



greater WELLINGTON
REGIONAL COUNCIL



GREATER WELLINGTON REGIONAL COUNCIL

10-Year Plan 2009-19

Incorporating the Annual Plan 2009/10 – Proposed

proposed

Have your say
on the next 10 years
for the Wellington region

(submission period 23 March – 24 April 2009)

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OVERVIEW

part 1

INTRODUCTION

This proposed 10-Year Plan is a requirement of the Local Government Act 2002. It contains information about Greater Wellington's planned activities for the next 10 years and shows how these contribute to the agreed community outcomes that are detailed on p11

This document also incorporates the *Proposed 2009/10 Annual Plan*.

Greater Wellington's proposed 10-Year Plan 2009-19 (incorporating the *Proposed 2009/10 Annual Plan*) comprises two documents – *Detailed Information* and *Policies*.

The *Detailed Information Document* looks at our contribution to community outcomes and discusses the key issues facing Greater Wellington. It includes a performance management framework for our activities with both long-term and short-term targets. Progress on targets will be reported annually.

To make a submission

- See our website www.gw.govt.nz
- Email us ltccp@gw.govt.nz
- Fax us 04 385 6960
- Write to us at
LTCCP Submission
Greater Wellington
PO Box 11646
Manners Street
Wellington 6142

SUBMISSIONS CLOSE 4PM FRIDAY, 24 APRIL 2009

Detailed budgeting and funding information, as well as information on our investments and our Council-Controlled Organisations, can also be found in the *Detailed Information Document*.

The *Policies Document* contains the following policies:

- Policy on significance
- Policy on partnerships with the private sector
- Rates remission and postponement policies
 - Remission of penalties
 - Rates postponement policy
 - Remission and postponement of rates on Māori freehold land
 - Remission of rates in special circumstances
- Policy on development contributions or financial contributions
- Treasury management policy
- Revenue and financing policy

Annual Plan/LTCCP consultation process

23 March – 24 April 2009

Period for receiving written submissions on the Proposed 2009-19 10-Year Plan and the 2009/10 Annual Plan

13 May – 15 May 2009

Submissions scheduled to be heard by the Greater Wellington Regional Council

MESSAGE FROM THE CHAIR

In times of uncertainty, planning for the future becomes more important – and at the same time more difficult.

When we first started our work on this 10-Year Plan we had no idea of how dismal the economic outlook would be by the time we began our community consultation. Back then (not so long ago!) the issue of regional resilience to climate change was foremost on our minds. Now our response to that – our contribution to adaptation in particular – must be crafted in the context of affordability as our community struggles to meet the challenges of a global recession that many are saying is the worst for 60 years.

We need to deal with issues such as preparedness for sea level rise, increased storm intensity (with more storm surges, damaging floods and landslips) and, on the other hand, more prolonged summer droughts. Precisely how we deal with these issues may, in the short term, be affected by falling incomes in the community and consequent resource pinch for Greater Wellington.

Unlike city and district councils we do not collect development contributions, so the stalling of the construction sector has not had an impact on our bottom line. In addition, our investment income has held up so far. However, in this economic climate we need to continue to be extremely prudent.

We are acutely aware that even the modest portion of residents' overall local government rates that go to the work of the region will be difficult for some to afford in the current situation and this may last for some time. I can assure you that affordability has been a key consideration for this 10-Year Plan.

A significant part of our delivery involves infrastructure development – transport, collection and treatment of water, and flood protection. The community's needs in this area will continue despite the economic situation. Ironically, the recession is likely to increase demand for public transport infrastructure and we are committed to a number of major projects addressing years of neglect in this area. This means a doubling of the transport rate over the next 10 years. Flood protection is another area where slowing down vital infrastructure may be false economy. All such major developments have long lead times, with planning and design preceding construction, so it is a big call to delay them.

I urge you to consider carefully the "Key Issues" section of this plan. We need to know what you think we should do.

When planning for this current year (2008/09) we made a judgment call about the price of oil. This item is significant for us because we pay for the diesel for Wellington's public transport fleet. We know now that we got it wrong. Oil prices plunged and, despite the offsetting of a lower New Zealand dollar (which raised the cost of imported goods) we are likely to have a surplus in the transport area at the end of this year. This money goes into the Transport Reserve and can be spent only in that area. But should we spend all this year's savings next year (2009/10) or hold back some to smooth over what could be a rather large rate increase the following year when we start paying our share of the new trains?

In this 10-Year Plan there are a number of other initiatives that expand current activities or that are new. These range from hill country erosion control and possum control in Wairarapa to an increased commitment to the region's economic development agency, Grow Wellington. These are such different services, impacting often on different parts of our community, that the trade-offs required in times of recession are quite difficult judgment calls. We have scrutinised all our programmes carefully and in a number of cases have changed the timeframe so as to have less expenditure in the first year of the plan.

For example, we have long had plans for two new regional parks – Whitireia and Wairarapa Moana (Lakes Wairarapa and Onoke and surrounding wetlands). Rather than abandoning these because of short-term financial stresses, we are treating them as long-term projects, beginning with small and affordable steps. Again, however, we need your views on what we should do.

Science is playing a bigger part in our delivery and one aspect of this plan that we have protected is the investment in environmental science required for us to make facts-based decisions regarding our air, soil and water. This is core business for us. More knowledge is desperately needed so we can deal appropriately with the potential conflicts of increased demand for resource protection and increased demand for resource use.

“I urge you to consider carefully the “Key Issues” section of this plan. **We need to know what you think we should do**”

FRAN WILDE
GREATER WELLINGTON CHAIR



This situation is complicated by projections for more frequent major weather events – floods and droughts.

A large seismic movement is arguably Wellington’s most destructive single catastrophic event, so, along with other councils, we are also investing in a contribution to research on the behaviour of the Wellington faultline.

There has been much public debate about the role of public sector in times of recession – should the Government be spending more to help kick-start the economy? That issue also touches on us. One of our “one-off” capital items is the proposed new building in Masterton. We have 87 staff located there – not many managers, mostly field staff, undertaking a myriad of jobs relating to our stewardship of the region’s land and water. The existing cluster of refurbished buildings present occupational safety and health and efficiency challenges for both our staff and for the public who use them. Also, we would like to have the Wairarapa building in such a state that it can be used as an alternative emergency operations centre for Regional Civil Defence and Emergency Management in the event of a large earthquake in Wellington. But all this comes at a cost. So we are asking residents if you think that this is the best time to continue with this project.

That and many other issues in this plan have a direct impact on you – not only through your rates but through the quantity and quality of services that we are able to deliver. Much of what we do is dictated by legislation. Other activities are discretionary but have been developed as a response to community demand.

This 10-Year Plan is an opportunity for you to see “the big picture” - as far as we can judge it. Local government in New Zealand is bound under law to produce a 10-year plan every three years. Even if this were not the case, we would certainly have a strategic plan – though perhaps it would look a little different from this model which must conform to statutory requirements. In short, the way this plan is structured is probably not what we would do if we had a free hand. Like other councils we have found the prescribed plan process to be somewhat clunky in its approach and certainly the compliance cost of passing the required “advance audit” is just too high.

Having said that, we have tried to be as clear as possible about our intentions and their ramifications for residents in both service levels and cost.

You will see that there are projected increases in rates and levies in the next 10 years. These increases are lumpy, reflecting the cost of some of the major infrastructure that I mentioned above. The question for you as residents of our region is: can we afford the programme or should it be modified in some way?

Having said all this, and despite the general gloom, I have great faith in the future of our region. We are blessed in our people, culture and natural resources. We do have the intellectual capital, the will and the imagination and determination to move through the bad times. Greater Wellington places high value on the partnerships we have with numerous individuals, community groups and the local authorities of the region. Please continue to work with us by giving us your considered input into this Proposed 10-Year Plan 2009-19.

Greater Wellington is proposing to increase its income from rates and levies by 2.6% for the 2009/10 financial year. The proposed increase is an average across all properties in the region, so some residents would pay more or less this amount, depending on the level of targeted rates for work, such as flood management schemes or transport.

The 2.6% figure is made up of all Greater Wellington’s rates across the region and the water levy that is charged to the Upper Hutt, Hutt, Porirua and Wellington cities. The proposed increase in overall rates revenue, without the water levy being included, is 3.4% across the region. No increase in Greater Wellington’s water levy is proposed for 2009/10.

Greater Wellington’s expenditure is projected to increase significantly from 2010/11 as a result of commitments already made for new trains and also agreements with local communities for flood protection work. Obviously this will require higher rates and levies, but it is important to note that central government is also making a large investment in rail infrastructure, with taxpayers meeting around 90% of our total capital costs.

COMMUNITY OUTCOMES

part 2

COMMUNITY OUTCOMES

What the region wants

“Community outcomes” describe what sort of region the community would like and show what we all value as being important for a good quality of life.

The identification of outcomes for the region is important for Greater Wellington as it allows us to have a long-term focus for our work. Clearly, Greater Wellington is not in a position to achieve the outcomes alone. Our role in furthering the achievement of outcomes varies for different outcomes. For some outcomes, Greater Wellington will have a major role. For others it will only have a small role to play, or no role at all, and it will be up to other organisations and agencies to take the lead. The identification of outcomes, therefore, allows different organisations, such as councils, government departments, business groups, iwi, community groups and others to coordinate and prioritise their use of resources.

How the community outcomes were identified

The community outcomes were developed in 2006 by drawing together the community outcomes from all the councils in the Wellington metropolitan region. The outcomes from each council were compared and aligned to create a set of eight draft outcomes that reflected both the local and regional community views.

A group of organisations (local government, central government and quasi-government organisations) that was capable of influencing the identification or promotion of community outcomes was formed to oversee the further development of these outcomes.

The Wellington Regional Strategy (WRS), a sustainable economic growth strategy, was the vehicle for initial consultation on the community outcomes. Because of the regional nature of the strategy, the intention was for the WRS community outcomes to serve as Greater Wellington’s community outcomes for its 2006-16 Long-Term Council Community Plan.

The WRS Growth Framework discussion document was sent to 4,500 organisations and individuals in the region. It included a questionnaire asking for submissions on the community outcomes. Further, a mail survey was carried out that included questions about the community outcomes.

Meetings were held with local authorities, central government agencies, Ara Tahi, iwi, Pacific Island community representatives and other groups to consult both on the WRS and the community outcomes

As a result of feedback received, the draft outcomes were slightly revised and two new outcomes (*Healthy community, Prepared community*) were added.

Community outcomes for the Wellington region

HEALTHY ENVIRONMENT

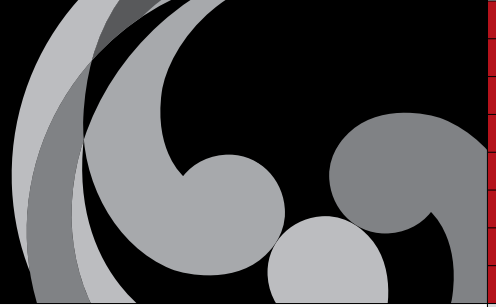
We have clean water, fresh air and healthy soils. Well-functioning and diverse ecosystems make up an environment that can support our needs. Resources are used efficiently. There is minimal waste and pollution.

QUALITY LIFESTYLE

Living in the Wellington region is enjoyable and people feel safe. A variety of lifestyles can be pursued. Our art, sport, recreation and entertainment scenes are enjoyed by all community members – and attract visitors.

SENSE OF PLACE

We have a deep sense of pride in the Wellington region. We value its unique characteristics – its rural, urban and harbour landscapes, its climate, its central location and its capital city.



PROSPEROUS COMMUNITY

All members of our community prosper from a strong and growing economy. A thriving business sector attracts and retains a skilled and productive workforce.

PREPARED COMMUNITY

We can cope with emergency events. Individuals and businesses are able to take responsibility for their own well-being. Effective emergency management systems are in place.

CONNECTED COMMUNITY

Access is quick and easy – locally, nationally and internationally. Our communication networks, air and sea ports, roads and public transport systems enable us to link well with others, both within and outside the region.

ENTREPRENEURIAL AND INNOVATIVE REGION

Innovation and new endeavours are welcomed and encouraged. Ideas are exchanged across all sectors, resulting in a creative business culture. We have excellent education and research institutions, and benefit from being the seat of government.

ESSENTIAL SERVICES

High-quality and secure infrastructure and services meet our everyday needs. These are developed and maintained to support the sustainable growth of the region, now and in the future.

HEALTHY COMMUNITY

Our physical and mental health is protected. Living and working environments are safe, and everyone has access to health care. Every opportunity is taken to recognise and provide for good health.

STRONG AND TOLERANT COMMUNITY

People are important. All members of our community are empowered to participate in decision making and to contribute to society. We celebrate diversity and welcome newcomers, while recognising the special role of tangata whenua.

How Greater Wellington will contribute to the community outcomes

This 10-Year Plan describes how Greater Wellington will contribute to the community outcomes. It specifies the outcome(s) to which each group of activities primarily contributes and also other related outcomes. It describes our work and the reasons for our activities, and specifies long-term and short-term targets, along with the people and organisations with which we will work.

It is important to note that not all the activities we undertake are a direct response to the community outcomes. Some activities are legislative requirements as opposed to community requirements or aspirations. For this reason, for each group of activities, we have included measures that we are using to assess the achievement of community outcomes and additional measures that relate to other aspects of our performance.

Greater Wellington's role in furthering community outcomes takes a number of forms, eg, leader, facilitator, funder, regulator, planner, partner, advocator, educator, service provider or monitor. In some cases we will assume more than one role to further a community outcome. In other cases we will not have any specific role because of the functions and responsibilities of other parties.

How much we do of any activity is also dependent on a number of factors. In developing this 10-Year Plan, the Council has considered the following questions very carefully when determining activities:

- What does the community need/want?
- What is the public good?
- Is it affordable?
- How will undertaking or not undertaking the activity or the extent of the activity affect relationships with the community and other organisations?
- Do we have to do it right now – or can we do it in the future?
- Is it our role or should it more appropriately be carried out by another organisation?

Figure 1 shows the relationship between Greater Wellington's activities and the community outcomes. Figure 2 shows how Greater Wellington contributes to the sustainable development of the region.

Community outcomes and sustainable development

Achievement of the community outcomes would certainly ensure social, economic, environmental and cultural well-being in the region. In practice, the way in which we carry out our activities involves balancing these four aspects of well-being – and that balance is not always clear cut. Often pragmatic decisions are required. The Council ensures that it has the correct information on social, economic, environmental and cultural impacts before exercising its political judgement on matters. In this way it contributes to the sustainable development of the region and promotes regional resilience. The latter is becoming increasingly important in a world where there is such uncertainty, given the state of the economy, climate change and the threat of natural hazards. It is a time for innovation, pragmatism, positivity and careful planning.

How the community outcomes relate to Greater Wellington's key strategic plans

Greater Wellington develops many strategic plans – either because of statutory requirements or because they help us and the community to set a direction for

our work. The format of some strategic plans, eg, the Regional Policy Statement or Regional Land Transport Strategy, is prescribed in statute.

All strategies are developed in close consultation with the community and the final documents are, in essence, an agreement with the community.

Even though the strategies are developed outside the LTCCP development process, the LTCCP reflects these strategies and all strategies contribute to the achievement of community outcomes. The LTCCP sets priorities and timeframes and allocates funding for the implementation of strategic plans. It also contains interim targets to gauge progress.

Greater Wellington monitors progress and implementation of its strategies and publishes regular monitoring reports. This monitoring provides some of the information required for the monitoring of progress with the outcomes.

Figure 3 shows Greater Wellington's key strategic plans, their contribution to community outcomes and relevant progress monitoring reports.

How Greater Wellington will work with others

Greater Wellington will work with other local and regional organisations, Maori, central government and non-government organisations, as well as the private sector, to achieve the community outcomes. The range of organisations and stakeholders that we will work with is shown in this plan. Further, see Part 7 which shows how Greater Wellington engages with the community.

How Greater Wellington will measure progress

Greater Wellington, along with interested organisations, has developed a set of indicators to assess progress with the achievement of the community outcomes. Not all the indicators relate to Greater Wellington's activities as we are required to report on progress with the outcomes, not just our role in furthering the outcomes. The indicators selected are shown in the Appendix.

FIGURE 1

Community outcomes and Greater Wellington's activities

<p>HEALTHY ENVIRONMENT</p> <ul style="list-style-type: none"> Resource management planning Resource consent service Compliance and enforcement Pollution prevention and control State of the environment monitoring Environmental education and community engagement Water conservation programmes Environmental protection and enhancement of regional parks and forest areas Pest (animal and plant) management Biodiversity Environmental enhancement of river corridors Soil conservation Akura conservation centre Promoting public transport, and walking and cycling 	<p>PREPARED COMMUNITY</p> <ul style="list-style-type: none"> Floodplain management planning Flood protection infrastructure Flood warning service Civil defence emergency management Harbour management
<p>QUALITY LIFESTYLE</p> <ul style="list-style-type: none"> Regional parks and forest areas – facilities, services, planning and marketing Community outdoor programmes Westpac Stadium 	<p>CONNECTED COMMUNITY</p> <ul style="list-style-type: none"> Regional transport network planning Public transport services – planning, operations, infrastructure and information
<p>SENSE OF PLACE</p> <ul style="list-style-type: none"> Regional parks Westpac Stadium 	<p>ENTREPRENEURIAL AND INNOVATIVE REGION</p> <ul style="list-style-type: none"> Wellington Regional Strategy Regional resilience planning
<p>PROSPEROUS COMMUNITY</p> <ul style="list-style-type: none"> Regional resilience planning Wellington Regional Strategy Pest (animal and plant) management Soil conservation Akura Conservation Centre 	<p>ESSENTIAL SERVICES</p> <ul style="list-style-type: none"> Water collection, treatment and delivery Water supply infrastructure Planning for future water demand and supply
	<p>HEALTHY COMMUNITY</p> <ul style="list-style-type: none"> Regional parks and forests Community outdoor programmes Water supply Promoting walking and cycling
	<p>STRONG AND TOLERANT COMMUNITY</p> <ul style="list-style-type: none"> Democratic services Relationship with Maori

FIGURE 2

Sustainable development

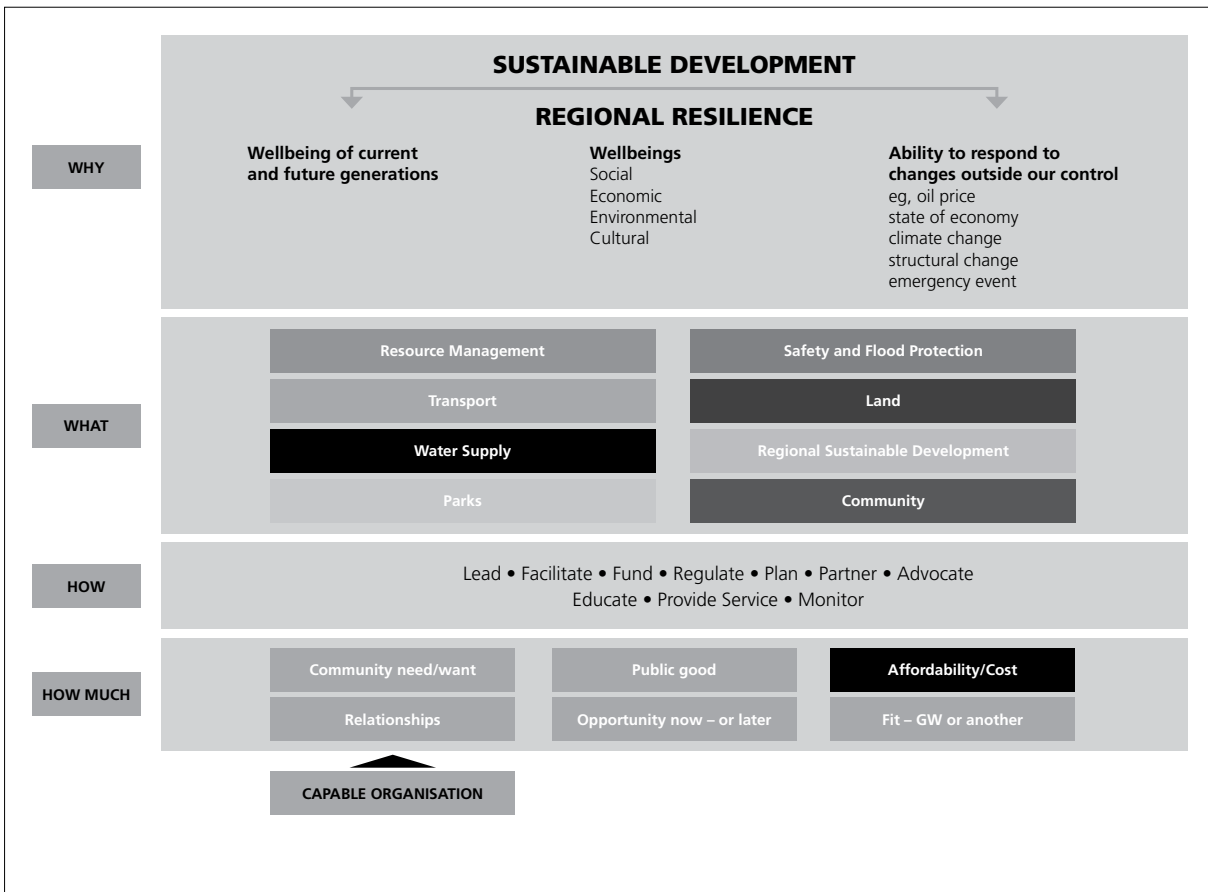


FIGURE 3

Key strategic plans

KEY STRATEGIES AND OUTCOMES TO WHICH THEY PRIMARILY CONTRIBUTE	MONITORING REPORTS FOR KEY STRATEGIES AND COMMUNITY OUTCOMES
Regional Policy Statement and regional plans HEALTHY ENVIRONMENT	State of the Environment Report: <ul style="list-style-type: none"> • Annual report cards • Six-year full report Annual monitoring reports for our quality, coastal, groundwater hydrology, water and soil quality Five-year Regional Policy Statement and regional plans “efficiency and effectiveness” reports
Regional Land Transport Strategy CONNECTED COMMUNITY	Annual Monitoring Report on Regional Land Transport Strategy
Regional Passenger Transport Plan CONNECTED COMMUNITY	
Regional Rail Plan CONNECTED COMMUNITY	
Regional Water Strategy (under development) HEALTHY ENVIRONMENT, ESSENTIAL SERVICES	Annual Water Supply Report
Floodplain Management Plans PREPARED COMMUNITY	10-year floodplain management plan review reports
Regional Pest Management Strategy HEALTHY ENVIRONMENT	Five-year Regional Pest Management Strategy review reports
Wellington Region Civil Defence Emergency Management Group Plan PREPARED COMMUNITY	
Regional Parks Network Management Plan QUALITY LIFESTYLE	Annual Regional Parks Report
Wellington Regional Strategy PROSPEROUS COMMUNITY, ENTREPRENEURIAL AND INNOVATIVE REGION	Wellington Regional Outlook
Charter of Understanding between Iwi and Greater Wellington SHARING AND TOLERANT COMMUNITY	

How Greater Wellington will monitor and report on progress

The Local Government Act 2002 requires Greater Wellington to monitor and, not less than once in every three years, report on the community's progress towards achieving community outcomes.

Greater Wellington has ongoing monitoring programmes in place for many of its activities so that it can monitor its own performance. However, it does not collect all the information required to assess performance in furthering all the community outcomes, as the activities of many other organisations contribute to the outcomes. Greater Wellington has undertaken comprehensive data collection and interpretation, in collaboration with a number of other organisations, to produce a monitoring report on progress on the community outcomes. This report, *Progress with Community Outcomes 2009*, has been produced to be read in conjunction with this 10-Year Plan.

Greater Wellington's future approach

The Local Government Act 2002 requires Greater Wellington to, not less than once every six years, carry out a process to identify community outcomes for the intermediate and long-term future of the region.

Therefore, for our next 10-Year Plan (2012-22) we will review the existing community outcomes and maybe develop new outcomes.

The existing outcomes are very high level and, therefore, do not provide adequate guidance for our activities. Also, the wisdom of Greater Wellington attempting to monitor progress for aspects of the outcomes that are either not related to our business, or where monitoring information is not available on meaningful basis, is questionable. The outcomes, in their current form, do not help Greater Wellington in setting priorities. Greater Wellington will be looking at ways it can make the community outcomes and the monitoring of progress more meaningful to our ratepayers.

Greater Wellington is currently developing, through the Wellington Regional Strategy, a genuine progress index (GPI), in conjunction with all local authorities in the region. This is a way of monitoring a range of economic, environmental and social indicators. Other regions are interested in developing a GPI and so there may be opportunities for alignment at regional and possibly central government level. It is our intention to use the GPI as a way of monitoring progress with community outcomes in the future.

KEY ISSUES

part 3

KEY ISSUE: PUBLIC TRANSPORT

In the Wellington region

We have a high-quality well-used Metlink public transport network of bus, train and harbour ferry services. There are 103 bus routes, four train lines and two harbour ferry routes. In 2007/08 more than 34 million trips were made on the network. The Wellington region has the highest per capita use of public transport in New Zealand.

What we want

A well-patronised public transport network that helps people get around the region easily and reduces road congestion.

The big issues

- While we have a core of dedicated public transport users, our patronage growth targets will only be met through attracting new users. However, people are reluctant to give up the use of their cars. To be attractive to users public transport must be:
 - Convenient
 - Reliable
 - Simple to use
 - High quality
 - User friendly
 - Affordable

Our current system does not have all these qualities. Rail has suffered from underinvestment over many years and bus services need to be expanded. Reliability is a key issue across the whole network. While considerable new investment has been committed to enhance rail services, further funding will be necessary if we are to attract more people to public transport.

- To attract more users, we need to modernise the network by introducing features such as real-time information and electronic ticketing. However, these things are very costly. In comparison with many other parts of the world, the region does not have a large population to easily fund such initiatives. Therefore, Greater Wellington is taking a measured approach to network improvements.
- People often have high expectations about service levels – frequency and coverage – without realising the cost implications of their demands. This is particularly the case for off-peak services which may please a few people but require a high level of subsidy. Also, congestion is often not a problem at these off-peak times, which makes car use even more attractive. Greater Wellington has to balance the cost of providing services with demand and patronage.
- A large part of Greater Wellington's public transport budget is comprised of contracted expenditure for bus, rail and ferry services. Our ability to control costs over the short term is limited by these contracts and by the appetite of Greater Wellington to reduce services or increase fares when costs increase. The cost of contractual inflation on bus and ferry services has been extremely volatile over the past two years primarily due to the price of oil on the world market and the NZ/US dollar exchange rate. This volatility increases the likelihood that in the future there will be major variations between budgets and actual expenditure.
- The full rating impact arising from the programme of rail improvements starts in 2010/11 when new Matangi trains start arriving in Wellington. While the majority of the costs are met by central government funding from the Wellington Transport Package, the rates impact is still significant. It is part of the additional \$95 million that the region agreed to fund as a condition of receiving government funding.

Have your say
see p220

- Improvements to public transport mean that the transport rate will double over the next 10 years.
 - Currently 30% of rail commuters use Park & Ride carparks provided by Greater Wellington which are free of charge. With future patronage growth it will not be possible to sustain this level of Park & Ride use because of the shortage of additional land close to rail stations. In addition:
 - There are increasing costs for providing and maintaining the carparks, including security service costs
 - Many people who use carparks live close by (50% within 1.85km)
- Greater Wellington's response in this proposed 10-Year Plan**
- Focus on peak-period commuting, while trying to grow off-peak use
 - Continue to improve the rail network by:
 - Purchasing new trains
 - Upgrading the rail network (with KiwiRail)
 - Extending the electric network to Waikanae, and double tracking from MacKays Crossing to Waikanae
 (This work is already underway.)
 - Further improve rail services by increasing capacity, reliability and frequency in line with patronage growth (Regional Rail Plan Rail Scenario 1)
 - Improve the bus network by:
 - Ensuring existing services are providing value for money by redeploying resources from poorly performing services
 - Providing future funding to expand the network
 - Supporting bus priority measures, particularly in the Wellington CBD
- Make the Metlink network more attractive to users by:
 - Providing a real-time information system
 - Working towards a network wide electronic ticket
 - Working towards standardised fare products
 - Ensuring the network is easy to use
 - Manage the volatility of cost changes arising from changes in the price of oil on the world market and in NZ/US dollar exchange rate by making annual adjustments to budgets and using reserves to smooth costs.
 - Introduce a charge for Park & Ride parking. Greater Wellington is proposing to levy parking charges directly on the users of the carparks. Charges would be set at a level that remained substantially cheaper than parking in Wellington CBD, and would take into account the total cost of the trip so that public transport remained a competitive travel mode. Charges could be introduced on a trial basis and may be targeted at certain carparks where demand exceeds supply.

KEY ISSUE: WATER SUPPLY

In the Wellington Region

In our region we are fortunate to have a temperate climate with adequate rainfall to supply our needs.

Greater Wellington is a wholesale water supplier of potable water (tap water). We collect water from rivers and underground (aquifer) sources that are dependent on rainfall. The water is treated and delivered to reservoirs owned by the Lower Hutt, Porirua, Upper Hutt and Wellington city councils. Those city councils then supply the water to the public.

In the remaining part of the region (Kapiti and the Wairarapa), the district councils collect, treat and deliver water to their communities.

Greater Wellington and the four city councils in the region consider it important to have a secure supply system. The target is to have a very low risk of water shortage – less than 2% annual probability of a shortfall. This means that we would expect to have no more than one year in 50 years when there is not enough water to meet reasonable demand.

What we want

A safe and secure reticulated water supply that provides high-quality water to meet the reasonable current and future needs of the population, and which is cost effective and environmentally responsible.

The big issues

- Greater Wellington's system has relatively little storage capacity and we largely rely on there being enough water each day from our rivers and aquifers to meet the day's water use.

In the past we have been able to meet demand, but there has been higher than anticipated population growth and climate change predictions are for drier than anticipated summers. It is becoming more difficult to meet an increasing demand during dry periods. Currently the system is operating at a 3.9% probability of an annual water shortage, which exceeds our security of supply target of 2%. The problem is likely to worsen over the next five years if the population increases as predicted. If we don't take any action, by 2013 the water supply network will technically only be able to provide for a 7% probability of an annual water shortage. This means that it would be difficult to operate the system without severe constraints on discretionary water use over summer. New water sources are required in the short term if we are to have a secure supply of water.

- A major new water storage facility will almost certainly be needed in the long term if we are to meet the demand of a growing population. However, this will be very costly and possibly have significant environmental impacts. Importantly, we can defer the need for increased storage if we reduce the demand for water to offset population growth. The more we can reduce the demand per capita, the longer we can put off having to build and pay for a new supply. If we compare our per capita water use with other areas, eg, Auckland, it appears possible to reduce consumption. On the other hand, it may be that people are willing to pay more to enjoy unrestricted access to water and some measures to conserve water will also have a substantial cost. Furthermore, having alternative water supply sources would provide greater security of supply following a major earthquake.

Have your say
see p220

- Greater Wellington, in conjunction with the city and district councils, is developing a draft Regional Water Strategy, part of which will address water supply. Some of the short-to-medium-term options being considered to increase water supply in the metropolitan areas include reducing the minimum flow downstream of Kaitoke weir to allow more water to be abstracted, raising the maximum storage at Stuart Macaskill Lakes, building a treated water reservoir in central Wellington and taking water from the Upper Hutt aquifer. (Although the Kaitoke weir is on the Hutt River, there are other major river tributaries downstream of the weir.) A long-term option is building a dam, treatment plant and infrastructure in the Akatarawa Forest. Short-term options are required to restore the security of supply standard but the strategy will provide “option packages” for the medium to long term. Options may include various approaches to balancing between demand reduction and the development of future sources.
- Every litre of water we supply requires electricity to treat and pump it and chemicals to make it safe and clean. Approximately 75% of Greater Wellington’s greenhouse gas emissions are from energy used in water treatment and distribution. Greater Wellington has set goals to reduce these emissions as part of the Communities for Climate Protection Programme. Conserving water would contribute to achieving these goals.

Greater Wellington’s response in this proposed 10-year plan

- By 2012 return to a 2% security of supply standard by implementing the short-term options – Kaitoke (2009) and Stuart Macaskill Lakes (2011)
- Complete the central Wellington reservoir (2015) to retain the security of supply standard for another year
- Continue our water conservation programmes by promoting voluntary measures
- The region’s commitment to demand management is unknown and at this stage we don’t know the level of water saving that will be achieved. As we have to ensure a secure supply of water, we have planned conservatively and provided for alternative water sources to be developed as follows:
 - Complete construction of the Upper Hutt aquifer wells, treatment plant and pumping station by 2015 – \$16.9 million (today’s dollars)
 - Commence the design of the Whakitikei dam in the Akatarawa Forest and associated treatment plant, and start development of the dam in 2014. The dam and treatment plant will come into operation in 2022 – \$135 million (today’s dollars)

This approach may change if the four city councils and Greater Wellington commit to a more aggressive approach to water conservation through the Regional Water Strategy. A per capita reduction in water use would mean that new water supply infrastructure could be deferred for a number of years.

Possible measures range from encouraging the uptake of water flow technology, installing water meters and encouraging home collection/grey water use.

However, Greater Wellington is only a supplier of bulk water to the four cities and demand management is the responsibility of each of the cities.

KEY ISSUE: REGIONAL PARKS

Have your say
see p220

In the Wellington region

Greater Wellington manages five regional parks (Battle Hill, Belmont, East Harbour, Kaitoke and Queen Elizabeth). It also manages significant recreation areas in the Akatarawa and Pakuratahi forests. Two new parks – Whitireia and Lake Wairarapa – are being included into the network.

Greater Wellington's current approach to these parks and forest areas is to offer open space near the urban centres for a variety of recreational activities, and preserve the biodiversity and heritage values of these areas.

What we want

Park and forest areas that provide a real and lasting benefit to the region – public open spaces that meet leisure and health needs, and support healthy natural ecosystems.

The big issues

- The community wants better quality parks at Whitireia and Lake Wairarapa. At present these areas are degraded. However, creating better parks comes at a financial cost. The Council has to decide whether to put resources into these new parks at the expense of existing parks, or charge the community more via rates to bring all parks to the same level.
- The park framework was developed in 1976 and, with increased urbanisation, people's leisure and recreational requirements have changed. For example, the popularity of cycling, motorised recreation and organised events has increased markedly. At the same time, there is increasing pressure to protect the environment and for park land to be used for other activities, such as heritage precincts or golf driving ranges. However, Greater Wellington's idea of using park land for wind energy generation has encountered resistance. There is a need to re-examine the purpose of our parks and forest areas, clarify community priorities, and avoid potentially competing and conflicting uses.

Greater Wellington's response in this proposed 10-Year Plan

- Start improving the new parks at a slower rate than originally anticipated and seek funding from external sources where possible. This plan provides for \$100,000 per annum for Lake Wairarapa and \$75,000 per annum for Whitireia Park.
- Prepare a high-level Greater Wellington Regional Parks Network Strategy (for regional parks and recreation areas) that will clearly articulate a vision and purpose for our parks network. We will be consulting widely on the strategy. It may be, for example, that different parks should have different purposes and service levels. The strategy will address:
 - How parks contribute to community well-being
 - Future population trends, and associated recreation and leisure preferences
 - Public views and aspirations for regional parks and competing interests
 - The cultural and heritage values, environmental state and recreation potential of regional parks
 The intention is to not make any major development decisions about our regional parks and recreation areas until the strategy is completed (July 2010).
- Provide for any changes resulting from the Parks Network Strategy in our next 10-Year Plan 2012-22.
- Maintain current service levels in our parks and forests in the meantime.
- Develop a Regional Open Space Strategy, as part of the Wellington Regional Strategy, to promote a coordinated approach to open space development across the region.



KEY ISSUE: FLOOD PROTECTION

In the Wellington region

There are four major river systems in the region (Ruamahanga, Hutt, Otaki and Waikanae rivers) and a whole complex of smaller river systems (eg, Porirua Stream, Wainuiomata River, Waitohu Stream, Mangaone Stream, Waipoua River and the Waiohine River) that pose a range of flood and erosion risks. Flooding is only a risk when it affects people, property and the productive use of land.

The Hutt Valley, for example, is one of the most densely populated floodplains in New Zealand and, as the population of the Kapiti Coast grows, the potential impacts of flooding from the Waikanae and Otaki rivers increase. Similarly, as land use intensifies in the Wairarapa (agricultural and lifestyle developments), the importance of flooding becomes even greater.

In 2000, Greater Wellington committed to a 40-year flood protection programme of improvements for the major western river systems (Otaki, Waikanae, Hutt) and in 2006 we also committed to investing in a 10-year programme for two Wairarapa schemes to ensure they deliver the required level of service. We also have a programme of investigating the flood risk for a lot of our minor water courses so we can make sensible decisions about how these are managed.

What we want

Our community to understand the risks from flooding and erosion, and have acceptable and affordable solutions in place. We also want to ensure that inappropriate developments don't create new problems.

The big issues

- Flood protection works are expensive. The current commitments are already a significant part our rates bill and they are not yet at their peak.
- There is an expectation that we should be identifying flood risks so that we avoid inappropriate development in flood risk areas. However, by identifying these flood risks, we can create anxiety in the community along with expectations that we will carry out necessary flood-mitigation works – which, in turn, will add to the rates bill.
- Our funding arrangements provide for half of the costs of flood protection works to be paid by the region (rates) and half to be paid for by the local area of benefit. This funding model has advantages (we can get on and do necessary works) and disadvantages in that it can create a demand that cannot be reasonably met (not affordable to the region).

Have your say
see p220

- There will shortly be a new National Policy Statement on flood risk. This will require Greater Wellington to continue carrying out flood risk investigations and drawing the risk to the attention of the affected community – thereby raising expectations. People understandably don't like us turning up and saying their house is at risk without a plan to do something about it!

Greater Wellington's response in this proposed 10-Year Plan

For this 10-Year Plan, the Council reviewed its approach to flood protection in the region as it was mindful of the financial cost to the general ratepayers and those in flood prone areas. It considered a number of options, including slowing down the current capital programme, changing current funding arrangements, and reviewing how much money it should put aside each year for repairing flood damage.

The Council is proposing to continue with its previously committed funding for capital works and with a measured programme of investigations. This means that we will maintain our existing schemes and continue with the planned environmental improvements. We are proposing to maintain the flood contingency reserve funding at existing levels.

Therefore, Greater Wellington is proposing to:

- Continue with the capital works programme for the Hutt, Otaki and Waikanae rivers, and the improvement to the Waiohine and Lower Wairarapa Valley development schemes at the rates that were agreed in 2000 and 2006, and included in our last 10-Year Plan.
- Clean up the contaminated sediments from the Waiwhetu Stream and improve the channel downstream of the Bell Road bridge to reduce the flood risk.
- Carry out flood risk investigations by completing the following:
 - Waiwhetu floodplain management plan (by 2012)
 - Pinehaven flood hazard investigation (by 2011)
 - Waiohine floodplain management plan project (by 2014)
- Complete the reviews of the Otaki and Waikanae floodplain management plans and the Waingawa River scheme (by 2011).
- Continue with implementing our environmental strategies that are associated with capital works to improve the river environment.

KEY ISSUE: LAND MANAGEMENT

In the Wellington region

The region has hill country farmland, lowland intensive agriculture farmland, urban developed land, peri-urban lifestyle land, and natural forests, wetlands and rivers, etc.

What we want

- Sustainable and profitable agriculture production
- Quality urban and peri-urban living
- Healthy natural ecosystems

The big issues

- The way we manage all our land determines the health of our natural environment and the risk from natural hazards, such as flooding. The way we manage our agricultural land underpins our economic prosperity and the way we manage our urban land affects our quality of life. The challenge is to manage our land in a way that recognises these interrelationships. All too often we make decisions about land use without considering the wider implications.
- The Animal Health Board's bovine Tb vector control programme in the northern Wairarapa has resulted in a Tb-free area. Therefore, the Animal Health Board will no longer be funding any possum control in this area. The farmers have asked Greater Wellington to put in a replacement possum control programme to keep possum numbers low, thereby maintaining the biodiversity and farm production gains that have already been made. Providing such a replacement programme will be a significant cost. There are also areas in the western part of the region that have never had comprehensive possum control and so there is an equity issue to be considered.
- The National Pest Management Strategy for Bovine Tb is currently under review (due to be presented

to the Minister of Biosecurity in September 2009). Under this Strategy, Greater Wellington has been a very active participant in the bovine Tb vector control programme in the Wellington region. However, the Animal Health Board has recently made changes to the programme by moving vector management in-house. As a result, Greater Wellington's role in the programme has reduced. Greater Wellington will need to decide whether it should retain any role in the bovine Tb programme.

- In the Wairarapa hill country there are still large tracts of land that remain vulnerable to soil erosion even though Greater Wellington has been working with landowners over many years to encourage sustainable farming practices. There is now an opportunity for some Crown funding to speed up our hill country erosion control work. However, this funding must be matched by a financial contribution from Greater Wellington and the landowners. Joining this scheme is an attractive option as the amount of work that could be achieved would greatly exceed the additional cost to the ratepayer. It is also likely that the effects of climate change on this country will strengthen the need for sustainable land management practices. However, this work would still be an additional cost to the regional ratepayer.
- Enhancing or even maintaining the biodiversity of this region and creating healthy natural ecosystems is a massive task and it is difficult to decide on priorities, approaches and quantum of work. Biodiversity management crosses a number of Greater Wellington's functional responsibilities, eg, water supply, regional parks, resource management and land management, etc. The challenge is to develop an integrated programme that is part of our overall land management programme to produce tangible results for biodiversity.

Have your say
see p220

Greater Wellington's response in this proposed 10-Year Plan

- Take a whole-of-catchment approach to flood risk, soil conservation, biosecurity (pest control), biodiversity and land use planning in the region by:
 - Developing regional plans under the Resource Management Act 1991 (RMA) as the framework for integrating our approach to land management
 - Considering the effects on catchments when processing resource consents under the RMA
 - Supporting the development of farm sustainability plans that integrate economic productivity with sound resource management practices
 - Maintaining our commitment to the current biodiversity work programmes and integrating them with our other land management programmes, including our pest control programmes
 - Working with our territorial authorities on land-use planning issues
 - Supporting the Good Regional Form programme of the Wellington Regional Strategy
- Continue funding support for the regional share of the Animal Health Board's bovine Tb programme, at least until the new national strategy becomes operative (\$600,000 per annum). The Council is reserving its position on supporting the new strategy.
- Commit in principal to a regional possum control programme, starting in the northern Wairarapa in 2011/12. (\$30,000 for pre-monitoring in 2010/11 to determine work required and \$190,000 for control work in 2011/12 – increasing over the 10-year period.) This plan does not provide for any possum control work in the western part of the region.
- Support the hill country erosion-control scheme by taking advantage of the available Crown funding and providing the additional regional share (\$89,000 in 2009/10 and increasing thereafter) to speed up the protection of erosion-prone land in the region.

KEY ISSUE: CLIMATE CHANGE

In the Wellington region

In our region climate change is likely to result in more damaging winds and flooding. There may be an increase in rainfall and cloudy days during winter and spring for the west of the region (Kapiti, Porirua and Wellington) but in the Wairarapa the opposite may happen. The Wairarapa may experience prolonged dry periods, lower rainfall and more drying northwest winds, resulting in drought conditions and water shortages.

An increase in storm intensity across the region is a possibility. This may lead to more damaging floods, a greater number of landslips and higher storm surges that could increase erosion in the high country and along vulnerable coastlines, and cause more coastal flooding.

The models of the Intergovernmental Panel on Climate Change indicate that, by 2080, there will be 10-50% more days with very high and extreme fire danger in the Wellington region.¹

Indications are that sea level rise is likely to be at least 0.2-0.5 metres by 2100, with a real possibility it may reach one metre or more. When the effects of the rise in sea levels are added to the storm surge effects of more frequent and more intense adverse weather events, the implications for our region's coastal communities could be serious. Further, the upstream effects of sea level rise are likely to add to or compound the number and frequency of floods.

Climate change has the potential to cause both economic and social disruption.

What we want

A resilient community that, as far as possible, is reducing its greenhouse gas emissions to mitigate the effects of global warming, but is also adapting well to any changes caused by climate change.

The big issues

- The scale and complexity of climate change issues are such that addressing them can seem overwhelming for any one institution, let alone

individuals, in a small city, in a small country, in the middle of the ocean miles from any other. New Zealand's historical contribution to global greenhouse gas emissions is small despite our per capita emissions being very high – sixth in the world by some counts. This leads to an argument that the Wellington region should not worry about reducing its emissions and should simply focus all its attention on adapting to whatever results from the rest of the developed world's activities. The countering argument is that if, to achieve a liveable future, we wish to persuade the rest of the developed world to mitigate the effects of global warming, we only acquire the moral right to do so by doing our bit.

- There is great uncertainty about how the effects of climate change will play out. Although scientists agree that global warming is occurring and is human induced, different climate models deliver different results as to what effects will be felt and when. This makes it difficult to plan how we are going to adapt to any effects. For example, will sea level rise be small enough to make building more substantial sea walls a cost-effective option or should we be thinking about how to migrate housing away from certain parts of the coast? If climate change is going to threaten the viability of current farming in the Wairarapa, what should we be doing to transition the community to a new economy and, given a new climate regime, what should be the nature of that new economy? Despite the uncertainty, we need to start thinking now about how we are going to adapt to the effects of climate change.
- Greater Wellington has been supporting the development of renewable energy in the region through making Greater Wellington-owned land available to private developers for wind farms. However, there has been opposition to proposals from affected communities, highlighting the tension between the need for renewable energy, environmental protection and community well-being.

¹ IPCC Fourth Assessment Report, 2007 (Working Group II Report) Ch 11 Australia and New Zealand p515

Have your say
see p220

Greater Wellington's response in this proposed 10-Year Plan

Greater Wellington is currently working with the city and district councils in the region and around New Zealand, and is leading the region's planning for dealing with climate change. Local authorities have agreed to work collaboratively on developing goals and a shared plan for the region to reduce the region's greenhouse gas emissions. We will also take the opportunity to develop strategies to support our communities to be resilient and adapt to the effects of climate change.

Greater Wellington has already developed targets and a plan for reducing its own corporate greenhouse gas emissions and will be working to implement this plan. For example, three quarters of our emissions are from energy used in water treatment and distribution.

We will also:

- Implement the Regional Land Transport Strategy that has:
 - A target to hold transport emissions to 2001 levels by 2016, an effective cut of approximately 25% once population growth is taken into account
 - Measures to reduce transport emissions, such as more public transport, school and business travel plan programmes and a web-based ride-share programme
- Continue to provide for the effects of climate change in our flood protection programme. Since 2000, we have allowed for climate change in our structural works, eg, through design standards or alignments. As flood protection schemes are reviewed, we will incorporate the latest climate change information in our planning.
- Work with other local authorities and organisations to identify potential renewable energy options for this region, eg, marine, solar.
- Support renewable energy in the region by making Greater Wellington-owned land available for private developers to construct wind farms at Puketiro in the Akatarawa Forest and Stoney Creek in the Wairarapa.
- Investigate mini hydrogeneration projects for water supply purposes. Construct a mini hydrogenerator at the Wainuiomata, Water Treatment Plant.
- Continue to develop our integrated approach to catchment management.
- Continue with our hazard identification programme that investigates the potential for climate change to exacerbate natural hazards that already occur in the region, eg, storms, landslips, coastal erosion.
- Ensure that our pest plant and animal eradication work is responsive to any increase in existing pests or to any new pests arriving in the region as a result of climate change.
- Continue with our biodiversity programmes as, for example:
 - Revegetating vulnerable coastal dunes will help mitigate the effects of coastal erosion
 - Encouraging reversion of open spaces to bush will expand the region's carbon sinks
- Support Grow Wellington, the region's economic development agency, at least until June 2012. Grow Wellington's statement of intent includes supporting the development and export of carbon neutral technology
- Ensure that we have the civil defence emergency management capability to respond to any major weather events.

OTHER ISSUE: WELLINGTON REGIONAL STRATEGY

The Wellington Regional Strategy (WRS) is a sustainable growth strategy for the region that has been developed by the nine local authorities in conjunction with central government and the region's business, education, research and voluntary sectors. It aims to make the region "internationally competitive" – in other words, a region that offers the competitive package of a great lifestyle and job opportunities, supported by a strong economy.

Greater Wellington was asked by the other local authorities in the region to be the "keeper" of the WRS and to fund this through regional rates. The WRS office coordinates all the WRS projects and has a leadership role for some of them. Greater Wellington also funds, through a targeted rate, Grow Wellington, the regional economic development agency. Funding for the Wellington Regional Strategy (including Grow Wellington) for 2009/10 is proposed at \$4.5 million and \$5 million per year thereafter.

Since adoption of the WRS in May 2007, a number of projects have begun, including the following (lead agency in brackets): regional Genuine Progress Index (WRS office); regional urban design (WRS office); industrial land (Hutt City Council); rural residential development and subdivision design (Kapiti Coast District Council); regional open space strategy (WRS office/Greater Wellington); regional broadband (Wellington City Council/WRS office).

Broadband is seen as key to economic growth. Local authorities in the region have agreed that there is a role for the public sector to facilitate and seed new investment in a fibre-optic broadband network for the region. It is generally accepted that fibre-optic cable is the only technology that can meet capacity needs. However, getting connections across the region is very costly and will need a coordinated approach from major providers, the Government and councils. The Government has announced an investment programme for ultra-fast broadband to the home with an emphasis on fibre-optic cabling. Exact details of this programme are not yet available. Grow Wellington is promoting the uptake of higher capacity broadband and Greater Wellington will be working alongside Grow Wellington to promote better broadband for the Wellington region.

OTHER ISSUE: NEW MASTERTON OFFICE

Greater Wellington has two main offices in the region (Wakefield Street, Wellington, and Chapel Street, Masterton) as well as some depots (Upper Hutt, Lower Hutt, Otaki and Masterton) and the Harbour department's offices (Queen's Wharf, Wellington) along with Beacon Hill Communications station (Seatoun, Wellington).

There are significant problems with the Masterton office. It is very cramped for the 87 staff it currently houses, has limited disability access and is inadequate to serve as an alternative Wellington Civil Defence Group Emergency Operating Centre. The existing building will soon require substantial maintenance expenditure. Some staff have had to be located in older-style premises adjacent to the main office building.

The Council has considered a number of options over many years to deal with the problem. It has investigated leasing or purchasing an alternative building in Masterton, or purchasing, leasing or developing a building outside the town. It has also looked at refurbishing and extending its existing office.

Other options have been the development of a new building on Greater Wellington's current land in Chapel Street, Masterton or on its current depot site in Ngaumutawa Road, Masterton.

In considering all these options, the Council has taken into account the financial implications, transport links, zoning and staff considerations. It has concluded that the optimal solution is to construct a new two-storey building on its Chapel Street, Masterton site, to the north of the existing office, and subsequently sell the existing building and surplus land.

The Council considers that developing a new building in these times of economic recession is a way of providing a real benefit to the local economy.

The estimated net cost of the new building is \$5.96 million. This includes the sale of the surplus building. It will be funded by a loan with a total servicing cost of \$576,000 per annum. This means an average cost per ratepayer of \$3.16 per annum over the term of the loan (20 years). This proposed 10-Year Plan provides for the new building in Masterton.

FINANCIAL OVERVIEW

part 4

10-YEAR FINANCIAL FORECAST (WITH INFLATION)

This graph outlines financial performance, capital expenditure and debt over the next 10 years for Greater Wellington.

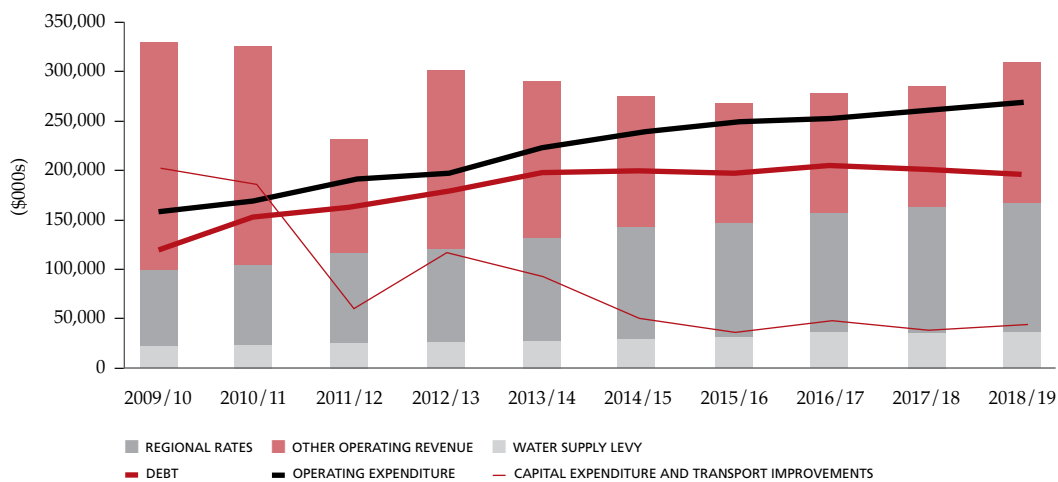
Please note that these figures exclude GST.

Regional rates and the water levy increase over the 10-year period to fund Greater Wellington's capital expenditure programmes in Transport, Water and Flood Protection. The increases are driven by the costs for upgrading the rail infrastructure (new trains, double tracking, power supply, signalling), as well as for the continuation of flood protection programmes (Wairarapa and the Hutt Valley) and for water supply infrastructure to bring more water into the system.

Further details on this work, including the capital expenditure required, can be found in the relevant group of activities. The capital expenditure programme results in debt peaking at \$206 million in 2016/17.

The other main reason for the increase in rates is the impact of inflation on Greater Wellington's operating costs. This is shown on p38.

The variance in "other operating revenue" is because Government grants for public transport improvements follow expenditure on the improvement programme.



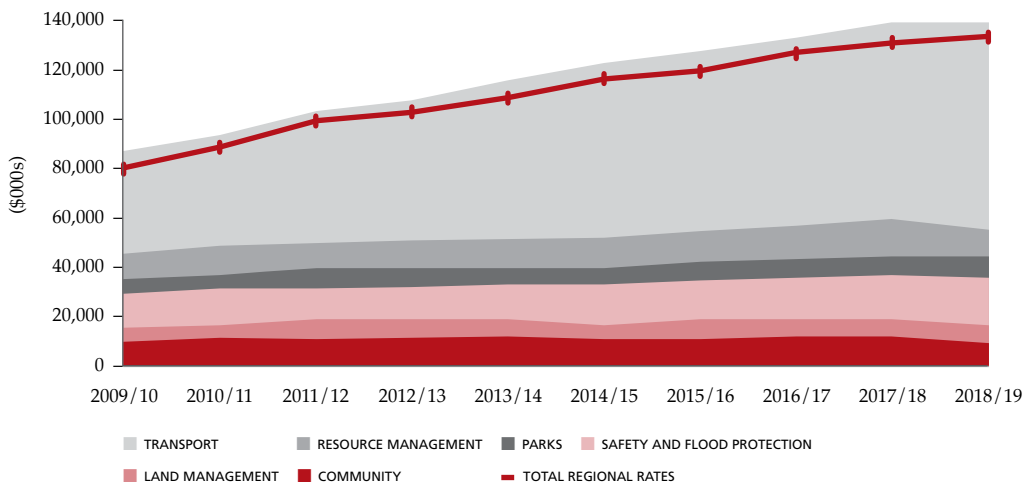
(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Regional rates	78,814	86,357	96,354	100,470	107,654	115,018	119,935	125,556	130,382	132,538
Water supply levy	23,460	24,234	24,791	26,402	28,034	29,797	31,702	33,729	35,919	38,291
Other operating revenue	233,853	221,319	115,910	179,422	159,955	134,725	118,917	126,202	122,945	142,779
Operating expenditure	159,232	169,605	194,831	200,681	222,325	242,319	250,848	258,301	266,641	274,906
Capital expenditure and transport improvements ¹	204,204	187,466	57,199	124,483	97,335	52,119	33,904	45,839	33,378	44,797
Debt	123,591	154,557	164,084	180,195	196,170	199,284	200,704	206,142	204,491	197,547
Operating surplus/(deficit)	2,793	7,523	4,326	8,666	6,673	2,364	4,603	5,354	12,744	14,435

¹ Includes capital grants to Greater Wellington Rail Ltd for the purchase of rail rolling stock. Accounting treatment requires capital grants to be treated as operational expenditure

10-YEAR RATES (WITH INFLATION)

This graph shows the regional rates requirement for each of Greater Wellington's groups of activities over the next 10 years. Regional rates include the general, transport, river management, economic development, stadium purposes, bovine Tb and Wairarapa schemes rates, but exclude the water supply levy.

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Transport	40,966	45,853	52,899	56,382	63,258	69,234	72,988	76,439	79,603	82,209
Resource management	9,885	10,244	10,576	10,814	10,848	11,144	11,369	11,782	11,890	12,274
Parks and forests	5,610	5,833	6,216	6,424	6,343	6,398	6,613	6,727	6,957	7,080
Safety and flood protection	14,114	15,053	15,705	15,742	15,875	16,186	16,897	17,803	18,492	19,154
Land management	5,110	5,332	5,418	5,584	5,869	6,303	6,477	6,843	7,133	7,350
Regional sustainable development	4,742	5,232	5,347	5,251	5,259	5,267	5,276	5,286	5,296	5,306
Community	5,354	5,610	5,576	5,621	5,743	5,783	5,800	6,120	6,007	3,888
Investments	(7,705)	(7,543)	(6,109)	(6,018)	(6,192)	(5,970)	(6,186)	(6,138)	(5,711)	(5,455)
Other	738	743	726	670	651	673	701	694	715	732
Total regional rates	78,814	86,357	96,354	100,470	107,654	115,018	119,935	125,556	130,382	132,538

TOTAL COUNCIL FINANCIAL STATEMENTS

PROSPECTIVE SCHEDULE OF RATES

Please note that all figures on this page exclude GST.

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s	2012/13 \$000s	2013/14 \$000s	2014/15 \$000s	2015/16 \$000s	2016/17 \$000s	2017/18 \$000s	2018/19 \$000s
REGIONAL RATES										
General rates	25,418	27,205	29,886	30,347	30,552	31,803	32,593	34,172	35,596	37,069
Transport rate	40,966	45,853	52,899	56,382	63,258	69,234	72,988	76,439	79,603	82,209
River rate	3,847	4,193	4,460	4,615	4,671	4,777	5,117	5,380	5,576	5,815
Stadium rate	2,676	2,673	2,673	2,673	2,673	2,674	2,674	2,687	2,688	482
EDA ¹ rate	4,250	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
District-wide rates	77,407	84,924	94,918	99,017	106,154	113,488	118,372	123,678	128,463	130,575
Pest rate	143	143	143	143	143	143	143	143	143	143
River mgmt rates – Non-district wide	98	85	87	90	91	93	96	232	237	243
Special rates	1,166	1,205	1,206	1,220	1,266	1,294	1,324	1,503	1,539	1,577
Total other rates	1,407	1,433	1,436	1,453	1,500	1,530	1,563	1,878	1,919	1,963
Total regional rates	78,814	86,357	96,354	100,470	107,654	115,018	119,935	125,556	130,382	132,538
Proposed increase in regional rates	3.43%	9.57%	11.58%	4.27%	7.15%	6.84%	4.28%	4.69%	3.84%	1.65%
Total rateable properties	188,286	190,169	192,071	193,992	195,932	197,891	199,870	201,869	203,888	205,927
Average rates per rateable property	\$418.59	\$454.11	\$501.66	\$517.91	\$549.45	\$581.22	\$600.07	\$621.97	\$639.47	\$643.61
Proposed increase in regional rates after allowing for growth in property numbers	2.88%	8.49%	10.47%	3.24%	6.09%	5.78%	3.24%	3.65%	2.81%	0.65%

The significant rise in rates for 2010/11 and 2011/12 is largely due to the payments required for the new Matangi units, rail track infrastructure upgrades and for the cost of operating the new trains. Greater Wellington is funding 10% of the cost of these units. In addition, there is a fall in the contribution to rates from Greater Wellington's investments. This is due to the internal interest rate charged within Greater Wellington remaining constant over the period, while external interest rates are forecast to increase, thus reducing income.

¹ The EDA rate and EDA activity will only continue past 30 June 2012 if the WRS Committee recommends that the activity continues and Greater Wellington undertakes the necessary consultation process set out in Section 16 of the Local Government Act 2002

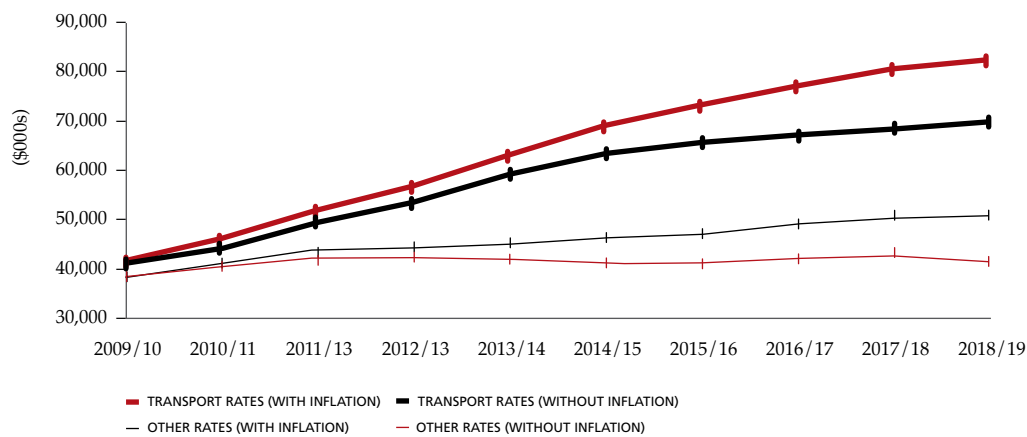
IMPACT OF INFLATION ON FORECAST RATES

This graph compares the “rates with inflation” in the 10-Year Plan to “rates without inflation”

Key points to note are:

- Inflation, over the period increases rates by \$22.5 million
- Two-thirds of this increase comes from transport rates
- The average inflation increase per year is approximately 3%

Please note that these figures exclude GST.

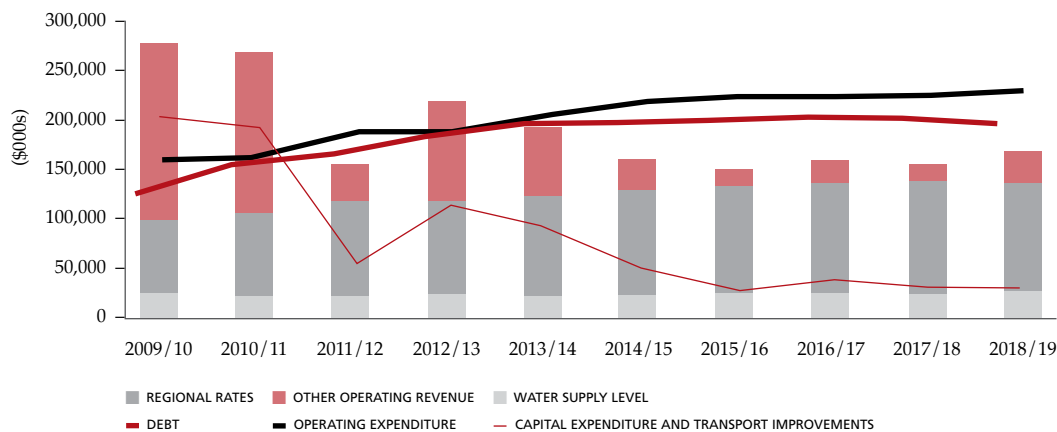


(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Transport rates (without inflation)	40,966	44,953	51,003	53,344	58,708	62,958	64,964	66,760	68,178	68,935
Transport rates (with inflation)	40,966	45,853	52,899	56,382	63,258	69,234	72,988	76,439	79,603	82,209
Other rates (without inflation)	37,848	39,994	41,745	41,885	41,037	41,289	41,408	42,386	42,955	41,095
Other rates (with inflation)	37,848	40,504	43,455	44,088	44,396	45,784	46,947	49,117	50,779	50,329

SUPPLEMENTARY INFORMATION – 10-YEAR FINANCIAL FORECAST (WITHOUT INFLATION)

This graph outlines the financial forecast for the next 10 years overall for Greater Wellington. The numbers on this page do not include inflation and are provided as supplementary information.

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Regional rates	78,814	84,947	92,748	95,229	99,745	104,247	106,372	109,146	111,133	110,030
Water supply levy	23,460	23,460	23,460	24,398	25,374	26,389	27,445	28,543	29,684	30,872
Operating expenditure	159,231	166,219	187,164	188,799	204,883	218,664	221,367	223,400	226,102	228,398
Other operating revenue	176,896	161,820	40,964	99,632	68,278	32,349	15,729	21,607	17,612	29,409
Capital expenditure and transport improvements	204,205	186,562	55,451	117,382	90,933	46,669	29,383	38,821	27,619	36,212
Debt	123,591	154,113	163,135	178,159	192,865	195,563	196,680	201,007	198,957	193,187
Operating surplus/(deficit)	2,793	7,161	3,844	8,275	5,746	963	2,614	3,086	9,411	9,727

¹ Includes capital grants to Greater Wellington Ltd (GWR Ltd) for the purchase of rail rolling stock. Accounting treatment requires this to be treated as operational expenditure

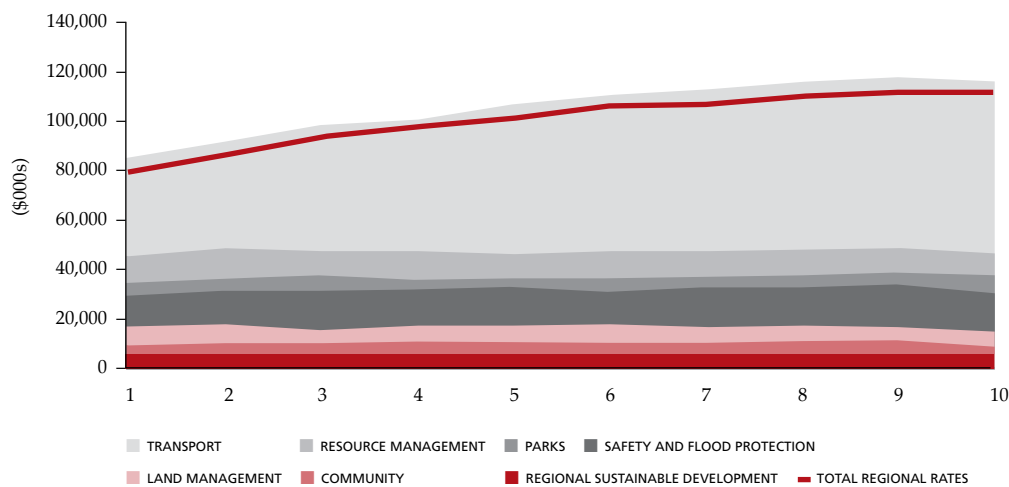
SUPPLEMENTARY INFORMATION – 10-YEAR RATES (WITHOUT INFLATION)

This graph shows the regional rates requirement for each of Greater Wellington's groups of activities over the next 10 years. Regional rates include the general, regional transport, river management, stadium purposes, bovine Tb and Wairarapa schemes rates, but exclude the water supply levy. The numbers on this page do not include inflation and are provided as supplementary information.

Key points to note are:

- Non-transport rates are fairly flat over the period, with the exception of flood protection which is due to continued expenditure in Hutt Valley and Wairarapa
- Increases in transport rates over the period are to fund investment in public transport infrastructure and increased patronage

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Transport	40,966	44,953	51,003	53,344	58,708	62,958	64,964	66,760	68,178	68,935
Resource management	9,885	9,969	10,035	10,012	9,807	9,836	9,784	9,858	9,682	9,671
Parks	5,610	5,681	5,916	5,977	5,780	5,709	5,769	5,724	5,775	5,706
Safety and flood protection	14,114	14,819	15,231	15,026	14,901	14,950	15,341	15,910	16,244	16,494
Land management	5,110	5,161	5,114	5,143	5,280	5,528	5,549	5,708	5,794	5,786
Regional sustainable development	4,742	5,222	5,322	5,222	5,222	5,222	5,222	5,222	5,222	5,222
Community	5,354	5,514	5,423	5,399	5,426	5,426	5,372	5,548	5,416	3,165
Investments	(7,705)	(7,087)	(5,981)	(5,511)	(5,973)	(5,985)	(6,246)	(6,197)	(5,799)	(5,580)
Other	738	715	685	617	594	603	617	613	621	631
Total regional rates	78,814	84,947	92,748	95,229	99,745	104,247	106,372	109,146	111,133	110,030

SUMMARY OF RATES AND LEVIES

This table shows the rates and levies for Greater Wellington in 2009/10, together with the changes from 2008/09. Rates comprise the general rate and various targeted rates. Greater Wellington also charges a water supply levy directly to the four metropolitan city councils in the region. The city councils then rate accordingly for this levy.

The small increase in the transport rate for 2009/10 recognises that projected savings from lower fuel prices are offsetting the increased funding requirements for the extensive transport infrastructure upgrades that are underway.

Fluctuations in the world oil price and New Zealand exchange rate can significantly impact the amount paid by Greater Wellington for its diesel bus contracts.

The total rate increase in regional rates for 2009/10 is 3.43%. The water supply levy, which is charged to the four metropolitan city councils remains at the same level as 2008/09. When the water supply levy is included, Greater Wellington's overall increase is 2.62%.

BY RATE AND LEVY TYPE:	2008/09 BUDGET \$000s	2009/10 PLAN \$000s	CHANGE \$000s	CHANGE %
GENERAL RATES				
Flood protection ¹	7,892	8,042	150	1.90%
Environment, parks and Council costs	22,911	23,737	826	3.61%
Biosecurity and land management	5,153	5,483	330	6.40%
Investment management ²	(9,302)	(8,668)	634	6.82%
Total General rates	26,654	28,594	1,940	7.28%
TARGETED RATES:				
River management rates	4,080	4,328	248	6.08%
Transport rates	45,869	46,087	218	0.48%
Stadium rates	3,010	3,010	-	0.00%
EDA rates	4,500	5,063	563	12.51%
Bovine Tb rates	160	160	-	0.00%
South Wairarapa district – river rates	139	111	(28)	-20.14%
Wairarapa scheme and stopbank rates	1,312	1,312	-	0.00%
Total targeted rates	59,070	60,071	1,001	1.69%
Total regional rates	85,724	88,665	2,941	3.43%
Water levy	26,392	26,392	-	0.00%
Total rates and levies	112,116	115,057	2,941	2.62%

Note: Figures labelled "2008/09 Budget" are sourced from Greater Wellington's 2008/09 Annual Plan, and those labelled "2009/10 Plan" are those proposed for 2009/10 in this 10-Year Plan 2009-19

¹ The portion of flood protection charged as a general rate

² Contribution from Greater Wellington's investments. The decrease in the contribution is due to lower interest rates charged on our internal debt. This information should be read in conjunction with the Funding Impact Statement on pages XX-XX and the Revenue and Financing Policy included in this 10-Year Plan. Please note that all figures on this page include GST

SUMMARY OF RATES AND LEVIES WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

Rates increases vary between city and district councils because of differing capital values. Further, some of Greater Wellington's work programmes impact differently across the region, especially flood protection and public transport.

BY AREA:	2008/09 BUDGET \$000s	2009/10 PLAN \$000s	CHANGE \$000s	CHANGE %
Wellington city	43,886	45,092	1,206	2.75%
Lower Hutt city	17,033	17,511	478	2.81%
Upper Hutt city	5,626	5,951	325	5.78%
Porirua city	6,873	7,112	239	3.48%
Kapiti Coast district	6,671	6,956	285	4.27%
Masterton district	1,908	2,008	100	5.24%
Carterton district	790	913	123	15.57%
South Wairarapa district	1,323	1,536	213	16.10%
Tararua district ¹	3	3	-	0.00%
District-wide rates	84,113	87,082	2,969	3.53%
Bovine Tb Rate	160	160	-	0.00%
South Wairarapa district – river rates	139	111	(28)	-20.14%
Wairarapa scheme and stopbank rates	1,312	1,312	-	0.00%
Total Regional rates	85,724	88,665	2,941	3.43%
Water supply levy	26,392	26,392	-	0.00%
Total rates and levies	112,116	115,057	2,941	2.62%

Note: Figures labelled "2008/09 Budget" are sourced from Greater Wellington's 2008/09 Annual Plan, and those labelled "2009/10 Plan" are those proposed for 2009/10 in this 10-Year Plan 2009-19

¹ 11 rural properties in the Tararua district are within the boundaries of the Greater Wellington region

This information should be read in conjunction with the Funding Impact Statement on pages XX-XX and the Revenue and Financing Policy included in this 10-Year Plan. Please note that all figures on this page include GST

RATES AND LEVIES

WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

Changes in district-wide rates due to equalised capital value (ECV) movements and apportionment from 2008/09 to 2009/10

	ECV MOVEMENTS		GENERAL RATE		RIVER MANAGEMENT RATE		REGIONAL TRANSPORT RATE		STADIUM PURPOSES RATE		EDA RATE		TOTAL DISTRICT-WIDE RATES	
	CHANGE \$000s	CHANGE %	CHANGE \$000s	CHANGE %	CHANGE \$000s	CHANGE %	CHANGE \$000s	CHANGE %	CHANGE \$000s	CHANGE %	CHANGE \$000s	CHANGE %	CHANGE \$000s	CHANGE %
Wellington city	(44)	-0.10%	913	2.08%	(9)	-0.02%	76	0.17%	-	0.00%	270	0.62%	1,206	2.75%
Lower Hutt city	(165)	-0.97%	339	1.99%	255	1.50%	(49)	-0.29%	-	0.00%	98	0.58%	478	2.81%
Upper Hutt city	(14)	-0.25%	123	2.19%	87	1.55%	83	1.48%	-	0.00%	46	0.82%	325	5.78%
Porirua city	(21)	-0.31%	148	2.15%	4	0.06%	65	0.95%	-	0.00%	43	0.63%	239	3.48%
Kapiti Coast district	73	1.09%	202	3.03%	(89)	-1.33%	28	0.42%	-	0.00%	71	1.06%	285	4.27%
Masterton district	(15)	-0.79%	97	5.08%	-	0.00%	-	0.00%	-	0.00%	18	0.94%	100	5.24%
Carterton district	71	8.99%	44	5.57%	-	0.00%	5	0.63%	-	0.00%	3	0.38%	123	15.57%
South Wairarapa district	115	8.69%	74	5.59%	-	0.00%	10	0.76%	-	0.00%	14	1.06%	213	16.10%
Tararua district	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
District-wide rates	-	0.00%	1,940	2.31%	248	0.29%	218	0.26%	-	0.00%	563	0.67%	2,969	3.53%

WATER SUPPLY LEVY

This table shows that the proposed water supply levy will not increase from the 2008/09 level. The amounts charged to each of the four cities may change when the full year's water consumption results are known.

	2007/08 BUDGET \$000s	2008/09 PLAN \$000s	CHANGE \$000s	CHANGE %
Wellington City Council	14,205	14,212	7	0.05%
Hutt City Council	6,721	6,706	(15)	-0.22%
Upper Hutt City Council	2,431	2,418	(13)	-0.53%
Porirua City Council	3,035	3,056	21	0.69%
Water supply levy	26,392	26,392	-	0.00%

This information should be read in conjunction with the Funding Impact Statement on pages XX-XX and the Revenue and Financing Policy included in this 10-Year Plan. Please note that all figures on this page include GST.

RATES AND LEVIES WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

Percentage changes in each rate type which together make up the changes in district-wide rates from 2008/09 to 2009/10

	GENERAL RATE			RIVER MANAGEMENT RATE			TRANSPORT RATE			STADIUM PURPOSES RATE			EDA RATE		
	2008/09 BUDGET \$000s	2009/10 PLAN \$000s	CHANGE %	2008/09 BUDGET \$000s	2009/10 PLAN \$000s	CHANGE %	2008/09 BUDGET \$000s	2009/10 PLAN \$000s	CHANGE %	2008/09 BUDGET \$000s	2009/10 PLAN \$000s	CHANGE %	2008/09 BUDGET \$000s	2009/10 PLAN \$000s	CHANGE %
Wellington city	12,597	13,466	6.90%	160	151	-5.63%	27,293	27,369	0.28%	1,788	1,788	0.00%	2,048	2,318	13.18%
Lower Hutt city	4,807	4,981	3.62%	1,893	2,148	13.47%	8,850	8,801	-0.55%	588	588	0.00%	895	993	10.95%
Upper Hutt city	1,698	1,807	6.42%	546	633	15.93%	2,905	2,988	2.86%	158	158	0.00%	319	365	14.42%
Porirua city	2,050	2,177	6.20%	90	94	4.44%	4,172	4,237	1.56%	216	216	0.00%	345	388	12.46%
Kapiti Coast district	2,709	2,984	10.15%	1,370	1,281	-6.50%	1,997	2,025	1.40%	146	146	0.00%	449	520	15.81%
Masterton district	1,356	1,438	6.05%	0	0	0.00%	248	248	0.00%	60	60	0.00%	244	262	7.38%
Carterton district	535	650	21.50%	21	21	0.00%	135	140	3.70%	21	21	0.00%	78	81	3.85%
South Wairarapa district	899	1,088	21.02%	0	0	0.00%	269	279	3.72%	33	33	0.00%	122	136	11.48%
Tararua district	3	3	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%
District-wide rates	26,654	28,594	7.28%	4,080	4,328	6.08%	45,869	46,087	0.48%	3,010	3,010	0.00%	4,500	5,063	12.51%

Rates increases vary between city and district councils because of differing capital values. In addition, some of Greater Wellington's work programmes impact differently across the region, especially flood protection and public transport.

	TOTAL DISTRICT-WIDE RATES		
	2008/09 BUDGET \$000s	2009/10 PLAN \$000s	CHANGE %
Wellington city	43,886	45,092	2.75%
Lower Hutt city	17,033	17,511	2.81%
Upper Hutt city	5,626	5,951	5.78%
Porirua city	6,873	7,112	3.48%
Kapiti Coast district	6,671	6,956	4.27%
Masterton district	1,908	2,008	5.24%
Carterton district	790	913	15.57%
South Wairarapa district	1,323	1,536	16.10%
Tararua district	3	3	0.00%
District-wide rates	84,113	87,082	3.53%

This information should be read in conjunction with the Funding Impact Statement on pages XX-XX and the Revenue and Financing Policy included in this 10-Year Plan. Please note that all figures on this page include GST.

RATES AND LEVIES

WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

2009/10 Residential rates by rate type and average residential property

	GENERAL RATE PER \$100,000 OF CAPITAL VALUE		RIVER MANAGEMENT RATE PER \$100,000 OF CAPITAL VALUE		TRANSPORT RATE PER \$100,000 OF CAPITAL VALUE		STADIUM PURPOSES RATE PER \$100,000 OF CAPITAL VALUE		TOTAL RESIDENTIAL RATES PER \$100,000 OF CAPITAL VALUE EXCLUDING EDA RATE	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Wellington city	\$27.50	\$29.18	\$0.35	\$0.32	\$29.72	\$28.59	\$3.37	\$3.35	\$60.94	\$61.44
Lower Hutt city	\$27.15	\$27.97	\$10.69	\$12.06	\$50.54	\$49.98	\$3.14	\$3.13	\$91.52	\$93.14
Upper Hutt city	\$26.83	\$28.42	\$8.63	\$9.96	\$49.41	\$50.62	\$2.72	\$2.71	\$87.59	\$91.71
Porirua city	\$26.77	\$28.16	\$1.18	\$1.22	\$57.65	\$58.01	\$2.91	\$2.88	\$88.51	\$90.27
Kapiti Coast district	\$34.27	\$29.35	\$17.33	\$12.60	\$28.42	\$22.52	\$1.99	\$1.56	\$82.01	\$66.03
Masterton district	\$33.88	\$35.88	\$0.00	\$0.00	\$10.04	\$10.10	\$2.56	\$2.55	\$46.48	\$48.53
Carterton district	\$29.99	\$35.92	\$1.20	\$1.18	\$15.40	\$15.84	\$2.33	\$2.30	\$48.92	\$55.24
South Wairarapa district ¹	\$30.24	\$36.28	\$0.00	\$0.00	\$19.16	\$19.72	\$2.67	\$2.65	\$52.07	\$58.65

	TOTAL RESIDENTIAL RATES PER AVERAGE RESIDENTIAL PROPERTY EXCLUDING EDA RATE		EDA RATE ² PER RESIDENTIAL PROPERTY		TOTAL RESIDENTIAL RATES PER AVERAGE RESIDENTIAL PROPERTY INCLUDING EDA RATE	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Wellington city	\$319.31	\$321.50	\$14.06	\$15.75	\$333.37	\$337.25
Lower Hutt city	\$353.75	\$360.21	\$14.06	\$15.75	\$367.81	\$375.96
Upper Hutt city	\$303.24	\$310.34	\$14.06	\$15.75	\$317.30	\$326.09
Porirua city	\$337.12	\$344.34	\$14.06	\$15.75	\$351.18	\$360.09
Kapiti Coast district	\$239.22	\$242.57	\$14.06	\$15.75	\$253.28	\$258.32
Masterton district	\$88.58	\$92.57	\$14.06	\$15.75	\$102.64	\$108.32
Carterton district	\$109.26	\$124.94	\$14.06	\$15.75	\$123.32	\$140.69
South Wairarapa district ¹	\$130.72	\$147.65	\$14.06	\$15.75	\$144.78	\$163.40

¹ Excludes river rates charged on Greytown and Featherston urban properties.

² GrowWellington is the region's economic development agency (EDA). The EDA rate is a targeted rate allocated on a fixed amount basis for residential and rural ratepayers. It is allocated on capital value for businesses. For residential properties the fixed amount is \$15.75 and rural properties \$30.50.

This information should be read in conjunction with the Funding Impact Statement on pages XX-XX and the Revenue and Financing Policy included in this 10-Year Plan. Please note that all figures on this page include GST.

RATES AND LEVIES

RATES CALCULATOR FOR RESIDENTIAL PROPERTIES

The table below shows how you can calculate your own residential regional rates for 2009/10. For example, if you live in Lower Hutt city and have a residential property with a capital value of \$350,000 your indicative regional rates are \$341.74

	2009/10 RATES PER \$100,000 OF CAPITAL VALUE EXCLUDING THE EDA RATE		ENTER THE CAPITAL VALUE OF YOUR PROPERTY		ECONOMIC DEVELOPMENT RATE		RATES ON YOUR PROPERTY FOR 2009/10
Wellington city	\$61.44	x		÷ 100,000	+	\$15.75	=
Lower Hutt city	\$93.14	x		÷ 100,000	+	\$15.75	=
Upper Hutt city	\$91.71	x		÷ 100,000	+	\$15.75	=
Porirua city	\$90.27	x		÷ 100,000	+	\$15.75	=
Kapiti Coast district	\$66.03	x		÷ 100,000	+	\$15.75	=
Masterton district	\$48.53	x		÷ 100,000	+	\$15.75	=
Carterton district	\$55.24	x		÷ 100,000	+	\$15.75	=
South Wairarapa district ¹	\$58.65	x		÷ 100,000	+	\$15.75	=
Lower Hutt city example	\$93.14	x	\$350,000	÷ 100,000	+	\$15.75	\$341.74

¹ Excludes river rates charged on Greytown and Featherston urban properties.

Please note: The above calculation does not include rates set by your local city or district council. Greater Wellington rates are set and assessed by Greater Wellington but are invoiced and collected by the relevant territorial authority in the Wellington region. Such combined collection arrangements are cost effective and are more convenient for ratepayers. This information should be read in conjunction with the Funding Impact Statement on pages XX-XX and the Revenue and Financing Policy included in this 10-Year Plan. Please note that all figures on this page include GST.

GROUPS OF ACTIVITIES

part 5

RESOURCE MANAGEMENT

1 COMMUNITY OUTCOMES

The Resource Management group of activities primarily contributes to the following community outcome

HEALTHY ENVIRONMENT

A healthy environment is one with clean water, fresh air and healthy soils. Well functioning and diverse ecosystems make up an environment that can support our needs. Resources are used efficiently. There is minimal waste and pollution.

by promoting the sustainable use, development and protection of the Wellington region's natural and physical resources – water, air, coast, soil and biodiversity.

This group of activities also contributes to the following outcome:

Healthy Community by helping to provide a clean and healthy environment in which to live.

2 WHAT WE WANT TO ACHIEVE

The table opposite sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are also included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Resource management planning

Resource management planning is a core activity of regional councils.

Under the Resource Management Act 1991 (RMA), Greater Wellington must prepare a Regional Policy Statement (RPS) and a Regional Coastal Plan, and may prepare other regional plans. The purpose of the RPS is to provide an overview of the resource management issues of the region and policies and methods to

achieve the integrated management of the natural and physical resources of the whole region. Regional plans are to assist Greater Wellington to carry out its functions to achieve the purpose of the RMA – to promote the sustainable management of natural and physical resources. They contain rules that both permit and control resource use through the resource consent process. The RPS and regional plans are developed using statutory and non-statutory public consultation processes. "Efficiency and effectiveness" evaluation reports for regional plans are prepared every five years.

Greater Wellington adopted its first RPS in 1995 and thereafter developed five regional plans – coastal, air quality management, discharges to land, soil and freshwater.

Councils must review the RPS and its regional plans every 10 years. Greater Wellington is in the process of developing its second RPS and expects it to be formally adopted and operational in 2011. It will commence the review of its regional plans in mid-2009 with a view to combining these into "one plan".

3.2 Resource consents service

Consideration of applications for resource consents is another core activity of Greater Wellington. The RMA requires Greater Wellington to process all applications to use natural resources, eg, abstracting water, discharging into water, discharging into air, and certain types of land and coastal use. Consents must be obtained for resource use unless an activity is "permitted" by a regional plan or directly by the RMA. The Act provides detailed procedures to be followed in processing resource consents. In recent years, Greater Wellington has typically processed 700-800 consent applications per year. Of these applications, about 5-10% were processed as notified consents. Notification means that affected parties may make a submission and the decision on the consent may go through a formal hearing process. The remainder of consents were processed on a non-notified basis. Non-notified consents should be completed within 20 working days.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Achieve a high level of satisfaction with Greater Wellington's resource consents processes		Proportion of applicants and consent holders rating services as good or better	Customer satisfaction surveys will show that 60% of recent applicants and existing consent holders rate their level of satisfaction with our resource consents as excellent or very good	1997 – 35% 2000 – 47% 2002 – 32% 2004 – 42% 2008 – 36%
Maintain a high standard of ambient air quality	Compliance with National Environmental Standards for Air Quality HEALTHY ENVIRONMENT		There will be no recorded instances where air quality breaches the national environmental standards	Since 2006, the national standard of 50 ug/m ³ has been exceeded three times in the Wairarapa air shed and once in the Wainuiomata air shed
Maintain or enhance water quality in key streams, rivers and aquifers	<ul style="list-style-type: none"> Water quality at recreational bathing sites Nitrate concentration in groundwater Water quality in streams, rivers and lakes HEALTHY ENVIRONMENT		<ul style="list-style-type: none"> All bathing sites (coastal and freshwater) will comply with the national recreational water-quality guidelines Nitrate-nitrogen concentration in groundwater will not exceed 50% of the New Zealand Drinking Water Standard Water quality in key streams, rivers and lakes will be maintained or enhanced 	<ul style="list-style-type: none"> 2007/08 – 43 of 77 coastal sites and 16 of the freshwater sites monitored exceeded the “action” guideline at least once, generally after rainfall 2007/08 – None of 70 sites monitored exceeded standard but 6 sites exceeded 50% of the standard 2007/08 – 29 of the 56 river and stream sites monitored had excellent or good water quality
Maintain sustainable flows in our rivers and sustainable water levels in our significant aquifers		Number of times river flows and ground water levels fall below minimum levels	River flows and ground water levels will be maintained above the minimum levels	2008 – 14 rivers have flow and allocation limits and six rivers have allocation limits only. 68 aquifers have sustainable yield limits. Minimum flows and aquifer levels have generally been maintained
Protect our productive soils	Extent to which seven indicators of the chemical, physical and biological properties of soil properties meet target levels HEALTHY ENVIRONMENT		No decline in soil quality	2007/08 – 15 of 23 sites sampled had at least one indicator outside the target range
Reduce the number of pollution incidents	Number of reported pollution incidents HEALTHY ENVIRONMENT		The number of reported pollution incidents will decrease on an annual basis	2005/06 – 1,579 2006/07 – 1,264 2007/08 – 1,376

Applicants for resource consents are charged in accordance with Greater Wellington's Resource Management Charging Policy 2008.

Greater Wellington also has other relatively minor miscellaneous consenting responsibilities under other statutes, eg, Building Act 2004.

3.3 Compliance and enforcement

Monitoring compliance and taking enforcement action are critical elements of resource management and essential to the efficacy of Greater Wellington's planning and consenting responsibilities, as well as of the RMA in general.

Greater Wellington carries out compliance monitoring in accordance with established policies and procedures. These vary according to the nature of the consented activity and range from a detailed compliance monitoring schedule by Greater Wellington staff to the consent holder undertaking self-monitoring and preparing a report for audit by Greater Wellington. Consent holders receive compliance reports. These serve two purposes. They provide consent holders feedback on their performance and give the community confidence that the consent holder's environmental performance is being monitored and recorded. Greater Wellington has carried out an average of 1,200 compliance inspections per year over the past eight years (ranging from 833 in 2002/03 to 1,647 in 2007/08). We expect this activity to increase in the future (see below).

Greater Wellington's approach to enforcement also varies depending on the circumstances of the non-compliance, the compliance history, and the willingness and capacity of the party to take timely remedial action. Greater Wellington will invariably provide advice about prevention and remediation of damage, irrespective of whether it is embarking on enforcement action.

3.4 Pollution prevention and control

For both environmental and public health purposes, Greater Wellington investigates all reported environmental pollution incidents and cleans up whenever possible. Pollution incidents include contaminated waterways, dust, sediment and, most commonly, odour.

Although Greater Wellington always responds to pollution reports, it is trying to take a more proactive approach to pollution prevention. It runs the Take Charge programme (a pollution-prevention

programme for businesses) and the Muddy Waters programme (a programme to prevent pollution from developers' earthworks activities).

Greater Wellington operates a 24-hour pollution response service which has a strict protocol for response times.

3.5 State of the environment monitoring

3.5.1 ENVIRONMENTAL MONITORING AND REPORTING

The RMA directs Greater Wellington to gather information necessary to carry out its functions, monitor the state of the environment, measure the effectiveness of policy statements and plans, and make information available to the public.

We monitor rainfall, river flows, groundwater levels and quality, freshwater and coastal water quality, air quality and soil quality. Results of the monitoring are produced by way of annual report cards, a six-yearly comprehensive state of the environment monitoring report for the region and through real-time or up-to-date data on our website.

The monitoring information allows us and the public to have a sound understanding of the state of the environment. The information is fundamental to all our resource management work. It shows our successes, failures and gaps in knowledge. Such information is essential for robust, defensible and strategic resource management planning and actions.

Greater Wellington's monitoring data is also used extensively by government departments, city and district councils, and a variety of other external clients and organisations.

3.5.2 TARGETED ENVIRONMENTAL INVESTIGATIONS

We conduct targeted studies to investigate significant resource issues. These issues are invariably identified through our general monitoring programmes, eg, the state of the Wellington and Porirua harbours.

3.6 Environmental education and community engagement

Greater Wellington considers that its long-term environmental objectives are best achieved through a combination of regulatory (RPS, regional plans and resource consents) and non-regulatory measures. We cannot achieve our objectives alone. Therefore, we work with communities to help them take action and live in a way that ensures our ecosystems can meet our present and future needs. Greater Wellington:

- Runs Take Action – a programme for school children which is run through schools that shows children what they can do to make a positive contribution to the environment and how to solve environmental problems
- Runs Take Care – a programme to assist community groups to restore degraded ecosystems. Greater Wellington provides administrative and technical advice, as well as finance and materials for practical work
- Helps businesses to improve their environmental performance by developing sustainable business initiatives
- Promotes business compliance with the RMA through a business sustainability programme and the E-mission carbon-reduction programme

4 FURTHER INFORMATION

Further information on the specific legislation, policies and plans relevant to this group of activities can be found from the following sources:

Legislation and government policy

Resource Management Act 1991

Soil Conservation and Rivers Control Act 1941

Local Government Act 2002

National Policy Statement and Environmental Standards – NZ Coastal Policy Statement and national environmental standards for air quality, sources of human drinking water and telecommunications

Greater Wellington Policy Statements and Plans

Regional Policy Statement for Greater Wellington 1995

Draft Regional Policy Statement for Greater Wellington 2008

Regional Coastal Plan 2000

Regional Freshwater Plan 1999

Regional Soil Plan 2000

Regional Air Quality Management Plan 2000

Regional Plan for Discharge to Land 1999

Greater Wellington Monitoring reports

Measuring Up: the state of the environment report for the Wellington region 2005

Annual monitoring report cards

Greater Wellington Administrative Policy

Resource Consent Charging Policy 2008

Consent Compliance and Enforcement Procedure Manual

5 ASSUMPTIONS AND RISKS

- Recently proposed changes to the RMA will impact on Greater Wellington's policies and procedures, on the volume of consent activity and monitoring requirements, and potentially on Greater Wellington's charging policy.
- The charge-out rate for consent processing will increase by \$5 per hour in 2009/10. It remains constant thereafter. However, it is highly probable that the charging policy will be reviewed within the timeframe of this 10-Year Plan so as to provide for changes in consent volumes or processes.
- If the current global financial crisis results in prolonged or deep recession, our planning assumptions may be challenged. Volumes of development activity may decrease in the short to medium term, thus affecting the volume and nature of resource consent applications. Further, developers and other resource users may seek to avoid costs of compliance with environmental regulations, thus increasing the volume of compliance and enforcement activities.
- Budgeted expenditure for enforcement action has been kept at the same level as past years. However, enforcement action has been increasing and Greater Wellington has made the decision to become more vigilant about non-compliance. It is possible that the budget will be exceeded, although this is unlikely to be significant.

6 THE ISSUES WE ARE FACING

INCREASING DEMAND FOR RESOURCES

It is likely there will be continuing demand for some resources, particularly water (surface and groundwater) and land for urban development, as well as coastal space and resources. This will place pressure on the environment.

INCREASED PUBLIC INVOLVEMENT

The public has become increasingly aware of environmental issues and their rights under the Resource Management Act 1991. This means that Greater Wellington must ensure that its planning and resource consents processes continue to be informed, defensible and legally robust.

Robust information for planning

Greater Wellington regional plans are due for review, starting in 2009. There is a considerable need for ongoing investment in quality science to support our plan development, especially in the area of water allocation. This 10-Year Plan provides for some increased resources for scientific investigations required for the review of our regional plans.

Compliance and enforcement

Greater Wellington is keen to put more emphasis on compliance and enforcement. In New Zealand as a whole there has been a move to increase both compliance monitoring (either with resource consents or the RMA) and to take enforcement action where there have been significant breaches.

Enforcement can be expensive and contentious. However, it is an appropriate and at times essential step in managing our environment, and giving credibility to our resource planning and resource consenting processes.

Affordability of improved infrastructure

The community is becoming more environmentally aware and demanding higher environmental standards. But meeting higher standards comes at a cost – and people generally are not keen pay – especially given the current and future impacts of the global economic crisis. For example, resource consents for the discharge of community waste water will soon be coming up for renewal. Greater Wellington will be faced with balancing the community aspirations for improved disposal methods against the affordability of wastewater infrastructure.

Impact of central government initiatives

Central government initiatives tend to impose an increased workload on regional councils, often without ensuring that increased costs are fully recoverable. It is expected that this will continue and perhaps be heightened by the 2008 change of government in the short term.

At the least, it is expected that the Government will continue to develop new environmental standards over the next few years that will impact on regional council work.

Climate change

Over the 10-year life of this plan, the nature, extent and timing of climate change impacts are likely to become clearer. It will be important to review our Regional Policy Statement and regional plans to incorporate robust science and opinion on climate change.

Balance of approaches

Proactively managing the interrelationships between our Regional Policy Statement planning, monitoring and investigations, consenting and educational work is critical to ensuring that we get the best results in terms of environmental outcomes and in ensuring the right balance between “planning”, “monitoring” and “doing”. Greater Wellington wants to achieve results and not just get bogged down in process.

7 WHO WE WILL WORK WITH

City and district councils
 Department of Conservation
 Ministry for the Environment
 Ministry of Agriculture and Forestry
 Ministry of Economic Development
 Energy Efficiency and Conservation Authority
 Federated Farmers
 Iwi
 Non-government organisations,
 eg, Fish and Game Council
 Private landowners
 Queen Elizabeth II National Trust
 Resource consent applicants and submitters
 Schools, business and community groups
 Sustainable Business Network

8 WHAT WE ARE GOING TO DO

ACTIVITY 1

Resource management planning

For a description of this activity see 3.1.

OUR SERVICES

Develop and maintain regional resource management policies and plans to guide decision making in the region and meet requirements of the Resource Management Act 1991.

HOW WE MEASURE OUR PERFORMANCE

Operative Regional Policy Statement and regional plans in place.

WHERE WE ARE NOW

Greater Wellington has an operative Regional Policy Statement (RPS) and five operative regional plans. It is reviewing the RPS and expects to have a Proposed RPS approved by the Council in 2009 and a new RPS operative in 2011. It will begin to review its regional plans in 2009.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
Formal hearings on the Proposed RPS will be initiated by 30 December 2009, following Council approval of the Proposed RPS	\$505,000

A report detailing the approach and process for reviewing the regional plans will be prepared to the satisfaction of the Council

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
The RPS will be approved by the Council and become operative	\$520,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
A Proposed Regional Plan(s) for the management of the region's soils, freshwater, air, coasts and land will be approved by the Council for public consultation	\$535,000

2012 – 2019

Continue with the specified services by taking the proposed plan(s) through the statutory consultation and approval process – calling for public submissions and holding hearings

ACTIVITY 2

Resource consent service

For a description of this activity see 3.2.

OUR SERVICES

- Provide a resource consents processing service which meets statutory requirements and customer needs
- Conduct workshops for customers about the resource consent process, managing resource use, and complying with consents and regional plans

HOW WE MEASURE OUR PERFORMANCE

- Percentage of resource consents processed within statutory timeframes
- Percentage of challenges to resource consent decisions that were successfully defended
- Number of customer workshops provided
- Customer satisfaction with consent process

WHERE WE ARE NOW

- In 2007/08 we received 669 non-notified consent applications and 34 notified or limited notified applications. This compares with 635 non-notified and 28 notified on limited notified in 2006/07, and 712 non-notified and 51 notified on limited notified in 2005/06.
- Greater Wellington has historically processed around 99% of non-notified consents within statutory timeframes.
- In 2007/08 four appeals on Greater Wellington's resource consent decisions were resolved in the Environment Court. These appeals resulted in three original decisions being overturned. One appeal was withdrawn.
- Over the past three years Greater Wellington has held at least two workshops for customers, such as consultants, contractors and consent holders, to discuss issues such as silt and sediment control from bulk earthworks sites, and how to prepare effective submissions on notified consent.
- Greater Wellington has conducted five customer satisfaction surveys dating back to 1997. The level of satisfaction with our resource consent processing service has varied over time. In 1996/97 and 2001/02, 35% and 32% respectively of our customers rated our resource consent processing service as excellent or very good. Alternatively, the best service performance was in 1999/2000 when the rating was 47%. Our 2007/08 rating was 36%.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
100% of resource consents will be processed within statutory timeframes	\$663,000
100% consent decisions appealed to the Environment Court will be successfully defended	\$35,000
Two workshops on specific issues will be held for consent customers	\$58,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
100% of resource consents are processed within statutory timeframes and in compliance with Resource Management Act	\$681,000
100% consent decisions appealed to the Environment Court will be successfully defended	\$36,000
Two workshops on specific issues will be held for consent customers	\$59,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
100% of resource consents will be processed within statutory timeframes and in compliance with Resource Management Act	\$698,000
100% consent decisions appealed to the Environment Court will be successfully defended	\$37,000
Two workshops on specific issues will be held for consent customers	\$61,000

2012 – 2019

- Continue to deliver services specified in "our services"
- Continue to process resource consents in accordance with statutory requirements
- Conduct a survey of recent applicants for resource consents and existing consent holders in 2012/13 and 2016/7 to ascertain satisfaction with services

ACTIVITY 3

Compliance and enforcement

For a description of this activity see 3.3.

OUR SERVICES

- Monitor resource consents for compliance by
 - Inspecting consent holders with individual monitoring programmes
 - Carrying out a systematic scheduled process of inspections for consents not subject to individual monitoring programmes so that at least 1 in 15 are inspected per annum
- Take enforcement action when necessary

HOW WE MEASURE OUR PERFORMANCE

- Percentage of resource consents with individual compliance monitoring programmes that are monitored and for which a report is generated
- Percentage of consents not subject to an individual compliance monitoring programme that are monitored for compliance
- Percentage of enforcement actions taken that are successful

WHERE WE ARE NOW

- In 2007/08 Greater Wellington undertook compliance inspection on 1,647 of the 1,670 consents that formally required a compliance visit. The number of compliance inspections undertaken has steadily risen over the years. For instance, in 2000/01, 1,030 inspections were undertaken, and in 2006/07 there were 1,418 inspections.
- In 2007/08 Greater Wellington issued 34 abatement notices, 36 infringement notices, three enforcement orders and initiated five prosecution proceedings. All but one of the enforcement orders issued were successful. As with compliance, enforcement has steadily increased over the years. In 2000/01, 12 abatements and nine infringement notices were issues, and one prosecution was undertaken.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
100% of compliance inspections for all major consents with an individual monitoring programme will be completed	\$478,000
6.7% (1 in 15) of all consents not subject to an individual monitoring programme will be subject to a monitoring inspection	\$34,000
100% enforcement actions taken will be successful	\$64,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
100% of compliance inspections for all major consents with an individual monitoring programme will be completed	\$492,000
6.7% (1 in 15) of all consents not subject to an individual monitoring programme will be subject to a monitoring inspection	\$35,000
100% enforcement actions taken will be successful	\$66,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
100% of compliance inspections for all major consents with an individual monitoring programme will be completed	\$505,000
6.7% (1 in 15) of all consents not subject to an individual monitoring programme will be subject to a monitoring inspection	\$36,000
100% enforcement actions taken will be successful	\$68,000

2012 – 2019

Continue deliver services specified in “our services”

ACTIVITY 4

Pollution prevention and control

For a description of this activity see 3.4.

OUR SERVICES

- Respond to pollution incidents in a timely fashion, according to the following established criteria that relate to severity of incidents:
 - Serious adverse environmental effect which requires immediate attention: 60 minutes
 - Serious environmental effect where no benefit will be gained by an immediate response: 24 hours
 - Minor environmental effect not requiring immediate response: seven days
- Promote pollution prevention by carrying out 20 audits of businesses per annum through the Take Charge business pollution prevention programme

HOW WE MEASURE OUR PERFORMANCE

- Response times to pollution reports
- Number of businesses audited for compliance with the RMA and regional plans

WHERE WE ARE NOW

In 2007/08 Greater Wellington responded to 1,376 pollution incidents throughout the region. This compares to 1,264 in 2006/07 and 1,579 incidents in 2005/06. All incidents were responded to in accordance with specified timeframes.

To date, an average of 20 audits of businesses have been carried out per annum.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
100% of environmental pollution incidents will be responded to according to the following timeframes : <ul style="list-style-type: none"> • Log only: no action required • Red (serious adverse environmental effect which requires immediate attention): 60 minutes • Yellow (serious environmental effect where no benefit will be gained by an immediate response): 24 hours • Blue (minor environmental effect not requiring immediate response): 7 days 	\$345,000
20 businesses will be audited for compliance with the RMA and regional plans	\$86,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
100% of environmental pollution incidents will be responded to according to the following timeframes: <ul style="list-style-type: none"> • Log only: no action required • Red (serious adverse environmental effect which requires immediate attention): 60 minutes • Yellow (serious environmental effect where no benefit will be gained by an immediate response): 24 hours • Blue (minor environmental effect not requiring immediate response): 7 days 	\$355,000
20 businesses will be audited for compliance with the RMA and regional plans	\$88,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
100% of environmental pollution incidents will be responded to according to the following timeframes : <ul style="list-style-type: none"> • Log only: no action required • Red (serious adverse environmental effect which requires immediate attention): 60 minutes • Yellow (serious environmental effect where no benefit will be gained by an immediate response): 24 hours • Blue (minor environmental effect not requiring immediate response): 7 days 	\$364,000
20 businesses will be audited for compliance with the RMA and regional plans	\$91,000

2012 – 2019

Continue to deliver services specified in “our services”

ACTIVITY 5

State of the Environment Monitoring

For a description of this activity see 3.5.

1 Environmental monitoring and reporting

OUR SERVICES

- Conduct an annual programme of monitoring as follows:

Air quality monitoring	Continuously monitor PM10 concentrations in the Wellington, Karori, Porirua, Wainuiomata, Lower Hutt, Upper Hutt and Wairarapa airsheds
Water quantity monitoring (hydrological monitoring)	Maintain and operate 46 rainfall, 39 river and 60 groundwater level monitoring sites and provide real-time data on Greater Wellington's website
Water quantity investigations	Complete two instream flow investigations on two different streams and rivers
Water quality monitoring	Sample and test water quality on a monthly basis at 56 river and stream sites Sample and test water quality on a quarterly basis at 70 groundwater sites
Recreational water quality	Between November and March, sample and test water at 77 marine and 23 freshwater bathing sites weekly to assess suitability for contact recreation. Display the results of this testing on Greater Wellington's website within one day of the results being received
Soil quality	Collect and test 20 soil samples for a range of indicator parameters
Register	Maintain the Selected Land Use Register (SLUR) so all information in it is up to date. Respond to information requests within five working days

- Report findings regularly to city and district councils and the public as follows:
 - Annual reports and summary cards (hydrology, groundwater, freshwater quality, coastal water quality, recreational water quality, air quality and soil quality)
 - Comprehensive state of the environment report every six years
 - "Efficiency and effectiveness" evaluation of regional plans report every five years
 - Through real-time and up-to-date data on the Greater Wellington website (river flows and levels, rainfall, groundwater levels, air quality, soil moisture, wind speed and direction, bathing water quality, lake levels and tide levels)

HOW WE MEASURE OUR PERFORMANCE

- Compliance with annual monitoring programme specified above
- Number of monitoring reports distributed

WHERE WE ARE NOW

Monitoring has been conducted according to an agreed monitoring programme. The latest comprehensive state of the environment report was published in December 2005 and the latest evaluations of regional plans were published in 2008/09. Report cards have been published annually since 2001 and are available on Greater Wellington's website. A wide range of monitoring information is also available online, including real-time information about river levels and flows, rainfall and soil moisture.

2 Targeted environmental investigations

OUR SERVICES

Research and investigate key environmental issues and threats identified by environmental monitoring, and make information available to city and district councils and the public.

HOW WE MEASURE OUR PERFORMANCE

Number of targeted investigations completed.

WHERE WE ARE NOW

Recently we have carried out targeted investigations into nitrate contamination in groundwater in the Wairarapa. We have also investigated water allocation, mostly in the Wairarapa area. Greater Wellington generally has two to three targeted investigations underway at any one time.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010	
TARGET	BUDGET
Greater Wellington's managers with responsibility for water supply and consents will be notified within one working day of low groundwater levels in the Waiwhetu aquifer	\$81,000
Water samples will be taken weekly throughout the bathing season (1 November – 31 March) and tested for the presence of bacteria. A traffic light warning framework (see below) will be used at the sites and on Greater Wellington's website to inform the public	\$61,000
<ul style="list-style-type: none"> • Green – low or no public health risk • Amber – alert mode requiring follow-up monitoring • Red – action required and beach closed 	
Real-time environmental data will be available on Greater Wellington's website throughout the year	\$41,000
Annual report cards containing summary information for key resources will be prepared to the satisfaction of the Council	\$1,744,000
Targeted investigations will be completed in a timely manner and to the satisfaction of the Council	\$550,000
2010/11 – BY 30 JUNE 2011	
TARGET	BUDGET
Greater Wellington's managers with responsibility for water supply and consents will be notified within one working day of low groundwater levels in the Waiwhetu aquifer	\$85,000
Water samples will be taken weekly throughout the bathing season (1 November – 31 March) and tested for the presence of bacteria. A traffic light warning framework (see below) will be used at the sites and on Greater Wellington's website to inform the public	\$63,000
<ul style="list-style-type: none"> • Green – low or no public health risk • Amber – alert mode requiring follow-up monitoring • Red – action required and beach closed 	
Real-time environmental data will be available on Greater Wellington's website throughout the year	\$42,000
Annual report cards containing summary information for key resources will be prepared to the satisfaction of the Council	\$1,796,000
Targeted investigations will be completed in a timely manner and to the satisfaction of the Council	\$567,000

2011/12 – BY 30 JUNE 2012	
TARGET	BUDGET
A comprehensive state of the environment report will be completed to the satisfaction of the Council and thereafter publicly distributed	\$1,918,000
Greater Wellington's managers with responsibility for water supply and consents will be notified within one working day of low groundwater levels in the Waiwhetu aquifer	\$85,000
Water samples will be taken weekly throughout the bathing season (1 November – 31 March) and tested for the presence of bacteria. A traffic light warning framework (see below) will be used at the sites and on Greater Wellington's website to inform the public	\$64,000
<ul style="list-style-type: none"> • Green – low or no public health risk • Amber – alert mode requiring follow-up monitoring • Red – action required and beach closed 	
Real-time environmental data will be available on Greater Wellington's website throughout the year	\$43,000
Targeted investigations will be completed in a timely manner and to the satisfaction of the Council	\$581,000
2012 – 2019	
<ul style="list-style-type: none"> • Continue to deliver services as specified in "our services" • Publish a comprehensive state of the environment report in 2017 • Complete efficiency and effectiveness reports for regional plans within five years of the regional plan(s) becoming operative 	

ACTIVITY 6

Environmental education and community engagement

For a description of this activity see 3.6.

OUR SERVICES

- Deliver Take Action – an environmental education programme to primary schools across the region so that students acquire the knowledge and skills to look after the environment
- Deliver Take Care – a community environmental restoration programme and work with community groups across the region on environmental restoration projects
- Work with businesses across the region (often in partnership with other organisations) to help them improve their environmental performance

HOW WE MEASURE OUR PERFORMANCE

- Number of schools students participating in Greater Wellington's schools' Take Action programme
- Number of community care groups operating
- Number of businesses taking action to improve their environmental performance.

WHERE WE ARE NOW

Since 2001, 115 schools have taken part in 161 programmes for Take Action for Water and Take Action for Air. 52% of all schools in the region have participated, with 14,655 students having participated in total.

In 2008/09, 35 Community Care groups were in action. In 2006/07 and 2007/08, 31 and 36 groups participated respectively.

In 2007/08 more than 40 businesses were involved in Greater Wellington's business programme.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
2,000 primary school students will participate in a Take Action environmental education programme	\$276,000
Community groups will work on restoration of 30 degraded ecosystems through the Take Care programme	\$284,000
25 businesses will be assisted to improve their environmental performance through the business sustainability programme and the E-mission carbon reduction programme	\$49,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
2,000 primary school students will participate in a Take Action environmental education programme	\$283,000
Community groups will work on restoration of 30 degraded ecosystems through the Take Care programme	\$297,000
25 businesses will be assisted to improve their environmental performance through the business sustainability programme and the E-mission carbon reduction programme	\$51,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
2,000 primary school students will participate in a Take Action environmental education programme	\$291,000
Community groups will work on restoration of 30 degraded ecosystems through the Take Care programme	\$301,000
25 businesses will be assisted to improve their environmental performance through the business sustainability programme and the E-mission carbon reduction programme	\$52,000

2012 – 2019

- Continue to deliver services as specified in "our services"
- On average, 2,000 students per year will participate in the Take Action environment education programme
- On average, 20 degraded ecosystems per year will be under active restoration by community groups through the Take Care programme
- 25 businesses per year will be provided with advice and assistance to improve their environmental performance

9 KEY PROJECTS FOR 2009/10

- Receive submissions and hold hearings in relation to the Proposed RPS
- Commence the review of the regional plans
- Finalise the Wairarapa groundwater model
- Implement the E-mission business sustainability programme
- Establish minimum flows for major rivers and sustainable yields for key aquifers. This work will inform the development of policy and plans and will take place from 2009-12.

Under section 36 of the Resource Management Act 1991, Greater Wellington is able to set administrative charges for processing and monitoring resource consents. As highlighted in our Resource Management Charging Policy 2008, we undertake an annual review of these charges, and are seeking your views as a part of the Long-Term Council Community Plan consultation process.

Greater Wellington is preparing to increase the hourly charge-out rates for processing and monitoring resource consents from the current \$100 to \$105 (excluding GST). This charge-out rate would take effect from 1 July 2009. We are also reviewing a number of our State of the Environment Monitoring charges for activities undertaken in catchments under stress. Examples of this include groundwater and surface water catchments which are either close to, or already, full allocation. In other proposed changes, we are looking to reduce the number of compliance inspections for smaller consents, such as small bridges and culverts. In these cases, proposed charges would be reduced from current levels. The Resource Management Charging Policy, showing the proposed changes, is available online – www.gw.govt.nz. This proposed charge-out rate is in keeping with Greater Wellington's Revenue and Finance Policy (also available online – www.gw.govt.nz).

Please see our contact details on p5 if you would like to comment.

10 ASSETS

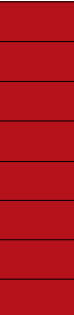
Compared with some other Greater Wellington activities, the Resource Management group of activities uses few assets, principally vehicles, and environmental monitoring and flood-warning equipment.

Large-cost asset items are generally loan funded while small cost items are funded entirely from rates. The size of the latter does not warrant additional debt.

All assets are subject to routine maintenance to ensure that they function as required.

11 NEGATIVE EFFECTS ON WELL-BEINGS

There are no negative effects on well-being with this activity, although its nature requires a balancing of cultural, economic and environmental well-beings.



12 FINANCIAL INFORMATION

RESOURCE MANAGEMENT PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 \$0005	2010/11 \$0005	2011/12 \$0005
FUNDING STATEMENT			
General rate	9,885	10,244	10,576
Targeted rate	-	-	-
Government subsidies	10	10	11
Interest and dividends	12	-	-
Other operating revenue	1,686	1,741	1,781
Operating revenue	11,593	11,995	12,368
Direct operating expenditure	11,301	11,639	12,037
Finance costs	51	44	33
Depreciation	312	231	211
Operating expenditure	11,664	11,914	12,281
Operating surplus/(deficit)	(71)	81	87
Less/(add):			
Capital expenditure	198	189	149
Proceeds from asset sales	(10)	(39)	(25)
Loan funding	(101)	-	-
Rates-funded capital expenditure	87	150	124
Debt repayment	142	162	174
Investment additions	-	-	-
Operational reserve movements	12	-	-
Working capital movements	-	-	-
Non-cash items ¹	(312)	(231)	(211)
Net funding required	-	-	-

	2009/10 \$0005	2010/11 \$0005	2011/12 \$0005
OPERATING REVENUE			
Resource management planning	2,553	2,623	2,774
Resource consent and compliance service	3,163	3,251	3,363
Pollution control	466	479	491
State of the environment monitoring	4,169	4,360	4,424
Environment education and engagement	1,242	1,282	1,316
Total operating revenue	11,593	11,995	12,368
OPERATING EXPENDITURE			
Resource management planning	2,557	2,629	2,782
Resource consent and compliance service	3,185	3,268	3,360
Pollution control	466	479	491
State of the environment monitoring	4,178	4,228	4,309
Environment education and engagement	1,278	1,310	1,339
Total operating expenditure	11,664	11,914	12,281
CAPITAL EXPENDITURE			
Environment monitoring equipment	100	-	-
Capital project expenditure	100	-	-
Land and buildings	-	-	-
Plant and equipment	70	72	74
Vehicles	28	117	75
Total capital expenditure	198	189	149

¹ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35.

Please note that all figures on this page exclude GST.

RESOURCE MANAGEMENT

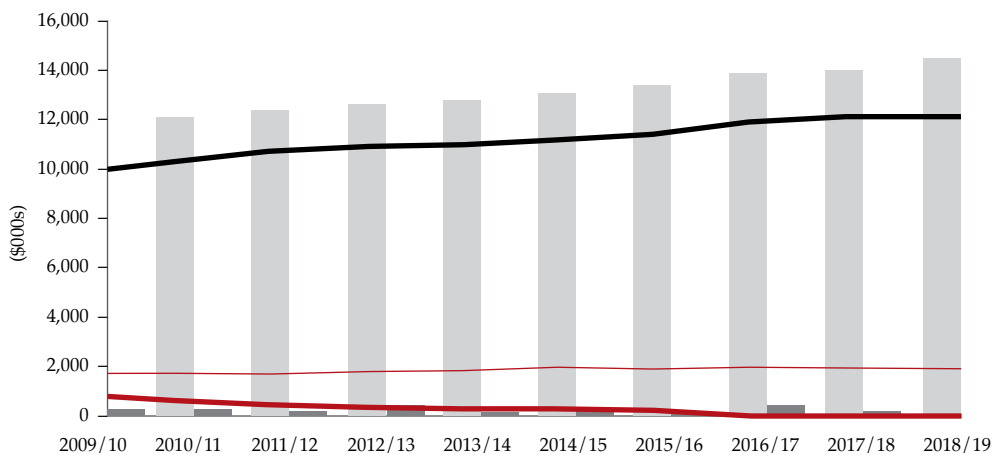
10-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Key point to note is:

- All key financial indicators are expected to remain relatively constant over the 10-year period after allowing for inflation

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure	11,664	11,914	12,281	12,478	12,769	13,046	13,368	13,909	14,020	14,459
Capital expenditure	198	189	149	346	108	207	163	378	119	227
Debt	666	504	330	219	146	89	29	8		
Regional rates	9,885	10,244	10,576	10,814	10,848	11,144	11,369	11,782	11,890	12,274
Other operating revenue	1,708	1,751	1,792	1,836	1,876	1,918	1,963	2,080	2,056	2,110

TRANSPORT

1 COMMUNITY OUTCOMES

The Transport group of activities primarily contributes to the following community outcome

CONNECTED COMMUNITY

Access is quick and easy – locally, nationally and internationally. Our communication networks, air and sea ports, roads and public transport systems enable us to link well with others, both within and outside the region.

by identifying the region's transport needs, planning how to meet them and working with others to develop networks and services.

This group of activities also contributes to the following outcomes:

- **Prosperous community** by enhancing the movement of goods and people within the region
- **Healthy environment** by reducing vehicle emissions through good transport planning and the provision of public transport services
- **Essential services** by providing and maintaining high-quality secure public transport infrastructure, and planning for roads, walkways and cycleways
- **Healthy community** by encouraging walking and cycling, and reducing air pollution
- **Quality lifestyle** by enabling people, including those with disabilities, to travel across the region easily and safely to participate in a variety of activities

2 WHAT WE WANT TO ACHIEVE

The table opposite sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are also included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Regional transport network planning

Under the Land Transport Management Act 2003, as amended by the Land Transport Management Amendment Act 2008, Greater Wellington prepares a Regional Land Transport Strategy (RLTS).

An RLTS must contribute to achieving an affordable, integrated, safe, responsive and sustainable land transport system. It must take into account economic development, safety and personal security, access and mobility, the protection and promotion of public health, and environmental sustainability.

The Government's directions for land transport have been set out in the New Zealand Transport Strategy 2008 and the Government Policy Statement on Land Transport Funding 2009/10-2018/19.

Planning to meet the region's future transport needs requires the consensus of a number of key partners. A range of specified bodies and the community are generally consulted in its preparation. Greater Wellington's current RLTS was adopted in July 2007 for the years 2007-16.

The RLTS outlines priorities for responding to the issues facing the region's land transport network, in particular congestion, and alternatives to single-occupancy vehicles, including public transport usage. A number of implementation plans translate the vision, objectives, outcomes and policies into specific project interventions.

Greater Wellington is responsible for monitoring the implementation of the strategy, promoting sustainable transport and providing public transport. Greater Wellington prepares annual reports for its stakeholders. The strategy must be renewed in 2010, and then six yearly thereafter.

Every three years, Greater Wellington must also prepare a Regional Land Transport Programme for consideration by the New Zealand Transport Agency (NZTA). This programme contains all the transport activities for which the region is seeking funding support from the National Land Transport Fund.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Increase peak-period passenger transport mode share	Availability and use of public transport CONNECTED COMMUNITY	Number of peak-period passenger trips	Passenger transport will account for at least 25 million peak-period trips per annum by 2016	2005/06 – 18.3 million trips 2006/07 – 17.5 million trips 2007/08 – 17.6 million trips
Increase mode share for pedestrians and cyclists ¹	Level of short trips made by walking and cycling CONNECTED COMMUNITY	Proportion of journeys to work using active means as recorded by census	Active means of travel will account for at least 15% of region wide journey to work trips by 2016	2005/06 – 13% (latest available data)
Reduce greenhouse gas emissions	Fuel consumption and carbon dioxide emissions HEALTHY ENVIRONMENT		Transport generated CO ₂ emissions will remain below 1,065 kilotonnes per annum until 2016	2005/06 – 1,118 kilotonnes 2006/07 – 1,099 kilotonnes 2007/08 – 1,113 kilotonnes
Reduce severe road congestion	Average congestion rates on selected roads CONNECTED COMMUNITY		Average congestion on selected roads will remain below 20 seconds delay per km despite traffic growth	21 seconds in 2005/06
Improve regional road safety	Number of injury crashes in the region QUALITY LIFESTYLE	Number of road crash fatalities attributable to roading network deficiencies	There will be no road crash fatalities attributable to roading network deficiencies	Since 2001 total regional injury crashes have been rising and in 2007 the 1,212 injury crashes was the highest in 10 years. No baseline data is available on the attribution of crashes to roading network deficiencies. Procedures for assessing cause are still to be developed
Improve land use and transport integration (in line with the Wellington Regional Strategy and local authority urban development strategies)		Imposition of appropriate resource consent conditions	All new large subdivisions and developments will include appropriate provision for walking, cycling and public transport	No baseline data is available on this measure. Procedures for assessing performance are still to be developed
Improve regional freight efficiency		Freight vehicle travel times	There will be improved road journey times for freight traffic between key destinations	There was very little change on key routes between 2007 and 2008

¹ Mode share is the proportion of trips made using the different options of public transport, motor vehicles, walking and cycling

3.2 Encouraging sustainable transport choices

The NZ Energy Efficiency and Conservation Strategy, published in 2007, set the following national goals in the transport area:

- Per capita transport emissions halved by 2040
- A 10% reduction in single occupancy vehicle trips by 2015
- Increased emphasis on travel demand management and clear priority given to public transport and walking and cycling

These goals align with the New Zealand Transport Strategy 2008 and the Government Policy Statement on Land Transport Funding 2009/10-2018/19.

Section 77 of the Land Transport Management Act 2003 requires that a Regional Travel Demand Management Strategy be developed. Travel demand strategies cover a range of interventions that reduce the need to travel, increase the efficiency of the transport system and influence travel choices.

Within this activity, Greater Wellington identifies and delivers projects, work programmes and awareness activities that focus on the following:

- Providing incentives for people to avoid unnecessary travel
- Encouraging people to choose modes of travel that are less environmentally damaging
- Fundamentally reducing the need to travel

3.3 Public transport services

The provision of public transport is a key to achieving an affordable, integrated, safe, responsive and sustainable land transport system.

3.3.1 PLANNING PUBLIC TRANSPORT SERVICES

The Metlink public transport network currently operating in the Wellington region is an integrated network of bus, train and harbour ferry services. In order that the network operates efficiently and effectively, it is critical that it is planned in a thoughtful and deliberate manner. It is also important that, at a sub-regional level, services are reviewed from time to time to ensure that they are meeting the needs of the community that they serve and providing value for money for users, ratepayers and taxpayers.

Greater Wellington, as a contractor of public transport services, is required by the Public Transport Management Act 2008 to prepare a Regional Public Transport Plan. The purpose

of the plan is to give effect to the public transport service components of the Regional Land Transport Strategy.

Greater Wellington has a current Regional Passenger Transport Plan that remains operative until a new Regional Public Transport Plan, required by the Public Transport Management Act 2008, is prepared. The Act requires that a Regional Public Transport Plan be kept current for a period of not less than three years in advance, but not more than 10 years in advance.

3.3.2 PUBLIC TRANSPORT OPERATIONS

Currently there are 103 bus routes, four train lines and two harbour ferry routes that are funded by Greater Wellington in order to provide an effective and efficient, high-quality public transport network. Greater Wellington also operates a Total Mobility scheme to ensure that people unable to use conventional public transport services still have access to an affordable travel option through part-funded taxi services. In the 2007-08 year more than 34 million trips were made on the network.

While the passenger transport system performs as a mass transit system at peak hours, it also functions as an essential service for those people in the Wellington region for whom private car travel is not an option, for reasons of access, age, ability, income, choice, or due to a disability or injury. A well-functioning and affordable passenger transport system which is accessible to as many residents and visitors as possible increases participation in employment and the community.

Trips made using public transport mean fewer private car trips, resulting in lower levels of congestion, reduced environmental impacts and fewer injury-accidents.

Greater Wellington develops a procurement strategy, tenders service contracts, monitors services provided under contract and collects service operational data.

3.3.3 MAINTAIN INFRASTRUCTURE ASSETS AND INVEST IN NEW INFRASTRUCTURE

Greater Wellington has a key role in the provision of the infrastructure necessary for a public transport network to operate successfully. It provides and maintains urban passenger trains, Park & Ride commuter carparks, train stations, bus-rail interchanges, signage, bus shelters and a real-time information system.

As part of this activity Greater Wellington develops infrastructure procurement and maintenance

strategies, procures rail rolling stock (carriages and Electrical Multiple Units), maintains and refurbishes rail rolling stock, provides cycle lockers at railway stations, develops and maintains Park & Ride facilities and tenders transport infrastructure contracts.

Some infrastructure activities are core to the provision of public transport services (such as the provision and maintenance of trains), while others are necessary to provide a public transport service that is attractive to use. Providing Park & Ride carparks, for example, makes catching the train to work a more attractive option for many commuters.

3.3.4 MARKETING AND INFORMATION MANAGEMENT

An essential element of a successful public transport network is the provision of information about the services that are available. In the Wellington region the various services and providers are brought together under the Metlink brand. Greater Wellington provides information about the Metlink network and runs promotions to encourage use of the network.

Information about public transport is provided through printed timetable leaflets, timetable information at bus stops and stations, maps, guides and leaflets. Bus and train timetable information is available via text messages (txtBUS and txtTRAIN) and Greater Wellington provides a comprehensive Metlink website with timetable and fare information, and a journey planner.

In addition to the self-help information, Greater Wellington provides a 24/7 Metlink service centre.

Promotion campaigns use advertising, leaflets, posters and newsletters, and aim to inform the public of service changes/new services, or the more generic promotion of the public transport network.

4 FURTHER INFORMATION

Further detailed information on legislation, strategies, policies and plans relating to this group of activities can be found in:

Legislation and central government policies and strategies:

- Local Government Act 2002
- Land Transport Act 1998

- Transport Management Act 2003 and Land Transport Management Amendment Act 2008
- Public Transport Management Act 2008
- New Zealand Transport Strategy 2008
- New Zealand Energy Efficiency and Conservation Strategy 2007
- Government Policy Statement on Land Transport Funding 2009/10 – 2018/19

Greater Wellington policies and plans:

- Wellington Regional Land Transport Strategy 2007-2016 and associated implementation plans:
 - Regional Travel Demand Management Strategy
 - Regional Road Safety Plan
 - Regional Cycling Plan
 - Regional Pedestrian Plan
 - Regional Freight Plan
 - Wairarapa Corridor Plan²
 - Hutt Corridor Plan
 - Western Corridor Plan
 - Ngauranga-Airport Corridor Plan
- Regional Passenger Transport Plan 2007-2016
- Regional Passenger Transport Operational Plan August 2007
- Wellington Regional Rail Plan 2008

5 ASSUMPTIONS AND RISKS

The following assumptions have been made for planning purposes. Risks are attached to these assumptions not being borne out.

5.1.1 GROWTH IN PATRONAGE

It is assumed that:

- Patronage will grow in accordance with the high-growth public transport targets of the Regional Land Transport Strategy (RLTS)
- Rail patronage on existing services will grow at 2.5% pa from the forecast 2009/10 base of 12 million trips
- In addition, the proposed increase in the rail fleet from 150 cars in 2008/09 to 209 cars in 2012 will increase patronage towards meeting the RLTS growth target of 4.0% per annum

² A corridor plan is a plan for a defined transport corridor. There are four corridors in the region.

- Bus patronage on existing services will show minor growth within existing capacity and funding for 2009/10 and 2010/11
- Beyond 2010/11, the proposed bus service enhancements will contribute to meeting the RLTS growth target

5.1.2 FUNDING

It is assumed that:

- Funding assistance will be provided by the New Zealand Transport Agency (NZTA) at the following levels (percentage of cost):

Operations funding assistance rates

Administration funding (public transport)	50%
Administration funding (planning)	25%
Travel demand management	75%
Rail services	60%
Bus and ferry services	50%
Infrastructure maintenance and operations	60%

Improvement projects funding assistance rates

All rail projects	90%
Real-time information system	80%
Electronic ticketing	80%

- The rates contribution for funding other new rail improvement projects will be 10% of project costs, with the remaining funding coming from NZTA and other sources, such as a regional fuel tax
- All new projects will be included in the Regional Transport Programme following prioritisation and funding will be approved by the NZTA
- Greater Wellington will use debt to more equitably spread the cost of improvement projects over time. Loan terms will differ for each project depending on the life of the asset

- Greater Wellington will target a user contribution of 45-50% of the operational costs of running the services and on Greater Wellington's share of capital improvements. On this basis, fares will increase in line with cost increases, with fare increases of 3% per annum from 2010/11 onwards. No increase in fares is included for 2009/10

- Any future move to charge users for Park & Ride facilities will offset the increasing costs of providing these facilities and will not reduce rates

5.1.3 OTHER FINANCIAL ASSUMPTIONS

- When calculating the inflation on diesel bus contracts for the 2009/10 year, oil will be US\$50 a barrel and the NZ/US exchange rate will be \$0.50. It should be noted that an additional US\$10 per barrel on the oil prices would require an increase of \$0.8 million in rates, while a 10% fall in the New Zealand dollar would increase rates by \$1.4 million
- There will be no costs arising from the introduction of any emissions trading scheme or carbon tax
- The interest-free Crown loan used to fund a number of rail rolling stock projects will be extended indefinitely on the same terms when it is due to mature in 2016
- Greater Wellington will not rate the community to fund the depreciation and impairment of the new transport infrastructure and passenger rail rolling stock. Rates will only fund the debt repayment on Greater Wellington's share of the capital expenditure
- At the end of the design life of the transport infrastructure and rolling stock, Greater Wellington will seek government funding to replace these assets, if appropriate or necessary to do so

5.1.4 OTHER RISKS

KEY RISKS	RISK LEVEL	LIKELY FINANCIAL EFFECT	CONSEQUENCE/MITIGATION STRATEGY
Public consultation may identify a desire for a level of service that is unaffordable within current funding constraints	high	medium	Greater Wellington is committed to ongoing consultation with the community about service levels and has clearly articulated plans and budgets
Funding for projects may not be approved by the NZTA or may be subject to conditions that were not anticipated	medium	high	Increase the level of rates and debt. Greater Wellington can examine service levels and work programmes and adjust if necessary
The funding level provided from the NZTA is lower than planned	medium	high	Increase the level of rates and debt. Greater Wellington can examine service levels and work programmes and adjust if necessary
New projects may not be prioritised by the Regional Transport Committee at a level sufficiently high to receive funding in the years assumed by this proposed 10-Year plan	medium	high	Projects are unlikely to proceed without alternative source of funding. Greater Wellington can examine service levels and work programmes and adjust if necessary
The New Zealand dollar falls in value increasing the price of trains and components imported from overseas	high	medium	Increase the level of rates and debt. The purchase price of the new Matangi trains is fixed in New Zealand dollars. Greater Wellington retains the ability to adjust levels of services in response to price signals
US dollar price of oil may increase or the NZ/US exchange rate may fall, increasing the cost of providing diesel bus services	high	medium	Increase the level of rates. Greater Wellington monitors and forecasts against budget on a monthly basis and retains the ability to adjust levels of services in response to price signals
There is no agreement fixing the level of access and infrastructure renewal changes levied by Ontrack and charges may be higher than budgeted	medium	medium	Greater Wellington maintains a strong relationship with Ontrack and monitors forecasts and budgets on an ongoing basis
Responsibility for delivery of a number of rail improvement projects rests with Ontrack and we are reliant on their forecasts of timing and project cost. Projects may be delayed due to unforeseen events	medium	medium	Greater Wellington maintains a strong relationship with Ontrack and monitors forecasts and budgets on a monthly basis
Rail patronage could fall due to track closures necessary to enable upgrade work to be undertaken, with a consequential loss in fare revenue	medium	low	Greater Wellington maintains a strong relationship with Ontrack and TranzMetro and monitors actual and planned track closures. Promotion and marketing is undertaken when appropriate
Bus contract tender prices may increase because of the New Zealand Transport Agency's new vehicle standards	medium	low	Increase the level of rates. Greater Wellington can examine service levels and adjust if necessary
Contracted public transport services are not delivered by operators to the required standard	medium	medium	Greater Wellington maintains strong relationships with operators and has contingency plans if required. Contracts with operators have appropriate clauses to provide redress in the event of non-performance
Delivery of the new Matangi trains does not meet the delivery timetable	medium	low	Greater Wellington has a strong project management structure, regular monitoring and reporting and a communications plan to manage public expectations. There are also appropriate contract clauses to provide redress in the event of non-performance

6 THE ISSUES WE ARE FACING

ACCESS AND MOBILITY

Increasing vehicle ownership provides individuals with increased mobility. However, growth in car traffic may have a negative impact on access to key goods and services, education and leisure opportunities because of the impacts of severe congestion. To maintain a good level of access there is a pressing need to limit car traffic and ensure viable alternatives to private car travel are available.

CLIMATE CHANGE

The role of transport fuels in generating greenhouse gases is well known. The RLTS has identified a number of ways the region's transport system can respond to address the need to reduce CO₂ emissions.

RAIL NETWORK

The region's rail network is important for freight movement and for providing a medium to long-distance and high volume passenger transport service between the Wellington CBD and the region's other centres. The lack of investment in maintenance and renewal of the rail network over recent decades has caused unreliability problems, especially for passenger rail services. Significant investment is needed to restore rail travel as an attractive option over private motor vehicle travel.

SAFETY AND PERSONAL SECURITY

Four road safety issues are of particular concern in the region:

- Intersections
- Loss of control
- Vulnerable road users (pedestrians, cyclists and motorcyclists)
- Road-user behaviour (alcohol, speed, inattention)

Despite extensive improvements to road safety made in the 1990s in the Wellington region, casualties over the past four years have remained the same and may, in fact, be beginning to rise again. Renewed efforts are required to ensure the region is contributing towards the targets of the national Road Safety Strategy 2010. The Wellington Regional Road Safety Report, published by Land Transport New Zealand, indicated that the annual social cost of crashes to the Wellington region in 2005 was \$258 million.

TRANSPORT NETWORK RELIABILITY

Reliability of the transport network is a significant issue for the region, affecting passenger transport, private vehicle users and freight movement.

The key routes into Wellington's CBD by road are subject to relatively high variability in "expected" travel times, affecting both private vehicles and bus services. This is because even a reasonably minor event can cause significant delays due to congestion levels and there is a lack of alternative routes to avoid trouble spots.

There is a particular problem with bus service reliability in the south end of Wellington city's "golden mile" and with peak congestion bottlenecks around the region.

All modes of transport face a significant reliability issue along the western corridor because of accidents, landslips and flooding. There are limited alternative routes along this corridor. This has implications for emergency services vehicles.

INTEGRATION OF TRANSPORTATION AND LAND USE PLANNING

Ensuring the sustainability of the region's strategic transport network requires an integrated approach to all elements of the network, including integration of land use and transport planning. New land subdivisions and developments which are located at a distance from passenger transport or local facilities can increase people's dependency on cars. The need to travel can be reduced by encouraging mixed-use development, encouraging businesses to locate in areas close to the workforce, and by ensuring critical infrastructure and services are located in high-density residential areas.

ECONOMIC DEVELOPMENT

Economic growth is occurring at a steady rate and the development of the Wellington Regional Strategy (WRS) signals a desire for increased growth. The WRS highlights the need for the region's land transport network to support this growth.

Around one third of the region's jobs are located in the Wellington CBD. The WRS recognises the need for a strong central business district and the importance of links to CentrePort Ltd and Wellington International Airport. Access to these areas is currently impacted by congestion problems on this part of the network.

FREIGHT

The region's freight network consists of road, rail and sea freight, with air freight playing a fairly minor role at this time. Road and rail provide important connections for the onwards movement of freight by other modes.

The expected doubling in road freight volumes by 2020 will add to peak period congestion and the effects of congestion on freight movement have been signalled as a problem.

Port traffic at Wellington's CentrePort Ltd is expected to increase, with most freight arriving at or departing the port by road.

The use of rail for long-distance, inter-regional freight has shown a continual decline since 2000. Advocating for the removal of rail infrastructure constraints for freight will be important to provide opportunities for increasing rail freight efficiency and for rail to take its share of inter-regional freight movement. A return to rail freight for the significant volume of log freight moved by road from Wairarapa to CentrePort Ltd is being pursued.

PEAK OIL

The timing of "peak oil" (the likely peak in global oil production in the future, followed by a decline) is still widely debated, with predictions ranging anywhere from two to 50 years. The regional transport network needs to be resilient to the potential impacts of rising and increasingly volatile oil prices.

While petrol and diesel are recognised as being relatively inelastic commodities, there is some evidence that higher prices have made more people willing to consider alternatives to private car travel. Freight transport may move towards more fuel-efficient modes, such as rail and coastal shipping. The demand for commercial or industrial land nearer to markets, ports and rail services may increase.

Passenger transport network efficiency and capacity, travel demand management, access to walking and cycling, efficient land use and infrastructure planning, and efficient connections between commercial centres, are therefore all important considerations for the region.

FUNDING

The sufficiency of funding available through current mechanisms to achieve the plans designed to achieve the RLTS will continue to be an issue. Alternative funding sources need to be identified and assessed for their appropriateness to meet the needs of the Wellington region.

7 WHO WE WILL WORK WITH

- City and district councils
- Community groups
- Disability groups
- District health boards
- Energy Efficiency and Conservation Authority
- Ministry of Transport
- New Zealand Transport Agency
- National transport organisations
- Passenger transport operators
- Passenger transport users
- Taxi companies
- Schools
- Businesses

8 WHAT WE ARE GOING TO DO

ACTIVITY 1

Regional transport network planning

For a description of this activity see 3.1.

OUR SERVICES

Plan and monitor the Wellington regional transport network through the development of the Regional Land Transport Strategy (RLTS) and the Regional Land Transport Programme.

HOW WE MEASURE OUR PERFORMANCE

The RLTS, together with implementation plans and a Regional Land Transport Programme, are in place throughout the period.

WHERE WE ARE NOW

The RLTS and implementation plans are currently in place and operational. The first Regional Land Transport Programme is due to be adopted by 30 June 2009.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
A monitoring report on the RLTS will be approved for publication by the Regional Transport Committee by 30 September 2009	\$65,000
The Regional Land Transport Programme will be developed to the satisfaction of the Regional Transport Committee and adopted by the Council	\$150,000
The Regional Transport Committee will approve the release of a reviewed Draft Hutt Corridor Plan for consultation	\$145,000
The Wairarapa Corridor Plan will be reviewed and the revised plan released by the Regional Transport Committee for consultation	\$48,000
A renewed Regional Land Transport Strategy will be approved by the Council	\$30,000
The Regional Transport Committee will approve a reviewed Road Safety Plan	\$25,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
A monitoring report on RLTS will be approved for publication by the Regional Transport Committee by 30 September 2010	\$96,000
A reviewed Hutt Corridor Plan will be approved by the Regional Transport Committee by 31 December 2010	\$25,000
The Regional Transport Committee will approve the release of a reviewed Draft Freight Plan ³ for consultation	\$52,000
Surveys to support the redevelopment of the regional transport model ⁴ will be completed	\$1,010,000

³ The Freight Plan sets out the activities the region intends to undertake to address freight transport issues

⁴ The transport model is a computer-based tool used to predict changes to the operation of the transport network as a result of various projects being undertaken

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
A monitoring report on RLTS will be approved by the Regional Transport Committee for publication by 30 September 2011	\$90,000
A reviewed Freight Plan will be approved by the Regional Transport Committee by 30 June 2012	\$4,000
The technical work for the transport model rebuild will be completed	\$602,000
The Regional Land Transport Programme will be approved by the Council for submission to the New Zealand Transport Agency	\$159,000

2012 – 2019

Continue to deliver the services specified in “our services”.

Key targets include:

- Monitoring reports on the RLTS will be issued each year
- Regional land transport programmes will be adopted in 2012 and 2015
- The RLTS will be renewed in 2016

ACTIVITY 2**Encouraging sustainable transport choices**

For a description of this activity see 3.2.

OUR SERVICES

Work with schools, employers and communities to establish travel plan programmes. Promote and support active modes of travel. Promote and support road safety.

HOW WE MEASURE OUR PERFORMANCE

- Number of community, school and workplace travel plan programmes
- Number of programmes and projects developed and delivered to promote and support walking and cycling, in accordance with published Cycling and Pedestrian Plans
- Road safety supported and promoted in accordance with published Regional Road Safety Plan

WHERE WE ARE NOW

Eighteen schools and 14 workplace travel plan programmes are currently in place, and on average four workplace and six school programmes have been developed each year over the past three years, in accordance with the Travel Demand Management Strategy.

Walking and cycling, and road safety programmes have been promoted by Greater Wellington over a number of years in a variety of forms.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010		2011/12 – BY 30 JUNE 2012	
TARGET	BUDGET	TARGET	BUDGET
New travel plans/travel will be developed by 16 schools and four workplaces, and all existing travel plans in schools and work places will be monitored/reviewed	\$698,000	New travel plans/travel will be developed by 16 schools and four workplaces, and all existing travel plans in schools and work places will be monitored/reviewed	\$752,000
At least one community travel behaviour change project will be supported	\$97,000	At least one community travel behaviour change project will be supported	\$97,000
Cyclist training pilot projects ⁵ will be conducted in at least six schools. The Cyclist and Walking Journey Planner ⁶ will be maintained and the region's Active Transport Forum will be facilitated	\$239,000	Cyclist training pilot projects will be conducted in at least six schools. The Cyclist and Walking Journey Planner will be maintained and the region's Active Transport Forum will be facilitated	\$239,000
The Regional Road Safety Campaign will be supported and reported to the Regional Transport Committee	\$20,000	The Regional Road Safety Campaign will be supported and reported to the Regional Transport Committee	\$20,000
Public awareness campaigns will be carried out to promote walking, cycling and public transport and to discourage unnecessary car trips	\$153,000	Public awareness campaigns will be carried out to promote walking, cycling and public transport, and to discourage unnecessary car trips	\$153,000
2010/11 – BY 30 JUNE 2011		2012 – 2019	
TARGET	BUDGET		
New travel plans/travel will be developed by 18 schools and four workplaces, and all existing travel plans in schools and work places will be monitored/reviewed	\$712,000	• Continue to implement and monitor community, school and business travel plans	
At least one community travel behaviour change project will be supported	\$97,000	• Continue to support road safety	
Cyclist training pilot projects will be conducted in at least six schools. The Cyclist and Walking Journey Planner will be maintained and the region's Active Transport Forum will be facilitated	\$239,000	• Continue to promote walking and cycling	
The Regional Road Safety Campaign will be supported and reported to the Regional Transport Committee	\$20,000		
Public awareness campaigns will be carried out to promote walking, cycling and public transport, and to discourage unnecessary car trips	\$153,000		

⁵ As part of our work with schools we will be piloting a cyclist training programme to improve cyclist skills and safety for students cycling to school.

⁶ We are developing an electronic mapping tool that will be used by people to plan walking and cycling routes for their journeys

ACTIVITY 3

Public transport services

For a description of this activity see 3.3.

3.1 Planning public transport services**OUR SERVICES**

Plan and review public transport services to meet Regional Land Transport Strategy targets.

How we measure our performance

- Regional Public Transport Plan in place
- Progress with service reviews

WHERE WE ARE NOW

The Regional Passenger Transport Plan is in place and operative. Service reviews for Johnsonville/ Newlands, Porirua and Kapiti will be completed by 30 June 2009 and resulting changes to services will have been implemented. The review for Wellington is currently underway.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
A new Regional Public Transport Plan will be approved by the Council	\$50,000
Detailed network planning for the review of bus services in Wellington city (excluding Tawa) will be completed and reported to the Council	\$154,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
A review of Wairarapa bus services will be completed and reported to the Council	\$155,000
Minor service reviews of two contract areas will be completed and reported to the Council	

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Service reviews of two contract areas will be completed and reported to the Council	\$159,000

2012 – 2019

- Review the Regional Public Transport Plan by 2013
- Review bus services in time for the mid-point review of our diesel bus operating contracts.

3.2 Public transport operations**OUR SERVICES**

Contract bus and rail services across the region and a passenger ferry service in the Wellington Harbour, and part-fund taxi services for people with disabilities across the region. These services are in accordance with the Regional Passenger Transport Plan.

HOW WE MEASURE OUR PERFORMANCE

- Peak-time passenger transport trips
- Off-peak passenger transport trips
- Wheelchair accessibility of passenger transport services
- Implementation of the Total Mobility Scheme

WHERE WE ARE NOW

- 17.6 million peak-time passenger trips in 2007-08
- 17.1 million off-peak passenger trips in 2007-08
- Contracts signed with assessment agencies and taxi companies and a new electronic administration system under development
- 43% of the region's public transport vehicles in 2007-08 are wheelchair accessible

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
Peak-time passenger trips using public transport will increase by 4%, off-peak passenger trips using public transport will increase by 6% and the number of public transport vehicles that are wheelchair accessible will increase from the previous year	All of Greater Wellington's expenditure of \$266,051,000 on public transport services will contribute to this target

A new electronic system for Total Mobility users will be introduced	\$245,000
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2010/11-BY 30 JUNE 2011

TARGET	BUDGET
Peak-time passenger trips using public transport will increase by 4%, off-peak passenger trips using public transport will increase by 6% and the number of public transport vehicles that are wheelchair accessible will increase from the previous year	All of Greater Wellington's expenditure of \$255,457,000 on public transport services will contribute to this target

2011/12-BY 30 JUNE 2012

TARGET	BUDGET
Peak-time passenger trips using public transport will increase by 4%, off-peak passenger trips using public transport will increase by 6% and the number of public transport vehicles that are wheelchair accessible will increase from the previous year	All of Greater Wellington's expenditure of \$140,796,000 on public transport services will contribute to this target

2012 – 2019

- Carry out mid-term performance reviews of diesel bus operating contracts
- Review the trolley bus contract if it is to be renewed for a second five-year term

3.3 Maintain infrastructure assets and invest in new infrastructure

OUR SERVICES

Maintain and enhance Metlink public transport infrastructure across the region.

HOW WE MEASURE OUR PERFORMANCE

- Profile of the passenger rail fleet
- Status of upgrades to the rail network infrastructure
- Number of new bus shelters
- Implementation of a real-time information system

WHERE WE ARE NOW

- Rail fleet comprises 88 Ganz Mavag EMUs, 37 English Electric EMUs, a six-carriage SE train and 18 SW carriages
- Project planning for the rail network infrastructure upgrades well advanced and contracts for physical works let
- 468 bus shelters across the region (excluding Adshels⁷) and shop verandas
- A business case has been prepared for a real-time information system and a procurement process commenced with the issue of an expressions of interest and a request for tender

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
New Matangi EMUs will arrive in Wellington and testing will commence	\$91,909,000
A prototype refurbishment of a Ganz Mavag two-car EMU will be complete and reported to the Council	\$1,500,000
The rail double-tracking from MacKays Crossing to Paraparaumu and the extension of the electrification to Waikanae will be completed	\$49,287,000
15 new bus shelters will be installed across the region	\$250,000
A trial of the real-time information system will be completed and reported to the Council	\$5,500,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Further new Matangi EMUs will arrive in Wellington and will enter passenger service	\$112,151,000
A refurbishment programme of the GanzMavag rail fleet will commence, following approval by the Council	\$23,000,000
The upgrade of the Thorndon Rail Depot and the expansion of train stabling for the Matangi EMUs will be completed	\$6,058,000
The upgrade to 15 stations across the rail network to enable the successful introduction into service of the new Matangi EMUs will be completed	\$3,555,000
15 new bus shelters will be installed across the region	\$258,000
A real-time information system will be in operation on the Metlink network	\$5,849,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
All 48 new Matangi trains will be in passenger service	\$403,000
The six-carriage locomotive-hauled SE train will be transferred from service on the Hutt Line to the Wairarapa Line	N/A
A rail station and carpark upgrade programme will commence	\$6,441,000
15 new bus shelters will be installed across the region	\$264,000

2012 – 2019

- Purchase additional rolling stock to meet patronage growth demands
- Improve the rail network to allow for more frequent and reliable services

3.4 Marketing and information management

OUR SERVICES

Maintain and enhance the information available to the public about Metlink public transport services which operate across the region.

HOW WE MEASURE OUR PERFORMANCE

- Annual customer satisfaction survey
- Metlink Service Centre answered call rate
- Metlink website usage and usefulness rating
- Number of calls to txtBUS and txtTRAIN

WHERE WE ARE NOW

In 2008 82% of residents rated the service they received from the Metlink service centre as excellent or very good.

In 2008 95% of calls to the Metlink Service Centre were answered.

In 2008 46% of residents surveyed had used the Metlink website and it was considered to be useful by 63% of users.

In 2008 txtBUS received 27,300 requests (2,275 per month average). txtTRAIN was launched in November 2008 and received 2,580 requests in November and December 2008.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
90% of residents will rate the service they receive from the Metlink Service Centre as excellent or very good	\$881,000
More than 95% of calls to the Metlink Service Centre will be answered	
Metlink website usage will increase by 15% and its usefulness rating will increase to 70%	
Use of txtBUS and txtTRAIN will increase to an average of 3,000 requests per month for each service	

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
More than 90% of residents will rate the service they receive from the Metlink Service Centre as excellent or very good	\$907,000
More than 95% of calls to the Metlink Service Centre will be answered	
Metlink website usage and its usefulness rating will increase from the previous year	
Use of txtBUS and txtTRAIN is will increase from the previous year	

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
More than 90% of residents will rate the service they receive from the Metlink Service Centre as excellent or very good	\$930,000
More than 95% of calls to the Metlink Service Centre will be answered	
Metlink website usage and its usefulness rating will increase from the previous year	
Use of txtBUS and txtTRAIN will increase from the previous year	

2012 – 2019

Greater Wellington will continue to maintain and enhance public transport infrastructure

9 KEY PROJECTS FOR 2009/10

ACTIVITY: PROVISION OF PUBLIC TRANSPORT SERVICES

Planning public transport services

- Complete the preparation of a new Regional Public Transport Plan in accordance with the requirements of the Public Transport Management Act 2008
- Review diesel bus services in Wellington city (excluding Tawa)
- Resume the investigation of an electronic ticketing system for passenger rail
- Commence the preparation of a "Transition In" plan for the new Matangi trains

Public transport operations

- Continue to fund rail, bus and local harbour ferry services
- Incorporate new national guidelines for vehicle standards into any new bus contracts
- Continue to develop and implement new monitoring processes to ensure that quality standards are maintained for public transport users
- Progress the introduction of "real-time" information at bus and train stops to inform users when the next service will actually arrive (rather than when it is scheduled to arrive)
- Continued implementation of the new Procurement Strategy and Implementation Plan for bus and ferry services with the re-tendering of services
- Continue to fund and administer the Total Mobility scheme, which allows for people with disabilities to travel by taxi for half the normal fare
- Continue with the implementation of the Total Mobility Review Phase 2. This includes the introduction of swipe ID cards and contracting with disability agencies and taxi companies to ensure an efficient quality service is provided to the scheme's users

Maintain infrastructure assets and invest in new infrastructure

- Continue the procurement process to bring 48 two-car Matangi EMUs to Wellington from 2010 by completing the detailed design phase and undertaking the manufacturing phase
- Ensure that the Greater Wellington Rail Limited-owned rolling stock is maintained to a level to ensure vehicles are available for service and provide a reliable service for the rail commuters
- Continue work on upgrading signalling and

traction systems on the rail network

- Continue work on upgrading the Thorndon Rail Depot and providing additional stabling for the new Matangi EMUs
- Continue work on upgrading rail station platforms at 23 stations for the introduction of the new Matangi EMUs
- Continue the double tracking from MacKays Crossing to Waikanae and the electrification of the railway track from Paraparaumu to Waikanae
- Progress implementing improvements to rail and associated infrastructure at Paraparaumu and Waikanae subject to available funding
- Progress implementing the Regional Rail Plan following the outcome of regional prioritisation
- Progress work-deferred maintenance and minor safety improvements rail commuter carpark facilities.
- Continue the retrofit programme for bus shelters, replacing glass with perforated sheet metal to deter vandalism
- Continue the installation of 15 new bus shelters per annum across the region
- Extend rail commuter carpark facilities subject to available funding and regional prioritisation

Marketing and information management

- Promote Metlink's public transport services through promotional campaigns
- Continue to provide information on Metlink's public transport services through a call centre, timetable production and website
- Conduct the annual public transport customer satisfaction monitoring survey

10 ASSETS

GREATER WELLINGTON'S ROLE IN PUBLIC TRANSPORT ASSET MANAGEMENT

Greater Wellington has a varied role in public transport asset management that can be categorised in the following way:

- Asset owner – assets are owned and managed by Greater Wellington or a fully owned subsidiary. Because of the history of the legislation governing regional council ownership of transport assets, the same type of asset may be directly owned by Greater Wellington in some cases but not in others. It is hoped that this situation can be regularised over time

- Direct asset funder or co-funder – Greater Wellington is the sole funder or co-funder of asset acquisition, maintenance, replacement and enhancement
- Indirect asset funder – Greater Wellington fully or partially funds public transport services which require assets for delivery

Greater Wellington manages and oversees asset maintenance, replacement and enhancement but

does not directly carry out the work (eg, Greater Wellington does not employ any maintenance staff for the transportation activity). This work is undertaken under contract to a variety of service providers.

ASSET MANAGEMENT STRATEGY

The asset management strategy to meet policy and planning objectives is:

Levels of service	To formally review levels of service at least every three years. Engagement with the community on satisfaction with the levels of service provided and improvements desired will be undertaken periodically. Consultation on options will be undertaken for specific projects. The level of service reviews will inform the levels of service adopted by Greater Wellington.
Demand forecasting and management	To invest in works for growth in a timely way. To review demand forecasts regularly based on analysis of population and economic growth projections, social and demographic data, technological advances and other relevant data. Demand management options will also be considered when planning to meet growth.
Asset service potential	To maintain the current service potential of the asset through an appropriate level of maintenance and renewal works.
Risk management	Manage risk exposure through: A three-yearly review of the risk management plan and implementing risk mitigation measures where risk exposure is incompatible with corporate risk policy. Undertaking performance and condition monitoring of critical assets
Operational	Service agreements with contractors will contain performance measures consistent with AM and activity KPIs to achieve alignment from operational level to the LTCCP
Information and systems	Data collection programmes (condition, asset performance, registers and service performance) will be closely aligned to the nature and scale of the assets and to tracking achievement of service targets. Asset-management system functionality will be developed to meet the requirements of core asset-management planning and specific business needs.
Organisational	To embed asset-management capability and practices throughout the organisation.
AM plan	The AM plan will developed as a “living” document and reviewed on a regular basis to ensure alignment with current council, organisational and asset-management policy. AM plans will be subject to formal adoption by Greater Wellington.
Continuous improvement	Improvement of AM practices, processes, systems and plans will be undertaken in accordance with the improvement plan, which will be reviewed annually.

ASSETS

The assets currently owned directly or indirectly by Greater Wellington are listed in the following table together with their replacement value.

ASSET		QUANTITY	REPLACEMENT COST \$
Buildings and structures	Petone and Waterloo	4	4,058,000 ¹
Carparks	Paraparaumu	1	105,000 ¹
CCTV systems		11	467,000 ¹
Facilities	Rubbish bins	24	9,000 ¹
	Cycle lockers	51	89,000 ¹
	Seats	46	47,000 ¹
Bus shelters		10	133,000 ¹
Signage	Wayfinder	7	58,000 ¹
	Metlink display	4	97,000 ¹
	Metlink bus	3,567	182,000 ¹
	Platform/other	30	28,000 ¹
	Parts/Various	10515	133,000 ¹
Rolling stock	SW carriages	18	26,250,000 ²
	English Electric Multiple Unit	1	1,451,000 ²
	SE carriages	6	10,162,000 ²

¹ Replacement value at 30 June 2008

² Expected cost at 30 June 2009

CAPITAL INFRASTRUCTURE PROGRAMME

This 2009-19 proposed LTCCP includes the following significant programme of new and upgraded public transport infrastructure. Projects can only proceed when funding approval has been obtained. To be eligible for funding these projects must be included in the Regional Land Transport Programme and approved by the New Zealand Transport Agency.

48 new Matangi trains ¹	\$207 million
Rail infrastructure upgrades ²	\$83 million
Upgrade of Paraparamu Station and rebuild of Waikanae Station	\$15 million
Rail rolling stock heavy maintenance	\$60 million
Ganz Mavag rolling stock refurbishment	\$98 million
Trolley bus infrastructure renewals	\$13 million
New and upgraded bus shelters	\$3 million
Real-time information system	\$11 million
Electronic ticketing	\$14 million
Wellington Regional Rail Plan – new rolling stock and rail network upgrade ³	\$177 million
Total	\$681 million

MAINTENANCE AND MONITORING

Maintenance of rolling stock owned by Greater Wellington is carried out by KiwiRail under a maintenance contract. Under this contract KiwiRail is responsible for developing and maintaining an asset-management system. The supplier of the new Matangi EMUs being purchased by Greater Wellington will be providing a maintenance plan as part of the supply contract. Maintenance of the Matangi units will be undertaken by KiwiRail with technical support from the train manufacturer.

Maintenance of other assets owned by Greater Wellington is carried out in accordance with the Passenger Transport Asset Management Plan.

11 NEGATIVE EFFECTS ON WELL-BEINGS

There is the potential for transport projects and ongoing operations to have negative effects on environmental well-being, although public transport has a positive effect on CO₂ emissions. Good access is important for other well-beings and demand for access will continue to rise with continued growth in the population and the region's economy. Greater Wellington will seek to minimise the impact of transport projects and operations, and will promote awareness and specific strategies to assist others to minimise the impact of their travel on the environment.

¹ Some expenditure on the new Matangi trains has already been incurred. The total expected cost for the trains is \$236 million

² Rail infrastructure upgrades are already underway with significant expenditure expected prior to 2009/10. Any delay to the programme would push this expenditure into the 10-year planning horizon

³ The Wellington Regional Rail Plan expenditure delivers enhancements to the passenger rail system that improve service reliability, frequency, capacity, safety and journey time. Key components include 14 additional trains, station and carpark upgrades, measures to increase peak frequencies and capacities, and further rail infrastructure improvements

12 FINANCIAL INFORMATION

TRANSPORT

PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
FUNDING STATEMENT			
General rate	-	-	-
Targeted rate	40,966	45,853	52,899
Government subsidies	209,988	199,191	93,683
Interest and dividends	147	71	15
Other operating revenue	1,034	1,063	1,093
Operating revenue	252,135	246,178	147,690
Direct operating expenditure	87,821	95,614	105,481
Finance costs	1,767	2,962	3,568
Fair value investment impairment	-	-	-
Depreciation	224	1,050	1,988
Operating expenditure	89,812	99,626	111,037
Operating surplus/(deficit) before public transport improvements	162,323	146,552	36,653
Public transport improvements ¹	174,102	154,782	37,898
Operating surplus/(deficit)²	(11,779)	(8,230)	(1,245)
Less/(add):			
Capital expenditure	8,149	10,001	2,854
Proceeds from asset sales	(10)	-	-
Loan funding	(1,402)	(1,706)	(607)
Rates and subsidy-funded capital expenditure	6,737	8,295	2,247
Loan funding of public transport improvements ¹	(19,075)	(16,759)	(5,102)
Debt repayment	2,136	3,213	4,083
Investment additions	-	-	-
Reserve movements	(1,353)	(1,929)	(485)
Working capital movements	-	-	-
Non-cash items ³	(224)	(1,050)	(1,988)
Net funding required	-	-	-

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
OPERATING REVENUE			
Regional transport network planning	1,641	2,267	2,804
Encouraging sustainable transport choices	2,310	2,389	2,498
Public transport services	248,184	241,522	142,388
Total operating revenue	252,135	246,178	147,690
OPERATING EXPENDITURE			
Regional transport network planning	1,648	1,492	2,293
Encouraging sustainable transport choices	2,310	2,389	2,498
Public transport services	85,854	95,745	106,246
Total operating expenditure, (excluding public transport improvements)	89,812	99,626	111,037
Public transport services			
Public transport improvements ¹	174,102	154,782	37,898
CAPITAL EXPENDITURE			
New public transport shelters, signage, pedestrian facilities and systems	8,117	10,001	2,854
Capital project expenditure	8,117	10,001	2,854
Land and buildings	-	-	-
Plant and equipment	0	0	0
Vehicles	32	0	0
Total capital expenditure	8,149	10,001	2,854

¹ Public transport improvements are capital grants provided to external organisations and to the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd (GWR Ltd), for improvements to public transport infrastructure where Greater Wellington will not own the resulting asset. These improvements include trolley bus overhead wire renewals, rail track renewals and the new Matangi trains

² Greater Wellington funds its share of public transport improvements from debt. This has resulted in an operating deficit within transport

³ Non-cash items include depreciation and the revaluation of interest-free debt.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35

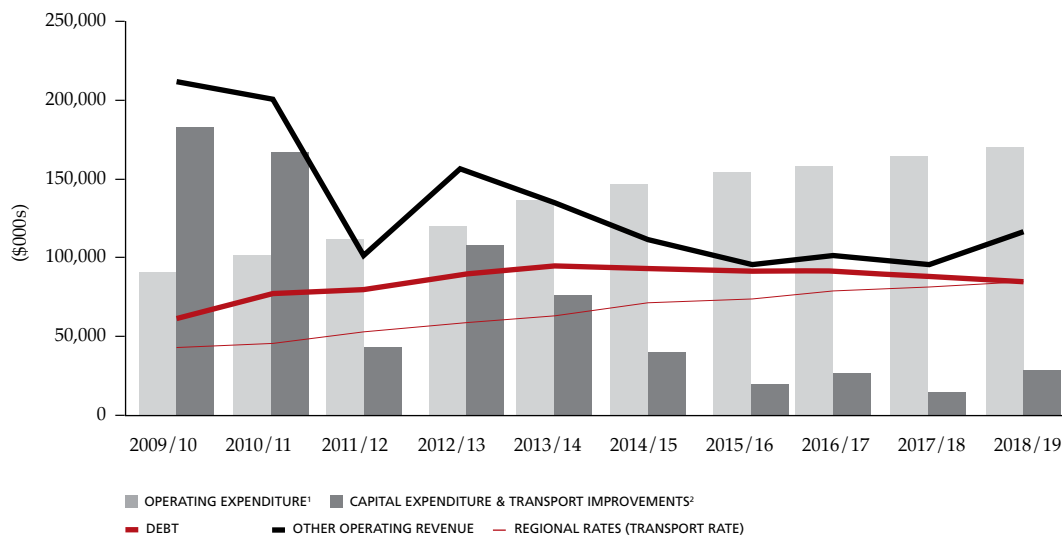
Please note that all figures on this page exclude GST.

TRANSPORT

10-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure ¹	89,812	99,626	111,037	117,478	132,396	146,836	152,965	158,315	163,680	168,979
Capital expenditure and public transport improvements ²	182,251	164,783	40,752	105,901	74,380	36,376	16,657	23,314	11,340	25,743
Debt	59,291	74,542	76,166	85,565	91,489	90,963	89,355	89,434	85,782	82,062
Regional rates (transport rate)	40,966	45,853	52,899	56,382	63,258	69,234	72,988	76,439	79,603	82,209
Other operating revenue	211,169	200,325	94,791	155,426	134,997	110,435	94,148	100,976	94,886	112,362

¹ Excluding public transport improvements

² Capital expenditure and public transport improvements include capital grants to external organisations and the 100% Council Controlled Trading Organisation, Greater Wellington Rail Ltd (GWR Ltd) for improvements to public transport infrastructure where Greater Wellington will not own the resulting asset. These improvements include trolley bus overhead wire renewals, rail track renewals and the new Matangi trains

WATER SUPPLY

1 COMMUNITY OUTCOMES

The Water Supply group of activities primarily contributes to the following community outcome

ESSENTIAL SERVICES

High-quality and secure infrastructure and services meet our everyday needs. These are developed and maintained to support the sustainable growth of the region now and in the future

by collecting, treating and delivering water to the following cities – Lower Hutt, Upper Hutt, Porirua and Wellington. This requires Greater Wellington to maintain infrastructure and plan to meet future demand. We also promote the careful use of water and build resilience in the system to cope with emergencies.

This group of activities also contributes to the following outcomes:

Healthy Community by ensuring that drinking water standards set by the Ministry of Health are met

Prepared Community by planning the reinstatement of water supply following an emergency event

Healthy Environment by encouraging people to use water wisely so that the environmental impacts of water supply operations are reduced

2 WHAT WE WANT TO ACHIEVE

The table opposite sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are also included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Water collection, treatment and delivery

Greater Wellington collects, treats and delivers water to the Wellington metropolitan area (Lower Hutt, Upper Hutt, Porirua and Wellington). The Wellington Regional Water Board Act 1972 is Greater Wellington's mandate for providing these services. There is a network of three main treatment plants (Te Marua, Waterloo and Wainuiomata) and a standby plant at Gear Island. Water is taken from the Hutt, Wainuiomata/Orongorongo catchments and the Waiwhetu aquifer. There is water storage at the Stuart Macaskill lakes at Te Marua. The network is integrated, thus allowing economies of scale and reducing risk. Water supplied is treated to comply with the Drinking Water Standards for New Zealand and the Health (Drinking Water) Amendment Act 2007.

Greater Wellington supplies water to the four cities in the region on a wholesale basis. These cities distribute the water to the end users. Greater Wellington charges the cities for this service through a wholesale water levy.

3.2 Water supply infrastructure

Water supply is an essential service and so it is imperative that infrastructure is developed to keep pace with demand and changing technologies. Greater Wellington continually invests in infrastructure upgrades to meet increasing demand and changing technologies.

3.3 Planning for future water demand and supply

We need to ensure that we can supply water now and in the future. We plan for future needs by projecting population growth and consumption for each city. Good planning is important as the commissioning of additional water sources requires a long lead-in time. Water is essential for health and, indeed, life and we cannot afford to undersupply.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Provide high-quality drinking water	Compliance with the biological and chemical sections of the Drinking Water Standards for NZ 2005 (Revised 2008) ESSENTIAL SERVICES	<ul style="list-style-type: none"> Compliance with ISO 9001:2000 for water quality management Quality of water supplied 	<p>All water supplied will meet the Drinking Water Standards for NZ</p> <p>The gradings of the following treatment plants and the distribution system will be maintained or improved:</p> <ul style="list-style-type: none"> Te Marua – A1 Wainuiomata – A1 Waterloo – A1 Gear Island – A1 Distribution system – a1 	<p>Compliance achieved in 2007 (confirmation not yet available for 2008)</p> <p>The target represents current gradings with the exception of Waterloo, which currently has a B grading and Gear Island which is ungraded</p>
Ensure there is a secure water supply	Security of the water supply system ESSENTIAL SERVICES		Supply security will meet a 2% probability of shortfall (one in 50-year drought standard)	December 2008 – 3.9% (1 in 26 years)
Minimise the environmental effects of water supply operations		Compliance with certification standards	The ISO 14001:2004 standard for environmental management will be maintained	Achieved to date
Ensure that the water supply network is as resilient as possible	Plans in place for improving speed and ease of reinstating water supply following natural disasters PREPARED COMMUNITY		Improvements to the resilience of the system will be carried out annually to the satisfaction of Council	Annual improvements have been carried for the 10 years, eg, in 2007/08 emergency connection points were installed across the fault line at Te Marua
Reduce water use	Per capita gross water consumption ESSENTIAL SERVICES		Per capita gross consumption of water will decrease at a rate of at least 10% over 10 years	2007/08 – 399 litres per person per day gross consumption

3.4 Water conservation programmes

Greater Wellington promotes the wise use of water through advertising and education programmes and other promotional activities.

The less water we use means less impact on the environment – less water being abstracted from rivers and aquifers, less infrastructure being constructed and less electricity generated for pumping. Supplying less water reduces Greater Wellington's carbon footprint. It also means less or delays in expenditure on new infrastructure, eg, dams. Further, reduced water usage means less waste water for the city councils to treat.

4 FURTHER INFORMATION

Legislation and regulations

Drinking-Water Standards for New Zealand 2005 (Revised 2008 with effect from 31 December 2008)

Health (Drinking Water) Amendment Act 2007

Greater Wellington Policies, Strategies and Plans

Asset Management Plan (Water Supply) 2004 and 2008 addendum

Asset Management Plan Surface Water Collection areas 2004

Public Health Risk Management Plans (in preparation)

Wellington Metropolitan Water Supply Development plan

Regional Water Strategy (in preparation)

5 ASSUMPTIONS AND RISKS

The following assumptions were made for the development of this plan. Risks to the plan will occur if these assumptions are not borne out.

- The population of the four city councils will continue to grow at a rate midway between the high and medium-growth forecasts of Statistics New Zealand and will reach approximately 418,000 by the end of the period
- The water consumption per person gross will continue to trend slightly downwards, as has occurred over the past 10 years. In 1999 consumption was 430 litres/head/day but by 2008 this had reduced to 399. However, this planning approach is conservative as we hope that our water conservation work will further reduce the rate of consumption

- Greater Wellington will continue to set as its supply standard of a 2% probability of a shortfall event (1 in 50-year drought). An "event" is defined as a year that contains at least one shortfall day
- There will be no requirement for major capital works arising from the Ministry of Health's ongoing reviews of Drinking Water Standards
- The review of the Regional Freshwater Plan in 2010 will not impact significantly on the allocation of water for public water supply purposes
- The water levy will be adjusted to meet the impact of any significant changes to interest rates. At present, the water supply debt is approximately \$40 million

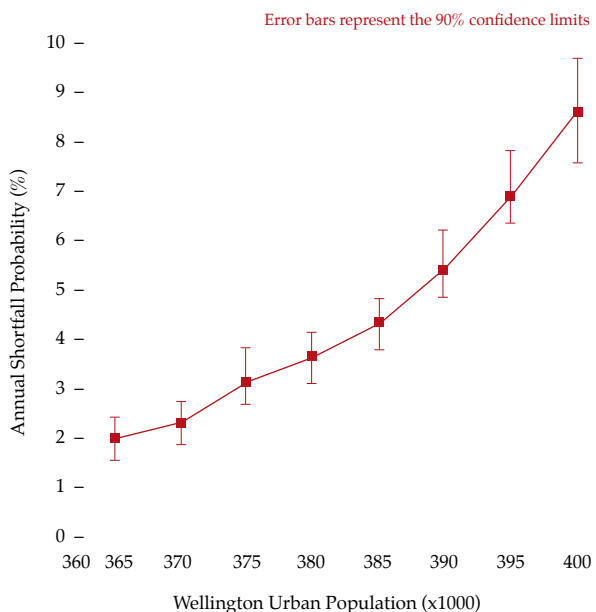
6 THE ISSUES WE ARE FACING

SECURITY OF SUPPLY

For a number of reasons, the population in the four cities has grown much more quickly than was projected a few years ago by Statistics New Zealand.

Currently, Greater Wellington is unable to meet its 2% probability of shortfall standard, even though planning for new infrastructure started a few years ago when population projections were revised upwards.

The graph below shows how the shortfall probability with current water supply capacity relates to population growth. Current population and demand creates the situation where there is a 3.9% probability of shortfall (1 in 25-year event).



Once the security standard drops below about 7% probability of shortfall (1 in 15 years), it is difficult to operate the Wellington water supply system without severe constraints on discretionary water use over the summer period.

Unless more water sources are developed and/or new infrastructure built or demand reduced, the situation will get worse.

A number of capital projects are proposed to allow a return to the 2% probability of shortfall within three years and provide for future growth. Capital projects for future growth will proceed as required to maintain the 2% probability shortfall. The timing of these projects will depend on population growth and per capita demand.

WATER CONSERVATION VERSUS NEW SUPPLY SOURCES

A Regional Water Strategy is being developed to ensure that we take a considered and integrated approach to the management of water in the region.

The Regional Water Strategy is likely to have many implications for the Water Supply group of activities. It aims to reduce per capita demand progressively. If this can be achieved, then capital expenditure on major new infrastructure can be deferred. Because of population growth, the overall demand for water is probably going to increase. Therefore, Greater Wellington has identified five projects (three short-term and two medium to long-term) to both reinstate and maintain security of supply within the 2% annual shortfall target. These are greater intake from Kaitoke weir, increased storage at Stuart Macaskill Lakes, a reservoir in central Wellington, development of the Upper Hutt aquifer and a dam at Whakatikei in the Akatarawa Forest, with associated treatment plant. The need for some or all of these depends on how successful we are with reducing per capita demand. Some of these projects could be deferred if consumption reduces. This 10-Year Plan assumes, however, that the rate of reduction of consumption will remain unchanged.

WATER QUALITY STANDARDS

There is an ongoing challenge to continue to achieve the highest level of Ministry of Health gradings for water infrastructure. Greater Wellington has continually invested in water-treatment processes and delivery systems to achieve current gradings. The Te Marua and Wainuiomata water-treatment plants are graded A1 and the water distribution system is graded a1.

These are the highest of the Ministry of Health’s gradings. Waterloo water treatment plant is graded B because of Hutt City’s requirements for non-chlorinated water. A standby plant at Gear Island is currently ungraded although work is in progress to achieve an A1 grading.

ELECTRICAL ENERGY

Approximately 75% of Greater Wellington’s carbon footprint is from energy used in water treatment and distribution, and electrical energy is an ever-increasing percentage of the operating costs for water supply. Both the cost and environmental issues need to be addressed. For this reason, a number of mini hydro-generation projects, that were previously uneconomic, are now being reviewed. It is possible that about 20% self generation may be possible from these sources. Other renewable sources will be investigated for part of the remaining power needs.

CONTROLLING COSTS AND THE WATER LEVY

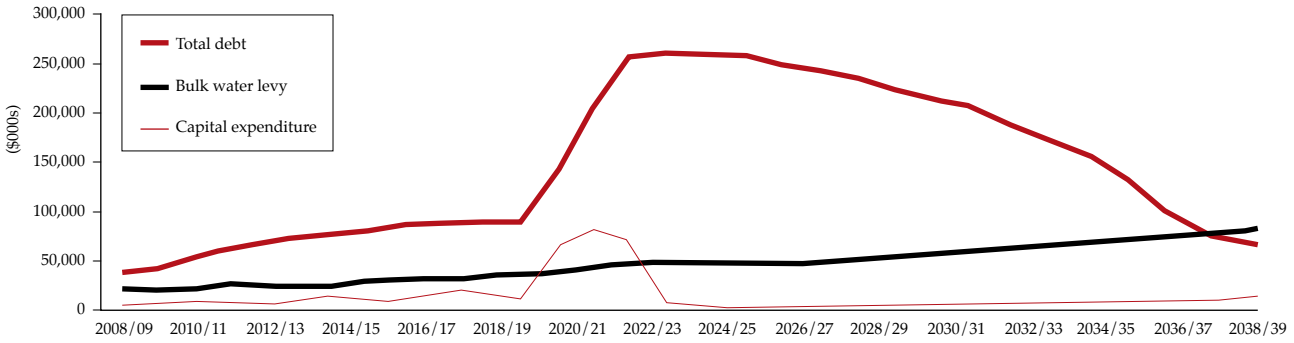
Continuing to find ways to reduce costs and prevent a rise in the wholesale water levy is challenging. The levy has decreased twice and increased once in the past 10 years. For 2009/10, the levy will be the same as for 2008/09, less than it was in 1994/95. Efficiency gains and reduced debt servicing have contributed to this situation.

Proposed changes in levies over the life of this 10-Year Plan are as follows:

YEAR	\$m (GST EXCLUSIVE)	CHANGE (%)
2009/10	23.460	nil
2010/11	24.234	3.3
2011/12	24.791	2.3
2012/13	26.401	6.5
2013/14	28.034	6.2
2014/15	29.797	6.3
2015/16	31.702	6.4
2016/17	33.729	6.4
2017/18	35.919	6.5
2018/19	38.290	6.6

The levy increases proposed are largely due to the need for new infrastructure. The increases can be moderated substantially if the various initiatives to reduce per capita demand are accepted and supported by the community. If the required demand reduction does not occur and the Whakatikei dam is needed by 2022 to ensure supply, a 60% increase will be required in 2008 dollar terms.

The graph below shows the levy and debt projections if the Whakatikei dam is completed in 2022



PLANNING FOR EMERGENCIES

With several water-treatment plants and more than 180km of pipelines, as well as other infrastructure, the system is susceptible to a range of incidents. For site-specific events, standby systems should enable a rapid return to partial or full service. A major seismic event, particularly one involving a movement on the Wellington fault, will lead to considerable disruption to the water supply system. It is expected it would take weeks to undertake repairs to restore part supply.

For some years, mitigation work has taken place to prepare for a range of events and provision is made in the 10-year capital works for this work to continue.

It is worth noting that new water sources, particularly on the western side of the Wellington faultline, would increase the potential for quick recovery after a major earthquake.

7 WHO WE WILL WORK WITH

- Hutt City Council
- Porirua City Council
- Upper Hutt City Council
- Wellington City Council
- Tangata whenua
- Ministry of Health
- Public Health Service

8 WHAT WE ARE GOING TO DO

ACTIVITY 1

Water collection, treatment and delivery

For a description of this activity see 3.1.

OUR SERVICES

- Supply water to the four cities in the region that meets or exceeds national quality standards and meets reasonable daily demand
- Ensure security of supply is not less than a 2% possibility of shortfall.

HOW WE MEASURE OUR PERFORMANCE

- Compliance with drinking water standards for biological, chemical, and aesthetic determinands
- Grading of treatment plants
- Reservoir levels
- Breaches of security of supply standard
- Level of deferred maintenance

WHERE WE ARE NOW

Greater Wellington has consistently met the requirements of the Drinking-Water Standards for biological, chemical and aesthetic determinands.

Two treatment plants have achieved the highest Ministry of Health gradings. A third at Waterloo is graded B because of the Hutt City Council’s request for un-chlorinated water from this plant. A standby plant at Gear Island is currently ungraded (U). Work is in progress to achieve an A1 grading. The whole water supply distribution system is graded a1, the highest possible.

Maintaining customer reservoirs within the limits is a challenge, particularly over the summer period. It was nearly achieved in 2006/7. A summer drought in 2007/8 meant the standard was not achieved for the full year.

Currently the security standard is a 3.9% probability of shortfall (1 in 25-year drought) instead of the desired 2% probability.

Adequate funding has been allocated for many years to ensure there is no deferred maintenance.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
Water will be supplied to the four cities in the region that meets or exceeds national quality standards and meets reasonable daily demand.	\$21,679,000
Treatment plant gradings will be maintained or improved	
Security of supply will be 3% probability of shortfall (1 in 33-year drought)	
There will be no deferred maintenance in the system	
The current Hansen asset-management system will be replaced by the SAP asset-management system integrated directly with SAP financial system	\$445,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Water will be supplied to the four cities in the region that meets or exceeds national quality standards and meets reasonable daily demand	\$23,679,000
Treatment plant gradings will be maintained or improved	
Security of supply will be at a 2.5% probability of shortfall (1 in 40-year drought)	
There will be no deferred maintenance in the system	

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Water will be supplied to the four cities in the region that meets or exceeds national quality standards and meets reasonable daily demand	\$24,558,000
Treatment plant gradings will be maintained or improved	
Security of supply will be no less than 2.0% probability of shortfall (1 in 50-year drought)	
There will be no deferred maintenance in the system	

2012 – 2019

Continue to deliver the services specified in the level of service. Greater Wellington will continue to supply the four cities with water that meets or exceeds the Drinking-Water Standards for New Zealand and meets reasonable daily demand

ACTIVITY 2

Water supply infrastructure

For a description of this activity see 3.2.

OUR SERVICES

Ensure that water supply assets are maintained and their performance is continually improved so that Greater Wellington has a reliable water supply system. This will be achieved through an asset-management plan that reflects international best practice for infrastructure asset management.

HOW WE MEASURE OUR PERFORMANCE

- Implementation of asset-management plans
- Capital expenditure projects for new infrastructure are built on time and within budget

WHERE WE ARE NOW

Capital expenditure has varied between \$3.5 million per annum (2002/03) and \$6.5 million per annum (2005/06), and has been adequate to ensure the water supply system functions to a high degree of reliability.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – 30 JUNE 2010**

TARGET	BUDGET
Assets will be replaced or enhanced in accordance with the asset-management plan	\$893,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Assets will be replaced or enhanced in accordance with the asset-management plan	\$917,000

2011/12 – 30 JUNE 2012

TARGET	BUDGET
Assets will be replaced or enhanced in accordance with the asset-management plan	\$943,000
Asset management plans will be maintained in accordance with best practice (eg, International Infrastructure Management Manual or (BS/PAS 55:2003))	\$244,000

2012 – 2019

Continue to replace and enhance assets in accordance with the asset-management plan, and in particular, replace the cast-iron water main through Wainuiomata at a cost of \$6.9 million

ACTIVITY 3

Planning for future water demand and supply

For a description of this activity see 3.3.

OUR SERVICES

Ensure that plans are in place for Greater Wellington to supply enough water to meet the reasonable needs of the present and future populations of the four cities, taking into account environmental, social, cultural and economic needs.

HOW WE MEASURE OUR PERFORMANCE

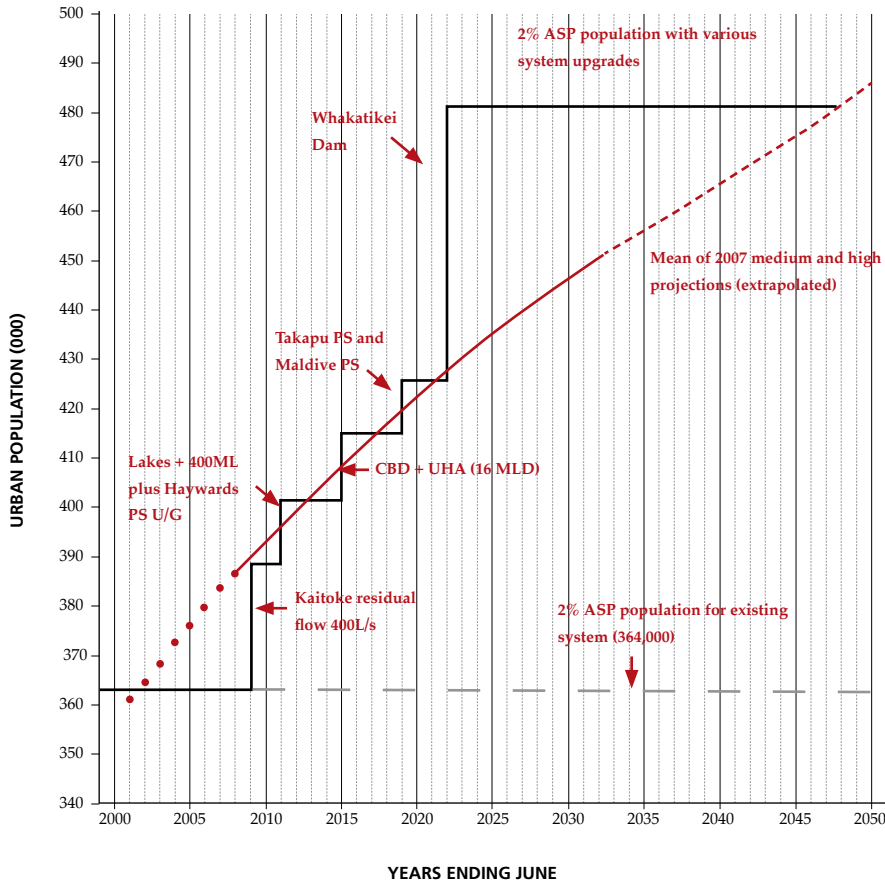
Scenarios are in place to achieve security of supply based on sound modelling methodology, and including both demand reduction and increase in supply.

WHERE WE ARE NOW

A Wellington Metropolitan Water Supply Development plan was completed in 2007/08. This is a supply-side response to meet the needs of a growing population and to restore the security of supply to a 2% probability of shortfall.

The graph below shows the most conservative timing for projects to meet future demand assuming there is no significant reduction in per capita water demand. Actual timing is dependent on the rate of population growth and any changes in per capita water consumption. There is an expectation that the Regional Water Strategy will result in acceptance of various initiatives leading to reduce demand. For metropolitan Wellington, this will potentially enable development of the Upper Hutt aquifer and/or the Whakatikei Dam to be deferred some years.

TIMING OF UPGRADE ELEMENTS



Note: ASP = Annual shortfall probability
 PS = Pumping station
 UHA = Upper Hutt aquifer
 • Population

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010	
TARGET	BUDGET
Major infrastructural developments will be undertaken in accordance with the Wellington Water Supply Development Plan	\$3,600,000
<ul style="list-style-type: none"> Design will be completed and construction will commence for raising levels of the Stuart Macaskill Lakes 	\$1,800,000
<ul style="list-style-type: none"> Investigations for upgrade of Haywards pumping station will be completed 	\$100,000
<ul style="list-style-type: none"> Investigations for development of Upper Hutt aquifer and the application for resource consent will be completed 	\$100,000
<ul style="list-style-type: none"> The Wainuiomata water treatment plant mini hydro-generator will be constructed 	\$1,600,000

2010/11 – BY 30 JUNE 2011	
TARGET	BUDGET
Major infrastructural developments will be undertaken in accordance with the Wellington Water Supply Development Plan	\$6,858,000
<ul style="list-style-type: none"> Construction for raising water levels at the Stuart Macaskill Lakes will be completed 	\$3,615,000
<ul style="list-style-type: none"> Design will be completed and construction will begin for upgrade of Haywards pumping station 	\$1,962,000
<ul style="list-style-type: none"> Construction will be completed and the Wainuiomata mini hydro-generator will be commissioned 	\$248,000
<ul style="list-style-type: none"> Design will be investigated, and construction commenced of the Te Marua pumping station mini hydro-generator 	\$1,033,000

2011/12 – BY 30 JUNE 2012	
TARGET	BUDGET
Major infrastructural developments will be undertaken in accordance with the Wellington Water Supply Development Plan	\$2,853,000 \$211,000
<ul style="list-style-type: none"> Raising of water level of Stuart Macaskill Lakes will be completed 	\$1,585,000
<ul style="list-style-type: none"> Haywards pumping station upgrade will be completed 	\$317,000
<ul style="list-style-type: none"> Network valves will be upgraded 	\$212,000
<ul style="list-style-type: none"> Preliminary design and planning for the CBD reservoir will be carried out 	\$528,000
<ul style="list-style-type: none"> Design of Upper Hutt aquifer will be carried out 	\$528,000

2012 – 2019
The Wellington Metropolitan Water Supply Development Plan will continue to be implemented as follows:
<ul style="list-style-type: none"> Complete construction of the Upper Hutt aquifer wells, treatment plant and pumping station Complete the Wellington CBD reservoir Construct pumping stations at Takapu Road and Maldive Street Complete the design of the Whakatikei Dam and start construction, if required
The four projects above are expected to cost \$34 million in the seven-year period

ACTIVITY 4

Water conservation programmes

For a description of this activity see 3.4.

OUR SERVICES

Promote the responsible use of water by consumers and encourage people to reduce their demand for water.

HOW WE MEASURE OUR PERFORMANCE

- Per capita consumption of water (in the four cities)
- Total consumption of water

WHERE ARE WE ARE NOW

Per capita consumption of water has decreased from a high point of 433 litres/head/day in 2001 to 399 litres /head/day in 2008. A range of factors other than water conservation programmes will have helped achieve this reduction, such as an increase in the number of apartments in Wellington city with a lesser daily water usage, leak-detection work by city councils, as well as voluntary water savings arising from a greater general awareness of the need to use water wisely.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
Increases in total consumption will be held to levels consistent with population change and targets for per head consumption	\$420,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Increases in total consumption will be held to levels consistent with population change and targets for per head consumption	\$432,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Increases in total consumption will be held to levels consistent with population change and targets for per head consumption	\$443,000

2012 – 2019

Carry out the following water conservation programmes:

- A spring campaign promoting measures to reduce the need for garden watering over summer
- A summer campaign focusing on why we need to take care with watering in summer and what people can do to minimise water use yet still keep a healthy garden
- An autumn/winter campaign to reduce all-year “base” demand. This will help keep water conservation “top of mind” year-round, raising awareness that water is a finite resource, and more careful use of it makes economic and environmental sense. We will also look for ways to build cross-sector relationships and make appropriate technology, eg, water-efficient showers and dual flush toilets more accessible for regional residents

9 KEY PROJECT FOR 2009/10

- Start construction for raising the Stuart Macaskill Lakes
- Complete investigations required for the upgrade of Haywards Pumping Station
- Complete an application for a resource consent to take water from the Upper Hutt aquifer
- Construct a mini hydro-generator at Wainuiomata water treatment plant

10 ASSETS

ASSETS

The depreciated value of regional water supply infrastructure assets, including buildings at 1 July 2008 was \$320.6 million, made up as follows:

Two storage lakes, three reservoirs and associated equipment	\$46.9 million
Three treatment plants and one standby plant, intake structures	\$139.6 million
Pipelines, 182km approx, 10 tunnels and control systems	\$122.8 million
14 pumping stations	\$11.3 million
	\$320.6 million

ASSET-MANAGEMENT PRINCIPLES

Key asset-management principles include:

- Service levels are set in accordance with
 - The Drinking-Water Standards for New Zealand 2005 (Revised 2008)
 - Greater Wellington's policy of meeting demand with no shortfall except for drought conditions that can be expected on average once every 50 years
- Demand is carefully monitored
- Greater Wellington undertakes ongoing modelling of the adequacy of the water treatment and water distribution assets to meet demand and standards
- New assets are developed to meet needs of increased population while still maintaining the 2% security of supply policy
- New assets are debt funded up to 35 years with the cost of debt recovered through the water levy
- A comprehensive asset-management plan is in place for the wholesale supply infrastructure to guide the maintenance, renewal and replacement programme
- Assets are insured through a mix of external insurance and a self-insurance investment fund
- An amount of capital expenditure is budgeted each year to improve the seismic performance of the water supply system

CAPITAL UPGRADE PROGRAMME

This 2009-19 LTCCP provides for a total of \$101.7 million (inflated dollars) of capital upgrade work for the full 10-year period, including \$6.9 million for 2009/10.

WHAT	2009/10 (\$m)	2009-19 (\$m)
Water services and water treatment	0.79	9.63
Pipelines	0.92	15.36
Pump stations	0.12	1.12
Reservoirs, monitoring and control equipment	0.56	3.34
Minor works	0.81	7.98
Water supply – major development	2.07	59.16
Renewable energy (hydro generation)	1.60	5.11
Total	6.87	101.7

MAINTENANCE AND MONITORING

Assets will be monitored through the SAP asset-management system and maintained in accordance with the asset-management plan in such a way that there is no substantive deferred maintenance in the system. Maintenance is funded by the water levy.

11 NEGATIVE EFFECTS ON WELL-BEINGS

The Water Supply group of activities has a positive effect on social and economic well-beings when standards are met, and the required volume of water is made available. However, risks are attached to this group of activities with respect to environmental well-being. These risks involve chemical spillages and discharges. These risks are reduced by complying with the Environmental Management System (ISO 14001:2004).

12 FINANCIAL INFORMATION

WATER SUPPLY

PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
FUNDING STATEMENT			
General rate	-	-	-
Targeted rate	-	-	-
Water supply levy	23,460	24,234	24,791
Government subsidies	-	-	-
Interest and dividends	916	1,019	1,276
Other operating revenue	963	991	1,019
Operating revenue	25,339	26,244	27,086
Direct operating expenditure	15,642	17,336	17,677
Finance costs	3,109	3,413	3,815
Depreciation	7,389	7,493	7,703
Operating expenditure	26,140	28,242	29,195
Operating surplus/(deficit)	(801)	(1,998)	(2,109)
Less/(add):			
Capital expenditure	7,165	10,218	8,582
Proceeds from asset sales	(52)	(75)	(61)
Loan funding	(6,871)	(9,835)	(8,262)
Levy-funded capital expenditure	242	308	259
Debt repayment	4,680	3,394	3,267
Investment additions	1,666	1,794	2,068
Operational reserve movements	-	-	-
Working capital movements	-	-	-
Non-cash items ¹	(7,389)	(7,493)	(7,703)
Net funding required	-	-	-

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
OPERATING REVENUE			
Plan, collect, treat and deliver water	24,919	25,812	26,643
Water conservation programmes	420	432	443
Total operating revenue	25,339	26,244	27,086
OPERATING EXPENDITURE			
Collect, treat and deliver water	25,720	27,810	28,752
Water conservation programmes	420	432	443
Total operating expenditure	26,410	28,242	29,195
CAPITAL EXPENDITURE			
Water sources	1,970	4,854	2,885
Water treatment plants	970	899	814
Pipelines	920	382	1,395
Pump stations	140	2,324	1,585
Reservoirs	-	-	74
Monitoring and control	670	305	454
Seismic protection	200	207	211
Energy	1,600	248	-
Other	400	617	844
Capital project expenditure	6,870	9,835	8,262
Land and buildings	-	-	-
Plant and equipment	81	84	85
Vehicles	214	299	235
Total capital expenditure	7,165	10,218	8,582

¹ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35

Please note that all figures on this page exclude GST.

WATER SUPPLY

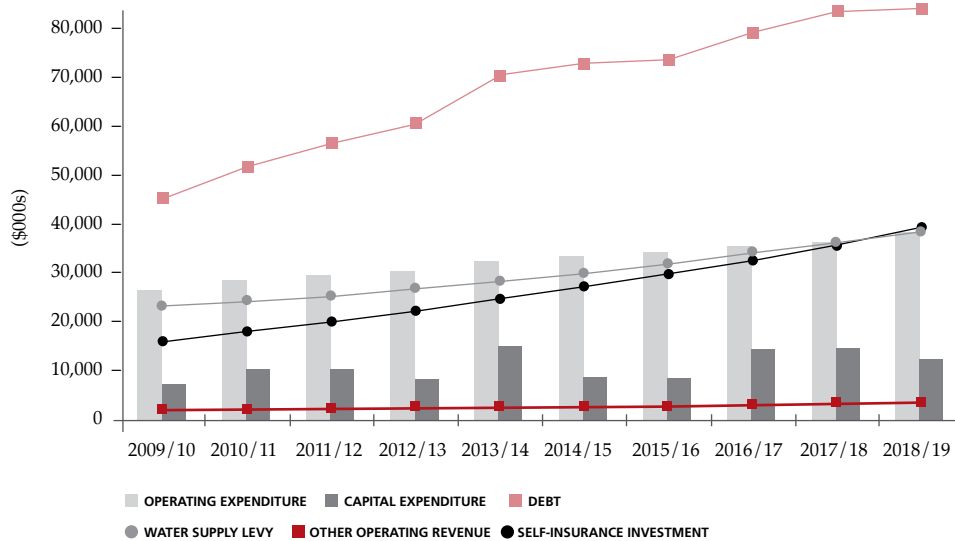
10-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Key points to note are:

- The water supply levy is forecast to increase over the 10-year period due to higher costs and to fund the forecast new water supply development from 2012/13 onwards
- The requirement for a new water source in 2012/13 is based on current population growth assumptions and no change to the average water consumption per person
- As a result of the increasing capital expenditure, debt is forecast to peak at \$83.3 million in 2018/19
- The water supply self-insurance investment rises steadily over the 10-year period, with no planned drawdowns from the fund

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure	26,140	28,242	29,195	30,173	32,129	33,284	33,965	34,975	36,034	37,974
Capital expenditure	7,165	10,218	8,582	8,269	14,781	8,405	8,002	13,923	14,243	12,002
Debt	45,154	51,595	56,590	60,411	70,127	72,575	73,218	78,588	82,847	83,252
Water supply levy	23,460	24,234	24,791	26,402	28,034	29,797	31,702	33,729	35,919	38,291
Other operating revenue	1,879	2,010	2,295	2,562	2,646	2,772	2,827	3,014	3,369	3,601
Self-insurance investment	16,081	17,875	19,943	22,274	24,679	27,203	29,774	32,518	35,608	38,919

PARKS AND FORESTS

1 COMMUNITY OUTCOMES

The Parks and Forests group of activities primarily contributes to the following community outcomes

HEALTHY COMMUNITY

Our physical and mental health is protected. Living and working environments are safe, and everyone has access to health care. Every opportunity is taken to recognise and provide for good health

by providing regional parks and forest areas for outdoor recreation.

QUALITY LIFESTYLE

Living in the Wellington region is enjoyable and people feel safe. A variety of lifestyles can be pursued. Our art, sport, recreation and entertainment scenes are enjoyed by all community members – and attract visitors

by providing a range of outdoor recreational opportunities in regional parks, forests and recreational areas.

This group of activities also contributes to the following outcomes:

Sense of Place because our parks and forests are an integral part of the region's uniqueness and history

Healthy Environment by carrying out environmental protection and restoration works in our parks, forests and recreation areas

2 WHAT WE WANT TO ACHIEVE

The table below sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are also included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Recreational facilities and services

Greater Wellington manages five regional parks (Queen Elizabeth Park, Battle Hill Farm Forest Park, Belmont Regional Park, Kaitoke Regional Park and East Harbour Regional Park).

In addition, it manages the Hutt River Trail, the Akatarawa and Pakuratahi forests and the Hutt, Orongorongo and Wainuiomata water collection areas.

Park rangers are involved in the day-to-day operation of the park. They also provide the public with security and information, and have an educational role.

Some land and facilities in our parks are leased to private operators, mainly for grazing. Land is also made available to community groups to allow activities that have a public good component or would not be available elsewhere, eg, pony clubs, go-karting and motocross. Greater Wellington grants concessions to commercial enterprises, clubs and community organisations to use the parks for a variety of purposes, eg, guided tours, filming and special events. Revenue from these activities helps to offset the cost of managing the parks.

3.2 Parks network planning

Management plans are prepared for each park, forest and recreation area. They are prepared in close consultation with the community and interested groups and are agreements as to how these areas are going to be managed. Greater Wellington also prepares asset-management plans for facilities and natural assets. In effect, these asset plans are the implementation tool for the management plans. Plans are reviewed approximately every seven years. This ensures that changing needs and standards are reflected in the way in which we manage these areas.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Increase participation in outdoor recreation	Use of regional parks and forest (number of visits) HEALTHY COMMUNITY		Visits will exceed 1.5 million per annum	2008 – 820,000 visits made to 4 regional parks and 2 forests.
			65% of the regional residents aged 16+ will have visited a regional park or forest at least once in the past 12 months	2007 – 51% 2008 – 57%
	User satisfaction QUALITY LIFESTYLE		90% of visitors will be satisfied with their most recent park experience	May 2008 – 91% of visitors were satisfied with their most recent park experience
	Participation in the Regional Outdoors Programme HEALTHY COMMUNITY		More than 14,000 people will participate in the Regional Outdoors Programme	In 2008 the programme attracted 14,105 people to 57 events – a 30% increase over 2007
Protect and enhance the natural environment in the regional parks and forests and recreation areas		Ecosystem health – bird numbers, tree profiles, plant and animal pest infestations and vegetation densities	The health of the ecosystems in the parks and forest areas will show a continual improvement	Past monitoring has shown that pest control programmes and planting has increased ecosystem health. Baselines are yet to be set for some measures and will be set in 2012
		Number of regionally significant landscapes and heritage features within Greater Wellington lands	There will be no loss of regionally significant landscapes and heritage features	A stocktake of all significant landscapes and heritage features is planned
Develop and maintain the parks facilities so that they are safe and meet requirements		Compliance with agreed asset management plans	Facilities will be developed and maintained according to asset-management plans that have been approved by Council	Council-approved asset-management plans for each regional park and recreation areas in 2000. It receives annual compliance reports

3.3 Environmental protection and enhancement

The parks and forest protect significant landscapes and biodiversity. Healthy ecosystems are particularly important for areas that have been set aside for future water collection. Greater Wellington monitors the health of the ecosystems in these areas, carries out pest control and restores degraded environments such as wetlands, streamsides and coastal dunes.

These activities support a number of the objectives in Greater Wellington's Regional Policy Statement, prepared under the Resource Management Act 1991. Greater Wellington wants to demonstrate leadership in environmental excellence and stewardship.

3.4 Marketing and community relations

The parks and forest areas are promoted to the general public to encourage use by

- Running events such as the Regional Outdoors Programme during summer
- Facilitating education visits by schools
- Encouraging volunteers to become involved in restoration projects and "Friends of the Park" advocacy groups
- Developing and distributing promotional and interpretative material

4 FURTHER INFORMATION

Legislation

Local Government Act 1974 and Local Government Act 2002
Reserves Act 1977
Resource Management Act 1991
Wellington Regional Water Board Act 1972

Policies

Regional Policy Statement
Parks and Forests Environmental Asset Management Plan
Parks and Forests Infrastructure and Amenity Asset Management Plan
Regional Forest Lands and Water Collection Areas Management Plans
Regional Parks Network Management Plan
Individual Park Management Plans
Parks, Forests and Reserves Bylaw 2000
Parks and Forests Concessions Guidelines

5 ASSUMPTIONS AND RISKS

- The legislative framework governing the management of regional parks, reserves and forest lands will not alter significantly
- Land ownership will remain unchanged
- There will be no serious damage to the forests from fires, insect attacks, fungal attacks, or significant storm or flood damage
- No new contaminated sites will be discovered and existing sites will not incur any additional costs
- Greater Wellington will continue to meet its obligations on its own land arising from the Regional Pest Management Strategy. This means controlling both pest plants and animals, and relies on the continued ability to use chemical control methods, eg, 1080 pesticide
- No land purchase will be required
- Treaty claims and settlement processes will not significantly change the land ownership or administration of land within the regional parks and forests
- Revenue will continue from existing leases and licenses

6 THE ISSUES WE ARE FACING

CLARIFICATION OF THE PURPOSE OF PARKS

The framework for Greater Wellington's role in the provision of parks was developed in 1976. Since then, there has been increased urbanisation and people's leisure and recreational requirements have changed. There is increasing external pressure for park land to be used for other activities and Greater Wellington has itself identified that some park and forest areas have the potential to host wind energy generation. There is a need to re-examine the purpose of our parks and forest areas, clarify community priorities and avoid potentially competing and conflicting uses.

PUBLIC DEMAND FOR IMPROVED PARKS

There is community demand for better quality parks. The Council has been approached to put resources into some existing but degraded park areas, namely Whitireia and Lake Wairarapa (including Lake Onoke). This puts pressure on the parks budget and raises the question about whether to put resources into these areas at the expense of its existing parks or to raise additional rates to bring all parks to the same level. It may be that service levels should vary from park to park or reduce across all parks.

The Council has allocated funding for upgrades at Whitireia and Lake Wairarapa. These upgrades will occur more gradually than originally anticipated so that the service levels in existing parks are not significantly compromised.

KEEPING PACE WITH CHANGING TRENDS IN OUTDOOR RECREATION

Greater Wellington encourages a wide variety of recreational pursuits to take place in the parks and forests, eg, mountain biking, trail bike riding, 4WDs and walking, etc. The challenge is how to keep in touch with the changing recreational needs of the public, and determining what role Greater Wellington will take in the provision of those activities. Currently, for instance, there is continuing pressure to open up more parks and forest areas for motorised access. Greater Wellington needs to continually monitor the recreational needs of the public and balance them carefully with preserving the environment and local heritage.

RELATIONSHIP WITH IWI

Tangata whenua have an ongoing relationship, interest in and, in some cases, ownership of the land on which regional parks and forests are established. In these areas, iwi seek to continue traditional practices for protecting natural and cultural heritage resources. In addition, there are a number of claims registered with the Waitangi Tribunal that cover the regional parks that are nearing settlement.

Even though Greater Wellington-owned land is considered to be private and not available for Treaty settlement, four parks contain land that is owned by the Crown that may be used to settle Treaty claims

(Belmont Regional Park, Queen Elizabeth Park, East Harbour Regional Park, Wairarapa Moana). Greater Wellington land contains areas of cultural significance to iwi that Council may determine are appropriate to include in any Crown Treaty settlement package.

Because of this, iwi influence on how the parks and forests network is run is bound to increase. The challenge for both Greater Wellington and iwi is to ensure that we work together to determine arrangements that address Greater Wellington's wider public interest responsibilities and iwi's desire to protect areas of cultural significance.

INCREASING DEMAND FOR HIGH-QUALITY ENVIRONMENTAL MANAGEMENT

There is increasing worldwide demand for better management of indigenous forests and concern about the loss of biological diversity. This means that Greater Wellington needs to show some leadership in managing forests, particularly in the area of forest health and environmental asset management.

7 WHO WE WILL WORK WITH

City and district councils

"Friends of Parks" groups and other community groups and clubs

Department of Conservation and other relevant government agencies, eg, health, sport and recreation

Regional Sports Trust (Sport Wellington Region)

Iwi

Neighbouring landowners

8 WHAT WE ARE GOING TO DO

ACTIVITY 1

Recreational, facilities and services

For a description of this activity see 3.1.

OUR SERVICES

- Provide a seven-day ranger service (Queen Elizabeth Park, Battle Hill Farm Forest Park, Kaitoke Regional Park and Wainuiomata/Orongorongo water collection area) and a five-day ranger service in the remaining areas, excluding Whitireia Park and Lake Wairarapa
- Maintain land and facilities in accordance with asset-management plans

HOW WE MEASURE OUR PERFORMANCE

- Presence of rangers in parks and forests
- Compliance with legislative and industry standards and asset management plans

WHERE WE ARE NOW

Rangers have been present five to seven days per week in all parks and forests. Land and infrastructure have been maintained to the levels identified in the asset-management plans. In 2008, 91% of users were satisfied with the most recently visited park or forest as a place to carry out their selected activity.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
Park and forest assets will be maintained in accordance with the relevant asset management plans and reported to the satisfaction of the Council	\$1,638,000
Ranger services will be provided for seven days per week in four parks and for five days per week in the remaining parks and forest areas (excluding Whitireia Park and Lake Wairarapa). This will amount to 7,000 hours of ranger time	\$927,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Park and forest assets will be maintained in accordance with the relevant asset-management plans and reported to the satisfaction of the Council	\$1,548,000
Ranger services will be provided for seven days per week in four parks and for five days per week in the remaining parks and forest areas (excluding Whitireia Park and Lake Wairarapa). This will amount to 7,000 hours of ranger time	\$959,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Park and forest assets will be maintained in accordance with the relevant asset management plans and reported to the satisfaction of the Council	\$1,691,000
Ranger services will be provided for seven days per week in four parks and for five days per week in the remaining parks and forest areas (excluding Whitireia Park and Lake Wairarapa). This will amount to 7,000 hours of ranger time	\$980,000

2012 – 2019

- Continue to deliver services as specified in “our services”
- Review activities and associated service levels to reflect the newly developed Regional Parks Network Strategy (see below)

ACTIVITY 2

Parks network planning

For a description of this activity see 3.2.

OUR SERVICES

- Develop a long-term strategy for the parks and forest network which provides high-level direction for the development and management, including the outcomes we are seeking and some priority actions
- Put robust governance/management arrangements in place for all parks and forest areas
- Prepare and maintain more detailed management plans for each park and forest area, in close consultation with the public, that show the public how these areas are going to be managed and to fulfil public demand and statutory “best practice” requirements

HOW WE MEASURE OUR PERFORMANCE

Effective and up-to-date strategies and plans are in place, along with appropriate governance arrangements.

WHERE WE ARE NOW

The purpose and role of regional parks was first proposed in 1976. It has not been reviewed since then.

The Regional Parks Network Management Plan (2003) sets out the direction for managing existing regional parks. It provides an overarching management framework for addressing issues common to all the parks.

Individual parks and forests management plans have been reviewed approximately every seven years. All parks, excluding Belmont Regional Park, have management plans less than seven years old. Further, all other relevant parks policies and guidelines, eg, Parks and Forests Bylaws, have been updated recently.

Governance arrangements are not yet in place for Whitireia and Lake Wairarapa (including Lake Onoke).

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
A new Regional Parks Network Strategy will be approved by Council. This will provide a high level framework for the future management of the parks network.	\$289,000
Governance arrangements for Whitireia Park will be confirmed	

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
A new approach to the structure of park management plans will be developed and approved by Council	\$292,000
Governance arrangements for Lake Wairarapa (including Lake Onoke) will be confirmed	

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
New parks management plans will start to be developed using the newly agreed structure and comprehensive community consultation. Progress will be to the satisfaction of Council	\$300,000

2012 – 2019

- Continue to deliver services as specified in “our services
- Complete all management plans for park and forest areas to reflect the new Regional Parks Network Strategy and the agreed structure of the plans.
- Phase in park development and service levels according to the management plans

ACTIVITY 3

Environmental protection and enhancement

For a description of this activity see 3.3.

OUR SERVICES

Prepare and maintain an environmental asset-management plans for the parks network to guide ecosystem maintenance and restoration work in each park and forest area.

Carry out ongoing animal and plant pests control work, as well as regular plantings and ecosystem restoration work (often with community groups) in accordance with the environmental asset-management plan

Carry out regular monitoring programmes in each of the parks and forest areas, including bird numbers, tree profiles, plant and animal infestations and vegetation densities to measure ecosystem health. Monitoring results will be collated and reported on every six years as any improvements will take time.

HOW WE MEASURE OUR PERFORMANCE

- Compliance with the environmental asset management plan
- Ecosystem health monitoring results

WHERE WE ARE NOW

Compliance with the current environmental asset management plan has been achieved. Vegetation plot assessments have shown improvements in the age class structure of forests. Increases in bird counts have been seen in the East Harbour Regional Park and Wainuiomata Water Collection Area mainland island sites.

We have begun to establish a system for monitoring numbers of trees planted and their survival rates. In the year to June 2008, an estimated 40,000 trees were planted in the regional parks.

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
Compliance with the environmental asset-management plan will be achieved to the satisfaction of the Council	\$951,000
A network-wide system will be established for monitoring plants and trees planted and their survival rate so that Greater Wellington can better monitor the success of its restoration work	\$105,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Compliance with the environmental asset management – pest plant control will be achieved	\$1,012,000
A report on the health of the ecosystems of parks and forest areas, using the monitoring results, will establish a baseline for further reporting	\$109,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Compliance with the environmental asset management plan – pest plant control will be achieved	\$1,183,000

2012 – 2019

- Continue to deliver services specified in "our services"
- Review the Environmental Asset Management Plan to reflect the Regional Parks Network Strategy
- Complete an ecosystem health report for the parks and forest areas in 2017 to establish whether there has been an improvement in the health of the parks and forests ecosystems from 2012

ACTIVITY 4

Marketing and community relations

For a description of this activity see 3.4.

OUR SERVICES

- Raise awareness of the parks network and encourage visitors through media, publications and targeted events
- Promote volunteer involvement in environmental and recreation enhancement projects through working with community groups and “Friends of the Park” groups

HOW WE MEASURE OUR PERFORMANCE

- Resident awareness
- Resident visitation rates
- Number of “Friends of Parks” groups
- Numbers of in-park volunteer hours worked
- Attendance at Greater Wellington-run events in the Regional Outdoors Programme

WHERE WE ARE NOW

In 2008, 86% of regional residents could freely recall a regional park or forest and 57% of regional residents had visited at least one park or forest in the preceding 12 months.

During 2008, six “Friends of Parks” groups were actively involved in the planning and management of the parks, forests and the Hutt River Trail. To date, no base measurements have been systematically recorded for on-park volunteer hours.

A total of 4,724 people attended Greater Wellington organised events and about 10,000 attended other organisations’ events for the Regional Outdoors Programme during 2008. Numbers substantially increased over the 2003-08 period, as indicated with the following table:

YEAR	2003	2004	2005	2006	2007	2008
Numbers	726	1,550	2,448	3,449	3,881	4,724

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010	
TARGET	BUDGET
A marketing plan will be implemented such that 85% of residents will be able to freely recall a regional park or forest and 50% of residents will have visited one regional park in the previous 12 months	\$206,000
The Regional Outdoors Programme will be delivered and at least 4,800 people will attend the events led by Greater Wellington	
Seven “Friends of the Park” groups will be actively involved in parks planning and management	\$36,000
Systematic recording of on-park volunteer hours and a baseline measure will be established	\$17,000

2010/11 – BY 30 JUNE 2011	
TARGET	BUDGET
A marketing plan will be implemented such that 85% of residents will be able to freely recall a regional park or forest and 59% of residents will have visited one regional park in the previous 12 months	\$212,000
The Regional Outdoors Programme will be delivered and at least 4,900 people will attend the events led by Greater Wellington	
Eight “Friends of the Park” groups will have been actively involved in parks planning and management	\$37,000
There will have been a 10% increase over the baseline measure in on-park volunteer hours	\$17,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
A marketing plan will be implemented such that 85% of residents will be able to freely recall a regional park or forest and 60% of residents will have visited one regional park in the previous 12 months	\$217,000
The Regional Outdoors Programme will be delivered and at least 5,000 people will attend the events led by Greater Wellington.	
Eight "Friends of the Park" groups will have been actively involved in parks planning and management	\$38,000
There will have been a 5% increase over the previous year in on-park volunteer hours	\$18,000

2012 – 2019

- Continue to deliver services as specified in "our services"
- Review our marketing and community relations activities to reflect the new Regional Parks Network Strategy

9 KEY PROJECTS FOR 2009/10

- Work in association with the Department of Conservation, South Wairarapa District Council and local Maori to upgrade Lake Wairarapa. Greater Wellington and the other parties will work towards establishing a governance structure for the moana, developing and implementing work programmes, and creating a local, regional, national and international profile that will enable it to seek funding from a wide variety of sources
- Manage Whitireia Park in association with Ngati Toa Rangatira. Greater Wellington hopes to work with Ngati Toa to confirm a governance structure and develop and implement work programmes
- Complete the new Parks Network Strategy

10 ASSETS**ASSETS**

Greater Wellington manages five regional parks, and two forest areas and provides limited access to two water-collection areas. The current valuation of infrastructural assets (excluding land values) is approximately \$20 million and includes:

- 212 bridges
- 90 buildings
- 142km of road
- 185km of tracks
- 280km of fences
- Signs, tables, seats, plants, water and sewer pipes

GREEN ASSETS**Parks**

- 6,000ha indigenous forest and regenerating bush – regionally and nationally significant areas
- 150ha wetlands – regionally and nationally significant
- 150ha dunes – regionally significant

Forests

- 35,300ha indigenous forest and regenerating bush – regionally significant areas (16,000ha indigenous forest and 15ha wetlands in current water-collection areas cared for partially under contract to GWRC Water)
- 50ha wetlands – regionally and nationally significant

Two "mainland island" areas**Heritage Assets**

- Four parks and one forest include nationally significant heritage features
- Whitireia Park and Wairarapa Moana are of national heritage significance
- Regionally and locally significant features in all of the parks and forests

ASSET MANAGEMENT PRINCIPLES

Key asset-management principles include:

- Service levels are set through legislation, consultation with local communities and nationally accepted standards and guidelines
- Assets are to be maintained to their existing level in perpetuity until demand changes their service level
- All assets are subject to a comprehensive annual maintenance, inspection and monitoring programme. An assessment of maintenance and monitoring costs is made every three years.
- Damages that cannot be repaired within the current financial year will be reflected by a write down on the asset register. Similarly, once repairs are completed the repaired assets will be added back into the register
- Park assets will be maintained to meet the levels of service specified in asset-management plans

CAPITAL PROGRAMME

Replacement of life-expired infrastructure will cost \$3.1 million over the period 2009-2019.

MAINTENANCE AND MONITORING

Comprehensive maintenance and monitoring programmes are in place for all regional parks and forest areas. Assets are subject to the effects of storm events and normal environmental wear and tear. They are designed to ensure that the assets today will be in as good condition in 20 to 50 years time.

11 NEGATIVE EFFECTS ON WELL-BEINGS

The control of animal pests in the parks and forests uses a range of methods and pesticides. The compound 1080, in particular, is of significant concern to some sectors of the community. Greater Wellington has participated in a number of studies and, believes that the benefits of using 1080 outweigh the negative effects. It notes that, in 2007, the Environmental Risk Management Authority reviewed the use of 1080 and allowed its ongoing use.

12 FINANCIAL INFORMATION

PARKS AND FORESTS

PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
FUNDING STATEMENT			
General rate	5,610	5,833	6,216
Targeted rates	-	-	-
Government subsidies	-	-	-
Interest and dividends	-	-	-
Other operating revenue	1,005	1,051	983
Operating revenue	6,615	6,884	7,199
Direct operating expenditure	5,982	6,286	6,549
Finance costs	234	233	230
Depreciation	249	276	250
Operating expenditure	6,465	6,795	7,029
Operating surplus/(deficit)	150	89	170
Less/(add):			
Capital expenditure	517	303	498
Proceeds from asset sales	(48)	(36)	(56)
Loan funding	(344)	(168)	(317)
Rates-funded capital expenditure	125	99	125
Debt repayment	274	266	295
Investment additions	-	-	-
Operational reserve movements	-	-	-
Working capital movements	-	-	-
Non-cash items ¹	(249)	(276)	(250)
Net funding required	-	-	-

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
OPERATING REVENUE			
Plan, manage and protect recreational facilities and services	5,997	6,248	6,544
Marketing and community relations	618	636	655
Total operating revenue	6,615	6,884	7,199
OPERATING EXPENDITURE			
Plan, manage and protect recreational facilities and services	5,847	6,159	6,374
Marketing and community relations	618	636	655
Total operating expenditure	6,465	6,795	7,029
CAPITAL EXPENDITURE			
Park infrastructure upgrades	343	168	317
Capital project expenditure	343	168	317
Land and buildings	-	-	-
Plant and equipment	57	27	58
Vehicles	117	108	123
Total capital expenditure	517	303	498

¹ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35

Please note that all figures on this page exclude GST.

PARKS AND FORESTS

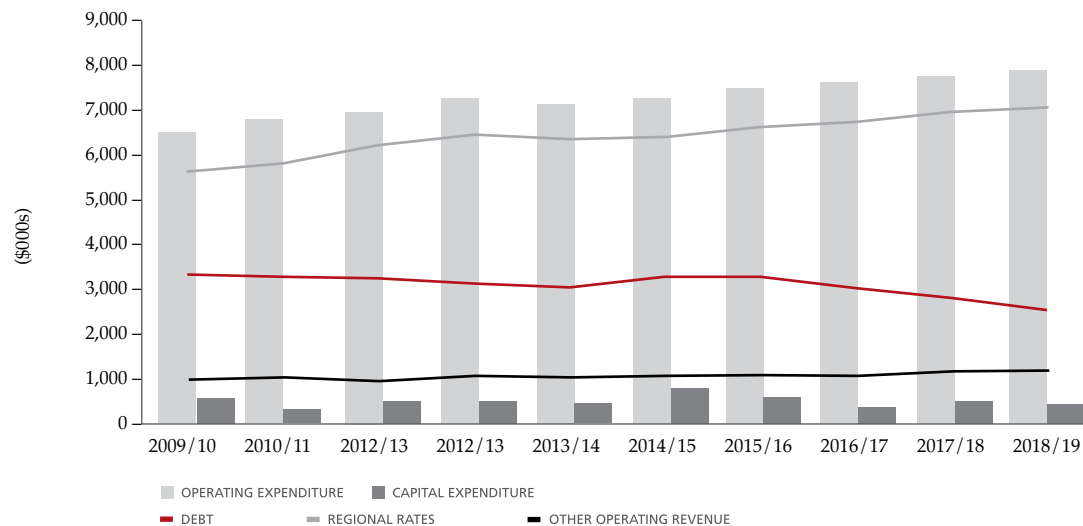
10-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Key points to note are:

- All key financial indicators are expected to remain relatively constant over the 10-year period after allowing for inflation

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure	6,465	6,795	7,029	7,264	7,158	7,282	7,508	7,611	7,748	7,915
Capital expenditure	517	303	498	504	433	781	575	337	472	435
Debt	3,302	3,205	3,227	3,151	3,005	3,250	3,259	3,016	2,783	2,518
Regional rates	5,610	5,833	6,216	6,424	6,343	6,398	6,613	6,727	6,957	7,080
Other operating revenue	1,005	1,051	983	1,065	1,062	1,088	1,114	1,115	1,143	1,176

SAFETY AND FLOOD PROTECTION

1 COMMUNITY OUTCOMES

The Safety and Flood Protection group of activities primarily contributes to the following community outcome

PREPARED COMMUNITY

We can cope with emergency events. Individuals and businesses are able to take responsibility for their own well-being. Effective emergency management systems are in place

by building flood protection measures and ensuring that communities know the risk of emergency events in their area, including earthquakes, and are as ready as possible to cope with these events. We also prepare emergency management plans and provide an emergency operations centre to respond to any emergency events.

This group of activities also contributes to the following outcomes:

Healthy Environment by cleaning up pollution incidents in our harbours and coastal waters, and enhancing the environment along flood corridors

Prosperous Community by ensuring that the regional economy is protected from the worst effects of emergencies and can recover quickly

Quality Lifestyle by ensuring that floods and other emergencies cause minimum disruption to normal activities, and by ensuring that people can enjoy safe recreational use of the harbour and coastal waters and river corridors.

2 WHAT WE WANT TO ACHIEVE

The table opposite sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are also included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Floodplain management planning

Greater Wellington prepares floodplain management plans for identified floodplains in the region to minimise the impacts of flooding on people and property. This involves:

- Preparing flood hazard assessments
- Consulting with affected communities about options
- Agreeing risk reduction strategies, including appropriate levels of protection, with affected communities
- Identifying residual risk
- Enhancing the environment of flood corridors

Floodplain management plans provide the basis for annual work programmes. They are reviewed about every 10 years or as required.

Greater Wellington provides an advisory service to assist people to make informed decisions about development in flood-prone areas, and works closely with city and district councils to get flood hazard information incorporated in to district plans.

There are also river schemes in place which Greater Wellington manages in conjunction with Scheme Advisory Committees. River schemes only contain some elements of floodplain management plans. Where there is sufficient risk to the community, schemes will be expanded to floodplain management plans.

Community “friends groups” for the Otaki and Waikanae rivers work with Greater Wellington to oversee the implementation of the floodplain management plans for these rivers. These groups also carry out river corridor environmental enhancement work.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Reduce the impacts of floods on the region's communities through good flood risk management – planning and infrastructure	Assessed value of flood damage PREPARED COMMUNITY		The assessed value of damages during flood events will be reduced by 20% from 2009 levels in areas where floodplain management plans are being implemented	Assessed value of the annual average flood damage saved as a result of improvement works on the Hutt, Otaki and Waikanae rivers is \$2.2 million (June 2008)
Restore and enhance river corridor environments for recreational and biodiversity purposes		Volume of environmental enhancement work	5% of flood protection infrastructure spend will be on environmental restoration and enhancement projects	This has been Greater Wellington's practice since the completion of the three major floodplain management plans in the western part of the region
Improve household emergency preparedness	Level of household preparedness PREPARED COMMUNITY		80% of households surveyed will have emergency food and water supplies to last at least three days	2006 – 69% 2007 – 71%
Improve business emergency preparedness	Level of businesses preparedness PREPARED COMMUNITY		80% of businesses surveyed will have current business-continuity plans	2004 – 28% 2007 – 56%
Be able to respond effectively to major emergency events	Capacity of Emergency Operations Centres (EOCs) as assessed by independent audit PREPARED COMMUNITY		The region will have sufficient capacity to manage an emergency event	An independent audit of the region's EOCs was carried out in 2008. Recommendations for improvements will be acted when resources are available
Promote safety in our harbours and coastal waters		Number of significant (resulting in death or major damage) accidents in harbour and coastal waters	There will be no significant accidents in the harbour or coastal waters	2007/08 – no significant accidents
Avoid any environmental damage from oil spills in our harbours and coastal waters	Response to reported oil spills HEALTHY ENVIRONMENT		Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters)	Number of oil spills reported and responded to (in brackets) are: 2006 – 23 (2) 2007 – 21 (2) 2008- 27 (4) All responses were within required timeframes

3.2 Flood protection infrastructure

Greater Wellington develops flood protection structures, eg, stopbanks, banks protection works and detention dams, throughout the region to manage flooding and river alignments and to control erosion.

Flood protection works need regular maintenance to ensure they continue to perform as planned. This involves routine inspections, repairs and adjustments, as well as prompt flood damage repairs.

All flood protections works have asset-management plans which are regularly reviewed and updated to ensure that the assets are kept in good condition.

The Soil Conservation and Rivers Control Act 1941 and the Land Drainage Act 1908 provide the basis for this function.

3.3 Environmental enhancement of river corridors

Greater Wellington manages river corridors to encourage public use and improves these environments by providing tracks, planting, and removing rubbish and debris. A ranger service is provided for the Hutt River to facilitate public use of this popular area.

3.4 Flood warning service

Greater Wellington has an extensive network of flood and rainfall gauges for its flood warning service. River levels are monitored and flood warnings are provided to local authorities and selected landowners, as well as the media. We also respond to flood events by monitoring flood protections systems and responding to any emergencies.

3.5 Civil defence and emergency management (CDEM)

The Civil Defence Emergency Management Act 2002 requires that CDEM groups be formed for every region and that each CDEM Group prepares a CDEM Group Plan. The Wellington CDEM group comprises all local authorities in the region.

Greater Wellington does the following:

- Leads the preparation and review of the Wellington Region CDEM Group Plan and associated plans
- Educates people about the risks they face and how to prepare for emergency events

- Maintains the Wellington Region CDEM Group's emergency operations centre so that it can be quickly activated to manage an emergency event. The centre has information management systems, robust communication systems and trained volunteer staff
- Acts as the administering authority for the Wellington Region CDEM Group
- Works with central government, emergency services, welfare groups, lifeline utilities, and a wide range of interested and affected organisations on emergency management issues

3.6 Harbour management

Greater Wellington is responsible under the Maritime Transport Act 1994 for the management of the region's harbours and coastal waters for navigation and safety purposes. It operates a 24/7 communication's station at Beacon Hill in Wellington and provides and maintains navigation aids in our harbours. It also promotes the safe use of harbour and coastal waters by educating recreational users and operating a harbour ranger service. Greater Wellington manages and cleans up oil spills in our harbours. Where possible, costs are passed on to polluters.

4 FURTHER INFORMATION

Legislation

Civil Defence Emergency Management Act 2002
 Land Drainage Act 1908
 Local Government Act 1974
 Local Government Act 2002
 Maritime Transport Act 1994
 National Civil Defence Emergency Management Plan 2005
 Resource Management Act 1991
 Soil Conservation and Rivers Control Act 1941

Policies and Plans

Floodplain Management Policies and Plans
 Asset Management Plans for Flood Protection Assets
 Wellington Region Civil Defence Emergency Management Group Plan 2005
 Wellington Regional Navigation and Safety Bylaws 2009

5 ASSUMPTIONS AND RISKS

FLOOD PROTECTION

- There will be no significant changes to the legislative framework
- There will not be any flood events in the next 10 years which require repairs where costs exceed available regional flood contingency and local area reserves
- The Council's current funding policies for flood protection will not change
- The interest rate on debt will be 7%
- Treaty of Waitangi claims, eg, for the Otaki River bed, will not impact on river management activities

EMERGENCY MANAGEMENT

- Greater Wellington will continue to receive from central government the same level of funding as present for its emergency management functions
- The Wellington Civil Defence Emergency Management Group Emergency Operations Centres will remain at Greater Wellington's main offices in Wellington

The risk of not carrying out this function effectively would obviously have severe impacts on the community. However, we have to maintain a fine balance between the resources expended and the probability of an event.

HARBOUR MANAGEMENT

The income stream from CentrePort Ltd for navigation aids will not change.

6 THE ISSUES WE ARE FACING

FLOOD MANAGEMENT

Minimising loss of life

Floods pose a risk to people as well as property. Greater Wellington wants to minimise the risk of loss of life from flooding in the region. Where people and property are at risk in flood-prone areas, the key focus is on advising people of the flood risk, helping the local authority put in place appropriate emergency plans and ensuring flood protection schemes perform as expected.

Flood protection systems require regular monitoring and maintenance to ensure that they are able to perform when flooding occurs. The challenge is to continually review and improve asset management, so that flood protection schemes will perform to the standards agreed.

Communities taking appropriate action about flood risk

Helping the community to avoid and manage flood risk through the provision of information and advice is a growing area of work. The information is important for city and district council planning.

A significant challenge is to keep residents, businesses and landowners aware of the flood hazard they are living with, and to keep them informed and prepared to manage flooding effects. This requires frequent communication with communities.

Climate change

Some of the predicted changing weather patterns associated with global warming include increased drought conditions in the east and more rain in the west, and increased frequency of extreme daily rainfalls and other extreme weather events. These patterns will likely impact on the size and frequency of flood events, and flood protection requirements.

Continuing provision of flood protection infrastructure

The completion of floodplain management plans tends to result in a demand for the plans to be implemented speedily. The Council's job is to balance the desire for communities to get works constructed and environmental plans implemented, with the ability of the beneficiaries and the regional community to pay.

Communities do require some certainty around when floodplain management measures will be implemented, how the measures will affect them and what costs they may be required to meet.

Managing the environmental impacts of river management/flood protection works

River management activities can have adverse environmental impacts. But the community is demanding higher environmental standards for works and river environments. Greater Wellington currently addresses these issues by developing environmental strategies for the major rivers and undertaking works in accordance with an Environmental Code of Practice.

Ensuring use and development of land is compatible with the flood risk

Flood protection contributes to the financial and economic well-being of the region.

The demand for flat land for development continues to put pressure on river corridors and floodplains where flood and erosion risks make development unwise. Despite land purchases and regulatory controls in district plans, development pressures at times conflict with the mantra of our floodplain management plans – *keep people away from water rather than water away from people.*

Best Practice

The new NZ Standard for Flood Mitigation and the planned National Policy Statement will drive best practice in floodplain management planning. Greater Wellington believes that its current practices are sound but will gladly embrace any new standards.

Funding Policy

It is generally accepted that the various beneficiaries of flood protection should pay for the service. Direct beneficiaries are relatively easy to identify. However, there are many indirect beneficiaries whose benefits are harder to define. The allocation of costs between direct beneficiaries and indirect beneficiaries will continue to be an issue debated by communities. Getting the balance right will continue to be a challenge for Greater Wellington.

EMERGENCY MANAGEMENT

Promoting Community Emergency Preparedness

Disaster events internationally and within New Zealand raise awareness of the need for preparedness. However, there is a constant challenge to combat complacency and maintain a high level of awareness so that individuals and organisations have emergency supplies, particularly water, and emergency plans in place – and keep these up to date.

Resourcing

Greater Wellington has to decide on the level of resourcing for this emergency management activity. In doing so it has to consider the probability and impact of events. It is an area of uncertainty. Greater Wellington has taken the view that it will be “as ready as reasonably possible” to cope with a major emergency event.

HARBOUR MANAGEMENT

Greater environmental awareness

The public’s increasing environmental awareness means that prompt and effective response to pollution, particularly marine oil spills, has become more important.

Promoting safety in harbour and coastal waters

Gaining public support for and compliance with the Wellington Regional Navigation and Safety Bylaws presents a continuing challenge. Often people’s confidence outweighs their sense and capabilities. Policing is difficult because of access and the diversity of water uses.

7 WHO WE WILL WORK WITH

Boaties and water recreation groups
 Centreport Ltd
 City and district councils
 Community housing, health and welfare agencies
 Department of Conservation
 District Health Boards
 Earthquake Commission
 Emergency Services – police, fire and ambulance
 Fish and Game New Zealand
 Flood-prone communities
 Insurance Council
 Lifeline utility providers
 Maritime New Zealand
 Ministry of Civil Defence and
 Emergency Management
 Other government departments, eg, health, housing
 Research institutions
 Shipping companies and ferry operators
 Wellington Volunteer Coastguard

8 WHAT WE ARE GOING TO DO

ACTIVITY 1

Floodplain management planning

For a description of this activity see 3.1.

OUR SERVICES

- Develop floodplain management plans for those rivers and streams that pose a significant flood risk or potential flood risk to the community and review current plans to ensure that they are still effective
- Provide flood hazard information to all territorial authorities in the region for planning purposes.

HOW WE MEASURE OUR PERFORMANCE

- Number of new floodplain management plans adopted
- Number of floodplain management plans reviewed
- Provision of flood hazard information to territorial authorities

WHERE WE ARE NOW

There are currently floodplain management plans in place for the Otaki, Waikanae and Hutt rivers and the Waitohu Stream. There are also 10 river schemes in the Wairarapa and schemes in Porirua and Wainuiomata. Currently, 12 regional communities are involved with long-term plans to manage flood risk on floodplains.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
Flood hazard maps will be prepared for the Mangaroa River and a range of risk management options developed for discussion with the community and decision by the Council	Included within the western area “investigations” budget of \$163,000
The Otaki River floodplain management plan will be reviewed in consultation with the community and adopted by the Council	\$50,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
The first stage of the Waiohine River floodplain management plan (flood hazard maps) will be completed to the satisfaction of the Council	\$119,000
A review of flood risk to Masterton will be commenced	Included within the Wairarapa area “investigations” budget of \$285,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
The Waiohine River flood plain management plan will be adopted by the Council	\$127,000
The Waiwhetu Stream floodplain management plan adopted by the Council	\$159,000
A review of Masterton flood risk will be completed to the satisfaction of the Council	Included within the Wairarapa area “investigations” budget of \$293,000
A review of the Hutt River floodplain management plan will be commenced	\$79,000

2012 – 2019

- Continue to deliver services as specified in “our services”
- Review the Hutt River floodplain management plan
- Continue to develop floodplain management plans for selected watercourses in the region

ACTIVITY 2

Flood protection infrastructure

For a description of this activity see 3.2.

OUR SERVICES

Design, build and maintain flood protection works, eg, stopbanks and bank-edge protection, to achieve an acceptable level of flood risk, in accordance with the respective floodplain and asset-management plans. Greater Wellington has a 40-year plan for implementing the Otaki, Waikanae and Hutt floodplain management plans.

HOW WE MEASURE OUR PERFORMANCE

- Completion of approved capital works schedule
- Compliance with asset management plans

WHERE WE ARE NOW

As at June 2008, implementation of the 40-year programme of flood protection works for the Otaki, Waikanae and Hutt rivers was on track. The first year of a 10-year programme for the Lower Wairarapa Valley Development Scheme has been completed. In November 2008, the Council approved the budget for the flood protection improvement works for the lower Waiwhetu Stream.

Audit NZ has approved asset-management plans for all flood protection infrastructure and there is no deferred maintenance of this infrastructure.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010	
TARGET	BUDGET
The construction and upgrade of flood protection infrastructure will be completed in accordance with the capital expenditure programme (see p124)	\$8,053,000
Flood infrastructure in the western part of the region will be maintained in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan. Achievement will be approved by the Council	\$2,669,000
Flood infrastructure will be maintained in the 10 Wairarapa river schemes and will be completed to established standards and to the satisfaction of the Scheme Advisory Committees	\$1,608,000

2010/11 – BY 30 JUNE 2011	
TARGET	BUDGET
The construction and upgrade of flood protection infrastructure for the region will be completed in accordance with the capital expenditure programme (see p124)	\$6,495,000
Flood infrastructure in the western part of the region will be maintained in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan Achievement will be approved by the Council	\$2,767,000
Flood infrastructure will be maintained in the 10 Wairarapa river schemes and will be completed to established standards and to the satisfaction of the Scheme Advisory Committees	\$1,658,000

2011/12 – BY 30 JUNE 2012	
TARGET	BUDGET
The construction and upgrade of flood protection infrastructure in the region will be completed in accordance with the capital expenditure programme (see p124)	\$4,939,000
Flood infrastructure in the western part of the region will be maintained in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan. Achievement will be approved by the Council	\$2,845,000
Flood infrastructure will be maintained in the 10 Wairarapa river schemes and will be completed to established standards and to the satisfaction of the Scheme Advisory Committees	\$1,690,000

2012 – 2019
<ul style="list-style-type: none"> • Continue to deliver services as specified in “our services” • Complete the following: <ul style="list-style-type: none"> – New Boulcott Hutt Stopbank – Hutt City centre works – Lower Wairarapa Valley Development Scheme improvement works – Waiwhetu Stream channel widening works – Waiohine River Floodplain Management Plan. Agreed measures implemented – Mitigation works for the Convent Road area Waitohu Stream – Jim Cooke Park, Waikanae Stopbank upgrade

ACTIVITY 3

Environmental enhancement of river corridors

For a description of this activity see 3.3.

OUR SERVICES

Restore and maintain Waikanae, Otaki and Hutt river corridors to enhance the environment and provide for appropriate recreational use in accordance with the environmental strategies prepared in consultation with the community and iwi.

HOW WE MEASURE OUR PERFORMANCE

Progress with environmental strategies.

WHERE WE ARE NOW

Environmental strategies are in place for the Hutt, Otaki and Waikanae rivers. Restoration and enhancement of these corridors is well advanced and the community continues to be actively involved in this work, particularly the Waikanae and Otaki Friends of the River groups. Greater Wellington has introduced a ranger service to facilitate public use of the Hutt River corridor.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
Maintenance within the Hutt River corridor, including tracks and restoration sites, will be carried out in accordance with the Hutt River Environmental Strategy. Progress will be reported to the Council	\$200,000
Maintenance within the Otaki River corridor, including tracks and restoration sites, will be carried out in accordance with the Otaki River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council	\$25,000
Maintenance within the Waikanae River corridor, including tracks and restoration sites, will be carried out in accordance with the Waikanae River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council	\$12,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Maintenance within the Hutt River corridor, including tracks and restoration sites, will be carried out in accordance with the Hutt River Environmental Strategy. Progress will be reported to the Council	\$205,000
Maintenance within the Otaki River corridor, including tracks and restoration sites, will be carried out in accordance with the Otaki River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council	\$25,000
Maintenance within the Waikanae River corridor, including tracks and restoration sites, will be carried out in accordance with the Waikanae River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council	\$12,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Maintenance within the Hutt River corridor, including tracks and restoration sites, will be carried out in accordance with the Hutt River Environmental Strategy. Progress will be reported to the Council	\$211,000
Maintenance within the Otaki River corridor, including tracks and restoration sites, will be carried out in accordance with the Otaki River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council	\$26,000
Maintenance within the Waikanae River corridor, including tracks and restoration sites, will be carried out in accordance with the Waikanae River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council	\$12,000

2012 – 2019

- Continue with environmental restoration and enhancement work with the anticipated annual spend of up to the value of 5% of the flood protection infrastructure programme
- Continue operating a river ranger service on the Hutt River

ACTIVITY 4

Flood warning service

For a description of this activity see 3.4.

OUR SERVICES

Provide online telemetry flood data and operate a flood warning services for the territorial authorities and selected landowners in the region. The service provides for flood warnings to be issued within 30 minutes of alarms being triggered.

HOW WE MEASURE OUR PERFORMANCE

- Timeliness of warnings

WHERE WE ARE NOW

- Greater Wellington has met the 30-minute performance target for flood warnings

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
All flood warnings will be issued within 30 minutes of alarms being triggered in accordance with established flood procedures	\$13,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
All flood warnings will be issued within 30 minutes of alarms being triggered in accordance with established flood procedures	\$13,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
All flood warnings will be issued within 30 minutes of alarms being triggered in accordance with established flood procedures	\$14,000

2012 – 2019

- Continue to provide a flood warning service as specified in “our services”
- Review the “Flood Procedures Manual” so that procedures for the Western and Wairarapa sides of the region are better aligned

ACTIVITY 5

Civil defence and emergency management

For a description of this activity see 3.5.

OUR SERVICES

- Serve as the administrative authority for the Wellington Civil Defence Emergency Management group
- Provide a CDEM Group Operations Centre that can operate effectively in an emergency event
- Ensure that robust CDEM Group plans are in place to assist the region to cope with an emergency event
- Educate the public about being prepared for an emergency event

HOW WE MEASURE OUR PERFORMANCE

- Administration of CDEM group meetings
- Operational capability of CDEM Group Emergency Operations centre
- Approved CDEM Group Plans in place
- Level of public and business preparedness

WHERE WE ARE NOW

The CDEM Group has met at least twice a year since its inception. In 2006, a new information management system and satellite and telephone communication system was introduced in the Group’s Emergency Operations Centre. At least one major exercise has been carried out annually, although in 2007/08 there were a total of five exercises. The CDEM Group Plan was finalised in 2005 and is being reviewed in 2008/09. A number of other plans and strategies have been prepared. Major campaign to promote public and business awareness have been carried out and a public education strategy, involving all local authorities, has been developed.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
Progress with the implementation of the CDEM Group Plan will be to the satisfaction of the Wellington Region CDEM Group	\$93,000
The Wellington Region CDEM Group will meet twice during the year	\$37,000
A major exercise to test the operational capability of the CDEM Group's Emergency Operations Centre will be conducted	\$9,000
A review of the radio communications capability in the CDEM Group Emergency Operations Centre will be completed and reported to the CDEM Group and Council	\$20,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Progress with the implementation of the CDEM Group Plan will be to the satisfaction of the Wellington Region CDEM Group	\$93,000
The Wellington Region CDEM Group will meet twice during the year	\$37,000
A major exercise to test the operational capability of the CDEM Group's Emergency Operations Centre will be conducted	\$9,000
A survey will show that 75% of households will have emergency food and water supplies and 70% of businesses in the region will have business continuity plans in place	\$20,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Progress with the implementation of the CDEM Group Plan will be to the satisfaction of the Wellington Region CDEM Group	\$68,000
The Wellington Region CDEM Group will meet twice during the year	\$37,000
A major exercise to test the operational capability of the CDEM Group's Emergency Operations Centre will be conducted	\$9,000

2012 – 2019

- Continue to deliver services as specified in "our services"
- Continue to implement the Wellington Region CDEM Group Plan 2009
- Review the Wellington Region CDEM Group Plan in 2014
- Carry out independent audit of the region's emergency operations centres – at this stage these are planned for 2012 and 2015

ACTIVITY 6

Harbour management

For a description of this activity see 3.6.

OUR SERVICES

- Provide navigation aids in our harbours and a communications service for Wellington Harbour
- Investigate reports of oil spills in harbours and coastal waters, and take necessary clean-up action within specified timeframes
- Investigate reports of unsafe behaviour
- Carry out a summer safety education programme for recreational boaters and harbour users

HOW WE MEASURE OUR PERFORMANCE

- Standard of operation of communications station
- Adequacy of maintenance of navigation aids
- Timeliness of response to oil spills
- Timeliness of response to reports of unsafe behaviour
- Number of safe boating packages distributed

WHERE WE ARE NOW

A Port and Harbour risk assessment was carried out in 2006 and a resulting Harbour Management Safety Management System is being finalised. A key recommendation was the upgrade of the Beacon Hill Communications Station. A construction of a new facility is underway. The Navigation and Safety Bylaws for the Wellington Region were reviewed in 2008/09. Over the years navigation aids have been converted to solar power for ease of maintenance and reliability. No major problems with these aids have been encountered. Reports of unsafe behaviour are responded to – timeframes depend on the potential severity of the report. A summer safety education programme has been running for some years and involves distribution of material as well as targeted initiatives, eg, life jacket checks. Our harbour ranger service is increased in summer. All reported oil spills have been investigated and responded to within specified timeframes.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010	
TARGET	BUDGET
The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service in accordance with Council agreed operating standards	\$419,000
Navigation aids will be will be repaired within 24 hours, weather permitting, and maintained in accordance with International Association of Lighthouse Authorities (IALA) guidelines	\$140,000
Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters)	\$17,000
All reports of unsafe behaviour will be investigated. Formal records will be kept of all reports At least 500 safe boating packs will be distributed to recreational boats	\$109,000

2010/11 – BY 30 JUNE 2011	
TARGET	BUDGET
The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service in accordance with Council agreed operating standards	\$430,000
Navigation aids will be will be repaired within 24 hours, weather permitting, and maintained in accordance with International Association of Lighthouse Authorities (IALA) guidelines	\$145,000
Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters)	\$18,000
All reports of unsafe behaviour will be investigated. Formal records will be kept of all reports At least 500 safe boating packs will be distributed to recreational boats	\$112,000

2011/12 – BY 30 JUNE 2012	
TARGET	BUDGET
The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service in accordance with Council agreed operating standards	\$442,000
Navigation aids will be will be repaired within 24 hours, weather permitting, and maintained in accordance with International Association of Lighthouse Authorities (IALA) guidelines	\$148,000
Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters)	\$18,000
All reports of unsafe behaviour will be investigated. Formal records will be kept of all reports At least 500 safe boating packs will be distributed to recreational boats	\$115,000

2012 – 2019	
Continue to deliver services as specified in "our services"	

9 KEY PROJECTS FOR 2009/10**Flood protection**

- Hutt Valley
 - Complete the Mangaroa River flood hazard assessment
 - Complete Stage 1 of the Pinehaven Stream flood hazard assessment
 - Complete the Strand Park Stopbank upgrade, and accordingly the Ava to Ewen project
 - Obtain statutory approvals to commence the Boulcott Hutt Stopbank project
 - Work with NZTA to complete the Ebdentown bank-edge protections
 - Continue the Waiwhetu Stream clean-up and channel widening
- Kapiti Coast
 - Complete 150m of rock armouring between SH1 and the mouth of the Otaki River
 - Raise the Otaihanga Boating Club
 - Undertake an environmental enhancement project on the Otaki River

- Wairarapa
 - Progress with Waiohine FMP and the design of the stopbank works
 - Complete Year 3 of the Lower Wairarapa Valley Development Scheme improvement works by strengthening river-edge protections at three locations on the Ruamahanga River.

Emergency Management

- Develop a GIS capability for the Wellington Region's CDEM Group's Emergency Operations Centre
- Complete a CDEM Group Fuel Supply Plan
- Complete a CDEM Group External Supply Strategy
- Review the radio communications for the Group's Emergency Operations Centre
- Carry out Phoenix VI – a major exercise
- Contribute to "It's Our Fault", a research project on the Wellington faultline

Harbour Management

- Complete construction of the new Beacon Hill Communications Station
- Finalise the Port and Harbour Safety Management System for Wellington Harbour

10 ASSETS

FLOOD PROTECTION

Assets

Flood protection infrastructure assets:

- Greater Wellington's flood protection infrastructure assets have a current value of \$190m, recorded in its asset register

Asset management principles

- Service levels are set through floodplain management plans and scheme reviews, in close consultation with communities
- The majority of flood protection assets are maintained in perpetuity, with less than 5% of the total asset value being depreciable assets. The non-depreciable assets include stopbanks, edge-protection works (rocks and willows) and floodways
- All assets are subject to a comprehensive annual maintenance, inspection and monitoring programme. An assessment of maintenance and monitoring cost is made every three years

- A comprehensive programme of capital works is underway to lift service levels where agreed with the community
- Flood damages that cannot be repaired within the current financial year will be reflected by a write-down on the asset register. Similarly, once the repairs are completed, the repaired assets will be added back into the register
- Greater Wellington has decided to continue self insuring for flood damages. The annual average flood damage has been assessed and an annual contribution of that amount is set aside in reserve each year. A special funding reserve and lines of credit have been set aside for a major disaster

Capital upgrade programme

This proposed 2009-2019 LTCCP provides for a total of \$59 million of capital upgrade as shown in the table on p124.

Maintenance and monitoring

All assets are maintained in a condition so that they will perform to the standard to which they have been designed, despite the wear and tear of smaller flood events and secondary use of the assets, such as farming and recreation use. Our asset maintenance and monitoring systems have been designed to ensure that a stopbank today will be at least as good in 20 to 50 years time.

EMERGENCY MANAGEMENT

Assets

Emergency management assets include communications equipment, a mobile headquarters and a vehicle. They are valued at \$551,000.

Asset-management principles

Assets are replaced as deemed necessary or when they have reached the end of their service life.

Capital upgrade programme

Some assets are replaced on a planned basis, eg, vehicles, while others are upgraded as necessary.

Maintenance and monitoring

Assets are maintained according to manufacturers' standards and tested regularly (communications equipment).

HARBOUR MANAGEMENT

Assets

- 19 navigation aids, including 7 lighthouses
- The Beacon Hill Communications Station
- One 6 metre catamaran
- One 6 metre boat
- One jet-ski
- 3-4 vehicles

Total value of these assets is \$739,000.

Asset-management principles

All Harbour Management equipment is inspected and tested regularly.

Advantage is taken of technological advancements to reduce maintenance, eg, the use of solar power has considerably reduced maintenance requirements for navigation aids.

Communications equipment is regularly serviced and replaced on an as and when required basis.

Capital upgrade programme

Beacon Hill Communications Station is currently being rebuilt and communications equipment upgraded. Navigation aids are only replaced as and when required.

Maintenance and monitoring

Navigation aids are maintained in accordance with International Association of Lighthouse Authorities (IALA) guidelines. Communications equipment is maintained according to manufacturers' standards. The jet-ski and boats are regularly serviced.

11 NEGATIVE EFFECTS ON WELL-BEINGS

The only possible negative effective of this group of activities is that flood protection works can have an adverse environmental impact. However, these works are subject to resource consents and environmental strategies are in place to carry out environmental restoration and enhancement.

CAPITAL EXPENDITURE PROGRAMME 2008/09 TO 2018/19 (\$000)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
CAPITAL EXPENDITURE										
Waiwhetu flood improvements	5,000	620	-	-	-	-	-	-	-	-
Mangaroa flood hazard assessment	-	-	-	-	110	-	116	-	121	-
Pinehaven flood hazard study	-	92	-	-	-	-	-	-	-	-
Waiwhetu FMP	-	155	159	-	-	-	-	-	-	-
Maoribank riverbed stabilisation	-	-	-	-	552	1,129	-	-	-	-
Ebdentown rocklining	735	-	-	-	-	-	-	-	-	-
City centre upgrade	-	-	-	471	617	705	4,656	4,902	4,237	4,345
Bridge Road-edge protections	-	405	-	-	-	-	-	-	-	-
Whirinaki Crescent Stopbank	-	-	-	-	-	-	-	-	-	-
Boulcott/Hutt Stopbank construction	900	3,304	3,698	3,484	-	-	-	-	-	-
Connolly/Boulcott/Hutt land compensation	-	-	-	-	-	-	-	-	-	-
Ava Railway Stopbank improvements	-	-	-	-	-	-	-	-	-	-
Strand Park Stopbank upgrade	306	-	-	-	-	-	-	-	-	-
Jim Cook Park Stopbank	-	-	-	-	442	786	809	-	-	-
Otaihanga House raising (Stage 2)	-	-	-	-	-	-	-	-	-	-
Waikanae environmental strategy implementation	-	-	-	-	-	-	62	-	-	-
River works mouth to SH1	185	-	181	-	328	-	289	-	303	-
River works Chrystalls to Gorge	-	-	-	293	-	339	-	355	-	372
Convent Road improvements	-	577	-	-	-	-	-	-	-	-
South Waitohu Stopbank	-	461	-	-	-	-	-	-	-	-
Crystalls Extended Stopbank	-	-	-	-	-	-	-	-	-	-
North stopbank improvements (mouth to SH 1)	-	-	-	-	262	-	-	-	-	-
Otaki environmental strategy implementation	69	-	-	-	-	-	-	-	-	-
LWVD river scheme capex	743	763	774	797	831	854	870	879	-	-
Waiohine river scheme capex	-	-	-	2,705	2,762	-	-	-	-	-
Waiohine stopbank design	115	118	127	-	-	-	-	-	-	-
LIDAR survey Greytown and Masterton	-	-	-	-	-	-	-	-	-	-
Total	8,053	6,495	4,939	7,751	5,906	3,813	6,801	6,136	4,661	4,718
ASSET ACQUISITIONS										
Other	554	602	603	610	601	606	738	622	517	633
Total	554	602	603	610	601	606	738	622	517	633
PROCEEDS										
Other	138	175	171	149	169	147	222	178	139	190
Total	138	175	171	149	169	147	222	178	139	190
Total capital expenditure	8,469	6,922	5,371	8,212	6,338	4,272	7,317	6,580	5,039	5,161

12 FINANCIAL INFORMATION

SAFETY AND FLOOD PROTECTION

PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
FUNDING STATEMENT			
General rate	9,060	9,629	10,013
Targeted rates	5,054	5,424	5,692
Government subsidies	116	120	122
Interest and dividends	449	515	611
Other operating revenue	1,934	2,006	2,040
Operating revenue	16,613	17,694	18,478
Direct operating expenditure	9,851	10,224	10,535
Finance costs	2,588	2,927	3,113
Depreciation	1,001	1,026	975
Operating expenditure	13,440	14,177	14,623
Operating surplus/(deficit)	3,173	3,517	3,855
Less/(add):			
Capital expenditure	9,049	6,883	5,305
Proceeds from asset sales	(100)	(148)	(114)
Loan funding	(8,753)	(6,495)	(4,939)
Rates-funded capital expenditure	196	240	252
Debt repayment	2,693	2,992	3,234
Investment additions	383	414	474
Operational reserve movements	902	897	870
Working capital movements	-	-	-
Non-cash items ¹	(1,001)	(1,026)	(975)
Net funding required	-	-	-

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
OPERATING REVENUE			
Flood protection	13,956	14,894	15,573
Emergency management	833	900	875
Harbour management	1,824	1,900	2,030
Total operating revenue	16,613	17,694	18,478
OPERATING EXPENDITURE			
Flood protection	10,788	11,368	11,773
Emergency management	870	899	895
Harbour management	1,782	1,910	1,955
Total operating expenditure	13,440	14,177	14,623
CAPITAL EXPENDITURE			
Harbour improvements	700	-	-
Waiwhetu flood improvements	5,000	620	-
Hutt River improvements	1,941	3,709	3,698
Otaki River improvements	254	1,038	181
Wairarapa scheme improvements	858	881	901
Other flood protection	-	247	159
Capital project expenditure	8,753	6,495	4,939
Land and buildings	-	-	-
Plant and equipment	44	16	80
Vehicles	252	372	286
Total capital expenditure	9,049	6,883	5,305

¹ Non-cash items include depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35

Please note that all figures on this page exclude GST.

SAFETY AND FLOOD PROTECTION

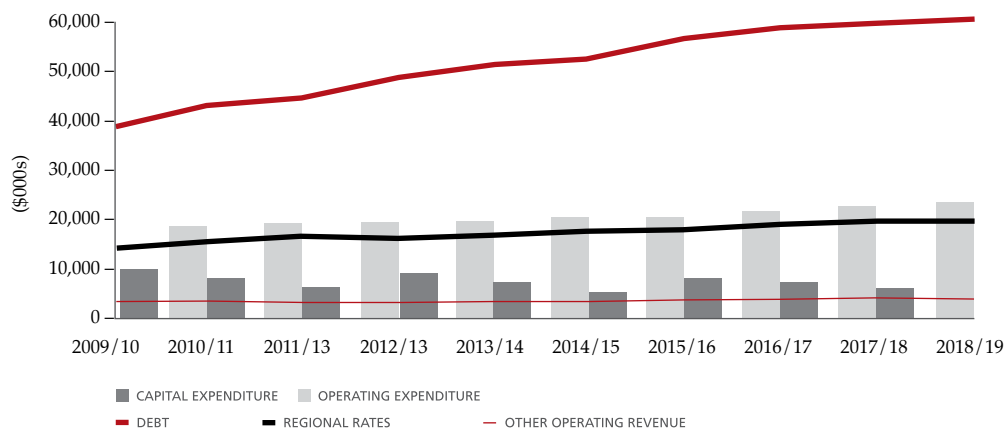
10-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Key points to note are:

- Capital expenditure remains fairly constant over the 10-year period reflecting continued work on the Hutt, Waikanae and Otaki rivers and on the Lower Wairarapa Valley River Scheme
- As a result of this capital expenditure, debt will peak at \$60.6 million in 2018/19
- Regional rates increase over the period to fund the increasing capital expenditure on flood protection

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure	16,613	17,694	18,478	18,656	18,900	19,307	20,107	21,125	21,980	22,794
Capital expenditure	9,049	6,883	5,305	8,074	6,281	4,125	7,240	6,387	4,916	5,112
Debt	39,278	42,782	44,487	49,091	52,003	52,814	56,402	59,054	59,918	60,593
Regional rates	14,114	15,053	15,705	15,742	15,875	16,186	16,897	17,803	18,492	19,154
Other operating revenue	2,499	2,641	2,773	2,914	3,025	3,121	3,210	3,322	3,488	3,640

LAND MANAGEMENT

1 COMMUNITY OUTCOMES

The Land Management group of activities primarily contributes to the following community outcome

HEALTHY ENVIRONMENT

A healthy environment is one with clean water, fresh air and healthy soils. Well-functioning and diverse ecosystems make up an environment that can support our needs. Resources are used efficiently. There is minimal waste and pollution

by carrying out pest management to protect the region's important ecosystems and promoting the sustainable use of land through our soil conservation work and farm sustainability planning.

This group of activities also contributes to the following outcome:

Prosperous Community by enhancing the sustainability and security of the farming sector through soil conservation, pest management and continued support for the Animal Health Board's bovine Tb vector control programme.

2 WHAT WE WANT TO ACHIEVE

The table opposite sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are also included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Pest (animal and plant) management

3.1.1 REGIONAL PEST MANAGEMENT STRATEGY

Greater Wellington has a Regional Pest Management Strategy (RPMS) 2002-22, prepared in accordance with the Biosecurity Act 1993. The principal objectives are to minimise the effects of pests on the environment, economy and community.

It maximises the effectiveness of pest control work through regional coordinated work. Although not legally obliged to prepare a strategy, Council has decided to serve as the regional management agency for pest control as there is community support for it being involved in this work, and significant environmental and economic benefits.

Every year an operational plan is prepared for the strategy and implementation of the plan is reported in detail to the Council. The main components of the annual operational plan are:

- Regulation
- Inspection and monitoring
- Direct control – undertaking pest control in some circumstances where there is a direct regional benefit
- Advice and education
- Support for community initiatives
- Biological control – support research and trials of potential biological control agents

3.1.2 BOVINE TB VECTOR CONTROL

Greater Wellington currently contributes funding to bovine Tb vector management and manages the regional programme. Greater Wellington will continue this activity for the next two years or until a proposed new National Pest Management Strategy comes into force. Greater Wellington's role beyond that time is uncertain. It is likely that the Animal Health Board will have sole responsibility for the programme from July 2011.

3.1.3 REGIONAL POSSUM CONTROL

Greater Wellington has decided to start a regional possum control operation focusing on a proposed northern Wairarapa Tb-free area. As the Animal Health Board will no longer be funding possum control in this area, farmers asked Greater Wellington to put in a replacement programme to keep possum numbers low. Work will start in the northern Wairarapa in 2011, with pre-monitoring work in 2010.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Protect farm land from erosion	Area of erosion-prone farm land treated using sustainable management practices HEALTHY ENVIRONMENT		6,300ha of erosion-prone farm land will be treated using sustainable management practices 75% of erosion-prone land will be under farm or sustainability plans	There is 87,000ha of erosion-prone farm land in the region. About 50,000ha has already been treated 2008 – 67%
Achieve a measureable improvement in the ecological health of key native ecosystems	Ecosystem health as measured by a range of ecological indicators (eg, bird counts, animal pest numbers) HEALTHY ENVIRONMENT		The ecological health and diversity of key native ecosystems will improve	Past monitoring has shown an improvement in ecosystem health
Protect agricultural land from damaging pest animals (rabbits, rooks, possums) and plants		<ul style="list-style-type: none"> • Number of rabbit infestation areas • Number of breeding rookeries • Number of possums in targeted area 	<ul style="list-style-type: none"> • There will be no rabbit infestation areas over Level 5 of the modified McLean scale • There will be fewer than five breeding rookeries in the containment zone • Possum numbers in the northern Wairarapa Tb-free zone will be maintained at a residual track catch rate of less than 5% 	<ul style="list-style-type: none"> • 2008 – no rabbit infestation areas • 2008 – six breeding rookeries • Monitoring is planned for 2010/11 (see below)
Improve riparian management in 12 key catchments to protect biodiversity and water quality	Kilometres of stream and river margins subject to riparian enhancement HEALTHY ENVIRONMENT	Water quality (see Resource Management)	30km of streams and rivers will be enhanced (or maintained following enhancement) by fencing and plantings	Work is in progress on eight of the main catchment streams. In 2008, 13.1km had been planted

3.2 Biodiversity

Greater Wellington has developed a Biodiversity Implementation Plan guided by the New Zealand Biodiversity Strategy and the Regional Policy Statement for the Wellington Region. The plan involves Greater Wellington in a range of programmes aimed at enhancing regional biodiversity.

The services provided are:

- Integrated pest management within areas of high ecological values on private land and territorial authority reserves – Key Native Ecosystems (KNE), including a “super KNE” or mainland island in the Wainuiomata catchment. Greater Wellington controls pest animals and plants to a high level to restore ecological health
- Riparian enhancement on selected rivers and streams within 12 selected catchments in the region through the Streams Alive programme. Landowners are encouraged to fence-off riparian margins with Greater Wellington undertaking site preparation and planting of native species to achieve habitat and water quality improvements
- Financial support for landowners to covenant remnant bush, wetlands or other indigenous ecosystems through the QEII National Trust programme
- Financial and technical support for landowners to fence and restore wetland habitats
- Take Care – care group programme (see Resource Management group of activities)
- Protection and enhancement of ecosystems on Greater Wellington-owned land, including regional parks and water supply catchments (see Parks and Forests group of activities)
- Improvement of freshwater ecosystems in the Pauatahanui Inlet, in conjunction with the Porirua City Council and community (see Resource Management group of activities)

3.3 Soil conservation

3.3.1 FARM PLANS

Greater Wellington targets properties with a high percentage of erodible land and works with the farmer or occupier to develop a sustainability or soil conservation plan. Sustainability plans use an integrated long-term approach to sustainable land management and farm production, involving tree planting and other changes in land use over timeframes of 30 years or more.

Soil Conservation plans are developed on farms with a lesser scale of erosion potential and where a less comprehensive plan is more appropriate.

3.3.2 CATCHMENT SCHEMES

Greater Wellington manages six community catchment schemes located in the Wairarapa hill country. The schemes are a community-based approach to stabilise severely eroding hill country, so mitigating the downstream effects. When originally set up, the schemes focused on planting and fencing the headwaters of the affected catchments. Works now tend to be directed towards management of the river downstream and protecting community infrastructure, particularly roads. Each scheme operates alongside a community Advisory Committee to establish work priorities and annual works programmes.

3.3.3 SOIL CONSERVATION RESERVES

Greater Wellington has four Soil Conservation Reserves in which Greater Wellington has rehabilitated severely eroded land by excluding stock, revegetating and constructing river management structures. In three of the reserves, Greater Wellington has plantation forestry. These forestry operations are in accordance with Greater Wellington’s soil conservation objectives.

3.3.4 LAND MANAGEMENT ADVICE

Greater Wellington provides land management advice as part of its farm plan and community engagement programme. We also participate in discussion groups and field days and in Take Care community groups which preserve and protect local environments.

3.4 Akura Conservation Centre

The Akura Conservation Centre is a business unit of the Greater Wellington Regional Council which sells specialist soil conservation plant materials (poplars, willows, pine seedlings), general revegetation plants, including natives, and the associated preparation and tree-care materials such as herbicides and fertilisers. Akura sells to both external customers and Greater Wellington.

Akura consists of a 26ha nursery and retail outlet, west of Masterton (Akura), and a 16ha nursery block at Mangapakeha near Tinui.

4 FURTHER INFORMATION

Legislation

Biosecurity Act 1993
Local Government Act 2002
Resource Management Act 1991
Soil Conservation and Rivers Control Act 1941

Council policies and plans

Regional Pest Management Strategy 2002-22
Regional Biodiversity Implementation Plan
Regional Policy Statement
Regional Soil Plan

5 ASSUMPTIONS AND RISKS

- Funding partners, such as city and district councils, QEII National Trust, landowners and government agencies, will continue to support sustainable land management programmes
- The rural economic situation will allow landowners to maintain investment in sustainable land management programmes and pest control
- Quality planting materials will continue to be available
- There will be no significant natural changes to pest populations or species in the region
- Greater Wellington will contribute (financially and operationally) to the Animal Health Board's Bovine Tb vector-control programme until June 2011

6 THE ISSUES WE ARE FACING

CLIMATE CHANGE

Climate change is expected to change the weather patterns in the region. There will be a possible increase in strong winds, more drought conditions in the east, more rain in the west and increased frequency of extreme weather events over the region, including rain storms. Climate change will almost certainly have an impact on land use, and our approach to soil conservation and catchment management will need to adapt to these changes.

LANDHOLDER ENGAGEMENT WITH SOIL CONSERVATION

Maintaining landholder commitment to soil conservation and sustainable land management is a continuing challenge because of the costs involved.

However, an opportunity has arisen, through the availability of some Crown funding, to lift our engagement with our hill country community and increase the level of participation in our programmes through the Wellington Regional Erosion Control Initiative (WRECI). This 10-Year Plan provides funding for Greater Wellington's contribution to this initiative. Greater Wellington has also strengthened its commitment to its rural community by establishing the Wairarapa Hill Country Advisory Committee.

BOVINE TB AND POSSUM ERADICATION

The National Pest Management Strategy for Bovine Tb is currently under review and Greater Wellington will need to consider its future involvement in the programme. For many years, Greater Wellington has been a major driver of the bovine Tb vector control programme in this region. The programme has been very successful in reducing the incidence of bovine Tb in the region's herds. However, much work still remains to be done. While Greater Wellington's long-term involvement in this programme is uncertain, it will remain a funding partner and have a role in vector management for the next two years. It has not made any commitment about the new strategy.

REGIONAL POSSUM CONTROL PROGRAMME

The Animal Health Board's bovine Tb vector-control programme is going to stop in the northern Wairarapa because Tb is no longer a problem in the possum population. However, farmers are keen to maintain the gains from the intensive pest control and have asked Greater Wellington to implement a new programme to maintain possums at a low level in this area. Greater Wellington has agreed and this plan provides for pre-control monitoring in 2010/11 and control work to start in 2011/12.

USE OF PESTICIDES

Landowners are becoming increasingly concerned about the use of pesticides for possum and general pest control. Getting landowner approval for their use is becoming increasingly problematic. Alternative methods are often more costly and may take longer, thus affecting programme outcomes. Greater Wellington currently deals with the issue on a case-by-case basis. However, a strategy for pesticide use may need to be developed in consultation with farmers. This would become particularly important if Greater Wellington were to continue to be involved in the management of the bovine Tb vector-control programme.

Supply of materials for hill country erosion

Currently, demand for 3m poplar poles for hill country erosion control work exceeds the capacity of Greater Wellington's Akura and Mangapakeha nurseries to supply. If WRECI proceeds, this shortage will become more acute. The Council is proposing in this 10-Year Plan to invest in irrigation at Akura and plant more land at Mangapakeha to lift production. Purchase of poles from commercial nurseries is proposed to continue to assist in meeting demand.

Public interest in biodiversity protection

There is an increasing awareness of human impacts on biodiversity. Communities are demanding more action from authorities. Greater Wellington has developed a range of biodiversity initiatives in response to this demand. Community participation is increasing, placing pressure on available resources. We will continue to review existing programmes and the level of funding for biodiversity initiatives.

Total catchment management

Greater Wellington is in the process of adopting a total catchment management (TCM) approach to its work. TCM is a process that recognises the catchment as the appropriate organising unit for natural resource management. In effect this means we need to ensure our soil conservation, pest management, biodiversity, environmental monitoring and planning, and flood protection work is integrated to achieve the best possible result for a catchment and its community.

Under TCM the community assists in the formulation of an agreed vision and priorities for sustainable natural resource management for their catchment. Greater Wellington still has some way to go to implement the TCM concept, but many of the core building blocks, including community engagement, are already in place for much of the region.

7 WHO WE WILL WORK WITH

Animal Health Board and the Wellington Regional Animal Health Committee
 City and district councils
 Crown Research Institutes
 Department of Conservation
 Federated Farmers
 Iwi
 Ministry of Agriculture and Forestry (including Biosecurity New Zealand)
 Non-government organisations
 Private land owners and the general public
 Wairarapa Hill Country Advisory Committee

8 WHAT WE ARE GOING TO DO

ACTIVITY 1

Pest (animal and plant) management

For a description of this activity see 3.1

OUR SERVICES

Regional pest management strategy (RPMS)

- Review the RPMS every five years
- Prepare, implement and report on an annual operational plan

Bovine Tb vector control

- Provide the regional share funding for the Animal Health Board's bovine Tb vector-control programme (under the National Tb Pest Management Strategy) so that the objectives for the programme are achieved in the Wellington region. The commitment for this funding is for two years starting in 2009

Regional possum control

- Carry out possum control operations to keep possum numbers low in a specified area in the northern Wairarapa

HOW WE MEASURE OUR PERFORMANCE

- RPMS in place
- Achievement of annual operational plan
- Achievement of the Animal Health Board's bovine Tb plan for the Wellington region. The objectives and management of the programme are the responsibility of the Animal Health Board
- Possum numbers in the specified control zone

WHERE WE ARE NOW

The RPMS has been implemented according to annual operational plans for the past 10 years. Progress on the bovine Tb is currently ahead of target. Work has not yet started in the specified control zone (scheduled for 2011).

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
The operational plan for implementing the RPMS will be achieved and reported in detail to the Council	\$2,263,000
The Animal Health Board's Tb vector control programme for the Wellington region is completed to the satisfaction of the Council	\$798,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
The operational plan for implementing the RPMS will be achieved and reported in detail to the Council	\$2,330,000
The Animal Health Board's Tb vector control programme for the Wellington region is completed to the satisfaction of the Council	\$821,000
Monitoring of possum numbers in the northern Wairarapa will be completed and reported to the Council	\$31,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
The operational plan for implementing the RPMS will be achieved and reported in detail to the Council	\$2,445,000
Year 1 of the regional possum control programme in northern Wairarapa Tb-free zone will be implemented to the satisfaction of the Council	\$158,000

2012 – 2019

- Continue to implement the RPMS through annual operational plans
- Initiate reviews of the RPMS in 2013 and 2018. The RPMS was approved in 2002 and is set to expire in 2022. It is required to be renewed every five years. The last review was concluded in early 2009
- Continue with the regional possum control programme in the northern Wairarapa Tb-free zone and possibly other areas of the region

ACTIVITY 2

Biodiversity

For a description of this activity see 3.2

OUR SERVICES

Carry out the core programmes and priority actions specified in the Regional Biodiversity Implementation Plan by way of annual work programmes.

HOW WE MEASURE OUR PERFORMANCE

- Progress with the Implementation Plan

WHERE WE ARE NOW

The Regional Biodiversity Implementation Plan was formally adopted by the Council in June 2008, so its implementation is at an early stage. Components of the strategy were, however, already being delivered. For example, in 2008, 122 landowners had joined the Wetlands Incentive programme to maintain and improve the region's remaining wetland habitat.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
Pests will be maintained at very low levels in the following key native ecosystems:	\$569,000
<ul style="list-style-type: none"> • 10 wetlands • 40 native forest areas • 4 coastal escarpments • 2 dune ecosystems 	

The biodiversity implementation programme will be progressed through the following programmes:

• Wetland Action Plan	\$89,000
• Queen Elizabeth II National Trust private land-protection programme	\$84,000
• Freshwater ecosystem programme	\$57,000
• Streams Alive riparian planting programme	\$196,000
• Pauatahanui Inlet Action Plan	\$50,000
• Coastal ecosystems	\$56,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Pests will be maintained at very low levels in the following key native ecosystems:	\$582,000
<ul style="list-style-type: none"> • 10 wetlands • 40 native forest areas • 4 coastal escarpments • 2 dune ecosystems 	
The biodiversity implementation programme will be progressed through the following programmes:	
<ul style="list-style-type: none"> • Wetland Action Plan • Queen Elizabeth II National Trust private land-protection programme • Freshwater ecosystem programme • Streams Alive riparian planting programme • Pauatahanui Inlet Action Plan • Coastal ecosystems 	\$91,000 \$86,000 \$59,000 \$202,000 \$51,000 \$57,000
Monitoring of possum numbers in the northern Wairarapa will be completed and reported to the Council	\$31,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Pests will be maintained at very low levels in the following key native ecosystems:	\$593,000
<ul style="list-style-type: none"> • 10 wetlands • 40 native forest areas • 4 coastal escarpments • 2 dune ecosystems 	
The biodiversity implementation programme will be progressed through the following programmes:	
<ul style="list-style-type: none"> • Wetland Action Plan • Queen Elizabeth II National Trust private land-protection programme • Freshwater ecosystem programme • Streams Alive riparian planting programme • Pauatahanui Inlet Action Plan • Coastal ecosystems 	\$94,000 \$88,000 \$60,000 \$207,000 \$53,000 \$59,000
A review of the Regional Biodiversity Implementation Plan will be completed to the satisfaction of the Council	

2012 – 2019

- Continue to deliver services as specified in "our services"
- Continue to progress the Regional Biodiversity Implementation Plan by way of an annual work programme

ACTIVITY 3

Soil Conservation

For a description of this activity see 3.3.

OUR SERVICES**Farm/sustainability plans**

Prepare and implement plans to improve the management and sustainability of erosion-prone land, in conjunction with landowners.

Catchment schemes

Maintain catchment schemes to reduce soil erosion and improve river management in accordance with work plans agreed with community advisory committees.

Soil conservation reserves

Maintain reserves planted for soil conservation purposes so that the soil conservation objectives are achieved.

Land management advice

- Proactively market sound land management practices by supporting or being involved in promotion events or award schemes
- Respond to all requests received for advice on land management

HOW WE MEASURE OUR PERFORMANCE**Farm/sustainability plans**

- Percentage erosion prone land under farm or sustainability plans
- Area of erosion prone land protected per annum

Catchment schemes

Satisfaction of the relevant Scheme Advisory Committee and the Council with the implementation of agreed workplans.

Soil conservation reserves

Percentage of reserves covered with vegetation.

Land management advice

- Events or award schemes with a land management focus supported by or involving Greater Wellington per annum.

WHERE WE ARE NOW**Farm/Sustainability Plans**

- 67% of erosion-prone land under farm or sustainability plans
- 450ha of erosion-prone land protected per annum

Land management advice

- 15 events or award schemes with a land management focus have been supported by or have involved Greater Wellington per annum

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
12 new farm or sustainability plans will be prepared and approved by Greater Wellington	\$110,000
450ha of erosion-prone land will be protected	\$565,000
Catchment schemes will be progressed in accordance with agreed workplans	\$99,000
15 events with a land management focus will be supported by Greater Wellington	\$12,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
15 new farm or sustainability plans will be prepared and approved by Greater Wellington	\$113,000
490ha of erosion-prone land will be protected	\$582,000
Catchment schemes will be progressed in accordance with agreed workplans	\$102,000
15 events with a land management focus will be supported by Greater Wellington	\$12,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
15 new farm or sustainability plans will be prepared and approved by the Council	\$116,000
530ha of erosion prone land will be protected during the year	\$596,000
Catchment schemes will be progressed in accordance with agreed work plans	\$105,000
15 events with a land management focus will be supported by Greater Wellington	\$13,000

2012 – 2019

Continue to deliver services as specified in “our services”

ACTIVITY 4

Akura Conservation Centre

For a description of this activity see 3.4.

OUR SERVICES

Operate a nursery and retail centre to supply materials for land and river management purposes.

HOW WE MEASURE OUR PERFORMANCE

- Proportion of Akura Conservation Centre costs covered by revenue
- Number of poplars and willows supplied for soil conservation work

WHERE WE ARE NOW

- 100% of Akura Conservation Centre costs covered by revenue
- 19,800 poplar poles supplied for soil conservation work (10-year average)

WHAT WE PLAN TO DO AND BUDGETS**2009/10 – BY 30 JUNE 2010**

TARGET	BUDGET
Akura Conservation Centre will break even or make a profit	\$34,000
19,000 3m poplar poles will be supplied	\$128,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Akura Conservation Centre will break even or make a profit	\$34,000
23,000 3m poplar poles will be supplied	\$155,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
Akura Conservation Centre will break even or make a profit	\$38,000
23,000 3m poplar poles will be supplied	\$155,000

2012 – 2019

- Over this period the Akura Conservation Centre will achieve an operating surplus sufficient to cover capital replacement costs, service debt and meet Greater Wellington's dividend requirements
- The total number of 3m poplar poles supplied for soil conservation work will average 26,000 per annum

9 KEY PROJECTS FOR 2009/10

- Implement the RPMS-approved operating plan for 2009/10
- Implement the Biodiversity Implementation Plan, including the key native ecosystem work
- Prepare 12 new farm plans, including 10 new sustainability plans under the Wellington Region Erosion Control Initiative programme, in the five agreed Wairarapa hill country priority catchments
- Upgrade the irrigation system at the Akura Conservation Centre in line with its newly approved business plan

10 ASSETS

ASSETS

- 25ha Akura nursery and 16ha Mangapakeha nursery, including associated fencing, shelter trees, irrigation equipment and retail centre
- Equipment including a fleet of 4WD utilities, motorcycles and quads, traps and bait stations, and planting equipment

ASSET-MANAGEMENT PRINCIPLES

- Asset replacement is funded from current revenue
- The Akura Conservation Centre budget provides for capital replacement on an ongoing basis

CAPITAL UPGRADE PROGRAMME

The Akura Conservation Centre budget for 2009/10 includes a \$100,000 capital upgrade budget for irrigation upgrade at Akura and improvements to fencing at Mangapakeha.

MAINTENANCE AND MONITORING

All assets are subject to routine maintenance to ensure they continue to perform to requirements.

11 NEGATIVE EFFECTS ON WELL-BEINGS

The control of animal pests uses a range of methods and pesticides. The compound 1080, in particular, is of significant concern to some sectors of the community. Greater Wellington has participated in a number of studies and believes that the benefits of using 1080 outweigh the negative effects. It notes that, in 2007, the Environmental Risk Management Authority reviewed the use of 1080 and allowed its ongoing use. There is also some concern about the accumulation in the environment of the pesticide brodifacoum that Greater Wellington uses for possum control.

12 FINANCIAL INFORMATION

LAND MANAGEMENT PROSPECTIVE FUNDING IMPACT STATEMENT

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35

Please note that all figures on this page exclude GST.

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
FUNDING STATEMENT			
General rate	4,909	5,129	5,214
Targeted rates	201	203	204
Government subsidies	115	167	193
Interest and dividends	27	24	23
Other operating revenue	1,806	1,904	1,748
Operating revenue	7,058	9,427	7,382
Direct operating expenditure	6,943	7,351	7,176
Finance costs	-	-	-
Depreciation	(18)	80	104
Operating expenditure	6,925	7,431	7,280
Operating surplus/(deficit)	133	(4)	102
Less/(add):			
Capital expenditure	319	192	225
Proceeds from asset sales	(36)	(45)	(52)
Loan funding	(100)	-	(7)
Rates-funded capital expenditure	183	147	166
Debt repayment	-	-	-
Investment additions	-	-	-
Operational reserve movements	(68)	(71)	40
Working capital movements	-	-	-
Non-cash items ¹	18	(80)	(104)
Net funding required	-	-	-

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
OPERATING REVENUE			
Soil conservation and biodiversity	3,029	3,246	3,444
Manage pest plants and animals	4,029	4,181	3,938
Total operating revenue	7,058	7,427	7,382
OPERATING EXPENDITURE			
Soil conservation and biodiversity	2,968	3,221	3,422
Manage pest plants and animals	3,957	4,210	3,858
Total operating expenditure	6,925	7,431	7,280
CAPITAL EXPENDITURE			
Land and buildings	-	-	-
Plant and equipment	100	-	7
Motor vehicles	219	192	218
Total capital expenditure	319	192	225

¹ Non-cash items includes depreciation

LAND MANAGEMENT

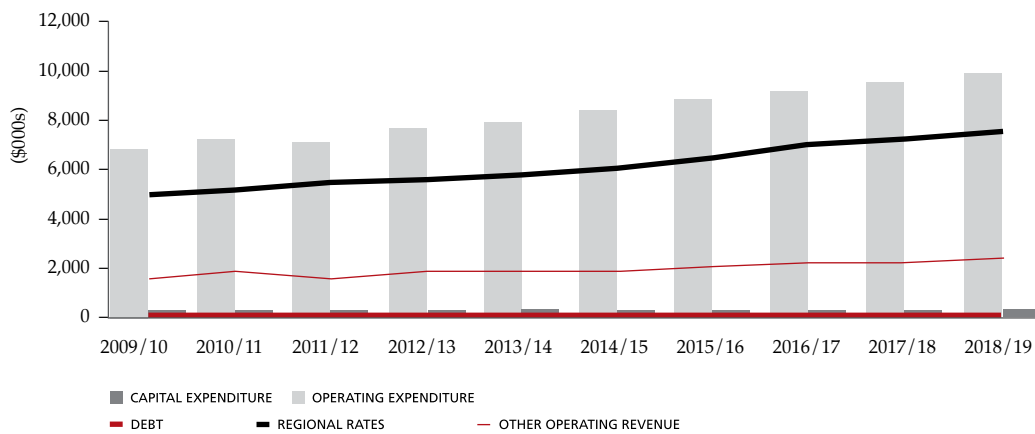
10-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Key point to note is:

- Most key financial indicators are expected to remain relatively constant over the 10-year period after allowing the effects of inflation.

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure	6,925	7,431	7,280	7,834	8,098	8,549	8,894	9,310	9,699	9,982
Capital expenditure	319	192	225	203	181	265	215	243	202	203
Debt	0	0	0	0	0	0	0	0	0	0
Regional rates	5,110	5,332	5,418	5,584	5,869	6,303	6,477	6,843	7,133	7,350
Other operating revenue	1,948	2,095	1,964	2,266	2,256	2,323	2,475	2,550	2,607	2,672

REGIONAL SUSTAINABLE DEVELOPMENT

1 COMMUNITY OUTCOMES

The Regional Sustainable Development group of activities contributes principally to the following community outcome

PROSPEROUS COMMUNITY

All members of our community prosper from a strong and growing economy. A thriving business sector attracts and retains a skilled and productive workforce

by developing region-wide strategies that contribute to the economic well-being of the region.

This group of activities also contributes to the following outcomes:

Essential Service by increasing the resilience of the region through the development of strategies and actions promoting the sustainable use of our natural resources for key services, eg, water and electricity

Entrepreneurial and innovative region through strategies and regional programmes to encourage creativity in key sectors of our region

Connected Community through its focus on the region's transport systems

Healthy Environment through the attention it gives to the impact of urban design and open spaces on the environment and on the reduction of greenhouse gas emissions.

2 WHAT WE WANT TO ACHIEVE

The table opposite sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Regional resilience planning

From time to time, Greater Wellington identifies and responds to region-wide issues relating to the community's resilience which require an integrated and cooperative approach to problem identification, strategy building and implementation planning. The Wellington Regional Strategy grew out of this approach.

In the development of strategies and plans, Greater Wellington works with all city and district councils in the region, as well central government and other organisations, to plan shared responses to the resilience issues.

In particular, Greater Wellington is leading the region's response to climate change so we can mitigate future impacts and plan for how we are going to adapt to changes.

Greater Wellington has also been investigating opportunities to increase the amount of renewable energy generated within the region. It has identified wind energy as having the most potential and has been looking at opportunities for wind generation on its own land.

3.2 Wellington Regional Strategy

The Wellington Regional Strategy (WRS) is a non-statutory initiative involving Greater Wellington and the region's eight city and district councils. It is a sustainable economic growth strategy and contains a range of initiatives to realise the region's economic potential. As well as growing our economy, it aims to enhance our "regional form" by addressing such issues as transport, housing, urban design and open spaces, which all contribute to our quality of life and prosperity.

Greater Wellington is a party to a 2007 Multilateral Agreement signed by all the local authorities in the region. This agreement records how the councils agree to work together to develop and fund the WRS.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Increase regional GDP per capita	Regional GDP PROSPEROUS COMMUNITY		Regional GDP per capita growth will be above the 10-year rolling average for New Zealand	1997-2007 Region – 1.5% NZ – 1.8%
Increase the average income of regional residents	<ul style="list-style-type: none"> Regional median hourly wage Regional median household income PROSPEROUS COMMUNITY		The average regional income of the region's residents will be above the 10 year rolling average for New Zealand	Not available
Increase the number of full time equivalent jobs	Regional employment and unemployment rates PROSPEROUS COMMUNITY	Numbers of full time equivalent jobs	The rate of increase of full time equivalent jobs will be above the 10 year rolling average for New Zealand	Not available
Region actively responding to climate change		Development and implementation of a Strategy	The Regional Climate Change Action Plan will be implemented according to agreed timeframes	The Regional Action Plan is due to be completed for consultation in 2009
Region using water sustainably		Development and implementation of a Strategy	The Regional Water Strategy will be implemented according to agreed timeframes	The Regional Water Strategy is planned to be completed for consultation in 2009
Region fulfilling its potential for electricity production from renewable sources	Number of homes that could potentially be served by power generated in the region from renewable resources ESSENTIAL SERVICES		80% of homes in the region could potentially be served by power generated in the region from renewable sources	In 2008, 4280 homes (2.5%) can be currently supplied by wind generated electricity. Additional planned wind farm developments would supply a further 160,000 homes. Nearly all wind power developments in the region are by private companies.

A committee of six of the region's mayors, the Greater Wellington Chair and five non-local government people oversee the strategy. As part of the WRS, a regional economic development agency, Grow Wellington, was created in 2007.

Greater Wellington, as keeper of the strategy, operates the WRS office that supports and facilitates the strategy, undertakes project management for some projects and provides leadership in other projects. Greater Wellington also facilitates information sharing for action areas that are carried out as normal business of each of the partners, and facilitates coordination with agencies in central government and the private sector.

The Multilateral Agreement requires the WRS Committee to commission a full and independent review of the effectiveness of the WRS by 30 June 2011 and make a recommendation to Greater Wellington about whether or not Greater Wellington should continue the regional economic development activity beyond 2012. No funding is shown in this 10-Year Plan beyond June 2012 in accordance with the Multilateral Agreement.

4 FURTHER INFORMATION

Multilateral Agreement 2007

Wellington Regional Strategy, June 2007

Grow Wellington: Statement of Intent (annual)

5 ASSUMPTIONS AND RISKS

- Central government will continue to support economic development in the Wellington region and be a source of funding
- The private sector will continue to support Grow Wellington and provide funding
- Local authorities will continue to work together to plan and promote sustainable economic development and provide resources to lead and contribute to projects
- Local authorities will continue to work together on resilience issues, such as climate change and the sustainable use of water
- The Wellington Regional Strategy (including Grow Wellington) will continue for the 10-year period

6 THE ISSUES WE ARE FACING

GLOBAL ECONOMIC CONDITIONS

The 2008 global credit crisis and recessionary conditions have resulted in significant uncertainty and

are likely to present threats to regional economies for some time to come. Growing the region's exports can be expected to be more challenging than it would otherwise have been.

WELLINGTON REGIONAL STRATEGY (WRS)

The WRS Committee has requested that the 2009/10 funding for the WRS (including Grow Wellington) be set at \$4.5 million (plus GST). This represents an increase of \$500,000 in funding from Greater Wellington over the 2008/09 financial year. In making the request for increased funding, the committee was mindful of the current economic conditions, and the benefits of investing in the activity to stimulate economic growth in the short term and to assist the region to recover from the current recession.

CLIMATE CHANGE

While there is wide-spread acceptance of climate change and increasing acceptance of its anthropogenic nature, there is uneven acceptance of the need to change current patterns of resource use and greenhouse gas emissions, and no wide-spread consensus about how New Zealand should respond, at a government, household and business level. Such diversity presents a challenge for Greater Wellington's development of a response.

FUNDING FOR KEY WRS PROJECTS

Several of the key projects currently identified within the WRS are dependent on funding from central government agencies if they are to go ahead in optimal timeframes. Broadband is one of the key priorities under the WRS. To achieve our goals (which align with the Government's goals for the country), significant central government funding support is required.

MAINTAINING STRONG INTER-AGENCY RELATIONSHIPS

One of the key strengths of the WRS is the collaboration and strong relationships that have been developed through the development of the strategy and its implementation. These relationships include not just local government but also central government agencies, key stakeholders (eg, Regional Chamber of Commerce and Employers and Manufacturers Association) and others.

Ensuring the collaborative environment is maintained will require continued effort and leadership from Greater Wellington and the WRS office.

UNPLANNED PROJECTS

The WRS Committee may from time to time respond to opportunities that arise, eg, from a new central government initiative or new source of funding. This can pose a risk to timeframes for established projects.

FUNDING FOR GROW WELLINGTON

Funding for the regional economic development agency ceases after 30 June 2012. A decision to continue the activity will follow a review to be undertaken before 30 June 2011. Economic development is likely to be considered a priority by many in the region's community, but the willingness or ability to pay may not be aligned with that desire.

RENEWABLE ENERGY

Wind energy developments tend to encounter strong feelings in the community. Although people want power and generally agree that renewable energy is a good way to go, they generally do not want wind turbines in their local environments. Greater Wellington has encountered some strong resistance to wind developments on its own land.

7 WHO WE WILL WORK WITH

Central government agencies:

Department of Internal Affairs, Department of Labour, Ministry of Social Development, Ministry of Economic Development, New Zealand Trade and Enterprise, Ministry of Transport, Statistics New Zealand, Ministry for the Environment

District Health Boards

Chamber of Commerce

City and district councils

Community groups

Employers and Manufacturers Association (Central)

Grow Wellington

International Council for Local Environmental Initiatives (ICLEI)

Iwi

Science research organisations

Private developers of wind energy

8 WHAT WE ARE GOING TO DO

ACTIVITY 1

Regional Resilience Planning

For a description of this activity see 3.1.

OUR SERVICES

- Plan and coordinate the region's response to climate change through a collaborate approach with city and district councils
- Respond to resilience issues facing the region as they arise, and in conjunction with city and district councils
- Take opportunities to generate wind energy on appropriate sites on Greater Wellington-owned land

HOW WE MEASURE OUR PERFORMANCE

- Regional response strategies in place
- Progress with the implementation of agreed plans
- Wind energy developments on Greater Wellington-owned land

WHERE WE ARE NOW

Greater Wellington is currently working with other councils in the region on developing a regional response to climate change. It has also developed a corporate action plan to mitigate its own greenhouse gas emissions. In conjunction with the city and district councils in the region it has prepared a Regional Water Strategy for the sustainable use of water.

Greater Wellington has investigated the opportunities for wind farms on Greater Wellington-owned land and, through a private developer, is progressing projects at two sites – Puketiro in the Akatarawa Forest and Stoney Creek in the Wairarapa. Wind potential at Stoney Creek is currently being monitored to assess the viability of the site.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010	
TARGET	BUDGET
A regional strategy to respond to climate change will be agreed by all local authorities in the region	
An application for resource consent to develop a wind farm at Puketiro will be lodged with appropriate authorities	
2010/11 – BY 30 JUNE 2011	
Progress with resilience planning, such as for climate change and water, will be reported to the satisfaction of the Council	
2011/12 – BY 30 JUNE 2012	
Progress with resilience planning, such as for climate change and water, will be reported to the satisfaction of the Council	
Construction of the wind farm development at Puketiro will be underway, subject to obtaining resource consent	
2012-19	
<ul style="list-style-type: none"> Strategies / plans for responding to regional sustainability and resilience issues will be developed and implemented as required The Stoney Creek wind farm will be pursued if the project proves viable 	

ACTIVITY 2

Wellington Regional Strategy

For a description of this activity see 3.2.

OUR SERVICES

- Facilitate and support a Wellington Regional Strategy (WRS) Committee that oversees and monitors the implementation of the WRS
- Manage and lead key projects within the WRS
- Fund a regional economic development agency (Grow Wellington) that operates under a statement of intent (SOI)

HOW WE MEASURE OUR PERFORMANCE

- Progress with implementation of the WRS
- Satisfaction of WRS Committee with annual reports of Grow Wellington

WHERE WE ARE NOW

Greater Wellington has supported the development of the WRS and the establishment of a regional economic development agency, and has facilitated and coordinated the implementation of projects identified in the WRS.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010	
TARGET	BUDGET
The WRS Committee will approve the annual report of the WRS office on progress with implementation of the WRS	\$375,000
A summit for the major stakeholders of the WRS will be held by 30 November 2010 to reflect on achievements and look to the future	\$25,000
The WRS committee will receive Grow Wellington’s annual report and agree that it reflects Grow Wellington’s SOI and contributes to the WRS – by 30 April 2010	\$4,250,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
The WRS Committee will approve the annual report of the WRS office on progress with implementation of the WRS	\$400,000
A full and independent review of WRS will be completed and reported to the WRS Committee	\$100,000
A summit for the major stakeholders of the WRS will be held by 30 November 2010	\$25,000
The WRS committee will receive Grow Wellington's annual report and agree that it reflects Grow Wellington's SOI and contributes to the WRS – by 30 April 2011	\$4,750,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
The WRS Committee will approve the annual report of the WRS office on progress with implementation of the WRS	\$400,000
A summit for the major stakeholders of the WRS will be held by 30 November 2011	\$25,000
The WRS committee will receive Grow Wellington's annual report and agree that it reflects Grow Wellington's SOI and contributes to the WRS – by 30 April 2012	\$4,750,000

2012-19

Subject to the outcome of the planned review of the WRS:

- The WRS will continue to develop and implement projects which advance the economy of the region
- Grow Wellington will continue to develop SOIs annually, and prepare annual reports on the achievement of the SOI's plans and targets

9 KEY PROJECTS FOR 2009/10

- Develop a draft Regional Water Strategy for consultation
- Complete the Regional Climate Change Action Plan
- Lead the WRS Genuine Progress Index (GPI) project. The GPI will measure progress towards the WRS outcomes and the general well-being of the region
- Facilitate the WRS Broadband project that will deliver a high-speed capacity fibre-optic-based network throughout the region

10 ASSETS

The Regional Sustainable Development group of activities does not have any assets.

11 NEGATIVE EFFECTS ON WELL-BEINGS

There will be no negative effects on well-beings from this group of activities.

12 FINANCIAL INFORMATION

REGIONAL SUSTAINABLE DEVELOPMENT PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s		2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
FUNDING STATEMENT				OPERATING REVENUE			
General rate	242	232	347	Regional resilience planning	142	122	122
Targeted rate	4,500	5,000	5,000	Wellington regional strategy	150	162	278
Government subsidies	-	-	-	Regional economic development agency	4,500	5,000	5,000
Interest and dividends	-	-	-	Total operating revenue	4,792	5,284	5,400
Other operating revenue	50	52	53	OPERATING EXPENDITURE			
Operating revenue	4,792	5,284	5,400	Regional resilience planning	142	122	122
Direct operating expenditure	4,792	5,284	5,400	Wellington Regional Strategy	400	412	528
Finance costs	-	-	-	Regional economic development agency	4,250	4,750	4,750
Depreciation	-	-	-	Total operating expenditure	4,792	5,284	5,400
Operating expenditure	4,792	5,284	5,400	CAPITAL EXPENDITURE			
Operating surplus/(deficit)	-	-	-	Land and buildings	-	-	-
Less / (add):				Plant and equipment	-	-	-
Capital expenditure	-	-	-	Vehicles	-	-	-
Proceeds from asset sales	-	-	-	Total capital expenditure	-	-	-
Loan funding	-	-	-				
Rates-funded capital expenditure	-	-	-				
Debt repayment	-	-	-				
Investment additions	-	-	-				
Operational reserve movements	-	-	-				
Working capital movements	-	-	-				
Non-cash items	-	-	-				
Net funding required	-	-	-				

¹ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35

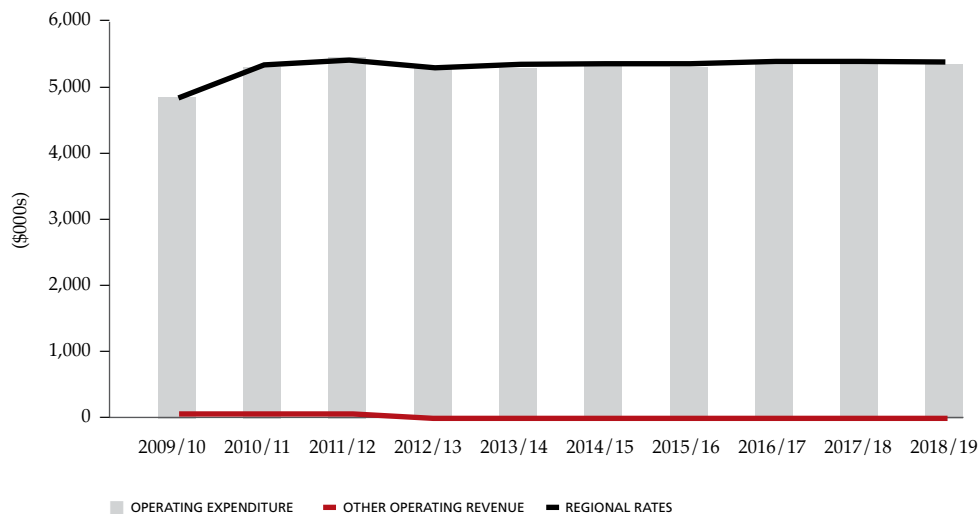
Please note that all figures on this page exclude GST.

REGIONAL SUSTAINABLE DEVELOPMENT

TEN-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure	4,792	5,284	5,400	5,251	5,259	5,267	5,276	5,286	5,296	5,306
Regional rates	4,742	5,232	5,347	5,251	5,259	5,267	5,276	5,286	5,296	5,306
Other operating revenue	50	52	53	-	-	-	-	-	-	-

The EDA rate and activity will only continue past 30 June 2012 if the WRS Committee recommends that the activity continues and Greater Wellington undertakes the necessary consultation process set out in Section 16 of the Local Government Act 2002.

COMMUNITY

1 COMMUNITY OUTCOMES

The Community group of activities primarily contributes to the following community outcome

STRONG AND TOLERANT COMMUNITY

People are important. All members of our community are empowered to participate in decision making and to contribute to society. We celebrate diversity and welcome newcomers, while recognising the special role of tangata whenua

by providing opportunities for all people who live in the region to participate in the Council's decision making.

The group of activities also contributes to the following outcome:

Quality Lifestyle by supporting a key recreational facility of the region.

2 WHAT WE WANT TO ACHIEVE

The table opposite sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are also included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Democratic services

The Local Government Act 2002, the Local Government Official Information and Meetings Act 1987 and the Local Electoral Act 2001 provide frameworks for the democratic processes of councils. They prescribe:

- Processes by which councils carry out their business
- Ways in which councils must facilitate public participation in decision making and keep the community informed
- Election of Regional Councillors

The Greater Wellington Regional Council generally conducts six-weekly meetings of the full Council and its committees and convenes other meetings as appropriate. It prepares the Long-Term Council Community Plan (LTCCP) and Annual Plans and reports annually on their performance.

The Council has established three advisory groups – the Wairarapa Hill Country Advisory Committee, the Disability Reference Group and Ara Tahi (see 3.2 below) – from which it takes advice on relevant policy and operational matters.

Regional Councillors are elected every three years, with the next election being in October 2010.

3.2 Relationship with Maori

Greater Wellington maintains a positive relationship with tangata whenua. It has Maori representatives on all Council committees, and works with iwi collectively through the Council's inter-iwi representative group, Ara Tahi, on policy and community issues. The relationship with iwi is governed by a formal agreement between the Council and iwi (the Charter of Understanding).

These arrangements are in accordance with the Local Government Act 2002, which requires all councils to establish and maintain processes to provide opportunities for Maori to contribute to their decision-making processes.

3.3 Westpac Stadium

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

Greater Wellington provided a \$25 million loan to the Westpac Regional Stadium Trust to plan and build the stadium. It is the trust's principal funder. Greater Wellington services and repays this loan through a targeted stadium rate.

Greater Wellington appoints one of its Councillors to the Westpac Stadium Trust and jointly with the Wellington City Council appoints other trustees. It also monitors the trust's performance against its statement of intent.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Ensure that residents believe they have an understanding of how their Council makes decisions	Understanding of and confidence in Council decision making STRONG AND TOLERANT COMMUNITY		50% of the region's residents believe they understand how their Council makes decisions	In 2008, 40% of the region's residents believed they understood how their Council makes decisions. 51% said they had confidence in that their Council makes decisions in the best interest of their city or district. (Note: "council" is a general term. It does not refer only to Greater Wellington)
Ensure that residents believe they have some influence on Council decision making	Perception of public influence on Council decision making STRONG AND TOLERANT COMMUNITY		More than 75% of the region's residents believe they have some influence on Councils' decisions	In 2008, 67% of the region's residents believed that the public has some or a large amount of influence on Councils' decisions. (Note: council is a general term. It does not refer only to Greater Wellington)
Increase the percentage of electors who exercise their right to vote for representation on the Greater Wellington Regional Council	Elector participation in elections for the Greater Wellington Regional Council STRONG AND TOLERANT COMMUNITY		At least 45 % of eligible electors participate in elections for the Greater Wellington Regional Council	In 2004 and 2007, 43% of eligible electors participated in elections for the Council
Maintain an effective relationship with Maori	Formal relationships between tangata whenua and local authorities in the region STRONG AND TOLERANT COMMUNITY		There is a formal agreement in place, which is regularly reviewed, to guide the relationship between Greater Wellington and iwi in the region.	The Charter of Understanding between Greater Wellington and the region's iwi was first signed in 1993 and reviewed in 2000. A further review has started.
Provide a regional facility to enhance quality of life in the region		Performance of the Westpac Stadium Trust	The financial and operational performance of the Westpac Stadium Trust will be in accordance with its statement of intent	The trust reports quarterly to Greater Wellington

4 FURTHER INFORMATION

Further detailed information relating to this group of activities can be found in the following:

Legislation

Local Government Act 2002

Local Electoral Act 2001

Local Government Official Information and Meetings Act 1987

Local Authorities (Members' Interests) Act 1968

Ombudsmen Act 1975

Privacy Act 1993

Protected Disclosures Act 2000

Wellington Regional Council (Stadium Empowering) Act 1996

Greater Wellington policies

Greater Wellington Regional Council: Local Governance Statement

Greater Wellington Regional Council: Standing Orders

Greater Wellington Regional Council: Code of Conduct for Elected Members

Charter of Understanding between Te Tangata Whenua o Te Upoko o te Ika a Maui and Greater Wellington Regional Council 1993, 2000

5 ASSUMPTIONS AND RISKS

- The Council will continue to function in substantially the same way as at present, with a Council of 13 members, and a set committee structure and meeting cycle
- The Remuneration Authority will not significantly increase councillor remuneration by more than 5% per financial year
- Greater Wellington will retain its relationship with the region's seven iwi authorities
- The Council will complete a representation review in 2012 in preparation for the 2013 elections rather than for the 2010 elections. It will undertake a further review in 2018 for the 2019 elections.

6. THE ISSUES WE ARE FACING

Statutory planning and reporting

The Long-Term Council Community Plan (LTCCP), Annual Plan and Annual Report are statutory requirements under the Local Government Act 2002. The information to be included in these documents is specified in the Act. The LTCCP and annual report are audited. It is difficult to meet the statutory and audit requirements and create user-friendly documents for the community to gain an understanding of, and contribute to, Council's decision making.

RELATIONSHIP WITH IWI

Greater Wellington has a longstanding and robust relationship with the region's iwi. That relationship has changed over the years and we are constantly looking at ways we can make it better.

COMMUNITY ENGAGEMENT

Greater Wellington is continuing to explore mechanisms to enhance the ability of the public to engage in Council business. It wants to provide a range of cost-effective mechanisms so that we can reach as many people as possible.

ELECTIONS

Greater Wellington would like to increase elector participation in its elections. However, experience shows that its ability to influence this is limited as many factors drive people to vote, eg, high-profile candidates and controversial issues.

7 WHO WE WILL WORK WITH

City and district councils, including community boards

Department of Internal Affairs

Disability groups

Iwi, individually, and collectively through Ara Tahī

Local Government Commission

Local Government New Zealand

Office of the Controller and Auditor-General

Remuneration Authority

Society of Local Government Managers

Westpac Regional Stadium Trust (Inc)

8. WHAT WE ARE GOING TO DO

ACTIVITY 1

Democratic Services

For a description of this activity see 3.1.

OUR SERVICES

Maintain effective, open and transparent democratic processes through the appropriate conduct of Council meetings, statutory accountability processes and local authority elections.

HOW WE MEASURE OUR PERFORMANCE

- Conduct of meetings in accordance with all statutory requirements
- Successful completion of statutory public accountability processes (eg, LTCCP, annual plans and annual reports)
- Successful completion of triennial local authority elections.

WHERE WE ARE NOW

Greater Wellington has not committed any significant breaches of statutory requirements with its conduct of meetings. All statutory planning and reporting documents have received unqualified audits. Elections have been carried out effectively, without any requirement for an election to be re-run.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
All meetings will be conducted in accordance with statutory requirements and Council policies	\$1,533,000
Statutory public accountability processes will be completed in accordance with requirements	\$548,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
Elections will be conducted by 30 November 2010 without any need for re-conduct	\$293,000
All meetings will be conducted in accordance with statutory requirements and Council policies	\$1,534,000
Statutory public accountability processes will be completed in accordance with requirements	\$570,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
All meetings will be conducted in accordance with statutory requirements and Council policies	\$1,532,000
Statutory public accountability processes will be completed in accordance with requirements	\$550,000

2012 – 2019

- Continue to meet all statutory requirements with respect to Council meetings and statutory accountability documents throughout the period
- Conduct representation reviews in 2012 and 2018
- Hold Council elections in 2013, 2016 and 2019

ACTIVITY 2

Relationship with Maori

For a description of this activity see 3.2.

OUR SERVICES

Provide opportunities for tangata whenua to be involved in Greater Wellington's decision-making and work through Ara Tahi, iwi contracts and Maori representation on Council committees.

HOW WE MEASURE OUR PERFORMANCE

- Representation on Council committees
- Implementation of the findings of the review of Charter of Understanding.

WHERE WE ARE NOW

A robust and long-term relationship with iwi already exists. There is a signed Charter of Understanding between iwi and the Council. Ara Tahi has met regularly and Maori representation on Council committees was introduced in 2008.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010	
TARGET	BUDGET
The review of the Charter of Understanding between iwi and the Council will be completed	\$10,000
Ara Tahi will	\$70,000
<ul style="list-style-type: none"> • Meet formally at least six times • Hold at least six technical workshops 	
There will be Maori representation on all Council committees	\$182,000
Contracts between iwi and Greater Wellington will be in place for agreed projects	\$80,000

2010/11 – BY 30 JUNE 2011	
TARGET	BUDGET
Ara Tahi will	\$70,000
<ul style="list-style-type: none"> • Meet formally at least six times • Hold at least six technical workshops 	
There will be Maori representation on all Council committees	\$182,000
Contracts between iwi and Greater Wellington will be in place for agreed projects	\$80,000

2011/12 – BY 30 JUNE 2011	
TARGET	BUDGET
Ara Tahi will	\$70,000
<ul style="list-style-type: none"> • Meet formally at least six times • Hold at least six technical workshops 	
There will be Maori representation on all Council committees	\$182,000
Contracts between iwi and Greater Wellington will be in place for agreed projects	\$80,000

2012 – 2019	
<ul style="list-style-type: none"> • Continue to deliver services specified in "level of service" and to develop the relationship with iwi in accordance with emerging needs and issues and the reviewed Charter of Understanding 	

ACTIVITY 3

Westpac Stadium

For a description of this activity see 3.3.

OUR SERVICES

- Continue to support the Westpac Stadium Trust as founding funder
- Appoint trustees (with the Wellington City Council) of the Stadium Trust
- Monitor the trust’s financial and operational performance

HOW WE MEASURE OUR PERFORMANCE

- Financial and operational performance of the Westpac Stadium Trust

WHERE WE ARE NOW

The Greater Wellington Council has, with the Wellington City Council, appropriately carried out its roles with respect to the Westpac Regional Stadium Trust, whose operations continue to provide a multi-purpose sporting and cultural venue for the region that has social and economic benefits.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
The financial and operational performance of the Westpac Stadium Trust will be in accordance with its statement of intent	\$2,676,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
The financial and operational performance of the Westpac Stadium Trust will be in accordance with its statement of intent	\$2,676,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
The financial and operational performance of the Westpac Stadium Trust will be in accordance with its statement of intent	\$2,676,000

2012 – 2019

- Appoint councillor trustee and other trustees (with the Wellington City Council) as required
- Continue to monitor financial and operational performance of the trust

9 KEY PROJECTS FOR 2009/10

- Continue schedule of the Council and Council committee meetings
- Complete the 2010/11 Annual Plan and the 2009 Annual Report
- Prepare for the 2010 triennial elections
- Review the Council’s standing orders (meeting procedures), with the aim of making them easier to understand and apply
- Continue to support the Disability Reference Group and Ara Tahī
- Complete the review of the Charter of Understanding between iwi and the Council

10 ASSETS

Advance of \$25 million to the Westpac Stadium Trust.

12 NEGATIVE EFFECTS ON WELL-BEINGS

This group of activities does not have any negative effects on well-beings.

13 FINANCIAL INFORMATION

COMMUNITY PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
FUNDING STATEMENT			
General rate	2,678	2,937	2,903
Targeted rates	2,676	2,673	2,673
Government subsidies	-	-	-
Interest and dividends	10	8	5
Other operating revenue	1,651	1,690	1,775
Operating revenue	7,015	7,308	7,356
Direct operating expenditure	3,972	4,448	4,274
Finance costs	1,357	1,246	1,131
Depreciation	35	36	34
Operating expenditure	5,364	5,730	5,439
Operating surplus/(deficit)	1,651	1,578	1,917
Less/(add):			
Capital expenditure	15	108	5
Proceeds from asset sales	-	(17)	-
Loan funding	-	-	-
Rates-funded capital expenditure	15	91	5
Debt repayment	1,265	1,376	1,492
Investment additions	-	-	-
Operational reserve movements	90	(195)	85
Working capital movements	-	-	-
Non-cash items ¹	281	306	335
Net funding required	-	-	-

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
OPERATING REVENUE			
Run a democratic process	3,439	3,716	3,748
Relationships with iwi	584	600	616
Repayment of Westpac	-	-	-
Stadium advance	2,992	2,992	2,992
Total operating revenue	7,015	7,308	7,356
OPERATING EXPENDITURE			
Run a democratic process	3,369	3,719	3,412
Relationships with iwi	584	600	616
Repayment of Westpac	-	-	-
Stadium advance	1,411	1,411	1,411
Total operating expenditure	5,364	5,730	5,439
CAPITAL EXPENDITURE			
Land and buildings	-	-	-
Plant and equipment	15	58	5
Vehicles	-	50	-
Total capital expenditure	15	108	5

¹ Non-cash items include depreciation and a projected unrealised gain in the advance to the Wellington Regional Stadium Trust. The nominal amount of this advance is \$25 million, and as repayment of the advance gets nearer, a higher projected value is recorded. The projected increase in value is recorded as an unrealised revaluation gain each year

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35

Please note that all figures on this page exclude GST.

COMMUNITY

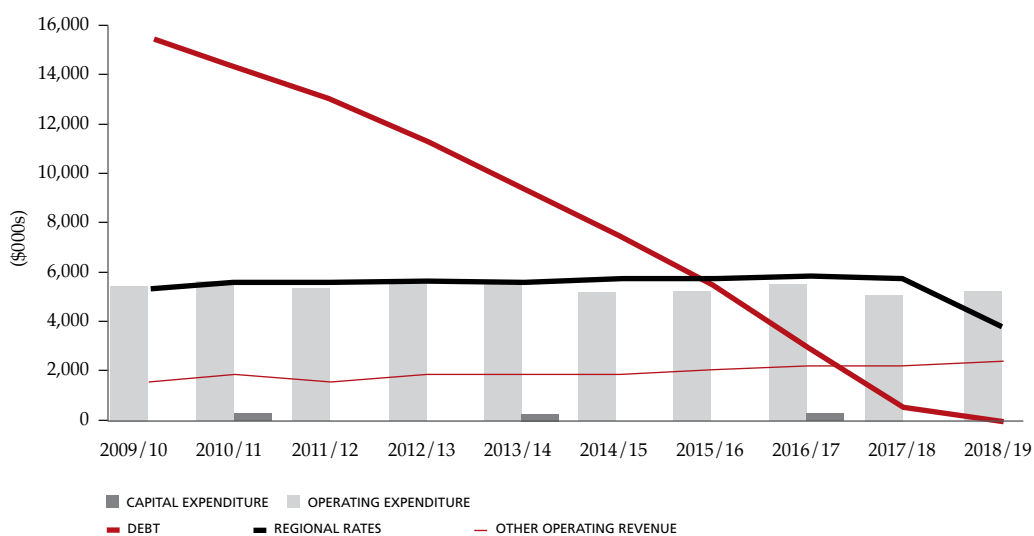
10-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Key points to note are:

- There are increases in operating expenditure every three years due to election costs
- The fall in debt from \$15.4 million to nil is due to the repayment of the monies borrowed to fund the Stadium advance. There is a targeted rate on this borrowing, which is constant throughout the period until the loan is repaid in 2018/19

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure	5,364	5,730	5,439	5,385	5,649	5,290	5,193	5,627	5,105	5,116
Capital expenditure	15	108	5	5	59	6	6	63	6	6
Debt	15,472	14,097	12,606	10,973	9,200	7,270	5,172	2,888	400	
Regional rates	5,354	5,610	5,576	5,621	5,743	5,783	5,800	6,120	6,007	3,888
Other operating revenue	1,661	1,698	1,780	1,849	1,914	1,957	2,063	2,151	2,235	2,337

INVESTMENTS

part 6

INVESTMENTS

OVERVIEW

Greater Wellington has a significant portfolio of investments comprising:

- Liquid financial deposits
- Administrative properties (eg, depots)
- Forestry and business units
- Equity investments in the WRC Holdings Group (including CentrePort)
- Rail rolling stock and related transport infrastructure

Greater Wellington's philosophy in managing investments is to optimise returns in the long-term while balancing risk and return considerations. It recognises that as a responsible public authority any investments that it holds should be held for the long-term benefit of the community, with any risk being appropriately managed. It also recognises that lower risk generally means lower returns.

From a risk management point of view, Greater Wellington is well aware that its investment returns to the rate line are exposed to the success or otherwise of its two main investments – the WRC Holdings Group (including CentrePort) and its liquid financial deposits. At an appropriate time in the future Greater Wellington believes that it could continue to reduce its risk exposure by reducing its investment holdings and using the proceeds to repay debt. The timing of these divestments will be in accordance with Greater Wellington's objective to optimise the overall return to ratepayers.

It is important to appreciate that Greater Wellington's investments contribute approximately 12% to the total level of regional rates. In other words, regional rates would need to be 12% higher were it not for the contribution from Greater Wellington's investments.

LIQUID FINANCIAL DEPOSITS

Greater Wellington holds \$33 million in liquid financial deposits as a result of selling its interest in CentrePort to one of its wholly owned subsidiaries, Port Investments.

Greater Wellington regularly reviews the rationale for holding these liquid financial deposits, taking into account:

- General provisions of our treasury management policy, including Greater Wellington's attitude to risk and creditworthy counterparties.
- Specific provisions of Greater Wellington's treasury management policy to hold sufficient deposits or have committed funds available as part of its self-insurance of infrastructural assets
- The rate of return from alternative uses of these funds
- The requirement to hedge the \$44 million debt within the WRC Holdings Group

TREASURY MANAGEMENT

Greater Wellington's treasury management is carried out centrally to maximise its ability to negotiate with financial institutions.

Greater Wellington then on-lends these funds to activities that require debt finance. This allows the true cost of debt funding to be reflected in the appropriate areas. The surplus is then used to offset regional rates.

ADMINISTRATIVE PROPERTIES

Our interests in the Upper Hutt and Mabey Road depots, and the Masterton office building are grouped to form an investment category, Administrative Properties. It is intended that the new Masterton office building will be constructed for around \$6 million and owned by Pringle House Ltd. Pringle House is a wholly owned Council Controlled Trading Organisation (CCTO) which currently owns the Regional Council Centre at 142 Wakefield Street, Wellington.

FORESTRY AND BUSINESS UNITS

Greater Wellington and its predecessor organisations have been involved in forestry for many years, primarily for soil conservation and water quality purposes.

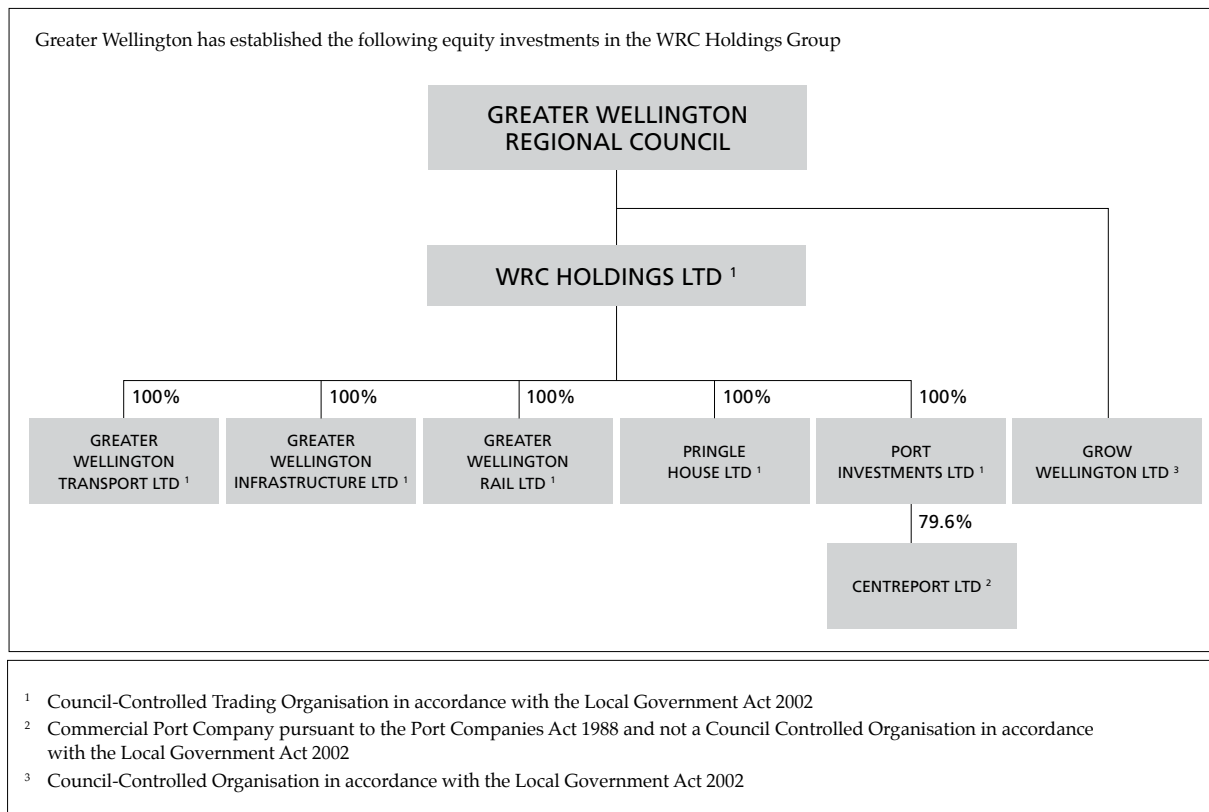
Greater Wellington currently holds 6,000 hectares of plantation and soil conservation reserve forests of which approximately 4,000 hectares are in the western or metropolitan part of the region, with the remaining 2,000 hectares in the Wairarapa.

It is assumed that legislation will remain in place to receive revenues of 60 emission trading units per hectare at a value of \$25 per unit for the pre-1990 plantings. This provides revenue of \$2.5 million in 2009/10, \$2.9 million in 2013/14, \$380,000 in 2015/16 and \$1.8 million in 2018/19.

The overall investment policy of Greater Wellington with regard to forestry is to maximise long-term returns while meeting soil conservation, water quality and recreational needs. This policy assumes that harvesting will be on a sustainable yield basis and will be maintained without any demand on regional rates. In fact, both the plantation and reserve forest business units are required to budget for an internal dividend irrespective of the projected operating result for the year. The level of internal dividend contribution to the rate line from forestry is currently \$225,000 per year and will continue to be reviewed annually.

Our other business units, Akura Conservation Centre (land and river management materials) and the Wairarapa Workshop (vehicle equipment and repairs), are also required to return to us an internal dividend in the same way as plantation forestry and reserve forests. The internal dividend rate is based on the net assets employed by each of these businesses. The level of internal dividend will continue to be reviewed annually.

WRC HOLDINGS GROUP



WRC Holdings Ltd and Port Investments Ltd are in essence investment holding companies. The main operating companies in the Group are CentrePort Ltd and Pringle House Ltd. Each year WRC Holdings Ltd provides to Greater Wellington, as 100% shareholder, a Statement of Intent for the WRC Holdings Group.

The WRC Holdings Group structure was set up for the following reasons that are still applicable:

- Appropriate separation of management and governance
- Imposing commercial discipline on the Group's activities to produce an appropriate return by ensuring appropriate debt/equity funding and requiring a commercial rate of return
- Separation of Greater Wellington's investment and commercial assets from its public good assets

The WRC Holdings Group is Greater Wellington's prime investment vehicle and the main mechanism by which it will own and manage any additional equity investments should they be acquired in the future. Periodically, Greater Wellington reviews the structure to determine if it is still an appropriate vehicle for holding its investments.

In addition, Greater Wellington has minor equity interests in Civic Assurance and Airtel Ltd. These investments are owned directly by Greater Wellington rather than via the WRC Holdings Group.

Grow Wellington acts as an economic development agency. Further discussion on this is included in the Regional Sustainability Development Group of Activities under the activity Wellington Regional Strategy.

WRC Holdings – Statement of Intent

OBJECTIVES OF THE GROUP

The primary objectives and scope of the Group shall be to:

- Support Greater Wellington's strategic vision, and operate as a successful, sustainable and responsible business
- Own and operate Greater Wellington's headquarters at 142-146 Wakefield Street, Wellington (known as the Regional Council Centre) on a cost-effective basis
- Own Greater Wellington's interest in CentrePort, to maximise the commercial value of CentrePort to the shareholders and to protect the shareholders' investment, including land and property, while maintaining CentrePort's strategic value to the economy of the region
- Own Greater Wellington's current and future investments in rail rolling stock
- Effectively manage any other investments held by the Group to maximise the commercial value to the shareholders and to protect the shareholders' investment

The financial objectives of the Group shall be to:

- Where possible, provide a commercial return to shareholders
- Adopt policies that prudently manage risk and protect the investment of shareholders

The environmental objectives of the Group shall be to:

- Operate in an environmentally responsible and sustainable manner
- Minimise the impact of any of the Group's activities on the environment
- Raise awareness of environmental issues within the Group
- Encourage CentrePort and Pringle House to be more energy efficient and make greater use of renewable energy

The social objectives of the Group shall be to:

- Be a leading organisation and a superior employer
- Provide a safe and healthy workplace
- Participate in development, cultural and community activities within the regions in which the Group operates
- To help sustain the economy of the region

PERFORMANCE TARGETS

FINANCIAL	2009/10	2010/11
Net profit/(deficit) before tax	\$9.1 million	\$8.9 million
Net profit/(deficit) after tax ¹	\$4.8 million	\$5.5 million
Return on total assets ²	4.9%	4.1%
Return on shareholders' funds ³	1.9%	2.0%
Dividends ⁴	\$0.4 million	\$0.4 million

¹ Net profit after tax, but before deduction of minority interest

² Earnings before interest and tax as a percentage of average total assets

³ Net profit after tax (and after deduction of minority interest) as a percentage of average shareholder equity (excluding minority interest)

⁴ Dividends (interim and final) paid or payable to the shareholder

ENVIRONMENTAL

CentrePort

- CentrePort to comply with AS/NZS 14000: Environmental Management Standards
- CentrePort to comply with its Port Noise Management Plan
- CentrePort to maintain an environment issues register of environmental complaints for monitoring and actioning purposes. The register to be reported to CentrePort's Health, Safety and Environment Committee on a regular basis (meets at least three times per annum)
- CentrePort will hold a minimum of three environmental consultative committee meetings in 2009/10 comprising CentrePort and affected stakeholders (customers, port users, local authorities and residential groups). The meetings provide a forum to identify and inform on a range of environmental port-related matters
- Implement and maintain monitoring systems for fumigant discharges associated with the pest treatment of cargoes

Group

- The Group to comply with all conditions under resource consents and permits held, and full adherence to the requirements of environmental law generally
- Establish a sustainability programme with measurable performance criteria

SOCIAL**CentrePort**

- CentrePort to maintain tertiary level of compliance with the ACC Workplace Safety Management Practices Programme and comply with the AS/NZS 4801: Occupational Health and Safety Management Systems
- CentrePort to maintain compliance with the International Ship & Port Security (ISPS) Code which promotes security against terrorism within the port environment
- CentrePort to undertake risk assessments and implement any mitigating procedures relating to the Port & Harbour Safety Code which promotes safety and excellence in marine operations
- To undertake a level of sponsorship appropriate to CentrePort
- To meet regularly with representative community groups of CentrePort

GENERAL**CentrePort**

- CentrePort Board has partitioned the company into two business streams of port and property. Shareholders support this initiative to achieve an optimum company structure, while simultaneously developing the property asset base and maintaining focus on the port operations. CentrePort and shareholders will continue to work collaboratively on the implementation of an optimum company structure encompassing legal entities, asset segregation, and financing and dividend policy

Group

- CentrePort will, in consultation with the shareholders, continue to develop performance targets in the environmental and social areas in order to be able to maintain triple bottom line reporting in accordance with best practice
- When developing “property held for development”, the Board is to adhere to the following principles:
 - Properties may be developed without the building being fully pre-let so long as tenancy risk is managed prudently
 - Property developments must not compromise port operations
 - Developments are to be undertaken only if they are able to be funded without additional capital from shareholders
 - Management of tenancy risk means that each single property investment has committed rental income (via executed lease contracts) that is sufficient to meet forecast interest costs on (i) the cost of the site development related to the development and (ii) the cost of the construction of the development and the vacant net lettable area of the proposed development is no greater than 25%

DIRECTORS OF WRC HOLDINGS AND IT SUBSIDIARIES (EXCLUDING CENTREPORT)

Anne Blackburn
 Peter Blades
 Ian Buchanan
 John Burke
 Peter Glensor
 Fran Wilde (Chair)

CENTREPORT

Statement of Corporate Intent

OBJECTIVES OF THE COMPANY

The primary objectives of the Company shall be to:

- Operate as a successful, sustainable and responsible business
- Be customer focused and provide superior service
- Be the industry leader in transport logistics solutions

The financial objectives of the Company shall be to:

- Provide a commercial return to shareholders
- Adopt policies that prudently manage risk and protect the investment of shareholders

The environmental objectives of the Company shall be to:

- Operate in an environmentally responsible and sustainable manner
- Raise awareness of environmental issues within the Company

The social objectives of the Company are to be socially responsible and have a positive and sustainable impact on the social systems (employees, customers, suppliers, local community and wider society) by:

- Being a learning organisation and superior employer
- Providing a safe and healthy workplace
- Participating in and encouraging development, and cultural and community activities within the regions in which the Company operates
- Consulting with employees, stakeholders and community where appropriate

PERFORMANCE TARGETS

FINANCIAL	2009/10	2010/11
Net profit before tax	\$11.3m	\$12.7m
Net profit after tax	\$8.4m	\$9.4m
Return on total assets ¹	6.4%	6.8%
Return on shareholders' funds ²	4.2%	4.6%
Dividends	\$5.17m	\$5.17m
Dividend distribution ³	62%	55%

¹ Net profit before interest and tax as a percentage of average total assets

² Net profit after tax as a percentage of average shareholders' funds

³ Dividend as a percentage of net profit after tax

The target for return on shareholders' funds is to be in the top four of comparable New Zealand ports.

ENVIRONMENTAL

- Develop a formal environmental management system consistent with the standards specified in AS/NZ ISO 14001: 2004
- Formally review the company's compliance with all environmental legislation, district and regional plans, and conditions of resource consents held, at least annually
- Establish a sustainably programme with measurable performance criteria covering as a minimum the monitoring of waste and greenhouse gas emissions
- Undertake the monitoring of environmental discharges in accordance with implemented management plans in the areas of:
 - Port noise
 - Stormwater discharges to the Coastal Marine Area
 - Fumigants associated with the pest treatment of cargoes

- Maintain an environment issues register of environmental complaints and issues for monitoring and actioning purposes. The register to be reported to CentrePort's Health, Safety and Environmental Committee on a regular basis (meets at least three times per annum)
- CentrePort will hold a minimum of three environmental consultative committee meetings in 2008/09 comprising CentrePort and effected stakeholders (customers, port users, local authorities and residential groups). The meetings provide a forum to identify and inform on a range of environmental port-related matters

SOCIAL

- Provide opportunities for employee growth, development, improvement and recognition
- Maintain tertiary level of compliance with the ACC Workplace Safety Management Practices Programme, and comply with the AS/NZS 4801: Occupational Health and Safety Management Systems
- Annual review of Health and Safety Policy
- Maintain compliance with the International Ship & Port Security (ISPS) Code, which promotes security against terrorism within the port environment
- Undertake risk assessments and implement any mitigating procedures relating to the Port and Harbour Safety Code, which promotes safety and excellence in marine operations
- To undertake an appropriate level of sponsorship.
- To meet regularly with representative community groups

GENERAL

The Company will, in consultation with shareholders, continue to develop performance targets in the environmental and social areas in order to be able to maintain triple bottom line reporting in accordance with best practice.

When developing "property held for development" the Board is to adhere to the following principles:

- Properties may be developed without the building being fully pre-let so long as tenancy risk is managed prudently
- Property developments must not compromise port operations
- Developments are to be undertaken only if they are able to be funded without additional capital from shareholders

Definition of terms (above para refers):

Management of tenancy risk means that each single property investment has committed rental income (via executed lease contracts) that is sufficient to meet forecast interest costs on (i) the cost of the site development related to the development and (ii) the cost of the construction of the development and the vacant net lettable area of the proposed development is no greater than 25%.

The Board has resolved to partition the company into two business streams of port and property. Shareholders support this initiative to achieve an optimum company structure, while simultaneously developing the property asset base and maintaining focus on the port operations. The Company and shareholders will continue to work collaboratively on the implementation of an optimum company structure encompassing legal entities, asset segregation, financing from the possible sell-down of property assets (the financial forecasts in the SCI do not include any allowance for a sell-down of property interests) and dividend policy.

Note: The performance targets are those provided by the directors of CentrePort in the Statement of Corporate Intent (SCI) for the 2008/09 financial year.

Shareholders of CentrePort

- Port Investments Ltd – 76.9%
- Horizons Regional Council – 23.1%

DIRECTORS OF CENTREPORT

David Benham

Richard Janes

Jim Jefferies

Malcolm Johnson

Warren Larson (Chairperson)

Mark Peterson

FINANCIAL INFORMATION

INVESTMENTS

PROSPECTIVE INCOME STATEMENT

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
INCOME STATEMENT			
Operating revenue	15,683	13,550	13,988
Operating expenditure	356	(4,856)	6,900
Earnings before interest	15,327	18,406	7,088
Interest	(2,990)	(1,789)	(992)
Operating surplus/(deficit)	18,317	20,195	8,080
Less/(add):			
Contribution to general rates	7,705	7,543	6,109
Earnings retained	10,612	12,652	1,971

OPERATING SURPLUS OF INDIVIDUAL INVESTMENTS

Liquid financial deposits	2,478	2,268	2,310
WRC Holdings	10,701	15,286	4,645
Treasury management	3,077	2,083	1,521
Forestry	2,061	29	116
Business units and property	-	529	(512)
Operating surplus	18,317	20,195	8,080

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
NET CONTRIBUTION TO GENERAL RATES FROM INDIVIDUAL INVESTMENTS			
Liquid financial deposits	2,478	2,268	2,310
WRC Holdings	955	1,389	1,407
Treasury management	4,178	3,272	2,806
Forestry	225	225	225
Business units and property	(131)	389	(639)
Total contribution to general rates	7,705	7,543	6,109

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Policies Document*, p35

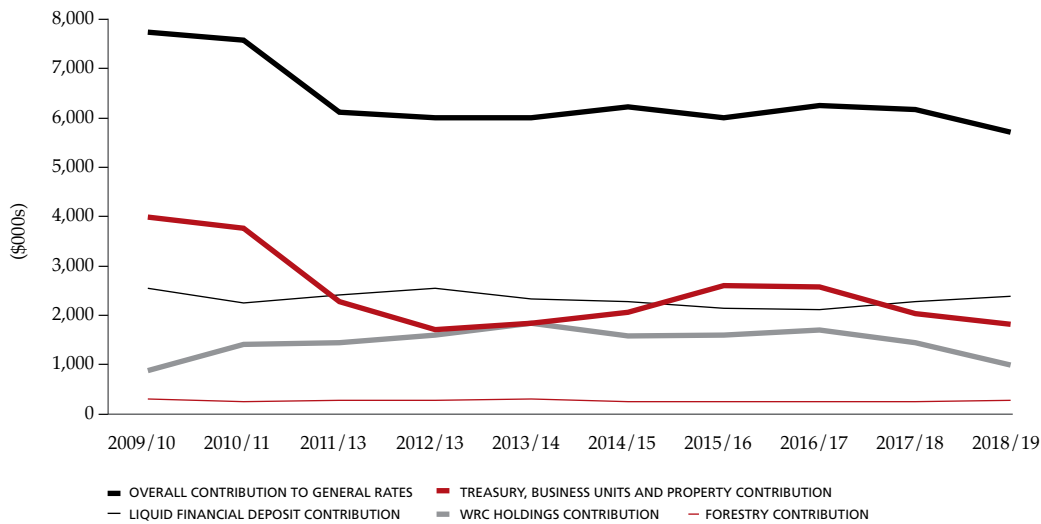
Please note that all figures on this page exclude GST.

INVESTMENTS

10-YEAR FINANCIAL FORECAST

This graph places the prospective income statement for the next year in the context of the 10-year planning horizon.

Please note that these figures exclude GST.



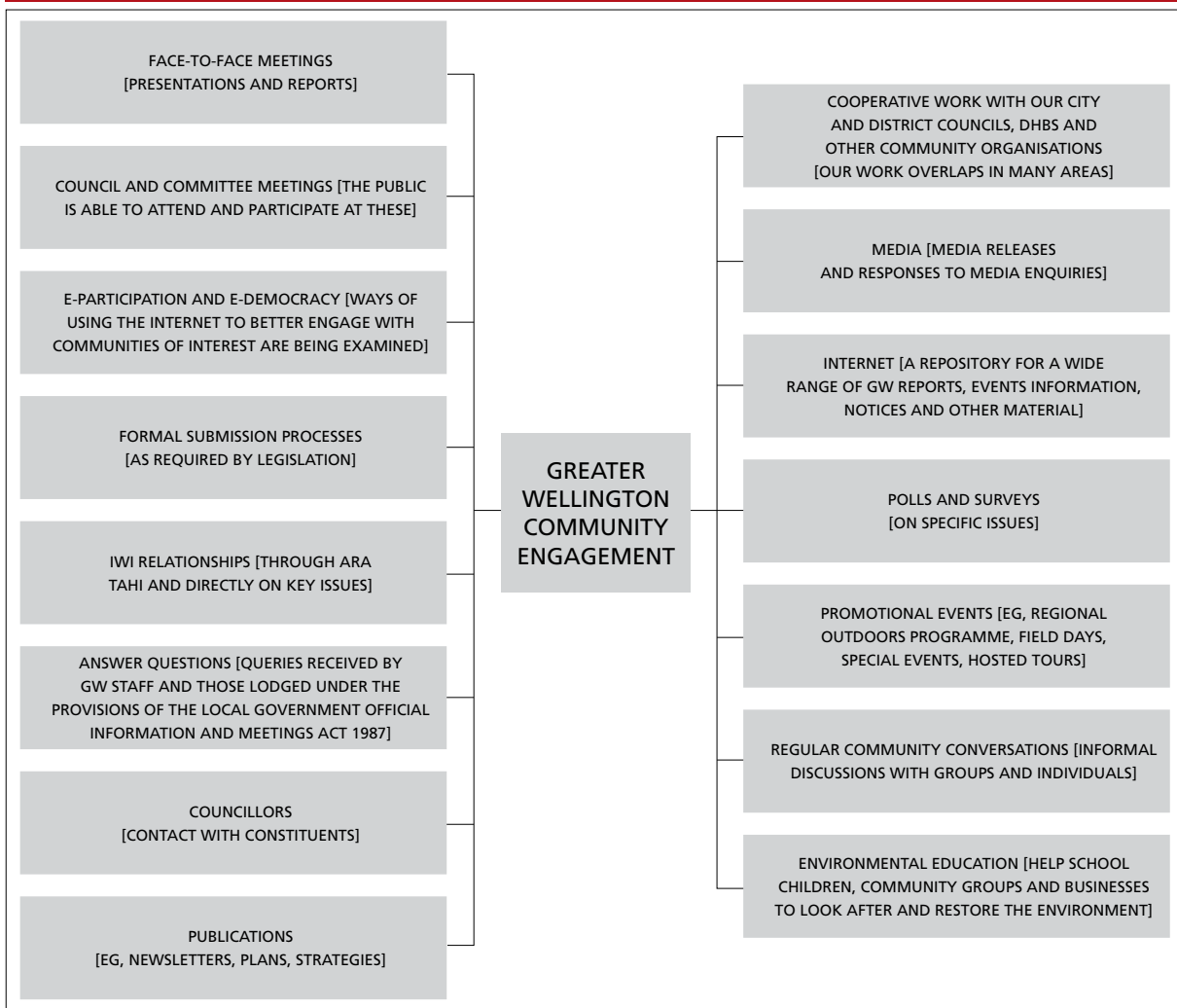
(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Overall contribution to general rates	7,705	7,543	6,109	6,018	6,192	5,970	6,186	6,138	5,711	5,455
Liquid financial deposit contribution	2,478	2,268	2,310	2,475	2,310	2,228	2,063	2,063	2,228	2,228
WRC Holdings contribution	955	1,389	1,407	1,722	1,824	1,534	1,423	1,386	1,356	1,341
Forestry contribution	225	225	225	225	225	225	225	225	225	225
Treasury, business units and property contribution	4,047	3,661	2,167	1,596	1,833	1,983	2,475	2,464	1,902	1,661

COMMUNITY ENGAGEMENT

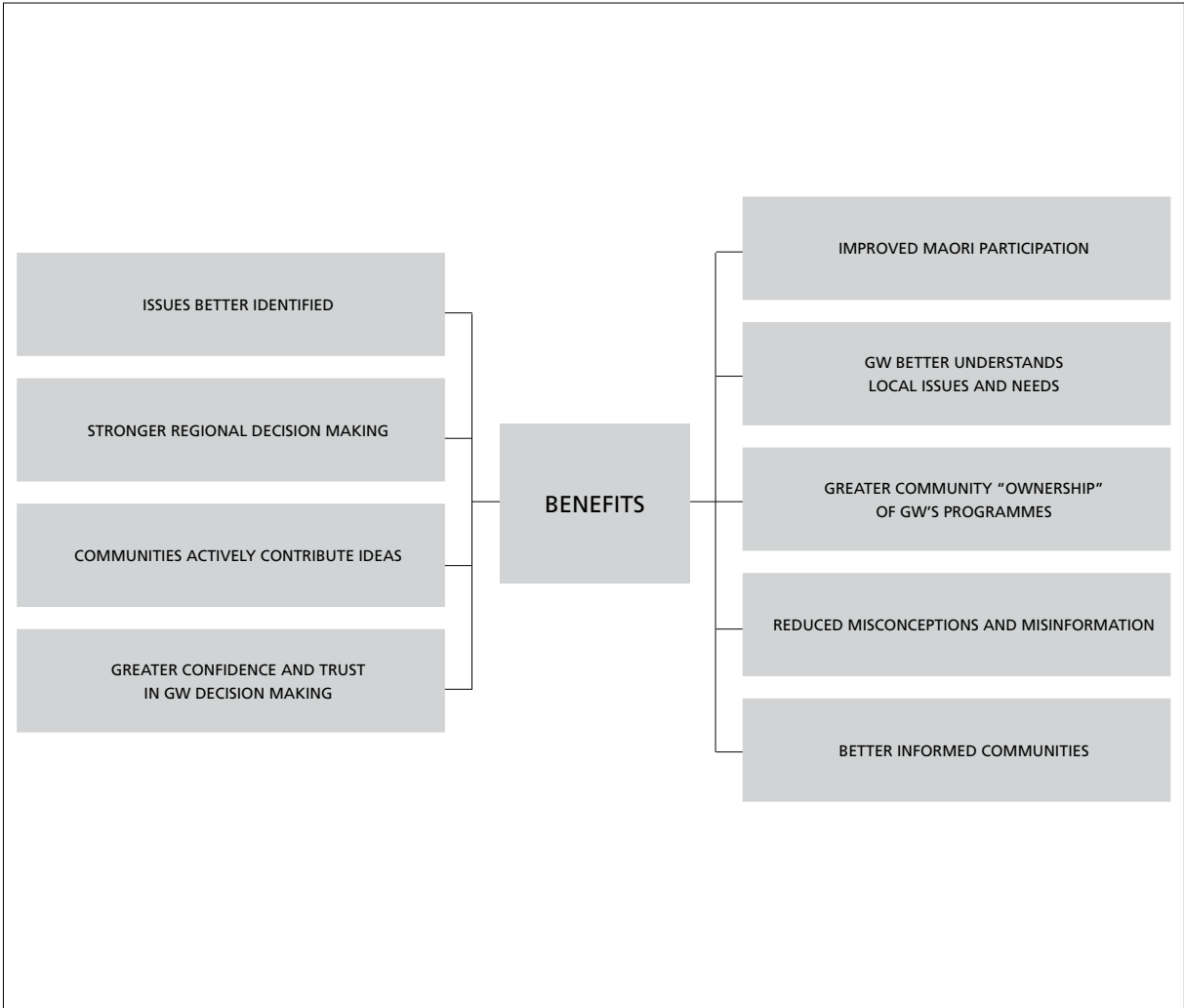
part 7

COMMUNITY ENGAGEMENT

How we will involve the community in our work



Why we want to engage the community more in our work



MĀORI CAPACITY

Māori participation

Māori participation contributes to decision making. Greater Wellington has a longstanding and well-developed relationship with Māori in the region. This relationship is based on a Charter of Understanding that was signed by Iwi and Greater Wellington in 1993 and reviewed in 2000. A further review commenced in 2008. This review is moving the Charter towards a partnership approach which will define Council-Iwi operational engagement in a shared work plan. The Charter of Understanding is based on the principles of partnership that derive from the Treaty of Waitangi, with an emphasis on engagement of Māori in Greater Wellington's decision-making processes. The Charter of Understanding gives priority to the relationship between Greater Wellington and individual Iwi, and recognises Iwi in their role as kaitiaki in the region. The Council employs two Kaitakawaenga/ Māori Liaison Officers to facilitate relationships with Iwi and support Ara Tahi, the Council's inter-iwi representative group.

Ara Tahi – one pathway

Ara Tahi, meaning one pathway, is a collective of the seven Iwi authorities of the Wellington region and includes two Regional Councillor representatives. Ara Tahi meets regularly as a forum for discussion, to provide policy advice to the Council and to provide input sought by officials on operational matters. An example of Ara Tahi's role is the significant input into the development of the Regional Policy Statement that provides the regulatory framework for resource management in the region. The Regional Policy Statement has for the first time integrated Māori content throughout the document and has an emphasis on the sustaining of mauri – a fundamental Māori environmental concept.

Ara Tahi also holds regular technical workshops to undertake new learning and to progress the Ara Tahi workplan set at the Hui a Ara Tahi annual planning workshop.

Iwi capacity contracts

Iwi capacity contracts support engagement. Greater Wellington supports individual Iwi engagement in resource management activities through capacity contracts that enable Iwi to respond to non-notified consent applications and other matters of common interest between Council and Iwi.

Māori representation on Council committees

Iwi interests in resource management have grown over time from an environmental focus to now include all aspects of Council business. Greater Wellington has responded by increasing representation of Māori in decision-making processes. Persons, nominated by Ara Tahi, have been appointed to the Council's committees to represent the interests of Māori in the Wellington region. The Council considered that the appointments were required to provide a Māori perspective supporting Council decision making. The appointees also participate in Ara Tahi technical workshops to support the sharing of knowledge between Iwi representatives and Ara Tahi members.

Supporting Iwi involvement in resource management decision-making

Greater Wellington provides funding for Māori, nominated by Ara Tahi, to undertake training under the Resource Management Act Making Good Decisions Programme. On successful completion of the training, each person may be appointed by any local authority to participate in decisions on resource consent, plan changes and designation hearings.

Iwi project funding

Iwi project funding supports tino rangatiratanga. Iwi drive their own resource management projects which align with the work of Greater Wellington. Examples of recent projects include the development of Geographic Information Systems (GIS) capability, coastal and marine mahinga kai surveys and stream restoration projects.

Genuine progress indicators of well-being for tangata whenua and Māori communities

Greater Wellington is working with Ara Tahi to ensure that specific indicators relevant to tangata whenua in the region, as well as indicators of more general relevance to Māori well-being, are incorporated into the Genuine Progress Index (GPI) which is being developed to measure the well-being of the regional population.

Working towards partnership

Greater Wellington has developed a workplan of activities that support the increased capability of Councillors and staff to work in partnership with Iwi to achieve regional resource management outcomes. Activities include:

- Establishment of a Māori resource base that aims to improve access to information through collation of data pertaining to Māori engagement in regional resource management
- Working towards the establishment and inclusion of cultural health indicators in Greater Wellington's environmental monitoring programme
- Implementation of a Te Reo and Tikanga Strategy that provides ongoing workshops, support and advice to Councillors and staff

FINANCIAL INFORMATION

part 8

SIGNIFICANT FORECASTING ASSUMPTIONS

These prospective financial statements were authorised for issue by the Greater Wellington Regional Council on 9 March 2009. Greater Wellington is responsible for these prospective financial statements, including the appropriateness of the assumptions and other disclosures.

Greater Wellington's planning processes are governed by the Local Government Act 2002 (the Act). The Act requires Greater Wellington to prepare a 10-year Long-Term Council Community Plan (10-Year Plan) every three years and an Annual Plan, which updates the 10-Year Plan by exception, in the intervening years. This is Greater Wellington's 10-Year Plan for the period 2009-19 and is prepared in accordance with the Act. Caution should be exercised in using these financial statements for any other purpose.

ASSUMPTIONS

The prospective financial information contained in this 10-Year Plan 2009-19 and Annual Plan is based on assumptions that Greater Wellington reasonably expected to occur as at 9 March 2009. Actual results are likely to vary from the information presented and these variations may be material.

The following are the key assumptions used in preparing this 10-Year Plan:

- Financial projections over the 10-year period have been adjusted to include estimated inflation. The indices below have been prepared by BERL (December 2008), an economic forecasting agency. The inflation indices used are:

	STAFF	TRANSPORT CONTRACTS	OTHER
2010/11	2.7%	2.9%	3.3%
2011/12	2.7%	3.1%	2.3%
2012/13	2.5%	3.6%	2.4%
2013/14	2.5%	3.4%	2.1%
2014/15	2.5%	3.1%	2.2%
2015/16	2.6%	2.8%	2.3%
2016/17	3.2%	2.6%	2.3%
2017/18	2.7%	2.6%	2.4%
2018/19	3.1%	2.6%	2.5%

In respect of 2009/10, financial projections have been calculated in estimated 2009/10 dollars.

Funding assistance will be provided by the New Zealand Transport Agency (NZTA) at the following levels (percentage of cost):

OPERATIONS FUNDING ASSISTANCE RATES

Administration funding (public transport)	50%
Administration funding (planning)	25%
Travel demand management	75%
Rail services	60%
Bus and ferry services	50%
Infrastructure maintenance and operations	60%

IMPROVEMENT PROJECTS FUNDING ASSISTANCE RATES

All rail projects	90%
Real-time information system	80%
Electronic ticketing	80%

- Revaluation of Water Supply and Flood Protection property, plant and equipment has been projected in accordance with their respective five-yearly revaluation cycles. Revaluation of other property, plant and equipment has not been projected, as this would not have a material effect on the prospective financial information
- For Water Supply purposes, the population of the four city councils in the region will continue to grow at a rate midway between the high and medium-growth forecasts of Statistics New Zealand and will reach approximately 418,000 by the end of the period
- The Water Supply security of supply standard will continue to be a 2% probability of a shortfall event (1 in 50-year drought). (An “event” is defined as a year that contains at least one shortfall day)
- There will be no requirement for major capital works arising from the Ministry of Health’s ongoing reviews of drinking water standards
- The review of Greater Wellington’s Regional Freshwater Plan in 2010 will not impact significantly on the allocation of water for public water supply purposes
- Any increase in costs from the introduction of an emission trading scheme, is included in increases for inflation
- The 90-day bank bill interest rate will be as follows:

2009/10	6.25%
2010/11	6.75%
2011/12	7.50%
2012/13	8.00%
2013/14	7.50%
2014/15	7.25%
2015/16	6.75%
2016/17	6.75%
2017/18	7.25%
2018/19	7.25%
- A margin over and above the 90-day bank bill rate of 0.5% has been assumed for Greater Wellington’s borrowing
- Interest rate on internal debt will be 7.0% across the 10 years of the plan
- There will not be any significant changes in planned service levels
- There will be no major changes to key legislation affecting Greater Wellington’s activities
- There will not be any major flood events
- Asset lives will be in accordance with Greater Wellington’s accounting policies
- Passenger transport infrastructure investment and other capital expenditure will be partly funded by debt. Debt repayments have been estimated in accordance with the Treasury Management Policy
- Greater Wellington has entered into a number of bus contracts to supply public transport services. Included in these contracts is an index which may require Greater Wellington to make additional payments depending on whether the index increases or not. The index is calculated on a number of factors, including the New Zealand dollar price for diesel, staff costs, etc. For 2009/10 the diesel price in US dollars is assumed to be \$50/barrel and a US\$/NZ\$ exchange rate of 0.50. In subsequent years the diesel price increases at the level of inflation
It should be noted that an additional US\$10 per barrel on the oil prices would require an increase of \$0.8 million in rates, while a 10% fall in the NZ\$ would increase rates by \$1.4 million
- There will not be any funding of depreciation of infrastructure assets as they are loan funded in accordance with the Revenue and Financing Policy. Greater Wellington believes this is financially prudent

RISKS TO ASSUMPTIONS

The table opposite outlines the risks to significant forecasting assumptions. If these assumptions prove to be incorrect, there could be a significant effect on the level of rates that Greater Wellington plans to collect from the community. In this situation, Greater Wellington will re-examine its work programmes and determine if it is appropriate to rate the community, or in fact change the scope of those programmes.

Greater Wellington has considered each of its activities in terms of the requirements of Schedule 10 of the Local Government Act 2002. There are no significant negative effects on the social, economic, environmental or cultural well-being of the local community resulting from any activity, except where stated.

PROSPECTIVE COMPREHENSIVE INCOME STATEMENT

A further breakdown of operating revenue and operating expenditure is contained in the Prospective Funding Impact Statement on p192.

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Movements in revaluation reserves are the projected revaluation of Water Supply and Flood Protection property, plant and equipment. These have been projected in accordance with their respective five-yearly revaluation cycles.

DIFFERENTIAL RATING CATEGORIES

Each rating unit is allocated to a differential rating category (based upon location and/or land use) for the purpose of calculating the general rate or any specific targeted rate based upon capital or land value.

As Greater Wellington rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities.

Set out below are the definitions used by the Greater Wellington to allocate rating units into rating categories. For more information on the specific territorial authority categories, please refer to their planning documents or websites.

- **RATES BASED ON LAND AREA**

Some rating units (either in whole or part) are allocated to additional differential rating categories for the purpose of calculating the bovine Tb and Wairarapa schemes targeted rate based upon land area. This may be based upon the area of land within each rating unit and the provision of a service provided or its location. Some schemes have an additional fixed charge per separate use or inhabited part.

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

- **ECONOMIC DEVELOPMENT AGENCY RATES (EDA)**

Funding for the EDA ceases after 30 June 2012. A decision about whether or not to continue the activity will follow a review that will be undertaken prior to 30 June 2011.

RISK TO ASSUMPTION	RISK LEVEL	LIKELY FINANCIAL EFFECT	CONSEQUENCE/MITIGATION STRATEGY
Inflation is lower or higher	Medium	Medium	Changes the level of rates and debt levels
Interest rates are higher or lower	Medium	Medium	Changes the level of rates and debt levels/offset by hedging strategies
Funding from NZ Transport Agency is higher or lower	Medium	High	Changes the level of rates and debt. Examine service levels and work programme and adjust if necessary
Exchange rate and/or the oil price is higher or lower, affecting the costs of our bus contracts	High	High	Change levels of rates and hedging of the NZ dollar oil price
A natural disaster/flood event occurs which damages Greater Wellington's property, plant and equipment	Medium	Low-High	Call on insurance and self-insurance funds, adjust operating programmes and change the level of rates and debt if necessary

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 REPORTING ENTITY

Greater Wellington is a regional local authority governed by the Local Government Act 2002. It has not presented group prospective financial statements because it believes that the parent prospective financial statements are more relevant to the users. The main purpose of prospective financial statements in the 10-Year Plan is to provide users with information about the core services that Greater Wellington intends to provide ratepayers, the expected cost of those services and, as a consequence, how much Greater Wellington requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that Greater Wellington obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented.

For the purposes of financial reporting, Greater Wellington is designated as a public benefit entity. The subsidiary companies comprise WRC Holdings, Pringle House Limited, Port Investments Limited, Greater Wellington Rail Limited, Greater Wellington Transport Limited, Greater Wellington Infrastructure Limited, Grow Wellington Limited and CentrePort Limited. All subsidiaries, except Grow Wellington Limited, are designated as profit-oriented entities. Grow Wellington Limited is designated as a public benefit entity.

2 STATEMENT OF COMPLIANCE

The prospective financial statements of Greater Wellington have been prepared in accordance with the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The statements comply with FRS 42 Prospective Financial Statements, NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities. The financial statements use opening balances from the period ending 30/06/2009. Estimates have been restated accordingly if required.

The preparation of financial statements in conformity with NZ GAAP requires management to make judgments, estimates and assumptions that affect the application of policies and projected amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These results form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3 ACCOUNTING POLICIES

Basis of preparation

The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand and have been prepared on a historical cost basis, except for investment properties, forestry assets, derivative financial instruments and certain infrastructural assets that have been measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Revenue recognition

Revenue is recognised when billed or earned on an accrual basis.

RATES AND LEVIES

Rates and levies are a statutory annual charge and are recognised in the year the assessments are issued.

GOVERNMENT GRANTS AND SUBSIDIES

Greater Wellington receives government grants from the New Zealand Transport Agency, which subsidises part of Greater Wellington's costs in the provision of public transport subsidies to external transport operators and for capital purchases of rail rolling stock within Greater Wellington's subsidiaries and transport network upgrades owned by Ontrack.

The grants and subsidies are recognised as revenue when eligibility has been established by the grantor.

Other grants and contributions from territorial local authorities are recognised in the comprehensive income statement when eligibility has been established by the grantor.

SALE OF GOODS

Revenue on the sale of goods is recognised when all risks are transferred to the buyer and there is no longer control or managerial involvement with the goods.

RENDERING OF SERVICES

Revenue from services rendered is recognised by reference to stage of completion of the service.

DIVIDENDS

Revenue from dividends is recognised on an accrual basis (net of imputation credits) once the shareholder's right to receive payment is established.

INTEREST

Interest is accrued using the effective interest rate method. The effective interest rate method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

OTHER REVENUE

Other income is also recognised on an accrual basis. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Greater Wellington are recognised as revenue when control over the asset is obtained.

Borrowing costs

Borrowing costs directly attributable to capital construction are capitalised as part of the costs of those assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Property, plant and equipment

Property, plant and equipment consists of operational and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

The initial cost of property, plant and equipment includes the purchase consideration and those cost that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

Property, plant and equipment are categorised into the following classes:

- Operational land and buildings
- Operational plant and equipment
- Operational vehicles
- Flood protection infrastructural assets
- Transport infrastructural assets
- Rail rolling stock
- Navigational aids infrastructural assets
- Parks and forests infrastructural assets
- Capital work in progress
- Water supply infrastructural assets
- Water supply administrative buildings
- Water supply minor equipment
- Water supply motor vehicles
- Water supply capital work in progress

All property, plant and equipment are initially recorded at cost.

Valuations

Valuations for Water Supply, Parks and Forests, Flood Protection and Transport infrastructural assets are carried out or reviewed by independent qualified valuers. They are carried out at regular intervals.

Any increase in the value of a class of assets on revaluation is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus.

However, if it offsets a previous decrease in value for the same asset recognised in the comprehensive income statement, then it is recognised in the comprehensive income statement. A decrease in the value of a class of assets on revaluation is recognised in the comprehensive income statement where it exceeds the increase of that class of asset previously recognised in equity under the heading of revaluation surplus.

The remaining property, plant and equipment are recorded at cost, less accumulated depreciation and impairment. Cost represents the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service. All property plant and equipment, except land, are depreciated.

Depreciation

Depreciation is provided on a straight-line basis on all tangible property, plant and equipment other than land and capital works in progress, at rates which will write off assets, less their estimated residual value over their remaining useful lives.

The useful lives of major classes of assets have been estimated as follows:

Operational land and buildings	10 to indefinite
Operational plant and equipment	2 to 20 years
Operational vehicles	3 to 10 years
Flood protection infrastructural assets	15 to indefinite
Transport infrastructural assets	5 to 50 years
Rail rolling stock	15 to 35 years
Navigational aids infrastructural assets	5 to 50 years
Parks and forests infrastructural assets	10 to 100 years
Water supply infrastructural assets	3 to 150 years
Water supply administrative buildings	10 to 50 years
Water supply minor equipment	3 to 15 years
Water supply vehicles	5 to 10 years

Capital work in progress is not depreciated

Stopbanks included in the Flood Protection infrastructure asset class are maintained in perpetuity. Annual inspections are undertaken to ensure design standards are being maintained and to check for impairment. As such, stopbanks are considered to have an indefinite life and are not depreciated.

Intangible assets

Software is carried at cost, less any accumulated amortisation and impairment losses. It is amortised over the useful life of the asset is 1-5 years.

Impairment

All assets are reviewed annually to determine if there is any indication of impairment.

An impairment loss is recognised when its carrying amount exceeds its recoverable amount. Losses resulting from impairment are accounted for in the comprehensive income statement, unless the asset is carried at a revalued amount, in which case any impairment loss is treated as a revaluation decrease.

RECOVERABLE AMOUNT

The recoverable amount of an asset is the greater of the net selling price and value in use.

VALUE IN USE

Value in use for Greater Wellington assets is calculated as being the depreciated replacement cost of the asset.

Forestry investments

Forestry investments are stated at fair value, less point-of-sale costs. They are independently revalued to an estimate of market valuation based on net present value. The net gain or loss arising from changes in forestry valuation is included in the comprehensive income statement.

Financial instruments

Greater Wellington classifies its financial assets and liabilities according to the purpose for which they were acquired.

Financial assets and liabilities are only offset when there is a legally enforceable right to offset them and there is an intention to settle on a net basis.

FINANCIAL ASSETS

Greater Wellington's financial assets are categorised as follows:

- **Financial assets at fair value accounted through the comprehensive income statement**

Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains or losses on remeasurement are recognised in the comprehensive income statement.

- **Financial assets at fair value accounted through equity**

Financial assets are classified in this category if they were not acquired principally for selling in the short term. After initial recognition these assets are measured at their fair value. Any gains and losses are recognised directly to equity, except for impairment losses which are recognised in the comprehensive income statement.

Available-for-sale financial assets are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are initially recorded at fair value plus transaction costs when that can be reliably estimated. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised directly through equity. If there is no active market, no intention to sell the asset and fair value can not be reliably measured, the item is measured at cost.

Fair value is equal to Greater Wellington's share of the net assets of the entity. Upon sale, the cumulative fair value gain or loss previously recognised directly in equity, is recognised in the comprehensive income statement.

- **Loans and receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or sold are accounted for in the comprehensive income statement.

- **Held to maturity investments**

These are assets with fixed or determinable payments with fixed maturities that Greater Wellington has the intention and ability to hold to maturity. After initial recognition they are recorded at amortised cost using the effective interest method. Gains and losses when the asset is impaired or settled are recognised in the comprehensive income statement.

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

FINANCIAL LIABILITIES

Financial liabilities comprise trade, other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value, less transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method. Amortisation is recognised in the comprehensive income statement, as is any gain or loss when the liability is settled. Financial liabilities entered into with duration of less than 12 months are recognised at their nominal value.

Derivative financial instruments

Greater Wellington uses derivative financial instruments to manage its exposure to interest rate and foreign exchange risks arising from its operational, financing and investment activities. In accordance with its treasury policies, Greater Wellington does not hold or issue derivative financial instruments for trading purposes. Derivatives are accounted for as trading instruments.

Derivative financial instruments are initially recognised at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. For those instruments that do not qualify for hedge accounting, the gain or loss on re-measurement to fair value is recognised immediately in the comprehensive income statement.

The fair value of an interest rate swap is the estimated amount that Greater Wellington would receive or pay to terminate the swap at balance date, based on current interest rates. The fair value of forward exchange contracts is their quoted market price at the balance date.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of carrying amount and fair value, less costs to sell.

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

Inventories

Inventories are valued at the lower of cost or net realisable value on a first-in first-out basis.

The value of harvested timber is its fair value, less estimated point-of-sale costs at the date of harvest. Any change in value at the date of harvest is recognised in the comprehensive income statement.

Income tax

Income tax in the comprehensive income statement for the year comprises current and deferred tax. Income tax is usually recognised in the comprehensive income statement except to the extent that it relates to items recognised directly in equity. In this case that amount is recognised in equity.

Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures, except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Foreign currency

In the event that Greater Wellington has any material foreign currency risk, it will be managed by derivative instruments to hedge the currency risk.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange gains and losses arising on their translation are recognised in the comprehensive income statement.

Employee entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date. Employee benefits include salaries, annual leave and long-service leave. Where the benefits are expected to be paid for within 12 months of balance date, the provision is the estimated amount expected to be paid by Greater Wellington. The provision for other employee benefits is stated at the present value of the future cash outflows expected to be incurred. Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the comprehensive income statement as incurred.

Greater Wellington belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

A provision is recognised in the balance sheet when Greater Wellington has a present legal or constructive obligation as a result of a past event and it is probable that an amount will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Goods and services tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

Leases

Greater Wellington leases office space, office equipment, vehicles, land and buildings.

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Overhead allocation and internal transactions

Greater Wellington allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of Greater Wellington is treated as an internal banking activity. Any surplus generated is credited directly to the comprehensive income statement.

Individual significant activity operating revenue and operating expenditure is stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in Greater Wellington's prospective financial statements.

The Democratic Services costs have not been allocated to significant activities, except where there is a major separate community of benefit other than the whole region, ie, Water Supply and Regional Transport.

Equity

Equity is the community's interest in Greater Wellington and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within Greater Wellington.

The components of equity are accumulated funds and retained earnings, revaluation reserves and restricted funds.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Greater Wellington invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of Greater Wellington and the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure.

Changes in accounting policies

There have been no changes from the accounting policies adopted in the last audited financial statements.

Standards, amendments and interpretations that are not yet effective and have not been early adopted

Greater Wellington has not elected to adopt the following in advance of their effective dates:

- NZ IAS 23 (Revised) Borrowing Costs effective for on or after 1 January 2009

Greater Wellington currently capitalises directly attributable borrowing costs. Greater Wellington has applied the public benefit entity exemption from the requirement to add borrowing costs to "qualifying assets" even when not directly attributed to the asset. This exemption extends to the requirements in NZ IAS 11 Construction Contracts and NZIAS 16 Property, Plant and Equipment to include a similar adjustment to fair value valuations

- Other standards issued are considered to have no material future impact on Greater Wellington

TOTAL COUNCIL FINANCIAL STATEMENTS**PROSPECTIVE COMPREHENSIVE INCOME STATEMENT**

	2009/10 (\$000s)	2010/11 (\$000s)	2011/12 (\$000s)	2012/13 (\$000s)	2013/14 (\$000s)	2014/15 (\$000s)	2015/16 (\$000s)	2016/17 (\$000s)	2017/18 (\$000s)	2018/19 (\$000s)
OPERATING REVENUE										
General rates	25,418	27,205	29,886	30,347	30,552	31,803	32,593	34,171	35,596	37,069
Targeted rates	53,396	59,152	66,468	70,123	77,102	83,215	87,342	91,385	94,786	95,469
Regional rates	78,814	86,357	96,354	100,470	107,654	115,018	119,936	125,556	130,382	132,538
Water supply levy	23,460	24,234	24,791	26,402	28,034	29,797	31,702	33,729	35,919	38,291
Government subsidies	210,229	199,487	94,008	153,842	133,995	108,972	92,898	99,608	93,766	111,177
Interest and dividends	4,340	4,262	4,937	5,329	5,221	5,227	5,076	5,264	5,826	6,069
Other operating revenue	18,166	15,838	14,910	18,686	19,462	18,576	20,050	21,296	20,704	22,807
Total external operating revenue	335,009	330,178	235,000	304,729	294,366	277,590	269,661	285,453	286,597	310,882
OPERATING EXPENDITURE										
Personnel costs	33,373	34,230	34,937	35,535	36,535	37,506	38,481	39,629	40,780	42,045
Grants and subsidies	66,534	64,755	78,959	79,112	92,595	106,386	115,242	119,468	124,125	129,132
Finance costs	6,309	9,222	11,075	12,393	13,152	13,488	13,050	13,242	13,901	13,679
Depreciation	10,410	10,691	12,903	13,670	15,018	16,409	16,558	16,854	16,981	17,872
Other operating expenses	42,606	50,707	56,957	59,971	65,025	68,530	67,517	69,108	70,854	72,178
Total external operating expenditure	159,232	169,605	194,831	200,681	222,325	242,319	250,848	258,301	266,641	274,906
Operating surplus/(deficit) before transport improvement grants ¹	175,777	160,573	40,169	104,048	72,041	35,271	18,813	27,152	19,956	35,976
Transport improvement grants ¹	174,102	154,782	37,898	96,947	66,645	34,857	15,103	21,832	9,861	24,267
Operating surplus/(deficit)	1,675	5,791	2,271	7,101	5,396	414	3,710	5,320	10,095	11,709
Other comprehensive income										
Unrealised revaluation gains	1,118	1,732	2,055	1,565	1,277	1,950	893	34	2,649	2,726
Total comprehensive income for year	2,793	7,523	4,326	8,666	6,673	2,364	4,603	5,354	12,744	14,435

Please note that all figures on this page exclude GST.

¹ Public transport improvements are capital grants provided to external organisations and to the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd (GWR Ltd), for improvements to public transport infrastructure where Greater Wellington will not own the resulting asset. These improvements include trolley bus overhead wire renewals, rail track renewals and the new Matangi trains

TOTAL COUNCIL FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	2009/10 (\$000s)	2010/11 (\$000s)	2011/12 (\$000s)	2012/13 (\$000s)	2013/14 (\$000s)	2014/15 (\$000s)	2015/16 (\$000s)	2016/17 (\$000s)	2017/18 (\$000s)	2018/19 (\$000s)
Total opening ratepayers' funds	638,156	640,949	648,472	684,452	693,118	733,540	735,904	740,507	776,665	789,409
Total comprehensive income for year	2,793	7,523	4,326	8,666	6,673	2,364	4,603	5,354	12,744	14,435
Movements in revaluation reserve	-	-	31,654	-	33,749	-	-	30,804	-	31,947
Movement in ratepayers funds for year	2,793	7,523	35,979	8,666	40,422	2,363	4,604	36,159	12,744	46,382
Closing ratepayers' funds	640,949	648,472	684,452	693,118	733,540	735,904	740,507	776,665	789,409	835,791
Components of ratepayers funds:										
Opening accumulated funds	344,249	347,681	356,794	361,039	369,378	375,520	376,995	380,891	384,789	396,114
Total comprehensive income for year	2,793	7,523	4,326	8,666	6,673	2,364	4,603	5,354	12,744	14,435
Movements in other reserves	639	1,590	(81)	(327)	(531)	(889)	(707)	(1,456)	(1,419)	(1,394)
Movement in accumulated funds for year	3,432	9,113	4,245	8,339	6,142	1,475	3,896	3,898	11,325	13,041
Closing accumulated funds	347,681	356,794	361,039	369,378	375,520	376,995	380,891	384,789	396,114	409,155
Opening other reserves	13,746	13,107	11,517	11,598	11,925	12,456	13,345	14,052	15,508	16,927
Movements in other reserves	(639)	(1,590)	81	327	531	889	707	1,456	1,419	1,394
Movement in ratepayers funds for year	(639)	(1,590)	81	327	531	889	707	1,456	1,419	1,394
Closing other reserves	13,107	11,517	11,598	11,925	12,456	13,345	14,052	15,508	16,927	18,321
Opening asset revaluation reserves	280,161	280,161	280,161	311,815	311,815	345,564	345,564	345,564	376,368	376,368
Movements in revaluation reserve	-	-	31,654	-	33,749	-	-	30,804	-	31,947
Movement in asset revaluation reserve for year	-	-	31,654	-	33,749	-	-	30,804	-	31,947
Closing asset revaluation reserve	280,161	280,161	311,815	311,815	345,564	345,564	345,564	376,368	376,368	408,315
Closing ratepayers' funds	640,949	648,472	684,452	693,118	733,540	735,904	740,507	776,665	789,409	835,791

Movements in revaluation reserves are the projected revaluation of property, plant and equipment for water supply and flood protection. Please note that all figures on this page exclude GST.

TOTAL COUNCIL FINANCIAL STATEMENTS**PROSPECTIVE BALANCE SHEET**

	2009/10 (\$000s)	2010/11 (\$000s)	2011/12 (\$000s)	2012/13 (\$000s)	2013/14 (\$000s)	2014/15 (\$000s)	2015/16 (\$000s)	2016/17 (\$000s)	2017/18 (\$000s)	2018/19 (\$000s)
ASSETS										
Cash and other equivalents	37,331	39,539	42,081	44,944	47,901	51,006	54,171	57,551	61,354	65,428
Investments (current)	14,954	14,954	14,954	14,954	14,954	14,954	14,954	14,954	14,954	14,954
Other current assets	26,121	26,121	26,121	26,121	26,121	26,121	26,121	26,121	26,121	26,121
Current assets	78,406	80,614	83,156	86,019	88,976	92,081	95,246	98,626	102,429	106,503
Investments (non-current)	4,351	4,692	5,061	5,460	5,890	6,355	6,857	7,399	7,985	8,617
Forestry investments	12,710	14,451	16,540	17,857	19,213	20,210	20,736	20,956	21,533	22,071
Investment in subsidiary	46,714	60,229	63,058	69,887	72,548	73,000	73,030	73,060	73,089	73,149
Property, plant and equipment	648,444	669,128	706,806	720,175	769,168	769,628	771,427	808,851	814,949	849,083
Other non-current assets	-	-	-	-	-	-	-	-	-	-
Non-current assets	712,219	748,500	791,465	813,378	866,819	869,193	872,050	910,266	917,556	952,920
Total assets	790,625	829,114	874,621	899,398	955,795	961,274	967,296	1,008,892	1,019,985	1,059,423
RATEPAYERS' FUNDS										
Retained earnings	347,681	356,794	361,039	369,378	375,520	376,995	380,891	384,789	396,114	409,155
Reserves	293,268	291,678	323,413	323,740	358,020	358,909	359,616	391,876	393,295	426,636
Total ratepayers' funds	640,949	648,472	684,452	693,118	733,540	735,904	740,507	776,665	789,409	835,791
LIABILITIES										
Debt (current)	43,816	41,954	40,630	39,176	37,439	34,724	31,682	28,426	25,878	25,478
Other current liabilities	26,085	26,085	26,085	26,085	26,085	26,085	26,085	26,085	26,085	26,085
Current liabilities	69,901	68,039	66,715	65,261	63,524	60,809	57,767	54,511	51,963	51,563
Debt (non-current)	79,775	112,603	123,454	141,019	158,731	164,561	169,022	177,716	178,613	172,069
Non-current liabilities	79,775	112,603	123,454	141,019	158,731	164,561	169,022	177,716	178,613	172,069
Total liabilities	149,676	180,642	190,169	206,280	222,255	225,370	226,789	232,227	230,576	223,632
Total equity and liabilities	790,625	829,114	874,621	899,398	955,795	961,274	967,296	1,008,892	1,019,985	1,059,423

Please note that all figures on this page exclude GST.

TOTAL COUNCIL FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF CASH FLOWS

	2009/10 (\$000s)	2010/11 (\$000s)	2011/12 (\$000s)	2012/13 (\$000s)	2013/14 (\$000s)	2014/15 (\$000s)	2015/16 (\$000s)	2016/17 (\$000s)	2017/18 (\$000s)	2018/19 (\$000s)
CASH FLOWS FROM OPERATING ACTIVITIES										
CASH IS PROVIDED FROM:										
Regional rates	78,814	86,357	96,354	100,470	107,654	115,018	119,935	125,556	130,382	132,538
Water supply levy	23,460	24,234	24,791	26,402	28,034	29,797	31,702	33,729	35,919	38,291
Government subsidies	210,229	199,487	94,008	153,842	133,995	108,972	92,898	99,608	93,766	111,177
Interest and dividends	4,340	4,262	4,937	5,329	5,221	5,227	5,076	5,264	5,826	6,069
Fees, charges and other revenue	18,166	15,838	14,910	18,688	19,462	18,576	20,050	21,297	20,704	22,807
	335,009	330,178	235,000	304,731	294,366	277,590	269,661	285,454	286,597	310,882
CASH IS DISBURSED TO:										
Interest	6,093	9,050	10,909	12,215	12,966	13,328	12,948	13,205	13,899	13,679
Payment to suppliers and employees	315,959	303,637	207,870	270,330	259,812	245,174	234,730	248,879	244,133	266,066
	322,052	312,687	218,779	282,545	272,778	258,502	247,678	262,084	258,032	279,745
Net cash flows from operating activities	12,957	17,491	16,221	22,186	21,588	19,088	21,983	23,370	28,565	31,137
CASH FLOWS FROM INVESTING ACTIVITIES										
CASH IS PROVIDED FROM:										
Sale of property, plant and equipment	309	1,310	375	497	429	394	444	531	439	472
	309	1,310	375	497	429	394	444	531	439	472
CASH IS APPLIED TO:										
Purchase of property, plant and equipment	30,102	32,684	19,301	27,536	30,690	17,262	18,801	24,007	23,517	20,530
Investment additions	9,391	13,515	2,829	6,829	2,661	452	30	30	30	60
	39,493	46,199	22,130	34,366	33,351	17,714	18,831	24,037	23,547	20,589
Net cash flows from investing activities	(39,184)	(44,889)	(21,755)	(33,869)	(32,922)	(17,320)	(18,387)	(23,506)	(23,108)	(20,118)

Please note that all figures on this page exclude GST.

TOTAL COUNCIL FINANCIAL STATEMENTS**PROSPECTIVE STATEMENT OF CASH FLOWS**

	2009/10 (\$000s)	2010/11 (\$000s)	2011/12 (\$000s)	2012/13 (\$000s)	2013/14 (\$000s)	2014/15 (\$000s)	2015/16 (\$000s)	2016/17 (\$000s)	2017/18 (\$000s)	2018/19 (\$000s)
CASH FLOWS FROM FINANCING ACTIVITIES										
CASH IS PROVIDED FROM:										
Loan funding	40,866	42,396	23,662	30,932	31,025	20,107	19,515	25,623	20,616	13,792
CASH IS APPLIED TO:										
Debt repayment	12,589	12,790	15,586	16,386	16,734	18,770	19,946	22,107	22,270	20,737
Net cash flows from financing activities	28,277	29,606	8,076	14,546	14,291	1,337	(431)	3,516	(1,654)	(6,945)
Net increase/(decrease) in cash and cash equivalents										
	2,050	2,208	2,542	2,863	2,957	3,105	3,165	3,380	3,803	4,074
Opening cash and cash equivalents	35,281	37,331	39,539	42,081	44,944	47,901	51,006	54,171	57,551	61,354
Closing cash and cash equivalents	37,331	39,539	42,081	44,944	47,901	51,006	54,171	57,551	61,354	65,428

Please note that all figures on this page exclude GST.

TOTAL COUNCIL FINANCIAL STATEMENTS

PROSPECTIVE REGIONAL RATES AND CAPITAL EXPENDITURE

	2009/10 (\$000s)	2010/11 (\$000s)	2011/12 (\$000s)	2012/13 (\$000s)	2013/14 (\$000s)	2014/15 (\$000s)	2015/16 (\$000s)	2016/17 (\$000s)	2017/18 (\$000s)	2018/19 (\$000s)
REGIONAL RATES										
Resource management	9,885	10,244	10,576	10,814	10,848	11,144	11,369	11,782	11,890	12,274
Transport	40,966	45,853	52,899	56,382	63,258	69,234	72,988	76,439	79,603	82,209
Parks and forests	5,610	5,833	6,216	6,424	6,343	6,398	6,613	6,727	6,957	7,080
Safety and flood protection	14,114	15,053	15,705	15,742	15,875	16,186	16,897	17,803	18,491	19,154
Land management	5,110	5,332	5,418	5,584	5,869	6,303	6,477	6,843	7,133	7,350
Regional sustainable development	4,742	5,232	5,347	5,251	5,259	5,267	5,276	5,286	5,296	5,306
Community	5,354	5,610	5,576	5,621	5,743	5,783	5,800	6,120	6,007	3,888
Investments	(7,705)	(7,543)	(6,109)	(6,018)	(6,192)	(5,970)	(6,186)	(6,138)	(5,711)	(5,455)
Other	738	743	726	670	651	673	701	694	715	732
Total regional rates	78,814	86,357	96,354	100,470	107,654	115,018	119,935	125,556	130,382	132,538
CAPITAL EXPENDITURE										
Resource management	198	189	149	346	108	207	163	378	119	227
Transport ¹	8,149	10,001	2,854	8,954	7,735	1,519	1,554	1,482	1,479	1,476
Water supply	7,165	10,218	8,582	8,269	14,781	8,405	8,002	13,923	14,243	12,002
Parks and forests	517	303	498	504	433	781	575	337	472	435
Safety and flood protection	9,049	6,883	5,305	8,074	6,281	4,125	7,240	6,387	4,916	5,112
Land management	319	192	225	203	181	265	215	243	202	203
Community	15	108	5	5	59	6	6	63	6	6
Investments	3,858	3,701	497	619	577	506	577	640	613	568
Other	832	1,089	1,186	562	535	1,448	469	554	1,467	501
Total capital expenditure	30,102	32,684	19,301	27,536	30,690	17,262	18,801	24,007	23,517	20,530

Please note that all figures on this page exclude GST.

¹ Transport capex excludes capital grants provided for public transport improvements. See (Public Transport 10-year financial forecast) for more information

TOTAL COUNCIL FINANCIAL STATEMENTS**PROSPECTIVE DEBT**

	2009/10 (\$000s)	2010/11 (\$000s)	2011/12 (\$000s)	2012/13 (\$000s)	2013/14 (\$000s)	2014/15 (\$000s)	2015/16 (\$000s)	2016/17 (\$000s)	2017/18 (\$000s)	2018/19 (\$000s)
Resource management	666	504	330	219	146	89	29	8	0	0
Transport	59,291	74,542	76,166	85,565	91,489	90,963	89,355	89,434	85,782	82,062
Water supply	45,154	51,595	56,590	60,411	70,127	72,575	73,218	78,588	82,847	83,252
Parks	3,302	3,205	3,227	3,151	3,005	3,250	3,259	3,016	2,783	2,518
Flood protection	38,328	41,921	43,722	48,423	51,439	52,360	56,067	58,848	59,849	60,622
Harbour management	950	861	765	668	565	453	335	205	70	(29)
Stadium	15,472	14,097	12,606	10,973	9,200	7,270	5,172	2,888	400	0
WRCH Group	1,227	846	438	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Forestry	27,174	29,399	31,877	32,554	31,711	32,869	33,601	33,699	34,359	32,993
Property	4,548	7,553	7,289	7,006	6,703	6,378	6,030	5,658	5,259	4,831
Corporate systems	2,491	2,261	2,088	1,177	771	1,336	855	585	1,348	896
Total activities debt	198,603	226,784	235,098	250,147	265,156	267,543	267,921	272,929	272,697	267,145
Treasury internal funding	75,012	72,227	71,014	69,952	68,986	68,258	67,217	66,787	68,206	69,598
Total external debt	123,591	154,557	164,084	180,195	196,170	199,285	200,704	206,142	204,491	197,547
External debt (current) (1)	43,816	41,954	40,630	39,176	37,439	34,724	31,682	28,426	25,878	25,478
External debt (non-current)	79,775	112,603	123,454	141,019	158,731	164,561	169,022	177,716	178,613	172,069
Total external debt	123,591	154,557	164,084	180,195	196,170	199,285	200,704	206,142	204,491	197,547

Please note that all figures on this page exclude GST

TOTAL COUNCIL FINANCIAL STATEMENTS

PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 (\$000s)	2010/11 (\$000s)	2011/12 (\$000s)	2012/13 (\$000s)	2013/14 (\$000s)	2014/15 (\$000s)	2015/16 (\$000s)	2016/17 (\$000s)	2017/18 (\$000s)	2018/19 (\$000s)
OPERATING REVENUE										
General rates	25,418	27,205	29,886	30,347	30,552	31,803	32,593	34,172	35,596	37,069
Targeted rates	53,396	59,152	66,468	70,132	77,102	83,215	87,342	91,385	94,786	95,469
Regional rates	78,814	86,357	96,354	100,470	107,654	115,018	119,935	125,556	130,382	132,538
Water supply levy	23,460	24,234	24,791	26,402	28,034	29,797	31,702	33,729	35,919	38,291
Government subsidies	210,229	199,487	94,008	153,842	133,995	108,972	92,898	99,608	93,766	111,177
Interest and dividends	4,340	4,262	4,937	5,329	5,221	5,227	5,076	5,264	5,826	6,069
Unrealised revaluation gains	1,118	1,732	2,055	1,565	1,277	1,950	893	34	2,649	2,726
Other operating revenue	18,166	15,838	14,910	18,686	19,462	18,576	20,050	21,296	20,704	22,807
Total external operating revenue	336,127	331,910	237,055	306,294	295,643	279,540	270,554	285,487	289,246	313,608
OPERATING EXPENDITURE										
Personnel costs	33,373	34,230	34,937	35,535	36,535	37,506	38,481	39,629	40,780	42,045
Grants and subsidies ¹	66,534	64,755	78,959	79,112	92,595	106,386	115,242	119,468	124,125	129,132
Finance costs	6,309	9,222	11,075	12,393	13,152	13,488	13,050	13,242	13,901	13,679
Investment impairment	-	-	-	-	-	-	-	-	-	-
Depreciation	10,410	10,691	12,903	13,670	15,018	16,409	16,558	16,854	16,981	17,872
Tax expense	-	-	-	-	-	-	-	-	-	-
Other operating expenses	42,606	50,707	56,957	59,971	65,025	68,530	67,517	69,108	70,854	72,178
Total external operating expenditure	159,232	169,605	194,831	200,681	222,325	242,319	250,848	258,301	266,641	274,906
Operating surplus/ (deficit) before transport improvement grants ¹	176,895	162,305	42,224	105,613	73,318	37,221	19,706	27,186	22,605	38,702
Transport improvement grants ¹	174,102	154,782	37,898	96,947	66,645	34,857	15,103	21,832	9,861	24,267
Operating surplus/(deficit)¹	2,793	7,523	4,326	8,666	6,673	2,364	4,603	5,354	12,744	14,435
Less/(add):										
Capital expenditure and transport investments	30,102	32,684	19,301	27,536	30,690	17,262	18,801	24,007	23,517	20,530
Proceeds from asset sales	(309)	(1,310)	(375)	(497)	(429)	(394)	(444)	(531)	(439)	(472)
Loan funding of capital expenditure	(25,888)	(27,922)	(15,242)	(17,707)	(21,599)	(10,298)	(9,973)	(13,869)	(12,091)	(7,186)
Rate, levy and subsidy-funded capital expenditure	3,905	3,452	3,684	9,332	8,662	6,570	8,384	9,607	10,987	12,872
Loan funded improvement grants ¹	(11,584)	(9,260)	(3,379)	(9,890)	(7,408)	(4,745)	(4,581)	(7,223)	(4,217)	(4,288)
Other loan funding	(3,612)	(5,386)	(5,207)	(3,513)	(2,204)	(5,222)	(5,064)	(4,569)	(4,309)	(2,319)
Debt repayment	13,229	14,381	15,505	16,059	16,203	17,880	19,239	20,653	20,850	19,343
Other investment movements	11,441	15,723	5,371	9,692	5,618	3,557	3,195	3,409	3,833	4,135
Operational reserve movements	(639)	(1,590)	81	327	531	889	707	1,456	1,419	1,394
Non-cash items ²	(9,947)	(9,797)	(11,729)	(13,341)	(14,729)	(16,565)	(17,277)	(17,979)	(15,819)	(16,702)
Net funding required	-	-	-	-	-	-	-	-	-	-

Please note that all figures on this page exclude GST.

¹ Transport rail rolling stock will be purchased by the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd (GWR Ltd). GWR Ltd will be funded by a combination of capital grants and share capital.

² Non-cash items include depreciation, forestry cost of goods sold and unrealised revaluation gains

FUNDING IMPACT STATEMENT

FUNDING MECHANISMS	GROUPS OF ACTIVITIES FUNDED	VALUATION SYSTEM	MATTERS FOR DIFFERENTIATION/CATEGORIES OF LAND	CALCULATION FACTOR
GENERAL RATE				
General rate	All except water supply, transport, economic development and regional stadium	Capital value	Where the land is situated	Cents per dollar of rateable capital value
TARGETED RATES				
Transport	Transport	Capital value	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
River management	Safety and flood protection	Capital value/land value	Where the land is situated	Cents per dollar of rateable capital value/land value
Stadium purposes	Community	Capital value	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
Economic development agency	Regional sustainable community	Capital value for business	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
		n/a for residential	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit
		n/a for rural	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit
Bovine Tb	Land	Land area	The area of land within each rating unit and provision of a service provided	Dollars per hectare
Wairarapa river management schemes	Safety and flood protection	Land area/inhabited parts/services provided	Where the land is situated (set under section 146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and/or the benefits accruing through the provision of services and in some cases use	Dollars per hectare in the area protected, or dollars per point attributed to each rating unit and in some cases a fixed charge per separately used or inhabited part (dwelling) ¹
Te Whiti Stopbank	Safety and flood protection	Land area	Where the land is situated and in some cases use.	Dollars per hectare in the area protected
Wairarapa catchment schemes	Land	Land area/land value/inhabited part(s)	Where the land is situated (Set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and in some cases use and land value	Dollars per hectare in the area protected and in some cases a fixed charge per separately used or inhabited part (dwelling) and cents per dollar of rateable land value ¹
Wairarapa drainage schemes	Safety and flood protection	Land area	Where the land is situated (Set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers)	Dollars per hectare in the area protected

Differential on the general rate – Greater Wellington uses an “estimate of projected valuation” under section 131 of the Local Government (Rating) Act 2002 to recognise that valuation dates vary across the region.

Notes

¹ “Separately used or inhabited part” (**dwelling**) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. For the avoidance of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (**dwelling**)

FUNDING IMPACT STATEMENT

GENERAL RATE	2009/10 PROPOSED CENTS PER \$ OF RATEABLE CAPITAL VALUE	REVENUE SOUGHT 2009/10 \$
Wellington city	0.02918	13,465,912
Lower Hutt city	0.02797	4,980,567
Upper Hutt city	0.02842	1,807,087
Porirua city	0.02816	2,177,135
Kapiti Coast district	0.02935	2,984,165
Masterton district	0.03588	1,438,210
Carterton district	0.03592	650,193
South Wairarapa district	0.03628	1,087,924
Tararua district ¹	0.02929	2,683
Total general rate		28,593,876

TARGETED RATE: RIVER MANAGEMENT BASED ON CAPITAL VALUE	2009/10 PROPOSED CENTS PER \$ OF RATEABLE CAPITAL VALUE	REVENUE SOUGHT 2009/10 \$
Wellington city	0.00032	149,916
Lower Hutt city	0.01206	2,148,091
Upper Hutt city	0.00996	633,401
Porirua city	0.00122	94,158
Kapiti Coast district	0.01260	1,280,994
Carterton district	0.00118	21,358
Total district-wide river management rate		4,327,918
Greytown ward	0.02319	90,667
Total river management rates based upon capital value		4,418,585

TARGETED RATE: RIVER MANAGEMENT BASED ON LAND VALUE	2009/10 PROPOSED CENTS PER \$ OF RATEABLE LAND VALUE	REVENUE SOUGHT 2009/10 \$
Featherston urban: Donalds Creek Stopbank	0.00377	2,441
Total river management rates based upon land value		2,441
Total river management rates		4,421,026

TARGETED RATE: TRANSPORT	2009/10 PROPOSED CENTS PER \$ OF RATEABLE CAPITAL VALUE	REVENUE SOUGHT 2009/10 \$
Wellington city		
Downtown city centre business	0.21295	16,496,252
Urban	0.02859	10,832,517
Rural	0.00792	40,465
Lower Hutt city		
Urban	0.04998	8,764,698
Rural	0.01335	36,283
Upper Hutt city		
Urban	0.05049	2,904,458
Rural	0.01352	83,981
Porirua city		
Urban	0.05801	4,147,889
Rural	0.01543	89,594
Kapiti Coast district		
Urban	0.02252	1,918,310
Rural	0.00647	106,628
Masterton district		
Urban	0.01010	175,185
Rural	0.00320	72,721
Carterton district		
Urban	0.01584	81,015
Rural	0.00451	58,640
South Wairarapa district		
Urban	0.01972	161,187
Rural	0.00538	117,416
Total transport rate		46,087,239

Note:

¹ 11 Rural properties in the Tararua district are within the boundaries of the Wellington region
Please note that all figures on this page include GST

FUNDING IMPACT STATEMENT

TARGETED RATE: STADIUM PURPOSES	2009/10 PROPOSED CENTS PER \$ OF RATEABLE CAPITAL VALUE	REVENUE SOUGHT 2009/10 \$	TARGETED RATE: ECONOMIC DEVELOPMENT	2009/10 PROPOSED \$ PER RATING UNIT	2009/10 PROPOSED CENTS PER \$ OF RATEABLE CAPITAL VALUE	REVENUE SOUGHT 2009/10 \$
Wellington city			Wellington city			
Business	0.00562	618,609	Downtown			
Residential	0.00335	1,160,757	city centre business		0.01139	882,366
Rural	0.00171	8,730	Business		0.01139	372,044
Lower Hutt city			Residential – per rating unit	\$15.75		1,042,288
Business	0.00397	153,222	Rural – per rating unit	\$31.50		19,562
Residential	0.00313	427,457	Lower Hutt city			
Rural	0.00255	6,924	Business		0.01092	421,518
Upper Hutt city			Residential – per rating unit	\$15.75		556,920
Business	0.00235	23,781	Rural – per rating unit	\$31.50		14,931
Residential	0.00271	128,538	Upper Hutt city			
Rural	0.00097	6,021	Business		0.01107	110,796
Porirua city			Residential – per rating unit	\$15.75		220,988
Business	0.00345	37,327	Rural – per rating unit	\$31.50		33,422
Residential	0.00288	174,595	Porirua city			
Rural	0.00073	4,214	Business		0.01100	119,069
Kapiti Coast district			Residential – per rating unit	\$15.75		250,504
Urban	0.00156	132,753	Rural – per rating unit	\$31.50		18,176
Rural	0.00079	12,944	Kapiti Coast district			
Masterton district			Business		0.01146	131,094
Urban	0.00255	44,251	Residential – per rating unit	\$15.75		313,157
Rural	0.00070	15,954	Rural – per rating unit	\$31.50		75,947
Carterton district			Masterton district			
Urban	0.00230	11,740	Business		0.01401	39,891
Rural	0.00072	9,332	Residential – per rating unit	\$15.75		119,464
South Wairarapa district			Rural – per rating unit	\$31.50		102,816
Urban	0.00265	21,674	Carterton district			
Rural	0.00052	11,439	Business		0.01402	4,809
Total stadium purposes rate		3,010,262	Residential – per rating unit	\$15.75		30,004
			Rural – per rating unit	\$31.50		46,683
			South Wairarapa district			
			Business		0.01416	18,477
			Residential – per rating unit	\$15.75		38,981
			Rural – per rating unit	\$31.50		78,278
			Tararua district¹			
			– per rating unit	\$31.50		315
			Total economic development rate			5,062,500

Note:

¹ 11 Rural properties in the Tararua district are within the boundaries of the Wellington region.

Please note that all figures on this page include GST

FUNDING IMPACT STATEMENT

TARGETED RATE: RIVER MANAGEMENT SCHEMES 1		2009/10 PROPOSED \$ PER HECTARE	REVENUE SOUGHT 2009/10 \$
Waingawa	A	131.87620	4,401
	B	85.71960	10,954
	C	65.93810	7,946
	D	59.34430	119
	E	52.75050	8,808
	F	46.15670	1,240
	G	19.78140	926
	H	13.18760	2,094
			36,488
Upper Ruamahanga	A	125.54450	11,544
	B	104.62040	692
	C	83.69640	10,402
	D	62.77230	1,106
	E	41.84820	12,461
	F	20.92410	836
	S	1,178.87340	1,768
			38,809
Middle Ruamahanga	A	112.94650	5,051
	B	94.12210	5,148
	C	75.29770	385
	D	56.47320	6,992
	E	37.64880	1,774
	F	18.82440	5,575
	S	1,139.04380	1,936
			26,861
Lower Ruamahanga	A	55.23430	7,063
	B	47.34370	2,589
	C	39.45310	8,630
	D	31.56250	10,457
	E	23.67190	7,778
	F	15.78120	19,374
	SA	1,384.98470	3,462
	SB	692.49240	1,108
			60,461

TARGETED RATE: RIVER MANAGEMENT SCHEMES 1		2009/10 PROPOSED \$ PER HECTARE	REVENUE SOUGHT 2009/10 \$
Waiohine – rural	A	46.58250	5,219
	B	38.81880	14,732
	C	31.05500	39,627
	D	23.29130	8,453
	E	15.52750	12,621
	S	776.37580	10,015
			90,667
Mangatarere	A	33.76650	725
	B	32.29840	6,770
	C	27.36970	430
	D	24.22380	1,740
			9,704
Upper Mangatarere	A	9.55960	665
	B	7.17800	125
	C	4.79530	229
			1,019
Waipoua	A	105.96780	9,317
	B	84.77430	25,286
	C	63.58070	1,415
	D	42.38710	12,450
	SA	3,581.71310	358
	SC	2,140.55040	214
			49,040

Please note that all figures on this page include GST

FUNDING IMPACT STATEMENT

TARGETED RATE: RIVER MANAGEMENT SCHEMES 1		2009/10 PROPOSED \$ PER HECTARE	REVENUE SOUGHT 2009/10 \$
Kopuaranga	A2	45.78120	1,205
	A3	41.20310	2,841
	A4	22.89060	258
	A5	16.02340	925
	A6	9.15620	743
	B2	9.15620	561
	B3	8.24060	606
	B4	4.57810	42
	B5	3.20470	100
	B6	1.83120	220
	SA	112.50000	563
	SB	56.25000	619
			8,683
Lower Taueru	A	3.16110	1,284
	B	0.63220	178
	C	0.31610	59
	S	158.05580	192
			1,713
Lower Whangaehu	A	17.88560	606
	B	14.30850	925
	C	10.73140	576
	D	7.15420	524
	E	3.57710	625
	S	89.42800	120
			3,376
Total river management scheme rates 1			326,821

TARGETED RATE: RIVER MANAGEMENT SCHEMES 2		PROPOSED \$ PER DWELLING¹	2009/10 PROPOSED \$ PER POINT	REVENUE SOUGHT 2009/10 \$
Lower Wairarapa Valley	A		0.21590	623,696
Development scheme	Sa	16.87500		6,514
	Sb	33.75000		67,163
Total river management scheme rates 2				697,373
Total river management scheme rates				1,024,194

¹ "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. For the avoidance of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

Please note that all figures on this page include GST

FUNDING IMPACT STATEMENT

TARGETED RATE:		2009/10	REVENUE SOUGHT
CATCHMENT		PROPOSED	2009/10
SCHEMES 1		\$ PER HECTARE	\$
Whareama	A	4.52780	2,942
	B	1.74150	1,262
	C	0.30480	13,338
	D	0.26120	5
	E	0.21770	4
	F	0.17410	487
			18,038
Homewood	A	1.46170	3,456
	B	1.39210	619
	C	1.21810	4,065
	D	0.17400	302
			8,442
Maungaraki	A	1.79400	5,068
	B	0.89700	2,237
	C	0.50230	311
			7,616
Upper Kaiwhata	A	9.86380	413
	B	4.31540	339
	C	0.61650	564
	D	0.36990	658
	E	0.24660	462
	F	0.12330	55
			2,491
Lower Kaiwhata	A	16.45520	1,082
	B	7.19910	334
	C	1.02840	1,175
	D	0.61710	1,622
	E	0.41140	14
	F	0.20570	57
			4,284
Catchment management scheme 1 rates			40,871

TARGETED RATE:		2009/10	REVENUE
CATCHMENT		PROPOSED	SOUGHT
SCHEMES 2		PER \$	2009/10
		OF RATEABLE	\$
		LAND VALUE	
Awhea-Opouawe	Land value	0.01439	9,915
Mataikona-Whakataki	Land value within scheme area	0.00360	2,762
Catchment management scheme 2 rates			12,677
TARGETED RATE:		2009/10	REVENUE
CATCHMENT		PROPOSED	SOUGHT
SCHEMES 3		PER \$	2009/10
		DWELLING	\$
Awhea-Opouawe	Charge per dwelling	\$124.63 / \$62.31	9,597
Mataikona-Whakataki	Charge per dwelling	\$16.88	2,194
Catchment management scheme 3 rates			11,791
Total catchment management scheme rates			65,339

Note:

¹ "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. For the avoidance of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

Please note that all figures on this page include GST

FUNDING IMPACT STATEMENT

TARGETED RATE: PUMP DRAINAGE SCHEMES		2009/10 PROPOSED \$ PER HECTARE	REVENUE SOUGHT 2009/10 \$
Papatahi	A	26.58560	9,360
Te Hopai	A	42.06290	51,750
Moonmoot pump	A	43.14300	10,004
Onoko pump	A	86.22960	58,895
Pouawha pump	A	56.26180	50,580
Total pump drainage scheme rates			180,589

TARGETED RATE: TE WHITI STOPBANK		2009/10 PROPOSED \$ PER HECTARE	REVENUE SOUGHT 2009/10 \$
Te Whiti	A	84.77330	2,314
	B	70.64450	12,881
	C	56.51560	1,914
	SA	706.44450	141
	SB	847.73340	425
Total Te Whiti stopbank rates			17,675

TARGETED RATE: BOVINE TB		2009/10 PROPOSED \$ PER HECTARE	REVENUE SOUGHT 2009/10 \$
Land area > 10ha and defined operation area		0.33750	160,425
Total bovine Tb rate			160,425

TARGETED RATE: GRAVITY DRAINAGE SCHEMES		2009/10 PROPOSED \$ PER HECTARE	REVENUE SOUGHT 2009/10 \$
Taumata	A	6.79620	1,965
East Pukio	A	29.26410	3,375
Longbush	A	16.77530	3,659
	B	8.38760	1,084
Te Whiti	A	4.29050	583
Ahikouka	A	29.10730	3,266
Battersea	A	16.41820	2,757
	B	13.59350	2,522
	C	10.59240	3,301
	D	6.35540	977
	E	5.47270	1,115
	F	5.29620	397
Manaia	A	45.66660	7,875
Whakawiriwiri	A	14.92510	9,308
Total gravity drainage scheme rates			42,184

DIFFERENTIAL RATING CATEGORIES

Each rating unit is allocated to a differential rating category based upon location and/or land use for the purpose of calculating the general rate or any specific targeted rate based upon capital or land value.

As Greater Wellington Regional Council rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities.

Set out below are the definitions used to allocate rating units into rating categories.

CATEGORY 1 – RATES BASED ON CAPITAL OR LAND VALUE

LOCATION	USE	DESCRIPTION
Wellington city	Wellington city downtown city centre business	All rating units not classified as base within the central area boundary, currently shown on Map 32 of the District Plan of Wellington city, as may be amended from time to time by Wellington city
	Wellington city business	All rating units not classified as base in the rating information database for Wellington city outside the downtown city centre
	Wellington city residential	All rating units classified as base (excluding rural and farm) in the rating information database for Wellington city
	Wellington city urban	All Wellington city business and Wellington city residential rating units.
	Wellington city rural	All rating units sub classified as rural or farm within the base category in the rating information database for Wellington city
Hutt city	Hutt city business	All rating units not classified as residential, rural or community facilities in the rating information database for Hutt city
	Hutt city residential	All rating units classified as residential or community facilities in the rating information database for Hutt city
	Hutt urban	All Hutt city business and Hutt city residential rating units
	Hutt city rural	All rating units classified as rural in the rating information database for Hutt city
Porirua city	Porirua city business	All rating units classified as business in the rating information database for Porirua city
	Porirua city residential	All rating units classified as residential in the rating information database for Porirua city
	Porirua city urban	All Porirua city residential and Porirua city business rating units
	Porirua city rural	All rating units classified as rural in the rating information database for Porirua city
Upper Hutt city	Upper Hutt city business	All rating units classified as business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city residential	All rating units not classified as rural, business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city urban	All Upper Hutt city business and Upper Hutt city residential rating units
	Upper Hutt city rural	All rating units classified as rural in the rating information database for Upper Hutt city
Kapiti Coast district	Kapiti Coast district urban	All rating units not classified in the rural rating areas for the Kapiti Coast district
	Kapiti Coast district rural	All rating units classified in the rural rating areas for the Kapiti Coast District
Masterton district	Masterton district urban	All rating units not classified as rural in the rating information database for the Masterton district
	Masterton district rural	All rating units classified as rural in the rating information database for the Masterton district
Carterton district	Carterton district urban	All rating units not classified as rural in the rating information database for the Carterton district
	Carterton district rural	All rating units classified as rural in the rating information database for the Carterton district
South Wairarapa district	South Wairarapa district urban	All rating units not classified as rural in the rating information database for the South Wairarapa district
	South Wairarapa district rural	All rating units classified as rural in the rating information database for the South Wairarapa district
	Greytown ward	All rating units classified in the rating area of the Greytown ward in the rating information database for the South Wairarapa district
	Greytown urban	All rating units classified in the urban area of Greytown in the rating information database for the South Wairarapa district. (Prefaced Nos 18400 and 18420)
	Featherston urban	All rating units classified in the urban area of Featherston in the rating information database for the South Wairarapa district. (Prefaced Nos 18440 and 18450)
Tararua district		All rating units classified as being within the boundaries of the Wellington region

CATEGORY 2 – RATES BASED ON LAND AREA

Some rating units (either in whole or part) are allocated to additional differential rating categories (based on the area of land within each rating unit and the provision of a service or location) for the purpose of calculating the bovine Tb and Wairarapa schemes targeted rates based on land area.

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

Rating units subject to these rates are shown within an approved classification register for each scheme or a designed operational area for bovine Tb. For more information on whether your rating unit is allocated to one or more of these categories, please contact Greater Wellington's Masterton office on 06 378 2484.

CATEGORY 3 – LOWER WAIRARAPA VALLEY DEVELOPMENT SCHEME RATE

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

Rating units subject to this rate are shown within an approved classification register for each scheme. For more information on whether your rating unit is located in this area, and for the points allocated to your property, please contact Greater Wellington's Masterton office on 06 378 2484

CATEGORY 4 – ECONOMIC DEVELOPMENT AGENCY RATES (EDA)

The economic development agency rate (EDA) is a targeted rate allocated on a fixed amount basis for residential and rural ratepayers, and capital value for businesses. For residential properties the fixed amount is \$15.75 and rural properties \$31.50. This rate will fund Grow Wellington, the regions EDA. See table opposite.

LOCATION	USE	DESCRIPTION
Wellington city	Wellington city WRS business	All rating units not classified as base in the Wellington city rating information database
	Wellington city residential	As per differential category 1 above
	Wellington city rural	As per differential category 1 above
Hutt city	Hutt city business	As per differential category 1 above
	Hutt city residential	As per differential category 1 above
	Hutt city rural	As per differential category 1 above
Porirua city	Porirua city business	As per differential category 1 above
	Porirua city residential	As per differential category 1 above
	Porirua city rural	As per differential category 1 above
Upper Hutt city	Upper Hutt city business	As per differential category 1 above
	Upper Hutt city residential	As per differential category 1 above
	Upper Hutt city rural	As per differential category 1 above
Kapiti Coast district	Kapiti Coast district business	All rating units used for a commercial, business, industrial purpose, or utility network activity in the Kapiti Coast rating information database
	Kapiti Coast district residential	All rating units located in the urban rating areas except those properties which meet the classification of rural, commercial, business, industrial purpose or utility network activity and all community activities in the Kapiti Coast rating information database
	Kapiti Coast district rural	All rating units located in rural rating areas except those properties which meet the classification of commercial, business, industrial purpose, utility network or community activity in the Kapiti Coast rating information database
Masterton district	Masterton district urban	All rating units classified as non-residential urban in the Masterton district rating information database
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database
	Masterton district rural	As per differential category 1 above
Carterton district	Carterton district business	All rating units classified as urban commercial, urban industrial or urban smallholding – greater than one hectare in the Carterton district rating information database
	Carterton district residential	All rating units classified as urban residential in the Carterton district rating information database
	Carterton district rural	As per differential category 1 above
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database
	South Wairarapa district rural	As per differential category 1 above
Tararua district		As per differential category 1 above

AUDIT OPINION

part 9

**REPORT TO THE READERS OF WELLINGTON REGIONAL COUNCIL
LONG-TERM COUNCIL COMMUNITY PLAN STATEMENT OF PROPOSAL FOR
PUBLIC CONSULTATION FOR THE TEN YEARS COMMENCING 1 JULY 2009**

The Auditor-General is the auditor of Wellington Regional Council (the Regional Council). The Auditor-General has appointed me, A P Burns, using the staff and resources of Audit New Zealand, to report on the Statement of Proposal for adoption of a Long Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 84(4) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the Statement of Proposal complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the Statement of Proposal; and
- the extent to which the forecast information and proposed performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the Statement of Proposal for adoption of an LTCCP.

Opinion

OVERALL OPINION

In our opinion the Statement of Proposal for adoption of an LTCCP of the Regional Council incorporating volumes one and two dated 9 March 2009 provides a reasonable basis for long term integrated decision-making by the Regional Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Regional Council.

In forming our overall opinion, we considered the specific matters outlined in section 84(4) of the Act which we report on as follows.

OPINION ON SPECIFIC MATTERS REQUIRED BY THE ACT

In our view:

- the Regional Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;

- the underlying information and assumptions used to prepare the Statement of Proposal provide a reasonable and supportable basis for the preparation of the forecast information;
- the extent to which the forecast information and proposed performance measures within the Statement of Proposal provide an appropriate framework for the meaningful assessment of the actual levels of service provision reflects good practice for a Council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 9 March 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Regional Council and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000 : Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the Statement of Proposal for adoption of an LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the Statement of Proposal provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;

- the Regional Council's financial strategy, supported by financial policies as included in the Statement of Proposal is financially prudent, and has been clearly communicated to the community in the Statement of Proposal;
- the presentation of the Statement of Proposal complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the Statement of Proposal are compliant with the decision-making and consultation requirements of the Act;
- the information in the Statement of Proposal is based on materially complete and reliable asset or activity management plans;
- the agreed levels of service are fairly reflected throughout the Statement of Proposal;
- the key plans and policies adopted by the Regional Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the Statement of Proposal are based on best information currently available to the Regional Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the Regional Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the Statement of Proposal.

We do not guarantee complete accuracy of the information in the Statement of Proposal. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the Statement of Proposal and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Regional Council is responsible for preparing a LTCCP under the Act, by applying the Regional Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Regional Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the Statement of Proposal for adoption of an LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

Independence

When reporting on the Statement of Proposal for adoption of an LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the annual audit, we have no relationship with or interests in the Regional Council.

Matters Relating to the Electronic Presentation of the Long-Term Council Community Plan Statement of Proposal for Public Consultation

This audit report relates to the Wellington Regional Council's Long-Term Council Community Plan Statement of Proposal for Public Consultation for the ten years commencing 1 July 2009 included on the Wellington Regional Council's website. Wellington Regional Council's Council is responsible for the maintenance and integrity of the Wellington Regional Council's website. We have not been engaged to report on the integrity of the Wellington Regional Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Council Community Plan Statement of Proposal for Public Consultation since it was initially presented on the website.

The audit report refers only to the Long-Term Council Community Plan Statement of Proposal for Public Consultation named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Council Community Plan Statement of Proposal for Public Consultation. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Council Community Plan Statement of Proposal for Public Consultation as well as the related audit report dated 9 March 2009 to confirm the information included in the audited Long-Term Council Community Plan Statement of Proposal for Public Consultation presented on this website.

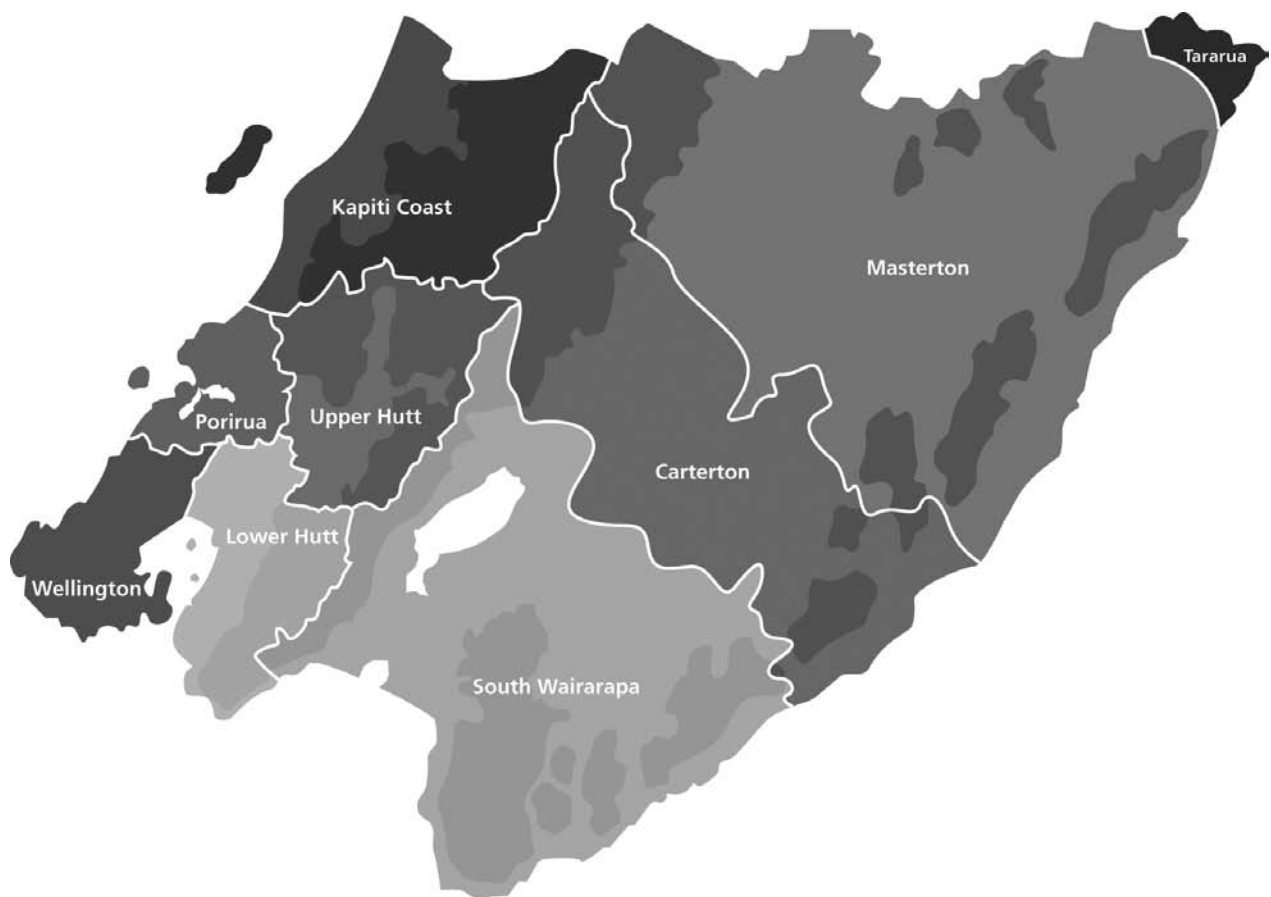


A P Burns, Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

GREATER WELLINGTON

part 10

REGIONAL COUNCIL AREA



ORGANISATIONAL CAPACITY

MAKING GREATER WELLINGTON GREATER

“We will have a great organisation that leads and delivers”

“We will have a great region in which to live, work and play”

We are continually trying to “Make Greater Wellington Greater” by improving our organisational capacity. We want to ensure that we have the right people in the right jobs doing

the right work to a high standard so that we deliver this 10-Year Plan well. Inevitably, we are affected by varying external factors and so need to be both focused and flexible in the way that we operate.

External factors influencing our organisation

Greater Wellington’s Strategy

NATIONAL LABOUR MARKET

- Influences the recruitment and remuneration strategies for our:
 - Greater Wellington-specific roles, such as consents officers and land management officers
 - Specialist roles such as river engineers

WELLINGTON LABOUR MARKET

- Influences the recruitment and remuneration strategies for roles shared with central government and the private sector

ECONOMIC FACTORS

- Unemployment rate
- State of the economy

SOCIAL CHANGE

- Increasing demand for flexible employment options
- Aging population

RECRUITMENT

- Increase awareness of Greater Wellington’s brand and the work we do
- Attract and retain passionate people who believe in Greater Wellington’s work

RETENTION

- Build staff engagement by communicating with our staff about what we can do better. We measure staff engagement annually through a Gallup engagement survey
- Increase leadership skills to help with staff engagement
- Apply our internal policies consistently to ensure that staff are treated fairly

BUILDING CAPACITY

- Provide focused learning and development programmes to enhance our capability and ensure that our staff have the right skills and knowledge to perform their jobs

CAREER MANAGEMENT

- Offer flexible working options to suit individual work/life commitments
- Ensuring opportunities arise for internal promotion

HEALTH AND SAFETY

- Promote best practice health and safety practices as evidenced by our membership of ACC Workplace Safety Management Practices Programme

YOUR REGIONAL COUNCILLORS

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GREATER WELLINGTON'S SENIOR MANAGEMENT TEAM

CHIEF EXECUTIVE OFFICER

DAVID BENHAM

DIVISIONAL MANAGERS

JANE BRADBURY

Corporate and Strategy

Statutory planning and reporting, corporate policy, human resources, communications, secretariat, iwi liaison, emergency management

NIGEL CORRY

Environment Management

Environmental policy, regulation, education, monitoring and investigations, and harbour management

JANE DAVIS

Transport Policy and Strategy

Wellington Regional Strategy

Transport policy, access planning and strategy, management and coordination of the Wellington Regional Strategy

WAYNE HASTIE

Public Transport

Planning and procuring public transport services, public transport information and marketing, public transport infrastructure

MURRAY KENNEDY

Water Supply, Parks and Forests

Water supply, regional parks and recreation areas, plantation forests, reserve forests

WAYNE O'DONNELL

Catchment Management

Biosecurity, flood protection, land management, biodiversity

BARRY TURFREY

Chief Financial Officer

Finance, information technology, support services, treasury and investments

APPENDIX

part 11

INDICATORS FOR COMMUNITY OUTCOMES

HEALTHY ENVIRONMENT

AIR QUALITY	SOIL QUALITY	WATER QUALITY AND QUANTITY	WASTE AND POLLUTION	ECOSYSTEM QUALITY
<ul style="list-style-type: none"> Compliance with National Environmental Standards for Air Quality Fuel consumption and carbon dioxide emissions 	<ul style="list-style-type: none"> Extent to which seven indicators of the chemical, physical and biological properties of soil meet target levels Area of erosion-prone land planted using sustainable management practices 	<ul style="list-style-type: none"> Quality – Nitrate concentration in ground water Water quality in rivers, streams and lakes Recreational water quality at bathing sites Sustainability of groundwater levels and levels in rivers and aquifers 	<ul style="list-style-type: none"> Number of sewage discharge and spill incidents (to land, rivers or harbour and coast) Number of reported pollution incidents Number of reported oil spills in harbours and coastal waters and response to oil spills Perceptions of residents regarding <ul style="list-style-type: none"> air pollution water pollution (including streams, rivers, lakes and sea) noise pollution Weight of material to landfills 	<ul style="list-style-type: none"> Ecosystem health in parks and forests Ecosystem health in harbour, estuary and beach environments Kilometres of stream and river margins subject to riparian enhancement

Some indicators for the Essential Services outcome are also relevant to the Healthy Environment outcome

QUALITY LIFESTYLE

VISITOR ATTRACTION	RESIDENT SATISFACTION	SAFETY
<ul style="list-style-type: none"> Number of guest nights Rate of accommodation occupancy 	<ul style="list-style-type: none"> Satisfaction with leisure time Satisfaction with work/life balance Quality of life of residents Satisfaction with life in general Ease of access to local park or other green space User satisfaction with regional parks, forests and recreation areas 	<ul style="list-style-type: none"> Sense of safety Perceptions of safety of unsupervised children in local neighbourhood Perceptions of crime and other undesirable problems Crime rates Number of injury crashes

SENSE OF PLACE

- Sense of pride in local area

PROSPEROUS COMMUNITY

ECONOMIC GROWTH	EMPLOYMENT AND INCOME	SKILL BASE
<ul style="list-style-type: none"> • Real value added GDP growth • Business growth and industry contribution to GDP • Value and number of non-residential building consents • Overseas cargo statistics <ul style="list-style-type: none"> – Cargo loaded value – Cargo unloaded value • Population numbers and migration levels 	<ul style="list-style-type: none"> • Labour force participation rates • Employee count • Rates of employment and unemployment • Employment growth in specific occupations • Skill shortages • Income levels <ul style="list-style-type: none"> – Regional median household income – Regional median hourly income – Regional total personal income • Sufficiency of income to meet everyday needs • Consumer price index 	<ul style="list-style-type: none"> • Highest qualifications of working-age population

These indicators link closely to those identified under “Entrepreneurial and Innovative Region” and should be considered in conjunction with those indicators. Additional indicators can be found in the “Wellington Regional Outlook” report prepared by Grow Wellington in June 2008.

PREPARED COMMUNITY

REDUCTION	READINESS	RESPONSE	RECOVERY
<ul style="list-style-type: none"> • Hazard research • Building safety • Harbour safety – risk assessment and planning • Flood protection <ul style="list-style-type: none"> – Risk assessment and planning – Assessed value of flood damage • Water supply <ul style="list-style-type: none"> – Planning for improved speed and ease of reinstating water supply following natural disasters 	<ul style="list-style-type: none"> • Level of household preparedness to respond to and recover from an emergency event • Level of business preparedness to respond to and recover from an emergency event • Availability of plans to guide the response of key organisations in the event of an emergency 	<ul style="list-style-type: none"> • Capacity of emergency operations centres 	<ul style="list-style-type: none"> • Availability of plans to expedite recovery following a natural disaster

CONNECTED COMMUNITY

TRANSPORT INFRASTRUCTURE	PUBLIC TRANSPORT	COMMUNICATION NETWORKS
<ul style="list-style-type: none"> • Average congestion rates on selected roads • Level of short-trip active modes 	<ul style="list-style-type: none"> • Availability and use of public transport <ul style="list-style-type: none"> – Accessibility of public transport – Patronage of bus, train & ferry • Perceptions of public transport <ul style="list-style-type: none"> – Affordability – Safety – Ease of access – Frequency – Reliability – Ease of use – Delivery of service • Level of understanding among residents of public transport services • Passenger numbers through Wellington International Airport • Passenger numbers on Cook Strait ferries 	<ul style="list-style-type: none"> • Percentage of residential population with phone, mobile phone and internet access • Availability, speed, cost and reliability of broadband

ENTREPRENEURIAL AND INNOVATIVE REGION

GROWTH	TALENT	CREATIVITY AND INNOVATION	INVESTMENT
<ul style="list-style-type: none"> • Total number of registered businesses and number of new businesses registered • Average business size and changes in business size • Level of business confidence 	<ul style="list-style-type: none"> • Employment in and revenue generated by “the Creative Class” (as defined by Richard Florida) • Highest qualifications of working-age population • Number of people involved in science and technology research • Entrepreneurial courses and entrepreneurial activity at tertiary education institutions • Short-length entrepreneurial skill courses provided in the region 	<ul style="list-style-type: none"> • Level of new business incubates • Participation of regional enterprises in business competitions (Cable Car Challenge, Gold Awards, Deloitte’s Unlimited Fast 50, Export Awards and the Sustainability Awards) • Level of new patent applications within the region 	<ul style="list-style-type: none"> • Level of research and development expenditure • Investment support provided and actual investment <ul style="list-style-type: none"> – Angel Investment – Venture Capital and Private Equity funds – Private Investment – Use of Escalator programme

Some Indicators in the Prosperous Community outcome are also relevant to this outcome, since an Entrepreneurial and Innovative Region will contribute to a Prosperous Community.

ESSENTIAL SERVICES

SERVICES	HOUSING	THREE WATERS DRINKING WATER QUALITY AND SUPPLY, SEWERAGE AND STORMWATER DISPOSAL
<ul style="list-style-type: none"> Reliability of electricity supply Number of homes that could potentially be served by power generated in the region from renewable resources Availability of recycling 	<ul style="list-style-type: none"> Housing affordability Household crowding Housing need 	<p>Drinking Water Quality and Supply</p> <ul style="list-style-type: none"> Level of compliance with drinking water standards for New Zealand Security of water supply systems Per capita gross water consumption <p>Sewerage</p> <ul style="list-style-type: none"> Number of sewage pollution incidents <p>Stormwater</p> <ul style="list-style-type: none"> Number of households flooded (due to a failure of or lack of capacity in the stormwater systems)

Further information is available from service providers, including additional indicators and data. Data is not always available at a regional level. In some countries there is a governing body to oversee the reliability and availability of all essential services but no such body exists in New Zealand. In some instances there are no agreed or legislated service delivery levels or standards. Where they do exist, they are identified in this report.

HEALTHY COMMUNITY

ACCESS TO HEALTHCARE	INDIVIDUAL WELLBEING	LIVING CONDITIONS
<ul style="list-style-type: none"> Number of FTE General Practitioners Percentage of children and adults with access to a primary health care provider Affordability of GP visits as perceived by individuals Percentage of children receiving full programme of immunisation 	<ul style="list-style-type: none"> Number of visits to regional parks and forests Number of participants in the Regional Outdoors Programme Percentage of short trips made using active modes Percentage of adults having regular physical activity Nutrition levels (vegetable and fruit intake) Rates of diabetes and obesity Rates of suicide Level of cigarette smoking Life expectancy Personal health status as perceived by individuals 	<ul style="list-style-type: none"> Occurrence of chronic health conditions Air, soil and water quality

Some indicators for other community outcomes, in particular Healthy Environment, Essential Services and Prosperous Community, are also relevant to the Healthy Community outcome.

STRONG AND TOLERANT COMMUNITY

COMMUNITY PARTICIPATION	DEMOCRACY	CULTURAL DIVERSITY
<ul style="list-style-type: none"> Sense of community Involvement in social networks and groups 	<ul style="list-style-type: none"> Voter participation in local elections Understanding of and confidence in Council decision making Desire to have more of a say in what councils do Perception of public influence on Council decision-making 	<ul style="list-style-type: none"> Appreciation of cultural diversity Formal relationships between Tangata Whenua and local authorities in the region Number of Māori language speakers Proportion of Māori who speak te reo

PLEASE GIVE US YOUR VIEWS

Once this 10-year plan is approved, it will become the blueprint for the work we do on your behalf. We therefore encourage you to make a submission on any part of this plan

PROPOSED 10-YEAR PLAN 2009-19, INCORPORATING THE PROPOSED 2009/10 ANNUAL PLAN

For the full 10-Year Plan, see www.gw.govt.nz (Select "Publications & reports" and "Annual Plan and Ten-Year Plan")

SUBMITTER CONTACT DETAILS:

Name Phone

Postal address

Email

Fold 1 to FreePost

Please tick here if you also want to present your views in person. You will be allocated a time slot (between 13 and 15 May) and notified in writing

.....

Please use a separate sheet of paper if you need more space for your submission

PROPOSED CHANGE TO CHARGE-OUT RATE FOR RESOURCE CONSENTS

See p15 for details of the proposal

.....

Please use a separate sheet of paper if you need more space for your submission

Fold 2 to FreePost

KEY DATES

23 MARCH – 24 APRIL 2009

Period for receiving written submissions on the Proposed 10-Year Plan 2009-19, incorporating the Proposed 2009/10 Annual Plan

13 – 15 MAY

Submissions scheduled to be heard by Greater Wellington

SUBMISSIONS CLOSE 4PM FRIDAY 24 APRIL

Please note that any submission you make may be publicly available under the Local Government Official Information and Meetings Act 1987.

If you are making a submission as an individual, we will consider removing your personal details if you request this in your submission.

HOW TO GIVE US YOUR FEEDBACK

Use this Freepost form

Online form www.gw.govt.nz

Email ltccp@gw.govt.nz

Fax 04 385 6960

FreePost Greater Wellington Regional Council
 FreePost 3156
 PO Box 11646
 Manners Street
 Wellington 6142

By hand 142 Wakefield Street, Wellington city
 – next to the Duxton Hotel
 34 Chapel Street, Masterton
 – opposite the Departmental building

WE WANT YOUR VIEWS ON OUR KEY ISSUES AND ANY OTHER MATTERS IN OUR PLAN

Thinking about each key issue listed below, please enter a number that best represents your thoughts on the approach set out in this document.

1 = Not enough 2 = About right 3 = Too much

PUBLIC TRANSPORT

FLOOD PROTECTION

WATER SUPPLY

LAND MANAGEMENT

PARKS

CLIMATE CHANGE

Have your say

Proposed 10-Year Plan 2009-19
Incorporating the Proposed Annual Plan 2009/10 – Feedback Form

Please seal this FreePost Feedback form with tape – DO NOT STAPLE

FreePost Authority Number 3156



Proposed 10-Year Plan 2009-19
FreePost 3156
Greater Wellington Regional Council
PO Box 11646
Manners Street
Wellington 6142





greater WELLINGTON
REGIONAL COUNCIL

Greater Wellington promotes **Quality for Life** by ensuring your environment is protected while meeting the economic, cultural and social needs of the community

For more information, please contact:

Greater Wellington
PO Box 11646
Manners Street
Wellington 6142

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www.gw.govt.nz

March 2009
GW/CP-G-09/47