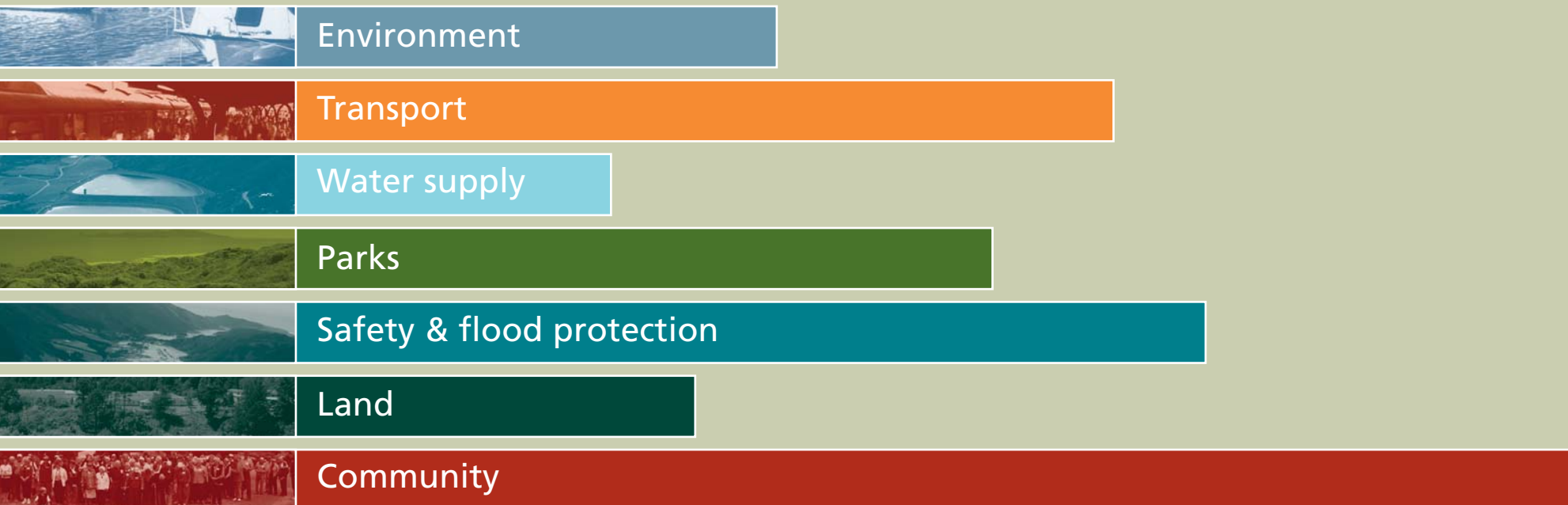


Amended
June 2007

a sustainable region Detailed information

Amended 2006–16 Ten-Year Plan (incorporating the 2006/07 Annual Plan)

Quality for Life



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Amended LTCCP Introduction



Amendment one

Greater Wellington, at the request of the District and City Councils of the region, has taken on the role of “keeper” of the Wellington Regional Strategy. This amendment to the Council’s ten-year plan (LTCCP) 2006–16 enables Greater Wellington to take on this new activity.

The Wellington Regional Strategy is a framework for the sustainable economic growth of the Greater Wellington region. This new activity includes establishing and funding a regional economic development agency, as well as establishing a committee of Greater Wellington to oversee the implementation and further development of the strategy. Significantly the membership of the Committee includes representatives from all the District and City Councils in the Region and independent members who bring to the committee specialist expertise and experience.

Greater Wellington is committed to acting as the keeper of the Wellington Regional Strategy until at least 30 June 2012. The role of Greater Wellington will be reconsidered in 2011 following a comprehensive review of the effectiveness of the strategy. At that time a decision may be made to continue the keeper role beyond the 2011/12 financial year.

Amendment two

Transport funding

To provide greater equity between current and future ratepayers, this amendment allows the council to debt fund certain long term transport expenditure for up to 75% of the expected asset life.

This amendment to the LTCCP has changed the following sections:

Detailed Information Document

Financial Summary	pages 15 to 19
Community	pages 101 to 108
Council Prospective Financial Statements	pages 123 to 132
Funding Impact Statement	page 133 and pages 138 to 140
Audit report	page 146

Policies Document

Revenue and Financing Policy	page 27 and pages 61 to 62
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This amendment to the LTCCP has changed the following page.

Policies Document

Revenue and Financing Policy	page 25
The last bullet point of section 2.1	



Greater Wellington Regional Council's ten-year plan comprises two documents – Detailed Information and Policies.

The *Detailed Information* document is organised around groups of activities that reflect Greater Wellington's functional areas. It details our work programmes and sets out both long-term (ten-year) and short-term targets (three years) for our work so that our progress can be assessed. Detailed budgeting and funding information is also included, as is information on our investments and our Council Controlled Organisations.

The *Policies* document contains the following policies:

- Significance
- Partnerships with the private sector
- Rates remission and postponement
- Development contributions or financial contributions
- Treasury management
- Revenue and financing.



Message from the chairman

This is Greater Wellington Regional Council's Long-term Council Community Plan for the region for 2006-16.

For some time now, Greater Wellington has had a vision of a *sustainable region*. Sustainability – and what it means – is the subject of international debate. This Plan shows how we will contribute to our concept of sustainability. It sets out the outcomes we are trying to achieve and our planned work programmes – as well as the cost. Just as importantly, it shows who we will be working with – because we cannot do it alone. Sustainability requires shared effort and effective working partnerships.

Sustainability is one of the most important challenges facing our society today. Issues such as increasing energy costs, climate change, water supply, environmental threats, social equity and economic growth are at the forefront of today's political concerns, both in New Zealand and worldwide.

While the challenges are clear, the solutions at a regional level are not easy to pin down – and then there is the need to balance what we'd like to do with what is affordable. This Plan is the result of much work and debate, both within and outside Greater Wellington. For Greater Wellington, a *sustainable region* means ensuring our environment is protected while meeting the economic, social and cultural needs of the community. But in preparing this Plan, councillors also put much thought into "how" we are going to work, as well as into "what" we are going to do. To this end we developed the following themes to assess the appropriateness of our planned work programmes:

- Working as a region
- Doing what we do well
- Being innovative and visionary
- Working **with** and **for** the community.

Councillors also faced a new challenge when preparing this ten-year Plan. The Local Government Act 2002 permits regional councils to engage in new areas of activity if those activities meet the needs of the community. We were requested to fund some new areas of work. However, after careful consideration, councillors decided at this stage to focus on maintaining and improving existing programmes rather than branching out into new areas.

In the proposed Plan, the Council specifically sought the community's views on some major strategic decisions that needed to be made before the Plan was finalised. The feedback we received was excellent and is discussed further below.

We were delighted to receive 411 submissions on the proposed Plan. Many submitters took the trouble to travel quite long distances to present their submissions to Council. Thank you to all those who took the time to contribute to our long-term plan. Each submission was carefully considered and, as a result, changes have been made for the final Plan. Some of the points and issues that were raised in submissions could not be addressed immediately as they warrant further consideration. The Council will certainly be following up on these issues.

Improving public transport

A year ago Council sought the community's views on some major funding increases needed to maintain and improve public transport in the region. The response was that we should go ahead with the increases. Those transport improvements are included in this Plan and are the main reason for the rates increase.

As well as increasing rates to pay for improved transport in the region, we will also be increasing passenger rail fares by 15%, effective from September 2006, so costs will be spread fairly across all ratepayers and fare paying passengers. This will be the first increase in rail fares for four years.

Message from the chairman

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Public submissions focused on two key issues: first, our target on the percentage of work trips made using public transport did not appear to be ambitious enough; secondly, ensuring that our services run to timetable should be the highest priority. We recognized that the target concerned was not as clear as it should be – and it has been amended in this final plan. Current growth in all transport trips in the region is forecast to continue at around 4% per year. So even maintaining public transport's share will require us to increase patronage – which will be a major challenge and require significant investment to make services more attractive to users. This Plan provides for that investment. Currently our job is being made easier by rising petrol prices as more people are turning to public transport. Our challenge is to provide sufficient capacity to meet the growing demand and to maintain the quality of our services so that public transport is the mode of choice over the long term. Council will need to monitor constantly the situation. During the next 12 months a comprehensive review of investment priorities will be carried out to maximize service reliability and meet anticipated demand.

Greater Wellington will be forming four Council Controlled Trading Organisations (CCTOs) to own its investment in public transport infrastructure. With four CCTOs, the risk of owning these assets will be reduced. Further, the cost of these CCTOs will be minimal as no extra staff are involved.

Our proposed Plan provided for a bus/rail interchange at Porirua at a cost of \$10 million. However, as a result of consultation on the Western Corridor Plan this interchange has been deferred. It is not included in this final Plan.

A major commitment to flood protection across the region

Greater Wellington has already committed to a forty-year programme of major flood protection improvements in the Hutt Valley and Kapiti Coast. However, recent floods have generated requests from affected communities to speed up this programme of works – and even expand it to cover some smaller rivers and streams. In the Wairarapa there is also a demand for improved flood protection.

This Plan provides for acceleration of the Hutt Valley works and for new expenditure in the Wairarapa. Kapiti Coast works will continue as planned.

This will mean increased costs for the communities who will benefit directly, as well as for ratepayers across the region. This was fully supported by submissions on our proposed Plan.





Message from the chairman

Expanding our parks network

Greater Wellington has five regional parks and has signalled in the past that it would like to expand the network to provide more areas for public recreation across the region. This Plan provides for a wetland regional park in the Wairarapa and for a regional park at Whitireia, Titahi Bay. Adding these new parks to the network means additional costs for ranger services, infrastructure, such as signage and tracks, and general operating costs associated with managing land. These additional services mean an additional 1% on the rates in 2007/08. Meanwhile, it is business as usual in our existing parks.

Greater Wellington has already committed to the purchase of the Waitangirua block which will become part of the Belmont Regional Park.

Those submitters that commented on the parks were largely supportive of our approach. Some advocated for the inclusion of Whareroa to our parks network and this issue is still being considered by Council.

Water conservation measures versus a new water source

We collect, treat and deliver water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington. At current estimates of population growth, we will reach our supply limit within two to three years. Some enhancements, costing up to \$6 million, will provide a solution for a few years. Consequently, this Plan provides for investigative work and a major new water source, potentially costing up to \$102 million. We will have the costs refined in about a year.

However, if people reduce their water consumption, a new water source may not be required so soon. The water supply growth rate is about one percent a year, so reducing consumption by one percent a year through using water more wisely will put off the need for a new water source.

This issue generated widespread interest from submitters, with most advocating for increased effort in promoting water conservation. Submitters were divided on the issue of water metering to reduce demand. In conjunction with our four city customers, Greater Wellington is preparing a comprehensive Water Supply Management Plan. This will cover new conservation initiatives. Nevertheless, as the region's population grows, it is prudent to prepare for a new source should it be needed in 10, 15 or even 20 years time.





Other issues raised

During the consultation process, a range of other issues were raised in submissions and the Council has addressed a number of these in the final Plan. The Council's contribution to biodiversity has been made more explicit and greater clarity has been provided on the development of an integrated catchment management approach. We will be carrying out some scoping work on integrated catchment management and, when this has been completed, Council will be reviewing the way it is resourcing its land and water management programmes. In the meantime, this Plan provides for the continuation of our existing services.

A number of submitters called for action and leadership on climate change. Council is certainly aware of the importance of climate change to the region and it will be addressed in the review of the Regional Policy Statement.

Several submitters called for a clearer strategic direction from the Council with some asking for us to be bolder and give greater meaning to sustainability and a sustainable region. We thought that these points were entirely valid and the Council is committed to seeing how we can take a more active leadership role.

Indeed, a recurrent theme of our public consultation was a call for Greater Wellington to take a more transparent and active leadership position on regional issues. The Council intends to take up this challenge and lead the debate on transport infrastructure, water supply and land management issues in the region. We also intend to take a more active role in sustainable economic growth under the framework of the Wellington Regional Strategy, particularly the integration of economic development, transport services and land use planning. All of this will be in collaboration with local authorities, central government agencies and the business community.

The Wellington region can look forward to an exciting future and you can be assured that Greater Wellington Regional Council is ready for the challenges and opportunities that lie ahead.



Ian Buchanan
Chairman





What the region wants

This Long-term Council Community Plan (this Plan) provides a ten-year focus for the activities of Greater Wellington and describes how those activities will contribute to the achievement of community outcomes.

Outcomes are simply a desired result or state of affairs. Community outcomes describe the type of place that our people want the Wellington region to be. They describe what we value as important for a good quality for life. The identification of outcomes for the Wellington regional community is important because it enables us to plan with a longer term focus. Clearly though, Greater Wellington is not in a position to achieve all of the outcomes that the community seeks.

Greater Wellington's role in furthering community outcomes will be different for different outcomes. For some outcomes Greater Wellington will play a major role. For others it will have only a small role to play, or no role at all, and it will be up to other organisations or agencies to take the lead. The identification of outcomes for the Wellington regional community, therefore, has a second important purpose – to allow for the coordination and prioritisation of resources across different organisations, such as councils, government departments, business groups, iwi, community groups and others.

Community outcomes



7

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 the community outcomes were identified

Greater Wellington's regional community outcomes for our Long-term Council Community Plan (LTCCP) 2006-16 were originally created by drawing together the community outcomes from all the councils in the Wellington metropolitan region. Each council had been through a "blank sheet" community outcomes process previously, including Greater Wellington with its 2002 process for the LTCCP 2003-2013. The outcomes from each council were compared and aligned to create a set of 8 draft outcomes that reflected both the sub-regions' and the Greater Wellington region's community views.

A group of organisations (local government, central government and quasi government), capable of influencing the identification or promotion of community outcomes, was formed and meetings were held to discuss progress and key issues. Participation in these meetings was enthusiastic and agreement to the process was secured.

The Wellington Regional Strategy (WRS), a sustainable growth framework for the region, was the vehicle for initial consultation on the community outcomes. The intention was for the WRS community outcomes to also be Greater Wellington's community outcomes for this Plan. The rationale behind this was to avoid duplication of process (and in particular, avoid "consultation fatigue"), maximise the use of council and community resources and capture joined-up regional thinking and ideas.

The WRS Growth Framework discussion document was sent out to around 4,500 organisations and individuals. It included a questionnaire asking for submissions on the community outcomes. Electronic submissions were sought through the WRS website. 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 on the WRS and the community outcomes.

The feedback received was collated and applied to the original set of outcomes. The original outcomes were rewritten with an active voice and two new outcomes (*Healthy community*, *Prepared community*) addressing health and emergency response/preparedness were added, based on feedback from the community.



How Greater Wellington will contribute to the community outcomes

The role of Greater Wellington in furthering community outcomes can take a number of forms. For example, it can take on the roles of:

Advocate	trying to persuade others to act
Facilitator	bringing various parties together to carry out an activity
Educator	providing information and advice

Greater Wellington can also take on more direct roles of a:

Funder	making a financial investment in a programme
Service Provider	carrying out a programme using the Council's own resources
Regulator	developing and enforcing rules
Monitor	gathering information

In some cases Greater Wellington will be involved in more than one way of furthering a community outcome. In other cases it will not have any specific role because of the functions of other parties. The following sections of this Plan detail these activities and roles of Greater Wellington.

Relationship to our key strategic planning documents

Greater Wellington has a number of key strategic documents in place that govern many of its activities. These relate to, and will assist, in working towards the achievement of the community outcomes. These planning documents and our key planning processes are outlined in **Figure 1** on page 10.

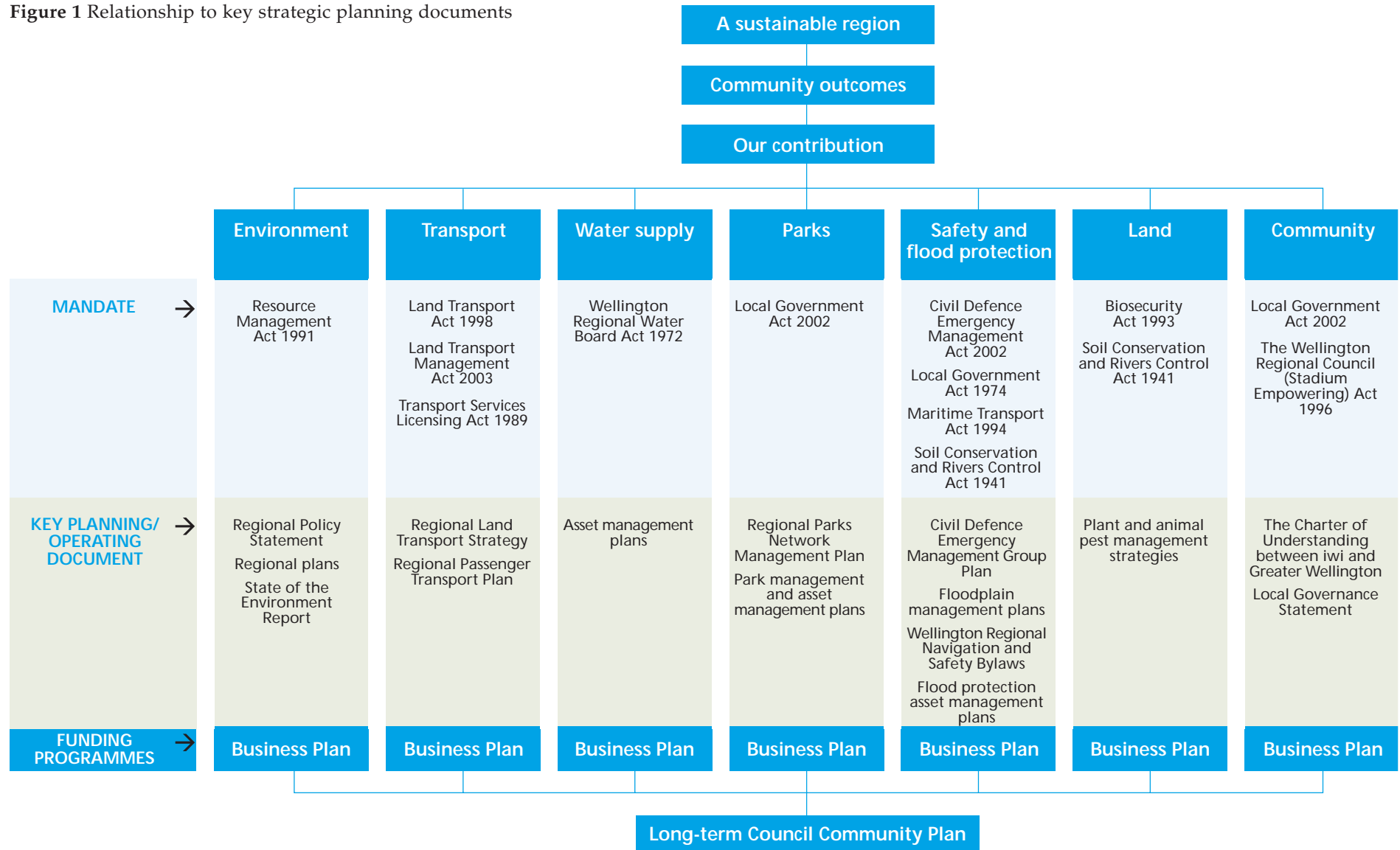
How we will work with others

Greater Wellington will work with other local and regional organisations, Māori, central government and non-government organisations and the private sector to achieve the community outcomes. The range of organisations and stakeholders that Greater Wellington will work with is shown in the following sections of this Plan.



Community outcomes

Figure 1 Relationship to key strategic planning documents



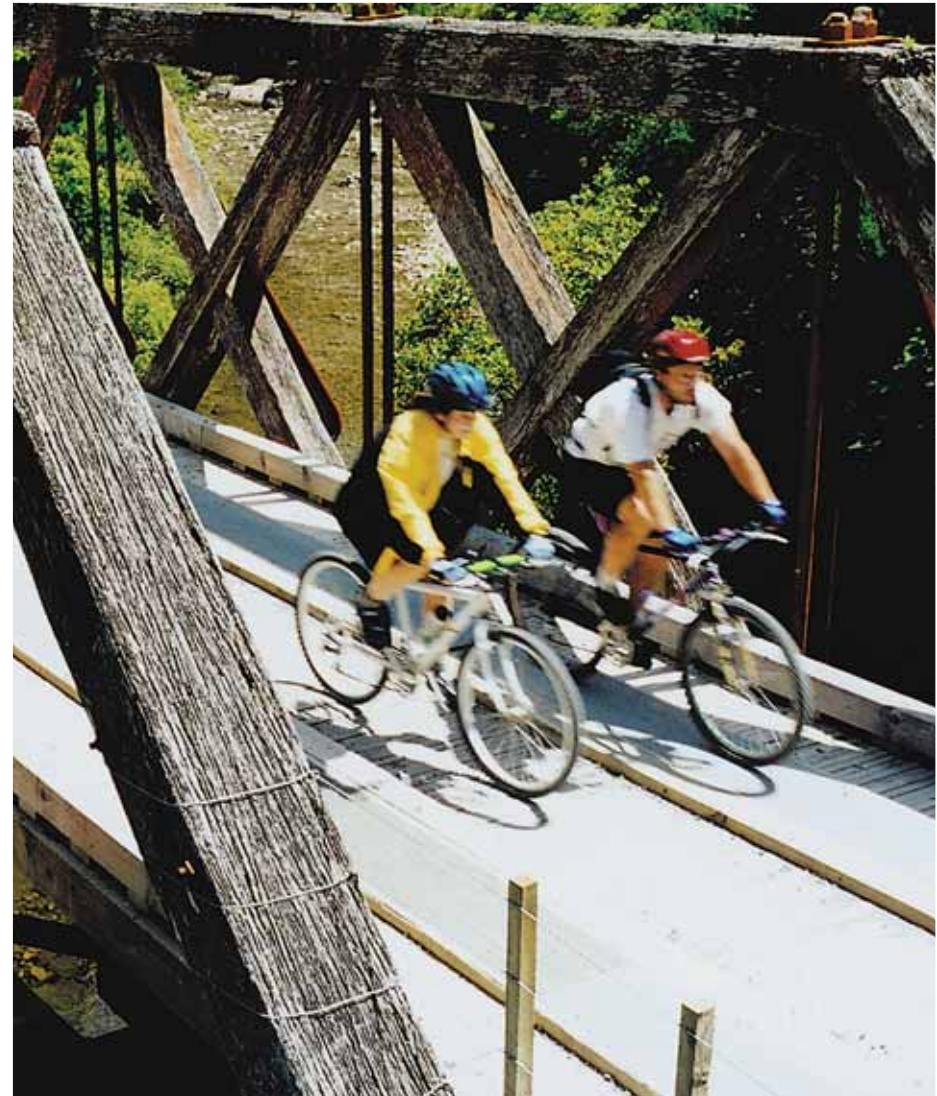


How we will measure progress

Greater Wellington is required by the Local Government Act 2002 to monitor and report on the community's progress towards community outcomes for the Wellington region.

Greater Wellington has developed a set of indicators to assess progress towards the achievement of the community outcomes. There will be more technical measures that sit below these indicators. Local authorities and other agencies in the region are working together, through the Wellington Regional Strategy process, to agree on these technical measures. In turn, it is hoped to develop a system that combines and prioritises the measures to come up with a genuine progress indicator for the region. This will be a simple and meaningful measure of the economic, social, environmental and cultural wellbeing of the region.

Progress towards the achievement of the community outcomes will be monitored using this measurement regime and reported to the community every three years.





Community outcomes

Recommended indicators for Wellington region

Healthy environment

- Freshwater and coastal water quality
- Air quality
- Soil quality
- Pest plant and animal management
- Levels of waste and pollution

Quality lifestyle

- Satisfaction with work/life balance
- Participation in art, sport, physical activity, leisure, culture and community events
- Satisfaction with access to community facilities
- Crime rates/perception of safety
- Visitor numbers

Sense of place

- Level of pride in the region
- Number of care groups
- Satisfaction with the quality of the built and natural environment

Prosperous community

- Regional population changes
- Regional GDP (or GST)
- Economic activity

Prepared community

- Level of household preparedness for emergency events
- Level of organisational preparedness for emergency events
- Civil defence emergency management organisations' state of preparedness
- Level of flood protection

Connected community

- Access to and use of electronic and telecommunications systems
- Road congestion levels
- Use of public passenger transport

Entrepreneurial and innovative region

- New business activity
- Public and private sector collaboration
- Educational attainment
- Investment in research and development

Essential services

- Availability of potable water
- Availability of energy supplies
- Quality of transport infrastructure

Healthy community

- Health of the community
- Access to health care

Strong and tolerant community

- Participation in decision-making
- Ethnic mix
- Perception of community belonging
- Recognition of tangata whenua



Development of Māori capacity to contribute to decision-making

This section sets out the steps that the Greater Wellington intends to take to foster the development of Māori capacity to contribute to Greater Wellington's decision-making processes.

Greater Wellington has a long-standing and well developed relationship with iwi in the region. Underpinning this relationship is the Charter of Understanding that was signed by iwi and Greater Wellington in 1993. A review of the Charter was completed in July 2000, and resulted in the scope of the Charter being expanded to cover all areas of our business.

Following the review, Greater Wellington developed a policy for strengthening the relationship between itself and tangata whenua. This policy contained a range of initiatives that enable iwi to participate better in Greater Wellington's functions.

In 2005, iwi and Greater Wellington independently carried out reviews to identify further opportunities to improve participation by Māori in Greater Wellington decision-making.

Ara Tahī

Ara Tahī is the name given to the Council's inter-iwi representative group. Ara Tahī is used as a forum for collective discussion and to provide policy advice to the Council.

Representatives from Ara Tahī are appointed to the Wellington Regional Strategy Forum and the Regional Land Transport Committee. In this capacity the representatives are able to participate in the decision-making of these bodies.

Māori hearing appointees

Greater Wellington attempts to use an iwi appointee on all resource consent hearing panels. This provides iwi with a direct involvement in decision-making.

Technical workshops

A number of technical workshops are held annually involving Greater Wellington staff and iwi. The purpose of the workshops is to exchange information, explain technical concepts, and identify issues and solutions. The result is an increase in the capacity of iwi to participate in our business.

Iwi projects

The Council supports iwi to undertake projects that enable them to become more directly involved in the management of resources.

Secondments/exchanges

Opportunities can be created within departments for the secondment of iwi representatives. Similarly, the opportunity for Greater Wellington staff to work within iwi authority structures has been discussed with iwi.

Maori liaison officers/Kaitakawaenga

Greater Wellington employs two dedicated Māori liaison officers/Kaitakawaenga. These specialist positions enable us to provide enhanced assistance to iwi to participate in Greater Wellington's business.

Capacity building within Greater Wellington

Greater Wellington carries out a number of activities to increase the capacity of councillors and staff to appreciate and understand Māori perspectives, the Treaty of Waitangi, tikanga etc. We achieve this through training sessions, rohe walkovers, noho marae and direct contact with iwi.

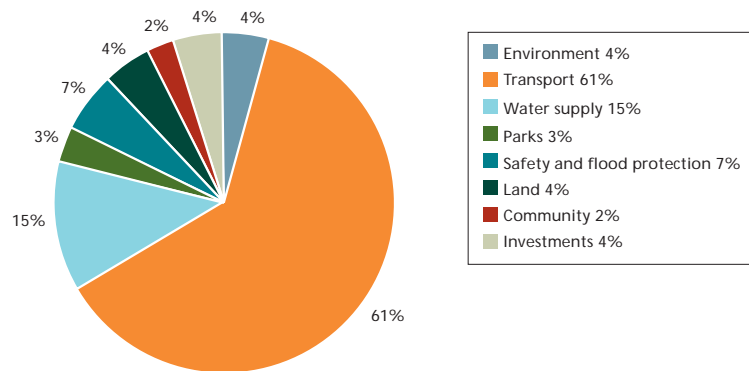
Although the direct focus is on building capacity, indirectly this enhances the ability of iwi to participate in our business. Development and training is a key initiative supported by the region's iwi.



What it will cost and how we plan to pay for it

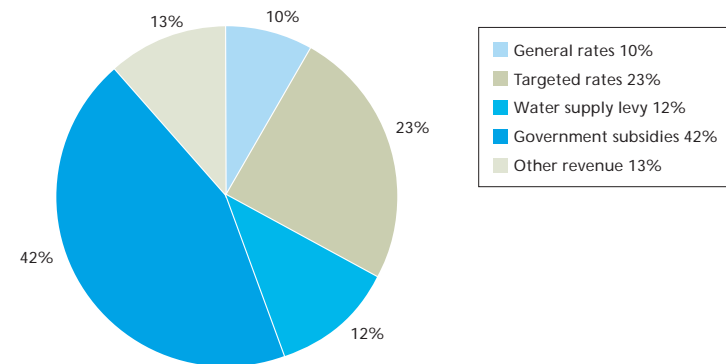
Please note that throughout this document all projected financial information includes an estimate of inflation, except for pages 18 and 19 which exclude inflation. Page 17 compares 'rates with inflation' to 'rates without inflation'.

Our work programmes



Over the next ten years Greater Wellington plans to spend approximately \$750 million on capital expenditure and transport investments. Over that same period we will have operating expenditure of over \$2.0 billion. This graph shows the total costs of delivering Greater Wellington's services broken down by our groups of activities. The most significant area of our expenditure relates to transport, at 61% of the total.

Where our revenue comes from



The cost of our work programmes will be funded by a mix of rates, levies, government subsidies and other revenue. Regional rates, comprising general rates and targeted rates, make up 33% of Greater Wellington's total revenue. Government subsidies (primarily for funding public transport) make up a further 42% and the water supply levy (charged to Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 12%. The remaining 13% of revenue is from other external sources.

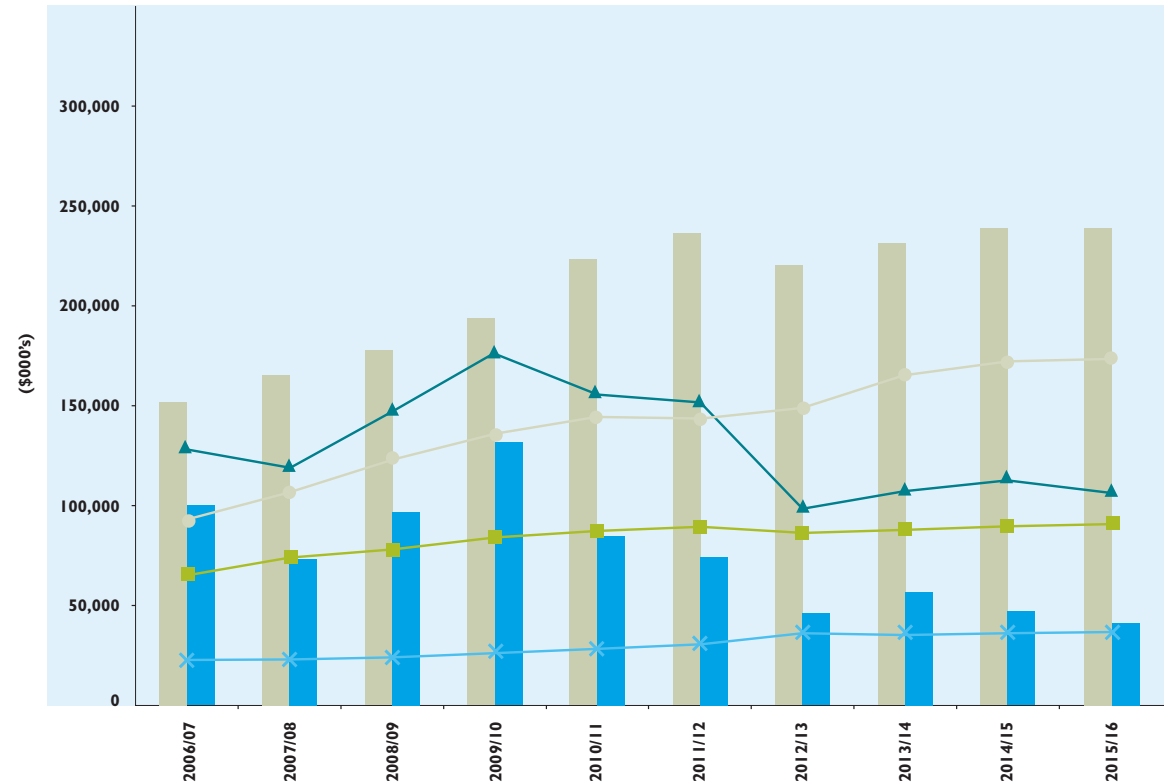
Ten-year financial forecast (with inflation)



This graph outlines financial projections for the next ten years including funding for the Wellington Regional Strategy (WRS) from 2007 through to 2012 when a full review of the strategy will be undertaken.

Key points to note are:

- Capital expenditure and transport investment, primarily rail rolling stock, peaks at \$132 million in 2009/10
- Other operating revenue increases and decreases with the expenditure on public transport infrastructure as the majority of this is funded by government grants
- Debt rises to \$172 million over the period as it is required to fund Greater Wellington Regional Council's share of public transport infrastructure and other capital expenditure
- Regional rates are projected to rise to \$90 million. The increase is mainly to fund the purchase of public transport infrastructure
- The water supply levy increases from 2007/08 onwards to fund the new water source and to cover increasing costs.



Please note that these figures exclude GST and include an estimate of projected inflation.

(\$'000's)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Operating expenditure	151,322	166,461	178,746	193,989	223,272	236,297	222,024	231,557	239,181	239,876
Capital expenditure & transport investment	100,529	71,486	99,945	131,572	82,278	72,317	46,225	57,794	46,993	41,860
Debt	93,441	107,538	122,440	141,498	144,543	142,944	149,315	166,741	171,384	172,453
Regional rates	61,950	72,592	77,799	82,521	87,189	89,199	85,915	86,619	88,950	89,760
Water supply levy	22,776	24,187	25,635	27,644	29,751	31,957	34,260	34,911	35,470	36,037
Other operating revenue	128,874	119,288	147,469	174,500	157,526	152,453	99,368	106,862	112,556	107,808
Operating surplus/(deficit)	62,278	49,606	72,157	90,676	51,194	37,312	(2,481)	(3,165)	(2,205)	(6,271)

The large operating surpluses in 2006/07 to 2011/12 are because government grants are accounted for as income. A significant portion of these grants is used to fund our capital purchase of passenger transport infrastructure. The new assets are then depreciated over their expected life, resulting in deficits in future years.



Ten-year rates (with inflation)

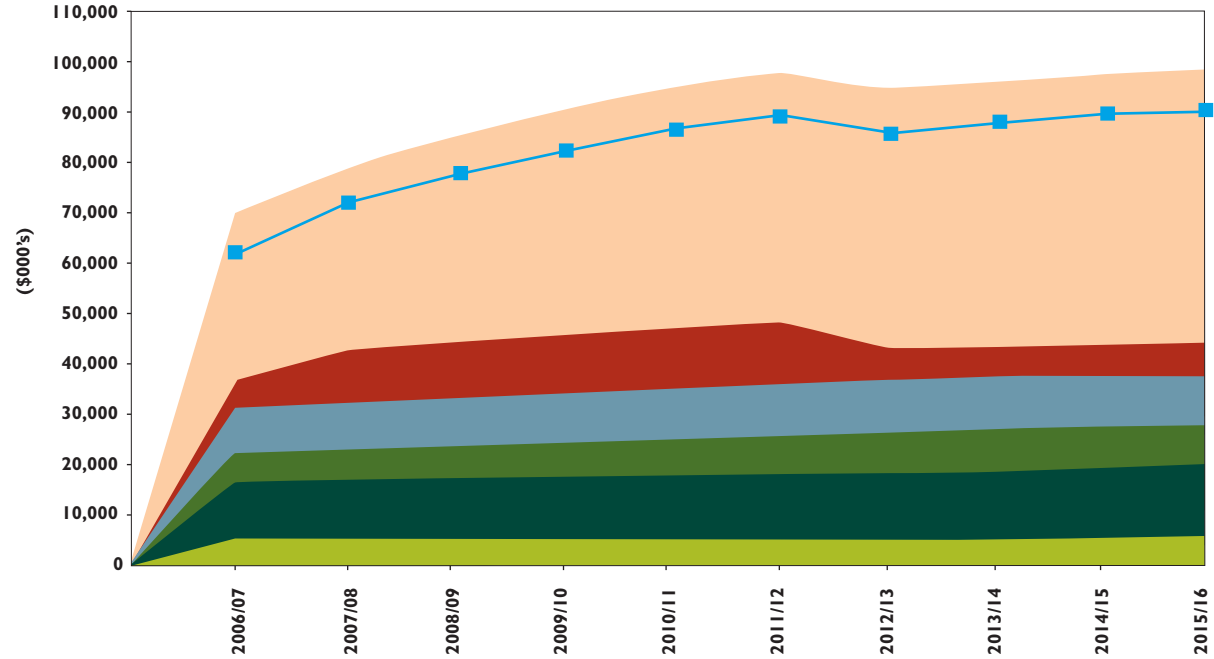
This graph shows the regional rates requirement for each of Greater Wellington's groups of activities over the next ten years. Regional rates include the general, regional transport, economic development, river management, stadium purposes, bovine tb and Wairarapa schemes rates, but exclude the water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

Key points to note are:

- Non-transport rates are fairly flat over the period with the exception of the new EDA rate and flood protection
- Increases in transport rates over the period are to fund investment in public transport infrastructure
- Community includes the cost of funding the Wellington Regional Strategy from 2007 to 2012
- Flood Protection increases are due to continued expenditure in Hutt Valley and Wairarapa.

Total regional rates will increase from 2007/08 to 2011/12 in this amended LTCCP to fund the implementation of the Wellington Regional Strategy. A decision to continue this activity will be undertaken in 2011 which may result in the funding continuing beyond 2011/12.

Please note that these figures exclude GST.



	(\$000's)									
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Transport	32,819	37,437	41,183	44,112	47,699	48,773	50,305	51,419	52,872	52,899
Community	5,395	9,467	10,067	10,589	10,904	11,048	5,797	5,946	6,002	5,980
Environment	8,800	9,275	9,830	9,974	9,976	10,063	10,163	10,144	10,231	10,425
Water supply	0	0	0	0	0	0	0	0	0	0
Parks	5,522	6,115	6,032	6,252	6,367	6,440	6,670	6,519	6,482	6,784
Safety & flood protection	12,275	13,144	13,716	14,365	15,200	15,760	15,809	15,826	16,126	16,591
Land	4,133	4,261	4,260	4,587	4,515	4,598	4,648	4,739	4,919	4,979
Investments	(7,698)	(7,841)	(8,044)	(8,132)	(8,258)	(8,280)	(8,286)	(8,815)	(8,555)	(8,802)
Other	704	734	755	774	786	797	809	841	873	904
Total regional rates	61,950	72,592	77,799	82,521	87,189	89,199	85,915	86,619	88,950	89,760

Impact of inflation on forecast rates

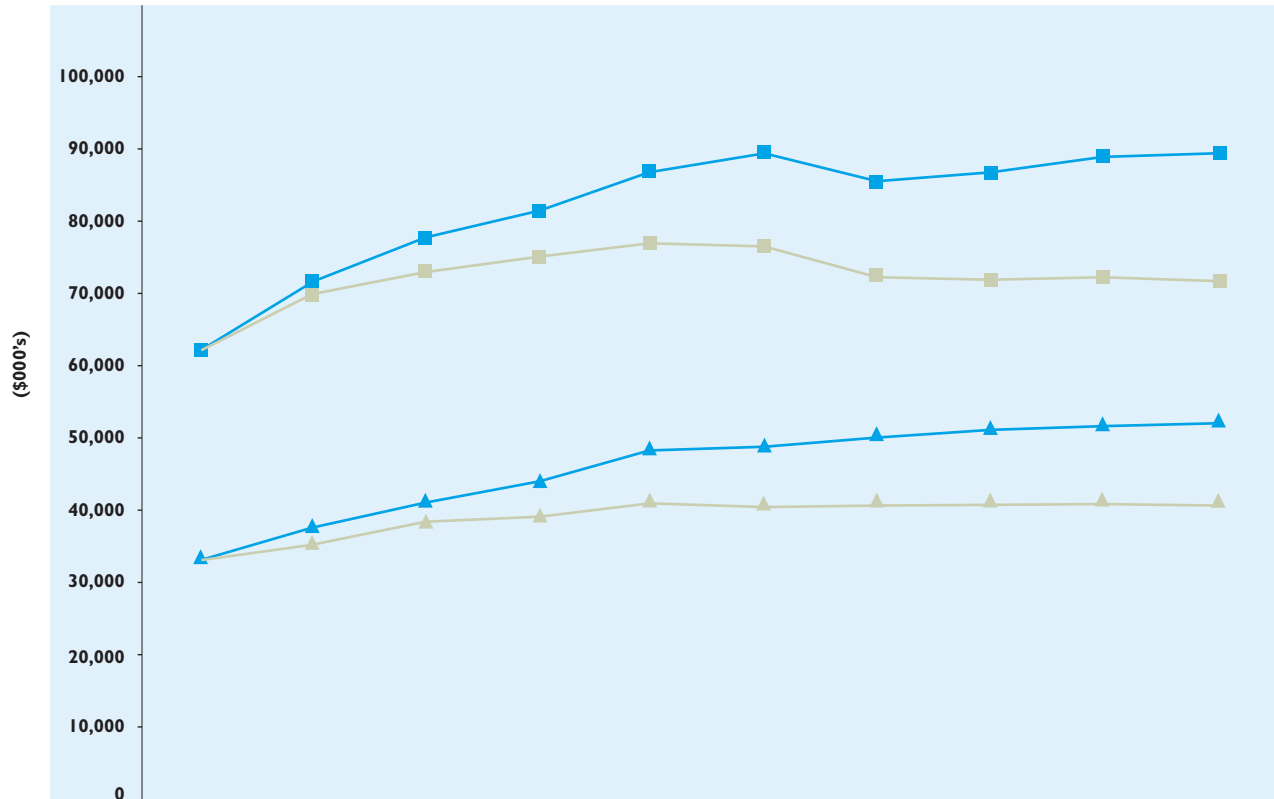


This graph compares the 'rates with inflation' in the Long-term Council Community Plan to 'rates without inflation'.

Key points to note are:

- Inflation over the period increases rates by \$18.1 million by 2015/16
- Two thirds of this increase comes from transport rates
- The average inflation increase per year is 3%.

Please note that these figures exclude GST.



(\$000's)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Overall rates (with inflation)	61,950	72,592	77,799	82,521	87,189	89,199	85,915	86,619	88,950	89,760
Overall rates (without inflation)	61,950	70,268	73,167	75,543	77,794	77,581	72,507	71,490	72,200	71,638
Transport rates (with inflation)	32,819	37,437	41,183	44,112	47,699	48,773	50,305	51,419	52,872	52,899
Transport rates (without inflation)	32,819	35,936	38,184	39,574	41,662	41,327	41,496	41,502	41,873	41,138



Supplementary information – ten-year financial forecast (without inflation)

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

Key points to note are:

- Capital expenditure and transport investment, primarily rail rolling stock, peaks at \$127 million in 2009/10
- Other operating revenue increases and decreases with the expenditure on public transport infrastructure as the majority of this is funded by government grants
- Debt increases to \$169 million over the period as it funds Greater Wellington's share of public transport infrastructure and other capital expenditure
- Regional rates are projected to rise to \$78 million in 2010/11. The increase is mainly to fund the purchase of public transport infrastructure
- The water supply levy increases from 2007/08 onwards until 2012/13 to fund the new water source and to cover increasing costs.

Please note that these figures exclude GST.

	(\$'000's)									
Operating expenditure	151,322	160,946	167,849	176,361	200,033	207,818	188,585	193,058	195,419	192,977
Capital expenditure & transport investment	100,529	70,418	96,549	126,541	76,205	65,320	39,657	48,655	38,949	34,156
Debt	93,441	107,394	121,923	140,499	143,320	142,023	147,733	162,853	167,228	168,721
Regional rates	61,950	70,268	73,167	75,543	77,794	77,581	72,507	71,490	72,200	71,638
Water supply levy	22,776	23,460	24,164	25,372	26,640	27,972	29,371	29,371	29,371	29,371
Other operating revenue	128,874	116,017	139,881	163,292	143,162	135,166	81,967	86,327	89,410	83,588
Operating surplus/(deficit)	62,278	48,799	69,363	87,846	47,563	32,901	(4,740)	(5,870)	(4,438)	(8,380)



	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Operating expenditure	151,322	160,946	167,849	176,361	200,033	207,818	188,585	193,058	195,419	192,977
Capital expenditure & transport investment	100,529	70,418	96,549	126,541	76,205	65,320	39,657	48,655	38,949	34,156
Debt	93,441	107,394	121,923	140,499	143,320	142,023	147,733	162,853	167,228	168,721
Regional rates	61,950	70,268	73,167	75,543	77,794	77,581	72,507	71,490	72,200	71,638
Water supply levy	22,776	23,460	24,164	25,372	26,640	27,972	29,371	29,371	29,371	29,371
Other operating revenue	128,874	116,017	139,881	163,292	143,162	135,166	81,967	86,327	89,410	83,588
Operating surplus/(deficit)	62,278	48,799	69,363	87,846	47,563	32,901	(4,740)	(5,870)	(4,438)	(8,380)

The large operating surpluses in 2006/07 to 2011/12 are due to government grants being accounted for as income. A significant portion of these grants is used to fund our capital purchase of passenger transport infrastructure. The new assets are then depreciated over their expected life, resulting in deficits in future years.

Supplementary information – ten-year rates (without inflation)

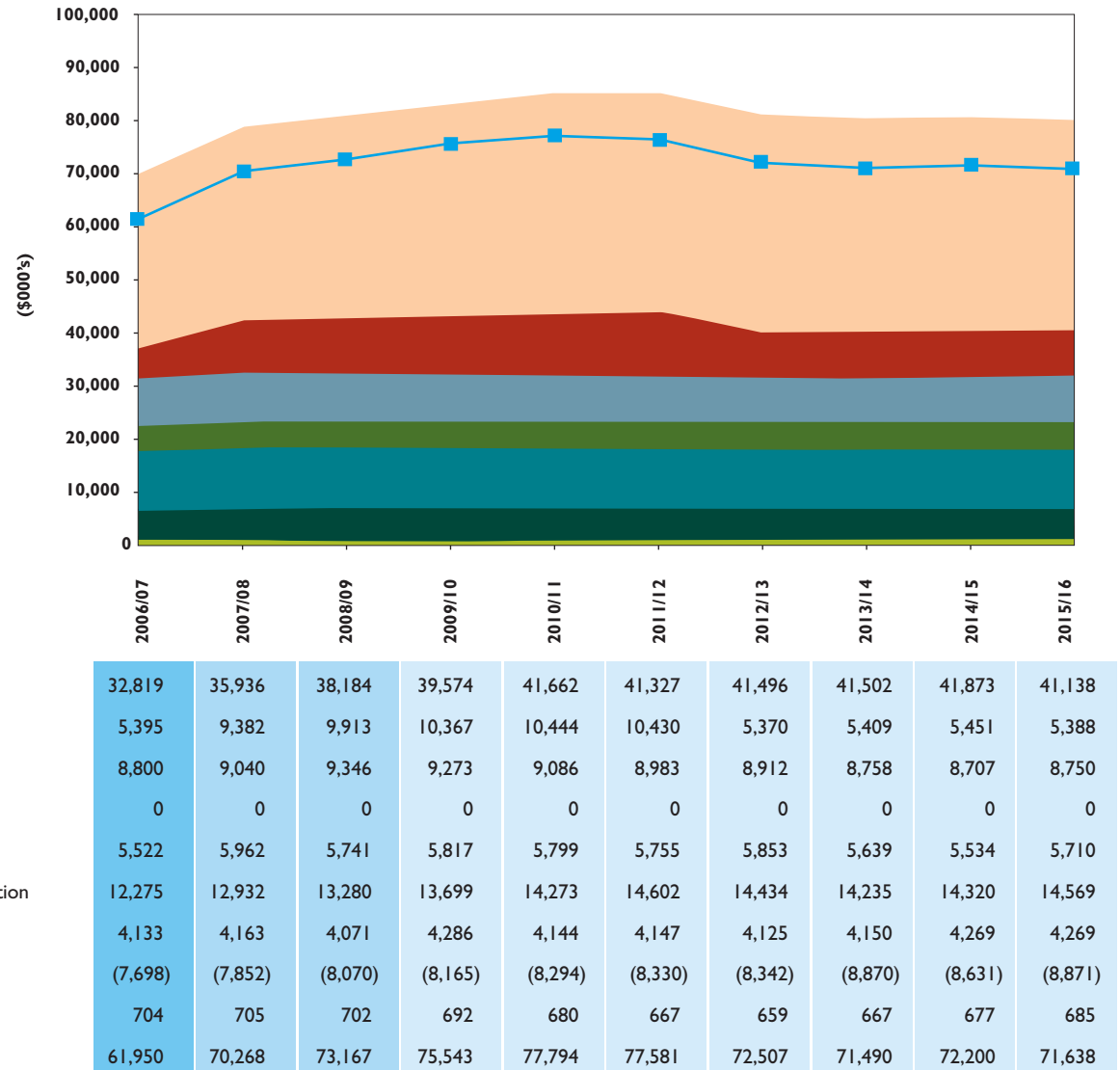


This graph shows the regional rates requirement for each of Greater Wellington's groups of activities over the next ten years. Regional rates include the general, regional transport, economic development, river management, stadium purposes, bovine tb and Wairarapa schemes rates, but exclude the water 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 period with the exception of the new EDA rate and flood protection
- Increases in transport rates over the period are to fund investment in public transport infrastructure
- Community includes the cost of funding the Wellington Regional Strategy from 2007 to 2012
- Flood Protection increases are due to continued expenditure in Hutt Valley and Wairarapa

Please note that these figures exclude GST.





Summary of rates and levies

What this will mean for rates and community charges

	2005/06 Budget \$000's	2006/07 Plan \$000's	Change \$000's	Change %
Wellington City	33,867	37,017	3,150	9.30%
Lower Hutt City	12,686	12,680	(6)	-0.05%
Upper Hutt City	3,574	4,305	731	20.45%
Porirua City	5,306	5,391	85	1.60%
Kapiti Coast District	5,375	5,443	68	1.27%
Masterton District	1,406	1,553	147	10.46%
Carterton District	585	631	46	7.86%
South Wairarapa District	954	1,105	151	15.83%
Tararua District	2	3	1	50.00%
District-wide rates	63,755	68,128	4,373	6.86%
Bovine Tb Rate	160	160	0	0.00%
South Wairarapa District – river rates	190	198	8	4.21%
Wairarapa scheme and stopbank rates	1,095	1,206	111	10.14%
Regional rates	65,200	69,692	4,492	6.89%
Water supply levy	25,623	25,623	0	0.00%
Overall community charges	90,823	95,315	4,492	4.95%

This table shows that overall community charges (regional rates plus the water supply levy) are increasing by 4.95% in this 2006/07 Annual Plan. Please note that these figures include GST.

Greater Wellington is increasing regional rates by 6.89% overall in 2006/07. This increase varies between the cities and districts because of changes in capital values (equalised) and differences in Greater Wellington's work programmes.

The water supply levy, charged directly to the four metropolitan city councils, remains at the 2005/06 level.

Note: Amounts labelled 2005/06 Budget are sourced from the 2005/06 Annual Plan and amounts labelled 2006/07 Plan are the amounts that Greater Wellington is now adopting in this 2006/07 Annual Plan.

The numbers in the above table should be read in conjunction with the Funding Impact Statement on pages 132 to 140 and the Revenue and Financing Policy contained within the separate Policies document.

Rates and levies

What is the impact on your city or district?



Table 1 shows that Greater Wellington is increasing regional rates by 6.89% overall in 2006/07. The increase varies between the cities and districts because of changes in capital values (equalised), differences in Greater Wellington's work programmes and application of the Revenue and Financing Policy.

Table 1: Regional rates (GST inclusive)

	2005/06 Budget \$000's	2006/07 Plan \$000's	Change \$000's	Change %
Wellington City	33,867	37,017	3,150	9.30%
Lower Hutt City	12,686	12,680	(6)	-0.05%
Upper Hutt City	3,574	4,305	731	20.45%
Porirua City	5,306	5,391	85	1.60%
Kapiti Coast District	5,375	5,443	68	1.27%
Masterton District	1,406	1,553	147	10.46%
Carterton District	585	631	46	7.86%
South Wairarapa District	954	1,105	151	15.83%
Tararua District	2	3	1	50.00%
District-wide rates	63,755	68,128	4,373	6.86%
Bovine Tb Rate	160	160	0	0.00%
South Wairarapa District – river rates	190	198	8	4.21%
Wairarapa scheme and stopbank rates	1,095	1,206	111	10.14%
Regional rates	65,200	69,692	4,492	6.89%

Table 2: Water supply levy (GST inclusive)

	2005/06 Budget \$000's	2006/07 Plan \$000's	Change \$000's	Change %
Wellington City Council	13,980	13,895	(85)	-0.61%
Hutt City Council	6,425	6,393	(32)	-0.50%
Upper Hutt City Council	2,446	2,468	22	0.90%
Porirua City Council	2,772	2,867	95	3.43%
Water supply levy	25,623	25,623	0	0.00%

Table 2 shows that, although the total water supply levy remains at the 2005/06 level, the amounts charged to each of the four cities vary as the levy is based on the actual consumption of water in the year to 31 March 2006.

District-wide rates are rates which are levied across all of the rating units within a city or district. The other rates, which together with district-wide rates make up regional rates, are levied only on certain rating units within the region.

Table 3: Changes in district-wide rates due to equalised capital value (ECV) movements and apportionment from 2005/06 to 2006/07 (GST inclusive)

	ECV movements		General rate		River management rate		Regional transport rate		Stadium purposes rate		Total district-wide rates	
	Change \$000's	Change %	Change \$000's	Change %	Change \$000's	Change %	Change \$000's	Change %	Change \$000's	Change %	Change \$000's	Change %
Wellington City	53	0.16%	121	0.36%	(30)	-0.09%	3,006	8.88%	0	0.00%	3,150	9.30%
Lower Hutt City	(46)	-0.36%	41	0.32%	3	0.02%	(4)	-0.03%	0	0.00%	(6)	-0.05%
Upper Hutt City	7	0.20%	15	0.42%	99	2.77%	610	17.07%	0	0.00%	731	20.45%
Porirua City	(46)	-0.87%	18	0.34%	(17)	-0.32%	130	2.45%	0	0.00%	85	1.60%
Kapiti Coast District	(10)	-0.19%	25	0.47%	63	1.17%	(10)	-0.19%	0	0.00%	68	1.27%
Masterton District	11	0.78%	12	0.85%	0	0.00%	124	8.82%	0	0.00%	147	10.46%
Carterton District	(10)	-1.71%	5	0.85%	1	0.17%	50	8.55%	0	0.00%	46	7.86%
South Wairarapa District	40	4.19%	9	0.94%	0	0.00%	102	10.69%	0	0.00%	151	15.83%
Tararua District	1	50.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	50.00%
District-wide rates	0	0.00%	246	0.39%	119	0.19%	4,008	6.29%	0	0.00%	4,373	6.86%

The numbers in Table 1 and Table 3 should be read in conjunction with the Funding Impact Statement on pages 132 to 140 and the Revenue and Financing Policy contained within the separate Policies document.

Please note that on pages 20 to 23, all figures are shown inclusive of GST.

Rates and levies

What is the impact on your city or district?

Table 4: Percentage changes in each rate type which together make up district-wide rates from 2005/06 to 2006/07 (GST inclusive)

	General rate			River management rate			Regional transport rate			Stadium purposes rate		
	2005/06 Budget \$000's	2006/07 Plan \$000's	Change %	2005/06 Budget \$000's	2006/07 Plan \$000's	Change %	2005/06 Budget \$000's	2006/07 Plan \$000's	Change %	2005/06 Budget \$000's	2006/07 Plan \$000's	Change %
Wellington City	11,818	11,991	1.46%	171	141	-17.54%	20,090	23,097	14.97%	1,788	1,788	0.00%
Lower Hutt City	4,167	4,162	-0.12%	1,462	1,465	0.21%	6,469	6,465	-0.06%	588	588	0.00%
Upper Hutt City	1,472	1,494	1.49%	444	543	22.30%	1,500	2,110	40.67%	158	158	0.00%
Porirua City	1,844	1,816	-1.52%	107	90	-15.89%	3,139	3,269	4.14%	216	216	0.00%
Kapiti Coast District	2,468	2,483	0.61%	1,249	1,312	5.04%	1,512	1,502	-0.66%	146	146	0.00%
Masterton District	1,246	1,270	1.93%	0	0	0.00%	99	223	125.25%	60	60	0.00%
Carterton District	501	496	-1.00%	19	20	5.26%	44	94	113.64%	21	21	0.00%
South Wairarapa District	862	911	5.68%	0	0	0.00%	59	161	172.88%	33	33	0.00%
Tararua District	2	3	50.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%
District-wide rates	24,380	24,626	1.01%	3,452	3,571	3.45%	32,912	36,921	12.18%	3,010	3,010	0.00%

Table 5: 2006/07 Residential rates by rate type and by average residential property (GST inclusive)

	General rate per \$100,000 of capital value		River management rate per \$100,000 of capital value		Regional 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		Total residential rates per average residential property	
	2005/06 Budget	2006/07 Plan	2005/06 Budget	2006/07 Plan	2005/06 Budget	2006/07 Plan	2005/06 Budget	2006/07 Plan	2005/06 Budget	2006/07 Plan	2005/06 Budget	2006/07 Plan
Wellington City	\$37.78	\$33.83	\$0.55	\$0.40	\$33.62	\$33.31	\$4.85	\$4.32	\$76.80	\$71.86	\$292.00	\$302.80
Lower Hutt City	\$38.42	\$37.56	\$13.48	\$13.22	\$57.09	\$59.01	\$4.91	\$4.88	\$113.90	\$114.67	\$286.16	\$288.63
Upper Hutt City	\$38.09	\$37.93	\$11.48	\$13.78	\$41.48	\$57.51	\$4.45	\$4.38	\$95.50	\$113.60	\$205.65	\$246.17
Porirua City	\$36.15	\$36.67	\$2.09	\$1.81	\$65.13	\$69.93	\$4.31	\$4.50	\$107.68	\$112.91	\$289.72	\$287.94
Kapiti Coast District	\$48.60	\$32.78	\$24.59	\$17.33	\$36.23	\$22.31	\$3.07	\$2.09	\$112.49	\$74.51	\$246.58	\$215.60
Masterton District	\$54.69	\$32.79	\$0.00	\$0.00	\$6.88	\$9.14	\$4.14	\$2.66	\$65.71	\$44.59	\$79.34	\$83.04
Carterton District	\$42.87	\$41.68	\$1.64	\$1.71	\$9.05	\$16.07	\$3.89	\$3.79	\$57.45	\$63.25	\$83.59	\$93.14
South Wairarapa District ⁽¹⁾	\$43.89	\$45.61	\$0.00	\$0.00	\$7.07	\$16.98	\$4.49	\$4.42	\$55.45	\$67.01	\$91.87	\$111.20


Note: ⁽¹⁾ Excludes river rates charged on Greytown and Featherston urban properties.

The numbers in Table 4 and Table 5 should be read in conjunction with the Funding Impact Statement on Pages 132 to 140 and the Revenue and Financing Policy contained within the separate policies document.

Please note that on pages 20 to 23, all figures are shown inclusive of GST.



Table 6: Rates calculator for residential properties (GST inclusive)



	2006/07 rates per per \$100,000 of capital value		Enter the capital value of your property		Rates on your property for 2006/07
Wellington City	\$71.86	x	<input type="text"/>	÷ 100,000	<input type="text"/>
Lower Hutt City	\$114.67	x	<input type="text"/>	÷ 100,000	<input type="text"/>
Upper Hutt City	\$113.60	x	<input type="text"/>	÷ 100,000	<input type="text"/>
Porirua City	\$112.91	x	<input type="text"/>	÷ 100,000	<input type="text"/>
Kapiti Coast District	\$74.51	x	<input type="text"/>	÷ 100,000	<input type="text"/>
Masterton District	\$44.59	x	<input type="text"/>	÷ 100,000	<input type="text"/>
Carterton District	\$63.25	x	<input type="text"/>	÷ 100,000	<input type="text"/>
South Wairarapa District ⁽¹⁾	\$67.01	x	<input type="text"/>	÷ 100,000	<input type="text"/>

Note: ⁽¹⁾ Excludes river rates charged on Greytown and Featherston urban properties.

⁽²⁾ The calculator relates only to properties classified as residential.

Table 6 shows how you can calculate your own indicative residential regional rates for 2006/07.

For example, if you live in Upper Hutt City and have a property with a capital value of \$150,000 your indicative regional rates are \$170.40.

Upper Hutt City example	\$113.60	x	\$150,000	÷ 100,000	\$170.40
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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.

The numbers in Table 6 should be read in conjunction with the Funding Impact Statement on pages 132 to 140 and the Revenue and Financing Policy contained within the separate Policies document.



Our contribution

Greater Wellington is one of a number of organisations working to achieve the outcomes that the community wants. We all have our part to play.

As a regional council we have certain statutory responsibilities. These are reflected in our seven activity groups. Each group brings social, economic, cultural and environmental benefits to the region, albeit in different ways. Collectively they are our contribution towards the achievement of the community outcomes.

For each group of activities we have described the activities and listed how they will contribute to the community outcomes. We then go on to describe the key agencies, organisations and groups with whom we will work on that group of activities. Issues that may impact on our activities and the achievement of the stated targets are listed. We will maintain a watching brief on these issues and their potential impacts.

The activities that make up the group are then listed, together with the levels of service to be provided, long-term targets to be achieved over the next ten years, and short-term targets for each of the next three years. Achievement of short-term targets will contribute to the achievement of the long-term targets. We will monitor progress towards all targets and report performance each year in our annual report. Interim reports will be provided to Council.

A prospective funding impact statement is provided for each group of activities, together with a ten-year financial forecast. The assumptions we have made when preparing the Plan are also listed. Each section concludes with a statement of the assets associated with the group of activities and how they will be managed.



Environment



Transport



Water Supply



Parks



Safety & flood protection



Land



Community



Environment management is a core business of Greater Wellington Regional Council. It contributes to the following community outcomes: *Healthy environment, Sense of place and Healthy community.*

We develop policies and plans to manage our key natural resources in the region – water, soil, air and the coast – and have a regulatory role, principally through the resource consent process, to ensure compliance with resource management rules.

Our environment monitoring programmes enable us to assess our progress in achieving desired environmental outcomes and to report to the public about the state of the region’s environment. Sometimes our monitoring shows that a more targeted investigation is required about a particular resource management problem.

We also work with the community – schools, businesses and community groups – to help people look after and restore degraded parts of the environment in their local areas. This work brings all parts of the community together, and often has considerable social as well as environmental benefits.

Contribution to community outcomes

Healthy environment

Develop and implement the Regional Policy Statement and regional plans.

Sense of place

Process and monitor resource consents.

Healthy community

Investigate and clean up pollution incidents.

Research key environmental issues and threats.

Measure the quality and quantity of our natural resources, e.g., river flows, air quality, soil health.

Report to the public on the state of the environment.

Help children, businesses and the community to look after and restore the environment.



Environment

Key partnerships

City and district councils

Department of Conservation

Iwi

Ministry for the Environment

Non-government organisations e.g. Fish and Game Council

Private landowners

Queen Elizabeth II National Trust

Schools, businesses and community groups

Key issues

Review of Regional Policy Statement and Regional Plans

The Resource Management Act 1991 requires that we review the Regional Policy Statement (RPS) and regional plans every ten years. A new proposed RPS is scheduled for public notification in September 2007; new regional plans will follow. A legislative amendment now requires territorial authorities to “give effect” to the RPS, and so it is imperative that our review processes are inclusive, credible and legally correct. At present these planning documents are relatively broad. It may be better to focus on a few significant resource management issues. Further, it is possible that a rationalisation of plans is desirable. Our consultative processes will determine the future approach to these important planning documents.

However, it is not the development of these policies and plans alone that will promote the sustainable management of resources, but the implementation of these documents. While the regulatory aspects will be dealt with through the resource consent process, it is the non-regulatory aspects, such as the provision of information, education, and restoration and enhancement of degraded ecosystems etc that must be implemented if the RPS and plans are to have their full effect. The challenge is to ensure that all methods are implemented during the ten-year life time of these documents.

Regulatory and non-regulatory approaches

It is generally accepted that regulation alone is not the best way to achieve desired environmental outcomes. Non-regulatory approaches are just as important. Greater Wellington has a number of non-regulatory programmes that provide advice, financial assistance and services for landowners and communities.



Key issues – continued

Our environmental education programmes provide the tools and information for young people, community members and businesses to change their attitudes to the environment and act differently, just as financial incentives are provided for farmers to retire stream margins or protect bush areas.

These programmes encourage people to become actively involved in environmental work and to become good environmental citizens. Often the programmes have just as many social benefits as environmental benefits. They demonstrate our commitment to working **with** communities rather than just **for** communities.

The potential for non-regulatory work is great. We can always do much more. However, we strive to achieve a balance between regulation and non-regulation, whilst maintaining sensible budgetary limits.

Planning, monitoring and doing

Similarly, there is a tension between how much time and resources we spend on planning and environmental monitoring – as opposed to actually “doing”. We need plans for our regulatory framework; we need good environmental information to develop meaningful plans and let our community know about the state of the environment in the region. Often we don’t have enough information to make sound assessments.

Once again, it’s a question of maintaining a sensible balance between a variety of approaches – all of which are designed to achieve good environmental outcomes.

Impact of central government initiatives

Central government initiatives are imposing an increasing workload on regional councils. For example, the new air quality standards require that we carry out increased monitoring in the region. More environmental standards are expected. Whilst we agree with some of the approaches that central government are taking, there is a real impact on our resources.

Rehabilitation of the Waiwhetu Stream

This Plan contains some funding provision for implementing the Waiwhetu Stream Action Plan. Any contribution from Greater Wellington is certainly subject to further negotiations and discussion with the parties involved – the Ministry for the Environment and Hutt City Council.

Biodiversity

Our work in the environment area touches many aspects of Greater Wellington’s involvement in biodiversity, for example, wetland restoration, riparian management and the protection of native forest areas on private land. Biodiversity is a core function of the Council and, as such, crosses nearly all activity areas. We will be producing a biodiversity strategy to guide the Council’s involvement in biodiversity, and will be monitoring its implementation.



Environment Targets

Activity: Manage resources

Levels of service:

1 Develop and implement the Regional Policy Statement (RPS) and regional plans

A Regional Policy Statement and regional plans are developed, implemented and monitored to manage strategically our natural resources.

Long-term targets by 30 June 2016

- 60 wetlands on private land will be legally protected (currently 31).
- 400 native forest areas on private land will be protected (currently 176).
- The water quality index will show that the water quality in our key streams and rivers is being maintained or enhanced.
- Coastal water quality will meet the standard for which it is being managed as specified in the Regional Coastal Plan (e.g. contact recreation) and measured through our coastal water quality monitoring programme.
- There will be no recorded instances when air pollution reaches the “alert” level of the national air quality guidelines or 66% or greater of the national air quality standards.

Short-term by 30 June 2007

- A draft Regional Policy Statement will be released for public comment in February 2007, within a budget of \$210,000.
- The following programmes and plans will be implemented and a progress report will be approved by Council, within a budget of \$667,000:
 - Wetland Action Plan
 - Queen Elizabeth II Trust private land protection programme

- Freshwater ecosystems programme
- Kaiwharawhara Stream Plan
- Waiwhetu Stream Action Plan
- Pauatahanui Inlet Action Plan
- Coastal and marine ecosystem programme.

- A storm water action plan will be finalised and implementation will begin in association with our city and district councils, within a budget of \$85,000.
- An air quality monitoring station will be set up within a budget of \$120,000.

Short-term by 30 June 2008

- A proposed Regional Policy Statement will be released for public consultation in September 2007, within a budget of \$217,000.
- The following programmes and plans will be implemented and a progress report will be approved by Council, within a budget of \$590,000:
 - Wetland Action Plan
 - Queen Elizabeth II Trust private land protection programme
 - Freshwater ecosystems programme
 - Kaiwharawhara Stream Plan
 - Waiwhetu Stream Action Plan
 - Pauatahanui Inlet Action Plan
 - Coastal and marine ecosystem programme.
- The storm water action plan will be implemented in association with our city and district councils, within a budget of \$86,000.



Activity: Manage resources – *continued*

Short-term by 30 June 2009

- An implementation plan for the Regional Policy Statement will be approved by Council by December 2008 and a progress report will be approved by Council by June 2009, within a budget of \$220,000.
- The following programmes and plans will be implemented and a progress report will be approved by Council, within a budget of \$770,000:
 - Wetland Action Plan
 - Queen Elizabeth II Trust private land protection programme
 - Freshwater ecosystems programme
 - Kaiwharawhara Stream Plan
 - Waiwhetu Stream Action Plan
 - Pauatahanui Inlet Action Plan
 - Coastal and marine ecosystem programme.
- An air quality monitoring station will be set up within a budget of \$127,000.
- The storm water action plan will be implemented in association with our city and district councils, within a budget of \$88,000.

Levels of service:

2 Process and monitor resource consents

Resource consents are processed in accordance with the Resource Management Act 1991 and compliance with consent conditions is monitored.

Long-term targets by 30 June 2016

- 100% of resource consents will be processed within statutory timeframes (20 working days for non-notified consents).
- 100% of resource consents will be monitored for compliance with resource consent conditions.
- Customer satisfaction surveys will show that over 60% of recent applicants and existing consent holders rate their level of satisfaction with our resource consents processing service as excellent or very good.

Short-term by 30 June 2007

- 100% of resource consents will be processed within statutory timeframes (20 working days for non-notified consents), within a budget of \$629,000.
- 100% of resource consents will be monitored for compliance with resource consent conditions, within a budget of \$364,000.
- At least two workshops will be conducted for customers on how they can obtain best value from the resource consent process, within a budget of \$91,000.



Environment Targets

Activity: Manage resources – *continued*

Short-term by 30 June 2008

Programmes as for 2006/07 within a budget of \$1,099,000.

- An independent customer satisfaction survey will show that over 60% of recent applicants and existing consent holders rate their level of satisfaction with our resource consents processing service as excellent or very good, within a budget of \$45,000.

Short-term by 30 June 2009

Programmes as for 2006/07 within a budget of \$1,140,000.

Levels of service:

3 Research key environmental issues and threats

Targeted investigations of significant resource issues are undertaken in response to pollution incidents or matters identified in our environmental monitoring programmes (e.g. algal bloom). By their nature these investigations are unspecified but they require a response.

This service also includes on-going investigation and monitoring of contaminated sites.

Long-term target by 30 June 2016

- Environmental problems will be investigated as soon possible after they are identified so that appropriate remedial action can be taken.

Short-term by 30 June 2007

- Targeted investigations will be completed within a budget of \$287,000. A progress report will be approved by Council.
- The Selected Land Use Register will be maintained and public enquiries will be responded to within a week and within a budget of \$79,000.

Short-term by 30 June 2008

- Programmes as for 2006/07 within a budget of \$376,000.

Short-term by 30 June 2009

- Programmes as for 2006/07 within a budget of \$386,000.



Activity: Manage resources – *continued*

Levels of service:

4 Investigate and clean up pollution incidents

All reports of pollution incidents are recorded. Incidents are investigated and remedial and/or enforcement action is taken, where appropriate to do so.

Long-term targets by 30 June 2016

- The number of reported pollution incidents will decrease on an annual basis.
- Reported pollution incidents will be responded to in timeframes that are in accordance with the severity of the incident.

Short-term by 30 June 2007

- An annual report card that provides a summary of pollution control activities will be approved by Council.
- All reported pollution response incidents will be categorised and responded to in accordance with the following timeframes:

- 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

- All within a budget of \$229,000.

Short-term by 30 June 2008

- Programme as for 2006/07 within a budget of \$236,000.

Short-term by 30 June 2009

- Programme as for 2006/07 within a budget of \$242,000.



Environment Targets

Activity: Monitor the state of the environment

Levels of service:

- 1 Measure the quality and quantity of our natural resources e.g. river flows, air quality, soil health

Through a comprehensive environment monitoring programme, the quality and quantity of our key natural resources is monitored on a continual basis to ensure that resource management decision-makers have up-to-date and relevant information and warnings can be given of key environmental threats.

Long-term targets by 30 June 2016

- The following environmental data will be provided to the public on a regular basis: bathing water quality, river levels, rainfall, groundwater levels, tide levels, air quality, lake levels and meteorological information.
- Timely warnings will be given of threats to the environment and human life.

Short-term by 30 June 2007

- Greater Wellington's flood managers will be notified within 30 minutes when any river or rainfall trigger levels are reached, within a budget of \$130,000.
- Greater Wellington's water and consents managers will be notified within one working day of low groundwater levels in the Waiwhetu aquifer, within a budget of \$90,000.

- Water samples will be taken weekly throughout the bathing season (1 November to 31 March) and tested for the presence of bacteria. A traffic light warning framework will be implemented as follows and within a budget of \$87,000:

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.

Short-term by 30 June 2008

- Programme as for 2006/07 within a budget of \$318,000.

Short-term by 30 June 2009

- Programme as for 2006/07 within a budget of \$324,000.



Activity: Monitor the state of the environment – *continued*

Levels of service:

2 Report to the public on the state of the environment

The results of our environmental monitoring programmes are collated and analysed to provide information about the state of the environment that is easily understood and accessible to the general public.

Long-term target by 30 June 2016

- The community will have access to reliable and relevant information about the state of the environment through regular reports and Greater Wellington's web site. Annual report cards on our key resources will be published annually and a comprehensive state of the environment report will be published every six years.

Short-term by 30 June 2007

- An annual report card containing summary information for the following resources will be approved by Council within a budget of \$1,704,000:
 - Hydrology
 - Groundwater
 - Freshwater quality
 - Coastal water quality
 - Recreational water quality
 - Air quality
 - Soil quality.

Short-term by 30 June 2008

- Programme as for 2006/07 within a budget of \$1,749,000.

Short-term by 30 June 2009

- Programme as for 2006/07 within a budget of \$1,826,000.



Environment Targets

Activity: Environment education

Levels of service:

1 Help children, businesses and the community to look after and restore the environment

Imaginative and innovative environmental education and restoration programmes for schools, businesses and the general community are delivered so that the community is included in our work and positive environmental results are achieved.

Long-term targets by 30 June 2016

- Through the Take Care community environmental education programme, five new Care Groups will be established each year and assisted to care for degraded local ecosystems and existing Care Groups will be maintained.
- On average 2000 students per year will participate in the Take Action environment education programme.
- 20 small to medium sized businesses per year will be provided with advice on how to take practical action to avoid, remedy or mitigate any adverse effects on the environment.

Short-term by 30 June 2007

- Through the Take Care community environmental education programme, five new Care Groups will be established and assisted to care for degraded local ecosystems and existing Care Groups will be maintained, within a budget of \$265,000.

- 20 schools will participate in the Take Action environment education programme, within a budget of \$231,000.
- 20 small to medium sized businesses will be provided with advice on how to take practical action to avoid, remedy or mitigate any adverse effects on the environment, within a budget of \$215,000.

Short-term by 30 June 2008

- Programme as for 2006/07 within a budget of \$742,000.

Short-term by 30 June 2009

- Programme as for 2006/07 within a budget of \$758,000.

Environment

Prospective funding impact statement



	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
FUNDING STATEMENT			
General rate	8,800	9,275	9,830
Targeted rate	0	0	0
Government subsidies	10	10	11
Interest and dividends	20	18	19
Other operating revenue	1,264	1,323	1,358
Operating revenue	10,094	10,626	11,218
Direct operating expenditure	10,086	10,410	10,827
Finance costs	12	26	37
Depreciation	231	273	195
Operating expenditure	10,329	10,709	11,059
Operating surplus/(deficit)	(235)	(83)	159
Less:			
Capital expenditure	481	275	627
Proceeds from asset sales	(27)	(13)	(110)
Loan funding	(320)	(155)	(287)
Rates-funded capital expenditure	134	107	230
Debt repayment	24	65	105
Investment additions	0	0	0
Operational reserve movements	(162)	18	19
Working capital movements	0	0	0
Non-cash items	(231)	(273)	(195)
Net funding required	0	0	0

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
OPERATING REVENUE			
Manage resources	5,084	5,381	5,689
Monitor the state of the environment	4,047	4,252	4,476
Environment education	963	993	1,053
Total operating revenue	10,094	10,626	11,218
OPERATING EXPENDITURE			
Manage resources	5,241	5,436	5,612
Monitor the state of the environment	4,097	4,252	4,432
Environment education	991	1,021	1,015
Total operating expenditure	10,329	10,709	11,059
CAPITAL EXPENDITURE			
Environment monitoring equipment	320	155	287
Capital project expenditure	320	155	287
Land and buildings	0	0	0
Plant and equipment	80	72	74
Vehicles	81	48	266
Total capital expenditure	481	275	627

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy contained within the separate *Policies* document.



Environment

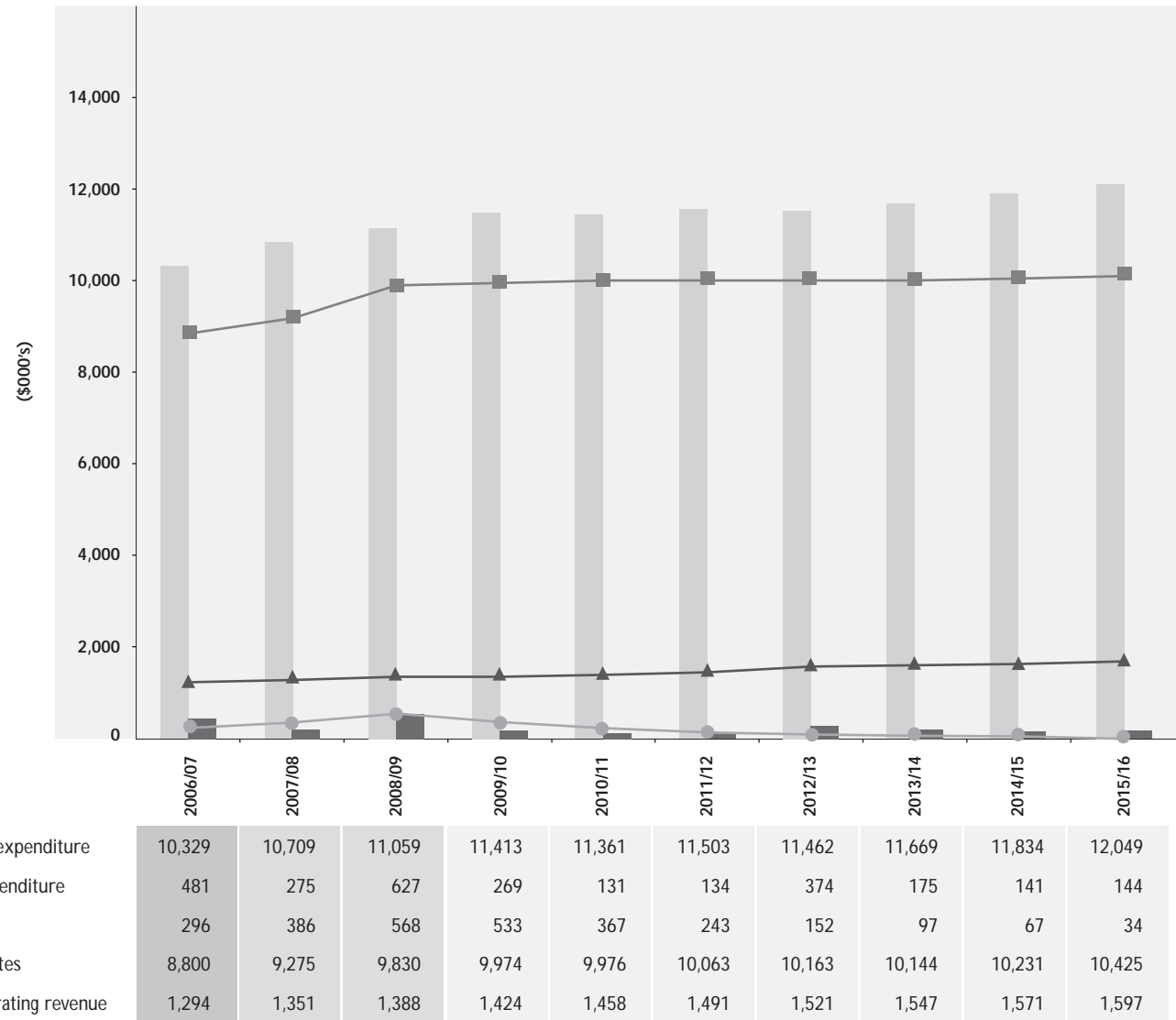
Ten-year financial forecast

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

Key point to note is:

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

Please note that these figures exclude GST.





Assumptions and planning considerations

In preparing this ten-year programme for Environment, the following key assumptions have been made:

- The resource management legislative framework will not alter significantly.
- Greater Wellington's commitment to environmental education and community involvement in environmental restoration projects will continue.
- The volume of consents will either remain stable or increase slowly.
- There will be no unplanned increases in monitoring requirements and costs as a result of national standards or strategies.
- Pollution call outs will start to decline as effects-based response protocols are implemented and our pollution prevention programmes take effect.

Assets

Compared with other Greater Wellington activities, the Environment group of activities uses few assets, principally vehicles, and environment monitoring and flood warning equipment.

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

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.





Greater Wellington's transport activities contribute significantly to the following community outcomes: *Connected community, Essential services, Prosperous community, Quality lifestyle, Healthy environment and Healthy community.*

Our principal contribution is providing funding for contracted public transport services (bus, rail and harbour ferry). These services, in conjunction with funding for public transport infrastructure and the provision of high quality information about public transport, result in fewer private car trips. Fewer vehicles on the road results in lower levels of congestion and reduced environmental impacts.

We also support special transport programmes for people with disabilities and provide security and safety measures to protect users of public transport.

The Regional Land Transport Strategy promotes public transport use and encourages cycling and walking.

Contribution to community outcomes

Prosperous community

Fund rail, bus and local harbour ferry passenger services.

Connected community

Provide passenger service information through a call centre, website and paper timetables.

Essential services

Provide and maintain urban passenger trains, "Park and Ride" facilities, train stations, bus-rail interchanges, bus lanes and bus shelters.

Develop an affordable Regional Land Transport Strategy and monitor its implementation.

Healthy environment

Encourage people to use public transport.

Healthy community

Quality lifestyle

Part fund taxi services for people with disabilities.



Key partnerships

City and district councils

Community groups

Disability groups

District Health Boards

Energy Efficiency and Conservation Authority

Land Transport New Zealand

Ministry of Transport

National transport organisations

Passenger transport operators

Passenger transport users

Schools

Taxi companies

Transit New Zealand

Key issues

Greater Wellington has a lead role in funding and implementing the passenger transport and non-roading elements of the Regional Land Transport Strategy. Roading agencies and Land Transport New Zealand are responsible for other elements of the strategy.

Urban passenger rail

The scale of investment for delivering rolling stock and other rail infrastructure improvements is large and will need to be carefully managed to meet quality, time and cost expectations.

The additional funding pledged by the Crown over the next ten years is not inflation indexed.

Greater Wellington has committed to raise an additional \$95 million through last year's amendment to the Long-term Council Community Plan 2003-13. However, this still leaves a further need to increase rail fares to cover additional costs.

Accessible land transport

The recommendations from the Human Rights Commission's inquiry into "Accessible Land Transport" sets Greater Wellington a clear challenge. First, we need to identify the practical responses needed to fulfil the recommendations. Secondly, we need to establish a realistic programme of expenditure to deliver these responses and thirdly, we need to raise the funding necessary to complete the task.



Key issues – continued

Increasing public transport patronage

The Regional Passenger Transport Plan sets a clear goal of growing public transport patronage. This will require marketing of passenger transport, the provision of real time service information, increases in service levels and coverage, a new integrated ticketing system and an ongoing transport quality improvement. Our challenge is to provide sufficient capacity to meet the growing demand and to maintain the quality of our services so that public transport is the mode of choice over the long term.

Alternatives to roading

As no agency has specific responsibility for promoting alternatives to roading, Greater Wellington has chosen to be proactive about selected activities which will aid progress toward the community's sustainability outcomes. Activities such as promoting cycle use and travel planning are examples. However, Greater Wellington's innovative travel planning programme relies on unlocking Crown funding.

Regional Land Transport Strategy Review

This review is underway with a draft Wellington Regional Land Transport Strategy expected to be released for public submissions in October 2006.

Ownership of passenger transport infrastructure

Greater Wellington has a legal opinion saying that, in accordance with the Land Transport Management Act 2003, the new public transport infrastructure, must be owned by a Council Controlled Trading Organisation (CCTO). We will be setting up four new CCTOs for this purpose.

Asset management plans

Asset management plans for the proposed new passenger transport infrastructure will need to be developed. The magnitude of the investment necessitates careful asset management. The assets will be maintained to meet the levels of service specified in these asset management plans.

Porirua bus/rail interchange

Our proposed Plan provided for a bus/rail interchange at Porirua at a cost of \$10 million. However, as a result of consultation on the Western Corridor Plan this interchange has been deferred. It is not included in this final Plan.



Transport Targets

Activity: Plan and monitor and transport network

Levels of service:

1 Develop an affordable Regional Land Transport Strategy and monitor its implementation

A Regional Land Transport Strategy is developed and monitored to contribute to the overall aim of achieving an integrated, safe, responsive, and sustainable land transport system.

Long-term targets by 30 June 2016

- Average congestion on selected roads will remain below 20 seconds delay per km travelled despite traffic growth (currently 20 seconds delay per km).
- At least 80% of all trips up to 1 km and 60% of all trips between 1 and 2 kms will be walked or cycled (74% and 19% respectively in 2004).
- Journey to work trips using public passenger transport will increase by 20%.
- Less than 442 million litres of petrol and diesel per annum will be used for transport purposes (currently 459 million litres).

Short-term by 30 June 2007

- An annual report on the Regional Land Transport Strategy will be approved by Council within a budget of \$73,000.
- Greater Wellington will commence a travel planning programme within a budget of \$1,025,000.
- Greater Wellington will progress the review of the Regional Land Transport Strategy within a budget of \$230,000.

- Greater Wellington will commence an upgrade of the Wellington Transport Strategic Model within a budget of \$360,000.

Short-term by 30 June 2008

- An annual report on the Regional Land Transport Strategy will be approved by Council within a budget of \$25,000.
- Greater Wellington will continue to implement a travel planning programme within a budget of \$1,057,000.
- Greater Wellington will complete the review of the Regional Land Transport Strategy within a budget of \$211,000.
- Greater Wellington will maintain the Wellington Transport Strategic Model within a budget of \$103,000.

Short-term by 30 June 2009

- An annual report on the Regional Land Transport Strategy will be approved by Council within a budget of \$51,000.
- Greater Wellington will continue to implement a travel planning programme within a budget of \$1,088,000.
- Greater Wellington will commence a review of the Regional Land Transport Strategy within a budget of \$324,000.
- Greater Wellington will maintain the Wellington Transport Strategic Model within a budget of \$106,000.



Activity: Provide the infrastructure for public transport

Levels of service:

- 1 Provide and maintain urban passenger trains, "Park and Ride" facilities, stations, bus-rail interchanges, bus lanes, and bus shelters

Infrastructure is provided and maintained to assist with the implementation of the public transport elements of the Regional Land Transport Strategy.

Long-term target by 30 June 2016

- Average congestion on selected roads will remain below 20 seconds delay per km travelled despite traffic growth.

Short-term by 30 June 2007

- All current and future public transport user facilities will be maintained in accordance with Greater Wellington's guidelines and asset management plans, within a budget of \$9,357,000. This includes maintenance of public transport user facilities and provision of bus lanes and bus priority systems, as well as the installation of 2250 Metlink standard bus stop signs and 21 Metlink CBD display units.

Short-term by 30 June 2008

- All current and future public transport user facilities will be maintained in accordance with Greater Wellington's asset management plans and within a budget of \$9,957,000. This includes maintenance of public transport user facilities and provision of bus lanes and bus priority systems, as well as the improvement of signage at the region's 53 rail stations.

Short-term by 30 June 2009

- All current and future public transport user facilities will be maintained in accordance with Greater Wellington's asset management plans and within a budget of \$10,824,000. This includes maintenance of public transport user facilities and provision of bus lanes and bus priority systems.



Transport Targets

Activity: Fund and promote public transport services

Levels of service:

1 Fund rail, bus and local harbour ferry passenger services

Greater Wellington will purchase urban rail services and bus and harbour ferry services from other operators.

Long-term targets by 30 June 2016

- Average congestion on selected roads will remain below 20 seconds delay per km travelled despite traffic growth (currently 20 seconds delay per km).
- At least 80% of all trips up to 1 km and 60% of all trips between 1 and 2 kms will be walked or cycled (74% and 19% respectively in 2004).
- Journey to work trips using public passenger transport will increase by 20%.
- Less than 442 million litres of petrol and diesel per annum will be used for transport purposes (currently 459 million litres).

Short-term by 30 June 2007

- More than 95% of calls to the Metlink Service Centre will be answered and customers provided with the necessary travel information within a budget of \$576,000.
- Journey to work trips using public transport will increase by 4%.
- All rail, bus and harbour ferry service contracts will meet the requirements of Land Transport New Zealand (as required by the Land Transport Management Act 2003).
- Greater Wellington will undertake an integrated ticketing review within a budget of \$100,000.

- Greater Wellington will complete the review of Porirua, Tawa and Wairarapa services within a budget of \$125,000.

Short-term by 30 June 2008

- More than 95% of calls to the Metlink Service Centre will be answered and customers provided with the necessary travel information within a budget of \$591,000.
- Journey to work trips using public transport will increase by 4%.
- All rail, bus and harbour ferry service contracts will meet the requirements of Land Transport New Zealand (as required by the Land Transport Management Act 2003).
- Greater Wellington will complete the review of Wellington City services within a budget of \$129,000.

Short-term by 30 June 2009

- More than 95% of calls to the Metlink Service Centre will be answered and customers provided with the necessary travel information within a budget of \$605,000.
- Journey to work trips using public transport will increase by 4%.
- All rail, bus and harbour ferry service contracts will meet the requirements of Land Transport New Zealand (as required by the Land Transport Management Act 2003).
- Greater Wellington will commence a review of services focusing on the Kapiti Coast within a budget of \$133,000.



Activity: Fund total mobility

Levels of service:

1 Part fund taxi services for people with disabilities

Transport services are provided to people with disabilities who are not able to benefit from public transport services.

Long-term target by 30 June 2016

- Greater Wellington will fund subsidised taxi travel for people with disabilities, distributed in consultation with disability agencies so that community facilities can be easily accessed.

Short-term by 30 June 2007

- The Total Mobility scheme will be administered to the satisfaction of Land Transport New Zealand within a budget of \$2,811,000.

Short-term by 30 June 2008

- The Total Mobility scheme will be administered to the satisfaction of Land Transport New Zealand within a budget of \$3,121,000.

Short-term by 30 June 2009

- The Total Mobility scheme will be administered to the satisfaction of Land Transport New Zealand within a budget of \$3,450,000.



Transport

Prospective funding impact statement

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's		2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
FUNDING STATEMENT				OPERATING REVENUE			
General rate	0	0	0	Plan and monitor the transport network	4,494	3,071	3,274
Targeted rate	32,819	37,437	41,183	Provide the infrastructure for public transport	70,536	59,634	85,489
Government subsidies	103,296	92,551	119,429	Fund and promote public transport services	57,883	63,876	68,117
Interest and dividends	122	85	90	Fund total mobility	3,563	3,746	4,093
Other operating revenue	239	254	271	Total operating revenue	136,476	130,327	160,973
Operating revenue	136,476	130,327	160,973	OPERATING EXPENDITURE			
Direct operating expenditure	76,205	82,309	86,095	Plan and monitor the transport network	4,722	3,048	3,280
Finance costs	679	1,450	2,266	Provide the infrastructure for public transport	11,416	15,439	19,491
Investment impairment	0	1,693	5,495	Fund and promote public transport services	57,787	63,954	68,188
Depreciation	411	761	1,222	Fund total mobility	3,370	3,772	4,119
Operating expenditure	77,295	86,213	95,078	Total operating expenditure	77,295	86,213	95,078
Operating surplus/(deficit)	59,181	44,114	65,895	CAPITAL EXPENDITURE AND TRANSPORT INVESTMENT			
Less:				Rail	81,092	42,384	67,389
Capital expenditure	2,605	4,115	5,921	Other	1,560	12,636	17,622
Passenger transport investment	80,292	51,038	79,121	Capital project expenditure	82,652	55,020	85,011
Proceeds from asset sales	(12)	(6)	(6)	Land and buildings	0	0	0
Loan funding	(23,181)	(10,218)	(14,832)	Plant and equipment	187	103	0
Rates and subsidy-funded capital expenditure	59,704	44,929	70,204	Vehicles	58	30	31
Debt repayment	867	1,554	2,317	Total capital expenditure and transport investment	82,897	55,153	85,042
Investment additions	0	0	0				
Operational reserve movements	(979)	85	91				
Working capital movements	0	0	0				
Non-cash items ⁽¹⁾	(411)	(2,454)	(6,717)				
Net funding required	0	0	0				

(1) Non-cash items include depreciation and impairment of the investment in Greater Wellington's 100% owned subsidiary WRC Holdings Ltd. The investment in WRC Holdings Ltd is for the purchase of passenger transport rolling stock and public transport infrastructure. The assets purchased will be subject to depreciation, resulting in a projected investment impairment.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy contained within the separate *Policies* document.

Transport

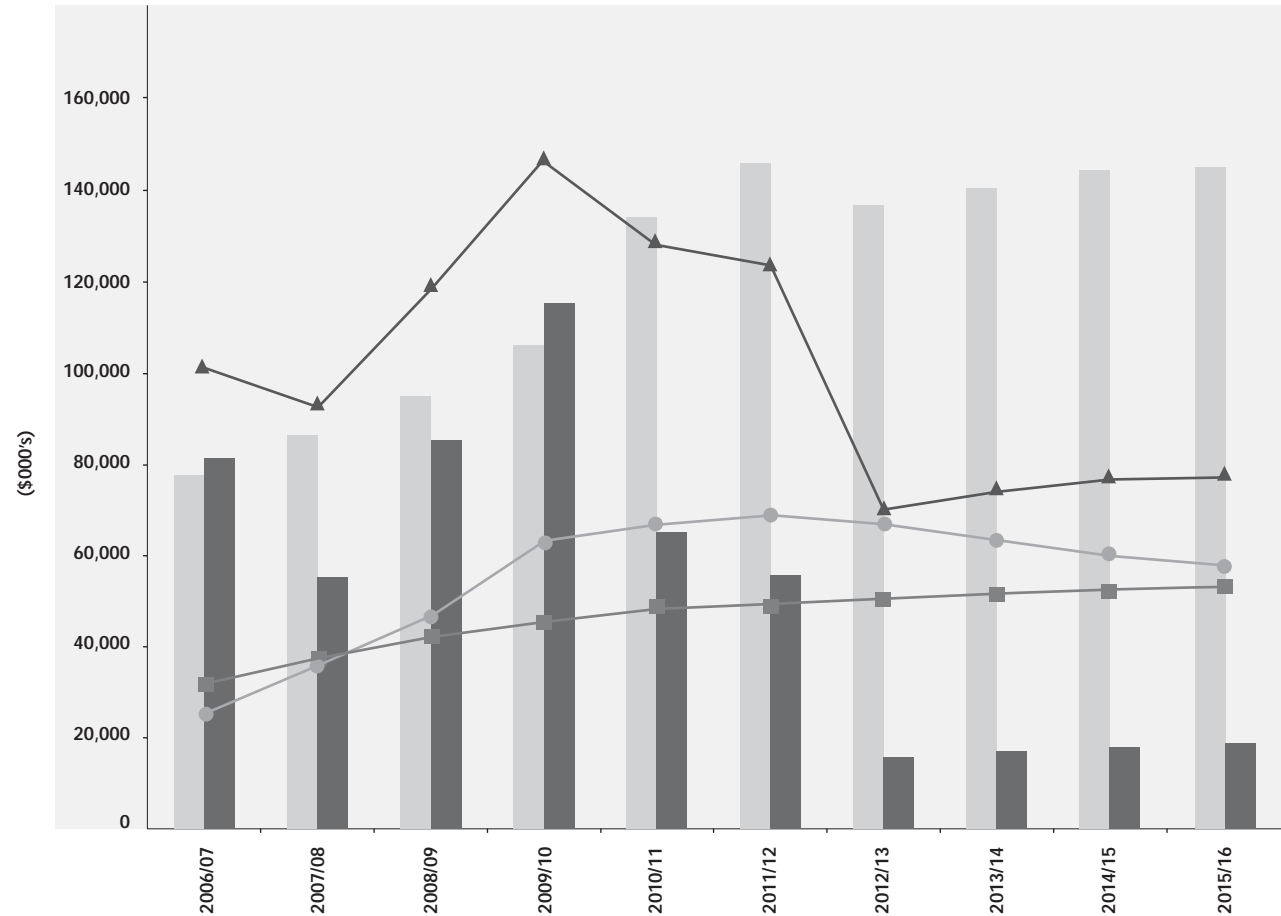
Ten-year financial forecast



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

Key points to note are:

- Capital expenditure and transport investments will peak at \$115.5 million in 2009/10. The majority of the funding for this expenditure will come from the Government
- The transport rate is projected to increase from \$32.8 million to \$52.9 million in 2015/16, primarily to fund Greater Wellington's investment in public transport infrastructure
- Other operating revenue increases and decreases are due to the timing of Government grants received to help fund the investment in public transport infrastructure
- Debt increases significantly over the ten-year period to fund Greater Wellington's share of the investments
- The rise in operating expenditure is due to the higher depreciation on capital expenditure and impairment of transport investments.



Please note that these figures exclude GST.

(\$000s)

- Operating expenditure
- Capital expenditure & transport investment
- Debt
- Regional rates (transport rate)
- ▲ Other operating revenue

77,295	86,213	95,078	106,069	134,218	146,225	136,450	140,487	144,474	145,279
82,897	55,153	85,042	115,453	65,693	56,962	16,378	17,359	17,973	18,225
25,480	34,144	46,659	63,671	66,578	68,698	66,086	63,449	60,598	57,451
32,819	37,437	41,183	44,112	47,699	48,773	50,305	51,419	52,872	52,899
103,657	92,890	119,790	146,772	128,798	123,642	70,622	73,850	76,652	77,372



Assumptions and planning considerations

In preparing this ten-year programme for Transport, the following key assumptions have been made:

- Greater Wellington is committed to implementing the public transport and non-roading elements of the Regional Land Transport Strategy.
- The funding provided by Land Transport New Zealand will be as follows:
 - *Bus and ferry services* will be funded at a rate of 50% of cost for year 2006/07 and onwards.
 - *Trolley buses* will be funded at a rate of 50% of the cost of an equivalent diesel bus service for year 2006/07 and onwards. Additional costs for providing the trolley bus service, new trolley buses and the overhead wire network will be funded through a combination of Crown allocations and local contribution.
 - *Passenger rail services* will be funded at a rate of 60%.
 - *Rail rolling stock and passenger transport infrastructure* will be funded at rates of 50-60%, plus a combination of Crown allocations and local contributions.
 - *Total Mobility* will be funded at a rate of 60% of cost for year 2006/07 onwards.
- 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. The Council's view is that it is unfair to charge current ratepayers for assets that have already been fully funded. At the end of the design life of the transport infrastructure and passenger rail rolling stock, Greater Wellington will seek government funding to replace these assets, if appropriate or necessary to do so.
- Expenditure for the Total Mobility scheme will increase by about \$100,000 per annum due to an increased user base as a result of the ageing society and inclusion of mental health clients to the scheme. Any additional expenditure resulting from government initiatives to standardise and expand the scheme (estimated to cost an additional \$17 million over ten years) is assumed to be funded by government.
- There will be a 15% rail fare increase from 1 September 2006 and further periodic fare increases.
- A long-term contract with Toll NZ Ltd for Tranz Metro Wellington urban rail services will be in place by 1 July 2006. The contract will trigger off a number of rail infrastructure projects, primarily relating to rolling stock refurbishments and replacements. In signing this contract, Greater Wellington will incur costs from Ontrack for renewals of the rail network. No allowance had been made in this Plan for any renewals as this matter has yet to be finalised between Toll NZ Ltd., Ontrack and the Crown. This cost may be significant over the term of this plan if there is no additional contribution from the Crown.
- The 2006-16 LTCCP is aligned with the public transport capital projects contained within the Western Corridor Plan, except for the funding. It has been assumed that Western Corridor Plan public transport capital projects will not receive any funding from rates or fares.
- Land Transport New Zealand will fund 76% of the costs of travel planning and awareness campaigns undertaken in accordance with the Regional Travel Demand Management Strategy.
- The impact of population growth in itself is not a significant assumption for forecasting patronage growth on public transport services.



Assets

Currently the majority of assets used in delivering passenger transport are owned by the bus, rail and ferry operators. Greater Wellington owns Waterloo bus/rail interchange and Petone railway station building. They have a current valuation of \$8.3 million.

During the next ten years of this plan, Greater Wellington will be procuring a range of passenger transport assets costing a total of \$529.9 million.

Greater Wellington has a legal opinion saying that, in accordance with the Land Transport Management Act 2003, the new public transport infrastructure must be owned by a Council Controlled Trading Organisation (CCTO). We will be setting up four new CCTOs for this purpose.

Comprehensive asset procurement strategies and asset management plans will be developed. The asset management plans will be developed in accordance with the *International Infrastructure Management Manual* which sets out New Zealand best practice. The new passenger transport assets will be maintained to meet the levels of service specified in these asset management plans.

Capital infrastructure programme

This 2006-16 LTCCP provides for a total of \$529.9 million of new and upgraded passenger transport capital infrastructure.

Rail rolling stock* and track improvement	\$349.7 million
Real time information	\$8.7 million
Electronic integrated ticketing	\$6.2 million
Rail station maintenance and upgrade	\$18.9 million
Raumati Station	\$5.0 million
Lindale Bus and Rail Interchange	\$10.0 million
Bus and rail accessibility improvements	\$103.3 million
Passenger transport service improvements	\$23.8 million
Transport model	\$4.3 million
Total	\$529.9 million

* Includes 58 new electric units and the refurbishment of existing Ganz Mavag units

This investment into passenger transport infrastructure will ensure a reliable, accessible, quality transport network for the region is retained.





Greater Wellington collects, treats and delivers water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington. It contributes to the following community outcomes: *Essential services, Healthy community, Healthy environment and Prepared community.*

The water supply infrastructure is both maintained and improved to ensure the quality of supply meets Ministry of Health standards, and sufficient water is available to meet a one in 50-year return period drought.

It is envisaged that a new water supply source will be required in the next few years to meet the demand as our population grows.

Contribution to community outcomes

Essential services

Collect water from the Hutt, Wainuiomata and Orongorongo catchments and the Waiwhetu aquifer for public drinking water supply.

Healthy community

Treat water so that it meets the Ministry of Health's standards for drinking water.

Deliver water to the cities of Lower Hutt, Upper Hutt, Porirua and Wellington.

Assess the demand for water – now and in the future – and plan how such demands will be met, including developing future sources.

Healthy environment

Encourage people to use water wisely.

Manage catchments so that treatment plants receive good water quality.

Prepared community

Maintain our pipes and plants and build resilience in the system so that water can continue to be supplied after an emergency – or restored as quickly as possible.

Work with city councils to plan how water will be delivered to the community following an emergency event that disrupts supply.



Water supply

Key partnerships

Hutt City Council

Ministry of Health

Porirua City Council

Upper Hutt City Council

Wellington City Council

Key issues

Greater Wellington Water manages the water supply functions of Greater Wellington Regional Council.

Meeting the demands of a growing population and water management

As at June 2005 the population supplied with water was 370,100 (Statistics New Zealand).

Currently, the existing water services are able to supply a population of 377,000 without breaching the 1 in 50 year drought standard adopted by Greater Wellington. It is expected this population will be reached within two to three years. Planning is already underway for system enhancements, costing up to \$6 million, to meet this need.

These enhancements are likely to provide for a population of up to 390,000. Beyond that a major new water source will be required, costing up to \$102 million. Several sources are being investigated and a preferred source will evolve over the next year. At current population growth rates, this major source will be needed by about 2013.

Alternatively, using water more wisely could potentially stall the major water source development, or at least defer it for many years. The water supply growth rate is about one percent per year, so a consumption reduction of about one percent a year is required. Greater Wellington is committed to working with our four city council customers to implement a Wellington Water Management Plan. This will consider all areas of water use. The key question is – should we put increased resources into water conservation measures, such as education or metering, to try and reduce consumption levels, or should we put our resources into finding a viable new water source?



Key issues – continued

Water metering of households is a vexed issue. Potentially, it could reduce consumption by about 15 percent. The four city councils would have to introduce metering through a collaborative approach. Introducing water meters could cost about \$50 million and result in operating costs of about \$15 a year for each household.

Reducing water consumption would have environmental benefits, such as leaving more water in the rivers and aquifers, as well as using less chemicals to treat the water and less power to pump it to end users. Furthermore there would be less waste water treated by the four city councils.

Meeting water quality standards

New drinking-water standards were introduced in January 2006. The standards will have a number of impacts on the water supply operation. Compliance monitoring within the wholesale water distribution network will change from sampling and testing for *E. coli* bacteria to continuous monitoring of chlorine, pH and turbidity. In effect, the standards accept that, if chlorine is present in sufficient quantities, pathogens will be inactivated.

This change will provide more rigorous quality control. Although we have the monitoring equipment in place, we will need more demanding calibration and maintenance regimes.

It is probable that new legislation, which makes compliance with these new standards mandatory, will occur in the three-year period covered by this Plan. The implications of this will be evaluated in future annual plans.

Achieving improved grading

Greater Wellington Water's policy is to achieve an A or A1 grading for treatment plants, where practical.

The Wainuiomata Water Treatment Plant has an "A1" Grading, awarded in May 2004, and assessed in terms of new grading rules published in 2003.

However, Te Marua, Waterloo and Gear Island Water Treatment Plants currently have a grading of "U" because the Ministry of Health has decreed that the previous gradings of "A", "B" and "B" respectively are no longer valid, and the Hutt Valley District Health Board has not yet graded these plants using the 2003 grading rules.

It is anticipated that the Te Marua Water Treatment Plant will receive an "A1" grading by mid 2006 and that Waterloo will have its B Grading reinstated by the end of 2006. (It cannot receive an A grade as the customer's preference is for the water to be unchlorinated).

Compliance information for Gear Island will be collected during 2006, and an application for it to be upgraded to "A1" will be lodged early in 2007. If this is achieved then all water supplied to Wellington city will be from A1 graded water treatment plants.

Managing debt

Significant modernisation of our water supply facilities has taken place in the last 20 years. Obviously this has been costly.

The result in absolute terms is relatively high debt – expected to be \$48.9 million as at 30 June 2007.

The next significant capital expenditure is not expected until about 2010. Our best estimates of costs are \$50 to \$102 million. The timing, however, will depend on what happens to the level of demand for water over the next few years.



Water supply

Key issues – continued

Water supply levy

The water supply levy paid by Greater Wellington's four city council customers has been held or reduced each year for the last ten years. Increasing costs, particularly for electricity and chemicals, mean that there is a proposed increase in the levy, starting in 2007/08. Further increases are proposed if construction starts on a major new water source in a few years time, (tentatively 2009/10).

The proposed increases are:

2007/08	6.2%
2008/09	6.0%
2009/10	7.8%
2010/11	7.6%
2011/12	7.4%
2012/13	7.2%
2013/14	1.9%
2014/15	1.6%
2015/16	1.6%

The levy for 2006/07 will be the same as for 2005/06.

Customer service

Greater Wellington Water is committed to delivering excellent value to our customers.

This value can be demonstrated in many ways including:

- Responding to queries, proposals, suggestions and recommendations in a prompt and open manner.
- Producing a detailed annual report for the business with benchmarking, where appropriate, against Auckland's Watercare Services.
- Involving customers in key business decisions.



Activity: Collect, treat and deliver water

Levels of service:

- 1 Collect water from the Hutt, Wainuiomata and Orongorongo catchments and the Waiwhetu aquifer for public drinking water supply
- 2 Manage catchments so that treatment plants receive good quality water
- 3 Treat water so that it meets the Ministry of Health's standards for drinking water
- 4 Deliver water to the cities of Lower Hutt, Upper Hutt, Porirua and Wellington

Greater Wellington collects, treats and delivers water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington. Vegetation and pest management activities are undertaken within water supply catchments.

Long-term target by 30 June 2016

- The quality of water supplied will continually meet the Ministry of Health's Drinking-Water Standards. The related water supply infrastructure will be maintained and improved to meet the standards specified in the Regional Water Supply Asset Management Plan.

Short-term by 30 June 2007

- Water will be supplied to the four cities within a total operating expenditure, excluding depreciation, of \$22,432,000. Specifically:
 - The collection, treatment and delivery of water will be managed to ensure the quality of water supplied continually complies with the Ministry of Health's relevant Drinking-Water Standards for New Zealand. Water testing will be carried out by an International Accreditation New Zealand (IANZ) registered laboratory at sampling points defined by the Quality Assurance Section of Greater Wellington Water, not less than five days out of every seven. Expenditure will not exceed the budget of \$716,000.
 - The gradings of the water treatment plants at 1 July 2006 will be maintained, except for the plants that will be graded during the year.
 - Vegetation management and pest control measures will be carried out in Greater Wellington Water's water supply catchments, in accordance with the Forestry Management Plan and within a budget of \$170,000, so that the treatment plants receive good quality water.
 - Customers will be provided with a business report by 30 November 2006, which will include the following information:
 - Financial results for the preceding financial year ended 30 June.
 - Actual quality compared with targeted performance.
 - A list of incidents where supply has been interrupted, together with the time taken to respond and repair.
 - A report on compliance with resource consent requirements.
 - Status of ongoing service level agreements.



Water supply Targets

Activity: Collect, treat and deliver water – *continued*

Short-term by 30 June 2008

- Water will be supplied to the four cities within a total operating expenditure, excluding depreciation, of \$22,320,000. Specifically:
 - The collection, treatment and delivery of water will be managed to ensure the quality of water supplied continually complies with the Ministry of Health's relevant Drinking-Water Standards for New Zealand. Water testing will be carried out by an International Accreditation New Zealand registered laboratory at sampling points defined by the Quality Assurance Section of Greater Wellington Water, not less than five days out of every seven. Expenditure will not exceed the budget of \$734,000.
 - The gradings of the water treatment plants at 1 July 2007 will be maintained, except for the plants that will be graded during the year.
 - Vegetation management and pest control measures will be carried out in Greater Wellington Water's water supply catchments, in accordance with our Forestry Management Plan and within a budget of \$314,000, so that the treatment plants receive good quality water.
 - Customers will be provided with a business report by 30 November 2007, which will include the following information:
 - Financial results for the preceding financial year ended 30 June
 - Actual quality compared with targeted performance
 - A list of incidents where supply has been interrupted, together with the time taken to respond and repair
 - A report on compliance with resource consent requirements
 - Status of ongoing service level agreements.

Short-term by 30 June 2009

- Water will be supplied to the four cities within a total operating expenditure, excluding depreciation, of \$22,757,000. Specifically:
 - The collection, treatment and delivery of water will be managed to ensure the quality of water supplied continually complies with the Ministry of Health's relevant Drinking-Water Standards for New Zealand. Water testing will be carried out by an International Accreditation New Zealand registered laboratory at sampling points defined by the Quality Assurance Section of Greater Wellington Water, not less than five days out of every seven. Expenditure will not exceed the budget of \$752,000.
 - The gradings of the water treatment plants at 1 July 2008 will be maintained, except for the plants that will be graded during the year.
 - Vegetation management and pest control measures will be carried out in Greater Wellington Water's water supply catchments, in accordance with our Forestry Management Plan and within a budget of \$131,000, so that the treatment plants receive good quality water.
 - Customers will be provided with a business report by 30 November 2008, which will include the following information:
 - Financial results for the preceding financial year ended 30 June
 - Actual quality compared with targeted performance
 - A list of incidents where supply has been interrupted, together with the time taken to respond and repair
 - A report on compliance with resource consent requirements
 - Status of ongoing service level agreements.



Activity: Plan to meet current and future demands for water

Levels of service:

- 1** Assess the demand for water – now and in the future – and plan how such demands will be met, including developing future sources

Long-term target by 30 June 2016

- Water supply will be adequate to meet present and future demands in accordance with current supply policy (currently a 1 in 50 year drought standard).

Short-term by 30 June 2007

- A report will be prepared on options for a new significant water source within a budget of \$1,084,000.

Short-term by 30 June 2008

- System enhancements will start to enable supply to meet the requirements of a population of 390,000 (currently able to meet a population of 377,000).
- A report will be prepared for Council on the preferred new water source option.

Short-term by 30 June 2009

- System enhancements will continue to enable supply to meet the requirements of a population of 390,000 (currently able to meet a population of 377,000).

Levels of service:

- 2** Encourage people to use water wisely

Long-term target by 30 June 2016

- Water consumption will be reduced by the amount agreed with our four city customers and specified in the Wellington Water Management Plan.

Short-term by 30 June 2007

- The Wellington Water Management Plan will be implemented in association with our four city council customers.
- A water conservation programme will be implemented within a budget of \$72,000.

Short-term by 30 June 2008

- A water conservation programme will be implemented within a budget of \$74,000.

Short-term by 30 June 2009

- A water conservation programme will be implemented within a budget of \$76,000.



Water supply Targets

Activity: Plan for emergencies

Levels of service:

- 1** Maintain our pipes and plants and build resilience in the system so that water can continue to be supplied after an emergency – or restored as quickly as possible

Long-term targets by 30 June 2016

- Water will be available on a daily basis to meet the 1 in 50 year return period drought situation. The related water supply infrastructure will be maintained and improved to meet the standards specified in the *Regional Water Supply Asset Management Plan*.
- Plans will be in place to enable water to be supplied to the community following a major natural disaster.

Short-term by 30 June 2007

- The Stuart Macaskill Lake towers at Te Marua will be strengthened to meet the latest seismic design standards at a cost not exceeding \$100,000.
- At least one customer emergency connection will be installed at a cost not exceeding \$50,000.
- Investigations for an emergency pumping station at Whitehead Road, Wellington City, will be started, at a cost not exceeding \$20,000.

Short-term by 30 June 2008

- At least one customer emergency connection will be installed at a cost not exceeding \$52,000.
- Hazard protection work will be undertaken at a cost not exceeding \$207,000.

Short-term by 30 June 2009

- At least one customer emergency connection will be installed at a cost not exceeding \$54,000.
- Hazard protection work will be undertaken at a cost not exceeding \$213,000.

Water supply

Prospective funding impact statement



	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
FUNDING STATEMENT			
General rate	0	0	0
Targeted rate	0	0	0
Water supply levy	22,776	24,187	25,635
Government subsidies	0	0	0
Interest and dividends	722	706	797
Other operating revenue	700	730	739
Operating revenue	24,198	25,623	27,171
Direct operating expenditure	16,045	15,581	15,831
Finance costs	3,401	3,617	3,731
Depreciation	6,771	7,057	7,174
Operating expenditure	26,217	26,255	26,736
Operating surplus/(deficit)	(2,019)	(632)	435
Less:			
Capital expenditure	6,759	6,548	7,694
Proceeds from asset sales	(135)	(10)	(8)
Loan funding	(6,230)	(6,377)	(7,545)
Levy-funded capital expenditure	394	161	141
Debt repayment	2,886	4,808	5,921
Investment additions	1,472	1,456	1,547
Operational reserve movements	0	0	0
Working capital movements	0	0	0
Non-cash items	(6,771)	(7,057)	(7,174)
Net funding required	0	0	0

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
OPERATING REVENUE			
Collect, treat and deliver water	24,198	25,623	27,171
Total operating revenue	24,198	25,623	27,171
OPERATING EXPENDITURE			
Collect, treat and deliver water	26,217	26,255	26,736
Total operating expenditure	26,217	26,255	26,736
CAPITAL EXPENDITURE			
Water sources	1,180	3,088	4,022
Water treatment plants	1,990	1,258	817
Pipelines	1,400	72	499
Pump stations	530	278	0
Reservoirs	100	412	1,591
Monitoring and control	580	804	138
Seismic protection	200	206	212
Other	250	259	266
Capital project expenditure	6,230	6,377	7,545
Land and buildings	0	0	0
Plant and equipment	161	130	122
Vehicles	368	41	27
Total capital expenditure	6,759	6,548	7,694

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy contained within the separate *Policies* document.



Water supply

Ten-year financial forecast

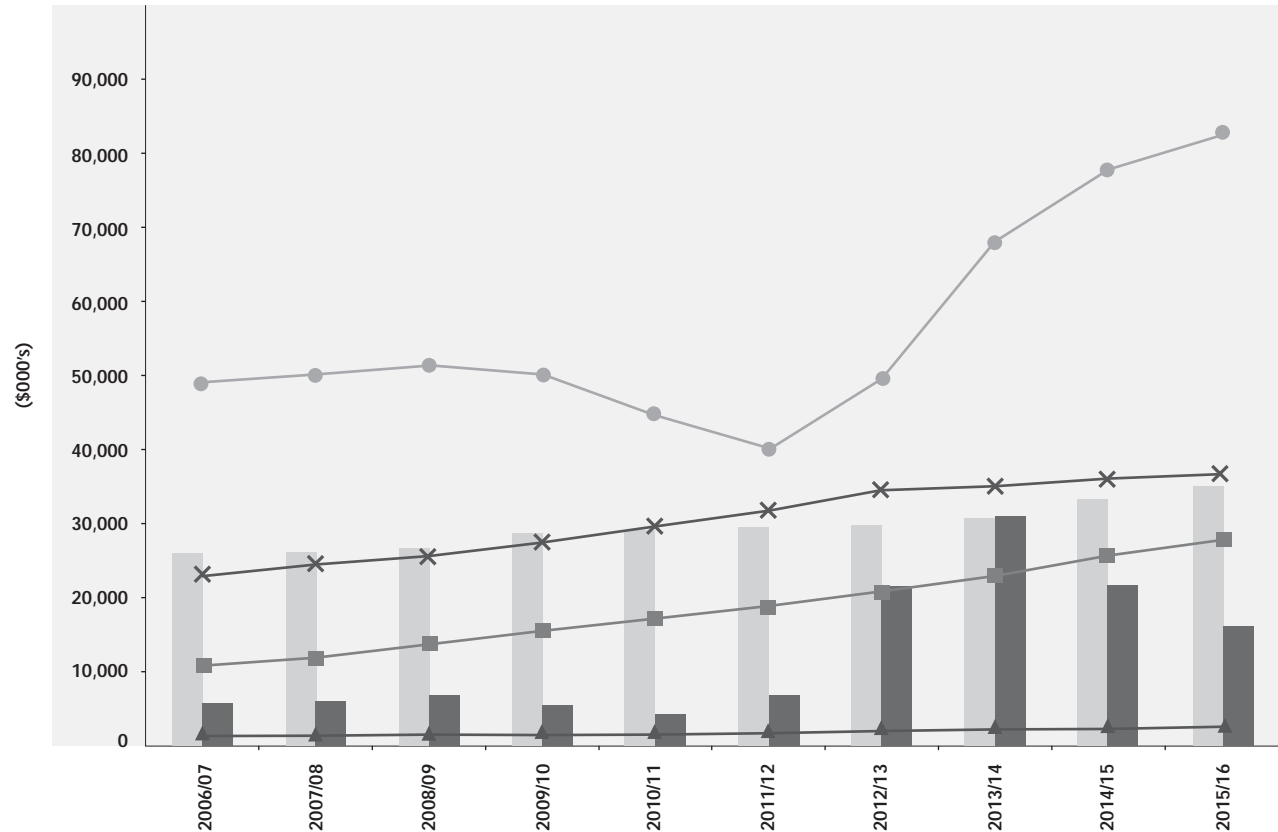
This graph places the prospective funding impact statement for the next year in the context of the ten-year planning horizon.

Key points to note are:

- The water supply levy is forecast to increase over the ten-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 \$82.3 million in 2015/16
- The water supply self-insurance investment rises steadily over the ten-year period, with no planned drawdowns from the fund.

Please note that these figures exclude GST.

	(\$000's)									
■ Operating expenditure	26,217	26,255	26,736	28,381	28,645	28,697	29,393	31,112	33,851	35,087
■ Capital expenditure	6,759	6,548	7,694	5,708	4,665	7,700	22,060	31,812	22,310	16,813
● Debt	48,853	50,422	52,044	50,006	44,980	40,772	49,147	67,871	77,732	82,332
✕ Water supply levy	22,776	24,187	25,635	27,644	29,751	31,957	34,260	34,911	35,470	36,037
▲ Other operating revenue	1,422	1,436	1,536	1,635	1,754	1,877	2,007	2,144	2,286	2,438
■ Self-insurance investment	10,914	12,369	13,916	15,559	17,305	19,160	21,131	23,225	25,450	27,814



	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Operating expenditure	26,217	26,255	26,736	28,381	28,645	28,697	29,393	31,112	33,851	35,087
Capital expenditure	6,759	6,548	7,694	5,708	4,665	7,700	22,060	31,812	22,310	16,813
Debt	48,853	50,422	52,044	50,006	44,980	40,772	49,147	67,871	77,732	82,332
Water supply levy	22,776	24,187	25,635	27,644	29,751	31,957	34,260	34,911	35,470	36,037
Other operating revenue	1,422	1,436	1,536	1,635	1,754	1,877	2,007	2,144	2,286	2,438
Self-insurance investment	10,914	12,369	13,916	15,559	17,305	19,160	21,131	23,225	25,450	27,814



Assumptions and planning considerations

In preparing this ten-year plan, the following assumptions have been made:

- **Changes in population**

Statistics New Zealand published new population projections in November 2005. If a high growth projection is assumed, the population of the four cities will reach 377,000 in about 2008, triggering the need for a new water source development. The population supplied as at June 2005 was 370,100.

- **Consumption forecasts**

Household use is predicted to fall slightly over the next 20 years in line with the trend to smaller households. Industrial use has been forecast to change along a slow recovery recession cycle.

- **Raw water availability**

Raw water availability is governed by resource consents and structure limitations to take the water from the aquifer and rivers. All resource consents for river water and the aquifer expire after 2030.

There may be some changes to water allocation when Greater Wellington's Regional Freshwater Plan is reviewed in 2010.

- **Risk of shortfall**

With a high population growth scenario and a 95 percent confidence level, sufficient raw water is available from existing sources until about 2008. This is based on a two percent risk of shortfall event. An "event" is defined as a year that contains at least one shortfall day. This is loosely referred to as a 1 in 50 year drought.

- **Water metering**

Rather than develop a new water source by 2012, universal metering could be introduced in conjunction with the four city councils. Experience elsewhere suggests a drop in consumption of 10 to 20 percent is the likely outcome. This issue will be considered in more detail in the Wellington Water Management Plan being developed with the city councils.

- **Operational costs**

Direct operating costs have been revised upwards by approximately \$0.6 million per annum across the planning period. Indirect expenditure has also been increased by an average of \$0.8 million per annum across the planning period. This is caused by both financing the increased capital works programme for new water source development and subsequently depreciating this larger asset base. Electricity and chemical costs have also increased. Operational expenditure will be adequate to ensure there is no deferred maintenance.

- **Capital expenditure**

Expenditure for 2006/07 is detailed elsewhere. Some of the projects in subsequent years are subject to further detailed analysis.

Averaged out over several years, capital expenditure is generally in line with depreciation, except for the development of major new water sources.



Water supply

Assumptions and planning considerations – *continued*

- **Asset valuation and depreciation**

Registered valuers revalued Greater Wellington Water's infrastructure fixed assets in June 2004. Depreciation values are arrived at by taking the current value of an asset and reducing its value on a straight line basis over the remaining life of the asset. In some circumstances technical obsolescence, rather than physical deterioration, may dictate the remaining asset life. Where this is the case, all components are assigned a life that does not exceed the obsolescence date. Depreciation for the new assets is calculated from the planned cost. For the unspecified works, an average life is assumed for depreciation purposes.

- **Interest rate**

The interest rate on debt will be 7.25 percent.

- **Self-insurance investment fund**

Greater Wellington Water will continue to build up its self-insurance investment fund with no planned withdrawals over the ten-year period. The amount set aside is \$750,000 per annum. We do not expect that the fund will cover the maximum risk exposure for the uninsured assets until after 2020. Any shortfall required before then would be loan funded.



Assets

The net book value of regional water supply infrastructure assets at 30 June 2005 was \$282 million. The majority of the value is in water supply infrastructure, including storage lakes, treatment plants, pipelines, reservoirs and pumping stations.

Together these assets form the wholesale water supply network for the Wellington metropolitan area. Greater Wellington Water maintains a comprehensive asset management plan for its wholesale water supply assets and this plan guides the maintenance, renewal and asset replacement programme which has been incorporated into this ten-year plan.

Water demand is closely monitored, in particular the annual change in demand between winter periods when there is minimal garden watering. This, and changes in population, are two key inputs for modelling the adequacy of the water treatment and water distribution assets. This information then feeds into the Asset Management Plan, which was reviewed in the 2003/04 financial year.

A few of the major assets are expected to reach their service capacity around 2013. Before then, there is a requirement for some asset enhancement. The capital works programme budget for the next ten-years allows for these costs.

The key service standards, such as compliance with the Drinking Water Standards and security of supply, have been outlined elsewhere in this Plan. Although new drinking water legislation is expected during the term of the Plan, its financial impact is not expected to be significant. This is because of the high quality standards already in place.

Provision has been made for some enhancements to the current system, at a cost of \$6 million, in the years 2006 to 2010 on the basis of a slight increase in annual demand growth. Investigations are ongoing into how much water is available for abstraction from the Hutt River at Te Marua or at the Kaitoke weir. It is expected that this development will allow for a population of up to 390,000 which will be reached in about 2012.

We have started investigating a source that could be developed for a population up to 450,000. A storage dam is a possibility and the capital works programme allows the median estimate of \$79 million for this. This process will be refined by the time the next Long-term Council Community Plan is issued.

There are a number of risks associated with development of a new water source. First, we have to obtain resource consents. Secondly, the costs of developing a site may be substantially greater than the preliminary estimates. Thirdly, unexpected issues may arise during investigations. To mitigate some of these risks, multiple sources are being investigated in parallel. All but one of the major sites are on Greater Wellington land already set aside for water supply purposes.

The capital works programme allows for \$79 million to develop a major new water source – this is the median cost option. Two other sites being investigated are estimated to cost \$50 million and \$102 million respectively.



Water supply

Assets – *continued*

An intermediate development that could supply a further 10,000 to 15,000 people at a cost of between \$16 – \$33 million is also being investigated but is not allowed for in the capital works programme at present. This is to tap into the Upper Hutt aquifer and build a treatment plant or pipe the water to the existing Te Marua Water Treatment Plant. It is assumed that one or more of these sources will be developed to ensure we maintain the two percent risk of a shortfall event in any one year.

It is expected that the cost of these assets will be debt funded. Debt repayments, depreciation and additional maintenance will be met through increases in the water levy.

Greater Wellington Water has a policy of not having any substantive deferred maintenance. Currently this is the case. The maintenance costs allowed for in the financial forecasts enable us to continue this policy.



Greater Wellington's diverse parks, forests and recreational areas provide a wide range of outdoor recreational opportunities. Our management of these areas contributes to four community outcomes: *Quality lifestyle, Sense of place, Healthy community and Healthy environment.*

To ensure that visitors enjoy good access and information, as well as a safe environment, Greater Wellington invests in facilities and services, such as park rangers and tracks.

We want to provide the highest quality environmental experience possible. Therefore, we carry out intensive plant and animal pest control programmes, along with a range of restoration activities. A high quality environment is also essential for our water supply catchment areas.

We aim to encourage community participation in our parks and forests, both to enhance the areas and promote community ownership.

Contribution to community outcomes

Quality lifestyle

Manage Queen Elizabeth Park, Battle Hill Farm Forest Park, Belmont Regional Park, Kaitoke Regional Park and East Harbour Regional Park.

Sense of place

Manage the Hutt River trail and recreation areas in the Akatarawa and Pakuratahi Forests and in the Hutt, Wainuiomata and Orongorongo catchments.

Healthy community

Prepare management plans to guide use and development.

Develop and maintain assets, for example, tracks, plantings, shelters and other facilities.

Care for and monitor ecosystem health.

Provide a ranger service to help the public enjoy our parks, recreation areas and trails.

Run a summer programme of community events.

Involve local communities in the management of these areas.

Healthy environment



Key partnerships

City and districts councils

Community Groups

Department of Conservation

Iwi

Landcorp New Zealand

Private landowners

Key issues

New parks and services

Greater Wellington has five regional parks and has signalled in the past that we would like to expand the network to provide more areas for public recreation across the region. This Plan provides for a wetland regional park in the Wairarapa and for a regional park at Whitireia.

Adding these new parks to the network means additional costs for ranger services, infrastructure (such as signage and tracks), and general operating costs associated with managing land. Greater Wellington has already committed to the purchase of the Waitangirua block which will become part of Belmont Regional Park. This will increase the operating cost of that park.

Greater Wellington may have the opportunity to manage Whareroa Farm on the Kapiti Coast. We are currently investigating the pros and cons of taking on this new piece of land.

Meanwhile, it is business as usual in our existing parks.

Asset management

Although a Parks and Forests Asset Management Plan has been prepared, refinement and improvement of the Plan is ongoing. The Plan is an evolving document that will continually be updated.

A key issue for the next few years is making sure that we achieve the maintenance standards and service levels set out in the Plan within existing budgets.



Key issues – continued

Biodiversity on Greater Wellington land

There is increasing concern about the state of New Zealand native biodiversity. We manage a considerable amount of land which includes high-quality native ecosystems (e.g. bush and wetlands). Our focus is to halt the decline of biodiversity on our lands. To this end, we are carrying out extensive pest plant and animal controls. Our challenge is to monitor changes in forest health to determine the effectiveness of our activities in protecting and enhancing biodiversity.

Community involvement

Although popular, some regional parks and forests are still only regularly visited by particular sectors of the regional community. Our challenge is two fold:

- To increase visitor use of the parks and forest areas without compromising the environments or visitor satisfaction
- To improve the systems and mechanisms for monitoring public use and needs in the parks and forests.

A good understanding of the dynamics that revolve around our park and forest users is critical to the success of the parks.

Relationships with iwi

Tangata whenua have an ongoing relationship and interest in the land on which regional parks and forests are established, and 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.

Three parks (Belmont Regional Park, Queen Elizabeth Park, East Harbour Regional Park) contain land that is owned by the Crown. At some point in the future, there is a chance that iwi will become either landowners within the parks and forest areas or our neighbours.

The challenge for both Greater Wellington and iwi is to ensure that we work together to determine arrangements that address our wider public interest responsibilities alongside those of tangata whenua.



Parks Targets

Activity: Manage regional parks and recreation areas

Levels of service:

- 1 Manage Queen Elizabeth Park, Battle Hill Farm Forest Park, Belmont Regional Park, Kaitoke Regional Park, and East Harbour Regional Park
- 2 Manage the Hutt River trail and recreation areas in the Akatarawa and Pakuratahi Forests and in the Hutt, Wainuiomata and Orongorongo catchments
- 3 Prepare management plans to guide use and development
- 4 Develop and maintain assets, e.g. tracks, plantings, shelters and other facilities

Long-term targets by 30 June 2016

- The regional parks and forest areas will attract 750,000 visitors per annum and the customer satisfaction level will exceed 80%. A balance will be achieved between visitor numbers and the carrying capacity of these recreation areas.
- There will be no loss of regionally significant landscapes, ecosystems and heritage features from park and forest areas.
- The assets in our parks and forest areas will be maintained and developed according to approved plans.

Short-term by 30 June 2007

- Environmental assets and settings within the regional parks and forests will be managed in accordance with the Parks and Forests Environmental Asset Management Plan service levels, within a budget of \$1,066,000. A report on compliance with the standards in the Environmental Asset Management Plan will be approved by Council.
- Recreation and heritage assets and facilities in the regional parks and forests will be managed in accordance with the Parks and Forests Infrastructural Asset Management Plan service levels and within a budget of \$1,331,000. A report on compliance with the Infrastructural Asset Management Plan service levels will be approved by Council.
- The annual capital works programme will be undertaken to appropriate architectural and engineering standards and within the Parks and Forests Infrastructural Asset Management Plan service levels, within a budget of \$608,000. A progress report will be approved by Council.
- Greater Wellington will investigate the possibility of assisting renewable energy production (e.g. solar, wind, hydro) on its own lands within a budget of \$60,000.



Activity: Manage regional parks and recreation areas – *continued*

Short-term by 30 June 2008

- Environmental assets and settings within the regional parks and forests will be managed in accordance with the Parks and Forests Environmental Asset Management Plan service levels, within a budget of \$1,086,000. A report on compliance with the standards in the Environmental Asset Management Plan will be approved by Council.
- Recreation and heritage assets and facilities in the regional parks and forests will be managed in accordance with the Parks and Forests Infrastructural Asset Management Plan service levels, within a budget of \$1,447,000. A report on Compliance with the Infrastructural Asset Management Plan service levels will be approved by Council.
- The annual capital works programme will be undertaken to appropriate architectural and engineering standards and within the Parks and Forests Asset Management Plan service levels, within a budget of \$75,000. A progress report will be approved by Council.
- Greater Wellington will investigate the possibility of assisting renewable energy production (e.g. solar, wind, hydro) on its own lands within a budget of \$62,000.

Short-term by 30 June 2009

- Environmental assets and settings within the regional parks and forests will be managed in accordance with the Parks and Forests Environmental Asset Management Plan service levels, within a budget of \$932,000. A report on compliance with the standards in the Environmental Asset Management Plan will be approved by Council.
- Recreation and heritage assets and facilities in the regional parks and forests will be managed in accordance with the Parks and Forests Infrastructural Asset Management Plan service levels, within a budget of \$1,421,000. A report on compliance with the Infrastructural Asset Management Plan service levels will be approved by Council.
- The annual capital works programme will be undertaken to appropriate architectural and engineering standards and within the Parks and Forests Asset Management Plan service levels, within a budget of \$78,000. A progress report will be approved by Council.
- Greater Wellington will investigate the possibility of assisting renewable energy production (e.g. solar, wind, hydro) on its own lands within a budget of \$64,000.



Activity: Promote community use

Levels of service:

- 1 Provide a ranger service to help the public enjoy our parks, recreation areas and trails
- 2 Run a summer programme of community events
- 3 Involve local communities in the management of these areas

Long-term targets by 30 June 2016

- The regional parks and forest areas will attract 750,000 visitors per annum and the customer satisfaction level will exceed 80%. A balance will be achieved between visitor numbers and the carrying capacity of these recreation areas.

Short-term by 30 June 2007

- The marketing plan for the regional parks and forests will be implemented within a budget of \$170,000 and will include the planning, promotion and implementation of a regional outdoor programme. A progress report will be approved by Council.
- Ranger services will be provided that facilitate public access, educate and inform visitors and users, liaise with community and stakeholder groups and ensure compliance with Council policies, within a budget of \$917,000.
- The annual community enhancement projects will be completed within a budget of \$120,000. A progress report will be approved by Council.

Short-term by 30 June 2008

- The marketing plan for the regional parks and forests will be implemented within a budget of \$165,000 and will include the planning, promotion and implementation of a regional outdoor programme. A progress report will be approved by Council.
- Ranger services will be provided that facilitate public access, educate and inform visitors and users, liaise with community and stakeholder groups and ensure compliance with Council policies, within a budget of \$1,086,000.
- The annual community enhancement projects will be completed within a budget of \$103,000. A progress report will be approved by Council.

Short-term by 30 June 2009

- The marketing plan for the regional parks and forests will be implemented within a budget of \$180,000 and will include the planning, promotion and implementation of a regional outdoor programme. A progress report will be approved by Council.
- Ranger services will be provided that facilitate public access, educate and inform visitors and users, liaise with community and stakeholder groups and ensure compliance with Council policies, within a budget of \$1,091,000.
- The annual community enhancement projects will be completed within a budget of \$136,000. A progress report will be approved by Council.



	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
FUNDING STATEMENT			
General rate	5,522	6,115	6,032
Targeted rates	0	0	0
Government subsidies	0	0	0
Interest and dividends	0	0	0
Other operating revenue	784	973	776
Operating revenue	6,306	7,088	6,808
Direct operating expenditure	5,857	6,292	6,209
Finance costs	239	245	232
Depreciation	494	477	500
Operating expenditure	6,590	7,014	6,941
Operating surplus/(deficit)	(284)	74	(133)
Less:			
Capital expenditure	757	452	272
Proceeds from asset sales	(37)	(87)	(63)
Loan funding	(608)	(75)	(78)
Rates-funded capital expenditure	112	290	131
Debt repayment	258	261	236
Investment additions	0	0	0
Operational reserve movements	(160)	0	0
Working capital movements	0	0	0
Non-cash items	(494)	(477)	(500)
Net funding required	0	0	0

OPERATING REVENUE

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Manage regional parks and recreation areas	5,099	5,734	5,401
Promote community use	1,207	1,354	1,407
Total operating revenue	6,306	7,088	6,808

OPERATING EXPENDITURE

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Manage regional parks and recreation areas	5,383	5,660	5,534
Promote community use	1,207	1,354	1,407
Total operating expenditure	6,590	7,014	6,941

CAPITAL EXPENDITURE

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Whitireia Park enhancements	200	0	0
East Harbour Park enhancements	50	0	0
Akatarawa Recreation Area enhancements	50	0	0
Queen Elizabeth Park enhancements	240	0	0
Asset management plan upgrades	68	75	78
Capital project expenditure	608	75	78
Land and buildings	0	0	0
Plant and equipment	44	39	18
Vehicles	105	338	176
Total capital expenditure	757	452	272

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy contained within the separate *Policies* document.



Parks

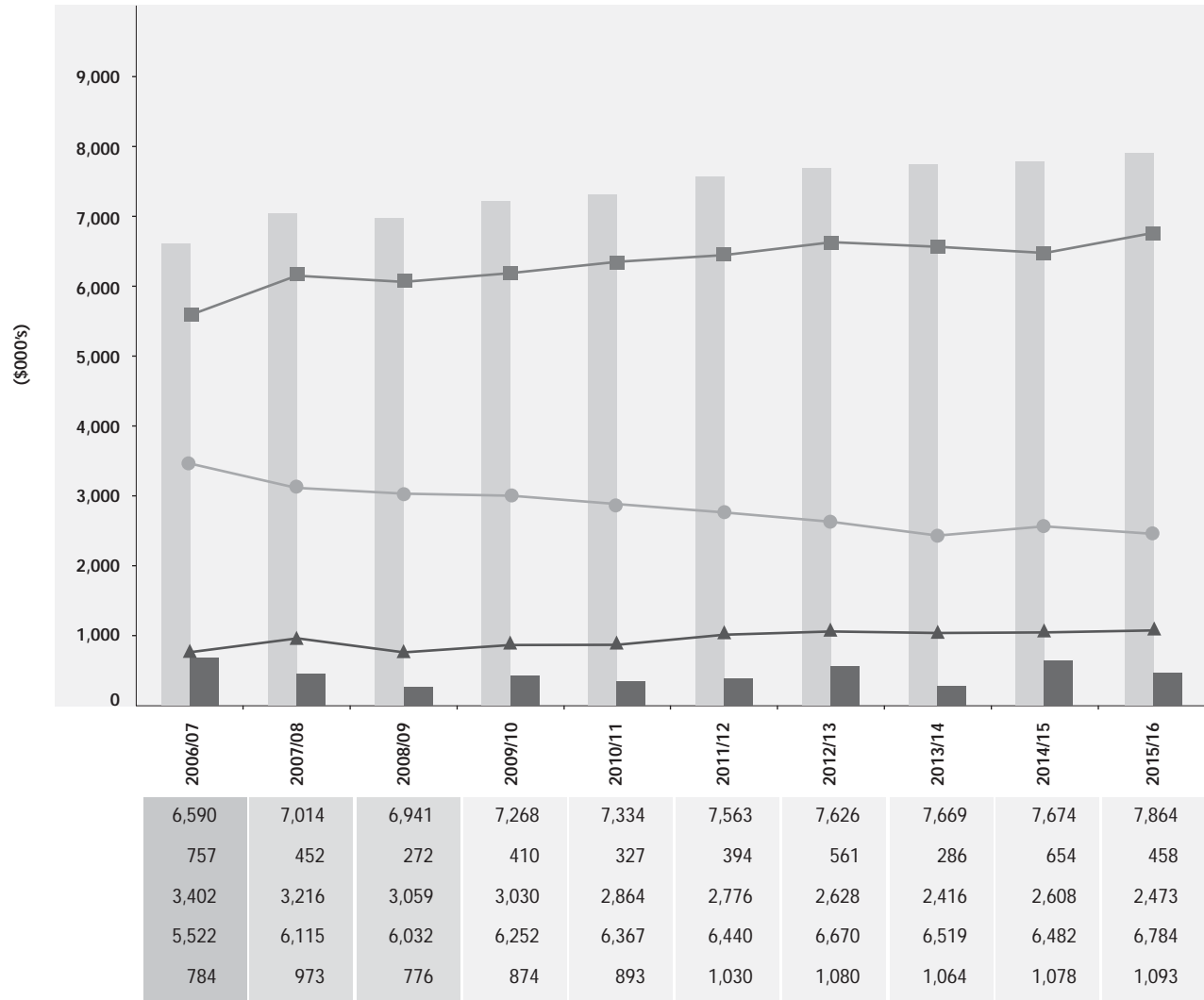
Ten-year financial forecast

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

Key points to note are:

- Increased expenditure is due to the cost of creating and running new parks at Whitireia, Wairarapa Wetlands and the extension to Belmont Regional Park
- Apart from the items noted above, it is assumed that there are no new additions or extensions to the regional park network.

Please note that these figures exclude GST.





Assumptions and planning considerations

In preparing this ten-year plan for Parks, the following assumptions have been made:

- The legislative framework governing the management of regional parks, reserves and forest lands will not alter significantly.
- Waitangirua Farm purchase will be finalised in the 2005/06 financial year and land ownership within the parks and forest areas will remain unchanged from then.
- There is no investment currently planned in Whareroa Farm by this Council in the next 10 years.
- We will successfully negotiate with the Department of Conservation and other agencies, an acceptable management role in the Wairarapa Wetlands and Whitireia Park.
- Service levels within the Parks and Forests department will not change.
- Funding for catchment management from Greater Wellington Water will continue at least at current levels.
- We will retain the existing Wainuiomata/Orongorongo Catchment access policy.
- There will not be any serious damage to the forests from fires, insect attacks or fungal attacks.
- No new contaminated sites will be discovered and existing sites will not incur any additional remedial costs.
- To meet the obligations for its own land under the Regional Pest Management Strategy, we will retain the ability to use chemical control methods (e.g. 1080, herbicides, etc) to control pest plants and animals.
- The interest rate on debt will be 7.25% per annum.
- There will be no significant flood or storm damage in the parks and forests.
- No land purchases will be required.
- Treaty claims and settlement processes will not change the land ownership or administration of land within the parks and forests.
- Revenue will continue from existing leases and licences.



Assets

Greater Wellington manages five regional parks, 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:

- 244 vehicle and foot bridges
- 100 buildings
- 117 kilometres of roads
- 176 kilometres of tracks
- 126 kilometres of fences
- Plus signs, tables, seats, plants, water and sewer pipes etc.

Managing and maintaining these infrastructure assets are key responsibilities for Greater Wellington.

Asset management plans have been developed for the region's parks, forests and water collection areas to manage the infrastructural and environmental assets within the parks. We are also in the process of developing an Asset Management Plan for heritage assets. These plans (infrastructural, environmental and heritage) were, or are being, developed in accordance with the National Asset Management Steering Group manual, and meet the appropriate standards established by the Audit Office.

Work is currently underway to update these plans to incorporate improvements as to how we manage these assets, and to ensure our plans remain up to date and best practice for the field.

Levels of service

Service levels are set through legislation, nationally accepted standards and with consultation with the public through surveys and park and forest management plans. We are currently in the process of reviewing all the management plans for the parks and forest areas and are gathering public feedback on asset service levels.

The service levels that are currently in place are:

Infrastructure

To comply with building code, safety and nationally accepted standards and guidelines that are appropriate for these types of assets and the level of use. Apart from providing new parks, there is no indication from this council that the level of service in the current network will change.

Environmental

Greater Wellington is attempting to halt the decline in biodiversity on its land.

Heritage

To maintain historic and heritage assets in a way that complies with the Historic Places Trust requirements and in accordance with the wishes of iwi.



Assets – continued

Asset management principles

Key asset management principles include:

- Service levels are set through legislation, consultation with the local community and nationally accepted standards and guidelines.
- Assets are to be maintained to their existing service 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 as part of preparing the LTCCP.
- 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 in to the register.
- Parks assets will be maintained to meet the levels of service specified in asset management plans.

Capital upgrade programme

No upgrade work is currently programmed in the ten-year period.

Maintenance and monitoring programmes

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 the general environmental wear and tear resulting from use.

Our asset monitoring and maintenance systems have been designed to ensure that the assets today will be in as good condition in 20 or 50 years time.





Greater Wellington's Safety and flood protection group of activities includes our flood protection, harbour management and civil defence emergency management operations. Safety and Flood Protection contributes to the following community outcomes: *Quality lifestyle and Essential services.*

Flood protection assists the regional community to protect itself from the consequences of flooding. Greater Wellington investigates flood hazards, prepares and implements floodplain management plans, maintains waterways and flood protection assets, and undertakes gravel extraction and flood warning.

Greater Wellington recognises that our rivers are special places. Consequently, an important part of our river management work is to provide attractive places for recreation and to take care of our river ecosystems.

We involve the community in all of our work - from planning through to the design and implementation of flood control works. This community involvement takes place through such avenues as the Wairarapa Scheme Advisory Committees and the Otaki and Waikanae Friends of the River groups.

Greater Wellington is part of the Wellington Region Civil Defence Emergency Management Group (CDEMG), a consortia of local authorities in the region. As such, we plan for emergency events and operate an emergency operations centre for the region. We work to help people understand and manage the risks that they face.

Another major function of Greater Wellington is the management of the region's harbours and coastal waters for navigation and safety purposes. We operate a communication's station in Wellington and provide and maintain navigation aids in our harbours.

Contribution to community outcomes

Quality lifestyle

- Plan to reduce the impacts of floods.
- Build and maintain agreed flood protection works, for example, stopbanks.
- Provide a consultancy service for land drainage schemes.

Prepared community

- Plan for emergency events.
- Tell people about the risks they face and how these can be managed.
- Operate the Wellington Civil Defence Emergency Management Group Emergency Operations Centre.
- Operate a flood warning system.

Healthy community

- Provide navigation aids in our harbours and a communications service for Wellington Harbour.
- Educate people about water safety and enforce maritime safety rules.

Healthy environment

- Enhance the environment along flood corridors.

Sense of place

- Clean up oil spills in our harbours and coastal waters.



Safety and flood protection

Key partnerships

Boaties and water recreation groups

CentrePort Ltd

City and district councils

Department of Conservation

Emergency services, e.g. New Zealand Police

Fish & Game NZ

Flood prone communities

Lifeline utilities

Maritime New Zealand

Ministry of Civil Defence and Emergency Management

Shipping companies and ferry operators

Wellington Volunteer Coastguard.

Key issues

Maintaining service levels

We need to maintain our existing flood protection structures and works to ensure they serve future generations as they have served us. Flood protection systems require regular monitoring and maintenance to ensure they are able to perform when a big flood comes along.

The challenge is to review and improve asset management continually, so that our schemes will perform to the standards agreed with the community through floodplain management plans and scheme reviews.

Managing high expectations

Communities require some certainty about what a flood scheme or floodplain management plan will provide, how they may be affected, and what costs they will be required to meet.

The completion of floodplain management plans for the three major rivers in the western part of the region has resulted in a demand for these plans to be implemented speedily. The current 40-year timeframe for implementing the Hutt, Otaki and Waikanae plans is seen by many as too slow. Greater Wellington's challenge is to balance the desire of communities to complete the works outlined in floodplain management plans with the ability of the beneficiaries and the regional community to pay for that work.

Similarly, the development of equitable rating classifications is necessary to maintain the confidence of the Wairarapa community in its river schemes. The Lower Wairarapa Valley Development Scheme is currently being reviewed and key issues will include staging, funding and affordability.



Key issues – continued

Keeping up flood hazard awareness

We need to keep residents, businesses and landowners aware of the flood hazard to which they are potentially exposed. Flood protection systems are not invulnerable, and unprotected areas will always remain. We will continue to work with city and district councils to assist in the development of appropriate provisions in District Plans and to provide general advice on flood hazards.

Public awareness of flood hazards was raised again during the flood events that hit the region during 2004 and 2005. However, such awareness is generally temporary. We need to maintain an appropriate level of community awareness by regular and effective communication.

Environmental enhancement and recreation opportunities

River management activities can have adverse impacts on the environment. Consequently, there is sometimes public pressure to restrict some of our flood control. As the recreational use of river corridors increases, so does a demand for higher levels of environmental enhancement and improved public access.

Greater Wellington has taken a proactive approach to its environmental responsibilities. We have prepared environmental strategies for the major rivers in the western part of the region. These are being gradually implemented as part of the capital works programmes. We have a code of practice for working in rivers and streams.

Raising awareness about the need to be prepared for major emergency events

Recent disaster events, both in New Zealand and overseas, have helped to raise the profile of emergency management. A *Prepared Community* is one of the community outcomes in this Plan. For this we need a robust planning framework and a community that is able to take responsibility for itself, at least in the short-term. Yet we find that civil defence emergency management all too often falls to the bottom of the list. Our challenge, through the Wellington Region Civil Defence Emergency Management Group is to raise awareness about hazards and to persuade individuals and organisations to have emergency plans in place, as well as emergency food and water supplies. In addition, civil defence emergency management organisations need to ensure that all key plans are kept up to date and are regularly tested through realistic exercises.

Implementing the port and harbour safety system

A port and harbour risk assessment was completed in 2005 and a port and harbour safety management system (implementation plan) will be completed in 2006. A number of improvements have already been identified as necessary, such as a significant upgrade of the Beacon Hill communications station. Decisions have yet to be made about the exact nature and extent of the improvements required, as well as the timing. Some budgetary allowance has been made for these works in this Plan, but further funds may be necessary.



Safety and flood protection

Targets

Activity: Flood protection

Levels of service:

- 1 Plan to reduce the impacts of floods
- 2 Operate a flood warning system
- 3 Build and maintain agreed flood protection works, for example, stopbanks
- 4 Enhance the environment along flood corridors
- 5 Provide a consultancy service for land drainage schemes

Long-term targets by 30 June 2016

- There will be no loss of life or significant damage as a result of a flood event. Significant damage is defined as:
 - Damage caused by water from flooding rivers or streams (not stormwater systems) entering at least five houses or commercial/industrial premises
 - Flooding that leads to damage to key infrastructure that causes significant disruption to a community for one week or more, or widespread flood damage of farmland that has a significant impact on the neighbouring community.

Short-term by 30 June 2007

- The Waiwhetu Stream flood plan investigation will be completed within a budget of \$161,000. A progress report will be approved by Council.
- The Waingawa River Scheme Review will be completed, along with other investigations, within a budget of \$346,000. A progress report will be approved by Council.
- The upgrade of the Alicetown stopbank, Hutt River, will be completed in accordance with accepted engineering standards within a budget of \$155,000.
- The Lower Wairarapa Valley Development Scheme stopbank improvements will be completed within a budget of \$585,000.
- Maintenance operations in the western part of the region will be completed in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan, all within a budget of \$2,256,000. A progress report will be approved by Council.
- Maintenance operations for the ten Wairarapa river schemes will be completed to established standards and to the satisfaction of the Scheme Advisory Committees within a budget of \$1,635,000.
- The construction of the Whirinaki Crescent stopbank, Hutt River, will be completed in accordance with accepted engineering standards within a project budget of \$838,500.



Activity: Flood protection – continued

Short-term by 30 June 2008

- River investigations in the Wairarapa will be completed within a budget of \$355,000. A progress report will be approved by Council.
- The Ava Railway Bridge improvements will be completed, including the stopbank upgrade, edge protection works, and the Council's contribution to the Opahu Stream pump station (to be constructed by Hutt City Council) in accordance with accepted engineering standards and within a project budget of \$6,218,000.
- The construction of the Chrystals Extended stopbank, Otaki River, will be completed in accordance with accepted engineering standards and within a project budget of \$1,630,000.
- The construction of the South Waitohu stopbank, Otaki, will be completed in accordance with accepted engineering standards and within a project budget of \$558,000.
- The Lower Wairarapa Valley Development Scheme stopbank improvements will be completed within a budget of \$951,000.
- Maintenance operations in the western part of the region will be completed in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan, all within a budget of \$2,352,000. A progress report will be approved by Council.
- Maintenance operations for the ten Wairarapa river schemes will be completed to established standards and to the satisfaction of the Scheme Advisory Committees within a budget of \$1,598,000.

Short-term by 30 June 2009

- In conjunction with Upper Hutt City Council, the Pinehaven Stream flood hazard assessment will be completed within a budget of \$95,000. A progress report will be approved by Council.
- River investigations in the Wairarapa will be completed to the satisfaction of the Rural Services and Wairarapa Committee within a budget of \$364,000. A progress report will be approved by Council.
- The Lower Wairarapa Valley Development Scheme stopbank improvements will be completed within a budget of \$1,007,000.
- Maintenance operations in the western part of the region will be completed in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan, all within a budget of \$2,384,000. A progress report will be approved by Council.
- Maintenance operations for the ten Wairarapa river schemes will be completed to established standards and to the satisfaction of the Scheme Advisory Committees within a budget of \$1,675,000.



Safety and flood protection

Targets

Activity: Emergency management

Levels of service:

- 1** Plan for emergency events
- 2** Tell people about the risks they face and how these can be managed
- 3** Operate the Wellington Civil Defence Emergency Management Group Emergency Operations Centre

Long-term target by 30 June 2016

- The Wellington Region Civil Defence Emergency Management (CDEM) Group's Plan is implemented to the satisfaction of the CDEM Group. As a result the community and emergency management agencies:
 - Will be aware of the risks they face
 - Will take action to manage the risks they face (80% of households in the Region will have emergency food and emergency water supplies (currently 65% and 69% respectively))
 - Will know their role and responsibilities
 - Will be able to respond to, and recover from, emergency events effectively.

Short-term by 30 June 2007

- 67% of households will have emergency food and 71% will have emergency water supplies, within a budget of \$48,000.
- A CDEM Group Recovery Plan will be completed to the satisfaction of the Civil Defence Emergency Management Group.
- A report on progress with the implementation of the Wellington Region CDEM Plan will be approved by the CDEM Group.

Short-term by 30 June 2008

- 69% of households will have emergency food and 73% will have emergency water supplies, within a budget of \$49,000.
- An audit of all emergency operation centres will be completed to the satisfaction of the Civil Defence Emergency Management Group.
- A report on progress with the implementation of the Wellington Region CDEM Plan will be approved by the CDEM Group.

Short-term by 30 June 2009

- 71% of households will have emergency food and 75% will have emergency water supplies, within a budget of \$51,000.
- A CDEM Resource Management Plan will be completed to the satisfaction of the Civil Defence Emergency Management Group.
- A report on progress with the implementation of the Wellington Region CDEM Plan will be approved by the CDEM Group.



Activity: Harbour management

Levels of service:

- 1 Provide navigation aids in our harbours and a communications service for Wellington Harbour
- 2 Educate people about water safety and enforce maritime safety rules
- 3 Clean up oil spills in our harbours and coastal waters

Long-term targets by 30 June 2016

- The Port and Harbour Management System will be achieved to the satisfaction of the Council.
- No significant accidents will occur in our harbours and coastal waters.
- Adverse effects from oil spills in harbour and coastal waters will be minimised.

Short-term by 30 June 2007

- Implementation of the Port and Harbour Safety Management System will be carried out within a budget of \$400,000.
- The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service, which is in accordance with Council agreed operating standards, within a budget of \$326,000.
- Reports of oil spills in harbour waters will be checked within 30 minutes and clean-up action for actual oil spills commenced within one hour of being reported in harbour waters and within three hours of being reported in regional coastal waters, all within a budget of \$13,000. A formal log will be kept and incidents followed up whenever possible.

- Within a budget of \$102,000, safety in our harbours and coastal waters will be maintained by:
 - Administering the Wellington Regional Navigation and Safety Bylaws
 - Educating recreational boaters and harbour users about safety issues
 - Monitoring behaviour for safety purposes through our harbour ranger service
 - Investigating all reports of unsafe behaviour. A formal record will be kept.

Short-term by 30 June 2008

- The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service, which is in accordance with Council agreed operating standards, within a budget of \$334,000.
- Reports of oil spills in harbour waters will be checked within 30 minutes and clean-up action for actual oil spills commenced within one hour of being reported in harbour waters and within three hours of being reported in regional coastal waters, all within a budget of \$14,000. A formal log will be kept and incidents followed up whenever possible.
- Within a budget of \$104,000, safety in our harbours and coastal waters will be maintained by:
 - Administering the Wellington Regional Navigation and Safety Bylaws
 - Educating recreational boaters and harbour users about safety issues
 - Monitoring behaviour for safety purposes through our harbour ranger service
 - Investigating all reports of unsafe behaviour. A formal record will be kept.



Safety and flood protection

Targets

Activity: Harbour management – *continued*

Short-term by 30 June 2009

- The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service, which is in accordance with Council agreed operating standards, within a budget of \$342,000.
- Reports of oil spills in harbour waters will be checked within 30 minutes and clean-up action for actual oil spills commenced within one hour of being reported in harbour waters and within three hours of being reported in regional coastal waters, all within a budget of \$14,000. A formal log will be kept and incidents followed up whenever possible.
- Within a budget of \$107,000, safety in our harbours and coastal waters will be maintained by:
 - Administering the Wellington Regional Navigation and Safety Bylaws
 - Educating recreational boaters and harbour users about safety issues
 - Monitoring behaviour for safety purposes through our harbour ranger service
 - Investigating all reports of unsafe behaviour. A formal record will be kept.

Safety and flood protection

Prospective funding impact statement



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	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
FUNDING STATEMENT			
General rate	7,904	8,388	8,792
Targeted rates	4,371	4,756	4,924
Government subsidies	121	125	128
Interest and dividends	359	376	451
Other operating revenue	2,164	1,801	1,720
Operating revenue	14,919	15,446	16,015
Direct operating expenditure	9,030	9,309	9,623
Finance costs	2,116	2,357	2,540
Depreciation	960	1,188	1,148
Operating expenditure	12,106	12,854	13,311
Operating surplus/(deficit)	2,813	2,592	2,704
Less:			
Capital expenditure	6,827	4,973	5,115
Proceeds from asset sales	(77)	(56)	(64)
Loan funding	(6,043)	(4,622)	(4,884)
Rates-funded capital expenditure	707	295	167
Debt repayment	1,933	2,188	2,373
Investment additions	335	335	356
Operational reserve movements	798	962	956
Working capital movements	0	0	0
Non-cash items	(960)	(1,188)	(1,148)
Net funding required	0	0	0

OPERATING REVENUE

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Flood protection	12,661	13,092	13,602
Emergency management	683	675	692
Harbour management	1,575	1,679	1,721
Total operating revenue	14,919	15,446	16,015

OPERATING EXPENDITURE

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Flood protection	9,808	10,412	10,804
Emergency management	692	726	739
Harbour management	1,606	1,716	1,768
Total operating expenditure	12,106	12,854	13,311

CAPITAL EXPENDITURE

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Harbours improvements	400	0	0
Hutt floodplain management plan	50	155	0
Hutt river improvements	3,355	2,556	3,124
Waikanae river improvements	230	124	127
Otaki river improvements	1,481	749	0
Wairarapa scheme improvements	885	951	1,007
Other flood protection	161	206	626
Capital project expenditure	6,562	4,741	4,884
Land and buildings	20	0	0
Plant and equipment	100	93	83
Vehicles	145	139	148
Total capital expenditure	6,827	4,973	5,115

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy contained within the separate *Policies* document.



Safety and flood protection

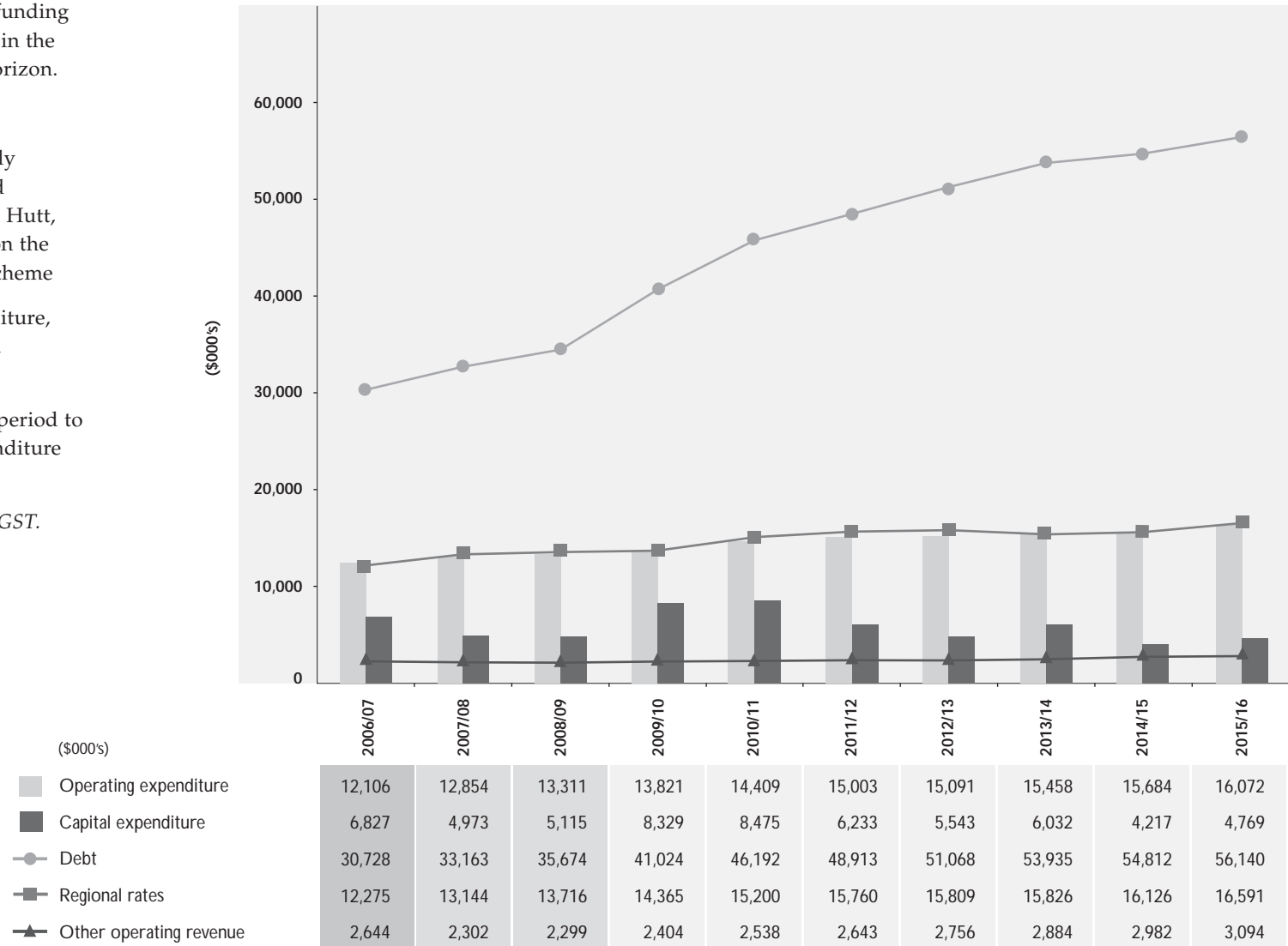
Ten-year financial forecast

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

Key points to note are:

- Capital expenditure remains fairly constant over the ten-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 \$56.0 million in 2015/16
- Regional rates increase over the period to fund the increasing capital expenditure on flood protection.

Please note that these figures exclude GST.





Assumptions and planning considerations

In preparing this ten-year programme the following key assumptions have been made:

- There will not be any flood events over the next 10 years that require repairs where costs exceed available Flood Contingency Funds and local reserves.
- The Council's current flood protection funding policies will continue.
- Rating classification reviews will increase confidence in the Wairarapa river schemes, resulting in additional funding from the local communities.
- Some adjustments to the flood protection capital expenditure programme will be required due to changes in priority, project timing and cost estimates (as they are refined through investigation, design and tender phases of each project).
- The interest rate on debt will be 7.25% per annum.
- Current regimes and revenue for gravel extraction will continue.
- Resource consents will be obtained, or renewed, for necessary activities including capital improvements, and operations and maintenance.
- The income stream from CentrePort Ltd for navigation aids will remain constant.
- The budgetary provision for the implementation of the Port and Harbour Safety System will be adequate. Further work is required before detailed budgetary requirements are available.
- The Council will continue to receive from central government the same level of funding as present for its emergency management functions.
- The Wellington Civil Defence Group Emergency Operations Centre will remain at Greater Wellington's main offices in Wellington.



Safety and flood protection

Assets

Flood protection assets

Greater Wellington has a large investment in flood protection infrastructural assets. The current valuation of these assets (excluding land) is approximately \$143 million. Managing and maintaining these flood protection infrastructure assets are key responsibilities for us.

Comprehensive asset management plans have been developed for the region's major rivers. These plans (one base principles plan, one information management plan, 10 specific scheme plans) were developed in accordance with the National Asset Management Steering Group manual, and meet the appropriate standards established by the Audit Office.

Work is currently underway to prepare the "second generation" of plans to incorporate improvements to how we manage these assets, and to ensure our plans remain up to date and best practice for the field.

Flood protection assets will be maintained to meet the levels of service specified in asset management plans.

Asset management principles

Key asset management principles include:

- Service levels are set through floodplain management plans and scheme reviews. This process involves close consultation with the affected community.
- The majority of flood protection assets are to be maintained in perpetuity, with less than 5% of the total asset value being depreciable assets. The non-depreciable assets include stopbanks, edge protection works (rock, willows) and floodways.
- 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 as part of preparing the LTCCP.
- 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 in to the register.
- Greater Wellington has decided to self insure 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.



Assets – continued

Levels of service

Service levels are set through scheme reviews and the development of floodplain management plans. The majority of flood schemes have had new floodplain management plans (FMPs), or scheme reviews prepared since 1990 (see table).

Hutt River FMP	FMP published 2001
Otaki River FMP	FMP published 1998
Waikanae River	FMP published 1997
Porirua Stream	scheme approved 1989, work completed 1995
Wainuiomata	Stage II upgrade approved 1988, work completed 1990
Upper Ruamahanga Scheme	scheme review completed 2002 (now 3 separately managed schemes)
Waipoua Scheme	scheme review completed 2001
Waingawa Scheme	scheme established in 1992. Scheme review planned for 2006/07
Waiohine Scheme	scheme review completed 2000
Lower Wairarapa Valley Development Scheme (LWVDS)	scheme review expected to be completed in 2006. Upgrade works expected to commence in 2006/07.



Safety and flood protection

Capital upgrade programmes

This 2006-2016 LTCCP provides for a total of \$50.3 million of capital upgrade works as follows:

Hutt River	\$29.4 million
Otaki and Waikanae Rivers	\$5.4 million
Waiohine Scheme	\$5.0 million
LWVDS	\$6.5 million
Minor western watercourses	\$4.0 million
Total	\$50.3 million

This is a very substantial investment in flood protection and will ensure the Greater Wellington community is well served into the future.

Maintenance and monitoring programmes

Comprehensive maintenance and monitoring programmes are in place for all flood protection schemes. This work is funded in accordance with Greater Wellington's revenue and financing policy.

All assets are maintained in a condition so that they will perform when the "big" flood arrives. Flood assets, unlike many local authority assets, are only required to work to design standard at infrequent intervals. For example, the 100-year flood only happens, on average, every 100 years. In the meantime flood assets are subject to the effects of smaller flood events, and general environmental wear and tear from secondary uses of our floodways, such as recreation and farming.

Our asset monitoring and maintenance systems have been designed to ensure that a stopbank today will be as good, if not in better, condition in 20 or 50 years time. Our capital improvement programmes mean that many of our assets will have capacity and security improvements completed over the next 20 or 30 years.

Emergency management assets

Emergency management assets comprise mainly of communications equipment and vehicles. All large new assets will be debt funded.

Harbour management assets

Harbour management assets comprise navigational aids, communications and traffic monitoring equipment, as well as vehicles. All except vehicles are loan funded.



Greater Wellington's land management group of activities includes our biosecurity and soil conservation operations. Land management contributes to the following community outcomes: *Healthy environment and Prosperous community*.

Through our biosecurity activity we manage the adverse effects of plants and animals so they do not cause significant harm to the region's ecosystems. Pest management programmes are carried out in a range of Key Native Ecosystems, as well as across the region's agricultural and bush lands.

The bovine tuberculosis (Tb) vector management programme (carried out under contract to the Animal Health Board) protects the viability of dairying and cattle and deer farming in the region. This programme also has substantial environmental benefits.

Our soil conservation activities promote the sustainable use of the region's land. They protect the region's soils from uses that result in erosion or degradation. Soil conservation measures retain the productivity of soils and also reduce the risk of flooding.

Greater Wellington's land management activities involve close working relationships with farmers especially, and many others in the region.

Contribution to community outcomes

Prosperous community

Develop pest management strategies.

Eradicate or reduce significant pests (for example, possums, manchurian wildrice moth plant and rooks).

Reduce numbers of wildlife that transmit Bovine Tuberculosis to farmed cattle and deer (under contract to the Animal Health Board).

Investigate and manage the use of land.

Assist farmers and the community to protect and enhance the land.

Provide advice on land management issues.

Healthy environment



Key partnerships

Animal Health Board

City and district councils

Crown research institutes

Federated Farmers

Non government organisations

Private landowners

Key issues

Maintaining landholder interest

Progress in soil conservation will always be dependent on the ability of the landholder beneficiary to pay, and on the effective promotion of the economic and environmental worth of good land management. Landholder confidence in Greater Wellington is always dependent on the development of positive and durable working relationships.

Greater engagement in sustainability plans

Sustainability plans are an important tool for helping landowners to manage land. We recognise, however, that we need to find a way of making these plans more appealing so that we can engage more landowners, particularly those with severely erosion prone properties.

Protecting erosion prone land

The flooding events of 2004 and 2005 confirmed the importance of protecting erosion prone land. Soil conservation works provide a considerable economic benefit for the region. Our valuable soil resources are not only conserved, but water quality is improved and the capacity of river channels is protected. It is important that Greater Wellington continues its investment into this area of work – and is supported by the community.

Biodiversity

Greater Wellington acknowledges the protection and enhancement of biodiversity as a core issue in its quest for a sustainable region. While most land management activities already recognise the importance of biodiversity, we need to ensure we apply an “ecosystems approach” to all our work and operate, as far as possible, within the constraints of natural systems.



Key issues – continued

However, protecting and enhancing the biodiversity of our region is not confined to our land management group of activities. Indeed, Greater Wellington cares for and monitors the ecosystems in our regional parks and in our water collection areas. Under the environment group of activities, we also restore wetlands and carry out riparian management. Biodiversity management is a core function of our Council that requires a whole of Council approach. To this end, we will be producing a biodiversity strategy to guide the Council's involvement in biodiversity and will be monitoring its implementation.

Assessing our progress with pest management

Biosecurity (pest plants and animals) is one area of Greater Wellington's activities where long-term options need to be carefully considered. The 2002 Regional Pest Management Strategy is now into its fourth year of implementation. This strategy has a 20-year term to reflect the long-term management approach that is required. The challenges will be to determine the community's expectations for this work and to develop meaningful and measurable objectives that satisfy these expectations and our legislative requirements.

Bovine Tb vector control funding

Bovine Tb vector control operations are mostly funded by the Animal Health Board (AHB), on behalf of the Crown and a number of industry stakeholders. Greater Wellington also provides a regional contribution amounting to about 11% of the total cost. Overall this means that the amount of vector control work undertaken within the region in any one year, and the speed at which we can achieve regional and national Tb targets, is heavily influenced by decisions taken by the AHB.

During early 2006 the AHB reviewed its national vector control priorities which resulted in a reduction in funding for vector control within the

Wellington region over the three years 2006/07 to 2008/09. The overall reduction in spending over the three years from the budgets in the proposed Plan is 27%. This is significant and will impact on the speed on at which Greater Wellington can achieve the "Tb free" regional target.

Concern with the use of chemicals e.g. 1080

The control of the vectors associated with the spread of bovine Tb is carried out with a range of methods and pesticides. The compound 1080, in particular, causes concern in some sectors of the community. Greater Wellington has participated in a number of studies and, in its opinion believes that the benefits from the use of the chemical outweigh the negative effects of some community dissatisfaction. Greater Wellington fully supports the reference of 1080 to the Environmental Risk Management Authority for a fresh look at the issue.

Integrated catchment management approach

Greater Wellington recognises the value of taking an integrated catchment approach to its work. This approach is non-statutory and community based. It recognises that the sustainable management of our natural resources requires input from a wide range of people and professions. Landowners, resource managers and scientists need to work together to achieve common goals. We have to foster communication, co-operation and co-ordination if we are to manage our land and water resources in a sustainable manner.

Greater Wellington has just undergone an internal re-structuring that has resulted in a new Division, the Catchment Management Division, being formed. We want to challenge some of our traditional views and work with the community to achieve sustainable outcomes. We will be carrying out some scoping work on how Greater Wellington will approach integrated catchment management which may well lead to a review on the way in which we currently resource our land and water management programmes.



Land Targets

Activity: Manage pest plants and animals

Levels of service:

- 1** Develop pest management strategies
- 2** Eradicate or reduce significant pests (e.g. possums, manchurian wildrice, moth plant, and rooks)

Long-term target by 30 June 2016

- Improve the health of the region's ecosystems and economy by implementing pest plant and animal management strategies. These will be carried out on 10 wetlands, 4 coastal escarpments, two dune ecosystems sites and 40 native forest areas.

Short-term by 30 June 2007

- Work programmes identified in the fifth year of the Regional Pest Management Strategy 2002-2022 will be implemented in accordance with the approved operational plan, within a budget of \$2,072,000. A progress report will be approved by Council.

Short-term by 30 June 2008

- Work programmes identified in the sixth year of the Regional Pest Management Strategy 2002-2022 will be implemented in accordance with the approved operational plan, within a budget of \$2,298,000. A progress report will be approved by Council.

Short-term by 30 June 2009

- Work programmes identified in the seventh year of the Regional Pest Management Strategy 2002-2022 will be implemented in accordance with the approved operational plan, within a budget of \$2,034,000. A progress report will be approved by Council.



Activity: Control Bovine Tuberculosis in wildlife

Levels of service:

- 1 Reduce numbers of wildlife that transmit Bovine Tuberculosis to farmed cattle and deer (under contract to the Animal Health Board)

Long-term target by 30 June 2016

- Our farming productivity and ecosystems will be enhanced by having 80% of the region under intensive possum control programmes, and by reducing the percentage of infected Tb cattle and deer herds to 0.2% (6 infected herds).

Short-term by 30 June 2007

- Bovine Tb vector control operations will be planned and implemented over 321,800 hectares in accordance with the Wellington Bovine Tb Strategic Plan, within a budget of \$4,652,000. Progress will be reported monthly to the Animal Health Board as well as in a year end report.

Short-term by 30 June 2008

- Bovine Tb vector control operations will be planned and implemented over 354,200 hectares in accordance with the Wellington Bovine Tb Strategic Plan within a budget of \$4,404,000. Progress will be reported monthly to the Animal Health Board as well as in a year end report.

Short-term by 30 June 2009

- Bovine Tb vector control operations will be planned and implemented over 335,200 hectares in accordance with the Wellington Bovine Tb Strategic Plan, within a budget of \$4,805,000. Progress will be reported monthly to the Animal Health Board as well as in a year end report.



Land Targets

Activity: Promote sustainable land management

Levels of service:

- 1 Investigate and monitor the use of land
- 2 Assist farmers and the community to protect and enhance the land
- 3 Provide advice on land management issues

Long-term target by 30 June 2016

- The promotion of sustainable land management activities will result in:
 - An additional 4,500 hectares of erosion prone land planted using sustainable management practices
 - Communities being protected from major damage or harm caused by flooding and erosion
 - Maintenance of the overall health of our soils
 - Maintenance of the water quality in our key rivers and streams.

Short-term by 30 June 2007

- Approved soil conservation programmes incorporating 300 hectares of pole planting (22,000 poles), 150 hectares of conservation woodlots and four kilometres of shelterbelt will be completed to the Council's performance standards, within a budget of \$550,000. A progress report will be approved by Council.
- Approved programmes will be completed under six catchment control schemes to the satisfaction of each Scheme Advisory Committee to the Council's performance standards, within a budget of \$88,000. A progress report will be approved by Council.
- Stage 2 of the soil quality monitoring programme will be started. Established sites will be re-visited to establish whether there has been any change over time, within a budget of \$30,000. A progress report will be approved by Council.
- Five kilometres of riparian management, focusing on increased biodiversity along stream banks, will be implemented within a budget of \$190,000.



Activity: Promote sustainable land management – *continued*

Short-term by 30 June 2008

- Approved soil conservation programmes incorporating 300 hectares of pole planting (22,000 poles), 150 hectares of conservation woodlots and four kilometres of shelterbelt will be completed to the Council's performance standards, within a budget of \$566,000. A progress report will be approved by Council.
- Approved programmes will be completed under six catchment control schemes to the satisfaction of each Scheme Advisory Committee to the Council's performance standards, within a budget of \$91,000. A progress report will be approved by Council.
- Stage 2 of the soil quality monitoring programme will continue. Established sites will be re-visited to establish whether there has been any change over time, within a budget of \$30,600. A progress report will be approved by Council.
- Five kilometres of riparian management, focusing on increased biodiversity along stream banks, will be implemented within a budget of \$195,000.

Short-term by 30 June 2009

- Approved soil conservation programmes incorporating 300 hectares of pole planting (22,000 poles), 150 hectares of conservation woodlots and four kilometres of shelterbelt will be completed to the Council's performance standards, within a budget of \$582,000. A progress report will be approved by Council.
- Approved programmes will be completed under six catchment control schemes to the satisfaction of each Scheme Advisory Committee to the Council's performance standards, within a budget of \$93,000. A progress report will be approved by Council.
- Stage 2 of the soil quality monitoring programme will continue. Established sites will be re-visited to establish whether there has been any change over time, within a budget of \$31,200. A progress report will be approved by Council.
- Five kilometres of riparian management, focusing on increased biodiversity along stream banks, will be implemented within a budget of \$201,000.



Land

Prospective funding impact statement

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's		2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
FUNDING STATEMENT				OPERATING REVENUE			
General rate	3,939	4,066	4,063	Promote sustainable land management	2,413	2,481	2,546
Targeted rates	194	195	197	Control bovine Tb wildlife vectors	4,873	4,638	5,001
Government subsidies	0	0	0	Manage pest plants and animals	3,519	3,910	3,500
Interest and dividends	59	47	45	Total operating revenue	10,805	11,029	11,047
Other operating revenue	6,613	6,721	6,742	OPERATING EXPENDITURE			
Operating revenue	10,805	11,029	11,047	Promote sustainable land management	2,394	2,462	2,527
Direct operating expenditure	10,762	10,941	11,041	Control bovine Tb wildlife vectors	4,934	4,696	5,072
Finance costs	0	0	0	Manage pest plants and animals	3,398	3,818	3,511
Depreciation	(36)	35	69	Total operating expenditure	10,726	10,976	11,110
Operating expenditure	10,726	10,976	11,110				
Operating surplus/(deficit)	79	53	(63)				
Less:							
Capital expenditure	108	158	73				
Proceeds from asset sales	(23)	(32)	(15)				
Loan funding	0	0	0				
Rates-funded capital expenditure	85	126	58				
				CAPITAL EXPENDITURE			
Debt repayment	0	0	0	Land and buildings	0	0	0
Investment additions	0	0	0	Plant and equipment	0	0	0
Operational reserve movements	(42)	(38)	(52)	Vehicles	108	158	73
Working capital movements	0	0	0	Total capital expenditure	108	158	73
Non-cash items	36	(35)	(69)				
Net funding required	0	0	0				

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy contained within the separate *Policies* document.

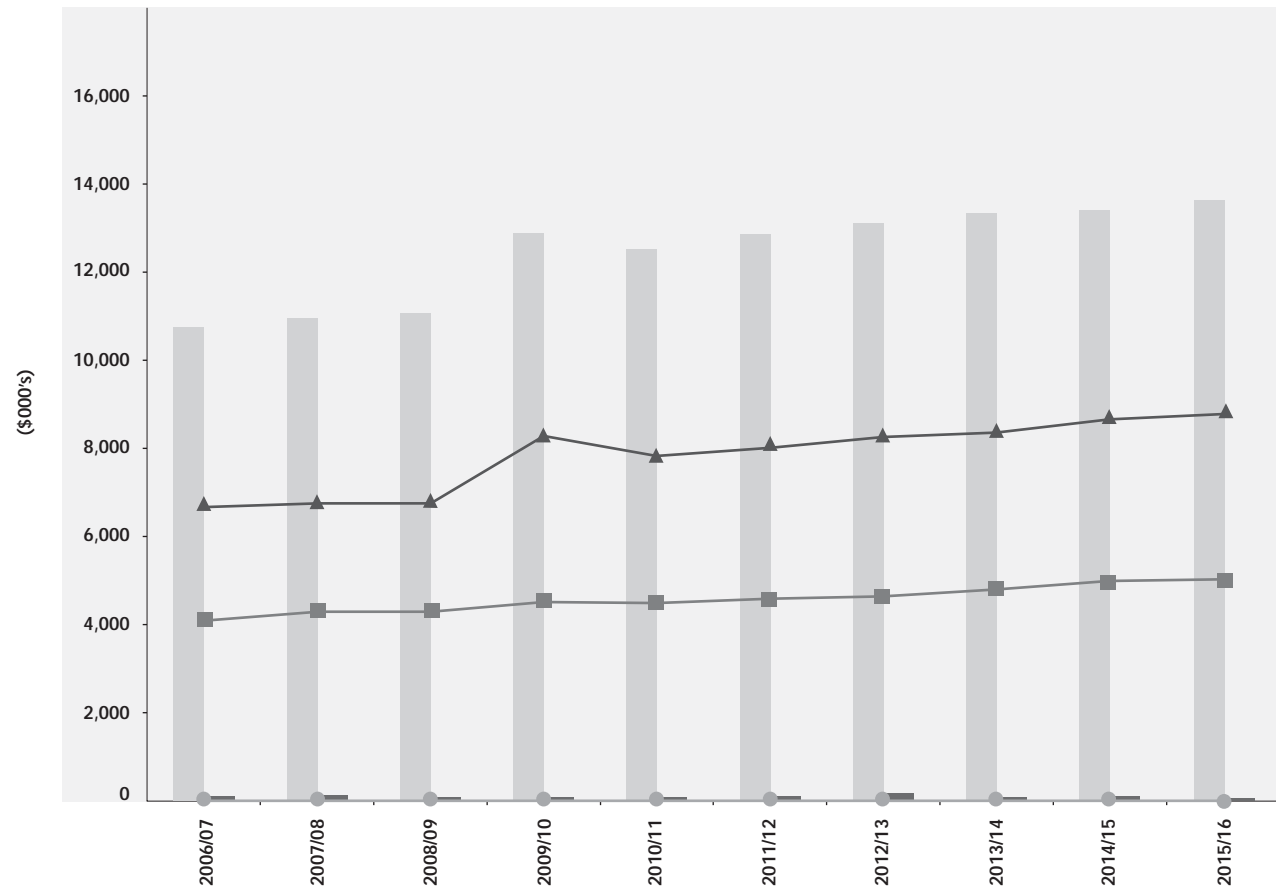


This graph places the prospective funding impact statement for the next year in the context of the ten-year planning horizon.

Key point to note is:

- Most key financial indicators are expected to remain relatively constant over the ten-year period after allowing the effects of inflation.

Please note that these figures exclude GST.



(\$000's)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Operating expenditure	10,726	10,976	11,110	12,867	12,500	12,801	13,020	13,360	13,469	13,697
Capital expenditure	108	158	73	127	118	123	178	82	176	147
Debt	0	0	0	0	0	0	0	0	0	0
Regional rates	4,133	4,261	4,260	4,587	4,515	4,598	4,648	4,739	4,919	4,979
Other operating revenue	6,672	6,768	6,787	8,176	7,889	8,103	8,317	8,488	8,617	8,752



Land

Assumptions and planning considerations

In preparing this ten-year programme for land management, the following key assumptions have been made:

- The demand from landholders for sustainability plans will be maintained at existing levels.
- Quality plant materials will continue to be available. Irrigation at Akura nursery will increase pole production by 25% from 2007. No provision for this increase has been included in the annual works programme.
- The economic situation (particularly rural) will not change significantly.
- The Regional Pest Management Strategy for pest plants and animals will continue to be supported by the public.
- There will be no significant natural changes to pest populations or species in the region over the next ten years.
- The National Pest Management Strategy for bovine Tb will continue to be supported by the Crown and industry stakeholders, permitting planned vector control operations in the Wellington region to proceed.
- All existing pesticides will continue to be approved for bovine Tb operations and other pest control work.

Assets

The activities within land management are not very asset intensive compared with some Greater Wellington activities. The assets employed within this group of activities include plantings, bed control structures, biosecurity equipment and vehicles.

All assets are subject to routine maintenance to ensure agreed service levels can be met. Asset replacement is typically funded from current revenue as the size of the assets does not warrant their being debt funded. Where work programmes involve additional asset capacity, such new assets have been incorporated into capital expenditure budgets.



The community group of activities includes our democratic processes, the involvement of Māori in our work, our contribution to the Wellington Regional Strategy and our contribution to the Westpac Stadium. This group of activities contributes the following main community outcomes: *Strong and tolerant community, Healthy environment, Quality lifestyle, Sense of place, Prosperous community, Connected community, Entrepreneurial and innovative region.*

Running a democratic process involves providing effective representation on behalf of the Wellington regional community.

While councillors ultimately make decisions on strategy, policy and the allocation of resources, they do so with the benefit of the community views. There are many opportunities for community input to decision-making ranging from public participation at council meetings and the opportunity to make submissions on specific proposals, to community members being appointed to working parties, etc.

Greater Wellington involves Māori in our work by providing a collective forum – Ara Tahi – for discussion and debate, as well as providing other opportunities for individual iwi to be involved in our work.

Local authorities are working together to implement a sustainable economic growth strategy for the region. Greater Wellington Regional Council is facilitating this joint initiative through a Wellington Regional Strategy Committee.

The Wellington Regional Strategy has three primary focus areas: effective leadership and partnerships; investment and increasing exports; and good regional form and systems (investment in urban form).

An economic development agency, established as a council controlled organisation, is the primary delivery mechanism for the “investment and increasing exports” area.

Greater Wellington’s primary role with the Westpac Stadium is as a joint funder of the project and, in conjunction with the Wellington City Council, it is a joint settler of the Wellington Regional Stadium Trust. In turn, the Stadium Trust is responsible for the ownership, operation and maintenance of the Stadium.

Contribution to community outcomes

Strong and tolerant community

Provide opportunities for the public to participate in decision-making, for example, in meetings or through planning and budgeting processes.

Run elections and pay Councillors.

Arrange and service Council meetings.

Work with iwi – collectively through Ara Tahi – and also individually.

Assist iwi to undertake special projects and to work with Greater Wellington.

Healthy environment

Wellington Regional Strategy Committee, comprising representatives from local authorities in the region and several non-local government appointees, will be the keeper of the Wellington Regional Strategy. It will develop and implement the Strategy through an economic development agency and other mechanisms.

Quality lifestyle

Sense of place

Prosperous community

Service a \$25 million loan to the Stadium Trust.

Connected community

Entrepreneurial and innovative region



Community

Key partnerships

Chamber of Commerce

City and district councils

Community

Iwi

Local Government New Zealand

Positively Wellington Business

Stadium Trust

Key issues

Representation review

The Local Electoral Act 2001 requires Greater Wellington to undertake a representation review in 2006. It will be a challenge for Greater Wellington to meet the requirements of the Act for effective representation of communities of interest while also complying with the provisions for fair representation.

Iwi relationships

The Local Government Act 2002 requires Greater Wellington to establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the Council. The challenge for Greater Wellington is to meet these requirements in a way that meets the needs of Greater Wellington, iwi and Māori.

Wellington Regional Strategy

The Wellington Regional Strategy Committee has been established to act as 'keeper' of the Wellington Regional Strategy. The implementation of the economic development initiatives is through a regional economic development agency. 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 prior to 30 June 2011.

Westpac Stadium

While the Westpac Stadium has been successful beyond our expectations, there remains significant challenges for all parties involved over the next few years as the operations at the Stadium are further fine-tuned and as issues are progressively addressed.



Activity: Run a democratic process

Levels of service:

- 1 Provide opportunities for the public to participate in decision-making, for example, in meetings or through planning and budgeting processes
- 2 Run elections and pay Councillors
- 3 Arrange and service Council meetings

Long-term targets by 30 June 2016

- The community will be informed about, and given an opportunity to participate in, all Council's significant decision-making and issues which may have an impact on rates.
- All statutory requirements for meetings, including public notice and public availability of order papers, will be met.

Short-term by 30 June 2007

- All statutory decision-making processes will be completed in accordance with requirements.
- Community input will be sought prior to any significant decision on matters which may impact on rates.
- Public notice of meetings will be given in accordance with the Local Government Official Information and Meetings Act 1987.
- Order papers for meetings will be available for public inspection at least two working days before the meeting.

Short-term by 30 June 2008

- All statutory decision-making processes will be completed in accordance with requirements.
- Community input will be sought prior to any significant decision on matters which may impact on rates.
- Public notice of meetings will be given in accordance with the Local Government Official Information and Meetings Act 1987.
- Order papers for meetings will be available for public inspection at least two working days before the meeting.

Short-term by 30 June 2009

- All statutory decision-making processes will be completed in accordance with requirements.
- Community input will be sought prior to any significant decision on matters which may impact on rates.
- Public notice of meetings will be given in accordance with the Local Government Official Information and Meetings Act 1987.
- Order papers for meetings will be available for public inspection at least two working days before the meeting.



Community Targets

Activity: Involve Māori in our work

Levels of service:

- 1** Work with iwi, collectively – through Ara Tahi – and also individually
- 2** Assist iwi to undertake special projects and to work with the Council

Long-term target by 30 June 2016

- Greater Wellington and iwi of the region will continue to have a mutually beneficial relationship.

Short-term by 30 June 2007

- Ara Tahi will meet six times, within budget.
- Iwi will be assisted to undertake projects under relevant contracts and within budget.

Short-term by 30 June 2008

- Ara Tahi will meet six times, within budget.
- Iwi will be assisted to undertake projects under relevant contracts and within budget.

Short-term by 30 June 2009

- Ara Tahi will meet six times, within budget.
- Iwi will be assisted to undertake projects under relevant contracts and within budget.



Activity: To Act as keeper of the Wellington Regional Strategy

Levels of service:

- 1** Maintain an effective Wellington Regional Strategy addressing sustainable prosperity and quality of life, and monitor its implementation.
- 2** Operate a Wellington Regional Strategy Committee to implement the Wellington Regional Strategy

Long-term target by 30 June 2012 *

- Greater Wellington will continue to develop and implement the Wellington Regional Strategy in partnership with territorial authorities in the region.

Note

- * Funding for the activity ceases after 30 June 2012. A decision to continue the activity will follow a review, to be undertaken prior to 30 June 2011.

Short-term by 30 June 2007

- The Wellington Regional Strategy will be finalised.
- Greater Wellington Regional Council will continue to facilitate stakeholder engagement in Wellington Regional Strategy priority action areas.

Short-term by 30 June 2008

- Progress on the strategic actions identified in the adopted Wellington Regional Strategy will be achieved according to timetable.
- Greater Wellington Regional Council will continue to facilitate stakeholder engagement in Wellington Regional Strategy priority action areas.

Short-term by 30 June 2009

- Progress on the strategic actions identified in the adopted Wellington Regional Strategy will be achieved according to timetable.
- Greater Wellington Regional Council will continue to facilitate stakeholder engagement in Wellington Regional Strategy priority action areas.



Community Targets

Activity: Operate a regional economic development agency

Levels of service:

- I** Establish and fund an economic development agency for the region via a Council Controlled Organisation.

Long-term targets by 30 June 2012 *

- There will be an overall improvement in the Wellington Region's Genuine Progress Index.
- A top 10 ranking will be achieved in the Mercer Quality of Living Survey (2006 = 12th).
- The regional GDP per capita increase will be above the 10 year New Zealand rolling average.
- The average income of regional residents will increase to be above the 10 year New Zealand rolling average.
- The rate of increase in Full Time Equivalent jobs will be above the 10 year New Zealand rolling average.
- There will be an improvement in resident perceptions of the region as a place to live and work.

Note

- * Funding for the activity ceases after 30 June 2012. A decision to continue the activity will follow a review, to be undertaken prior to 30 June 2011.

Short-term by 30 June 2007

- The arrangements and change processes for delivering economic development in the region will be progressed to the satisfaction of the Wellington Regional Strategy Committee.

Short-term by June 2008

- The arrangements and change processes for delivering economic development in the region will be completed.
- The economic development agency will meet the agreed Statement of Intent requirements, as approved by the Wellington Regional Strategy Committee.
- The economic development agency will operate within the budget agreed by the Wellington Regional Strategy Committee.

Short-term by 30 June 2009

- The economic development agency will meet the agreed Statement of Intent requirements, as approved by the Wellington Regional Strategy Committee.
- The economic development agency will operate within the budget agreed by the Wellington Regional Strategy Committee.

Community

Prospective funding impact statement



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	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
FUNDING STATEMENT			
General rate	2,719	2,791	2,891
Targeted rates	2,676	6,676	7,176
Government subsidies	0	300	307
Interest and dividends	11	7	4
Other operating revenue	2,481	2,575	2,702
Operating revenue	7,887	12,349	13,080
Direct operating expenditure	4,407	9,070	9,526
Finance costs	1,636	1,554	1,460
Depreciation	19	23	28
Operating expenditure	6,062	10,647	11,014
Operating surplus/(deficit)	1,825	1,702	2,066
Less:			
Capital expenditure	45	67	5
Proceeds from asset sales	0	(16)	0
Loan funding	0	0	0
Rates-funded capital expenditure	45	51	5
Debt repayment	986	1,068	1,162
Investment additions	0	0	0
Operational reserve movements	91	(173)	84
Working capital movements	0	0	0
Non-cash items ⁽¹⁾	703	756	815
Net funding required	0	0	0

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
OPERATING REVENUE			
Run a democratic process	3,899	3,987	4,136
Involve Maori in our work	490	503	514
Act as keeper of the Wellington Regional Strategy	100	403	412
Operate a regional economic development agency	0	4,000	4,500
Contribution to the Regional Stadium	3,398	3,456	3,518
Total operating revenue	7,887	12,349	13,080
OPERATING EXPENDITURE			
Run a democratic process	3,782	4,133	4,074
Involve Maori in our work	490	503	514
Act as keeper of the Wellington Regional Strategy	100	403	412
Operate a regional economic development agency	0	4,000	4,500
Contribution to the Regional Stadium	1,690	1,608	1,514
Total operating expenditure	6,062	10,647	11,014
CAPITAL EXPENDITURE			
Land and buildings	0	0	0
Plant and equipment	45	18	5
Vehicles	0	49	0
Total capital expenditure	45	67	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 contained within the separate *Policies* document.



Community

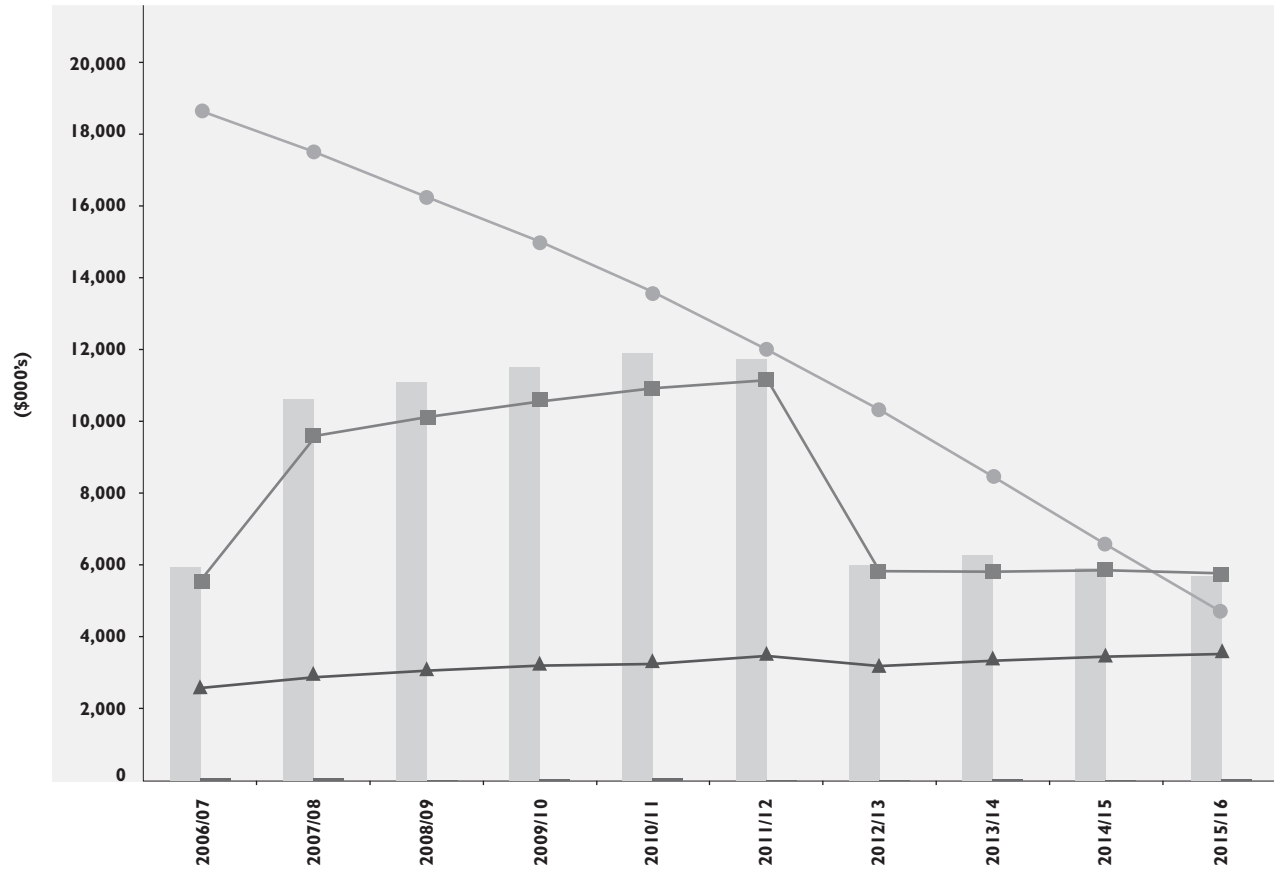
Ten-year financial forecast

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

Key points to note are:

- The increases in both operating expenditure and regional rates from 2007/08 to 2011/12 are to fund a regional economic development agency. This new activity is currently being undertaken by Territorial Authorities in the region
- A review of the regional economic development agency in 2011 may result in funding continuing beyond 2011/12
- The fall in debt from \$18.6 million to \$4.7 million 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.

Please note that these figures exclude GST.



(\$'000's)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Operating expenditure	6,062	10,647	11,014	11,447	11,938	11,815	6,084	6,339	6,069	5,844
Capital expenditure	45	67	5	16	117	6	6	63	6	6
Debt	18,566	17,498	16,336	15,072	13,696	12,205	10,573	8,800	6,870	4,771
Regional rates	5,395	9,467	10,067	10,589	10,904	11,048	5,797	5,946	6,002	5,980
Other operating revenue	2,492	2,882	3,013	3,101	3,271	3,378	3,130	3,241	3,396	3,484



Assumptions and planning considerations

In preparing this plan for Community, the following assumptions have been made:

- The Council will continue to function in substantially the same way as present, with a Council of 13 members and the current committee structure and meeting cycle. No provision has been made for by-elections or for a demand to hold a poll on Māori constituencies.
- Provision for councillor remuneration is based on the pool for the 2005/06 year issued by the Remuneration Authority with an adjustment for inflation and a continuation of current allowances.
- Greater Wellington maintains a relationship with seven iwi authorities.
- The Stadium Trust will not make any repayments to Greater Wellington during the period covered by this Plan.
- The Stadium Trust will not be deemed to be a Council Controlled Trading Organisation in terms of the Local Government Act 2002.
- Central government will continue to support economic development in the Wellington region.
- Local authorities in the region will continue to work together to plan and promote sustainable economic development.
- Funding for the economic development agency ceases after 30 June 2012. A decision to continue the activity will follow a review, to be undertaken prior to 30 June 2011.

Assets

The activities within Community are not very asset intensive compared with other Greater Wellington activities. The assets include audio visual equipment and vehicles.

Vehicles are maintained in accordance with Greater Wellington's vehicle policy. Asset replacement is funded from current revenue as the size of the assets does not warrant debt funding.



Investment overview

Greater Wellington has a significant portfolio of investments comprising:

- Liquid financial deposits
- Greater Wellington's treasury management function
- Administrative properties (e.g. depots)
- Forestry and business units
- Equity investments in the WRC Holdings Group (including CentrePort)
- Rail rolling stock and related transport infrastructure (which are proposed to be purchased in the ten-year period).

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.



Investments

Liquid financial deposits

Greater Wellington holds \$44 million in liquid financial deposits as a result of selling its interest in CentrePort to one of its wholly owned subsidiaries, Port Investments Ltd.

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 after-tax rate of return from alternative uses of these funds (e.g. reducing debt).
- The requirement to hedge the \$44 million debt within the WRC Holdings Group.

Currently liquid financial deposits are held on the basis that this provides the highest after-tax rate of return for Greater Wellington.

Treasury management function

Greater Wellington's treasury management activity is carried out centrally to maximise its ability to negotiate with financial institutions.

As a result, Greater Wellington produces an internal surplus by on-lending those funds to activities that require debt finance.

This allows the true cost of debt funding to be reflected in the appropriate areas. This 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 Masterton Office building be sold to Pringle House Ltd in the near future. Pringle House is a wholly owned Council Controlled Trading Organisation which owns the Regional Council Centre, at 142 Wakefield Street.



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.

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 and the Wairarapa Workshop, are also required to return to us an internal dividend in the same way as plantation forestry and reserve forests.

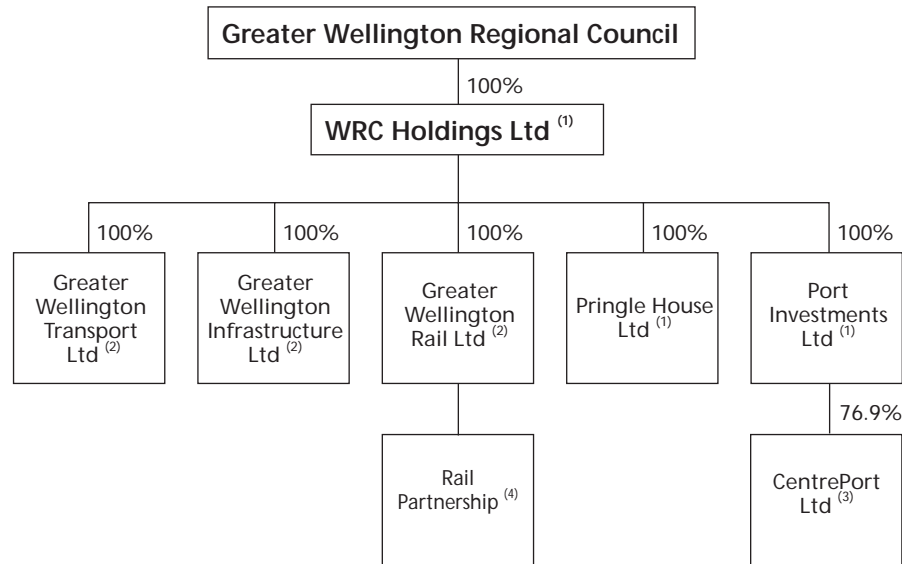
The internal dividend rate is based on the net assets employed by each of these businesses. The level of internal dividend will continue to be reviewed annually.



Investments

WRC Holdings Group

Greater Wellington will establish the following equity investments in the WRC Holdings Group:



- (1) Council Controlled Trading Organisation in accordance with the Local Government Act 2002.
- (2) Council Controlled Trading Organisation in accordance with the Local Government Act 2002. These companies have not yet been incorporated.
- (3) Commercial Port Company pursuant to the Port Companies Act 1988 and not a Council Controlled Organisation in accordance with the Local Government Act 2002.
- (4) Council Controlled Trading Organisation (CCTO) in accordance with the Local Government Act 2002. This CCTO has not yet been formed.

Greater Wellington has a legal opinion saying that, in accordance with the Land Transport Management Act 2003, our public transport infrastructure assets must be owned by a CCTO. We will form four CCTOs to own specific assets, such as rail rolling stock, stations and the trolley bus wires. The additional cost of the four CCTOs will be minimal. By forming four CCTOs, Greater Wellington will be reducing the risk of ownership.

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 originally set up for a number of reasons that remain applicable, including:

- 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 the 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.



WRC Holdings – Statement of Intent

Objectives of the Group

The primary objectives of the Group shall be to:

- Operate as a successful, sustainable and responsible business.
- Own and operate the 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 and to maximise the commercial value of CentrePort to the shareholders and to protect the shareholders’ investment, while maintaining CentrePort’s strategic value to the economy of the region.
- Hold Greater Wellington’s future investments in public transport infrastructure, namely rail rolling stock, stations and trolley bus wires.
- 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.



Investments

WRC Holdings Group

Performance targets

Financial	2006/07	2007/08	2008/09
Net profit/(deficit) before tax	\$4.9 million	\$3.5 million	(\$3.2 million)
Net profit/(deficit) after tax ⁽¹⁾	\$3.2 million	\$1.1 million	(\$5.8 million)
Return on total assets ⁽²⁾	4.6%	2.8%	1.2%
Return on shareholders' funds ⁽³⁾	0.9%	(0.3%)	(1.7%)
Dividends ⁽⁴⁾	\$0.5 million	\$0.7 million	\$1.0 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 to comply with AS/NZS 14000: Environmental Management Standards.
- CentrePort to promote the introduction into the district and regional coastal plans of the principals of NZ6809:1999 Acoustics – Port Noise Management and Land Use Planning.
- CentrePort to complete a noise management plan to support proposed changes to the noise provisions within the district and regional coastal plans.
- The group to comply with all conditions under resource consents and permits held, and full adherence to the requirements of environmental law generally.

Social

- 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 and Harbour Safety Code which promotes safety and excellence in marine operations.
- Undertake a level of sponsorship appropriate to CentrePort.
- Meet regularly with representative community groups of CentrePort.

General

The group will, in consultation with shareholders, continue to develop performance targets in the environmental and social areas.

Note:

The performance targets are those provided by the directors in the Statement of Intent (SOI) for the 2006/07 financial year.

Directors

Anne Blackburn
Margaret Shields
Rick Long

Ian Buchanan (Chairman)
Peter Blades
Terry McDavitt



Statement of Corporate Intent

Objectives of the Company

The primary objectives of the Company shall be to:

- (a) Operate as a successful, sustainable and responsible business.
- (b) Be customer focused and provide superior service.
- (c) Be the industry leader in transport logistics solutions.

The financial objectives of the Company shall be to:

- (a) Provide a commercial return to shareholders.
- (b) Adopt policies that prudently manage risk and protect the investment of shareholders.

The environmental objectives of the Company shall be to:

- (a) Operate in an environmentally responsible and sustainable manner
- (b) Raise awareness of environmental issues within the Company.

The social objectives of the Company shall be to:

- (a) Be a learning organisation and superior employer.
- (b) Provide a safe and healthy workplace.
- (c) Participate in development, cultural and community activities within the regions in which the Company operates.

Performance targets

Financial	2006/07	2007/08	2008/09
Net profit before tax	\$7.4 million	\$9.0 million	\$9.8 million
Net profit after tax	\$5.5 million	\$6.6 million	\$7.2 million
Return on total assets ⁽¹⁾	5.3%	5.4%	5.5%
Return on shareholders' funds ⁽²⁾	3.6%	4.2%	4.4%
Dividends	\$3.6 million	\$3.6 million	\$4.0 million
Dividend distribution ⁽³⁾	65.3%	54.5%	55.6%

(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.



Performance targets – *continued*

Environmental

- (a) Comply with AS/NZS 14000: Environmental Management Standards.
- (b) Promote the introduction into the district and regional coastal plans of the principals of NZ6809:1999 Acoustics – Port Noise Management and Land Use Planning.
- (c) Comply with all conditions under resource consents and permits held, and to fully adhere to the requirements of environmental law generally.
- (d) Maintain an environment issues register of environmental complaints for monitoring and actioning purposes. The register to be reported to CPL's Health, Safety and Environment committee on a regular basis (meets at least 3 times per annum).
- (e) CentrePort Ltd will hold a minimum of three environmental consultative committee meetings in 2006/07 comprising CPL 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

- (a) Maintain tertiary level of compliance with the ACC Workplace Safety Management Practices Programme and the AS/NZS 4801: Occupational Health and Safety Management Systems.
- (b) Maintain compliance with the International Ship & Port Security (ISPS) Code which promotes security against terrorism within the port environment.
- (c) Undertake risk assessments and implement any mitigating procedures relating to the Port and Harbour Safety Code which promotes safety and excellence in marine operations.

(d) Undertake an appropriate level of sponsorship.

(e) 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.

Note:

The performance targets are those provided by the directors of CentrePort in the Draft Statement of Corporate Intent (SCI) for the 2006/07 financial year.

Shareholders of CentrePort

- Port Investments Ltd: 76.9%
- Horizons Regional Council: 23.1%

Directors

David Benham
 Malcolm Johnson
 Nigel Gould (Chairperson)
 Warren Larsen

Jim Jefferies
 Mark Peterson
 Richard Janes

Investments

Prospective income statement



	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
INCOME STATEMENT			
Operating revenue	17,672	19,005	19,789
Operating expenditure	11,538	12,381	13,341
Earnings before interest	6,134	6,624	6,448
Finance costs	(2,481)	(2,692)	(2,652)
Operating surplus/(deficit)	8,615	9,316	9,100
Less:			
Contribution to general rates	7,698	7,841	8,044
Earnings retained	917	1,475	1,056
OPERATING SURPLUS OF INDIVIDUAL INVESTMENTS			
Liquid financial deposits	3,410	2,926	2,926
WRC Holdings	758	1,056	1,399
Treasury management	3,635	4,074	4,133
Forestry	708	1,297	803
Business units and property	104	(37)	(161)
Operating surplus	8,615	9,316	9,100

NET CONTRIBUTION TO GENERAL RATES FROM INDIVIDUAL INVESTMENTS

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Liquid financial deposits	3,410	2,926	2,926
WRC Holdings	474	750	1,071
Treasury management	3,635	4,074	4,133
Forestry	225	225	225
Business units and property	(46)	(134)	(311)
Total contribution to general rates	7,698	7,841	8,044



Investments

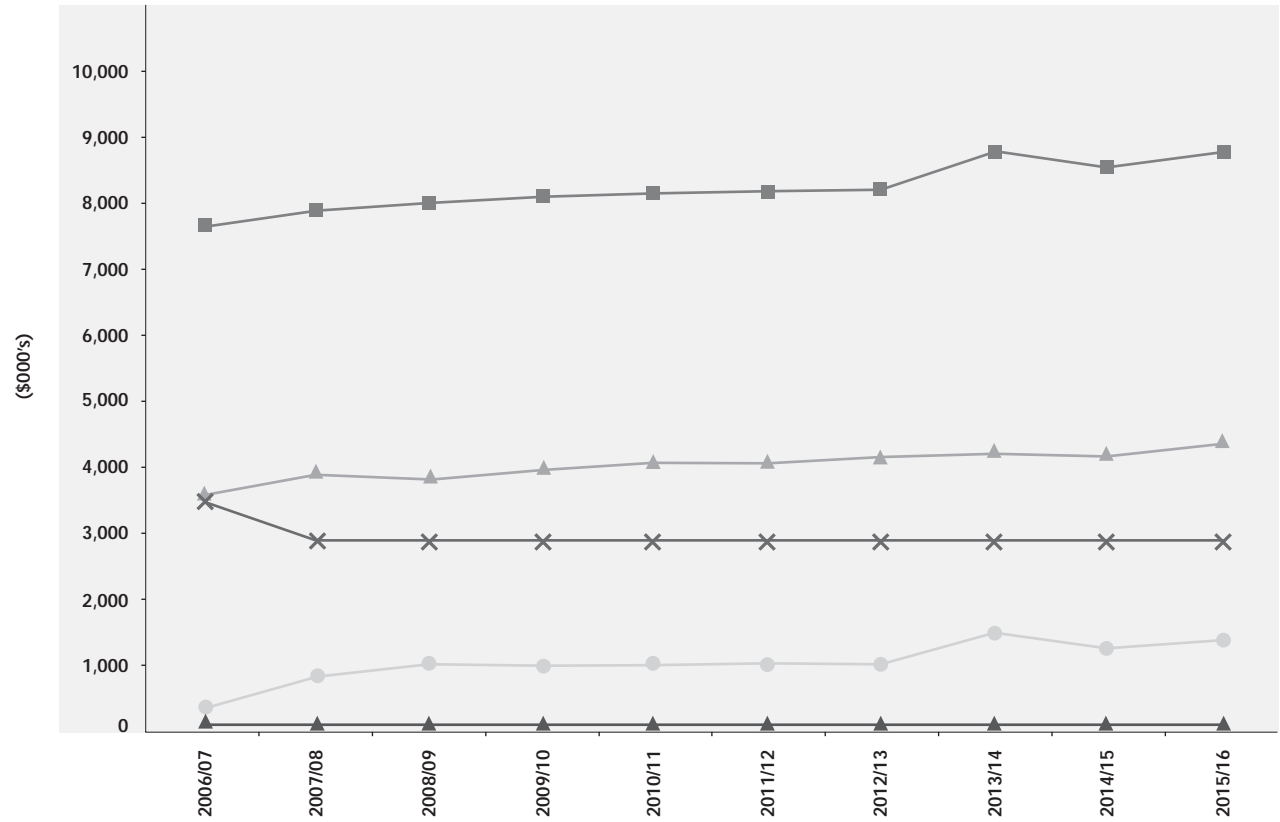
Ten-year financial forecast

This graph places the prospective income statement for the next year in the context of the ten-year planning horizon.

Key points to note are:

- There is a steady rise in the contribution from investments to general rates due to the increasing level of debt within the Council. There is a small interest rate margin charged on the debt borrowed by each Council activity
- Without the contribution from investments, regional rates would need to rise by a further 12% in 2006/07.

Please note that these figures exclude GST.



	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Overall contribution to general rates	7,698	7,841	8,044	8,131	8,257	8,281	8,287	8,815	8,555	8,801
Liquid financial deposit contribution	3,410	2,926	2,926	2,926	2,926	2,926	2,926	2,926	2,926	2,926
WRC Holdings contribution	474	750	1,071	1,048	1,049	1,093	1,075	1,537	1,318	1,418
Forestry contribution	225	225	225	225	225	225	225	225	225	225
Treasury, business units & property contribution	3,589	3,940	3,822	3,932	4,057	4,037	4,061	4,127	4,086	4,232



Assumptions

The following key assumptions relating to the Greater Wellington's investments have been made:

Greater Wellington will continue to hold its current investments throughout the ten-year period (This is not necessarily a reflection of the Council's long-term intentions. However, should the Council wish to dispose of any investments in the future it will follow the necessary processes laid down in the Local Government Act 2002).

The internal dividend projected from plantation and reserve forest investments and other business units will remain at current levels throughout the ten-year period.

Returns from the Council's Treasury Management activity are partly dependent on completion of planned capital work programmes by other areas of the Council and will vary if planned expenditure does not take place.

The 90 day bank bill rate will be between 6.3% and 7.4% over the ten-year period.



Prospective financial information

These prospective financial statements were authorised for issue by Greater Wellington Regional Council on 29 June 2006. 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 requires the Council to prepare a ten-year Long-term Council Community Plan (LTCCP) every three years and an Annual Plan, which updates the LTCCP by exception, in the intervening years. This is Greater Wellington's LTCCP for the period 2006-16 and is prepared in accordance with the Act. Caution should be exercised in using these financial statements for any other purpose.

This final plan includes changes arising from the public consultation process and some changes required to deal with information received after the proposed Plan was approved by Council. In addition, as is our normal practice, a number of projects (particularly transport projects) that were originally planned for 2005/06 have been rebudgeted to 2006/07.

Assumptions

The prospective financial information contained in this LTCCP / Annual Plan is based on assumptions that the Council reasonably expected to occur as at 29 June 2006. 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 the LTCCP:

- Financial projections over the ten-year period have been adjusted to include estimated inflation. The indices below have been prepared by BERL, an economic forecasting agency. The inflation indices used are:

	Staff	Transport Contracts	Other
2007/08	2.5%	3.7%	3.1%
2008/09	2.4%	3.5%	2.9%
2009/10	2.2%	3.2%	2.7%
2010/11	2.0%	2.9%	2.5%
2011/12	1.8%	2.6%	2.3%
2012/13	1.7%	2.4%	2.1%
2013/14	1.5%	2.2%	1.9%
2014/15	1.3%	1.9%	1.6%
2015/16	1.3%	1.9%	1.6%

In respect of 2006/07, financial projections have been calculated in estimated 2006/07 dollars.

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 affect on the prospective financial information.

- The 90 day bank bill interest rate is assumed to be 7.4% in 2006/07 and 6.3% thereafter. An interest rate on internal debt of 7.25% has been applied across the ten years of the plan.
- The basis of funding provided by Land Transport New Zealand for public transport is assumed to be the following over the period:

Rail	60%
Bus and ferry	50%
Total mobility	60%
- For those areas serviced by Greater Wellington Water Supply, the population growth rate for the period 2005 to 2026 is forecast at 10.2%.

Prospective financial information



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- In respect of rail rolling stock purchased offshore, it is assumed that the New Zealand dollar will stay around current levels until contract signing during the 2006/07 year. The Crown, through Land Transport New Zealand, will fund approximately 80% of the total cost, with 20% funded by Greater Wellington
- The following projects in respect of the Western Corridor have been included in the LTCCP. It is assumed that these projects will be 100% funded by the Crown. There has been no allowance for any contribution from *Greater Wellington*. If the Crown does not contribute 100% and some funding is required from Greater Wellington, then it is questionable whether all of these projects will proceed in their current form due to Greater Wellington's lack of capacity to fund this additional expenditure.
 - Double tracking of the railway tracks between McKays Crossing and Raumati
 - Additional rail rolling stock
 - Lindale bus – rail interchange
- Service levels provided will be maintained at current levels, except where stated.
- No major changes to the current legislative environment.
- No major flood events.
- Asset lives have been estimated in accordance with Greater Wellington's accounting policies.
- Passenger transport infrastructure investment and other capital expenditure are partly funded by debt. Debt repayments have been estimated in accordance with the Treasury Management Policy.

Risks to significant forecasting assumptions

The following table outlines 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 appropriated to rate the community, or in fact change the scope of those programmes.

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 Land Transport NZ 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 is higher or lower affecting the purchase price of passenger rail rolling stock	high	high	Change levels of rates and debt / hedging of known liabilities and seek more funding from the Crown
Western corridor projects are not 100% funded by the Crown	high	high	Re-examine extent of programme and determine whether any of the projects proceed
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



Prospective financial information

Balanced budget requirement

The Council has resolved under Section 100 (2) of the Local Government Act 2002 not to balance its operating budget in the last four years of this Plan. The reasons for this are:

- The deficit has arisen from mismatches in the accounting treatment of government grants received for the purchase of capital assets such as passenger rail rolling stock. The grants are accounted for as operating revenue, while the rail rolling stock is capitalised and accounted for as fixed assets which are then written off over their useful lives. Therefore, in the years the grants are received, Greater Wellington makes large surpluses as evidenced in the financial statements.
- The deficits are not cash deficits but are simply accounting deficits due to the timing issues noted above.
- Greater Wellington is of the opinion that it is not appropriate to rate the community for the depreciation on these assets as this would mean that current rate payers would have to pay more than their fair share for these assets. 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 passenger rail rolling stock, Greater Wellington will seek government funding to replace these assets if appropriate or necessary to do so.
- Greater Wellington is of the opinion that it is financially prudent not to balance the budget in respect of this issue and that service levels will not be decreased.

Significant negative effects

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.

Total council financial statements

Prospective income statement



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	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
Operating revenue										
Environment	10,094	10,626	11,218	11,398	11,434	11,554	11,684	11,691	11,802	12,022
Transport	136,476	130,327	160,973	190,884	176,497	172,415	120,927	125,269	129,524	130,271
Water supply	24,198	25,623	27,171	29,279	31,505	33,834	36,267	37,055	37,756	38,475
Parks	6,306	7,088	6,808	7,126	7,260	7,470	7,750	7,583	7,560	7,877
Safety and flood protection	14,919	15,446	16,015	16,769	17,738	18,403	18,565	18,710	19,108	19,685
Land	10,805	11,029	11,047	12,763	12,404	12,701	12,965	13,227	13,536	13,731
Community	7,887	12,349	13,080	13,690	14,175	14,426	8,927	9,187	9,398	9,464
Investments	9,974	11,164	11,745	10,120	11,092	10,631	10,445	13,751	16,497	10,337
Other	2,078	2,292	2,423	2,501	2,578	2,651	2,723	2,756	2,825	2,889
Total operating revenue	222,737	225,944	260,480	294,530	284,683	284,085	230,253	239,229	248,006	244,751
Less: internal operating revenue	9,137	9,877	9,577	9,865	10,217	10,476	10,710	10,837	11,030	11,146
Total external operating revenue	213,600	216,067	250,903	284,665	274,466	273,609	219,543	228,392	236,976	233,605
Operating expenditure										
Environment	10,329	10,709	11,059	11,413	11,361	11,503	11,462	11,669	11,834	12,049
Transport	77,295	86,213	95,078	106,069	134,218	146,225	136,450	140,487	144,474	145,279
Water supply	26,217	26,255	26,736	28,381	28,645	28,697	29,393	31,112	33,851	35,087
Parks	6,590	7,014	6,941	7,268	7,334	7,563	7,626	7,669	7,674	7,864
Safety and flood protection	12,106	12,854	13,311	13,821	14,409	15,003	15,091	15,458	15,684	16,072
Land	10,726	10,976	11,110	12,867	12,500	12,801	13,020	13,360	13,469	13,697
Community	6,062	10,647	11,014	11,447	11,938	11,815	6,084	6,339	6,069	5,844
Investments	9,057	9,689	10,689	9,969	10,353	10,190	10,806	13,411	14,228	12,135
Other	2,077	1,981	2,385	2,619	2,731	2,976	2,802	2,889	2,928	2,995
Total operating expenditure	160,459	176,338	188,323	203,854	233,489	246,773	232,734	242,394	250,211	251,022
Less: internal operating expenditure	9,137	9,877	9,577	9,865	10,217	10,476	10,710	10,837	11,030	11,146
Total external operating expenditure	151,322	166,461	178,746	193,989	223,272	236,297	222,024	231,557	239,181	239,876
Operating surplus/(deficit)	62,278	49,606	72,157	90,676	51,194	37,312	(2,481)	(3,165)	(2,205)	(6,271)

A further breakdown of operating revenue and operating expenditure is contained in the Funding Impact Statement on page 132.

The large operating surpluses in 2006/07 to 2011/12 are due to government grants being accounted for as income. A significant portion of these grants is used to fund our capital purchase of passenger transport infrastructure. The new assets are then depreciated over their expected life, resulting in deficits in future years.



Total council financial statements

Prospective statement of changes in equity

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
Opening ratepayers' funds	547,874	635,900	685,506	807,376	898,052	949,246	1,011,461	1,008,980	1,046,446	1,044,241
Operating surplus/deficit	62,278	49,606	72,157	90,676	51,194	37,312	(2,481)	(3,165)	(2,205)	(6,271)
Movements in revaluation reserve	25,748	0	49,713	0	0	24,903	0	40,631	0	0
Revenue and expense recognised in equity	88,026	49,606	121,870	90,676	51,194	62,215	(2,481)	37,466	(2,205)	(6,271)
Closing ratepayers' funds	635,900	685,506	807,376	898,052	949,246	1,011,461	1,008,980	1,046,446	1,044,241	1,037,970

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.

Total council financial statements

Prospective balance sheet



	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
ASSETS										
Cash and cash equivalents	2,705	2,705	2,705	2,705	2,705	2,705	2,705	2,705	2,705	2,705
Investments (current)	56,981	58,772	60,675	62,697	64,845	67,127	69,553	72,129	74,867	77,776
Other current assets	16,880	16,880	16,880	16,880	16,880	16,880	16,880	16,880	16,880	16,880
Current assets	76,566	78,357	80,260	82,282	84,430	86,712	89,138	91,714	94,452	97,361
Investments (non-current)	99,197	149,322	223,791	321,204	365,479	394,220	376,606	359,231	342,014	325,027
Forestry investments	19,389	21,611	23,265	24,512	26,226	27,630	28,683	29,461	31,113	31,061
Property, plant and equipment	553,419	562,984	621,730	630,782	636,884	665,073	683,098	752,011	767,276	776,204
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Non-current assets	672,005	733,917	868,786	976,498	1,028,589	1,086,923	1,088,387	1,140,703	1,140,403	1,132,292
Total assets	748,571	812,274	949,046	1,058,780	1,113,019	1,173,635	1,177,525	1,232,417	1,234,855	1,229,653
RATEPAYERS' FUNDS										
Retained earnings	430,339	478,867	550,025	639,884	690,414	726,913	723,664	719,810	716,740	709,587
Reserves	205,561	206,639	257,351	258,168	258,832	284,548	285,316	326,636	327,501	328,383
Total ratepayers' funds	635,900	685,506	807,376	898,052	949,246	1,011,461	1,008,980	1,046,446	1,044,241	1,037,970
LIABILITIES										
Debt (current)	2,482	3,397	2,143	1,687	1,799	1,913	2,942	3,178	3,664	3,503
Other current liabilities	19,230	19,230	19,230	19,230	19,230	19,230	19,230	19,230	19,230	19,230
Current liabilities	21,712	22,627	21,373	20,917	21,029	21,143	22,172	22,408	22,894	22,733
Debt (non-current)	90,959	104,141	120,297	139,811	142,744	141,031	146,373	163,563	167,720	168,950
Non-current liabilities	90,959	104,141	120,297	139,811	142,744	141,031	146,373	163,563	167,720	168,950
Total liabilities	112,671	126,768	141,670	160,728	163,773	162,174	168,545	185,971	190,614	191,683
Total equity and liabilities	748,571	812,274	949,046	1,058,780	1,113,019	1,173,635	1,177,525	1,232,417	1,234,855	1,229,653



Total council financial statements

Prospective statement of cash flows

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash is provided from:										
Regional rates	61,950	72,592	77,799	82,521	87,189	89,199	85,915	86,619	88,950	89,760
Water supply levy	22,776	24,187	25,635	27,644	29,751	31,957	34,260	34,911	35,470	36,037
Government subsidies	102,777	92,312	119,177	146,125	128,117	122,927	69,542	72,744	75,520	76,215
Interest and dividends	3,923	3,654	4,025	4,055	4,061	4,037	4,029	4,029	3,998	3,958
Fees, charges and other revenue	16,913	17,078	18,227	18,895	19,034	19,151	19,793	22,590	23,311	21,585
	208,339	209,823	244,863	279,240	268,152	267,271	213,539	220,893	227,249	227,555
Cash is disbursed to:										
Interest	5,348	6,430	7,547	8,720	9,465	9,517	9,694	10,583	11,430	11,679
Payment to suppliers and employees	133,885	145,109	151,474	157,254	178,724	183,090	163,273	169,134	172,902	174,525
	139,233	151,539	159,021	165,974	188,189	192,607	172,967	179,717	184,332	186,204
Net cash flows from operating activities	69,106	58,284	85,842	113,266	79,963	74,664	40,572	41,176	42,917	41,351
CASH FLOWS FROM INVESTING ACTIVITIES										
Cash is provided from:										
Tax refund	0	0	0	0	0	0	0	0	0	0
Sale of property, plant and equipment	390	309	362	408	446	442	460	319	491	427
Investment withdrawals	0	0	0	0	0	0	0	0	0	0
	390	309	362	408	446	442	460	319	491	427
Cash is applied to:										
Tax expense	0	0	0	0	0	0	0	0	0	0
Purchase of property, plant and equipment	20,237	20,447	20,824	23,366	20,855	18,718	33,499	44,790	33,817	28,474
Investment additions	81,242	51,988	80,071	109,156	62,373	54,549	13,676	13,954	14,125	14,336
	101,479	72,435	100,895	132,522	83,228	73,267	47,175	58,744	47,942	42,810
Net cash flows from investing activities	(101,089)	(72,126)	(100,533)	(132,114)	(82,782)	(72,825)	(46,715)	(58,425)	(47,451)	(42,383)



Total council financial statements

Prospective regional rates and capital expenditure

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
REGIONAL RATES										
Environment	8,800	9,275	9,830	9,974	9,976	10,063	10,163	10,144	10,231	10,425
Transport	32,819	37,437	41,183	44,112	47,699	48,773	50,305	51,419	52,872	52,899
Water supply	0	0	0	0	0	0	0	0	0	0
Parks	5,522	6,115	6,032	6,252	6,367	6,440	6,670	6,519	6,482	6,784
Safety and flood protection	12,275	13,144	13,716	14,365	15,200	15,760	15,809	15,826	16,126	16,591
Land	4,133	4,261	4,260	4,587	4,515	4,598	4,648	4,739	4,919	4,979
Community	5,395	9,467	10,067	10,589	10,904	11,048	5,797	5,946	6,002	5,980
Investments	(7,698)	(7,841)	(8,044)	(8,132)	(8,258)	(8,280)	(8,286)	(8,815)	(8,555)	(8,802)
Other	704	734	755	774	786	797	809	841	873	904
Total regional rates	61,950	72,592	77,799	82,521	87,189	89,199	85,915	86,619	88,950	89,760
CAPITAL EXPENDITURE AND TRANSPORT INVESTMENT										
Environment	481	275	627	269	131	134	374	175	141	144
Transport	82,897	55,153	85,042	115,453	65,693	56,962	16,378	17,359	17,973	18,225
Water supply	6,759	6,548	7,694	5,708	4,665	7,700	22,060	31,812	22,310	16,813
Parks	757	452	272	410	327	394	561	286	654	458
Safety and flood protection	6,827	4,973	5,115	8,329	8,475	6,233	5,543	6,032	4,217	4,769
Land	108	158	73	127	118	123	178	82	176	147
Community	45	67	5	16	117	6	6	63	6	6
Investments	1,536	2,249	590	378	475	441	442	472	527	476
Other	1,119	1,611	527	882	2,277	324	683	1,513	989	822
Total capital expenditure	100,529	71,486	99,945	131,572	82,278	72,317	46,225	57,794	46,993	41,860

Total council financial statements

Prospective investments



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	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
EQUITY INVESTMENTS										
New Zealand Local Government Insurance Corporation Ltd shares	80	80	80	80	80	80	80	80	80	80
WRC Holdings Ltd shares	89,365	138,710	212,337	308,840	352,132	379,811	361,051	342,438	323,884	305,453
Total equity investments	89,445	138,790	212,417	308,920	352,212	379,891	361,131	342,518	323,964	305,533
OTHER INVESTMENTS										
Liquid financial deposits	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Water Supply contingency investments	10,914	12,369	13,916	15,559	17,305	19,160	21,131	23,225	25,450	27,814
Major flood recovery fund	2,067	2,403	2,759	3,138	3,540	3,967	4,422	4,904	5,417	5,962
Stadium advance	9,752	10,532	11,374	12,284	13,267	14,329	15,475	16,713	18,050	19,494
Total other investments	66,733	69,304	72,049	74,981	78,112	81,456	85,028	88,842	92,917	97,270
DERIVATIVES										
Cash flow hedge	0	0	0	0	0	0	0	0	0	0
Fair value hedge	0	0	0	0	0	0	0	0	0	0
Total cash flow hedges	0	0	0	0	0	0	0	0	0	0
Total investments	156,178	208,094	284,466	383,901	430,324	461,347	446,159	431,360	416,881	402,803
Investments (current)	56,981	58,772	60,675	62,697	64,845	67,127	69,553	72,129	74,867	77,776
Investments (non-current)	99,197	149,322	223,791	321,204	365,479	394,220	376,606	359,231	342,014	325,027
Total investments	156,178	208,094	284,466	383,901	430,324	461,347	446,159	431,360	416,881	402,803



Total council financial statements

Prospective reserves

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
Area of benefit reserves										
River rate reserves	702	949	1,158	1,380	1,614	1,862	2,124	2,402	2,695	3,006
Wairarapa scheme reserves	2,201	2,673	3,110	3,501	3,817	4,112	4,301	4,410	4,482	4,559
Transport reserves	1,466	1,551	1,640	1,736	1,836	1,943	2,055	2,175	2,301	2,434
Bovine tuberculosis rate reserve	759	702	630	495	376	250	117	0	0	0
Bioworks reserve	169	173	173	168	157	138	114	84	48	6
Akura nursery reserve	(7)	17	42	68	97	118	126	157	154	187
Contingency reserves										
Rural fire contingency reserve	51	51	51	52	52	53	53	53	54	54
Flood contingency reserve	975	1,237	1,566	1,914	2,282	2,672	3,084	3,520	3,982	4,470
Environment legal contingency reserve	310	328	347	368	389	412	435	461	487	516
Special reserves										
Election reserve	205	31	117	205	33	115	205	31	117	206
Corporate systems reserve	685	882	759	523	421	212	41	51	(111)	(347)
Expense rebudgeting reserves										
Expenditure carried forward	0	0	0	0	0	0	0	0	0	0
Total operational reserves	7,516	8,594	9,593	10,410	11,074	11,887	12,655	13,344	14,209	15,091
Revaluation of property, plant and equipment	198,045	198,045	247,758	247,758	247,758	272,661	272,661	313,292	313,292	313,292
Total revaluation reserves	198,045	198,045	247,758	247,758	247,758	272,661	272,661	313,292	313,292	313,292
Hedging reserves	0	0	0	0	0	0	0	0	0	0
Total hedging reserves	0	0	0	0	0	0	0	0	0	0
Fair-value reserves	0	0	0	0	0	0	0	0	0	0
Total fair-value reserves	0	0	0	0	0	0	0	0	0	0
Total reserves	205,561	206,639	257,351	258,168	258,832	284,548	285,316	326,636	327,501	328,383

Total council financial statements

Prospective debt



	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
Environment	296	386	568	533	367	243	152	97	67	34
Transport	25,480	34,144	46,659	63,671	66,578	68,698	66,086	63,449	60,598	57,451
Water supply	48,853	50,422	52,044	50,006	44,980	40,772	49,147	67,871	77,732	82,332
Parks	3,402	3,216	3,059	3,030	2,864	2,776	2,628	2,416	2,608	2,473
Flood protection	30,166	32,650	35,213	40,619	45,847	48,633	50,857	53,799	54,756	56,140
Harbour management	562	513	461	405	345	280	211	136	56	0
Stadium	18,566	17,498	16,336	15,072	13,696	12,205	10,573	8,800	6,870	4,771
WRCH Group	2,206	1,901	1,573	1,221	842	436	0	0	0	0
Forestry	24,688	25,993	27,255	28,966	30,691	32,406	34,593	35,411	35,177	37,300
Property	1,910	3,656	3,680	3,479	3,263	3,032	2,783	2,515	2,228	1,920
Corporate systems	1,115	2,040	1,473	1,193	2,431	1,637	1,228	1,881	1,789	1,411
Total activities debt	157,244	172,419	188,321	208,195	211,904	211,118	218,258	236,375	241,881	243,832
Treasury internal funding	63,803	64,881	65,881	66,697	67,361	68,174	68,943	69,634	70,497	71,379
Total external debt	93,441	107,538	122,440	141,498	144,543	142,944	149,315	166,741	171,384	172,453
External debt (current)	2,482	3,397	2,143	1,687	1,799	1,913	2,942	3,178	3,664	3,503
External debt (non-current)	90,959	104,141	120,297	139,811	142,744	141,031	146,373	163,563	167,720	168,950
Total external debt	93,441	107,538	122,440	141,498	144,543	142,944	149,315	166,741	171,384	172,453



Funding impact statement

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's	2014/15 \$000's	2015/16 \$000's
OPERATING REVENUE										
General rates	21,890	23,528	24,319	25,397	26,044	26,565	26,779	26,196	26,761	27,207
Targeted rates	40,060	49,064	53,480	57,124	61,145	62,634	59,136	60,423	62,189	62,553
Regional rates	61,950	72,592	77,799	82,521	87,189	89,199	85,915	86,619	88,950	89,760
Water supply levy	22,776	24,187	25,635	27,644	29,751	31,957	34,260	34,911	35,470	36,037
Government subsidies	102,777	92,312	119,177	146,125	128,117	122,927	69,542	72,744	75,520	76,215
Interest and dividends	4,779	4,495	4,978	5,127	5,259	5,370	5,504	5,656	5,786	5,917
Unrealised revaluation gains	4,405	5,403	5,087	4,353	5,116	5,005	4,529	5,872	7,939	4,091
Other operating revenue	16,913	17,078	18,227	18,895	19,034	19,151	19,793	22,590	23,311	21,585
Total external operating revenue	213,600	216,067	250,903	284,665	274,466	273,609	219,543	228,392	236,976	233,605
OPERATING EXPENDITURE										
Personnel cost	29,037	29,943	30,557	31,229	31,854	32,427	32,979	33,473	33,908	34,349
Grants and subsidies	55,461	62,012	65,054	66,148	70,393	71,442	75,196	78,153	80,929	80,815
Finance costs	5,674	6,685	7,757	8,930	9,690	9,758	9,921	10,761	11,539	11,716
Investment impairment	0	1,693	5,495	11,703	18,131	25,920	31,485	31,617	31,730	31,817
Depreciation	9,569	10,574	11,429	13,905	14,308	14,990	15,015	16,189	18,060	19,119
Tax expense	0	0	0	0	0	0	0	0	0	0
Other operating expenses	51,581	55,554	58,454	62,074	78,896	81,760	57,428	61,364	63,015	62,060
Total external operating expenditure	151,322	166,461	178,746	193,989	223,272	236,297	222,024	231,557	239,181	239,876
Operating surplus/(deficit)	62,278	49,606	72,157	90,676	51,194	37,312	(2,481)	(3,165)	(2,205)	(6,271)
Less:										
Capital expenditure and transport investments	100,529	71,486	99,945	131,572	82,278	72,317	46,225	57,794	46,993	41,860
Proceeds from asset sales	(390)	(309)	(362)	(408)	(446)	(442)	(460)	(319)	(491)	(427)
Loan funding of capital expenditure	(34,476)	(21,009)	(23,150)	(28,170)	(13,066)	(9,229)	(15,931)	(27,504)	(16,229)	(10,629)
Rate, levy and subsidy-funded capital expenditure	65,663	50,168	76,433	102,994	68,766	62,646	29,834	29,971	30,273	30,804
Other loan funding	(3,902)	(4,897)	(3,796)	(3,985)	(4,237)	(4,414)	(5,913)	(4,809)	(4,371)	(6,592)
Debt repayment	6,542	10,731	11,046	12,279	13,595	14,429	14,706	14,197	15,091	15,270
Other investment movements	1,806	1,791	1,903	2,022	2,148	2,282	2,425	2,577	2,738	2,909
Operational reserve movements	(472)	1,078	999	817	664	813	768	689	865	882
Non-cash items	(7,359)	(9,265)	(14,428)	(23,451)	(29,742)	(38,444)	(44,301)	(45,790)	(46,801)	(49,544)
Net funding required	0	0	0	0	0	0	0	0	0	0

Non-cash items include depreciation, investment impairment, forestry cost of goods sold and unrealised revaluation gains.

Funding impact statement



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Funding mechanisms	Groups of activities funded	Valuation system	Matters for differentiation	Calculation factor	Year to be used
General rate					
General rate	All except water supply, transport and regional stadium	Capital value	Where the land is situated	Cents per dollar of rateable capital value	2006/07 to 2015/16
Uniform annual charge	Greater Wellington does not apply a uniform annual general charge.				
Targeted rates					
Regional 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	2006/07 to 2015/16
River management	Safety and flood protection	Capital value/land value	Where the land is situated	Cents per dollar of rateable capital value / land value	2006/07 to 2015/16
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	2006/07 to 2015/16
Economic development agency rate (EDA) *	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	2007/08 to 2011/12
		n/a for residential	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit	2007/08 to 2011/12
		n/a for rural	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit	2007/08 to 2011/12
Bovine Tb	Land	Land area	The area of land within each rating unit and provision of a service provided	Dollars per hectare	2006/07 to 2015/16
Wairarapa river management 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) and in some cases residential use	Dollars per hectare in the area protected	2006/07 to 2015/16
Te Whiti stopbank	Safety and flood protection	Land area	Where the land is situated and in some cases residential use	Dollars per hectare in the area protected	2006/07 to 2015/16
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 residential use and land value	Dollars per hectare in the area protected and in some cases a fixed charge per separate use or inhabited part (dwelling) and cents per dollar of rateable land value	2006/07 to 2015/16
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 and in some cases a fixed charge per separate use or inhabited part	2006/07 to 2015/16

Differential on the general rate

Other than using an "estimate of projected valuation" under section 131 of the Local Government (Rating) Act 2002 to recognise that valuation dates across the region vary, Greater Wellington does not differentiate the general rate.

Note

* Funding for the economic development agency ceases after 30 June 2012. A decision to continue the activity will follow a review, to be undertaken prior to 30 June 2011.

Funding impact statement



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		Rate 2006/07 \$ per hectare	Revenue sought 2006/07 \$			Rate 2006/07 \$ per hectare	Revenue sought 2006/07 \$
Targeted rate: river management schemes							
Waingawa	A	124.41280	4,151	Waiohine – rural	A	66.50810	7,470
	B	80.86830	10,334		B	55.42340	21,034
	C	62.20640	7,496		C	44.33870	56,638
	D	55.98580	113		D	33.25400	12,068
	E	49.76510	8,309		E	22.16940	18,016
	F	43.54450	1,170		S	1,108.46800	14,299
	G	18.66190	874				129,525
	H	12.44130	1,976				
		34,423		Mangatarere	A	48.23830	1,035
Lower Wairarapa Valley	A	106.95980	213,026	B	46.14100	9,672	
	B	59.89750	115,820	C	39.10000	614	
	C	21.39200	64,884	D	34.60570	2,486	
	D	17.11360	113,398	G	0.14980	56	
	E	12.83520	76,503			13,863	
	F	4.27840	80,521	Upper Mangatarere	A	9.55960	665
	U1	0.42780	6		B	7.17800	125
		664,158	C		4.79530	229	
						1,019	
Upper Ruamahanga	A	118.43740	10,890	Waipoua	A	95.02910	8,398
	B	98.69780	653		B	76.02330	22,715
	C	78.95830	9,813		C	57.01750	1,269
	D	59.21870	1,043		D	38.01170	11,166
	E	39.47910	11,756		SA	3,211.98450	321
	F	19.73960	789		SC	1,919.58840	192
	S	1,112.13670	1,668				44,061
			36,612				
Middle Ruamahanga	A	101.83070	4,553	Lower Taueru	A	2.76060	1,121
	B	84.85890	4,641		B	0.55210	155
	C	67.88710	347		C	0.27610	52
	D	50.91530	6,229		S	138.03360	168
	E	33.94360	1,600			1,496	
	F	16.97180	5,018	Lower Whangaehu	A	65.88610	2,232
	S	1,026.94320	1,746		B	52.70880	3,406
			24,134		C	39.53160	2,123
			D		26.35450	1,930	
Lower Ruamahanga	A	53.36710	6,825	E	13.17720	2,302	
	B	45.74320	2,502	S	329.43050	440	
	C	38.11930	8,338			12,433	
	D	30.49550	10,103				
	E	22.87160	7,515				
	F	15.24770	18,719				
	SA	1,338.16340	3,345				
	SB	669.08180	1,071				
		58,418					
Total river management scheme rates							1,020,142

Please note that on pages 134 to 137, all figures are shown inclusive of GST.



Funding impact statement

	Rate 2006/07 cents per \$ of rateable capital value	Revenue sought 2006/07 \$		Rate 2006/07 \$ per hectare	Revenue sought 2006/07 \$	
Targeted rate: stadium purposes			Targeted rate: catchment schemes (1)			
Wellington City			Whareama	A	4.08930	2,659
Business	0.00752	618,609		B	1.57280	1,139
Residential	0.00432	1,160,757		C	0.27520	12,043
Rural	0.00246	8,730		D	0.23590	5
				E	0.19660	3
				F	0.15730	440
						16,289
Lower Hutt City			Homewood	A	1.31980	3,120
Business	0.00711	153,222		B	1.25690	559
Residential	0.00488	427,457		C	1.09980	3,671
Rural	0.00393	6,924		D	0.15710	272
						7,622
Upper Hutt City			Maungaraki	A	1.61960	4,575
Business	0.00366	23,781		B	0.80980	2,019
Residential	0.00438	128,538		C	0.45350	281
Rural	0.00159	6,021				6,875
Porirua City			Upper Kaiwhata	A	6.54130	279
Business	0.00545	37,327		B	2.86180	229
Residential	0.00450	174,595		C	0.40880	374
Rural	0.00109	4,214		D	0.24530	437
				E	0.16350	306
Kapiti Coast District				F	0.08180	36
Urban	0.00209	132,753				1,661
Rural	0.00106	12,944	Lower Kaiwhata	A	10.96880	722
Masterton District				B	4.79890	222
Urban	0.00266	44,251		C	0.68560	783
Rural	0.00072	15,954		D	0.41130	1,081
Carterton District				E	0.27420	9
Urban	0.00379	11,740		F	0.13710	38
Rural	0.00106	9,332				2,855
South Wairarapa District						
Urban	0.00442	21,674				
Rural	0.00076	11,439				
Total stadium purposes rate		3,010,262	Catchment management scheme (1) rates			35,302

Funding impact statement



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	Rate 2006/07 cents per \$ of rateable land value	Revenue sought 2006/07 \$
Targeted rate: catchment schemes (2)		
Awhea-Opouawe Land value	0.02200	8,948
Mataikona-Whakataki Land value within scheme area	0.00360	2,701
Catchment management scheme (2) rates		11,649

	Rate 2006/07 \$ per dwelling	Revenue sought 2006/07 \$
Targeted rate: catchment schemes (3)		
Awhea-Opouawe Charge per dwelling	\$112.50 / \$56.25	8,663
Mataikona-Whakataki Charge per dwelling	\$16.88	2,058
Catchment management scheme (3) rates		10,721
Total catchment management scheme rates		57,672

	Rate 2006/07 \$ per hectare	Revenue sought 2006/07 \$
Targeted rate: pump drainage schemes		
Papatahi A	20.45050	7,200
Te Hopai A	23.77470	29,250
Moonmoot pump A	33.18530	7,695
Onoke pump A	48.44350	33,087
Pouawha pump A	33.09520	29,753
Total pump drainage scheme rates		106,985

	Rate 2006/07 \$ per hectare	Revenue sought 2006/07 \$
Targeted rate: gravity drainage schemes		
Okawa A	0.00000	0
Taumata A	6.79620	1,965
East Pukio A	0.00000	0
Longbush A	8.38940	1,830
	B	4.19470
	A	0.00000
Otahoua Te Whiti A	0.00000	0
Ahikouka A	29.10730	3,266
Battersea A	19.71070	3,310
	B	16.31960
	C	12.71660
	D	7.63000
	E	6.57020
	F	6.35830
Manaia A	0.00000	0
Whakawiriwiri A	0.00000	0
Total gravity drainage scheme rates		20,893

	Rate 2006/07 \$ per hectare	Revenue sought 2006/07 \$
Targeted rate: Te Whiti stopbank		
Te Whiti A	84.77330	2,315
	B	70.64450
	C	56.51560
	SA	706.44450
	SB	847.73340
Total Te Whiti stopbank rates		17,675



Funding impact statement

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 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.

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.

Funding impact statement

Differential rating categories



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Location	Use	Description
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 Kapiti Coast District.
	Kapiti Coast District Rural	All rating units classified in the Rural rating areas of the Kapiti Coast District.
Masterton District	Masterton District Urban	All rating units not classified as Rural in the rating information database for Masterton District.
	Masterton District Rural	All rating units classified as Rural in the rating information database for Masterton District.



Funding impact statement

Differential rating categories

Location	Use	Description
Carterton District	Carterton District Urban	All rating units not classified as Rural in the rating information database for Carterton District.
	Carterton District Rural	All rating units classified as Rural in the rating information database for Carterton District.
South Wairarapa District	South Wairarapa District Urban	All rating units not classified as Rural in the rating information database for South Wairarapa District.
	South Wairarapa District Rural	All rating units classified as Rural in the rating information database for South Wairarapa District.
Greytown Ward		All rating units classified in the rating area of the Greytown Ward in the rating information database for South Wairarapa District.
Greytown Urban		All rating units classified in the urban area of Greytown in the rating information database for South Wairarapa District. (Prefaced No.s 18400 and 18420)
Featherston Urban		All rating units classified in the urban area of Featherston in the rating information database for South Wairarapa District. (Prefaced No.s 18440 and 18450)
Tararua District		All rating units classified as being within the boundaries of the Wellington region.

2) Rates based on land area

Some rating units (either in whole or part) are allocated to additional differential rating categories (based upon the area of land within each rating unit and the provision of a service provided or location) for the purpose of calculating the Bovine Tb and Wairarapa Schemes targeted rate based upon 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. For more information on the whether your rating unit is allocated to one or more of these categories please contact the Masterton office of the Greater Wellington Regional Council.

Funding impact statement



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(a)

3) Economic development agency rates (EDA)

Funding for the economic development agency ceases after 30 June 2012. A decision to continue the activity will follow a review, to be undertaken prior to 30 June 2011.

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



Funding impact statement

Location	Use	Description
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 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, utility network activity or community in the Kapiti Coast rating information database
Masterton District	Masterton District Business	All rating units classified as Non-Residential Urban in the Masterton District rating information database
	Masterton District Residential	All rating units classified as Urban Residential in the Masterton District rating information database
	Masterton District Rural	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

Summary of significant accounting policies



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Reporting entity

The prospective financial statements presented are those of the parent entity, Wellington Regional Council (Greater Wellington).

Greater Wellington's subsidiary companies, WRC Holdings Limited (100% owned), Pringle House Limited (100% owned), Port Investments Limited (100% owned) and CentrePort Limited (76.9% owned), are included under the investment section of this document. Performance targets are included for the WRC Holdings Group and CentrePort.

Consolidated group prospective financial statements are not presented because Greater Wellington believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the Long-term Council Community Plan is to provide users with information about the core services that the Council 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.

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice. The statements comply with FRS 42 Prospective Financial Information, NZ equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These financial statements are the first financial statements to be prepared in accordance with NZ IFRS. The resulting changes arising from the transition to NZ IFRS have been adjusted directly to ratepayer's equity.

Impact of applying NZ IFRS

As a result of adopting NZ IFRS there have been changes to Greater Wellington's accounting policies. Changes that have had a significant effect on the prospective financial information are:

- Forestry assets have been re-classified from financial investment to forestry investment. They are now recorded at fair value in accordance with NZ IAS 41, as set out in accounting policy (f). Previously they were held at cost. This change in policy has resulted in a write-up of the opening book value of forestry investments by \$1.4 million.
- Equity investments are recognised and measured in accordance with IAS 39, as set out in accounting policy (h). They are now held at cost and tested for impairment annually. Previously they were held at the lower of cost and net asset backing. This change in policy has not changed the opening book value of equity investments.
- Other investments are accounted for at amortised cost using the effective interest rate method in accordance with IAS 39. Previously they were shown at the lower of cost or net realisable value (where there was a market). This change in policy has resulted in a write-down in the opening book value of the advance to Wellington Regional Stadium Trust by \$16 million. There has been no change in value to other items in this category.
- Derivative financial instruments are now recognised at fair value in accordance with IAS 39, as set out in accounting policy (i). This change in policy has not changed the opening book value of derivatives as their value has been estimated at zero.
- Property, plant and equipment is now accounted for in accordance with IAS 16, as set out in accounting policy (b). As permitted by IFRS 1, Greater Wellington has deemed that for some classes of assets, their previous revalued amount is their cost at the date of that revaluation. The effect of this policy change is a reduction in the opening value of the asset revaluation reserve of \$138 million.



Summary of significant accounting policies

Basis of preparation

The prospective financial statements have been prepared on an historical cost basis except for forestry investments, derivative financial instruments, available for sale financial assets and certain infrastructural assets that have been measured at fair value.

The prospective financial statements are presented in NZ dollars, rounded to the nearest thousand.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Accounting policies

Accounting policies adopted in these prospective financial statements, which have a significant effect on the results and the financial position disclosed, are set out below:

(a) Revenue recognition

Rates and levies are recognised as income in the year the rates assessments are issued. Government subsidies (including grants for capital projects) and contributions from territorial local authorities for contract works are recognised as income when eligibility has been established by the grantor. Revenue from dividends is recognised on an accrual basis (net of imputation credits) once the entity paying the dividend has incurred a constructive obligation. Other income is also recognised on an accrual basis.

(b) Property, plant and equipment

Property, plant and equipment is categorised into the following classes:

- Operational land and buildings

- Operational fixtures and fittings
- Operational plant and equipment
- Operational motor vehicles
- Operational computer equipment
- Flood protection infrastructural assets
- Transport facilities infrastructural assets
- Navigational aids infrastructural assets
- Parks 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

Flood protection, parks and water supply infrastructural assets are revalued or reviewed by independent qualified valuers at least every five years.

The results of any revaluation of a class of property, plant and equipment are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, it is taken to the income statement as an expense.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2005, have been included at deemed cost, being the revalued amount at the date of the revaluation. Subsequent purchases of fixed assets are recorded at cost.

Summary of significant accounting policies



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(c) Impairment

All assets are reviewed annually for internal and external factors which may indicate that the service potential of that asset may be impaired. Impairment losses are recognised in the income statement unless they reverse a prior revaluation.

(d) 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:

- | | |
|--------------------------------------|--------------|
| • Buildings | 10-100 years |
| • Water pipelines/reservoirs/dams | 50-150 years |
| • Plant/vehicles/equipment | 3-25 years |
| • Floodplain management plans | 15 years |
| • Parks infrastructure | 25-100 years |
| • Navigational aids | 5-50 years |
| • Passenger transport infrastructure | 3-40 years |

Flood protection infrastructure assets (principally stopbanks) are generally considered to be non-depreciable. This is based on the engineering assessment that stopbanks in the Wellington region are not subject to detectable settlement.

Work in progress is not depreciated until the project phase is completed.

(e) Intangible assets

Software and floodplain management plans are carried at cost less any accumulated amortisation and any accumulated impairment losses. These are amortised over the useful life of the asset. The useful lives have been estimated as follows:

- | | |
|-------------------------------|------------|
| • Software | 5-10 years |
| • Floodplain management plans | 15 years |

(f) Forestry investment

Plantation forests are stated at fair value less point-of-sale costs and are independently revalued to estimate of market valuation based on the net present value of future cash flows. The net gain or loss arising from changes in forest crop valuation is included in the income statement.

All revenues from forest harvesting are recognised in the income statement when realised.

Related costs are expensed as incurred.

(g) Inventories

The cost of inventory held for maintenance and construction purposes is calculated using the weighted average cost method.

All other inventories are valued at the lower of cost or net realisable value on a first in first out basis.



Summary of significant accounting policies

(h) Financial investments

Greater Wellington classifies its financial investments in the following categories:

- Equity investments
- Other investments
- Derivatives (see accounting policy (i))

Equity investments are initially measured at fair value plus transaction costs and subsequently carried at fair value (unless it is an equity instrument in a subsidiary which must be held at cost). Changes in fair value are recognised directly in equity until the asset is derecognised, then cumulative gains or losses are taken to the income statement, the exception being interest calculated using the effective interest method which is recognised directly in the income statement.

Equity investments in a subsidiary are held at cost less any impairment loss. An impairment loss is recognised when its carrying amount exceeds its recoverable amount. Recoverable amount is the greater of their net selling price and value in use. Impairment losses are recognised in the income statement.

Other investments are initially measured at fair value plus transaction costs directly attributable to the acquisition or issue. Subsequent measurement is at amortised cost using the effective interest method. Gains or losses are taken to the income statement.

(i) Derivative financial instruments

Greater Wellington uses derivative financial instruments to hedge its exposure to interest rate risks on financial investments and debt.

Greater Wellington designates certain derivatives as either fair value hedges or cash flow hedges (see below). Derivatives are initially recorded on balance sheet at fair value and the accounting treatment for any subsequent changes in fair value depends on the designation of the hedged item. Any changes in fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

(1) Fair value hedges

Fair value hedges are hedges of the fair value of recognised assets and liabilities or a firm commitment. Changes in the fair value of fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability.

(2) Cash flow hedges

Cash flow hedges are hedges of highly probable forecast transactions. The effective portion of the changes in fair value of cash flow hedges is recognised in equity. The gain or loss relating to any ineffective portion is recognised immediately in the income statement.

(j) Debt

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Summary of significant accounting policies



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(k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is provided for using the balance sheet liability method, providing 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 liability is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(l) Foreign currency

In the event Greater Wellington does have any material foreign currency risk it will be managed by forward exchange contracts 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 balance date are translated to NZ dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the income statement.

(m) 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.

(n) 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 at Greater Wellington is treated as an internal banking activity and any surpluses generated are credited directly to the income statement.

Operating revenue and operating expenditure for each of the groups of activities is stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in the total council financial statements.

Investment in democracy costs have not been allocated to significant activities, except where there is a major separate community of benefit other than the whole region i.e. water supply and transport.

(o) Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments held as part of day to day cash management.

Operating activities include cash received from all income sources 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.

STATEMENT TO THE READERS OF GREATER WELLINGTON REGIONAL COUNCIL'S LONG-TERM COUNCIL COMMUNITY PLAN, AS AMENDED ON 12 JUNE 2007, FOR THE TEN YEARS COMMENCING 1 JULY 2006

The Greater Wellington Regional Council (the Regional Council) adopted its Long Term Council Community Plan (LTCCP) for the ten years commencing 1 July 2006 on 29 June 2006. The Auditor-General appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand, to report on his behalf on the Long Term Council Community Plan (the LTCCP) adopted on 29 June 2006.

We expressed an unqualified opinion on the Regional Council's LTCCP for the ten years commencing 1 July 2006 adopted on 29 June 2006 in our report dated 29 June 2006. We consider that the LTCCP adopted on 29 June 2006 provided 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 reported on specific matters required by section 94(1) of the Local Government Act 2002 (the Act).

In Statements of Proposal dated 12 September 2006 and 13 March 2007, the Regional Council proposed amendments to its LTCCP for the ten years commencing 1 July 2006 to:

- include governance and funding arrangements to facilitate the development and implementation of the Wellington Regional Strategy (WRS) as a significant new activity;
- establish a council controlled organisation to deliver the economic development initiatives outlined in the WRS;

- set a new targeted rate to fund this activity; and
- make amendments to the Revenue and Financing Policy.

We expressed unqualified opinions on these Statements of Proposal in our audit reports dated 12 September 2006 and 13 March 2007. We considered that the information within the Statements of Proposal, about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that would be required if it was amended in the manner proposed, was fairly presented, and that the Regional Council had complied with the applicable requirements of the Act in preparing the Statements of Proposal. In forming our overall opinion, we reported on specific matters required by section 84(4) of the Act.

On 12 June 2007 the Regional Council adopted an amendment to its LTCCP for the ten years commencing 1 July 2006 to:

- include governance and funding arrangements to facilitate the development and implementation of the Wellington Regional Strategy (WRS) as a significant new activity;
- establish a council controlled organisation to deliver the economic development initiatives outlined in the WRS;
- set a new targeted rate to fund this activity; and
- make amendments to the Revenue and Financing Policy.

The Regional Council prepared the LTCCP, as amended, to reflect its LTCCP after incorporating the amendment adopted on 12 June 2007, and any consequential amendments.

There is no legislative requirement for us to report on the adopted amendment or the LTCCP, as amended by the Regional Council on 12 June 2007, and we have not performed an audit of either the adopted amendment or the LTCCP as amended.



R L Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



Greater Wellington Regional Council area



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Greater Wellington promotes **Quality for Life** by ensuring our environment is protected while meeting the economic, cultural and social needs of the community



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