

REGIONAL SUSTAINABLE DEVELOPMENT

1 COMMUNITY OUTCOMES

The Regional Sustainable Development group of activities contributes principally to the following community outcome

PROSPEROUS COMMUNITY

All members of our community prosper from a strong and growing economy. A thriving business sector attracts and retains a skilled and productive workforce

by developing region-wide strategies that contribute to the economic well-being of the region.

This group of activities also contributes to the following outcomes:

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

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

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

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

2 WHAT WE WANT TO ACHIEVE

The table opposite sets out our objectives and long-term targets, along with some baseline information. It also shows the corresponding community outcome measures. Additional measures are included for assessing other aspects of our performance.

3 WHAT WE DO AND WHY

3.1 Regional resilience

From time to time, Greater Wellington identifies and responds to region-wide issues relating to the community's resilience which require an integrated and cooperative approach to problem identification, strategy building and implementation.

Greater Wellington works with city and district councils in the region, as well central government and other organisations, on shared responses to the resilience issues.

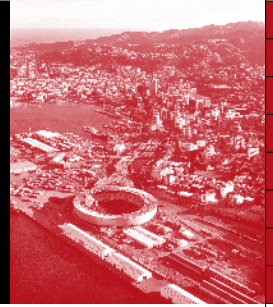
Greater Wellington is leading the region's response to climate change to mitigate future impacts and plan for how we are going to adapt to changes. It is also considering being part of an Energy Efficiency and Conservation Authority scheme for retrofitting home insulation. This may require a targeted rate, but will be cost neutral to Greater Wellington.

Greater Wellington has also been investigating opportunities to increase the amount of renewable energy generated within the region. It has identified wind energy as having the most potential and has been looking at opportunities for wind generation on its own land.

3.2 Wellington Regional Strategy

The Wellington Regional Strategy (WRS) is a non-statutory initiative involving Greater Wellington and the region's eight city and district councils. It is a sustainable economic growth strategy and contains a range of initiatives to realise the region's economic potential. As well as growing our economy, it aims to enhance our "regional form" by addressing such issues as transport, housing, urban design and open spaces, which all contribute to our quality of life and prosperity.

Greater Wellington is a party to a 2007 Multilateral Agreement signed by all the local authorities in the region. This agreement records how the councils agree to work together to develop and fund the WRS.



WHAT WE WANT TO ACHIEVE

OBJECTIVES	HOW WE MEASURE PROGRESS WITH COMMUNITY OUTCOMES	ADDITIONAL MEASURES	LONG-TERM TARGETS	BASELINE
Increase regional GDP per capita	Regional GDP PROSPEROUS COMMUNITY		Regional GDP per capita growth will be above the 10-year rolling average for New Zealand	1997-2007 Region – 1.5% NZ – 1.8%
Increase the average income of regional residents	<ul style="list-style-type: none"> Regional median hourly wage Regional median household income PROSPEROUS COMMUNITY		The average regional income of the region's residents will be above the 10 year rolling average for New Zealand	Not available
Increase the number of full time equivalent jobs	Regional employment and unemployment rates PROSPEROUS COMMUNITY	Numbers of full time equivalent jobs	The rate of increase of full time equivalent jobs will be above the 10 year rolling average for New Zealand	Not available
Region actively responding to climate change		Development and implementation of a Strategy	The Regional Climate Change Action Plan will be implemented according to agreed timeframes	The Regional Action Plan is due to be completed for consultation in 2009
Region using water sustainably		Development and implementation of a Strategy	The Regional Water Strategy will be implemented according to agreed timeframes	The Regional Water Strategy is planned to be completed for consultation in 2009
Region fulfilling its potential for electricity production from renewable sources	Number of homes that could potentially be served by power generated in the region from renewable resources ESSENTIAL SERVICES		80% of homes in the region could potentially be served by power generated in the region from renewable sources	In 2008, 4280 homes (2.5%) can be currently supplied by wind generated electricity. Additional planned wind farm developments would supply a further 160,000 homes. Nearly all wind power developments in the region are by private companies.

A committee of six of the region's mayors, the Greater Wellington Chair and five non-local government people oversee the strategy. As part of the WRS, a regional economic development agency, Grow Wellington, was created in 2007.

Greater Wellington, as keeper of the strategy, operates the WRS office that supports and facilitates the strategy, undertakes project management for some projects and provides leadership in other projects. Greater Wellington also facilitates information sharing for action areas that are carried out as normal business of each of the partners, and facilitates coordination with agencies in central government and the private sector.

The Multilateral Agreement requires the WRS Committee to commission a full and independent review of the effectiveness of the WRS by 30 June 2011 and make a recommendation to Greater Wellington about whether or not Greater Wellington should continue the regional economic development activity beyond 2012. No funding is shown in this 10-Year Plan beyond June 2012 in accordance with the Multilateral Agreement.

4 FURTHER INFORMATION

Multilateral Agreement 2007

Wellington Regional Strategy, June 2007

Grow Wellington: Statement of Intent (annual)

5 ASSUMPTIONS AND RISKS

- Central government will continue to support economic development in the Wellington region and be a source of funding
- The private sector will continue to support Grow Wellington and provide funding
- Local authorities will continue to work together to plan and promote sustainable economic development and provide resources to lead and contribute to projects
- Local authorities will continue to work together on resilience issues, such as climate change and the sustainable use of water
- The Wellington Regional Strategy (including Grow Wellington) will continue for the 10-year period

6 THE ISSUES WE ARE FACING

GLOBAL ECONOMIC CONDITIONS

The 2008 global credit crisis and recessionary conditions have resulted in significant uncertainty and

are likely to present threats to regional economies for some time to come. Growing the region's exports can be expected to be more challenging than it would otherwise have been.

WELLINGTON REGIONAL STRATEGY (WRS)

The WRS Committee has requested that the 2009/10 funding for the WRS (including Grow Wellington) be set at \$4.5 million (plus GST). This represents an increase of \$500,000 in funding from Greater Wellington over the 2008/09 financial year. In making the request for increased funding, the committee was mindful of the current economic conditions, and the benefits of investing in the activity to stimulate economic growth in the short term and to assist the region to recover from the current recession.

CLIMATE CHANGE

While there is wide-spread acceptance of climate change and increasing acceptance of its anthropogenic nature, there is uneven acceptance of the need to change current patterns of resource use and greenhouse gas emissions, and no wide-spread consensus about how New Zealand should respond, at a government, household and business level. Such diversity presents a challenge for Greater Wellington's development of a response.

FUNDING FOR KEY WRS PROJECTS

Several of the key projects currently identified within the WRS are dependent on funding from central government agencies if they are to go ahead in optimal timeframes. Broadband is one of the key priorities under the WRS. To achieve our goals (which align with the Government's goals for the country), significant central government funding support is required.

MAINTAINING STRONG INTER-AGENCY RELATIONSHIPS

One of the key strengths of the WRS is the collaboration and strong relationships that have been developed through the development of the strategy and its implementation. These relationships include not just local government but also central government agencies, key stakeholders (eg, Regional Chamber of Commerce and Employers and Manufacturers Association) and others.

Ensuring the collaborative environment is maintained will require continued effort and leadership from Greater Wellington and the WRS office.

UNPLANNED PROJECTS

The WRS Committee may from time to time respond to opportunities that arise, eg, from a new central government initiative or new source of funding. This can pose a risk to timeframes for established projects.

FUNDING FOR GROW WELLINGTON

Funding for the regional economic development agency ceases after 30 June 2012. A decision to continue the activity will follow a review to be undertaken before 30 June 2011. Economic development is likely to be considered a priority by many in the region's community, but the willingness or ability to pay may not be aligned with that desire.

RENEWABLE ENERGY

Wind energy developments tend to encounter strong feelings in the community. Although people want power and generally agree that renewable energy is a good way to go, they generally do not want wind turbines in their local environments. Greater Wellington has encountered some strong resistance to wind developments on its own land.

7 WHO WE WILL WORK WITH

Central government agencies:

Department of Internal Affairs, Department of Labour, Ministry of Social Development, Ministry of Economic Development, New Zealand Trade and Enterprise, Ministry of Transport, Statistics New Zealand, Ministry for the Environment

District Health Boards

Chamber of Commerce

City and district councils

Community groups

Employers and Manufacturers Association (Central)

Grow Wellington

International Council for Local Environmental Initiatives (ICLEI)

Iwi

Science research organisations

Private developers of wind energy

8 WHAT WE ARE GOING TO DO

ACTIVITY 1

Regional Resilience

For a description of this activity see 3.1.

OUR SERVICES

- Plan and coordinate the region's response to climate change through a collaborate approach with city and district councils
- Respond to resilience issues facing the region as they arise, and in conjunction with city and district councils
- Take opportunities to generate wind energy on appropriate sites on Greater Wellington-owned land
- Undertake programmes that have practical implications for increasing the region's resilience, eg, home insulation programmes.

HOW WE MEASURE OUR PERFORMANCE

- Regional response strategies in place
- Progress with the implementation of agreed plans
- Wind energy developments on Greater Wellington-owned land

WHERE WE ARE NOW

Greater Wellington is currently working with other councils in the region on developing a regional response to climate change. It has also developed a corporate action plan to mitigate its own greenhouse gas emissions. In conjunction with the city and district councils in the region is preparing a Regional Water Strategy for the sustainable use of water.

Greater Wellington has investigated the opportunities for wind farms on Greater Wellington-owned land and, through a private developer, is progressing projects at two sites – Puketiro in the Akatarawa Forest and Stoney Creek in the Wairarapa. Wind potential at Stoney Creek is currently being monitored to assess the viability of the site.

The Council is considering being involved in a scheme for retrofitting home insulation. The Energy Efficiency and Conservation Authority (EECA) intends to provide grants to part fund retrofitting. Greater Wellington may provide grants to fund some of the costs. If such a grant is made, it is intended to fund this through a targeted rate on the residential property. It is important to note that there will not be any rate impact on other properties and the programme will be cost neutral to Greater Wellington.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
A regional strategy to respond to climate change will be agreed by all local authorities in the region	
An application for resource consent to develop a wind farm at Puketiro will be lodged with appropriate authorities	

2010/11 – BY 30 JUNE 2011

Progress with resilience planning, such as for climate change and water, will be reported to the satisfaction of the Council	
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2011/12 – BY 30 JUNE 2012

Progress with resilience planning, such as for climate change and water, will be reported to the satisfaction of the Council	
Construction of the wind farm development at Puketiro will be underway, subject to obtaining resource consent	

2012-19

<ul style="list-style-type: none"> Strategies / plans for responding to regional sustainability and resilience issues will be developed and implemented as required The Stoney Creek wind farm will be pursued if the project proves viable 	
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ACTIVITY 2

Wellington Regional Strategy

For a description of this activity see 3.2.

OUR SERVICES

- Facilitate and support a Wellington Regional Strategy (WRS) Committee that oversees and monitors the implementation of the WRS
- Manage and lead key projects within the WRS
- Fund a regional economic development agency (Grow Wellington) that operates under a statement of intent (SOI)

HOW WE MEASURE OUR PERFORMANCE

- Progress with implementation of the WRS
- Satisfaction of WRS Committee with annual reports of Grow Wellington

WHERE WE ARE NOW

Greater Wellington has supported the development of the WRS and the establishment of a regional economic development agency, and has facilitated and coordinated the implementation of projects identified in the WRS.

WHAT WE PLAN TO DO AND BUDGETS

2009/10 – BY 30 JUNE 2010

TARGET	BUDGET
The WRS Committee will approve the annual report of the WRS office on progress with implementation of the WRS	\$375,000
A summit for the major stakeholders of the WRS will be held by 30 November 2010 to reflect on achievements and look to the future	\$25,000
The WRS committee will receive Grow Wellington's annual report and agree that it reflects Grow Wellington's SOI and contributes to the WRS – by 30 April 2010	\$4,250,000

2010/11 – BY 30 JUNE 2011

TARGET	BUDGET
The WRS Committee will approve the annual report of the WRS office on progress with implementation of the WRS	\$400,000
A full and independent review of WRS will be completed and reported to the WRS Committee	\$100,000
A summit for the major stakeholders of the WRS will be held by 30 November 2010	\$25,000
The WRS committee will receive Grow Wellington's annual report and agree that it reflects Grow Wellington's SOI and contributes to the WRS – by 30 April 2011	\$4,750,000

2011/12 – BY 30 JUNE 2012

TARGET	BUDGET
The WRS Committee will approve the annual report of the WRS office on progress with implementation of the WRS	\$400,000
A summit for the major stakeholders of the WRS will be held by 30 November 2011	\$25,000
The WRS committee will receive Grow Wellington's annual report and agree that it reflects Grow Wellington's SOI and contributes to the WRS – by 30 April 2012	\$4,750,000

2012-19

Subject to the outcome of the planned review of the WRS:

- The WRS will continue to develop and implement projects which advance the economy of the region
- Grow Wellington will continue to develop SOIs annually, and prepare annual reports on the achievement of the SOI's plans and targets

9 KEY PROJECTS FOR 2009/10

- Develop a draft Regional Water Strategy for consultation
- Complete the Regional Climate Change Action Plan
- Lead the WRS Genuine Progress Index (GPI) project. The GPI will measure progress towards the WRS outcomes and the general well-being of the region
- Facilitate the WRS Broadband project that will deliver a high-speed capacity fibre-optic-based network throughout the region

10 ASSETS

The Regional Sustainable Development group of activities does not have any assets.

11 NEGATIVE EFFECTS ON WELL-BEINGS

There will be no negative effects on well-beings from this group of activities.

12 FINANCIAL INFORMATION

REGIONAL SUSTAINABLE DEVELOPMENT PROSPECTIVE FUNDING IMPACT STATEMENT

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
FUNDING STATEMENT			
General rate	95	104	219
Targeted rate	4,500	5,000	5,000
Government subsidies	-	-	-
Interest and dividends	-	-	-
Other operating revenue	192	177	181
Operating revenue	4,787	5,281	5,400
Direct operating expenditure	4,787	5,281	5,400
Finance costs	-	-	-
Depreciation	-	-	-
Operating expenditure	4,787	5,281	5,400
Operating surplus/(deficit)	-	-	-
Less:			
Capital expenditure	-	-	-
Proceeds from asset sales	-	-	-
Loan funding	-	-	-
Rates-funded capital expenditure	-	-	-
Debt repayment	-	-	-
Investment additions	-	-	-
Operational reserve movements	-	-	-
Working capital movements	-	-	-
Non-cash items	-	-	-
Net funding required	-	-	-

	2009/10 \$000s	2010/11 \$000s	2011/12 \$000s
OPERATING REVENUE			
Regional resilience	142	125	128
Wellington regional strategy	145	156	272
Regional economic development agency	4,500	5,000	5,000
Total operating revenue	4,787	5,281	5,400
OPERATING EXPENDITURE			
Regional resilience planning	142	125	128
Wellington Regional Strategy	395	406	522
Regional economic development agency	4,250	4,750	4,750
Total operating expenditure	4,787	5,281	5,400
CAPITAL EXPENDITURE			
Land and buildings	-	-	-
Plant and equipment	-	-	-
Vehicles	-	-	-
Total capital expenditure	-	-	-

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

Please note that all figures on this page exclude GST.

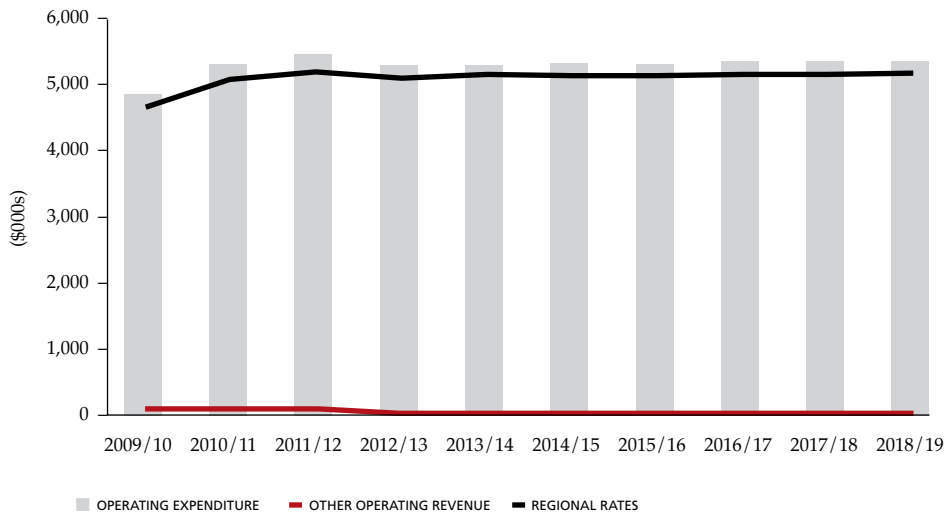
REGIONAL SUSTAINABLE DEVELOPMENT TEN-YEAR FINANCIAL FORECAST

This graph places the prospective funding impact statement for the next year in the context of the 10-year planning horizon.

Key point to note is:

- All key financial indicators are expected to remain relatively constant over the 10-year period after allowing for inflation

Please note that these figures exclude GST.



(\$000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating expenditure	4,787	5,281	5,400	5,261	5,273	5,286	5,299	5,313	5,329	5,344
Regional rates	4,595	5,104	5,219	5,129	5,138	5,147	5,157	5,167	5,178	5,189
Other operating revenue	192	177	181	132	135	139	142	146	151	155

The Regional economic development rate and activity will only continue past 30 June 2012 if the WRS Committee recommends that the activity continues and Greater Wellington undertakes the necessary consultation process set out in Section 16 of the Local Government Act 2002.