

Annual Highlights



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- We have secured a government pledge of \$885 million to improve the region's roading and public transport network. Greater Wellington will contribute an additional \$95 million.
- Bus and train patronage grew by 3% and bus patronage in the Hutt Valley by 16% in the 2004/05 year.
- Careful cost management has allowed us to hold the water supply levy for 2005/06 unchanged. This is the ninth year in a row that we have held or cut the cost of bulk water supply to the region's four cities.
- In May 2005 health officials awarded our Wainuiomata water treatment plant an 'A1' quality grading – the highest possible. Once again, all the water supplied from our network fully complied with New Zealand's drinking water standards.
- More people are helping to improve our physical environment – there are more care groups; double the number of primary school pupils participating in our Take Action programme; and over 12,000 members enrolled in our household *Be the Difference* campaign.
- Despite severe rainfall and flooding in January 2005, our flood defences held up well. There was \$1.1 million worth of damage to systems on the Hutt, Waikanae and Otaki rivers.
- We have improved the tracks, bridges and signage at East Harbour Regional Park. The popular tracks, such as to Butterfly Creek, are now more accessible and safer for visitors.
- 73% of the Wellington region is under intensive possum control and there were only 29 Tb reactors among deer and cattle herds in the year.
- Our pest control programmes are bringing results; tui are nesting on the Miramar Peninsula and rare native birds have been seen at Porirua Scenic Reserve.
- A total of 646 resource consents were processed across the region this year – all but 19 within statutory timeframes.

Over 12,000 members enrolled in our household *Be the Difference* campaign.





Chairman's Report

Greater Wellington's vision is for a sustainable region. That means ensuring our environment is protected while meeting the economic, social and cultural needs of the community.

How we plan to contribute to that vision is outlined in our Long-term Council Community Plan 2003 to 2013 and in this, the second year of implementation, we have made good progress.

I wish to highlight three areas in particular in which excellent progress has been made this year. Firstly, the launch of the Growth Framework discussion document as part of the Wellington Regional Strategy was a significant step towards sustainable economic growth for the region. Secondly, government funding has been secured for public transport and roading enhancements for the region which will bring much needed economic and social benefits. Finally, we have been working with and involving many sections of the community in environmental enhancement and behavioural change programmes.

The Wellington Regional Strategy involves all nine councils in the region as well as regional economic development agency Positively Wellington Business and iwi representative group Ara Tahi. Such regional co-operation will help achieve a unified approach. It has not been easy to find common goals in such a diverse region but we have, for example, agreed upon eight initial outcomes that all councils will use as input to their long-term council community plans. Of course, each council will also develop more specific goals for their area, in consultation with the community.

Contributors to the strategy have also agreed on four focus areas to ensure future prosperity – effective leadership and partnerships; quality regional form and systems (such as urban centres, transport system and housing choice); unlocking economic potential and internationalisation.

The Growth Framework discussion document has recently been out for public feedback and will be used to develop the actual Wellington Regional Strategy by mid-2006. This is when we will start to see some of the detailed strategies and plans that will help us promote and manage desirable growth for the region for the next 20 to 50 years.

This year has also been a milestone for securing transport funding for the region. Central government has agreed upon a much needed boost to the region's public transport and roading networks.

In January, the government announced a \$225 million injection into the region's transport system over the next ten years. Greater Wellington has committed to providing an additional \$95 million over that period, from a combination of transport rates, increased fares and loan funding. The total funding available will see the complete refurbishment or replacement of our entire rail fleet, replacement of the ageing trolley bus fleet in Wellington City, and a significant expansion of both bus and rail services.

In late June the government announced it would invest a further \$255 million to help with public transport improvements and building new roading infrastructure in the western part of the region. At the same time \$405 million was allocated for state highway construction on the Western Corridor.



This adds up to a total potential investment of \$885 million over the next ten years from central government. When combined with expected funding from Land Transport New Zealand and other local and regional contributions, this provides for an unprecedented level of transport infrastructure funding. Our challenge as a region is to make sure those funds are wisely spent.

Lastly, it is heartening to see the high level of community involvement in caring for the environment across the region. We have funded seven new care groups this year, bringing the total to 33. These volunteer groups are working hard to restore streams, wetlands, and dunes in their local areas. We have also committed to helping 17 landowners protect 250ha of native bush and wetlands with the QE II National Trust, and supported an increasing number of people volunteering to control pests, replant stream margins and look after native species on their properties. The numbers of students taking action for the environment through our education

programmes exceeded 2200 this year and the Be the Difference campaign, which assists households to look after the environment day to day, now has over 12,000 members.

It has been a successful year and shows that, by working with others, we can achieve our vision of a sustainable region.

Finally, I must acknowledge the work of our previous Chairperson, Margaret Shields and our former CEO, Barry Harris who both played a large part in this year's success.

Ian Buchanan
Chairman

"This year has also been a milestone for securing transport funding for the region."





Chief Executive's Report

"Our wide network of regional parks is a wonderful asset for the community".



It's been another busy year for Greater Wellington and although we plan our activities, we can't always predict what the environment has in store for us.

Severe rainfall and flooding throughout the Wellington region in January 2005 caused an estimated \$1.1 million worth of damage to flood protection systems on the Hutt, Waikanae and Otaki rivers. It's worth noting that our defences generally held up well and without them the flooding would have caused a lot more damage.

We have spent \$12 million to date implementing floodplain management plans on our three main rivers, including beginning major works on the Hutt River. All works have an environmental component. We also made significant progress on the Lower Wairarapa Valley development scheme review this year.

Providing enough water into the future for a growing population is another matter we have been dealing with. Greater Wellington's water supply infrastructure is projected to be able to meet all demand, except during droughts of at least 1 in 50-year severity, until 2008, at projected population growth rates. As a region, we have the choice of reducing peak water use or increasing supply. Both options are being considered.

The 1 in 50-year security of supply standard has been agreed with the territorial authorities. A drought strategy is in place and we are now working to refine our water shortage prediction model, develop a co-ordinated water demand management programme and investigate options to increase the water supply. Ensuring that we can continue to meet the reasonable water needs of the region's cities well into the future is vital to the regional growth strategy.

The level of traffic congestion is growing. In the last year, all day average congestion rose by 8%, from 0.39 minutes delay to 0.42 minutes per kilometre. We are working to make public transport an attractive alternative. The more people who use public transport, the less congested our roads are which in turn is better for the environment.

Bus and train patronage (subsidised by Greater Wellington) grew by 3% and bus patronage in the Hutt Valley grew by 16% in the 2004/05 year. This is a tremendous result from all our continued efforts to improve bus frequency, routes and service.

Air pollution can and does affect us here in the Wellington region. At certain times of year it can get to levels that may cause health problems. The main contributors are traffic and home fires. In the last year, the alert level of the national air quality guidelines for fine particles was reached 23 times, especially in Masterton and Wainuiomata.

Greater Wellington monitors air quality around the region to find out where pollutants in air might affect people's health. We're maintaining an ongoing programme with a network of air quality monitoring stations around the region. For example, a state-of-the-art monitoring station was installed on the corner of Victoria and Vivian streets, central Wellington, last year.

Our extensive network of regional parks is a wonderful asset for the community. We want to encourage a wider group of people into the parks and ensure that all park visitors have a safe and enjoyable experience.

We spent \$1.24 million monitoring and maintaining the recreation and heritage facilities at our parks last year. For example, we have improved the tracks, bridges and signage at East Harbour Regional Park (for \$80,000).



This has meant the popular tracks, such as to Butterfly Creek, are more accessible and safer for visitors. Last summer we ran another successful events programme (Regional Outdoors) throughout our parks network.

Pest plants and animals seriously threaten our natural environment and agricultural industry. Controlling these pests is an important part of protecting the region's natural environment and the productive capacity of land.

We have set an ambitious target of having 80% of the region under intensive possum control, and reducing the percentage of infected Tb cattle and deer herds to 0.3% (eight infected herds) by 2013. This year, 73% of the Wellington region is under intensive possum control and there were 29 Tb reactors among deer and cattle herds.

Controlling pest plants and animals also increases the biodiversity of native ecosystems. Over 200 introduced plants have become major ecological problems in New Zealand, preventing the growth of native plants and invading fragile areas. The worst of them - eradication pest plants - are unfortunately increasing in urban areas in the Wellington region.

Several of our pest control operations in key native ecosystems are starting to restore forest and bird life. Tui are nesting on the Miramar Peninsula and red-crowned parakeets (kakariki) and native whitehead (popokatea) have been seen at Porirua Scenic Reserve.

Greater Wellington leads by example and this year our waste across four council sites has been reduced by 45%.

Finally, thank you to our hard-working staff for a successful year and for their commitment to creating a Sustainable Region.

David Benham
Chief Executive

"We have spent \$12 million implementing floodplain management plans".

Executive Management Team

Divisional Manager Environment

Jane Bradbury

Divisional Manager Utility Services

Murray Kennedy (Acting)¹

Divisional Manager Wairarapa

Colin Wright

Council Secretary

Wayne Hastie

Divisional Manager Regional Transport

Dave Watson

Divisional Manager Landcare

Vacant²

Chief Financial Officer

Barry Turfrey

Corporate Policy Manager

John Allard

¹ David Benham was appointed Chief Executive on 5 September 2005

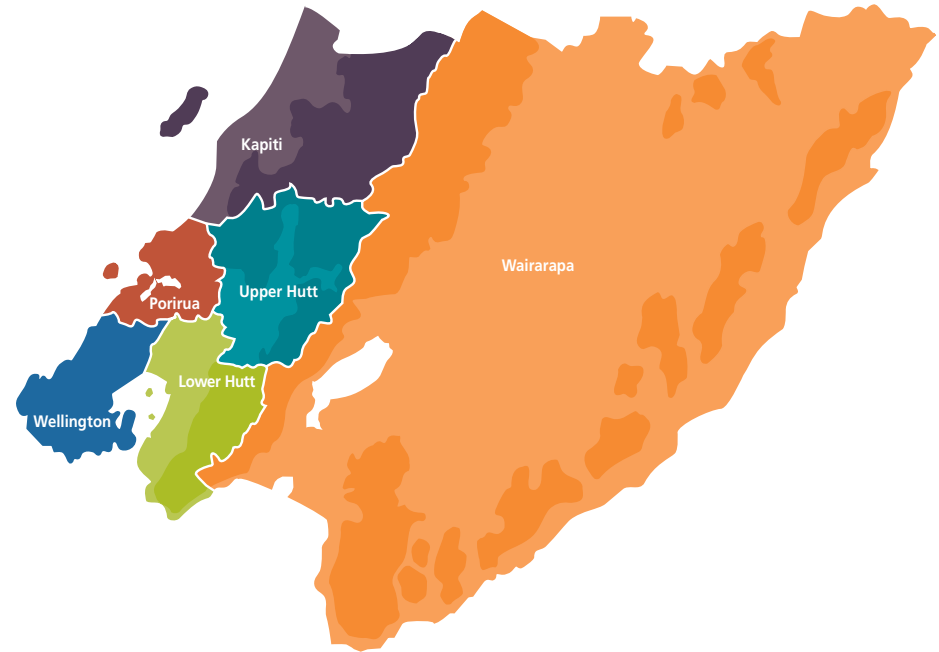
² Rob Forlong resigned on 15 July 2005



The Wellington Region

Some facts about the region

- The Wellington region covers a land area of 813,005 hectares, and a maritime area of 786,700 hectares. There are 497 kilometres of coastline.
- The population of the Wellington region is 445,400 (Statistics New Zealand, estimated resident population, June 2002).
- Greater Wellington manages 320 kilometres of river channels and 280 kilometres of stopbanks. We are responsible for one of the largest flood protection schemes in New Zealand.
- Around 32 million passenger journeys are made on the region's public transport system each year.
- Greater Wellington collects, treats and delivers about 150 million litres of high quality water per day, on average, for the city councils of metropolitan Wellington.
- Greater Wellington annually manages possum control programmes on approximately 350,000 hectares of land in the region.
- Greater Wellington manages 50,000 hectares of regional parks and forests.















This annual report is the second produced under the Local Government Act 2002, with its emphasis on linking what Greater Wellington does to outcomes desired by the community, and to the community’s well-being.

In our June 2003 Long-term Council Community Plan (LTCCP) we identified fifteen general outcomes desired by the community, and ten intermediate outcomes or Take 10 Quality for Life areas where Greater Wellington would particularly contribute. We also identified which areas of the council – groups of activities – would help achieve those ten intermediate outcomes. These linkages are shown on the next page.

For each of the Take 10 Quality for Life outcomes we put forward long-term targets to be aimed for. Our progress towards those targets is summarised on pages 9 to 14. The particular contributions of our six groups of activities is described in the introduction to each section.

The legislation also requires that the annual report comments on the effects of our activities on the social, economic, environmental or cultural well-being of the community. Therefore, an overview statement of such effects is also given in the introduction to each group of activities in this report. The associated information on the contribution to particular outcomes provides amplification on the nature and scale of the effects.

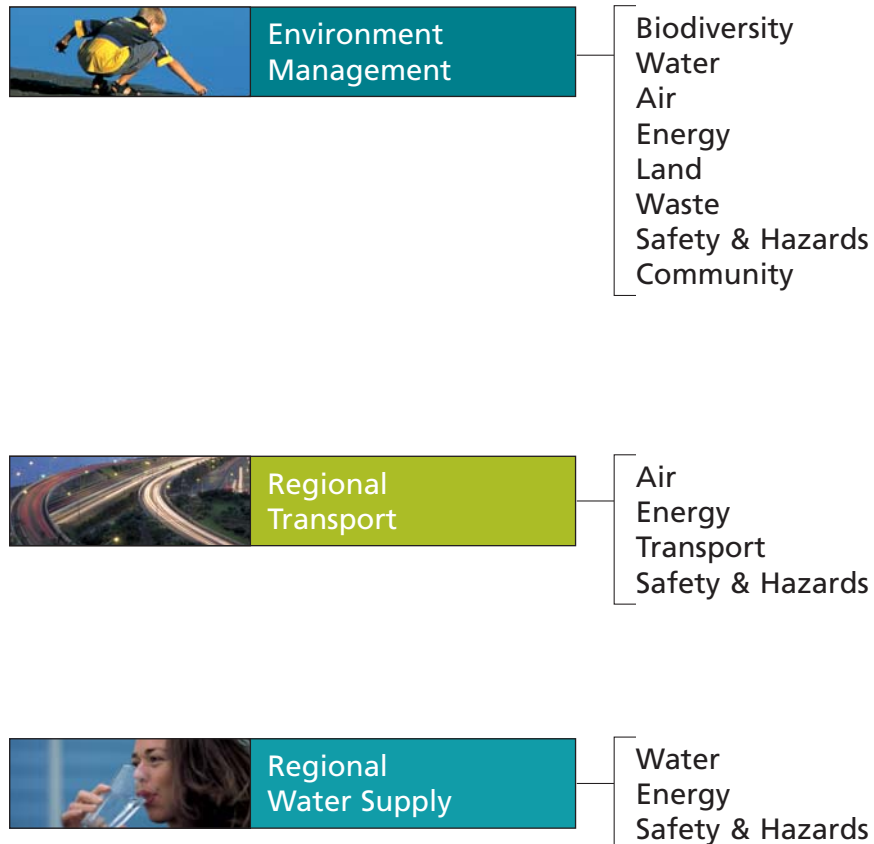
Take 10 – Quality for Life

-  Biodiversity
-  Water
-  Air
-  Energy
-  Land
-  Transport
-  Waste
-  Recreation & Parks
-  Safety & Hazards
-  Community

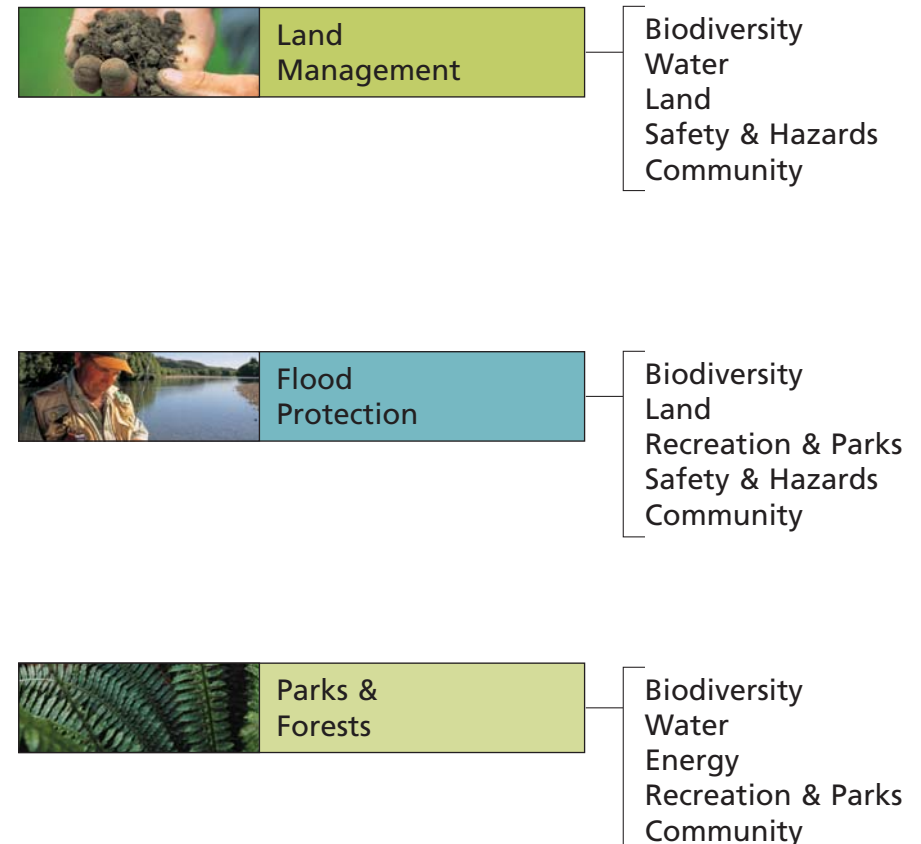


Linkages

Below we have summarised the linkages between “what Greater Wellington does” and “why Greater Wellington does it” – our contribution to achieving desired community outcomes.



More information about the outcomes and our contribution to them is contained in our 2003-2013 Long-term Council Community Plan adopted on 30 June 2003.





TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Biodiversity

- 50 wetlands on private land legally protected (28 in 2004).
- 400 native forest areas on private land protected (150 in 2004).
- 80% of our region under intensive possum control (73.4% in 2004).



Water

A wholesale water supply system that produces high quality water fully complies with resource consent conditions and the Resource Management Act 1991; and meets essential needs in droughts and natural disasters.

PROGRESS SUMMARY TO 30 JUNE 2005

Two additional wetlands on private land were approved for covenants, with our financial support, in 2004/05 (30 in 2005).

Fifteen additional native forest areas on private land were approved for covenanting, with our financial support, in 2004/05 (166 in 2004).

Possum control area undertaken under the Bovine Tb National Pest Management Strategy totalled 509,216 hectares.

Possum control area undertaken under all other Greater Wellington managed schemes totalled 53,914 hectares.

Possum control area undertaken by DoC under their biodiversity enhancement scheme totalled 74,020 hectares.

Combined, this equals 78.4% of the region in 2005.

Records show full compliance with the microbiological and chemical requirements of the Drinking Water Standards for NZ 2000. This is for water leaving our water treatment plants and within the bulk distribution system.

Wainuiomata Water Treatment Plant received an A1 Ministry of Health grading: the highest possible. It is the first treatment plant in New Zealand to have been graded A1 under the most recent grading rules.

74 resource consents were held at 30 June 2005. All consents were fully complied with apart from two mainly complying and three partially complying. Remedial action was taken in these five cases.



TAKE 10 QUALITY FOR LIFE TARGETS TO 2013

Water

(continued)

The water quality of our six most polluted streams and rivers improves. These are the Ruamaganga River and the Waiwhetu, Waitohu, Kaiwharawhara, Ngarara and Makoura streams.

No significant deterioration of water quality in our key streams and rivers (list available from Greater Wellington).

Coastal water quality does not fall below the standard for which it is being managed, i.e. “contact recreation standard” for urban areas and “shellfish gathering standard” for remaining areas.

Air

No recorded instances when air pollution reaches the “alert” level of the national air quality standards.

PROGRESS SUMMARY TO 30 JUNE 2005

Customer reservoirs were over 70% full for at least 90% of the time each month. This target was achieved for 96.7% of all reservoir months.

The technical report on water quality completed in July 2005 showed that the quality of the Ngarara and Waitohu Streams has improved since 1999.

The technical report on water quality completed in July 2005 showed no significant deterioration of water in our key streams and rivers.

97.2% of all samples taken at 76 sites around the region’s coastline met the required guidelines.

47% of sites failed to meet the required standards on one or more occasion during the year. In most cases (91.5%) where the guideline was exceeded, the reason was associated with rainfall in the preceding 48 hours.

In the period to June 2005 there were 23 recorded instances where the “alert” level was reached. These were:

- Masterton – 15 exceedences (PM₁₀)
- Central Wellington – 1 exceedence (PM₁₀)
- Lower Hutt – 2 exceedences (PM₁₀)
- Wainuiomata – 5 exceedences (PM₁₀)



TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Energy

Fewer than 400 million litres of petrol and diesel used for transport purposes per annum (442 million in 2004).

At least a 500% increase in electrical energy produced from renewable energy sources in the regions (14 GWh in 2003).

Greater Wellington Regional Council's "carbon footprint" reduced by 10% per annum.



Land

5,000 additional hectares of erosion-prone land under sustainable management practices (56,873 hectares in 2003).

No overall deterioration in the health of our soils.

PROGRESS SUMMARY TO 30 JUNE 2005

During 2004/05, 459 million litres of fuel were sold within the region. This compares with 452 million litres in 2003/04 and represents a 1.5% increase.

Genesis Energy has completed the expansion of the Hau Nui wind farm which shall produce about 32 GWh a year, an increase of 18 GWh. Meridian Energy has announced a 210 MW wind farm proposal for west Wellington. If developed it will produce about 860 GWh a year.

A baseline figure of 4707 tonnes of carbon equivalent was established for the 2003/04 year, using the national best practice methodology EBEX21 managed by Landcare Research.

Stabilising of erosion-prone land is progressing. Another 390 hectares of soil conservation trees were planted during 2004/05 using sustainable management practices.

98 sites have been sampled since the programme started in 2000/01. As no repeat sampling has yet been undertaken it is not possible to determine whether soil health has deteriorated at any of the sites monitored. This will be possible in 2005/06.



Outcomes and Targets

TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Transport

Less than 45% of work trips into central Wellington made by private car (45% in 2004).

A 70% increase in walking and cycling for short trips.

Average travel times to key facilities do not increase.



Waste

Greater Wellington Regional Council's waste reduced by half.

Reported pollution incidents reduced by half.

80% of business surveyed have waste reduction initiatives in place.

PROGRESS SUMMARY TO 30 JUNE 2005

The 2013 LTCCP target was met in 2001 (45% of work trips into central Wellington made by private vehicle) based on national census (five yearly) statistics on journey to work.

This information will be updated on a five-yearly basis when new census information becomes available.

A new baseline was established in 2004 which showed that 19% of trips, shorter than 2km, were made by active modes.

In March 2005 a travel time survey was carried out on representative routes to key facilities in the Wellington, Hutt and Porirua CBDs, Wellington International Airport and the industrial area at Seaview. The survey showed that the all day, all network, congestion level was an average of 0.42 minutes (25 seconds) per kilometre travelled. This represents an 8% increase when compared with an average of 0.39 minutes (23 seconds) per kilometre travelled in March 2004.

During the 2004/05 year Greater Wellington's rubbish collection was reduced by 369,000 litres which is a 35% decrease in the amount of rubbish that was collected from all our sites.

During 2004/05, 1107 incidents were reported across the region. This represents a 3% reduction on the 1141 reported incidents in 2002/03 which is the baseline used for assessing this target.

No measure of progress to date. We will survey businesses participating in the Take Charge environmental education programme to determine if they have waste reduction initiatives in place.



TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Recreation & Parks

75% of the region's population visit a regional park in any one year



Safety & Hazards

No major damage or loss of life as a result of a flood event.

70% of organisations and households have an emergency plan and survival supplies.

No significant accidents in our harbours and coasts.

Safety concerns do not stop people using public transport.

PROGRESS SUMMARY TO 30 JUNE 2005

A survey was conducted in May 2005. 51% of respondents reported that they had visited a regional park in the 2004/05 year.

During the year the region was hit by a number of significant storms that caused isolated damage to houses, roads, and rural properties.

The January 2005 storm led to flooding of a number of houses in Hathaway Avenue, Lower Hutt, and at Otaihanga, Waikanae. Works that will substantially reduce the risk of damage from future floods are planned or underway at both these locations.

Overall our flood protection schemes performed well during the year's storms.

A survey on community preparedness was conducted in May/June 2005. 26% of residents consider they have an emergency plan (down from 31% in 2004) while 67% of all households claim they have emergency survival supplies (up 1% from 2004).

There were no significant accidents in our harbours and coasts.

Target met in 2003 and sustained in 2005 (no one surveyed in the Annual Report on Regional Land Transport Strategy cited safety concerns as a reason for not using public transport).



Outcomes and Targets

TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Community

Five new care groups per annum.

80% of all people surveyed are doing something positive for the environment

PROGRESS SUMMARY TO 30 JUNE 2005

Seven new care groups were established in the year to June 2005.

77% of people reported positively in 2005 (an increase from 67% in 2004).



Providing opportunities for Maori to contribute to decision-making processes.

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

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

Ara Tahī

Ara Tahī is Greater Wellington's inter-iwi representative group. The forum met fourteen times last year and is used for collective discussion and to provide policy advice to Council. During the year Ara Tahī considered how Greater Wellington could meet its requirements to Maori as set out in the Local Government Act 2002. Recommendations were made to Council. This work is ongoing.

Two representatives from Ara Tahī were appointed to the Wellington Regional Strategy Forum. The representatives received guidance from Ara Tahī, which commissioned work on Maori economic development for input to the Strategy Forum.

Regional Land Transport Committee

A member from Ara Tahī was appointed to the Regional Land Transport Committee together with an Alternative, to represent cultural interests.

Resource consents

Maori hearing commissioners were employed on six of the eleven resource consent hearings. This provided iwi with a direct involvement in decision-making. Iwi are also contracted to provide comment on all non-notified consents.

Technical workshops

Four technical workshops were held involving staff and iwi. The workshop topics were the Local Government Act 2002, the Wellington Regional Strategy, iwi content on Greater Wellington's website and the New Zealand Archaeological Association heritage register upgrade.

Iwi projects

Greater Wellington supports iwi to undertake projects that have mutual benefits and that assist iwi to become more involved in the management of resources. One new project this year involved Ngati Toa Rangatira planting the area around and improving access to the urupa behind Hongoeka Marae. Other projects were ongoing.

Maori policy advisors

Greater Wellington employs two specialist Maori policy advisors. These staff enable Greater Wellington to provide enhanced assistance to iwi and to build and maintain stronger relationships.

Review

During the year Greater Wellington commenced a review of its relationship with Maori with a view to identifying opportunities for improvement. The review is ongoing and will involve discussions with Ara Tahī.



Operating results

Greater Wellington's net operating surplus for the 2004/05 financial year was \$10.8 million compared with a budgeted surplus of \$0.9 million. Significant components of this surplus above budget were:

- Regional Water Supply benefited from reduced expenditure on chemicals, supplies and power. These savings also resulted in lower financial costs leading to an overall saving of \$1.3m this year.
- A surplus of \$2.2 million in Regional Transport included increases in the Land Transport New Zealand Financial Assistance Rate for Transport funding and surplus from delays in a number of planned projects including rolling stock refurbishment. These projects will be carried into 2005/06.
- Other Regional Responsibilities included:
 - The sale of surplus land at Mabey Road, Lower Hutt resulted in a surplus of \$3.2 million.
 - An additional surplus of \$2.4 million was achieved from Investment Management, primarily through increased interest income and additional income from Greater Wellington subsidiaries.

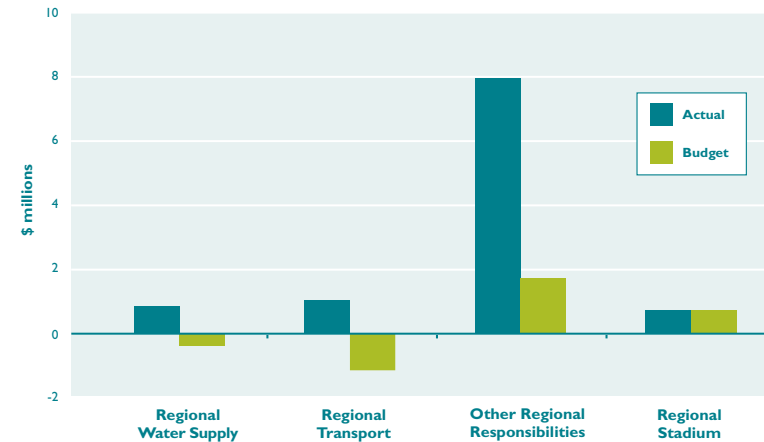
Capital expenditure

The August 2004 storms and January 2005 floods created a challenging year resulting in changed capital plans and delays in projects as repair work was undertaken. However, as the adjacent table shows, the level of capital expenditure in 2004/05 remained relatively high compared to recent levels.

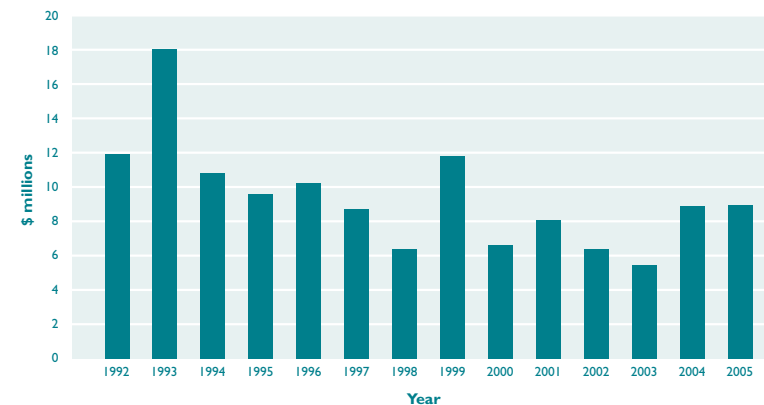
Notable capital projects advanced or completed during 2004/05 included:

- Hutt Valley capital flood protection works including the completion of the Strand Park realignment.
- Significant progress on the Lower Wairarapa Valley development scheme.
- Over \$4 million on upgrades and improvements across the Wholesale Water network to ensure performance targets and standards are maintained.

2005 Operating Surplus (Deficit) by Funding Type



Net Capital Expenditure





Funding

The adjacent table summarises Greater Wellington’s operating result by funding type and shows how surplus funds have been applied. Funds have primarily been applied to capital expenditure, investment additions and debt servicing.

Greater Wellington’s funding surplus from operations above budget of \$16.8 million has been applied to capital expenditure and investment additions and debt reduction of \$2.1 million.

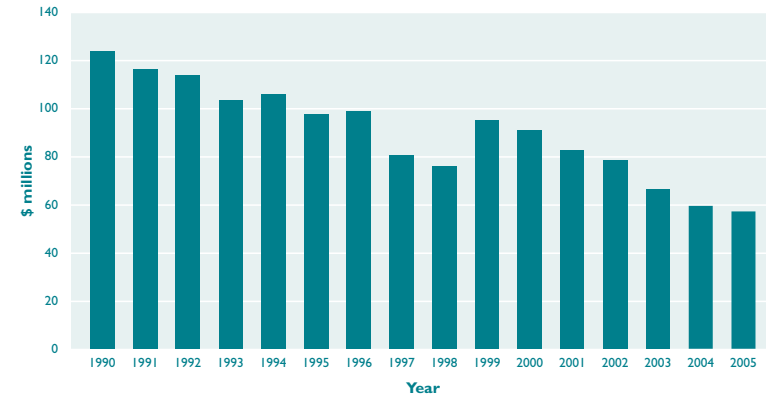
Funding Impact Statement	2005 Actual \$000's	2005 Budget \$000's	Variance \$000's
Regional water supply	874	(392)	1,266
Regional transport	1,067	(1,162)	2,229
Regional stadium	829	829	0
Other regional responsibilities	8,025	1,679	6,346
Operating surplus (deficit)	10,795	954	9,841
Add Back Non Cash Items	5,961	8,968	(3,007)
Funding surplus from operations	16,756	9,922	6,834
less:			
Net capital expenditure	8,914	14,552	(5,638)
Investment additions	1,824	1,752	72
Net capital expenditure and investment	10,738	16,304	(5,566)
Working capital movement	3,946	0	3,946
Debt Repayment	2,072	(6,382)	8,454
Net funding surplus (deficit)	0	0	0



Debt

Net debt (after reduction for sinking funds) has been reduced by \$2.1 million during the year; from \$59.7 million at 30 June 2004 to \$57.6 million at 30 June 2005. Since 1990 debt has been reduced from \$123.4 million, a reduction of over 53%. The majority of Greater Wellington's debt now relates to Regional Water Supply, Flood Protection and the Regional Stadium.

Debt



Asset management

The majority of Greater Wellington's asset base consists of Regional Water Supply, Parks and Forests and Flood Protection assets. These important community assets are required to be maintained and enhanced to enable Greater Wellington to continue to provide the agreed service levels to the community.

To ensure best practice, Greater Wellington continually updates detailed asset management plans for all strategic assets. Implementation of these plans is an integral component of Greater Wellington's financial management framework.

Fixed Assets

