



**greater WELLINGTON**  
REGIONAL COUNCIL  
Te Pane Matua Taiao

# GREATER WELLINGTON REGIONAL COUNCIL **Annual Plan 2013/14**



## Cover photos

Top l-r: **Flood protection** (Barrage Gates, South Wairarapa), **environment** (water flow monitoring),  
**Metlink public transport** (Matangi train)

Bottom l-r: **Transport planning** (road and rail infrastructure planning), **land management**  
(poplars at Akura Nursery), **water supply** (Stuart Macaskill Lakes, Te Marua)

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# Part 1

# Overview

## *Introduction*

This Annual Plan outlines the key projects for the 2013/14 financial year. If you live in Wellington, Lower Hutt, Upper Hutt, Porirua, Kāpiti Coast, Masterton, Carterton or the South Wairarapa, the Greater Wellington Regional Council provides you with a range of services.

We manage and fund public transport services, build and maintain flood protection along our major rivers, provide drinking water for most people in the region, provide regional parks and manage the region's natural resources – water, coasts, air, soil and biodiversity.

We also lead regional planning for transport, economic development, emergency management and climate change.

# Chair's message

This Annual Plan covers our proposals for delivering some of the major initiatives that have been in preparation for the last year or so. It has been a year since our Long Term Plan was adopted, and we are now in a position to deliver some solid gains for the region in the forthcoming year.

Public transport remains a major focus for us and this year we will be signing up for another tranche of purpose-built Matangi trains. This means that by 2017 the old Ganz Mavag trains will be retired and the whole fleet will be new. Not only will rail users enjoy this upgraded service, but there are also significant benefits for ratepayers, including lower on-going maintenance costs.

This year the Wellington bus review will also be completed, the results of study into the Wellington City public transport spine announced, and passengers in the city will welcome the installation of the long-awaited real time information signage. The new signage was delayed to allow the Wellington City Council time to decide how best to configure the footpaths to optimise pedestrian safety.

This past summer has seen huge media focus on the drought and especially on the low level of our water supply while one of the storage lakes was out of commission to allow seismic strengthening and additional capacity.

Wellingtonians in the four cities we supply – Upper Hutt, Lower Hutt, Porirua and Wellington - made a huge effort to conserve water in what were highly unusual circumstances. They will be relieved to know that the work on the storage lake will be completed in time for next summer, should we face another dry spell.

One positive spinoff from the drought was increased public discussion about climate change. Regardless of agreement on the cause, the science indicates that this is a real phenomenon and our region can expect more frequent and more extreme weather "events" such as floods and droughts. Responding to these circumstances is part of our core business and we realise the importance of integrating our response into all of our policies and delivery rather than having a single stand-alone policy or strategy.

A similar integrated approach underpins the development of our new natural resource plan for the region. The idea is to move our current five Regional Plans into one cohesive document that is "user friendly". We will shortly be publishing a discussion draft for comment and will then move into a formal Draft Regional Plan, which will go through the normal legal process prescribed by the Resource Management Act. This will be the culmination of around three years of intensive work with the community during which thousands of people have contributed.

An exciting aspect of the Regional Plan has been the development of the concept of catchment or zone committees, which we are calling Whaitua Committees. They will be set up sequentially over the whole region, starting later this year with the Ruamāhanga catchment. The Whaitua Committees will be populated with local people and will draw on work in the Plan and the Regional Policy Statement to develop water quality limits for identified values within the catchment area.

The work of the Whaitua Committees will support the Plan by providing the Council with a way of implementing much of the National Policy Statement for Freshwater Management including the development of limits appropriate for each catchment area. This work will become part of the regional plan and the Whaitua will also develop work programmes to be delivered by Greater Wellington Regional Council for the benefit of the whole community, often with local partners.

This Annual Plan covers a multitude of other activities, some with enhanced service delivery. Despite this, we have managed to keep the increase in the overall rates income that we need to 2.6%.

Of course this will impact differently on households, depending on the area in which they are located, the value of the individual property and any special local rates that are applied for locally-focussed services.

For the council itself two other issues have been significant. One is our re-location to temporary premises on the Port as a result of the seismic status of our current building, which has been assessed at below 33% of code. The move is scheduled for the end of this calendar year. We do understand that the new location will not be as convenient for staff or for people who need to visit the council, but hopefully it will not be for too long.

This leads into the other major issue - one of great significance for the whole region – the question of possible local government reform. Our Council has submitted an application to the Local Government Commission to consider a two-tier unitary authority over the whole region. We consider that the economic and social linkages between the discrete communities of the region are very strong and that the region will be better positioned for the future as one robust whole.

We also consider that community decisions on local issues are a primary consideration, but that we could do much better with a unified approach to issues such as infrastructure, planning and economic development. Hence our support for a two-tier system.

At some stage during the year the public will be invited to comment on a draft proposal from the Local Government Commission. I urge all residents of Wellington region to get involved in this issue as it is vital for our future.

Finally, I would like to offer thanks to all our community and business partners and other councils in the region with whom we work. Our councillors and staff value these relationships and we could not deliver appropriately without them.



Fran Wilde  
Chair



# Our role and purpose

## Our role

Greater Wellington Regional Council (GWRC) is responsible for a wide range of activities and makes a significant contribution to the overall needs of the Wellington region.

We are guided by legislation, including the Local Government Act 2002 which requires us to facilitate *democratic local decision making*, and to provide for *good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses* in the Wellington region. We are also required to fulfil the provisions of a wide range of other statutes and national policies.

In fulfilling our legal mandate, GWRC operates in the following key areas:

- **Provision and management of regional infrastructure and services** - flood protection assets that protect urban populations and productive rural land; a secure supply of safe, high-quality water; as well as planning, procuring and funding public transport services
- **Sustainable management of natural resources** - land, air and water - on which our primary sector and export economy and our quality of life are based
- **Strategic planning for the region** - delivered through statutory instruments, such as the Regional Policy Statement, the Regional Land Transport Strategy and the Regional Pest Management Strategy, and also non-statutory instruments such as the Wellington Regional Strategy - the region's sustainable economic growth strategy
- **Management of natural hazards** - floods, earthquakes, tsunamis and other emergencies

## Governance

Governance and decision making are the roles of the Council, which is made up of 13 elected Councillors, with one of the Councillors elected as Chair. It's the Council's job to set GWRC's overall strategic direction and to approve budgets, policies and plans aimed at achieving that direction. We do this through a series of committees, including joint committees with regional partners.

Most of our business is conducted through three committees (environmental, social and cultural, economic wellbeing), a committee for audit, risk and assurance matters and Te Upoko Taiao - Natural Resource Management Committee - a partnership with regional tangata whenua responsible for environmental regulation and overseeing the preparation of a new Natural Resource Plan.

GWRC also works closely with local councils and key stakeholders on regional economic development and regional transport planning through the Regional Transport Committee (which we chair and service), the Wellington Regional Strategy Committee, and by hosting the Wellington Regional Strategy office.

## Values and approach

The way we conduct our business is just as important as what we do. The following values and statements set out our overall approach and underpin the way GWRC operates:

- **Our overall aim is to promote Quality for Life.** The GWRC promotes Quality for Life by ensuring the environment is protected while meeting the economic, cultural and social needs of the community
- **We take a strategic and long term view.** Many of the issues we deal with are complex and span administrative boundaries and electoral timeframes. Taking a strategic and long term view on planning and decision making ensures that we put our efforts in the right place for current and future generations
- **Effective community engagement is an essential component of our work.** Capturing the regional community's aspirations is not always easy, especially given the wide scope of GWRC's responsibilities. We try to engage effectively at all levels by being innovative and adaptable in our approach
- **Shared issues require shared solutions.** Issues such as freshwater management, land management, biodiversity, regional economic development and transport are shared issues that cannot be resolved by the GWRC in isolation. They require a collaborative approach with other key stakeholders, communities and agencies in local and central government
- **Working in partnership with tangata whenua.** The physical environment has profound cultural and spiritual significance for iwi. GWRC's approach is to build up capability and harness the Māori perspective on resource management through partnerships with tangata whenua of the Wellington region. We do this primarily through Te Upoko Taiao and the Ara Tahī leadership forum



# Community Outcomes

Our community outcomes describe what the GWRC aims to achieve in the long term to meet the needs of the community for good quality local infrastructure, local public services and the performance of regulatory functions. All the activities we undertake contribute in some way to achieving one or more of our community outcomes. How specific activities contribute towards community outcomes is described at the start of each of our activities in Part 3. However we cannot achieve our community outcomes on our own. We work with other organisations such as local councils, government departments, business groups, iwi and community groups to achieve them.

We have also developed a set of community outcome indicators - things we will measure regularly to see if the region is progressing in the right direction. The GWRC Long Term Plan 2012-22 contains a list of the community outcome indicators, and the GWRC Annual Report 2011/12 contains information on measuring progress towards a Healthy Environment as a focus.

Our community outcomes are:

## **Strong economy**

*A thriving and diverse economy supported by high quality infrastructure that retains and grows businesses and employment.*

Greater Wellington Regional Council activities that contribute towards achieving this outcome: Regional leadership (pg 23), Environment (pg 49), Public transport (pg33), Water supply (pg 41) and Flood protection and control works (pg 59)

## **Connected community**

*People are able to move around the region efficiently and our communications networks are effective and accessible.*

Greater Wellington Regional Council activities that contribute towards achieving this outcome: Regional leadership (pg 23), Public transport (pg 33)

## **Resilient community**

*A community that plans for the future, adapts to change and is prepared for emergencies.*

Greater Wellington Regional Council activities that contribute towards achieving this outcome: Regional leadership (pg 23), Water supply (pg 41), and Flood protection and control works (pg 59)

## **Healthy environment**

*An environment with clean air, fresh water, healthy soils and diverse ecosystems that supports community needs.*

Greater Wellington Regional Council activities that contribute towards achieving this outcome: Environment (pg 49), Parks (pg 67), Public transport (pg 33), Regional leadership (pg 23), Water supply (pg 41) and Flood protection and control works (pg 59)

## **Quality of Life**

*An engaged community that takes pride in our region, values our urban and rural landscapes, and enjoys our amenities and choice of lifestyles.*

Greater Wellington Regional Council activities that contribute towards achieving this outcome: Regional leadership (pg 23), Water Supply (pg 41), Parks (pg 67), Environment (pg 49) and Flood protection and control works (pg 59)

# Emerging issues for 2013/14

In our Long Term Plan 2012-2022 (LTP), we outlined the context in which the Regional Council is working and some of the key issues we are facing. These remain very relevant for the 2013/14 year, and included:

- The global economic downturn and its impact on the regional economy;
- An increased focus on resilience from changing climatic conditions, natural hazards, emergency situations or economic conditions;
- A continued focus on investment in the transport network of the region, including strategic roads, rail and other public transport networks;
- Maintaining the quality of our natural environment and managing natural resources such as freshwater.

Since the adoption of the LTP in June 2012 there has, however been further change to the context within which we operate. This changing context includes the following:

- A changing legislative framework, with amendments to the Local Government Act and Resource Management Act already enacted, and further changes to both these Acts and the Land Transport Management Act proposed;
- A number of active central government programmes re-examining the role and function of local government and how it operates. This includes the Better Local Government programme managed by the Department of Internal Affairs and a number of inquiries by the Productivity Commission and Government sponsored panels;
- Accelerated discussions on the local government structural reform in the Wellington region, with several applications for reform expected to be lodged with the Local Government Commission before the start of the 2013/14 year.

These emerging issues are explored further below.

## Changing legislative framework

The Local Government Act 2002 Amendment Act 2012 (December 2012) contains a number of significant changes to the legislative framework within which the GWRC operates.

The purpose of local government has been narrowed from a very broad enabling role to a more specific role that focuses on the provision of infrastructure, local public services and regulatory functions. An increased emphasis has also been placed on delivering these roles in the most cost-effective way. As a result of this change the GWRC is reviewing all of its activities and investments and is amending its decision-making procedures to ensure that they remain compliant with the LGA.

The Amendment Act also contains significant new provisions relating to how proposals for local government structural reform are considered by the Local Government Commission, and how the Government can intervene if a local authority is unable to perform its functions satisfactorily.

Further changes to the Local Government Act are proposed in 2013.

The Resource Management Reform Bill has been introduced to Parliament and gone through the Select Committee process. The Bill introduces a streamlined process for Auckland's first unitary plan, a six-month time limit for processing consents for medium-sized projects and provisions to require direct referral to the Environment Court for major projects. The Bill also introduces stronger requirements for councils to base their planning decisions on thorough cost-benefit analysis, including how jobs and employment will be affected.

A discussion document outlining further reforms was released in February 2013. This proposes a review of sections 6 and 7 of the RMA, which list matters of national importance and other matters which decision-makers must take into account and further changes to encourage more streamlined plan development and consenting processes.

The work programme also incorporates freshwater management reform, which will build on the recommendations from the Land and Water Forum (LAWF) to promote the use of national objectives frameworks and collaborative planning processes for the management of freshwater resources.

The Land Transport Management Amendment Bill was enacted in June 2013. It contains significant changes to national and regional transport planning processes, streamlined membership of Regional Transport Committees, changes to decision-making criteria and consultation processes, and the introduction of the Public Transport Operating Model.

As further legislative changes are enacted, the GWRC will review its activities, systems and processes to ensure compliance with any new or altered requirements.

## Role and function of local government

The Better Local Government Programme began in March 2012, and is led by the Department of Internal Affairs. The first phase led to the changes to the Local Government Act in December 2012, whilst the second phase covers the following areas:

- The Efficiency Taskforce – the report of the Taskforce was issued in November 2012. It recommends further changes to the Local Government Act to improve decision making and consultation processes
- Local Government Infrastructure Expert Advisory Group – the report from this Group was published in March 2013. It focuses on how good quality infrastructure to support a growing economy can be delivered by local government in the most cost-effective manner
- Regulatory Roles - this workstream will build on the Productivity Commission's Inquiry into better local regulation. The report was issued by the Commission in May 2013. This examines where regulation is best undertaken, how central and local government can work together more effectively to improve regulation, and what new tools and practices need to be put in place to improve regulatory practice
- Development Contributions – this will examine whether this tool is still appropriate and what alternatives are available
- Dual or two tier governance model – is looking at how a two tier model can combine the benefits of large scale institutions with local community based governance. Allied to this is the workstream led by the Ministry for the Environment which is reviewing the Resource Management Act 1991, with the intention of a unitary resource management plan for each local government area
- Performance monitoring framework – this will draw on the Productivity Commission Inquiry into better local regulation, and will look at ways of improving the efficiency and effectiveness of performance monitoring

The outcomes of these various workstreams will be monitored over the 2013/14 year and reflected in future Annual Plans as appropriate.

### Local government structural reform in Wellington

The Wellington Region Local Government Review Panel published its report into structural reform in Wellington region in October 2012. This was an independent panel, commissioned by GWRC and Porirua City Council, and chaired by Sir Geoffrey Palmer. The Panel recommended that structural change was needed and that a new unitary council be created to cover the whole region, along with a second tier of 6 local area councils.

Subsequent to the Panel report, a working party (comprising representatives from GWRC, Porirua City Council, Kāpiti Coast District Council and Wellington

City Council) was formed to work up a preferred option in further detail. The working party reported back to each council in early 2013. Public consultation was undertaken and an application to the Local Government Commission was approved by GWRC in June 2013.

The three Wairarapa councils have jointly submitted a proposal to the Local Government Commission to create a single unitary council for this area, without a regional council. Other councils in the region are also promoting alternative models, including a single-tier unitary authority for the western part of the region (excluding Wairarapa) as well as an enhanced status quo option.

Depending on the Local Government Commission's process, structural change to the Wellington local government arrangements could be in place on or before the date of the local government election in 2016. It is expected that a region-wide poll of electors will be held before the Local Government Commission confirms a final proposal.

# Part 2

# Financial summary

## SUMMARY OF RATES AND LEVIES

This table shows the rates and levies for Greater Wellington in 2013/14, together with the changes from 2012/13. 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 2013/14 includes the financial impacts of the on-going extensive rail rolling stock and network upgrade

The total rate increase in regional rates for 2013/14 is 2.6%. The water supply levy, which is charged to the four metropolitan city councils is proposed to increase by 3% over 2012/13. When the water supply levy is included, Greater Wellington's overall increase is 2.7%.

By rate and levy type:	2012/13	2013/14	Change	
	Budget	Plan		
	\$000s	\$000s	\$000s	
General rates	27,468	28,476	1,008	
<b>Targeted rates:</b>				
Region wide targeted rates:				
River management rates	4,784	4,826	42	
Transport rates	47,512	48,736	1,224	
Stadium rates	2,676	2,676	-	
WRS rates	4,668	4,631	(37)	
Specific area targeted rates:				
Bovine Tb rates	284	284	-	
Possum / Predator rates	201	240	39	
South Wairarapa district – river rates	85	88	3	
Wairarapa scheme and stopbank rates	1,326	1,347	21	
<b>Total targeted rates <sup>1</sup></b>	<b>61,536</b>	<b>62,828</b>	<b>1,292</b>	
<b>Total regional rates</b>	<b>89,004</b>	<b>91,304</b>	<b>2,300</b>	<b>2.6%</b>
<b>Water supply levy</b>	<b>24,889</b>	<b>25,635</b>	<b>746</b>	<b>3.0%</b>
<b>Total regional rates and levies <sup>1</sup></b>	<b>113,893</b>	<b>116,939</b>	<b>3,046</b>	<b>2.7%</b>
Warm Wellington rates <sup>2</sup>	1,253	3,029		
<b>Total rates and levies</b>	<b>115,146</b>	<b>119,968</b>		

All figures on this page exclude GST

Figures labelled "2012/13 Budget" are sourced from Greater Wellington's 2012/13 Annual Plan.

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

2 Warm Wellington is the scheme to assist regional ratepayers install insulation in their home. Only ratepayers participating in the scheme are charged this rate

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy contained within the 2012/22 long term plan which is available at [www.gw.govt.nz](http://www.gw.govt.nz)

## 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:	2012/13 Budget	2013/14 Plan	Change	
	\$000s	\$000s	\$000s	
Wellington city	45,958	47,404	1,446	
Lower Hutt city	17,198	17,455	257	
Upper Hutt city	5,979	6,099	120	
Porirua city	7,027	7,194	167	
Kapiti Coast district	6,977	7,126	149	
Masterton district	1,803	1,838	35	
Carterton district	820	847	27	
South Wairarapa district	1,344	1,380	36	
Taranua district <sup>1</sup>	2	2	-	
<b>Region-wide rates<sup>2</sup></b>	<b>87,108</b>	<b>89,345</b>	<b>2,237</b>	<b>2.6%</b>
Bovine Tb rate	284	284	-	
Possum / predator rates	201	240	39	
South Wairarapa district – river rates	85	88	3	
Wairarapa scheme and stopbank rates	1,326	1,347	21	
<b>Total regional rates</b>	<b>89,004</b>	<b>91,304</b>	<b>2,300</b>	<b>2.6%</b>
<b>Water supply levy</b>				
Wellington City Council	13,339	13,730	391	
Hutt City Council	6,363	6,527	164	
Upper Hutt City Council	2,344	2,433	89	
Porirua City Council	2,843	2,945	102	
<b>Water supply levy</b>	<b>24,889</b>	<b>25,635</b>	<b>746</b>	<b>3.0%</b>
<b>Total regional rates and levies<sup>3</sup></b>	<b>113,893</b>	<b>116,939</b>	<b>3,046</b>	<b>2.7%</b>
Warm Wellington rate <sup>4</sup>	1,253	3,029		
<b>Total rates and levies</b>	<b>115,146</b>	<b>119,968</b>		

All figures on this page exclude GST

### Notes:

Figures labelled "2012/13 Budget" are sourced from Greater Wellington's 2012/13 Annual Plan.

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

<sup>2</sup> Region-wide rates are rates that are charged to all ratepayers in the region. It excludes Bovine TB, Possum / Predator, 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

<sup>3</sup> This total excludes any "Warm Greater Wellington" targeted rates as they impact only those ratepayers that participate in the scheme

<sup>4</sup> Warm Wellington is the scheme to assist regional ratepayers install insulation or clean heating appliances in their home. Only ratepayers participating in the scheme are charged this rate

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy contained within the 2012/22 long term plan which is available at [www.gw.govt.nz](http://www.gw.govt.nz)

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

2013/14 Residential Region wide rates by rate type and for an average valued residential property

	General rate per average valued residential property		River management rate per average valued residential property		Transport rate per average valued residential property		Stadium-purposes rate per average valued residential property		Region-wide residential <sup>1</sup> per average valued residential property excluding WRS rate	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
	Wellington city	\$146.47	\$152.32	\$0.72	\$0.57	\$143.00	\$149.78	\$15.14	\$15.02	\$305.33
Lower Hutt city	\$103.59	\$106.45	\$59.87	\$59.32	\$183.63	\$184.20	\$10.72	\$10.62	\$357.81	\$360.59
Upper Hutt city	\$92.61	\$96.14	\$29.65	\$29.85	\$178.31	\$180.51	\$8.03	\$8.02	\$308.60	\$314.52
Porirua city	\$104.06	\$108.65	\$2.17	\$2.16	\$224.00	\$227.17	\$9.45	\$9.44	\$339.69	\$347.41
Kapiti Coast district	\$101.87	\$104.35	\$48.77	\$50.21	\$89.53	\$90.58	\$5.07	\$5.05	\$245.24	\$250.18
Masterton district	\$66.44	\$68.85	\$0.00	\$0.00	\$21.76	\$22.03	\$4.26	\$4.23	\$92.46	\$95.11
Carterton district	\$65.50	\$66.88	\$2.36	\$2.39	\$35.79	\$35.29	\$4.07	\$3.85	\$107.72	\$108.41
South Wairarapa district	\$75.58	\$78.98	\$0.00	\$0.00	\$51.32	\$51.74	\$5.60	\$5.52	\$132.50	\$136.24

	Average value of residential property in each city or district		Total Region-wide <sup>1</sup> per average valued residential property excluding WRS rate		WRS rate <sup>2</sup> per residential property		Total Region-wide <sup>1</sup> rates per average residential property including WRS rate	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
	Wellington city	\$513,281	\$514,522	\$305.33	\$317.68	\$14.00	\$14.00	\$319.33
Lower Hutt city	\$369,556	\$370,032	\$357.81	\$360.59	\$14.00	\$14.00	\$371.81	\$374.59
Upper Hutt city	\$334,659	\$336,904	\$308.60	\$314.52	\$14.00	\$14.00	\$322.60	\$328.52
Porirua city	\$381,153	\$385,161	\$339.69	\$347.41	\$14.00	\$14.00	\$353.69	\$361.41
Kapiti Coast district	\$367,532	\$368,351	\$245.24	\$250.18	\$14.00	\$14.00	\$259.24	\$264.18
Masterton district	\$239,416	\$240,478	\$92.46	\$95.11	\$14.00	\$14.00	\$106.46	\$109.11
Carterton district	\$228,818	\$232,157	\$107.72	\$108.41	\$14.00	\$14.00	\$121.72	\$122.41
South Wairarapa district	\$271,812	\$275,791	\$132.50	\$136.24	\$14.00	\$14.00	\$146.50	\$150.24

All figures on this page exclude GST

Notes:

Figures labelled "2012/13 Budget" are sourced from Greater Wellington's 2012/13 Annual Plan.

Certain comparatives have been reclassified to aid comparability

<sup>1</sup> 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

<sup>2</sup> The WRS 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 rate is used to fund the Wellington Regional Strategy and Grow Wellington is the region's economic development agency (EDA).

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 to ensure fair distribution of rates based on capital values.

This information should be read in conjunction with the Funding Impact Statement and the Revenue and Financing Policy contained within the 2012/22 long term plan which is available at



## 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 2013/14. For example, if you live in Porirua city and have a residential property with a capital value of \$350,000 your indicative regional rates are \$336.00 plus GST @ 15% = \$379.16

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

	2013/14 Region-wide <sup>1</sup> rates per \$100,000 of capital value, excluding the WRS rate		Enter the capital value of your property			WRS rate <sup>2</sup> residential property		Indicative rates on your property for 2013/14 <sup>1</sup>
Wellington city	\$61.75	x		÷ 100,000	+	\$14.00	=	
Lower Hutt city	\$97.44	x		÷ 100,000	+	\$14.00	=	
Upper Hutt city	\$93.35	x		÷ 100,000	+	\$14.00	=	
Porirua city	\$90.20	x		÷ 100,000	+	\$14.00	=	
Kapiti Coast district	\$67.93	x		÷ 100,000	+	\$14.00	=	
Masterton district	\$39.55	x		÷ 100,000	+	\$14.00	=	
Carterton district	\$46.70	x		÷ 100,000	+	\$14.00	=	
South Wairarapa district	\$49.39	x		÷ 100,000	+	\$14.00	=	
Porirua city example	\$90.20	x	\$350,000	÷ 100,000	+	\$14.00	=	\$329.70
							including GST @ 15%	\$379.16

A calculator to assist you check your region-wide rates for all property types is available on our website [www.gw.govt.nz](http://www.gw.govt.nz)

<sup>1</sup> 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

<sup>2</sup> The WRS 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 rate is used to fund the Wellington Regional Strategy and Grow Wellington is the region's economic development agency (EDA).

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 contained within the 2012/22 long term plan which is available at [www.gw.govt.nz](http://www.gw.govt.nz)

## Key Changes from the Long Term Plan 2012-22

After thoroughly reviewing all operational expenditure and the timing of capital expenditure the increase in regional rates income is 2.6%, which compares with the rate increase signalled in the 2012-22 Long Term Plan (LTP) for 2013/14 of 9.4%. The key changes driving this are:

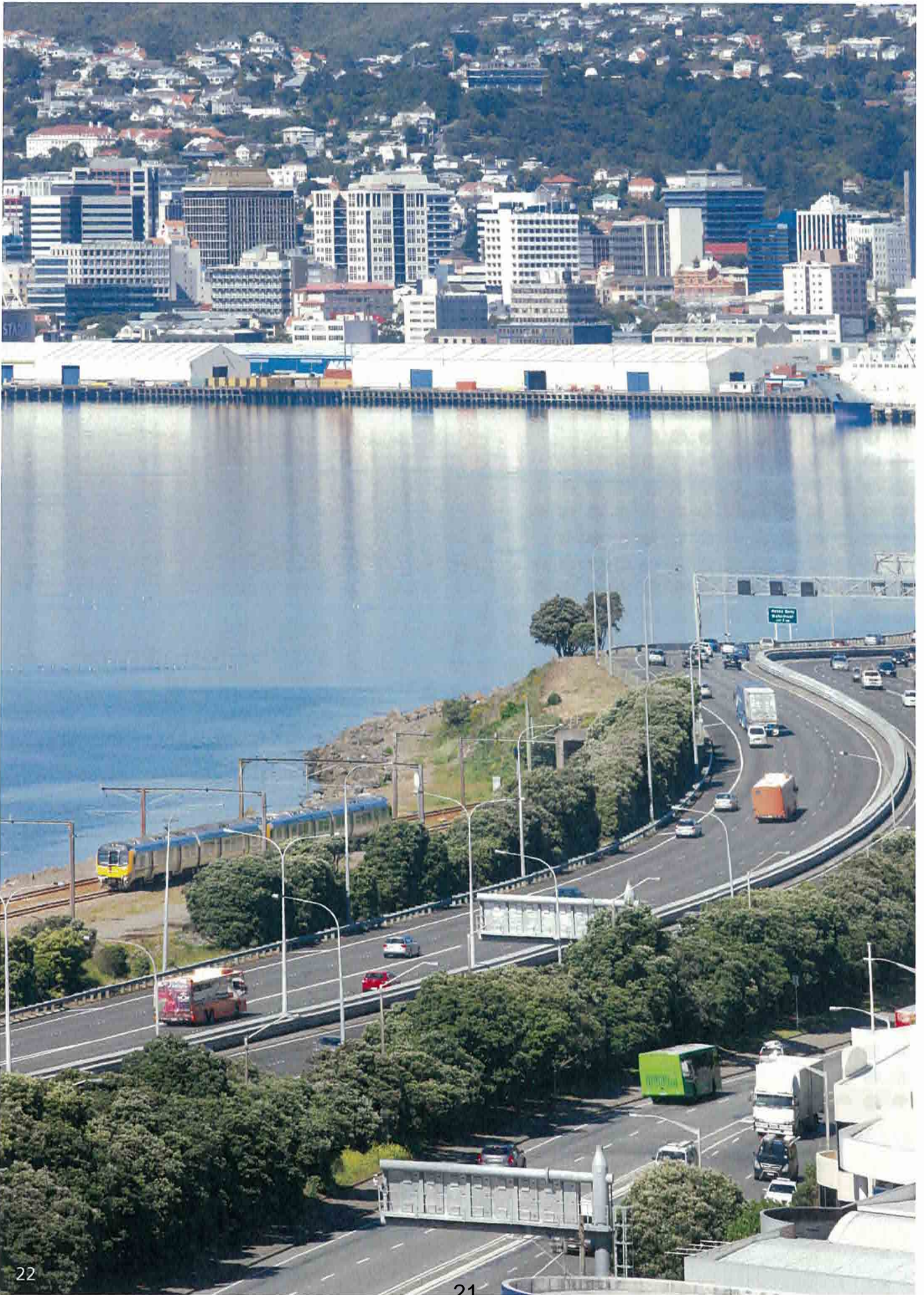
- The review of the Regional Public Transport Plan was scheduled for the 2012/13 financial year but has been delayed, as legislative requirements are in the process of being amended.
- The timing of capital expenditure for the electronic integrated ticketing project is now expected to occur from 2014-17, instead of 2013-16 as forecast in the Long Term Plan. This reflects delays in commencing the investigation phase, and the slower than expected completion of the Auckland integrated fares system project.
- The Long Term Plan provided for either refurbishment or replacement of the Ganz Mavag trains. In 2012 Council made the decision to purchase more Matangi trains to replace the Ganz Mavag fleet. The new trains will provide much better value for money over their life.
- The LTP indicated a water supply levy increase of 4% for the 2013/14 year. This figure has now been revised to a 3% increase. The change is driven by savings in operational expenditure.
- \$250,000 has been allocated to support the development of the collaborative Whaitua Committee process. This will help support the Committees and to allow them to function effectively.
- Completion of the Pinehaven and Waitohu Flood Management Plans (FMP) will be delayed from 2012/13 to 2013/14, and the recommencement of the Mangaroa FMP deferred until 2015/16. These have been slowed to focus resources on the renewal of the western area river maintenance consents and development of the Upper Wairarapa Valley FMP.

# Part 3

# Activities

**Our activities are broken down into six groups. These reflect statutory requirements and logical groupings as follows:**

- **Regional leadership**
- **Public transport**
- **Water supply**
- **Environment**
- **Flood protection and control works**
- **Parks**



# Regional leadership

# Regional leadership

The Greater Wellington Regional Council coordinates regional leadership activities in partnership with other local authorities on a range of issues, including economic development, transport, and civil defence and emergency management. We involve tangata whenua and the community in our decision making. We also lead regional initiatives that provide significant benefits to the regional community.

## 1. Activities

This group of activities includes:

- Wellington Regional Strategy
- Emergency management
- Democratic services
- Relationships with Māori
- Regional transport planning and programmes
- Regional initiatives

## 2. Contribution to community outcomes

Our regional leadership activities contribute towards achieving:

- A **strong economy** by developing region-wide strategies and funding programmes to help the region realise its economic potential
- A **resilient community** by ensuring the region is ready to effectively respond to and recover from major emergency events, such as earthquakes
- A **connected community** by developing plans to meet the region's transport needs, informing the community about the range of transport options available and supporting the availability of ultra-fast broadband
- **Quality of life** by providing opportunities for residents to engage in our activities and participate in decision making, including our tangata whenua iwi partners

## 3. Key focus for 2013/14

### Wellington Regional Strategy

The focus of the Wellington Regional Strategy (WRS) work will be to progress the revised strategy, alongside the other councils in the region and Grow Wellington, our economic development agency.

### Emergency management

The previous year saw the emergency management capability of the nine councils combined into one semi-autonomous team, planning for, and meeting the needs of the region. 2013/14 will see a continuation of this, with operational capability further enhanced and initiatives launched to improve preparedness, capacity and social connectedness across our communities. This will see neighbourhoods more self-reliant, connected, and thus empowered to self-manage after a major emergency event.

### Democratic services

The Council's triennial elections are scheduled for 12 October 2013. Initiatives will be developed to encourage people to participate in the electoral process, both as electors and candidates for election. Support and training will be provided to any newly elected Councillors to enable them to effectively carry out their responsibilities.

### Relationships with Māori

We will also be continuing to develop our relationships with the region's mana whenua iwi. This will be done through Ara Tahi and through the work of our committees especially Te Upoko Taiao. Our internal capability programme will also continue to raise the skills and knowledge of our staff in matters of relevance to Māori.

### Regional transport planning and programmes

There are likely to be changes to the Land Transport Management Act that will impact on how we plan our regional transport network. In anticipation of the changes the Regional Transport Committee has begun reviewing its suite of transport plans. This will not impact on the delivery of the regionally-agreed major transport projects. One of these, the Public Transport Spine Study, is due to be completed in the 13/14 year.

### Regional initiatives

The Wairarapa Water Use Project is now entering the pre-feasibility phase following desk top investigations and the first field investigations. The pre-feasibility investigations will take most of the financial year to complete and will entail detailed technical scoping, geological, seismic, preliminary water storage site, engineering, environmental and cost-benefits investigations, as well as iwi and community consultation.

### Local Government Reform

We are participating as part of a working party comprising representatives from GWRC, Porirua City Council, Kāpiti Coast District Council and Wellington City Council, to develop a preferred option for local government structural reform. It is anticipated that an application will be submitted to the Local Government Commission in 2013.

## 4. Wellington Regional Strategy

### 4.1 Specific areas of work for 2013/14

- Continue to support Grow Wellington, the WRS Office and the WRS Committee to promote economic growth in the region
- Manage and lead key projects relating to the Open for Business and Building World Class Economic Infrastructure focus areas
- Monitor Grow Wellington, in conjunction with the WRS Committee, to ensure it continues to deliver on its Statement of Intent

### 4.2 Key changes from Long Term Plan 2012-22

The funding for Grow Wellington is being kept at the same level as 2012/13. There is also a small reduction in the funding of the WRS Office and in the WRS Committee costs.

### 4.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measures	Performance targets		
		Baseline	2012/13	2013/14
Promote economic growth in the region through: <ul style="list-style-type: none"> <li>• Grow Wellington</li> <li>• WRS Office</li> <li>• WRS Committee</li> </ul>	Percentage of GDP spent on research and development	1.50% (Average 2005-2010)	1.55%	1.65%
	Percentage of workforce employed in highly skilled occupations	21.8% (2010)	21.9%	22.0%
	GDP per capita	\$55,000 (2010)	\$56,100	\$56,900



## 5. Emergency Management

### 5.1 Specific areas of work for 2013/14

- Implement the latest generation Civil Defence & Emergency Management (CDEM) Group Plan which provides strategic level direction for the business/annual plans of the Wellington Region Emergency Management Office (WREMO), response agencies, and the respective councils of the region

### 5.2 Key changes from Long Term Plan 2012-22

No significant changes from Long Term Plan

### 5.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Work with the regional community to improve resilience to and preparedness for major emergency events	Percentage of households with emergency food and water to last at least three days	72% of households surveyed have emergency food and water for three days (2010)	75%	76%
	That the Wellington Region CDEM Group Plan is reviewed and kept up to date	The CDEM Group Plan became operative in 2005	Review CDEM Group Plan	Adopt a new CDEM Group Plan

## 6. Democratic services

### 6.1 Specific areas of work for 2013/14

- Continue to manage Council and committee meetings and advisory groups
- Conduct the 2013 triennial election on 12 October 2013
- Manage the induction and professional development of newly elected Councillors
- Continue to work with other councils in the region and the Local Government Commission on local government structural reform

### 6.2 Key changes from Long Term Plan 2012-22

No significant changes from Long Term Plan

### 6.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide information to enable the public to be informed of, and participate in, Council and committee meetings	Percentage of time meeting agenda is available to the public at least two working days prior to each meeting	100% (2010/11)	100%	100%
	Percentage of residents satisfied that they have had an opportunity to participate in decision making	New measure	Establish a baseline	Increase on baseline

## 7. Relationships with Māori

### 7.1 Specific areas of work for 2013/14

- Deliver Māori capacity training to Council and staff
- Develop terms of reference for Ara Tahi<sup>1</sup>, including a reporting system
- Develop an operational forum as a liaison channel between Ara Tahi and the Greater Wellington Regional Council

### 7.2 Key changes from Long Term Plan 2012-22

Costs have been reduced in the Capability Funding of mana whenua iwi. This funding is to enable iwi to participate in our statutory processes. The reduction reflects the reduced number of iwi the Regional Council has a formal relationship with resulting from the post Treaty-settlement establishment of the Port Nicholson Block Settlement Trust.

### 7.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets				
		Baseline	2012/13	2013/14	2014/15	2015-22
Provide opportunities for tangata whenua to be actively involved in decision making	Percentage of tangata whenua committee members satisfied that tangata whenua are recognised and involved in the decision making process	New measure	90%	90%	95%	Increasing to 100%

## 8. Regional transport planning and programmes

### 8.1 Specific areas of work for 2013/14

- Review existing transport plans through the development of a regional transport network plan
- Continue to roll out sustainable transport programmes including the regional school travel plan programme and the work and business commute programmes
- Continue to provide information on sustainable transport options, active transport and road safety
- Complete the PT Spine Study, reviewing options for high quality public transport through the centre of Wellington City

### 8.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

<sup>1</sup> Ara Tahi is a forum of tangata whenua and Greater Wellington Regional Council leaders that focuses on strategic issues of significance within the region.

### 8.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide an up-to-date policy framework to guide investment in the region's land transport network	That the Regional Land Transport Strategy is reviewed, adopted and monitored	Regional Land Transport Strategy adopted 2010	Undertake transport perceptions survey	Consult on the Regional Network Plan
Coordinate and deliver programmes which promote and encourage sustainable and safe transport choices	Percentage of stakeholders and partners who rate coordination services and resources satisfactory or higher	New measure	85%	90%
	Number of total annual visitors to selected Greater Wellington sustainable transport web pages	New measure	Increase on previous year	Increase on previous year
	Mode shift in workplace and school travel plan programmes	New measure	Programme participants increase their use of sustainable transport modes	Programme participants increase their use of sustainable transport modes

## 9. Regional initiatives

### 9.1 Specific areas of work for 2013/14

- Complete the pre-feasibility study for the Wairarapa Water Use Project following the decisions to progress from the Scheme Assessment investigations
- Continue to roll out Warm Greater Wellington scheme<sup>2</sup>
- Complete and implement a regional climate change strategy
- Undertake investigations and scope the benefits of a regionally integrated planning framework

### 9.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

### 9.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measures	Performance targets		
		Baseline	2012/13	2013/14
Work with partners to investigate options for water storage and water use such as irrigation in the Wairarapa valley	That a pre-feasibility study is prepared	New measure	Pre-feasibility study completed	Feasibility study completed
Provide funding assistance for home insulation through the Warm Greater Wellington scheme	Number of applications to join the Warm Greater Wellington scheme	2,000 (2010/11)	2,300	2,300

<sup>2</sup> GWRC will need to determine during 2013 whether to continue the programme once the future of the Heat Smart: Warm Up New Zealand programme is known.

## FINANCIAL INFORMATION

### REGIONAL LEADERSHIP PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Sources of operating funding</b>		
General rate	5,600	6,385
Targeted rates	7,659	7,216
Subsidies and grants for operating purposes	1,248	1,191
Fees, charges, and targeted rates for water supply	3	10
Fines, infringement fees, and other receipts <sup>1</sup>	1,865	4,730
<b>Total operating funding</b>	<b>16,375</b>	<b>19,532</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	16,004	18,335
Finance costs	1,067	1,241
Internal charges and overheads applied	526	762
<b>Total applications of operating funding</b>	<b>17,597</b>	<b>20,338</b>
<b>Surplus/(deficit) of operating funding</b>	<b>(1,222)</b>	<b>(806)</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	892	663
Increase / (decrease) in debt	4,046	4,711
Gross proceeds from asset sales	16	37
<b>Total sources of capital funding</b>	<b>4,954</b>	<b>5,411</b>
<b>Applications of capital funding</b>		
- to meet additional demand	1,250	643
- to improve the level of service	30	31
- to replace existing assets	(218)	167
Increase / (decrease) in investments	3,300	4,156
Increase / (decrease) in reserves	(630)	(392)
<b>Total applications of capital funding</b>	<b>3,732</b>	<b>4,605</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on Regional Leadership assets</b>	<b>416</b>	<b>407</b>

<sup>1</sup> This includes revenue from the territorial authorities to fund the amalgamated regional emergency management group.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST

## FINANCIAL INFORMATION

### REGIONAL LEADERSHIP PROSPECTIVE FUNDING INFORMATION FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Operating funding</b>		
Wellington Regional Strategy	4,631	4,816
Emergency Management	2,823	4,638
Democratic Services	2,039	2,013
Relationships with Maori	862	922
Regional transport planning and programmes	2,937	3,575
Regional initiatives <sup>1</sup>	3,083	3,568
<b>Total operating funding</b>	<b>16,375</b>	<b>19,532</b>
<b>Applications of operating funding</b>		
Wellington Regional Strategy	4,631	4,816
Emergency Management	3,023	4,607
Democratic Services	2,221	2,826
Relationships with Maori	862	922
Regional transport planning and programmes	3,028	3,005
Regional initiatives <sup>1</sup>	3,833	4,162
<b>Total applications of operating funding</b>	<b>17,597</b>	<b>20,338</b>
<b>Capital expenditure</b>		
Capital project expenditure	1,000	674
Land and buildings	-	-
Plant and equipment	14	45
Vehicles	48	122
<b>Total capital expenditure</b>	<b>1,062</b>	<b>841</b>

<sup>1</sup> Regional initiatives includes the rates and expenditure associated with the Warm Greater Wellington Program. Only ratepayers participating in the scheme are charge a rate to recover the costs of the scheme.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST



# Public transport

# Public transport

Greater Wellington Regional Council is responsible for planning and funding the Metlink public transport network. We contract companies to run the train, bus and harbour ferry services on our behalf. We also own and maintain parts of the network, including trains and railway stations. We provide customer information about Metlink services and run the Total Mobility Scheme for people with disabilities.

## 1. Activities

The public transport group of activities includes:

- Metlink public transport network planning
- Rail operations and asset management
- Bus and ferry operations and asset management
- Metlink customer services and information
- Total Mobility

## 2. Contribution to community outcomes

Our public transport activities contribute towards achieving:

- A **connected community** by providing a mass transit system that moves people efficiently and relieves congestion from our roads at peak times and by providing an essential service for people for whom, whether by choice or circumstance, private vehicle travel is not an option
- A **strong economy** by enhancing the efficient movement of people and goods within the region
- A **healthy environment** by reducing vehicle emissions from private vehicles

## 3. Key focus for 2013/14

The overall priorities for our public transport activities are:

- Maximising the benefits of existing investments and projects, including improving the reliability and efficiency of public transport in the Wellington CBD
- Improving the reliability of rail services and providing capacity that matches demand by investing in metro rail infrastructure and service improvements
- Applying the layered service approach to the planning and delivery of bus services to ensure services are located where they provide the greatest benefit
- Working towards the introduction of network-wide integrated ticketing
- Providing public transport that is affordable for passengers and for ratepayers while managing financial risks arising from exchange rate and oil price volatility.

The legislation governing public transport planning and procurement has undergone substantial review. Now

that the new legislation has been finalised, plans and procedures will be reviewed to ensure they comply with the new requirements. The most significant changes include a new way of contracting public transport services known as the Public Transport Operating Model (PTOM). The development and preparation for tendering of new contracts will be a major focus in 2013/14.

The 2013/14 budget assumes a public transport fare increase in 2013 in order to deliver a 2% increase in revenue. The Long Term Plan assumed a 3% increase. The fare increase involves increasing smartcard, 10-trip and monthly pass fares by close to 2.5%, except for one zone fares which would increase by 3.8% (or 6 cents/trip). Adult cash fares will increase by 50 cents for zones 8, 11 and 12 as will the concession cash fare for zones 11 and 12.

## 4. Metlink public transport network planning

### 4.1 Specific areas of work for 2013/14

- Start to implement the Wellington City bus review
- Undertake the area wide review of Metlink services in Eastbourne, Wainuiomata, Lower Hutt and Upper Hutt, including east-west connections to Porirua
- Undertake two minor service reviews. A minor service review analyses services at a targeted level, and can be initiated by public or operator feedback, low patronage, or high costs
- Undertake a post implementation review of the Metlink bus services in the Wairarapa
- Complete the review of the Metlink fares structure that commenced in 2012
- Undertake a review of the Regional Public Transport Plan
- Undertake the annual fare review
- Continue the investigation of electronic integrated ticketing

### 4.2 Key changes from Long Term Plan 2012-22

The review of the Regional Public Transport Plan scheduled for 2012/13 has been delayed as the legislative requirements are in the process of being amended. A review will be undertaken once the legislation has been finalised.

The timing of the electronic integrated ticketing project has been reviewed, and capital expenditure is now expected to occur from 2014-18, instead of 2013-16 as forecast in the Long Term Plan. This reflects delays in commencing the investigation phase, partly as a result of slower than expected completion of the Auckland integrated fares system project.



#### 4.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Prepare and review the Regional Public Transport Plan	Regional Public Transport Plan reviewed and adopted in accordance with the Public Transport Management Act 2008	Regional Public Transport Plan adopted November 2011	Regional Public Transport Plan amended as necessary to incorporate the new Public Transport Operating Model, the Wellington Bus Review and the Long-Term Plan 2012-22	Regional Public Transport Plan remains operative

## 5. Rail operations and asset management

### 5.1 Specific areas of work for 2013/14

- Continue to fund rail services
- Ensure quality standards are maintained by monitoring service levels
- Ensure that rail rolling stock is maintained in accordance with the Public Transport Asset Management Plan
- Ensure that rail station buildings, park and ride car parks and other fixed assets are maintained in accordance with the Public Transport Asset Management Plan
- Continue the procurement of the Matangi 2 train fleet

### 5.2 Key changes from Long Term Plan 2012-22

The Long Term Plan provided for either refurbishment or replacement of the ageing Ganz Mavag trains. The timing of expenditure in this draft Annual Plan reflects the 2012 decision to purchase more Matangi trains to replace the Ganz Mavag fleet. The new trains will provide much better value for money over their life.

### 5.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Deliver rail services in accordance with the published timetable	Percentage of scheduled services delivered	99.1% (September 2011)	99.3%	99.4%
	Percentage of scheduled services on-time to 5 minutes by line	Kāpiti Line 90% <sup>1</sup> Hutt Line 90% <sup>1</sup> Johnsonville Line 95% <sup>1</sup> Wairarapa Line 80% <sup>1</sup> (November 2011)	Increase on baseline Increase on baseline Maintain baseline Increase on baseline	Increase on previous year Increase on previous year Maintain baseline Increase on previous year
Maintain and improve rail rolling stock, stations, over-bridges, subways and carparks in accordance with rail asset management plans	Percentage of fleet available for service	86% (September 2011)	88%	90%
	Average condition rating for buildings and structures <sup>2</sup>	3.0	2.9	2.7
	Average condition rating for carparks <sup>2</sup>	2.9	2.7	2.6

<sup>1</sup> Actual performance data is provided by the rail operator. When real-time information is fully introduced these targets may need to be revised

<sup>2</sup> Gradings: 1 = very good, 2 = good, 3 = fair, 4 = poor, 5 = very poor

## 6. Bus and ferry operations and asset management

### 6.1 Specific areas of work for 2013/14

- Continue to fund bus and harbour ferry services
- Continue to implement the new Public Transport Operating Model for the procurement of bus services
- Ensure quality standards are maintained by monitoring service levels
- Ensure that bus shelters and signage and other fixed assets are maintained in accordance with the Public Transport Asset Management Plan

### 6.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

### 6.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Deliver bus and ferry services in accordance with the published timetable	Percentage of scheduled services delivered <sup>1</sup>	99% (September 2011)	≥ 99%	≥ 99%
	Percentage of scheduled services on-time to 10 minutes	99.8% (September 2011) <sup>2</sup>	≥98% <sup>2</sup>	≥98% <sup>2</sup>
Maintain and improve bus stop facilities and interchanges	Average condition score for bus shelters owned by Greater Wellington <sup>3</sup>	2.0	2.0	2.0
Improve the quality and accessibility of the bus fleet	Compliance with NZTA requirements for urban buses	All buses entering service in the region meet NZTA requirements (Nov 2011)	All bus operating contracts varied to comply with NZTA requirements for urban buses	All bus operating contracts varied to comply with NZTA requirements for urban buses

<sup>1</sup> Services which run 10 minutes or more late are deemed as not run and are included in this measure

<sup>2</sup> Actual performance data is provided by bus and ferry operators. When real-time information is fully introduced these targets may need to be revised

<sup>3</sup> Gradings: 1 = very good, 2 = good, 3 = fair, 4 = poor, 5 = very poor

## 7. Metlink customer services and information

### 7.1 Specific areas of work for 2013/14

- Continue to provide information on Metlink's public transport services through real time information, a call centre, timetable production, website and Twitter
- Conduct the annual public transport customer satisfaction monitor

### 7.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

### 7.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide information to the public from a call centre	Percentage of residents who rate the service they receive from Metlink public transport services as excellent or very good	78% (2011)	84%	90%
	Number of visits to the Metlink website and mobi site	1.8 million visits to the Metlink website (2010/11)	2 million	2.05 million
		143,000 visits to the Metlink mobi site (2010/11)	300,000	325,000
Provide a real-time information system	Percentage of bus and train services tracked by real-time information where the system has been deployed	85 % (2011)	87%	90%

## 8. Total Mobility

### 8.1 Specific areas of work for 2013/14

- Continue to find and administer the Total Mobility Scheme
- Conduct the annual customer satisfaction survey

### 8.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

### 8.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide a subsidised taxi service for those members of the public unable to use buses or trains	Percentage of scheme users who rate the overall service of the scheme as good or better	97% (2011)	≥97%	≥97%
	Average time to process an application to join the scheme	15 working days (2010/11)	15 working days	15 working days

## FINANCIAL INFORMATION

### PUBLIC TRANSPORT PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Sources of operating funding</b>		
General rate	-	-
Targeted rate	48,736	53,547
Subsidies and grants for operating purposes	65,729	69,154
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts <sup>1</sup>	2,413	2,275
<b>Total operating funding</b>	<b>116,878</b>	<b>124,911</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	106,509	157,488
Finance costs	4,698	6,527
Internal charges and overheads applied	3,383	3,685
<b>Total applications of operating funding</b>	<b>114,590</b>	<b>167,700</b>
<b>Net surplus/(deficit) of operating funding</b>	<b>2,288</b>	<b>(42,789)</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	1,260	2,271
Increase / (decrease) in debt <sup>2</sup>	25,838	42,712
Gross proceeds from asset sales	10	10
<b>Total sources of capital funding</b>	<b>27,108</b>	<b>44,993</b>
<b>Applications of Capital Funding</b>		
<b>Capital expenditure</b>		
- to meet additional demand	-	-
- to improve the level of service	600	4,422
- to replace existing assets	1,356	137
Increase / (decrease) in investments <sup>2</sup>	30,060	-
Increase / (decrease) in reserves	(2,620)	(2,355)
<b>Total applications of capital funding</b>	<b>29,396</b>	<b>2,204</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on Public Transport assets</b>	<b>999</b>	<b>1,139</b>

<sup>1</sup> This includes revenue from Greater Wellington Rail Limited for services provided to manage the rail assets

<sup>2</sup> Greater Wellington fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency.

Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

Where this expenditure is for assets owned by other entities, this expenditure is treated as operational expenditure.

In the comparative LTP number all rail rolling stock and infrastructure were treated as operational expenditure.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST

**FINANCIAL INFORMATION**

**PUBLIC TRANSPORT  
PROSPECTIVE FUNDING INFORMATION  
FOR THE YEAR ENDING 30 JUNE**

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Operating funding</b>		
Metlink public transport network planning	1,900	1,791
Rail operations and asset management	56,427	63,451
Bus and ferry operations and asset management	52,320	53,094
Metlink customer services and information	3,415	3,728
Total mobility	2,816	2,847
<b>Total operating funding</b>	<b>116,878</b>	<b>124,911</b>
<b>Applications of operating funding</b>		
Metlink public transport network planning	2,094	1,791
Rail operations and asset management	50,325	57,188
Bus and ferry operations and asset management	49,821	51,998
Metlink customer services and information	3,350	3,459
Total mobility	2,782	2,810
<b>Total applications of operating funding (excluding improvements)</b>	<b>108,372</b>	<b>117,246</b>
<b>Improvement expenditure<sup>1</sup></b>		
Rail operations and asset management	-	47,385
Bus and ferry operations and asset management	6,218	3,069
<b>Total improvement expenditure</b>	<b>6,218</b>	<b>50,454</b>
<b>Total applications of operating funding (including improvements)</b>	<b>114,590</b>	<b>167,700</b>
<b>Net surplus/(deficit) of operating funding</b>	<b>2,288</b>	<b>(42,789)</b>
<b>Investments in Greater Wellington Rail Limited<sup>1</sup></b>		
Rail operations and asset management	30,060	-
<b>Total investment expenditure</b>	<b>30,060</b>	<b>-</b>
<b>Capital expenditure</b>		
New public transport shelters, signage, pedestrian facilities and systems	1,924	4,526
<b>Total capital project expenditure</b>	<b>1,924</b>	<b>4,526</b>
Vehicles	32	33
<b>Total capital expenditure</b>	<b>1,956</b>	<b>4,559</b>
<b>Total Investment in Public Transport Infrastructure</b>	<b>38,234</b>	<b>55,013</b>

<sup>1</sup> Greater Wellington fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency.

Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Limited it is treated as an investment in this subsidiary.

Where this expenditure is for assets owned by other entities, this expenditure is treated as operational expenditure.

In the comparative LTP number all rail rolling stock and infrastructure were treated as improvement expenditure.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST



# Water supply

# Water supply

Greater Wellington Regional Council is responsible for collecting, treating and distributing water to the Wellington City Council, Hutt City Council, Upper Hutt City Council and Porirua City Council.

## 1. Activities

Our water supply group of activities have three components:

- Water quality – ensuring safe high-quality water
- Water availability – a secure reliable water supply
- Sustainability – planning for future demand and being cost effective while meeting all relevant environmental and health and safety standards

## 2. Contribution to community outcomes

Water supply activities contribute towards achieving:

- a **strong economy** by ensuring there is sufficient drinking water available to sustain and grow our population and support our economy
- a **resilient community** by preparing the system to cope with emergencies and the long-term impacts of climate change
- a **healthy environment** by encouraging people to use water wisely to reduce the environmental impacts, and protecting current and future water catchments
- **quality of life** by ensuring that drinking water meets Ministry of Health requirements

## 3. Key focus for 2013/14

### Meeting future demand

Our policy of maintaining a security of supply standard of not less than a 2% probability of shortfall (a 1 in 50 year drought) was endorsed last year by Council. The storage volume of the Stuart Macaskill lakes is currently being increased to ensure that this standard can be met in the short to medium term.

In the longer term additional raw water storage will be required. However, based on current population predictions, the recent reduction in per capita water demand has extended the period until water source development will be needed to 2019/20. There is uncertainty in how water demand will trend in the future and projected population change sits within wide boundaries 10 to 20 years out. As a result, the next development may not be needed until some time after 2019/20 if total water demand does not increase as forecast. There is also uncertainty in what impact the Regional Plan review may have on the allocation of water resources.

These uncertainties suggest that water supply development needs to be more adaptive to changing circumstances rather than embarking on costly large-scale infrastructure development as a first priority. An incremental approach to development, that retains flexibility in the timing and choice of future development options for as long as possible, will help defer the cost of large capital development, and enable the Council to better manage its debt.

In December 2012 the Wellington Regional Council authorised officers to negotiate for the purchase of a block of land at Kaitoke which could provide a number of options for lower cost medium term augmentation solutions.

### Emergency water supply

In 2012 the Wellington Lifelines Group published figures which identified time frames for the reinstatement of the wholesale water supply following a major Wellington fault movement. The current time frames need to be reduced to improve the speed of the region's recovery. Improving the robustness and speed of repair of bulk pipelines can only go so far in reducing the time for reinstatement of the regions water supply and an alternate strategy is to provide emergency storage. Over the next few years we will be investigating sites for possible emergency water storage.

### Improving resilience

With several water treatment plants and over 180 kilometres of pipelines, the water supply system in the metropolitan part of the region is vulnerable to a range of incidents including a major community-wide emergency event. A major earthquake, particularly one involving a movement of the Wellington fault, would lead to considerable disruption to the water supply system. For some years, GWRC has undertaken mitigation work to increase the robustness of pipelines and pump stations to prepare for such an event. In 2013/14 our focus will be on buildings and above ground structures.

## 4. Water supply

### 4.1 Specific areas of work

- Renew and improve water supply infrastructure, including improvement of earthquake resilience
- Investigate feasibility of water storage lakes at Kaitoke for meeting future demand
- Investigate feasibility of water storage lakes for emergency supply

### 4.2 Key changes from Long Term Plan 2012-22

The 2012-22 Long Term Plan (LTP) indicated a levy increase of 4% for the 2013/14 year. This figure has now been revised to a 3% increase. The change is driven by savings in operational expenditure.



The bulk of the identified savings has come from:

**Interest cost savings**

Interest cost savings of \$194,000 are due to forecast debt levels being less than LTP budget.

**Insurance**

The heavily increased insurance premiums after the Christchurch earthquakes resulted in Water Supply paying approximately \$0.5 million in premiums for approximately \$28.0 million of cover. We propose to cancel the existing policy and use \$0.3 million of the savings to increase contributions to the self insurance fund so the fund can keep pace with the increase in maximum probable loss.

### 4.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide water that is safe and pleasant to drink	Number of waterborne disease outbreaks	0 (2010/11)	0	0
	Number of taste complaint events related to the bulk water supply	0 (2010/11)	0	0
	Percentage compliance with the Drinking Water Standards of New Zealand	Microbiological and aesthetic compliance – 100% Chemical compliance – 85% (2010/11)	Microbiological and aesthetic compliance – 100% Chemical compliance – 90%	100%
	Treatment plant and distribution system grading	Te Marua, Wainuiomata and Gear Island treatment plants – A1 Waterloo treatment plant – B Distribution system – a1 (2010/11)	Maintain current grading	Maintain current grading
Provide a continuous and secure water supply	Number of shut-offs of the wholesale water supply network resulting in loss of water or pressure to consumers	0 (2010/11)	0	0
	Improve the resilience of the wholesale water supply to catastrophic events such as earthquakes	Resilience projects completed in 2010/11 included: Aro Tunnel improvements Gear Island valve chamber improvements Emergency supply point in Khandallah New connection in Ngaio Changing the management of pipe stock (2010/11)	Establish a methodology for assessing improvements to the resilience of the wholesale water supply	Plan for and implement resilience improvements
That water supply infrastructure is adequate to meet future needs while minimising environmental impacts	Modelled probability of annual water supply shortfall	1.5% (2011/12 forecast)	No greater than 2%	No greater than 2%
	Compliance with environmental regulations	Full compliance (2010/11)	Full compliance	Full compliance

## FINANCIAL INFORMATION

### WATER SUPPLY

#### PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Sources of operating funding</b>		
General rate	-	-
Targeted rate	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts <sup>†</sup>	26,571	27,975
<b>Total operating funding</b>	<b>26,571</b>	<b>27,975</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	16,511	18,323
Finance costs	3,728	4,563
Internal charges and overheads applied	1,445	1,543
<b>Total applications of operating funding</b>	<b>21,684</b>	<b>24,429</b>
<b>Surplus/(deficit) of operating funding</b>	<b>4,887</b>	<b>3,546</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	6,286	2,196
Gross proceeds from asset sales	52	40
<b>Total sources of capital funding</b>	<b>6,338</b>	<b>2,236</b>
<b>Applications of capital funding</b>		
Capital expenditure		
- to meet additional demand	4,500	206
- to improve the level of service	1,345	1,754
- to replace existing assets	4,189	2,644
Increase / (decrease) in investments	1,342	1,178
Increase / (decrease) in reserves	(151)	-
<b>Total applications of capital funding</b>	<b>11,225</b>	<b>5,782</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<sup>†</sup> This includes the Water supply levy charged to Wellington, Hutt, Lower Hutt and Porirua city councils		
<b>Water supply levy</b>	<b>25,635</b>	<b>25,884</b>
<b>Depreciation on Water Supply assets</b>	<b>8,289</b>	<b>8,364</b>

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations  
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 10-Year Plan 2012-22

All figures on this page exclude GST

## FINANCIAL INFORMATION

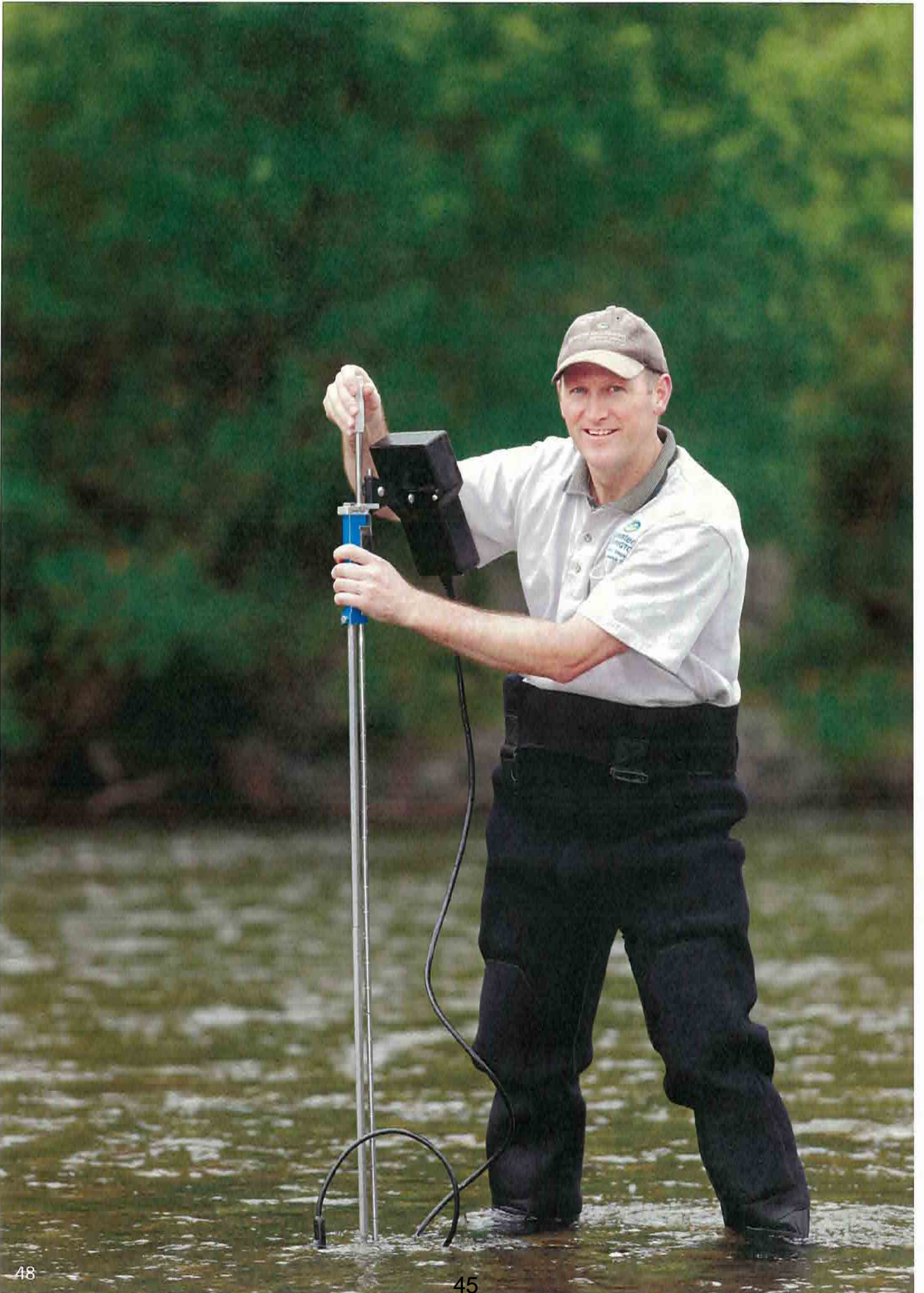
### WATER SUPPLY PROSPECTIVE FUNDING INFORMATION FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Operating funding</b>		
Water Supply	26,571	27,975
<b>Total operating funding</b>	<b>26,571</b>	<b>27,975</b>
<b>Applications of operating funding</b>		
Water Supply	21,684	24,429
<b>Total applications of operating funding</b>	<b>21,684</b>	<b>24,429</b>
<b>Capital expenditure</b>		
Water sources	30	206
Water treatment plants	1,295	839
Pipelines	475	537
Pump stations	60	103
Reservoirs	-	-
Monitoring and control	490	495
Seismic protection	700	1,445
Energy	-	-
Other	6,700	740
<b>Capital project expenditure</b>	<b>9,750</b>	<b>4,365</b>
Land and buildings	-	-
Plant and equipment	99	83
Vehicles	185	156
<b>Total capital expenditure</b>	<b>10,034</b>	<b>4,604</b>

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST



# Environment

# Environment

Greater Wellington Regional Council is responsible for regulating the use of the region's natural resources. We do this through regional policies, plans and resource consents, helping the community to manage and restore ecosystems, and manage land sustainably. We monitor and report on the state of the environment, manage environmental threats like pest plants and animals, and provide a 24-hour pollution response service. We also look after the region's harbours.

## 1. Activities

The environment group of activities includes:

- Resource management
- Land management
- Biodiversity management
- Pest management
- Harbour management

## 2. Contribution to community outcomes

Our environment activities primarily contribute towards achieving a **healthy environment** by:

- Regulating and monitoring the use and development of the environment to ensure that our natural and physical resources are managed sustainably
- Working with the community on initiatives to protect and restore the environment such as pest management and ecological restoration
- Advising landowners and businesses on practices that reduce the environmental impact of their activities

Our environment activities also contribute towards achieving a **strong economy** by:

- Working with landowners to enhance the prosperity and security of the farming sector through developing plans to prevent soil erosion and managing pests that threaten farm productivity, including working to eradicate bovine Tb
- Supporting commercial shipping by monitoring commercial ships arriving and departing from Wellington and providing navigational aids in our harbours

## 3. Key focus for 2013/14

### Resource management

This year, the ongoing development of work around the review of the Regional Plan will be a major focus. We are working towards having a fully completed draft regional plan out for public feedback in mid to late 2013, and this will be followed by a formal consultation period under the Resource Management Act 1991 (RMA). Alongside

this we will be working on establishing the first of the 'Whaitua', or Zone Committees for the region. Whaitua (catchment) Committees will be used by GWRC to implement the National Policy Statement for Freshwater (NPSFW). Using collaborative processes each Whaitua Committee will make recommendations to Council on implementing the NPSFW within their catchment area. It is important that the Whaitua operate across a whole catchment, including the final receiving environment, including harbours, estuaries and the coast. By operating across the whole catchment the cumulative, downstream, impacts of activities are better able to be managed.

Further, it is envisaged that each Whaitua Committee will, over time, act as a conduit for the better integration of activities aimed at managing land and water resources within their catchment area as a whole. Based on a collaborative governance approach as promoted by the Land and Water Forum, Whaitua Committees will have a key role in the freshwater quality and quantity limit setting process, as well as looking at a range of non-regulatory approaches to managing our land and water resources within catchments. The word Whaitua broadly means a management area, and describes the understanding of tangata whenua that all things are interconnected and mutually dependant, even at a small scale.

The development of Whaitua Committees and the role that they will have represents a significant investment in time and resource, and we have worked over the last 12 months to enhance our science and policy capacity to be able to respond to the needs of this process.

With all appeals on the Regional Policy Statement resolved in late 2012 by way of mediation, and the Council formally adopting the RPS in early 2013, this year will be a milestone in that we will have an operative RPS which will guide the work of the Council, and others, in the coming year.

We will continue to monitor changes to the RMA and other legislation that has the ability to impact on our work programs. The areas of change are potentially substantial and relate to core resource management activities such as consent processing, environmental monitoring, economic assessments of policy options and our relationship with national agencies such as the Environmental Protection Agency.

### Land management

The Wellington Regional Erosion Control Initiative (WRECI) will continue to be a key work programme for land management activities. The project involves minimising soil erosion in some of the highly erosion prone catchments in the region by using spaced

poplar and willow plantings, permanently retiring sub catchments, and/or planting areas in forest. The benefits include retention of highly productive soils, reduced impact on infrastructure, and improved fresh and marine water quality. Demand for WRECI Plans is currently driving the need to expand the Akura Nursery to supply increased numbers of poplar and willow trees.

New Land and Environment Plans will be a focus for the Mangatarere catchment and around the Wairarapa Moana area. These Plans will focus on reducing nutrient and sediment loss into waterways.

### **Pest management**

A key work programme for pest management in 2013/14 will be expansion of the Regional Possum Predator Programme into western areas of the region. We will also continue to support the National Strategy to eradicate Bovine Tb by providing the regional funding share advised by the Animal Health Board. We will commence the review of the Regional Pest Management Strategy, a task that is currently required every five years. Amendments to the Biosecurity Act 1993 provide for the future strategies to now be reviewed every 10 years.

## **4. Resource management**

### **4.1 Specific areas of work for 2013/14**

- Ongoing management of core statutory work within timeframes
- Implementation of the Regional Policy Statement
- Continue work on the Regional Plan review including community consultation with the finalisation of a draft Regional Plan mid to late 2013
- Establishment of the first of the Whaitua Committees
- Conduct customer satisfaction survey (undertaken every four years for applicants, consent holders, and incident notifiers)
- Study hydrology and nutrient status of Lake Wairarapa and environs (Wairarapa Moana) to aid decisions on water allocation and intervention measures
- Continue to refine our earthworks site scoring system to assist with compliance of bulk earthworks sites
- Implementation of compliance strategies for dairy effluent, water management and earthworks
- Consenting and compliance work associated with major RoNS projects, including Transmission Gully, MacKays to Peka Peka, Otaki to Levin, Wellington Airport to Mt Victoria, Basin Reserve, Terrace Tunnel
- Porirua Harbour monitoring programme
- Reviewing our approach to the State of the Environment Charging regime to better align the costs of our science and research work with the users of the resource to support more integrated and robust decision making

### **4.2 Key changes from Long Term Plan 2012-22**

In order to support the collaborative approach to the management of the regions natural resources being promoted by the Council, \$250,000 has been allocated to support the development of the proposed Whaitua Committee process. This will help fund the information and resources we will need to provide support and advice to the Committees, and to allow them to function effectively.



### 4.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide an up-to-date policy framework to manage the region's natural and physical resources	That the Regional Policy Statement is reviewed and adopted	The Regional Policy Statement was approved by the Council in May 2010 and is subject to a number of appeals	Resolve appeals on the Regional Policy Statement	Regional Policy Statement becomes operative
	That regional plans are reviewed and adopted	Review of regional plans has been underway since 2009	Review of regional plans continues	Proposed Regional Plan published for public submissions
Process resource consents in a timely manner	Percentage of resource consents <sup>1</sup> processed within 20 working days <sup>2</sup>	98% (2010/11)	100%	100%
Monitor and enforce compliance with regional plans and resource consents	Percentage of monitoring inspections completed for resource consents with individual monitoring programmes.	98% (2010/11)	100%	100%
	Percentage of environmental incidents reported to the 24-hour incident response service investigated in accordance with legal timeframes <sup>3</sup> for enforcement	68% (2010/11)	100%	100%
Provide information to the community on the state of the region's environment	Number of state of the environment report cards downloaded on the Greater Wellington website	1929 (2010/11)	Increase on previous year	Increase on previous year

## 5. Land management

### 5.1 Specific areas of work for 2013/14

- Implement the Wellington Regional Erosion Control Initiative
- Implement annual works programme on erosion-prone land within Property and Sustainability Plans
- Implement Land and Environment Plans
- Complete annual works programmes for each of the Catchment Control Schemes
- Continue expansion of Akura nursery and supply poplars and willows for erosion control

### 5.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

<sup>1</sup> Non-notified resource consents – in 2010/11 95.77% of resource consents we processed were non-notified

<sup>2</sup> Working days as defined by the Resource Management Act 1991

<sup>3</sup> The timeframe for infringement notices is four months, the timeframe for charges laid in District Court is six months

### 5.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Work with landowners to sustainably manage erosion-prone land	Percentage of erosion-prone land covered by a Farm Plan	72% (2010/11)	74%	75%
	Hectares of erosion-prone land planted	432 hectares per annum (2010/11)	400 hectares per annum	470 hectares per annum
Work with landowners to sustainably manage nutrient and sediment discharges on a catchment basis	Number of Land and Environment plans prepared	This is a new level of service	10 per annum	10 per annum

## 6. Biodiversity management

### 6.1 Specific areas of work for 2013/14

- Implement the Key Native Ecosystems and habitats of threatened species programmes
- Monitor high value biodiversity areas
- Provide advice to planning and regulatory processes to protect indigenous biodiversity
- Implement relevant aspects of the Porirua Harbour and Catchments Strategy and Action Plan

### 6.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

### 6.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide leadership and deliver programmes that improve the region's indigenous biodiversity	Total number of identified high value biodiversity areas (excluding streams and marine sites) under active management <sup>1</sup>	106 (2011/12)	120	120

## 7. Pest management

### 7.1 Specific areas of work for 2013/14

- Commence the 5 year review of the Regional Pest Management Strategy
- Implement the Regional Possum Predator Control Programme
- Implement the current Regional Pest Management Strategy

### 7.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

<sup>1</sup> Active management means that work programmes such as fencing and pest control are in place to address key threats to ecological health and that the effectiveness of these programmes is monitored across a representative range of ecosystem types

### 7.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Work with landowners to reduce the impact of pest animals and plants within the region	Number of active pest plant "Total Control" sites <sup>1</sup>	890 (2010/11)	Decrease on previous year	Decrease on previous year
	Number of rabbits in the region	Low No areas persistently recording above 5 on the Modified McLean Scale <sup>2</sup> (2010/11)	Low (<5 on the Modified McLean Scale)	Low (<5 on the Modified McLean Scale)
	Number of possums in the Regional Possum Predator Control Programme area	Low Less than 5% Residual Trap Catch <sup>3</sup> (2010/11)	Low (<5% Residual Trap Catch)	Low (<5% Residual Trap Catch)

## 8. Harbour management

### 8.1 Specific areas of work for 2013/14

- Operate Beacon Hill Signal Station and maintain navigational aids
- Provide a response to harbour and coastal marine oil spills

### 8.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

### 8.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide safe and competent maritime management for commercial and recreational users of our region's waters	That Beacon Hill Communications station is staffed and operational 24 hours a day, seven days a week	100% (2010/11)	100%	100%
	That all navigational aids are working, 24 hours a day, seven days a week	All navigation aids were working 24 hours, seven days a week, except for when a replacement part was required for the Porirua Inner Channel marker (2010/11)	100%	100%
	Percentage of reports of unsafe boating incidents investigated	90% (2010/11)	100%	100%
	Percentage of harbour oil spills responded to within 30 minutes and clean up started within one hour	100% (2010/11)	100%	100%
	Percentage of coastal oil spills responded to within 30 minutes and clean up started within 3 hours	100% (2010/11)	100%	100%

<sup>1</sup> Active Total Control sites are sites that have living Total Control species pest plants or have had living plants within the past five years. A list of Total Control species pest plants can be found in the Regional Pest Management Strategy

<sup>2</sup> Modified McLean's scale provides an index from 1-8 of rabbit density based on the amount of fresh rabbit faecal pellets present on the ground and the numbers of rabbits seen

<sup>3</sup> Relative possum population density is measured using Residual Trap Catch index (RTC) calculated as a numbers of possums caught per 100 trap nights

## FINANCIAL INFORMATION

### ENVIRONMENT

#### PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Sources of operating funding</b>		
General rate	20,117	20,218
Targeted rate	584	586
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	3,173	2,826
Fines, infringement fees, and other receipts <sup>1</sup>	3,403	3,806
<b>Total operating funding</b>	<b>27,277</b>	<b>27,436</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	25,269	25,035
Finance costs	68	86
Internal charges and overheads applied	1,635	1,659
<b>Total applications of operating funding</b>	<b>26,972</b>	<b>26,780</b>
<b>Surplus/(deficit) of operating funding</b>	<b>305</b>	<b>656</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	(137)	(140)
Gross proceeds from asset sales	49	86
<b>Total sources of capital funding</b>	<b>(88)</b>	<b>(54)</b>
<b>Applications of capital funding</b>		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	35	36
- to replace existing assets	341	520
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	(159)	46
<b>Total applications of capital funding</b>	<b>217</b>	<b>602</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on Environment assets</b>	<b>685</b>	<b>584</b>

<sup>1</sup> This includes revenue from the Animal Health Board, sales of trees and rental income

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST

## FINANCIAL INFORMATION

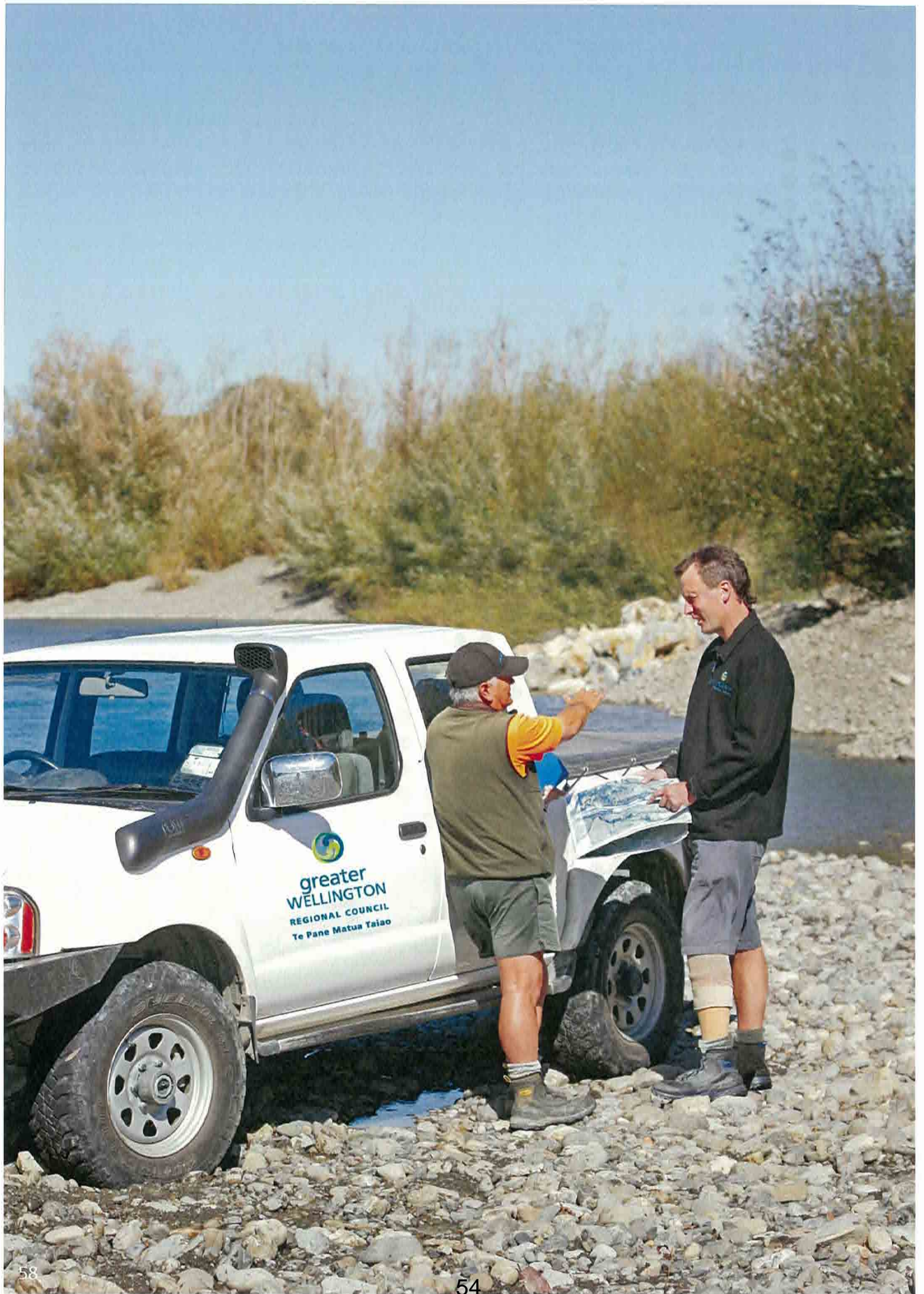
### ENVIRONMENT PROSPECTIVE FUNDING INFORMATION FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 Budget \$000s
<b>Operating funding</b>		
Resource management	12,304	11,560
Land management	3,824	3,908
Biodiversity management	4,136	4,717
Pest management	4,933	5,118
Harbour management	2,080	2,133
<b>Total operating funding</b>	<b>27,277</b>	<b>27,436</b>
<b>Applications of operating funding</b>		
Resource management	12,098	11,317
Land management	3,739	3,817
Biodiversity management	4,364	4,717
Pest management	4,906	5,033
Harbour management	1,865	1,896
<b>Total applications of operating funding</b>	<b>26,972</b>	<b>26,780</b>
<b>Capital expenditure</b>		
Environment projects	35	36
<b>Capital project expenditure</b>	<b>35</b>	<b>36</b>
Land and buildings	-	-
Plant and equipment	207	214
Vehicles	134	306
<b>Total capital expenditure</b>	<b>376</b>	<b>556</b>

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST



# Flood protection and control works

# Flood protection and control works

Greater Wellington Regional Council works with communities to manage flood risk from the region's rivers and streams. We develop floodplain management plans, provide a free advice and consultation service, maintain and build flood protection works, work with the community to improve the environment and recreational opportunities and provide flood warnings.

## 1. Activities

The flood protection and control works group of activities includes:

- Understanding flood risk
- Maintaining flood protection and control works and improving flood security

## 2. Contribution to community outcomes

Our flood protection and control works activities primarily contribute towards achieving a **resilient community** by:

- Reducing the risk of flooding in the region now and in the future by encouraging new development away from our most flood-prone areas
- Building planned flood protection works and informing communities about the risk and consequences of flood events in their area

Our flood protection and control works also contribute towards achieving:

- A **strong economy** by minimising the impact of flooding on activities that contribute to the regional economy
- **Quality of life** by enabling people to enjoy recreational use of river corridors
- A **healthy environment** by enhancing the environment along river corridors

## 3. Key focus for 2013/14

The key focus for the coming year will be progressing development of a Floodplain Management Plan for the Upper Wairarapa Valley. The lodging of resource consents for regular maintenance work undertaken in the rivers in the western part of the region, including the Hutt Valley and the Kāpiti Coast will also form a large part of the work for 2013/14.

This year we also plan to complete the Boulcott Stopbank works in the Hutt Valley and commencing planning for the next major section of stopbank improvement through the Hutt City Centre.

## 4. Understanding flood risk

### 4.1 Specific areas of work for 2013/14

- Develop Waiwhetu Floodplain Management Plan
- Prepare Ruamahanga, Waipoua and Waingawa Floodplain Management Plan

### 4.2 Key changes from Long Term Plan 2012-22

The reviews of two Floodplain Management Plans (FMP's) have been deferred and other investigations work slowed to focus resources on the renewal of the western area river maintenance consents and development of the Upper Wairarapa Valley FMP, required for the renewal of the Wairarapa river maintenance consents in 2015.

Completion of the Pinehaven and Waiwhetu FMP's will be delayed from 2012/13 to 2013/14 and the recommencement of the Mangaroa FMP deferred until 2015/16. The workstream labelled "Environmental Code of Practice" in the LTP was incorrectly labelled and should be "Upper Wairarapa Valley FMP". This was the original purpose for the funding and has been used for this work. The funding figures remain the same.



### 4.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Improving information and understanding of flood risk in the community	Number of new flood hazard assessments completed	2 new assessments completed (2011/12 forecast)  In total 14 out of 24 rivers and streams have been assessed	0  (The focus is on floodplain management planning)	0  (The focus is on floodplain management planning)
	Number of new floodplain management plans developed	1 new plan completed (2011/12 forecast) 5 out of 24 rivers have plans	2	2
	Number of requests for flood hazard advice	500 (2010/11)	Increase on previous year	Increase on previous year
	Percentage of flood warning alarms responded to appropriately	100% (2010/11)	100%	100%

## 5. Maintaining flood protection and control works and improving flood security

### 5.1 Specific areas of work for 2013/14

- Commence obtaining statutory approvals for maintenance of infrastructure assets
- Construct Boulcott-Hutt Stopbank (Hutt River Floodplain Management Plan)
- Plan for Lower Hutt City Centre stopbank upgrade (Hutt River Floodplain Management Plan)
- Plan for channel widening on the Hutt River from Melling Bridge to Kennedy Good Bridge (Hutt River Floodplain Management Plan)
- Continue implementing the environmental strategy on the Hutt, Waikanae and Otaki rivers
- Carry out Lower Waitohu improvement works (Waitohu Stream Management Plan)
- Commence Jim Cooke Part stopbank improvements (Waikanae Floodplain Management Plan)
- Commence implementation of Waiohine Floodplain Management Plan outcomes

### 5.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

### 5.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Improve flood security by implementing floodplain management plans	Percentage of floodplain management plan capital works 40-year programme implemented	30% completed (2011/12 forecast)	30% completed	35% completed
Maintain flood protection schemes to mitigate the effect of flooding	No failures of flood protection schemes below specified design levels	100% (2010/11)	100%	100%
Minimise the environmental impact of flood protection works and support public access to rivers and streams	All flood protection works are undertaken in accordance with resource consent conditions or relevant plan provision	No significant non-compliance (2010/11)	No significant non-compliance	No significant non-compliance
	Number of new public access points to rivers and streams	1 (2011/12 forecast)	1 new public access point	1 new public access point

## FINANCIAL INFORMATION

### FLOOD PROTECTION AND CONTROL WORKS PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Sources of operating funding</b>		
General rate	7,951	8,256
Targeted rates	6,201	6,607
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts <sup>†</sup>	1,614	1,759
<b>Total operating funding</b>	<b>15,766</b>	<b>16,622</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	7,587	7,821
Finance costs	3,017	3,505
Internal charges and overheads applied	1,235	1,294
<b>Total applications of operating funding</b>	<b>11,839</b>	<b>12,620</b>
<b>Surplus/(deficit) of operating funding</b>	<b>3,927</b>	<b>4,002</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	1,081	2,794
Gross proceeds from asset sales	45	133
<b>Total sources of capital funding</b>	<b>1,126</b>	<b>2,927</b>
<b>Applications of capital funding</b>		
<b>Capital expenditure</b>		
- to meet additional demand	-	-
- to improve the level of service	5,451	5,602
- to replace existing assets	(1,238)	344
Increase / (decrease) in investments	346	383
Increase / (decrease) in reserves	494	600
<b>Total applications of capital funding</b>	<b>5,053</b>	<b>6,929</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on assets</b>	<b>1,050</b>	<b>958</b>

<sup>†</sup> This includes revenue from the sales of shingle, rental income and direct contributions from territorial authorities for flood protection work

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST

## FINANCIAL INFORMATION

### FLOOD PROTECTION AND CONTROL WORKS PROSPECTIVE FUNDING INFORMATION FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Operating funding</b>		
Understanding flood risk	1,802	1,925
Maintaining flood protection and control works and Improving flood security	13,964	14,697
<b>Total operating funding</b>	<b>15,766</b>	<b>16,622</b>
<b>Applications of operating funding</b>		
Understanding flood risk	1,329	1,449
Maintaining flood protection and control works and Improving flood security	10,510	11,171
<b>Total applications of operating funding</b>	<b>11,839</b>	<b>12,620</b>
<b>Capital expenditure</b>		
Hutt river improvements	922	2,137
Otaki and Waikanae river improvements	1,595	1,831
Wairarapa rivers improvements	1,087	1,121
Other flood protection	497	513
<b>Capital project expenditure</b>	<b>4,101</b>	<b>5,602</b>
Land and buildings	-	-
Plant and equipment	8	79
Vehicles	104	265
<b>Total capital expenditure</b>	<b>4,213</b>	<b>5,946</b>

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST



# Parks

# Parks

Greater Wellington Regional Council (GWRC) manages a network of regional parks and forests for the community's use and enjoyment. The network includes a range of unique natural areas for recreation and conservation. We plan for the future of the network, provide facilities and services for visitors (including park rangers, tracks and toilets) and work with community groups to protect the environment of regional parks.

## 1. Activities

The parks group of activities includes:

- Parks planning
- Visitor services
- Protecting the environment of regional parks

## 2. Contribution to community outcomes

Our parks and forests activities contribute towards achieving **quality of life** by:

- Providing a range of outdoor recreational opportunities and amenities for the community to enjoy
- Protecting part of the region's unique natural and cultural heritage

Our parks and forests activities also contribute towards achieving a **healthy environment** by protecting and restoring the habitat of native plants and animals.

## 3. Key focus for 2013/14

We will continue to update our Parks Network Plan to reflect changing management priorities, land purchases and Treaty settlements. GWRC has made significant progress towards integrating Whitireia Park and Baring Head into the network, and addressing issues with visitor facilities and environmental protection. We are assessing how we minimise the fire risk at both parks while protecting their environmental values. We also continue to develop productive relationships with partners and stakeholders such as Ngāti Toa Rangatira (Whitireia Park) and the Friends of Baring Head.

The current Whitireia Park Management Plan was issued in 1977. While many of the principles remain sound, the park is governed by its own statutory authority – the Whitireia Park Board – and offers the potential to reflect the aspirations of today's regional residents in general and mana whenua Ngāti Toa Rangatira in particular.

This year we will complete the Parangarahu Lakes Management Plan jointly with the Port Nicolson Block Settlement Trust.

GWRC also facilitates a range of businesses, clubs, individuals and agencies to undertake their activities on the regional parks. We greatly value their interest and involvement. In the last year we updated our Parks Concessions Guidelines to recognise the wider operating environment of park areas when issuing concessions, and to retain a balance between individual interests and the public good. Updates include reducing fees for low budget and low impact filming activities and events of a charitable nature, introducing a fairer "cost recovery" provision to assess applications for large-scale activities on the parks, and small increases in charges for collecting firewood and camping on the parks.

The potential construction of the Transmission Gully Motorway will have significant and lasting impacts on Belmont Regional Park and Battle Hill Farm Forest Park, both during construction and eventual operation. GWRC will continue to work this year with its farming leaseholders, New Zealand Transport Agency and other stakeholders to agree a package of mitigation and compensation measures that manages the effect of the road and contributes to park values.

In late 2012 the Ministry of Business, Innovation and Employment granted conditional approval for a Wellington-Wairarapa cycleway to be included in the New Zealand Cycleway Nga Haerenga. Part of this route is on the historic Rimutaka Railway formation, starting in Tunnel Gully and running to Cross Creek in the Wairarapa. GWRC manages the Tunnel Gully-Summit section, and is represented on a combined agency steering group, to advance development and implementation of the cycleway.

The Muldoons Corner roading improvements were completed in early 2012, along with an extensive upgrade to Te Ara Tirohanga (Rimutaka Trig Track). Contractors have undertaken basic works at the Summit site, as agreed under their occupancy agreement with GWRC. However, this site is a historic "gateway" between the Hutt Valley and the Wairarapa. GWRC intends to work with stakeholders and the community to landscape the site and develop a viewing area, a site for a mobile concessionaire and to provide information about the area and attractions further afield.

## 4. Parks planning

### 4.1 Specific areas of work for 2013/14

- Manage the ongoing integration of Whitireia Park and Baring Head into the overall parks network
- Complete the Parangarahu Lakes Management Plan jointly with the Port Nicolson Block Settlement Trust, and begin to implement changes to management as a result of the adoption of the Plan

- Review the existing Whitireia Park Management Plan and bylaws jointly with Ngāti Toa
- Manage the potential effect of the Transmission Gully Project which dissects the Battle Hill and Belmont Regional Parks

#### 4.2 Key changes from Long Term Plan 2012-22

It is anticipated that planning for Whitireia Park will result in a separate management plan rather than an amendment to the Parks Network Plan as proposed for the 2013/14 year below. This is due to the nature of the governance arrangement for Whitireia Park.

#### 4.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide an up-to-date policy framework to manage the regional park network	That the Parks Network Plan is maintained and updated	Parks Network Plan adopted December 2010	Adopt amendments to the Parks Network Plan on: Baring Head Parangarahu Lakes Queen Elizabeth Park	Adopt amendment to the Parks Network Plan on Whitireia Park

## 5. Visitor services

### 5.1 Specific areas of work for 2013/14

- Run the Great Outdoors Summer Events programme and other events in all parks
- Continue to develop visitor services at Baring Head, East Harbour Regional Park
- Commence implementation of MacKays Crossing entrance upgrades at Queen Elizabeth Park
- Participate in the Nature Central Project
- Develop a viewing area and associated interpretation on the Pakuratahi Forest land at the summit of the Rimutaka Hill Road (SH2)
- Implement NZ Cycleway Wellington-Wairarapa Great Ride section in Pakuratahi Forest and contribute to regional working group
- Continue to develop relationships with Parks 'Friends' groups, and where appropriate continue the development of MOU's to guide these relationships
- Process and issue concessions, leases and licences
- Work with NZTA on possible construction of walkway/cycleway in QEP as part of MacKays to PekaPeka Expressway

### 5.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan



### 5.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Provide a range of facilities and recreational opportunities to meet community expectations	Percentage of the regional population that has visited a regional park in the last 12 months	59% (2010/11)	>60%	>60%
	Percentage of regional park visitors who are satisfied with park facilities	94% (2010/11)	92%	93%
	Number of people attending Greater Wellington events in regional parks	4,730 (2010/11)	4,900	5,000
	Number of volunteer hours in regional parks	6,167 (2010/11)	Maintain or increase on previous year	Maintain or increase on previous year

## 6. Protecting the environment of regional parks

### 6.1 Specific areas of work for 2013/14

- Replanting will continue in identified environmental restoration sites across the parks network (excluding high value biodiversity areas)
- Fencing and stream restoration at Whareroa Stream (Queen Elizabeth), Korokoro Stream (Belmont) and Speedy's Stream (Belmont)
- Implementing the Heritage Framework in Queen Elizabeth Park

### 6.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan

### 6.3 Long Term Plan 2012-22 levels of service & performance measures

Level of service	Performance measure	Performance targets		
		Baseline	2012/13	2013/14
Work with the regional community to protect and restore the environmental values within the regional parks network	Total number of active environmental restoration sites within regional parks network (excluding high value biodiversity areas)	No baseline currently exists	Establish objectives and criteria for environmental restoration sites  Continue management of current sites	Assess current sites against objectives and criteria  Identify and prioritise new restoration sites  Confirm environmental restoration sites

## FINANCIAL INFORMATION

### PARKS

#### PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

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	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Sources of operating funding</b>		
General rate	5,214	5,415
Targeted rates	-	-
Subsidies and grants for operating purposes	46	-
Fees, charges, and targeted rates for water supply	61	51
Fines, infringement fees, and other receipts <sup>†</sup>	882	637
<b>Total operating funding</b>	<b>6,157</b>	<b>6,103</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	4,672	4,312
Finance costs	257	312
Internal charges and overheads applied	859	950
<b>Total applications of operating funding</b>	<b>5,788</b>	<b>5,574</b>
<b>Surplus/(deficit) of operating funding</b>	<b>369</b>	<b>529</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	509	552
Gross proceeds from asset sales	12	65
<b>Total sources of capital funding</b>	<b>521</b>	<b>617</b>
<b>Applications of capital funding</b>		
<b>Capital expenditure</b>		
- to meet additional demand	-	-
- to improve the level of service	-	-
- to replace existing assets	930	1,146
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	(40)	-
<b>Total applications of capital funding</b>	<b>890</b>	<b>1,146</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on Parks assets</b>	<b>711</b>	<b>674</b>

<sup>†</sup> This includes rental income and park activity fees

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST

## FINANCIAL INFORMATION

### PARKS

#### PROSPECTIVE FUNDING INFORMATION FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Operating funding</b>		
Parks Planning	290	257
Visitor Services	5,867	5,823
Protecting the environment of regional parks	-	23
<b>Total operating funding</b>	<b>6,157</b>	<b>6,103</b>
<b>Applications of operating funding</b>		
Parks Planning	330	257
Visitor Services	5,464	5,338
Protecting the environment of regional parks	(6)	(21)
<b>Total Applications of Operating Funding</b>	<b>5,788</b>	<b>5,574</b>
<b>Capital expenditure</b>		
Battle Hill Farm Forest Park	4	5
Belmont Regional Park	83	30
Queen Elizabeth Park	522	555
Whilireia Park	30	71
Pakuratahi Forest	95	52
Akatarawa Forest	-	37
Wainuiomata Recreation Area	5	32
Kaitoke Regional Park	12	39
East Harbour Regional Park	129	87
<b>Capital project expenditure</b>	<b>880</b>	<b>908</b>
Land and buildings	-	0
Plant and equipment	12	12
Vehicles	38	226
<b>Total capital expenditure</b>	<b>930</b>	<b>1,146</b>

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

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 10-Year Plan 2012-22

All figures on this page exclude GST

# Part 4

# Investments

# Investments

## Overview

Greater Wellington Regional Council (GWRC) has a significant portfolio of investments, comprising:

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

GWRC's approach in managing investments is to balance risk against maximising returns. We recognise that as a responsible public authority, investments should be held for the long-term benefit of the community, with any risk being managed appropriately. We also recognise that lower risk generally means lower returns.

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

Our investments and particularly the investment in CentrePort will undergo a detailed review to ensure that they continue to fit within the Local Government Act, which was amended in December 2012.

Investments offset the needs for rates revenue. Regional rates would need to be 10% higher without the revenue from GWRC's investments.

### Treasury management

GWRC's treasury management is carried out centrally to maximise our ability to negotiate with financial institutions.

We then on-lend 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 used to offset regional rates.

### Local Government Funding Agency

GWRC is a founding shareholder in the Local Government Funding Agency (LGFA). The LGFA was established by statute in December 2011 and GWRC has \$1.86 million share investment 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. GWRC will source term debt requirements from the LGFA and anticipates to receive an annual dividend. As part of the arrangement GWRC has guaranteed the debt obligations of the LGFA along with the other shareholders of the LGFA in proportion to its level of rates revenue. GWRC believes the risk of this

guarantee being called on is extremely low, given the internal liquidity arrangements of the LGFA, the lending covenants of the LGFA and the charge over rates the LGFA has from councils.

### Liquid financial deposits

GWRC holds \$33 million in liquid financial deposits as a result of selling our interest in CentrePort Ltd to one of its wholly-owned subsidiaries, Port Investments. GWRC regularly reviews the rationale for holding these liquid financial deposits, taking into account the general provisions of our Treasury Risk Management Policy, including GWRC's attitude to risk and creditworthy counterparties.

### Administrative properties

Our interests in the Upper Hutt and Mabey Road depots and the Masterton office building are grouped to form the investment category, Administrative Properties. Pringle House is a wholly-owned Council-Controlled Trading Organisation, which currently owns the Regional Council Centre at 142 Wakefield Street, Wellington.

Our Plan assumes the Regional Council Centre owned by Pringle House Limited will be sold in the 2014/15 year if this proves to be the most cost effective option for the Council, bearing in mind is an earthquake prone building.

A decision will be made in the 2014/15 Annual Plan on whether to proceed with a new Masterton building, following discussions with other councils in the area about co-location. Provision has been made in the Long Term Plan for construction of a new Masterton building to begin in 2014/15 if required.

### Forestry and business units

GWRC and our predecessor organisations have been involved in forestry for many years, primarily for soil conservation and water quality purposes.

GWRC currently holds 5,500ha of plantation and soil conservation reserve forests of which approximately 3,800ha are in the western or metropolitan part of the region, with the remaining 1,700ha in Wairarapa.

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

GWRC intends to sell the cutting rights for the forests to provide certainty of income. Expressions of interest have been received with indicative pricing to buy the cutting rights. A tender process is underway and expected to be completed in mid 2013. A decision to sell is pending

the outcome of the tender. Provision will be made for maintaining full recreational access to the forests.

#### **Civic Assurance and Airtel Ltd**

GWRC 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**

Grow Wellington Ltd is a Council Controlled Organisation that is 100% owned by GWRC. It acts as an economic development agency to implement the Wellington Regional Strategy. It has a subsidiary company, Creative HQ, which is an incubator to support growing companies. See Part 3 of this plan for more details on the Wellington Regional Strategy.

#### **Westpac Stadium**

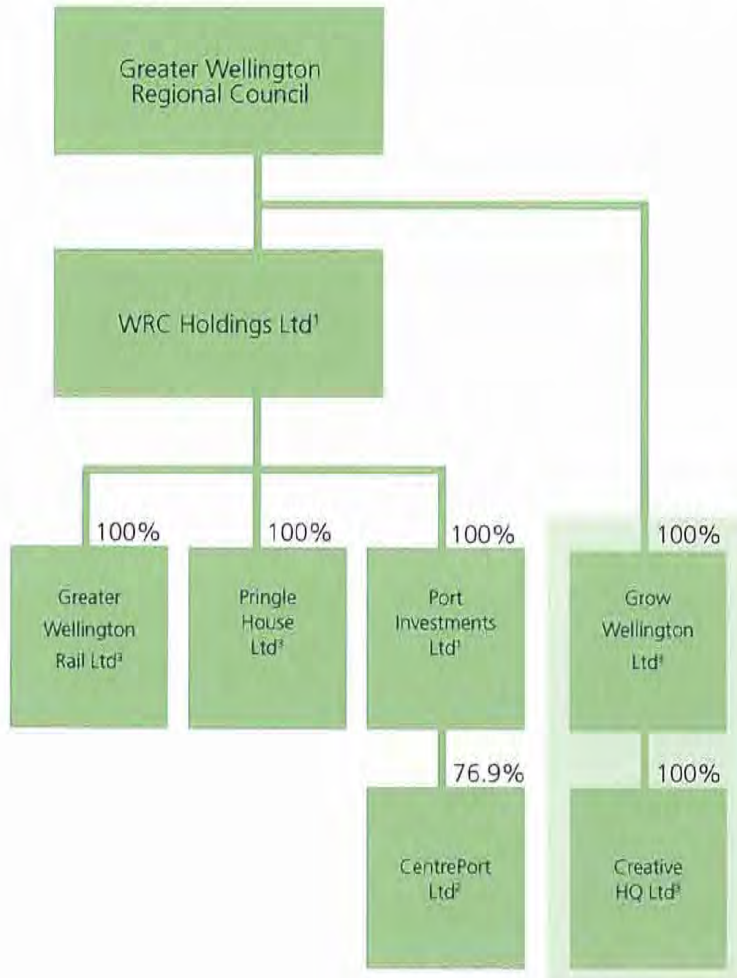
The Westpac Stadium is a regional facility which provides a high-quality, multi-purpose venue for sporting and cultural events.

GWRC provided a \$25 million loan to the Westpac Regional Stadium Trust to plan and build the stadium. GWRC is the Trust's principle funder. GWRC services and repays this loan through a targeted stadium rate.

GWRC appoints one of its Councillors to the Westpac Stadium Trust and jointly with the Wellington City Council appoints other trustees. GWRC also monitors the Trust's performance against its statement of intent.

# WRC Holdings Group

Greater Wellington Regional Council (GWRC) has established the following Council-Controlled Organisations and Council-Controlled Trading Organisations, including the following equity investments in the WRC Holdings Group:



Grow Wellington and Creative HQ activities are included in the Regional leadership group of activities, not investments (see p24)

<sup>1</sup> Council-Controlled Trading Organisation in accordance with the Local Government Act 2002

<sup>2</sup> Commercial Port Company pursuant to the Port Companies Act 1988 and not a Council-Controlled Organisation in accordance with the Local Government Act 2002

<sup>3</sup> Council-Controlled Organisation in accordance with the Local Government Act 2002



WRC Holdings Ltd and Port Investments Ltd are, in essence investment holding companies. The main operating companies in the Group are CentrePort Ltd, Greater Wellington Rail Ltd and Pringle House Ltd. Each year WRC Holdings Ltd provides GWRC, 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 where appropriate<sup>1</sup>
- To provide a structure to allow external directors with a commercial background to provide advice and expertise at the governance level
- Separating GWRC's investment and commercial assets from its public good assets
- Minimising the risk of owning commercial assets such as rail rolling stock

The WRC Holdings Group is GWRC'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.

### Performance targets for the Group

Financial Indicator	2013/14	2014/15	2015/16
Net profit/(deficit) before tax	1,060	(4,017)	(729)
Net profit/(deficit) after tax	1,500	(2,776)	253
Earnings before interest, tax and depreciation	30,942	27,846	33,498
Return on total assets	1.6%	1.0%	1.3%
Return on shareholders' funds	(0.4)%	(1.5)%	(0.7)%
Stakeholders equity in total assets	50.8%	52.1%	56.4%
Dividends	2,329	1,841	2,179

The deficits of Greater Wellington rail in 2013/14 to 2015/16 are \$9.3 million, \$10.4 million and \$11.8 million respectively and reflect the depreciation in the company that is not funded. All Capex is funded by equity and operating costs are funded by a grant from the Regional Council. These deficits are responsible for the apparent adverse projections of the Group.

Definitions of key financial performance targets:

- Consolidated shareholders funds are defined as the amount of paid up capital, plus retained earnings of the Group, less any non controlling interest, utilising the average of the opening and closing balance
- Total assets are defined as all of the recorded tangible and intangible assets of the Group at their average value, as determined in the Group's statement of accounting policies in the most recent financial statements
- Return on shareholders equity is calculated using net profit after tax while return on total assets is calculated using earnings before interest and tax

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

- Peter Blades
- Peter Glensor
- Megan McKenna
- Prue Lamason (Chair)
- Fran Wilde (Deputy Chair)
- Nigel Wilson

<sup>1</sup> While the business of owning, maintaining and leasing rolling stock is a commercial activity, the provision of public transport services is more of a public good activity

## WRC Holdings Ltd

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

WRC Holdings Ltd effectively manages any other investments held by the Group in order to maximise the commercial value to the shareholders and to protect the shareholder's investment.

WRC Holdings Ltd acts as a diligent, constructive and inquiring shareholder, through its Board of Directors.

The primary objectives of WRC Holdings Ltd are to support Greater Wellington's strategic vision and operate successful, sustainable and responsible businesses, manage its assets prudently and where appropriate, provide a commercial return. WRC Holdings Ltd has adopted policies that prudently manage risks and protect the investment.

The operational performance targets of WRC Holdings Ltd are:

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

WRC Holdings Ltd financial performance targets are:

WRC Holdings Limited	2013/14	2014/15	2015/16
Dividend distribution \$000s	100%	100%	100%
Dividend distribution %	2,329	1,841	2,179
Return on equity <sup>1</sup>	7.1%	(6.7)%	(1.4)%
Return on assets <sup>2</sup>	9.3%	0.3%	3.3%

## Pringle House Ltd

Pringle House Ltd owns and operates the Regional Council Centre at 142-146 Wakefield Street, Wellington. The building has been leased out on commercial terms to GWRC. 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 nine floors with 88% being leased to GWRC and with the balance to third parties, presently these tenancies are vacant pending a decision on the future of the building. Regional Council Centre has been declared earthquake prone and is to be vacated by GWRC. The plan is to sell the building and consequently the SOI performance targets are focused around this.

The operational performance targets of Pringle House Ltd are to:

- Minimise on going running cost prior to sale
- Maintain adequate security commensurate with building occupancy
- Maintain insurance to cover demolition and indemnity cost
- Ensure immediate legislative obligations are met

Pringle House Ltd's financial performance targets are: To ensure the operating budget profit of \$471,000 is achieved in the 2013/14 year.

Engineering investigations have found the Regional Council Centre to be an earthquake prone structure. To bring the building up to a sufficient standard (100% of the New Building Standard) is uneconomic. GWRC will use short-term accommodation, while long-term options are evaluated. Once GWRC has relocated the Regional Council Centre can be sold. The plan hypothetically assumes Pringle House is sold and the investment is written off in 2014/15.

## Greater Wellington Rail Ltd

GWRL owns GWRC's investments in metro rail assets. These include the following rolling stock and infrastructure assets:

Rolling Stock:

- 18 - SW Carriages
- 6 - SE Carriages
- 1 - AG Luggage van
- 48 - 2 Car Matangi units
- 44 - 2 Car Ganz Mavag units

Infrastructure Assets:

- Thorndon electric multiple unit (EMU) depot and EMU train wash
- Metro wheel lathe and building
- 48 - Railway stations including furniture, CCTV, signage, fixtures and fittings - (excluding the main Wellington central station)
- 14 - Pedestrian over-bridges
- 11 - Pedestrian underpasses
- Various carparks, other station improvements and other ancillary rail related assets.

The bulk of the above infrastructure assets were taken over from KiwiRail in June 2011 with the balance of \$5.3 million being taken over in June 2012.

Greater Wellington Rail Limited is responsible for all aspects of asset management and stewardship, implemented through a management contract with GWRC. An asset management plan has been developed

<sup>1</sup> Based on net surplus before tax divided by average equity, but excluding revaluation gain and losses

<sup>2</sup> Based on earnings before interest and tax divided by average assets

which articulates a structured programme to minimise the life cycle costs of asset ownership while maintaining the desired levels of service and sustaining the assets. Operational delivery of the services is through separate maintenance and operating contracts with KiwiRail.

Greater Wellington has budgeted expenditure of \$170 million over the next three years to replace the Ganz Mavag units with a second tranche of 35 Matangi units. This also includes an upgrade to some components of the existing Matangi to realise whole of life savings and improve the operational efficiency and safety. These 35 new Matangi units are expected to be introduced into service over the period middle 2015 to late 2016. 15 Ganz Mavag units have been withdrawn from service and are awaiting disposal action. The remaining 28 Ganz Mavag units are being retained in operational service until the introduction of the second tranche of Matangi Trains.

Other planned expenditure on rail assets includes \$3.5 million per annum for renewal work and like for like replacement of rail related infrastructure plus \$540,000 for the refurbishment of the SE carriages in order to bring them to a standard where they can be operated on the Wairarapa line. It is also planned to spend \$1.5 million on security enhancements to protect infrastructure and rolling stock assets from vandalism and tagging plus lower existing insurance premiums.

### Operational performance targets

From Long Term Plan 2012-22

- (i) Percentage of fleet available for service – 90%
- (ii) Average condition ratings for buildings and structures – 2.7/5.0<sup>3</sup>
- (iii) Average condition rating for car parks – 2.6/5.0<sup>3</sup>

From the asset management plan

- (iv) Rail assets are maintained in accordance with the maintenance schedules
- (v) Mean distance between failure (MDBF) Matangi fleet – 25 000 km
- (vi) MDBF Ganz fleet – 12 000 km
- (vii) MDBF carriage fleet – 45 000 km

Other targets

- (viii) Monitor the contract with Hyundai - Rotem for the provision of the second tranche of Matangi trains
- (ix) Monitor the contract with Kiwi Rail for the provision of train servicing
- (x) Monitor various contracts for the provision of infrastructure cleaning, maintenance and security services
- (xi) Continue to implement the five year renewals and like for like replacement programme
- (xii) Introduce SE carriages onto the Wairarapa line
- (xiii) Maximise leasing and advertising revenue streams

Greater Wellington Rail Limited	2013/14	2014/15	2015/16
Dividend distribution \$000s	-	-	-
Dividend distribution %	-	-	-
Return on equity <sup>1</sup>	(5.7)%	(5.5)%	(5.0)%
Return on assets <sup>2</sup>	(3.8)%	(3.9)%	(3.8)%

## Port Investments Ltd

Port Investments Ltd is an investment vehicle that owns 76.9% of CentrePort Ltd. The other shareholder of the company is MWRC Holdings Ltd: 23.1%, owned by Horizons Regional Council.

The major activities of CentrePort 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 Ltd monitors the performance of CentrePort through the board of Port Investments Ltd. The operational performance targets for Port Investments are:

- 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

Port Investments Limited	2013/14	2014/15	2015/16
Dividend distribution \$000s	2,425	1,935	2,273
Dividend distribution %	125%	85%	89%
Return on equity <sup>1</sup>	42.6%	50.9%	53.4%
Return on assets <sup>2</sup>	7.5%	8.1%	8.8%

<sup>1</sup> Based on net surplus before tax divided by average equity, but excluding revaluation gain and losses

<sup>2</sup> Based on earnings before interest and tax divided by average assets

<sup>3</sup> The scoring grades for assets is on a scale of 1-5, with 1 being excellent and 5 being extremely poor.

Its financial performance targets for CentrePort extracted from their Statement of Corporate Intent set in 2012/13 are as follows:

### Centreport performance targets

The following targets are from CentrePort's 2013/14 – 2015/16 Statement of Corporate Intent (SCI).

#### SCI 3 year - Financial performance targets

Measure		Outlook FY13	Forecast FY14	Forecast FY15	Forecast FY16
Net Profit Before Tax	\$m	14.0	14.2	15.1	16.6
Net Profit After Tax	\$m	10.1	11.0	12.0	13.0
Return on Group Assets	1	6.7%	6.8%	7.0%	7.2%
Return on Port Assets	2	6.9%	7.1%	7.3%	7.4%
Return on Property Assets	3	6.5%	6.4%	6.5%	7.0%
Return on Equity	4	5.1%	5.4%	5.7%	5.9%
Dividend distribution a percentage of NPAT		45%	45%	45%	45%
Dividend (\$m)	5 \$m	4.5	5.0	5.4%	5.8
Interest Cover	6	3.2 times	3.1 times	3.2 times	3.4 times
Gearing ratio	7	36.7%	37.2%	37.9%	37.2%

#### Longer term - Performance and Health Targets

##### Financial Performance

Financial Performance		Outlook FY13	2018 5 yr Target	2023 10 yr Target
Revenue	\$m	57.0	85.0	101.6
Net Profit Before Tax	\$m	14.0	21.1	31.5
Net Profit After Tax	\$m	10.1	16.0	23.1
Return on Equity		5.1%	6.8%	7.9%

#### Longer term - Performance and Health Targets

##### Financial Health

Financial Health		Outlook FY13	2018 5 yr Target	2023 10 yr Target
Interest Cover		3.2 times	>3.5 times	>4.0 times
Gearing Ratio		36.7%	>35%	>30%
Total Assets of Group	\$m	339.3	>\$350m	>\$375m

#### Definitions: Used for Financial & Performance Health targets

**Return on Assets (1)** is the earnings before interest and tax (EBIT) from total group activities plus share of associate earnings before tax divided by the average of total fixed assets plus investment in Associates.

**Return on Port Assets (2)** EBIT plus share of associate earnings from port activities before tax divided by the the average of total port fixed assets plus investment in Associates.

**Property Assets (3)** EBIT plus share of associate earnings from property investment activities before tax divided by the average of total property fixed assets plus investment in Associates

**Return on Equity (4)** is the net profit after tax (NPAT) divided by the average equity of the Company.

**Dividend (5)** CentrePort has used the base of 45% of NPAT (rounded to the nearest \$100k) for financial year reporting. The CPL Board will make definitive decisions at dividend declaration timelines.

**Interest cover (6)** is is the earnings before interest, tax, depreciation and amortisation (EBITDA), plus dividends received from associates investments divided by interest expense.

**Gearing ratio (7)** is Total Interest Bearing Debt (Debt) to Debt plus Equity.

**Safety performance targets**

- a) Year on year improvement towards zero harm
- b) Maintain the 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
- c) Annual review of Health and Safety Policy
- d) Undertake risk assessments and implement any mitigating procedures relating to the Port & Harbour Safety Code which promotes safety and excellence in marine operations

**Environmental performance targets**

- a) Develop and maintain a formal environmental management system consistent with the standards specified in AS/NZS ISO 14001: 2004
- b) Formally review, at least annually, the company's compliance with all environmental legislation, district and regional plans and conditions of resource consents held
- c) Maintain a sustainability programme with measurable performance criteria covering, as a minimum, the monitoring of waste and greenhouse gas emissions
- d) 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, including the introduction of recapture technology for containerised cargo during 2014
- e) Monitor compliance of the use of Methyl Bromide for the fumigation of log shipments and work collaboratively with Greater Wellington Regional Council and Crown agencies to investigate alternative fumigation options
- f) Maintain an environment issues register of environmental complaints and issues for monitoring and actioning purposes. The register to be reported to CentrePort's Health, Safety and Environmental Committee on a regular basis (the committee meets four times per annum)
- g) 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
- h) CentrePort Ltd will hold a minimum of three Environmental Consultative Committee meetings in 2013/14 comprising CentrePort Ltd and affected 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

CentrePort will report achievement against these targets as part of its annual report including specific initiatives to enhance the environment in which it operates.

**Social performance targets**

- a) Contribute to the desired outcome of the Wellington Regional Strategy through:
  - i. The provision of workplace opportunities and skills enhancements of our employees
  - ii. Ensuring the regional economy is connected by the provision of high quality port services to support international and coastal trade
  - iii. Supporting the regional community by investing in community sponsorship
- b) Maintain compliance with the International Ship & Port Security (ISPS) Code which promotes security against terrorism within the port environment
- c) To meet regularly with representative community groups
- d) Each year the company will engage in a variety of public awareness activities (for example port tours, speaking at forums, and a biennial Port Open Day)

**General performance targets**

- a) The company will, in consultation with the shareholders, continue to develop performance targets in the financial, environmental and social areas in order to be able to maintain triple bottom line reporting in accordance with best practice
- b) When developing "property held for development" the Board is to adhere to the following principles:
  - Properties may be developed without the building being fully pre-let so long as tenancy risk is managed prudently
  - Property developments must not compromise port operations
  - Developments are to be undertaken only if they are able to be funded without additional capital from shareholders
- c) Definition of terms

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

The directors of Centreport Ltd are:

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

## FINANCIAL INFORMATION

### INVESTMENTS

#### PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>Sources of operating funding</b>		
General rate <sup>1</sup>	(10,406)	(11,169)
Targeted rates	2,676	2,677
Subsidies and grants for operating purposes	-	-
Fines, infringement fees, and other receipts <sup>2,3</sup>	29,977	56,669
<b>Total operating funding</b>	<b>22,247</b>	<b>48,177</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	9,382	13,127
Finance costs	10,639	11,051
Internal charges and overheads applied	237	324
<b>Total applications of operating funding</b>	<b>20,258</b>	<b>24,502</b>
<b>Surplus/(deficit) of operating funding</b>	<b>1,989</b>	<b>23,675</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	6,354	9,696
Gross proceeds from asset sales	26	33
<b>Total sources of capital funding</b>	<b>6,380</b>	<b>9,729</b>
<b>Applications of capital funding</b>		
<b>Capital expenditure</b>		
- to meet additional demand	-	-
- to improve the level of service	404	417
- to replace existing assets	2,576	6,458
Increase / (decrease) in investments <sup>4</sup>	800	23,624
Increase / (decrease) in reserves	4,589	2,905
<b>Total applications of capital funding</b>	<b>8,369</b>	<b>33,404</b>
<b>Surplus/(deficit) of funding</b>	<b>-</b>	<b>-</b>
<b>Depreciation on investment assets</b>	<b>344</b>	<b>303</b>

<sup>1</sup> Net Investment surpluses are used to reduce the general rate. It is applied to general rate as all ratepayers benefit the same proportionally from a reduction in the general rates.

<sup>2</sup> Other receipts include revenue from Forestry and pest control. In the comparative year of the LTP it also included internal income from public transport as the mechanism to fund the rail infrastructure and the new Matangi trains carried out by the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd. The funds recovered were to be utilised within investments for an equity injection into Greater Wellington Rail Ltd to enable Greater Wellington Rail Ltd to fund Greater Wellington's share of the upgrades. This year the full cost is included directly within the Public Transport activity.

<sup>3</sup> Greater Wellington manages community outcome debt via an internal debt function. Other receipts includes internal interest income which is the total interest charged to the operational activities. External investments and debt are managed through a central treasury management function in accordance with the Treasury Management Policy.

Internal interest revenue	14,869	17,015
Forestry revenue	9,115	10,119

<sup>4</sup> In the comparative year of the LTP the increase / (decrease) in investments included internal income from public transport as detailed in note 2. This year the full cost is included directly within the Public Transport activity.

Investment in Greater Wellington Rail Ltd	-	21,985
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This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

For more information on the revenue and financing mechanisms applicable to investments, please refer to the "Revenue and Financing Policy" in this 10-Year Plan 2012-22

All figures on this page exclude GST

## FINANCIAL INFORMATION

### INVESTMENTS

#### PROSPECTIVE INCOME INFORMATION FOR THE YEAR ENDING 30 JUNE

##### NET CONTRIBUTION

##### TO GENERAL RATES FROM

##### INDIVIDUAL INVESTMENTS

Liquid financial deposits
WRC Holdings
Treasury management
Forestry
Other Investments and Property
<b>Total contribution to general rates</b>

2013/14	2013/14
Plan	LTP
\$000s	\$000s
1,450	1,451
2,754	3,632
5,851	7,484
-	-
351	(1,398)
<b>10,406</b>	<b>11,169</b>

All figures on this page exclude GST

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For more information on the revenue and financing mechanisms applicable to investments, please refer to the "Revenue and Financing Policy" in the this 10-Year Plan 2012-22

All figures on this page exclude GST

# Part 5



# Financial information

# Financial information

## Non-financial assumptions:

### Regional population

Assumption: The regional population will continue to grow at the medium growth rate as forecast by Statistics New Zealand and will reach approximately 519,900 persons by 2021, an annual average increase of 0.6%.

Risk: The regional population grows significantly faster than anticipated, requiring infrastructure projects to be brought forward to meet demand. There is also a risk that the regional population grows significantly slower than anticipated. The consequences of this risk are that economic growth will also be slower than anticipated and that the costs of planned service level increases become less affordable.

Level of uncertainty: low

### Legislative changes

Assumption: Changes to key legislation affecting GWRC does not impact significantly on its activities.

Risk: There are major changes to key legislation significantly changing our activities or funding arrangements, or making GWRC subject to new requirements or responsibilities that require funding beyond what is forecast in the Annual Plan. Legislative changes have been made to the Local Government Act 2002 and are proposed in a number of specific areas relevant to our business, including the Resource Management Act 1991 and Land Transport Management Act 2003. The potential impact of these changes is discussed in the relevant activities chapters.

Level of uncertainty: medium

### Emergency events

Assumption: There will be no major emergency events.

Risk: There is a major emergency event. The Wellington region is vulnerable to a range of natural and man-made hazards, such as earthquakes and floods, which could disrupt "business as usual". GWRC makes contingencies for emergency events. The likelihood of an emergency event of a scale and impact beyond what GWRC has planned for occurring during the life of this Annual Plan is low.

Level of uncertainty: medium

## Significant forecasting assumptions and risks

These prospective financial statements were authorised for issue by the Council on ~~26th of February~~ <sup>26th June</sup> 2013. GWRC is responsible for these prospective financial statements, including the appropriateness of the assumptions and other disclosures. GWRC's planning processes are governed by the Local Government Act 2002 (the Act). The Act requires GWRC to prepare a Long-Term Plan every three years and an Annual Plan, which updates the Long-Term Plan by exception, in the intervening years.

This is GWRC's Annual Plan 2013-14 and is prepared in accordance with the Act. Caution should be exercised in using these prospective financial statements for any other purpose. The prospective financial information contained in this Annual Plan is based on assumptions that GWRC reasonably expected to occur as at ~~26th February~~ <sup>26th June</sup> 2013. Actual results are likely to vary from the information presented and these variations may be material. A number of significant assumptions about underlying future conditions and events have been made in the preparation of the financial forecasts in this Annual Plan.

This section outlines those assumptions which have a material impact on the forecasts and which are common across all of our activities, or make a material difference to GWRC's overall forecast financial position. The assumptions are reasonably expected based on the information available at the time the Annual Plan was prepared.

Assumptions specific to particular groups of activities are stated in the chapter relating to that group of activities. Assumptions concerning the useful life of significant assets and sources of funds for replacing significant assets are included in the statement of significant accounting policies on p138.

## Treaty of Waitangi settlements

Assumption: The settlement of Treaty of Waitangi claims will not significantly affect Greater Wellington's governance arrangements, functions or ability to undertake our activities.

Risk: Treaty of Waitangi claims at regional or national level result in changes of land ownership or management of land and/or natural resources within the region that affects our ability to undertake our activities as planned. The Port Nicolson Block Settlement Trust has concluded their Treaty negotiations and others in the region are at a fairly advanced stage so the risk of unexpected changes is low.

Level of uncertainty: low

## GWRC offices

Assumption: Earthquake strengthening GWRC's Wakefield Street building is uneconomic and alternative accommodation will be required

Risk: New information becomes available that changes the risk assessment of GWRC's Wakefield Street building or alternative accommodation cannot be found in the short term

Level of uncertainty: medium

## Financial assumptions:

### Inflation

Assumption: GWRC has assumed moderate inflation over the period of this Annual Plan. We use the cost adjustors provided by Business and Economic Research Ltd (BERL) which are calculated specifically for local authorities. BERL adjustors are used by the majority of local authorities. These indices allow for the Emissions Trading Scheme and Christchurch earthquake recovery

Risk: low

Level of uncertainty: low

### Interest rates

Assumption: GWRC has used a composite forecast based on the Reserve Bank of New Zealand (RBNZ) 90-day bank bill rate forecast and the implied market based 90-day forward rates for its floating interest rate projections. The fixed interest rate is based on the existing pay fixed interest rate swaps in place. Added to both of these is the market determined credit margin to borrow funds. This has been budgeted at 1%.

Interest rate base rate assumptions

90-day bill rate	2.9%
Fixed rate	5.02%
Internal interest rate	7.0% 6%

Risk: There is a risk that the credit margin may increase and that floating rates may rise around the assumed composite tract. A 1% increase in interest rates above budgeted levels, assuming expenditure is in accordance with the Annual Plan, is around \$1 million for the 2013/14 year.

Level of uncertainty: medium

### Insurance

Assumption: The budgeted insurance premiums are in line with the actual premiums struck.

Risk: Insurance rates are volatile and moving in an upward path. The biggest risk is around the Material Damage & Business Interruption premium. A review of insurance and risk around loss in relation to property has been undertaken. This will see Greater Wellington retaining more risk, however, this should be ameliorated via lower or stabilised premiums.

Level of uncertainty: medium

## Transport funding from the New Zealand Transport Agency

Assumption: In 2013/14 funding assistance will be provided by the New Zealand Transport Agency (NZTA), at the following levels (percentage of cost):

Operation funding assistance rates	
Rail services	58%
Bus and ferry services	50%
Total Mobility	60%
Infrastructure, maintenance and operations	58%
Studies and strategies	57%
Network and asset management (road safety)	57%
Community programme	47%
Improvement projects funding assistance rates	
New infrastructure	50%
Real-time information system	80%
Electronic/integrated ticketing	50%
Rail projects	50%-60%

Risk: The funding currently provided by NZTA towards regional transport activities is reduced further or discontinued as a result of the review of financial assistance rates. NZTA have indicated that financial assistance rates are unlikely to change in 2013/14.

Level of uncertainty: medium

## Fuel prices

Assumption: GWRC has entered into a number of bus contracts to supply public transport services. Included in these contracts are cost indices requiring GWRC to adjust payments, depending on the movement of the indices. The indices are calculated on a number of factors, including the New Zealand dollar price for diesel, staff costs, etc. For 2013/14 the cost of oil is assumed to be US\$95 per barrel (WTIs) and the NZ/US exchange rate is assumed to be \$0.80.

Risk: The exchange rate and/or oil price are higher or lower, affecting the cost of our bus contracts.

Level of uncertainty: high

Potential impacts of uncertainty: An increase in the price of oil of US\$10 per barrel would require an increase in rates of \$0.25 million, while a 10 cent fall in the value of the New Zealand dollar compared to the US dollar would require an increase in rates of \$0.45 million.

## Emissions Trading Scheme

Assumption: GWRC has been awarded emissions credits for its Pre-1990 forests and post-1989 forests. GWRC may sell the credits at a future date but no sales have been assumed in this Annual Plan.

Risk: If credits are sold and a land use change is required credits would have to be repurchased on the open market creating the potential for a financial loss at that time.

Level of uncertainty: low

# Statement of significant accounting policies

## 1. Reporting entity

GWRC 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 Long-Term Plan is to provide users with information about the core services that GWRC intends to provide ratepayers, the expected cost of those services and, as a consequence, how much GWRC requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that GWRC 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, GWRC and its subsidiaries are designated as public benefit entities.

The subsidiary companies comprise WRC Holdings, Pringle House Ltd, Port Investments Ltd, which owns 76.9% of CentrePort Ltd, Greater Wellington Rail Ltd, Greater Wellington Transport Ltd, Greater Wellington Infrastructure Ltd and Grow Wellington Ltd which owns 100% of Creative HQ Ltd.

## 2. Statement of compliance

The prospective financial statements of GWRC have been prepared in accordance with the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The statements comply with FRS 42 Prospective Financial Statements as appropriate for public benefit entities. These prospective financial statements use forecast opening balances from the year ended 30 June 2012.

The preparation of financial statements in compliance 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 judgements on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

## 3. Accounting policies

### Basis of preparation

The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand, and have been prepared on an historical cost basis, except for investment properties, forestry assets, derivative financial instruments and certain infrastructural assets, which 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

GWRC receives government grants from NZ Transport Agency, which subsidises part of GWRC's costs in the provision of public transport subsidies to external transport operators and for capital purchases of rail rolling stock, rail stations and associated rail infrastructure within GWRC's subsidiary Greater Wellington Rail Ltd and transport network upgrades owned by the central government owned KiwiRail.

The grants and subsidies are recognised as revenue when eligibility has been established by the grantor. Other grants and contributions from territorial local authorities are recognised in the Statement of Comprehensive Income when eligibility has been established by the grantor.

Note: Revenue and expenditure associated with these capital purchases for other entities are treated as operational revenue and expenditure in GWRC's accounts. To aid clarity these items are separately detailed in these financial statements as transport improvement revenue and transport improvement expenditure.

## 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 shareholders' 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 GWRC are recognised as revenue when control over the asset is obtained.

### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred on an accrual basis.

### 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<sup>1</sup>
- 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 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 Statement of Comprehensive Income, then it is recognised in the Statement of Comprehensive Income. A decrease in the value of a class of assets on revaluation is recognised in the statement of comprehensive income where it exceeds the increase of that class of asset previously recognised in equity under the heading of revaluation surplus.

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

### Depreciation

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

The useful life of major classes of assets has 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 years to indefinite*
- Transport infrastructural assets  
*5 to 50 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 to check for impairment. As such, stopbanks are considered to have an indefinite life and are not depreciated.

### Intangible assets

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

### Impairment

All assets are reviewed annually to determine if there is any indication of impairment. An impairment loss is recognised when its carrying amount exceeds its recoverable amount. Losses resulting from impairment are accounted for in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case any impairment loss is treated as a revaluation decrease.

<sup>1</sup> Rail rolling stock and stations are owned by Greater Wellington Rail Ltd

**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 GWRC 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 are included in the Statement of Comprehensive Income.

**Financial instruments**

GWRC 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**

GWRC's financial assets are categorised as follows:

- **Financial assets at fair value accounted through the Statement of Comprehensive Income**  
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 Statement of Comprehensive Income.
- **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 in equity, except for impairment losses which are recognised in the Statement of Comprehensive Income.

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

Fair value is equal to GWRC'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 Statement of Comprehensive Income.

- **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 Statement of Comprehensive Income.

- **Held to maturity investments**

These are assets with fixed or determinable payments with fixed maturities that GWRC 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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income, 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**

GWRC uses derivative financial instruments to manage exposure to interest rate and foreign exchange risks arising from our operational, financing and investment activities.

In accordance with its treasury policies, GWRC 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 remeasurement to fair value is recognised immediately in the Statement of Comprehensive Income.

The fair value of an interest rate swap is the estimated amount that GWRC 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.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires GWRC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to meet a payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract is issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability that GWRC will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if GWRC assesses that it is probable that expenditure will be required to settle a guarantee, then a provision for the guarantee is measured at the present value of the future expenditure.

### Non-current assets held for sale

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of carrying amount and fair value, less costs to sell.

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

### Inventories

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

### Income tax

Income tax in the Statement of Comprehensive Income for the year comprises current and deferred tax. Income tax is usually recognised in the Statement of Comprehensive Income, 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.

### Foreign currency

In the event that GWRC 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 at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into 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 Statement of Comprehensive Income.

### 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.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income as incurred. GWRC 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 GWRC 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 assessment of the time value of money and, where appropriate, the risks specific to the liability.

### Goods and services tax (GST)

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

### Leases

GWRC 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 period in which they are incurred.

### Overhead allocation and internal transactions

GWRC allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of GWRC is treated as an internal banking activity. Any surplus generated



is credited directly to the Statement of Comprehensive Income. Individual significant activity operating revenue and operating expenditure is stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in GWRC's prospective financial statements.

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 transport.

#### **Equity**

Equity is the community's interest in GWRC 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 GWRC.

The components of equity are accumulated funds and retained earnings, revaluation reserves and restricted funds.

#### **Statement of cash flows**

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

Operating activities include cash received from all income sources of GWRC 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 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 adopted early**

No standards issued are considered to have a material future impact on GWRC.

#### **New Zealand Emission Trading Scheme**

New Zealand units (NZU's) received for pre 1990 forests are recognised at fair value on the date received. They are recognised as an asset in the Statement of Financial Position and income in the Statement of Comprehensive Income. The deforestation contingency is not recognised as a liability as there is no current intention of changing the land use. The estimated liability that would arise should deforestation occur has been estimated in the notes to the accounts.

NZU's in respect of post 1989 forest is recognised at fair value on the date received. As trees are harvested or carbon stocks decrease a liability and expense will

be recognised for the NZUs to be surrendered to Government.

#### **Local Government Funding Authority**

The Council along with other shareholders guarantees the obligations of the NZLGFA. The guarantee will be initially recognised as a financial liability at fair value in the Statement of Financial Position and expense in the Statement of Comprehensive Income. The guarantee will be revalued using the expected default loss method.

The Council also has unpaid subscribed capital which can only be called if there is an imminent risk of default by the NZLGFA. A contingent liability is disclosed in the notes to the financial statement per NZ IAS 37.

#### *Borrower Notes*

When the Council borrows funds from the NZLGFA it is required to invest a small percentage back as borrower notes. Borrower notes are repaid when debts to the NZLGFA are due to be repaid. The borrower notes also have a conversion feature that NZLGFA can trigger if it remains at imminent risk of default after it has called all of its unpaid capital and has exercised its options for commitment shares. Borrower notes without the conversion feature are classified as loans and receivables as the notes will have fixed and determinable payments and will be quoted on an active market. The borrower notes will be initially recognised at fair value. Subsequent to initial recognition borrower notes will be measured with a fixed interest rate.

Borrower notes with the equity conversion option will be recognised at fair value as a derivative under NZIAS 39, with changes in fair value recognised in profit or loss.

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE COMPREHENSIVE INCOME STATEMENT**  
**FOR THE YEAR ENDING 30 JUNE**

	2012/13	2013/14	2013/14
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
<b>OPERATING REVENUE</b>			
General rates	27,468	28,476	29,105
Targeted rates	62,790	65,856	70,633
<b>Regional rates</b>	<b>90,258</b>	<b>94,332</b>	<b>99,738</b>
Water supply levy	24,888	25,635	25,884
Government subsidies	77,500	69,174	73,278
Interest and dividends	4,448	5,165	5,105
Other operating revenue	23,575	21,374	25,521
<b>Total external operating revenue</b>	<b>220,669</b>	<b>215,680</b>	<b>229,526</b>
<b>OPERATING EXPENDITURE</b>			
Personnel costs	38,905	40,552	39,954
Grants and subsidies	78,260	91,526	78,798
Finance costs	8,173	8,824	10,432
Depreciation	12,673	13,465	13,300
Other operating expenses	54,917	55,189	59,545
<b>Total external operating expenditure</b>	<b>192,928</b>	<b>209,556</b>	<b>202,029</b>
Operating surplus before transport improvement grants <sup>1</sup>	27,741	6,124	27,497
Transport improvement grants <sup>1</sup>	43,173	6,218	50,454
Operating surplus / (deficit) before other items	(15,432)	(94)	(22,957)
Other fair value changes	3,610	3,468	2,782
<b>Operating surplus / (deficit) for the year</b>	<b>(11,822)</b>	<b>3,374</b>	<b>(20,175)</b>
<b>Other comprehensive income</b>			
Increases / (decreases) in revaluations <sup>2</sup>	0	0	44,788
<b>Total comprehensive income / (deficit) for year</b>	<b>(11,822)</b>	<b>3,374</b>	<b>24,613</b>

<sup>1</sup> Greater Wellington now fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share servicing costs from the New Zealand Transport Agency. Where this expenditure is for rail rolling stock and infrastructure that will be owned by the 100% council subsidiary Greater Wellington Rail Ltd treated as an investment in this subsidiary. Where this expenditure is for assets owned by other entities, this expenditure is treated as operational expenditure. In the comparative LTP number all rail rolling stock and infrastructure were treated as improvement expenditure.

<sup>2</sup> The Asset valuation originally scheduled for 2013/14 was brought forward to 2012/13.

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE**

	2012/13	2013/14	2013/14
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
<b>Total opening ratepayers' funds</b>	<b>693,243</b>	<b>772,317</b>	<b>681,421</b>
Total comprehensive income / (deficit) for year	(11,822)	3,374	24,613
<b>Movement in ratepayers funds for year</b>	<b>(11,822)</b>	<b>3,374</b>	<b>24,613</b>
<b>Closing ratepayers' funds</b>	<b>681,421</b>	<b>775,691</b>	<b>706,034</b>
<b>Components of ratepayers funds</b>			
<b>Opening accumulated funds</b>	<b>368,121</b>	<b>357,067</b>	<b>360,473</b>
Total comprehensive income / (deficit) for year	(11,822)	3,374	24,613
Movements in other reserves	4,172	4,561	(41,910)
<b>Movement in accumulated funds for year</b>	<b>(7,650)</b>	<b>7,935</b>	<b>(17,297)</b>
<b>Closing accumulated funds</b>	<b>360,471</b>	<b>365,002</b>	<b>343,176</b>
<b>Opening other reserves</b>	<b>21,553</b>	<b>24,196</b>	<b>17,381</b>
Movements in other reserves	(4,172)	(4,561)	(2,878)
<b>Movement in ratepayers funds for year</b>	<b>(4,172)</b>	<b>(4,561)</b>	<b>(2,878)</b>
<b>Closing other reserves</b>	<b>17,381</b>	<b>19,635</b>	<b>14,503</b>
<b>Opening asset revaluation reserves</b>	<b>303,569</b>	<b>391,054</b>	<b>303,567</b>
Movements in revaluation reserve <sup>1</sup>	-	-	44,788
<b>Movement in asset revaluation reserve for year</b>	<b>-</b>	<b>-</b>	<b>44,788</b>
<b>Closing asset revaluation reserve</b>	<b>303,569</b>	<b>391,054</b>	<b>348,355</b>
<b>Closing ratepayers' funds<sup>2</sup></b>	<b>681,421</b>	<b>775,691</b>	<b>706,034</b>

<sup>1</sup> Movements in revaluation reserves are the projected revaluation of property, plant and equipment over the life of the plan

<sup>2</sup> Closing Ratepayer's funds in the 2012/13 year differ from the opening balance 2013/14 as the later allows for forecast movements in the current financial year compared with budgeted movements

All figures on this page exclude GST

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE BALANCE SHEET**  
**AS AT 30 JUNE**

	2012/13 Budget \$000s	2013/14 Plan \$000s	2013/14 LTP \$000s
<b>ASSETS</b>			
Cash and other equivalents	46,643	34,321	48,204
Investments (current)	-	-	-
Other current assets	35,788	45,544	42,259
<b>Current assets</b>	<b>82,431</b>	<b>79,865</b>	<b>90,463</b>
Investments (non-current)	39,209	39,569	41,041
Forestry investments	23,366	24,151	23,996
Investment in subsidiary	80,142	98,575	102,127
Property, plant and equipment	688,442	777,804	745,084
<b>Non-current assets</b>	<b>831,159</b>	<b>940,099</b>	<b>912,248</b>
<b>Total assets</b>	<b>913,590</b>	<b>1,019,964</b>	<b>1,002,711</b>
<b>RATEPAYERS' FUNDS</b>			
Retained earnings	360,471	365,002	343,176
Reserves	320,950	410,689	362,858
<b>Total ratepayers' funds</b>	<b>681,421</b>	<b>775,691</b>	<b>706,034</b>
<b>LIABILITIES</b>			
Debt (current)	26,721	26,722	26,721
Other current liabilities	49,922	31,099	49,922
<b>Current liabilities</b>	<b>76,643</b>	<b>57,821</b>	<b>76,643</b>
Debt (non-current)	155,526	186,452	220,034
<b>Non-current liabilities</b>	<b>155,526</b>	<b>186,452</b>	<b>220,034</b>
<b>Total liabilities</b>	<b>232,169</b>	<b>244,273</b>	<b>296,677</b>
<b>Total equity and liabilities</b>	<b>913,590</b>	<b>1,019,964</b>	<b>1,002,711</b>

All figures on this page exclude GST

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDING 30 JUNE**

	2012/13	2013/14	2013/14
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash is provided from:			
Regional rates	90,258	94,332	99,736
Water supply levy	24,888	25,635	25,884
Government subsidies	77,500	69,174	73,278
Interest and dividends	4,448	5,165	5,105
Fees, charges and other revenue	23,575	21,374	25,521
	220,669	215,680	229,526
Cash is disbursed to:			
Interest	8,533	8,824	10,433
Payment to suppliers and employees	214,333	192,838	233,342
	222,866	201,662	243,775
<b>Net cash flows from operating activities</b>	<b>(2,197)</b>	<b>14,018</b>	<b>(14,249)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Cash is provided from:			
Sale of property, plant and equipment	455	220	414
Cash is applied to:			
Purchase of property, plant and equipment	29,525	28,760	25,567
Investment additions	14,855	30,060	21,985
	44,480	58,820	47,552
<b>Net cashflows from investing activities</b>	<b>(44,025)</b>	<b>(58,600)</b>	<b>(47,138)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Cash is provided from:			
Loan funding <sup>1</sup>	63,640	64,697	78,346
Cash is applied to:			
Debt repayment	10,886	14,326	15,398
<b>Net cashflows from financing activities</b>	<b>52,754</b>	<b>50,371</b>	<b>62,948</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,532</b>	<b>5,789</b>	<b>1,561</b>
Opening cash and cash equivalents <sup>2</sup>	40,111	28,532	46,643
<b>Closing cash and cash equivalents<sup>2</sup></b>	<b>46,643</b>	<b>34,321</b>	<b>48,204</b>

<sup>1</sup> Greater Wellington now fully funds some public transport improvement expenditure at the time the expense is incurred, and recovers a share of the debt servicing costs from the New Zealand Transport Agency. This increases the debt carried by Greater Wellington compared to the previous regime of Crown grants at time of expenditure for capital projects.

<sup>2</sup> Closing cash and cash equivalent balances in the 2012/13 year differ from the opening balance 2013/14 as the latter allows for forecast movements in the current financial year compared with budgeted movements

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE REGIONAL RATES AND CAPITAL EXPENDITURE**  
**FOR THE YEAR ENDING 30 JUNE**

	2012/13	2013/14	2013/14
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
<b>REGIONAL RATES</b>			
Regional Leadership - excluding Warm Greater Wellington targeted rate	10,624	10,231	11,201
Public transport	47,512	48,736	53,547
Environment	19,977	20,701	20,804
Flood Protection and Control Works	14,397	14,152	14,863
Parks	5,171	5,214	5,415
Investments <sup>1</sup>	(8,676)	(7,731)	(8,492)
<b>Total Rates excluding Warm Greater Wellington targeted rate</b>	<b>89,005</b>	<b>91,303</b>	<b>97,338</b>
Regional Leadership - Warm Greater Wellington targeted rate	1,253	3,029	2,400
<b>Total regional rates</b>	<b>90,258</b>	<b>94,332</b>	<b>99,738</b>
<b>CAPITAL EXPENDITURE</b>			
Environment	749	376	556
Public transport <sup>2</sup>	2,001	1,956	4,559
Water supply	14,907	10,034	4,604
Parks	927	930	1,146
Flood Protection and Control Works	7,445	4,213	5,946
Regional Leadership	932	1,062	841
Investments	721	2,980	6,875
Other	1,943	3,209	1,040
<b>Total capital expenditure</b>	<b>29,625</b>	<b>24,760</b>	<b>25,567</b>
Public Transport Improvements	43,173	6,218	50,454
Public Transport Investment in Rail	0	30,060	0
<b>Total Capex and improvements</b>	<b>72,798</b>	<b>61,038</b>	<b>76,021</b>

<sup>1</sup> Investment returns reduce the requirement for rates

<sup>2</sup> Transport capital expenditure excludes investment in Greater Wellington Rail Limited for the purchase of rail rolling stock. See the Public Transport financial forecast for more information. In the comparative LTP this was included as capital grants provided to Greater Wellington Rail Limited.

All figures on this page exclude GST

**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE REGIONAL RATES AND CAPITAL EXPENDITURE**  
**FOR THE YEAR ENDING 30 JUNE**

	2012/13	2013/14	2013/14
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
<b>REGIONAL RATES</b>			
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<sup>1</sup> Investment returns reduce the requirement for rates

<sup>2</sup> Transport capital expenditure excludes investment in Greater Wellington Rail Limited for the purchase of rail rolling stock. See the Public Transport financial forecast for more information. In the comparative LTP this was included as capital grants provided to Greater Wellington Rail Limited,

## TOTAL COUNCIL FINANCIAL STATEMENTS

### Financial Reserves

We have two types of council created reserves, which are monies set aside by the council for a specific purpose:

- Retained earnings – any surplus or deficit not transferred to a special reserve is aggregated into retained earnings
- Other reserves – any surplus or deficit or specific rate set aside or utilised by council for a specific purpose. Reserves are not separately held in cash and funds are managed as part of Greater Wellington's treasury risk management policy.

Other reserves are split into four categories:

- Area of Benefit reserves – any targeted rate funding surplus or deficit is held to fund future costs for that area
- Contingency reserves – funds that are set aside to smooth the impact of costs associated with specific unforeseen events
- Special reserves – funds that are set aside to smooth the costs of irregular expenditure.
- Rebudget reserves – expenditure that has been rated for in one year when the project will not be completed until the following year

Council Created Reserves	Purpose of the Fund	Opening Balance Jul-13 \$000s	Deposits \$000s	Withdrawals \$000s	Closing Balance Jun-14 \$000s
<b>Area of benefit reserves</b>					
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	7,891	262	(2,688)	5,464
Transport planning reserve	Any funding surplus or deficit relating to the provision of public transport planning services is used only on subsequent public transport planning expenditure	1,814	67	(256)	1,625
Catchment scheme reserves	Any funding surplus or deficit relating to the provision of flood protection and catchment management schemes is used only on subsequent flood protection and catchment management expenditure	6,031	724	(241)	6,514
Land management reserves	Any funding surplus or deficit relating to the provision of targeted land management schemes is	954	69	(10)	1,013
<b>Contingency reserves</b>					
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	300	-	-	300
Flood contingency reserves	To help manage the costs for the repair of storm damage throughout the region.	1,335	53	-	1,388
Rural fire reserve	To help manage the costs of rural fire equipment.	61	2	-	63
<b>Special Reserves</b>					
Election reserve	To manage the variation in costs associated with the election cycle	251	7	(239)	19
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	4,712	156	(1,620)	3,248
Rebudget reserve	Expenditure that has been rated for in 2012/13 when the project will not be completed until 2013/14	847	-	(847)	-
Total Reserves		24,196	1,340	(5,901)	19,635

All figures on this page exclude GST



**TOTAL COUNCIL FINANCIAL STATEMENTS**  
**PROSPECTIVE DEBT**  
**AS AT 30 JUNE**

	2012/13	2013/14	2013/14
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
Environment	1,228	1,003	1,089
Public transport	96,920	116,299	139,632
Water supply	59,404	62,619	61,601
Parks	4,291	4,641	4,843
Flood Protection and Control Works	47,939	50,083	50,734
Stadium	9,680	7,700	7,700
Forestry	31,792	32,144	32,760
Regional leadership	14,844	19,474	19,556
Property and investments	1,139	4,535	8,973
Corporate systems	1,898	4,563	2,332
<b>Total activities debt</b>	<b>269,135</b>	<b>303,061</b>	<b>329,220</b>
Treasury internal funding <sup>1</sup>	(86,888)	(89,887)	(82,465)
<b>Total external debt</b>	<b>182,247</b>	<b>213,174</b>	<b>246,755</b>
External debt (current)	26,721	26,722	26,721
External debt (non-current)	155,526	186,452	220,034
<b>Total external debt</b>	<b>182,247</b>	<b>213,174</b>	<b>246,755</b>

<sup>1</sup> 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

All figures on this page exclude GST

**TOTAL COUNCIL FINANCIAL STATEMENTS  
PROSPECTIVE FUNDING IMPACT STATEMENT  
FOR THE YEAR ENDING 30 JUNE**

	2012/13	2013/14	2013/14
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
<b>Greater Wellington operations</b>			
<b>Sources of operating funding</b>			
General rates	27,468	28,476	29,105
Targeted rates	62,790	65,856	70,633
Subsidies and grants for operating purposes	75,354	67,022	70,344
Interest and dividends from investments	4,448	5,165	5,105
Fees, charges, and targeted rates for water supply	3,140	3,522	3,175
Fines, infringement fees, and other receipts <sup>1</sup>	45,323	43,487	48,230
<b>Total operating funding</b>	<b>218,523</b>	<b>213,528</b>	<b>226,592</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	214,693	192,190	227,549
Finance costs	8,173	8,824	10,432
Other operating funding applications	-	-	-
<b>Total applications of operating funding<sup>2</sup></b>	<b>222,866</b>	<b>201,014</b>	<b>237,981</b>
<b>Operating surplus/(deficit)</b>	<b>(4,343)</b>	<b>12,514</b>	<b>(11,389)</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	2,146	2,152	2,934
Increase / (decrease) in debt	48,582	45,809	60,069
Gross proceeds from asset sales	455	220	414
<b>Total Sources of Capital Funding</b>	<b>51,183</b>	<b>48,181</b>	<b>63,417</b>
<b>Applications of Capital Funding</b>			
Capital expenditure			
- to meet additional demand	6,615	2,250	1,675
- to improve the level of service	15,240	7,865	12,263
- to replace existing assets	7,770	18,646	11,629
Increase / (decrease) in investments	21,948	36,495	30,542
Increase / (decrease) in reserves	(4,733)	(4,561)	(4,081)
<b>Total Applications of Capital Funding</b>	<b>46,840</b>	<b>60,695</b>	<b>52,028</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation on council assets</b>	<b>12,673</b>	<b>13,465</b>	<b>13,300</b>
<b>Water Supply Levy<sup>1</sup></b>	<b>24,888</b>	<b>25,635</b>	<b>25,884</b>

<sup>1</sup>This includes the Water supply levy charged to Wellington, Hutt, Lower Hutt and Porirua city councils

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations

All figures on this page exclude GST

## Rating mechanisms

Each rating unit is allocated to a differential rating category based upon location and/or land use for the purpose of calculating general rates or targeted rates based upon capital or land value. As GWRC 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
<b>Wellington city</b>	Wellington city Downtown city centre business <sup>1</sup>	All rating units classified as commercial, industrial and business properties within the downtown area boundary, currently shown on the Downtown Levy Area map of Wellington city, as may be amended from time to time by Wellington city
	Wellington city business	All rating units classified as commercial, industrial and business properties in the rating information database for Wellington city outside the Downtown Levy Area map boundary
	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 rating units classified as commercial, industrial and business properties in the rating information database for Wellington city outside the Downtown Levy Area map boundary and all 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
<b>Lower Hutt city</b>	Lower Hutt city business	All rating units not classified as residential, rural or community facilities in the rating information database for Lower Hutt city
	Lower Hutt city residential	All rating units classified as residential or community facilities in the rating information database for Lower Hutt city
	Lower Hutt urban	All Hutt city business and Lower Hutt city residential rating units
	Lower Hutt city rural	All rating units classified as rural in the rating information database for Lower Hutt city
<b>Porirua city</b>	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
<b>Upper Hutt city</b>	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
<b>Kāpiti Coast district</b>	Kāpiti Coast district urban	All rating units not classified in the rural rating areas for the Kāpiti Coast district
	Kāpiti Coast district rural	All rating units classified in the rural rating areas for the Kāpiti Coast district
<b>Masterton district</b>	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
<b>Carterton district</b>	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
<b>South Wairarapa district</b>	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)
<b>Tararua district</b>		All rating units classified as being within the boundaries of the Wellington region

<sup>1</sup> See map on page 114 for Wellington city downtown city centre business area

**Category 2 – rates based on land area**

Some rates (either in whole or part) are allocated to additional differential rating categories (based on the area of land, provision of service, or location) for the purpose of calculating the bovine Tb, possum/predator 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 and pests. For more information on whether your rating unit is allocated to one or more of these categories, please contact GWRC'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 GWRC'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 GWRC in respect of the property. The rate is calculated as a percentage of the service amount until the service amount and the costs of servicing the service amount are recovered. This rate was called the insulation rate in the Annual Plan 2011-12.

### Category 5 – Wellington Regional Strategy (WRS) rate

The WRS 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 plus GST and rural properties \$28 plus GST. This rate will fund the Wellington Regional Strategy activities and include funding of Grow Wellington, the region's economic development agency. See table below:

Location	Use	Description
<b>Wellington city</b>	Wellington city downtown city centre business	As per differential category 1
	Wellington city business	As per differential category 1
	Wellington city residential	As per differential category 1
	Wellington city rural	As per differential category 1
<b>Lower Hutt city</b>	Lower Hutt city business	As per differential category 1
	Lower Hutt city residential	As per differential category 1
	Lower Hutt city rural	As per differential category 1
<b>Porirua city</b>	Porirua city business	As per differential category 1
	Porirua city residential	As per differential category 1
	Porirua city rural	As per differential category 1
<b>Upper Hutt city</b>	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
<b>Kāpiti Coast district</b>	Kāpiti Coast district business	All rating units used for a commercial, business, industrial purpose, or utility network activity in the Kāpiti Coast rating information database
	Kāpiti 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 Kāpiti Coast rating information database
	Kāpiti 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 Kāpiti Coast rating information database
<b>Masterton district</b>	Masterton district business	All rating units classified as non-residential urban in the Masterton district rating information database
	Masterton district residential	All rating units classified as urban residential in the Masterton district rating information database
	Masterton district rural	As per differential category 1
<b>Carterton district</b>	Carterton district business	All rating units classified as urban commercial, urban industrial or urban smallholding – greater than one hectare in the Carterton district rating information database
	Carterton district residential	All rating units classified as urban residential in the Carterton district rating information database
	Carterton district rural	As per differential category 1
<b>South Wairarapa district</b>	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
<b>Tararua district</b>		As per differential category 1

## RATING MECHANISMS

Funding mechanisms	Groups of activities funded	Valuation system	Matters for differentiation/categories of land	Calculation factor
General rate	All except water supply, public transport, Wellington Regional Strategy, Warm Greater Wellington and Regional Stadium	Capital value	Where the land is situated	Cents per dollar of rateable capital value
<b>Targeted rates</b>				
Public transport	Public 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	Flood protection	Capital value/ land value	Where the land is situated	Cents per dollar of rateable capital value / land value
Stadium purposes	Investments	Capital value	Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value
Wellington Regional Strategy	Regional leadership	Capital value n/a for Business n/a for residential n/a for rural	Where the land is situated and the use to which the land is put Where the land is situated and the use to which the land is put Where the land is situated and the use to which the land is put	Cents per dollar of rateable capital value Fixed dollar amount per rating unit Fixed dollar amount per rating unit
Warm Greater Wellington	Regional leadership	Extent of service provided	Provision of service to the land	Extent of service provided calculated as a percentage of the service
Bovine Tb	Managing our environment	Land area	The area of land within each rating unit and provision of a service provided	Dollars per hectare
Possum/predator	Managing our environment	Land area	The area of land within each rating unit	Dollars per hectare
Wairarapa river management schemes	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	Flood protection	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) and cents per dollar of rateable land value (1)
Wairarapa drainage schemes	Flood protection	Land area	Where the land is situated (Set under S146 of the Local Government (Rating) Act 2002 using approved classification and differential registers)	Dollars per hectare in the area protected

### Differential on the general rate

There are no differentials on GWRC's general rate.

GWRC 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.

<sup>1</sup> "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)

## Rates funding impact statement

General rate	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Wellington city	0.02961	13,819,285
Lower Hutt city	0.02876	4,913,224
Upper Hutt city	0.02853	1,851,826
Porirua city	0.02821	2,215,106
Kapiti Coast district	0.02834	2,905,221
Masterton district	0.02863	1,278,754
Carterton district	0.02881	563,260
South Wairarapa district	0.02863	927,151
Tararua district <sup>1</sup>	0.02865	1,784
<b>Total general rate</b>		<b>28,475,611</b>
<b>Targeted rate:</b>		
<b>River management</b>		
<b>based on capital value</b>		
	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Wellington city	0.00011	51,359
Lower Hutt city	0.01603	2,738,370
Upper Hutt city	0.00886	575,170
Porirua city	0.00056	44,164
Kapiti Coast district	0.01363	1,397,030
Carterton district	0.00103	20,142
<b>Total district-wide river management rate</b>		<b>4,826,235</b>
Greytown ward	0.01831	85,501
<b>Total river management rates based upon capital value</b>		<b>4,911,736</b>
<b>Targeted rate:</b>		
<b>River management</b>		
<b>based on land value</b>		
	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Featherston urban: Donalds Creek Stopbank	0.00249	2,235
<b>Total river management rates based upon land value</b>		<b>2,235</b>
<b>Total river management rates</b>		<b>4,913,971</b>

## Note:

<sup>1</sup> 11 Rural properties in the Tararua District are within the boundaries of the Wellington region

Note that all figures on this page exclude GST

Targeted rate:	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
<b>Transport</b>		
<b>Wellington city</b>		
Downtown city centre business	0.25254	18,474,390
Urban	0.02911	11,295,166
Rural	0.00750	41,010
<b>Lower Hutt city</b>		
Urban	0.04978	8,363,761
Rural	0.01277	35,729
<b>Upper Hutt city</b>		
Urban	0.05358	3,101,510
Rural	0.01377	96,712
<b>Porirua city</b>		
Urban	0.05898	4,315,914
Rural	0.01511	80,371
<b>Kapiti Coast district</b>		
Urban	0.02459	2,118,792
Rural	0.00643	105,053
<b>Masterton district</b>		
Urban	0.00916	204,373
Rural	0.00267	59,696
<b>Carterton district</b>		
Urban	0.01520	96,398
Rural	0.00411	54,516
<b>South Wairarapa district</b>		
Urban	0.01876	180,331
Rural	0.00492	112,097
<b>Total transport rate</b>		<b>48,735,818</b>
<b>Targeted rate:</b>		
<b>Warm Greater Wellington</b>		
<b>Based on extent of service</b>		
<b>provided</b>	2013/14 Percentage of service provided	2013/14 Revenue sought \$
For any ratepayer that utilises the service	15.000%	3,029,000

## Rates funding impact statement

Targeted rate: Stadium purposes	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
<b>Wellington city</b>		
Business	0.00512	549,874
Residential	0.00292	1,031,783
Rural	0.00142	7,760
<b>Lower Hutt city</b>		
Business	0.00380	136,198
Residential	0.00267	379,962
Rural	0.00220	6,154
<b>Upper Hutt city</b>		
Business	0.00213	21,139
Residential	0.00238	114,255
Rural	0.00076	5,352
<b>Porirua city</b>		
Business	0.00341	33,180
Residential	0.00245	155,196
Rural	0.00070	3,746
<b>Kapiti Coast district</b>		
Urban	0.00137	118,002
Rural	0.00070	11,506
<b>Masterton district</b>		
Urban	0.00175	39,334
Rural	0.00063	14,182
<b>Carterton district</b>		
Urban	0.00166	10,436
Rural	0.00062	8,295
<b>South Wairarapa district</b>		
Urban	0.00200	19,265
Rural	0.00045	10,168
<b>Total stadium-purposes rate</b>		<b>2,675,788</b>

**Note:**

<sup>1</sup> 11 Rural properties in the Tararua District are within the boundaries of the Wellington region

Note that all figures on this page exclude GST

Targeted rate: Wellington Regional Strategy (WRS)	2013/14 \$ per rating unit	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
<b>Wellington city</b>			
Downtown city centre business		0.01068	781,485
Business		0.01068	365,221
Residential – per rating unit	\$14.00		962,892
Rural – per rating unit	\$28.00		20,076
<b>Lower Hutt city</b>			
Business		0.01038	371,440
Residential – per rating unit	\$14.00		498,498
Rural – per rating unit	\$28.00		13,384
<b>Upper Hutt city</b>			
Business		0.01025	101,932
Residential – per rating unit	\$14.00		195,724
Rural – per rating unit	\$28.00		30,912
<b>Porirua city</b>			
Business		0.01018	99,057
Residential – per rating unit	\$14.00		230,678
Rural – per rating unit	\$28.00		16,688
<b>Kapiti Coast district</b>			
Business		0.01022	118,915
Residential – per rating unit	\$14.00		282,604
Rural – per rating unit	\$28.00		68,292
<b>Masterton district</b>			
Business		0.01033	39,420
Residential – per rating unit	\$14.00		107,478
Rural – per rating unit	\$28.00		94,136
<b>Carterton district</b>			
Business		0.01039	13,029
Residential – per rating unit	\$14.00		29,400
Rural – per rating unit	\$28.00		52,948
<b>South Wairarapa district</b>			
Business		0.01033	17,025
Residential – per rating unit	\$14.00		40,180
Rural – per rating unit	\$28.00		75,152
<b>Tararua district – per rating unit</b>	<b>\$28.00</b>		<b>252</b>
<b>Total economic development rate</b>			<b>4,630,818</b>



## Rates funding impact statement

Targeted rate: River management schemes 1		2013/14 \$ per hectare	2013/14 Revenue sought \$
Waingawa	A	124.76810	4,331
	B	81.10740	10,288
	C	62.39710	6,905
	D	56.15630	105
	E	50.02080	8,612
	F	43.76890	1,104
	G	18.80230	945
	H	12.55620	2,120
			<b>34,410</b>
Upper Ruamahanga	A	118.39130	10,886
	B	98.65940	653
	C	78.92760	9,809
	D	59.19630	1,043
	E	39.46380	11,751
	F	19.73190	789
	S	1,111.70380	1,658
			<b>36,599</b>
Middle Ruamahanga	A	112.66760	5,009
	B	93.19720	5,089
	C	74.55780	381
	D	55.91840	6,923
	E	37.27680	1,757
	F	18.63940	5,520
	S	1,127.85080	1,917
Lower Ruamahanga	A	52.08720	6,660
	B	44.64620	2,442
	C	37.20510	8,138
	D	29.76420	9,861
	E	22.32320	7,335
	F	14.88200	18,270
	SA	1,306.07080	3,265
	SB	653.03580	1,045

Targeted rate: River management schemes 1		2013/14 \$ per hectare	2013/14 Revenue sought \$
Waiohine – rural	A	43.75700	4,916
	B	36.60900	13,893
	C	29.28680	37,378
	D	21.96720	7,972
	E	14.64400	11,895
	S	732.14000	9,445
			<b>85,499</b>
Mangatarere	A	31.84260	683
	B	30.45810	6,384
	C	25.81030	405
	D	22.84360	1,641
			<b>37</b>
			<b>9,150</b>
Upper Mangatarere	A	8.75232	609
	B	6.57181	114
	C	4.39038	210
			<b>933</b>
Waipoua	A	108.52300	9,541
	B	86.81930	21,922
	C	65.11430	1,449
	D	43.40960	12,153
	SA	3,668.11160	367
	SC	2,192.18490	219
			<b>45,651</b>

Note that all figures on this page exclude GST

## Rates funding impact statement

Targeted rate: River management schemes 1		2013/14 \$ per hectare	2013/14 Revenue sought \$
Kopuaranga	A2	57.57880	1,516
	A3	51.82110	3,573
	A4	28.78950	325
	A5	20.15260	1,163
	A6	11.51560	934
	B2	11.51560	706
	B3	10.36410	763
	B4	5.75780	53
	B5	4.03060	125
	B6	2.30310	277
	SA	141.49080	707
	SB	70.74540	778
			<u>10,920</u>
Lower Taueru	A	3.50375	1,423
	B	0.70040	197
	C	0.35020	66
	S	175.09794	213
			<u>1,899</u>
Lower Whangaehu	A	16.47970	556
	B	13.18360	884
	C	9.88740	540
	D	6.59260	508
	E	3.29610	585
	S	82.39390	109
			<u>3,182</u>
<b>Total river management scheme rates 1</b>			<b>311,855</b>

Targeted rate: River management schemes 2		2013/14 \$ per dwelling <sup>1</sup>	2013/14 \$ per point	2013/14 Revenue sought \$
Lower Wairarapa valley	A		0.20360	588,163
Development scheme	Sa	15.91350		6,143
	Sb	31.82700		63,388
<b>Total river management scheme rates 2</b>				<b>657,674</b>
<b>Total river management scheme rates</b>				<b>969,529</b>

<sup>1</sup> "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		2013/14 \$ per hectare	2013/14 Revenue sought \$
Whareama	A	4.25730	2,815
	B	1.63770	1,185
	C	0.28670	12,542
	D	0.24550	5
	E	0.20540	1
	F	0.16730	468
			<b>17,016</b>
Homewood	A	1.42250	3,363
	B	1.35700	605
	C	1.18590	3,953
	D	0.16940	296
			<b>8,217</b>
Maungaraki	A	0.84955	2,952
	B	0.39984	1,212
			<b>4,174</b>
Upper Kaiwhata	A	8.25050	346
	B	3.62140	284
	C	0.51530	472
	D	0.30930	550
	E	0.20600	386
	F	0.10300	46
			<b>2,084</b>
Lower Kaiwhata	A	13.77000	905
	B	6.02190	279
	C	0.86020	983
	D	0.51620	1,357
	E	0.34410	12
	F	0.17210	48
			<b>3,584</b>
<b>Catchment management scheme 1 rates</b>			<b>35,075</b>

Note that all figures on this page exclude GST

Rates funding impact statement			
Targeted rate: Catchment schemes 2		2013/14 Cents per \$ of rateable land value	2013/14 Revenue sought \$
Awhea-Opouawe	Land value	0.00016	9,800
Mataikona-Whakataki	Land value within scheme a	0.00348	2,664
<b>Catchment management scheme 2 rates</b>			<b>12,464</b>
Targeted rate: Catchment schemes 3		2013/14 \$ per dwelling <sup>1</sup>	2013/14 Revenue sought \$
Awhea-Opouawe	Charge per dwelling	\$114.54 / \$57.27	8,820
Maungaraki	Charge per dwelling	\$30.59	581
Mataikona-Whakataki	Charge per dwelling	\$15.00	1,830
<b>Catchment management scheme 3 rates</b>			<b>11,231</b>
Targeted rate: Catchment schemes 4		2013/14 Cents per metre of river frontage	2013/14 Revenue sought \$
Maungaraki	River frontage	0.04080	1,117
<b>Catchment management scheme 4 rates</b>			<b>1,117</b>
<b>Total catchment management scheme rates</b>			<b>59,887</b>

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## Rates funding impact statement

Targeted rate:		2013/14	2013/14
Pump drainage schemes		\$ per hectare	Revenue sought
			\$
Te Hopai	A	74.77870	92,000
Moonmoot pump	A	77.62690	18,000
Onoke pump	A	140.26310	95,800
Pouawha pump	A	76.69810	68,952
<b>Total pump drainage scheme rates</b>			<b>274,752</b>

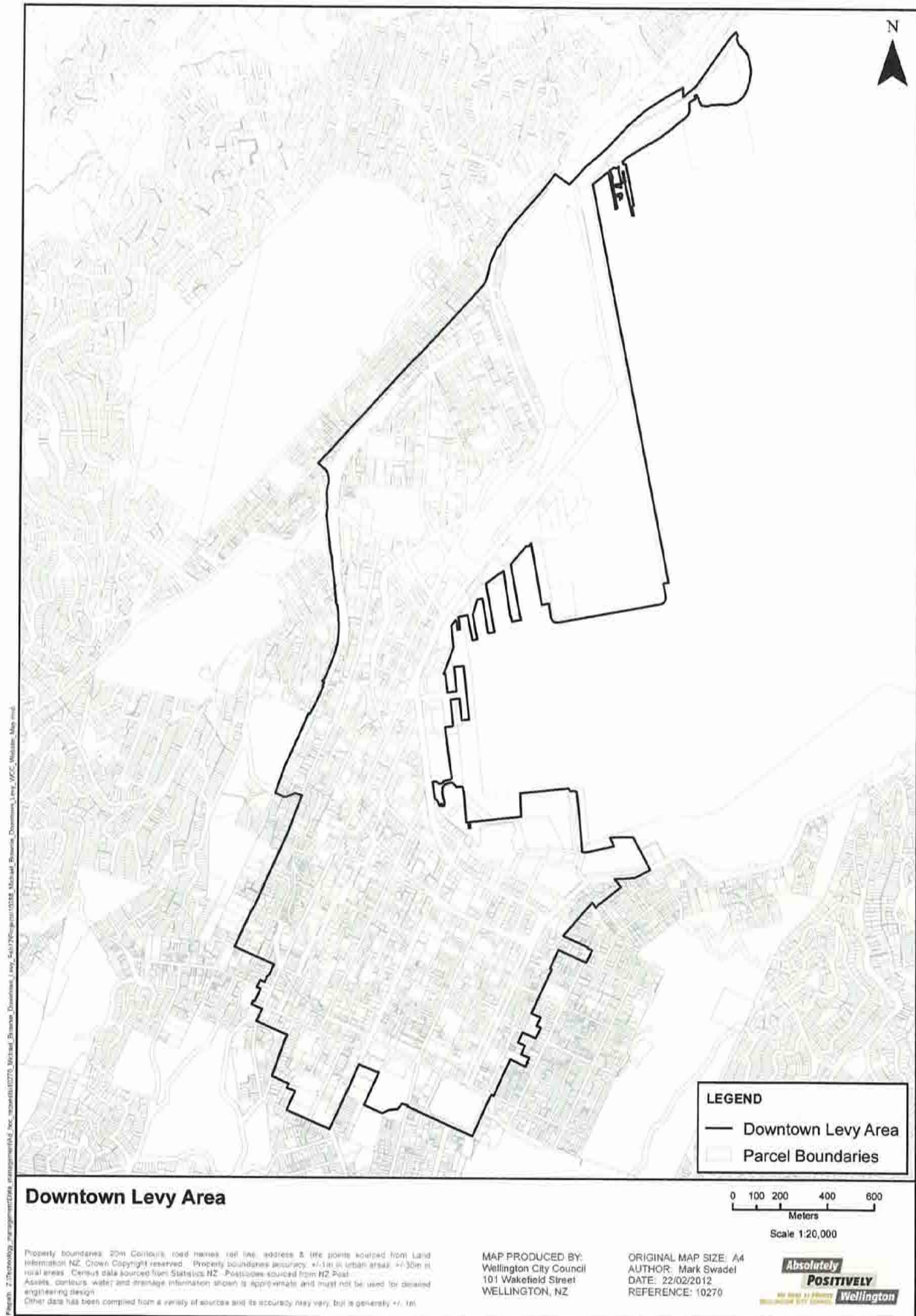
Targeted rate:		2013/14	2013/14
Bovine Tb		\$ per hectare	Revenue sought
			\$
Land area in defined operational plans			
Land area of 4 or more hectares in control areas		0.54070	283,926
<b>Total bovine Tb rate</b>			<b>283,926</b>

Targeted rate:		2013/14	2013/14
Possum / Predator		\$ per hectare	Revenue sought
Rural land area			
Land area of 4 or more hectares in all rural classified		0.41920	240,367
<b>Total Possum / predator rate</b>			<b>240,367</b>

Note that all figures on this page exclude GST

Targeted rate:		2013/14	2013/14
Gravity drainage schemes		\$ per hectare	Revenue sought
			\$
Okawa	A	3.10580	898
Taumata	A	6.34310	1,834
East Pukio	A	27.31310	3,150
Longbush	A	15.65700	3,415
	B	7.82840	1,012
Otahoua	A	33.14550	3,000
Te Whiti	A	5.45380	741
Ahikouka	A	27.16690	3,048
Battersea	A	15.32370	2,573
	B	12.68730	2,354
	C	9.88630	3,081
	D	5.93170	912
	E	5.10780	1,041
	F	4.94310	371
Manaia	A	40.59250	7,000
Whakawiriwiri	A	13.26430	8,273
<b>Total gravity drainage scheme rates</b>			<b>42,703</b>

For the purposes of the Wellington City Downtown City Centre Business targeted transport rate, the downtown area refers to the area described by the following Wellington City Downtown Levy Area Map as amended by Wellington City Council from time to time.



# Part 6

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

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