

Approved
30 June 2008

2008/09 Annual Plan

Attachment 1 to Report 08.420

Quality for Life



greater WELLINGTON
REGIONAL COUNCIL

	Environment
	Transport
	Parks
	Safety and flood protection
	Land
	Community



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Amendments to the Proposed 2008/09 Annual Plan



Results of the Public Consultation process

Following public submissions, one additional budget item was included in the final 2008/09 Annual Plan, namely \$17,000 for Ara Tahī, Council's inter-iwi representative group. This is to provide for Māori appointees to Council committees to attend Ara Tahī meetings and for a hui-a-Ara Tahī.

Other issues raised in the public consultation process related to matters of an operational nature and did not affect the final Annual Plan.

Adjustments to the Proposed 2007/08 Annual Plan

The following adjustments have been made to the Proposed 2008/09 Annual Plan budget due to new or improved information and estimates, and changed assumptions:

Transport

- An additional \$1,646,000 as a result of a changed assumptions about oil prices – an oil price of US \$145 (NZ \$183) has been assumed
- An increase in operating expenditure of \$182,000 for the maintenance of trolley bus wires
- Savings of \$317,000 capital expenditure due to changes in timing of a number of passenger rail infrastructure improvements
- An increase in operating expenditure of \$148,000 for the rail contract – to provide for safety devices on trains
- Savings of \$167,000 in operating expenditure because of the budget reducing for a number of travel demand management projects and a carry forward of expenditure in respect of the Ngauranga to Airport Corridor plan

Safety and Flood Protection

- An increase of \$37,000 for Wairarapa drainage schemes, to be paid by members of these schemes

Community

- An additional \$100,000 for the development of a regional water strategy – half to be funded by rates and half by the bulk water levy
- An additional \$34,000 for a regional disability reference group

Investments

- Savings of \$159,000 as a result of Council's debt being less than estimated.

In addition, some projects have been re-budgeted as un-spent monies have been transferred from 2007/08 to enable these projects to be completed in 2008/09.

The final 2008/09 Annual Plan, including the changes outlined above, contains an increase in district wide rates of 8.96% and an increase of 8.87% in regional rates for 2008/09. There is no increase in the bulk water levy for 2008/09.



This is Greater Wellington Regional Council's *2008/09 Annual Plan*, as approved by Council on 30 June 2008.

The Annual Plan is a requirement of the *Local Government Act 2002* and contains information about Greater Wellington's key projects for the 2008/09 financial year. The work programmes in the *2008/09 Annual Plan* will contribute to the agreed community outcomes on p4.

To obtain more information:

- | | | | |
|-------------------|--|-------------------------------------|-----------------------------------|
| • See our website | www.gw.govt.nz | • Visit our Wellington office | 142 Wakefield Street |
| • Email us | info@gw.govt.nz | • Visit our Masterton office | 34 Chapel Street |
| • Phone us | 0800 496 734 | • Contact your regional councillors | See inside back cover for details |

Consultation process

- | | |
|----------------------|--|
| 3 April – 5 May 2008 | Period for receiving submissions on the <i>Proposed 2008/09 Annual Plan</i> |
| 21 May – 22 May 2008 | Greater Wellington Regional Council Annual Plan Hearings Committee considered all written and oral submissions |
| 10 June 2008 | Council approved the level of rates and bulk water levy |
| 30 June 2008 | Council adopted this <i>2008/09 Annual Plan</i> and set the 2008/09 rates and bulk water levy |

Note:

This Annual Plan records Greater Wellington's intentions in relation to the matters covered in the Plan. It does not constitute a decision to act on any specific matter included within the plan (s 96 of the Local Government Act 2002).

Message from the Chair

Delivering our Annual Plan for the next year – especially for such an interesting and diverse region – should be an exciting occasion, albeit tempered by the frustration of demand exceeding affordability. However, this year's planning round has been dominated by the reality of steeply rising oil prices which have a direct impact on our bottom line through the cost of diesel for public transport. This has provided a huge challenge.

To illustrate how quickly the situation changed: when we took the plan out for consultation in April 2008, the price of oil was \$NZ 139 a barrel. By the time we had made our recent decisions on the new rates for next year, it was \$NZ 176 – and rising!

We anguished over this and finely decided it would be prudent to suppose that oil costs will continue to increase, so we set a rates increase that assumed an average price of \$183 for a barrel of oil over the next year.

The impact of this was substantial, requiring a rates rise of 4.78%. And that was before any other part of the budget was considered. Fortunately, we have been able to hold costs in many other parts of our operations through careful management, so the whole of the rest of the rates increase is 4.09%, compared with inflation of 3.4% during the last year.

One of the beneficiaries of this latter increase is our work in flood protection, where we have responded to community requests to speed up delivery.

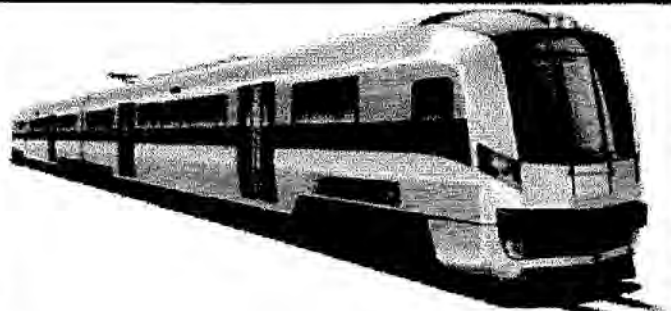
Floods (and droughts) as a result of increasingly unpredictable weather patterns have drawn attention to the need for careful and prudent management of our land and rivers.

The challenge of climate change is also driving changes in our behaviour as an organisation. Greater Wellington is a member of the Communities for Climate Protection (CCP) programme in New Zealand and we are working on reducing our own carbon emissions.

More importantly, we are collaborating with local authorities and other stakeholders at a regional level and during the forthcoming year will be setting emission reduction targets for the region and developing an action plan to meet those targets.

Another partnership across the region with local authorities is our Regional Water Strategy, which will bring together all aspects of water delivery – including, for example, bulk water, rivers, ground water management, home collection and conservation – within one framework. We have just begun work on this and hope to make substantial progress throughout the next year.

Similarly, we are looking at defining a regional approach to renewable energy, working with a range of local and central government agencies and the private sector to identify viable and sustainable choices for households and policy makers alike.



Message from the Chair



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Earlier I focused on the impact of oil prices. Even without that cost, public transport is our fastest growing area as we struggle to make up the infrastructure deficit of the last few decades. Of course the whole fleet of planned new buses and rail rolling stock can't be introduced immediately, though we will be getting some refurbished carriages in the next few months and the first of our new trolley buses are already on the streets. Commuters will benefit from these and even more from the new additions over the next two years.

The forthcoming year will also see a high level of activity in transport planning (including roads), with more consultation on the Ngauranga to Airport programme and information expected shortly on the cost of the new State Highway One route into Wellington through Transmission Gully.

Much of the Greater Wellington delivery is in areas that regional residents take for granted and that generally happen efficiently and quietly. For example, once more we have been able to hold the cost of bulk water provided to the four metropolitan local authorities, so they, in turn, have not had to increase their rates on residents.

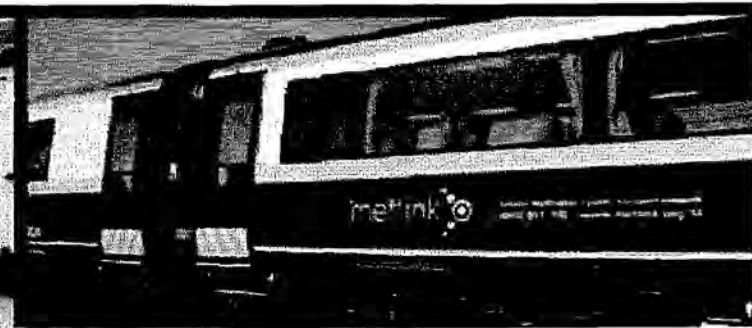
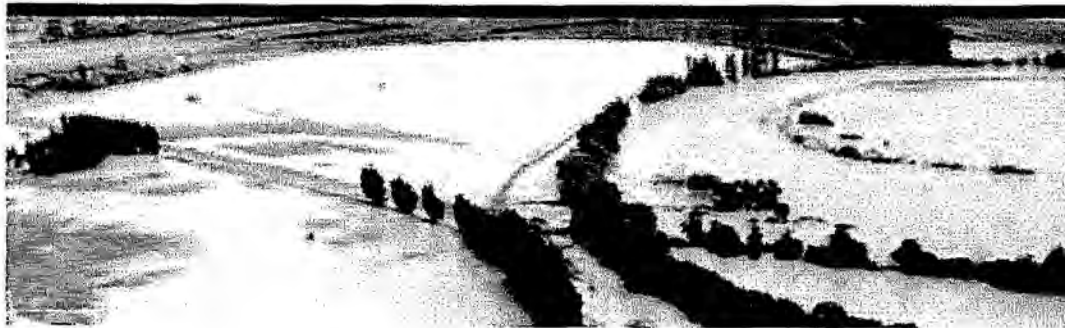
This is a welcome trend, but I must caution that there are major issues in a range of operational areas including biosecurity, land management, economic

development, flood protection and public transport that we foresee having increased operating costs or requiring a capital injection in the next few years.

As in all annual plans, the rates increase for next year will impact differently on properties across the local authority areas, depending on what specific rates and charges are applied to meet local needs (i.e. flood protection) and also of course, changes to the relative capital value of individual properties. A table showing average increases is set out on page 10.

Finally, may I thank those who responded to our invitation to provide views on our proposals for this Annual Plan. Your input was most welcome. All of us will never agree on everything, but we are lucky to live in a dynamic community where many share a very strong commitment to and passion about what happens in our region.

Fran Wilde
Chair



2006–16 Ten-Year Plan (LTCCP) community outcomes

The work programmes in our *Proposed 2008/09 Annual Plan* will contribute to these agreed community outcomes:

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.

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.

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 wellbeing. 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

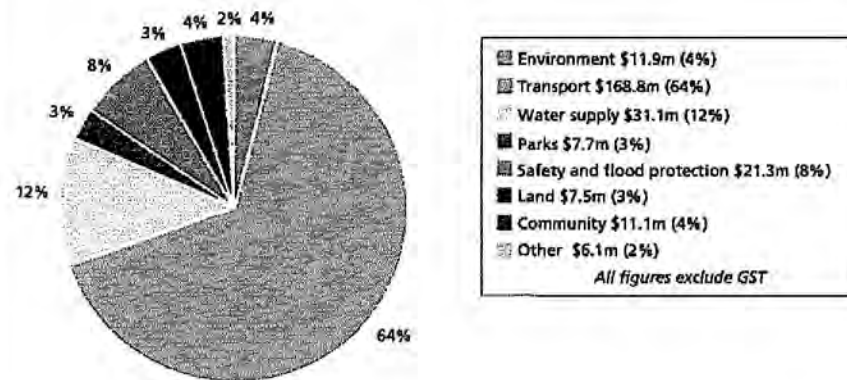
Our physical and mental health is protected. Living and working environments are safe, and everyone has access to health care. Every opportunity is taken to recognise and provide for good health.

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.

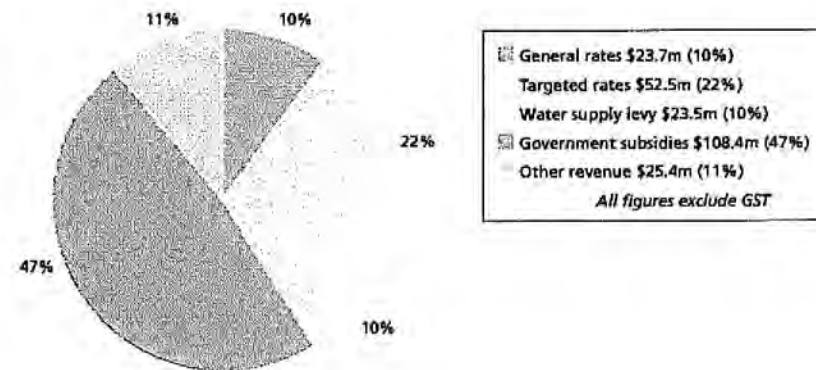


Greater Wellington's expenditure



Greater Wellington is planning \$20 million capital expenditure, \$84 million on transport improvements and \$161 million operating expenditure. The above pie chart shows the total cost of delivering Greater Wellington's services, broken down by our groups of activities. The most significant area of our expenditure is transport, accountable for 64% of the total work programme for 2008/09.

Greater Wellington's revenue



Greater Wellington's 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 32% of Greater Wellington's total revenue. Government subsidies (primarily for funding public transport) make up a further 47% and the water supply levy (charged to Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 10%. The remaining 11% of revenue is from other external sources.

Summary of rates and levies

By rate and levy type:

	2007/08 Budget \$000s	2008/09 Plan \$000s	Change \$000s	Change %
General rates				
Flood protection ⁽¹⁾	7,538	7,892	354	4.70%
Environment, Parks and Council costs	21,986	22,811	925	4.21%
Biosecurity and Land Management	4,840	5,153	313	6.47%
Investment management ⁽²⁾	(9,835)	(9,802)	533	5.42%
Total general rates	24,529	26,054	2,125	8.66%
Targeted rates				
River management rates	3,801	4,080	279	7.34%
Regional transport rates	41,356	45,869	4,513	10.91%
Stadium rates	3,010	3,010	-	0.00%
Economic Development Agency rates	4,500	4,500	-	0.00%
Bovine Tb rates	160	160	-	0.00%
South Wairarapa District – river rates	159	139	(20)	-12.58%
Wairarapa scheme and stopbank rates	1,223	1,312	89	7.28%
Total targeted rates	54,209	59,070	4,861	8.97%
Total regional rates	78,738	85,124	6,386	8.87%
Water supply levy	26,392	26,392	-	0.00%
Total rates and levies	105,130	112,516	6,986	6.65%

Notes:

Figures labelled "2007/08 Budget" are sourced from Greater Wellington's 2007/08 Annual Plan, and those labelled "2008/09 Plan" are those adopted in this 2008/09 Annual Plan.

- (1) The portion of flood protection charged as a general rate
- (2) Contribution from Greater Wellington's investments. The reduction in the contribution is due to higher interest rates and a one-off gain budgeted in 2007/08

This table shows the proposed rates and levies for Greater Wellington in 2008/09, together with the changes from 2007/08. Rates comprise the general rate and various targeted rates. Greater Wellington also charges a water supply levy directly to the four metropolitan city councils in the region. The city councils then rate accordingly for this levy.

Increases in the transport rate are partly driven by the rise in world oil price, which impacts the amount paid under our diesel bus contracts.

The increases in the flood protection component of general rates and river management rates are mainly due to the debt servicing costs of the capital expenditure programme.

The total rate increase in regional rates for 2008/09 is 8.87%. The water supply levy will remain at the same level as 2007/08. When the water supply levy is included, the increase is 6.65%.

Summary of rates and levies



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By area:

	2007/08 Budget \$000s	2008/09 Plan \$000s	Change \$000s	Change %
Wellington City	40,757	43,907	3,129	7.68%
Lower Hutt City	15,111	17,033	1,922	12.72%
Upper Hutt City	5,083	5,626	543	10.68%
Porirua City	6,282	6,773	591	9.41%
Kapiti Coast District	6,248	6,671	423	6.77%
Masterton District	1,785	1,908	123	6.89%
Carterton District	727	790	63	8.67%
South Wairarapa District	1,200	1,263	123	10.25%
Tararua District ⁽¹⁾	3	3	-	0.00%
District-wide rates	77,196	84,114	6,917	8.96%
Bovine Tb rate	160	160	-	0.00%
South Wairarapa District – river rates	159	139	(20)	-12.58%
Wairarapa scheme and stopbank rates	1,223	1,312	89	7.28%
Total regional rates	78,738	85,695	6,956	8.87%
Water supply levy	26,392	26,392	-	0.00%
Total rates and levies	105,130	112,087	6,956	6.65%

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

Note:

Figures labelled "2007/08 Budget" are sourced from Greater Wellington's 2007/08 Annual Plan, and those labelled in this "2008/09 Plan" are those adopted in this 2008/09 Annual Plan.

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



Rates and levies

What is the impact on your area?

Rates for Greater Wellington are mostly allocated to ratepayers on the basis of their capital values. The territorial local authorities undertake valuations in different years. To ensure properties are valued on the same basis in each territorial area, Greater Wellington undertakes an equalised capital value (ECV) calculation. The movements in ECV reflect the extent to which capital values in each area have moved relative to each other.

Changes in district-wide rates due to ECV movements and apportionment from 2007/08 to 2008/09

	ECV movements		General rate		River management rate		Regional transport rate		Stadium purposes rate		EDA rate		Total district-wide rates	
	Change \$000s	Change %	Change \$000s	Change %	Change \$000s	Change %	Change \$000s	Change %	Change \$000s	Change %	Change \$000s	Change %	Change \$000s	Change %
Wellington City	44	0.11%	1,004	2.46%	17	0.04%	2,045	5.03%	-	0.00%	19	0.05%	3,129	7.68%
Lower Hutt City	30	0.20%	383	2.53%	295	1.95%	1,213	8.04%	-	0.00%	1	0.01%	1,922	12.72%
Upper Hutt City	(14)	-0.28%	135	2.66%	-	0.00%	437	8.61%	-	0.00%	(15)	-0.30%	543	10.68%
Porirua City	(5)	-0.08%	163	2.59%	2	0.03%	438	6.97%	-	0.00%	(7)	-0.11%	591	9.41%
Kapiti Coast District	(74)	-1.18%	217	3.47%	(35)	-0.56%	309	4.94%	-	0.00%	6	0.10%	423	6.77%
Masterton District	(1)	-0.06%	109	6.11%	-	0.00%	19	1.07%	-	0.00%	(4)	-0.22%	123	6.89%
Carterton District	8	1.10%	43	5.91%	-	0.00%	16	2.20%	-	0.00%	(4)	-0.55%	63	8.67%
South Wairarapa District	12	1.00%	71	5.92%	-	0.00%	36	2.99%	-	0.00%	4	0.33%	123	10.25%
Tararua District	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
District-wide rates	-	0.00%	2,125	2.75%	279	0.36%	4,513	5.85%	-	0.00%	-	0.00%	6,917	8.96%

Water supply levy (GST inclusive)

	2007/08 Budget \$000s	2008/09 Plan \$000s	Change \$000s	Change %
Wellington City Council	14,508	14,205	(303)	-2.09%
Hutt City Council	6,523	6,721	198	3.04%
Upper Hutt City Council	2,418	2,431	13	0.54%
Porirua City Council	2,943	2,935	(8)	-0.27%
Water supply levy	26,392	26,392	-	0.00%

This table shows that the water supply levy will not increase from the 2007/08 level. The amounts charged to each of the four cities may change when the full year's water consumption results are known.

Rates and levies

What is the impact on your area?

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Percentage changes in each rate type from 2007/08 to 2008/09

	General rate			River management rate			Regional transport rate			Stadium purposes rate			EDA rate		
	2007/08 Budget \$000s	2008/09 Plan \$000s	Change %	2007/08 Budget \$000s	2008/09 Plan \$000s	Change %	2007/08 Budget \$000s	2008/09 Plan \$000s	Change %	2007/08 Budget \$000s	2008/09 Plan \$000s	Change %	2007/08 Budget \$000s	2008/09 Plan \$000s	Change %
Wellington City	11,549	12,327	9.07%	143	159	11.89%	25,248	27,827	8.10%	1,788	1,788	0.00%	2,029	2,045	0.94%
Lower Hutt City	4,394	4,897	9.40%	1,598	1,842	18.46%	7,637	8,942	15.88%	588	588	0.00%	894	895	0.11%
Upper Hutt City	1,577	1,660	7.67%	546	546	0.00%	2,468	2,845	17.71%	158	158	0.00%	334	319	-4.49%
Porirua City	1,892	2,050	8.35%	88	96	2.27%	3,734	4,142	11.73%	216	216	0.00%	352	345	-1.99%
Kapiti Coast District	2,566	2,700	5.57%	1,405	1,370	-2.49%	1,688	1,977	18.31%	146	146	0.00%	443	440	-1.35%
Masterton District	1,248	1,325	8.65%	0	0	0.00%	229	241	8.30%	60	60	0.00%	249	244	-1.61%
Carterton District	484	535	10.54%	21	21	0.00%	119	135	13.45%	21	21	0.00%	82	78	-4.88%
South Wairarapa District	816	899	10.17%	0	0	0.00%	233	270	15.45%	33	33	0.00%	118	122	3.39%
Tararua District	3	3	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%
District-wide rates	24,529	26,554	8.66%	3,801	4,054	7.34%	41,356	47,249	10.91%	3,010	3,010	0.00%	4,500	4,500	0.00%

Total district-wide rates

	2007/08 Budget \$000s	2008/09 Plan \$000s	Change %
Wellington City	40,757	43,856	7.68%
Lower Hutt City	15,111	17,073	12.72%
Upper Hutt City	5,083	5,676	10.68%
Porirua City	6,282	6,873	9.41%
Kapiti Coast District	6,248	6,671	6.77%
Masterton District	1,785	1,908	6.89%
Carterton District	727	790	8.67%
South Wairarapa District	1,200	1,333	10.25%
Tararua District	3	3	0.00%
District-wide rates	77,196	84,113	8.96%

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

Rates and levies

What is the impact on your area?

2008/09 residential rates by rate type and average residential property

	General rate per \$100,000 of capital value		River management rate per \$100,000 of capital value		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 exd EDA rate	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Wellington City	\$29.18	\$27.50	\$0.36	\$0.36	\$31.51	\$28.16	\$3.89	\$3.89	\$64.94	\$60.94
Lower Hutt City	\$39.11	\$37.15	\$14.22	\$14.22	\$68.78	\$65.59	\$4.83	\$4.83	\$126.94	\$121.52
Upper Hutt City	\$39.17	\$36.83	\$13.56	\$13.56	\$65.96	\$63.41	\$4.28	\$4.28	\$122.97	\$117.55
Porirua City	\$37.16	\$35.77	\$1.73	\$1.73	\$77.74	\$75.78	\$4.37	\$4.37	\$121.00	\$118.51
Kapiti Coast District	\$33.09	\$31.27	\$18.12	\$18.12	\$24.28	\$24.28	\$2.01	\$2.01	\$77.50	\$75.01
Masterton District	\$31.73	\$30.88	\$0.00	\$0.00	\$9.48	\$9.48	\$2.60	\$2.60	\$43.81	\$40.46
Carterton District	\$27.84	\$27.95	\$1.21	\$1.21	\$14.04	\$14.04	\$2.43	\$2.43	\$45.52	\$45.92
South Wairarapa District (1)	\$28.17	\$28.14	\$0.00	\$0.00	\$17.04	\$17.10	\$2.76	\$2.76	\$47.97	\$47.07

	Total residential rates per average residential property exd EDA rate		EDA rate (2)		Total residential rates per average residential property including EDA rate	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Wellington City	\$299.62	\$319.31	\$14.06	\$14.06	\$313.68	\$333.37
Lower Hutt City	\$320.45	\$338.75	\$14.06	\$14.06	\$334.51	\$352.81
Upper Hutt City	\$270.58	\$281.24	\$14.06	\$14.06	\$284.64	\$295.30
Porirua City	\$312.36	\$311.12	\$14.06	\$14.06	\$326.42	\$325.18
Kapiti Coast District	\$224.32	\$215.22	\$14.06	\$14.06	\$238.38	\$229.28
Masterton District	\$82.58	\$80.48	\$14.06	\$14.06	\$96.64	\$94.54
Carterton District	\$100.10	\$109.06	\$14.06	\$14.06	\$114.16	\$123.12
South Wairarapa District (1)	\$123.81	\$120.72	\$14.06	\$14.06	\$137.87	\$134.78

Notes:

- (1) Excludes river rates charged on Greytown and Featherston urban properties
- (2) GrowWellington is the region's economic development agency (EDA). The EDA rate is a targeted rate allocated on a fixed-amount basis for residential and rural ratepayers. It is allocated on capital value for businesses. For residential properties, the fixed amount is \$14.06 and rural properties \$28.13. This rate will fund GrowWellington.


Rates and levies

Rates calculator for residential properties



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The table below shows how to calculate your own indicative residential regional rates for 2008/09. For example, if you live in Porirua City and have a residential property with a capital value of \$300,000, your indicative regional rates are \$279.59.

	2008/09 proposed rates per \$100,000 of capital value excl EDA rate		Enter the capital value of your property		Proposed economic development rate	Proposed rates on your property for 2008/09	
Wellington City	\$60.94	x		÷	100,000	+	\$14.06
Lower Hutt City	\$91.52	x		÷	100,000	+	\$14.06
Upper Hutt City	\$87.59	x		÷	100,000	+	\$14.06
Porirua City	\$88.51	x		÷	100,000	+	\$14.06
Kapiti Coast District	\$82.01	x		÷	100,000	+	\$14.06
Masterton District	\$46.48	x		÷	100,000	+	\$14.06
Carterton District	\$48.92	x		÷	100,000	+	\$14.06
South Wairarapa District ⁽¹⁾	\$52.07	x		÷	100,000	+	\$14.06

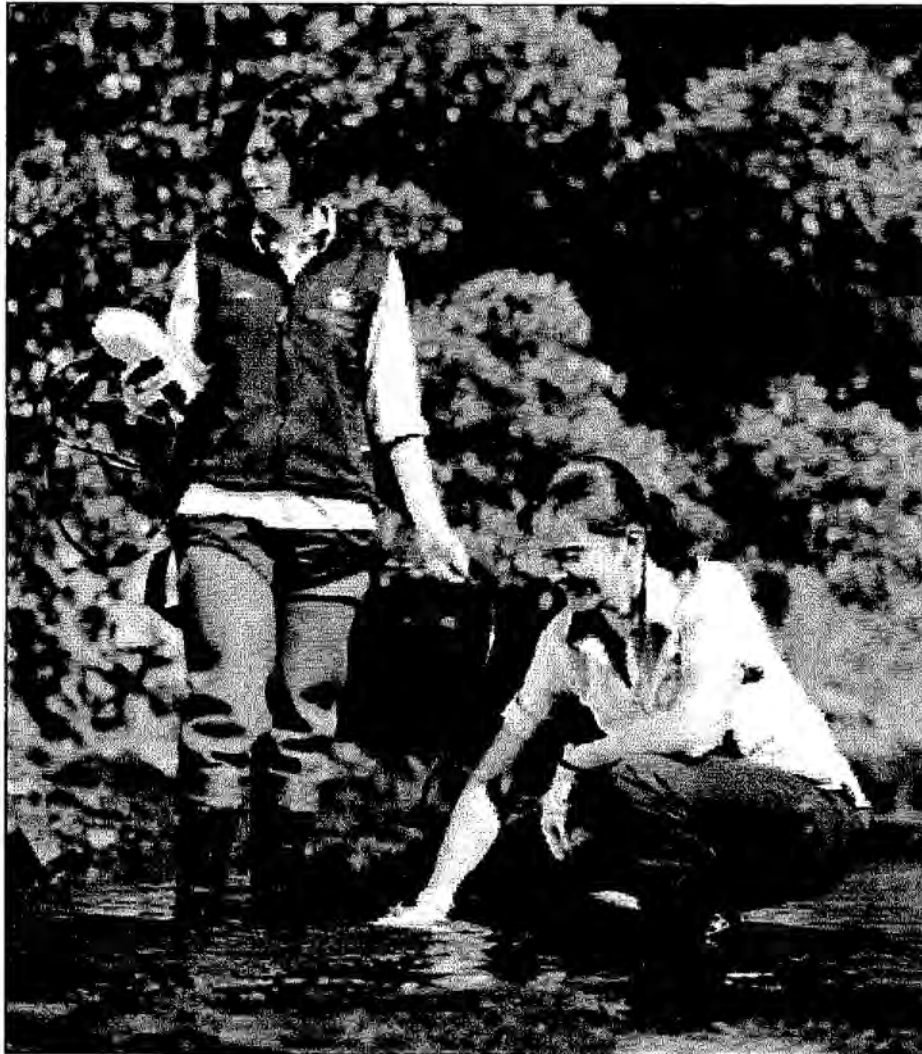
Note:

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

Porirua City example	\$88.51	x	\$300,000	÷	100,000	+	\$14.06	\$279.59
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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 more convenient for ratepayers.



Contribution to community outcomes

Healthy environment

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

Process and monitor resource consents.

Investigate and clean-up pollution incidents.

Healthy community

Research key environmental issues and threats.

Measure the quality and quantity of our natural resources, eg, river flows, air quality and 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.



Key projects for 2008/09

Activity: Manage resources

- Progress the Regional Policy Statement (RPS) through the statutory approval process. The RPS is the principal document for managing the region's natural and physical resources
- Continue to carry out our core functions, such as consent processing, compliance monitoring and enforcement, and provide a 24-hour pollution-response service for the community
- Enhance our Take Charge business pollution-prevention programme. Using a combination of education and enforcement tools, and focusing on commercial and industrial areas, this programme manages non-compliance with regional rules and promotes best practice
- Continue to promote our Muddy Waters and urban streams programme – a set of initiatives targeted at local authorities, contractors and consultants to improve environmental performance on earthworks sites to lessen the impact of land development on urban streams
- Continue to expand the flood-warning systems in the Wairarapa's eastern hills as a result of reviewing our hydrological monitoring network
- Continue to investigate groundwater in the Wairarapa to ensure it is used efficiently
- Assess flows of rivers and streams to support the sustainable management of the region's surface water
- Carry out surveillance monitoring for didymo, a role recently transferred to Greater Wellington from Biosecurity New Zealand
- Gain a detailed understanding of the state of the harbour and assess the effects of discharges into the harbour

Activity: Monitor the state of the environment

- Continue to monitor the quality of the region's air, water and soil to enable us to report on the state of the region's environment
- Manage our air-monitoring programme, in compliance with the National Environmental Standard for Air Quality, which requires that we monitor and analyse air quality in the eight air sheds in our region. This year we will also be setting up a new air quality monitoring station

Activity: Environmental education

- Continue with our Take Care and Take Action programmes. Take Care supports community groups, businesses and landowners to restore wetlands, streams, dunes and estuaries. Take Action is our school environment-education programme
- Help businesses implement sound environmental policies and practices



Key changes from the 2006–16 Ten-Year Plan (LTCCP)

- \$50,000 has been provided to begin work with territorial authorities to develop landscape character descriptions across the region, and to identify sites of historic heritage in the coastal marine area
- \$100,000 has been transferred from our communications budget to expand the Take Charge business pollution-prevention programme. This will improve coverage for industrial and commercial businesses across the region
- Additional revenue of \$300,000 from resource consent fees has been included. The hourly charge-out rate has been increased from \$85 to \$100 (excluding GST)
- A total of \$30,000 has been included to fund the Greater Wellington Environmental Awards, and for formalising support for the Get Sustainable Challenge (business sustainability awards)
- Provision has been made for monitoring didymo at a cost of \$6,000
- The National Environmental Standard for Air Quality requires emissions inventories and projections to be developed for 'at risk' air sheds. This will be completed for the Wairarapa air shed at a cost of \$34,000
- The in-stream flow assessment work needed for the Regional Freshwater Plan review requires extra funding to meet the review timeframe of 2009. \$50,000 has been included this year to progress this work
- The Wairarapa groundwater model has highlighted the need for further understanding of the interaction between groundwater and surface water, and the need for additional surface water chemistry information, at a cost of \$35,000
- \$15,000 has been provided to review our Erosion and Sediment Control Guidelines for the region to ensure that these guidelines continue to accurately reflect the type of soil and topography in the region

Under section 36 of the Resource Management Act 1991, Greater Wellington is able to set administrative charges for processing and monitoring resource consents. We took the opportunity to review these charges through the Annual Plan consultation process.

As a result our hourly charge-out rate for processing and monitoring resource consents has increased from \$85 to \$100 (excluding GST). This charge-out rate takes effect from 1 July 2008. The Resource Management Charging Policy is available online – www.gw.govt.nz. The charge-out rate is in keeping with Greater Wellington's Revenue and Finance Policy (also available online – www.gw.govt.nz).



Short-term targets – by 30 June 2009

Activity: Manage resources

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

Target	Performance measures
The RPS will be progressed through the statutory approval process. An implementation plan for the RPS will be prepared and approved by Council, within a budget of \$454,000	An approved RPS will be in place. An implementation plan for the RPS will be approved by Council
The following programmes and plans will be implemented and a progress report will be approved by Council, within a budget of \$841,000: <ul style="list-style-type: none"> • 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 	Implementation of the following plans and programmes will be reported to Council: <ul style="list-style-type: none"> • 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 Action Plan
The Stormwater Action Plan will be implemented in association with city and district councils, within a budget of \$69,000	The Stormwater Action Plan contains milestone, progress with which will be reported to Council

2 Process and monitor resource consents

Target	Performance measures
100% of resource consents will be processed within statutory timeframes (20 working days for non-notified consents), within a budget of \$675,000	Consents processing times will be recorded in the consents database and regularly reported to Council
100% of resource consents will be monitored for compliance with resource consent conditions, within a budget of \$508,000	All resource consents will be monitored for compliance with resource consent conditions
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 \$61,000	Two workshops will be held



Short-term targets – by 30 June 2009

Activity: Manage resources (continued)

3 Research key environmental issues and threats

Target	Performance measures
Environmental problems will be investigated and identified to enable appropriate remedial action to be undertaken, within a budget of \$387,000	Regular progress reports will be provided to Council
Maintain a Selected Land Use Register with public enquiries responded to within one week, within a budget of \$66,000	Enquiries will be logged and response timeframes noted

4 Investigate and clean-up pollution incidents

Target	Performance measures
An annual report card providing a summary of pollution-control activities will be prepared and made publicly available within a budget of \$179,000	An annual report card will be produced within budget, reported to Council and widely distributed
All reported pollution-response incidents will be categorised and responded to in accordance with the following timeframes, and within a budget of \$167,000: <ul style="list-style-type: none"> • Log only – no action required • Red (serious adverse environmental effect requiring 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 timeframes for responses will be recorded and reported regularly to Council



Environment

Short-term targets – by 30 June 2009

Activity: Monitor the state of the environment

Measure the quality and quantity of our natural resources, eg, river flows, air quality, soil health

Target	Performance measures
Greater Wellington's flood managers will be notified within 30 minutes when any river or rainfall trigger levels are reached, within a budget of \$81,000	Flood warnings will be issued within 30 minutes of river rainfall trigger levels being reached
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 \$169,000	Low groundwater levels in the Waiwhetu aquifer will be advised within one working day
Water samples will be taken weekly throughout the bathing season (1 November to 31 March) and tested for the presence of bacteria. The following traffic light warning framework will be implemented, within a budget of \$92,000: <ul style="list-style-type: none"> • Green – low or no public health risk • Amber – alert mode requiring follow-up monitoring • Red – action required and beach closed 	Water samples are taken weekly throughout the bathing season and tested for the presence of bacteria. The results will be posted on Greater Wellington's website
The community has access to real-time environmental data	Real-time environmental data will be available on Greater Wellington's website
An air quality monitoring station will be set up, within a budget of \$120,000	An air quality monitoring station will be set up, within budget



Short-term targets – by 30 June 2009

Activity: Monitor the state of the environment (continued)

2 Report to the public on the state of the environment

Target	Performance measures
<p>An annual report card containing summary information for the following resources will be approved by Council within a budget of \$1,455,000:</p> <ul style="list-style-type: none"> • Hydrology • Groundwater • Freshwater quality • Coastal water quality • Recreational water quality • Air quality • Soil quality 	<p>Annual report cards for the 2007/08 year will be reported to Council and publicly distributed in both print and electronic form</p>

Activity: Environmental education

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

Target	Performance measures
<p>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 \$281,000</p>	<p>Five new care groups will be established</p>
<p>20 schools will establish systems for promoting change in their students' environmental behaviour or undertake revegetation projects to improve the local environment, through the Take Action Programme, within a budget of \$262,000</p>	<p>20 schools will participate in the Take Action environment education programme, within budget</p>
<p>20 small-to-medium-sized businesses will be given advice on how to take practical action to avoid, remedy or mitigate any adverse effects on the environment, within a budget of \$245,000</p>	<p>20 small-to-medium-sized businesses will be provided with environmental advice, within budget</p>

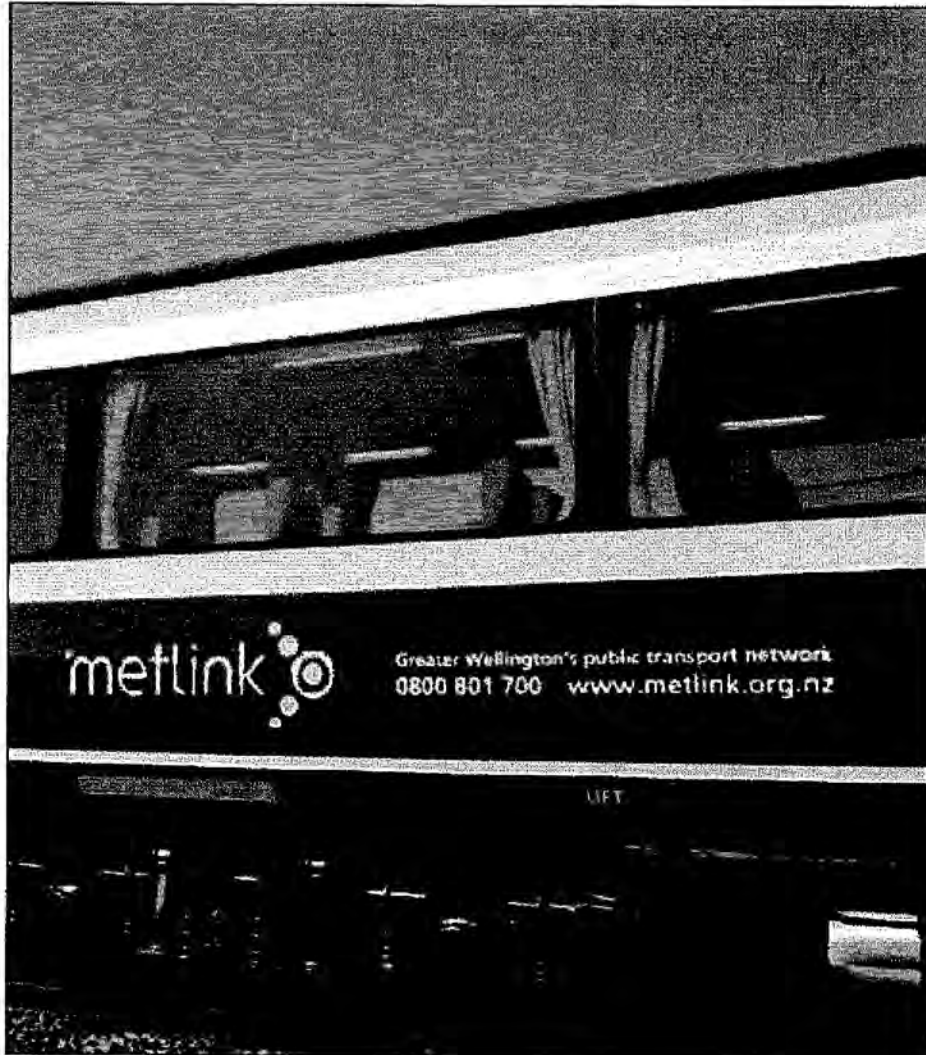


Environment

Prospective funding impact statement

	2007/08 PFA \$000s	2008/09 LTCCP \$000s		2007/08 PFA \$000s	2008/09 LTCCP \$000s
FUNDING STATEMENT			OPERATING REVENUE		
General rate	9,389	9,830	Manage resources	5,388	5,689
Targeted rate	-	-	Monitor the state of the environment	1,965	4,476
Government subsidies	10	11	Environment education	1,053	1,053
Interest and dividends	30	19	Total operating revenue	11,299	11,218
Other operating revenue	1,358	1,358	OPERATING EXPENDITURE		
Operating revenue	11,095	11,218	Manage resources	10,057	5,612
Direct operating expenditure	11,006	10,827	Monitor the state of the environment	2,314	4,432
Finance costs	67	37	Environment education	1,015	1,015
Depreciation	239	195	Total operating expenditure	13,386	11,059
Operating expenditure	11,292	11,059	CAPITAL EXPENDITURE		
Operating surplus/(deficit)	(197)	159	Environment monitoring equipment	270	287
Less:			Capital project expenditure	270	287
Capital expenditure	627	627	Land and buildings	-	-
Proceeds from asset sales	(110)	(110)	Plant and equipment	70	74
Loan funding	(287)	(287)	Vehicles	250	266
Rates-funded capital expenditure	230	230	Total capital expenditure	590	627
Debt repayment	96	105			
Investment additions	-	-			
Operational reserve movements	(275)	19			
Working capital movements	-	-			
Non-cash items ⁽¹⁾	(239)	(195)			
Net funding required	-	-			

(1) Non-cash items includes depreciation



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

Healthy environment

Healthy community

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

Quality of life

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

Part-fund taxi services for people with disabilities.



Key projects for 2008/09

Activity: Plan and monitor the transport network

- Continue to monitor the Regional Land Transport Strategy, reviewing the implementation plans associated with the strategy and enhancing the regional transport model
- Prepare the new regional land transport programme
- Continue to develop and deliver Greater Wellington's Travel Plan Programme. This regionally focused and managed programme aims to promote and provide sustainable travel options

Activity: Provide the infrastructure for public transport

Rail rolling stock

- Continue the procurement process to bring 45 two-car passenger trains into service from 2010 by completing the detailed design phase
- Complete the refurbishment of six SE class carriages and bring these into service as a peak-time express train from December 2008
- Complete the recommissioning of up to five out-of-service English Electric units and bring these into service

Other infrastructure

- Continue work on upgrading signalling and traction systems on the rail network
- Commence the upgrade of rail station platforms to provide level boarding for the new passenger trains
- Continue the double tracking from MacKays Crossing to Waikanae and the electrification of the railway track from Paraparaumu to Waikanae
- Progress implementing improvements to rail and associated infrastructure on the Western Corridor in line with the outcomes from the Kapiti Railway Stations Concept Design and available budgets
- Progress implementing the Regional Rail Plan in line with available budgets
- Improve security at rail stations and Park & Ride carparks by installing new CCTV systems, or upgrading current systems in line with available budgets
- Retrofit bus shelters by replacing glass with perforated sheet metal to deter vandalism
- Extend Park & Ride carparks where land is available, in line with available budgets



Key projects for 2008/09

Activity: Fund and promote public transport services

- Continue to fund rail, bus and local harbour ferry services
- Promote Metlink's public transport services through promotional campaigns
- Continue to provide information on Metlink's public transport services through a service centre, timetable production and website
- Conduct the annual public transport customer satisfaction monitoring survey
- Launch a new service called txtTRAIN and enhance the existing txtBUS service
- Undertake reviews of passenger transport services in the region. A major review of Wellington's diesel bus services will be undertaken in 2008/09

- Investigate electronic ticketing options for public transport

- Progress the introduction of "real-time" information at bus and train stops to inform users when the next service will actually arrive (rather than when it is scheduled to arrive)

- Update Greater Wellington's administration of the Total Mobility service to improve recording, monitoring and overall administrative efficiency, as well as to meet any requirements arising from the Ministry of Transport review of Total Mobility

Activity: Fund total mobility

- Continue to fund and administer the Total Mobility scheme, which allows for people with disabilities to travel by taxi for half the normal fare



Key changes from the 2006–16 Ten-Year Plan (LTCCP)

A number of changes to public transport expenditure are outlined below. The impact on the Transport rate will depend on Land Transport New Zealand's funding rate for that activity (usually 25% for planning and monitoring the transport network, 50% subsidy for bus operations, 60% for rail operations and 90% for rail infrastructure projects).

Activity: Plan and monitor the transport network

- Provision has been made for developing and consulting on a Regional Land Transport Programme and Regional Fuel Tax Scheme (\$170,000)

Activity: Provide the infrastructure for public transport

- Planned work of \$4.7 million to continue upgrading the traction and signalling equipment for the new passenger trains has been brought forward to 2008/09
- An additional budget of \$6 million has been included in 2008/09 to provide stabling for the new passenger trains
- Additional expenditure of \$22.8 million has been brought forward to 2008/09 to continue the upgrade of the railway track between MacKays Crossing and Waikanae (double-tracking from MacKays Crossing to Waikanae and electrification from Paraparaumu to Waikanae)
- Delays to the timing of capital expenditure on new passenger trains and other infrastructure has reduced financial costs by \$1.4 million
- Changes to the proposed method of transferring ownership of the new passenger trains to Greater Wellington Rail Limited, combined with changes to timing of expenditure, have reduced depreciation/asset impairments by \$6.1 million

- The budget of \$222 million (including \$40 million for additional capacity on the Western Corridor) for purchasing new passenger trains has been adjusted to reflect changes to the timing of payments. The impact for 2008/09 is a \$13.5 million reduction in expenditure. The new trains are still expected to be in service from 2010
- An additional \$2.6 million has been included for infrastructure upgrades to rail stations and platforms in 2008/09. Some of this had been expected to occur in 2007/08
- An additional \$2.3 million has been included to upgrade ageing trolley bus infrastructure
- The projected refurbishment of the Ganz Mavag passenger trains has been delayed to ensure sufficient rolling stock capacity is available before introducing the new trains. The LTCCP had projected expenditure in 2008/09 of \$23.3 million
- An additional \$10.2 million has been included to continue the project to refurbish and upgrade additional rolling stock to meet short-term capacity requirements (up to five additional English Electric units, six SE class carriages and up to three locomotives)
- The capital expenditure of \$3 million for integrated ticketing in 2008/09 has been deferred while a detailed study is undertaken
- A capital expenditure budget of \$0.3 million has been included to commence the real-time information project
- The budget of \$10.6 million for capital expenditure to meet Human Rights Commission requirements has been removed for 2008/09



Key changes from the 2006–16 Ten-Year Plan (LTCCP)

Activity: Fund and promote public transport services

- The cost of providing rail, bus and harbour ferry services has risen markedly, in part due to fuel price increases. To help offset the increased cost, the following changes have been made:

- Fares will be increased by an average of 10.2% from 1 September 2008
- Service improvements budget of \$2.9 million has been removed

After the above adjustments, the projected cost of rail, bus and harbour ferry services is \$5.1 million above the amount signalled in the LTCCP

- The operating expenditure budget for the integrated ticketing project has been reduced by \$0.9 million for 2008/09
- The operating expenditure budget for the real-time information project has been reduced by \$2.1 million for 2008/09. This is now expected to start in 2009/10

Activity: Fund total mobility

- The operating expenditure budget for an extension to the Total Mobility scheme of \$1.2 million for 2008/09 has been removed



Transport

Short-term targets – by 30 June 2009

Activity: Plan and monitor the transport network

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

Target	Performance measures
An annual report on the Regional Land Transport Strategy will be approved by Council, within a budget of \$80,000	A report will be approved by the Regional Land Transport Committee
A travel plan programme and active transport coordination will continue to be implemented, within a budget of \$642,000	At least four workplace travel plans and at least six school travel plans will be completed
Greater Wellington will complete the Ngauranga to Wellington Airport Corridor Plan as a component of the Regional Land Transport Strategy, within a budget of \$108,000	The review of the Hutt Corridor Plan will be completed and reported to the Regional Land Transport Committee
Greater Wellington will review the Travel Demand Strategy, within a budget of \$50,000	The Travel Demand Strategy will be reviewed so that all significant issues are addressed and the strategy is consistent with the Regional Land Transport Strategy
Greater Wellington will maintain the Wellington Transport Strategic Model, within a budget of \$100,000	The model will produce reliable information. It will achieve a rating of at least 80% in the overall performance of the strategic modelling activity, as measured by the modelling function evaluation framework (Project Model Excellence)

Activity: Public transport infrastructure

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

Target	Performance measures
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 \$8.4 million. This includes maintenance and improvement of public transport user facilities, as well as improvement of signage at the region's 53 railway stations	An annual review of maintenance activities against standards specified in the relevant asset management plan will be undertaken



Short-term targets – by 30 June 2009

Activity: Fund and promote public transport services

▣ Fund rail, bus and local harbour ferry passenger services

Target	Performance measures
More than 95% of calls to the Metlink Service Centre will be answered and customers given the necessary travel information within a budget of \$846,000 and with an overall customer satisfaction rate of 90%	Incoming calls will be monitored and customer satisfaction will be measured by annual market research
Peak time passenger trips using public transport will increase by 4%	Patronage statistics are provided annually by public transport operators
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) within a budget of \$61.6 million	Clear audit by Land Transport New Zealand
Wellington Diesel Bus Services will be reviewed, within a budget of \$100,000	The review of services will be reported to the Transport and Access Committee

Activity: Fund total mobility

▣ Part-fund taxi services for people with disabilities

Target	Performance measures
The Total Mobility scheme will be administered to the satisfaction of Land Transport New Zealand, within a budget of \$2.3 million	Clear audit by Land Transport New Zealand



Transport

Prospective funding impact statement

	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2008/09 Plan \$000s	2008/09 LTCCP \$000s
FUNDING STATEMENT			OPERATING REVENUE		
General rate	-	-	Plan and monitor the transport network	3,375	3,274
Targeted rate	40,772	41,183	Provide the infrastructure for public transport ⁽³⁾	76,199	85,489
Government subsidies	109,735	119,429	Fund and promote public transport services ⁽³⁾	69,414	68,117
Interest and dividends	-	90	Fund total mobility	2,598	4,093
Other operating revenue	2,620	271	Total operating revenue	85,576	160,973
Operating revenue	153,127	160,973	OPERATING EXPENDITURE		
Direct operating expenditure	82,791	86,095	Plan and monitor the transport network	3,577	3,280
Finance costs	931	2,266	Provide the infrastructure for public transport ^{(1) (3)}	8,176	19,491
Fair value investment impairment	-	5,495	Fund and promote public transport services ⁽³⁾	60,362	68,188
Depreciation	551	1,222	Fund total mobility	2,799	4,119
Operating expenditure	84,273	95,078	Total operating expenditure, excluding transport improvement grants	65,074	95,078
Operating surplus/(deficit) before transport improvement grants	67,854	65,895	Provide the infrastructure for public transport	20,933	-
Transport improvement grants ⁽¹⁾	82,353	-	Transport improvement grants ⁽¹⁾	-	-
Operating surplus/(deficit) ⁽¹⁾	150,207	65,895	CAPITAL EXPENDITURE AND TRANSPORT INVESTMENT		
Less:			Rail rolling stock ^{(1) (3)}	159	67,389
Capital expenditure	2,192	5,921	Other ⁽³⁾	1,975	17,622
Passenger transport investment ⁽¹⁾	-	79,121	Capital project expenditure	2,134	85,011
Proceeds from asset sales	(12)	(6)	Land and buildings	-	-
Loan funding	(1,868)	(14,832)	Plant and equipment	-	-
Rates and subsidy-funded capital expenditure	310	70,204	Vehicles	58	31
Loan-funded improvement grants ⁽¹⁾	(12,677)	-	Total capital expenditure and transport investment	2,192	85,042
Debt repayment	1,133	2,317			
Investment additions	-	-			
Reserve movements	(362)	91			
Working capital movements	-	-			
Non-cash items ⁽²⁾	1,514	(6,717)			
Net funding required	-	-			

(1) Transport rail rolling stock will be purchased by the 100% Council Controlled Trading Organisation, Greater Wellington Rail Ltd (GWR Ltd). The accounting treatment has changed from the *Amended Ten-Year Plan (LTCCP) 2006-16*. The expenditure by GWR Ltd will be a combination of capital grants and share capital which has the effect of creating an operating deficit within transport

(2) Non-cash items include depreciation and the revaluation of interest-free debt to fund rail rolling stock

(3) Certain LTCCP numbers have been adjusted to aid comparability

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Amended Ten-Year Plan (LTCCP) 2006-16 Policies* document, page 22. Please note that all figures on this page exclude GST.



Contribution to community outcomes

Essential services

Healthy community

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

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 water treatment plants receive good quality water.

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 projects for 2008/09

Activity: Collect, treat and deliver water

- Supply water to our four Wellington metropolitan city council customers that complies with the New Zealand Drinking Water Standards: 2005. This includes chemical, aesthetic and microbiological compliance
- Ensure that the gradings of our water treatment plants are maintained. Two are graded A1 – the highest grading. Waterloo is graded B – the highest grading possible because chlorine is not added as requested by the Hutt City Council
- Ensure that there is sufficient water to meet the community's expectations in all reasonable circumstances, other than in an extreme drought, with a return period of 50 years or more. In 2007/08 the return period was 35 years
- Undertake a water conservation programme over the summer of 2008/09 to promote wise water use, particularly in regard to watering gardens
- Ensure that all resource consents are complied with as part of our environmental commitment
- Manage vegetation and control pests in the Council-owned water catchments to ensure that high-quality water enters our water treatment plants, thereby making treatment less expensive with less risk
- Publish a comprehensive business report on Greater Wellington's water supply activities which will be made available to our four Wellington metropolitan city council customers, and also distributed to public libraries and published on Greater Wellington's website. This is in addition to Greater Wellington's annual report

Activity: Plan to meet current and future demands for water

- Consider options for supplying water to our growing population. These options may include a new dam and/or water conservation measures and domestic metering
- Maintain our water supply assets. Capital expenditure of \$4,565,000 has been provided in 2008/09 to either replace existing assets or acquire new assets

Activity: Plan for emergencies

- Improve the security and reduce the risks to our water supply, eg, by providing secondary emergency points of supply to the city customers
- Set aside \$750,000 for self-insurance of the water pipelines, Stuart Macaskill Lakes and pipeline tunnels



Key changes from the 2006–16 Ten-Year Plan (LTCCP)

- The budgeted water supply expenditure for 2008/09 is \$28,790,805, which is \$1,142,985 less than the expenditure provided for in the LTCCP
- Capital expenditure on fixed infrastructure for 2008/09 in the LTCCP was shown as \$7,544,110. This amount will now be \$4,565,000. The major variation is the deferment by one year of a new Hutt River intake and associated pumping station at Te Marua. This has reduced expenditure by \$2 million. The other changes result from relatively minor refinements to the capital works programme



Water supply

Short-term targets – by 30 June 2009

Activity & Levels of service: Collect, treat and deliver water

- Collect water from the Hutt, Wainuiomata and Orongorongo catchments and the Waiwhetu aquifer for public drinking water supply
- Manage catchments so that water treatment plants receive good quality water
- 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

Target	Performance measures
Water will be supplied to the four cities within a total operating expenditure, excluding depreciation, of \$21,473,029	Expenditure on water supply does not exceed \$21,473,029
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 New Zealand Drinking Water Standards: 2005	Water testing will be carried out by an International Accreditation NZ (IANZ) registered laboratory at various sampling points, in accordance with the requirements of the New Zealand Drinking Water Standards: 2005
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. Regraded plants will receive the same or a better grade	The current gradings of water treatment plants will be maintained and operational staff will hold the relevant NZQA qualifications as required by Ministry of Health grading guidelines
Vegetation management and pest control measures will be carried out in water catchments in accordance with the Forestry Management Plan and within a \$142,000 budget, so that treatment plants receive good quality water	The work will be completed within the budget of \$142,000
Our four Wellington metropolitan city council customers will be provided with a business report by 30 November 2008, including: <ul style="list-style-type: none"> • Financial results for the preceding financial year ended 30 June • Actual quality compared with targeted performance • A list of interruptions to supply incidents, and time taken to respond and repair • A report on compliance with resource consent requirements • Status of ongoing service level agreements 	A business report will be provided to our customers by 30 November 2008



Short-term targets – by 30 June 2009

Activity & Levels of service: Plan to meet current and future demands for water

- Assess the demand for water now and in the future and plan how such demands will be met, including developing new water sources
- Encourage people to use water wisely

Target	Performance measures
Design of system enhancements will begin to enable supply for a population of 395,000	There will be sufficient water to meet the requirements of our growing population
Consultation will be carried out on the water supply strategy options	Consultation will be completed by 31 December 2008
A water conservation programme will be implemented, within a budget of \$185,000	The programme will be undertaken within budget

Activity & Level of service: Plan for emergencies

- 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

Target	Performance measures
At least one customer emergency connection will be installed, within a budget of \$50,000	At least one emergency connection will be installed within budget
Hazard protection work will be undertaken at a cost not exceeding \$350,000	A sum not exceeding \$350,000 will be spent on protecting the fixed infrastructure from hazard events or improving the speed of repair

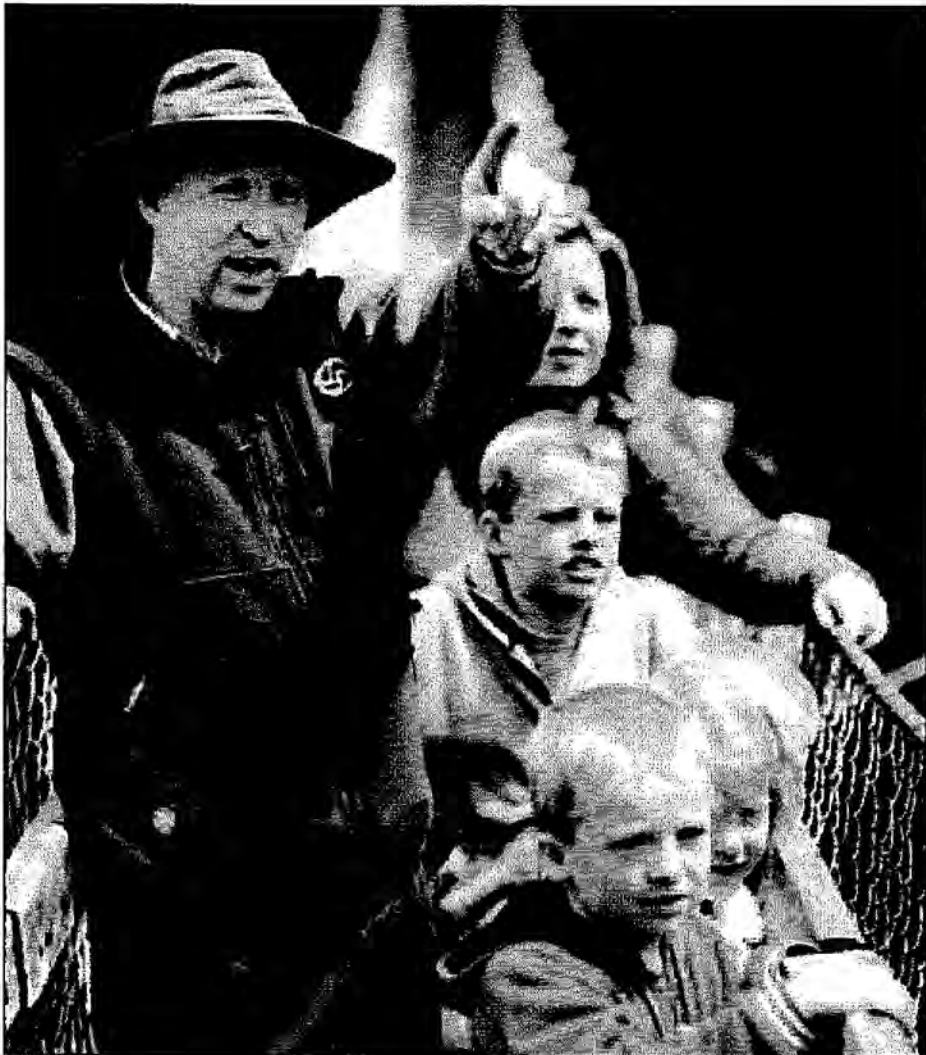
Water supply

Prospective funding impact statement

	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2008/09 Plan \$000s	2008/09 LTCCP \$000s
FUNDING STATEMENT			OPERATING REVENUE		
General rate		-	Collect, treat and deliver water	24,400	27,171
Targeted rate		-	Total operating revenue	24,400	27,171
Water supply levy	25,460	25,635	OPERATING EXPENDITURE		
Government subsidies		-	Collect, treat and deliver water	25,894	26,736
Interest and dividends	(1,027)	797	Total operating expenditure	25,894	26,736
Other operating revenue	(67)	739	CAPITAL EXPENDITURE		
Operating revenue	24,400	27,171	Water sources	(670)	4,022
Direct operating expenditure	14,567	15,831	Water treatment plants	1,962	817
Finance costs	3,750	3,731	Pipelines	585	499
Depreciation	7,547	7,174	Pump stations		-
Operating expenditure	25,864	26,736	Reservoirs	700	1,591
Operating surplus/(deficit)	(1,464)	435	Monitoring and control	313	138
Less:			Seismic protection	350	265
Capital expenditure	5,007	7,694	Other	607	213
Proceeds from asset sales	(24)	(8)	Capital project expenditure	5,007	7,545
Loan funding	(5,905)	(7,545)	Land and buildings		-
Levy-funded capital expenditure	174	141	Plant and equipment	81	122
Debt repayment	4,131	5,921	Vehicles	179	27
Investment additions	1,777	1,547	Total capital expenditure	5,287	7,694
Operational reserve movements		-			
Working capital movements	(19)	-			
Non-cash items ⁽¹⁾	(7,577)	(7,174)			
Net funding required		-			

⁽¹⁾ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Amended Ten-Year Plan (LTCCP) 2006-16 Policies* document, page 22. Please note that all figures on this page exclude GST.



Contribution to community outcomes



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

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

Prepare management plans to guide use and development.

Develop and maintain assets, eg, 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.



Key projects for 2008/09

Activity: Manage regional parks and recreation areas

- Continue preliminary design work on a wetland park at Lake Wairarapa
- Complete the transfer of management for Whitireia Park to Greater Wellington
- Conduct an aerial 1080 possum control operation in the Hutt Catchment
- Eradicate animal pests and investigate the feasibility of introducing North Island Robins in the Wainuiomata Mainland Island
- Implement plant and animal pest control programmes
- Complete monitoring the health of the regional forests
- Continue to maintain park amenities and facilities so they are safe and appealing to the public
- Complete the Battle Hill Farm Forest Park and Belmont Regional Park Management plans
- Begin reviewing the Regional Parks Network Management Plan
- Review Greater Wellington's park bylaws

Activity: Promote community use

- Run a Regional Outdoors Programme with at least 40 events from January to March 2009
- Facilitate group volunteer work in the parks, including Friends of Parks, and school and corporate groups
- Implement environmental enhancement projects in the parks, particularly:

Queen Elizabeth Park

- Further removal of macrocarpas and revegetation planting in the Kahikatea bush remnant
- Restoration planting in the wetland systems of MacKays Crossing
- Further spinifex dune restoration planting in the coastal dunes
- Fuller fencing of coastal dunes with signage to improve public awareness of the dune system's fragility
- Continued riparian planting alongside Whareroa Stream

Battle Hill Farm Forest Park

- Wetland restoration in Swampy Gully
- Ongoing intensive animal and plant pest control throughout the farm

Belmont Regional Park

- Restoration planting and pest control in the Cannons Creek restoration area with the Friends of Maara Roa
- Goat control and ongoing possum control in the Korokoro Bush, Speedy's Reserve and Dry Creek Reserve

East Harbour Regional Park

- Assistance for local community groups to carry out pest control and restoration planting in the Mainland Island area

Pakuratahi Forest (Rimutaka Rail Trail)

- Ongoing riparian (stream-side) weed removal
- Planting at Summit, Ladle Bend and Munitions Siding to enhance amenity areas for picnics and camping



Key changes from the 2006–16 Ten-Year Plan (LTCCP)

- The budget for the new wetland regional park at Lake Wairarapa has been cut (by \$345,000) to allow time for the governance arrangements to be agreed
- The budget for Whitireia Park has been cut (by \$118,000) to allow governance and land transfer arrangements to be finalised
- Additional revenue of \$100,000 and additional farm maintenance costs of \$114,000 have been included as a result of the newly purchased Waitangirua Farm being leased to Landcorp Farming Limited
- Toilet facilities on top of the Rimutaka Summit will be closed, generating a small cost saving of \$10,000
- Renewable energy project costs have been reduced from \$64,000 to \$40,000

The Council intends to transfer responsibility for managing land it currently owns at the end of Hine Road, Wainuiomata, to the Hutt City Council. This is to assist the Hutt City Council develop and maintain the sealed carpark and recreation garden for use as an integral part of its Garden of Remembrance, and also as its means of access to Hine Road. The Hutt City Council already informally manages this land.

Under section 17(4) of the Local Government Act 2002, Greater Wellington must include this proposal in its annual plan before the transfer of responsibility can take place.

Short-term targets – by 30 June 2009

Activity & Levels of service: Manage regional parks and recreation areas

- 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, eg, tracks, plantings, shelters and other facilities

Target	Performance measures
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 \$689,000	Compliance with the Environmental Asset Management Plan will be reported to Council
Recreation and heritage assets and facilities in the regional parks and forests will be managed in accordance with the Parks and Forests Infrastructure and Accounting Asset Management Plan service levels, within a budget of \$1,257,000	Compliance with the Infrastructure and Accounting Asset Management Plan will be reported to Council
The annual capital works programme will be undertaken to appropriate architectural and engineering standards, within the Parks and Forests Asset Management Plan service levels, and within a budget of \$307,000	The work will be completed within budget and reported to Council
Greater Wellington will investigate the possibility of assisting renewable energy production (eg, solar, wind, hydro) on its own lands, within a budget of \$40,000	As above
The annual policy and planning work programme will be completed in accordance with the relevant statutory process and within a budget of \$249,000	As above



Short-term targets – by 30 June 2009

Activity & Levels of service: Promote community use

- 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

Target	Performance measures
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 \$976,000	Greater Wellington will continue to provide a five and seven-day service across regional parks and recreation areas
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 Outdoors Programme	The programme will be carried out within budget and reported to Council
The annual community enhancement projects will be completed within a budget of \$113,000	As above



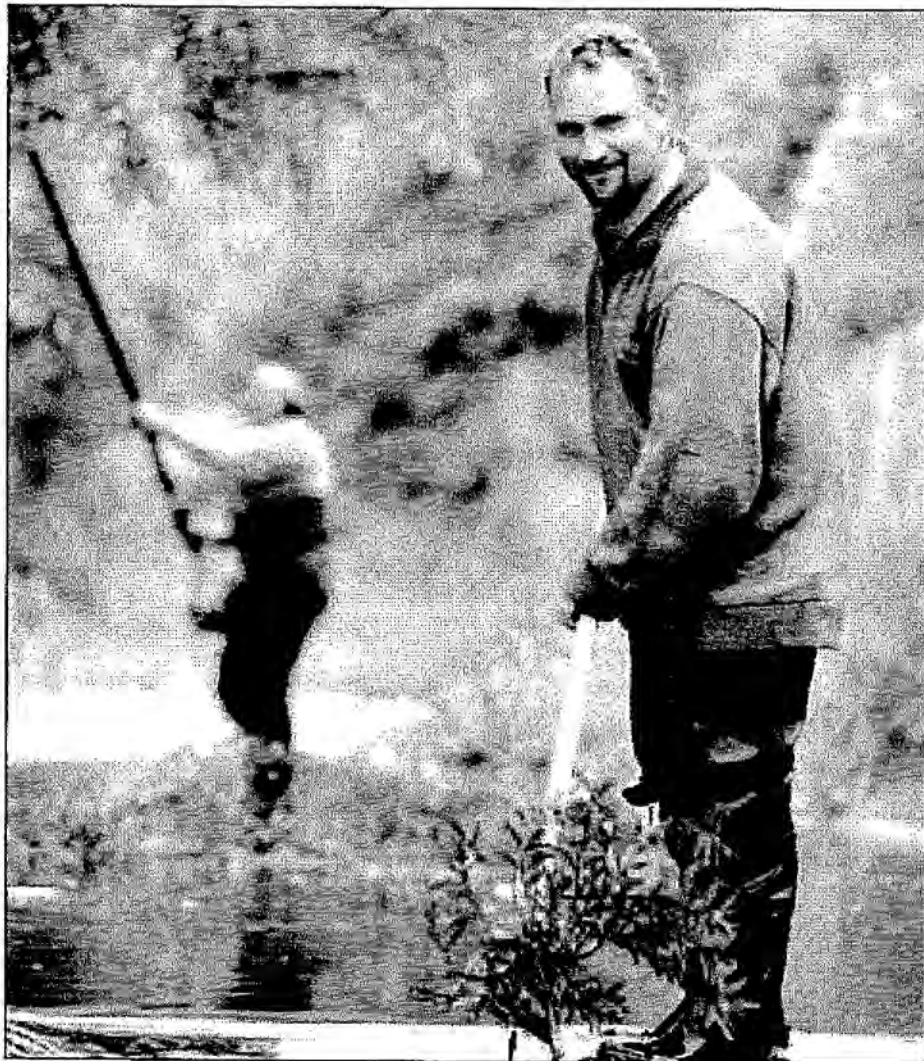
Parks

Prospective funding impact statement

	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2008/09 Plan \$000s	2008/09 LTCCP \$000s
FUNDING STATEMENT			OPERATING REVENUE		
General rate	5,995	6,032	Manage regional parks and recreation areas ⁽¹⁾	6,053	6,244
Targeted rates	-	-	Promote community use ⁽¹⁾	813	564
Government subsidies	-	-	Total operating revenue	6,866	6,808
Interest and dividends	-	-			
Other operating revenue	371	776	OPERATING EXPENDITURE		
Operating revenue	6,366	6,808	Manage regional parks and recreation areas ⁽¹⁾	6,503	6,373
			Promote community use ⁽¹⁾	616	568
Direct operating expenditure	6,313	6,209	Total operating expenditure	7,119	6,941
Finance costs	264	232			
Depreciation	500	500	CAPITAL EXPENDITURE		
Operating expenditure	7,077	6,941	Whitireia Park enhancements	70	-
Operating surplus/(deficit)	(653)	(133)	Asset management plan upgrades	236	78
			Capital project expenditure	306	78
Less:			Land and buildings	-	-
Capital expenditure	545	272	Plant and equipment	17	18
Proceeds from asset sales	(77)	(63)	Vehicles	222	176
Loan funding	(307)	(78)	Total capital expenditure	545	272
Rates-funded capital expenditure	161	133			
Debt repayment	278	236			
Investment additions	-	-			
Operational reserve movements	(500)	-			
Working capital movements	-	-			
Non-cash items ⁽²⁾	(542)	(500)			
Net funding required	-	-			

(1) Certain LTCCP numbers have been adjusted to aid comparability

(2) Non-cash items includes depreciation



Contribution to community outcomes

Safe and sound

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

Prepared community

- Plan for emergency events.
- Inform people of 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.
- Clean-up oil spills in our harbours and coastal waters.



Safety and flood protection

Key projects for 2008/09

Activity: Flood protection

- Commence the Waiwhetu improvements programme
- Complete the Waingawa River scheme review
- Carry out \$6.6 million of capital river works across the region, including commencing the Strand Park stopbank upgrade (Lower Hutt) and Waiohine River stopbank design (Wairarapa), and continue the Lower Wairarapa Valley Development Scheme stopbank improvement works
- Complete \$4.0 million of river maintenance work on river schemes in the region, including the Hutt, Otaki, Waikanae and Ruamahanga rivers
- Collect survey data for flood hazard assessments in the Greytown and Masterton areas

Activity: Emergency management

- Review Inter-Agency Planning Committee arrangements
- Develop community psychology support arrangements for the recovery phase of an event
- Develop a "spontaneous" volunteer management system
- Plan and deliver Exercise Phoenix VI
- Review the Wellington Region Civil Defence Emergency Management Group Plan

Activity: Harbours management

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



Key changes from the 2006–16 Ten-Year Plan (LTCCP)

Activity: Flood protection

- The Waiwhetu improvements have been budgeted over three years from 2008/09 to 2010/11 (previously budgeted over four years to 2011/12)
- Lower Wairarapa Valley Development Scheme stopbank improvements have been budgeted over nine years to 2016/17 (previously budgeted over seven years to 2013/14)
- \$150,000 of expenditure for the Waiohine River stopbank upgrade has been brought forward to 2008/09 to commence investigation work
- \$150,000 of expenditure has been budgeted in 2008/09 to complete LIDAR surveys and flood hazard mapping for the Greytown and Masterton areas

Activity: Emergency management

- The 2006-16 Ten-Year Plan (LTCCP) short-term targets for 2008/09 have changed as follows:
 - The annual survey of household preparedness will now be carried out on a three-yearly basis. This is because we now have a good baseline and experience has shown that movements from year to year are very small
 - The Civil Defence Emergency Management (CDEM) Resource Management Plan is no longer required. Instead a short-term target of reviewing the CDEM Group Plan has been included. This is the result of a central government initiative

Activity: Harbours management

- There are no significant changes from the 2006-16 Ten-Year Plan (LTCCP)



Safety and flood protection

Short-term targets – by 30 June 2009

Activity: Flood protection

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

Target	Performance measures
In conjunction with the Upper Hutt City Council, Pinehaven Stream flood hazard assessment will be completed, within a budget of \$96,000	Progress and completion of all flood protection programmes will be reported to Council
River investigations in the Wairarapa, including the Waingawa River scheme review, will be completed to the satisfaction of the Catchment Management Committee, within a budget of \$352,000	As above
The Strand Park stopbank improvements will be substantially completed in accordance with accepted engineering standards, within a budget of \$2,805,000	As above
Year One of the Waiwhetu Stream cleanup and flood improvements project will be completed in accordance with accepted engineering standards, within a budget of \$718,000	As above
The Hutt Boulcott stopbank design and consents will be completed in accordance with accepted engineering standards, within a budget of \$142,000	As above

Safety and flood protection

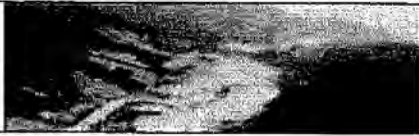


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Short-term targets – by 30 June 2009

Activity: Flood protection (continued)

Target	Performance measures
Year Two of the Lower Wairarapa Valley Development Scheme stopbank improvements will be completed, within a budget of \$753,000	Progress and completion of all flood protection programmes will be reported to Council
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 \$2,265,000	As above
Maintenance operations for the 10 Wairarapa river schemes will be completed to established standards and to the satisfaction of the Scheme Advisory Committees, within a budget of \$1,555,000	As above
Maintain the recreational and environmental values of the Hutt, Waikanae and Otaki river corridors to the satisfaction of the Catchment Management Committee and, where appropriate, undertake improvements identified in the adopted River Environmental Strategies, within a budget of \$94,000	As above



Safety and flood protection

Short-term targets – by 30 June 2009

Activity: Emergency management

- Plan for emergency events
- Tell people about the risks they face and how these can be managed
- Operate the Wellington Civil Defence Emergency Management (CDEM) Group Emergency Operations Centre

Target	Performance measures
The Wellington Region CDEM Plan will be implemented to the satisfaction of the CDEM Group. Projects that are to be completed by Greater Wellington are listed under "key projects for 2008/09"	Progress with the implementation of the CDEM Group Plan will be reported to the CDEM Group, including the projects for which Greater Wellington has responsibility
The CDEM Group Plan will be reviewed	The review of the CDEM Group Plan will be reported to the CDEM Group

Safety and flood protection

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Short-term targets – by 30 June 2009

Activity: Harbours management

- 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

Target	Performance measures
The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service in accordance with the Beacon Hill Operations Manual, within a budget of \$450,000	Beacon Hill will operate in accordance with guidelines set in the Beacon Hill Operations Manual
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 \$16,000. A formal log will be kept and incidents followed up whenever possible	Response will be within specified target timeframes
Safety in our harbours and coastal waters will be maintained, within a budget of \$106,000, by: <ul style="list-style-type: none">• 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	Progress with these activities will be reported to Council



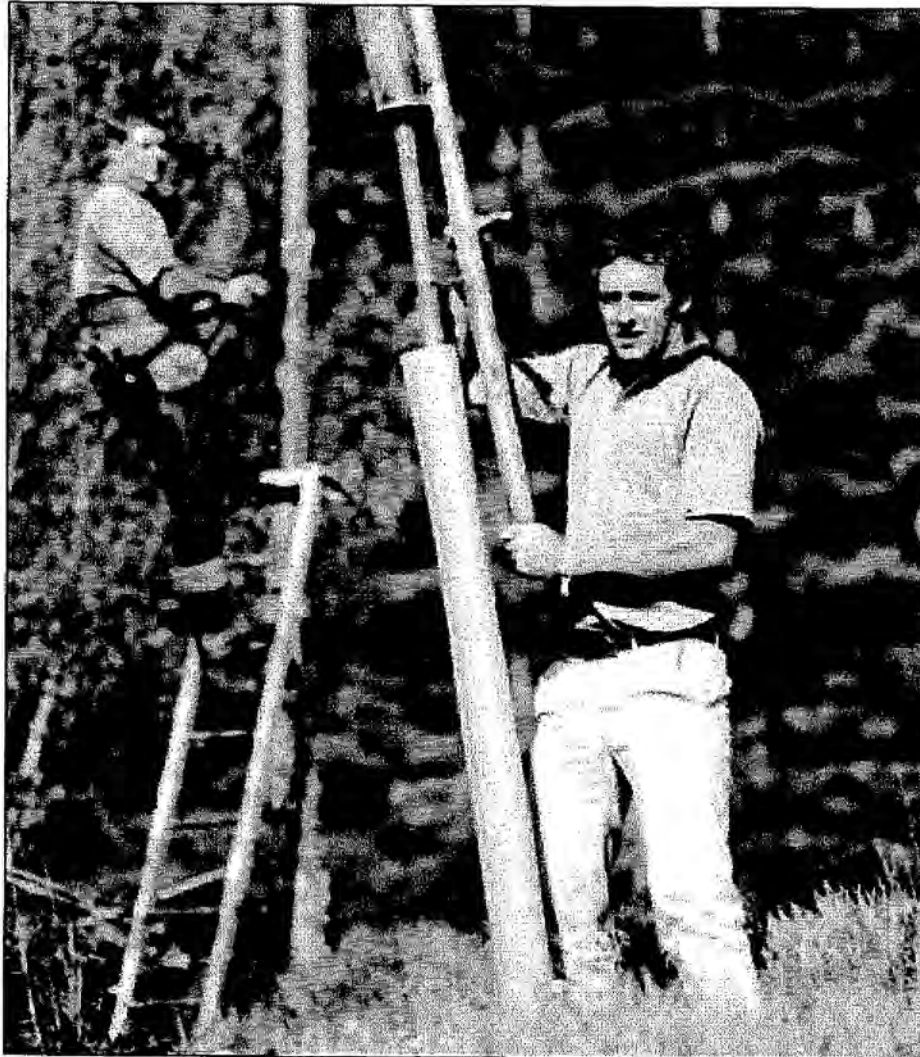
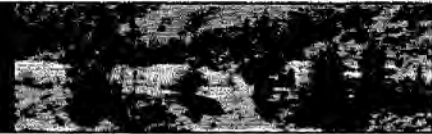
Safety and flood protection

Prospective funding impact statement

	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2008/09 Plan \$000s	2008/09 LTCCP \$000s
FUNDING STATEMENT			OPERATING REVENUE		
General rate	9,810	8,792	Flood protection	13,761	13,602
Targeted rates	4,350	4,924	Emergency management	610	692
Government subsidies	116	128	Harbour management	1,721	1,721
Interest and dividends	529	451	Total operating revenue	16,015	16,015
Other operating revenue	2,046	1,720	OPERATING EXPENDITURE		
Operating revenue	16,351	16,015	Flood protection	10,762	10,804
Direct operating expenditure	9,710	9,623	Emergency management	746	739
Finance costs	2,150	2,540	Harbour management	1,917	1,768
Depreciation	952	1,148	Total operating expenditure	13,330	13,311
Operating expenditure	13,712	13,311	CAPITAL EXPENDITURE		
Operating surplus/(deficit)	2,639	2,704	Harbour improvements	1,000	-
Less:			Hutt floodplain management plan	-	-
Capital expenditure	2,860	5,115	Hutt River improvements	3,563	3,124
Proceeds from asset sales	(75)	(64)	Waikanae River improvements	154	127
Loan funding	(7,442)	(4,884)	Otaki River improvements	607	-
Rates-funded capital expenditure	2,845	167	Wairarapa scheme improvements	1,053	1,007
Debt repayment	2,218	2,373	Other flood protection	625	626
Investment additions	402	356	Capital project expenditure	6,614	4,884
Operational reserve movements	930	956	Land and buildings	-	-
Working capital movements	-	-	Plant and equipment	46	83
Non-cash items ⁽¹⁾	(963)	(1,148)	Vehicles	205	148
Net funding required	-	-	Total capital expenditure	7,365	5,115

(1) Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Amended Ten-Year Plan (LTCCP) 2006-16 Policies* document, page 22. Please note that all figures on this page exclude GST.



Contribution to community outcomes

Prosperous community

Healthy environment

Develop pest management strategies.

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

Reduce numbers of wildlife that transmit bovine Tb 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.



Key projects for 2008/09

Activity: Manage pest plants and animals

Regional Pest Management Strategy Review

- Implement the revised Regional Pest Management Strategy (RPMS)

National Pest Plant Accord (NPPA)

- Implement the NPPA by undertaking annual inspections of all plant retailers, wholesalers and markets to ensure no pest plants are being offered for sale, distributed or propagated, and by liaising with our neighbouring councils to prevent movement across borders. The NPPA is an agreement between regional councils, Department of Conservation, Biosecurity New Zealand, and the Nursery and Garden Industries Association

National Interest Pests

- Assist in controlling 10 National Interest Pests under contract to MAF Biosecurity New Zealand on a cost-recovery basis. This work includes monitoring of known sites, surveillance of at-risk sites and contract management

Activity: Control bovine Tb in wildlife

- Manage \$171,500 hectares of bovine Tb control operations in the region, on behalf of the Animal Health Board, to protect farmed cattle and deer in accordance with the Wellington Bovine Tb Strategic Plan

Activity: Promote sustainable land management

- Complete erosion-control programmes to promote good land management practices, including planting poplar poles in our hill country, establishing shelterbelts and riparian (stream-side) planting alongside waterways. Recent government announcements relating to the funding of hill country erosion and afforestation grants under the Sustainable Land Management and Climate Change policies may provide an opportunity for this programme to be accelerated in selected priority catchments
- Work with the Wairarapa Hill Country Advisory Committee to review and advance Council policy on sustainable land management



Key changes from the 2006–16 Ten-Year Plan (LTCCP)

Activity: Manage pest plants and animals

- Expenditure of \$20,000 per year has been budgeted for managing didymo, including public awareness programmes

Activity: Control bovine Tb in wildlife

- Expenditure on bovine Tb vector control has been reduced by approximately \$415,000 in 2008/09 in accordance with Animal Health Board programme funding. From 1 July 2008, the Animal Health Board will be paying contractors directly



Short-term targets – by 30 June 2009

Activity: Manage pest plants and animals

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

Target	Performance measures
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 \$2,361,000	Progress will be reported to Council

Activity: Control bovine tuberculosis in wildlife

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

Target	Performance measures
By 30 June 2009, bovine Tb control operations will be planned and implemented over 171,500 hectares and wildlife surveys will be completed over 248,400 hectares, in accordance with the Wellington Bovine Tb Strategic Plan	Progress will be reported monthly to the Animal Health Board, as well as in a year-end report



Short-term targets – by 30 June 2009

Activity: Promote sustainable land management

- 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

Target	Performance measures
Approved soil conservation programmes incorporating 300 hectares of pole planting (25,000 poles), 150 hectares of conservation woodlots and 4km of shelterbelts will be completed to the Council's performance standards, within a budget of \$565,000	Progress will be reported to 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 \$92,500	As above
Stage Two of the soil-quality monitoring programme will continue. Established sites will be revisited to establish whether there has been any change over time, within a budget of \$31,200	As above
5km of riparian management, focusing on increased biodiversity along stream banks, will be implemented within a budget of \$212,000	As above



Land

Prospective funding impact statement

	2006/07 Plan \$000s	2008/09 LTCCP \$000s		2006/07 Plan \$000s	2008/09 LTCCP \$000s
FUNDING STATEMENT			OPERATING REVENUE		
General rate	4,522	4,063	Promote sustainable land management	2,507	2,546
Targeted rates	200	197	Control bovine Tb wildlife vectors	11,295	5,001
Government subsidies	-	-	Manage pest plants and animals	2,465	3,500
Interest and dividends	44	45	Total operating revenue	7,276	11,047
Other operating revenue	2,809	6,742			
Operating revenue	7,276	11,047	OPERATING EXPENDITURE		
Direct operating expenditure	7,260	11,041	Promote sustainable land management	2,456	2,527
Finance costs	-	-	Control bovine Tb wildlife vectors	1,998	5,072
Depreciation	75	69	Manage pest plants and animals	3,679	3,511
Operating expenditure	7,335	11,110	Total operating expenditure	7,933	11,110
Operating surplus/(deficit)	(59)	(63)			
Less:			CAPITAL EXPENDITURE		
Capital expenditure	164	73	Land and buildings	-	-
Proceeds from asset sales	(43)	(15)	Plant and equipment	-	-
Loan funding	-	-	Motor vehicles	64	73
Rates-funded capital expenditure	121	58	Total capital expenditure	64	73
Debt repayment	-	-			
Investment additions	-	-			
Operational reserve movements	(105)	(52)			
Working capital movements	-	-			
Non-cash items ⁽¹⁾	(73)	(69)			
Net funding required	-	-			

(1) Non-cash items includes depreciation



Contribution to community outcomes

Strong and tolerant community

Provide opportunities for the public to participate in decision making, eg, 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.

Entrepreneurial and innovative region

Prosperous community

Promote the implementation of the Wellington Regional Strategy in conjunction with city and district councils in the region.

Fund GrowWellington – a regional economic development agency.

Strong life-time

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



Key projects for 2008/09

Activity: Run a democratic process

- Investigate e-democracy initiatives – e-participation, e-petitions, e-meetings, etc
- Establish a Greater Wellington Disability Reference Group

Activity: Involve Maori in our work

- Review the Charter of Understanding with iwi – to take engagement to the next level

Activity: To act as keeper of the Wellington Regional Strategy

- Promote the implementation of the Wellington Regional Strategy

Activity: Operate a regional economic development agency

- Fund GrowWellington (a regional economic development agency) to carry out the economic development projects of the Wellington Regional Strategy

Key changes from the 2006–16 Ten-Year Plan (LTCCP)

- Minor changes have been made to the short-term targets to more accurately reflect our business
- \$34,000 has been provided for a Greater Wellington Disability Reference Group
- \$100,000 has been provided for a Regional Water Strategy, half to be funded by rates and half by the bulk water levy
- Provision has been made for meeting fees relating to the new Wairarapa Hill Country Advisory Committee (\$11,700)
- For some time iwi have been requesting better input into Council decision making and Council has responded by providing for the appointment of an iwi representative to each Council committee (\$7,500)
- An additional \$12,700 has been budgeted for preparing and distributing meeting order papers. We are continually reviewing our costs with regard to order papers and looking for ways to make the information more easily accessible
- Councillors' sundry costs have increased by \$18,000 to reflect current actual costs
- The rate requirement for the Wellington Strategy for 2008/09 will reduce by \$500,000 (excl GST) as we have carried over funds from the 2007/08 year



Short-term targets – by 30 June 2009

Activity: Run a democratic process

- ☑ Provide opportunities for the public to participate in decision making, eg, in meetings or through planning and budgeting processes
- ☑ Run elections and pay councillors, and facilitate training and information
- ☑ Arrange and service Council meetings

Target	Performance measures
Community input will be sought before any significant decision on matters which may impact on rates	There will be no failure to meet legal requirements for public consultative processes. The public will be made aware of its opportunity to participate in meeting and hearings processes
Opportunities will be given to councillors for training and personal development	Councillors will receive training appropriate to their needs
Councillors will be provided with a regular flow of information through the <i>Councillors' Information Bulletin</i>	Relevant information will be regularly supplied to councillors through the <i>Councillors' Information Bulletin</i>
Public notice of meetings will be given in accordance with the Local Government Official Information and Meetings Act 1987	Public notice will be given in accordance with the Local Government Official Information and Meetings Act 1987. Details of publication will be recorded to measure compliance with statutory deadlines
Order Papers will be despatched to members and be publicly available in accordance with the Local Government Official Information and Meetings Act 1987, and the Council's Standing Orders	All Order Papers for ordinary meetings of the Council and committees will be despatched to councillors and committee members not less than three working days before the meeting. Details of the despatch of order papers will be recorded to measure compliance with statutory deadlines



Short-term targets – by 30 June 2009

Activity: Involve Maori in our work

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

Assist iwi to undertake special projects and to work with Greater Wellington Regional Council

Budget	Performance measures
<p>Ara Tahi will meet six times</p> <p>Iwi will be resourced to:</p> <ul style="list-style-type: none"> • Undertake special projects which mutually benefit Greater Wellington and iwi • Engage with Greater Wellington on a range of issues • Comment on non-notified resource consents <p>Within a budget of \$279,000</p>	<p>Ara Tahi will meet six times and each meeting will be reported to Council</p> <p>Greater Wellington will:</p> <ul style="list-style-type: none"> • Have project contracts with iwi in place by 31 August 2008 • Provide non-notified resource consents to iwi for comment within two working days of receipt of application
<p>Greater Wellington staff will have an enhanced knowledge of Te Reo and Tikanga</p>	<p>Appropriate training will be available to Greater Wellington staff to enable them to engage effectively with iwi. A monitoring and evaluation process will be put in place regarding the uptake and spread of training and its benefits to Greater Wellington</p>



Short-term targets – by 30 June 2009

Activity: To act as keeper of the Wellington Regional Strategy

- 1** Operate a Wellington Regional Strategy (WRS) Committee to develop and implement the WRS
- 2** Develop an effective Wellington Regional Strategy addressing sustainable prosperity and quality of life, and monitor its implementation

Target	Performance measures
The strategic actions identified in the adopted WRS will be progressed according to timetable	Progress with all non-regional economic development agency projects in accordance with the agreed task plans will be reported to the WRS Committee
Greater Wellington will continue to facilitate stakeholder engagement in WRS priority action areas	A Stakeholder Forum will be held at least annually

Activity: Operate a regional economic development agency

- 1** Establish and fund GrowWellington (an economic development agency) for the region via a Council-controlled organisation

Target	Performance measures
GrowWellington will meet the agreed Statement of Intent requirements, as approved by the Wellington Regional Strategy (WRS) Committee	GrowWellington's Statement of Intent for 2008/09 will include performance measures, achievement of which will be reported to the WRS Committee
GrowWellington will operate within the budget agreed by the WRS Committee	The WRS Committee will receive six-monthly financial reports from GrowWellington to show progress against budget



Community

Prospective funding impact statement

	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2008/09 Plan \$000s	2008/09 LTCCP \$000s
FUNDING STATEMENT			OPERATING REVENUE		
General rate	2,931	2,891	Run a democratic process	4,136	4,136
Targeted rates	6,676	7,176	Involve Maori in our work	514	514
Government subsidies	-	307	Act as keeper of the Wellington Regional Strategy ⁽¹⁾	412	412
Interest and dividends	4	4	Operate a regional economic development agency ⁽¹⁾	4,500	4,500
Other operating revenue	2,546	2,702	Contribution to the Regional Stadium	3,518	3,518
Operating revenue	12,157	13,080	Total operating revenue	12,157	13,080
Direct operating expenditure	9,543	9,526	OPERATING EXPENDITURE		
Finance costs	1,460	1,460	Run a democratic process	4,074	4,074
Depreciation	22	28	Involve Maori in our work	514	514
Operating expenditure	11,025	11,014	Act as keeper of the Wellington Regional Strategy ⁽¹⁾	412	412
Operating surplus/(deficit)	1,032	2,066	Operate a regional economic development agency ⁽¹⁾	4,500	4,500
Less:			Contribution to the Regional Stadium	1,514	1,514
Capital expenditure	5	5	Total operating expenditure	11,025	11,014
Proceeds from asset sales	-	-	CAPITAL EXPENDITURE		
Loan funding	-	-	Land and buildings	-	-
Rates-funded capital expenditure	5	5	Plant and equipment	5	5
Debt repayment	1,162	1,162	Vehicles	-	-
Investment additions	-	-	Total capital expenditure	5	5
Operational reserve movements	(84)	84			
Working capital movements	-	-			
Non-cash items ⁽²⁾	271	815			
Net funding required	-	-			

⁽¹⁾ 2008/09 LTCCP numbers have been updated to reflect the *Amended Ten-Year Plan (LTCCP) 2006-16*, which includes funding for the regional economic development agency (GrowWellington) in relation to the Wellington Regional Strategy

⁽²⁾ 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



Investments overview

Greater Wellington has a significant portfolio of investments comprising:

- Liquid financial deposits
- Greater Wellington's treasury management function
- Administrative properties (eg, depots)
- Forestry and business units
- Equity investments in the WRC Holdings Group (including CentrePort Limited)
- Rail rolling stock and related transport infrastructure

Greater Wellington recognises that, as a responsible public authority, any investments held should be 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 aware that its investment returns are exposed to the success or otherwise of its two main investments – the WRC Holdings Group (including CentrePort Limited) and its liquid financial deposits. At an appropriate future time, Greater Wellington believes 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 would 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 11% to the total level of regional rates. In other words, regional rates would need to be 11% higher were it not for the contribution from Greater Wellington's investments.



Investments

Liquid financial deposits

Greater Wellington holds \$33 million in liquid financial deposits. This is part of the proceeds from selling its interest in CentrePort Limited to one of its wholly owned subsidiaries, Port Investments Limited. Greater Wellington regularly reviews the rationale for holding these liquid financial deposits, taking the following 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 for emergency events

Greater Wellington's 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

Greater Wellington's ownership of its depots and the Masterton office building are grouped to form an investment category – Administrative Properties.

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.

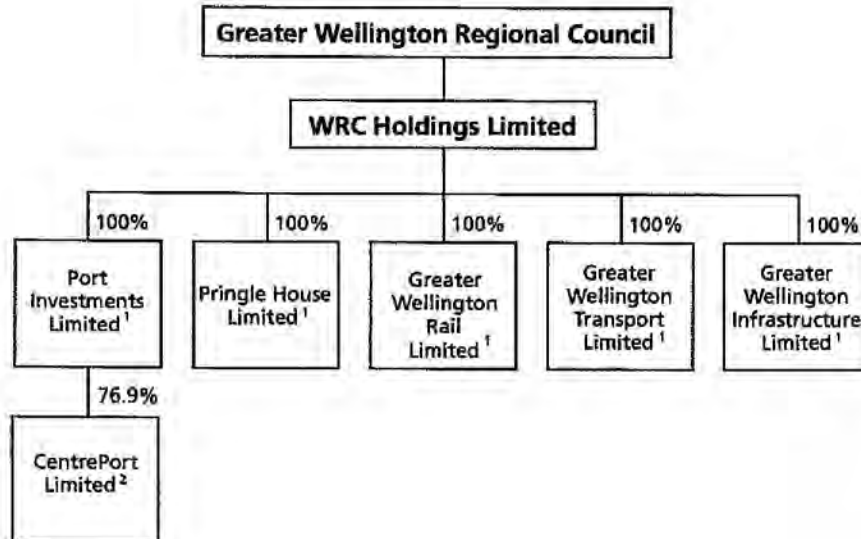
Greater Wellington currently holds 6,000 hectares of plantation and soil conservation reserve forests of which approximately 4,000 hectares are in the western or metropolitan part of the region, with the remaining 2,000 hectares in the Wairarapa. Greater Wellington's overall investment policy with regard 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 maintained without any demand on regional rates.

Investments

WRC Holdings Group



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The WRC Holdings Group structure is set up to:

- Impose commercial discipline on the Group's activities and produce an appropriate return by ensuring appropriate debt/equity funding, and by requiring a commercial rate of return
- Separate Greater Wellington's investment and commercial assets from its public good assets

The WRC Holdings Group is Greater Wellington's prime investment vehicle and the main mechanism by which it will own and manage any additional equity investments should they be acquired in the future. Periodically, Greater Wellington reviews the structure to determine if it is still an appropriate vehicle for holding its investments.

In addition, Greater Wellington has minor equity interests in Civic Assurance and Airtel Limited. These investments are owned directly by Greater Wellington rather than via the WRC Holdings Group.

¹ A Council Controlled Trading Organisation in accordance with the *Local Government Act 2002*

² A Commercial Port Company pursuant to the *Port Companies Act 1988* and not a Council Controlled Organisation in accordance with the *Local Government Act 2002*



WRC Holdings Group – Statement of Intent

Objectives of the Group

The primary objectives of the Group shall be to:

- a) Operate as a successful, sustainable and responsible business
- b) Own and operate Greater Wellington's headquarters at 142 Wakefield Street, Wellington, (known as the Regional Council Centre) on a cost-effective basis
- c) Own Greater Wellington's interest in CentrePort Limited and maximise its commercial value to shareholders to protect their investment, while maintaining CentrePort's strategic value to the economy of the region
- d) Own Greater Wellington's investments in rail rolling stock
- e) Effectively manage any other investments held by the Group to maximise the commercial value to shareholders and protect their investment

The financial objectives of the Group shall be to:

- a) Where possible, provide a commercial return to shareholders
- b) Adopt policies that prudently manage risk and protect the investment of shareholders

The environmental objectives of the Group shall be to:

- a) Operate in an environmentally responsible and sustainable manner
- b) Minimise the impact of any of the Group's activities on the environment
- c) Raise awareness of environmental issues within the Group
- d) Ensure CentrePort and Pringle House are more energy efficient and make greater use of renewable energy

The social objectives of the Group shall be to:

- a) Be a leading organisation and a superior employer
- b) Provide a safe and healthy workplace
- c) Participate in development, and cultural and community activities within the regions in which the Group operates
- d) Help sustain the economy of the region



Performance targets

Financial	2008/09	2009/10	2010/11
Net profit/(deficit) before tax	\$4.5m	\$6.6m	\$6.2m
Net profit/(deficit) after tax ¹	\$1.5m	\$3.1m	\$2.8m
Return on total assets ²	3.7%	4.5%	3.6%
Return on shareholders' funds ³	(0.1%)	1.7%	0.7%
Dividends ⁴	\$0.2m	\$0.4m	\$0.4m

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

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 Draft Statement of Intent (SOI) for the 2008/09 financial year.

Board of Directors

Anne Blackburn

Ian Buchanan

Peter Blades

Peter Glensor

John Burke

Fran Wilde (Chair)

The Board of Directors is the same for each of the companies in the group.



CentrePort Limited – 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

Environmental objectives

- a) Comply with AS/NZS 14000: Environmental Management Standards
- b) Comply with Centreport's Noise Management Plan
- 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 environmental issues register of environmental complaints for monitoring and actioning purposes. The register is to be reported to CentrePort Limited's Health, Safety and Environment Committee on a regular basis (meets at least three times per annum)
- e) CentrePort Limited will hold a minimum of three Health, Safety and Environment Committee meetings in 2008/09 comprising CentrePort Limited and affected stakeholders (customers, port users, councils and residential groups). The meetings provide a forum to identify and inform on a range of environmental port-related matters



CentrePort Limited – Statement of Corporate Intent (continued)

Social objectives

- 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 and 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 to be able to maintain triple bottom line reporting in accordance with best practice.

When developing property, 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 Limited in the Draft Statement of Corporate Intent (SCI) for the 2008/09 financial year.

Shareholders of CentrePort Limited

- Port Investments Limited – 76.9%
- Horizons Regional Council – 23.1%

Board of Directors

David Benham
Richard Janes
Jim Jefferies

Malcolm Johnson
Warren Larsen (Chair)
Mark Petersen



Investments

Prospective income statement

	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2008/09 Plan \$000s	2008/09 LTCCP \$000s
INCOME STATEMENT					
Operating revenue	14,853	19,789			
Operating expenditure	8,411	13,341			
Earnings before interest	6,442	6,448			
Interest	(2,375)	(2,652)			
Operating surplus/(deficit)	4,067	3,796			
Less:					
Contribution to general rates	2,302	8,044			
Earnings retained	1,765	(4,248)			
OPERATING SURPLUS OF INDIVIDUAL INVESTMENTS					
Liquid financial deposits	2,507	2,926			
WRC Holdings	3,750	1,399			
Treasury management	2,300	4,133			
Forestry	(443)	803			
Business units and property	119	(161)			
Operating surplus	8,233	9,100			
NET CONTRIBUTION TO GENERAL RATES FROM INDIVIDUAL INVESTMENTS					
Liquid financial deposits	2,507	2,926			
WRC Holdings	3,750	1,071			
Treasury management	2,300	4,133			
Forestry	225	225			
Business units and property	128	(311)			
Total contribution to general rates	9,910	8,044			

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the Revenue and Financing Policy in the *Amended Ten-Year Plan (LTCCP) 2006-16 Policies* document, page 22. Please note that all figures on this page exclude GST.

Funding impact statement



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Funding mechanisms	Groups of activities funded	Valuation system	Matters for differentiation/categories of land	Calculation factor
General rate				
General rate	All except water supply, transport, economic development and regional stadium	Capital value	Where the land is situated	Cents per dollar of rateable capital value
Targeted rates				
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
River management	Safety and flood protection	Capital value/ land value	Where the land is situated	Cents per dollar of rateable capital value/land value
Stadium purposes	Community	Capital value	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
Economic development agency	Community	Capital value for business n/a for residential n/a for rural	Where the land is situated and the use to which the land is put Where the land is situated and the use to which the land is put Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value Fixed dollar amount per rating unit Fixed dollar amount per rating unit
Bovine Tb	Land	Land area	The area of land within each rating unit and provision of a service provided	Dollars per hectare
Wairarapa River management schemes	Safety and flood protection	Land area area/inhabited parts/services provided	Where the land is situated (set under section 146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and/or the benefits accruing through the provision of services and, in some cases, use	Dollars per hectare in the area protected, or dollars per point attributed to each rating unit and in some cases a fixed charge per separately used or inhabited part (dwelling) ⁽¹⁾
Te Whiti stopbank	Safety and flood protection	Land area	Where the land is situated and the use to which the land is put	Dollars per hectare in the area protected
Wairarapa catchment schemes	Land	Land area/ land value/ inhabited part(s)	Where the land is situated (Set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and, in some cases, use and land value	Dollars per hectare in the area protected and in some cases a fixed charge per separately used or inhabited part (dwelling) and cents per dollar of rateable land value ⁽¹⁾
Wairarapa drainage schemes	Safety and flood protection	Land area	Where the land is situated (set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers)	Dollars per hectare in the area protected

Differential on the general rate

Greater Wellington uses an "estimate of projected valuation" under section 131 of the Local Government (Rating) Act 2002 to recognise that valuation dates vary across the region.

Note:

- (1) "Separately used or inhabited part" includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. For the avoidance of doubt, a rating unit that has only one use (ie it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.



Funding impact statement

	2008/09 Rate per \$100 rateable land value	2008/09 Revenue sought \$
General rate		
Wellington city	0.00789	12,596,527
Lower Hutt city	0.02216	4,807,260
Upper Hutt city	0.00483	1,698,159
Porirua city	0.02577	2,050,068
Kapiti Coast district	0.02827	2,709,073
Masterton district	0.01388	1,355,635
Carterton district	0.02099	534,642
South Wairarapa district	0.00074	899,413
Tararua district (1)	0.00074	2,746
Total general rate		26,653,523
Targeted rate: river management		
Wellington city	0.00039	160,188
Lower Hutt city	0.00107	1,892,232
Upper Hutt city	0.00026	546,117
Porirua city	0.00118	90,177
Kapiti Coast district	0.00128	1,370,412
Carterton district	0.00128	21,358
Total district-wide river management rate		4,080,484
Greytown ward	0.02299	90,667
Total river management rates based upon capital value		4,171,151
Featherston Urban: Donalds Creek stopbank	0.00768	30,759
Total river management rates based upon land value		30,759
Total river management rates		4,201,910

	2008/09 Rate per \$100 rateable land value	2008/09 Revenue sought \$
Targeted rate: regional transport		
Wellington city	0.01138	16,043,569
Downtown city centre business	0.02577	11,205,845
Urban	0.01002	42,647
Rural	0.00000	
Lower Hutt city	0.00000	
Urban	0.00000	8,813,700
Rural	0.00000	36,738
Upper Hutt city	0.00000	
Urban	0.00000	2,822,749
Rural	0.00000	82,417
Porirua city	0.00000	
Urban	0.00000	4,082,658
Rural	0.00000	89,281
Kapiti Coast district	0.00000	
Urban	0.00000	1,894,484
Rural	0.00000	102,977
Masterton district	0.00000	
Urban	0.00000	173,871
Rural	0.00000	73,805
Carterton district	0.00000	
Urban	0.00000	77,608
Rural	0.00000	56,892
South Wairarapa district	0.00000	
Urban	0.00000	155,367
Rural	0.00000	114,107
Total regional transport rate		45,868,715

Note:

(1) 11 Rural properties in the Tararua district are within the boundaries of the Wellington region

Funding impact statement



	2008/09 Revenue sought \$
Targeted rate: stadium purposes	
Wellington city	
Business	618,609
Residential	1,160,757
Rural	8,730
Lower Hutt city	
Business	153,222
Residential	427,457
Rural	6,924
Upper Hutt city	
Business	23,781
Residential	128,538
Rural	6,021
Porirua city	
Business	37,327
Residential	174,595
Rural	4,214
Kapiti Coast district	
Urban	132,753
Rural	12,944
Masterton district	
Urban	44,251
Rural	15,954
Carterton district	
Urban	11,740
Rural	9,332
South Wairarapa district	
Urban	21,674
Rural	11,439
Total stadium purposes rate	3,010,262

Note:

(1) 11 rural properties in the Tararua district are within the boundaries of the Wellington region.

	2008/09 Revenue sought \$
Targeted rate: economic development	
Wellington city	
Downtown city centre business	775,322
Business	330,712
Residential – per rating unit	924,989
Rural – per rating unit	17,522
Lower Hutt city	
Business	386,332
Residential – per rating unit	495,042
Rural – per rating unit	13,219
Upper Hutt city	
Business	98,413
Residential – per rating unit	192,291
Rural – per rating unit	27,900
Porirua city	
Business	106,868
Residential – per rating unit	221,766
Rural – per rating unit	16,172
Kapiti Coast district	
Business	106,610
Residential – per rating unit	278,311
Rural – per rating unit	63,703
Masterton district	
Business	35,735
Residential – per rating unit	106,102
Rural – per rating unit	102,234
Carterton district	
Business	4,178
Residential – per rating unit	28,786
Rural – per rating unit	45,422
South Wairarapa district	
Business	14,399
Residential – per rating unit	38,250
Rural – per rating unit	69,441
Tararua district (1) – per rating unit	281
Total economic development rate	4,500,000

Funding impact statement

		2008/09 Rate \$ per hectare	2008/09 Revenue sought \$			2008/09 Rate \$ per hectare	2008/09 Revenue sought \$
Targeted rate: river management schemes 1				Targeted rate: river management schemes 1			
Waingawa	A	151,300.00	4,401	Mangatarere	A	12,700.00	725
	B	15,770.00	10,954		B	52,200.00	6,770
	C	60,250.00	7,946		C	27,000.00	430
	D	27,500.00	119		D	24,200.00	1,740
	E	22,700.00	8,808		G	1,000.00	39
	F	45,000.00	1,240				2,704
	G	19,700.00	926	Upper Mangatarere	A	6,500.00	665
	H	11,100.00	2,094		B	7,000.00	125
			36,488		C	10,500.00	229
Upper Ruamahanga	A	100,200.00	11,544				1,019
	B	104,500.00	692	Waipoua	A	100,000.00	9,317
	C	21,000.00	10,402		B	16,700.00	25,286
	D	10,200.00	1,106		C	10,200.00	1,415
	E	41,000.00	12,461		D	42,800.00	12,450
	F	21,000.00	836		SA	20,000.00	358
	S	1,000.00	1,768		SC	2,000.00	214
			38,809				49,040
Middle Ruamahanga	A	12,000.00	5,051	Kopuaranga	A2	15,700.00	1,205
	B	10,000.00	5,148		A3	13,000.00	2,841
	C	2,000.00	385		A4	2,000.00	258
	D	50,000.00	6,992		A5	15,000.00	925
	E	10,000.00	1,774		A6	2,000.00	743
	F	10,000.00	5,975		B2	1,000.00	561
	S	1,000.00	1,936		B3	1,000.00	606
			26,851		B4	1,500.00	42
Lower Ruamahanga	A	20,000.00	7,064		B5	2,000.00	100
	B	20,000.00	2,589		B6	1,000.00	220
	C	10,000.00	8,630		SA	10,000.00	563
	D	10,000.00	10,457		SB	10,000.00	619
	E	10,000.00	7,778				8,683
	F	10,000.00	19,374	Lower Taueru	A	3,000.00	1,284
	SA	10,000.00	3,462		B	1,000.00	178
	SB	10,000.00	1,108		C	1,000.00	59
			60,462		S	1,000.00	192
Waiohine - rural	A	100,000.00	5,219				1,713
	B	20,000.00	14,732	Lower Whangaehu	A	17,000.00	605
	C	11,000.00	39,627		B	10,000.00	925
	D	20,000.00	8,453		C	10,000.00	576
	E	10,000.00	12,621		D	7,000.00	524
	S	7,000.00	10,015		E	4,500.00	625
			90,667		S	10,000.00	120
							3,375
				Total river management scheme rates 1			326,821

Please note that on pages 70-74 all figures include GST.

Funding impact statement



	2008/09 Rate \$ per dwelling (1)	2008/09 Revenue sought \$
Targeted rate: river management schemes 2		
Lower Waikararapa Valley Development Scheme	A Sa 16.86 Sb 33.75	623,696 6,514 67,163
Total river management scheme rates 2		697,373

		2008/09 Revenue sought \$
Targeted rate: catchment schemes 1		
Whareama	A B C D E F	2,944 1,262 13,338 5 4 487
		18,040
Homewood	A B C D	3,456 619 4,065 302
		8,442
Maungaraki	A B C	5,067 2,237 311
		7,615
Upper Kaiwhata	A B C D E F	413 339 564 658 462 55
		2,491

Targeted rate: catchment schemes 1

		2008/09 Revenue sought \$
Lower Kaiwhata	A B C D E F	1,081 334 1,175 1,622 14 52
		4,283
Catchment management scheme 1 rates		40,871

Targeted rate: catchment schemes 2

		2008/09 Revenue sought \$
Awhea-Opouawe	Land value	9,915
Mataikona-Whakataki	Land value within scheme area	2,762
Catchment management scheme 2 rates		12,677

Targeted rate: catchment schemes 3

		2008/09 Revenue sought \$
Awhea-Opouawe		9,597
Mataikona-Whakataki		2,194
Catchment management scheme 3 rates		11,791
Total catchment management scheme rates		65,339

Note:

(1) "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. For the avoidance of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part

Please note that on pages 70-74 all figures include GST.



Funding impact statement

		2008/09 Revenue sought \$			2008/09 Revenue sought \$
Targeted rate: pump drainage schemes			Targeted rate: gravity drainage schemes		
Papatahi	A	9,360	Taumaata	A	1,965
Te Hopai	A	51,750	East Pukio	A	3,375
Moonnoot pump	A	10,004	Longbush	A	3,659
Onoke pump	A	58,895		B	1,084
Pouawha pump	A	50,580	Te Whiti	A	583
			Ahikouka	A	3,266
			Battersea	A	2,757
				B	2,522
				C	3,301
				D	977
				E	1,115
				F	397
			Manaia	A	7,875
			Whakawiriwiri	A	9,308
Total pump drainage scheme rates		180,589	Total gravity drainage scheme rates		42,184
Targeted rate: Te Whiti stopbank					
Te Whiti	A	2,315			
	B	12,881			
	C	1,914			
	SA	141			
	SB	424			
Total Te Whiti stopbank rates		17,675			
Targeted rate: bovine Tb					
Land area > 10ha and defined operational area		160,429			
Total bovine Tb rate		160,429			

Funding impact statement

Differential rating categories



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Each rating unit is allocated to a differential rating category based upon location and/or land use for the purpose of calculating the general rate or any specific targeted rate based upon capital or land value.

As Greater Wellington Regional Council rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities. Set out below are the definitions used to allocate rating units into rating categories.

Category 1. Rates based on capital or land value

Location	Use	Description
Wellington City	Wellington City Downtown City Centre Business	All rating units not classified as Base within the central area boundary, currently shown on Map 32 of the District Plan of Wellington city, as may be amended from time to time by Wellington city
	Wellington City Business	All rating units not classified as Base in the rating information database for Wellington city outside the downtown city centre.
	Wellington City Residential	All rating units classified as Base (excluding rural and farm) in the rating information database for Wellington city
	Wellington City Urban	All Wellington city business and Wellington city residential rating units.
	Wellington City Rural	All rating units sub classified as Rural or Farm within the Base category in the rating information database for Wellington city
Hutt City	Hutt City Business	All rating units not classified as Residential, Rural or Community Facilities in the rating information database for Hutt city
	Hutt City Residential	All rating units classified as Residential or Community Facilities in the rating information database for Hutt city
	Hutt City 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

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 for 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



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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 Nos 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 Nos 18440 and 18450)
Tararua District		All rating units classified as being within the boundaries of the Wellington region

Category 2. Rates based on land area

Some rating units (either in whole or part) are allocated to additional differential rating categories (based on the area of land within each rating unit and the provision of a service or location) for the purpose of calculating the bovine Tb and Wairarapa schemes targeted rates based on land area. Some schemes have an additional fixed charge per separate use or inhabited part.

Rating units subject to these rates are shown within an approved classification register for each scheme or a defined operational area for Bovine Tb. For more information on whether your rating unit is allocated to one or more of these categories, please contact Greater Wellington's Masterton office on 06 378 2484.



Funding impact statement

Differential rating categories

Category 3. Lower Wairarapa Valley Development Scheme Rate

The Lower Wairarapa Valley Development scheme rate is a targeted rate allocated according to extent of services received (as measured in a points system) and in some cases an additional fixed charge per separately used or inhabited part.

Rating units subject to this rate are shown within an approved classification register for each scheme. For more information on whether your rating unit is located in this area, and for the points allocated to your property, please contact the Masterton office of the Greater Wellington Regional Council.

Category 4. Economic development agency rates (EDA)

The economic development agency rate (EDA) is a targeted rate allocated on a fixed-amount basis for residential and rural ratepayers, and capital value for businesses. For residential properties, the fixed amount is \$14.06 and rural properties \$28.13. This rate will fund GrowWellington – the regions economic development agency.

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

Differential rating categories



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 purpose or utility network activity and all community activities in the Kapiti Coast rating information database
	Kapiti Coast District Rural	All rating units located in Rural Rating Areas, except those properties which meet the classification of commercial, business, industrial purpose, utility network or community activity in the Kapiti Coast rating information database
Masterton District	Masterton District 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 or Utilities 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



Total council financial statements

Prospective funding impact statement

OPERATING REVENUE

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
General rates	21,803	23,952	24,319
Targeted rates ⁽¹⁾	48,186	52,508	53,480
Regional rates	69,989	76,460	77,799
Water supply levy	23,460	23,460	25,635
Government subsidies	81,670	106,389	119,177
Interest and dividends	4,136	4,210	4,978
Unrealised revaluation gains	3,809	3,809	5,087
Other operating revenue	17,621	17,621	18,227
Total external operating revenue	200,685	249,396	250,903

Notes:

- (1) 2008/09 LTCCP numbers have been updated to reflect the *Amended Ten-Year Plan (LTCCP) 2006-16*, which includes funding for the regional economic development agency, GrowWellington, in relation to the Wellington Regional Strategy
- (2) The operating deficit in the 2008/09 plan is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. These grants are now treated as operating expenditure, but in the *Amended Ten-Year Plan (LTCCP) 2006-16* they were treated as capital expenditure
- (3) Non-cash items include depreciation, investment impairment, forestry cost of goods sold and unrealised revaluation gains.

OPERATING EXPENDITURE

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
Personnel costs	30,593	31,601	30,557
Grants and subsidies ^{(1) (2)}	65,019	69,806	69,554
Finance costs	4,975	5,979	7,757
Investment impairment	-	-	5,495
Depreciation	10,466	10,722	11,429
Other operating expenses	46,389	44,012	53,954
Total external operating expenditure	157,442	162,120	178,746
Operating surplus/(deficit) before transport improvement grants ⁽²⁾	43,243	77,276	72,157
Transport improvement grants ⁽²⁾	58,108	58,108	-
Operating surplus/(deficit) ⁽²⁾	(14,865)	(36,844)	72,157
Less:			
Capital expenditure and transport investments	25,495	26,318	99,945
Proceeds from asset sales	(346)	(346)	(362)
Loan funding of capital expenditure	(15,340)	(15,340)	(23,150)
Rate, levy and subsidy-funded capital expenditure	9,809	4,786	76,433
Loan-funded improvement grants ⁽²⁾	(23,225)	(17,621)	-
Other loan funding	(4,612)	(4,983)	(3,797)
Debt repayment	9,234	10,299	11,046
Other investment movements	2,062	4,862	1,903
Operational reserve movements	(263)	(791)	1,000
Non-cash items ⁽³⁾	(7,870)	(7,270)	(14,428)
Net funding required	-	-	-

Total council financial statements

Prospective income statement



	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
OPERATING REVENUE			
Environment	10,383	11,039	11,218
Transport	118,540	157,526	160,973
Water supply	24,955	24,400	27,171
Parks	6,548	6,459	6,808
Safety and flood protection	15,952	15,169	16,015
Land	10,979	7,276	11,047
Community ⁽¹⁾	13,059	13,167	13,080
Investments	7,923	8,345	11,745
Other	2,217	2,625	2,423
Total operating revenue	210,556	259,967	260,480
Less:			
Internal operating revenue	9,871	9,871	9,577
Total external operating revenue	200,685	250,096	250,903

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
OPERATING EXPENDITURE			
Environment	10,552	11,292	11,059
Transport ⁽²⁾	78,901	84,323	95,078
Water supply	26,887	25,054	26,736
Parks	6,869	7,210	6,941
Safety and flood protection	12,931	12,830	13,311
Land	10,953	7,339	11,110
Community ⁽¹⁾	11,389	11,005	11,014
Investments	6,796	5,076	10,689
Other	2,035	2,429	2,385
Total operating expenditure	167,313	167,548	188,323
Less:			
Internal operating expenditure	9,871	9,871	9,577
Total external operating expenditure	157,442	157,677	178,746
Operating surplus/(deficit) before transport improvement grants ⁽²⁾	43,243	93,419	72,157
Transport improvement grants ⁽²⁾	58,108	52,333	-
Operating surplus/(deficit) ⁽²⁾	(14,865)	(16,258)	72,157

Notes:

- (1) 2008/09 LTCCP numbers have been updated to reflect the *Amended Ten-Year Plan (LTCCP) 2006-16*, which includes funding for the regional economic development agency (GrowWellington) in relation to the Wellington Regional Strategy
- (2) The operating deficit in the 2008/09 plan is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. These grants are now treated as operating expenditure, but in the *Amended Ten-Year Plan (LTCCP) 2006-16* they were treated as capital expenditure

A further breakdown of operating revenue and expenditure is contained in the Prospective Funding Impact Statements at the end of each outcome area section (eg, Environment is on page 20). Please note that all figures on pages 80-88 exclude GST.



Total council financial statements

Prospective balance sheet

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s		2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
ASSETS				RATEPAYERS' FUNDS			
Cash and cash equivalents ⁽¹⁾	48,224	52,760	63,380	Retained earnings	345,854	357,551	550,025
Other current assets	14,153	16,732	16,880	Reserves	205,745	201,491	257,351
Current assets	62,377	69,492	80,260	Total ratepayers' funds	551,599	659,022	807,376
Investments (non-current) ⁽²⁾	23,089	23,265	223,791	LIABILITIES			
Forestry investments	18,194	18,341	23,265	Debt (current)	2,767	61,394	2,143
Property, plant and equipment	561,209	641,973	621,730	Other current liabilities	19,154	37,834	19,230
Other non-current assets	-	-	-	Debt (non-current)	91,349	39,988	120,297
Non-current assets	602,492	695,566	868,786	Total liabilities	113,270	122,056	141,670
Total assets	664,869	765,058	949,046	Total equity and liabilities	664,869	786,988	949,046

Notes:

- (1) A change in international financial reporting standards has meant some current assets have been reclassified into cash and cash equivalents, and some figures have been adjusted to aid comparability
- (2) The large variance in investments in 2007/08 and 2008/09 is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. Previously it was funded only by share capital

Total council financial statements

Prospective statement of changes in equity



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	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
Opening ratepayers' fund	566,464	685,506	685,506
Operating surplus/(deficit)	(14,865)	72,157	72,157
Movements in revaluation reserve ⁽¹⁾	-	49,713	49,713
Revenue and expense recognised in equity	(14,865)	121,870	121,870
Closing ratepayers' fund	551,599	807,376	807,376

Notes:

- ⁽¹⁾ Movements in revaluation reserves are the projected revaluation of property, plant and equipment for water supply, flood protection and parks



Total council financial statements

Prospective statement of cash flows

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash is provided from:			
Regional rates ⁽¹⁾	69,989	76,200	77,799
Water supply levy	23,460	25,460	25,635
Government subsidies	81,670	108,258	119,177
Interest and dividends	3,023	2,161	4,025
Fees, charges and other revenue	17,621	16,415	18,227
	<u>195,763</u>	<u>228,494</u>	<u>244,863</u>
Cash is disbursed to:			
Interest	4,703	5,947	7,547
Payment to suppliers and employees	198,893	238,205	151,474
	<u>203,596</u>	<u>244,152</u>	<u>159,021</u>
Net cash flows from operating activities	(7,833)	(17,157)	85,842
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash is provided from:			
Sale of property, plant and equipment	346	362	362
	<u>346</u>	<u>362</u>	<u>362</u>
Cash is applied to:			
Purchase of property, plant and equipment	24,518	21,234	20,824
Investment additions ⁽²⁾	1,928	850	80,071
	<u>26,446</u>	<u>22,084</u>	<u>100,895</u>
Net cash flows from investing activities	(26,100)	(21,722)	(100,533)

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash is provided from:			
Loan funding	42,904	37,537	26,736
Cash is applied to:			
Debt repayment	8,971	9,503	12,045
Net cash flows from financing activities	33,933	28,034	14,690
Net increase/(decrease) in cash and cash equivalents	-	-	-
Opening cash and cash equivalents ⁽³⁾	48,224	52,790	63,380
Closing cash and cash equivalents	48,224	52,790	63,380

Notes:

- (1) 2008/09 LTCCP numbers have been updated to reflect the *Amended Ten-Year Plan (LTCCP) 2006-16*, which includes funding for the regional economic development agency (GrowWellington) in relation to the Wellington Regional Strategy
- (2) The large variance in investments in 2007/08 and 2008/09 is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. Previously it was funded only by share capital
- (3) A change in international financial reporting standards has meant some current assets have been reclassified into cash and cash equivalents, and some figures have been adjusted to aid comparability

Total council financial statements

Prospective regional rates and capital expenditure



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	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
REGIONAL RATES			
Environment	8,904	9,399	9,830
Transport	36,761	42,720	41,183
Parks	5,472	5,595	6,032
Safety and flood protection	12,940	13,678	13,716
Land	4,550	4,003	4,260
Community ⁽¹⁾	9,399	10,517	10,067
Investments	(8,742)	(9,416)	(8,044)
Other	705	700	755
Total regional rates	69,989	76,290	77,799

CAPITAL EXPENDITURE AND TRANSPORT INVESTMENT

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
Environment	401	500	627
Transport ⁽²⁾	7,086	2,132	85,042
Water supply	5,016	5,207	7,694
Parks	425	515	272
Safety and flood protection	8,499	7,669	5,115
Land	187	168	73
Community	65	5	5
Investments	1,919	2,889	590
Other	1,897	2,577	527
Total capital expenditure	25,495	20,334	99,945

Notes:

- (1) 2008/09 LTCCP numbers have been updated to reflect the *Amended Ten-Year Plan (LTCCP) 2006-16*, which includes funding for the regional economic development agency (GrowWellington) in relation to the Wellington Regional Strategy
- (2) The large variance in investments in 2007/08 and 2008/09 is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets. Previously it was funded only by share capital



Total council financial statements

Prospective investments

	2007/08 Budget \$000s	2008/09 LTCCP \$000s	2008/09 LTCCP \$000s
EQUITY INVESTMENTS			
New Zealand Local Government Insurance Corporation Ltd shares	80	80	80
WRC Holdings Ltd shares ⁽¹⁾	12,477	212,316	212,337
Total equity investments	12,557	212,396	212,417
OTHER INVESTMENTS			
Stadium advance	10,532	11,374	11,374
Total other investments ⁽²⁾	10,532	11,374	11,374
Total investments	23,089	223,770	223,791
Investments (current) ⁽²⁾	-	-	-
Investments (non-current)	23,089	223,770	223,791
Total investments	23,089	223,770	223,791

Notes:

- ⁽¹⁾ The large variance in investments in 2007/08 and 2008/09 is due to the change in accounting treatment of the transport improvements. Greater Wellington will provide a combination of capital grant and share capital to the Council Controlled Trading Organisation (Greater Wellington Rail Ltd) to purchase the rail rolling stock assets, previously it was funded only by share capital
- ⁽²⁾ A change in international financial reporting standards has meant some current investments have been reclassified into cash and cash equivalents, and some figures have been adjusted to aid comparability

Total council financial statements

Prospective reserves



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	2007/08 Budget \$000s	2008/09 LTCCP \$000s	2008/09 LTCCP \$000s
Area of benefit reserves			
River rate reserves	1,220	1,104	1,158
Wairarapa scheme reserves	2,627	2,589	3,110
Transport reserves	(104)	632	1,640
Bovine Tb rate reserve	760	479	630
BioWorks reserve	171		173
Akura nursery reserve	(18)	40	42
Contingency reserves			
Rural fire contingency reserve	52	53	51
Flood contingency reserve	1,336	1,460	1,566
Environment legal contingency reserve	329	402	347
Special reserves			
Election reserve	9	110	117
Corporate systems reserve	1,035	739	759
Total operational reserves	7,417	6,325	9,593
Revaluation of property, plant and equipment	198,328	252,758	247,758
Total revaluation reserves	198,328	252,758	247,758
Total reserves	205,745	261,403	257,351



Total council financial statements

Prospective debt

	2007/08 Budget \$000s	2008/09 Plan \$000s	2008/09 LTCCP \$000s
Environment	404	568	568
Transport	35,343	26,770	46,413
Water supply	45,602	46,140	52,044
Parks	3,329	3,224	3,059
Flood protection	32,016	34,834	35,213
Harbour management	864	855	461
Stadium	17,498	16,755	16,336
WRCH Group	1,906	1,568	1,573
Forestry	25,675	27,154	27,255
Property	2,302	1,338	3,680
Corporate systems	1,870	3,721	1,473
Total activities debt	166,809	162,474	188,075
Treasury internal funding	72,693	67,242	65,635
Total external debt	94,116	95,232	122,440
External debt (current) ⁽¹⁾	2,767	61,244	2,143
External debt (non-current)	91,349	33,988	120,297
Total external debt	94,116	95,232	122,440

Note:

(1) A change in international financial reporting standards has meant some external debt has been reclassified current debt from non-current debt



Any accounting policies adopted in the prospective financial statements in this annual plan document which have a significant effect on the results and financial position disclosed are set out below:

Greater Wellington Regional Council is a regional local authority governed by the Local Government Act 2002. For the purposes of financial reporting, Greater Wellington is designated as a public benefit entity.

(a) Revenue recognition

Rates and levies are a statutory annual charge and are recognised in the year the assessments are issued. Government grants and contributions from territorial local authorities are recognised in the Income Statement when eligibility has been established by the grantor. Other revenue is recognised in the Income Statement on an accrual basis.

(b) Borrowing costs

Borrowing costs directly attributable to capital construction are capitalised as part of the costs of those assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Property, plant and equipment

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

- Operational land and buildings
- Operational plant and equipment
- Operational vehicles
- Flood protection infrastructural assets
- Transport infrastructural assets
- Rail rolling stock
- Navigational aids infrastructural assets
- Parks 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

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.



(d) Impairment

All assets are reviewed annually to determine if there is any indication of impairment.

An impairment loss is recognised when its carrying amount exceeds its recoverable amount. Losses resulting from impairment are accounted for in the Income Statement, unless the asset is carried at a revalued amount, in which case any impairment loss is treated as a revaluation decrease.

(e) Depreciation

Depreciation is provided on a straight line basis on all tangible property, plant and equipment other than land and capital works in progress, at rates which will write off assets, less their estimated residual value, over their remaining useful lives. The useful lives of major classes of assets have been estimated as follows:

• Operational land and buildings	10 years to indefinite
• Operational plant and equipment	2 – 20 years
• Operational vehicles	3 – 10 years
• Flood protection infrastructural assets	15 years to indefinite
• Transport infrastructural assets	5 – 50 years
• Rail rolling stock	15 – 35 years
• Navigational aids infrastructural assets	5 – 50 years
• Parks and forests infrastructural assets	10 – 100 years
• Regional water supply infrastructural assets	3 – 150 years

Stopbanks included in the flood protection infrastructure asset class are maintained in perpetuity. Annual inspections are undertaken to ensure design standards are being maintained and to check for impairment. As such, stopbanks are considered to have an indefinite life and are not depreciated.

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

(f) Intangible assets

Software is carried at cost less any accumulated amortisation and any accumulated impairment losses. It is amortised over the useful life of the asset as follows:

- Software 1 – 3 years

(g) Investments

1) Investment in subsidiaries

Investments in subsidiaries are held at the lower of cost and fair value.

2) Forestry investment

Forestry investments are stated at fair value, less point-of-sale costs. They are independently revalued to an estimate of market valuation based on net present value. The net gain or loss arising from changes in forestry valuation is included in the Income Statement.

(h) Inventories

Inventories are valued at the lower of cost or net realisable value on a first-in first-out basis. The value of harvested timber is its fair value, less estimated point-of-sale costs at the date of harvest. Any change in value at the date of harvest is recognised in the Income Statement.



(i) Financial instruments

Greater Wellington classifies its financial assets and liabilities according to the purpose for which they were acquired. Financial assets and liabilities are only offset when there is a legally enforceable right to offset them and there is an intention to settle on a net basis.

1) Financial assets

Greater Wellington's financial assets are categorised as follows:

- *Financial assets at fair value accounted through the Income Statement*

Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Gains or losses on re-measurement are recognised in the Income Statement.

- *Financial assets at fair value accounted through equity*

Financial assets are classified in this category if they were not acquired principally for selling in the short term. After initial recognition these assets are measured at their fair value. Any gains and losses are recognised directly to equity, except for impairment losses which are recognised in the Income Statement.

Available-for-sale financial assets are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are initially recorded at fair value plus transaction costs when it can be reliably estimated. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised directly through equity. If there is no active market and no intention to sell the asset, the item is measured at cost.

Fair value is equal to Greater Wellington's share of the net assets of the entity. Upon sale, the cumulative fair value gain or loss previously recognised directly in equity is recognised in the Income Statement.

- *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised costs using the effective interest method.

Gains and losses when the asset is impaired or sold are accounted for in the Income Statement.

- *Held-to-maturity investments*

These are assets with fixed or determinable payments with fixed maturities that Greater Wellington has the intention and ability to hold to maturity. After initial recognition they are recorded at amortised cost using the effective interest method. Gains and losses when the asset is impaired or settled are recognised in the Income Statement.

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

2) Financial liabilities

Financial liabilities comprise trade, other payables and borrowings.

Financial liabilities with duration of more than 12 months are recognised initially at fair value, less transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Income Statement as is any gain or loss when the liability is settled. Financial liabilities entered into with duration of less than 12 months are recognised at their nominal value.



Accounting policies

(j) Derivative financial instruments

Greater Wellington uses derivative financial instruments to manage its exposure to interest rate and foreign exchange risks arising from its operational, financing and investment activities. In accordance with its treasury policies, Greater Wellington does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognised at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. For those instruments which do not qualify for hedge accounting, the gain or loss on re-measurement to fair value is recognised immediately in the Income Statement.

The fair value of an interest rate swap is the estimated amount that Greater Wellington would receive or pay to terminate the swap at balance date, based on current interest rates. The fair value of forward-exchange contracts is their quoted market price at the balance date.

(k) 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.

(l) Changes in Accounting Policies

There have been no changes from the accounting policies adopted in the last audited financial statements.

Your Regional Councillors

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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



greater WELLINGTON
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