



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

If calling please ask for: Democratic Services

26 October 2017

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held in the Level 2 East meeting room, Westpac Stadium, Waterloo Quay, Wellington on:

Tuesday, 31 October 2017 at 10.00am

Membership

Cr Laidlaw (Chair)

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

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

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

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held on Tuesday, 31 October 2017 in the Level 2 East meeting room, Westpac Stadium, Waterloo Quay, Wellington at 10.00am

Public Business

		Page No
1. Apologies		
2. Declarations of conflict of interest		
3. Public participation		
4. Confirmation of the Public minutes of 28 September 2017 and 11 October 2017, and the Restricted Public Excluded minutes of 28 September 2017	Report 17.375 Report 17.396 Report RPE17.377	4 10 13

Strategy/Policy/Major Issues

5. Annual Report for the year ended 30 June 2017	Report 17.425 (Attachments 1,2 and 3 to come)	14
6. Māori constituencies	Report 17.395	18
7. Report of the Sustainable Transport Committee on Better Metlink Fares consultation	Report 17.406	28
8. Adoption of variation 3 to the Regional Public Transport Plan and agreement of final fares package	Report 17.413	70
9. Significance and Engagement Policy	Report 17.419	88
10. Proposed variation to the Wellington Regional Land Transport Plan 2015: Waterloo and Paraparamu site purchase and development	Report 17.319	103

Governance

11. Appointment of additional harbourmaster and confirmation of enforcement officer	Report 17.417	110
---	----------------------	------------

Corporate

- | | | |
|---|--|------------|
| 12. Health and safety update | Report 17.431 | 113 |
| 13. WRC Holdings Limited Financial Statements for the year ended 30 June 2017 | Report 17.422
(Attachment 1 to come) | 119 |
| 14. Exclusion of the public | Report 17.433 | 124 |

Public Excluded Business

- | | | |
|--|------------------------|------------|
| 15. Confirmation of the Public Excluded minutes of 28 September 2017 | Report PE17.376 | 126 |
| 16. Property Purchase – Lower Hutt | Report PE17.364 | 129 |
| 17. Local Government Funding Agency Annual General Meeting | Report PE17.432 | 143 |



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 31 October 2017

Report 17.375

28/09/2017

File: CCAB-8-1288

Public minutes of the Council meeting held on Thursday, 28 September 2017 in the Level 2 East meeting room, Westpac Stadium, Waterloo Quay, Wellington at 10:04 am

Present

Councillors Laidlaw (Chair), Donaldson, Gaylor, Lamason, McKinnon, Ogden, Staples and Swain.

Public Business

1 Apologies

Moved

(Cr Staples/ Cr Laidlaw)

That the Council accepts the apologies for absence from Councillors Blakeley, Brash, Kedgley, Laban and Ponter.

The motion was **CARRIED**.

2 Declarations of conflict of interest

Councillor Swain advised that he had a conflict of interest relating to agenda item 14: Disposal of property – South Wairarapa.

3 Public participation

There was no public participation.

4 Confirmation of the public minutes of 10 August 2017 and the Public Excluded minutes of 10 August 2017

Moved

(Cr Laidlaw/ Cr Donaldson)

That the Council confirms the public minutes of 10 August 2017 - Report 17.288.

The motion was **CARRIED**.

Moved (Cr Laidlaw/ Cr Donaldson)

That the Council confirms the Public Excluded minutes of 10 August 2017 - Report PE17.291.

The motion was **CARRIED**.

Strategy/Policy/Major Issues

5 Regional Climate Change Working Group

Richie Singleton, Climate Change Advisor, spoke to the report.

Report 17.367

File: CCAB-8-1283

Moved (Cr Laidlaw/ Cr Staples)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Agrees to the establishment of the Wellington Region Climate Change Working Group.*
- 4. Appoints Cr Kedgley to the Wellington Region Climate Change Working Group and Cr Blakeley as the alternate.*
- 5. Notes that recommended terms of reference for the Wellington Region Climate Change Working Group will be brought back to the Council and the Region's territorial authorities for agreement.*

The motion was **CARRIED**.

Noted: The Council considered that each local authority should accord priority to integrating its climate change actions into its Long Term Plans.

6 Proposed variation to the Wellington Regional Land Transport Plan 2015: SH2 Mt Bruce safety improvements

Francis Ryan, Acting General Manager, Strategy, spoke to the report.

Report 17.320

File: CCAB-8-1264

Moved (Cr Donaldson/ Cr Lamason)

That the Council:

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

3. *Agrees to adopt the variation to the Wellington Regional Land Transport Plan 2015 as set out in Attachment 1.*
4. *Agrees to forward the variation to the Regional Land Transport Plan 2015 to the NZ Transport Agency, requesting it be included in the National Land Transport Programme.*

The motion was **CARRIED**.

Corporate

7 Health and Safety Update

Lucy Matheson, General Manager, People and Customer, spoke to the report.

Report 17.372

File: CCAB-8-1275

Moved

(Cr Donaldson/ Cr McKinnon)

That the Council:

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

The motion was **CARRIED**.

Governance

8 Proposed meeting schedule for 2018

Report 17.335

File: CCAB-8-1266

Francis Ryan, Manager, Democratic Services, spoke to the report.

Moved

(Cr Gaylor/ Cr Lamason)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Adopts the meeting schedule for 2018 as outlined in Attachment 1.*
4. *Authorises the Manager, Democratic Services, to circulate the schedules to key stakeholders, and to modify the schedules as and when required, in accordance with Standing Orders.*

The motion was **CARRIED**.

9 **Policy on Elected Members' Allowances and Expenses 2017**

Francis Ryan, Manager, Democratic Services, spoke to the report.

Report 17.337

File: CCAB-8-1268

Moved

(Cr Donaldson/ Cr Staples)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Adopts the Policy on Elected Members' Allowances and Expenses 2017, attached as Attachment 1.*

The motion was **CARRIED**.

Committees/Meetings

10 **Report on the Regional Transport Committee meeting, 29 August 2017**

Report 17.324

File: CCAB-8-1265

Moved

(Cr Donaldson/ Cr Laidlaw)

That the Council:

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

The motion was **CARRIED**.

11 **Exclusion of the public**

Report 17.371

File: CCAB-8-1284

Moved

(Cr Laidlaw/ Cr Donaldson)

That the Council:

Excludes the public from the following part of the proceedings of this meeting, namely:

1. *PTOM bus contracts - Directly Appointed Units*
2. *Appointment of external director - WRC Holdings Ltd*
3. *Disposal of property - South Wairarapa*
4. *Confirmation of the Restricted Public Excluded minutes of 10 August 2017*

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:

General subject of each matter to be considered:	Reason for passing this resolution in relation to each matter	Ground under section 48(1) for the passing of this resolution
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- | | | |
|--|---|---|
| 1. PTOM bus contracts – Directly Appointed Units | <i>The information in this report relates to bus service contracting in the Wellington Region. Release of the information contained in this report would likely prejudice Greater Wellington Regional Council’s negotiations with bus operators as the report outlines matters that are the subject of negotiation. GWRC has not been able to identify a public interest favouring disclosure of this particular information in the public proceedings of the meeting that would override this prejudice.</i> | <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e to carry out negotiations without prejudice).</i> |
| 2. Appointment of external director - WRC Holdings Ltd | <i>The information contained in this report relates to the proposed appointment of a director to WRC Holdings Limited. Release of this information would prejudice the proposed appointee’s privacy by disclosing the fact that they are being considered as a director of WRC Holdings Limited. GWRC 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 privacy of the individual concerned.</i> | <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under sections 7(2)(a) of the Act (i.e to protect the privacy of natural persons).</i> |
| 3. Disposal of property – South Wairarapa | <i>The information contained in this report relates to the proposed sale of property owned by GWRC. The report outlines terms of the proposed disposal and includes details of the anticipated disposal values of the surplus land. Having this part of the meeting open to the public would disadvantage GWRC if the property is placed on the open market for sale via a contestable sale process as it</i> | <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e to carry out negotiations without prejudice).</i> |

would reveal GWRC's price expectations. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.

4. *Confirmation of the Restricted Public Excluded minutes of 10 August 2017* This report contains information relating to the current Chief Executive's full year performance and remuneration review. Release of this information would prejudice the privacy of Greg Campbell, Chief Executive, by disclosing information pertaining to the employment relationship between the Chief Executive and the Council. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override his privacy. That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under sections 7(2)(a) of the Act (i.e to protect the privacy of natural persons).

This resolution is made in reliance on section 48(1) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.

The motion was **CARRIED**.

The public part of the meeting closed at 11.12am. The meeting adjourned until 11.25am.

Cr C Laidlaw
(Chair)

Date:



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 31 October 2017

Report 17.396

11/10/2017

File: CCAB-8-1308

Minutes of the Council meeting held on Wednesday, 11 October 2017 in the Nicholson room, Copthorne Hotel, 100 Oriental Parade, Wellington at 10.05am

Present

Councillors Laidlaw (Chair), Brash, Donaldson, Gaylor, Lamason, McKinnon, Ogden, Ponter and Staples.

Public Business

1 Apologies

Moved

(Cr Lamason/ Cr Gaylor)

That the Council accepts the apologies for absence from Councillors Blakeley, Kedgley, Laban and Swain.

The motion was **CARRIED**.

2 Declarations of conflict of interest

There were no declarations of conflict of interest.

3 2017/18 Bulk Water Programme changes

Dave Humm, General Manager Corporate Services / Chief Financial Officer and Mark Kinvig, Group Manager, Network Strategy and Planning, Wellington Water, spoke to the report.

Report 17.393

File: CCAB-8-1301

Moved

(Cr Laidlaw/ Cr Brash)

That the Council:

1. *Notes that a full options analysis concluded that diversion of aquifer water needs to be to the Te Awa Kairangi / Hutt River via a new pipeline. This has increased the cost of the water quality programme to \$11M.*
2. *Notes that notwithstanding this increase in project scale, Wellington Water remains confident that customers receiving water from the Waterloo Treatment plant will have fully treated water to meet summer demand following completion of the Te Awa Kairangi / Hutt River pipeline.*

Alternative water source for Wellington recommendations

3. *Endorses completion of a second exploratory bore to enable a full options analysis to be completed in 2017/18.*

Overall impact on Council's 2017/18 programme

4. *Approves the proposal to reprioritise capital programmes in the 2018/19 programme to manage service risk and cost to enable Council to operate to minimise impact on the bulk water levy.*
5. *Approves an additional \$2.2M 2017/18 capital expenditure for Bulk Water above what was approved in the 2017/18 Annual Plan to complete the Waterloo Water Quality Project.*
6. *Approves an additional \$1.7M 2017/18 operating expenditure required above what was approved in the 2017/18 Annual Plan to undertake the investigation, monitoring and treatment for the Waterloo Water Quality Project, and interim treatment.*
7. *Notes that \$1M of operational savings will be sought to offset the additional operating expenditure.*
8. *Approves an additional \$3.0M 2017/18 operating expenditure required above what was approved in the 2017/18 Annual Plan to complete the Offshore Bores investigation.*

The motion was put to the vote in parts: Parts 1 and 2 were **CARRIED**, Part 3 was **CARRIED**, Part 4 was **CARRIED**, Part 5 was **CARRIED**, Part 6 was **CARRIED**, Part 7 was **CARRIED**, and Part 8 was **CARRIED**.

The meeting closed at 11.35am.

Cr C Laidlaw
(Chair)

Date:



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 31 October 2017.

The matters referred to in these minutes were considered by the Council on 28 September 2017 in restricted public excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report RPE17.377

28/09/2017

File: CCAB-8-1290

Restricted public excluded minutes of the Council meeting held on Thursday, 28 September 2017 in the Level 2 East meeting room, Westpac Stadium, Waterloo Quay, Wellington at 12.10pm

Present

Councillors Laidlaw (Chair), Donaldson, Gaylor, Lamason, McKinnon, Ogden, Staples and Swain.

Restricted Public Excluded Business

1 Confirmation of the Restricted Public Excluded minutes of 10 August 2017

Moved

(Cr Laidlaw/ Cr McKinnon)

That the Council confirms the restricted public excluded minutes of 10 August 2017 - Report RPE17.292.

The motion was **CARRIED**.

The restricted public excluded part of the meeting closed at 12.10pm.

Cr C Laidlaw
(Chair)

Date:



Report	17.425
Date	26 October 2017
File	CCAB-8-1322
Committee	Council
Author	Helen Guissane, Corporate Planner Mark Ford, Strategic Finance Manager

Annual Report for the year ended 30 June 2017

1. Purpose

To request that Council adopt Greater Wellington Regional Council's (GWRC) Annual Report and Summary Annual Report for the year ended 30 June 2017.

2. Consideration by committee

The matters contained in this report will be considered by the Finance, Risk and Assurance Committee at its meeting on 26 October. Officers will advise the Council of any issues arising from the Committee's consideration of these matters.

3. Background

Under the Local Government Act 2002 the Council must prepare and adopt in respect of each financial year an annual report and a summary annual report within four months after the end of the financial year to which it relates.

The Annual Report reports against the Long Term Plan 2015-25 on the achievement of non-financial performance measures and budgets. Consideration of the annual report has been delayed this year due to final audited accounts for CentrePort Limited being provided late.

Andy Burns, Director, and Zirus Zuber, from Audit New Zealand will be in attendance at the Council meeting on the 31 October 2017 to summarise the results of the annual audit and to answer any questions that Council may have. Audit New Zealand has issued its audit opinion which will be included in the annual report presented to the Council for adoption.

4. Non-financial performance

The Annual Report compares Greater Wellington's performance against the key programmes and projects and performance measures as outlined in the Long Term Plan 2015-25.

Overall Greater Wellington has achieved the majority of the performance measures outlined in the aforementioned documents. Where the Council has not achieved certain measures, it reflects changes in work programmes or changes in how we gather and measure our performance.

To give more depth to the reporting on non-financial performance measures, we have again this year included a section (“our place in your world – taking care of the things that really matter”) bringing together in a more story-like way some of the great work being delivered to the region. This type of approach builds on the “Our Region” work and builds on the approach presented in last year’s annual report.

5. Financial Performance

The Annual Report includes financial results for 2016/17.

Greater Wellington achieved an operating surplus of \$1.0 million compared to a budgeted \$1.3 million. The result was heavily impacted by the magnitude 7.8 Kaikoura earthquake which resulted in no dividend from CentrePort and a number of direct earthquake related costs. Higher income and reduced expenditure in other areas limited the overall impact.

Greater Wellington’s net surplus is \$86.0 million compared to a budgeted surplus of \$6.5 million, a favourable variance of \$79.5 million. This is mainly due to the revaluation of flood protection assets and a favourable movement in interest rate swaps. We spent \$48.1 million during the year on asset renewals and new assets from a budgeted capital expenditure programme of \$69 million. The difference to budget is mainly due to timing of expenditure in public transport and flood protection.

Our balance sheet remains strong with net debt below planned levels at \$327 million.

6. Reserves

A detailed analysis of reserve movements during the 2016/17 year is provided, along with explanations of variances between budgeted and actual reserve movements (**Attachment 3** - to be provided separately). All variances between budgeted and actual reserve movements are required to be approved by the Council as part of its adoption of the Annual Report 2017.

The Council has four types of reserves which are categorised as follows:

- *Reserves for each different area of benefit*

These reserves are used where there is a discrete set of rate or levy payers as distinct from the general rate, for example, Regional Water Supply, Public Transport, River Rates and the Wairarapa Schemes.

Any funding surplus or deficit relating to these areas of benefit is applied to the specific reserves, in proportion to their respective revenue and financing policy ratios.

- *Contingency reserves*

GWRC has traditionally set aside reserves that can be made available when a specific unforeseen event occurs, for example, the flood contingency reserve.

The release of these funds generally can only be approved by a Committee and/or the Council. There is some delegation to the Chief Executive and General Managers. These reserves are long-term in nature.

- *Special reserves*

The special reserves of GWRC are the Election Reserve and Corporate Systems Reserve. The reserves smooth the costs of elections and system upgrades.

- *Reserves where there has been rebudgeting of expenditure*

If a specific project has not been completed during the financial year, and if it is appropriate, it is rebudgeted for the following year.

Funds are made available in the following year for these projects. The main mechanism for this is the use of a reserve, so that Greater Wellington does not rate the community twice for the same project.

7. Communications

A press release will be prepared for release following the Council meeting to adopt the Annual Report on 31 October 2017.

The Council is required within one month of its adoption of the Annual Report, to make the report and a summary document available to the public. Limited hard copy versions of the full Annual Report will be produced; however the Summary Annual Report will be produced in larger numbers and distributed wider. A copy of the design concept will be tabled at the Council meeting.

8. Consideration of Climate Change

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

9. The decision-making process and significance

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

9.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

In accordance with section 98 of the LGA, the Council is required to formally adopt the Annual Report within four months after the end of the financial year to which it relates.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

9.2 Engagement

In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

10. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves the net amounts, in addition to those budgeted, being added to or (deducted) from the respective reserves as outlined in Attachment 3.*
4. *Adopts the Annual Report and Summary Annual Report for the year ended 30 June 2017, subject to receiving final audit clearance.*
5. *Authorises the Council Chair and Chief Executive to make minor changes that may arise as part of finalising the audited Annual and Summary Annual Reports for the year ended 30 June 2017.*

Report prepared by:

Helen Guissane
Corporate Planner

Report approved by:

Dave Humm
General Manager, Corporate
Services / CFO

Report approved by:

Luke Troy
General Manager, Strategy

Attachment 1: Annual Report for the year ended 30 June 2017 (To come)

Attachment 2: Summary Annual Report for the year ended 30 June 2017 (To come)

Attachment 3: Explanations of Unbudgeted Reserve Movements for the year ended 30 June 2017 (To come)



Report 17.395
Date 25 October 2017
File CCAB-8-1306

Committee Council
Author Alex Kirkwood, Democratic Services Advisor

Māori constituencies

1. Purpose

For Council to consider the establishment of Māori constituencies with effect from the 2019 triennial elections.

2. Background

Under the Local Electoral Act 2001 (the Act) there are two ways that a decision can be made on establishing Māori constituencies:

- **Section 19Z** of the Act: Council may resolve that the Wellington Region be divided into one or more Māori constituencies; or
- **Sections 19ZB and 19ZD** of the Act: a poll could be held either by way of 5% of the number of electors enrolled as eligible to vote demanding a poll, or Council resolving, at any time, to hold a poll. Every elector has the opportunity to vote and the majority view of those who vote will determine the result of the poll.

Neither option is mandatory. The Council could make no decision, which would, in effect, be a decision to retain the status quo, i.e. no Māori constituencies.

2.1 Council passing a resolution by 23 November 2017

If the Council resolves to establish Māori constituencies, the resolution must be made by 23 November 2017 for the Council's decision to take effect from the 2019 triennial elections, in accordance with section 19Z of the Act. The resolution would be effective for the next two triennial elections (unless a poll is held), and would continue in effect after these two elections, until a further resolution is made by Council, or until a poll is held.

2.2 Council initiates a poll

If the Council decides to initiate a poll on the matter of establishing Māori constituencies, it must do so by 21 February 2018 for the result of the poll to be

effective for the next two triennial elections, in accordance with section 19ZG of the Act. The outcome of a poll is binding and overrides a resolution of Council. If the result of a poll is to establish Māori constituencies it would be effective for the next two elections and would continue in effect after these two elections until a resolution is made by Council, or a poll of electors is held.

2.3 Public demands a poll

At least 5% (17,483) of the Wellington Region's electors enrolled at the previous triennial election may demand that a poll be held on the subject of establishing Māori constituencies at any time.

If a valid demand for a poll is received by 21 February 2018, then the result of the poll will be effective for the next two triennial elections, in accordance with section 19ZG of the Act. The outcome of the poll is binding and overrides a resolution of Council. If the result of the poll is to establish Māori constituencies it would be effective for the next two elections and would continue after these two elections until a resolution is made by Council, or a poll of electors is held.

2.4 The Act sets out number of Māori members

A Council resolution or a poll decides whether or not Māori constituencies will be established. However, the matter of number of Māori constituencies, constituency boundaries, and the number of Māori members are determined by way of a review of representation arrangements conducted under the Act.

3. Comment

3.1 Application of legislation

3.1.1 Only one Māori member for this Council

The number of Māori members for election is calculated in accordance with clause 4 of Schedule 1A of the Act. Using this calculation, the Council could have one Māori member. The Wellington Region's estimated Maori Electoral Population as at 30 June 2016 was 40,200, and the estimated General Electoral Population was 464,600. The Maori Electoral Population is 7.96% (8.20% in 2013, 8.94% in 2010) of the region's total electoral population; this percentage provides for a single Māori representative on the Council when the Council's total membership ranges from 7 to 14 members.

One Māori member would mean that only one Māori constituency could be established, and this constituency would cover the entire Wellington Region.

If a Māori constituency were created, one member of Council would be elected from the Māori constituency, and the other members would be elected from the general constituencies. Only electors on the parliamentary Māori electoral roll are entitled to vote for candidates in a Māori constituency. Only electors on the general electoral roll are entitled to vote for candidates in general constituencies. No one can vote in both a general and a Māori constituency.

The establishment of Māori constituencies impacts on the number of general constituency members, due to the number of general constituency members

being determined by subtracting the number of Māori constituency members from the proposed total number of members of the Council. If, for example, there were 14 members of Council in total (14 being the statutory maximum for regional councils) one member would be a Māori constituency member and 13 would be general constituency members.

The Act requires that a representation review must be undertaken when a decision is made to establish Māori constituencies.

3.2 Ara Tahī consideration

As is usual practice in each triennium, Ara Tahī, Council's inter-iwi representation group, has considered the matter of Māori constituencies. Ara Tahī has recommended that Council establish Māori constituencies from the 2019 triennial elections.

4. Communication

If the Council passes a resolution to establish Māori constituencies, then it must notify the public of that resolution, and the right of the public to demand a poll, within seven days of the resolution.

The Council must also notify the public where it decides to initiate a poll on Māori constituencies.

The Council does not have to notify the public when a resolution is passed to not establish Māori constituencies, or if the Council decides to do nothing. However, the Council can still decide to place a notice advising the public of the current situation and the public's right to demand a poll.

5. Consideration of Climate Change

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

6. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

6.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

6.2 Engagement

As set out in section 3.2 of this report the views of Ara Tahi have been sought on the matter of Māori constituencies.

7 Recommendations

That the Council:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Either:***
 - a. ***Resolves to establish Māori constituencies with effect from the 2019 triennial elections***

or
 - b. ***Resolves to initiate a poll on the matter of establishing Māori constituencies with effect from the 2019 triennial elections***

or
 - c. ***Resolves that a public notice should be issued of the public's right to demand a poll on the matter of establishing Māori constituencies.***

Report prepared by:

Alex Kirkwood
Democratic Services Advisor

Report approved by:

Francis Ryan
Manager, Democratic Services

Report approved by:

Luke Troy
General Manager, Strategy

Attachment 1: [Memo from Ara Tahi on Māori constituencies](#)

TO Greater Wellington Regional Council
COPIED TO Democratic Services
FROM Ara Tahi
DATE 17 October 2017

Ara Tahi resolution to establish Māori constituencies

Introduction

On 13 September 2017, Ara Tahi resolved to “*Support the establishment of Māori constituencies for the Greater Wellington Regional Council 2019 elections*”.

In reaching this decision, Ara Tahi:

- supports establishing a single Māori constituency seat, but prefers 3 for the region while accepting the current legislative constraints prevent this preferred option
- acknowledges the effective structural arrangements and positive relationships that council and iwi partners have developed together overtime and continue to enjoy.

Background

Relationship building

Council’s relationship with our iwi partners spans more than 20 years. The relationship was first formalised under the 1993 Charter of Understanding. The Charter was developed under the leadership of inspirational iwi members and forward looking Councillors who recognised the opportunity in working together. The current Memorandum of Partnership 2013 that sets out how the partnership will operate going forward, is due for review in Council’s 2017/18 work programme.

In 2009, the Te Upoko Taiao- Natural Resources Committee was established.¹ Again iwi leaders and Councillors identified the opportunity and mutual benefit of working together in co-designing the draft Natural Resources Plan. This has involved more than 6 years’ work on the plan.

Council’s commitment to engaging with iwi is reflected in the number of representatives involved throughout Council’s committee structures and in the various project teams that serve such structures. Currently, 14 of 20 (ie 70%) of council’s committees, subcommittees, joint committees and advisory bodies have iwi partners’ nominees appointed by Council. Ara Tahi nominates representatives to three committees: Environment Committee, Sustainable Transport Committee and the Finance, Risk and Assurance Committee. Iwi partners also separately (eg Ngāti Toa for the Porirua Harbour and Catchment Joint committee) or in

¹ Te Upoko Taiao launch -- Fran Wilde speech 28 October 2009 <http://www.gw.govt.nz/te-upoko-taiao-launch-fran-wilde-speech/>



clusters (eg Ngāti Kahungunu and Rangitāne for the Water Wairarapa Governance Group), nominate representatives to other committees and advisory bodies.

Comment

Change is in the wind

Every three years, Council has sought advice from Ara Tahi on the Māori constituencies option for the region. In the past, Ara Tahi has not supported the establishment of Māori constituencies.

However, Ara Tahi considers the timing is right and the partnership has matured sufficiently to a point that enables the transition to a Māori constituencies environment in 2019. Ara Tahi sees benefit in working with Council to make the best of the enhanced collaborative decision making approach by:

- identifying and creating new opportunities to improve outcomes
- unlocking the potential to encourage and enable innovation and achieve mutual benefit.

Existing iwi arrangements versus Māori constituencies arrangements

Ara Tahi does not perceive any conflict or ambiguity between the existing iwi partners' arrangements and the proposed Māori constituencies model. The scope and focus of the former involves an enduring partnership that will continue into the future between mandated representatives of six iwi collectives and Council. The latter involves a transient, time limited political relationship with a single elected individual for specific triennial terms. The structural arrangements and circumstances are separate and distinct and are not interchangeable. This means, the Māori constituencies Councillor could not speak on behalf of council's iwi partners and vice versa.

Ara Tahi recognises that should Māori constituencies be implemented:

- the elected Māori constituencies Councillor would provide a welcome Māori lens and an equal voice as of right at the council decision making table
- iwi partners may stand candidates who compete among themselves or with other mātāwaka candidates
- a Māori constituencies Councillor may stand as part of a political party already represented at the Council table or as an independent and will vote accordingly.

Ara Tahi understands this is the democratic process in action.

What is the nature of the relationship?

There are many definitions of partnership. Ara Tahi discussions noted that partnership, participation and protection principles have stood the test of time and many other definitions and variations have followed this general framework.

Ara Tahi considers whatever definition you choose, the lack of Māori voice at the Council decision making table means this is not a true expression of partnership. The proposed Māori



constituencies approach strengthens our overall collaborative decision making systems and processes.

Council and iwi partners work in partnership throughout many decision making levels. This process continues because collaborative approaches are the essential building blocks of best practice systems that it needs to achieve effective outcomes.

Ara Tahi acknowledges the partnership between Council and iwi is not a Treaty relationship.

The Local Government 2002 confirms that local authorities are responsible for assisting the Crown to achieve its Treaty partnership responsibilities with iwi. Council achieves this by helping implement the spirit and intent of the Treaty. In summary, relevant provisions state that council must “maintain and improve opportunities for Māori to contribute to local government decision-making processes, and provide principles and requirements to facilitate participation by Māori in local authority decision-making processes.”²

Ara Tahi considers maintaining and improving opportunities for Māori to contribute to local government decision-making processes should include having a Māori Councillor lens at the Council decision making table.

Council’s Māori Partnership Framework was signed by the Executive Leadership Team in 2016 and by Ara Tahi in 2017. The vision of this framework is ‘Prosperous Māori communities who are connected to a healthy and vibrant natural world’. There are four strategic pou to achieve the vision. One pou confirms that council values Māori participation in its processes and has effective connections between staff and Māori throughout the organisation.

Ara Tahi considers that valuing Māori participation in council processes includes having effective connections at the highest decision making level.

What are other councils doing?

In making its final decision, Ara Tahi understands there are many options available that other councils have considered. Ara Tahi proposes that Council should make a positive decision that embraces the new enhanced decision-making opportunities available through the Māori constituencies option.

Ara Tahi was reminded that two regional councils have implemented Māori constituencies. Bay of Plenty Regional Council (BOPRC) began at the 2004 triennial elections and Waikato Regional Council followed at the 2013 elections

Ara Tahi discussions are supplemented by a summary of the benefits of the Māori constituencies and existing mana whenua arrangements at BOPRC. For more information, refer to the Attachment to this report.

² New Zealand Legislation website, Local Government Act 2002, Part 4, <http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170880.html>



Auckland Council has postponed discussing whether it will establish Māori seats. Auckland Council doesn't need government approval to make one of its 20 wards a Māori ward. But it does need a law change to lift the 20-seat cap, if a Māori seat is to be added.³

In August 2017, the Horizons Regional Council voted against the Māori constituencies option for their region.⁴

New ways of working

Ara Tahi is looking at different ways of working with Council. Relevant to this paper, Ara Tahi appreciates the new survey information provided for their consideration and decision making. The survey of 420 respondents included 31 (i.e. 7%) who identified as Māori⁵. Although the numbers are very small, Ara Tahi was interested in the response to the question “Would you support GWRC establishing Māori constituencies?”

	Supported/Strongly Supported	Opposed/Strongly opposed
Māori	40%	27%
Pakeha	23%	43%

In summary, the survey shows support at opposite ends of the continuum between Māori and Pakeha respondents for a Māori constituencies option.

Pending legal issues

In their discussions, Ara Tahi questioned the inequity of the wider community's ability to take a poll against Māori constituencies.

They are aware of the Marama Davidson's member's Bill, introduced in the term of the previous Parliament, which sought to amend the Local Electoral Act 2001. The Bill in summary:

- proposed making the territorial authorities and regional councils process to establish Māori wards and Māori constituencies the same as those to establish general wards and constituencies
- would have required territorial authorities and regional councils to consider, at least once every six years, whether to establish Māori wards and Māori constituencies
- proposed the removal of the requirement for a poll on whether to establish Māori constituencies if 5% of electors request a poll.

³ <http://www.radionz.co.nz/news/political/340389/auckland-council-maori-seat-put-to-vote>

⁴ Horizons councillors vote against a Maori constituency <https://www.stuff.co.nz/manawatu-standard/news/96270205/horizons-councillors-vote-against-a-maori-constituency>

⁵ “Electoral System and Maori Constituency Preference for The Greater Wellington Regional Council – Greater Say Citizen's Panel Survey – June to July 2017”



In May 2017, the Hon Christopher Finlayson QC, Attorney-General concluded the Bill appears to be consistent with the rights and freedoms affirmed in the Bill of Rights Act.⁶

The Bill failed at its first reading in June 2017.

Recommendation

It is recommended that Council endorses the Ara Tahi resolution to “Support the establishment of Māori constituencies for the Greater Wellington Regional Council 2019 elections”.

Signed

Date: 17 October 2017

Mahina Hakaraia

Chair, Ara Tahi

⁶ Ministry of Justice Hon Christopher Finlayson QC, Attorney-General “Consistency with New Zealand Bill of Rights Act 1990: Local Electoral (Equitable Process for Establishing Māori Wards and Māori Constituencies) Amendment Bill” 23 May 2017 <https://www.justice.govt.nz/assets/Documents/Publications/bora-local-electoral-equitable-process-for-maori-amendment-bill.pdf>.



Attachment: BOPRC Māori constituencies example

As a supplement to the Ara Tahī discussions, this summary provides positive support for the Bay of Plenty Regional Council (BOPRC) Māori constituencies arrangements from staff members Kataraina O'Brien and Fiona McTavish.

BOPRC was the first regional council to establish seats via its discrete empowering legislation. Recently, the Waikato Regional Council followed suit.

The BOPRC Māori seats came into being at the 2004 local body elections and are currently in their fourth triennium. The tenure of Māori Councillors has been steady; most Councillors get reinstated and the seats are hotly contested.

Māori seats and Māori Councillors assist Council to meet its obligations under the Local Government Act 2002. Māori Councillors bring to the table a strategic Māori lens which has influenced positive change. Māori Councillors are players at the decision-making table equally alongside their peers. Deliberations on policies, annual and long-term planning, budgets and strategies have improved Māori profile through the Māori Councillors.

BOPRC has been a frontrunner in many initiatives that have made a positive difference for Māori, e.g. first to provide funding for a Māori economic strategy, He Mauri Ohohoho, which is about creating jobs and improving incomes for Māori.

Te Komiti Māori, the Māori Standing Committee, is a key interface which connects councillors to iwi / Māori through meetings on marae. Komiti Māori is a decision-making committee of Council. Its terms of reference empower the committee to make relevant recommendations and decisions to ensure Council's compliance and responsiveness to Māori.

Māori Councillors and Komiti Māori have positively influenced key decisions. Through their presence in Council, Māori representation is tangible, it's focused and it is enduring. Council and iwi showed courage and determination to lift Māori visibility from being passive, to proactive.⁷

⁷ Maori representation – Democracy in-action? August 17th, 2017 Ruth LePla Governance Kataraina O'Brien and Fiona McTavish <http://localgovernmentmag.co.nz/lg-magazine/governance-lg/maori-constituencies/>





Report	17.406
Date	18 October 2017
File	CCAB-8-1311
Committee	Council
Author	Barbara Donaldson, Chair, Sustainable Transport (Hearing) Committee

Report of the Sustainable Transport Committee on *Better Metlink Fares* consultation

1. Purpose

This report outlines the deliberations and resolutions of the Sustainable Transport Committee (Hearing Committee) on *Better Metlink Fares* arising from the consideration of written and oral submissions and other relevant information.

2. Background

The Hearing Committee met on 4 and 5 October 2017 to hear 26 oral submissions and consider all submissions and feedback on the *Better Metlink Fares* consultation document and supporting documentation (including a proposed variation to the Regional Public Transport Plan).

A total of 505 written submissions were received on the *Better Metlink Fares* proposals. In addition, 253 submissions were received by the Victoria University of Wellington Students' Association (VUWSA) on three aspects of the fares review.

VUWSA also requested that its 1769 submissions received in April 2017 by Greater Wellington Regional Council on its draft Annual Plan 2017/18, be considered as part of the consultation on *Better Metlink Fares*.

A summary of the written submissions was prepared for consideration by the Hearing Committee, along with comments and initial recommendations from officers (Report 17.373).

Following the hearing of submissions, the Hearing Committee deliberated and agreed recommendations to Council. Formal endorsement of the revised fares package and variation to the Regional Public Transport Plan is subject to a separate paper to Council (Report 17.413).

3. Deliberations

The Hearing Committee reviewed and considered all the written submissions and feedback, and the matters raised in oral submissions (including additional information provided).

The deliberation process followed the structure and format of the summary of submissions document ([Attachment 1](#) to Report 17.382), based on:

- Key themes from consultation, these being
 - Transition to integrated fares
 - Bus/rail equity
 - Affordability of fares
 - Targeted concessions
 - 30-day bus passes
 - Fare structure (boundary adjustments)
- Proposed fare initiatives as set out in the *Better Metlink Fares* document
- Other matters, including out of scope feedback.

The Hearing Committee, in responding to the key issues raised in submissions and after considering officers advice, endorsed the fares package subject to the following changes:

- Retain a 30-day bus pass for high frequency bus customers in zones 1 to 3 of the Metlink network at \$150.
- Retain a 30 day bus pass for Eastbourne with the conditions and pricing to be confirmed.
- Amend the proposal for a 25% discount for both blind and disabled customers to a 50% discount, with free travel for bona fide carers.
- Amend the proposals for free bus connections with the rail monthly pass to be available in zones 4-14.
- Retain return rail event tickets.

Retaining the 30-day pass for zones 1 to 3 and increasing the discount for blind and disabled customers to 50% is expected to cost an additional \$300,000 per annum. As a result, the Hearing Committee recommended that the Council include a budget provision of \$5.5m in the Long Term Plan, noting that this amount includes a subsidy component from the NZ Transport Agency and takes account of the proposed 3% fare increase.

The Hearing Committee, in considering submissions and issues on bus/rail equity, also noted officers' advice that further work will be carried out on the pricing of bus and rail fares in the subsequent phase of transition to capping under integrated ticketing.

The Hearing Committee requested some amendments to be included in the officers' comments on submissions. These amendments, along with resolutions

and comments from the Hearing Committee, have been incorporated into the revised summary document set out in **Attachment 1** to this report.

4. Communication

Following adoption by Council, the variation to the Regional Public Transport Plan and associated fares schedule and fares package will be made available on the Council website and sent to key stakeholders.

All submitters who made submissions on the *Better Metlink Fares* consultation will be informed of the Council decisions and will be provided with a link to the summary of submissions, variation to the Regional Public Transport Plan and associated final fares schedule and package.

A media release has already been issued. Further communications and engagement on the changes will occur closer to the time of implementation, and as part of the wider communications and engagement process for the Public Transport Transformation Programme.

5. Consideration of climate change

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

6. The decision-making process and significance

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act).

6.1 Significance of the decision

The subject matter of this report is not a decision in itself, but part of a decision-making process that will lead to the Council making a decision of medium significance within the meaning of the Local Government Act 2002.

The decision-making process for the proposed variation to the Regional Public Transport Plan is set out in the Land Transport Management Act 2003. In accordance with section 125 of the Land Transport Management Act 2003, the special consultative procedure has been followed for consultation on *Better Metlink Fares* and the proposed variation to the Regional Public Transport Plan.

6.2 Engagement

In accordance with the Significance and Engagement Policy, officers determined that the appropriate level of engagement was 'consulting'.

Consultation was carried out on the proposed fares changes and variation to the Regional Public Transport Plan, consistent with section 125 of the Land Transport Management Act 2003.

7. Recommendations

That the Council:

- 1. Receives the report.*

2. *Notes the content of the report.*
3. *Notes the resolutions and commentary in the updated summary of submissions document at Attachment 1 to this report.*
4. *Notes that, following adoption of the variation to the Regional Public Transport Plan by Council and agreement of the fares package, all submitters will be informed of the Council decisions and will be provided with a link to the summary of submissions, variation to the Regional Public Transport Plan and associated fares package.*

Report prepared by:

Cr Barbara Donaldson
Chair, Sustainable Transport
Committee

Attachment 1: Updated summary report on fares consultation

Revised summary of key submission themes and officer comments

Table of Contents

1	Hearing Committee resolutions	1
2	Overview	2
3	Key themes from consultation	3
3.1	Transition to integrated ticketing.....	3
3.2	Bus/rail equity	4
3.3	Affordability of fares.....	8
3.4	Targeted concessions	10
3.5	30-day bus passes.....	11
3.6	Funding.....	13
3.7	Fare structure (boundary adjustments)	14
4	Proposed fare initiatives.....	16
4.1	General 3% fare increase.....	16
4.2	Free bus transfers.....	18
4.3	25% off-peak discount.....	19
4.4	25% discount for full-time tertiary students	21
4.5	25% discount for blind or disabled customers	23
4.6	50% discount for all school students.....	24
4.7	25% premium for all cash fares	25
4.8	Free bus connections to trains when using a rail monthly pass.....	25
4.9	Move Porirua zone boundary north.....	27
4.10	Align ferry fares with wider fare structure	28
4.11	Metlink Explorer day pass, replacing other day passes.....	28
4.12	Discontinue school term passes	29
4.13	Discontinue 30-day passes	29
4.14	Discontinue return rail event tickets.....	29
4.15	Allocate Ngauranga Station into zone 3	30
5	Other matters.....	31
5.1	SuperGold	31
5.2	Snapper and electronic ticketing.....	31
5.3	Victoria University students' submissions.....	32
5.4	Out-of-scope feedback	33

Attachment 1: Responses to questions..... 34**1 Hearing Committee resolutions**

The following resolutions were put forward by the Sustainable Transport Hearing Committee:

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Considers the information in this report and attachments in determining its findings and recommendations to Council.*
4. *Recommends to the Council that it adopt Variation 3 to the Regional Public Transport Plan, enabling new fares policies to be enacted in time for the new bus network in mid-2018.*
5. *Recommends to the Council that it adopt the final fares package, incorporating changes proposed by the Committee, as follows:*
 - a. *Retain a 30-day bus pass for high frequency bus customers in zones 1 to 3 of the Metlink network at \$150.*
 - b. *Retain a 30 day bus pass for Eastbourne with the conditions and pricing to be confirmed.*
 - c. *Amend the proposal for a 25% discount for both blind and disabled customers to a 50% discount, with free travel for bona fide carers.*
 - d. *Amend the proposals for free bus connections with the rail monthly pass to be available in zones 4-14.*
 - e. *Retain return rail event tickets.*
6. *Recommends to the Council that it includes a budget provision of \$5.5m for the package in the Long Term Plan, noting that this amount includes a subsidy component from the NZ Transport Agency and that the package includes a 3% fare increase to come into effect with the new bus network in mid-2018.*
7. *Notes that the final budget will be confirmed through the Long Term Plan process and will take account of farebox recovery, operational costs, and the rate share of public transport funding. If a different budget provision is required, fares could be adjusted accordingly.*
8. *Notes to the Council that a separate pricing project will be undertaken to review fare equity between modes and develop the capping approach as part of the transition to Integrated Ticketing.*

Attachment 1 to Report 17.406 revised summary submissions

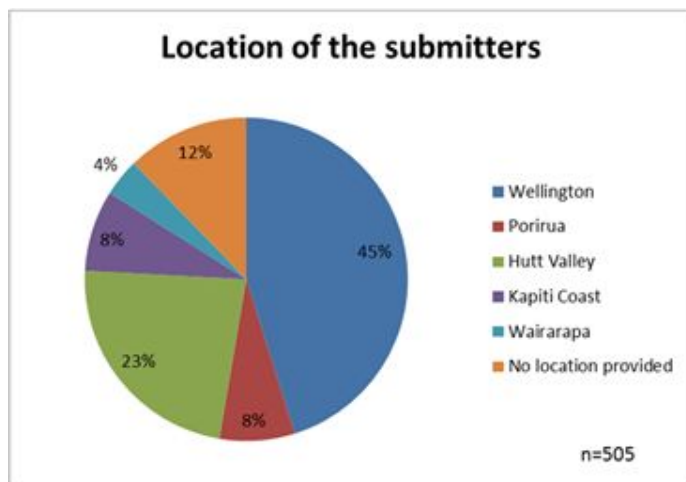
2 Overview

This report summarises feedback from Greater Wellington Regional Council's (GWRC's) public consultation on "Better Metlink Fares". The consultation sought feedback about proposed changes to public transport fares and tickets, with consequential changes to the Wellington Regional Public Transport Plan 2014. The consultation period ran from 14 August to 18 September 2017.

Any fare changes approved by Council are proposed to be implemented from mid-2018, in conjunction with the start of PTOM bus services, the new bus network in Wellington City and extension of the Snapper bus ticketing system across all buses in the Metlink network.

Over 500 submissions were received via Metlink channels. Seven of these were from tertiary education agencies and a further 18 from other organisations, including local councils and community organisations. Over 250 submissions on related matters were also received from Victoria University Students Association, although it is not clear exactly which components of the fares package submitters supported because feedback was based on different questions to those in the Better Metlink Fares document. Victoria University Students Association also asked that the 1769 submissions presented to this year's annual plan process be considered as part of their submission.

Submissions were received from all parts of the region, with the majority from Wellington City and Hutt Valley.



Eight public meetings were also held around the region to discuss the proposed fares changes. The public meetings provided a useful forum for the public to comment on a wide range of fares and fares related issues. Issues raised at the public meetings closely reflect the feedback received via written submissions.

This report also includes officers' comments, recommendations for consideration by the hearings committee, and has been revised to include commentary and resolutions from the Hearing Committee following deliberations on October 5 2017. The full text of submissions is available separately.

Attachment 1 to Report 17.406 revised summary submissions

3 Key themes from consultation

This section summarises the seven key themes that emerged from consultation:

- Transition to Integrated Fares and Ticketing
- Bus/rail equity
- Affordability of fares
- Targeted concessions
- 30-day bus pass
- Funding
- Fare structure (boundary adjustments).

3.1 Transition to integrated ticketing

Summary of issue

Many submissions asked for features or raised issues that cannot be delivered or resolved until integrated ticketing is available across all modes. This included capping, fares transfers across all modes and issues with bus/rail equity (which is discussed below) that cannot be resolved fully at this time. Some submitters requested that integrated ticketing be delivered sooner than planned.

Officer comments

The proposed changes are part of a transition towards integrated fares and ticketing. The transition includes a number of steps to rationalise and simplify fares and ticketing.

Significant progress has been made towards integrated ticketing with the current package of proposals, which includes an interim ticketing system for all buses, as the most significant step so far. But the full package of benefits cannot be achieved until integrated ticketing has been implemented, which is planned from 2020. This will introduce the following changes:

- One electronic ticketing system covering all modes
- Free transfers between all modes
- Smartcard to replace 10-trip tickets on rail
- Weekly fare caps to replace monthly passes
- Daily fare caps to replace day passes.

Other changes being considered by Council but not included in the proposed changes are:

- Changes to the farebox recovery policy – this will be part of the PT Plan review
- Changes in rates funding formulas – this is being addressed in a separate review of the revenue and finance policy for public transport
- Changes in operating costs – contract negotiations are still underway and will feed into budget decisions
- Charging for park and ride – a separate strategy is being developed for park and ride, which will include consideration of demand management measures such as charging.

Officer recommendation

Note the submissions received and officer comments that these issues will be addressed either

Attachment 1 to Report 17.406 revised summary submissions

separately or as part of the next phase of transition to integrated ticketing.

Hearing Committee comment

Officer recommendation noted and supported.

Noted that further work (including further changes to fares) will be undertaken in the next phase of transition to integrated ticketing.

Noted (under section 2.2 of this report) that a separate pricing project be undertaken to review fare equity between modes and develop the capping approach as part of the transition to integrated ticketing

3.2 Bus/rail equity**Summary of issue**

A key theme that emerged from feedback was the need to address a perceived lack of equity between bus and rail fares. The majority of submissions on this issue followed the submission (and associated media coverage) from Wellington City Council. The submissions focussed on the real or perceived high cost of fares for bus in Wellington city given the small size of zones when compared to larger zones in the outer parts of the network, and also the high level of discount provided to rail passengers and not bus users through monthly passes. The proposal to discontinue 30-day bus passes drew focus to this issue (see below).

Officer comments

The issue of equity between modes does not have a simple answer. A wide range of factors needs to be considered including fare levels, distance travelled, service levels, population densities, communities serviced, demography, passenger type, role of PT modes, cost of delivering services, infrastructure requirements, ticketing systems and funding sources.

The role of the different modes is important to consider:

- Bus – buses are effective at connecting people from many dispersed origins and destinations and provide core services along some strategic corridors. Buses form the backbone of the public transport system serving the southern, eastern and western Wellington City suburbs. Buses also have an important role in providing connector services to rail stations. Bus services cater effectively for short and medium trips.
- Rail – in the Wellington region, passenger rail provides services along core strategic corridors north of Wellington City CBD, primarily over medium to long distances, providing for access between regional centres and to and from the Wellington CBD. Being the core routes, passenger rail services are the main competitors with car and hence contribute significantly to congestion relief on the main transport corridors, and better use of urban spaces that otherwise could have been used for car parking.

The consideration of fare levels is also relevant to the affordability and structure of fares. In most cases, any significant change to levels and structure will have a corresponding impact on ratepayers or require significant fare increases for some passengers. This issue is more pronounced now given the limitations of the ticketing system prior to integrated ticketing being available.

Attachment 1 to Report 17.406 revised summary submissions

The other main area of concern related to rail/bus equity is the high level of discount provided to rail passengers using monthly passes when compared to bus travel. Rail monthly passes are a long-established, legacy fare product used by the majority of rail commuters. They also provide revenue protection benefits in the absence of electronic ticketing. The intention is to replace monthly passes with weekly fare caps across all modes in the future but this is not possible until integrated ticketing is delivered. The pricing and mechanics of fare caps will be considered in the next phase of transition leading up to integrated ticketing.

While the proposed changes largely retain the existing fare structure, they are an important step towards integrated fares and ticketing across all modes. The changes as proposed generally improve equity between modes, particularly for bus users relative to rail users, although this is not the perception of many submitters.

Attachment 1 to Report 17.406 revised summary submissions


Table 1 provides a qualitative summary of the relative change in equity between bus and rail modes as a result of the changes to fares and network. These changes should be considered relative to the current status of the benefits that rail and bus network provide to users in different parts of the region.

Officers recommend a separate pricing project be undertaken to develop the capping approach and that this will consider fare equity between modes as part of the transition to integrated ticketing. This work should consider all relevant factors, including fare levels, distance travelled, service levels, population densities, communities serviced, demography, passenger type, role of PT modes, cost of delivering services, infrastructure requirements, ticketing systems and funding sources.

Officers recommend retaining the 30-day bus passes for bus travel in zones 1-3 (see discussion below in Section 2.5).

Attachment 1 to Report 17.406 revised summary submissions

Table 1 Relative change in equity between bus and rail modes due to proposed fare changes

	Bus changes	Rail changes
<p>Improved equity</p>  <p>Reduced equity</p>	<ul style="list-style-type: none"> Reduction in child fares for shorter distances to align with 50% discount available for longer distance travel Fares kept down through growth in rail patronage and revenue while bus has remained static (no general fare increase since 2013) Porirua boundary adjustment will lead to significant reduction in fares for Titahi Bay and Porirua East bus passengers Free transfers available on bus and greater flexibility with Snapper Off-peak and concession fares available through Snapper and do not require the upfront cost of a 10-trip ticket 	<ul style="list-style-type: none"> Metlink Explorer to replace all other day passes Free bus connections to rail using rail monthly pass Consistent concessions on rail and bus across the regions Allowing rail monthly on more than one line
	<ul style="list-style-type: none"> Discontinue school term passes for bus as no monthly pass alternatives available (note the significant reduction in child fares, extended coverage of Snapper and free transfers as better and more convenient alternatives) Discontinue bus 30-day passes (note officer recommendation below to retain 30-day pass for zones 1-3) 	<ul style="list-style-type: none"> Free transfers not available on rail as widely and conveniently as on bus, except with rail transfer tickets and some pass products such as monthly pass Rail monthly pass being not valid within Wellington city requires additional fares for bus travels beyond the interchange Fare per km travelled for rail remains lower than fare per km for bus uses Paper-based ticketing on rail an impediment to full delivery of benefits (note the need for monthly pass users to pay additional fares for Wellington trips)

Officer recommendation

That a separate pricing project be undertaken to review fare equity between modes and develop the capping approach as part of the transition to integrated ticketing. The pricing project will consider all relevant factors, including fare levels, distance travelled, service levels, population densities, communities serviced, demography, passenger type, role of PT modes, cost of delivering services, infrastructure requirements, ticketing systems and funding source.

That a 30-day bus pass (priced at \$150) be retained for high frequency bus customers in zones 1 to 3, along with a 30-day bus pass (conditions and pricing to be confirmed) for direct bus travel between Eastbourne and Wellington City.

Hearing Committee comment

Officer recommendation noted and supported.

Attachment 1 to Report 17.406 revised summary submissions

Noted that a separate pricing project (considering a wide range of factors) be undertaken to review fare equity between modes and develop the capping approach as part of the transition to integrated ticketing.

Endorsed the proposals to retain the 30-day bus pass for zones 1 to 3 in Wellington City and for direct bus travel between Eastbourne and Wellington City.

3.3 Affordability of fares

Summary of issue

Several territorial authorities (Wellington City Council, Kapiti Coast City Council, Porirua City Council), the Wellington Regional Public Health and Community Networks Wellington and some individual submitters raised concerns about affordability of fares as a result of the proposed fare increase – particularly for people on a low income, beneficiaries or those living in areas of high social deprivation. Several submitters who opposed the proposed fare increase felt that fares are already too high and should at a minimum be kept constant.

Those who supported the proposed fare changes acknowledged the positive effects of providing concessions especially for tertiary students, and blind and disabled people in terms of making public transport more accessible. The Wellington City Youth Council commented that the proposed 3% fare increase is lower than inflation.

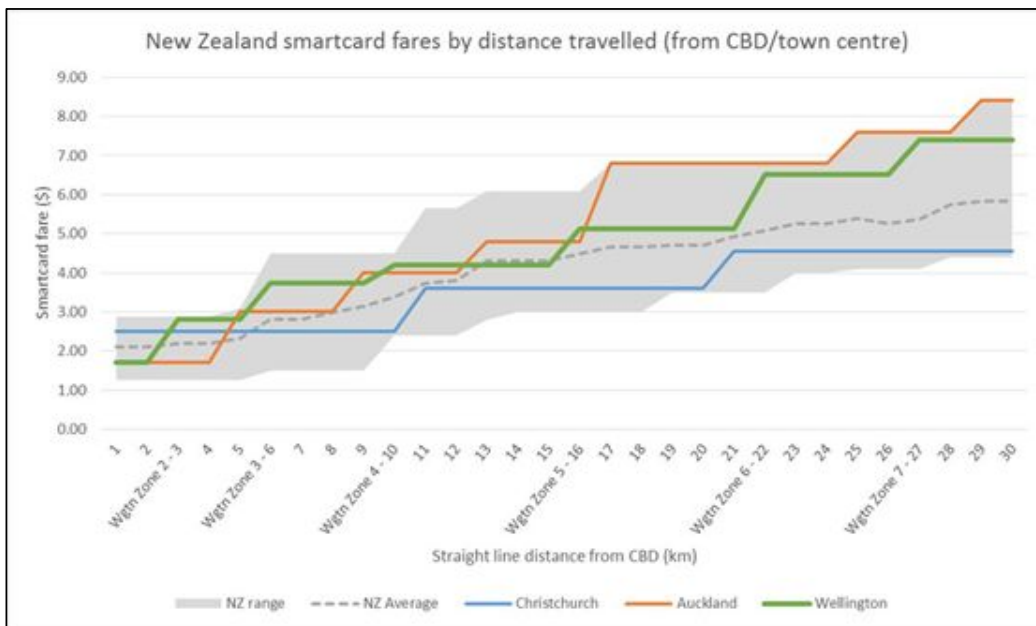
There were, however, some comments that fares must be affordable for all and targeting subsidised fares to certain groups would be unfair for other groups who are in most need, such as low income workers and beneficiaries. A number of submitters also suggested that the tertiary concession should be extended to part-time students on affordability grounds.

Some submitters noted that increasing fares or removing the 30-day passes would make driving more attractive and affordable compared to bus or rail.

Officer comments

The fare levels for Wellington, although at the higher end for shorter distance fares, are comparable to fares per km in the rest of the country, as shown in the following chart which compares the proposed Snapper fare (2018) against other fares in New Zealand in 2015.

Attachment 1 to Report 17.406 revised summary submissions



GWRC’s customer satisfaction survey also provides a useful comparison for affordability. The survey is conducted annually (in 2017, it was based on the views of over 4000 passengers) and shows that customers were either satisfied or very satisfied with the “value for \$ of the fare” increased from 70% in 2014 to 75% in 2017. With a combined revenue impact of \$7.5m, the proposed fares package represents a significant improvement in value for \$ for customers. It is also worth re-iterating the view of some submitters that even with the 3% fare increase and when inflation is taken into account, customers in 2018 will be paying proportionally less of their income for fares than they were in 2013.

Affordability in relation to cash versus smartcard fare was also raised in submissions. Our current policy is to promote the use of electronic fares to improve operational efficiency and to ensure better value for money for customers. Survey information and evidence in other regions indicates a move away from cash as the preferred payment method for most customers – e.g. in Taranaki/Waikato/Auckland over 90% of transactions are non-cash. Notwithstanding these trends, GWRC recognises that some segments of the population will always prefer the use of cash.

Customers concerned about affordability will get cheaper fares if they use Snapper or ten-trip rail tickets than using cash. The roll out of Snapper to all buses in the region and (over the longer term) the move to integrated ticketing provides an opportunity for GWRC to consider ways to encourage greater uptake of smartcard use and reduce the impact for customers. This could, for example, include a targeted promotion campaign for discounted or free Snapper cards for new and existing customers, and for those customers where affordability is an issue.

Community groups may also be able to assist their clients and low income customers in getting Snapper cards if the current cost (\$10) is considered an impediment.

Officer recommendation

Note that affordability of fares will continue to be an issue for some customers, but overall, the proposed fare initiatives represent improved value for money for customers, ratepayers and taxpayers.

Attachment 1 to Report 17.406 revised summary submissions

As part of the transition process to Snapper and integrated ticketing, officers will consider ways to encourage greater uptake of smartcard use and reduce the impact for customers.

Hearing Committee comment

Officer recommendation noted and supported.

As part of the move to extend Snapper, to encourage officers to include a targeted promotion campaign for discounted or free Snapper cards for new and existing customers, and for those customers where affordability is an issue.

3.4 Targeted concessions**Summary of issues**

There was a wide range of comments and perspectives on targeted concessions.

A number of submissions raised concerns that the proposed disability discount of 25% would disadvantage the blind and disabled people who are currently receiving about 50% discount.

Some submissions suggested that the concession should be extended to wider groups including SuperGold card passengers travelling during peak hours or lower income people on welfare benefits.

Other submitters requested that discounts be designed and implemented so that they will be fairly available to those truly in need.

Some tertiary education institutions, while supportive of the proposed tertiary student concession, suggested it should be extended to apply to all students (not just full-time).

Several individual submitters objected from the perspective that peak commuters should not subsidise tertiary students, or disabled and blind customers.

Some submitters also suggested that subsidising free or discounted travel for blind and disabled customers should be the responsibility of government agencies, rather than GWRC, and that tertiary student concessions should be funded by local councils and/or tertiary institutions themselves.

Officer comments

The approach proposed for targeted concessions in the Better Metlink Fares document differs from the current policy in the PT Plan, which promotes an off-peak discount only.

The revised approach to provide targeted concessions for full-time tertiary and blind and disabled customers was proposed following significant feedback from the tertiary sector over the last two years on a range of issues including:

- Parity with other regions and cities with public transport networks
- Affordability concerns and rising housing costs
- Changing travel patterns associated with variable lecture times and the need to live in locations further from the Wellington CBD with cheaper housing.

These issues and more were re-confirmed through submissions. Significant support for the new policy approach for targeted concessions was also noted as part of the feedback – on the basis

Attachment 1 to Report 17.406 revised summary submissions

that it would help to provide access to public transport services at affordable prices for those in most need. A few submitters opposed this approach on the basis that other fares (or rates) would need to increase to pay for this.

Submissions provided many different viewpoints on both the level of discount and extent of its application to different groups. More detailed responses are included in the fare initiatives section below.

In summary, the approach proposed via a combination of targeted concessions and an off-peak discount is considered a good balance. It provides relief for those (including the transport disadvantaged) who are able to travel in the off-peak; it is further targeted to enable discounted travel during the peak for students and blind and disabled customers; the concession is set at a consistent level which helps with simplicity and ticketing; and the concession is applied equitably across the entire network. Furthermore, the overall cost for providing the 25% targeted concessions is considered manageable, as the additional revenue loss relates to travel in the peak period.

Officer recommendation

Support the policy and approach proposed for targeted concessions.

Hearing Committee comment

Officer recommendation noted and supported.

3.5 30-day bus passes**Summary of issue**

The proposal to discontinue the 30-day bus pass generated many submissions during consultation. It was also the predominant issue raised at public meetings in Wellington City.

The majority of submitters who provided comment on 30-day passes (62) requested the 30-day pass be retained.

Most comments were generated from frequent bus users in Wellington City who use the Go Wellington 30-day travel pass. Several submissions were also received from Hutt Valley customers who use the GetAbout or Hutt Commuter 30-day pass.

The primary issues raised relate to convenience, cost and pricing relative to rail monthly passes:

- For submitters from Wellington City the main concerns were about additional cost of travel if relying on stored value with free transfers. Based on high frequency travel, some customers claimed their costs would increase by 30% or more, but this would need to be considered on a case-by-case basis as many customers currently using these passes would benefit from free bus transfers.
- Some submitters from Wellington City also requested greater parity to the rail monthly pass, comparing travel on the Johnsonville line at \$112.50 per month compared to \$150 for the current Go Wellington 30-day pass.
- Cost was also raised as an issue for Hutt Valley submitters, however convenience was at the forefront of submissions due to the current ability to use the GetAbout and Hutt Commuter 30-day passes on both contracted and commercial services (such as the

Attachment 1 to Report 17.406 revised summary submissions

Airport Flyer, Stokes Valley Commuter (route 90), Upper Hutt Commuter (routes 92,93) and Wainuiomata Commuter (route 80)

- Following the theme of equity and consistency between bus and rail, some submitters also suggested that a single monthly pass allowing bus connections to rail should be available to cover all zones.

Officer comments

While the end-goal is to replace all monthly passes with capping, the submissions raise some valid points for high-frequency travel on bus.

The issue is certainly more pronounced in Wellington City, where alternatives such as rail with free bus connections are not a viable alternative, and where reliance on commercial services is not so relevant. Retention of a 30-day pass in zones 1-3 is considered an appropriate interim response prior to integrated ticketing and capping being introduced across the Metlink network.

Pricing of monthly passes/capping is a complex issue that will be further considered as part of the next phase of work to prepare for capping. In the interim, keeping the bus pass price at the current level of \$150 is recommended as this reflects its current relatively high usage and will result in broadly equivalent fares per journey as rail monthly passes.

Introduction of a new bus network in Wellington City along with free bus-to-bus transfers in mid-2018 is expected to reduce the need for the 30-day pass. Just over half of existing customers who use the 30-day pass make more than 45 boardings per month and would benefit from the pass, the remainder will get the same or better value from stored value and free transfers. As a comparison, rail monthly pass customers are estimated to make between 32 and 36 boardings per month.

The retention of a 30-day pass for zones 1 to 3 will have revenue implications – which we estimate to be approximately \$200k per year to retain.

The retention of a 30-day pass for zones 1 to 3 will also enable us to address an unintended consequence from the proposal to allow free bus connections with the rail monthly on the Johnsonville line. Under the current proposal, customers travelling into Wellington City from zone 3 could use a rail monthly pass for bus travel into and beyond the Wellington Railway Station without using rail at all. The 30-day bus pass is proposed to replace free bus connections on the Johnsonville line for rail monthly pass holders, although the three-zone rail monthly pass will still be available for rail only (free bus connections for rail monthly pass holders are proposed to be available in zones 4-14).

For the Hutt Valley, the need to remove the 30-day pass is more pronounced due to the overlap of commercial services the availability of alternative Metlink services (e.g. existing bus network, free bus transfers, free bus connections to rail with monthly). Commercial services are defined as ‘exempt services’ under the new contracting environment, and will not be part of the Metlink public transport network. These exempt services will likely still operate, but will be subject to their own commercial pricing structures.

Expanding the rail monthly with free bus connections to apply to all zones is not proposed, due to revenue impacts, network implications, and ticketing constraints associated with separate bus/rail systems. This will be addressed with integrated ticketing across all modes.

Officer recommendation

Amend the proposals to:

- Retain a 30-day bus pass (at current pricing) for high frequency bus travel in zones 1 to 3

Attachment 1 to Report 17.406 revised summary submissions

of the Metlink network

- Retain a 30-day bus pass (conditions and pricing to be confirmed) for direct bus travel between Eastbourne to Wellington City
- Amend the proposals for free bus connections with the rail monthly to be available in zones 4-14.

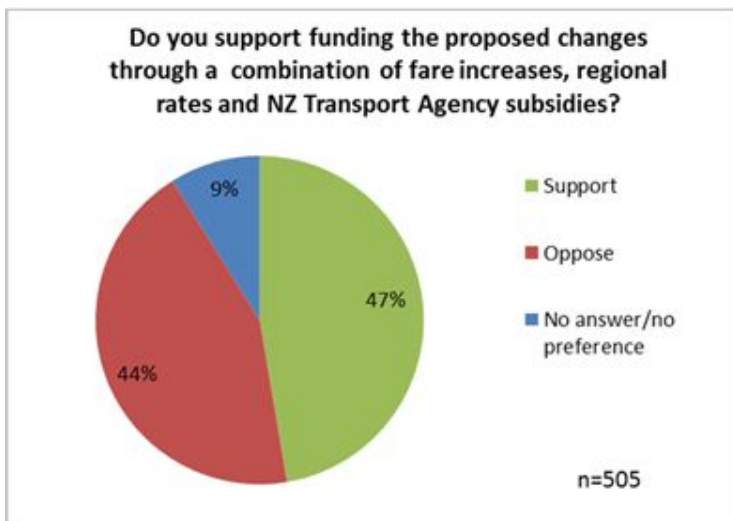
Hearing Committee comment
 Officer recommendation noted and supported.

Endorse retaining a 30-day bus pass (priced at \$150) for high frequency bus travel in zones 1 to 3.

Endorse retaining a 30-day bus pass (conditions and pricing to be confirmed) for direct bus travel between Eastbourne and Wellington City.

3.6 Funding

The following funding question was included in the submission form.



Summary of issue

There were mixed views overall on the proposed funding model. Submitters who did not support the proposed funding sources suggested various alternative funding models – the most popular alternatives being the NZ Transport Agency, rates and via network efficiencies.

More detailed submissions on funding were received one individual (submitter 503) and several organisations (Wellington City Council, Wellington Chamber of Commerce, Living Streets Aotearoa). Detailed comments included:

- Criticism of the assumption for this fares package that operating costs remain the same and therefore ignore any operating cost savings from PTOM (as previously announced publically). And if these cost savings were included then there would be no need for a fare increase.
- Concern that a full fare box recovery was not included as part of the proposal and that if

Attachment 1 to Report 17.406 revised summary submissions

it was targeted to reduce to 50% (as signalled in 2014 PT Plan) then a fare increase would not be needed

- Concern that our farebox recovery target is too high, and should be 50% like the rest of New Zealand
- A request from Wellington City Council for more information on fares and rating policy settings across modes, zones and cities.

Officer comments

Overall feedback on the funding proposal is positive, with 47% supporting the approach.

For funding, the approach for the review was based on delivering fare proposals within Council budgets set out in the Long Term Plan and Annual Plan. For farebox recovery this assumed operating costs remain the same but any savings/increase will be taken account of in the Council’s budget setting. Also important to note that farebox recovery is only one measure of performance, although one which the NZ Transport Agency is very interested in.

Officers note that emphasis on farebox was based on the 55-60% target range, not 50% that the PT Plan indicated we expect to move to. The PT Plan policy to reduce to 50% needs review, as this was based on a past set of fare initiatives and integrated ticketing being in place. A review is proposed next year with the PT Plan review.

It is also important to note that any reduction in farebox recovery will result in a corresponding increase in rates. Under the current rates model (which is based on an approach that surrogates congestion pricing) Wellington City businesses would pay a larger proportion of any increase in rates necessary to fund the changes.

Officer recommendation

Support the proposed funding approach, based on a 3% fare increase, regional public transport rates and NZ Transport Agency subsidy.

Hearing Committee comment

Officer recommendation noted and supported.

Noted that the final budget will be confirmed through the Long Term Plan process and will take account of farebox recovery, operational costs, and the rate share of public transport funding. If a different budget provision is required, fares could be adjusted accordingly.

Noted that a review of farebox recovery policy is planned next year, as part of the review of the Regional Public Transport Plan.

3.7 Fare structure (boundary adjustments)

Summary of issue

Several individual submitters, Wellington City Council and Living Streets Aotearoa requested changes to the geographical fare structure:

- More equitable fare structure across the region based on distance, with cheaper fares per zone for smaller Wellington City zones
- Combine zones 1 and 2 to be more equitable in size compared to outer zones

Attachment 1 to Report 17.406 revised summary submissions

- Better to locate zone boundaries at bus stops.

Wellington City Council submission included GIS analysis with overlapping of zones to illustrate the difference in the size of zones and distance from town centres.

Officer comments

The current fare structure with 14 zones radiating out from Wellington City CBD was established in 2006 following a major fare structure review. This was subject to a significant amount of public consultation with broad community support for the new zone structure.

The zone structure was again reviewed comprehensively in 2013. The 2013 review considered simplifying further by moving to seven zones or eight zones (with a short distance fare). Overall, the 2013 review neither a distance based nor a coarse zonal system performs significantly better than the current 14 zone fare structure against the two top criteria of simplicity and encouraging patronage. Against all other criteria, none of the options significantly outperforms the current 14 zone structure, except for the level of revenue generated from distance based fares. Given the negative impact of distance based fares on short and medium length trips outside Wellington city, transitioning to a distance based fare structure was not recommended.

The current review, using a similar set of objectives (simple and easy to understand; fare and affordable; attracts and retains customers; supports transition to integrated ticketing) not surprisingly came to the same conclusion, with only a minor change proposed in Porirua.

The Metlink fare zone system provides a broad relationship between the fare charged and distance travelled with the fare charged depending on the number and size of fare zones. This in turn determines the size of the fare increments as distance increases. The fare zone boundaries are designed with the consideration of balancing simplicity, equity and affordability of fares with GWRC's obligations to recover the costs of providing public transport services through fares. In general, fare zones are set up to satisfy the following conditions:

- Where possible, each fare zone encompasses an entire locality which typically includes one or more suburbs. This rule is set to avoid penalising those who travel short distances within their local areas;
- Zone boundaries are closely spaced in Wellington City (where urban density is high and the level of service is high) and increase in spacing in outer zones (where passengers have to travel further to reach their destinations)
- Zone boundaries are set up to minimise the number of bus stops and train stations locating at or clustering around the boundaries. Therefore while some zone boundaries are at bus stops or train stations, the preference is for most to be located between stops or stations.

The reason why Wellington City has a lot of bus stops on boundaries is because of the density of urban form, geography and related overlapping of communities. For example, Kilbirnie town centre area is the logical location for a zone boundary but it is not separable from other neighbouring communities (Hataitai, Newtown, Rongotai) and therefore has a cluster of stops at the town centre. Likewise, it is difficult to separate communities of Mt Cook and Te Aro and Mt Vic – and therefore has a series of boundary stops in and around the Basin reserve. Again, geography and urban form at Northland/Karori tunnel area means there is an overlapping of communities in a logical boundary location.

Officer recommendation

Retain the existing 14 zone fare structure, with the proposed change in Porirua.

Attachment 1 to Report 17.406 revised summary submissions

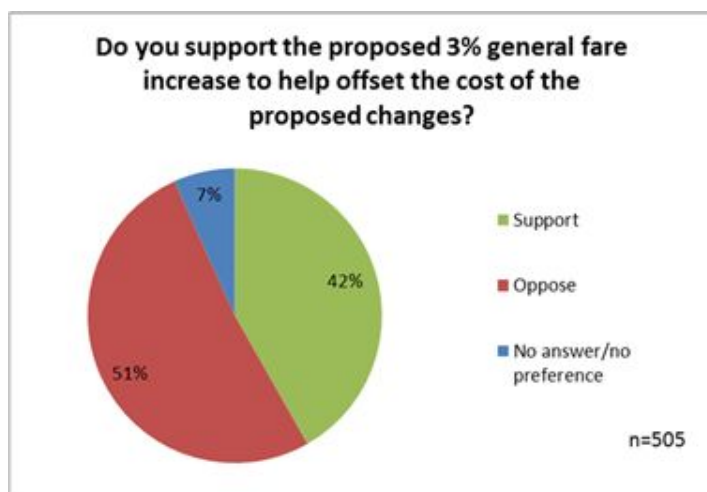
Hearing Committee comment

Officer recommendation noted and supported.

4 Proposed fare initiatives

This section summarises the proposed fares initiatives in order that they were set out in the discussion document Better Metlink Fares.

4.1 General 3% fare increase



Summary of issues

As illustrated above, 42% of submitters supported and 51% of submitters opposed the proposed fare increase.

Opposition to the fare increase was based on:

- Affordability, especially for people on a low income
- Association with poor service levels, especially in Wairarapa
- Opposition to commuters (who already contribute a significant amount to public services through their taxes) paying for other groups
- Concern a fare increases would discourage public transport and encourage private vehicle use
- Wellington having higher farebox recovery rates than most other regions
- Savings from the new contracts and more efficient operations should be used to fund the fare initiatives.

Support for the fare increase was based on:

- The increase is fair, reasonable and small compared with the benefits expected from the

Attachment 1 to Report 17.406 revised summary submissions

package of changes

- There has been no fare change (increase) for several years
- Some submitters expressed support for a higher fare increase provided more services are made available especially over weekends, and to cover higher concessions.
- Some submitters supported the 3% increase on the condition that there would be no fare increases for a few years
- Some submitters suggested lower fare increase (1% to 2%) on the basis that it is sufficient to cover the discounted fares
- Some submitters noted the fare increase should reflect the rising living and housing costs, and general inflation. For example, the submission by the Wellington City Youth Council noted that the fare increase needs to be viewed in the context of other price rises, and that considering the inflation of 4.3% between 2013 and 2017, users of public transport facing a fare increase will still pay less in real terms than in 2013.

Officer comments

The comments in the earlier section on the theme of affordability are relevant when considering the proposed 3% fare increase.

The proposed 3% fare increase is needed to implement the fare package and estimated to cover only about one third of the total cost. The remaining two third of the cost will be funded through regional rates and national funding. Therefore, no or lower fare increase would require all or high proportion of costs to be covered by rate payers and NZTA funding.

The rates impact is expected to be higher in some areas. Not increasing fares may result in a significant increase in rates for Wellington residents of about half of the estimated \$2.6m.

It is also worth noting that with the 3% fare increase and when inflation is taken into account, customers in 2018 will be paying less of their income for fares than they were in 2013.

Some submissions refer to high farebox as an issue, when compared to other regions. Another perspective is that high farebox recovery reflects a good value proposition for customers based on a high level of service. Comparing farebox recovery rates to other regions can be problematic as farebox recovery depends on factors specific to each network such as levels of service, density, mode, and network. Formulas also differ between regions and the New Zealand Transport agency, which can create confusion. For example, our estimate of 57.2% for 2016/17 differs from the NZTA calculation of 53.4% due to differences in the way improvements are categorised.

Levels of service for public transport have been improving steadily over the last decade and will continue to improve with the new network changes, infrastructure upgrades and improvements to fleet and ticketing. The fare initiatives are timed specifically to be aligned with the new Wellington City bus network and extension of Snapper.

While some savings will be made from the new bus contracts, the extent of improvements proposed to public transport in the future is likely to outweigh efficiencies gained via the new contracts. Clarity on overall costs for public transport will be determined as part of the Long Term Plan and Annual Plan processes.

The reduced fares are set by applying the discounts to current smartcard fares after the 3 percent fare increase. In effect, this will result in all fare paying passengers to pay their share of the fare increase. The benefit of aligning fare increase with new fare concessions is that the targeted

Attachment 1 to Report 17.406 revised summary submissions

groups will pay their share of the related costs upfront while still benefiting from the proposed reduced fares.

In addition, depending on their journeys, peak travellers will benefit from the proposed changes to monthly passes and introduction of free transfers, and equally from the off-peak discount if they need to travel during off-peak times or weekends.

Officer recommendation

Support 3% fare increase.

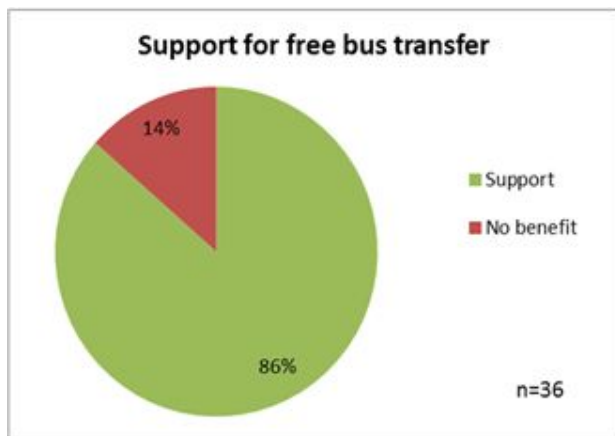
Hearing Committee comment

Officer recommendation noted and supported.

Noted that the final budget will be confirmed through the Long Term Plan process and will take account of farebox recovery, operational costs, and the rate share of public transport funding. If a different budget provision is required, fares could be adjusted accordingly.

Noted that a review of farebox recovery policy is planned next year, as part of the review of the Regional Public Transport Plan.

4.2 Free bus transfers



Summary of issues

There was overwhelming support for free bus transfers, with only a small number of submitters (primarily users of the 30-day pass) commenting that they would see no benefit in the free bus transfer. Some submitters requested a longer transfer window to enable better connections to services.

Officer comments

Free bus transfers represents a significant improvement for customers travelling on the bus network as it promotes the concept of a seamless journey and reduces costs for those who will need to transfer as part of their journey. The ability to transfer anywhere within the same zone

Attachment 1 to Report 17.406 revised summary submissions

also provides good flexibility for customers.

The 30 minute transfer window was determined based on our knowledge of the current journeys involving chained trips and availability and frequency of services under the new bus network. It should be noted that the current transfer function on Snapper (used only in the Hutt Valley) is based on a 20 minute transfer window.

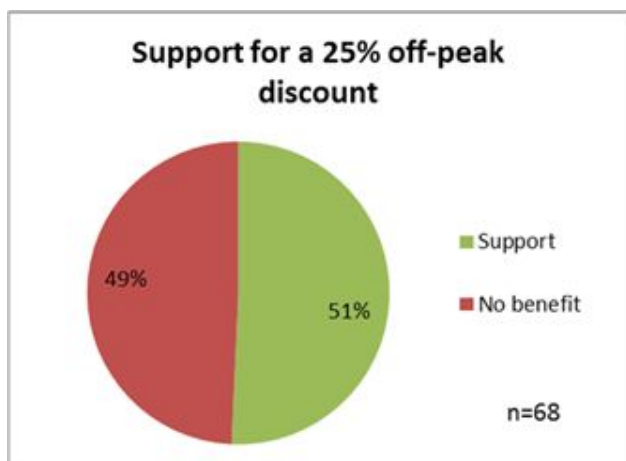
Officer recommendation

Support free bus transfers.

Hearing Committee comment

Officer recommendation noted and supported.

4.3 25% off-peak discount



Summary of issues

Submitters who responded directly on the off-peak fare initiative were equally split between those who supported and those who did not support the proposed off-peak fares. It is important to note that much broader support for the proposed off-peak discount was provided in general feedback, but this is not reflected in the graph above.

Those who supported acknowledged the benefits of the off-peak discount in spreading peak demand, increasing access to affordable services for non-peak travellers and encouraging patronage during off-peak times including weekends, hence resulting in less dependency on private vehicles.

A few submitters suggested higher off-peak discount similar to the discounts provided under the Total Mobility Scheme or higher. Some submitters suggested that extending off-peak hours and more off-peak services would be needed for the proposal to be effective.

Those who did not support the off-peak discount expressed concerns that reducing off-peak fares would not deliver expected benefits due to lower service levels in some areas (including in Wairarapa, Porirua and Kapiti Coast) and that people who need to travel during peak times including workers would not have choice to easily change their travel hours and therefore should

Attachment 1 to Report 17.406 revised summary submissions

not be forced to pay more than off-peak travellers.

A few submitters also commented that increasing fares for peak travellers to subsidise off-peak travellers is unfair, and that peak travellers, as the most frequent and loyal users of public transports, should be rewarded rather than being overcharged and disadvantaged.

Some organisations and individual submitters noted that the requirement to buy 10-trip tickets to benefit from the off-peak discount would be an impediment for occasional travellers.

Officer comments

Provision of a 25% off-peak discount for all users is the current policy in the Regional Public Transport Plan (the PT Plan). The main justification in the PT Plan for this policy is to shift demand from the peak and better utilise off-peak service capacity and that the fare structure should reward behaviours rather than advantage particular groups within the community.

While this policy provides for affordability of fares for people travelling during off-peak periods, the fares review has identified that the issues of affordability and access need to be addressed by a concession policy with a specific focus on investment towards improving the affordability of fares for those groups most in need. It also signals future policies including fare capping and free transfers between all Metlink services through the Integrated Fares and Ticketing project. The discount is targeted for the wider community and once introduced, anyone travelling during off-peak period will benefit from these changes.

Providing higher off-peak discounts would be more costly than the proposed 25% discount.

The need for off-peak 10-trip tickets is an interim transition issue that will be resolved when integrated ticketing becomes available across all modes.

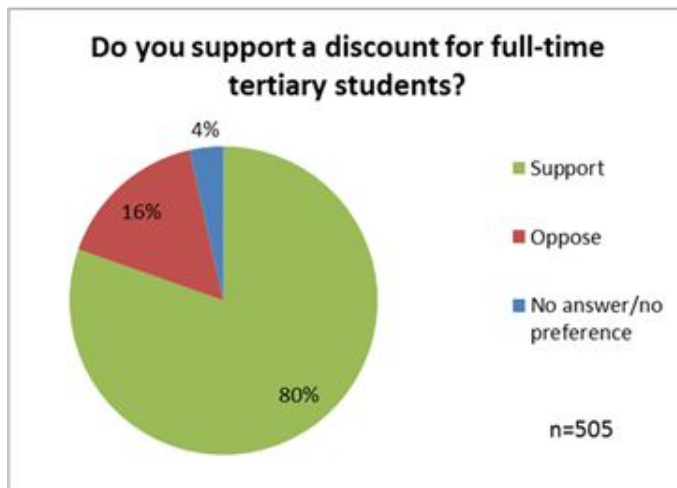
Officer recommendation

Support 25% off-peak discount.

Hearing Committee comment

Officer recommendation noted and supported.

Attachment 1 to Report 17.406 revised summary submissions

4.4 25% discount for full-time tertiary students**Summary of issues**

The majority of submitters supported the proposed concession for tertiary students, noting that fares are unaffordable for tertiary students and that the higher cost of living in Wellington City is a major impediment for tertiary students.

Supporters also commented that many tertiary students are dependent on public transport and therefore need access to public transport services at affordable prices. Some also felt that their significant contribution to economic growth and development in the region and in Wellington City justified the concession.

Some submitters supported the tertiary student discount, but suggested that the discount should be subsidised by tertiary institutions rather than peak commuters who will face fare increases. The majority of submitters who opposed the proposal also expressed their disagreement with cross-subsidisation of tertiary discounts through cost increases for other passengers and/or ratepayers.

While a few of the submitters suggested higher discounts of 50%, others suggested a lower discount of 10% to 20%, commenting that tertiary students are generally in a better economic position than the average single parent or low wage worker.

A few submitters including the Wellington Chamber of Commerce noted that a student discount scheme needs to be considered as part of a student benefits package (not the responsibility of GWRC) rather than being treated in isolation; and that the scheme needs to be designed and implemented in a manner that ensures the discounted products and benefits will not be abused.

The Victoria University of Wellington Students' Association, Massey University's Wellington Students' Association, WelTec/Whitireia and Massey University supported tertiary student discounts generally but also requested that the tertiary student discount be extended to at least some part-time students. They noted a variety of reasons for students studying part time, including family commitments, disability, health, academic workload, or simply because they cannot afford transport costs. Extending to part time students was considered to improve administrative ease.

A few of the supporters of the tertiary concession suggested that a discounted pass product such as monthly or annual pass rather than a discount on each trip would encourage students to

Attachment 1 to Report 17.406 revised summary submissions

commit to public transport as their primary mode.

A few of the submitters commented that part-time students and recent graduates, who are also in financial hardship, should be subsidised given they had to pay full fares for the last years of their time at university.

Officer comments

The comments provided in the section “Targeted concessions” and on the submissions on 3% fare increase and concessions for blind and disabled customers are also relevant to the concerns raised regarding cross-subsidisation of tertiary student discounts by peak travellers and widening of the range of the discounts.

In its simplest form and given the limitations of the current ticketing systems, the 25% concession for tertiary students will be available only on bus via Snapper card and 10-trip tickets on rail. Providing the concession in the form of other pass products such as a monthly or annual passes would further complicate the ticketing and fare structure, something that is at odds with the intention to simplify and improve consistency of the products and processes.

Including part-time students would also impact on revenue – estimated at approximately \$400k per annum.

The main consideration for the proposed concession scheme for tertiary students was that the scheme should be manageable and auditable to ensure that the right people will benefit from the concessions in an equitable manner using the current resources and within the available funding envelope.

The tertiary concession was initially put forward within the context of a partnership approach, based on Greater Wellington Regional Council taking responsibility for region-wide fare assistance for tertiary travel and other partners assisting both directly and indirectly. For example:

- The tertiary education sector would continue with direct funding of targeted services that have a direct benefit to the sector (e.g. intercampus travel subsidies) and take responsibility for administration of any potential tertiary concession scheme.
- Local councils, economic development agencies and the tertiary education sector would provide indirect assistance on wider public transport integration opportunities, for example - promoting the Wellington region as a student friendly place to study, public transport campaigns, assistance with public transport related infrastructure such as Snapper topup kiosks and bus shelters.

As part of this partnership approach, GWRC will be working with the tertiary institutions; operators and Snapper on details of the scheme, to ensure that the eligibility criteria are clearly defined and appropriate processes are in place to avoid misuse of the system based on verifiable data.

Officer recommendation

Support the 25% concession for full-time tertiary students

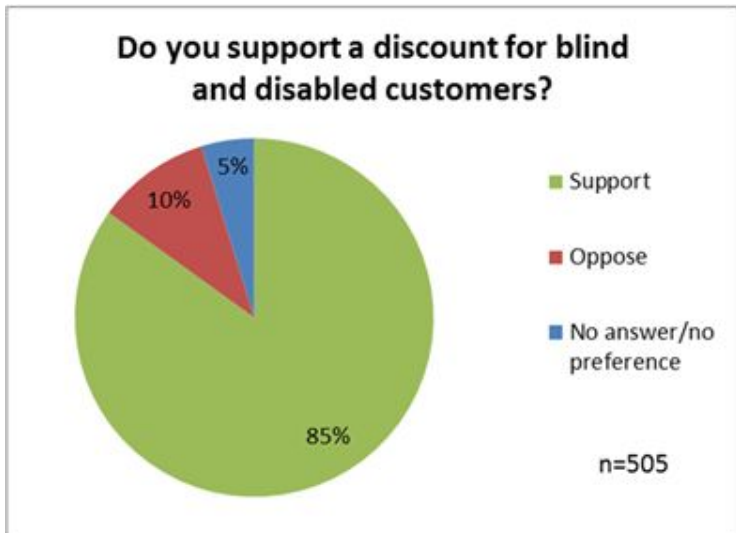
Hearing Committee comment

Officer recommendation noted and supported.

Request officers seek clarification from Wellington City Council on earlier verbal commitment by Mayor Lester (as part of the 2017/18 Annual Plan hearings) to assist with the

funding of the tertiary concession.

4.5 25% discount for blind or disabled customers



Summary of issues

Groups advocating for people with disabilities supported the principle of providing concession for people with disabilities. Some simply supported the proposed 25% discount level and extension of the discount across the region, while others advocated for a higher discount.

Officer comments

Currently, only some people with disabilities (those who are blind and members of IHC with disabilities) are eligible for concessions on NZ Bus services in Wellington City and the Hutt Valley, and on rail services. Those who are currently eligible receive a 50% concession, but many other customers with disabilities in the region receive no concession. The proposed concession will provide discounted travel for many blind and disabled customers who currently don't receive one.

The cost of this concession has been estimated as less than \$100,000 per annum; once the disability concession is loaded on Snapper cards, we will have a better idea of patronage levels and cost on buses. Disability concession ten-trip ticket sales on rail will help us understand rail patronage levels and costs.

Some submitters requested the eligibility criteria to be extended beyond the current eligible groups (members of the Blind Foundation and IHC). There were also concerns expressed that those currently receiving the discount would have this reduced from 50% to 25%. In addition, there were requests for concessions for carers of people with disabilities – the current rules are inconsistent.

To take advantage of the disability concession from 2018, customers will have to register for and use either a Snapper card loaded with the concession on buses, or a rail ten-trip concession card on trains. The registration process is administered by Greater Wellington Regional Council (GWRC) via the Total Mobility scheme.

Attachment 1 to Report 17.406 revised summary submissions

Further improvements to the consistency of disability concessions are likely under the integrated fares and ticketing system, scheduled for 2020.

Officers feel that bona fide carers travelling with people with disabilities eligible for concessions should travel free. This will simplify administrative procedures on buses and trains and improve affordability for those with disabilities. This was not part of the original consultation proposal but should be supported by the disability sector.

Officer recommendation

Support the 25% concession for blind and disabled customers and in addition, provide free travel for bona fide carers of customers travelling on a disability concession.

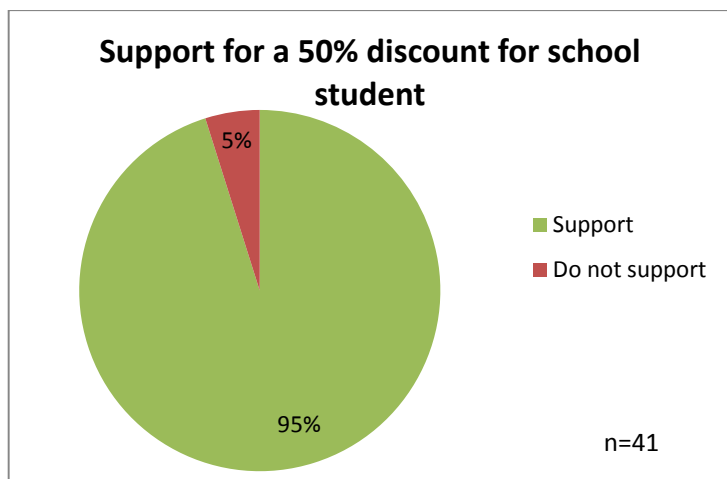
Hearing Committee comment

Officer recommendation noted and supported regarding validity and registration of blind and disabled customers for this fares package, including free travel for bona fide carers.

Request that, as part of the next phase leading up to integrated ticketing, officers engage with CCS Disability Action to determine whether validation for this concession could be improved.

Recommend increasing the concession for blind and disabled customers to 50%.

4.6 50% discount for all school students



Summary of issues

There is widespread support for this proposal, which although it is current policy, is applied inconsistently across zones 1 to 5. Opponents argued principally about the cost (estimated at \$700,000 per annum).

Officer comments

This is another opportunity for Metlink fares to be standardised and simplified in the lead-up to integrated ticketing, and should be supported.

Attachment 1 to Report 17.406 revised summary submissions

Officer recommendation

Support the 50% concession for school students.

Hearing Committee comment

Officer recommendation noted and supported.

4.7 25% premium for all cash fares

32 submissions; 8 support, 24 oppose.

Summary of issues

The majority of submitters opposed this proposal, arguing that those on low incomes would be penalised.

Officer comments

The current policy is for cash tickets to be priced at 25% more than Snapper bus fares (or ten-trip tickets on rail), rounded up to the nearest 50 cents. But the rule is inconsistently applied for Zone 1, where the current premium is only 21% (with a \$2.00 cash fare). If the current cash fare is retained for Zone 1, the premium after the proposed general 3% fare increase would be 17%, while all others would be at least 25% (depending on rounding).

Increasing the proportions of customers paying by electronic means improves bus service delivery (drivers can spend less time handling cash) and improves revenue protection. The current low premium for Zone 1 encourages people to pay cash for short trips, which affects service delivery especially on the Golden Mile in Wellington's CBD.

If customers (and submitters on their behalf) are concerned about the affordability of fares, the best means of reducing the cost to use PT is to use a Snapper card on bus (or ten-trip ticket on rail).

Officer recommendation

Support the 25% premium for cash fares.

Hearing Committee comment

Officer recommendation noted and supported.

As part of the move to extend Snapper, to encourage officers to include a targeted promotion campaign for discounted or free Snapper cards for new and existing customers, and for those customers where affordability is an issue.

4.8 Free bus connections to trains when using a rail monthly pass

37 submissions; 24 support, 1 other, 13 opposed.

Summary of issue

The concept was generally supported by submitters and at public meetings. In particular, submitters supported making monthly passes available on more than one line.

Attachment 1 to Report 17.406 revised summary submissions

Submitters who commented on the proposal raised the concern that the free bus connection to rail would not provide the expected benefits in some areas especially in Wairarapa where there are poor connections between bus and rail. A number of the submissions requested reduced prices for monthly passes, or at least to retain the current prices. A few submissions also noted that some commuters cannot afford the cost of a monthly pass and would not benefit from the changes.

The other main area of concern was the high level of discount provided to rail passengers and not bus users through monthly passes. Several submitters from Wellington City requested greater parity to the rail monthly pass as discussed in section 2.5. A number of submitters also suggested that the free bus connections to rail using a monthly pass should be extended to cover all zones including Wellington City.

In relation to the proposed 3% fare increase, the majority of submitters who commented on the proposal expressed their strong disagreement with increasing the fares in general and the prices of rail monthly passes in particular to subsidise the reduced fares.

A few others suggested making concessions available on monthly passes to allow discounted off-peak travel or provide tertiary students with a discounted monthly rail pass, also allowing group travel for families during weekends.

Some submitters were unclear how this proposal would be used in Johnsonville, where competing bus services to Wellington City exist.

Officer comments

As discussed in section 2.5, the proposed change to monthly passes is an important transitional step towards integrated fares and ticketing across all modes and the end-goal of replacing monthly passes with capping. At this stage, the paper-based ticketing on the rail network is a major limitation that reduces the ability to fully address a number of issues raised in submissions until integrated ticketing is delivered.

Given the limitations of the current rail paper-based ticketing system, monthly passes are an important revenue protection mechanism. Expanding the rail monthly pass with free bus connections to apply to all zones is not recommended, due to revenue impacts, network implications, and ticketing constraints associated with separate bus/rail systems. This will be addressed with integrated ticketing across all modes in due course.

The reason for not including Wellington Station is due to the potential impact on capacity along the Golden Mile, particularly with the new Wellington bus network coming into effect at the same time. The high number of short distance bus trips in Wellington is also expected to result in significant reduction in revenue.

Extending the monthly pass free bus connections to Wellington City would require the prices of monthly passes to increase substantially, and would likely make equity issues between bus and rail worse in the interim. The significant paper-based transactions on bus will lead to greater potential misuse and will significantly reduce the quality of data that is needed to design the capping scheme.

As discussed in section 2.5, under the current proposal, customers travelling into Wellington City from zone 3 could use a rail monthly pass for bus travel into and beyond the Wellington Railway Station without using rail at all. This was not intended, and as a result officers are recommending a change to this policy so free bus connections for rail monthly pass holders are only available in zones 4-14. The proposal to retain the 30-day bus pass for zones 1-3 will still provide flexibility for high frequency bus customers.

Attachment 1 to Report 17.406 revised summary submissions

Officer recommendation

Amend the proposals for free bus connections with the rail monthly to be available in zones 4 to 14.

Hearing Committee comment

Officer recommendation noted and supported.

Note that a rail monthly will still be available for the Johnsonville Line (but not with free bus connections).

Note and support the proposal to retain the 30-day bus pass in zones 1 to 3, as this provides flexibility for high frequency bus travel in northern Wellington City.

4.9 Move Porirua zone boundary north

12 submissions; 5 support, 7 oppose.

Summary of issues

This proposed boundary change would affect relatively few customers and generated few comments. While some submitters supported the change (and most people affected would see fare reductions), a similar number opposed the change, mostly because of the exclusion of Whitby from the zone.

Porirua City Council supported the proposed zone boundary change but noted that “a few Whitby families who school in Aotea may be negatively affected as they will be crossing a new boundary and face a 15% fare increase”.

Officer comments

Moving the zone boundary north to include Whitby would increase the cost, on top of the anticipated \$400,000 annual cost of moving the Porirua zone boundary north as proposed. The bulk of people affected by the proposed boundary change are in low-decile areas where this change will be welcomed as a way of supporting affordability of public transport.

Due to the 50% child discount, the additional cost for school children required to travel an additional zone is only 21cents.

Officer recommendation

Support proposed boundary change

Hearing Committee comment

Officer recommendation noted and supported.

Attachment 1 to Report 17.406 revised summary submissions

4.10 Align ferry fares with wider fare structure

4 submissions; 1 support, 3 oppose.

Summary of issues

Fewer than 20 submitters made comments specifically on the proposal to align ferry fares with the wider fare structure. A small number of these opposed the proposal, but the majority supported it for a more rational and simplified system.

Officer comments

There will be limited opportunities to modify ferry fares in the short term as they are set by the operator and these services are not operated under the Government's Public Transport Operating Model (PTOM). Nevertheless, officers will continue work with East by West Ferries to improve alignment between Metlink and ferry fares.

Officer recommendation

Support ongoing work to align ferry and Metlink fares, noting that the final fares schedule for ferry customers will be subject to negotiation with the ferry operator.

Hearing Committee comment

Officer recommendation noted and supported.

4.11 Metlink Explorer day pass, replacing other day passes

10 submissions; 6 support, 4 conditional support.

Summary of issues

Majority of submissions on this matter were supportive of the proposed changes, with some expressing concerns that there is no day pass option for people who wish to travel within the zones outside Wellington city e.g. between zones 4 and 6 in the Hutt Valley.

A few submissions expressed concerns that the change will result in higher fares for their short trips compared to the price of the current Wellington day pass, or suggested more communication on the new pass products.

Officer comments

The proposed change to day passes is another opportunity to simplify and standardise Metlink fares and products in the lead-up to integrated ticketing. The current Metlink Explorer is the only integrated ticket (across bus and rail) in Wellington with wider service and area coverage.

While being a transitional change, extending the product in the four forms and with a pricing that better reflects the distance travelled is seen as an effective step towards the envisaged day capping scheme once integrated ticketing is in place.

Making the Metlink Explorer for travel between zones outside the Wellington city would unnecessarily increase the number of tickets and fares that is at odds with the very intention of simplification, given that fare capping will replace all the current paper-based tickets in a few years' time.

Attachment 1 to Report 17.406 revised summary submissions

Officer recommendation

Support the proposed four Metlink Explorer day passes, replacing other day passes.

Hearing Committee comment

Officer recommendation noted and supported.

4.12 Discontinue school term passes

3 submitters; 2 support, 1 oppose.

Summary of issues

The few submitters who commented on this proposal were generally supportive of the proposal to discontinue the school term passes. One submission did not support the proposal commenting that insufficient data was provided in support of the change.

Officer comments

The proposal to discontinue existing school term passes was another important step towards simplification of the ticketing in the lead up to the integrated fare and ticketing.

Based on the available data, the current school term passes have very low use of about less than 0.6 per cent of all trips made on each mode, and they are difficult to administer.

The extension of Snapper across the network and significant reduction in fares for child travel of up to 5 zones were the main enablers of the removal as they will provide more convenient and affordable alternatives, especially for bus travel with Snapper.

Due to the nature of ticketing on rail network, school children will need to use monthly passes and 10-trip tickets and this will be less convenient for some. However this is a transitional issue with insignificant effect on children, given that over 95% of child travel is 5 zones or less. As with other pass products, fare capping is the ultimate goal for school term passes.

Officer recommendation

Support discontinuation of school term passes.

Hearing Committee comment

Officer recommendation noted and supported.

4.13 Discontinue 30-day passes

See discussion in section 2.5.

4.14 Discontinue return rail event tickets

4 submissions; 1 support, 3 oppose.

Summary of issues

Although few submitters commented on this issue, general support exists for the status quo.

Officer comments

Subsequent consultation with Transdev has confirmed that there are operational advantages

Attachment 1 to Report 17.406 revised summary submissions

(including revenue protection) to keeping the existing rail event return ticket. This would be interim measure while a longer term solution is developed whereby public transport is included as part of the event ticket. Pricing may need to be adjusted to better reflect the costs of travel.

Officer recommendation

Retain return rail event tickets and work with Transdev on operational and pricing improvements (adjustment to fares proposal).

Hearing Committee comment

Officer recommendation noted and supported.

4.15 Allocate Ngauranga Station into zone 3

9 submissions; 1 support, 8 oppose.

Summary of issues

A small number of customers who travel by bus from Wellington to Ngauranga are adversely affected (having to pay a 3-zone fare instead of a 1-zone fare).

Officer comments

While the initial recommendation in this report was to reject the proposal and retain the status quo, further analysis on passenger use of this station provides further insight into why the original proposal is more appropriate.

Analysis of passenger numbers shows that there are approximately 13,000 passengers travelling to/from Ngauranga Station per year. Hutt Valley passengers make up 65% (8,300) and Wellington passengers 35% (4,700) of these journeys. Hutt Valley passengers would get an average 30% reduction in fares if Ngauranga Station was moved to zone three, while Wellington passengers would get a 120% increase in fares but these would now aligned with bus fares to the same destination.

Moving Ngauranga Station from zone 1 to zone 3 may have some implications for revenue protection, if over-riding to Wellington train station occurs. This would need to be monitored, but should only be an interim situation until integrated ticketing is available across all modes.

Officer recommendation

Support changing Ngauranga train station to Zone 3.

Hearing Committee comment

Officer recommendation noted and supported.

5 Other matters

5.1 SuperGold

Summary of issue

Several submitters made comments on SuperGold:

- Should extend SuperGold hours to apply to peak, as currently the case in Auckland
- Disabled and blind customers should receive the same discount as SuperGold card holders
- SuperGold should be on Snapper.

Officer comments

SuperGold hours and subsidy is currently set and funded separately by Central Government.

While the region could extend its application, the costs (which would be significant) would need to be captured by ratepayers and farepayers. The NZ Transport Agency are unlikely to support this. Extending to peak services would also likely exacerbate capacity issues with the current network during peak periods.

Requiring SuperGold card customers to use a Snapper Card for SuperGold is proposed as part of these changes. This will occur when integrated ticketing is introduced across all modes.

Officer recommendation

That no changes are proposed.

Hearing Committee comment

Officer recommendation noted and supported.

5.2 Snapper and electronic ticketing

Summary of issue

Several submitters commented on Snapper and electronic ticketing generally:

- Good to have a Snapper on all buses, why not extend to rail
- Shouldn't need to charge a top-up fee
- Why not bring in a new bespoke ticketing system from other countries where this has been successful
- We should have integrated ticketing now
- Need to ensure good retail coverage for Snapper top-up
- Including Snapper in addition to the fares changes is doing too much at once.

Officer comments

The extension of Snapper is required to enable the new network in Wellington City to operate without penalising those who will need to transfer. While only an interim solution, it provides a significant opportunity to simplify and rationalise the existing fare structure in the lead up to integrated ticketing.

The procurement process for integrated ticketing in the Wellington Region is being developed as part of the National Ticketing Programme, and is presently scheduled to begin in 2020. It is

Attachment 1 to Report 17.406 revised summary submissions

likely to be a ‘next generation account-based’ system with quite different functionality than the ‘card-based’ Snapper system. Capping functionality will be included as a basis for the new integrated ticketing system. Extending Snapper to all modes is not recommended given the timelines and pathway for integrated ticketing.

Officer recommendation

Comments noted – no recommendation required

Hearing Committee comment

Officer recommendation noted and supported.

5.3 Victoria University students’ submissions

Summary of issue

The Victoria University of Wellington students’ association has been campaigning for a student discount for some time. As part of this campaign, it set up a website to make submissions on GWRC’s Annual Plan, which generated over 1,700 submissions. These were considered as part of that process and resulted in changes to the proposed fare package that would vary the PT Plan by introducing a tertiary student discount for full-time students.

A further 250 submissions were received via an online portal established by the association for the Metlink fares review. In submitting via this mechanism, submitters supported:

- a. “Extending the tertiary concession to all students, including part-time students;
- b. Setting the accessibility fare at the same rate as the child fare to reflect mobility barriers faced by people with disabilities; and
- c. Fast tracking/finding an interim solution to enable Snapper on trains.”

The association has asked to be heard in support of its submission and will elaborate on its views at the hearing.

Officer comments

See comments in previous sections on targeted concessions and Snapper and electronic ticketing.

Officer recommendation

See recommendations in previous sections on targeted concessions and Snapper and electronic ticketing.

Hearing Committee comment

Officer recommendation noted and supported.

Attachment 1 to Report 17.406 revised summary submissions

5.4 Out-of-scope feedback

Summary of issue

The submissions raised a few issues not directly related to the proposed fare changes, but that should be addressed through other work programmes. The key out of scope topics raised through the submission process comprise:

- Infrastructure improvements (such as more rail tracks, bus shelters, toilets on trains, ticketing kiosks, wifi connections)
- Service punctuality and reliability
- Service coverage in the shoulder and off-peak periods
- Network coverage of bus services
- Rail capacity during peak periods
- Park and Ride capacity
- Bikes on trains during peak periods
- Carriage of pets on services

Officer comments

These issues are being considered as part of the wider public transport improvement programme. Much of this is programmed to occur in the near future, including the proposed bus network changes in Wellington City and proposed timetable adjustments for rail. A separate workstream has also been established to consider improving service levels in the shoulder periods.

Officer recommendation

Note that submissions on these issues are considered out of scope for the purposes of this consultation, but that these issues are being considered as part of the wider public transport improvement programme.

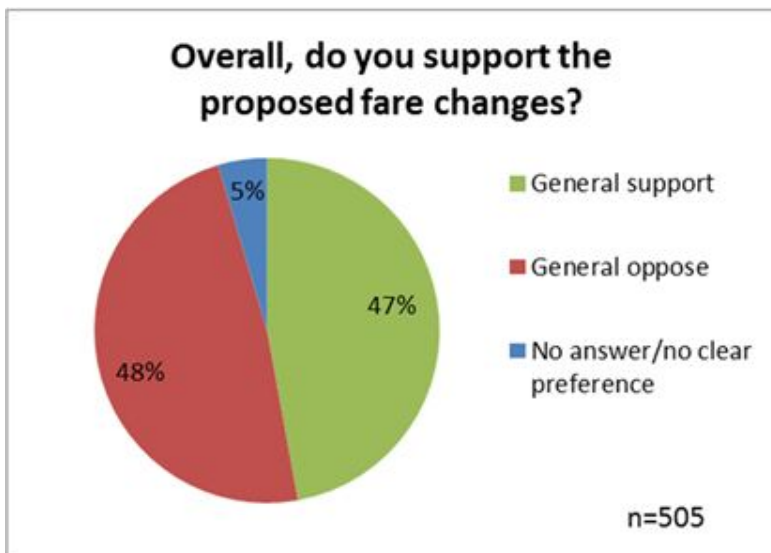
Hearing Committee comment

Officer recommendation noted and supported.

Attachment 1: Responses to questions

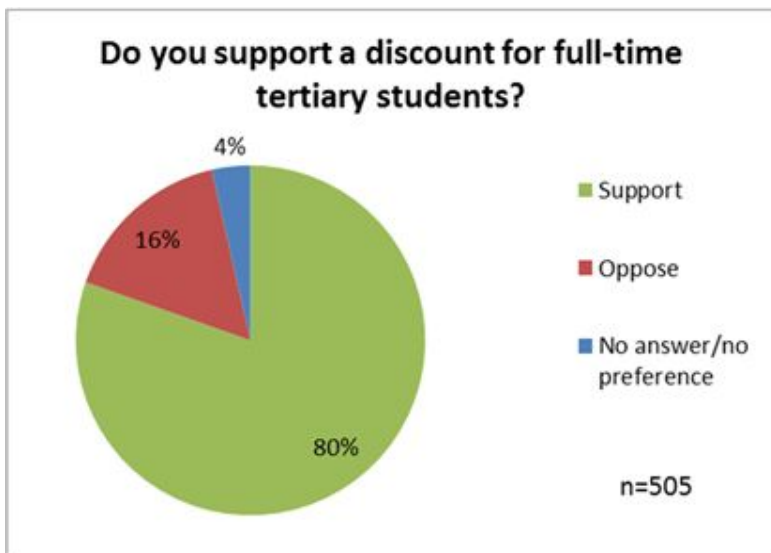
The following graphs summarise the responses to the six questions posed in the submission form.

1. Overall support for proposed fare changes



Submitters were equally divided as to whether they supported or opposed the proposed fare changes overall.

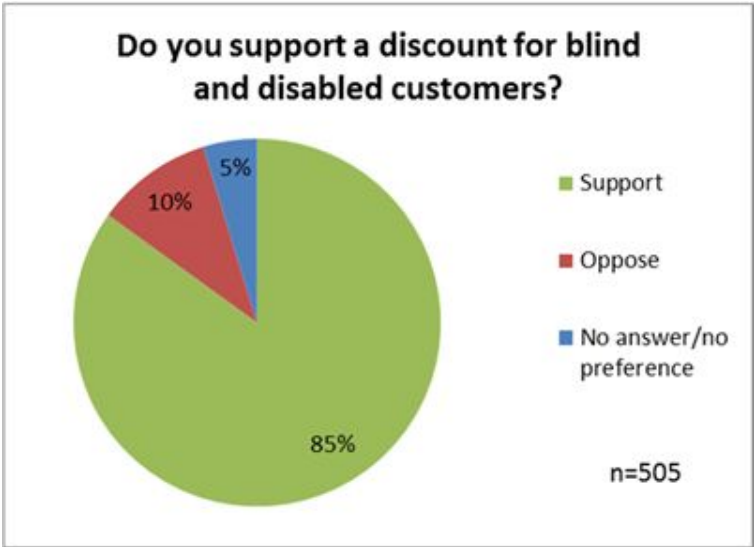
2. Support for tertiary student discount



Most submitters supported a discount for full-time tertiary students.

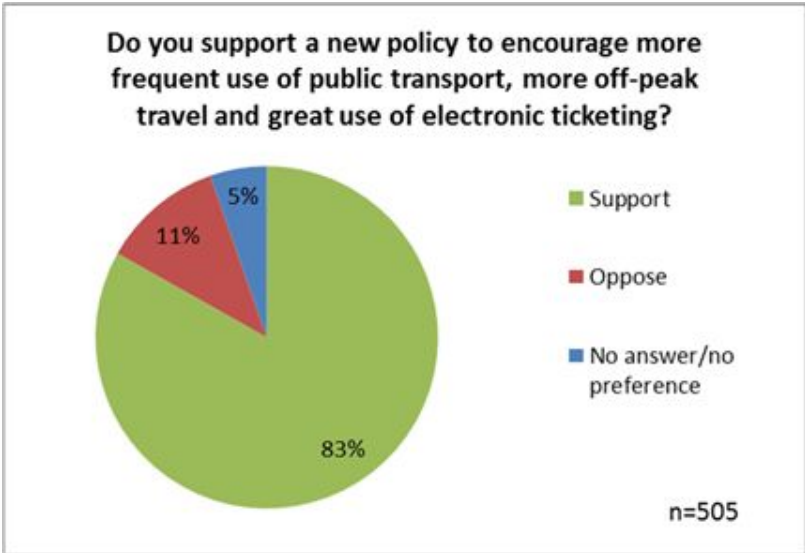
Additional views of tertiary students were canvassed by the Victoria University of Wellington Students' Association (VUWSA) and are discussed earlier in this report.

3. Support for discount for blind and disabled customers



The vast majority of submitters supported a discount for blind and disabled customers.

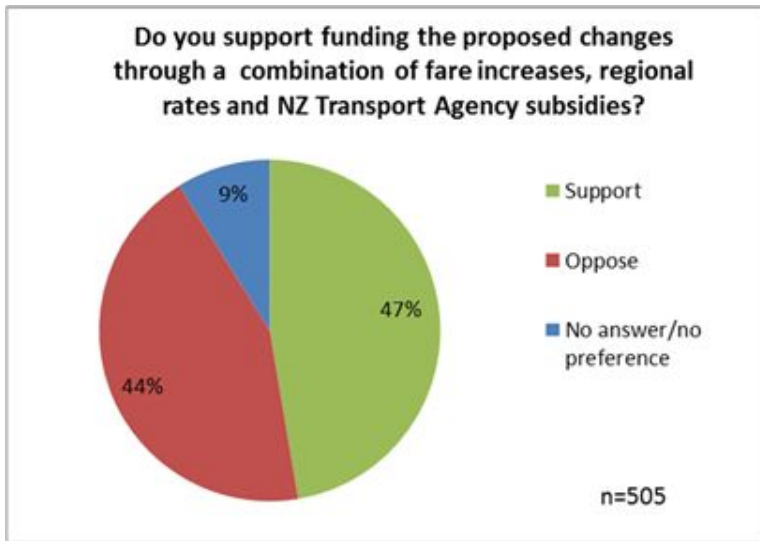
4. Support for policy to encourage more frequent use of PT, more off-peak travel and greater use of electronic ticketing



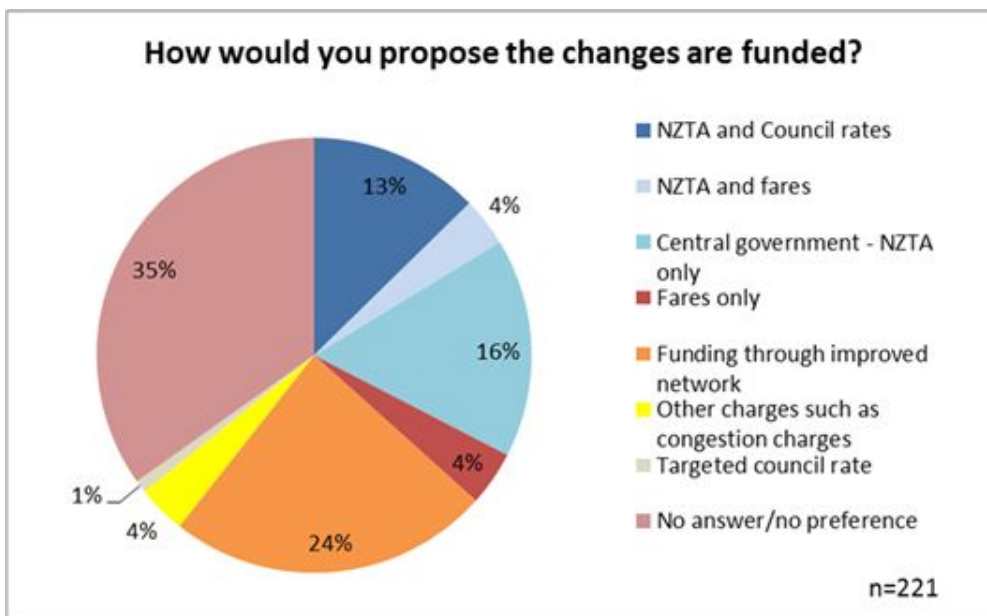
Most submitters supported a new policy to encourage frequent use of public transport, more off-peak travel and greater use of electronic ticketing. The majority of specific comments were in support for greater use of (or earlier implementation of) electronic ticketing.

Attachment 1 to Report 17.406 revised summary submissions

5. Support for funding proposed changes via combination of fare increases, regional rates and NZTA subsidy

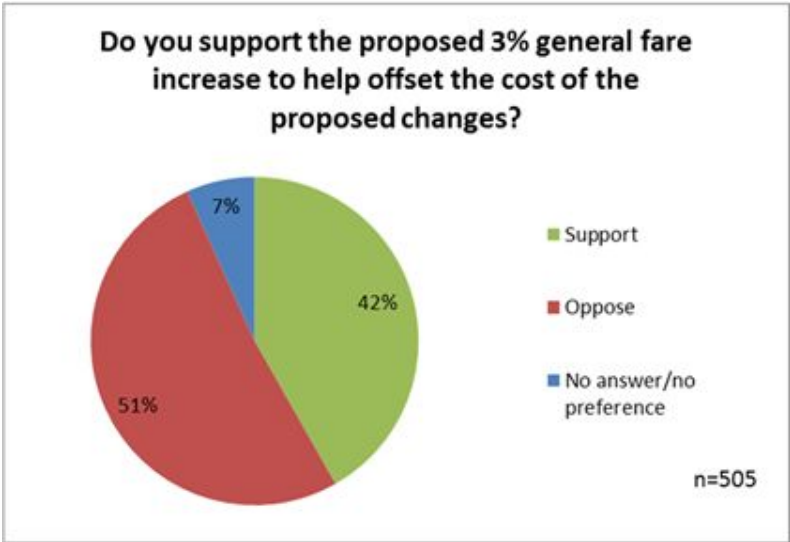


There were mixed views as to who should pay for the proposed fare changes. Submitters who did not support the proposed funding sources suggested various alternative funding models (below)



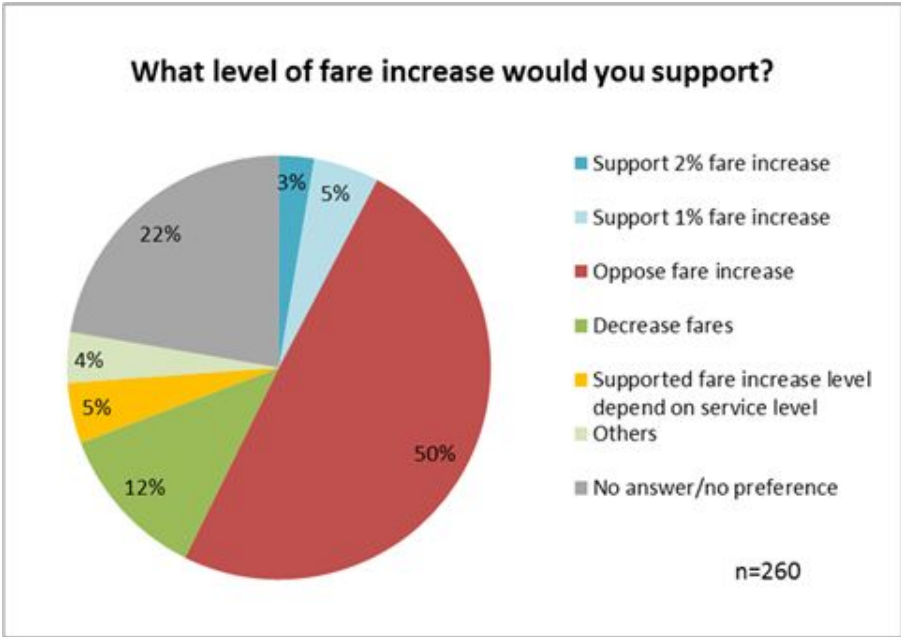
Attachment 1 to Report 17.406 revised summary submissions

6. Support for proposed 3% fare increase



Submitters were asked whether they supported the proposed 3% general fare increase to help offset the cost of the proposed changes. If they disagreed with the 3% fare increase, they were asked what level of fare increase they would support. The above figure shows that 42% of submitters supported the proposal 3% fare increase while 51% opposed it.

Submitters who opposed the proposal supported levels of fare increase as shown below.





Report 17.413
Date 18 October 2017
File CCAB-8-1313

Committee Council
Author Paul Kos, Manager, Public Transport Planning

Adoption of variation 3 to the Regional Public Transport Plan and agreement of final fares package

1. Purpose

To adopt variation 3 to the Regional Public Transport Plan and agree the final fares schedule and package as recommended by the Sustainable Transport Committee (Hearing Committee).

2. Background

At its meeting of 15 June 2016, Council resolved to undertake a review of public transport fares.

The review was undertaken to re-examine the high-level policy for fares set out in the Regional Public Transport Plan, including fare structure, fare pricing, transfers between vehicles, operators and modes, and policies on concessions, including new initiatives such as a tertiary student concession. It also considered options for rationalising fares in preparation for new ticketing systems and options (including fare or rate increases) to fund specific fare initiatives.

Taking account of the complex nature of the task, the methodology included a detailed long list and short list evaluation against the following review objectives:

1. To provide a simple and easy to understand fares regime for customers
2. To promote fairness and affordability for customers and funding partners
3. To implement a fares and ticketing system that attracts and retains customers
4. To support integration of the public transport network and the transition to Integrated Fares and Ticketing.

Engagement has been a common theme through-out the review, with internal and external viewpoints on various aspects of fares, helping to inform the development of a draft package of fare initiatives for consultation. A formalised reference group was used to guide the approach in the early stages.

The last phase of the review comprised consultation on *Better Metlink Fares* - a combination of the proposed variation to the Regional Public Transport Plan, the proposed fare initiatives and the proposed fare schedule. The Hearing Committee considered and heard submission. The Hearing Committee's recommendations are set out in this report.

3. Comment – *Better Metlink Fares* consultation

On 8 August 2017 the Sustainable Transport Committee approved the *Better Metlink Fares* consultation document and supporting information for public consultation.

The *Better Metlink Fares* package sought feedback on the following aspects:

- A variation to the Regional Public Transport Plan to introduce a new concessions policy, and a new policy to encourage off-peak travel, greater use of public transport and greater use of electronic ticketing.
- A proposed fare schedule incorporating a 3% fare increase and setting out the standard Metlink Fares to come into effect in July 2018.
- A series of fare initiatives (free bus transfers, 25% off-peak discount, 25% tertiary discount, 25% blind/disabled discount, standard 50% discount for school children, standard 25% premium for all cash fares, free bus connections to trains when using a rail monthly pass, Porirua zone boundary change, changes to ferry fares, Metlink Explorer day pass, discontinue school term passes, discontinue 30-day bus passes, discontinue return rail event tickets, allocate Ngauranga Station to zone 3).

Due to the extent of the changes to the policies in the Regional Public Transport Plan, the consultation approach followed Council's special consultative procedure. Consultation included a five week submission period from 14 August to 18 September and eight public meetings.

The Hearing Committee met on 4 and 5 October 2017 to hear 26 oral submissions, and to consider all submissions and feedback on the *Better Metlink Fares* consultation material.

A total of 505 written submissions were received on the *Better Metlink Fares* proposals. In addition, 253 submissions were received by the Victoria University of Wellington Students' Association (VUWSA) on three aspects of the fares review.

VUWSA also requested that its 1,769 submissions received in April 2017 by Greater Wellington Regional Council on its draft Annual Plan 2017/18, be considered as part of the consultation on *Better Metlink Fares*.

A summary of the written submissions was prepared for consideration by the Hearing Committee, along with comments and initial recommendations from officers (Report 17.382).

Following the hearing of submissions, the Hearing Committee deliberated and agreed the following recommendations to Council (Report 17.386):

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Considers the information in this report and attachments in determining its findings and recommendations to Council.*
4. *Recommends to the Council that it adopts Variation 3 to the Regional Public Transport Plan, enabling new fares policies to be enacted in time for the new bus network in mid-2018.*
5. *Recommends to the Council that it adopts the final fares package, incorporating changes proposed by the Committee, as follows:*
 - a. *Retain a 30-day bus pass for high frequency bus customers in zones 1 to 3 of the Metlink network at \$150.*
 - b. *Retain a 30 day bus pass for Eastbourne with the conditions and pricing to be confirmed.*
 - c. *Amend the proposal for a 25% discount for both blind and disabled customers to a 50% discount, with free travel for bona fide carers.*
 - d. *Amend the proposals for free bus connections with the rail monthly pass to be available in zones 4-14.*
 - e. *Retain return rail event tickets.*
6. *Recommends to the Council that it includes a budget provision of \$5.5m for the fares package in the Long Term Plan, noting that this amount includes a subsidy component from the NZ Transport Agency and that the package includes a 3% fare increase to come into effect with the new bus network in mid-2018.*
7. *Notes that the final budget will be confirmed through the Long Term Plan process and will take account of farebox recovery, operational costs, and the rate share of public transport funding. If a different budget provision is required, fares could be adjusted accordingly.*
8. *Notes to the Council that a separate pricing project will be undertaken to review fare equity between modes and develop the capping approach as part of the transition to Integrated Ticketing.*

In accordance with these recommendations, the variation to the Regional Public Transport Plan is set out [Attachment 1](#) to this report, the final fares schedule is set out in [Attachment 2](#) to this report, and the final fares package is set out in [Attachment 3](#) to this report.

4. Communication

Following adoption by Council, the variation to the Regional Public Transport Plan and associated fares schedule and fares package will be made available on the Council website and sent to key stakeholders.

All submitters who made submissions on the *Better Metlink Fares* consultation will be informed of the Council decisions and will be provided with a link to the summary of submissions, variation to the Regional Public Transport Plan and associated final fares schedule and package.

A media release has already been issued. Further communications and engagement on the changes will occur closer to the time of implementation, and as part of the wider communications and engagement process for the Public Transport Transformation Programme.

5. Consideration of Climate Change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

5.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Fare initiatives are designed to increase public transport patronage which can contribute to an overall reduction in gross regional greenhouse gas emissions by reducing the number of trips made in private vehicles.

5.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers recommend that climate change impacts have no direct relevance to the matters addressed by this paper.

6. The decision-making process and significance

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the LGA).

6.1 Significance of the decision

The subject matter of this report concludes a decision-making process on a matter that has been assessed to be of medium significance within the meaning of the LGA. The decisions sought in this report will have an impact on all public transport users in the region, and in particular, a large impact on those who will receive a benefit as a result of the proposed fare changes.

6.2 The decision-making process

Officers have taken into account the principles set out in section 14 of the LGA and the need to manage the Council's resources prudently.

The process for making these decisions is set out in the LGA and the Land Transport Management Act 2003. In accordance with section 83 of the LGA and section 125 of the Land Transport Management Act 2003 (which sets out decision-making process for the proposed variation to the Regional Public Transport Plan), the special consultative procedure has been followed.

6.2.1 Community views and preferences

Officers have also considered the need to take account of the community's views and preferences in relation to this matter.

Views and preferences have been made known to the Council due to the consultation on the fare review as set out above.

6.3 Engagement

In accordance with the Significance and Engagement Policy, officers determined that the appropriate level of engagement is 'consulting'. Further detail on consultation and engagement processes and results undertaken is contained in Report 17.406.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees that the matters in the report require the Council to make a decision with a medium degree of significance.*
4. *Agrees that the Council has sufficient knowledge of the views and preferences of persons likely to be affected by, or have an interest in, the matters for decision in this report.*
5. *Adopts variation 3 to the Regional Public Transport Plan as set out in Attachment 1 to this report.*
6. *Agrees to the final fares schedule and final fares package as set out in Attachments 2 and 3 to this report.*

7. *Agrees to include a budget provision of \$5.5m for the fares package in the Long Term Plan consultation document, noting that this amount includes a subsidy component from the NZ Transport Agency and that the package includes a 3% fare increase to come into effect with the new bus network in mid-2018.*
8. *Notes that minor editorial changes have been made to variation 3 to the Regional Public Transport Plan.*
9. *Notes that final budget will be confirmed through the Long Term Plan process and will take account of farebox recovery, operational costs, and the rate share of public transport funding. If a different budget provision is required, fares could be adjusted accordingly.*
10. *Notes that a separate pricing project will be undertaken to review fare equity between modes and develop the capping approach as part of the transition to Integrated Ticketing.*
11. *Notes that the final fares schedule for ferry is subject to negotiation with the ferry operator, and fares may change as a result of negotiation.*
12. *Delegates to the Chair the ability to make minor editorial changes prior to publication to correct errors and improve public understanding.*

Report prepared by:

Paul Kos
Manager, Public Transport
Planning

Report approved by:

Wayne Hastie
General Manager, Public
Transport

Attachment 1: Variation 3 to the Regional Public Transport Plan

Attachment 2: Fares schedule

Attachment 3: Fares package

Variation to fare policies in the Regional Public Transport Plan 2014 (variation 3)

This variation sets out the amendments to fare policies in the Regional Public Transport Plan (PT Plan). Additions to PT Plan are underlined and deletions are explained or ~~stuck-out~~.

Pages 56-59 (s4.5) Fare structure review and integrated ticketing

Replace all of section 4.5 from the top of page 56 through to the end of page 59 with:

“4.5 Implementation of integrated fares and ticketing

Improving the fares and ticketing system is a significant element in the modernisation of Wellington’s public transport network. In the period covered by the PT Plan, GWRC will deliver an integrated fares and ticketing system across all modes with the goal of attracting and retaining customers. The objective for fares and ticketing, along with supporting policies and actions, is set out in section 5.3 of the PT Plan.

The future fare structure for the Wellington region is based on the 2013 and 2017 fare structure reviews. The 2017 review confirmed the direction for fares and ticketing identified in 2013 while noting the following changes to the environment and progress made since the PT Plan was adopted in 2014:

- Extension of Snapper as an interim ticketing solution for all bus services from July 2018 and the expectation that an integrated fares and ticketing system will be available across all bus, train and ferry services from 2020 as part of a national ticketing approach.
- Changing customer expectations and options for ticketing and technology and a better understanding of fares and ticketing needs as a result of changes to the Wellington city bus network and new bus contracts.
- A perception that the current system and fares provide poor value for money and strong feedback from the tertiary education sector that public transport needs to be more affordable for student travel in order to attract students to the Wellington region.
- Progress made as part of a transition plan to simplify the fare system by reducing the number of fare products available and standardising fares rules.

The above changes to the environment led to the following fare policy changes which have been incorporated through a variation to the PT Plan:

- **Concession fares policy** – to provide concession fares to improve access to affordable public transport for those most dependent on public transport. The concessions are targeted for full-time tertiary students and customers with special accessibility needs (blind and disabled).
- **Policy to reward target behaviours** – to encourage target behaviours of more frequent use of public transport, more off-peak travel and greater use of electronic ticketing. The actions under this policy include fare capping in the future to encourage greater use of public transport, off-peak fares to encourage travel when there is spare capacity and ensuring that cash fares are priced at a premium over other fares to encourage greater user of electronic ticketing, while taking into account the needs of the people on low incomes.

GWRC is continuing to work towards an integrated fares and ticketing system that will be available across all bus, train and ferry services from 2020. This means that in the future people will be able to use one smart card or payment method for all their public transport travel, regardless of the services

or modes they need to use for their journeys. In addition, integrated fares will mean a simpler set of fare products with no additional costs (or transfer penalties) for journeys requiring more than one service or mode.”

Page 67 (s5.3) Fares and ticketing system

Revise the wording at the top of page 67 as follows:

“5.3 Fares and ticketing system

A fares and ticketing system that attracts and retains customers

In the future people will be able to use one smart card or payment method for all their public transport travel, regardless of the services or modes. In addition, integrated fares will mean a simpler set of fare products with no additional costs (or transfer penalties) for journeys requiring more than one service or mode.

During the period of this plan, major changes are proposed for the Wellington public transport fares and ticketing system. These changes aim to ensure a simple, easy-to-use system that provides better value for money for customers by, for example, replacing existing monthly and daily passes with a system of fare capping, where customers pay for a maximum number of trips each week across all bus, rail and ferry trips. The proposals for fares have been developed taking into account a range of factors, including the views and needs of the community and the transport disadvantaged, the impact on patronage, and the Government objective to grow the commerciality of public transport services.

Changes to fares and ticketing planned for 2018 are estimated to reduce farebox recovery to the lower end of the 55-60% farebox recovery target range. The fare structure review outlined in the PT Plan signals a range of changes to the fare structure that would decrease farebox recovery. Once these changes are made, the farebox recovery policy target will be reviewed and it is expected at that time the farebox recovery target for the public transport network as a whole will be set at 50%, down from the current 55%-60%.”

Page 67 (s5.3) Fares and ticketing system

Revise the actions under Policy 3.a to read:

“- Subject to a satisfactory business case, implement an integrated branded fares and ticketing system that covers all public transport operators for rail, bus and ferry services and enables the use of a single smartcard for all public transport services

- Maintain a zonal fare structure and provide simple, standardised fare products across all modes and services ~~Through the Wellington integrated fares and ticketing project, implement the following recommendations of the 2013 fare structure review:~~

- ~~o Maintain a zonal fare structure~~
- ~~o Simplify and standardise fare products across modes and services~~
- ~~o Remove transfer penalties, so that a trip between two points has the same fare irrespective of the number of vehicles used~~
- ~~o Provide discounts to reward regular users through fare capping, rather than ten-trip and monthly passes~~
- ~~o Provide an off-peak discount to spread peak demand and increase access to affordable services, subject to affordability~~

Page 68 (s5.3) Fares and ticketing system

Revise Policy 3.c to read:

“3.c Provide concession fares ~~for~~ to targeted groups to increase access to affordable services for transport disadvantaged who are most dependent on public transport”

Page 68 (s5.3) Fares and ticketing system

Revise the actions under Policy 3.c:

- “- Provide free travel ~~Continue to provide free services~~ for children under five
- Provide concessions for school children ~~and young people aged 5-18~~
- Provide concessions for full-time tertiary students
- Provide concessions for blind and permanently disabled
- Support the Government scheme providing free off-peak travel for SuperGold card holders. The Government has defined off-peak as between 9am and 3pm and after 6.30pm on weekdays, and all day on weekends and public holidays”

Page 68 (s5.3) Fares and ticketing system

Add a new policy after Policy 3.c:

“Policy 3.c.a: Provide incentives to reward target behaviours; target behaviours include more frequent use of public transport, more off-peak travel and greater use of electronic ticketing”

Page 68 (s5.3) Fares and ticketing system

Add new actions under new Policy 3.c.a:

- “- Provide an off-peak discount to spread peak demand
- Provide discounts to reward regular users through fare capping
- Price fares to encourage greater use of electronic ticketing”

Page 136 (Appendix 4) Assisting the transport disadvantaged

Revise the wording of item 4:

“4. Providing concession fares for children, full-time tertiary students, blind and permanently disabled, and elderly people (the latter through the Government funded SuperGold card scheme), and introducing off-peak fares.

Amend the table at the bottom of page 136 as follows:

Group	Access	Affordability	Other
People with physical or	Core network Total mobility	<u>Targeted concession</u> Proposed Off peak discount	Improving the accessibility of vehicles, infrastructure

mental disabilities	Scheme		and information
Elderly people (aged 65 and above)	Core network	SuperGold concession	Improving the accessibility of vehicles and infrastructure
People without driver licences, including children under driving age	Core network School buses	Youth <u>Child</u> discount Off peak discount	
People on low incomes, including beneficiaries	Core network	Proposed Off peak discount	
People living in 'high deprivation' neighbourhoods	Core network Community services	<u>Off peak discount</u>	
People in households without private vehicles.	Core network Community services	<u>Off peak discount</u>	

Fare schedule

The following tables show the new fares to be implemented from mid-2018.

Standard fares

Smartcard^(a) and 10-trip^(b) fares

Number of zones (Bus and Rail)		Adult	Child	Off-Peak	Tertiary student concession	Accessible concession
Bus & Rail	1	\$1.71	\$0.86	\$1.28	\$1.28	\$0.86
	2	\$2.81	\$1.41	\$2.11	\$2.11	\$1.41
	3	\$3.74	\$1.87	\$2.81	\$2.81	\$1.87
	4	\$4.20	\$2.10	\$3.15	\$3.15	\$2.10
	5	\$5.13	\$2.57	\$3.85	\$3.85	\$2.57
	6	\$6.52	\$3.26	\$4.89	\$4.89	\$3.26
	7	\$7.40	\$3.70	\$5.55	\$5.55	\$3.70
	8	\$8.27	\$4.14	\$6.20	\$6.20	\$4.14
	9	\$9.33	\$4.67	\$7.00	\$7.00	\$4.67
	10	\$10.26	\$5.13	\$7.70	\$7.70	\$5.13
	11	\$11.74	\$5.87	\$8.81	\$8.81	\$5.87
	12	\$12.62	\$6.31	\$9.47	\$9.47	\$6.31
	13	\$13.92	\$6.96	\$10.44	\$10.44	\$6.96
	14	\$14.83	\$7.42	\$11.12	\$11.12	\$7.42
Ferry	Days Bay	\$9.00	\$4.50	NA	\$6.80	\$4.50
	Seatoun	\$7.20	\$3.60	NA	\$5.40	\$3.60

^(a) Means fares paid by Snapper cards.

^(b) The price of 10-trip tickets are ten times the smartcard fares for the equivalent number of zones travelled. The fares are per trip price of the rail and ferry 10-trip tickets for the number of zones passed through (rail) or the specified sailings (ferry).

Cash fares

Number of zones (Bus and Rail)		Adult	Child ^(a)
Bus & Rail	1	\$2.50	\$1.50
	2	\$4.00	\$2.00
	3	\$5.00	\$2.50
	4	\$5.50	\$3.00
	5	\$6.50	\$3.50
	6	\$8.50	\$4.50
	7	\$9.50	\$5.00
	8	\$10.50	\$5.50
	9	\$12.00	\$6.00
	10	\$13.00	\$6.50
	11	\$15.00	\$7.50
	12	\$16.00	\$8.00
	13	\$17.50	\$9.00
	14	\$19.00	\$9.50
Ferry	Days Bay	\$12.00	\$6.00
	Seatoun	\$12.00	\$6.00

^(a) Child fares will be available to all school children in school uniform or with valid school photo identification subject to the Metlink conditions of carriage.

Rail monthly passes^(a)

Number of zones	Adult	Child
1	\$51.30	\$25.80
2	\$84.30	\$42.30
3	\$112.20	\$56.10
4	\$126.00	\$63.00
5	\$153.90	\$77.10
6	\$195.60	\$97.80
7	\$222.00	\$111.00
8	\$248.10	\$124.20
9	\$279.90	\$140.10
10	\$307.80	\$153.90
11	\$352.20	\$176.10
12	\$378.60	\$189.30
13	\$417.60	\$208.80
14	\$444.90	\$222.60

^(a) Rail monthly passes with an origin or destination in zone 1 (Wellington city) allow bus connections within zones 4 to 14. These pass products have replaced HuttPlus, KapitiPlus and WairarapaPlus tickets.

Bus 30 day passes

Fare product	Fare
Wellington 30-day bus pass (valid zones 1-3) ^(b)	\$150.00
Eastbourne 30-day bus pass (valid zones 1-3 and routes 81, 83, 84, 85, N88) ^(c)	\$200.00

^(b) The Wellington 30 Day pass allows travel on all Metlink bus services (including after midnight services) within Wellington city (zones 1 to 3).

^(c) The Eastbourne 30 Day pass allows travel on all Metlink bus services (including after midnight services) within Wellington city (zones 1 to 3) plus the selected direct bus routes between Eastbourne and Wellington (routes 81, 83, 84 and 85, N88).

Ferry monthly passes

Fare product	Adult	Child
Days Bay	\$270.00	\$135.00
Seatoun	\$270.00	\$135.00

Day passes (bus and rail)^(d)

Fare product	Fare
Metlink Explorer day pass - zones 1-3	\$10.00
Metlink Explorer day pass - zones 1-7	\$15.00
Metlink Explorer day pass - zones 1-10	\$20.00
Metlink Explorer day pass - zones 1-14	\$25.00

^(d) Four new zone-based versions of Metlink Explorer passes will replace all existing day pass products. Metlink Explorer day passes will be valid for travel from 9am weekdays and all-day weekends and public holidays. All Metlink Explorer day passes start in zone 1 and must be valid for all zones travelled through. Metlink Explorer day passes allow one child 15 years and under accompanying an adult to travel for free (as per existing Metlink Explorer rules).

Special fares

After midnight fares^(a)

Fare product	Fare
After Midnight N1, N2, N3 and N4 (Wellington)	\$7.00
After Midnight N5 (Wellington - Newlands)	\$7.00
After Midnight N6 (Within Tawa/Porirua)	\$7.00
After Midnight N6 (Wellington - Tawa/Porirua)	\$14.00
After Midnight N8, N22, N66, N88 (Within Hutt Valley)	\$7.00
After Midnight N8, N22, N66, N88 (Wellington - Hutt Valley)	\$14.00

Rail event tickets

Fare product	Fare
Wellington Event Ticket – Hutt/Kapiti Adult Single	\$8.00
Wellington Event Ticket – Hutt/Kapiti Child Single (half adult fare)	\$4.00
Wellington Event Ticket – Johnsonville Adult Single	\$4.00
Wellington Event Ticket – Johnsonville Child Single (half adult fare)	\$2.00
Wellington Event Ticket – Hutt/Kapiti Adult Return	\$16.00
Wellington Event Ticket – Hutt/Kapiti Child Return (half adult fare)	\$8.00
Wellington Event Ticket – Johnsonville Adult Return	\$8.00
Wellington Event Ticket – Johnsonville Child Return (half adult fare)	\$4.00

Kapiti Combo tickets^(a)

Fare product	Fare
Waikanae bus/train combo – 2 zones	\$7.00
Otaki bus/train combo – 5 zones	\$12.00

^(a) The Kapiti combo tickets must be purchased on the bus in Waikanae or Otaki and include train connections.

Harbour ferry return fares

Fare product	Fare
Adult return	\$24.00
Child return	\$12.00
Family return	\$66.00
Matiu Somes (Commercial) - Adult return	\$25.00
Matiu Somes (Commercial) - Child return	\$13.00
Matiu Somes (Commercial) - Family return	\$68.00
Harbour Explorer Excursion (Commercial) - Adult return	\$24.00
Harbour Explorer Excursion (Commercial) - Child return	\$12.00

Otaihanga and Paekakariki shopper services

Fare product	Fare
Paekakariki – Paekakariki station	\$2.50
Otaihanga – Paraparaumu	\$3.50
Leinster Ave – Paraparaumu	\$3.50
Paekakariki – Paraparaumu	\$5.00

Wairarapa Line minimum fares

Fare product	Fare
Minimum fare – 8 zones	Varies
Surcharge on peak outbound services for 4-6 zones monthly passes	\$5.00
Surcharge on peak outbound services for 7 zones monthly passes	\$1.00

Fares package

This attachment sets out the final package of fares based on recommendations of the Sustainable Transport Committee (Hearing Committee) held on 4 and 5 October 2017 following the public consultation on the proposed 'Better Metlink Fares' between 14 August and 18 September 2017.

General 3% fare increase	<p>A 3% fare increase will apply to the Metlink base fares (i.e. the smartcard fares for adults travelling during peak periods for each zone). All other fares will be set based on the base fares.</p> <p>The new fare schedule will come into effect from July 2018.</p>
Retain existing fare zone system	<p>The existing fare structure consists of 14 concentric zones radiating out from Wellington city and will continue to be the basis for fare calculations.</p> <p>Fares will be calculated based on the number of zones passed through in a journey including the origin and destination zones.</p>
Zone boundary changes	<p>Move Porirua zone boundary north</p> <p>The Porirua zone boundary will be moved northwards so that zone 5 will include Titahi Bay, Waitangirua, Ascot Park and most of Papakowhai.</p> <p>The boundary will pass through Paremata Station (which will be in both zones 5 and 6), north of bus stops at 17 Tirowhanga Road and 51 Omapere Street.</p> <p>Allocate Ngauranga Station into zone 3</p> <p>The Ngauranga Station will be allocated to zone 3. GWRC will work with Transdev to monitor likely impacts of the zone boundary changes.</p>
Standardise existing fares	<p>50% discount for all school students</p> <p>All school children will receive a consistent 50% discount off the equivalent adult fares for the number of zones travelled, whether using a Snapper card with child concession or paying in cash.</p> <p>25% premium for all cash fares</p> <p>Cash fares will continue to be set at 25% premium over the equivalent smartcard fares for the number of zones passed through in a trip, and will be rounded up to the nearest 50 cents. The change will apply the premium consistently to all fares across all number of zones.</p> <p>Except for the 50% discount for school students, no other discounts will apply to cash fares.</p>
Continue existing free travel concessions	<p>Free travel for SuperGold Card holders</p> <p>GWRC will continue to provide free travel for all SuperGold Card holders during SuperGold off-peak hours.</p> <p>Free travel for children under five years</p> <p>GWRC will continue to provide free travel on all Metlink services for accompanied children under five years.</p>

New fare products and concessions

Free bus to bus transfers

Smartcard fares will be integrated across Metlink bus services so that there will be no additional costs for journeys requiring travel on more than one Metlink bus service.

For journeys involving up to four transfers between Metlink buses, no additional fares will be charged if customers use their Snapper cards and tag on to a next bus within 30 minutes of tagging off the previous bus.

To benefit from the free transfer, customers will have to tag on and off and resume their journey within the same zone where they tagged off their earlier bus.

25% off-peak discount

A 25% discount will apply to adults using Snapper card or 10-trip rail passes.

Off-peak fares will apply to applicable services between 9:00am and 3:00pm and after 6.30pm weekdays and all day weekends and public holidays (aligned with the SuperGold off-peak hours).

For bus customers, off-peak fares will apply automatically upon tag-on using a Snapper card.

For rail customers, a new 10-trip ticket will be available specifically for use in off-peak periods only. Regular 10-trip tickets will be valid for use at all times.

The off-peak discount will not apply to child or other reduced fares, to ferries or to after-midnight services.

25% discount for full-time tertiary students

A 25% discount off the adult smartcard fares will be available at all times to full-time tertiary students using Snapper card or a new rail 10-trip concession ticket.

Students will have to register for the concession and make sure the concession is loaded on their Snapper cards or will need to be in the possession of a valid concession ticket when travelling by train or on a ferry service.

GWRC will work with tertiary institutions and the bus, rail and ferry operators of Metlink public transport services to set up appropriate means and processes to register Snapper cards and administer concession tickets.

The tertiary discount that is currently available on ferries will be aligned with the discounts on buses and trains.

50% discount for blind or disabled customers

A 50% discount off adult smartcard fares will be available at all times to blind (via Foundation of the Blind identification) or permanently disabled customers (via Total Mobility identification) using Snapper cards or a new rail 10-trip concession ticket.

Blind and disabled customers will have to register for the concession and make sure the concession is loaded on their Snapper cards or will need to be in the possession of a valid concession ticket when travelling by train or on a ferry service.

Free travel for carers accompanying the blind and disabled customers

Bona fide carers who will be accompanying the eligible disabled and blind

customers will be entitled for free travel on Metlink services.

GWRC will work with the relevant institutions and the operators of Metlink public transport services to establish appropriate means of administering the free travel for carers.

Changes to period pass products

Four new Metlink Explorer day passes

The following four new versions of the Metlink Explorer day pass will replace all other bus and rail day passes:

- Metlink Explorer valid within zones 1 to 3
- Metlink Explorer valid within zones 1 to 7
- Metlink Explorer valid within zones 1 to 10
- Metlink Explorer valid within zones 1 to 14

The new Metlink Explorer passes will allow unlimited travel for one day after 9.00am on weekdays and all day on weekends and public holidays on all Metlink bus (including after midnight services) and Metlink rail services. The Metlink Explorer passes will not be valid on Ferry services. The day passes will allow the holder to take a child aged 5-15 for free.

GWRC will confirm the terms and conditions for the new Metlink day passes.

The change will not affect the current combined bus and rail return tickets (**Kapiti Combo tickets**). These return tickets will be retained.

Free bus connections to trains when using a Metlink rail monthly pass

Metlink rail monthly passes with origin or destination in Zone 1 will allow free connections to designated Metlink bus services within zones 4 to 14.

The current set of station to station rail monthly passes will be changed to zone to zone passes.

GWRC will confirm the applicable services and other terms and conditions for the new Metlink rail monthly passes with bus connections in zones 4 to 14. The applicable services will exclude the direct bus services that connect the areas beyond zones 1 to 3 to Wellington city and for which separate 30-Day bus pass products will be available.

Metlink 30-day bus pass (Wellington routes)

An electronic Metlink 30-day bus pass will be available for frequent bus users travelling within zones 1 to 3 of the Metlink network, including the Wellington city's north-western suburbs.

The Wellington 30-day bus pass will only be available on Snapper cards.

GWRC will confirm the terms and conditions for the new Metlink pass product.

Metlink 30-day bus pass (Wellington and Eastbourne routes)

An electronic Metlink 30-day bus pass will be available for bus commuters travelling on direct bus routes between Eastbourne and Wellington city.

The 30-day bus pass will only be available in electronic form on Snapper cards.

GWRC will confirm the terms and conditions for the new Metlink pass product.

Align ferry fares with

GWRC will work with the operator of ferry services to align ferry fares with wider fare structure. Where applicable, the fare setting rules that apply to bus and rail

wider fare structure	<p>fares will also apply to ferry fares.</p> <p>The following fares will be discontinued, subject to negotiation with the operator of ferry services:</p> <ul style="list-style-type: none"> • Tertiary student one way and return cash tickets • Tertiary student monthly pass • Tertiary student return tickets (Matiu Somes Island and Harbour Explorer Excursion (commercial)) <p>A new ferry child monthly pass will be introduced to all eligible school children.</p>
Special fares	<p>Fares for after mid-night services</p> <p>Special fares will continue to apply to after mid-night services. A separate review will consider after midnight bus fares, and will look at fare levels compared to alternative taxi and other travel options and whether fares should be aligned with regular bus fares.</p> <p>Rail special event tickets</p> <p>The existing rail special event tickets will be retained.</p> <p>Where required, GWRC will provide additional bus services to cater travel to special events in Wellington and will set fares for buses catering special events.</p> <p>In the lead up to the fully integrated fares and ticketing system, GWRC will continue to work with operators of the Metlink public transport services, event organisers and venue operators to include travel by public transport to and from events in the ticket price of larger events.</p>
Fare products to be discontinued	<p>The following fare products will be discontinued or will not be accepted on Metlink services.</p> <ul style="list-style-type: none"> • All existing smartcards except for Snapper cards • All school term passes • Go Wellington, GetAbout and Hutt Commuter 30 Day passes • BusAbout and Family BusAbout day passes • Wairarapa Day Excursion passes (both adult and child versions) • Rail Day Rover and 3-Day Weekend Rover tickets • Rail combined bus and rail monthly passes • Metlink Explorer (current version) • Rail off-peak tickets • All existing bus transfer tickets (including transfer on cash fares) • The 3 zones maximum fare on GO Wellington through-routes • The existing blind, IHC, disabled and beneficiary fares • All other commercial fares (will not be accepted on Metlink services)
Transition to integrated ticketing	<p>The fare changes in this package are an important step towards a simple, consistent and more equitable integrated fares and ticketing system (IFT) across the public transport network.</p> <p>Further work will be undertaken in the next phases of transition to the integrated ticketing that may require additional changes to fares and fare products as part of the simplification of fare structure.</p> <p>A separate pricing project will be undertaken to review fare equity between modes and develop the capping approach as part of the transition to integrated</p>

ticketing. The pricing project will consider all relevant factors, including fare levels, distance travelled, service levels, population densities, communities serviced, demography, passenger type, role of public transport modes, costs of delivering services, infrastructure requirements, ticketing systems and sources of funding.



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Committee	Council
Author	Victoria Owen, Advisor, Strategic and Corporate Planning

Significance and Engagement Policy

1. Purpose

To inform Council of the results of a review of Greater Wellington Regional Council's (GWRC's) Significance and Engagement Policy, and to seek agreement to the proposed amendments.

2. Introduction

Under the Local Government Act 2002 (the Act) GWRC must adopt a Significance and Engagement Policy (Policy) and amend it "from time to time".

The current Policy was adopted in 2015. In preparation for the 2018-2028 LTP we have carried out a review of the Policy and we propose some minor amendments. The proposed Significance and Engagement Policy is included as [Attachment 1](#).

3. Background

Section 76AA, of the Act states:

The purpose of a significance and engagement policy is

- (a) *to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and*
- (b) *to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and*
- (c) *to inform the local authority from the beginning of a decision-making process about –*
 - (i) *the extent of any public engagement that is expected before a particular decision is made; and*
 - (ii) *the form or type of engagement required.*

There is no obligation in the Act to review the Policy. However, it has been GWRC's practice to review ours each triennium, as a summary is needed for the final LTP.

4. The review process

The Policy has been comprehensively reviewed. This included consideration of:

- The level of use and effectiveness of the policy over the last 3 years
- Any changes in practices in the last 3 years suggesting a change to the policy
- Feedback from departments with a key interest in the policy (Democratic Services, Community Engagement, Strategic and Corporate Planning, and Te Hunga Whiriwhiri)
- Policies from other councils
- Updated SOLGM¹ guidance
- Recent feedback on community preferences for engagement
- Current reviews which could impact on the Policy.

5. Changes to the Policy

The proposed Policy is a revision of our existing Significance and Engagement Policy, which is still considered fit for purpose. The Policy achieves a good balance between meeting legislative compliance and providing clear guidance to the community and GWRC staff on what, when, and how people can expect to be engaged in decision making. It provides flexibility for GWRC around specific levels of engagement and techniques. This acknowledges that the needs of each decision-making process is different and avoids the risk of tying down a particular approach which may not be relevant. We consider the Policy to be consistent with best practice, including current SOLGM guidance. The Policy has also been reviewed by external legal experts.

The changes we propose are minor and more about clarification and simplification than changing the intent or content of the Policy. They include:

Language

- Re-drafting the document into plain English, making it easier to read and understand.

Determining significance

- Changing one of the criteria for determining the degree of significance:
 - Removing the criteria around an issue "having a history of generating public concern in Wellington or New Zealand generally" (section e. iii)

¹ Society of Local Government Managers

in the 2015 policy) as this can be covered by the criteria on “Community Interest”.

- Adding a new criteria “Consistency with existing Council policy and strategy” (new section d. 3). Many councils have added this criteria to their second generation policies. It requires us to focus on whether the decision being made is consistent with existing policies and the impact this would have on the significance of a decision.
- Specified that the criteria are of equal weight and will be considered together.

Engagement

- Removed the specific reference to the use of the Special Consultative Procedure when required by law (section h. in 2015 policy). We have retained a broader statement about consulting on decisions in the manner prescribed by law when required (new section i.). This covers the use of the Special Consultative Procedure.
- Expanded on our approach to engagement with Māori to reflect the different types of engagement – partnerships with mana whenua, statutory consultation with mana whenua, and enabling participation by taura here.

Schedule 1 – Strategic Assets

- We have reviewed the list of strategic assets and consider that no changes are required.

Schedule 2 – Community engagement approach

- Added new text and headings, and revised sections, to make the schedule easier to read and understand.
- Removed the tables outlining mandatory and non-mandatory consultation as the important information is covered in other areas of Schedule 2.

Schedule 3 – Definitions

- We have reviewed the list of definitions and consider that no changes are required.

6. Supporting information

A Community Engagement Strategy and Toolbox were developed to support the 2015 Significance and Engagement Policy. The Strategy and Toolbox were intended to promote a consistent approach to community engagement across GWRC and encourage good practice.

Councillors have indicated their desire for GWRC to find new ways to engage with the community, particularly ‘hard to reach’ groups. As a result, the organisation is currently reviewing its broad approach to engagement, branding and

communication. The Engagement Team will consider the current Community Engagement Strategy and Toolbox as part of the wider review.

As there is no statutory timeframe for reviewing the Policy, should changes be needed as a result the wider review of engagement then these can be made at any time.

7. Communication

The Significance and Engagement Policy will be referenced in the 2018-2028 LTP. It will also be placed on the GWRC website. No further communication of the policy is planned at this time.

8. Consideration of Climate Change

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

9. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Act. Part 6 sets out the obligations of local authorities in relation to the making of decisions.

9.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

9.2 Engagement

In accordance with the significance and engagement policy no engagement on the matters for decision is required.

10. Recommendations:

That the Council:

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

3. *Approves the Significance and Engagement Policy in Attachment 1.*

Report prepared by:

Victoria Owen
Advisor, Policy and Strategy

Report approved by:

Nicola Shorten
Manager, Strategic and
Corporate Planning

Report approved by:

Luke Troy
General Manager, Strategy

Attachment 1: Significance and Engagement Policy



Greater Wellington Regional Council

Significance and Engagement Policy

October 2017

Significance and Engagement Policy

Purpose

This policy lets you know how you can be engaged in Greater Wellington Regional Council's decision-making processes. It sets out Greater Wellington Regional Council's general approach to identifying the significance of decisions¹ and our approach to engaging with the community. This policy is also a guide for elected members and council staff as to the level and form of engagement that may be required from the start of a decision making process.

Our general approach

- a. It is important for Greater Wellington Regional Council to engage with the community so that we understand the views of the people who are likely to be affected by a decision.
- b. Greater Wellington Regional Council will consider the significance of a decision, and the level and type of engagement required, early in any decision making process, and review it if necessary over time.
- c. The level of engagement with the community will reflect the significance of the decision.

Determining significance

- d. Greater Wellington Regional Council will determine the degree of significance on a case by case basis by considering the extent to which the matter has:
 1. **Importance to the region** – the impact of the decision on the current and future wellbeing of the region
 2. **Community interest** – the extent to which individuals, whanau, hapū and iwi, organisations, groups and sectors within the community are particularly interested in, or affected by, the decision and any history of public concern
 3. **Consistency with existing Council policy and strategy** – the extent of inconsistency and the likely impact
 4. **Impacts on the Council's capability and capacity** – the impact on the objectives set out in the Financial Strategy, Ten Year Plan and Annual Plan.
- e. The criteria are of equal weight and will be considered as a whole: not in isolation.
- f. Greater Wellington Regional Council will consider a decision to be significant if it is assessed to:
 - have a high degree of significance (based on an assessment of the factors set out in d. above); or,
 - it meets any one or more of the following criteria:
 - The proposal substantially affects Greater Wellington Regional Council's ability to deliver the levels of service for any significant activity

¹ In this policy we use the term 'decision' to cover proposals and decisions in relation to issues, assets, activities, and other matters.

- The proposal results in the transfer of ownership or control of a strategic asset as defined by the Act or listed in this policy (see Schedule 1).
- g. Council officers will use decision-making guidelines to assist them to provide advice to the Council on the significance of decisions².

Engagement

- h. All consultation will be carried out in accordance with the consultation principles set out in the Local Government Act 2002 and the Community Engagement Approach set out in Schedule 2.
- i. Greater Wellington Regional Council will consult using the manner prescribed by law when this is required.
- j. When not required by law to consult on a decision, the need for consultation and the appropriate level and form of engagement will be assessed and determined on a case by case basis.
- k. In general, the more significant the issue the greater the need for community engagement.
- l. Decisions that are consistent with Greater Wellington Regional Council's Long Term Plan or another policy or plan that has been subject to consultation required by legislation will not usually require further engagement.
- m. Council officers will refer to the Community Engagement Approach set out in Schedule 2 and any relevant guidelines³ to assist them to provide advice to the Council on the level and form of engagement required for a decision, and community preferences.
- n. Greater Wellington Regional Council has appropriate processes in place for engaging with Māori. This includes processes to:
 - Support our partnerships with mana whenua, as set out in the Memorandum of Partnership 2013
 - Fulfil statutory requirements to consult with mana whenua (such as under the Resource Management Act 1991)
 - Enable taura here⁴ to participate in issues of interest to the regional community⁵.

Reporting

- o. Every report to the Council (or its committees) that seeks a decision will include a statement of the significance of the decision and any engagement that is proposed or has been undertaken, assessed under this policy and any other relevant guidelines⁶.

² Greater Wellington Regional Council 'Decision Making processes and guidelines' 2013

³ Greater Wellington Regional Council 'Decision Making processes and guidelines' 2013, Greater Wellington Regional Council 'Community Engagement Strategy' 2015, and Greater Wellington Regional Council 'Community Engagement Toolbox' 2015.

⁴ Taura here, also known as matāwaka, refers to Māori who live in the Wellington region but are not affiliated to the iwi or groups holding mana whenua status here.

⁵ Greater Wellington Regional Council 'Maori Partnership Framework' 2017

⁶ Greater Wellington Regional Council 'Decision Making processes and guidelines' 2013, Greater Wellington Regional Council 'Community Engagement Strategy' 2015, and Greater Wellington Regional Council 'Community Engagement Toolbox' 2015.

- p. When Greater Wellington Regional Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be followed.

Feedback

- q. Greater Wellington Regional Council will provide information about our final decision in a form appropriate to the significance of that decision and the level and form of the engagement already undertaken.

Schedule 1 - Strategic Assets

Section 5 of the Local Government Act defines “strategic asset” as any of the following:

- a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in—
 - i. a port company within the meaning of the Port Companies Act 1988:
 - ii. an airport company within the meaning of the Airport Authorities Act 1966

Assets and groups of assets that Greater Wellington holds and considers to be strategic assets are:

- Greater Wellington's regional bulk water supply network, including storage lakes, treatment plants, pipelines and reservoirs
- Greater Wellington's flood protection assets on the region's major waterways, including stopbanks
- Greater Wellington's regional parks and forests network (including water supply catchments)
- Greater Wellington's plantation and reserve forest lands (taken as a whole)
- Greater Wellington's ownership interest in CentrePort Limited (via the WRC Holdings Group)
- Greater Wellington's harbour navigation aids and communications systems (taken as a whole)
- Greater Wellington's ownership, via the WRC Holdings Group, of rail rolling stock and other rail infrastructure required for the operation of the passenger rail system in the region (taken as a whole).

In addition, Greater Wellington is a joint settlor with the Wellington City Council of the Wellington Regional Stadium Trust and although it has no ownership interest in the Stadium Trust, Greater Wellington considers the stadium to be a strategic asset of the region.

A decision to transfer ownership or control of a strategic asset cannot be made unless it has first been included in the Long-Term Plan (and in a statement of proposal relating to the Long-Term Plan).

Acquisition or disposal of a small component of a strategic asset will not trigger this provision, unless it is considered that the component is an integral part of the strategic asset and that its acquisition or disposal would substantially affect the operation of the strategic asset.

Schedule 2 – Community Engagement Approach

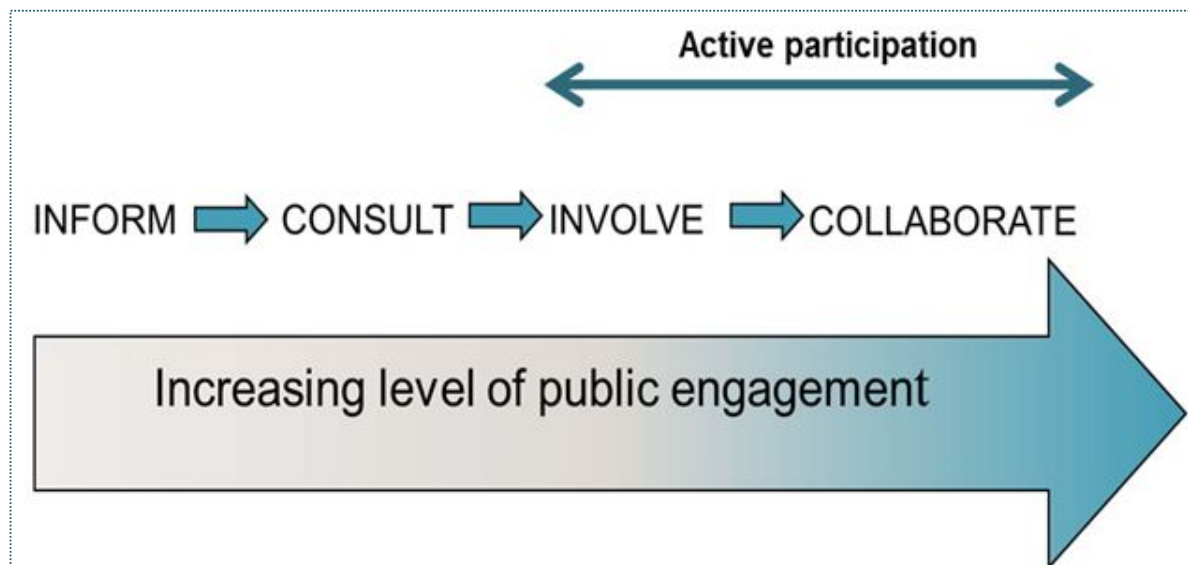
Once we have determined the level of significance of a decision, there are two important steps in deciding how we will engage with the community on an issue.

1. Establish the level of engagement required, and then
2. Consider the methods for engagement

Step 1 – Establish the level of engagement required

To ensure that we engage with communities at the right level, we work with an engagement spectrum⁷. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders. In general, the more significance, the greater the need for community engagement.

This spectrum has an increasing level of public participation: from ‘informing’ through to ‘collaborating’. ‘Informing’ stakeholders is a one way process of providing information, whereas ‘collaboration’ with stakeholders implies an increase in public participation in, and impact on, decision making.



We will consider how much engagement is necessary to understand the community’s views before a decision is made, and the extent to which engagement can influence the decision (in some cases options may be limited by legislation or other factors).

Using the engagement spectrum as a basis, we will consider the levels of engagement depending on whether or not:

1. A decision is of no significance and there may be a very small group of people affected by, or with an interest in the decision. They may need to be informed about the issue or decision.

⁷ Adapted from work of the International Association for Public Participation

2. The decision is important to only a relatively small group of people or is of low impact to many. They should be **informed** about the issue, alternatives and options and may be **consulted** so that their views, aspirations, and any alternative options are understood and considered.
3. The decision is important to a small group of affected people, and may be of interest to the wider community. They may be **informed, consulted** and/or **involved** so that they can contribute to analysis, options, or decisions.
4. For decisions of higher significance, the council may elect to **collaborate**, or partner, with a community in any aspect of a decision including the development of alternative options and identification of preferred solutions. This is more likely to occur where there is a distinct group of people particularly affected or interested.

The table below provides information on the characteristics of the different levels of engagement and examples of when we might use them:

Table 1 – Characteristics and examples of different levels of engagement

Inform	Consult	Active participation	
		Involve	Collaborate
<p>Characteristics</p> <p>One-way communication providing information that is accurate, relevant and easy to understand about something that is going to happen or has happened.</p>	<p>Characteristics</p> <p>Two-way process designed to obtain public feedback about issues and proposals initiated and defined by GWRC to inform decision-making.</p>	<p>Characteristics</p> <p>Two-way participatory process which involves working directly with community members. Participants have opportunity to actively identify issues and options to ensure that their concerns and aspirations are understood and considered prior to decision-making.</p>	<p>Characteristics</p> <p>Working in partnership with the community in each aspect of the decision-making process, to ensure understanding of all issues and interests and develop alternatives and identify preferred solutions.</p>
<p>Example –</p> <p><i>Issue:</i> Household emergency plans and preparedness</p> <p><i>Tools:</i> Leaflets, local newspaper articles, website information</p> <p><i>When:</i> Following the development of information and guidance</p>	<p>Example –</p> <p><i>Issue:</i> Annual Plan</p> <p><i>Tools:</i> Submissions and hearings process</p> <p><i>When:</i> When a draft Plan has been developed</p>	<p>Example –</p> <p><i>Issue:</i> Parks Network Plan amendments</p> <p><i>Tools:</i> Focus groups and online discussion forum to identify issues and develop options.</p> <p><i>When:</i> At an early stage, prior to a draft plan being developed.</p>	<p>Example –</p> <p><i>Issue:</i> Regional Plan development</p> <p><i>Tools:</i> Waitua Committee approach – form of community advisory committees</p> <p><i>When:</i> Regularly throughout the process</p>

Step 2 – Consider the methods for engagement

Once we have established the right level of engagement on an issue, we can consider how we will engage with the community.

How does the community want to engage with Council?

In October 2017 we asked members of the community about how they would like to engage with Greater Wellington⁸. They told us that engaging online was the most preferred option for both major and smaller initiatives/decisions. This preference was regardless of age, gender, ratepayer status and location within the region.

Respondents were asked to rank how they preferred to be consulted by Greater Wellington Regional Council on initiatives and decisions.

Preferences ranked from most preferred to least were:

1. Participating in online surveys, discussion forums, or other online tools
2. Attending information sessions with experts
3. Blog or email notification
4. Completing a submission, followed by an option for a meeting
5. Viewing public meetings or information sessions live via the internet and participating online
6. Attending local community meetings
7. Participating in focus groups
8. Participating in co-design activities
9. Participating in community committees
10. Through an App
11. Attending public meetings

We will have regard to these preferences when considering the appropriate engagement method for a particular matter.

Possible methods for engagement

We have many options for how we communicate and work with the community. The council will select the methods that it considers appropriate after considering criteria such as:

- Who is affected
- The significance of the matter
- The community's preferences for engagement
- What information already exists on community views
- The circumstances surrounding the decision

We will ensure the community is provided with all the information required to engage effectively and make an informed decision. When we engage we will let people know:

- What is proposed
- Why
- What options we have
- Our preferred option and why
- Costs and rating impact if any

⁸ We asked members of our Citizen's Panel to answer questions about how they prefer to engage with Council.

- How the community can have a say
- The timeframe and process
- How we will communicate the outcome

Here are some examples of the differing levels of engagement and the types of tools and methods that may be used at each level of engagement.

Table 2: Examples of possible engagement methods

COMMUNITY ENGAGEMENT METHODS	SIGNIFICANCE		
	Low	Med	High
1. Informing			
<ul style="list-style-type: none"> • Posters, newsletters, postcards, advertising and publications • Local newspaper press releases, publications, radio and TV interviews • Public meetings, open days, exhibitions • Website or email updates • Social media updates via Twitter, Facebook, podcasts 			
2. Consulting			
<ul style="list-style-type: none"> • Submissions and hearings processes • Surveys, feedback form, polls • Interviews • Citizens panels, focus groups • Public meetings or surgeries 			
3. Involving			
<ul style="list-style-type: none"> • Meetings and workshops with interested parties to identify issues and shape options • Public visioning events, ideas competitions • Consensus conference (questioning experts before making recommendation) • Workshops, roadshows, world café • Online discussion forums • Citizens' juries and panels 			
4. Collaborating			
<ul style="list-style-type: none"> • Community advisory committee • Consensus building and participatory decision making forums 			

Schedule 3 – Definitions

Community	<p>A group of people living in the same place or having a particular interest in common. This includes:</p> <ul style="list-style-type: none"> • Communities of place (towns, suburbs, neighbourhoods) • Communities of interest (special interest groups).
Decisions	<p>Refers to all the decisions made by or on behalf of Council including those made by officers under delegation.</p>
Engagement	<p>Community engagement is the process of ensuring that communities of people within our region are able to be involved through a range of mechanisms in the planning, development and delivery of programmes and services affecting their communities. It includes the provision of timely, accessible and complete information; appropriate forms of consultation; and enabling communities to actively participate in influencing decision-making and service delivery where applicable.</p>
Significance	<p>As defined in Section 5 of the LGA2002 “in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—</p> <ul style="list-style-type: none"> (a) the district or region: (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter: (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so
Significant	<p>Significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance</p>
Strategic asset	<p>As defined in Section 5 of the LGA2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—</p> <ul style="list-style-type: none"> (a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and (c) any equity securities held by the local authority in— <ul style="list-style-type: none"> (i) a port company within the meaning of the Port Companies Act 1988: (ii) an airport company within the meaning of the Airport Authorities Act 1966”



Report 2017.319
Date 5 September 2017
File CCAB-8-1263

Committee Council
Author Patrick Farrell, Transport Planner

Proposed variation to the Wellington Regional Land Transport Plan 2015: Waterloo and Paraparaumu site purchase and development

1. Purpose

To seek Council's approval for the proposed variation(s) of the Wellington Regional Land Transport Plan 2015 described in this report.

2. Consideration by Committee

The matters raised in this report were considered by the Regional Transport Committee (RTC) at its meeting on 29 August 2017 (Report 2017.301 refers). The recommendations contained in this report have been endorsed by the RTC, for the Council's consideration and decision.

3. Background

3.1 The Regional Land Transport Programme

The current Regional Land Transport Plan 2015 (RLTP) was prepared by RTC, and subsequently approved by Council in April 2015.

The RLTP contains all the land transport activities proposed to be undertaken throughout the region over 6 financial years, and the regional priority of significant activities (costing >\$5m).

The activities in the RLTP are submitted by the NZ Transport Agency and 'Approved Organisations' (including the eight territorial authorities and GWRC).

4. Process for considering a variation

The Land Transport Management Act 2003 (the Act)¹ includes provision for changes to some types of activities without the need for a variation to the RLTP. However, this provision does not apply to the activity the subject of this report.

¹ As amended by the Land Transport Management Amendment Act 2013.

Section 18D of the Act states that if a good reason exists to do so, RTC may prepare a variation to its RLTP during the six years to which it applies. This can be at the request of an Approved Organisation or the NZ Transport Agency, or on RTC's own motion.

Once RTC has considered and endorsed the variation, it is then forwarded to Council for approval. As is the case with the RLTP itself, Council must either accept the recommendation, or it can refer the variation back to RTC once, with a request that it be reconsidered.

5. Proposed variation

The details of the proposed variation to be considered by Council at this meeting are set out below:

Name of activity: Waterloo and Paraparaumu site purchase and development

Request by: Greater Wellington Regional Council

Description of variation: To add a new, previously unidentified, activity to the six year programme. This activity is to purchase land at two sites with a view to develop each site as follows:

- 1) To purchase the Waterloo Depot site adjacent to the Waterloo interchange and develop a 185 space Park & Ride facility.



- 2) To purchase a site adjacent to the Paraparaumu Rail station to enable or support transport-oriented development opportunities such as improved walking and cycling accessibility to the station, additional park and ride facilities and enhanced access between the station and town centre in association with the KCDC/NZTA SH1 revocation project.



Reason for the variation: The subject activity was not expected to commence within the 6 years of the programme at the time the RLTP was finalised in 2015. However, the opportunity has arisen to purchase these strategic sites.

Estimated total cost:

- Pre purchase \$0.1m
- Property purchase & development \$4.4m
- Ongoing costs \$0.05m p.a.

Proposed timing and cash-flow: The proposed settlement for the sale and purchase of the properties will occur in the 2018/19 financial year, with development to commence in the same year.

In both instances the date for settlement is yet to be negotiated between the parties.

Funding sources: The acquisition and ongoing costs of the sites will be shared between NZ Transport Agency and GWRC.

Full details of the proposed variation for inclusion in Figure 50 of the RLTP 2015 are set out in [Attachment 1](#) to this report.

6. Significance of the variation

The significance policy for proposed variations to the RLTP is set out in Appendix B (page 191) of the RLTP 2015, as required by section 106(2) of the Land Transport Management Act 2003. RTC has assessed the significance of

the proposed variation, for the purpose of consultation, against the RLTP significance policy.

A record of the key factors considered by RTC in making that determination of significance is provided in the tables below:

1) Key considerations in determining significance – Would the proposed variation:		
<ul style="list-style-type: none"> • Materially change the balance of strategic investment? 	<i>No</i>	The proposed cost variation of \$4.85 million over 10 years associated with this activity is not considered to materially change the overall balance of strategic investment in the context of the \$1.3 billion programme cost.
<ul style="list-style-type: none"> • Negatively impact on the contribution to Government or GPS objectives and priorities? 	<i>No</i>	The proposed variation will make a positive contribution towards the GPS through improving the accessibility to public transport services.
<ul style="list-style-type: none"> • Affect residents? (moderate impact on large number of residents or major impact on a small number of residents considered to be of more significance than those of minor impact) 	<i>No</i>	Anticipated development of these sites may have a minor impact on a small number of local residents.
<ul style="list-style-type: none"> • Affect the integrity of the RLTP, including its overall affordability? 	<i>No</i>	The proposed variation is not expected to affect the integrity of the RLTP or its overall affordability.

2) Several types of variations are considered to be generally not significant in their own right. Is the proposed variation:	
<ul style="list-style-type: none"> • An activity in the urgent interests of public safety? 	<i>No</i>
<ul style="list-style-type: none"> • A small scope change costing less than 10% of estimated total cost, or less than \$20M 	<i>No</i>
<ul style="list-style-type: none"> • Replacement of a project within a group of generic projects by another project? 	<i>No</i>
<ul style="list-style-type: none"> • A change of the duration or priority of an activity in the programme which does not substantially alter the balance of the magnitude and timing of activities in the programme? 	<i>No</i>
<ul style="list-style-type: none"> • The addition of an activity previously consulted on in accordance with sections 18 and 18A of the Act and which comply with section 20 of the Act? 	<i>No</i>

Note: A variation that is assessed as meeting any one of these criteria will generally not be considered significant, however the key considerations in the first table should still be assessed.

3) Other considerations –	
<ul style="list-style-type: none"> • What are the likely impacts time delays or cost on public safety, economic social, environmental wellbeing as a consequence of undertaking consultation? 	Delays resulting from public consultation at this stage have the potential for both sites to be purchased by third parties, removing the ability of GWRC to secure these sites for the foreseeable future. This will negatively impact the development of the public transport network which contributes to the economic, social and environmental wellbeing of the region.

<ul style="list-style-type: none"> • What are the relative costs and benefits of consultation? 	<p>The potential costs associated with delaying approval to purchase these sites and the possible loss of this opportunity, are considered to outweigh the benefits of public consultation on the variation.</p> <p>If the sites are purchased, local residents will be consulted on proposed developments in line with the existing building consent/resource consent process requirements.</p>
<ul style="list-style-type: none"> • To what extent has consultation with the community or relevant stakeholders been undertaken already? 	<p>NZTA have been consulted on the Waterloo Depot and provided verbal support for the purchase/development.</p>

Conclusion: The variation is therefore **not** considered to be significant for the purpose of requiring consultation.

7. Next Steps

Once the variation has been approved by Council, the variation is then forwarded to the NZ Transport Agency for consideration of inclusion in the NLTP for funding. There is no obligation for the NZ Transport Agency to vary the NLTP by including the new activity. However, it must give written reasons for any decision not to do so.

8. Consideration of Climate Change

The matter requiring decision in this report has been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

8.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. Officers recommend that the matter will have no effect.

8.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers recommend that climate change impacts have no direct relevance to the matters addressed by this paper.

9. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

9.1 Significance of the decision

The matter for decision in this report has been assessed to be of low significance.

The decision-making process is subject to the legislative requirements of the Land Transport Management Act 2003.

Sections 18D and 18B of the Land Transport Management Act 2003 sets out the process to be followed for variations to regional land transport plans. Variations may be prepared by regional transport committees. The Council is required to approve any proposed variations. If the Council does not wish to approve proposed variations it must refer the proposed variation back to the Regional Transport Committee.

9.2 Engagement

Engagement on this matter is not considered necessary.

10. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees to adopt the variation to the Wellington Regional Land Transport Plan 2015 as set out in Attachment 1.*
4. *Agrees to forward the variation to the Regional Land Transport Plan 2015 to the NZ Transport Agency, requesting it be included in the National Land Transport Programme.*

Report prepared by:

Patrick Farrell
Transport Planner

Report approved by:

Harriet Shelton
Manager, Regional Transport
Planning

Report approved by:

Luke Troy
General Manager,
Strategy

Attachment 1: Proposed variation to the Wellington RLTP 2015: Waterloo and Paraparaumu site purchase and development

Proposed variation to RLTP 2015: Waterloo and Paraparaumu site purchase and development

Organisation: Greater Wellington Regional Council														
Activity Name	Stage	Expected start year	Duration (months)	Cost (\$m) 2015/16	Cost (\$m) 2016/17	Cost (\$m) 2017/18	Cost (\$m) 2018/19	Cost (\$m) 2019/20	Cost (\$m) 2020/21	6 year cost (\$m)	10 year projected cost (\$m)	Delivery against strategic objectives	Assessment Profile ***	Funding Source(s)
Waterloo and Paraparaumu site purchase and development	Project - implementation	2018/19	12	0	0	0	4.5	0.05	0.05	4.6	4.8	All	HHH	Local - National
Significant activity? No		If Yes, what is the recommended priority ranking: n/a												

Key:

Strategic Objectives that projects are assessed against in terms of project primary delivery goals	* Estimated year 6 construction and property cost ** Estimated year 10 construction and property cost *** Three letter assessment profile based on NZTA requirements. Strategic Fit, Effectiveness and Economic Efficiency. Significant activity definition = Any large new improvement projects that have a total cost greater than \$5million.
1 = A high quality, reliable public transport network	
2 = A reliable and effective strategic road network	
3 = An effective network for the movement of freight	
4 = A safe system for all users of the regional transport network	
5 = An increasingly resilient transport network	
6 = A well planned, connected and integrated transport network	
7 = An attractive and safe walking and cycling network	
8 = An efficient and optimised transport system that minimises the impact on the environment	



Report 17.417
Date 17 October 2017
File CCAB-8-1315

Committee Council
Author Margaret Meek, Senior Democratic Services Advisor

Appointment of additional harbourmaster and confirmation of enforcement officer

1. Purpose

For the Council to approve the appointment of an additional harbourmaster and confirm the appointment of an enforcement officer for the purpose of enforcing the Maritime Transport Act 1994 (MTA) and the Wellington Regional Navigation and Safety Bylaws (the Bylaws).

2. Background and comment

2.1 Additional harbourmaster

In 2005 the Council appointed Patrick Atwood, Deputy Harbourmaster, as a harbourmaster for the Wellington Regional Council in the absence of the then Harbourmaster, Captain Mike Pryce (report 05.532 refers).

The appointment of an additional harbourmaster is important as the MTA and the Bylaws give various powers directly to people appointed as harbourmasters. There is no limit on the number of harbourmasters that a Council can appoint. It is usual practice for regional councils to have more than one harbourmaster.

Captain Pryce retired as Harbourmaster in May 2017. At that time, this Council appointed Grant Nalder, Manager, Harbours as a harbourmaster (report 17.152 refers).

As a result of the appointment of Grant Nalder as harbourmaster, Patrick Atwood's previous appointment as harbourmaster, in the absence of Captain Pryce, has lapsed.

Officers consider that it would be beneficial for the Council to appoint an additional harbourmaster to act at all times (not just in the absence of Grant Nalder), to undertake the powers, functions and duties as set out in the MTA and Bylaws.

2.2 Confirmation of appointment as enforcement officer

John Tattersall, Harbour Ranger, has previously been appointed by Council as an enforcement officer. John Tattersall's appointment was made under the Local Government Act 1974 (LGA 1974).

In 2013, navigation provisions in the LGA 1974 were repealed by the Maritime Transport Amendment Act 2013 (Amendment Act).

The MTA now provides for the appointment of enforcement officers.

Section 87(1) of the Amendment Act provides that, among other things, appointments made under the LGA 1974 remain valid, and are deemed where necessary to have been made, under the corresponding provisions of the MTA.

While John Tattersall's appointment as an enforcement officer is still valid, officers consider that the Council should use this opportunity to reconfirm his appointment as an enforcement officer under section 33G of the MTA.

2.3 Authority to make these appointments

Clause 5 of the Council's current Bylaws requires that the appointments of Harbourmaster and Enforcement Officer be made by Council resolution.

2.4 Powers given as a result of these appointments

The powers given directly to harbourmasters are set out in Part 3A of the MTA. In addition, the Bylaws give powers directly to an appointed harbourmaster.

Section 33G(b) of the MTA sets out the powers given directly to enforcement officers. Section 33G(c) of the MTA provides that additional powers relating to directing ships may be given to an enforcement officer. In addition, the Bylaws give powers directly to an appointed enforcement officer.

3. Communication

No communications are necessary.

4. Consideration of climate change

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

5. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

5.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance and engagement policy and decision-making guidelines. Due to the procedural nature of this decision officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

5.2 Engagement

Due to its procedural nature and low significance, no engagement on this matter has been undertaken.

6. Recommendations

That the Council:

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Appoints** Patrick Atwood as a harbourmaster for the Wellington Region.
4. **Confirms** the appointment of John Tattersall as an enforcement officer for the Wellington Region.
5. **Authorises** John Tattersall, enforcement officer, to exercise the powers set out in section 33F(1)(c) of the Maritime Transport Act 1994.

Report prepared by:

Margaret Meek
Senior Democratic Services
Advisor

Report prepared by:

Grant Nalder
Manager, Harbours

Report approved by:

Nigel Corry
General Manager,
Environment Management

Report 17.431
Date 24 October 2017
File CCAB-8-1323

Committee Council
Author Mike Ward, Acting Manager, Health and Safety

Health and safety update

1. Purpose

To update Council on the health and safety performance and significant events which have occurred in the organisation during the first quarter.

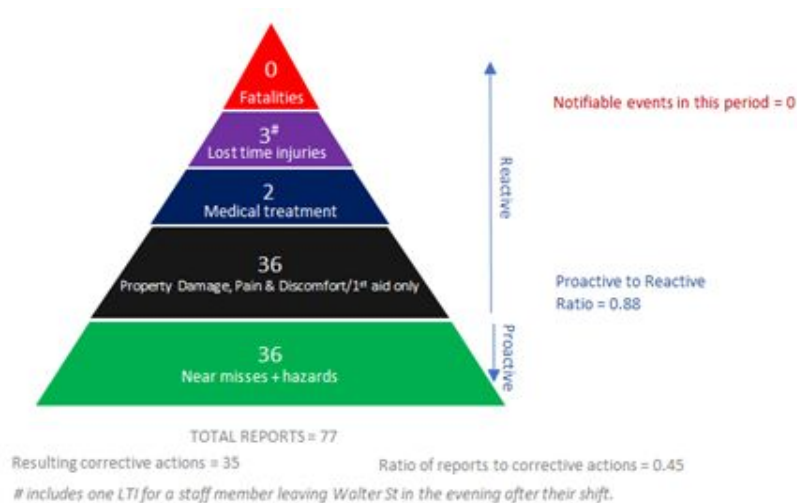
2. Background

The Greater Wellington Regional Council (GWRC) Organisational Performance Report will contain an overview of the organisation's health and safety management against all key performance metrics during the first quarter and will be distributed to councillors after the end of the first quarter.

This report contains supplementary information on other organisational health and safety for the year to date.

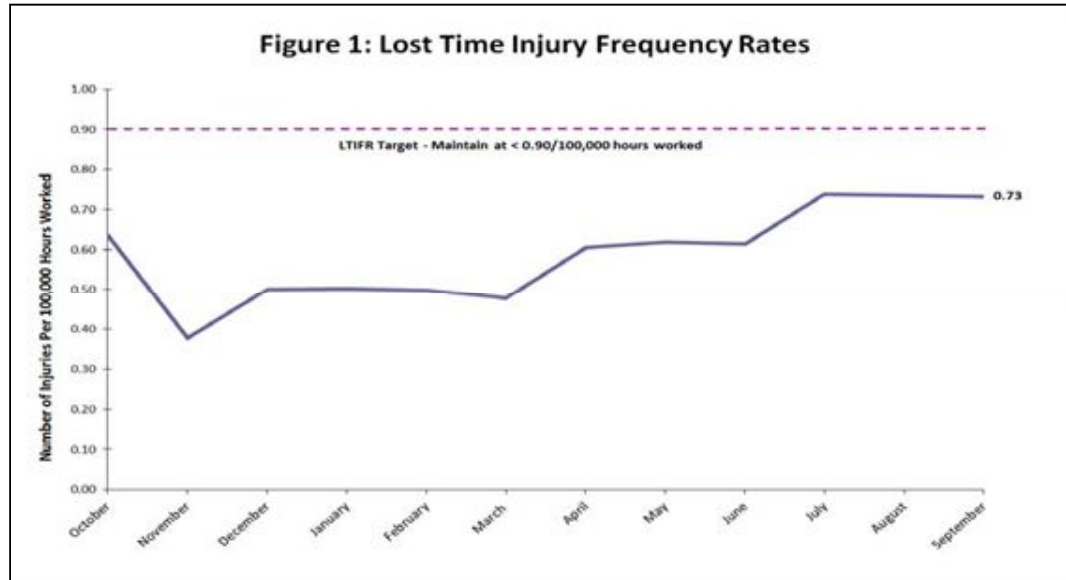
3. Understanding our health and safety risks

During the first quarter of this financial year, a total of 77 health and safety related events were recorded in KESAW (Keeping Employees Safe at Work). The diagram below is a breakdown of these events by outcome.

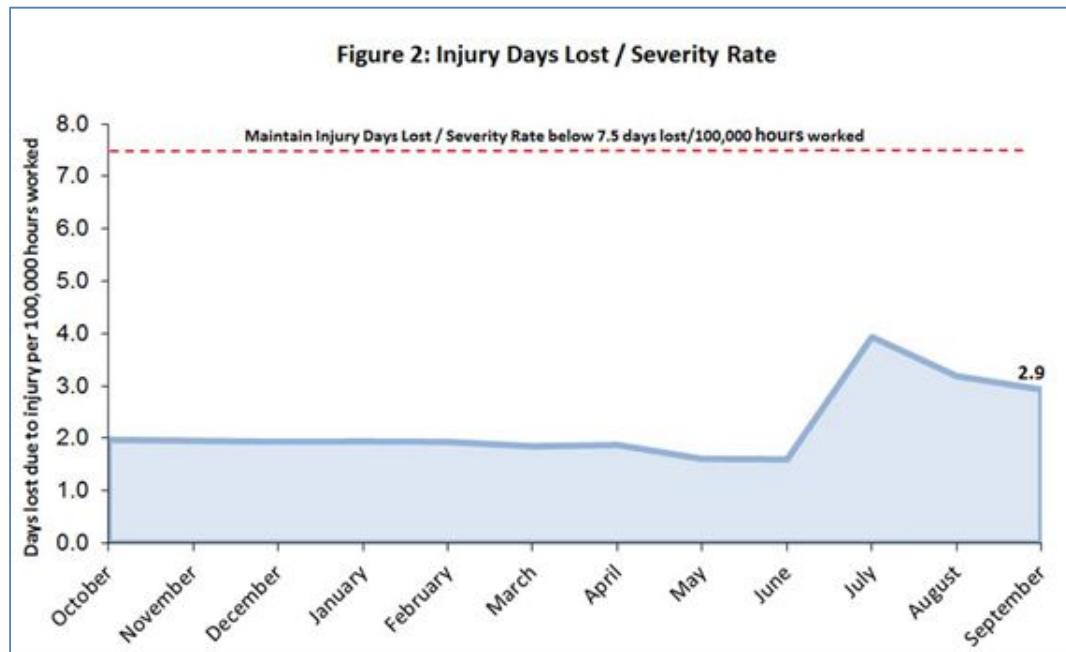


4. Health and Safety Performance Measures

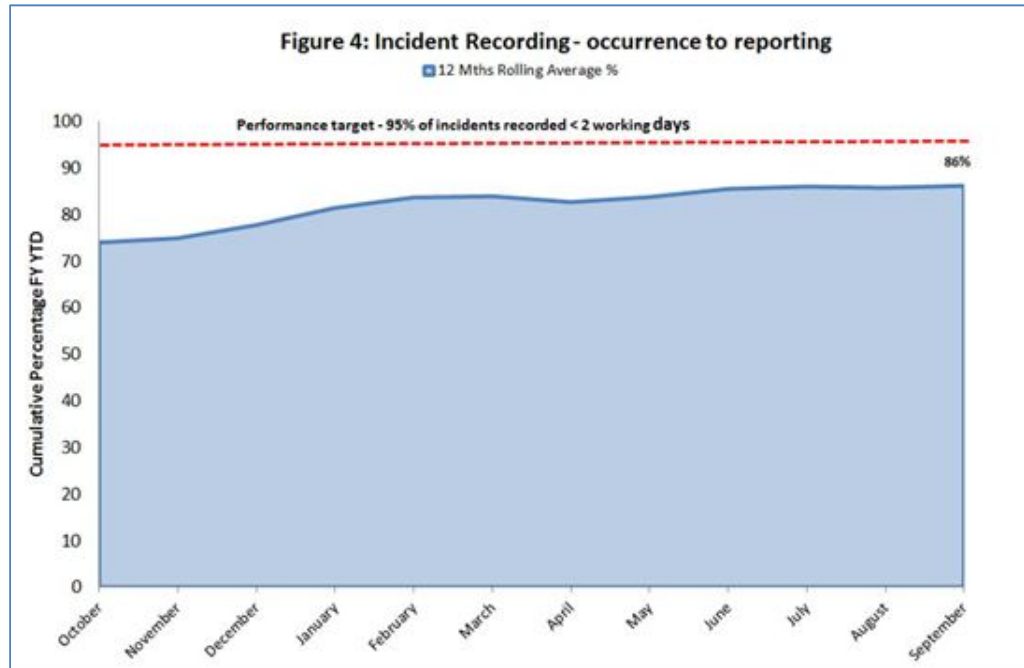
The *Lost Time Injury Frequency Rate* remains below the target level but has increased slightly, finishing at 0.73 occurrences/100,000 hours worked, up from 0.61 occurrences/100,000 hours worked at the start of the financial year. There were three lost time injuries recorded this quarter. A brief description of these events is in section 4.



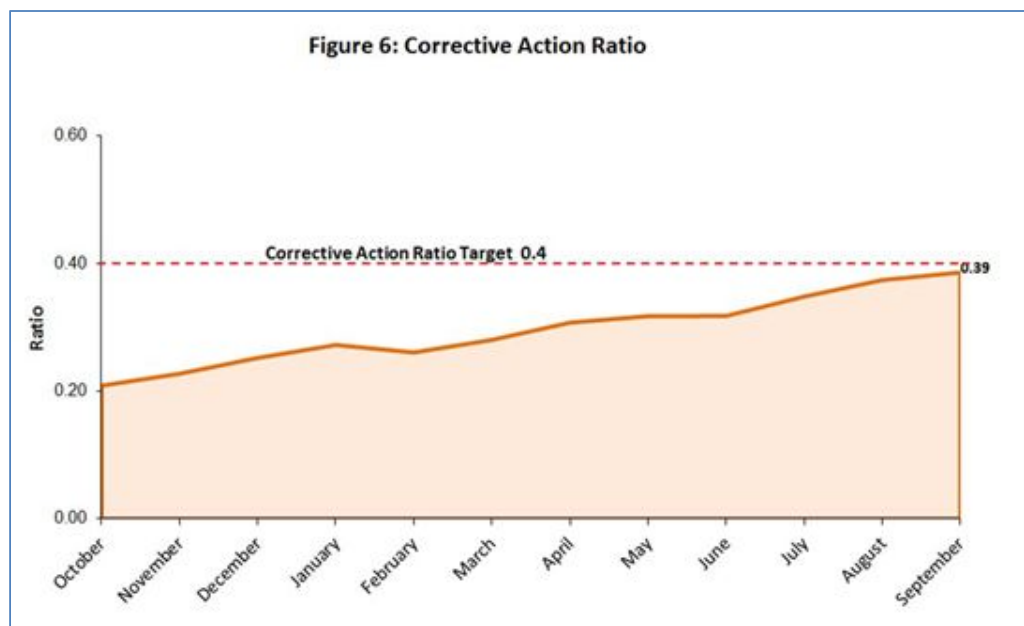
The rate of *Injury Days Lost* has increased slightly this quarter, but remains well below target. The days lost recorded this quarter were associated with an ankle injury to a field staff member that was suffered in May 2017.



The *Percentage of Events Recorded > 2 Working Days* remains constant and still below target. July was a positive month with 95% of events being recorded > 2 working days.



The *Corrective Action Ratio*, which is a rolling 12 month measure of the ratio of the recorded corrective action against the number of events, has improved by 22% across this quarter and sits just under the target of 0.40 at 0.39. This is actually the highest that this performance measure has been since it was first established and started being tracked in late 2010.



5. Extreme and High Risk Events, including Lost Time Injuries

The following is a summary of the significant reported events and the associated activity over the first quarter.

5.1 Vehicle struck from behind and rolled

A Parks staff member was driving on SH58 to Battle Hill when a car coming in the opposite direction clipped a turning vehicle, causing the car coming from the opposite direction to spin and roll. The staff member was slowing and pulling to the left to avoid the car and debris when it was struck from behind by a following ute. This caused the staff member's vehicle to spin and roll several times.

The staff member was able to walk away from the accident, suffering minor whiplash and delayed concussion which resulted in several days off work. While the staff member was not at fault, the incident is will be reviewed to identify what we can learn and improve for the future, particularly in relation to what and how additional items are carried in and on our vehicles.

5.2 Spider bite

A Flood Protection Riverhand was bitten by a spider on the back of their neck while working on trees along a river. The Riverhand experienced either a secondary infection or a delayed adverse reaction to the spider bite and sought medical attention. This resulted in several days off work, for recovery.

5.3 Staff member tripped and fell leaving Walter St building

A staff member from the Contact Centre in Walter Street tripped on an unmarked judder bar in an alleyway outside the Walter Street building while running to catch a bus after finishing their evening shift. The staff member suffered an injured wrist and loosened teeth, so took several days off work as a result of their injuries.

Contact Centre staff have been briefed on the safe routes for exiting the building after hours. Facilities are working to identify who is responsible for the alleyway and checking whether the offending judder bar can be made more visible e.g. yellow paint.

5.4 Light Utility Vehicle (LUV) Incidents

As previously reported to Council, there were two serious incidents involving LUVs this quarter which had potential for serious injury. Fortunately, only a minor injury was suffered in one of the incidents. From the findings of the incident learning reviews, we are looking to provide targeted refresher training to staff that operate LUVs, and also the Thriving Under Fire - Dealing with Difficult People training for Parks staff. There is also work planned to formalise a Standard Operating Procedure for GWRC LUV use.

5.5 Pedestrian, cyclist and car interaction at CentrePort

There have been several near miss incidents involving cars and either pedestrians or cyclists in the non-operational areas of CentrePort. Those involved were able to be identified and spoken to, including CentrePort staff.

We continue to work with CentrePort to improve the road markings and signage associated with traffic and pedestrian movement around the non-operational port areas that GWRC interfaces with.

5.6 Walter Street under-desk cabling

With the extension of the lease at the Walter Street office, ICT engaged a contractor to review and re-route all of the under-desk power and network cabling in the main office area on Level 2. This has significantly reduced the clutter and tangle of cables under desks, reducing concerns that have been raised by staff about the potential risk that the previous temporary set-up presented.

6. Communication

There is no communication required.

7. Consideration of Climate Change

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

7.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matters on the climate. Officers consider that the matters will have no effect.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI).

7.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matters. Officers recommend that climate change has no bearing on the matters.

8. The decision-making process and significance

No decision is being sought in this report.

8.1 Engagement

Engagement on this matter is unnecessary.

9. Recommendations

That the Committee:

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

Report prepared by:

Mike Ward
Acting Health & Safety
Manager

Report approved by:

Lucy Matheson
General Manager, People and
Customer



Report	17.422
Date	25 October 2017
File	CCAB-8-1321
Committee	Council
Author	Mike Timmer, Treasurer

WRC Holdings Limited Financial Statements for the year ended 30 June 2017

1. Purpose

To receive, as Shareholder, the audited financial statements of WRC Holdings Limited, for the year ending 30 June 2017.

2. Background

On 25 October 2017 the directors of WRC Holdings Limited approved the release of the 2016/17 financial statements.

The audited financial statements for WRC Holdings Limited will be provided (**Attachment 1**).

3. Comment

The financial statements of WRC Holdings Limited comprise Port Investments Limited, Greater Wellington Rail Limited, and CentrePort Limited Group. The financial statements include both parent and consolidated group financial information.

The group results are largely driven by earthquake related movements from CentrePort, summarised further below.

4. Overview of the individual financial results

4.1 Port Investments Limited (PIL) - Summary

PIL reported a loss for the year of \$573,000, compared to the budgeted surplus of \$3.6 million before tax.

The unfavourable result to budget of \$4.1 million is due to non-receipt of annual dividend by CentrePort Ltd, due to the November 2016 earthquakes. No dividend was received, other than a post balance date dividend relating to the

2015/16 year declared by CentrePort. As a result, PIL did not pay a dividend to WRC Holdings Limited, as it has done in prior years.

4.2 Greater Wellington Rail Limited (GWRL) - Summary

The financial result after tax is a deficit of \$14.7 million; this was against a budget of \$12.7 million. The main variance related to rates on properties, estimation of deferred tax movement credit less than budget, unbudgeted earthquake costs below the excess, and depreciation assumptions relating to the timing of capitalisation of assets.

All costs, except depreciation, asset revaluations, interest and the like are met from grants from GWRC and other revenue.

The residual costs of depreciation amounting to \$18.5 million and the deferred tax benefit of \$4.1 million make up the \$14.7 million deficit.

The balance sheet has seen equity increase by \$3 million, which is comprised of \$17.8 million of equity contributed by WRC Holdings Limited to purchase the balance of the Matangi units and infrastructure capex, offset by an operating loss of \$14.7 million.

Total assets have increased by \$10 million, reflecting capex additions less an allowance for depreciation during the year.

4.3 CentrePort Limited - Summary

CentrePort posted a \$10.78 million operating profit before tax, fair value adjustments, asset revaluations and before earthquake related costs.

This result is less than its Statement of Intent target of \$17.5 million and relates primarily to the impacts from the November 2016 earthquakes, which has seen lower property rentals as no business interruption insurance was available due to the rental holiday provided on Statistics House and lower port container revenues.

The bottom line result after earthquake receipts and fair value adjustments and provisions was a loss of \$2.271 million.

There was a number of adjustments in CentrePort's accounts, the most notable are receipt of insurance proceeds of \$166 million (applied against temporary works costs and business interruption, and preliminary material damage estimates) and \$63 million provision for the impact on land resilience relating to the impacts on Port land. CentrePort have also made an adverse fair value impact of \$30 million on their joint venture companies which include the three Harbour Quays buildings jointly owned with Accident Compensation Corporation.

There was no dividend declared this year in line with CentrePort dividend policy.

The level of Equity in the balance sheet has reduced from \$201 million to \$198 million as a result of the \$2.2 million deficit. The level of assets has fallen by

\$64 million due to the write downs, with liabilities also reducing as debt is paid off as insurance proceeds were received in advance of being spent.

4.4 WRC Holdings Limited

WRC Holdings Limited, as parent, reported a net loss of the year of \$75,000 which compares to a budget surplus of \$5.1 million. The difference relates primarily to the non-receipt of dividend from PIL as note above.

5. WRC Holdings Limited Group Financial performance - Statement of Intent (SOI)

\$(000)	Actual 2017 \$000	Target 2017 \$000	Actual 2016 \$000
Net Surplus Before Tax	48,628	(393)	(11,331)
Net Surplus After Tax	36,166	1,498	(23,657)
Earnings before interest, tax & depreciation (EBITD)	82,941	34,587	20,641
Return on Total Assets	8.00%	1.00%	0.40%
Return on Equity (excluding revaluations)	8.10%	0.3%	(6.39)%
Shareholders Equity to Total assets	61.09%	60.80%	56.83%
Dividends \$000	-	3,552	3,578

The above table shows the SOI performance indicators against plan, with last year's result as a comparison.

Net Surplus before tax: The variance to budget is primarily due to the effects of the November earthquakes that significantly impacted CentrePort.

This has seen insurance revenues exceed expenditures after initial earthquake costs have been incurred. The result includes asset impairments, but excludes revaluation losses on infrastructure assets of \$54 million mostly related to the impact of resilience to CentrePort land

Net Surplus after tax: The variance is impacted in the same way as the net deficit before tax as above.

Earnings before interest, tax and depreciation: The variance is impacted by the net surplus before tax as noted above.

Return on total assets: The variance to target is predominately due to a higher EBIT, and to a lesser extent lower asset values than budgeted to due to impairments and revaluation on infrastructure assets as noted in the surplus before tax above.

Return on equity: The variance to target is predominately due to higher net surplus after tax as noted above and slightly lower equity compared to budget in CentrePort.

Dividend: There is no dividend due to the impacts of the November 2016 earthquakes.

The bottom line result – is a \$17.9 million deficit and is composed of \$14.7 million deficit in GWRL, a \$2.3 million deficit in CentrePort and smaller deficits in PIL and WRC parent companies.

The non- financial measurers – These are reported on page 5 of the **Attachment 1** – WRC Holdings Group Financial statements. Points of note are partial achievement of CentrePort’s environmental performance targets.

These are either in progress or deferred as a result of the earthquakes. WRC Holdings Board will monitor these going forward.

6. Communication

No communication is necessary.

7. Consideration of Climate Change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

7.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. Officers recommend that the matter will have no effect.

7.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matter. Officers recommend that climate change has no bearing on the matter.

8. The decision-making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

8.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance policy and decision-making guidelines. Due to the procedural nature of this decision officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

7.2 Engagement

Due to its procedural nature and low significance, no engagement on this matter has been undertaken.

9. Recommendations

That the Council:

1. ***Receives** the report.*
2. ***Notes** the content of the report.*
3. ***Receives**, as sole shareholder, the 2016/17 financial statements of WRC Holdings Limited.*

Report prepared by:

Mike Timmer
Treasurer

Report approved by:

Dave Humm
General Manager Corporate
Services/Chief Financial
Officer

Attachment 1: Audited WRC Holdings Limited – 2016/17 Financial Statements (to come)

Exclusion of the public

Report 17.433

That the Council:

Excludes the public from the following part of the proceedings of this meeting namely:

- 1. Confirmation of the Public Excluded minutes of 28 September 2017*
- 2. Property purchase – Lower Hutt*
- 3. Local Government Funding Agency Annual General Meeting*

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:

<i>General subject of each matter to be considered:</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground under section 48(1) for the passing of this resolution</i>
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- | | | |
|--|--|---|
| <i>1. Confirmation of the Public Excluded minutes of 28 September 2017</i> | <i>The information in these Minutes relates to bus service contracting in the Wellington Region. Release of the information contained in these Minutes would likely prejudice Greater Wellington Regional Council’s (GWRC) negotiations with bus operators as the report outlines matters that are the subject of negotiation. GWRC has not been able to identify a public interest favouring disclosure of this particular information in the public proceedings of the meeting that would override this prejudice.</i> | <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e to carry out negotiations without prejudice).</i> |
|--|--|---|

The Minutes also refer to terms of a proposed disposal of property owned by GWRC. Release of this information would disadvantage GWRC if the property is placed on the open market for sale via a contestable sale process as it would reveal GWRC’s price expectations. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.

2. *Property purchase Lower Hutt* – *The information contained in this report relates to a proposed offer to acquire property interests. The report outlines terms of the proposed acquisition offer which is still subject to negotiation and acceptance. Having this part of the meeting open to the public would disadvantage GWRC if further negotiations were to take place as it would reveal GWRC's negotiation strategy. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.* *That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e to carry out negotiations without prejudice).*
3. *Local Government Funding Agency Annual General Meeting* – *The information contained in this report relates to the proposed election of LGFA Directors. Release of this information would prejudice the proposed Directors' privacy by disclosing the fact that they are being considered, and have expressed interest in, becoming Directors of the LGFA. GWRC 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 privacy of the individuals concerned.* *That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under sections 7(2)(a) of the Act (i.e to protect the privacy of natural persons).*

This resolution is made in reliance on section 48(1) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.