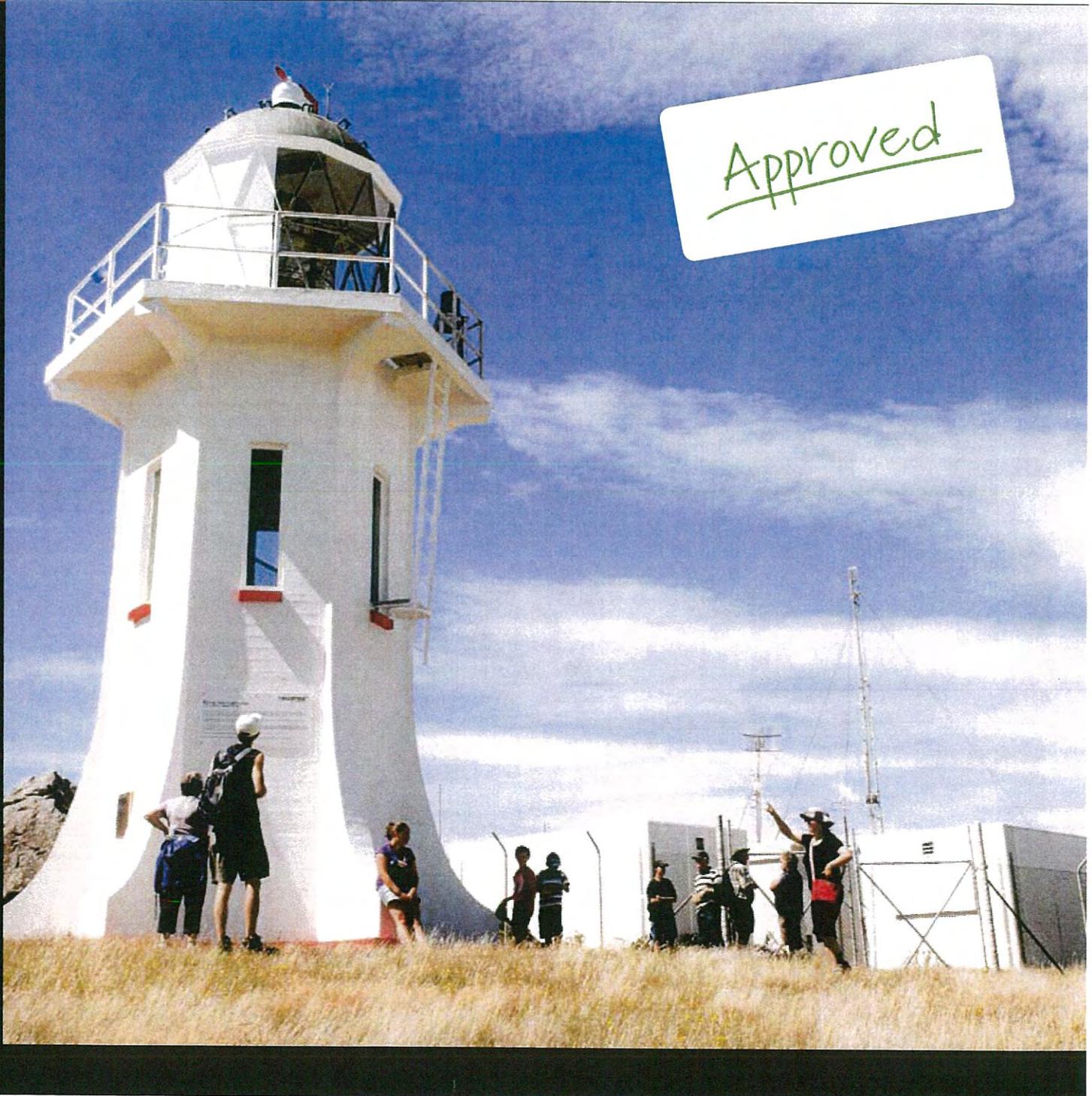




GREATER WELLINGTON REGIONAL COUNCIL

Annual Plan 2011/12 – Approved

Approved



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Introduction

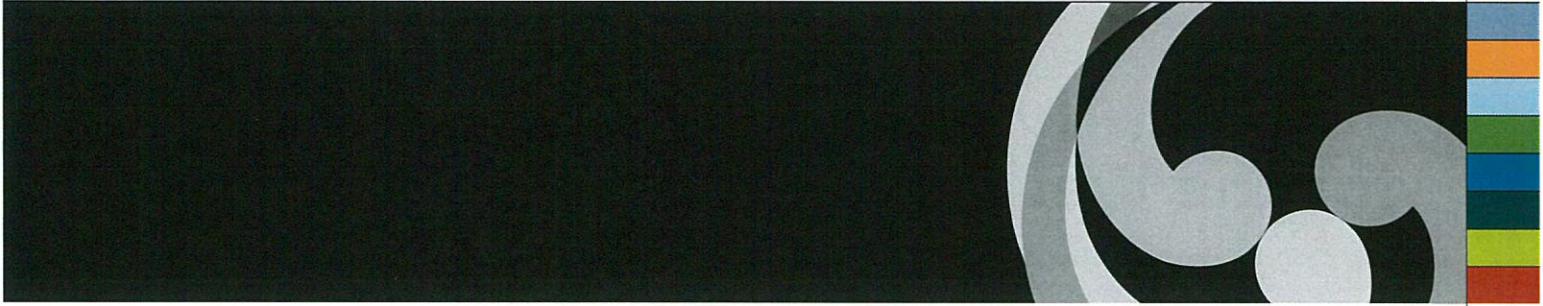
Welcome to the Greater Wellington Regional Council's *Annual Plan 2011/12*.

You will find information about Greater Wellington's key projects for the 2011/12 financial year, which will contribute to the Wellington region's community outcomes.

THE ANNUAL PLAN IS A REQUIREMENT OF THE LOCAL GOVERNMENT ACT 2002.

Message from the Chair





FRAN WILDE
CHAIR

Community outcomes for the Wellington region

HEALTHY ENVIRONMENT

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

QUALITY LIFESTYLE

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

SENSE OF PLACE

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

Financial summary

The overall rates and levies increase 4.94% in 2011/12

This annual plan's rates and levies are to increase by 4.94% compared to our projected increase of 10.1% in the *10-Year Plan 2009-19*, which is \$14.2 million less in rates and levies.

The primary reasons for the decrease in rates and levies requirements compared to the *10-Year Plan 2009-19* are:

- Lower interest rates have reduced finance costs and improved returns from Greater Wellington's subsidiaries
- A dedicated effort to maintain core operating costs at 2009/10 base levels in light of the economic downturn
- Project payments for the rail upgrade (particularly for the new Matangi trains) have been later than anticipated, resulting in lower debt than forecast in the *10-Year Plan 2009-19*, which reduces current costs

Please see p10-15 for a full breakdown of Greater Wellington's rates for 2011-12

Overall, the 10-Year Plan 2009-19 operating surplus of \$3.6 million has reduced to a \$12.2 million deficit

The changes for the way forward for passenger rail highlighted in the Chair's message results in Greater Wellington fully loan funding future rail project costs, with government grants being received as the debt servicing costs are incurred instead of when the expenditure occurs. As a result, capital grant revenue is now proposed to be lower in 2011/12 when compared to the *10-Year Plan 2009-19*, which results in a larger accounting deficit.

The changes in timing of the transport improvements create the large increase in the transport improvement grants and grants expenditure for 2011/12 when compared to the *10-Year Plan 2009-19*.

For full details of the key changes to the *10-Year Plan 2009-19*, please see the key changes section in each group of activities in this annual plan.

Summary income statement	2011/12 Plan \$000s	2011/12 LTCCP \$000s	2011/12 Change \$000s
Rates and levies	109,548	123,784	(14,236)
Grants revenue	177,339	109,094	68,245
Other revenue	20,993	18,350	2,643
Total revenue	307,880	251,228	56,652
Operating expenditure	(103,564)	(101,101)	(2,463)
Grant expenditure	(46,168)	(94,289)	48,121
Transport improvement grants ¹	(170,351)	(52,189)	(118,162)
Total expenditure	(320,083)	(247,579)	(72,504)
Operating surplus/(deficit)	(12,203)	3,649	(15,852)

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

Note that all figures on this page exclude GST

Financial summary (continued)

The key changes between the *10-Year Plan 2009-19* and 2011/12 annual plan are:

- An increased investment in Greater Wellington Rail Limited reflecting the changes in the Wellington Rail Package 2011
- A \$18.5 million increase in debt primarily driven by the changes in the Wellington Rail Package 2011
- The proposed debt levels still remain comfortably within Greater Wellington's treasury management policy limits

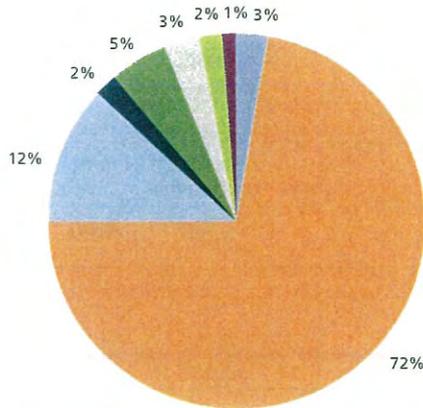
The Matangi and the Ganz Mavag trains (which will be refurbished) will be owned by Greater Wellington Rail Limited. In Greater Wellington's balance sheet they are represented by the increase in the investment in subsidiaries, not within fixed assets. The Wellington Rail Package 2011 results in a larger share of expenditure being directly funded by Greater Wellington than projected in the *10-Year Plan 2009-19*.

Summary balance sheet	2011/12 Plan \$000s	2011/12 LTCCP \$000s	2011/12 Change \$000s
Current assets	86,295	83,159	3,136
Non-current assets	806,453	799,469	6,984
Total assets	892,748	882,628	10,120
Current liabilities	62,725	66,616	(3,891)
Non-current liabilities	159,931	141,442	18,489
Total liabilities	222,656	208,058	14,598
Net assets	670,092	674,570	(4,478)
Closing ratepayers' funds	670,092	674,570	(4,478)

Note that all figures on this page exclude GST

2011/12 revenue and expenditure

Greater Wellington's gross expenditure 2011/12

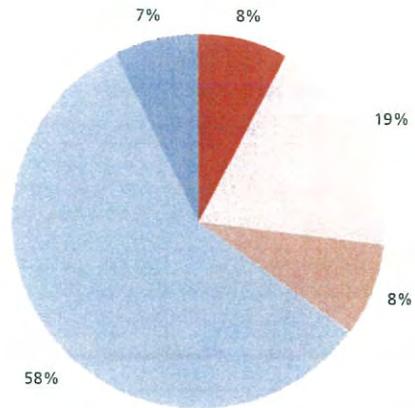


Resource management	\$12.2m (3%)
Transport	\$277.2m (72%)
Water supply	\$46.0m (12%)
Parks	\$7.4m (2%)
Safety and flood protection	\$19.9m (5%)
Land management	\$10.7m (3%)
Regional sustainable development	\$8.2m (2%)
Community	\$5.3m (1%)

All figures exclude GST

Greater Wellington is planning \$34 million on capital expenditure, \$170 million on transport improvements and \$183 million in operating expenditure. This 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 72% of the total work programme for 2011/12.

Greater Wellington's revenue 2011/12



General rates	\$25.7m (8%)
Targeted rates	\$59.7m (19%)
Water supply levy	\$24.2m (8%)
Government subsidies	\$177.3m (58%)
Other revenue	\$21.0m (7%)

All figures exclude GST

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 27% of Greater Wellington's total revenue for 2011/12. Government subsidies (primarily for funding public transport services and the extensive public transport rail network upgrade) make up a further 58% and the water supply levy (charged to the Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 8%. The remaining 7% of revenue is from other external sources.

SUMMARY OF RATES AND LEVIES

This table shows the rates and levies for Greater Wellington in 2011/12, together with the changes from 2010/11. Rates comprise the general rate and various targeted rates. Greater Wellington also charges a water supply levy directly to the four city councils in the region. The city councils then rate accordingly for this levy.

The largest single component of Greater Wellington's rates is the transport rate. The increase in the transport rate for 2011/12 includes the financial impacts of the on-going extensive rail rolling stock and network upgrade

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

The total rate increase in regional rates for 2011/12 is 4.94%. The water supply levy, which is charged to the four metropolitan city councils is proposed to increase by 3% over 2010/11. When the water supply levy is included, Greater Wellington's overall increase is 4.50%.

By rate and levy type:	2010/11	2011/12	Change \$000s	Change %
	Budget \$000s	Plan \$000s		
Total general rates ¹	26,803	25,658	(1,145)	(4.27%)
Targeted rates:				
River management rates ²	3,976	4,152	176	4.43%
Transport rates ³	41,392	46,352	4,960	11.98%
Stadium rates	2,676	2,676	-	-
EDA rates	4,500	4,500	-	-
Bovine Tb rates	143	143	-	-
South Wairarapa district – river rates	83	83	-	-
Wairarapa scheme and stopbank rates	1,288	1,290	2	0.16%
Total targeted rates	54,058	59,196	5,138	9.50%
Total regional rates	80,861	84,854	3,993	4.94%
Water levy	23,460	24,164	704	3.00%
Total regional rates and levies ⁴	104,321	109,018	4,697	4.50%
Warm Wellington rates ⁵	31	532		
Total rates and levies	104,352	109,550		

Note that all figures on this page exclude GST

Note:

Figures labelled "2010/11 Budget" are sourced from Greater Wellington's 2010/11 Annual Plan, and those labelled "2011/12 Plan" are those for this 2011/12 annual plan.

¹ Overall the general rate has decreased over 2010/11 due to increased returns from investments and lower debt servicing costs

² The River management rates have increased due the continuing flood protection programme including the Boulcott / Hutt Stopbank in Lower Hutt and the Convent Road and South Waitohu stopbank improvements in Kapiti which are progressing in 2011/12

³ The Transport rate has increased due to funding the on-going rail upgrade projects and the increased expenditure associated with ensuring the rail network and rolling stock are appropriately managed and maintained after the upgrade is complete

⁴ This total excludes any "Warm Greater Wellington" targeted rates as they impact only those ratepayers that participate in the scheme

⁵ Warm Wellington is the scheme to assist regional ratepayers install insulation or clean heating appliances in their home.

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy in Greater Wellington's 10-year Plan 2009-19 Policies Document.

SUMMARY OF RATES AND LEVIES

WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

Rates increases vary between city and district councils because of differing capital values. Further, some of Greater Wellington's work programmes impact differently across the region, especially flood protection and public transport. See the next page for a break down by city and rate type

By area:	2010/11 Budget	2011/12 Plan	Change	Change
	\$000s	\$000s	\$000s	%
Wellington city	41,832	43,955	2,123	5.08%
Lower Hutt city	15,327	16,129	802	5.23%
Upper Hutt city	5,450	5,812	362	6.64%
Porirua city	6,547	6,988	451	6.89%
Kapiti Coast district	6,349	6,699	350	5.51%
Masteron district	1,798	1,715	(83)	(4.62%)
Carterton district	766	764	(2)	(0.26%)
South Wairarapa district	1,276	1,264	(12)	(0.94%)
Taranua district ¹	2	2	-	-
Region-wide rates²	79,347	83,338	3,991	5.03%
Bovine Tb rate	143	143	-	-
South Wairarapa district – river rates	83	83	-	-
Wairarapa scheme and stopbank rates	1,288	1,290	2	0.16%
Total regional rates	80,861	84,854	3,993	4.94%
Water supply levy	23,460	24,164	704	3.00%
Total regional rates and levies³	104,321	109,018	4,697	4.50%
Warm Wellington rate ⁴	31	532		
Total rates and levies	104,352	109,550		

Note that all figures on this page exclude GST

Figures labelled "2010/11 Budget" are sourced from Greater Wellington's 2010/11 Annual Plan, and those labelled "2011/12 Plan" are those for this 2011/12 annual plan.

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

² Region-wide rates are rates that are charged to all ratepayers in the region. It excludes Bovine TB, South Wairarapa Region river rates, Wairarapa river and drainage scheme rates and any "Warm Greater Wellington" targeted rates as they impact only certain ratepayers that are covered by these programmes

³ These totals exclude any "Warm Greater Wellington" targeted rates as they impact only those ratepayers that participate in the scheme

⁴ Warm Wellington is the scheme to assist regional ratepayers install insulation or clean heating appliances in their home.

RATES AND LEVIES - REGION-WIDE CHANGES BY CITY AND RATE TYPE
WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

Changes in Region-wide rates due to equalised capital value (ECV) movements and apportionment from 2010/11 to 2011/12

	ECV movements ¹		General rate		River management rate		Transport rate		Stadium-purposes rate		EDA rate		Total Region-wide rates ²	
	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change
	\$000s	%	\$000s	%	\$000s	%	\$000s	%	\$000s	%	\$000s	%	\$000s	%
Wellington city	89	0.21%	(551)	(1.32%)	(10)	(0.02%)	2,580	6.17%	-	-	15	0.04%	2,123	5.08%
Lower Hutt city	(63)	(0.41%)	(200)	(1.31%)	144	0.94%	937	6.11%	-	-	(16)	(0.10%)	802	5.23%
Upper Hutt city	28	0.51%	(75)	(1.38%)	14	0.26%	394	7.23%	-	-	1	0.02%	362	6.64%
Porirua city	5	0.08%	(88)	(1.34%)	(11)	(0.17%)	554	8.46%	-	-	(9)	(0.14%)	451	6.89%
Kapiti Coast district	20	0.32%	(119)	(1.88%)	39	0.61%	407	8.41%	-	-	3	0.05%	350	5.51%
Masterton district	(62)	(3.45%)	(53)	(2.95%)	-	-	30	1.67%	-	-	2	0.11%	(83)	(4.62%)
Carterton district	(4)	(0.52%)	(22)	(2.87%)	-	-	21	2.74%	-	-	3	0.39%	(2)	(0.26%)
South Wairarapa district	(13)	(1.02%)	(37)	(2.90%)	-	-	37	2.90%	-	-	1	0.08%	(12)	(0.94%)
Taranua district	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Region-wide rates²	-	-	(1,145)	(1.44%)	176	0.22%	4,960	6.25%	-	-	-	-	3,991	5.03%

WATER SUPPLY LEVY

This table shows that the proposed water supply levy will increase by 3.00% from the 2009/10 level. The amounts charged to each of the four cities are based on the 2010/11 water consumption budgets and will be based on actual usage when the annual plan is finalised in June 2011.

	2010/11		2011/12	
	Budget	Plan	Change	Change
	\$000s	\$000s	\$000s	%
Wellington City Council	12,634	13,053	419	3.00%
Hutt City Council	5,928	6,139	211	4.00%
Upper Hutt City Council	2,170	2,264	94	4.00%
Porirua City Council	2,726	2,708	(18)	(1.00%)
Water supply levy	23,458	24,164	706	3.00%

¹ 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. The ECV change by city amount shows how much the general rate changes as a direct consequence of the relative changes in capital values between the cities and districts from 2009/10 to 2010/11

² Region-wide rates are rates that are charged to all ratepayers in the region. It excludes Bovine TB, South Wairarapa Region river rates, Wairarapa river and drainage schemes and any "Warm Greater Wellington" targeted rates as they impact only certain ratepayers that are covered by these programmes

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy in the Policies Document of the 10-year Plan 2009-19.

RATES AND LEVIES - REGION-WIDE TOTAL RATES BY CITY AND RATE TYPE WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

Percentage changes in each rate type which together make up the changes in region-wide rates from 2010/11 to 2011/12

	General rate			River management rate			Transport rate			Stadium-purposes rate			EDA rate		
	2010/11	2011/12		2010/11	2011/12		2010/11	2011/12		2010/11	2011/12		2010/11	2011/12	
	Budget	Plan	Change	Budget	Plan	Change	Budget	Plan	Change	Budget	Plan	Change	Budget	Plan	Change
	\$000s	\$000s	%	\$000s	\$000s	%	\$000s	\$000s	%	\$000s	\$000s	%	\$000s	\$000s	%
Wellington city	12,813	12,351	(3.61%)	111	101	(9.01%)	25,274	27,854	10.21%	1,589	1,589	-	2,045	2,060	0.73%
Lower Hutt city	4,737	4,474	(5.55%)	2,024	2,168	7.11%	7,166	8,103	13.08%	522	522	-	878	852	(1.82%)
Upper Hutt city	1,729	1,682	(2.72%)	563	577	2.49%	2,691	3,085	14.64%	141	141	-	326	327	0.31%
Porirua city	2,076	1,993	(4.00%)	77	66	(14.29%)	3,854	4,408	14.37%	192	192	-	348	339	(2.59%)
Kapiti Coast district	2,761	2,662	(3.59%)	1,182	1,221	3.30%	1,815	2,222	22.42%	130	130	-	461	464	0.65%
Masterton district	1,289	1,174	(8.92%)	0	0	-	221	251	13.57%	54	54	-	234	236	0.85%
Carterton district	520	494	(5.00%)	19	19	-	125	146	16.80%	19	19	-	83	86	3.61%
South Wairarapa district	876	826	(5.71%)	0	0	-	246	283	15.04%	29	29	-	125	126	0.80%
Taranua district	2	2	-	0	0	-	0	0	-	0	0	-	0	0	-
Region-wide rates¹	26,803	25,658	(4.27%)	3,976	4,152	4.43%	41,392	46,352	11.98%	2,676	2,676	-	4,500	4,500	-

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

	Total Region-wide rates ¹		
	2010/11	2011/12	Change
	Budget	Plan	
	\$000s	\$000s	%
Wellington city	41,832	43,955	5.08%
Lower Hutt city	15,327	16,129	5.23%
Upper Hutt city	5,450	5,812	6.64%
Porirua city	6,547	6,998	6.89%
Kapiti Coast district	6,349	6,699	5.51%
Masterton district	1,798	1,715	(4.62%)
Carterton district	766	764	(0.26%)
South Wairarapa district	1,276	1,264	(0.94%)
Taranua district	2	2	-
Region-wide rates¹	79,347	83,338	5.03%

Note that all figures on this page exclude GST

¹ Region-wide rates are rates that are charged to all ratepayers in the region. It excludes Boxline TB, South Wairarapa Region river rates, Wairarapa river and drainage schemes and any "Warm Greater Wellington" targeted rates as they impact only certain ratepayers that are covered by these programmes

RATES AND LEVIES - RESIDENTIAL REGION-WIDE RATES WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

2011/12 Residential Region wide rates by rate type and for an average valued residential property

	General rate "per \$100,000 of capital value"		River management rate "per \$100,000 of capital value"		Transport rate "per \$100,000 of capital value"		Stadium-purposes rate "per \$100,000 of capital value"		Region-wide residential ¹ "per \$100,000 of capital value" excluding EDA rate	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Wellington city	\$28.44	\$26.82	\$0.25	\$0.22	\$26.49	\$27.50	\$3.03	\$2.97	\$58.21	\$57.51
Lower Hutt city	\$26.43	\$26.55	\$11.30	\$12.87	\$40.43	\$48.66	\$2.76	\$2.92	\$80.92	\$91.00
Upper Hutt city	\$26.65	\$26.50	\$8.67	\$9.09	\$44.76	\$52.69	\$2.36	\$2.43	\$82.44	\$90.71
Porirua city	\$26.17	\$26.06	\$0.96	\$0.87	\$51.34	\$60.69	\$2.48	\$2.52	\$80.95	\$90.14
Kapiti Coast district	\$26.79	\$25.55	\$11.47	\$11.72	\$19.97	\$24.22	\$1.37	\$1.36	\$59.60	\$62.85
Masterton district	\$26.34	\$23.67	\$0.00	\$0.00	\$7.22	\$8.10	\$1.77	\$1.73	\$35.33	\$33.50
Carterton district	\$27.34	\$26.46	\$1.00	\$1.02	\$13.17	\$15.71	\$1.80	\$1.85	\$43.31	\$45.04
South Wairarapa district	\$27.65	\$25.31	\$0.00	\$0.00	\$16.15	\$18.09	\$2.10	\$2.05	\$45.90	\$45.45

	Total Region-wide ¹ rates per average residential property excluding EDA rate		EDA rate ² per residential property		Total Region-wide ¹ rates per average residential property including EDA rate	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Wellington city	\$294.09	\$293.38	\$14.00	\$14.00	\$308.09	\$307.38
Lower Hutt city	\$314.30	\$332.98	\$14.00	\$14.00	\$328.30	\$346.98
Upper Hutt city	\$282.12	\$300.62	\$14.00	\$14.00	\$296.12	\$314.62
Porirua city	\$312.64	\$340.24	\$14.00	\$14.00	\$326.64	\$354.24
Kapiti Coast district	\$220.43	\$233.62	\$14.00	\$14.00	\$234.43	\$247.62
Masterton district	\$85.98	\$82.40	\$14.00	\$14.00	\$99.98	\$96.40
Carterton district	\$109.87	\$104.25	\$14.00	\$14.00	\$123.87	\$118.25
South Wairarapa district	\$124.70	\$125.54	\$14.00	\$14.00	\$138.70	\$139.54

Note that all figures on this page exclude GST

¹ Region-wide rates are rates that are charged to all ratepayers in the region. It excludes Bovine TB, South Wairarapa Region river rates, Wairarapa river and drainage scheme rates and any "Warm Greater Wellington" targeted rates as they impact only certain ratepayers that are covered by these programmes

² Grow Wellington 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 \$14.00 + GST and rural properties \$28.00 + GST

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy in the Policies Document of the 10-year Plan 2009-19.

RATES AND LEVIES - RESIDENTIAL REGION-WIDE RATES CALCULATOR

WHAT IS THE IMPACT ON YOUR PROPERTY?

The table below shows how you can calculate your own residential proposed region-wide rates for 2011/12. For example, if you live in Upper Hutt city and have a residential property with a capital value of \$350,000 your indicative regional rates are \$331.49 plus GST @ 15% = \$381.21

Please note: The above calculation does not include rates set by your local city or district council and any district or property specific targeted rate

	2011/12 Region-wide ¹ rates per \$100,000 of capital value, excluding the EDA rate		Enter the capital value of your property			EDA rate ² residential property		Indicative rates on your property for 2011/12 ¹
Wellington city	\$57.51	x	<input type="text"/>	÷ 100,000	+	\$14.00	=	<input type="text"/>
Lower Hutt city	\$91.00	x	<input type="text"/>	÷ 100,000	+	\$14.00	=	<input type="text"/>
Upper Hutt city	\$90.71	x	<input type="text"/>	÷ 100,000	+	\$14.00	=	<input type="text"/>
Porirua city	\$90.14	x	<input type="text"/>	÷ 100,000	+	\$14.00	=	<input type="text"/>
Kapiti Coast district	\$62.85	x	<input type="text"/>	÷ 100,000	+	\$14.00	=	<input type="text"/>
Masterton district	\$33.50	x	<input type="text"/>	÷ 100,000	+	\$14.00	=	<input type="text"/>
Carterton district	\$45.04	x	<input type="text"/>	÷ 100,000	+	\$14.00	=	<input type="text"/>
South Wairarapa district	\$45.45	x	<input type="text"/>	÷ 100,000	+	\$14.00	=	<input type="text"/>

Upper Hutt city example	\$90.71	x	\$350,000	÷ 100,000	+	\$14.00	=	\$331.49
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Including GST @ 15%	\$381.21
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A calculator to assist you check your proposed region-wide rates for all property types is available on our website www.gw.govt.nz

¹ Region-wide rates are rates that are charged to all ratepayers in the region. It excludes Bovine TB, South Wairarapa Region river rates, Wairarapa river and drainage scheme rates and any "Warm Greater Wellington" targeted rates as they impact only certain ratepayers that are covered by these programmes

² Grow Wellington 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 \$14.00 + GST and rural properties \$28.00 + GST

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.

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy in the Policies Document of the 10-year Plan 2009-19.

Resource management

1. Community outcomes

The Resource management group of activities primarily contributes to the following community outcome by promoting the sustainable use, development and protection of the Wellington region's natural and physical resources – water, air, coast, soil and biodiversity:

Healthy Environment

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

This group of activities also contributes to the following outcome:

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



2. Key projects 2011/12

Activity: Resource management planning

- Continue our engagement process with the community as we further develop a new regional plan under the guidance of Te Upoko Taiao – the Natural Resource Management Committee, addressing issues such as water allocation and land use
- Resolve appeals on the Regional Policy Statement and where necessary defend decisions in the Environment Court
- Make submissions on notified resource consents, district plans and other environmental policy documents from both local and central government to support the Regional Policy Statement and regional plans

Activity: Resource consent service

- Work with the Environmental Protection Authority to ensure efficient and effective pre-application processes for projects of national significance, such as the Transmission Gully motorway project
- Continue to carry out our core function of processing resource consents within statutory timeframes
- Hold workshops with resource management consultants to improve the quality of applications received, leading to a more consistent and streamlined approach to resource consent processing

Activity: Compliance and enforcement

- Complete a comprehensive compliance monitoring strategy to ensure we target our compliance resources to the areas of greatest environmental risk
- Continue promoting our Muddy Waters and urban streams programmes – 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 and estuaries
- Engage with landowners around Lake Wairarapa on best practice approaches to working in watercourses and compliance with our regional plans

Activity: Pollution prevention and control

- Continue to provide a prompt and efficient 24-hour, seven day a week response to pollution incidents and undertake enforcement action if and when required

Activity: State of the environment monitoring

- Continue monitoring the state of the region's air, water and soil to enable us to report on the state of the region's environment
- Provide specific scientific advice and research to assist in informing the development of the regional plan in areas such as the interaction of ground and surface water in the Wairarapa, air quality, environmental flows and soil quality
- Maintain records of land use where hazardous activities have been undertaken in the past

Activity: Environmental education and community engagement

- Continue our Take Care programme, which supports community groups, businesses and landowners to restore wetlands, streams, dunes and estuaries
- Maintain our commitment to the Take Action environmental education programme and continue our close involvement with the EnviroSchools programme, including funding for the EnviroSchools Regional Coordinator

Activity: Wairarapa Water Use Project

- Undertake a feasibility study for the Wairarapa Water Use Project – a project to explore optimal water use in the Wairarapa valley by harvesting, storing and distributing water, involving irrigation

3. Key changes from 10-Year Plan 2009-19 (LTCCP)

ACTIVITY

Resource management planning

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Resource consent service

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Compliance and enforcement

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Pollution prevention and control

- A reallocation of staff time between compliance and other activities has resulted in an overall reduction of \$178,478 compared to the budget forecast in *10-Year Plan 2009-19*

ACTIVITY

State of the environment monitoring

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Environmental education and community engagement

- Greater Wellington supported more than 20 businesses through the eMission programme. However, funding for the programme has not been continued due to a reallocation of staff and financial resources

ACTIVITY

Wairarapa Water Use Project

- This is a new activity. \$750,000 has been budgeted in 2011 / 12 to undertake a feasibility study

4. Short-term targets – by 30 June 2012

ACTIVITY	
Resource management planning	
TARGET	BUDGET
A Regional Plan(s) for the management of the region's soils, freshwater, air, coasts and land will be approved by the Council for public consultation.	\$519,347
ACTIVITY	
Resource consent service	
TARGET	BUDGET
100% of resource consents will be processed within statutory timeframes and in compliance with the Resource Management Act.	\$709,298
100% of consent decisions appealed to the Environment Court will be successfully defended.	\$80,050
Two workshops on specific issues will be held for consent customers.	\$73,209
ACTIVITY	
Compliance and enforcement	
TARGET	BUDGET
100% of compliance inspections for all major consents with an individual monitoring programme will be completed.	\$465,099
6.7% (1 in 15) of all consents not subject to an individual monitoring programme will be subject to a monitoring inspection.	\$31,162
100% enforcement actions taken will be successful.	\$64,000
ACTIVITY	
Pollution prevention and control	
TARGET	BUDGET
100% of environmental pollution incidents will be responded to according to the following timeframes:	\$228,184
<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 	
20 businesses will be audited for compliance with the Resource Management Act and regional plans.	\$46,338
ACTIVITY	
Wairarapa Water Use Project	
TARGET	BUDGET
Progress the feasibility study to the satisfaction of the Council.	\$750,000

ACTIVITY

State of the environment monitoring

TARGET	BUDGET
A comprehensive state of the environment report will be completed to the satisfaction of the Council and thereafter publicly distributed.	\$1,783,075
Greater Wellington's managers with responsibility for water supply and consents will be notified within one working day of low groundwater levels in the Waiwhetu aquifer.	\$45,136
Water samples will be taken weekly throughout the bathing season (1 November – 31 March) and tested for the presence of bacteria. A traffic light warning framework (see below) will be used at the sites and on Greater Wellington's website to inform the public:	
Green – low or no public health risk	\$55,489
Amber – alert mode requiring follow-up monitoring	
Red – action required and beach closed	
Real-time environmental data will be available on Greater Wellington's website throughout the year.	\$57,456
Targeted investigations will be completed in a timely manner and to the satisfaction of the Council.	\$515,530

ACTIVITY

Environmental education and community engagement

TARGET	BUDGET
2,000 primary school students will participate in a Take Action environmental education programme.	\$330,000
Community groups will work on restoring 30 degraded ecosystems through the Take Care programme.	\$235,000
25 businesses will be assisted to improve their environmental performance through our eMission business sustainability and carbon reduction programme.	Discontinued

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s		2011/12 Plan \$000s	2011/12 LTCCP \$000s
Funding statement			Operating revenue		
General rate	9,571	10,340	Resource management planning	2,171	2,503
Targeted rate	-	-	Resource consent and compliance service	3,454	3,400
Government subsidies	-	11	Pollution control	471	489
Interest and dividends	-	-	State of the environment monitoring	4,391	4,378
Other operating revenue	1,685	1,783	Environment education and engagement	769	1,364
Operating revenue	11,256	12,134	Total operating revenue	11,256	12,134
Direct operating expenditure	10,832	11,783	Operating expenditure		
Finance costs	63	45	Resource management planning	2,176	2,508
Depreciation	294	223	Resource consent and compliance service	3,485	3,397
Operating expenditure	11,189	12,051	Pollution control	471	489
Operating surplus/(deficit)	67	83	State of the environment monitoring	4,332	4,269
Less:			Environment education and engagement	725	1,388
Capital expenditure	1,059	149	Total operating expenditure	11,189	12,051
Proceeds from asset sales	(42)	(24)	Capital expenditure		
Loan funding	(750)	-	Wairarapa Water Use Project	750	-
Rates-funded capital expenditure	267	125	Capital project expenditure	750	-
Debt repayment	224	181	Land and buildings	-	-
Investment additions	-	-	Plant and equipment	135	74
Operational reserve movements	(130)	-	Vehicles	174	75
Working capital movements	-	-	Total capital expenditure	1,059	149
Non-cash items ¹	(294)	(223)			
Net funding required	-	-			

¹ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the *Policies Document of the 10-Year Plan 2009-19*.

Please note that all figures on this page exclude GST

Transport

1. Community outcomes

The Transport group of activities primarily contributes to the following community outcome by identifying the region's transport needs, planning how to meet them and working with others to develop networks and services:

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.

This group of activities also contributes to the following outcomes:

Prosperous community by enhancing the movement of goods and people within the region

Healthy environment by reducing vehicle emissions through good transport planning and the provision of public transport services

Essential services by providing and maintaining high-quality secure public transport infrastructure, and planning for roads, walkways and cycleways

Healthy community by encouraging walking and cycling, and reducing air pollution

Quality lifestyle by enabling people, including those with disabilities, to travel across the region easily and safely to participate in a variety of activities



2. Key projects 2011/12

Activity: Regional transport network planning

- Review and update the Western Corridor Plan
- Develop a Regional Land Transport Programme for 2012-15
- Commence the Wellington Public Transport Spine Study

Activity: Encouraging sustainable transport choices

- Coordinate and support the carrying out of 23 new school travel plans and 58 existing school travel plans across the region
- Manage, maintain and promote the regional Cycling and Walking Journey Planner
- Provide advice on safe cycling and walking
- Facilitate active transport forums to encourage information sharing and collaboration
- Provide assistance, support and promotion for local cycling and walking events
- Coordinate and facilitate a regional road safety forum to identify and collaborate on the delivery of suitable regional road safety campaign initiatives

Activity: Public transport services

- Ensure existing services provide value for money by redeploying resources from poorly performing services
- Finalise the review of diesel bus services in Wellington city (excluding Tawa)
- Support bus priority measures, particularly in the Wellington CBD
- Continue public transport planning for the 2011 Rugby World Cup
- Complete a review of public transport services fare structures in the region

- Complete a review of Wairarapa bus services

Public transport operations

- Continue funding rail, bus and harbour ferry services
- Continue working with KiwiRail to improve passenger rail reliability, performance and customer satisfaction
- Continue working with the Ministry of Transport and the bus industry to develop a new procurement model for bus and ferry services which is consistent with the Minister of Transport's objectives
- Ensure quality standards are maintained for public transport users by continuing to develop and carry out new monitoring processes
- Continue funding and administering the Total Mobility Scheme (which offers half-price taxi fares for people with disabilities)
- Assess the success of the new Total Mobility Scheme electronic system and amend processes where further efficiencies can be made within budget

Maintain infrastructure assets and invest in new infrastructure

- Continue delivery, commissioning and introduction of the new Matangi passenger trains into service
- Secure funding and commence refurbishment of the Ganz Mavag passenger trains
- Ensure that the Greater Wellington Rail Limited-owned rolling stock is maintained at a level that ensures vehicles are available for service and reliable
- Continue the retrofit programme for bus shelters, replacing glass with perforated sheet metal to deter vandalism
- Install 15 new bus shelters across the region
- Install further Porirua CBD bus stop units (subject to available funding)
- Extend rail commuter carpark facilities (subject to available funding)
- Continue the region-wide maintenance programme for rail commuter carpark facilities

- Continue managing region-wide public transport infrastructure. Release to the market a number of tenders for the ongoing maintenance of these assets
- Review the Transport Asset Management Plan in readiness for the next 10-Year Plan

Marketing and information management

- Continue introducing real-time information at bus stops and train stations to inform users when the next service will actually arrive (rather than its scheduled arrival time)
- Promote Metlink's public transport services through promotional campaigns
- Continue providing information on Metlink's public transport services through a call centre, timetable production, website and Twitter
- Conduct the annual public transport customer satisfaction monitoring survey

The Council had planned to review the formula used to calculate how the transport rate applies to different areas of the region. While some initial work has commenced, Council believes that this review would more appropriately take place in the 2011/12 year as part of the review of funding and financial policies in Greater Wellington's next 10-Year Plan

Consistent with the *10-Year Plan 2009-19*, the *Annual Plan 2011/12* includes a public transport fare revenue increase of 3%. The Council reviews fares annually and the increase is deemed necessary to ensure that the direct user contribution to the cost of providing services will remain within the target range of 45% to 50% over the medium term

3. Key changes from 10-Year Plan 2009-19 (LTCCP)

ACTIVITY

Regional transport network planning

- Development of a public transport model and linking this to the strategic transport model has meant that the update of the strategic transport model has been re-scoped. This has led to an increase of \$696,000 on the budget forecast in the *10 Year Plan 2009-19*
- The Freight Plan was due to be reviewed in 2011/12 but will be completed and approved by the Regional Transport Committee in the 2010/11 financial year
- A short-term target specific to the Wellington Public Transport Spine Study has been added. This study is part of the Ngauranga to Airport Corridor Plan and jointly funded with the Wellington City Council and New Zealand Transport Agency (NZTA)
- The Hutt Corridor Plan was due to be reviewed in 2010/11 but will be completed and approved by the Regional Transport Committee in the 2011/12 financial year

ACTIVITY

Encouraging sustainable transport choices

- The budgets for school travel plans and walking and cycling initiatives have been reduced from what was forecast in the *10-Year Plan 2009-19*. This is due to lower overhead costs and realignment of the projects to ensure they fit with NZTA's new strategic investment framework
- The budget for the Regional Road Safety Campaign has been increased by \$48,000 (70%) on that forecast in the *10-Year Plan 2009-19*. As this activity receives funding from NZTA, the increase has no impact on rates
- The community travel behaviour change project has been merged into the wider travel awareness campaign budget, resulting in a \$27,000 saving

ACTIVITY

Public transport services

A number of changes to public transport expenditure in 2011/12 compared to our *10-Year Plan 2009-19* are outlined here. For operational costs the impact on the transport rate will depend on the NZTA's funding rate for that activity (usually 50% subsidy for bus operations, 60% for rail operations).

The financial projections for infrastructure improvements and rolling stock projects include changes in expenditure and also include changes to some funding arrangements. Key changes are included in the "Maintain infrastructure assets and invest in new infrastructure" section below.

Planning public transport services

- Some of the planned expenditure on investigating electronic ticketing has been deferred until 2012/13. The timing of this expenditure will depend on integrated ticketing developments in Auckland and our ability to access NZTA funding

Public transport operations

- The cost of providing diesel bus services is \$5.6 million less than projected in the *10-Year Plan 2009-19*. Contractual payments to operators for inflation have not been as high as anticipated and there are significant savings following the commercial registration and consequential withdrawal of subsidies for bus routes 110 and 120 from February 2010
- The provision in the *10-Year Plan 2009-19* of \$2.3 million for bus service improvements has not been utilised. The global economic downturn has been a factor in this, with management efforts concentrated on providing service enhancement within existing budgets. In addition, NZTA's share of the increased funding has not been approved
- The cost of providing trolley bus services is \$0.6 million less than projected in the *10-Year Plan 2009-19*. Contractual payments to the trolley bus operator are not as high as anticipated but offsetting this are increases in the cost of maintaining the overhead network
- The operating expenditure budget for the real-time information project has been reduced by \$1.2 million. The current budget is based on the signed contract, which is less than anticipated when the *10-Year Plan 2009-19* budgets were set
- The forecast cost of subsidising passenger rail operations in Wellington has decreased by approximately \$3.3 million. This change in projections is primarily driven by reduced maintenance expenditure on the new Matangi trains as they are phased into service, partly offset by increased payments to KiwiRail for network operations and maintenance
- A budget contingency of \$0.6 million of expenditure has been included because of uncertainty around current contractual arrangements for bus and rail operators, as well as volatility in the price of certain input costs
- A provision of up to \$0.1 million has been included for services related to the 2011 Rugby World Cup

Maintain infrastructure assets and invest in new infrastructure

- There have been a number of changes to the expected timing of payments for rail infrastructure and rolling stock projects that are underway. The net effect of these changes has been to increase expenditure in 2011/12 by approximately \$116 million. This change is primarily:

- A delay to the timing of expenditure on the new Matangi passenger trains. The first in-service run was completed in 2010 and the fleet will be progressively introduced, with all units expected to be in service in 2012
- A delay to the timing of the planned refurbishment of the Ganz Mavag trains. This work is now assumed to commence in 2011/12 but is subject to suitable funding and contractual arrangements
- Deferral of some Regional Rail Plan expenditure. With the change in emphasis in central government funding priorities, more work needs to be completed to refine this programme before a case for funding is put forward
- As part of the Wellington Rail Package 2011, Greater Wellington is expected to fully fund some rail project expenditure at the time the expense is incurred and recover a share of the debt-servicing costs from the NZTA over the life of that debt. This has the effect of increasing Greater Wellington's debt and reported operating deficit in 2011/12
- The cost of renewing the trolley bus infrastructure has increased by \$1.9 million. Much of this increase has resulted from a deferral of expenditure from 2010/11
- The cost of the real-time information project has increased by \$2.0 million. This increase has resulted from a deferral of expenditure from 2010/11

The Annual Plan 2011/12 provides for the Wellington Rail Package 2011, a joint rail upgrade programme with the Government. The Wellington Rail Package 2011 includes:

- KiwiRail transferring ownership of the metropolitan rail fleet to Greater Wellington
- KiwiRail transferring all railway station buildings, excluding Wellington Station, to Greater Wellington
- KiwiRail transferring (or equivalent) all rail park and ride facilities to Greater Wellington
- KiwiRail retaining ownership of the rail network
- Refurbishment of Ganz Mavag trains by Greater Wellington
- Upgrading of rail signalling and related infrastructure by KiwiRail
- Negotiation of sustainable track-access charges to cover maintenance and routine renewals
- New performance-based operating agreements between Greater Wellington and KiwiRail
- Greater Wellington having the option to tender for the contracts for the operation and maintenance of the rail services obtain the best value for money for ratepayers and passengers

4. Short-term targets 2011/12 – by 30 June 2012

ACTIVITY

Regional transport network planning

TARGET	BUDGET
A monitoring report on the Regional Land Transport Strategy will be approved by the Regional Transport Committee for publication by 30 September 2011.	\$80,000
A reviewed Freight Plan will be approved by the Regional Transport Committee by 30 June 2012.	Completed in 2010/11
To update the strategic transport model to the 2011 base year and develop a Public Transport model.	\$1,300,000
The Regional Land Transport Programme will be approved by the Council for submission to the New Zealand Transport Agency.	\$120,000
The Wellington Public Transport Spine Study will have made significant progress, with the first three phases complete and public consultation on the options ready to commence.	\$750,000
A reviewed Hutt Corridor Plan will be approved by the Regional Transport Committee by 30 September 2011.	\$94,000

ACTIVITY

Encouraging sustainable transport choices

TARGET	BUDGET
New travel plans will be developed by 16 schools and four workplaces, and all existing travel plans in schools and work places will be monitored / reviewed.	\$621,000
At least one community travel behaviour change project will be supported.	Combined with wider public awareness campaigns
Walking and cycling initiatives will be facilitated. The Cyclist and Walking Journey Planner will be maintained and the region's Active Transport Forum will be facilitated.	\$189,000
The Regional Road Safety Campaign will be supported and reported to the Regional Transport Committee.	\$69,000
Public awareness campaigns will be carried out to promote walking, cycling and public transport, and to discourage unnecessary car trips.	\$223,000

ACTIVITY

Public transport services

TARGET	BUDGET
Service reviews of two contract areas will be completed and reported to the Council.	\$250,000
Peak-time passenger trips using public transport will increase by 4%, off-peak passenger trips using public transport will increase by 6% and the number of public transport vehicles that are wheelchair accessible will increase from the previous year.	All of Greater Wellington's expenditure of \$267,481,000 on public transport services will contribute to these targets
The number of bus and train services running to time will improve from the previous year.	
All 48 new Matangi trains will be in passenger service.	\$144,893,000
A rail station and carpark upgrade programme will commence.	\$2,500,000
15 new bus shelters will be installed across the region.	\$250,000
More than 90% of residents will rate the service they receive from the Metlink Service Centre as excellent or very good.	
More than 95% of calls to the Metlink Service Centre will be answered.	\$817,000
Metlink website usage and its usefulness rating will increase from the previous year.	
Use of txtBUS and txtTRAIN will increase from the previous year.	

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s		2011/12 Plan \$000s	2011/12 LTCCP \$000s
Funding statement			Operating revenue		
General rate	-	-	Regional transport network planning	3,092	2,779
Targeted rate	46,352	55,050	Encouraging sustainable transport choices	1,212	2,478
Government subsidies	177,069	108,769	Public transport services	219,524	159,684
Interest and dividends	247	15	Total operating revenue	223,828	164,941
Other operating revenue	160	1,107	Operating expenditure		
Operating revenue	223,828	164,941	Regional transport network planning	2,449	2,269
Direct operating expenditure	96,816	109,744	Encouraging sustainable transport choices	1,187	2,478
Finance costs	4,154	4,221	Public transport services	97,921	111,196
Depreciation	587	1,978	Total operating expenditure (excluding transport improvement grants)	101,557	115,943
Operating expenditure	101,557	115,943	Public transport services transport improvement grants¹	170,351	52,189
Operating surplus/(deficit) before transport improvement grants	122,271	48,998	Capital expenditure		
Transport improvement grants ¹	170,351	52,189	New public transport shelters, signage, pedestrian facilities and systems	5,268	3,107
Operating surplus/(deficit)²	(48,080)	(3,191)	Capital project expenditure	5,268	3,107
Less:			Land and buildings	-	-
Capital expenditure	5,268	3,107	Plant and equipment	-	-
Proceeds from asset sales	-	-	Vehicles	-	-
Loan funding	(1,236)	(657)	Total capital expenditure	5,268	3,107
Rates and subsidy-funded capital expenditure	4,032	2,450			
Loan funding of public transport improvements ^{1, 2}	(53,678)	(7,023)			
Debt repayment	4,406	3,845			
Investment additions	-	-			
Reserve movements	(2,253)	(485)			
Working capital movements	-	-			
Non-cash items ³	(587)	(1,978)			
Net funding required	-	-			

¹ Transport improvement grants include capital grants to external public organisations and the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd, for improvements to public transport infrastructure where Greater Wellington will not own the resulting asset. These improvements include trolley bus overhead wire renewals, rail infrastructure, rail track renewals, the new Matangi trains and the Ganz Mavag refurbishment project

² As part of the Wellington Rail Package 2011, Greater Wellington will fully fund some rail project expenditure at the time the expense is incurred, and recover a share of the debt servicing costs from the New Zealand Transport Agency over the term of the debt. This has the effect of increasing Greater Wellington's debt and reported operating deficit in 2011/12

³ Non-cash items include depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the Policies Document of the 10-Year Plan 2009-19.

Please note that all figures on this page exclude GST



Water supply

1. Community outcomes

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

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

This group of activities also contributes to the following outcomes:

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

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

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



2. Key projects 2011/12

Activity: Water collection, treatment and delivery

- Maintain the gradings for the water treatment plants and distribution system
- Restore the long-term supply of wholesale drinking water to the four city customers to meet a security of supply standard of not less than a 2% probability of shortfall (a 1 in 50-year drought)

Activity: Water supply infrastructure

- Increase the storage capacity of the Stuart Macaskill Lakes
- Continue with the seismic upgrading of Stuart Macaskill Lakes
- Complete and commission the Wainuiomata mini-hydro generation facility

Activity: Planning for future water demand and supply

- Investigate whether the construction of an additional off-river water storage lake at Kaitoke is practical and cost effective
- Undertake a multi-criteria analysis comparing the options for increasing our future water supply – constructing an additional off-river water storage lake or building the Whakatikei dam

Activity: Water conservation programmes

- Monitor water supply conditions, particularly the availability of water during construction work on the Stuart Macaskill Lakes, and how this affects the Summer Water Demand Management Plan
- Deliver a comprehensive public communications initiative during construction works on the Stuart Macaskill Lakes

3. Key changes from 10-Year Plan 2009-19 (LTCCP)

ACTIVITY

Water collection, treatment and delivery

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Water supply infrastructure

- Work to strengthen and raise the level of the Stuart Macaskill lakes was originally planned to take place over the summers of 2010/11 and 2011/12
- The work on the internal lake linings has been deferred until the summers of 2011/12 and 2012/13 due to constraints identified in the construction programme. Work on the external embankments has been let as a separate contract and is planned to be completed by December 2011. As a result, the timing of capital expenditure has changed, with almost \$3 million of funding for 2010/11 transferred to the 2011/12 and 2012/13 financial years
- Greater Wellington has withdrawn from the Wellington CBD reservoir project, so will no longer be undertaking preliminary work with the Wellington City Council
- Design of the Upper Hutt aquifer development has been deferred until at least 2012/13 to allow investigations into a third storage lake at Kaitoke to be completed

ACTIVITY

Planning for future water demand and supply

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Water conservation programmes

- The comprehensive public communications initiative planned for when construction work reduces the availability of water from the Stuart Macaskill Lakes has been moved to the 2011/12 summer, as construction has been delayed

4. Short-term targets – by 30 June 2012

ACTIVITY

Water collection, treatment and delivery

TARGET

BUDGET

Water will be supplied to the four cities in the region that meets or exceeds national quality standards and meets reasonable daily demand.

Treatment plant gradings will be maintained or improved.

\$22,877,000

Security of supply will be no less than 2.0% probability of shortfall (1 in 50-year drought).

There will be no deferred maintenance in the system.

ACTIVITY

Water supply infrastructure

TARGET

BUDGET

Assets will be replaced or enhanced in accordance with the asset-management plan.

\$920,000

Asset management plans will be maintained in accordance with best practice (eg, International Infrastructure Management Manual or (BS/PAS 55:2003)).

\$230,000

ACTIVITY

Planning for future water demand and supply

TARGET

BUDGET

Major infrastructural developments will be undertaken in accordance with the Wellington Water Supply Development Plan.

\$12,300,000

Raising of water level of Stuart Macaskill Lakes will continue.

\$2,500,000

Network valves will be upgraded.

Deferred

Preliminary design and planning for the CBD reservoir will be carried out.

Cancelled

Design of Upper Hutt aquifer will be carried out.

Deferred

Construction for the seismic upgrading of the Stuart Macaskill Lakes will continue.

\$5,500,000

ACTIVITY

Water conservation programmes

TARGET

BUDGET

Increases in total consumption will be held to levels consistent with population change and targets for per head consumption.

\$578,000

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Funding statement		
General rate	-	-
Targeted rate	-	-
Water supply levy	24,164	26,350
Government subsidies	-	-
Interest and dividends	647	1,276
Other operating revenue ²	1,043	1,038
Operating revenue²	25,854	28,664
Direct operating expenditure ²	17,268	17,425
Finance costs	3,665	4,504
Depreciation	8,255	7,767
Operating expenditure²	29,188	29,696
Operating surplus/(deficit)	(3,334)	(1,032)
Less:		
Capital expenditure	16,809	13,146
Proceeds from asset sales	(117)	(61)
Loan funding	(16,307)	(12,826)
Levy-funded capital expenditure	385	259
Debt repayment	3,597	4,406
Investment additions	1,047	2,070
Operational reserve movements	-	-
Working capital movements	(108)	-
Non-cash items ¹	(8,255)	(7,767)
Net funding required	-	-

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Operating revenue		
Plan, collect, treat and deliver water ²	25,229	28,380
Water conservation programmes	625	284
Total operating revenue²	25,854	28,664
Operating expenditure		
Plan, collect, treat and deliver water ²	28,624	29,255
Water conservation programmes	564	441
Total operating expenditure²	29,188	29,696
Capital expenditure		
Water sources	12,280	7,992
Water treatment plants	920	815
Pipelines	1,090	339
Pump stations	80	-
Reservoirs	-	74
Monitoring and control	762	455
Seismic protection	300	212
Energy	240	-
Other	634	2,939
Capital project expenditure	16,306	12,826
Land and buildings	-	-
Plant and equipment	91	85
Vehicles	412	235
Total capital expenditure	16,809	13,146

¹ Non-cash items includes depreciation

² Certain 10-Year Plan 2009-19 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 Policies Document of the 10-Year Plan 2009-19.

Please note that all figures on this page exclude GST.

Parks and forests

1. Community outcomes

The Parks and Forests group of activities primarily contributes to the following community outcomes by providing a range of outdoor recreational opportunities in regional parks, forests and recreational areas:

Healthy Community

Our physical and mental health is protected. Living and working environments are safe, and everyone has access to health care. Every opportunity is taken to recognise and provide for good health by providing regional parks and forest areas for outdoor recreation.

Quality Lifestyle

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

This group of activities also contributes to the following outcomes:

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

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



2. Key projects 2011/12

Activity: Recreational, facilities and services

- Manage Whitireia Park with Ngāti Toa Rangatira
- Manage park land and carry out maintenance and monitoring on all park facilities
- Provide rangers in all park and forest areas
- Continue to develop and start implementing sustainable farm management plans to guide decision making on farmland areas within parks

Activity: Parks network planning

- Develop and finalise amendments to the Parks Network Plan to include the Baring Head block and Whitireia Park
- Protect land at Baring Head by creating a reserve under the Reserves Act
- Develop a strategic management plan for Wairarapa Moana with our partners the Department of Conservation, South Wairarapa District Council and local iwi

Activity: Environmental protection and enhancement

- Work to control pest animals and pest plants within parks, and monitor forest health

Activity: Marketing and community relations

- Formalise relationships with parks' Friends groups through Memoranda of Understanding
- Work with parks' Friends groups to evolve our planning processes so there is more effective collaboration between staff and volunteers in planning

3. Key changes from 10-Year Plan 2009-19 (LTCCP)

ACTIVITY

Recreational, facilities and services

- Provide a ranger service for the Baring Head Block at the East Harbour Regional Park. Additional funding included to cover unbudgeted debt repayment, asset maintenance and any other costs associated with the block
- Replace the water reticulation system at Queen Elizabeth Park because the existing system has failed

ACTIVITY

Parks network planning

- The Greater Wellington Parks Network Plan was adopted in December 2010. This replaces the parks' individual management plans. Work in 2011/12 will therefore concentrate on amending the network plan to include newly acquired land at Baring Head and Whitireia Park (managed in conjunction with Ngāti Toa Rangatira)

ACTIVITY

Environmental protection and enhancement

- There are no significant changes from the *10-Year Plan 2009-1*

ACTIVITY

Marketing and community relations

- There are no significant changes from the *10-Year Plan 2009-19*

4. Short-term targets 2011/12 – by 30 June 2012

ACTIVITY

Recreational, facilities and services

TARGET	BUDGET
Park and forest assets will be maintained in accordance with the relevant asset management plans and reported to the satisfaction of the Council.	\$1,735,000
Ranger services will be provided for seven days per week in four parks and for five days per week in the remaining parks and forest areas (excluding Whitireia Park and Lake Wairarapa). This will amount to 7,000 hours of ranger time.	\$591,000

ACTIVITY

Parks network planning

TARGET	BUDGET
Amendments to the Parks Network Plan to incorporate new parks will be developed to the satisfaction of the Council.	\$164,818

ACTIVITY

Environmental protection and enhancement

TARGET	BUDGET
Compliance with the environmental asset management plan – pest plant control will be achieved.	\$1,456,000

ACTIVITY

Marketing and community relations

TARGET	BUDGET
A marketing plan will be implemented such that 85% of residents will be able to freely recall a regional park or forest and 60% of residents will have visited one regional park in the previous 12 months.	\$195,000
The regional outdoors programme (Great Outdoors) will be delivered and at least 5,000 people will attend the events led by Greater Wellington.	
Eight "Friends of the Park" groups will have been actively involved in parks planning and management.	\$23,000
There will have been a 5% increase over the previous year in on-park volunteer hours.	

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s		2011/12 Plan \$000s	2011/12 LTCCP \$000s
Funding statement			Operating revenue		
General rate	5,832	6,129	Plan, manage and protect recreational facilities and services	5,936	6,450
Targeted rates	-	-	Marketing and community relations	646	655
Government subsidies	-	-	Total operating revenue	6,582	7,105
Interest and dividends	-	-	Operating expenditure		
Other operating revenue	750	976	Plan, manage and protect recreational facilities and services	6,119	6,322
Operating revenue	6,582	7,105	Marketing and community relations	646	655
Direct operating expenditure	5,916	6,419	Total operating expenditure	6,765	6,977
Finance costs	276	276	Capital expenditure		
Depreciation	573	282	Park infrastructure upgrades	353	317
Operating expenditure	6,765	6,977	Capital project expenditure	353	317
Operating surplus/(deficit)	(183)	128	Land and buildings	-	-
Less:			Plant and equipment	50	58
Capital expenditure	665	499	Vehicles	262	124
Proceeds from asset sales	(108)	(57)	Total capital expenditure	665	499
Loan funding	(353)	(317)			
Rates-funded capital expenditure	204	125			
Debt repayment	295	285			
Investment additions	-	-			
Operational reserve movements	(109)	-			
Working capital movements	-	-			
Non-cash items ¹	(573)	(282)			
Net funding required	-	-			

¹ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the Policies Document of the 10-Year Plan 2009-19.

Please note that all figures on this page exclude GST.

Safety and flood protection

1. Community outcomes

The Safety and Flood Protection group of activities primarily contributes to the following community outcome by building flood protection measures and ensuring that communities know the risk of emergency events in their area, including earthquakes, and are as ready as possible to cope with these events. We also prepare emergency management plans and provide an emergency operations centre to respond to any emergency events:

Prepared Community

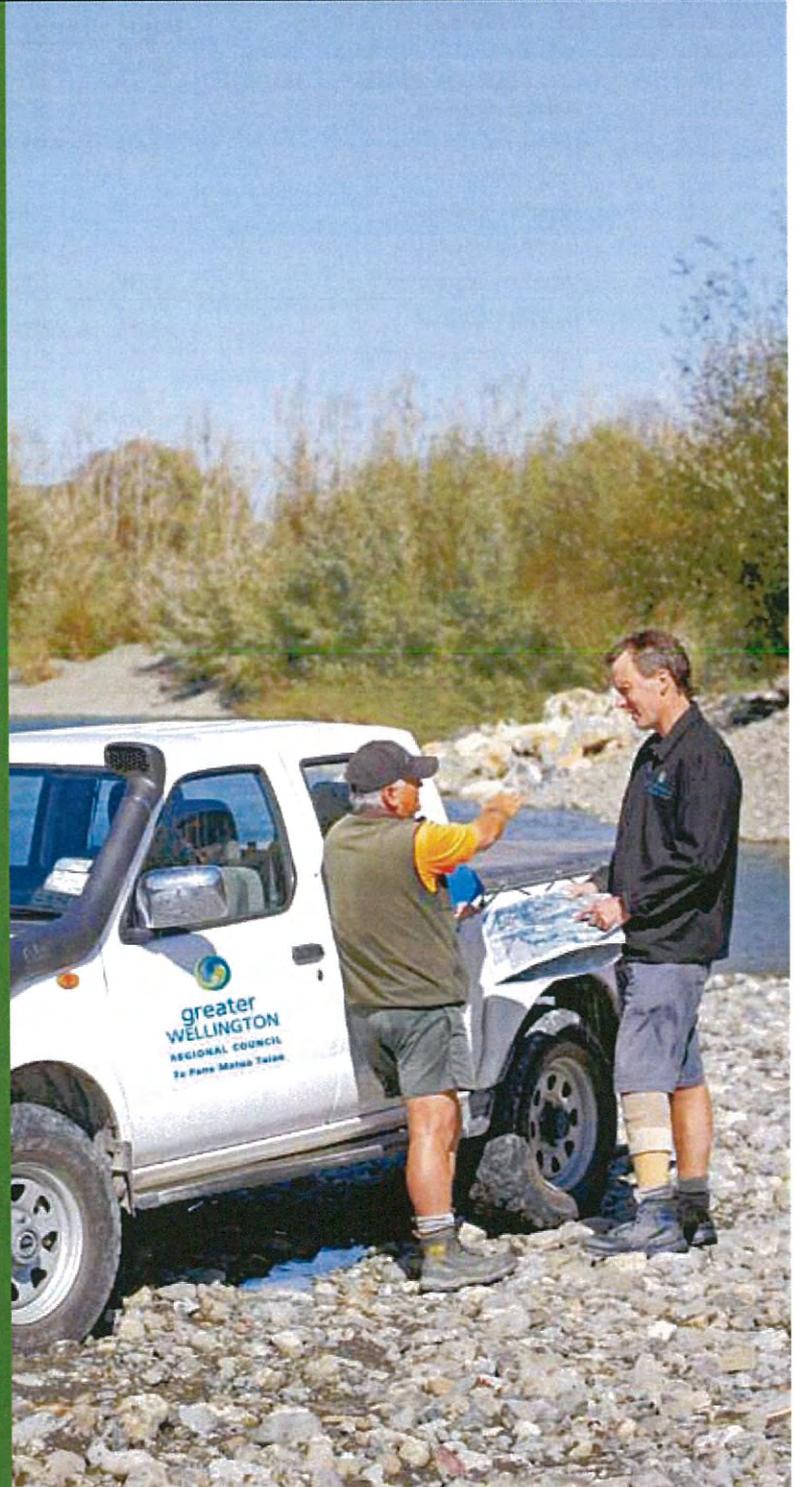
We can cope with emergency events. Individuals and businesses are able to take responsibility for their own well-being. Effective emergency management systems are in place

This group of activities also contributes to the following outcomes:

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

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

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



2. Key projects 2011/12

Activity: Floodplain management planning

- Progress the next phase of the Waiohine Floodplain Management Plan
- Complete the Pinehaven Floodplain Management Plan in conjunction with the Upper Hutt City Council
- Complete the Waiwhetu Floodplain Management Plan
- Progress the Waipoua River Flood Hazard Assessment to identify the existing flood risk to Masterton

Activity: Flood protection infrastructure

- Progress construction of the Boulcott-Hutt Stopbank
- Complete Year 5 of the 10-year development plan for the Lower Wairarapa Development Scheme
- Commence construction of the lower Waitohu stream flood improvements
- Complete edge-protection works on the Otaki River
- Commence flood protection improvements at Ebdentown in conjunction with the New Zealand Transport Agency

Activity: Environmental enhancement of river corridors

- Maintain the tracks and restoration sites on the Waikanae, Otaki and Hutt rivers in accordance with each river's environmental strategy and in partnership with Friends of the River groups

Activity: Flood warning service

- Continue to provide a flood warning service to landowners, local authorities and the public

Activity: Civil defence and emergency management

- Recommend a Civil Defence and Emergency Management Group structure and service delivery model to optimise the region's readiness and capability to respond to and recover from both local and region-wide emergencies
- Ensure Greater Wellington is able to perform a coordinating role and carry out emergency management systems effectively

Activity: Harbour management

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

3. Key changes from 10-Year Plan 2009-19 (LTCCP)

ACTIVITY

Floodplain management planning

- Completion of the Waiwhetu Floodplain Management Plan was deferred while the remediation of the lower reach of the stream was completed. The Waiwhetu Floodplain Management Plan is now due to be completed in 2013
- Reviews of the Otaki and Hutt Floodplain Management Plans have been deferred to allow resources to be focused on completing the Boulcott-Hutt Stopbank design work and the Waiwhetu Stream remediation project. These reviews will now commence in 2013
- The budget for the Waiohine River floodplain management plan has increased due to the transfer of funds that were not spent in 2010/11

ACTIVITY

Flood protection infrastructure

- Construction of the Boulcott-Hutt Stopbank has been delayed by one year as a result of delays in gaining the necessary statutory approvals
- The construction of the Ebdentown rock line has been delayed until the necessary agreements with New Zealand Transport Agency are finalised

ACTIVITY

Environmental enhancement of river corridors

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Flood warning service

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Civil defence and emergency management

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Harbour management

- There are no significant changes from the *10-Year Plan 2009-19*

4. Short-term targets – by 30 June 2012

ACTIVITY	
Floodplain management planning	
TARGET	BUDGET
The Waiohine River flood plain management plan will be adopted by the Council.	\$219,000
The Waiwhetu Stream floodplain management plan will be adopted by the Council.	\$150,000
A review of Masterton flood risk will be completed to the satisfaction of the Council.	Included within the Wairarapa area investigations budget
A review of the Hutt River floodplain management plan will be commenced.	Deferred until 2013/14
ACTIVITY	
Flood protection infrastructure	
TARGET	BUDGET
The construction and upgrade of flood protection infrastructure in the region will be completed in accordance with the capital expenditure programme.	\$5,037,000
Flood infrastructure in the western part of the region will be maintained in accordance with established standards, statutory requirements and the Western Rivers Asset Management Plan. Achievement will be approved by the Council.	\$4,330,000
Flood infrastructure will be maintained in the 10 Wairarapa river schemes and will be completed to established standards and to the satisfaction of the Scheme Advisory Committees.	
ACTIVITY	
Environmental enhancement of river corridors	
TARGET	BUDGET
Maintenance within the Hutt River corridor, including tracks and restoration sites, will be carried out in accordance with the Hutt River Environmental Strategy. Progress will be reported to the Council.	\$191,000
Maintenance within the Otaki River corridor, including tracks and restoration sites, will be carried out in accordance with the Otaki River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council.	\$37,500
Maintenance within the Waikanae River corridor, including tracks and restoration sites, will be carried out in accordance with the Waikanae River Environmental Strategy and in partnership with the Friends of the River group. Progress will be reported to the Council.	

ACTIVITY

Flood-warning service

TARGET	BUDGET
All flood warnings will be issued within 30 minutes of alarms being triggered in accordance with established flood procedures.	\$132,500

ACTIVITY

Civil defence and emergency management

TARGET	BUDGET
Progress with the implementation of the CDEM Group Plan will be to the satisfaction of the Wellington Region CDEM Group.	\$38,000
The Wellington Region CDEM Group will meet twice during the year.	\$38,000
A major exercise to test the operational capability of the CDEM Group's Emergency Operations Centre will be conducted.	\$25,000

ACTIVITY

Harbour management

TARGET	BUDGET
The Beacon Hill Harbour Communications Station will provide a 24-hour, 365-day service in accordance with Council agreed operating standards.	\$484,600
Navigation aids will be repaired within 24 hours, weather permitting, and maintained in accordance with International Association of Lighthouse Authorities (IALA) guidelines.	\$121,500
Reports of oil spills in harbours and coastal waters will be checked within 30 minutes and clean-up action will be commenced within one hour of being reported (for harbours) and within three hours (for coastal waters).	\$17,800
All reports of unsafe behaviour will be investigated. Formal records will be kept of all reports At least 500 safe boating packs will be distributed to recreational boaters.	\$112,600

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Funding statement		
General rate	9,945	10,059
Targeted rates	5,464	5,824
Government subsidies	88	123
Interest and dividends	458	617
Other operating revenue	2,052	2,000
Operating revenue	18,007	18,623
Direct operating expenditure	10,620	10,437
Finance costs	3,020	3,582
Depreciation	827	971
Operating expenditure	14,467	14,990
Operating surplus/(deficit)	3,540	3,633
Less:		
Capital expenditure	5,451	5,343
Proceeds from asset sales	(122)	(114)
Loan funding	(5,037)	(4,976)
Rates-funded capital expenditure	292	253
Debt repayment	3,101	2,954
Investment additions	342	474
Operational reserve movements	632	923
Working capital movements	-	-
Non-cash items ¹	(827)	(971)
Net funding required	-	-

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Operating revenue		
Flood protection	15,173	15,696
Emergency management	900	857
Harbour management	1,934	2,070
Total operating revenue	18,007	18,623
Operating expenditure		
Flood protection	11,751	12,113
Emergency management	847	877
Harbour management	1,869	2,000
Total operating expenditure	14,467	14,990
Capital expenditure		
Harbour improvements	-	-
Waiwhetu flood improvements	100	-
Hutt River improvements	2,710	3,703
Otaki River improvements	1,067	181
Wairarapa scheme improvements	981	933
Other flood protection	179	159
Capital project expenditure	5,037	4,976
Land and buildings	-	-
Plant and equipment	69	80
Vehicles	345	287
Total capital expenditure	5,451	5,343

¹ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the Policies Document of the 10-Year Plan 2009-19.

Please note that all figures on this page exclude GST.

Land management

1. Community outcomes

The Land Management group of activities primarily contributes to the following community outcome by carrying out pest management to protect the region's important ecosystems and promoting the sustainable use of land through our soil conservation work and farm sustainability planning:

Healthy Environment

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

This group of activities also contributes to the following outcome:

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



2. Key projects 2011/12

Activity: Pest (animal and plant) management

- Carry out the Regional Pest Management Strategy, including management of new species and new control regimes
- Assist in controlling 10 National Interest Pests under contract to MAF Biosecurity on a cost-recovery basis. This work includes surveying at-risk sites, monitoring and control of known sites and contract management obligations
- Continue to inspect all plant retailers, wholesalers and markets to ensure no plants prohibited from sale under the National Pest Plant Accord are being sold
- Continue to provide a vector management service for the Animal Health Board under the National Pest Management Strategy for Bovine Tb

Activity: Biodiversity

- Carry out the Key Native Ecosystems and Reserves predator control programmes to improve biodiversity in the region and actively promote joint agency programmes aimed to deliver regional benefit through shared resources
- Carry out the Regional Possum/Predator Control Programme to maintain the biodiversity gains achieved by the bovine Tb vector control programme
- Carry out the Biodiversity Implementation Plan on Greater Wellington, territorial authority and private land to improve biodiversity in the region
- Complete a Regional Biodiversity Strategy, including a Regional Biodiversity Monitoring plan, and undertake a review of existing programmes

Activity: Soil Conservation

- Carry out the third year's programme of the Wellington Regional Erosion Control Initiative, focusing on the Whareama and Awhea catchments
- Continue to administer the large portfolio of farm plans that target erosion prone land throughout the region through the provision of planning and operational services
- Continue to promote the Regional Council Pool of the Afforestation Grant Scheme ensuring co-benefits of erosion control, water quality and biodiversity
- Continue to liaise closely with each of the Catchment Scheme Advisory Committees and carry out agreed annual works programmes

Activity: Akura Conservation Centre

- Provide sufficient willow and poplar poles to meet the planting requirements of the hill country erosion-control programmes
- Secure new nursery land to meet the foreseeable needs of the region's hill country erosion-control programmes

3. Key changes from 10-Year Plan 2009-19 (LTCCP)

ACTIVITY

Pest (animal and plant) management

- Greater Wellington's contract with the Animal Health Board (AHB) to provide vector management services for the Wellington region was due to expire at the end of 2010/11. Negotiations are continuing with the AHB regarding an extension to this contract
- Funding for the Regional Possum Predator Control Programme was increased by \$100,000 in 2010/11 using reserves. The budget for 2011/12 remains the same as forecast in the *10-Year Plan 2009-19*

ACTIVITY

Biodiversity

- Greater Wellington has created a Biodiversity department that brings together functional responsibility for all our biodiversity activities under one place. The creation of this department will enable a coordinated focus for Greater Wellington's biodiversity functions, including the production of a regional strategy that establishes a regional vision, objectives and priorities for management. However, activities and targets remain unchanged from the *10-Year Plan 2009-19*
- There has been a reapportioning of funds between projects within the biodiversity implementation programme. The budget for the Queen Elizabeth II National Trust private land-protection programme has increased due to unspent funds from 2010/11 being transferred to 2011/12

ACTIVITY

Soil conservation

- There are no significant changes from the *10-Year Plan 2009-19*

ACTIVITY

Akura Conservation Centre

- There are no significant changes from the *10-Year Plan 2009-19*

4. Short-term targets 2011/12 – by 30 June 2012

ACTIVITY Pest (animal and plant) management

TARGET	BUDGET
The operational plan for implementing the RPMS will be achieved and reported in detail to the Council.	\$2,246,000
Year 2 of the Regional Possum Predator Control Programme in northern Wairarapa Tb-free zone will be implemented to the satisfaction of the Council.	\$150,000

ACTIVITY Biodiversity

TARGET	BUDGET
Pests will be maintained at very low levels in the following key native ecosystems: <ul style="list-style-type: none"> • 10 wetlands • 40 native forest areas • 4 coastal escarpments • 2 dune ecosystems 	\$632,000
The biodiversity implementation programme will be progressed through the following programmes:	
• Wetland Action Plan	\$65,000
• Queen Elizabeth II National Trust private land-protection programme	\$169,000
• Freshwater ecosystem programme	\$25,000
• Streams Alive riparian planting programme	\$182,000
• Pauatahanui Inlet Action Plan	\$40,000
• Coastal ecosystems	\$69,000
A review of the Regional Biodiversity Implementation Plan will be completed to the satisfaction of the Council.	

ACTIVITY Soil conservation

TARGET	BUDGET
15 new farm or sustainability plans will be prepared and approved by the Council.	\$110,000
530ha of erosion prone land will be protected during the year.	\$565,000
Catchment schemes will be progressed in accordance with agreed work plans.	\$100,000
15 events with a land management focus will be supported by Greater Wellington.	\$12,000

ACTIVITY Akura Conservation Centre

TARGET	BUDGET
Akura Conservation Centre will break even or make a profit.	\$25,000
23,000 3m poplar poles will be supplied.	\$187,500

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Funding statement		
General rate	6,872	5,112
Targeted rates	202	205
Government subsidies	183	193
Interest and dividends	26	20
Other operating revenue	2,886	1,733
Operating revenue	10,169	7,263
Direct operating expenditure	10,313	7,038
Finance costs	11	-
Depreciation	151	165
Operating expenditure	10,475	7,203
Operating surplus/(deficit)	(306)	60
Less:		
Capital expenditure	273	225
Proceeds from asset sales	(42)	(51)
Loan funding	(76)	-
Rates-funded capital expenditure	155	174
Debt repayment	(2)	-
Investment additions	-	-
Operational reserve movements	(308)	51
Working capital movements	-	-
Non-cash items ¹	(151)	(165)
Net funding required	-	-

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Operating revenue		
Soil conservation and biodiversity	6,188	3,347
Manage pest plants and animals	3,981	3,916
Total operating revenue	10,169	7,263
Operating expenditure		
Soil conservation and biodiversity	6,390	3,339
Manage pest plants and animals	4,085	3,864
Total operating expenditure	10,475	7,203
Capital expenditure		
Land and buildings	100	-
Plant and equipment	7	7
Motor vehicles	166	218
Total capital expenditure	273	225

¹ Non-cash items includes depreciation

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the Policies Document of the 10-Year Plan 2009-19.

Please note that all figures on this page exclude GST.



Regional sustainable development

1. Community outcomes

The Regional Sustainable Development group of activities contributes principally to the following community outcome by developing region-wide strategies that contribute to the economic well-being of the region:

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

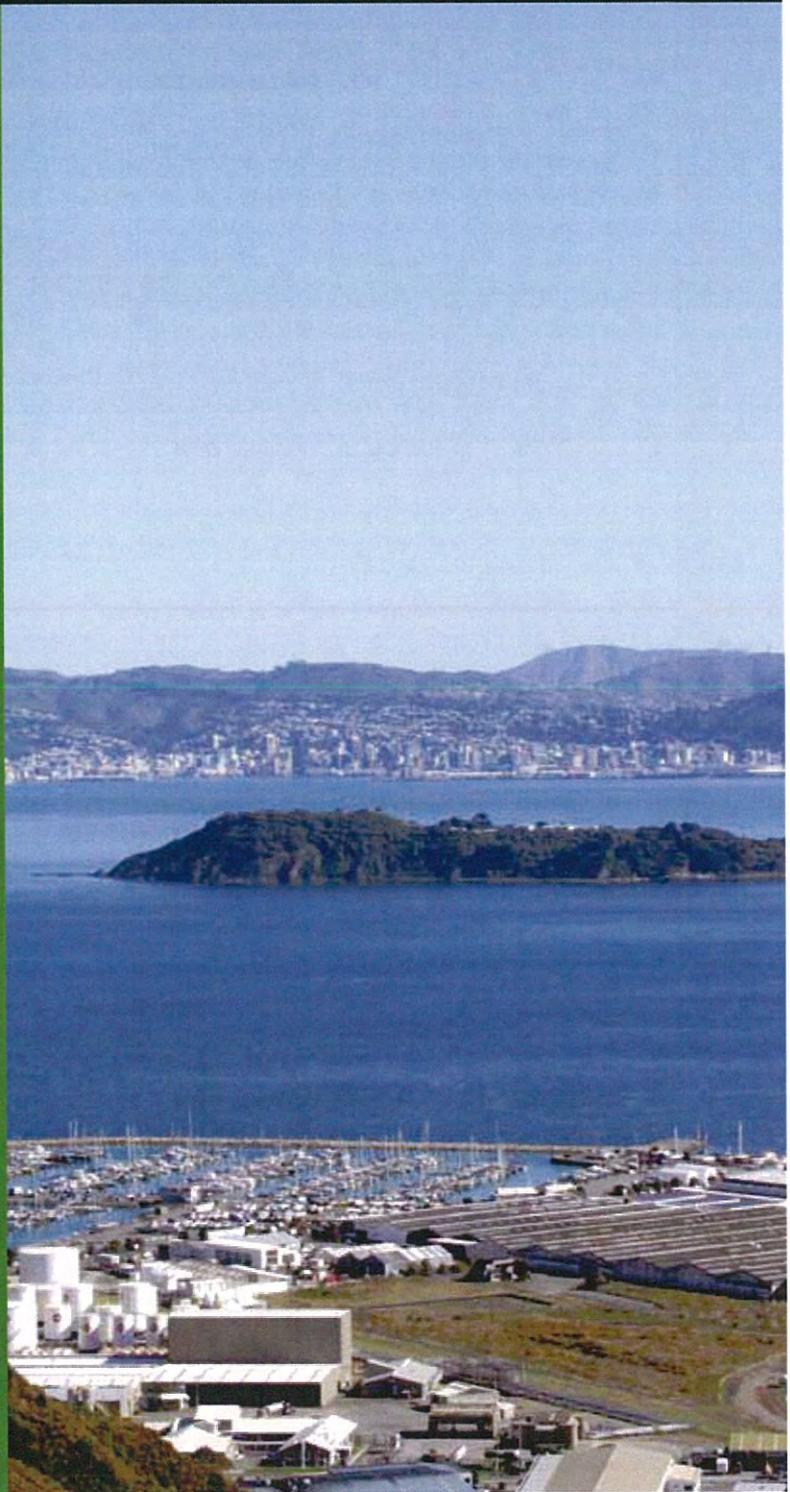
This group of activities also contributes to the following outcomes:

Essential Service by increasing the resilience of the region through the development of strategies and actions promoting the sustainable use of our natural resources for key services, eg, water and electricity

Entrepreneurial and innovative region through strategies and regional programmes to encourage creativity in key sectors of our region

Connected Community through its focus on the region's transport systems

Healthy Environment through the attention it gives to the impact of urban design and open spaces on the environment and on the reduction of greenhouse gas emissions



2. Key projects 2011/12

Activity: Regional resilience

- Develop strategies for business and community resilience to issues such as climate change and water
- Continue the Warm Greater Wellington programme for home insulation and clean heating in association with the Energy Efficiency and Conservation Authority (EECA). Under this programme Greater Wellington will provide up to \$2,600 assistance to ratepayers. This assistance is fully recovered by way of a targeted rate on those ratepayers that participate in the programme

Activity: Wellington Regional Strategy

- Continue to fund Grow Wellington, the region's economic development agency
- Continue strategic projects identified in the Wellington Regional Strategy, including:
 - Regional broadband
 - Genuine progress index
 - Regional open spaces
 - Regional urban design
 - Industrial land

Wellington Regional Strategy activities will be confirmed following the outcome of the review of the strategy in June 2011.

3. Key changes from 10-Year Plan 2009-19 (LTCCP)

ACTIVITY

Regional resilience

- Funding of \$3 million per year for new installations will be allocated to the Warm Greater Wellington programme¹
- The developer holding the Puketiro wind farm development contract has not yet applied for resource consent. Construction is delayed

ACTIVITY

Wellington Regional Strategy

- Less funding has been required to support Grow Wellington and that has resulted in a \$541,000 saving from the budget forecast in the *10-Year Plan 2009-19*. However, the expected performance of the Wellington Regional Strategy activity remains unchanged

¹ This assistance is fully recovered by way of a targeted rate on those ratepayers that participate in the programme

4. Short-term targets 2011-12 – by 30 June 2012

ACTIVITY

Regional resilience

TARGET	BUDGET
Progress with resilience planning, such as for climate change and water, will be reported to the satisfaction of the Council.	\$70,000
Construction of the wind farm development at Puketiro will be underway, subject to obtaining resource consent.	Delayed
Rollout Warm Greater Wellington to 1,350 ratepayers ¹ homes ²	\$3,332,000

ACTIVITY

Wellington Regional Strategy (WRS)

TARGET	BUDGET
The Wellington Regional Strategy (WRS) Committee will approve the annual report of the WRS office on progress with implementation of the WRS.	\$405,000
A summit for the major stakeholders of the WRS will be held by 30 November 2011.	\$5,000
The Wellington Regional Strategy Committee will receive Grow Wellington's annual report and agree that it reflects Grow Wellington's SOI and contributes to the WRS – by 30 April 2012.	\$4,250,000

² This total includes the debt servicing costs of the programme

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s		2011/12 Plan \$000s	2011/12 LTCCP \$000s
Funding statement			Operating revenue		
General rate	159	219	Regional resilience planning	654	128
Targeted rates ¹	5,032	5,000	Wellington regional strategy	175	272
Government subsidies	-	-	Regional economic development agency	4,500	5,000
Interest and dividends	-	-	Total operating revenue	5,329	5,400
Other operating revenue	138	181	Operating expenditure		
Operating revenue	5,329	5,400	Regional resilience ²	3,455	128
Direct operating expenditure	7,842	5,400	Wellington regional strategy	460	522
Finance costs	323	-	Operate a regional economic development agency	4,250	4,750
Depreciation	-	-	Total operating expenditure	8,165	5,400
Operating expenditure	8,165	5,400	Capital expenditure		
Operating surplus/(deficit)	(2,836)	-	Land and buildings	-	-
Less:			Plant and equipment	-	-
Capital expenditure	-	-	Vehicles	-	-
Proceeds from asset sales	-	-	Total capital expenditure	-	-
Loan funding	(3,228)	-	Rates-funded capital expenditure		
Rates-funded capital expenditure	(3,228)	-	Debt repayment	427	-
Debt repayment	427	-	Investment additions	-	-
Investment additions	-	-	Operational reserve movements	(35)	-
Operational reserve movements	(35)	-	Working capital movements	-	-
Working capital movements	-	-	Non-cash items	-	-
Non-cash items	-	-	Net funding required	-	-
Net funding required	-	-			

¹ Includes targeted rates for economic development and the "Warm Greater Wellington" programme

² Includes expenditure for the "Warm Greater Wellington" programme

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the Policies Document of the 10-Year Plan 2009-19.

Please note that all figures on this page exclude GST.

Community

1. Community outcomes

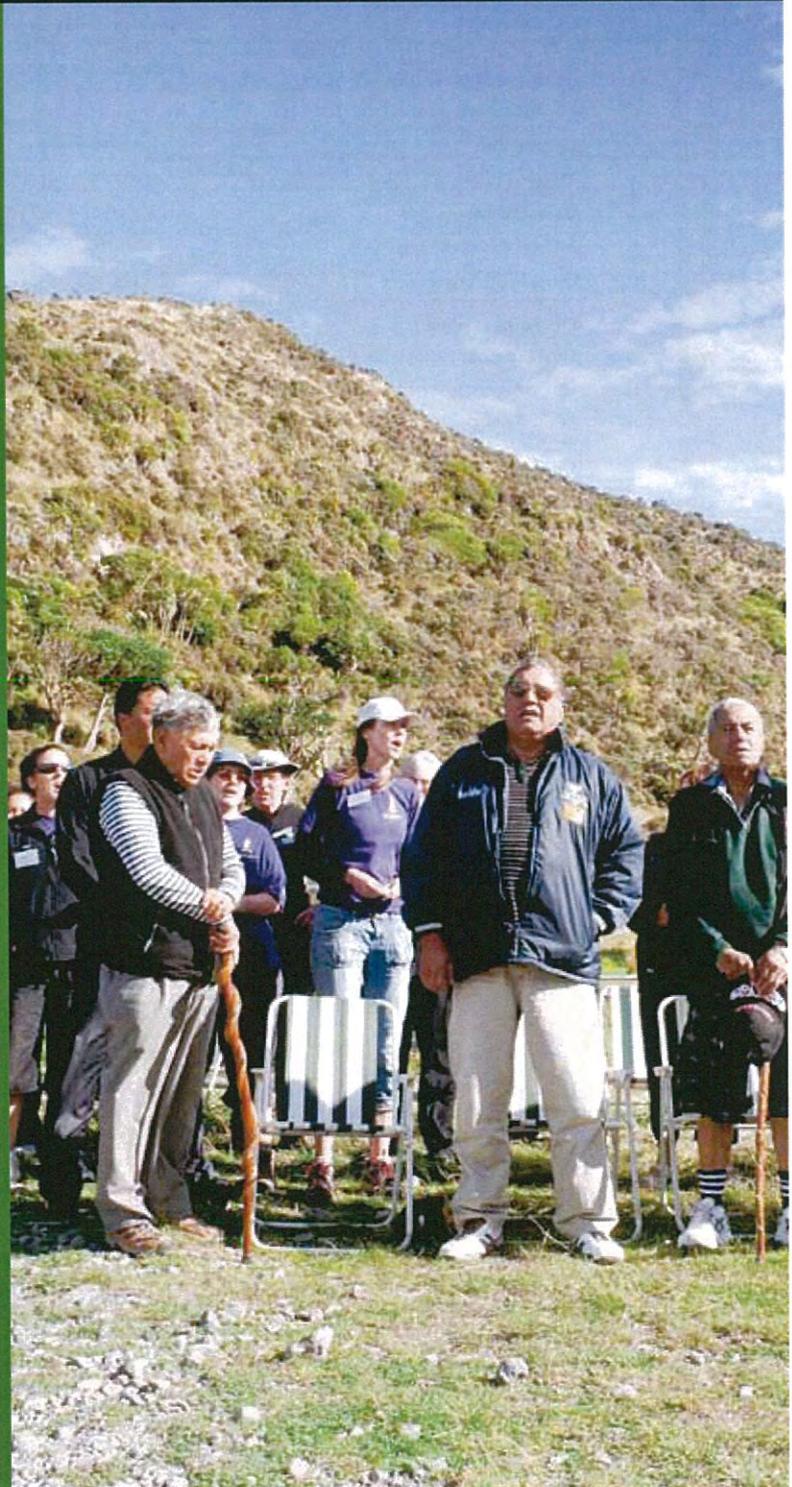
The Community group of activities primarily contributes to the following community outcome by providing opportunities for all people who live in the region to participate in the Council's decision making:

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

The group of activities also contributes to the following outcome:

Quality Lifestyle by supporting a key recreational facility of the region.



2. Key projects 2011/12

Activity: Democratic services

- Complete the 2010/11 Annual Report and the 2012-22 Long Term Plan
- Undertake a review of the Council's electoral system
- Undertake a review of Māori representation on the Council
- Undertake a review of representation arrangements for the Council's elections
- Support the Greater Wellington Accessibility Reference Group

Activity: Relationship with Māori

- Develop an iwi internship programme
- Deliver an internal Greater Wellington capacity building programme
- Establish contracts with each mana whenua iwi
- Convene Ara Tahi Regional Iwi Council Leadership forum
- Convene individual mana whenua iwi / Greater Wellington relationships forums

Activity: Westpac Stadium

- Monitor the performance of the Westpac Stadium Trust
- Appoint a Greater Wellington Councillor to the trust and jointly with the Wellington City Council appoint the other trustees

3. Key changes from 10-Year Plan 2009-19 (LTCCP)

ACTIVITY

Democratic services

- Provision has been made for the costs of Te Upoko Taiao – Natural Resource Management Committee
- The budget allocated to statutory public accountability processes has increased \$161,000 from that forecast in the *10-Year Plan 2009-19*. This is due to dedicated staff being assigned to this target and the costs of preparing the Long-Term Plan 2012-22

ACTIVITY

Relationship with Māori

- There has been a change in emphasis in how Greater Wellington engages with iwi. Ara Tahi has an increased focus on strategic leadership, with operational matters increasingly being dealt with through individual mana whenua relationships. A programme to increase staff knowledge of tikanga Māori will be introduced. Overall, the budget for the Relationship with Māori activity has been increased – this includes unspent funds from 2010/11

ACTIVITY

Westpac Stadium

- There are no significant changes from the *10-Year Plan 2009-19*

4. Short-term targets 2011/12 – by 30 June 2012

ACTIVITY

Democratic services

TARGET	BUDGET
All meetings will be conducted in accordance with statutory requirements and Council policies.	\$1,597,000
Statutory public accountability processes will be completed in accordance with requirements.	\$711,000

ACTIVITY

Relationship with Māori

TARGET	BUDGET
Ara Tahi will meet formally at least twice.	\$19,000
A Cultural Capacity training programme will be in place for all staff.	\$50,000
Iwi Capacity contracts will be in place with seven mana whenua iwi partners.	\$238,000
Contracts between iwi and Greater Wellington will be in place for agreed projects.	\$165,000

ACTIVITY

Westpac Stadium

TARGET	BUDGET
The financial and operational performance of the Westpac Stadium Trust will be in accordance with its Statement of Intent.	\$2,676,000

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Funding statement		
General rate	3,110	3,001
Targeted rates	2,676	2,673
Government subsidies	-	-
Interest and dividends	6	5
Other operating revenue	1,570	1,809
Operating revenue	7,362	7,488
Direct operating expenditure	4,345	4,407
Finance costs	865	865
Depreciation	41	34
Operating expenditure	5,251	5,306
Operating surplus/(deficit)	2,111	2,182
Less:		
Capital expenditure	85	5
Proceeds from asset sales	-	-
Loan funding	-	-
Rates-funded capital expenditure	85	5
Debt repayment	1,757	1,757
Investment additions	-	-
Operational reserve movements	(59)	85
Working capital movements	-	-
Non-cash items ¹	328	335
Net funding required	-	-

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Operating revenue		
Run a democratic process	3,474	3,836
Relationships with iwi	843	610
Repayment of Westpac Stadium advance	3,045	3,042
Total operating revenue	7,362	7,488
Operating expenditure		
Run a democratic process	3,417	3,780
Relationships with iwi	915	610
Repayment of Westpac Stadium advance	919	916
Total operating expenditure	5,251	5,306
Capital expenditure		
Land and buildings	-	-
Plant and equipment	85	5
Vehicles	-	-
Total capital expenditure	85	5

¹ Non-cash items include depreciation and a projected unrealised gain in the advance to the Wellington Regional Stadium Trust. The nominal amount of this advance is \$25 million and as repayment of the advance gets nearer a higher projected value is recorded. The projected increase in value is recorded as an unrealised revaluation gain each year

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the *Policies Document of the 10-Year Plan 2009-19*.

Please note that all figures on this page exclude GST.

Investments

Overview

Greater Wellington has a significant portfolio of investments, comprising:

- Liquid financial deposits
- Administrative properties (eg, depots)
- Forestry and business units
- Equity investments in the WRC Holdings Group (including CentrePort Ltd)
- Rail rolling stock

Greater Wellington's philosophy in managing investments is to optimise returns in the long-term while balancing risk and return considerations. It recognises that as a responsible public authority any investments that it holds should be held for the long-term benefit of the community, with any risk being appropriately managed. It also recognises that lower risk generally means lower returns.

From a risk-management point of view, Greater Wellington is well aware that its investment returns to the rate line are exposed to the success or otherwise of its two main investments – the WRC Holdings Group (including CentrePort Ltd) and its liquid financial deposits.

It is important to appreciate that Greater Wellington's investments contribute approximately 8% to the total level of regional rates. In other words, regional rates would need to be 8% higher were it not for the contribution from Greater Wellington's investments.

Liquid financial deposits

Greater Wellington holds \$33 million in liquid financial deposits as a result of selling its interest in CentrePort Ltd to one of its wholly owned subsidiaries, Port Investments. Greater Wellington regularly reviews the rationale for holding these liquid financial deposits, taking into account:

- General provisions of our Treasury Management Policy, including Greater Wellington's attitude to risk and creditworthy counterparties.

- Specific provisions of Greater Wellington's Treasury Management Policy to hold sufficient deposits or have committed funds available as part of its self-insurance of infrastructural assets
- The rate of return from alternative uses of these funds
- The requirement to hedge the \$44 million debt within the WRC Holdings Group

Treasury management

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

Greater Wellington then on-lends these funds to activities that require debt finance. This allows the true cost of debt funding to be reflected in the appropriate areas. The surplus is then used to offset regional rates.

Local Government Funding Agency

Greater Wellington is a founding shareholder in the Local Government Funding Agency (LGFA). The LGFA is currently being established by statute and Greater Wellington will initially subscribe up to \$2.5 million of shares in the LGFA. The LGFA has been set up to assist Local Authorities to access wholesale debt at better rates than they could expect on their own. Greater Wellington will source its term debt requirements from the LGFA and anticipates it will receive an annual dividend on its investment once the LGFA becomes fully established.

Administrative properties

Our interests in the Upper Hutt and Mabey Road depots and the Masterton office building are grouped to form an investment category, Administrative Properties. It is intended that the new Masterton office building will be constructed for around \$6 million and owned by Pringle House Ltd. Pringle House is a wholly owned Council-Controlled Trading Organisation, which currently owns the Regional Council Centre at 142 Wakefield Street, Wellington.

Forestry and business units

Greater Wellington and its predecessor organisations have been involved in forestry for many years, primarily for soil conservation and water quality purposes.

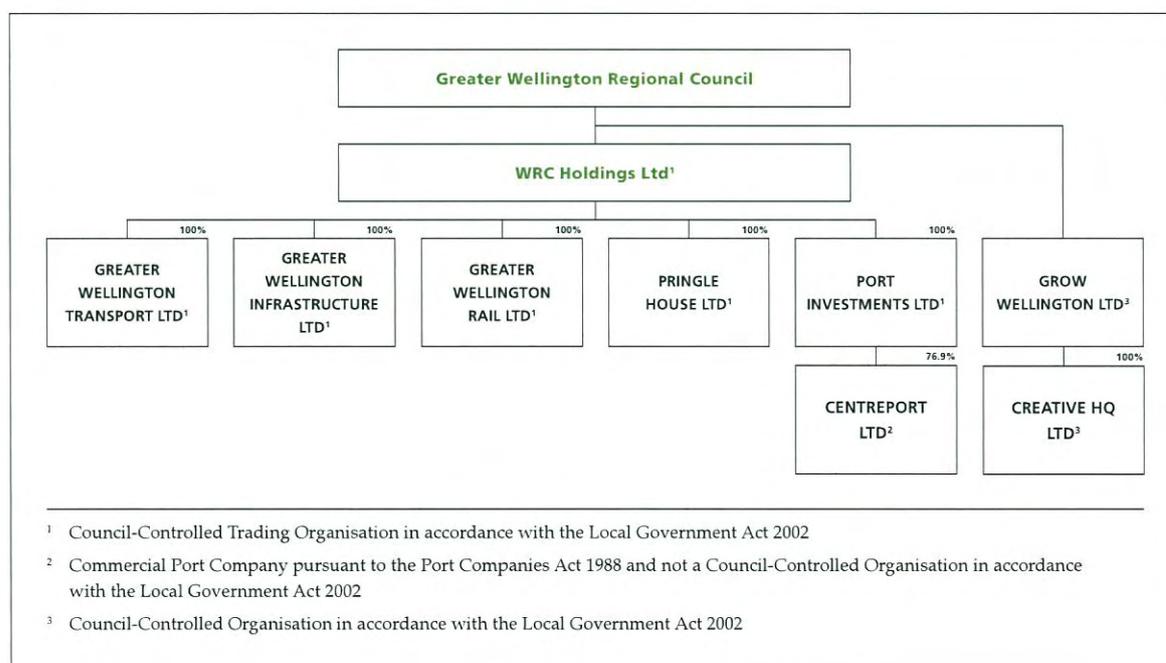
Greater Wellington currently holds 6,000 hectares of plantation and soil conservation reserve forests of which approximately 4,000 hectares are in the western or metropolitan part of the region, with the remaining 2,000 hectares in the Wairarapa.

The overall investment policy of Greater Wellington with regard to forestry is to maximise long-term returns while meeting soil conservation, water quality and recreational needs. This policy assumes that harvesting will be on a sustainable yield basis and maintained without any demand on regional rates.

Our other business units, BioWorks (pest control) and the Wairarapa Workshop (vehicle equipment and repairs), are also required to return to us an internal dividend in the same way as plantation forestry and reserve forests. The internal dividend rate is based on the net assets employed by each of these businesses. The level of internal dividend will continue to be reviewed annually.

WRC Holdings Group

Greater Wellington has established the following equity investments in the WRC Holdings Group:



WRC Holdings Ltd and Port Investments Ltd are in essence investment holding companies. The main operating companies in the Group are CentrePort Ltd and Pringle House Ltd. Each year WRC Holdings Ltd provides to Greater Wellington, as 100% shareholder, a Statement of Intent for the WRC Holdings Group.

The WRC Holdings Group structure was set up for the following reasons that are still applicable:

- Appropriate separation of management and governance
- Imposing commercial discipline on the Group's activities to produce an appropriate return by ensuring appropriate debt/equity funding and requiring a commercial rate of return
- Separating Greater Wellington's investment and commercial assets from its public good assets

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

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

Grow Wellington Ltd acts as an economic development agency. Further discussion on this is included in the Regional Sustainability Development group of activities under the activity Wellington Regional Strategy in this Annual Report.

WRC Holdings – Statement of Intent

Objectives and activities of the Group

Objectives

The primary objectives of the Group shall be to:

- Support Greater Wellington's strategic vision, and operate successful, sustainable and responsible businesses
- Manage its assets prudently
- Where appropriate, provide a commercial return to shareholders
- Adopt policies that prudently manage risks and protect the investment of its shareholders

Activities

WRC Holdings Limited

WRC Holdings Ltd is the holding company for Pringle House Ltd (PHL), Port Investments Ltd (PIL), Greater Wellington Rail Ltd (GWRL) and, indirectly, CentrePort Ltd.

Effectively manages any other investments held by the Group to maximise the commercial value to shareholders and protect the shareholders' investment.

WRC Holdings Ltd acts as a diligent, constructive and inquiring shareholder.

Pringle House Limited

It owns and operates the Regional Council Centre at 142-146 Wakefield Street, Wellington. The building is leased out on commercial terms to Greater Wellington, Vector and Chartis.

The management of the building is undertaken by Greater Wellington's property consultants, Jigsaw Property Ltd.

The building consists of 6,545 square metres over 9 floors with 88 % being leased to Greater Wellington and with the balance to Vector and Chartis.

Greater Wellington Rail Limited

Owns Greater Wellington's investments in rail rolling stock, which includes the following rolling stock:

- 18 – SW Carriages
- 6 – SE Carriages
- 1 – AG Luggage van
- 1 – 2 Car DM 216 English Electric unit
- 48 – 2 Car Matangi units, once production completed.

In 2008 a contract was entered into with Rotem Mitsui for the supply of 96 Matangi electric multiple units (EMUs), composed of 48 two car units.

The units are being delivered in stages which commenced in 2010. The last unit expected to be delivered in early 2012.

Greater Wellington Rail Limited is in the process of acquiring further rail assets from KiwiRail and from Greater Wellington. The intention is to coral all of Greater Wellington's rail assets into the one entity to improve the overall asset management.

The final commercial deal has not been agreed at the point of preparing this SOI, however it is envisaged that the following assets will be transferred from KiwiRail to Greater Wellington Rail Limited:

- 44 – Ganz Mavag units (these are made up of 2 or 3 car sets),
- 35 – English Electric units
- 48 – Railway stations - excluding the main Wellington central station

Various overbridges and underpasses supporting the network.

Assets to be transferred from Greater Wellington to Greater Wellington Rail Limited:

- 2 – Railway stations – Waterloo and Petone
- Various car parks, station improvements and other ancillary rail related assets.

Greater Wellington Rail Limited will be responsible for all aspects of asset management, with the majority of the activities carried out by Greater Wellington staff, supported by a management contract.

Greater Wellington intends to spend in the vicinity of \$80 million over the next four years to upgrade and refurbish the Ganz Mavag units.

The English Electric units will be gradually retired as the new Matangi and the upgraded Ganz Mavag come into service. This will increase the amount of rolling stock compared to that currently in use.

Port Investments Limited

Port Investments Limited is an investment vehicle that owns 76.9% of CentrePort Limited.

The major activities of CentrePort, who produce their own Statement of Corporate Intent, similar to this SOI, are:

- Port infrastructure (land, wharves, buildings, equipment, utilities)
- Shipping and logistical services (pilotage, towage, berthage)
- Operational service (cargo handling, warehousing, facilities management, property management, security, emergency services)
- Integrated logistics solutions (networks, communications, partnerships)
- Property services (development, leasing management)
- Joint ventures (coldstore, container repair, cleaning, packing, unpacking and storage).

Port Investments monitors the performance of CentrePort through the board of PIL.

Environmental, social and financial targets of the Group

WRC Holdings Group (excluding Centre Port)

Environment

- Operate in an environmentally sustainable manner
- Minimise the impact of any of the Group's activities on the environment
- Raise awareness of environmental issues within the Group

Social

- Provide a safe and healthy workplace
- Participate in developing cultural and community activities within the regions that the Group operates
- Help sustain the region's economy

WRC Holdings Limited

WRC Holdings to act as a responsible and inquiring shareholder and to hold a meeting at least six times a year to review the operation and financial position of the company.

WRC Holdings Limited	2011/12	2012/13	2013/14
Dividend distribution \$000s	2,304	2,380	2,497
Dividend distribution %	100%	100%	100%
Return on equity ¹	2.2%	-0.7%	-2.5%
Return on assets ²	3.4%	1.6%	1.0%

¹ Based on net surplus before tax divided by average equity, but excluding revaluation gains and losses.

² Based on earnings before interest and tax divided by average assets

Pringle House Limited

- Maintains a regular maintenance programme.
- Ensures the Regional Council Centre is insured at competitive rates.
- Ensures the Regional Council Centre meets the requirements of the Building Act.
- Ensure the Regional Council Centre provides a rental at competitive market rates with residual income after expenses paid as a dividend to the shareholder.
- Ensure Pringle House Limited operates in an energy efficient manner.
- Financial performance indicators.

Pringle House Limited	2011/12	2012/13	2013/14
Dividend distribution \$000s	196	201	191
Dividend distribution %	100%	100%	100%
Return on equity ¹	12.3%	12.7%	12.2%
Return on assets ²	7.1%	7.4%	7.1%

¹ Based on net surplus before tax divided by average equity, but excluding revaluation gains and losses.

² Based on earnings before interest and tax divided by average assets

Greater Wellington Rail Limited

- Purchase of the Matangi units is in accordance with the contract with Rotem Mitsui.
- Rail assets are maintained in accordance with maintenance schedules.
- Rail assets are insured at competitive rates utilising best practice methodology.
- Financial performance indicators.

Greater Wellington Rail Limited	2011/12	2012/13	2013/14
Dividend distribution \$000s	–	–	–
Dividend distribution %			
Return on equity ¹	(3.85%)	(5.19%)	(7.00%)
Return on assets ²	(0.55%)	(0.99%)	(1.41%)

¹ Based on net surplus before tax divided by average equity, but excluding revaluation gains and losses.

² Based on earnings before interest and tax divided by average assets

Port Investments Limited, Parent & Group including CentrePort

- Port Investments to act as a responsible and inquiring shareholder of CentrePort. CentrePort to report at least four times a year to Port Investments Limited and for the board to approve significant transactions of CentrePort as determined by the constitution.
- Performance indicators for CentrePort as noted in WRC Holding Group SOL.
- Financial performance indicators.

Port Investments Limited	2011/12	2012/13	2013/14
Dividend distribution \$000s	2,223	2,296	2,423
Dividend distribution %	100.0%	100.0%	100.0%
Return on equity ¹	58.6%	55.7%	61.1%
Return on assets ²	7.1%	7.2%	7.6%

¹ Based on net surplus before tax divided by average equity, but excluding revaluation gains and losses.

² Based on earnings before interest and tax divided by average assets

Performance targets for the Group

Financial	2011/12	2012/13	2013/14
Net profit/(deficit) before tax	\$14.5 million	\$14.9 million	\$15.1 million
Net profit/(deficit) after tax ¹	\$9.8 million	\$10.3 million	\$10.5 million
Earnings before interest, tax and depreciation.	\$43.5 million	\$48.0 million	\$52.5 million
Return on total assets ²	4.46%	4.04%	3.79%
Return on shareholders' funds ³	4.81%	4.43%	4.24%
Stakeholders equity in total assets	22.33%	22.25%	22.07%
Dividends ⁴	\$2.3 million	\$2.5 million	\$2.8 million

¹ Net profit after tax, but before deduction of minority interest

² Earnings before interest and tax as a percentage of average total assets

³ Net profit after tax (and after deduction of minority interest) as a percentage of average shareholder equity (excluding minority interest)

⁴ Dividends (interim and final) paid or payable to the shareholder

Directors of WRC Holdings and its subsidiaries (excluding CentrePort Ltd)

Anne Blackburn
 Peter Blades
 Peter Glensor
 Prue Lamason (Chair)
 Fran Wilde (Deputy Chair)
 Nigel Wilson

CentrePort Ltd

Statement of corporate intent

Objectives

The *primary* objectives of the company shall be to:

- Be a successful transport and property infrastructure company, built around the core port business
- Operate as a sustainable and responsible business with due reference to community and environmental interests

The *financial* objectives of the company shall be to:

- Deliver competitive financial returns compared to industry benchmarks (port and comparable sectors)
- Adopt policies that prudently manage risk and protect the investment of shareholders

The *environmental* and sustainability objectives of the company shall be to:

- Minimise our impact on the environment
- Operate in a sustainable manner

The *social* objectives of the company shall be to be socially responsible and have a positive and sustainable impact on all key stakeholders (employees, customers, suppliers, local community and wider society) by:

- Being a respected and responsible employer
- Providing a safe and healthy workplace
- Building awareness of the value and contribution of CentrePort's activities to the local economy
- Participating in and encouraging selected community activities. Consulting with employees, stakeholders and the community where appropriate

Performance targets

Financial	2011/12	2012/13	2013/14
Net profit before tax	\$15.3 million	\$15.4 million	\$16.5 million
Net profit after tax	\$11.2 million	\$11.3 million	\$12.1 million
Return on total assets ¹	8.1%	8.1%	8.1%
Return on shareholders' funds ²	7.9%	7.7%	8.0%
Dividends distribution as a percentage of NPAT	40%–60%	40%–60%	40%–60%
Dividend ³	\$4.5 million	\$4.5 million	\$4.8 million
Interest cover ratio ⁴	3.5	3.6	4.1
Gearing ratio ⁵	38%	39%	39%

¹ Net profit before interest and tax as a percentage of average total assets

² Net profit after tax as a percentage of average shareholders' funds

³ For forecasting purposes the base of 40% (rounded to the nearest \$100k) has been used for out-year reporting

⁴ The company has set medium and long-term financial performance and financial health targets. Earnings before interest, tax and depreciation, divided by interest expense

⁵ Total liabilities divided by total assets

The target for return on shareholders' funds is to be benchmarked against comparable New Zealand ports.

Environmental

- Develop and maintain a formal environmental management system consistent with the standards specified in AS/NZ ISO 14001: 2004
- Formally review, at least annually, the company's compliance with all environmental legislation, district and regional plans, and conditions of resource consents held
- Maintain a sustainability programme with measurable performance criteria covering, as a minimum, the monitoring of waste and greenhouse gas emissions
- Undertake the monitoring of environmental discharges in accordance with implemented management plans in the areas of:
 - Port noise
 - Stormwater discharges to the Coastal Marine Area
 - Fumigants associated with the pest treatment of cargoes
- Monitor compliance of methyl bromide use for fumigating log shipments and work collaboratively with Greater Wellington and Crown agencies to investigate alternative fumigation options
- Maintain an environment issues register of environmental complaints and issues for monitoring and actioning purposes. The register is to be reported to CentrePort Ltd's Health, Safety and Environmental Committee on a regular basis (meets four times per annum)
- Measure CentrePort's carbon footprint on an average tonnage and ship call basis, benchmark the footprint against similar entities, and develop a plan to reduce that footprint to zero
- CentrePort Ltd will hold a minimum of three environmental consultative committee meetings in 2011/12, comprising CentrePort Ltd and effected stakeholders (customers, port users, local authorities, iwi and residential groups). The meetings provide a forum to identify and inform on a range of environmental port-related matters

Social

- Contribute to the desired outcome of the Wellington Regional Strategy through:
 - Providing workplace opportunities and skills enhancement of our employees
 - Ensuring the regional economy is connected by the provision of high-quality port services to support international and coastal trade
 - Supporting the regional community by investing in community sponsorship

- Maintain tertiary level of compliance with the ACC Workplace Safety Management Practices Programme and comply with the AS/NZS 4801: Occupational Health and Safety Management Systems
- Annual review of Health and Safety Policy
- Maintain compliance with the International Ship & Port Security Code, which promotes security against terrorism within the port environment
- Undertake risk assessments and implement any mitigating procedures relating to the Port and Harbour Safety Code, which promotes safety and excellence in marine operations
- To meet regularly with representative community groups

General

The company will, in consultation with shareholders, continue to develop performance targets in the financial, environmental and social areas to be able to maintain triple bottom line reporting in accordance with best practice.

When developing “property held for development”, the board is to adhere to the following principles:

- Properties may be developed without the building being fully pre-let, as long as tenancy risk¹ 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

Shareholders of CentrePort Ltd

- Port Investments Ltd: 76.9%
- MWRC Holdings Ltd: 23.1%

Directors of Centreport Ltd

David Benham
 Richard Janes
 John Monaghan
 Malcolm Johnson
 Warren Larsen (Chair)
 Mark Petersen

¹ Mangement of tenancy risk means that each single property investment has committed rental income (via executed lease contracts) that is sufficient to meet forecast interest costs on (i) the cost of the site development related to the development and (ii) the cost of the construction of the development AND the vacant net lettable area of the development is no greater than 25%

Prospective funding impact statement

For the year ending 30 June

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Income statement		
Operating revenue	13,694	12,122
Operating expenditure	9,175	8,485
Earnings before interest	4,519	3,637
Net interest	3,935	1,927
Internal income ¹	39,781	3,824
Operating surplus/(deficit)	48,235	9,388
Less:		
Contribution to general rates	10,433	6,916
Earnings retained	37,802	2,472
Operating surplus / (deficit) before contribution to general rates of individual investments		
Liquid financial deposits	1,589	1,795
WRC Holdings ¹	43,189	4,513
Treasury management	3,995	2,931
Forestry	(601)	(300)
Other Investments and Property	63	449
Operating surplus	48,235	9,388

	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Net contribution to general rates from individual investments		
Liquid financial deposits	1,589	1,795
WRC Holdings ¹	3,407	283
Treasury management	5,428	4,271
Forestry	-	225
Other Investments and Property	9	342
Total contribution to general rates	10,433	6,916

¹ Internal income from public transport is used to fund the new Matangi trains purchase and the start of the Ganz Mavag refurbishment project carried out by the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the Policies Document of the 10-Year Plan 2009-19.

Please note that all figures on this page exclude GST.

Financial information

Total Council financial statements

Prospective comprehensive income statement For the year ending 30 June

	2010/11 Budget \$000s	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Operating revenue			
General rates	26,803	25,658	28,682
Targeted rates	54,089	59,726	68,752
Regional rates	80,892	85,384	97,434
Water supply levy	23,460	24,164	26,350
Government subsidies	252,009	177,339	109,094
Interest and dividends	2,998	5,107	3,418
Other operating revenue	15,838	15,886	14,932
Total external operating revenue	375,197	307,880	251,228
Operating expenditure			
Personnel costs	33,516	35,529	34,132
Grants and subsidies	65,113	46,168	94,289
Finance costs	7,020	8,533	11,795
Depreciation	11,660	12,156	12,256
Other operating expenses	43,502	48,458	44,920
Total external operating expenditure	160,811	150,844	197,392
Operating surplus before transport improvement grants¹	214,386	157,036	53,836
Transport improvement grants ¹	222,186	170,351	52,189
Operating surplus/(deficit)	(7,800)	(13,315)	1,647
Other comprehensive income			
Unrealised revaluation gains	1,950	1,112	2,002
Total comprehensive income / (deficit) for year	(5,850)	(12,203)	3,649

As part of the Wellington Rail Package 2011, Greater Wellington will fully fund some rail project expenditure at the time the expense is incurred and recovers a share of the debt servicing costs over the life of the debt from the New Zealand Transport Agency. This has the effect of increasing Greater Wellington's debt and reported operating deficit in 2011/12 when compared to the 10-Year Plan 2009-19.

¹ Transport improvement grants include capital grants to external public organisations and the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd, for improvements to public transport infrastructure where Greater Wellington will not own the resulting asset. These improvements include trolley bus overhead wire renewals, rail infrastructure, rail track renewals, the new Matangi trains and the start of the Ganz Mavag refurbishment project during 2011/12

Please note that all figures on this page exclude GST

Prospective statement of changes in equity

As at 30 June

	2010/11 Budget \$000s	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Total opening ratepayers' funds	653,762	656,352	639,267
Total comprehensive income / (deficit) for year	(5,850)	(12,203)	3,649
Movements in revaluation reserve ¹	-	25,943	31,654
Movement in ratepayers funds for year	(5,850)	13,740	35,303
Closing ratepayers' funds	647,912	670,092	674,570
Components of ratepayers funds			
Opening accumulated funds	353,355	354,029	348,041
Total comprehensive income / (deficit) for year	(5,850)	(12,203)	3,649
Movements in other reserves	3,333	2,790	118
Movement in accumulated funds for year	(2,517)	(9,413)	3,767
Closing accumulated funds	350,838	344,616	351,808
Opening other reserves	17,906	19,888	11,065
Movements in other reserves	(3,333)	(2,790)	(118)
Movement in ratepayers funds for year	(3,333)	(2,790)	(118)
Closing other reserves	14,573	17,098	10,947
Opening asset revaluation reserves	282,501	282,435	280,161
Movements in revaluation reserve ¹	-	25,943	31,654
Movement in asset revaluation reserve for year	-	25,943	31,654
Closing asset revaluation reserve	282,501	308,378	311,815
Closing ratepayers' funds	647,912	670,092	674,570

As part of the Wellington Rail Package 2011, Greater Wellington will fully fund some rail project expenditure at the time the expense is incurred and recovers a share of the debt servicing costs over the life of the debt from the New Zealand Transport Agency. This has the effect of increasing Greater Wellington's debt and reported operating deficit in 2011/12 when compared to the 10-Year Plan 2009-19

¹ Movements in revaluation reserves are the projected revaluation of property, plant and equipment for flood protection
Please note that all figures on this page exclude GST

Prospective balance sheet

As at 30 June

	2010/11 Budget \$000s	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Assets			
Cash and other equivalents	30,735	38,354	42,084
Investments (current)	22,145	10,000	14,954
Other current assets	38,345	37,941	26,121
Current assets	91,225	86,295	83,159
Investments (non-current)	4,802	8,856	5,323
Forestry investments	12,319	15,881	16,538
Investment in subsidiary	54,188	85,736	63,697
Property, plant and equipment	654,431	695,980	713,911
Non-current assets	725,740	806,453	799,469
Total assets	816,965	892,748	882,628
Ratepayers' funds			
Retained earnings	350,838	344,616	351,808
Reserves	297,074	325,476	322,762
Total ratepayers' funds	647,912	670,092	674,570
Liabilities			
Debt (current)	28,900	26,722	40,531
Other current liabilities	30,710	36,003	26,085
Current liabilities	59,610	62,725	66,616
Debt (non-current)	109,443	159,931	141,442
Non-current liabilities	109,443	159,931	141,442
Total liabilities	169,053	222,656	208,058
Total equity and liabilities	816,965	892,748	882,628

Debt has increased from the 10-Year Plan 2009-19 largely due to the Wellington Rail Package 2011. Greater Wellington will fully fund some rail project expenditure at the time the expense is incurred and consequently recover a share of the debt servicing costs from the New Zealand Transport Agency over the life of that debt. This has the effect of increasing Greater Wellington's debt and reported operating deficit in 2011/12 when compared to the 10-Year Plan 2009-19

Please note that all figures on this page exclude GST

Prospective statement of cashflows

For the year ending 30 June

	2010/11 Budget \$000s	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Cashflows from operating activities			
Cash is provided from:			
Regional rates	80,892	85,384	97,434
Water supply levy	23,460	24,164	26,350
Government subsidies	252,009	177,339	109,094
Interest and dividends	2,998	5,107	3,418
Fees, charges and other revenue	15,838	15,886	14,932
	375,197	307,880	251,228
Cash is disbursed to:			
Interest	6,864	8,533	11,629
Payment to suppliers and employees	363,412	299,973	224,646
	370,276	308,506	236,275
Net cashflows from operating activities	4,921	(626)	14,953
Cashflows from investing activities			
Cash is provided from:			
Sale of property, plant and equipment	452	512	1,275
	452	512	1,275
Cash is applied to:			
Purchase of property, plant and equipment	27,221	33,773	27,799
Investment additions	14,801	39,781	3,824
	42,022	73,554	31,623
Net cashflows from investing activities	(41,570)	(73,042)	(30,348)
Cashflows from financing activities			
Cash is provided from:			
Loan funding	49,068	86,987	33,050
Cash is applied to:			
Debt repayment	10,816	11,864	15,110
Net cashflows from financing activities	38,252	75,123	17,940
Net increase/(decrease) in cash and cash equivalents	1,603	1,455	2,545
Opening cash and cash equivalents	29,132	36,899	39,539
Closing cash and cash equivalents	30,735	38,354	42,084

As part of the Wellington Rail Package 2011, Greater Wellington will fully fund some rail project expenditure at the time the expense is incurred and recovers a share of the debt servicing costs over the life of the debt from the New Zealand Transport Agency. This has the effect of increasing Greater Wellington's debt and reported operating deficit in 2011/12 when compared to the 10-Year Plan 2009-19.

Please note that all figures on this page exclude GST

Prospective regional rates and capital expenditure

For the year ending 30 June

	2010/11 Budget \$000s	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Regional rates			
Resource management	9,821	9,571	10,340
Transport	41,392	46,352	55,050
Parks and forests	5,517	5,832	6,129
Safety and flood protection	14,687	15,409	15,883
Land management	5,046	7,074	5,317
Regional sustainable development	4,710	5,191	5,219
Community	5,600	5,786	5,674
Investments ¹	(6,550)	(10,433)	(6,916)
Other	669	602	738
Total regional rates	80,892	85,384	97,434

	2010/11 Budget \$000s	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Capital expenditure			
Resource management	213	1,059	149
Transport ²	6,676	5,268	3,107
Water supply	10,163	16,809	13,146
Parks	416	665	499
Safety and flood protection	7,786	5,451	5,343
Land management	264	273	225
Community	78	85	5
Investments	602	2,902	3,791
Other	1,023	1,261	1,534
Total capital expenditure	27,221	33,773	27,799

¹ Investment returns reduce the requirement for rates

² Transport capital expenditure excludes capital grants provided to Greater Wellington Rail Limited for the purchase of rail rolling stock. See the Public Transport financial forecast for more information

Please note that all figures on this page exclude GST

Prospective debt

As at 30 June

	2010/11 Budget \$000s	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Resource management	538	1,089	431
Transport	70,752	109,687	80,191
Water supply	47,966	58,262	60,158
Parks and forests	3,274	4,099	3,389
Flood protection	44,017	42,557	44,212
Harbour management	856	809	800
Stadium	13,320	11,563	11,563
Forestry	31,808	32,274	33,858
Property and investments	158	2,549	8,165
Corporate systems	1,657	1,391	2,461
Total activities debt	214,346	264,280	245,228
Treasury internal funding ¹	(76,003)	(77,627)	(63,255)
Total external debt	138,343	186,653	181,973
External debt (current)	28,900	26,722	40,531
External debt (non-current)	109,443	159,931	141,442
Total external debt	138,343	186,653	181,973

¹ Greater Wellington manages community outcome debt via an internal debt function. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy

Please note that all figures on this page exclude GST

Prospective funding impact statement

For the year ending 30 June

	2010/11 Budget \$000s	2011/12 Plan \$000s	2011/12 LTCCP \$000s
Operating revenue			
General rates	26,803	25,658	28,682
Targeted rates ¹	54,089	59,726	68,752
Regional rates	80,892	85,384	97,434
Water supply levy	23,460	24,164	26,350
Government subsidies	252,009	177,339	109,094
Interest and dividends	2,998	5,107	3,418
Unrealised revaluation gains	1,950	1,112	2,002
Other operating revenue	15,838	15,886	14,932
Total external operating revenue	377,147	308,992	253,230
Operating expenditure			
Personnel costs	33,516	35,529	34,132
Grants and subsidies ¹	65,113	46,168	94,289
Finance costs	7,020	8,533	11,795
Depreciation	11,660	12,156	12,256
Other operating expenses	43,502	48,458	44,920
Total external operating expenditure	160,811	150,844	197,392
Operating surplus/(deficit) before transport improvement grants¹	216,336	158,148	55,838
Transport improvement grants¹	222,186	170,351	52,189
Operating surplus/(deficit)¹	(5,850)	(12,203)	3,649
Less:			
Capital expenditure and transport investments	27,221	33,773	27,799
Proceeds from asset sales	(452)	(512)	(1,275)
Loan funding of capital expenditure	(18,234)	(28,620)	(20,436)
Rate, levy and subsidy-funded capital expenditure	8,535	4,641	6,088
Loan funding of public transport ¹	(25,161)	(53,678)	(7,023)
Other loan funding	(5,828)	(4,688)	(5,758)
Debt repayment	14,149	14,654	15,229
Other investment movements	16,337	44,471	6,368
Operational reserve movements	(3,333)	(2,791)	(118)
Non-cash items ²	(10,549)	(14,812)	(11,137)
Net funding required	-	-	-

¹ Transport improvement grants include capital grants to external public organisations and the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd, for improvements to public transport infrastructure where Greater Wellington will not own the resulting asset. These improvements include trolley bus overhead wire renewals, rail infrastructure, rail track renewals, the new Matangi trains and the Ganz Mavag refurbishment project

² Non-cash items include depreciation, forestry, cost of goods sold and unrealised revaluation gains and losses

Please note that all figures on this page exclude GST

General rate	2011/12 Cents per \$ of rateable capital value	2011/12 Revenue sought \$	Targeted rate: Transport	2011/12 Cents per \$ of rateable capital value	2011/12 Revenue sought \$
Wellington city	0.02682	12,350,145	Wellington city		
Lower Hutt city	0.02655	4,474,381	Downtown city centre business	0.22863	17,382,248
Upper Hutt city	0.02650	1,681,824	Urban	0.02750	10,433,430
Porirua city	0.02606	1,992,561	Rural	0.00752	38,248
Kapiti Coast district	0.02555	2,661,964	Lower Hutt city		
Masterton district	0.02367	1,174,134	Urban	0.04865	8,067,467
Carterton district	0.02646	494,492	Rural	0.01292	35,402
South Wairarapa district	0.02531	826,438	Upper Hutt city		
Taranua district ¹	0.01827	1,682	Urban	0.05269	2,992,191
Total general rate		25,657,621	Rural	0.01388	92,586
Targeted rate: River management			Porirua city		
based on capital value			Urban	0.05069	4,325,028
	2011/12 Cents per \$ of rateable capital value	2011/12 Revenue sought \$	Rural	0.01597	83,267
Wellington city	0.00022	99,857	Kapiti Coast district		
Lower Hutt city	0.01287	2,168,433	Urban	0.02422	2,105,568
Upper Hutt city	0.00909	576,524	Rural	0.00674	116,328
Porirua city	0.00087	66,406	Masterton district		
Kapiti Coast district	0.01172	1,221,491	Urban	0.00810	183,855
Carterton district	0.00102	18,985	Rural	0.00250	67,215
Total district-wide river management rate		4,151,696	Carterton district		
Greytown ward	0.01797	80,593	Urban	0.01571	88,452
Total river management rates based upon capital value		4,232,289	Rural	0.00438	57,184
Targeted rate: River management based on land value			South Wairarapa district		
	2011/12 Cents per \$ of rateable capital value	2011/12 Revenue sought \$	Urban	0.01809	169,840
Featherston urban: Donalds Creek Stopbank	0.00234	2,170	Rural	0.00487	113,268
Total river management rates based upon land value		2,170	Total transport rate		46,351,577
Total river management rates		4,234,459	Targeted rate: Warm Greater Wellington Based on extent of service provided	2011/12 Percentage of service provided	2011/12 Revenue sought \$
			For any ratepayer that utilises the service	15.349%	532,000

Note:

¹ 11 Rural properties in the Taranua District are within the boundaries of the Wellington region

Note that all figures on this page exclude GST

Targeted rate: Stadium purposes	2011/12 Cents per \$ of rateable capital value	2011/12 Revenue sought \$	Targeted rate: Economic development (EDA)	2011/12 \$ per rating unit	2011/12 Cents per \$ of rateable capital value	2011/12 Revenue sought \$
Wellington city			Wellington city			
Business	0.00507	549,874	Downtown city centre business		0.01005	763,846
Residential	0.00297	1,031,783	Business		0.01005	325,028
Rural	0.00153	7,760	Residential – per rating unit	\$14.00		952,378
Lower Hutt city			Rural – per rating unit	\$28.00		18,816
Business	0.00383	136,198	Lower Hutt city			
Residential	0.00292	379,962	Business		0.00995	353,430
Rural	0.00225	6,154	Residential – per rating unit	\$14.00		498,330
Upper Hutt city			Rural – per rating unit	\$28.00		10,024
Business	0.00213	21,139	Upper Hutt city			
Residential	0.00243	114,255	Business		0.00990	98,047
Rural	0.00080	5,352	Residential – per rating unit	\$14.00		197,918
Porirua city			Rural – per rating unit	\$28.00		30,968
Business	0.00346	33,180	Porirua city			
Residential	0.00252	155,196	Business		0.00976	93,577
Rural	0.00072	3,746	Residential – per rating unit	\$14.00		228,732
Kapiti Coast district			Rural – per rating unit	\$28.00		16,520
Urban	0.00136	118,002	Kapiti Coast district			
Rural	0.00067	11,506	Business		0.00957	112,002
Masterton district			Residential – per rating unit	\$14.00		280,252
Urban	0.00173	39,334	Rural – per rating unit	\$28.00		71,596
Rural	0.00053	14,182	Masterton district			
Carterton district			Business		0.00887	32,505
Urban	0.00185	10,436	Residential – per rating unit	\$14.00		108,206
Rural	0.00064	8,295	Rural – per rating unit	\$28.00		95,452
South Wairarapa district			Carterton district			
Urban	0.00205	19,266	Business		0.00991	8,274
Rural	0.00044	10,168	Residential – per rating unit	\$14.00		29,008
Total stadium-purposes rate		2,675,788	Rural – per rating unit	\$28.00		48,692
			South Wairarapa district			
			Business		0.00948	14,917
			Residential – per rating unit	\$14.00		39,410
			Rural – per rating unit	\$28.00		71,820
			Taranua district – per rating unit	\$28.00		252
			Total economic development rate			4,500,000

Note:

¹ 11 Rural properties in the Taranua District are within the boundaries of the Wellington region

Note that all figures on this page exclude GST

Targeted rate: River management schemes 1				Targeted rate: River management schemes 1				
		2011/12 \$ per hectare	2011/12 Revenue sought \$			2011/12 \$ per hectare	2011/12 Revenue sought \$	
Waingawa	A	117.60591	4,082	Waiohine – rural	A	41.23560	4,632	
	B	76.45150	9,698		B	34.50560	13,095	
	C	58.81520	6,508		C	27.60440	35,231	
	D	52.93270	99		D	20.70340	7,513	
	E	47.14940	8,118		E	13.80220	11,219	
	F	41.25640	1,041		S	690.11180	8,902	
	G	17.72300	890				80,592	
	H	11.83540	1,998		Mangatarere	A	30.01470	644
		32,434	B	28.70970		6,018		
Upper Ruamahanga	A	111.59510	10,261	C		24.32860	382	
	B	92.99590	615	D		21.53230	1,547	
	C	74.39680	9,246	G		0.09320	35	
	D	55.79820	983				8,626	
	E	37.19840	11,077	Upper Mangatarere		A	8.49740	591
	F	18.59920	743			B	6.38040	111
	S	1,047.88750	1,572		C	4.26250	204	
		34,497				906		
Middle Ruamahanga	A	105.41670	4,714	Waipoua	A	102.29330	8,994	
	B	87.84730	4,805		B	81.83550	20,664	
	C	70.27790	359		C	61.37650	1,366	
	D	52.70840	6,526		D	40.91770	11,455	
	E	35.13880	1,656		SA	3,457.54700	346	
	F	17.56940	5,203		SC	2,066.34460	207	
	S	1,063.10760	1,807				43,032	
		25,070						
Lower Ruamahanga	A	49.09720	6,278					
	B	42.08330	2,301					
	C	35.06940	7,671					
	D	28.05560	9,295					
	E	21.04170	6,914					
	F	14.02770	17,222					
	SA	1,231.09700	3,078					
	SB	615.54880	985					
		53,744						

Note that all figures on this page exclude GST

Targeted rate: River management schemes 1				Targeted rate: River management schemes 2					
		2011/12 \$ per hectare	2011/12 Revenue sought \$			2011/12 \$ per dwelling ¹	2011/12 \$ per point	2011/12 Revenue sought \$	
Kopuaranga	A2	49.36450	1,299	Lower Wairarapa valley	A		0.19191	554,393	
	A3	44.42820	3,063		Development scheme	Sa	15.00000		5,790
	A4	24.68230	279			Sb	30.00000		59,730
	A5	17.27760	997	Total river management scheme rates 2				619,913	
	A6	9.87280	801	Total river management scheme rates				913,018	
	B2	9.87280	605						
	B3	8.88560	654						
	B4	4.93640	46						
	B5	3.45560	107						
	B6	1.97450	237						
	SA	121.30560	607						
	SB	60.65280	667						
				9,362					
Lower Taueru	A	3.40170	1,382						
	B	0.68000	191						
	C	0.34000	64						
	S	169.99800	206						
				1,843					
Lower Whangaeahu	A	15.53370	524						
	B	12.42680	834						
	C	9.31980	509						
	D	6.21420	479						
	E	3.10690	551						
	S	77.66420	102						
			2,999						
Total river management scheme rates 1			293,105						

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. To avoid doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

Note that all figures on this page exclude GST

Targeted rate: Catchment schemes 1				Targeted rate: Catchment schemes 2			
		2011/12 \$ per hectare	2011/12 Revenue sought \$			2011/12 Cents per \$ of rateable land value	2011/12 Revenue sought \$
Whareama	A	4.17610	2,761	Awhea-Opouawe	Land value	0.13548	9,307
	B	1.60640	1,155	Mataikona-Whakataki	Land value within scheme area	0.00306	2,576
	C	0.28130	12,307	Catchment management scheme 2 rates			
	D	0.24090	5				
	E	0.20170	1				
	F	0.16100	451				
			16,680				
Homewood	A	1.34820	3,187	Awhea-Opouawe	Charge per dwelling	\$113.00 / \$56.50	8,696
	B	1.28440	573	Maungaraki	Charge per dwelling	\$30.60	570
	C	1.12390	3,746	Mataikona-Whakataki	Charge per dwelling	\$15.30	1,830
	D	0.16040	280	Catchment management scheme 3 rates			
				7,786			
Maungaraki	A	0.86700	2,905				
	B	0.40800	1,188				
				4,093			
Upper Kaiwhata	A	7.82090	328	Maungaraki	River frontage	0.04080	1,095
	B	3.43300	270	Catchment management scheme 4 rates			
	C	0.48870	447				
	D	0.29330	522				
	E	0.19550	366				
	F	0.09780	44				
				1,977	Total catchment management scheme rates		
Lower Kaiwhata	A	13.04710	858				
	B	5.70810	264				
	C	0.81540	932				
	D	0.48930	1,286				
	E	0.32620	11				
	F	0.16310	45				
			3,396				
Catchment management scheme 1 rates			33,932				

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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. To avoid of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

Targeted rate: Pump drainage schemes				Targeted rate: Gravity drainage schemes			
		2011/12 \$ per hectare	2011/12 Revenue sought \$			2011/12 \$ per hectare	2011/12 Revenue sought \$
Papatahi	A	71.00890	25,000	Taumata	A	6.04110	1,747
Te Hopai	A	74.77870	92,000	East Pukio	A	26.01250	3,000
Moonmoot pump	A	53.90760	12,500	Longbush	A	14.91140	3,253
Onoke pump	A	140.26310	95,800		B	7.45560	963
Pouawha pump	A	60.06580	54,000	Te Whiti	A	3.81380	518
Total pump drainage scheme rates			279,300	Ahikouka	A	25.87320	2,903
				Battersea	A	14.59400	2,451
					B	12.08310	2,242
					C	9.41550	2,934
					D	5.64920	869
					E	4.86460	991
					F	4.70770	353
				Manaia	A	40.59250	7,000
				Whakawiriwiri	A	13.26430	8,273
				Total gravity drainage scheme rates			37,497
Targeted rate: Bovine Tb							
		2011/12 \$ per hectare	2011/12 Revenue sought \$				
Land area > 10ha and defined operational area		0.30000	142,604				
Total bovine Tb rate			142,604				

Note that all figures on this page exclude GST

Significant forecasting assumptions

These prospective financial statements were authorised for issue by the Council on 15 March 2011. Greater Wellington is responsible for these prospective financial statements, including the appropriateness of the assumptions and other disclosures.

Greater Wellington's planning processes are governed by the Local Government Act 2002 (the Act). The Act requires Greater Wellington to prepare a long-term council community plan (10-Year Plan) every three years and an annual plan, which updates the 10-Year Plan by exception, in the intervening years. This is Greater Wellington's Annual Plan 2011/12 and is prepared in accordance with the Act. Caution should be exercised in using these prospective financial statements for any other purpose.

Assumptions

The prospective financial information contained in this annual plan is based on assumptions that Greater Wellington reasonably expected to occur as at 15 March 2011. Actual results are likely to vary from the information presented and these variations may be material. The following are the key assumptions used in preparing this annual plan:

- In respect of 2011/12, financial projections have been calculated in estimated 2011/12 dollars
- Funding assistance will be provided by Crown agencies, primarily the New Zealand Transport Agency and Ministry of Transport at the following levels (percentage of cost):

Operations funding assistance rates

Public transport administration	50%
Travel demand management	75%
Rail services	60%
Bus and ferry services	50%
Infrastructure maintenance and operations	60%

Improvement projects funding assistance rates

Real-time information system	80%
Electronic ticketing investigation	75%
Rail projects	60%-90%

- No revaluation of property, plant and equipment is projected, as this would not have a material effect on the prospective financial information
- For water supply purposes, the population of the four city councils in the region will continue to grow at a rate midway between the high and medium-growth forecasts of Statistics New Zealand
- The water supply security of supply standard will continue to be a 2% probability of a shortfall event – 1 in 50-year drought. (An "event" is defined as a year that contains at least one shortfall day)
- There will be no requirement for major capital works arising from the Ministry of Health's ongoing reviews of drinking water standards
- The review of Greater Wellington's Regional Freshwater Plan in 2010 is unlikely to impact significantly on the allocation of water for public water supply purposes
- Any increase in costs from the introduction of an emission trading scheme is included in projected expenditure
- The 90 day bankbill rate will be 3.50%
- There will not be any significant changes in planned service levels
- There will be no major changes to key legislation affecting Greater Wellington's activities
- There will not be any major flood events
- Asset lives will be in accordance with Greater Wellington's accounting policies
- A 3% increase in fare revenue for public transport.
- Passenger transport infrastructure investment and other capital expenditure will be partly funded by debt. Debt repayments have been estimated in accordance with the Treasury Management Policy

Significant forecasting assumptions

- Greater Wellington has entered into a number of bus contracts to supply public transport services. Included in these contracts are cost indices requiring Greater Wellington to make additional payments depending on whether the index increases or not. The indices are calculated on a number of factors, including the New Zealand dollar price for diesel, staff costs, etc. For 2011/12, the diesel price is assumed to be US\$100/barrel and a US\$/NZ\$ exchange rate is assumed to be 0.78.

It should be noted that an additional US\$10 per barrel on the oil prices would require an increase of \$0.2 million in rates, while a fall in the New Zealand dollar by 10 percentage points would increase rates by \$0.4 million

- There will not be any funding of depreciation on infrastructure assets, as they are loan funded in accordance with the Revenue and Financing Policy. Greater Wellington believes this is financially prudent

Risks to assumptions

The following table outlines the risks to significant forecasting assumptions. If these assumptions prove to be incorrect, there could be a significant effect on the level of rates that Greater Wellington plans to collect from the community. In this situation, Greater Wellington will re-examine its work programmes and determine if it's appropriate to rate the community or change the scope of those programmes.

Greater Wellington has considered each of its activities in terms of the requirements of Schedule 10 of the Local Government Act 2002. There are no significant negative effects on the social, economic, environmental or cultural wellbeing of the local community resulting from any activity, except where stated.

Risk to assumption	Risk level	Likely financial effect	Consequence/mitigation strategy
Inflation is lower or higher	Medium	Medium	Changes the level of rates and debt levels
Interest rates are higher or lower	Medium	Medium	Changes the level of rates and debt levels/offset by hedging strategies
Funding from the New Zealand Transport Agency is higher or lower	Medium	High	Changes the level of rates and debt. Examine service levels and work programme, and adjust if necessary. Greater Wellington to maintain a strong working relationship with the New Zealand Transport Agency and Ministry of Transport
Exchange rate and / or the oil price is higher or lower, affecting the costs of our bus contracts	High	High	Change the levels of rates and hedging of the New Zealand dollar oil price
A natural disaster/flood event occurs which damages Greater Wellington's property, plant and equipment	Medium	Low-High	Call on insurance and self-insurance funds, adjust operating programmes and change the level of rates and debt if necessary

Significant forecasting assumptions

Differential rating categories

Each rating unit is allocated to a differential rating category (based upon location and/or land use) for the purpose of calculating the general rate or any specific targeted rate based upon capital or land value. As Greater Wellington rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities.

Set out below are the definitions used by Greater Wellington to allocate rating units into rating categories. For more information on the specific territorial authority categories, please refer to their planning documents or websites.

- **Rates based on land area**

Some rating units (either in whole or part) are allocated to additional differential rating categories for the purpose of calculating the bovine Tb and Wairarapa schemes' targeted rate based upon land area. This may be based upon the area of land within each rating unit and the provision of a service provided or its location. Some schemes have an additional fixed charge per separate use or inhabited part. Rating units subject to these rates are shown within an approved classification register for each scheme. For more information on whether your rating unit is allocated to one or more of these categories, please contact Greater Wellington's Masterton office (see back cover).

- **Economic development agency rate (EDA)**

Funding for the EDA ceases after 30 June 2012. A decision about whether or not to continue the activity will follow a review that will be undertaken before 30 June 2011.

- **Warm Greater Wellington rate**

The Energy Efficiency and Conservation Authority (EECA) provide grants to part-fund retrofitting of home insulation or installation of clean heat appliances. As part of this programme Greater Wellington may also provide assistance to ratepayers to fund some or all of the remaining costs of insulation or clean heat. If such assistance is made it will be recovered over nine years (or sooner if certain criteria are met) by way of a targeted rate set on those properties benefiting from this service.

Statement of significant accounting policies

Reporting entity

Greater Wellington is a regional local authority governed by the Local Government Act 2002. It has not presented Group prospective financial statements because it believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the Annual Plan 2011/12 is to provide users with information about the core services that Greater Wellington intends to provide ratepayers, the expected cost of those services and, as a consequence, how much Greater Wellington requires by way of rates to fund the intended levels of service. The level of rates funding required is only affected by the extent that Greater Wellington obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented.

For the purposes of financial reporting, Greater Wellington is designated as a public benefit entity. The subsidiary companies comprise WRC Holdings Limited, Pringle House Limited, Port Investments Limited, Greater Wellington Rail Limited, Greater Wellington Transport Limited, Greater Wellington Infrastructure Limited, Grow Wellington Limited, Creative HQ Limited and CentrePort Limited. All subsidiaries, except Grow Wellington Limited and Creative HQ Limited, are designated as profit-oriented entities. Grow Wellington Limited and Creative HQ Limited are designated as public benefit entities.

Statement of compliance

The prospective financial statements of Greater Wellington have been prepared in accordance with the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). With the exception of applying the public benefit entity exemption to capitalising interest costs on qualifying assets, these statements comply with FRS 42 Prospective Financial Statements, NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities. The financial statements use opening balances from the period ending 30 June 2011. Estimates have been restated accordingly if required.

The preparation of financial statements in conformity with NZ GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and projected amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These results form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Accounting policies

Basis of preparation

The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand and have been prepared on a historical cost basis, except for investment properties, forestry assets, derivative financial instruments and certain infrastructural assets that have been measured at fair value. The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Revenue recognition

Revenue is recognised when billed or earned on an accrual basis.

Rates and levies

Rates and levies are a statutory annual charge and are recognised in the year the assessments are issued.

Government grants and subsidies

Greater Wellington receives government grants from the New Zealand Transport Agency and Ministry of Transport, which subsidises part of Greater Wellington's costs in providing public transport subsidies to external transport operators and for capital purchases of rail rolling stock within Greater Wellington's subsidiaries and transport network upgrades owned by Ontrack.

The grants and subsidies are recognised as revenue when eligibility has been established by the grantor.

Statement of significant accounting policies

Other grants and contributions from territorial authorities are recognised in the comprehensive income statement when eligibility has been established by the grantor.

Sale of goods

Revenue on the sale of goods is recognised when all risks are transferred to the buyer and there is no longer control or managerial involvement with the goods.

Rendering of services

Revenue from services rendered is recognised by reference to stage of completion of the service.

Dividends

Revenue from dividends is recognised on an accrual basis (net of imputation credits) once the shareholder's right to receive payment is established.

Interest

Interest is accrued using the effective interest rate method. The effective interest rate method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other revenue

Other income is also recognised on an accrual basis. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Greater Wellington are recognised as revenue when control over the asset is obtained.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred in accordance with the public benefit entity exemption in NZIAS 23.

Property, plant and equipment

Property, plant and equipment consists of operational and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

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

- Operational land and buildings
- Operational plant and equipment
- Operational vehicles
- Flood protection infrastructural assets
- Transport infrastructural assets
- Rail rolling stock
- Navigational aids infrastructural assets
- Parks and forests infrastructural assets
- Water supply infrastructural assets
- Capital work in progress

All property, plant and equipment are initially recorded at cost.

Valuations

Valuations for water supply, parks and forests, flood protection and transport infrastructural assets are carried out or reviewed by independent qualified valuers. They are carried out at regular intervals.

Any increase in the value of a class of assets on revaluation is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus.

However, if it offsets a previous decrease in value for the same asset recognised in the comprehensive income statement, then it is recognised in the comprehensive income statement. A decrease in the value of a class of assets on revaluation is recognised in the comprehensive income statement where it exceeds the increase of that class of asset previously recognised in equity under the heading of revaluation surplus.

The remaining property, plant and equipment are recorded at cost, less accumulated depreciation and impairment.

Statement of significant accounting policies

Cost represents the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service. All property, plant and equipment, except land, are depreciated.

Depreciation

Depreciation is provided on a straight-line basis on all tangible property, plant and equipment other than land and capital works in progress, at rates which will write off assets, less their estimated residual value over their remaining useful lives.

The useful lives of major classes of assets have been estimated as follows:

Operational land and buildings	10 years to indefinite
Operational plant and equipment	2 to 20 years
Operational vehicles	3 to 10 years
Flood protection infrastructural assets	15 to indefinite
Transport infrastructural assets	5 to 50 years
Rail rolling stock	15 to 35 years
Navigational aids infrastructural assets	5 to 50 years
Parks and forests infrastructural assets	10 to 100 years
Water supply infrastructural assets	3 to 150 years
Capital work in progress is not depreciated	

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

Intangible assets

Software is carried at cost, less any accumulated amortisation and impairment losses. It is amortised over the useful life of the asset – 1 to 5 years.

Impairment

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

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

Recoverable amount

The recoverable amount of an asset is the greater of the net selling price and value in use.

Value in use

Value in use for Greater Wellington assets is calculated as being the depreciated replacement cost of the asset.

Forestry investments

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

Financial instruments

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

Financial assets

Greater Wellington's financial assets are categorised as follows:

- **Financial assets at fair value accounted through the comprehensive income statement**

Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains or losses on re-measurement are recognised in the comprehensive income statement.

Statement of significant accounting policies

• Financial assets at fair value accounted through equity

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

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

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

• Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or sold are accounted for in the comprehensive income statement.

• Held to maturity investments

These are assets with fixed or determinable payments with fixed maturities that Greater Wellington has the intention and ability to hold to maturity. After initial recognition they are recorded at amortised cost using the effective interest method. Gains and losses when the asset is impaired or settled are recognised in the comprehensive income statement. Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

Financial liabilities

Financial liabilities comprise trade, other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value, less transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method. Amortisation is recognised in the comprehensive income statement, as is any gain or loss when the liability is settled. Financial liabilities entered into with duration of less than 12 months are recognised at their nominal value.

Derivative financial instruments

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

Derivative financial instruments are initially recognised at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. For those instruments that do not qualify for hedge accounting, the gain or loss on re-measurement to fair value is recognised immediately in the comprehensive income statement. The fair value of an interest rate swap is the estimated amount that Greater Wellington would receive or pay to terminate the swap at balance date, based on current interest rates. The fair value of forward exchange contracts is their quoted market price at the balance date.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of carrying amount and fair value, less costs to sell. Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

Statement of significant accounting policies

Inventories

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

Income tax

Income tax in the comprehensive income statement for the year comprises current and deferred tax. Income tax is usually recognised in the comprehensive income statement except to the extent that it relates to items recognised directly in equity. In this case that amount is recognised in equity.

Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures, except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Foreign currency

In the event that Greater Wellington has any material foreign currency risk, it will be managed by derivative instruments to hedge the currency risk.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange gains and losses arising on their translation are recognised in the comprehensive income statement.

Employee entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date. Employee benefits include salaries, annual leave and long-service leave. Where the benefits are expected to be paid for within 12 months of balance date, the provision is the estimated amount expected to be paid by Greater Wellington. The provision for other employee benefits is stated at the present value of the future cash outflows expected to be incurred. Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the comprehensive income statement as incurred.

Greater Wellington belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

A provision is recognised in the balance sheet when Greater Wellington has a present legal or constructive obligation as a result of a past event and it is probable that an amount will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Goods and services tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

Statement of significant accounting policies

Leases

Greater Wellington leases office space, office equipment, vehicles, land and buildings. Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Overhead allocation and internal transactions

Greater Wellington allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of Greater Wellington is treated as an internal banking activity. Any surplus generated is credited directly to the comprehensive income statement.

Individual significant activity operating revenue and operating expenditure is stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in Greater Wellington's prospective financial statements.

The Democratic Services costs have not been allocated to significant activities, except where there is a major separate community of benefit other than the whole region, ie, water supply and regional transport.

Equity

Equity is the community's interest in Greater Wellington and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within Greater Wellington.

The components of equity are accumulated funds, revaluation reserves and other reserves. Other reserves are restricted-use funds.

Statement of cashflows

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

Operating activities include cash received from all income sources of Greater Wellington and the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise the change in equity and debt capital structure.

Changes in accounting policies

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

Standards, amendments and interpretations that are not yet effective and have not been early adopted

No standards issued are considered to have a material future impact on Greater Wellington's prospective financial statements.

Rating mechanisms

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, Warm Greater Wellington, economic development and regional stadium	Capital value	Where the land is situated	Cents per dollar of rateable capital value
Targeted rates				
Transport	Transport	Capital value	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
River management	Safety and flood protection	Capital value/ land value	Where the land is situated	Cents per dollar of rateable capital value/land value
Stadium purposes	Community	Capital value	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
Economic development agency	Community	Capital value for business	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
		n/a for residential	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit
		n/a for rural	Where the land is situated and the use to which the land is put	Fixed dollar amount per rating unit
Warm Greater Wellington ¹	Regional sustainable development	Extent of service provided	Provision of service to the land	Extent of service provided calculated as a percentage of the service
Bovine Tb	Land	Land area	The area of land within each rating unit and provision of a service provided	Dollars per hectare

¹ This rate was called the insulation rate in the *10-Year Plan 2009-19*

Rating mechanisms

Funding mechanisms	Groups of activities funded	Valuation system	Matters for differentiation/ categories of land	Calculation factor
Targeted rates				
Wairarapa river management schemes	Safety and flood protection	Land area/ inhabited parts/ services provided	Where the land is situated (in some cases 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
Wairarapa catchment schemes	Land	Land area/ land value/ inhabited part(s)	Where the land is situated (in some cases 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 or cents per metre of river frontage in the area protected and in some cases a fixed charge per separately used or inhabited part (dwelling ¹) and cents per dollar of rateable land value
Wairarapa drainage schemes	Safety and flood protection	Land area	Where the land is situated (in some cases 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.

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. To avoid doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

Rating mechanisms

Differential rating categories

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

As Greater Wellington rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities.

Set out below are the definitions used to allocate rating units into rating categories.

Category 1 – rates based on capital or land value

Location	Use	Description
Wellington city	Wellington city downtown city centre business	All rating units not classified as base within the central area boundary, currently shown on Map 32 of the District Plan of Wellington city, as may be amended from time to time by Wellington city
	Wellington city business	All rating units not classified as base in the rating information database for Wellington city outside the downtown city centre
	Wellington city residential	All rating units classified as base (excluding rural and farm) in the rating information database for Wellington city
	Wellington city urban	All Wellington city business and Wellington city residential rating units.
	Wellington city rural	All rating units sub-classified as rural or farm within the base category in the rating information database for Wellington city
Hutt city	Hutt city business	All rating units not classified as residential, rural or community facilities in the rating information database for Hutt city
	Hutt city residential	All rating units classified as residential or community facilities in the rating information database for Hutt city
	Hutt urban	All Hutt city business and Hutt city residential rating units
	Hutt city rural	All rating units classified as rural in the rating information database for Hutt city
Porirua city	Porirua city business	All rating units classified as business in the rating information database for Porirua city
	Porirua city residential	All rating units classified as residential in the rating information database for Porirua city
	Porirua city urban	All Porirua city residential and Porirua city business rating units
	Porirua city rural	All rating units classified as rural in the rating information database for Porirua city
Upper Hutt city	Upper Hutt city business	All rating units classified as business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city residential	All rating units not classified as rural, business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city urban	All Upper Hutt city business and Upper Hutt city residential rating units
	Upper Hutt city rural	All rating units classified as rural in the rating information database for Upper Hutt city

Rating mechanisms

Location	Use	Description
Kapiti Coast district	Kapiti Coast district urban	All rating units not classified in the rural rating areas for the Kapiti Coast district
	Kapiti Coast district rural	All rating units classified in the rural rating areas for the Kapiti Coast district
Masterton district	Masterton district urban	All rating units not classified as rural in the rating information database for the Masterton district
	Masterton district rural	All rating units classified as rural in the rating information database for the Masterton district
Carterton district	Carterton district urban	All rating units not classified as rural in the rating information database for the Carterton district
	Carterton district rural	All rating units classified as rural in the rating information database for the Carterton district
South Wairarapa district	South Wairarapa district urban	All rating units not classified as rural in the rating information database for the South Wairarapa district
	South Wairarapa district rural	All rating units classified as rural in the rating information database for the South Wairarapa district
	Greytown ward	All rating units classified in the rating area of the Greytown ward in the rating information database for the South Wairarapa district
	Greytown urban	All rating units classified in the urban area of Greytown in the rating information database for the South Wairarapa district. (Prefaced Nos 18400 and 18420)
	Featherston urban	All rating units classified in the urban area of Featherston in the rating information database for the South Wairarapa district. (Prefaced Nos 18440 and 18450)
Tararua district		All rating units classified as being within the boundaries of the Wellington region

Rating mechanisms

Category 2 – rates based on land area

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

Some schemes have an additional fixed charge per separate use or inhabited part.

Rating units subject to these rates are shown within an approved classification register for each scheme or a designed operational area for bovine Tb. For more information on whether your rating unit is allocated to one or more of these categories, please contact Greater Wellington's Masterton office (see back cover).

Category 3 – Lower Wairarapa Valley Development scheme rate

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

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

Category 4 – Warm Greater Wellington rate

The Warm Greater Wellington rate is a targeted rate set on properties that have benefited from the installation of clean heat or insulation provided by Greater Wellington in respect of the property. The rate is calculated as a percentage of the service amount (the cost of the installation) until the service amount and the costs of servicing the service amount are recovered.

This rate was called the insulation rate in the *10-Year Plan 2009-19*.

Category 5 – Economic development rate

The economic development rate 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 \$14.00 plus GST and rural properties \$28.00 plus GST. This rate will fund Grow Wellington, the region's economic development agency. See table on the following page for the rating classifications in each Territorial Authority area.

Rating mechanisms

Economic development rate

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
	Wellington city rural	As per differential category 1
Hutt city	Hutt city business	As per differential category 1
	Hutt city residential	As per differential category 1
	Hutt city rural	As per differential category 1
Porirua city	Porirua city business	As per differential category 1
	Porirua city residential	As per differential category 1
	Porirua city rural	As per differential category 1
Upper Hutt city	Upper Hutt city business	As per differential category 1
	Upper Hutt city residential	As per differential category 1
	Upper Hutt city rural	As per differential category 1
Kapiti Coast district	Kapiti Coast district business	All rating units used for a commercial, business, industrial purpose, or utility network activity in the Kapiti Coast rating information database
	Kapiti Coast district residential	All rating units located in the urban rating areas except those properties which meet the classification of rural, commercial, business, industrial purpose or utility network activity and all community activities in the Kapiti Coast rating information database
	Kapiti Coast district rural	All rating units located in rural rating areas except those properties which meet the classification of commercial, business, industrial purpose, utility network or community activity in the Kapiti Coast rating information database
Masterton district	Masterton district urban	All rating units classified as non-residential urban in the Masterton district rating information database
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database
	Masterton district rural	As per differential category 1
Carterton district	Carterton district business	All rating units classified as commercial in the Carterton district rating information database
	Carterton district residential	All rating units classified as residential in the Carterton district rating information database
	Carterton district rural	As per differential category 1
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database
	South Wairarapa district rural	As per differential category 1
Tararua district		As per differential category 1

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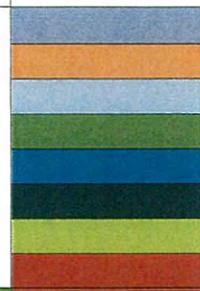


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Greater Wellington promotes Quality for Life by ensuring our environment is protected while meeting the economic, cultural and social needs of the community



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