington City Council and Waka Kotahi to improve public transport delivery in the city	4,316,880	Moving the LGWM underspend to honour Greater Wellington share on Wellington Rapid Transit Bus Corridor Program
<b>Strategy</b>	Regional Land Transport Plan (RLTP)	The triennial review of the RLTP is underway. This document outlines strategies and priorities for transport infrastructure and services. It encompasses road networks, public transport, cycling, and walking facilities, aiming to address current and future transport needs while considering environmental, social, and economic factors.	90,000	With the government release of the GPS (Government Policy Statement) on transport being delayed, the RLTP cannot be completed in the expected timeframe and needs to be pushed out
<b>Strategy</b>	Climate Change	This project includes the Regional Emissions Inventory and the Energy Transformation Initiative for solar farm developments. These may need external specialist advice	86,623	The Energy Transformation Initiative was delayed to the last quarter of 2023/24 financial year, and is now further delayed into next financial year.
<b>Total operating expenditure re-budgeted for projects from 2023/24 to 2024/25</b>			<b>4,493,503</b>	

Re-budgeted Operational and Capital Expenditure for Projects – 2023/24 to 2024/25

Attachment 1 to Report 24.257

2023/24 to 2024/25 proposed Capital Expenditure re-budgets

Business Unit	Project name	Description	Re-budgets amount \$	Explanation
<b>Corporate Services</b>	Properties upgrade	Upgrading the securities for Akura Nursery and Ngaumutawa Road offices.	200,000	The works on the Ngaumutawa Road and Akura Security upgrade was budgeted for FY23/24 but have been impacted by procurement delays.
<b>Total capital expenditure re-budgeted for projects from 2023/24 to 2024/25</b>			<b>200,000</b>	

All the numbers in this report are exclusive of GST.



## For Decision

### ADDRESSING THE 2023/24 PUBLIC TRANSPORT FUNDING GAP

#### Te take mō te pūrongo

##### Purpose

1. To advise and seek decisions from Council on the funding for the 2023/24 financial year of the farebox revenue loss caused by decreased patronage and the extension of the half price fares initiative, and the forecasted remaining deficit in Public Transport.

#### He tūtohu

##### Recommendations

That the Council:

1. **Endorses** using \$23m of debt to fund the gap (not already funded by New Zealand Transport Agency - Waka Kotahi) caused by the public transport patronage farebox reduction, being \$8m more than the budgeted amount of \$15m. (per 29 June 2023, Report 23.237 - Adoption of the 2023/24 Annual Plan)
2. **Endorses** using \$3.1m of debt and \$4m of reserves to fund the gap of \$7.1m (none funded by New Zealand Transport Agency - Waka Kotahi) caused by the half price fare extension for July 2023 and August 2023 farebox reduction. This was not budgeted. (the reserve \$4m funding is as discussed on 22 June 2023, Report 23.280 - Implementation of the Government's recent Public Transport Fares Initiative)
3. **Endorses** using \$2.8m of debt to fund the gap (not already funded by New Zealand Transport Agency - Waka Kotahi) forecasted for the remaining Public Transport deficit for the financial year to 30 June 2024, noting that this is was not budgeted.
4. **Authorises** the Chief Executive and Group Manager Finance and Risk, to make changes to the final amount of debt based on actual deficit and funding gap as at 30 June 2024.

## Te horopaki

### Context

2. In the 2021/31 Long-Term Plan (LTP) budget for the 2021-23 period, Council approved debt funding to fund Public Transport activity should the fare revenue during the year drop below expectations due to the COVID-19 pandemic. The amounts were revised in the 2023/24 Annual Plan.
3. In 2020/21 (\$8.0m) and 2022/23 (\$30.8m) the farebox revenue loss due to the COVID-19 lockdowns and its ongoing impact on patronage was 100 percent funded by the crown through Waka Kotahi.
4. New Zealand Transport Agency - Waka Kotahi funded 51 percent of the COVID-19 farebox reduction through the 2021/22 and the current 2023/24 year. For the 2021/22 year we used \$17.6m of debt to fund the deficit. This is adding \$2.3m, about 1 percent, to rates in the 24/25 year.
5. For the 12 months to June 2024, Greater Wellingtons fare revenue gap from lower patronage is forecasted to be around \$47m. Around \$23m is forecasted to be funded by New Zealand Transport Agency - Waka Kotahi.
6. The full year forecast of the Farebox Revenue is lower than 2023/24 Annual plan budget and has been forecasted to be \$68m versus a full year Budget of \$115m
7. The fare revenue gap from the July and August 2023 extension of half price fares initiative is \$7.1m. New Zealand Transport Agency - Waka Kotahi is not funding any portion of this. The assumption was Greater Wellington would receive the 51 percent subsidy and fund the rest from reserves.
8. Further to this, public transport is forecasted to end the year in funding deficit of another \$2.8m. The main reason for this is the indexation costs based on Consumer Price Index (CPI) for bus contracts and other cost increases.
9. The Public Transport reserve has a forecast balance of \$7.6m as at 30 June 2024.
10. If Council uses \$4m to partially fund the above deficit, and \$0.5m is budgeted to be used for Tawa on demand in the next financial year (2024/25), the balance remaining available for use at 30 June 2024 would be \$3.1m
11. There is no increase budgeted for the reserve in 2024/25 financial year budget.
12. Over the 2024-34 LTP, reserves are budgeted to be increased by \$25.4m. Noting that over the course of the ten years, portions of this reserve could be used for Public Transport deficits and specific funding requirements as decided by Council. Therefore, it is unlikely in actuals, that the reserves balance will be as high as budgeted. Changes in forecasted economic conditions, specifically finance costs and inflation, can also result in reserve additions being lower than originally set in the LTP.
13. The debt, \$23m for patronage revenue gap from farebox reduction, \$3.1m for contribution to half price fares funding and \$2.8m for Public Transport expense deficit, required for the 2023/24 total deficit, is forecast to total \$29m.
14. As the 2024-34 LTP will be adopted in June 2024, from 2024/25 no further debt funding is being considered or budgeted for.

## Te tātaritanga Analysis

15. Council can agree to fund by debt, all, OR part OR none of these amounts.

	Debt Amount	Reduced by \$15m already budgeted	Interest and Principle	Rating Impact
Option 1 (\$4m reserve usage)	\$29m	\$14m	\$1,848,450.18	0.89%
Option 2 (No reserve usage)	\$33m	\$18m	\$2,376,578.81	1.14%
Option 3 (use all reserves, \$7m)	\$26m	\$11m	\$1,452,353.72	0.70%

16. The debt funding would be short term, over a ten year loan period and recovered through the public transport targeted rate.
17. If debt funded as recommended in total, this amount will increase rates in 2024/25 by a further 0.89 percent, noting 0.95 percent is already budgeted for.
18. Any amount not funded by debt funding will be taken from reserves.
19. If the reserves go into negative balance, they will incur interest (like debt) that will be recovered via the public transport targeted rate. The reserve will stay negative until repaid through rates recovery. If this repayment is required options for repayment will be brought to Council as part of future budgeting processes.
20. As the debt funding is outside of any current LTP or Annual Plan, Council will need to authorise changes to the final amount of debt based on actual deficit and funding gap as at 30 June 2024 to the Chief Executive and Group Manager Finance and Risk.

## Ngā hua ahumoni Financial implications

21. If council choose to debt fund the recommended \$29m, the debt will be repaid over ten years and recovered through the public transport targeted rate. The amount of \$29m will increase rates for 2024/25 by 0.89 percent, noting 0.95 percent is already budgeted for.

## Ngā Take e hāngai ana te iwi Māori Implications for Māori

22. There are no known specific implications for Māori. All ratepayers will be rated for the debt funding for the farebox revenue shortfall, using a targeted differential funding mechanism in accordance with the Revenue and Financing policy.



**Ngā tikanga whakatau**  
**Decision-making process**

23. The matter requiring decision in this report was 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 this matter, taking into account, Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers recommend that this matter is of medium significance.

**Ngā tūāoma e whai ake nei**  
**Next steps**

25. The Chief Executive and/or the Group Manager Finance and Risk will instruct the Treasury function to set up the loans to the level of debt approved by this decision with the maximum being the amount required to fund the Public Transport activity. This is forecasted currently to be no more than \$33m.

**Ngā kaiwaitohu**  
**Signatories**

Writer	Ali Trustrum-Rainey, Group Manager Finance and Risk
Approver	Samantha Gain - Group Manager Metlink Nigel Corry – Chief Executive

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

Council is required to make all decisions regarding to borrowing outside of the agreed LTP and Annual Plans. Council approved debt funding as part of the LTP process and this paper notes the required changes to the amounts agreed.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

The report notes the change in the actual implementation and the changed amount compared with the budgeted debt funding in the 2023-24 Annual Plan.

***Internal consultation***

Finance and Risk, and Public Transport groups have been consulted in the writing of this paper.

***Risks and impacts - legal / health and safety etc.***

The financial impact has been noted in the report.



## For Information

### AUDIT NEW ZEALAND'S REPORT ON COUNCIL'S 2024-34 LONG TERM PLAN CONSULTATION DOCUMENT

#### Te take mō te pūrongo

##### Purpose

1. To provide to Council the report of the audit of Greater Wellington Regional Council's (Greater Wellington) 2024-34 Long Term Plan Consultation Document from Audit New Zealand (Audit NZ), the Council's external auditors.

#### Consideration by Committee

2. The report was provided for information to the Finance Risk and Assurance Committee at their meeting on 14 May 2024.

#### Te tāhū kōrero

##### Background

3. Section 93 of the Local Government Act 2002 (LGA) requires Council to develop a Long Term Plan (LTP). This is a ten-year plan, updated every three years. This section of the LGA also requires council to prepare, adopt and issue a consultation document and supporting documentation as part of the Long Term Plan process.
4. The Consultation Document and supporting information is independently audited by Audit NZ to ensure "the consultation document provides an effective basis for public participation in the Regional Council's decision-making processes relating to the content of its proposed LTP". An Audit Opinion is issued and included in the final published Consultation Document.
5. Following the completion of the audit process, Audit NZ prepares a management report which sets out the audit findings, draws attention to areas where Greater Wellington is performing well and recommends areas for improvement.

#### Te tātaritanga

##### Analysis

6. **Attachment 1** is Audit NZ's report on the audit of Greater Wellington's 2024-34 Long Term Plan Consultation Document.
7. The report notes that:

- a Greater Wellington received an unmodified audit opinion with one Emphasis of Matter. The Emphasis of Matter regards uncertainty of rail programme funding (from Central Government).
  - b Overall, Greater Wellington teams worked well with Audit NZ.
8. A further audit will commence in late May 2024 to examine any changes resulting from the consultation process, hearings, and deliberations. And a final audit opinion will be issued to the Council regarding the final 2024-34 Long Term Plan.
9. The final audit will also follow up on the following matters that need to be resolved prior to the adoption of 2024-34 Long Term Plan, specifically:
- a Signed agreement from New Zealand Transport Agency | Waka Kotahi in respect of the funding of the Lower North Island Rail rolling stock and network improvement programme.
  - b Progress on the purchase of additional shares from CentrePort

### Ngā tūāoma e whai ake nei

#### Next steps

10. The audit report will be noted in the 2024-34 Long Term Plan project review after the adoption of the final 2024-34 Long Term Plan.

### Ngā āpitihanga

#### Attachment

Number	Title
1	Report to the Council on the CD audit (Final)

### Ngā kaiwaitohu

#### Signatories

Writers	Tyler Dunkel – Kaiwhakahaere Matua   Manager Corporate Planning & Reporting Darryl Joyce – Kaiwhakahaere Matua   Manager Accounting Services
Approvers	Zofia Miliszewska – Kaiwhakahaere Matua   Head of Strategy & Performance Ashwin Pai – Kaiwhakahaere Matua   Head of Finance Luke Troy – Kaiwhakahaera Matua Rautaki   Group Manager Strategy Ali Trustrum-Rainey – Kaiwhakahaere Matua Pūtea me ngā Tūraru   Group Manager Finance and Risk

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

The Council responsible, under section 93 of the Local Government Act 2002 for adopting a Long Term Plan every three years.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

External audit provides assurance that the policies, controls, processes, and systems in place at the Council will enable efficient development of the 2024-34 Long Term Plan.

***Internal consultation***

The Finance & Risk and Strategy Groups were consulted in preparing this report.

***Risks and impacts - legal / health and safety etc.***

The Council's management of relevant risks is addressed in the report.

# Report to the Council on the audit of

Greater Wellington Regional Council's  
long-term plan consultation document  
2024 - 2034



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## Key messages

We have completed the audit of Greater Wellington Regional Council's (the Regional Council's) consultation document for its proposed ten-year long-term plan (LTP) covering the period commencing 1 July 2024 to 30 June 2034. The Regional Council will adopt its LTP in June 2024. This report sets out our findings and recommendations from the audit of the consultation document stage of the LTP.

### Unmodified audit opinion

We issued an unmodified opinion on Regional Council's consultation document on 14 March 2024. This means that in our opinion, the consultation document provides an effective basis for public participation in the Regional Council's decision-making processes relating to the content of its proposed LTP.

We included an emphasis of matter paragraph in the audit report drawing attention to:

- the uncertainty over rail programme funding contributions

### Preparation of the consultation document and underlying information

The development of a consultation document together with the required underlying information is a large and complex task. The process was well managed from a project management perspective with a clear point of contact and assigned responsibility. The success of the process is however dependent upon how well the different parts of the Regional Council work together. We noted a disconnect between some of the operational plans and how this was reflected in the financial forecasts.

Overall, management worked well with the audit team to ensure that the consultation document provided an effective basis for public participation in the Regional Council's decisions about the proposed LTP.

### Audit of the final LTP

Following the conclusion of the consultation period and the Regional Council's hearing of submissions, we will review the final changes made to the proposed LTP and issue a separate audit report on the LTP.

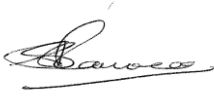
We will also follow up on the following matters as part of the audit of the final LTP:

- Status of the agreement between Waka Kotahi and the Regional Council in respect of the funding of the Lower North Island Rail rolling stock and network improvement; and
- Progress on the purchase of additional shares from CentrePort and how this is incorporated into the final LTP.

To ensure our audit of the final LTP is efficient, we request that the Regional Council prepare and provide us with a schedule of changes to the financial forecasts and other underlying information that were the basis for the consultation document.

**Thank you**

We would like to thank Councillors, management and staff for their assistance during the audit.

A handwritten signature in black ink, appearing to read 'Clint Ramoo', with a horizontal line underneath.

Clint Ramoo  
Appointed Auditor  
24 April 2024

# 1 Our audit report

## 1.1 We issued an unmodified audit opinion

We issued an unmodified audit opinion on 14 March 2024.

This means we were satisfied that the consultation document meets the statutory purpose and provides an effective basis for public participation in the Regional Council's decisions about the proposed content of the 2024-34 LTP. We also found the underlying information and assumptions used to prepare the consultation document to be reasonable.

We included one emphasis of matter paragraph in our audit report. The emphasis of matter paragraph was to draw the readers' attention to the disclosure in the consultation document outlining the Regional Council's plan to deliver the Lower North Island rail rolling stock and network improvement project and the underlying assumption relating to the level of government funding. The Regional Council has assumed that the Government, through Waka Kotahi, will provide a significant level of funding. If this level of funding does not materialize, the affordability of the rail programme will be at risk, and it will need to be significantly revised.

## 1.2 Uncorrected misstatements

The consultation document including the underlying financial forecasts and assumptions are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those that were clearly trivial.

## 2 Control environment

Our approach to the audit was to identify, confirm and assess the Regional Council's key processes and controls over the underlying information, and ultimate production of both the consultation document and the LTP. The purpose of this assessment was to enable us to plan the most effective and efficient approach to the audit work needed to provide our two audit opinions. Our review of the control environment focused on the following key areas:

### 2.1 Process to develop the consultation document and underlying information

We assessed that the process to develop the consultation document and prepare the underlying information was well-managed and executed. We saw clear direction from elected members and senior management, internal co-ordination, and quality assurance reviews for most areas. The level of quality assurance in the finance area was not at the level expected which resulted in late changes to the financial forecast as there was a breakdown in communication between the finance and operations teams around the funding relating to the Lower North Island Rail Integrated Mobility project. In general, the draft documents were provided to us in a timely manner, noting that there were delays in relation to the final drafts infrastructure strategy as well as the finance strategy. Overall, we worked well with management to meet the planned CD adoption date.

### 2.2 Planning and budgeting process

We obtained an understanding of the Regional Council's budgeting process from discussions with the relevant staff members and by reviewing various pieces of supporting documentation. Overall, we found that the Regional Council had a good process in place that provided an appropriate basis to prepare the underlying information and ultimately the production of the consultation document noting the comments in 2.1 above in relation to quality assurance.

### 2.3 Asset management practices

Overall, we are satisfied that the Regional Council's asset management practices and planning for the core infrastructure activities (including flood protection and water supply), show there is good knowledge of asset condition. We did not identify any significant weaknesses in the asset management plans for flood protection and water supply assets.

### 3 Key risks and issues

In the planning stage of the audit, we reviewed the Regional Council's LTP self-assessment and the content of the first draft of the Consultation Document. Through this planning process, we identified the following matters as the main risks and issues:

#### 3.1 Content of the consultation document

We are satisfied that the consultation document presents the current significant issues facing the community in the region.

The consultation document has been written with a view of engaging with the community. It is easy to read, provides a good analysis of the financial impact of options, and is clear about elected members preferred options. It includes key parts of the draft finance and infrastructure strategies, and signals to ratepayers matters that are on the horizon but still require further work and decisions.

Climate change and the Environment was consulted on in 2021 specifically with regard to emissions reduction targets in the public transport activity with the goal of being carbon neutral by 2030 and carbon positive by 2035. Council has noted that emissions will be marginally higher as they push out the roll out of buses for affordability reasons. Planting trees in Regional Parks to offset the additional emissions is continuing and there are no significant changes envisaged. The Council has taken the view that until they have better information on water loss through the installation of property water meters, consultation on addressing water resilience will happen at a later stage. We concurred with these disclosures.

The consultation document provided adequate information and explanations for readers to understand the issues and the options that are being consulted on and is readable and easily understandable. There are adequate disclosures included in the issues for consultation including the impact on the levels of service, the required funding for the options via rates or debt, and the Regional Council's preferred option. The consultation document also includes a summary of the critical parts of the proposed financial and infrastructure strategy in compliance with the legislative requirements.

The consultation document focused on two issues:

1. Increase control of Public Transport Strategic assets
2. Ownership of CentrePort Limited

### 3.1.1 Consultation items

In reviewing the items being consulted on, we considered the following:

- Does the Consultation Document explain the what the different options will mean for the community?
- Is it easy to for the reader to understand?
- Is it clear what the preferred option is?

Based on our review and work performed on the early drafts of the Consultation Document we noted areas for improvement which we communicated to management. These included:

- Being more explicit as to benefits of the various options;
- Being clearer on the impact of the options on rates;
- Articulating more clearly the change, if any, in the levels of service as a result of the proposed options;
- Being clear on how the proposed purchase price for the CentrePort Limited shares was determined; and
- Highlighting the most recent Standard and Poor's credit rating and risks in the Local Government sector.

Management addressed the above matters in later versions and the final Consultation Document.

We also reviewed the calculation of the costs and implication on rates and the calculation for the provisional amounts disclosed and. were satisfied that this is reasonable and supportable.

We were therefore able to conclude that the Consultation Document meets the statutory purpose and provides an effective basis for public participation in the Regional Council's decisions about the proposed content of the 2024-34 LTP.



### 3.2 Central Government reform

The Regional Council is affected by the repeal of the Three waters legislation and have therefore continued to include bulk water services in its underlying documents. There is no specific item on consultation, but we noted that in the “other things you need to know” section of the Consultation Document, there is content on water management and water security in the region.

### 3.3 Financial strategy

Overall, we are satisfied that the financial strategy is reasonable and complies with the requirements of section 101A of the Local Government Authority Act 2002 and the purpose outlined in subsection 2.

The Financial Strategy outlines the Regional Council’s overall approach to managing finances and provides guidance when spending and revenue decisions are made.

The key principles that drive the financial strategy are:

#### **Using debt to fund assets that provide intergenerational benefits:**

This ensures all ratepayers who use an asset contribute towards it. Using debt to fund assets allows the Regional Council to increase service levels whilst ensuring the funding burden is shared across generations.

#### **Who should pay based, where possible, on the distribution of benefits:**

This considers who benefits from an activity when evaluating how to fund it.

#### **Willingness of ratepayers to pay, and affordability:**

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

#### **Prudent financial management and value for money:**

This aims to practice good financial management through sound decision making and where actions are well thought through to minimise the risks and appropriately allocate costs to ratepayers now and in the future.

We however note that for non-infrastructure activities, the Regional Council is using borrowings to fund operating expenditure and question the prudence of this approach especially considering funding for Let’s Get Wellington Moving which has been terminated

and therefore not provide any long-term benefit to ratepayers.

The Financial Strategy has been carefully developed as part of a suite of strategies and policies (Infrastructure Strategy, Revenue and Financing Policy, Fees and Charges Policy and the Rates Remission and Postponement Policies) that contribute to successful financial management and community support, allowing for a fairer and more equitable approach for delivering the 2024-34 Long-Term Plan. In response to the economic pressures, the Regional Council is forecasting total operating expenditure of \$7.5 billion and total capital expenditure of \$1.8 billion.

The Regional Council is planning to fund the expected operating expenses over the LTP period mainly through rates, external revenue (grants and subsidies), and fees and charges. Regional rates are expected to increase over the LTP period resulting in rates collection increasing from \$251 million in 2024/2025 to \$414 million by 2033/34 and represents average region -wide annual rates increase of 64.%.

We reviewed the Regional Council's performance against metrics during the LTP period based on forecast financial and noted the following:

- Net external debt/Total revenue < 280% across the LTP periods.
- Net interest on external debt/Total revenue < 20% across LTP periods.
- Net interest on external debt/Annual rates and levies revenue < 10% across LTP periods.
- Liquidity > 110% across LTP periods.

Based on our review there are no indications that the Regional Council will not be able to satisfy these requirements over the LTP period.

We are satisfied that the objectives presented in the financial strategy is financially prudent and has been applied in the forecast financial information we reviewed. While the Regional Council is presenting significant budgeted surpluses over the LTP period, we note that operating revenue is inflated due to capital grants being recorded as revenue with the corresponding investment being recorded on the balance sheet as an investment in subsidiaries.

### **3.4 Infrastructure Strategy**

The Infrastructure Strategy outlines how the Regional Council intends to manage its infrastructure assets, including the need to renew or replace existing assets, respond to growth or decline in demand for services, and provide for the resilience of its assets. It takes a long-term view of the Region's future infrastructure needs and is a statement of current assumptions and thinking on what will be required to address the major issues facing the region over the next 30 years.

We reviewed the Infrastructure Strategy and provided detailed feedback to the Regional Council for consideration. Our review included verifying that the:

- Infrastructure Strategy is aligned with the financial strategy;
- Information in the financial models reconciles with the infrastructure strategy;

- Infrastructure Strategy supports accountability;
- Correlation between depreciation and renewals is reasonable; and
- Content of the Infrastructure Strategy document includes everything necessary to achieve its statutory purpose.

Overall, we are satisfied that the Infrastructure Strategy is fit for purpose and the supporting underlying information is considered reasonable. It fulfils the legislative purpose and meets our expectations of such a document and is consistent with our knowledge of asset management planning at the Regional Council.

We are also satisfied that the Infrastructure Strategy is aligned to the Financial Strategy and the Regional Council's climate change assumption affecting its flood protection assets and the corresponding adaption costs in its infrastructure strategy.

Similar to the previous LTP round, the Asset Management Plans (AMP) is not updated at Consultation Document stage. Following discussions with the Regional Council, the AMP will only be updated in August after the LTP is adopted. The rationale behind this decision lies in the fact that asset planning relevant to the Consultation Document stage is already incorporated into the infrastructure strategy, including financial forecasts. Most of the AMP content remains pertinent and is not subject to significant alterations.

The information within the AMP is relatively static and does not necessitate regular updates. Additionally, alternative sources of information, such as asset valuation and condition reports, support the planning and budgeting of flood protection assets and are reflected in the Infrastructure Strategy.

### 3.5 Quality of asset-related forecasting information

A significant portion of the Regional Council's operations relates to the management of its public transport, bulk water and environmental (including flood protection) infrastructure. These activities typically make up about 81% of operational expenditure and 97% of capital expenditure.

#### **Forecast Capital expenditure and debt over 30 year period**

The Regional Council has modelled its infrastructure and developed a renewal programme that stretches over the next 30 years. The renewal profile and funding strategies have been developed simultaneously to ensure that planned asset renewal, and its funding, is carefully considered.

We reviewed the reasonableness of the Council's asset-related forecasting information, through performing the following:

- Assessing the Regional Council's asset management planning systems and processes;
- Gaining an understanding of changes the Regional Council proposes to its forecast levels of service;

- Gaining an understanding of the Regional Council’s assessment of the reliability of the asset-related information;
- Assessing the accuracy of the financial forecasts; and
- Assessing whether relevant matters such as affordability have been incorporated into the asset-related forecasts prepared.

The following table summarises the value, condition and reliability of asset data and criticality of the assets covered by the Infrastructure Strategy. Condition, data confidence and asset management maturity levels are all based on a 1-5 rating scale.

Asset Group	Asset value* (2023)	Overall condition	Data confidence	Criticality	Maturity
Water Supply	\$654.2m	2 -Minor defects only	2 -Reliable	5 -Significant – for the entire network	4 – Intermediate
Flood Resilience	\$462.5m	2 -Minor defects only	3 - Sufficient information	5 –Significant – stop banks, flood gates, barrage gates, detention dams	3 – Core
Metlink Public Transport – Rail	\$516.6m	3 - Maintenance required	2 - Reliable	3- Moderate	4 – Intermediate
Metlink Public Transport – Bus and Ferry	\$64.4m	3 - Maintenance required	3 - Sufficient information	3- Moderate	4 – Intermediate
Regional Parks	\$126.6m	2 -Minor defects only	2 -Reliable	3 -Moderate	4 – Intermediate
Environmental Knowledge and Insights	\$4.0m	2- Good	2 -Reliable	4 -Major River and rainfall monitoring equipment	4 – Intermediate
Harbours	\$1.9m	2- Minor defects only	3 - Sufficient information	3 -Moderate for the Signal Station at Beacon Hill	3 - Core

Based on the work completed, we are satisfied that the asset management practices and planning for the key infrastructure activities are sufficiently robust and there is good knowledge of asset condition.

As a result, we have concluded that the asset management practices provide a reasonable basis for the information and strategies to be included in the Consultation Document and LTP.

There were no significant recommendations from the prior LTP audit with regards to quality of asset-related information and asset management plans that we needed to follow up on for this LTP. Further, we have not identified any significant areas of concern but, like most local authorities, there were areas where the quality of the information can be improved.

The assessment of the assets per key activities drives the asset renewal and management of the assets during the LTP period also considering the Regional Council's priorities. While the assets overall are in good condition, the Regional Council is expecting to have significant capital spend on renewals of the critical assets for water supply (forecast total \$336 million) and Public Transport (\$154 million) over the LTP period. The total asset renewal expenditure forecast is \$564 million over the LTP period

The Regional Council's knowledge of assets age, condition, performance, demand forecasting and risks, as well as overall operating environment is based on asset data received from as-builts and commissioning, lifecycle knowledge, regular formal condition assessments and valuations.

This happens as part of its asset management approach, to inform its renewals programmes and asset management plan development. On top of this, asset managers have used their knowledge and professional judgment to assess and prioritise works based on risk, budget and resources available.

Overall, the Regional Council's asset information provides a reasonable basis for the information and strategies to be included in the Consultation Document and LTP. We are also satisfied that the reasonable assumptions and assessments regarding to the Regional Council's assets for key activities have been appropriately applied in the forecast financial information.

### **3.6 Assumptions**

We have considered the reasonableness of key assumptions as follows:

#### **3.6.1 Climate change**

The Regional Council has assessed the significant impacts of climate change and has assessed that the level of uncertainty has remained unchanged. Because of such significant climate change impacts, the Regional Council will also experience increasing pressure on due to the prevailing economic conditions specifically relating to interest costs on debt, insurance premiums, capital and operational assets costs and costs of degradation of assets. The impacts of climate change may require increased investment plans to maintain levels of service in flood protection assets in the long term.

We have recommended that the Regional Council improves its disclosures in the final LTP in respect of Climate Change impacts. The information provided is vague and not specific to

the work we are aware of and what they have achieved over the previous 3-year period. Climate change assumption lacks specific detail on the potential impacts on the Regional Council's activities from the expected effects of climate change, as well as in relation to the impacts on communities.

Based on our review, we are satisfied that the Regional Council's assumptions around climate change and significant impacts are reasonable. We are satisfied that they have been appropriately incorporated and presented in the financial forecasts in the financial and infrastructure strategies, and the consultation document.

### **3.6.2 Capital expenditure(do-ability)**

The overall assumption is that the programmes and projects will be delivered within budget and on time - The Regional Council has assumed that their capital expenditure programme will be achieved but with a level of uncertainty.

We reviewed the actual capital spend in comparison with the budget and noted that the Council delivered an average of 74% of their budget in the last three years. The rebuttable presumption based on this is the capital expenditure do-ability is likely to be considered unreasonable.

We note there are significant planned increases compared to 2023 actuals across all areas. The Regional Council's ability to construct assets was clearly impacted by Covid19 restrictions during 2021 - 2022, with capital expenditure returning to higher levels in 2024. We note that increased spend within water in 2024 - 2025 relates to Te Marua Water Treatment Plant, which is already ongoing from 2023 - 24, with an in year overspend being forecast. Thus, although water has seen significant uplifts through 2021 - 2025, this appears to be achievable given the performance to date.

Environment spend is largely in relation to the RiverLink project, which is already behind schedule from the previous LTP. We note that in the current year this project is \$24m behind budget, though this is largely expected to be made up by year end with a large proportion of the work scheduled towards the end of the year. Public transport appears to be the area subject to the greatest uncertainty, given the significant uplift required in the first year of the LTP. This is largely due to the fact the main project (Electric fleet Civil works) is not anticipated to see significant spend until 2024 - 25. Public Transport contributed the most significant underspend over the previous 3 year period, spending only 46% of capital expenditure budget. From our review of forecast FIS, this area is subject to a significant uplift across the period of the LTP, with an average spend of \$9.5m over the previous 3 years.

Noting the risks associated with delivery in the Public Transport activity and the impact of Covid-19 on spending in the 2020-21 we are concluded that the planned capital programme is however doable.

### **3.6.3 Population and demographic changes**

The Greater Wellington region's population is expected to experience slowed growth in the near term (2021-2023) due to the impacts of Covid-19, including reduced migration flows

and economic activity in the region. Population growth will then recover to levels similar to those experienced in the region in recent years. The region's population is expected to reach approximately 570,000 by 2030 (9% growth since 2020) and 632,000 by 2043 (20% growth since 2020). There is an inherent level of uncertainty regarding any set of projections which increases the further from present day the projection runs. Covid-19 has also raised the level of uncertainty surrounding near-term projections. The figures should be considered as being indicative of range to guide planning, rather than a specific outcome.

The Regional Council's estimates with regards to the population growth in the region is based on '.id' and BERL projections which were overall consistent which gives us assurance that it is reasonable.

We also assessed that it is reasonable for the Regional Council to adopt the BERL's projections as it was based on more recent data and trends, and also takes into account the impacts of Covid-19 on migration and economy during the first three years of the LTP period.

We also reviewed the Regional Council's assumptions on the expected effects over the life of the LTP against its activity group and they are not out from what we would reasonably expect the impacts would be on the Council's operations.

Overall, we assess that the Regional Council has appropriate and reasonable assumptions on population growth and demographic changes in the region, and the impacts during the LTP period.



### 3.6.4 Other assumptions

We reviewed how the other significant assumptions are derived, including inflation rates, interest rates, debt, economic assumptions and funding of decarbonising the bus and rail network – rail rolling stock. We have referenced the inflation and interest rates to the external sources and the decarbonisation of bus rail network was agreed to the business case and inclusion in budget 2023.

With regards to funding of the decarbonizing of the bus and rail network we considered the appropriateness of the assumptions relating to funding from Central Government in respect of the Lower North Island Rail Integrated Mobility project and concluded that an emphasis of matter paragraph was appropriate given that there is no final funding agreement in place.

Based on work performed, we are satisfied that the assumptions applied by the Regional Council are appropriate, complete and have been consistently applied in the financial forecasts for LTP purposes.

## 4 Next steps for the Regional Council

The consultation period for ratepayers to make submissions on the Consultation Document and underlying information is set to run from 18 March to 30 April 2024. The Regional Council will consider the submissions made before adopting the final LTP on 27 June 2024.

This process means that there may be changes to the draft LTP that supported the consultation document. Changes may arise from submissions received by the Regional Council, or from updated or improved underlying supporting information, or management-initiated changes. The Regional Council may also be affected by announcements outside of its control that impact on the decisions and assumptions in the consultation document.

We will review any significant changes arising from consultation in our audit of the final LTP.

### 4.1 Audit of the final LTP

The last step in the LTP audit process will be the audit of the final LTP document. This audit is scheduled to be undertaken in May 2024 following the Regional Council's deliberations.

To ensure our audit of the LTP is efficient, we ask the Regional Council to prepare and provide us with a schedule of changes to the financial forecasts and other underlying information that were the basis of the consultation document. This will enable us to assess the extent of changes and tailor our audit work accordingly.

In respect of these changes, we will gain assurance that appropriate consequential changes and disclosures have been made. We also check the consistency of the updated documents in the LTP.

We will also follow up on the following matters that need to be resolved prior to the adoption of 2024-34 LTP:

- Signed agreement from Waka Kotahi in respect of the funding of the Lower North Island Rail rolling stock and network improvement.
- Progress on the purchase of additional shares from CentrePort.

Under section 94(1) of the Local Government Act 2002, our audit report on the final LTP forms part of the LTP, which the Regional Council is required to adopt by 30 June 2024 under section 93(3) of the Act. Our agreed timeframes will enable us to issue our audit report in time for the Regional Council meeting scheduled for 27 June 2024, at which time the 2024-34 LTP will be formally adopted.

We are responsible for reporting on whether the LTP meets the statutory purpose and provides a reasonable basis for integrated decision making by the Regional Council and accountability to the community. We also provide an opinion on whether the information and assumptions underlying the financial forecasts are reasonable. Finally, we will provide our opinion on whether the disclosures in the LTP meet the requirements of Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately

reflect the information drawn from the LTP.

At the conclusion of the LTP audit, we will ask the Regional Council to provide us with a signed management representation letter on the LTP. We will provide the letter template during the LTP audit.

## Appendix 1: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for issuing an independent report on the consultation document and providing the report to you. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the consultation document does not relieve management or the Regional Council of their responsibilities.</p> <p>Our audit engagement letter dated 27 February 2024 contains a detailed explanation of the respective responsibilities of the auditor and the Regional Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity, or inefficiency that are immaterial to your consultation document. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Regional Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to our audit of the Regional Council's consultation document and all legally required external audits, we have reported on the Regional Council's debenture trust deed assurance engagement. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the Regional Council or any of its subsidiaries.</p>
Fees	<p>The fee for auditing the consultation document and the LTP is \$188,625 (excluding GST and disbursements), as detailed in our audit engagement letter dated 27 February 2024.</p> <p>Our fees for reporting on the external audit and assurance engagement are disclosed in the Regional Council's 2020 annual report.</p>

Area	Key messages
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Regional Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Regional Council during or since the audit.</p>

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## For Decision

### **GREATER WELLINGTON'S QUARTER THREE 2023/24 SUMMARY**

#### **Te take mō te pūrongo**

##### **Purpose**

1. To advise the council on the performance of Greater Wellington Regional Council (Greater Wellington) for the third quarter of the 2023/24 financial year (1 January – 31 March 2024).

#### **He tūtohu**

##### **Recommendation**

That Council **accepts** Greater Wellington's performance report for the nine months to March 2024 (Greater Wellington's Quarter Three Summary Report as at 31 March 2024 – Attachment 1).

#### **Te horopaki**

##### **Context**

2. Quarterly reporting is an internal monitoring tool for tracking progress against Greater Wellington's work programme for 2023/24. This reporting reflects on what is going well, and indicates what issues and risks need to be managed to enable us to achieve what we have committed to in Year Three of the 2021-31 Long Term Plan.
3. A performance summary is presented to Council after the end of the related period (e.g. each quarter), and the Annual Report is presented as a full-year wrap up in lieu of a fourth quarter report.

#### **Te tātaritanga**

##### **Analysis**

4. **Attachment 1** provides an update on Greater Wellington's performance from 1 January to 31 March 2024, including:
  - a a high-level summary of Greater Wellington's highlights and challenges;
  - b the status, as at 31 March, of our 2021-31 Long Term Plan non-financial performance measures, Chief Executive key performance indicators, and major projects;
  - c an overview of achievements and progress for the four Long Term Plan Activity Groups;

- d examples of how we have contributed to the overarching Long Term Plan Strategic Priorities during the reporting period;
- e a summary of health, safety and wellbeing performance; and
- f a summary of financial performance for the period ending 31 March 2024, with commentary noting new forecasting completed in April 2024.

### **Ngā hua ahumoni**

#### **Financial implications**

- 5. There are no financial implications arising from this report. Greater Wellington's financial performance for the third quarter of the 2023/24 financial year is detailed in **Attachment 1**.

### **Ngā Take e hāngai ana te iwi Māori**

#### **Implications for Māori**

- 6. Improving outcomes for mana whenua and Māori is one of the overarching strategic priorities in Greater Wellington's 2021-31 Long Term Plan. Attachment 1 includes highlights of activities undertaken during the third quarter of 2023/24 working towards improved outcomes for mana whenua and Māori.
- 7. The matter for decision is administrative in nature, reporting on work already completed by the Council over the third quarter of 2023/24. As such no engagement has been undertaken with Māori on this matter.

### **Te huritao ki te huringa o te āhuarangi**

#### **Consideration of climate change**

- 8. Responding to the climate emergency is one of the overarching strategic priorities in Greater Wellington's 2021-31 Long Term Plan. Attachment 1 includes highlights of relevant activities undertaken during the third quarter of 2023/24.

### **Ngā tikanga whakatau**

#### **Decision-making process**

- 9. The matter requiring decision in this report was considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

### **Te hiranga**

#### **Significance**

- 10. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matter for decision, taking into account Council's Significance and Engagement Policy and Greater Wellington's Decision-making Guidelines.
- 11. Officers recommend that this matter is of low significance as it will not impact on the Wellington Region or a particular community interest; is consistent with Greater Wellington's policies and strategies; and does not impact on Greater Wellington's capability or capacity.

**Te whakatūtakitaki**  
**Engagement**

12. Due to the low significance of the matter for decision, no engagement was considered necessary.

**Ngā tūāoma e whai ake nei**  
**Next steps**

13. No further action is required.

**Ngā āpitihanga**  
**Attachment**

Number	Title
1	Greater Wellington's Quarter Three Summary Report as at March 31 2024

**14. Ngā kaiwaitohu**  
**Signatories**

Writer	Sam Ripley – Kaitohutohu   Advisor, Planning and Reporting
Approvers	Zofia Miliszewska – Kaiwhakahaere Matua   Head of Strategy & Performance Luke Troy – Kaiwhakahaere Matua Rautaki   Group Manager Strategy Nigel Corry – Tumu Whakarae   Chief Executive

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

One of Council's key governance functions is to review the effectiveness of Greater Wellington's performance. It is also important for public transparency that this review occurs at a Council meeting.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

**Attachment 1** reports on how Greater Wellington is achieving against the expected results for Year Three of its 2021-31 Long Term Plan (the 2023/24 Annual Plan).

***Internal consultation***

All Business Groups and the Executive Leadership Team were consulted in the preparation of **Attachment 1**. The report was also reviewed by the Chief Executive.

***Risks and impacts - legal / health and safety etc.***

There are no identified risks or impacts associated with the content or recommendation in this report.

# Te Pane Matua Taiao Greater Wellington Regional Council

Summary of 2023/24 Performance  
*Quarter Three: 1 January to 31 March 2024*

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## Purpose

To support a 'no surprises' reporting approach by providing Council with an overview of challenges, highlights, and progress made against key measures.

## Content of this report

This report summarises Greater Wellington's progress from 1 January to 31 March 2024 – the third quarter of the 2023/24 financial year, and the third year of the [2021-31 Long Term Plan](#) (LTP).

Content of this report includes:

- Summary of highlights and challenges for Greater Wellington;
- progress against our 2021-31 LTP non-financial performance measures, Chief Executive key performance indicators and status of major projects;
- an overview of the quarter's performance by LTP Activity Group;
- progress against our 2021-31 LTP overarching strategic priorities;
- financial performance for the period ending 31 March 2024;
- organisational health, safety and wellbeing.

### *Recap – where have we come from?*

Over the past six months we saw a mix of achievements and challenges. We have made significant improvement in public transport services and environmental restoration works, while also navigating increased risks and disruptions arising from changes in Government policy.

The most obvious disruptions stem from work programmes with a strong link to Government policy or funding, such as the stop work order on the Affordable Water Reforms and the dissolution of the Let's Get Wellington Moving project. Other disruptions stem from 'wait and see' constraints, as Greater Wellington and other councils strive to develop major plans while also waiting on Government policy statements. For example, several major transport plans were delayed pending the release of the draft Government Policy Statement on Transport.

### *Looking ahead – where are we going?*

Working within Central government changes to policies, legislation, and funding streams, Greater Wellington will need to balance key services in the short term with long-term responsibilities to our communities and Te Taiao. The draft 2024-34 Long Term Plan has been developed with these challenges in mind, but Greater Wellington and other councils continue to navigate heightened uncertainty and a higher cost of doing business.

Amidst these challenges, there are also some major wins. With record breaking bus patronage in March 2024, and with indigenous wildlife returning as a result of biodiversity and predator control programmes, Greater Wellington will continue to deliver for our communities, partners, and for Te Taiao.



## Overall Highlights

Delivery on our core services continues to show the results of long-term thinking and regional collaboration, particularly in public transport.

- **Record breaking bus ridership levels:** With record breaking bus patronage in February and March 2024, our Region's public transport network is showing the benefit of years of adaptation and work to recover from COVID-19 impacts. Improving driver wages, accessibility improvements, and new bus services have all contributed to higher reliability and patronage.
- **Naenae Station pedestrian subway:** Upgrades to the Naenae Station subway have created a safer and more accessible path for pedestrians and train passengers, while also connecting people to the history of the area. Features such as improved signage and CCTV coverage improve safety, while art installations tell the origin stories of the Waiwhetu and Te Awamutu rivers, and Te Ngaengae, the freshwater lake beneath Naenae.
- **Wildlife recovery exceeding expectations:** Ongoing restoration work in the Wairarapa Moana, Predator Free Wellington, and other biodiversity works are giving back some vitality to indigenous species. Populations of the critically endangered Australasian Bittern are growing in the Wairarapa Moana, and counts of other indigenous birdlife in the Predator Eliminated areas of the Miramar Peninsula have risen faster than expected.

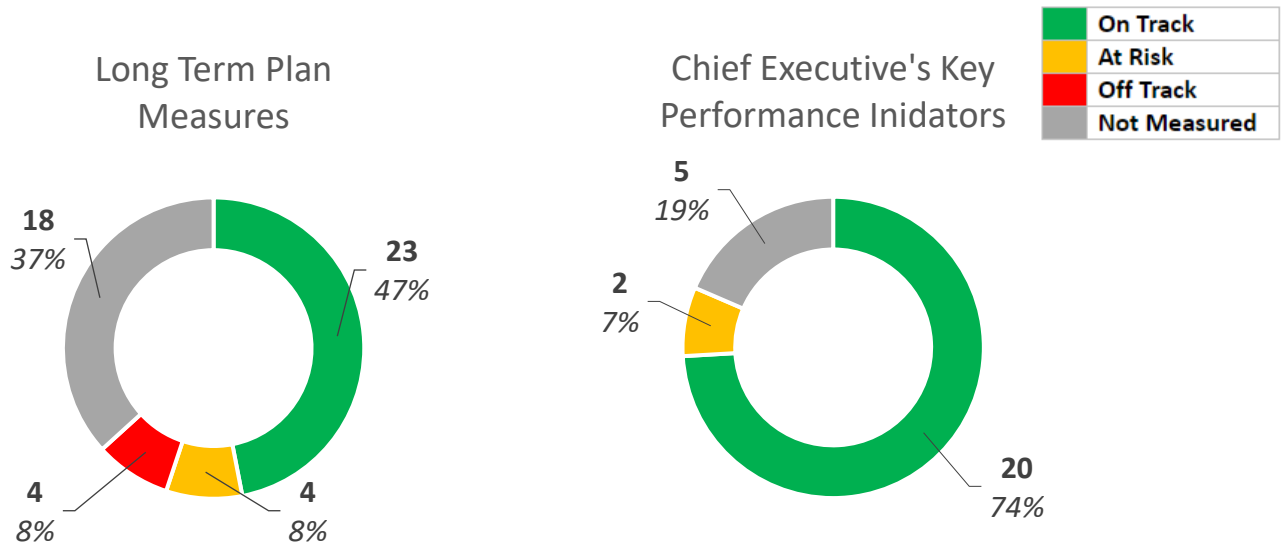
## Overall Challenges

Changes in Central Government policy and funding have been the defining challenge this quarter.

- **Ongoing government changes:** As forecast in the previous two quarters, broad changes to Central Government policies and funding streams have resulted in close-out of major projects such as Let's Get Wellington Moving and Affordable Water Reforms. Other programmes were delayed until we received more detail on policy changes. For example, we delayed finalising some public transport plans until after the release of the Draft Government Policy Statement on Land Transport.
- **Affordability and funding concerns:** The 'cost of doing business' continues to be high across New Zealand, with the strain felt on organisations and communities alike. Greater Wellington continues to explore ways to balance costs, while still fulfilling our obligations to communities and partners.
- **Fatigue:** There is a general sense of fatigue across the public sector and within Greater Wellington. This is potentially impacted by wider economic and global aspects, as well as the need to adapt to new policies, legislative changes, and other recent challenges such as COVID-19 and Cyclone Gabrielle. While the current period of legislative change is a very different challenge from physical disruptors such as cyclones, there is a cumulative impact of fatigue as the public sector, partner agencies, and communities continue to work in a high pace of change. This pace is expected to continue, with major legislative changes such as the Fast Track Consenting Bill on the horizon.

## Non-financial Performance Indicators

As at 31 March 2024:



### Commentary:

- Overall performance on Long Term Plan Non-Financial Performance Measures (LTP Measures) and Chief Executives Key Performance Indicators (CE KPIs) is relatively positive, with noteworthy exceptions in areas impacted by changes in government and funding.
- CE KPIs have improved, with a net increase in 'on track' measures since the previous quarter, and a 15 percent improvement compared to this time last year.
- Environmental restoration and predator control programmes continue to show signs of success, with healthy populations of the critically endangered Australasian Bittern sited in Wairarapa Moana and a marked increase in counts of indigenous birds in Predator Eradication zones of the Miramar Peninsula.
- Improvements to public transport services continued a strong upward trend. Reinstated and new bus services aided in achieving record-breaking bus patronage levels. Patronage in March 2024 exceeded previous records set in 2019 prior to COVID-19 disruptions.
- While some restrictions on train speeds were lifted, the KiwiRail network remains undermaintained and poses significant risks for future speed restrictions or suspensions of Metlink rail services, which are dependent on KiwiRail's rail network.
- Changes in Government policy have affected several key transport and water projects, including a stop-work order on Affordable Water Reforms and an end to central government support for Let's Get Wellington Moving.
- Many LTP Measures and CE KPIs are not measured until quarter four, as they are dependent on surveying and auditing completed at the end of the financial year. For example, the results of the Metlink passenger satisfaction survey (which is not conducted until May each year) accounts for approximately 15 percent of the LTP Measures.

**For more detailed information see:** Appendix One for the LTP Non-Financial Performance Measures; Appendix Two for the Chief Executive KPIs; Appendix Three for Major Projects.

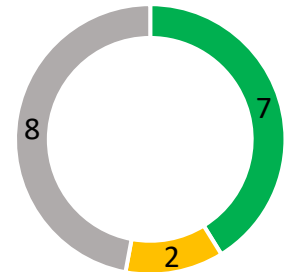
## Overview of Long Term Plan Activity Group Performance

This section provides an overview of progress made by each Activity Group made during the quarter. See Appendix One for details on each LTP Non-Financial Performance Measure.

### Ko te haumaru taiao me te waipuke | Environment and Flood Protection

This quarter we advanced the ways we work with water, and the people and wildlife connected to our Region’s blue belts.

We began construction on the Mills Street Stopbank, a flood protection asset. When complete, our upgraded stopbanks will better protect New Zealand’s most densely populated flood plain, as well as enhance the health of the river. We also signed off on a major component of the Te Kāuru Floodplain Management Plan. While there are costs associated with maintaining flood protections, recent events such as Cyclone Garbielle highlight just how important it is to invest in and maintain these assets.



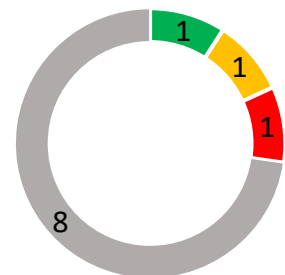
Our Whaitua programmes – catchment-based approaches planning – have shown that planning is ultimately stronger when communities are part of the process. The Kāpiti Whaitua development programme made great progress, with the Kāpiti Whaitua committee continuing to operate in a Tiriti House model. This model brings partners together and enables a closer working relationship with mana whenua partners, Greater Wellington, and Kāpiti Coast District Council.

Biodiversity and predator control programmes continue to show signs of success. Ongoing restoration in key wetland habitats such as the Wairarapa Moana have supported recovery of wildlife such as the critically endangered Australasian Bittern.

### Ngā waka tūmatanui | Metlink Public Transport

Reliability and patronage of our region’s public transport services continue on a steady upward trend.

A full contracted timetable (including previously suspended weekend services) has been in place since the end of January 2024, and the full service has consistently met reliability targets. The newly added Route 4 and other public transport changes have improved access to the Wellington CBD, Wellington Regional Hospital, and Victoria University’s Kelburn campus. The proof of these changes can be seen in record-breaking bus patronage numbers. March 2024 was our busiest month on record for bus ridership in Wellington with 2,517,835 total boardings (which is 86,238 more than boardings in March 2019, and 16,122 more than the previous all-time high in March 2017). Ridership on the Airport Express also continues to exceed ridership expectations.

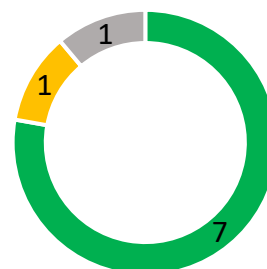


We are also advancing how people connect with rail services. Upgrades at Plimmerton Station have made services more efficient, with morning express trains from Waikanae operating from a new platform. Work was completed on the Naenae Station pedestrian subway, following on from significant engagement with community and the people who use the station. The new subway improves safety and accessibility, while also connecting people to local history with art that tells the stories of the Waiwhetu and Te Awamutu rivers, and Te Ngaengae, the freshwater lake beneath Naenae.

**Ko te mahere ā-rohe me ngā rangapū | Regional Strategy and Partnerships**

Thinking regionally and collaborating with our partners is a key part of how Greater Wellington is responding to the climate emergency.

This quarter, the Regional Transport Committee agreed on the Wellington Transport Emissions Pathway, which helps establish how we will reduce emissions over time. We are also engaging communities about climate action. In March 2024 we launched a social media campaign highlighting Greater Wellington's climate change actions, connecting people to the tools and information on our website, and driving discussion about decarbonizing public transport. Engagement has been positive thus far, and the campaign will continue into quarter four.

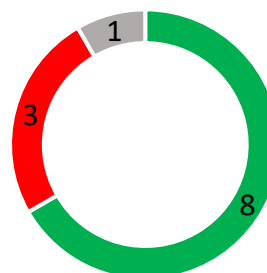


We are also working to accommodate and understand the high pace of changes driven by Central Government. Greater Wellington coordinated a formal submission to the Fast Track Approvals Bill. The Bill as written has significant implications for our Region, particularly for major transport projects and environmental concerns. Council will continue to communicate to Central Government on behalf of our communities and partners.

**Ngā puna wai | Water Supply**

The Affordable Water Reforms, which ended after a stop work order from Central Government, is being replaced by the new Water Done Well programme. Councils are working to understand the implications of the new programme, and how to effectively partner with Government through these changes.

Water usage restrictions and proactive public messaging on water conservation by Wellington Water Limited, WREMO, and other regional partners has helped to mitigate the water shortages over the summer months. Regional coordination and frequent communication between partner agencies was an important part of managing the water shortage and avoiding the need for more tighter restrictions on water use.



As the Bulk Water Supplier for the four city councils in our Region, Greater Wellington continues to strongly support Wellington Water Limited in acquiring funding to address infrastructure repairs.

## Snapshot of our 2021-31 Long Term Plan Strategic Priorities

Greater Wellington identified four key overarching strategic priorities in our 2021-31 Long Term Plan. Below are some of examples of how we responded to each Strategic Priority during this quarter.

### Improving outcomes for mana whenua and Māori

- **Improving business insights:** We are improving our reporting on how we work with Māori businesses, a key part of understanding and adapting funding support in the future.
- **Jobs for Nature programmes:** We continued to build relationships with the Hem of Remutaka team and other kaimahi supported by the Jobs for Nature fund, which helps create opportunities to implement mātauranga principles in biodiversity and freshwater restoration programmes.
- **Living Pā bus shelter at Te Herenga Waka Victoria University of Wellington:** The new structure is operational, incorporating design and story-telling to connect bus riders to local history. Metlink worked with Te Herenga Waka and Ngāti Toa Rangatira to develop this purpose-built bus shelter.
- **Engaging on public transport changes:** The Lower North Island Rail Integrated Mobility (LNIRIM) project team met with local iwi to discuss potential station upgrades, and we continued engaging with Taranaki Whānui on the opportunity to build a bus depot in southern Wellington.

### Responding to the climate emergency

- **Planning for a zero emissions bus travel:** Metlink has engaged a contractor to develop a Zero Emission Bus Transition Plan. Project scoping is now underway.
- **Solar power at Masterton Train Station:** Metlink is working to install solar panels at Masterton Train Station, implementation is scheduled to begin before the end of 2023/24.
- **Our Regional Transport Emissions Pathway:** The Wellington Regional Transport Emissions Pathway was completed, which supports a shift to Transport Carbon Zero.
- **Investing in public transport infrastructure:** The proposed Infrastructure Strategy (part of our 2024-34 Long Term Plan consultation) poses ways to invest in electric bus infrastructure.
- **Verified 23 percent reduction in Greenhouse Gas Emissions:** Greenhouse Gas emissions in 2022/23 showed a 23 percent reduction compared to the base year 2018/19, and a 12 percent reduction compared to 2021/22.

### Aligning to Government direction

- **Shifting to Local Water Done Well:** The Affordable Water Reforms have been replaced by the Government's new 'Local Water Done Well' programme.
- **Understanding Government policy towards transport:** The draft Government policy statement on land transport has raised concerns about reduction in funding levels for public transport.
- **Coordinating submissions on key legislative changes:** We made submissions on the Fast Track Approvals Bill and the Draft Government Policy Statement on Land Transport – two legislative changes with the potential for significant impacts on our Region. We also worked with mana whenua partners to represent their perspectives in submissions.

### Adapting and responding to the impacts of COVID-19

- **Bus contingency planning:** We are continuing to develop a contingency timetable to be put in place if bus or bus driver availability is significantly limited by illness.
- **Adapting to rail travel changes:** Rail travel behaviour has changed. Further work is being done to look at the impact of these changes and how to adapt our expectations for future planning.

## Health, Safety and Wellbeing summary

Key highlights for Health, Safety and Wellbeing (HSW) activities over Quarter Three include:

- Held engagement sessions at a number of Greater Wellington offices to showcase the people, tools and technology that can support Greater Wellington staff to get home safe and well every day.
- HSW improvement project – Bowtie workshops commenced in March to capture information on our Fatal and Severe risks.
- Monthly Pause2Talk reinstated, showcasing key HSW themes and tools for staff.

Emerging trends in Quarter Three include:

- Increase in Manawa ora (Rongoā Māori) sessions
- Minimal change in lost time ACC claims due to work injury
- Decrease in speeding statistics
- Increase in season wasp activity and stings
- Increase in inappropriate 3<sup>rd</sup> party behaviour toward female staff

## Financial Performance Summary

### Revenue and expense – operating and capital

This statement provides year to date financials for period ending 31 March 2024 with comparisons to the budget set in the 2023/24 Annual Plan plus re-budgets approved by Council (Revised Budget).

### Summarised Profit and Loss as at March 2024

	Year to date			
	Actual \$000s	Revised Budget \$000s	Variance \$000s	
<b>Operating Revenue</b>				
Rates and Levies	198,191	197,716	474	0%
Grants and Subsidies	135,368	118,424	16,944	14%
Other Revenue	85,083	117,094	(32,011)	-27%
<b>Total Operating Revenue</b>	<b>418,642</b>	<b>433,234</b>	<b>(14,592)</b>	<b>-3%</b>
<b>Operating Expenditure</b>				
Personnel	64,165	63,564	601	1%
Grants and Subsidies	193,297	188,985	4,312	2%
Consultants, Contractors and Suppliers	124,756	137,971	(13,216)	-10%
Finance Costs	37,879	30,793	7,086	23%
Depreciation	26,074	24,934	1,140	5%
<b>Total Operating Expenditure</b>	<b>446,171</b>	<b>446,247</b>	<b>(76)</b>	<b>0%</b>
<b>Operating Surplus/(Deficit) before other items</b>	<b>(27,529)</b>	<b>(13,013)</b>	<b>(14,516)</b>	<b>112%</b>
Fair Value Movements	-	-	-	0%
<b>Operating Surplus/(Deficit)</b>	<b>(27,529)</b>	<b>(13,013)</b>	<b>(14,516)</b>	<b>112%</b>
<b>Capital Expenditure</b>	<b>110,330</b>	<b>141,774</b>	<b>(31,444)</b>	<b>-22%</b>

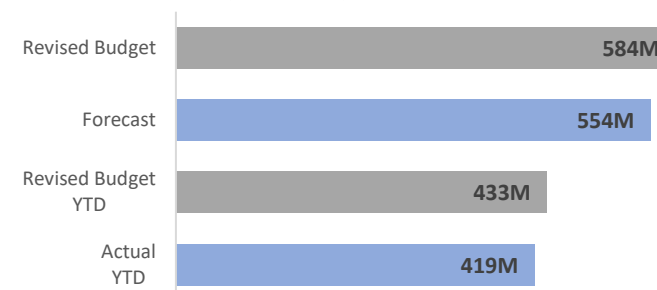
	Full Year			
	Forecast \$000s	Revised Budget \$000s	Variance \$000s	
	265,118	263,622	1,496	1%
	175,227	157,953	17,274	11%
	113,910	162,189	(48,279)	-30%
	<b>554,255</b>	<b>583,764</b>	<b>(29,509)</b>	<b>-5%</b>
	85,626	84,961	665	1%
	261,576	252,152	9,424	4%
	174,980	183,769	(8,789)	-5%
	53,702	42,252	11,450	27%
	33,181	33,181	-	0%
	<b>609,064</b>	<b>596,314</b>	<b>12,750</b>	<b>2%</b>
	<b>(54,809)</b>	<b>(12,550)</b>	<b>(42,259)</b>	<b>337%</b>
	-	-	-	0%
	<b>(54,809)</b>	<b>(12,550)</b>	<b>(42,259)</b>	<b>337%</b>
	<b>182,810</b>	<b>189,257</b>	<b>(6,447)</b>	<b>-3%</b>



## Finance insights for Quarter Three

- **Other revenue is \$32m lower** due to providing half-price fares for public transportation through July and August and changes in travel choice post-Covid compared to pre-COVID assumptions set in 2020. 51% of this is claimable from Waka Kotahi. Patronage levels have been revised in the 2024-34 LTP to reflect the current travel choice forecast.
- **A forecasted farebox revenue decline of \$47m** by year-end will increase grant and subsidies revenue by \$24m due to a reduced amount payable to Waka Kotahi. This may result in a further shortfall of up to \$8m in addition to the funding of \$15m initially approved by Council to cover the losses. A paper providing options to fund this deficit will be presented to the Council on 30 May.
- **Consultants, contractors, and suppliers are under budget by \$13.2m**, significantly attributed to Let's Get Wellington Moving (\$12.8m). As Let's Get Wellington Moving concluded on 31 March, there will be an underspend of \$19.8m by the end of the financial year. This underspend is partially offset by a change in accounting treatment for Floodplain Management works from CAPEX to OPEX, \$8m.
- **Finance costs exceeded the budget by \$7.1m** due to higher interest rates and prefunding loan. This has been offset by \$7.6m favourable interest revenue. However, forecast upward pressure is expected to lead to an unfavourable variance of \$1.3m by the end of June 2024.
- **Capital expenditure is currently 22 percent behind budget** due to late commencement of Riverlink works on Mills Street improvement and the reclassification of National Ticketing Solution Transition project from CAPEX to OPEX. The year is expected to end with a 3% underspend as Water supply projects accelerate and are forecasting \$31.4m. The RiverLink forecast is heavily dependent on Mills Street stop bank progress which is not certain at the time of this report. The latest forecasts from the 30 April month end shows an underspend of 7% in CAPEX due to delays in the RiverLink project.

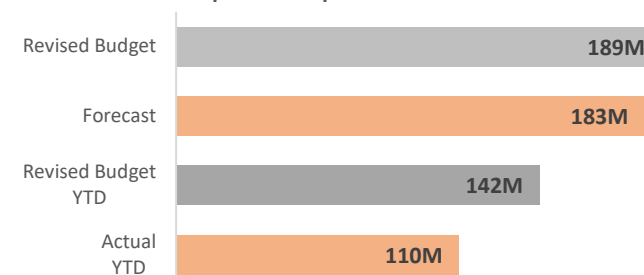
### Total Operating Revenue



### Total Operating Expenditure

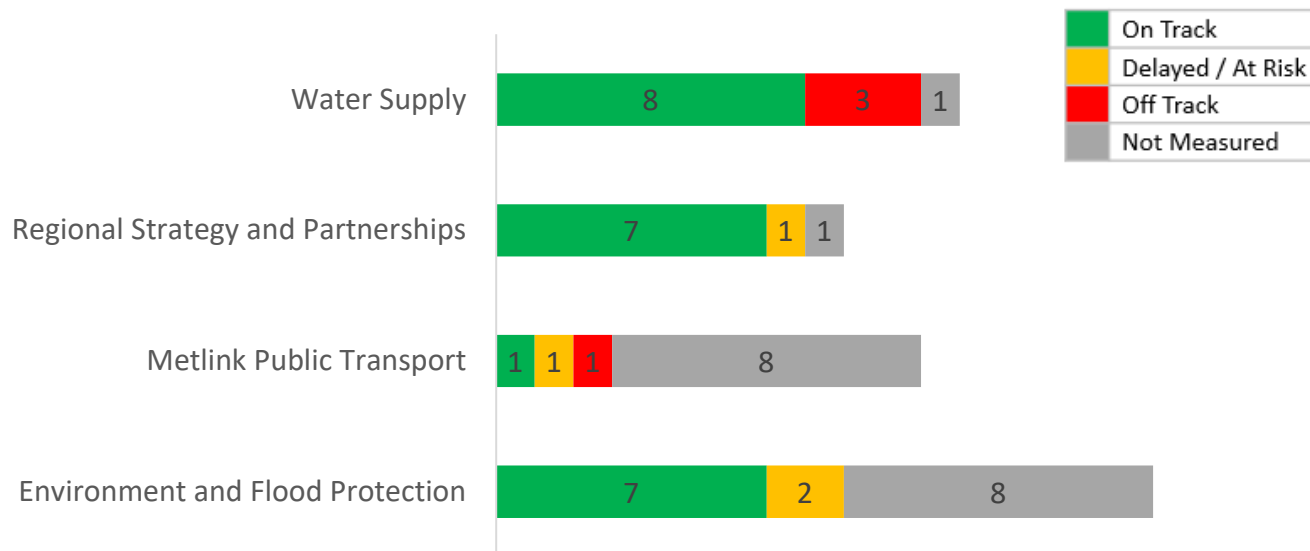
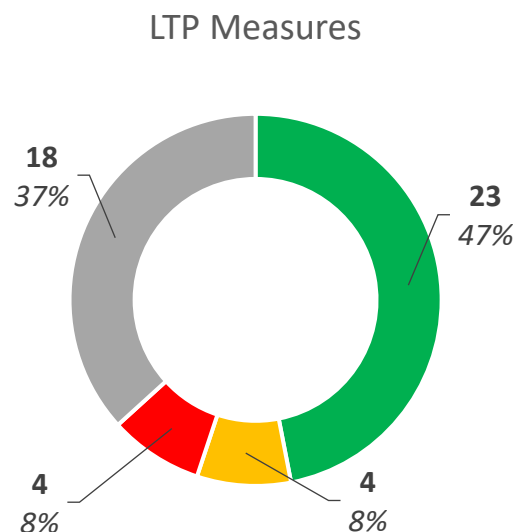


### Capital Expenditure



## APPENDIX ONE: Long Term Plan Non-Financial Performance Measures – Quarter Three

Results from Quarter Three of 2023/24



### ENVIRONMENT & FLOOD PROTECTION

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
Thriving Environment	Protect and restore our freshwater quality and blue belt	Delivery of the Ruamāhanga, Te Awarua-o-Porirua and Te Whanganui-a-Tara Whaitua implementation programmes	Water quality in the region is maintained or improved	Macroinvertebrate Community Index (MCI) score is maintained or improved <sup>1</sup>	New Measure	Achieved	Not Measured		Not measured. To be reported at year-end.
			Support landowners through incentive funding and advice to develop	Percentage of Greater Wellington incentive funding <sup>2</sup> used to advance Whaitua	New Measure	75%	Not Measured		Not measured. To be reported at year-end.

<sup>1</sup> Aquatic macroinvertebrates (i.e. animals without backbones that can be seen with the naked eye, e.g. shrimps, worms, crayfish, aquatic snails, mussels, aquatic stage of some insect larvae, such as dragonfly larvae, mayflies, caddisflies, etc.) are commonly used biological indicators for freshwater ecosystem health throughout New Zealand and around the world. Macroinvertebrates are widely used because they are abundant, easy to collect and identify, have relatively long life-cycles, and are sensitive to multiple pressures (e.g. pollution, habitat removal, floods, and droughts). This makes macroinvertebrate communities useful to identify where we need to improve our management of these pressures and to show when these pressures are sufficiently addressed.

<sup>2</sup> Greater Wellington incentive funding used to complete high impact actions will be assessed in respect to the three substantive incentive funds aimed at assisting landowners to undertake beneficial freshwater or biodiversity action on their land – these three programmes being: the Riparian Programme, the Farm Planning services fund, and the Wetland Programme.

## ENVIRONMENT &amp; FLOOD PROTECTION

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
			and implement freshwater farm plans, which reduce nutrient and sediment discharges.	Implementation Programme priorities, through completion of high impact freshwater farm plan actions					
			Deliver treatment programme on identified erosion-prone land	Erosion-prone hill country treated	755 ha	850 ha	Not Measured		Not measured. To be reported at year-end.  The forecast is that this will be "Not achieved" when measured at the end of the year. The 2023/24 target was planned to be 850 hectares. After setting this target Greater Wellington finalised a funding agreement with Ministry for Primary Industries (MPI) which involved a reduced funding contribution being received from MPI, therefore the 850 hectare target is not achievable.
	Protect and restore indigenous biodiversity and ecosystem health	Implement the Regional Pest Management Plan (RPMP) and support Predator Free Wellington Initiatives	Provide pest species control services across the region	Provide pest animal and plant management as per RPMP Operational Plans <sup>3</sup>	New Measure	Achieved	On Track		More wallaby sighting to follow up, Kaitoke Wallaby site one dog check away from been declared eradicated, lots of rabbit poisoning work being implemented, with busy night shooting schedules. Ungulate control has had a busy period inside and outside the Key Native Ecosystems (KNE) sites. Plague skink incursion being dealt with and fire season restrictions effecting access to some of our sites. Some excellent results of our work with the bittern numbers at Wairarapa Moana, Lizards at Baring head and bats detected at Waihora KNE and Pakuratahi Forest. Biosecurity Services work on schedule.
			Provide pest species control services as agreed with Predator Free Wellington	New Measure	Achieved	On Track	Indigenous birdlife in the Miramar Peninsula (Predator Eliminated area) has risen sharply according to 5 minute bird counts; to a far greater extent than was expected. Progress through Phase 2 proceeds well with excellent support from the public for the project and several hundred hectares under active management or eliminated. Phase 3 land		

<sup>3</sup> Operational Plans can be accessed via Greater Wellington's website: <http://www.gw.govt.nz/biosecurity/>

**ENVIRONMENT & FLOOD PROTECTION**

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
									access permissions were delayed to ensure that they are contacted at a time that we know we will be able to act with predator elimination close to the authority to work on the land. Community participation is at a high level as we extend their involvement in the project. Advice and guidance have been given to other predator free projects in the region and nationally.
	Implementing nature based solutions to climate change	Implement the Regional Pest Management Plan (RPMP) and support Predator Free Wellington Initiatives	Implement the objectives of the Greater Wellington Biodiversity Strategy	Biodiversity Strategy objectives are being actively progressed by Greater Wellington	New Measure	Achieved	Not Measured		Not measured. To be reported at year-end.
Resilient future	Communities safeguarded from major flooding	RiverLink flood control works completed	Progress towards completion of the RiverLink flood control works	Implement RiverLink in accordance with the approved Preliminary Design	New Measure	Construction progressed	On Track		Construction of Mills Street Stopbank (MSSB) commenced in February by Fletchers/Taylor's. 85% of property has been demolished, enabling future construction works.
			Provide environmental information to the community and our stakeholders	Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents	Yes	Yes	At Risk		Flood protection and erosion control infrastructure assets have been managed satisfactorily to the agreed Level of Service. However, current budgets are insufficient to ensure that assets are maintained in the long term. Current maintenance programmes prioritise critical assets only.
			Percentage of identified vulnerable floodplains with a flood management plan in place	30%	40%	Not Measured		Not measured. To be reported at year-end.	

## ENVIRONMENT &amp; FLOOD PROTECTION

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
Thriving Environment	Protect and restore our freshwater quality and blue belt			Timely Information from core environmental monitoring programmes is made available to the public via the Greater Wellington website	New Measure	Achieved	On Track		All domain based reports are complete but only 5 out of 16 were completed on time. Significant holds ups with key staff on leave and single point accountability bottlenecks.
			Monitor compliance with resource consents	Where rates of compliance for high risk activities are less than 80 percent, develop and implement a strategy to improve the rate of compliance	> 80%	Improved	Not Measured		Not measured. To be reported at year-end.
			Customer satisfaction for the resource consent service	Level of overall satisfaction with consent processing services <sup>4</sup>	4.33	> 4		4.21	Our year to date result is based on 14 completed surveys.
	Protect and restore indigenous biodiversity and ecosystem health	Re-forestation and protection and restoration of wetlands across our regional parks network	Protect and care for the environment, landscape, and heritage	Grazed land retired and restored to its native state	New Measure	100 ha	On Track		No planned activities in Q3. Results in previous quarters of this financial year surpassed our target of 100 hectares, with a YTD total of 140 hectares.

<sup>4</sup> When resource consents are approved, consent applicants are invited to fill out a brief online survey about their consent processing experience. A few questions are asked including the following: "Overall, how satisfied were you with the customer service provided?". Respondents are prompted to provide a provide a rating from 1 (very dissatisfied) to 5 (satisfied). The mean response value is calculated for both the quarter result and year-to-date (YTD) result.

## ENVIRONMENT & FLOOD PROTECTION

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
		Re-forestation and protection and restoration of wetlands across our regional parks network		Indigenous species planted	63,000	65,000	On Track		No planned activities in Q3. Planting is a winter activity, and will resume over Q4 and continue into Q1 of the next financial year. YTD results have been very positive, with at total of 363,000 stems planted.
	Implementing nature based solutions to climate change	Improve recreational enjoyment and environmental value of regional parks	Customer satisfaction and improved public access	Percentage of regional park visitors that are satisfied with their experience	98%	95%	Not Measured		
				Annual number of visits to a regional park	1.76 million	Increase from previous year (1.89m in 2022/23)	Not Measured	Visitor numbers could not be accessed due to a licensing issue with the software used to track attendance. A solution is being progressed, but will not be in place until early May. Retro-active reporting on Q3 will be available in Q4.	
Resilient Future			Manage the safety of marine activities in the region's waters	Percentage of identified risks within the Harbour Risk Assessment that have been reviewed	New Measure	70%	At Risk		Regular review meetings have been interrupted by other events and staff absences at Greater Wellington and CentrePort.

## METLINK PUBLIC TRANSPORT

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
Thriving Environment Connected Communities	An efficient, accessible and low carbon public	Improving the customer experience across all	Provide a consistent and high quality customer	Passengers' overall satisfaction with the Metlink public	New Measure	Bus - 95%	Not Measured		This is an annual measure. Results are determined by way of an annual passenger satisfaction survey undertaken in May each year.
						Rail - 95%	Not Measured		

## METLINK PUBLIC TRANSPORT

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
, Resilient Future	transport network	areas of the public transport network	experience across the public transport network	transport (by mode) <sup>5</sup>		Ferry - >98%	Not Measured		
				Passenger satisfaction with convenience of paying for Metlink public transport <sup>6</sup>	New Measure	>80% customer satisfaction score	Not Measured		This is an annual measure. Results are determined by way of an annual passenger satisfaction survey undertaken in May each year.
				Passenger satisfaction with Metlink information currently available <sup>7</sup>	New Measure	>92% customer satisfaction score	Not Measured		This is an annual measure. Results are determined by way of an annual passenger satisfaction survey undertaken in May each year.
				Passenger satisfaction with Metlink public transport being on time <sup>8</sup>	New Measure	>85% customer satisfaction score	Not Measured		This is an annual measure. Results are determined by way of an annual passenger satisfaction survey undertaken in May each year.
				Percentage of scheduled bus trips that depart their timetabled starting location on time (punctuality) – to 5 minutes <sup>9</sup>	94.2%	95%	At Risk	94%	The majority of our network achieved well over the 95% target, but because punctuality primarily reflects the external environment and its impact on timetable compliance (particularly in Wellington City, the Hutt Valley, Porirua and the Wairarapa) these areas have brought the overall score down.
				Percentage of scheduled rail services on-time (punctuality) – to 5 minutes <sup>10</sup>	89.4%	95%	Off Track	90.3%	Speed restrictions continue to impact services, in particular on the Wairarapa Line which had extremely poor performance.  Most of the disruptions/delays are due to speed restrictions on rail lines, which are put

<sup>5</sup> The Metlink Public Transport Passenger Satisfaction Survey, which is run twice yearly, is used to determine Customer Satisfaction. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *Thinking about the vehicle you are on now, how satisfied or dissatisfied are you with this trip overall?*

<sup>6</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *Thinking about your experience of public transport (including trains, buses and harbour ferries) in the Wellington region over the last three months, how satisfied or dissatisfied are you with how convenient it is to pay for public transport?*

<sup>7</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *Overall, how satisfied or dissatisfied are you with the information about public transport services that is currently available?*

<sup>8</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *Thinking about the vehicle you are on now, how satisfied or dissatisfied are you with the service being on time (keeping to the timetable)?*

<sup>9</sup> This measure is based on services that depart from origin, departing between one minute early and five minutes late.

<sup>10</sup> The rail punctuality measure is based on rail services arriving at key interchange stations and final destination, within five minutes of the scheduled time.



**METLINK PUBLIC TRANSPORT**

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
									in place to ensure safety while KiwiRail works are ongoing.
		40 percent increase in regional mode share for public transport and active modes by 2030	Promote and encourage people to move from private vehicles to public transport	Annual Public Transport boardings per capita	63 per capita	<b>67 per capita</b>	<b>On Track</b>	68.3 per capita	Bus ridership continues a very strong performance, with record ridership numbers in February and March 2024.
	Provide fit-for-purpose vehicles, infrastructure and services to continually deliver a high quality core network that meets ongoing demand		Percentage of passengers who are satisfied with the condition of the station/ stop/wharf <sup>11</sup>	New Measure (88% Nov 2020)	<b>94%</b>	<b>Not Measured</b>		This is an annual measure. Results are determined by way of an annual passenger satisfaction survey undertaken in May each year.	
			Percentage of passengers who are satisfied with the condition of the vehicle fleet <sup>12</sup>	New Measure (94% Nov 2020)	<b>94%</b>	<b>Not Measured</b>		This is an annual measure. Results are determined by way of an annual passenger satisfaction survey undertaken in May each year.	
		Reducing public transport emissions by accelerating decarbonisation of the vehicle fleet (bus, rail, ferry)	Gross emissions for Metlink's public transport fleet will be minimised, reducing the offsets required to reach net carbon neutrality	Tonnes of CO2 emitted per year on Metlink Public Transport Services	New Measure (22,030)	<b>17,818 tonnes</b>	<b>Not Measured</b>		Measured end of year.
			Reduction of accidental death and serious injury on the public	Accidental deaths and serious injuries sustained on the Public Transport	New Measure	<b>5% Reduction compared</b>	<b>Not Measured</b>		Measured end of year. No fatalities have been reported year to date. One serious injury was reported during Q3.

<sup>11</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *How satisfied or dissatisfied are you with the condition of the stop/station/wharf?*

<sup>12</sup> The Metlink Public Transport Passenger Satisfaction Survey is used for this measure. Satisfied = score of 6-10 on a scale of 0-10. The question used to determine this measure is: *How satisfied or dissatisfied are you with the condition of this vehicle?*

## METLINK PUBLIC TRANSPORT

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
			transport network and prioritisation of safety and maintenance on the Public Transport network to encourage safe behaviours	network as a result of Metlink or operator activity		to previous year			

## REGIONAL STRATEGY AND PARTNERSHIPS

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
Resilient Future	Taking regional climate action through regional strategy, collaboration and advocacy	Working collectively with partners to take regional climate action	Reduction of GW corporate carbon emissions. Climate Emergency Action Plans	Reduction in tonnes of CO2 equivalent emissions <sup>13</sup>	New measure	Reduction compared with previous year	On Track		Verified results for emissions generated in the 2022/23 financial year show a 23% reduction compared to the base year 2018/19, and a 12% reduction compared to 2021/22. This result has been publicised and reported to Councilors.
			Maintain a state of readiness of the Emergency Coordination Centre that is appropriately staffed and equipped to respond to an emergency. Wellington Region Civil Defence Emergency Management Group Plan	A team of CIMS <sup>14</sup> trained GW staff is ready to respond to an activation of the Emergency Coordination Centre	New measure	Achieved <sup>15</sup>	On Track	We have completed the training target this year and are working to keep it stable by engaging Greater Wellington staff with a variety of training refresher opportunities.	

<sup>13</sup> This measure is for all of Greater Wellington's corporate greenhouse gas emissions. This includes all business units, and the share for the jointly owned Council Controlled Organisations based on ownership share.

<sup>14</sup> CIMS = Coordinated Incident Management System, a standard of emergency management roles, processes, and terminology.

<sup>15</sup> This is measured through annual reporting by the Wellington Regional Emergency Management Office (WREMO) stating the number of trained staff for the Emergency Coordination Centre based on the training requirements by the National Emergency Management Agency.

## REGIONAL STRATEGY AND PARTNERSHIPS

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
Resilient Future	Regional economic development and recovery in a COVID-19 era	Regional economic recovery including low carbon economic transition, Implement the Wellington Regional Growth Framework	Wellington Regional Strategy, Regional Investment Strategy, Regional Growth Framework. Alignment of GW activities and investment with the priorities of the Wellington Regional Leadership Committee	As the Administering Authority, GW will ensure the Committee has an agreed annual work programme and regular progress reporting <sup>16</sup>	New measure	<b>Achieved</b> <sup>17</sup>	<b>On Track</b>		Work programme agreed in September 2023. The Committee will consider further changes to the 2024/25 work programme in June 2024.
Connected Communities	Leading regional spatial planning	40% increase in regional mode share for Public Transport and active modes by 2030	Regional transport, planning, leadership, advice, and coordination to guide development and delivery of an integrated, multi-modal regional transport network. Regional Land Transport Plan	Wellington Regional Land Transport Plan is prepared and updated in accordance with the LTMA and central government guidance <sup>18</sup>	New measure	<b>Annual Monitoring report is presented to RTC</b>	<b>On Track</b>		Preparation of RLTP to meet NZTA deadlines continues with revised deadlines incorporated into planning and for public consultation. Plan will now be completed in July due to delay in issuing GPS on Land Transport and the State Highway Improvement Proposal.
Connected Communities, Resilient Future	An efficient, accessible and low carbon public transport network		Coordinate and deliver new workplace travel programmes with major regional employers	New measure	<b>3 new programmes</b>	<b>At Risk</b>		The Wellington Regional Hospital Travel Action Plan is the pilot for workplace travel programmes. While there has been significant progress with the plan e.g. the hospital express bus, the rollout of a ride share programme has been delayed in order to provide confidence around the privacy of user information.	

<sup>16</sup> As the Administering Authority Greater Wellington supports and enables the operations and success of the Wellington Regional Leadership Committee.

<sup>17</sup> An agreed work programme for 2023/24 was provided by Greater Wellington to the Wellington Regional Leadership Committee (WRLC), which is monitored through regular reporting at WRLC meetings and through the WRLC Annual Report, published in July of each year.

<sup>18</sup> LTMA = Land Transport Management Act

## REGIONAL STRATEGY AND PARTNERSHIPS

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
	Effective partnerships and co-designed agreements with mana whenua	Collaborative decision making with mana whenua partners	Effective decision making achieved through active involvement with mana whenua through strong partnership arrangements	Mana whenua report evidence of strong partnership arrangements and progress towards positive outcomes	New measure	Achieved	On Track		<p>Mana Whenua continue to be active in key works streams including Long Term Planning priorities and being an active part of the Long Term Planning Committee, alongside Councilors.</p> <p>A partnership approach including co-design opportunities with Mana whenua of projects such as the Lower North Island Rail Integrated Mobility project and the Living Pa bus depot, as well as ongoing operational programmes that focus on collective Taiao outcomes.</p>
Positive outcomes for Māori achieved through effective and resourced planning and engagement			Increased incorporation and use of mātauranga Māori across services delivered by Greater Wellington	New measure	Achieved	On Track	Mātauranga training courses have had steady attendance through the year. These courses enable staff to better understand mātauranga Māori, and to identify opportunities for how they can begin applying principles in their work. Planning has started on a level 2 offering.		
Mana whenua and Māori are enabled to achieve strong, prosperous and resilient outcomes			Deliver Te Matarau a Māui (TMaM) annual work programme as agreed to by independent Board	New measure	Achieved	On Track	A significant amount of activity over Quarter Three was led from Te Matarau a Maui, and the overall relationship management is maintained between the lead board member for Te Matarau and Greater Wellington. Greater Wellington is also progressing improvements to how we report on the procurement of Māori owned businesses that Greater Wellington works with.		

## WATER SUPPLY

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure <sup>19</sup>	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
Thriving Environment	A clean safe and			Compliance with part 4 of the	100%	Compliant	Off Track	Non-compliant	Note: reporting is against the Bacteriological requirements of the Drinking Water Quality

<sup>19</sup> Most of the LTP Performance Measures set out in by the Long Term Plan 21-31 are set in accordance with the Non-Financial Performance Measures Rules 2013, Water Supply (DIA Mandatory Measure). The two exceptions are "Number of events in the bulk water supply preventing the continuous supply of drinking water to consumers" and "Sufficient water is available to meet normal demand except in a drought with a severity of greater than or equal to 1 in 50 years"

**WATER SUPPLY**

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure <sup>19</sup>	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
	sustainable future drinking water supply		Provide water that is safe and pleasant to drink	drinking water standards (bacteria compliance criteria)					<p>Assurance Rules from Taumata Arowai, as of late 2022.</p> <p>The rules introduced by Taumata Arowai require an increase to a value known as a 'Ct' that is determined from the amount of chlorine added to drinking water and the time that it must spend in contact with the water before reaching consumers. The change means the water supplied from the Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households.</p> <p>This rule means either significantly increasing the concentration of chlorine added at the treatment plant or increasing the time that the chlorine is in contact with the water before it reaches the first customers in Lower Hutt. Increasing the chlorine concentration to this level, which is around two and a half times the current dose, could result in a significant change to the taste of the water or cause skin irritation. Alternatively, significant network upgrades and investment are needed to increase the contact time between chlorine and water.</p> <p>An exemption from the rules was declined by Taumata Arowai, meaning that, until upgrades take place we will be reporting non-compliance against bacteriological standards.</p>
				Compliance with part 5 of the drinking water standards (protozoal compliance criteria)	100%	Compliant	On Track	Compliant	Compliance has been achieved through the installation of ultra-violet light sterilisers. These were installed and became active during Q2, and have continued to perform well in Q3.
				Customer satisfaction:	0	<20 complaints per 1,000	On Track	0 complaints	No complaints received.

## WATER SUPPLY

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure <sup>19</sup>	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
				number of complaints regarding water clarity, taste, odour, pressure/flow, and supply		connections			
				Number of waterborne disease outbreaks	0	0	On Track	0 outbreaks	No outbreaks occurred.
Resilient future	Reduce water demand to support a sustainable water supply to avoid unnecessary investment in significant new water supply infrastructure	Support the reduction of the overall bulk water supply to the four metropolitan cities by 25 percent by 2030	Provide a continuous and secure bulk water supply	Average consumption of drinking water per day per resident within the TA districts	369.8 L/d/p	<375 L/d/p	Off Track	410 L/d/p	<p>Per capita demand across the metro area has continued to increase primarily due to leakage. While we have seen two quarters of falling demand in Porirua and Upper Hutt and stable demand in Hutt City, overall demand across the region is still up on a per-capita basis, driven by increased demand in Wellington City.</p> <p>We continue to promote increased investment in water loss activities and network renewals with our metropolitan councils to bring down water loss to more sustainable levels. There has been limited additional funding provided by Wellington and Hutt cities to support leak repairs in FY24, and additional investment from all councils from FY25. Funding falls from FY26 which will limit the extent of water loss activities that can be undertaken.</p> <p>Investment in universal smart metering and additional source capacity work in the coming years will be key to managing the increasing supply/demand balance risk.</p>
				Maintenance of the reticulation network: Percentage of real water loss from the	0.07%	+/- 2.5%	Not Measured		Commercial water usage is measured and averaged on an annual basis. In addition to supplying bulk water to the regional network, Greater Wellington provides water directly to a small number of households. The real water

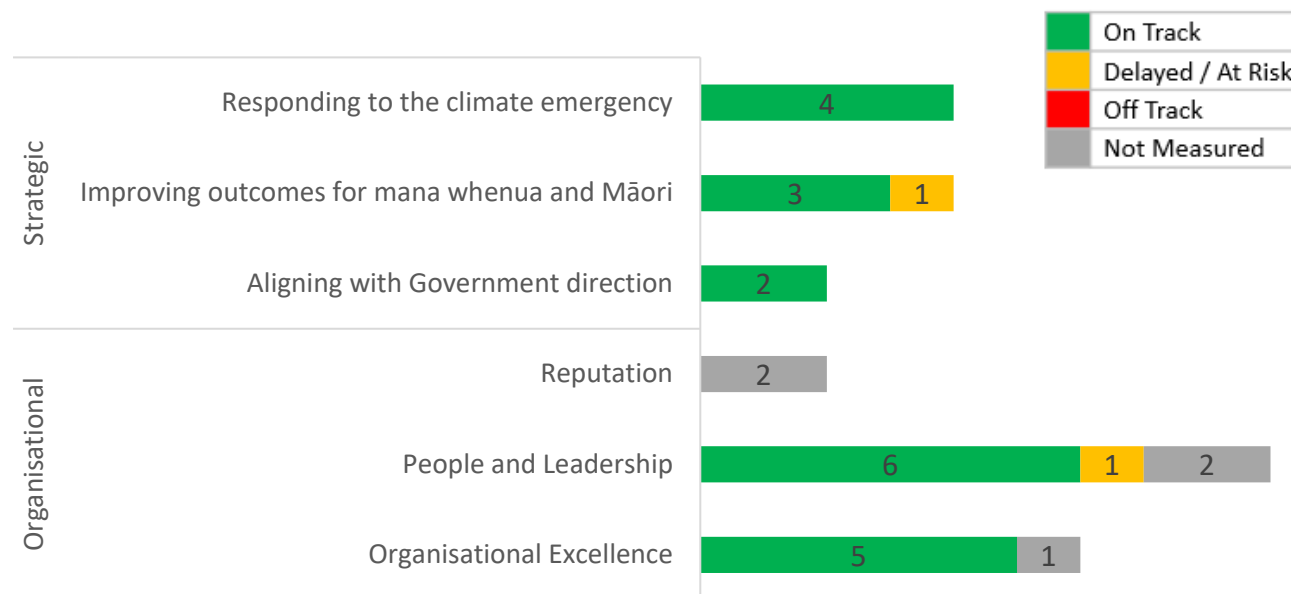
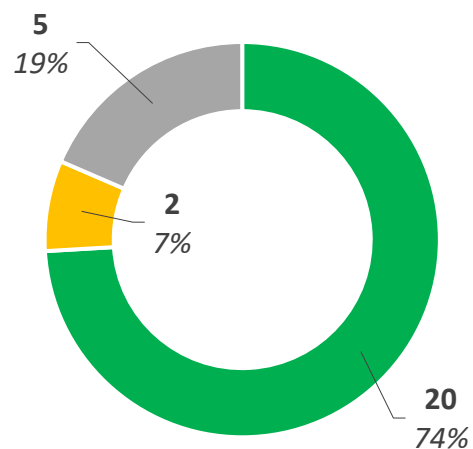
**WATER SUPPLY**

Community Outcomes	Strategic Priorities	Key Result Areas	Levels of Service	LTP Performance Measure <sup>19</sup>	Baseline (2019/20)	2023/24 Target	Quarter Status	Quarter Result	Commentary
				networked reticulation system					loss for these customers is estimated to be 0.01%.
				Response times to attend urgent call-outs in response to a fault or unplanned interruption to the network reticulation system	Time to reach site: 0 min Time to confirm resolution: 0 hours	Time to reach site: <90 min  Time to confirm resolution : <8 hours	<b>On Track</b>		No events occurred this quarter.
				Response times to attend non-urgent call-outs in response to a fault or unplanned interruption to the network reticulation system	Time to reach site: 0.9 hours Time to confirm resolution: 1.25 days	Time to reach site: <72 hours  Time to confirm resolution : <20 days	<b>On Track</b>		No events occurred this quarter.
				Number of events in the bulk water supply preventing the continuous supply of drinking water to consumers	0	0	<b>On Track</b>		No events occurred this quarter.
				Sufficient water is available to meet normal demand except in a drought with a severity of greater than or equal to 1 in 50 years	6.9%	<2%	<b>Off Track</b>	7.3%	Completion of the Te Mārua capacity upgrade project is required to return the region to within the target level of service for drought resilience. However high per capita demand and growth continue to put pressure on supply capacity, and we have a sustainable water supply program of activities that include a focus on bring down demand. Progressing smart metering is a core part of this work.



## APPENDIX TWO: Chief Executive Key Performance Indicators – Quarter Three

Results as at 31 March 2024:



Section 1: Strategic Priorities						
Priority	Outcome	Measure	2023/24 Target	Quarter status	Quarter result	Commentary
Improving outcomes for mana whenua and Māori	Greater Wellington has positioned itself to give effect to Te Tiriti o Waitangi which creates the conditions for rangatiratanga and mana Motuhake.  Mātauranga Māori-led planning, policy and decision making.	Completion of Inaugural Te Tiriti o Waitangi audit and design of implementation phase.	Inaugural Te Tiriti o Waitangi audit is completed, and Greater Wellington has agreed a three-year plan to recommendations made from the auditor.	On Track		Te Tiriti Audit has been picked up by Nga Whenu (under Te Whariki implementation) Te Tiriti audit response has been picked up by Nga Whenu and planning on the work programme design has been undertaken, building a response plan that can be monitored and reported on.
		Evidence of high-quality partnership and engagement with mana whenua.	Opportunities for contracting/delegating environmental functions direct to mana whenua are identified and actioned – where appropriate / applicable.	On Track		Funding pathway for remainder of 2023/24 year underway. Work started last quarter with the Business improvement Team to continue building systems and processes, workshop planned for early Q4 to design the systems and processes needed to deliver the funding into the future.
		Evidence of high-quality implementation of Te Matarau a Māui.	Key 2023/24 deliverables for Te Matarau a Māui are delivered.	On Track		Work this quarter has been focused on maintaining the relationship with Te Matarau a Māui, which provides the insights on the evolving rangatiratanga of the board and

**Greater Wellington Regional Council's Summary of Quarter Three Performance 2023/24**  
Attachment 1 to Report 24.255

Section 1: Strategic Priorities						
Priority	Outcome	Measure	2023/24 Target	Quarter status	Quarter result	Commentary
						their work programme. The Board is also in the process of recruiting a chief executive.  A six monthly reporting schedule from Te Mararau now ensures regular reporting to Council.
		Review the Tūāpapa and Kaupapa funding to ensure these are future proofed.  Mana whenua report on the value and benefits of the funding.	Monitoring and reporting framework for funding arrangements is agreed to and underway.  Survey of mana whenua provides feedback on value and effectiveness of funding arrangements	At Risk		Progress continues on the monitoring and reporting framework. Partnership managers are now in place and able to work with Iwi to gather the effective and valuable information. A workshop in early Q4 will ensure that monitoring and reporting is a fundamental part of the process moving forward.
<b>Responding to the climate emergency</b>	Demonstrating leadership in regional climate action and advocacy and ensuring that Greater Wellington's operations are carbon neutral by 2030.	Greater Wellington supports the development of regional strategies for climate action through the Wellington Regional Growth Framework.	With regional partners, complete the regional climate change risk and impact assessment and a regional emissions reduction strategy	On Track		The Regional Emissions Reduction Plan was adopted by the Wellington Regional Leadership Committee (WRLC).  The WRLC's Regional Climate Change Risk and Impact Assessment was completed.  The completion of the Wellington Regional Transport Emissions Pathway lays the pathway for the region to move towards Transport Carbon Zero and will be used as a significant input into the Regional Land Transport Plan 2027.
		Ensuring that Greater Wellington's operations are carbon neutral by 2030 and climate positive by 2035.	Gross emissions from Greater Wellington's operations are trending downwards (from the 2018/19 baseline).	On Track		Verified results for emissions generated in the 2022/23 financial year show a 23% reduction compared to the base year 2018/19, and a 12% reduction compared to 2021/22. This result has been publicised and reported to Councillors.
		Greater Wellington's preparedness to respond to an emergency and identify learnings from recent events such as the Auckland floods and Cyclone Gabrielle	Establish an operational alternate Emergency Coordination Centre (ECC) in the Cuba Street Office to provide for coordination of low impact/high frequency events (including an increase in extreme weather event activations)	On Track		The Cuba Street Alternate ECC cache has been further equipped with CIMS vest in the required number and colours. There are now six phones and a satellite phone. The cache is almost complete with just documents to be printed and function boxes to be obtained. The level of risk to moving to level 4+ for the acute water shortage has significantly dropped.

Section 1: Strategic Priorities						
Priority	Outcome	Measure	2023/24 Target	Quarter status	Quarter result	Commentary
	Metlink is consistently providing high quality and reliable public transport services to its customers across the region	Restore and maintain delivery of public transport services across the bus and rail network	Delivery of full timetable/ equivalent level of service, meeting contracted KPI levels.	On Track	<p>Bus reliability for YTD Mar: 98.9%</p> <p>Bus punctuality for Quarter 3: 93.6%</p> <p>Rail reliability for YTD Mar: 98.2%</p> <p>Rail punctuality for YTD Mar: 93.6%</p>	<p>Beginning this quarter, Metlink has delivered a full timetable of bus services. Tranzurban's 114 temporarily suspended trips were reinstated.</p> <p>The majority of our network achieved well over the 95% target for punctuality, but because punctuality primarily reflects the external factors such as traffic (particularly in Wellington City, Porirua and the Wairarapa) these areas have brought the overall score down.</p> <p>Speed restrictions continue to impact services, in particular on the Wairarapa Line. At the time of reporting there are approximately 15-16 minutes of delays. The majority of delays are due to speed restrictions on the lines, which are put in place to help keep everyone safe during KiwiRail maintenance on rail lines.</p>
<b>Aligning with Government direction.</b>	Greater Wellington is actively responding to the Government's reform programme.	Alignment with National Policy Statement – Freshwater Management (NPS-FM) through the development and implementation of the Whaitua Implementation Plans (WIPs).	<p>Council establishes the Wairarapa Coast Whaitua Committee and receives the WIP from the Kāpiti process.</p> <p>Continue implementation programme for the Ruamāhanga, Te Whanganui-a-Tara and Te Awarua o Porirua WIPs, with demonstrable progress is made against an agreed delivery programme.</p>	On Track		<p>Work continues on NRP Plan Change 1, which partially gives effect to NPS-FM 2020, implements the Te Awarua o Porirua WIP and Ngati Toa Rangitira statement, and partially implements the Te Whanganui a Tara WIP and Te Mahere Wai. Greater Wellington nominees for the Hearings Panel have been identified, with freshwater commissioners and the mana whenua nominee identified but to be confirmed. Hearings are due to start in late 2024 or early 2025.</p> <p>Central Government will be making changes to the NPS-FM (expected within 12 months), to the NPS-IB and to the RMA. A paper on the impacts of a new NPS-FM will be taken to council in May 2024.</p> <p>Continued progress on implementing non-regulatory actions in Te Mahere Wai, Te Whanganui-a-Tara, Ruamahanga, and Te Awarua-o-Porirua Whaitua Implementation Programmes (WIP). The Kapiti Whaitua WIP is on track for delivery in Q4. The Wairarapa Coast Whaitua Committee has not yet initiated, but support for catchment groups and scoping of the overall catchment approach continues.</p>

Section 1: Strategic Priorities						
Priority	Outcome	Measure	2023/24 Target	Quarter status	Quarter result	Commentary
		<p>Greater Wellington has a coordinated response to the Government's reform programme and is well prepared for reform implementation phases, including:</p> <ul style="list-style-type: none"> <li>• The transition to handover of our water assets and management to the new water entity</li> <li>• Regional leadership of the transition to the new Natural and Built Environment Act and Spatial Planning Act</li> <li>• Response to the Local Government Review Panel.</li> </ul>	<p>Council is well informed (through reports and workshops) on progress of the reform programmes and Greater Wellington's response.</p>	<p><b>On Track</b></p>		<p>Greater Wellington council officers have provided a number of updates to Council regarding the Government's 100-day plan, and continues to keep Council informed as officers assess the impacts of Government changes.</p> <p>The Regional Land Transport Plan has been reviewed and amended to reflect the new Government Direction. Work on the Regional Speed Management Plan has been suspended.</p>

Section 2: Organisational Priorities						
Priority	Outcome	Measure	2023/24 Target	Quarter status	Quarter result	Commentary
People and Leadership	Leadership: Leaders help their people deliver high-quality work in a supportive and creative Greater Wellington culture.	<p>Demonstrated leadership as the CE internally and externally, including:</p> <ul style="list-style-type: none"> <li>observed behaviours and visibility within the organisation</li> <li>sector leadership across the Greater Wellington rohe</li> <li>regional council/Te Uru Kahika sector leadership</li> <li>responsiveness and accessibility to Councillors.</li> </ul>	As assessed by the Chair and the Chief Executive Employment Review Committee.	Not Measured		Measured in Q2 and Q4
	Develop a culturally capable, high performing, engaged, and resilient workforce.	Change Management: Change processes are clear on the outcomes sought, well-managed, with changes to business processes, culture, and behaviour change being considered as well as any necessary structural change.	The new Environment Group and Te Hunga Whiriwhiri work programme is integrated and outcomes focussed.	Integrated business plan produced	On Track	<p>Kahui taiao continue to meet and develop the relational space between the 2 groups. This quarter there was a strategic planning session which determined our collective priorities for the coming quarter. These are on an engagement framework, kaupapa investment, mauri tuhono and how we build our capability to partner effectively. Te Hunga Whiriwhiri and Environment Group directors presented these to the combined Environment Group leadership day in March 2024.</p> <p>The Environment Group are now designing our Integrated Business Planning approach, with input in key areas from Te Hunga Whiriwhiri. In particular they are contributing to the development of Strategic Shifts and an Outcomes Framework</p>
			The organisation understands the four focus areas of Te Whāriki and shows increased growth in reporting on our implementation against Te Whāriki	Dashboard established with key metrics to track progress.	At Risk	Work is underway to develop reporting metrics, which can then be included in a dashboard.

Section 2: Organisational Priorities						
Priority	Outcome	Measure	2023/24 Target	Quarter status	Quarter result	Commentary
	<i>Health, Safety and Wellbeing:</i> Everyone, Everyday - Home, Safe and Well   Ngā tangata katoa, mo nga rā katoa, ka hoki ora ai ki te kainga	Chief Executive-driven Health, Safety and Wellbeing (HSW) culture. Greater Wellington and Chief Executive HSW due diligence obligations demonstrated.	ELT undertakes, documents and reports to Council on at least two visits to field locations to review HSW processes and risks.	<b>On Track</b>		Visit to the Transedv workshop occurred early in Q3. A further site visit (TBC) is being scheduled in Q4. Site visits by the rest of ELT are also being scheduled in Q4.
	<i>Diversity and Inclusion:</i> Our workforce represents the communities we work for, resulting in greater diversity of thought and improved outcomes for Greater Wellington.	Greater Wellington increasingly reflects the region's gender, bicultural, ethnic, and cultural diversity make-up.	Ethnicity data baseline established  Increase women leaders from current baseline of 41%	<b>On Track</b>		Following a campaign run to improve the ethnicity data we hold, we have 70% of staff having identified their ethnicity. We will now be able to establish some baseline information.  As at 31 March 2024, 40.45% of people leaders are women.
	<i>Staff Engagement:</i> Our people feel valued and engaged in Greater Wellington's purpose, resulting in a productive organisation.	Gallup overall employee engagement index.	Improve the 2022/23 result of 4.16.	<b>On Track</b>		Pulse surveys indicate an overall good trend, with the full results to be measured in the annual survey. The next annual survey will be open from 6 May 2024.

Section 2: Organisational Priorities						
Priority	Outcome	Measure	2023/24 Target	Quarter status	Quarter result	Commentary
	<i>Cultural Capability:</i> Robust implementation plan developed against He Iti Kahurangi (Māori Capability Framework) and Mātauranga Māori Framework	Cultural capability programme in place that is inclusive of: <ul style="list-style-type: none"> <li>Te Reo Māori</li> <li>Mātauranga Māori</li> <li>Te Tiriti o Waitangi</li> <li>Sites of significance (led by mana whenua).</li> </ul> Survey of staff attending training completed annually.	Achievement of training targets.  35% of staff have participated in cultural training <sup>20</sup> .	On Track		A total of 91 staff attended trainings this quarter, for a year to date total of 269. <ul style="list-style-type: none"> <li>Pakiaka: 22 participants sign up over 2 sessions</li> <li>Te Tiriti: 38 participants over 2 sessions</li> <li>Mātauranga: 31 participants over 2 sessions</li> </ul>
<b>Organisational Excellence</b>  Create and implement systems and processes to support continuous business improvement.	Greater Wellington fulfils its obligations fully to deliver value for money to its communities.	Proportion of 2021-31 Long Term Plan non-financial performance measures that are 'Achieved'.	80% of all LTP Non-financial performance measures are achieved by 30 June 2024.	Not Measured		Measured in Q4.
		Percentage of major projects with an overall "green" rating (on track in terms of schedule, budget, managing risks and issues, health and safety, stakeholders, and resources).	70% of all PMO-monitored 'Major' Projects have an 'On Track' (green) rating.	On Track	83% on track	The number of major projects drop one to 12. The percentage of major projects on track has improved from 69% in Q2 to 83% in Q3.  This is most positive quarter in the last 5 years reflecting strong project management discipline and several high risk projects being cancelled.
		Greater Wellington recognises the value of its data through the implementation of the organisational <i>Technology and Data Strategy</i> .	2023/24 objectives are achieved in line with the Technology and Data Strategy; emphasising treating our data consistently across the organisation, risk reduction, partnership, and oversight.	On Track		Key streams of the ICT strategy planning phase are underway to enable implementation beginning Q1 FY24/25, including awareness phase of communications plan, recruitment of the Programme Lead role, and capability and skills assessment for year one of the strategic roadmap.  Implementation of the security roadmap against Greater Wellington's cyber security framework is underway, with reporting to FRAC.

<sup>20</sup> In line with our Te Reo Policy, cultural training is completed by staff in at least one of the following areas: Te Reo Māori; Mātauranga Māori; Te Tiriti o Waitangi; and Sites of significance (led by mana whenua)



Section 2: Organisational Priorities						
Priority	Outcome	Measure	2023/24 Target	Quarter status	Quarter result	Commentary
		Response to our <i>Uncertainty and Risk Framework</i> prioritising activities that maintain our social license to operate	Identified significant uncertainty/risks are addressed through ELT and prioritised for action to reduce risk.	On Track		Last one page uncertainty statement has now been documented. We have begun working with Risk Lead, FRAC and ELT to document our risk appetite. The Health and Safety risk appetite statement was supported by ELT and FRAC.
		Compliance with Greater Wellington's statutory responsibilities and Council policies	Annual Legal Compliance Survey completed, and results reported to FRAC in a timely manner.	On Track		The annual survey is targeted for being run in April.
		Reporting on the financial performance of Council and major projects	Quarterly financial reports to Council on overall financial performance.  Quarterly reporting to Council on the financial performance of major projects	On Track		Monthly financial reports have been delivered to Council and have been received with approval.
<b>Reputation</b> Enhance the reputation and relevance of Greater Wellington in the region.	Our communities trust Greater Wellington to focus on the right issues and deliver value for money.	Reputation Index – Community perception of trust, leadership, fairness, and social responsibility as measured by the Colmar Brunton brand tracker.	Maintain or improve the overall reputation score from the 2021/22 results of: <ul style="list-style-type: none"> <li>GWRC: 89</li> <li>Metlink: 82</li> </ul>	Not Measured		Measured in the annual survey, beginning in May 2024.
		Regular one-on-one meetings with CEs of selected territorial authorities and iwi in the region to build trust and explore partnership opportunities <sup>21</sup> .	Regular meetings are scheduled, held and reported on.	Not Measured		Measured in Q2 and Q4

<sup>21</sup> Greater Wellington's relationship with key local government partners is an important component of overall reputation and influences the perception of Greater Wellington's leadership role in the region

## APPENDIX THREE: Major Projects – Quarter Three

### Summary of major projects

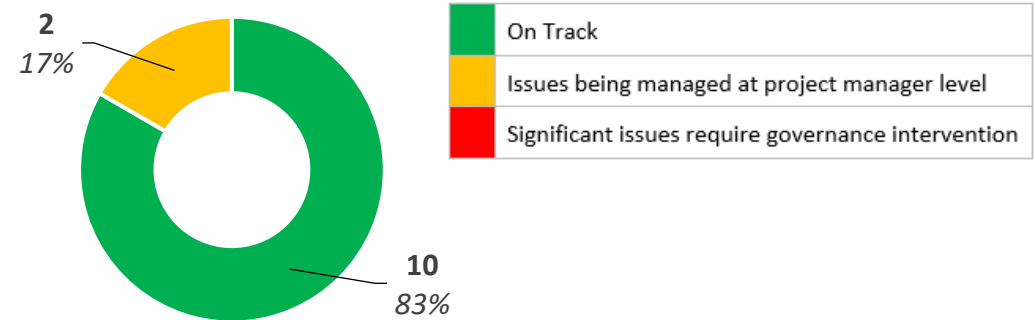
- The percentage of on track projects has increased by 19 percent, from 64 percent in Q2 up to 83 percent in Q3.
- Closure of Let’s Get Wellington Moving has seen the number of major projects drop to 12 projects.

### Greater Wellington led major projects

- The percentage of on track Greater Wellington-led projects has increased from 57 percent in Q2 2024 to 100 percent in Q3 2024.
- The Toitū Te Whenua Parks Network Plan - Restoration Programme implementation has moved from Amber to Green as concerns around slow progress have largely dissipated.

### Multi-agency led major projects

- The total number of Multi-agency projects dropped from 7 to 6 due to the closure of Let’s Get Wellington Moving.
- RiverLink has dropped from Green to Amber as a result of Greater Wellington removing flood protection from Alliance Delivery. The scope, transitions and cost between partners has not been agreed, has been raised at sponsor and senior management levels.
- The Te Marua Water Treatment Plant Capacity Upgrade programme is tracking \$12.5m over budget (YTD) however additional funding in the 2024/25 budget will support a total forecasted project spend of \$88.3m. The increased spend is primarily due to Fast tracking procurement, inflation in construction costs, and mitigating risk factors.



On Track
Kaitoke Flume Seismic Upgrade
2024-34 Long Term Plan
Lower North Island Rail Integrated Mobility
Metlink Integrated Fares & Ticketing
Regional Fluoride Dosing System
Regional Land Transport Plan
pNRP Plan Change 1 & 2 (PC1, Phase 1)
RPS Change Programme
Whakawhirinaki - Silverstream Water Bridge and Shared path
Toitu Te Whenua Parks Network Plan - Restoration programme Implementation
Issues being managed at project manager level
RiverLink
Te Marua Water Treatment Plant Capacity Upgrade
Significant issues require governance intervention
N/A



## For Information

### FINANCE UPDATE – APRIL 2024

#### Te take mō te pūrongo

##### Purpose

1. To provide Council with Greater Wellington Regional Council's (Greater Wellington's) summary financial reports for the ten months ended 30 April 2024.

#### Te tāhū kōrero

##### Background

2. This report provides a summary of the financial performance of Greater Wellington's activities for the ten months ended 30 April 2024, as set out in **Attachment 1**. The amounts stated in this report and the attachment are GST exclusive.
3. The year-end forecast was updated in March 2024 and commentary has been supplied where there is a material variance to the revised budget.
4. The result to April is a \$31m operating deficit. Greater Wellington had budgeted for an operating deficit of \$13m. This unfavourable variance to budget of \$18m is explained in the Analysis section below.

#### Te tātaritanga

##### Analysis

##### *Key results*

##### Revenue

5. Other revenue is \$38m lower primarily due to providing half-price fares for public transportation through July and August and changes in travel choice post-COVID compared to pre-COVID assumptions set in 2020. This change in travel choice has been addressed in the 24-34 Long Term Plan.
6. Farebox revenue is forecasted to be \$47m lower than budgeted by year-end, resulting in higher grant and subsidies revenue of \$24m due to a lesser amount payable to New Zealand Transport Agency - Waka Kotahi. This may result in a shortfall of up to \$8m on the additional funding of \$15.0m initially approved by Council to cover the losses.
7. Options to address public transport funding gap are set out in Report 24.190 – Addressing the 2023/24 public transport funding gap.

## Expenses

8. Consultants, contractors, and suppliers are under budget by \$19m significantly attributed to Let's Get Wellington Moving (LGWM). As LGWM concluded on 31 March, there will be an underspend of \$19m by the end of the financial year. This underspend is partially offset by a change in accounting treatment for Floodplain Management works (\$8m) and National Ticketing Solution Transition project (\$5m) from CAPEX to OPEX.
9. Financing costs are \$8m over budget mainly due to prefunding of future debt repayments and capital requirements. The higher pre-funding cost has been offset by interest received on reinvesting the same pre-funding. There was a slight gain due to the pre-funding being invested at a rate above what it was borrowed at.

## Capital Expenditure (CAPEX)

10. Capital expenditure is currently 23% behind budget due to late commencement of Riverlink works on Mills Street improvements and the reclassification of National Ticketing Solution Transition project from CAPEX to OPEX.
11. The year is expected to end with a 7% underspend. Water supply projects are expected to continue accelerating while Riverlink is heavily dependent on Mills Street stop bank progress.

## **Ngā hua ahumoni**

### **Financial implications**

11. The year end forecast has a deficit in Public Transport. The funding decision for this will be presented to Council in Report 24.190.

## **Ngā āpitihanga**

### **Attachment**

<b>Number</b>	<b>Title</b>
1	Councillor Financial Report – 30 April 2024

## **Ngā kaiwaitohu**

### **Signatories**

Writers	Darryl Joyce – Kaiwhakahaere Matua   Manager Accounting Services
Approver	Ashwin Pai - Kaiwhakahaere Matua   Head of Finance Alison Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru   Group Manager Finance and Risk

**He whakarāpopoto i ngā huritaonga  
Summary of considerations**

***Fit with Council's roles or with Committee's terms of reference***

The Council has governance oversight of the robustness of the organisation's financial performance.

***Contribution to Annual Plan / Long Term Plan / Other key strategies and policies***

The report reviews performance against the financial statements in Council's 23/24 Annual Plan plus rebudgets.

***Implications for Māori***

Improving outcomes for mana whenua and Māori is one of the overarching strategic priorities in the Greater Wellington's 2021-31 Long Term Plan, and therefore reported against in Annual reports and outcomes are included in our budgeting and financial results.

***Risks and impacts - legal / health and safety etc.***

There are no risks arising from this report.

# Council Report April 2024)

This report provides year to date financials for ten months ending 30 April 2024 with:

1. comparisons to the budget set in the 2023-24 Annual Plan and includes re-budgets approved by Council
2. projected variance for the full-year comparing the approved budgets to the current forecast



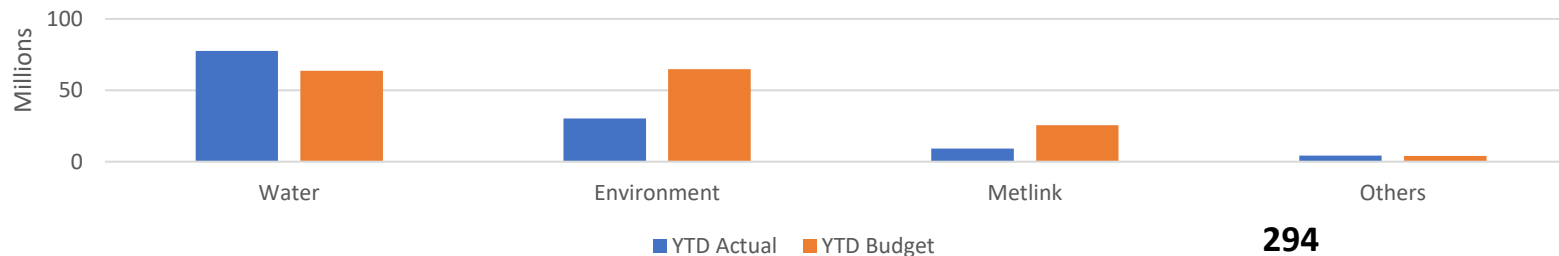
# Summarised Profit and Loss as at April 2024

## Summarised Profit and Loss as at April 2024

	Year to date				Full Year			
	Actual \$000s	Revised Budget \$000s	Variance \$000s		Forecast \$000s	Revised Budget \$000s	Variance \$000s	
<b>Operating Revenue</b>								
Rates and Levies	220,273	219,685	588	0%	265,118	263,622	1,496	1%
Grants and Subsidies	149,420	131,544	17,876	14%	175,027	157,953	17,074	11%
Other Revenue	94,079	131,739	(37,660)	-29%	113,308	162,189	(48,881)	-30%
<b>Total Operating Revenue</b>	<b>463,772</b>	<b>482,968</b>	<b>(19,196)</b>	<b>-4%</b>	<b>553,452</b>	<b>583,764</b>	<b>(30,312)</b>	<b>-5%</b>
<b>Operating Expenditure</b>								
Personnel	71,740	70,807	934	1%	85,576	84,811	764	1%
Grants and Subsidies	217,869	209,554	8,314	4%	261,654	252,152	9,502	4%
Consultants, Contractors and Suppliers	133,601	153,007	(19,406)	-13%	178,410	183,769	(5,359)	-3%
Finance Costs	42,547	34,500	8,047	23%	53,403	42,252	11,152	26%
Depreciation	29,114	27,655	1,459	5%	33,181	33,181	-	0%
<b>Total Operating Expenditure</b>	<b>494,871</b>	<b>495,523</b>	<b>(652)</b>	<b>0%</b>	<b>612,224</b>	<b>596,165</b>	<b>16,059</b>	<b>3%</b>
<b>Operating Surplus/(Deficit) before other items</b>	<b>(31,099)</b>	<b>(12,555)</b>	<b>(18,544)</b>	<b>148%</b>	<b>(58,771)</b>	<b>(12,401)</b>	<b>(46,371)</b>	<b>374%</b>
Fair Value Movements	-	-	-	0%	-	-	-	0%
<b>Operating Surplus/(Deficit)</b>	<b>(31,099)</b>	<b>(12,555)</b>	<b>(18,544)</b>	<b>148%</b>	<b>(58,771)</b>	<b>(12,401)</b>	<b>(46,371)</b>	<b>374%</b>
<b>Capital Expenditure</b>	<b>120,977</b>	<b>157,602</b>	<b>(36,625)</b>	<b>-23%</b>	<b>176,840</b>	<b>189,257</b>	<b>(12,417)</b>	<b>-7%</b>

\*\* Revised budget is budget set in the 2023-24 Annual Plan plus re-budgets approved by Council

### Capital Expenditure by Group



## GM of Finance and Risk Overview

With two months left in the financial year, it is timely to review GW's year-end projected results. The latest forecast continues the reported trend of decreased fare revenue and increased finance expenses, noting the upward pressure on interest rates are easing. Positively GW are on track to achieve the capital programme budget at a group level.

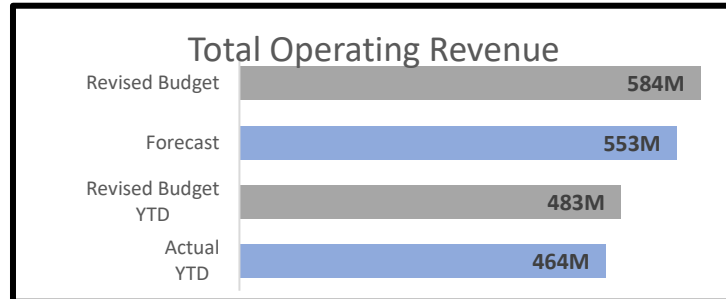
Farebox revenue has been a significant variance in this year's financial reports. Providing half-price fares for public transport through July and August has reduced farebox by \$7.1m. Overall, farebox revenue is forecasted to be down \$47m by the end of year, this is offset by increased grants and subsidies revenue of \$24m. The reason for this is 51% of all farebox is returned to Waka Kotahi as part of the net cost arrangement. Less farebox results in a higher claim as less farebox is offset against the operational costs.

Following our clean sheet capital budgeting exercise, we are expecting to end the year with a 7% capital underspend, resulting in significantly reduced capital re-budgets. In the final two months, water supply projects are expected to continue accelerating while Riverlink is heavily dependent on Mills Street stop bank progress.

Improved performance in capital deliverability along with increased prefunding, for liquidity and financing cost certainty, has raised our treasury borrowing requirement. Consequently, we are seeking Council approval for this delegation in report 24.191.

### Other Items of Interest:

- Council currently holds investments (excluding subsidiaries) of \$328m up from a starting balance of \$247m on 1 July 2023. This includes \$67m of contingency funds of which the Water contingency makes up \$50m, and pre-funding of \$141m.
- A paper discussing options to fund the deficit in Metlink once the loss fare revenues recoveries have been applied, is presented in Report 24.190.
- Re-budgets paper to carry-forward 2023/24 budgets is presented in Report 24.257.



**Metlink PT –**

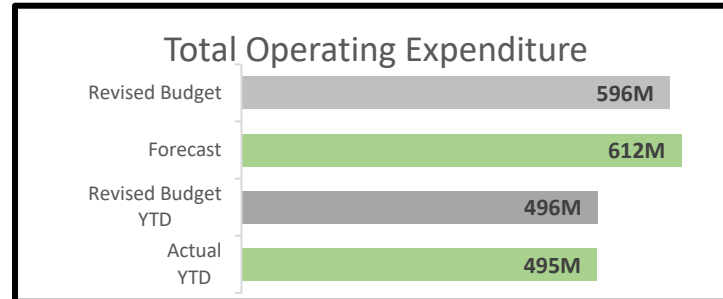
The full-year forecast of the Farebox Revenue has been forecasted to be below budget by **\$47.0m**, primarily driven by:

- Council approved half-price fares for public transport through July and August, **\$7.1m**.
- The balance of the reduced fare box is contributed to a change in travel choice since the patronage level assumptions were set in the 2021-31 LTP.

The reduced farebox revenue is 51% offset by higher grants and subsidies revenue from Waka Kotahi.

**Environment –**

Fees and charges are forecasted to be **\$12.3m** below budget due to \$7.5m of RiverLink interim property compensation received from Waka Kotahi but required to be retained on the balance sheet until final settlement. The remaining variance relates to reduced consent application and sustainable land use revenue.



**Metlink PT –**

Grants & subsidies expenditure is unfavourable due to indexation on the Bus and Rail contracts overbudget. A permanent difference is expected and addressed in the new LTP, **\$9.4m**. This is offset by NTS costs funded through the capital budget, reducing the overspend to **\$5.7m**. The remaining 51% is funded by Waka Kotahi leaving **\$2.8m** underfunded.

**Investment –**

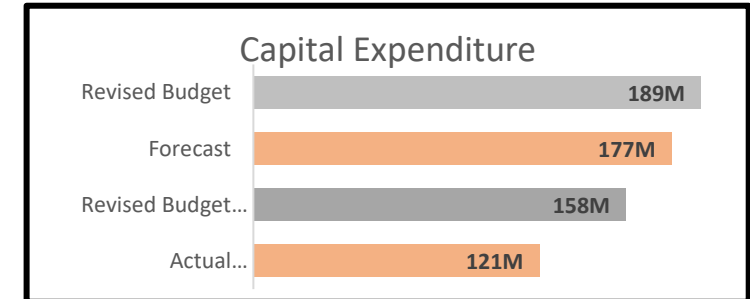
Higher interest cost of **\$8.1m** is offset by lower stadium grant expenditure and additional investment revenue.

**Strategy –**

Contractor & Consultants is underspent by **\$14.9m** driven by Let’s Get Wellington Moving. With the program now stopped, this is expected to be a permanent variance and grow to **\$19.0m** underspend by the end of the year.

**Environment –**

Underspend in Pinehaven related to Phase 3 delays, **\$2.1m**.



**Metlink PT –**

Delays in delivery across the board for the capital programme and National Ticketing Solution Transition has been reclassified as operating instead of capital expenditure. Factoring in these, **\$17.9m** underspend is forecasted by end of financial year.

**Environment –**

RiverLink implementation is **\$29.3m** behind budget due to Mills Street improvements commenced late February. Forecasting **\$19.0m** underspend and is subject to Mills Street stop bank progress.

**Water Supply –**

Te Marua Treatment Plant and Kaitoke Flume Bridge are tracking ahead of schedule and therefore, the full year forecast has increased following additional budget approved to be brought forward, **\$23.8m**.



**For Decision**

**RESOLUTION TO EXCLUDE THE PUBLIC**

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

Appointment of member to the Wellington Regional Leadership Committee – Report PE24.271

Property purchase – Lower Hutt – Report PE24.275

Confirmation of the Restricted Public Excluded minutes of 11 April 2024 – Report RPE24.170

Confirmation of the Restricted Public Excluded minutes of 16 May 2024 – Report RPE24.240

Southern Depot lease arrangement – Report RPE24.250.

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:

<b>Appointment of member to the Wellington Regional Leadership Committee – Report PE24.271</b>	
<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 to the Wellington Regional Leadership Committee (the Committee). Release of this information prior to Council’s decision is likely to prejudice the privacy of natural persons (section 7(2)(a) of the Act) as releasing this information would disclose their consideration for appointment as a member of the Committee.</p> <p>Greater Wellington has considered and determined that there is no public interest favouring disclosure of this particular</p>	<p>The public conduct for this part of the meeting is excluded as per section 7(2)(a) of the Act in order to protect the privacy of natural persons, including that of deceased natural persons.</p>

information in public proceedings of the meeting that would override the need to withhold the information.	
<b>Property purchase – Lower Hutt – Report PE24.275</b>	
<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>The information contained in this report relates to the proposed purchase of a private residential property on terms that have not finally been agreed. Having this part of the meeting open to the public could prejudice Greater Wellington’s negotiating position in respect to finalising terms of acquisition of the subject property.</p> <p>Greater Wellington has not been able to identify a public interest favouring disclosure of this information in the public proceedings of the meeting, that would override this prejudice.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>
<b>Confirmation of the Restricted Public Excluded minutes of 11 April 2024 – Report RPE24.170</b>	
<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 these minutes relates to future rail service procurement and contracting in the Wellington Region. Excluding the public from the proceedings of the meeting is necessary as considering this information in public would be likely to prejudice or disadvantage the ability of Greater Wellington to carry out, without prejudice or disadvantage negotiations.</p> <p>Greater Wellington 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 for this part of the meeting is excluded as per section 7(2)(i) of the Act in order to enable Greater Wellington to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>
<b>Confirmation of the Restricted Public Excluded minutes of 16 May 2024 – Report RPE24.240</b>	
<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 relates to future rail service procurement and contracting in the Wellington Region. Excluding the public from the proceedings of the meeting is necessary as considering this information in public would be likely to prejudice or disadvantage the ability of Greater Wellington Regional Council (Greater Wellington) to carry out, without prejudice or disadvantage negotiations.</p> <p>Greater Wellington 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)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>
<p><b>Southern Depot lease arrangement – Report RPE24.250</b></p>	
<p><i>Reason for passing this resolution in relation to each matter</i></p>	<p><i>Ground(s) under section 48(1) for the passing of this resolution</i></p>
<p>Information contained in this report relates to a lease arrangement in southern Wellington. Release of this information would be likely to prejudice or disadvantage the ability of Greater Wellington Regional Council (Greater Wellington) to carry on negotiations.</p> <p>Greater Wellington 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)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>

This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by sections 6 or 7 of that Act or sections 6, 7 or 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.