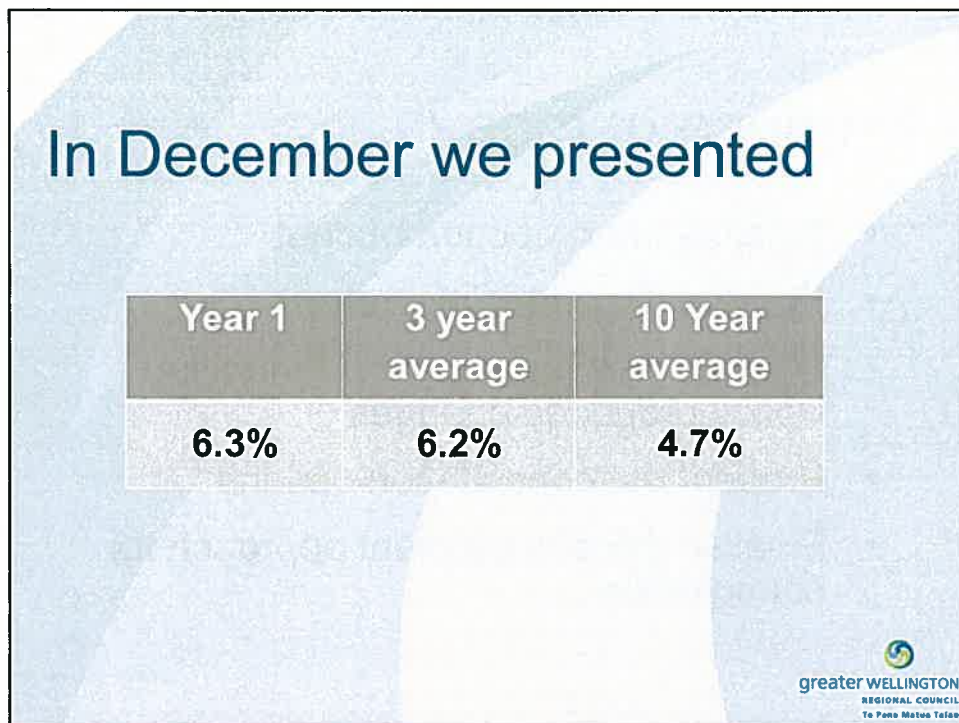
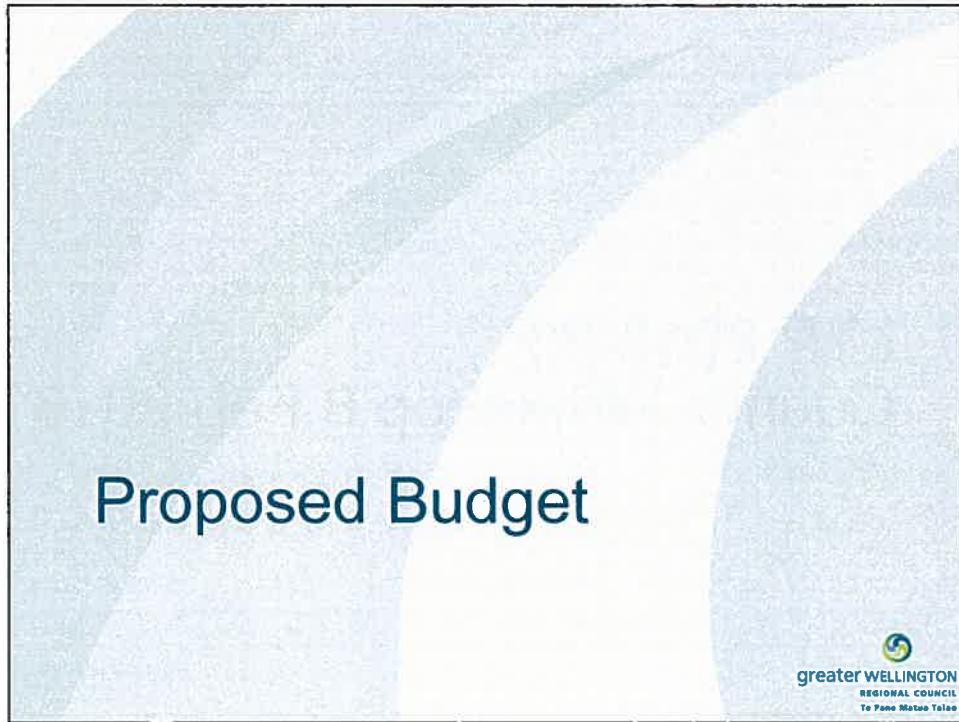


# LTP 2018-28 Council Workshop 8 Feb 2018

## Purpose of today

- Finalise the proposed budget
- Present the financial strategy
- Finalise the Revenue and Financing Policy proposed changes
- Present the consultation options
- Finalise the engagement approach for consultation



## We have since factored in the decision on rail network insurance funding

- Rail insurance - assumed \$1m cost after FAR
- Partially reserve fund (50%), normalise in year 2 and 3
- Rate impact 0.4% in year 1

Year 1	3 year average	10 Year average
6.7%	6.3%	5.0%

## Some other items have emerged, which are not in the budget

Changes	Rate Impact \$	+/-	Likelihood	Rate Impact %
Health Insurance	Up to \$0.1M	-ve	High	<0.1%
Optimus (Core systems replacement)	\$0.5m from Y2	-ve	High	0.4%Y2
Masterton Building fitout	Up to \$0.2M	-ve	Medium	<0.2%
PTOM – outcome of bus negotiation	Up to (\$0.3m Y1) (\$0.5m from Y2)	+ve	High	0.2% Y1 0.4% Y2

## Additionally, decisions are needed on WREMO and Water Wairarapa

- In the current budget, additional WREMO funding stands at \$0.3M
- Water Wairarapa ongoing project costs are (debt) funded for \$0.2M

## We now have more clarity on some risks for 2018/19, but others remain

Risk / Uncertainty	Value / Cost	Likelihood	Rate Impact
Fare revenue	Unknown	Med	+/- up to \$3m
Riverlink - timing of acquisitions	\$0-8m capex	Med	+ < \$400k impact
PTTP – timing / cost of programme	Unknown	Med	Unknown
Water asset insurance <b>*NEW</b> (Impacts bulk water levy)	Unknown	Med	Unknown

## Other regional councils have provided **initial** indications of Y1 rates

Council	% increase Yr 1	Areas of additional work
Taranaki	20%	Predator control and regional parks
BOP	Up to 35%	Flood and drainage (Edgecumbe), Transport, CDEM, regional development
Canterbury	4 - 5%	Water, pest control, land management, Transport
Horizons	8 - 9%	Water
Northland	25%	Water
Waikato	9%	Water, pest control, flood control

## Are you comfortable with the proposed increase for consultation purposes?

Year 1	3 year average	10 Year average
<b>6.7%</b>	<b>6.3%</b>	<b>5.0%</b>

This 6.7% increase equates to \$31.70 yr for an average residential home, or 61 cents per week

# Financial Strategy

## Financial Strategy purpose

- Provide an overall direction and desired end point for the Council's financial status
- Present the financial consequences of the LTP
- Balance the provision of existing services, growth and growing demands with sound financial management
- Provide a sense of costs, risks, and trade-offs (together with the Infrastructure Strategy)

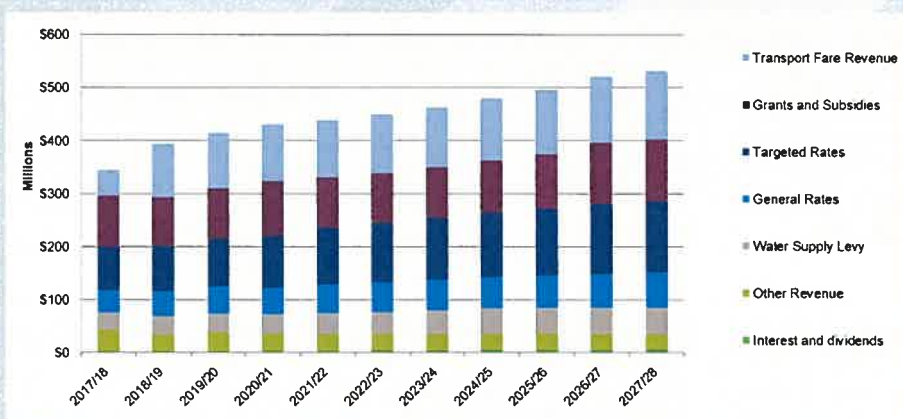
## Financial Strategy principles

Principle	Description
Transparent	Providing clear information to the community and wider group of stakeholders on the processes and choices undertaken in developing our financial framework and decisions
Prudent	Not taking any undue risk through the application of considered, careful and sensible decision making
Fair	Providing for intergenerational and community equity
Value for Money	Ensuring expenditure on any item provides maximum efficiency and effectiveness

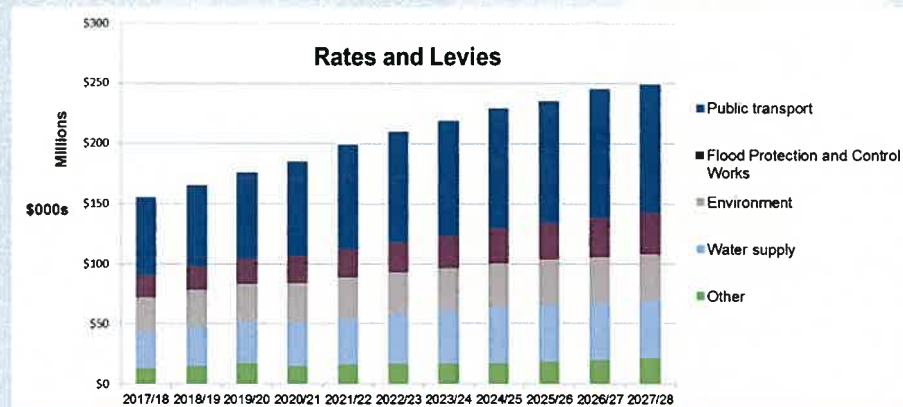
## Key factors impacting our Financial Strategy

- Affordability
- Earthquake response, consequences and preparedness
- Major items
  - Public transport transformation
  - Flood protection programme
  - Bulk water resilience
  - Funding of rail infrastructure and rolling stock

# Revenue

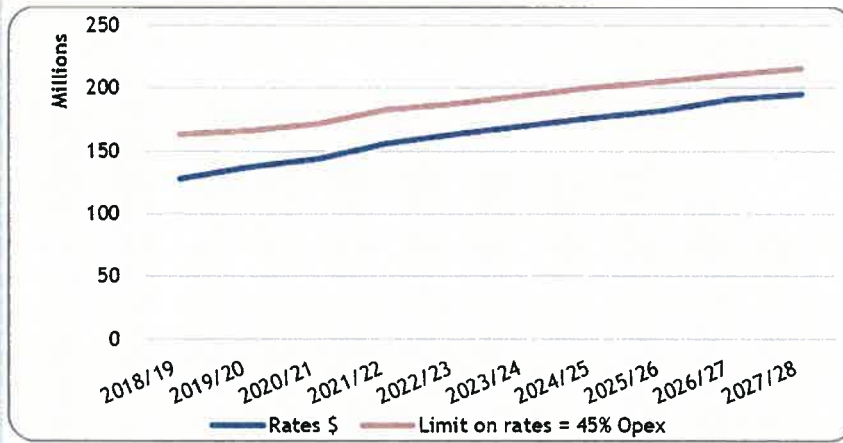


# Rates

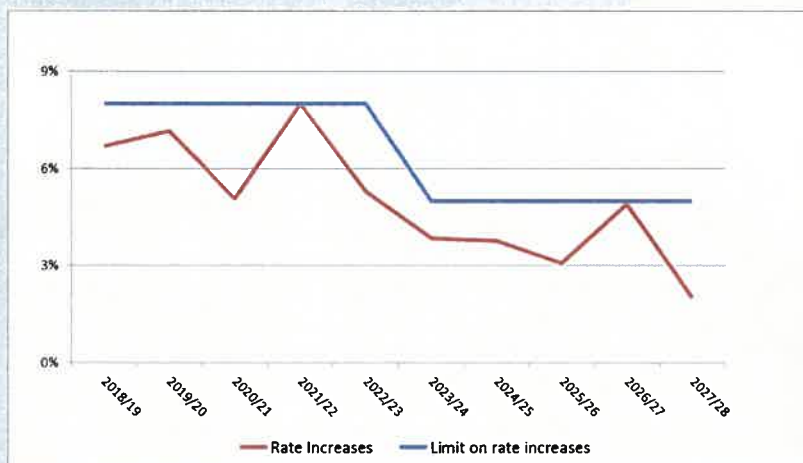


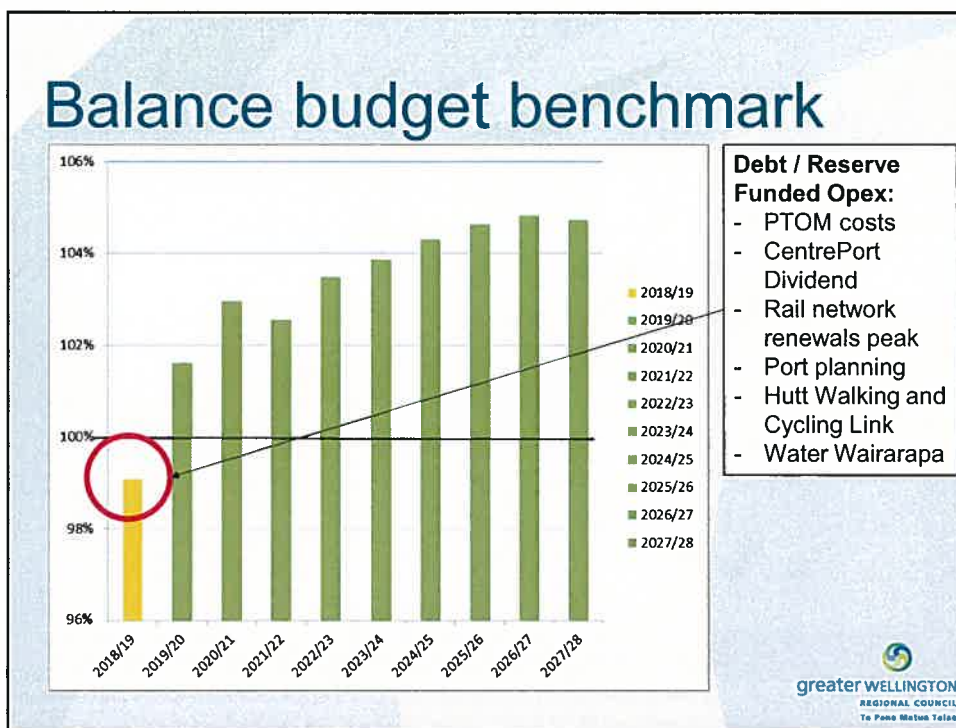
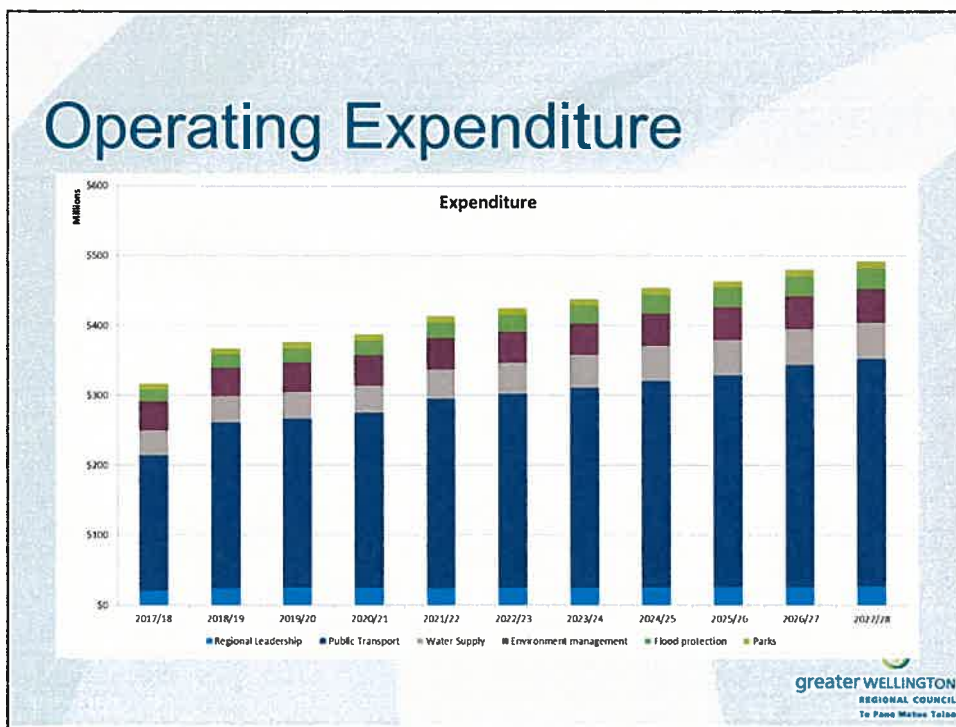


## Rates Limit

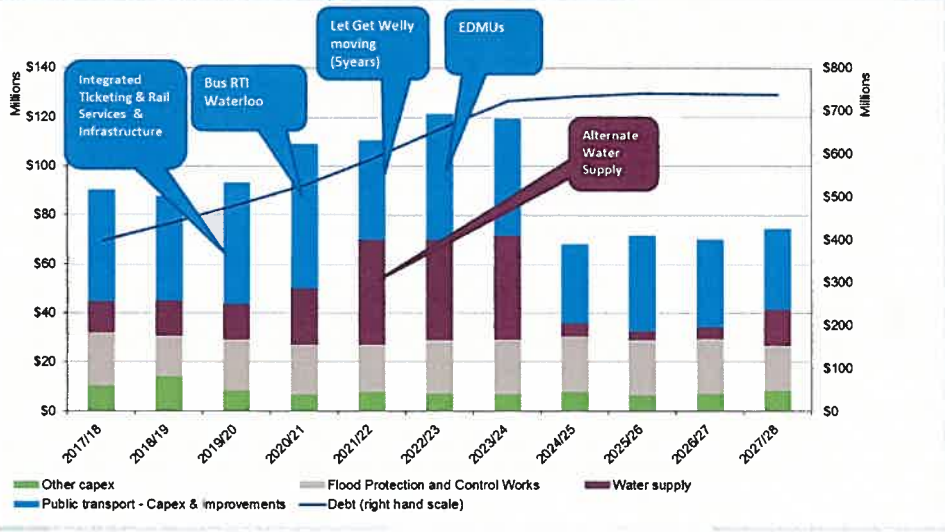


## Rates Limit

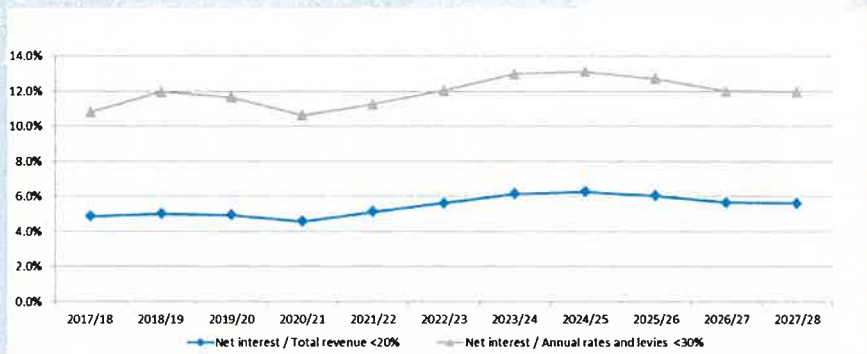




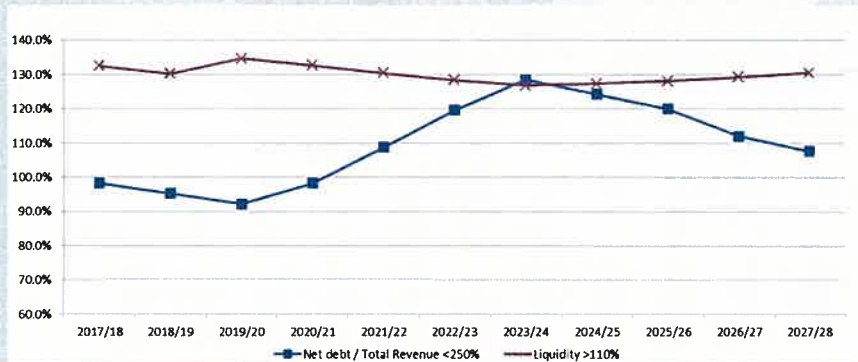
## Capital expenditure and borrowing



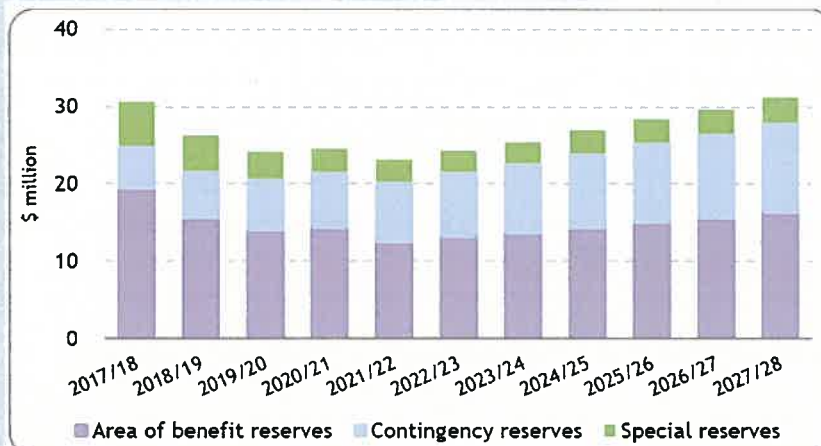
## Financial Strategy interest limits

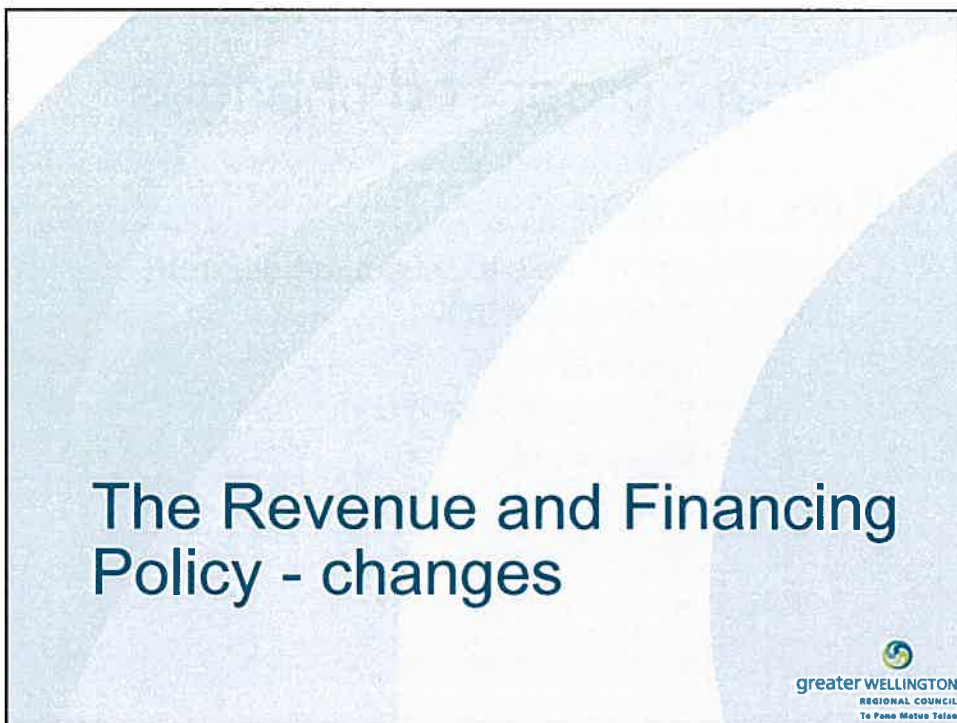
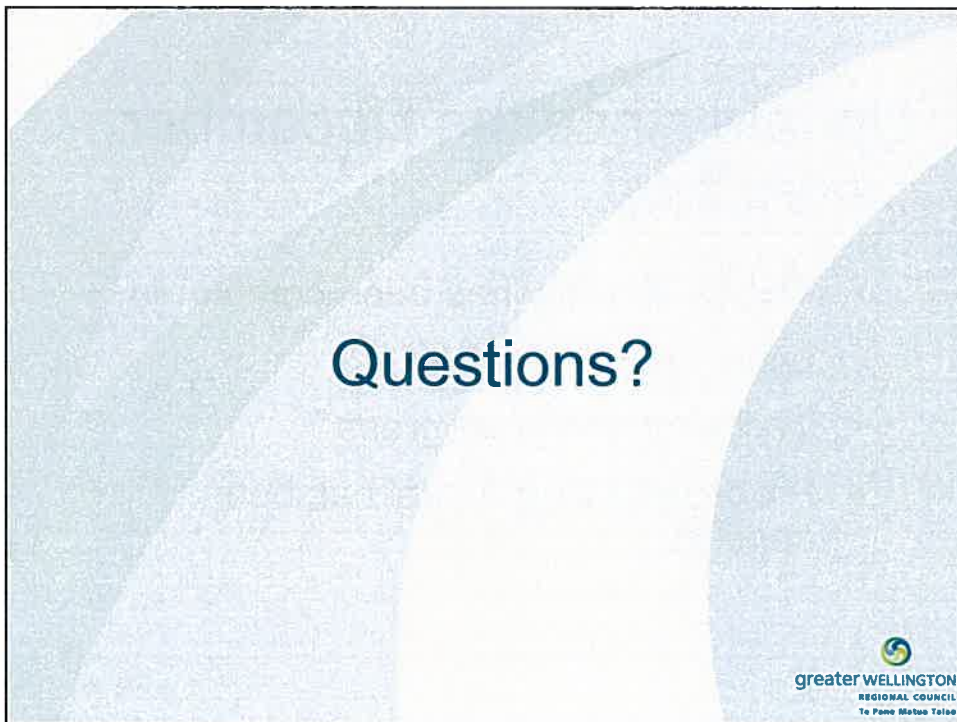


## Financial Strategy borrowing limits



## Reserves





## Update since the December workshop

- The draft policy has been completed
- Legal advice received
- Technical QA in progress
- Proposed rating model has been applied

## A recap: proposed changes

### Public Transport

– Apply differentials to reflect the different levels of public benefit

1.0	Residential
0.5	Wairarapa residential
8	Wellington CBD
1.5	Business
1.0	Wairarapa business
0.25	Rural

## A recap: proposed changes

### Flood protection

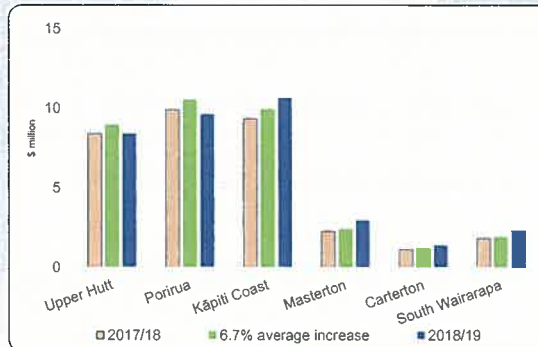
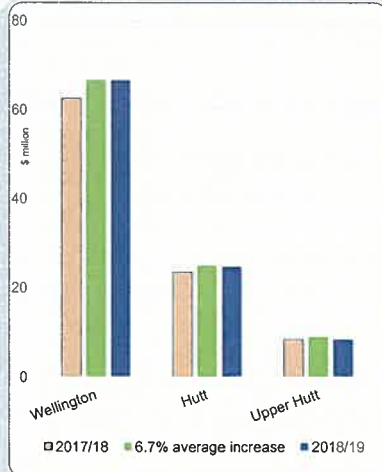
- Stop using general rate for funding
- Create two new targeted rates, to align funding more closely with the levels of benefit
- Retain and re-name the existing targeted river management scheme rates
- Fund with 30 / 70 regional / catchment and property
- Change affects existing and new programmes
- More transparent for communities who are receiving and funding FP infrastructure and services

## Proposed changes contd

### Transition policy

- Move to the new rates over 3 years

## District-wide rates

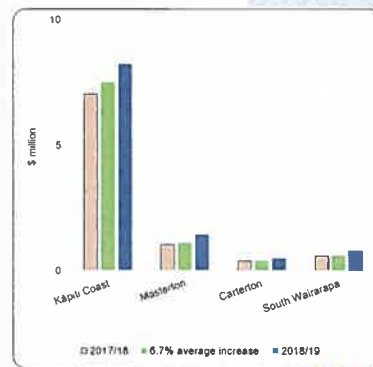
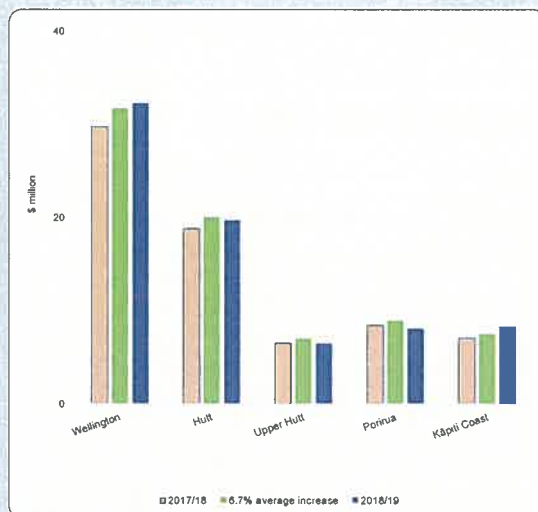


Note – This does not include rates on a relatively small number of specific properties for-

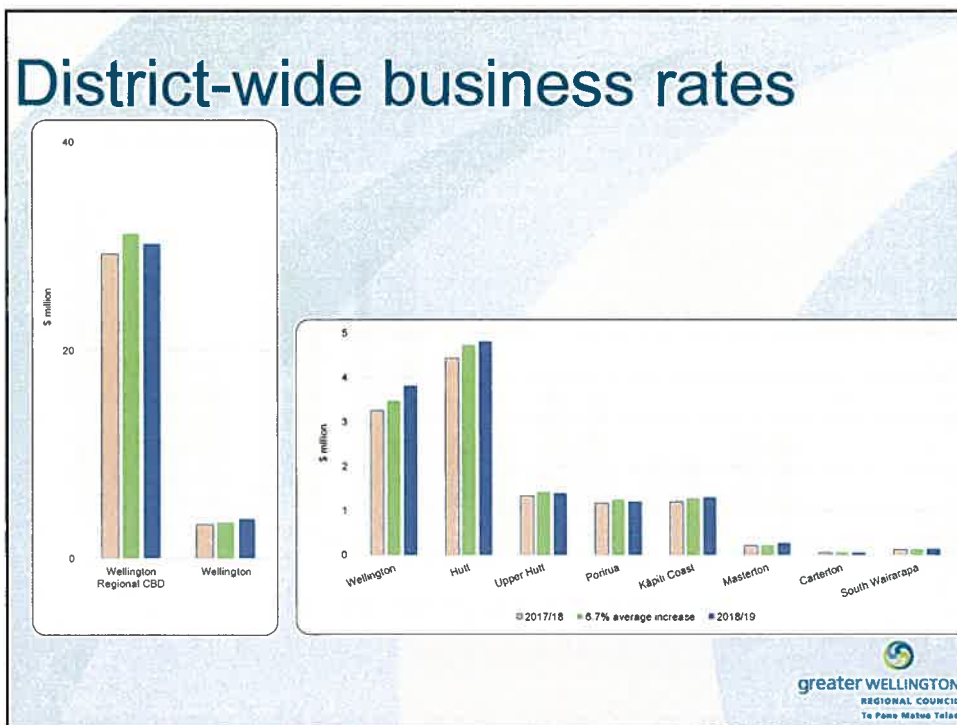
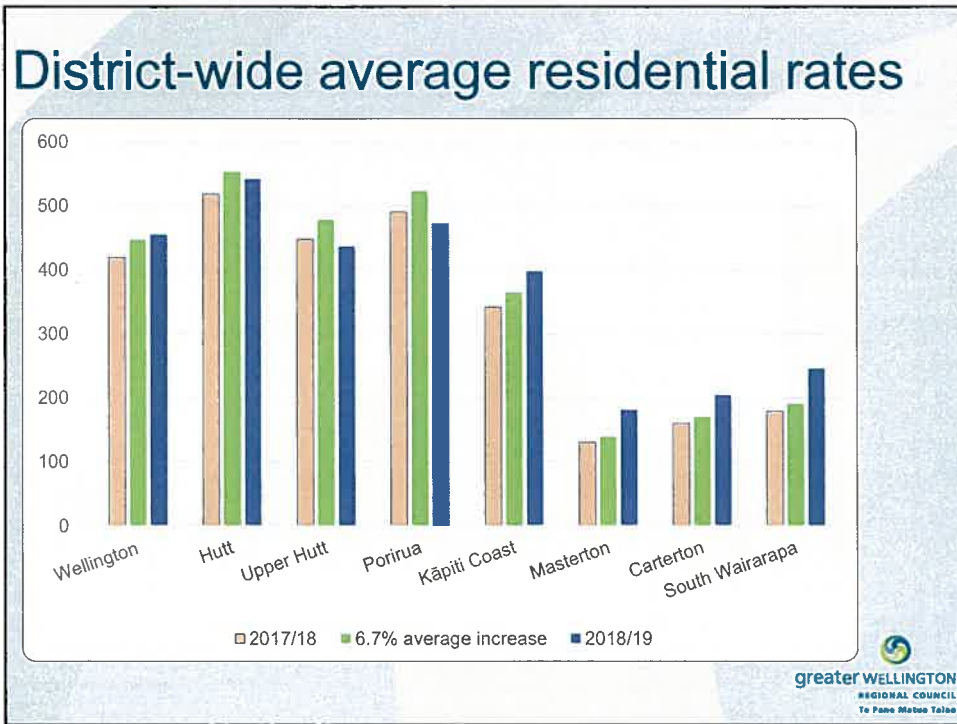
- Flood Protection, and Land drainage schemes, \$1.48 million
- Pest management (>4 ha), \$0.5 million



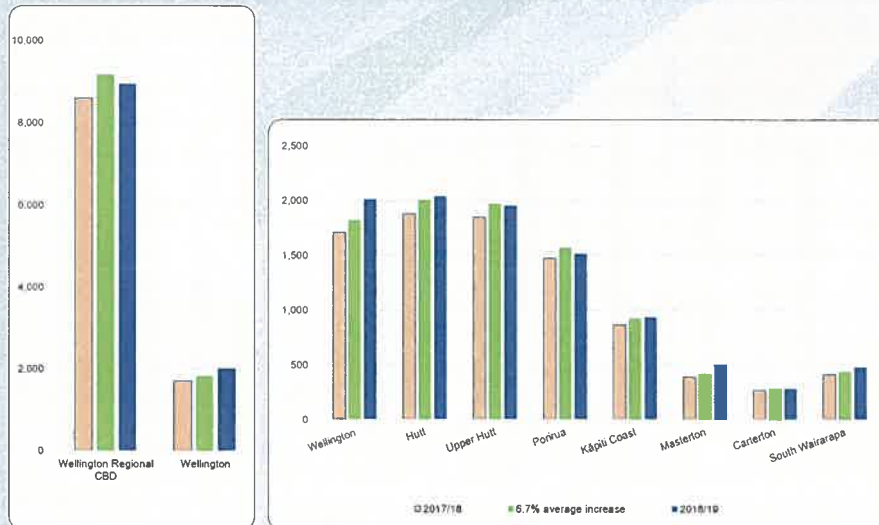
## District-wide residential rates, by district





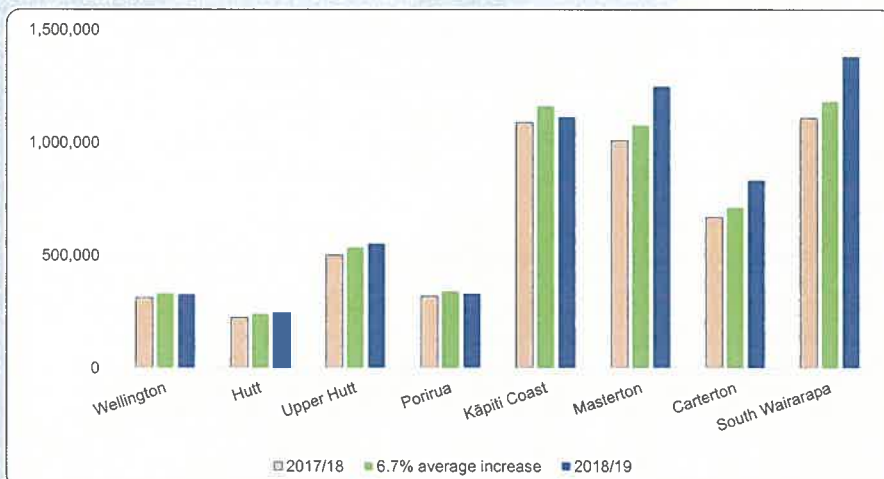


## District-wide average business rates



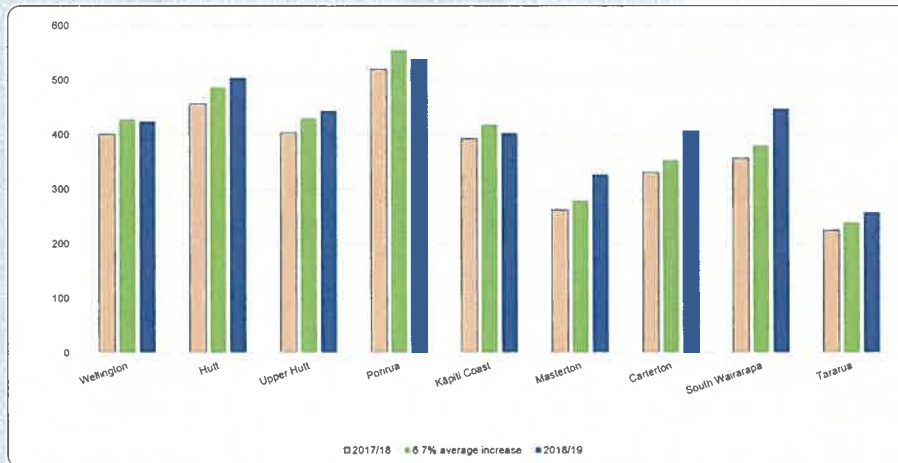
greater WELLINGTON  
REGIONAL COUNCIL  
Te Pene Matua Tekeo

## District-wide rural rates



greater WELLINGTON  
REGIONAL COUNCIL  
Te Pene Matua Tekeo

## District-wide average rural rates



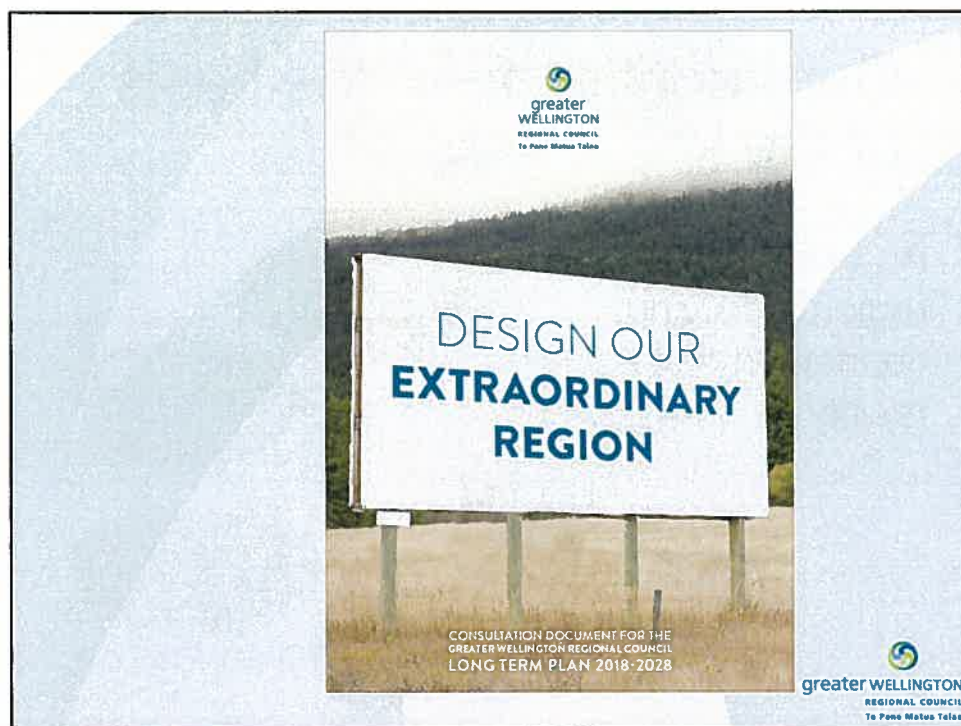
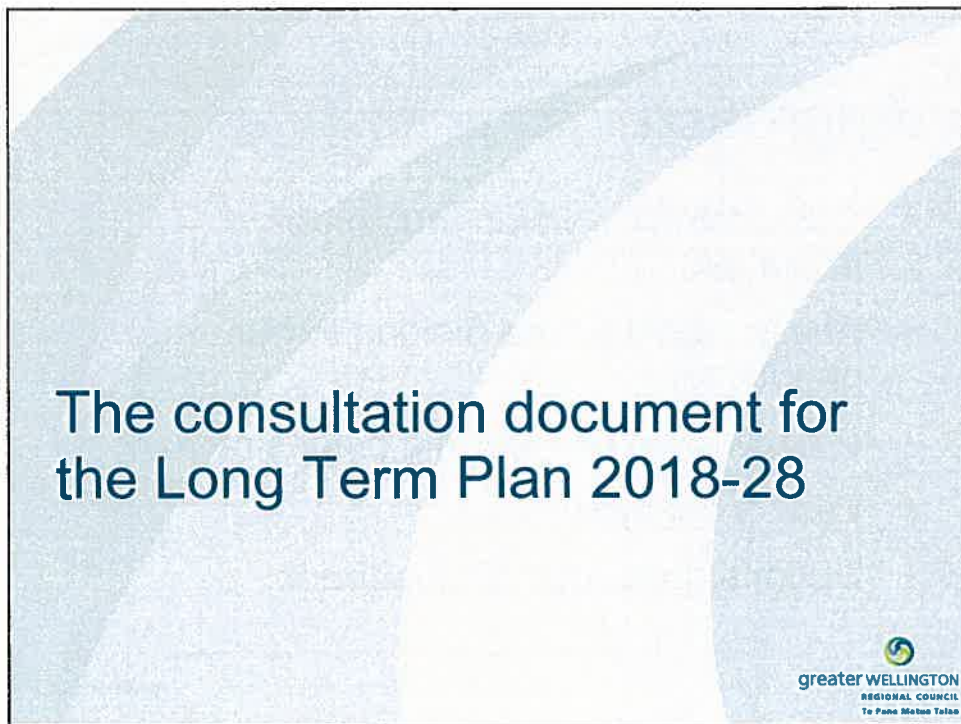
## Key messages

- Ensures your rates are fair and equitable
- New rates are based on the levels of benefit
- A more transparent approach

## Consultation on the proposed changes

- Consultation processes for the LTP and Revenue and Financing Policy running in parallel – based on legal advice

Questions?

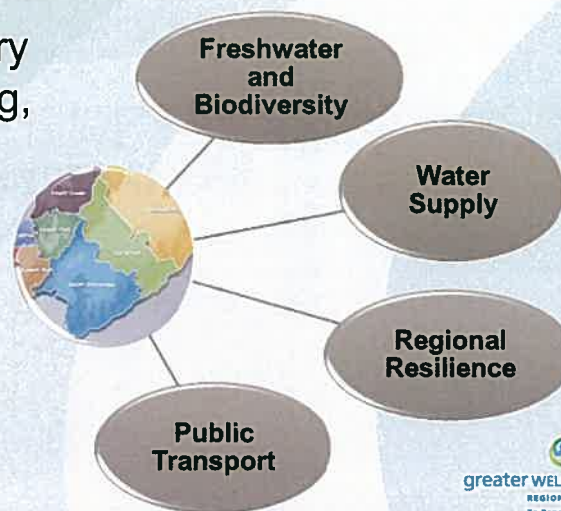


## Approach

- Our strategy – vision, outcomes, priorities
- Key issues we face (linking to our priorities)
- What we will do - our big pieces of work
- What's changed
- Options/questions for feedback

## Our priorities form the basis of the key issues

An extraordinary region – thriving, connected and resilient



## Key messages

- We have long term commitments
- We focus on the things that really matter
  - transforming our public transport network
  - resilience etc
- Our aim is to provide value for money and keep costs fair and equitable
- We work in partnership with others to achieve our goals

## Assumptions

- Changes in our population
- Increased adverse events and impacts from climate change
- Changing pace of technology
- Economic growth
- Pressures on land and the environment
- Governance – changes in legislation
- Partnering – working differently
- Social change

## Two areas for feedback

- Overall direction
  - vision and priorities
  - rates
  - programmes of work
  - levels of service
- Specific options

## Options

- Water Supply
  - Support for investigations into demand management to delay new water source?
- Water Wairarapa
  - Support for continued operational funding for investigations (as proposed in LTP budget)?
- Wairarapa/Capital Connection
  - What level of investment and timing should GW have for improvements?



## Options

- WREMO
  - Support for proposed enhanced investment in recovery and resilience?
- Indoor arena
  - Should GW part fund (not currently proposed in draft LTP)?
- Economic development
  - What role should GW play in economic development in the region?

Consultation and engagement  
March 19 – April 19, 2018

## The engagement strategy

- Our message and approach needs to be clear, concise and focus on what matters to our communities
- We will take a multi-pronged approach taking the key messages that matter most to the people
- Our website is [whatmatters.co.nz](http://whatmatters.co.nz)

## The engagement approach

- Use the consultation document as our 'core script'
- Take an issue-based approach - talking about our priority areas
- Utilise our existing channels – social media, web, other councils' channels
- Spending on additional channels to ensure we reach those most affected

## The engagement approach contd

- Our budget is finite, our region is geographically large, and cut-through from marketing is tougher than ever
- We want to ensure people have their say, but we don't want to spend a lot to do so
- Up weighting in Wairarapa and Kapiti

## The engagement approach contd

- We front foot the issues - a no surprises approach
- We ensure issues are put in context wherever possible
- We are proactive and visible, providing consistent messaging on the key issues and the rationale behind proposals

## Our key messages

We are investing in our region

- By focusing on the issues that really matter to us
- By making decisions in partnerships with our communities
- Ensuring your rates are fair and equitable.

## What are the risks?

- Significant increases to the level of rates for some ratepayers without a visible change to service levels
- There is reputational risk for GW and other key stakeholders because of this issue

## Challenges

- Complexity - messaging needs to be simple and channels need to direct people to one source of truth
- Nobody wants an increase in their rates bill
- The media landscape is cluttered, we need to invest in channels that provide the best reach to those most affected

## Multi-channel approach

- Drive awareness at start of period (19 – 31 March).
- Push urgency in last week, for people to have their say.
- Advertising messaging will focus on 2-3 key issues

## Channels

- Social media, mainly Facebook (awareness of key issues, mix of video content and imagery, geo-target on issues)
- Neighbourly – effective for targeting specific communities, users most likely to be GW ratepayers
- Print – focus on community papers in Wairarapa and Kapiti

## Channels contd

- Outdoors – utilising Metlink transport network and Adshels, especially in larger metro areas close to PT hubs.
- Radio – pre-recorded interviews

## Reaching the communities

- We will contact key journalists and media outlets in the region to brief them (1 on 1)
- Initial media releases about consultation document, weekly media releases covering key topics, release highlighting one week to go and next steps

## Where we will be

- Greater Wellington Summer Events (until March 27) and other community events, such as markets around the region
- Public meetings with a focus on proposed rating changes (particularly in Kapiti and Wairarapa)

## Where we may be

- Potential to join other councils' events where appropriate. Further discussions to take place with TA's in mid February
- We will provide a schedule of events – please get back to us indicating those you wish to attend

## Providing you support

- We want to ensure you have the right materials at the right time
- We will provide you with a set of digital and print materials to encourage participation through your channels
- We will provide weekly updates throughout the consultation period



## Next Steps

- Copies of the draft Consultation Document will be provided to you prior to 15 February
- Workshop on 15<sup>th</sup> will discuss:
  - Consultation documents
  - Supporting Information
  - Infrastructure Strategy
  - Process from here
- Public consultation starts on 19 March

End

