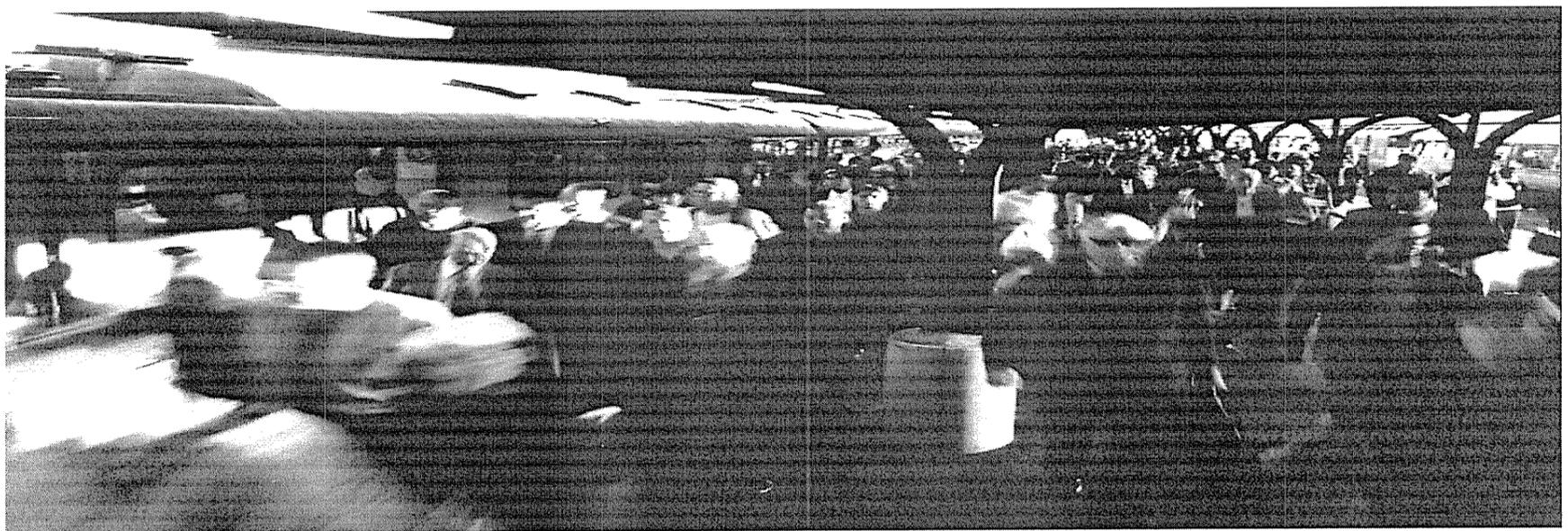


DRAFT – 8 MARCH 2007

PROPOSED 2007/08 ANNUAL PLAN (SUMMARY)**submission period****incorporating a proposed amendment to the 2006-16 Ten-Year Plan / LTCCP****5 April – 7 May**

- This document is a summary of Greater Wellington's *Proposed 2007/08 Annual Plan*, which also incorporates a proposed amendment to part of the *Revenue and Financing Policy* in the *2006-16 Ten-Year Plan (Long-Term Council Community Plan)* – refer to page 6
- The *Proposed 2007/08 Annual Plan* contains information about Greater Wellington's key projects for the 2007/08 financial year, starting on 1 July 2007
- Details on how to give us your views or comments and make a submission on the Proposed Annual Plan and LTCCP amendment are outlined on the final two pages of this document. **The deadline for making a submission is 4.00pm, Monday 7 May 2007.**
- Please contact us if you wish to obtain a copy of the full *Proposed 2007/08 Annual Plan* – refer to the details at the end of page 6



Chairman's Message

I am pleased to present Greater Wellington Regional Council's Proposed Annual Plan for 2007/08.

Greater Wellington is committed to working co-operatively and collaboratively. We realise that we can only successfully deliver this Plan if we work closely with other councils, central government agencies, private-sector businesses and communities.

Our Annual Plan contains a wide range of services. Three areas particularly require your attention.

Public transport network

The Wellington region is fortunate to have a well developed and well used public transport network. Unfortunately, under-investment in infrastructure over many years combined with a significant and rapid increase in users, has put considerable strain on the network. The resulting capacity and reliability issues have caused justifiable frustrations to network users. Greater Wellington fully understands these frustrations, and is working hard to improve the situation.

It is only relatively recently that Greater Wellington has been legally permitted to own public transport assets, such as trains. Since then we have worked hard to build strong partnerships to improve public transport infrastructure. As a result, central government, through Land Transport New Zealand, is funding a significant proportion of the capital investment required for network improvements, with Greater Wellington ratepayers funding the balance.

Acquiring new trains takes time. By international standards we are a small player in the market. There are also constraints created by the peculiarities of our network, such as the rail gauge and tunnel sizes. However, new carriages will be in place on the Wairarapa line by the end of the year and we are currently ordering 70 new trains for the metropolitan area. These should be ready in about three years' time.

Meanwhile we are being careful to temper public expectations and are not promising services or facilities in this Annual Plan that cannot be delivered within reasonable timeframes.

Rural and urban flood protection

Greater Wellington Regional Council is committed to investigating a long-term approach to integrating our land and river programmes. We want to work closely with the community to improve the quality of our river catchments.

Last year we were told that flood protection work was a priority for Hutt Valley and Wairarapa residents. Consequently, we brought forward planned flood protection work in these areas - which means that the costs have been brought forward too. This year we will be working hard to deliver the new programmes. Details of our flood protection work are contained in this Annual Plan.

Wellington Regional Strategy

Greater Wellington, at the request of most of the city and district councils in the region, has agreed to adopt a new rate to fund a regional economic development agency. This agency will be tasked with implementing the Wellington Regional Strategy developed over the past three years by the region's Councils, Central Government, businesses and community groups.

Sustainable economic development is pivotal to the success of the Wellington region. Greater Wellington believes that the strategy produced is realistic, pragmatic and a sound way for all councils, central government agencies, academic institutions and private sector businesses in the region to move forward in partnership.

Adopting the new Regional Strategy will require an increase in Regional Council rates of \$4.5 million (incl GST). Offsetting this, up to \$3.9 million currently collected by city and district councils in the region for economic development purposes will be deducted from their rates. The net increase in rates funding for this activity in the region will therefore be \$0.6 million.

Please note however, that the proposed governance and funding for the Wellington Regional Strategy is currently subject to an objection process initiated by Upper Hutt City Council. We anticipate that a final decision on the regional economic development activity will be made before the final 2007/08 Annual Plan is approved.

Please give us your views and comments on our work (refer to p7). Your input will help us to deliver services that meet your needs.

Ian Buchanan
Chairman

PAGE 1

**PROPOSED 2007/08 ANNUAL PLAN
STATEMENT OF PROPOSAL - SUMMARY DOCUMENT**

submission period

5 April – 7 May

2007/08 Annual Plan - key projects

Environment

- Complete the review of our Regional Policy Statement – the principal document for managing the region’s natural and physical resources
- Review our resource management charging policy
- Enhance our *Take Charge* business pollution prevention programme, which focuses on commercial and industrial areas
- Enhance the flood warning systems in the eastern hills of the Wairarapa, following a review of our hydrological monitoring network
- Further develop the Wairarapa conceptual groundwater model to increase our understanding of the geology and hydrology of the Wairarapa groundwater system

Transport

- Fund rail, bus and local harbour ferry passenger services
- Complete work on the new Wairarapa train carriages so they can be in service by the end of 2007
- Complete the tender process and sign the supply contract for 70 new trains for the Johnsonville, Paraparaumu, Melling and Hutt Valley lines
- Begin the design work for the western corridor rail network double tracking from MackKays Crossing to Lindale
- Provide extra car park spaces at Porirua, Woodside and Raroa stations and at Plimmerton Domain and Hutt Road, Petone
- Carry out a consultation process on a new Ngauranga-to-Airport transport corridor plan
- Develop work and school travel plans in the region
- Support the proposed Wairarapa log freight rail project



Water supply

- Supply water to the four Wellington metropolitan city councils which complies with New Zealand Drinking Water Standards: 2005
- Manage vegetation and control pests in the Council-owned water catchments to ensure that high quality water enters our treatment plants, thereby making treatment less expensive with less risk
- Consult with the four Wellington metropolitan city councils and the public about the options for supplying water to our growing population, which will include a new dam and/or water conservation measures
- Improve the security and reduce the risks to our water supply, for example, by providing an emergency pumping station to ensure a second source of supply to part of Wellington City

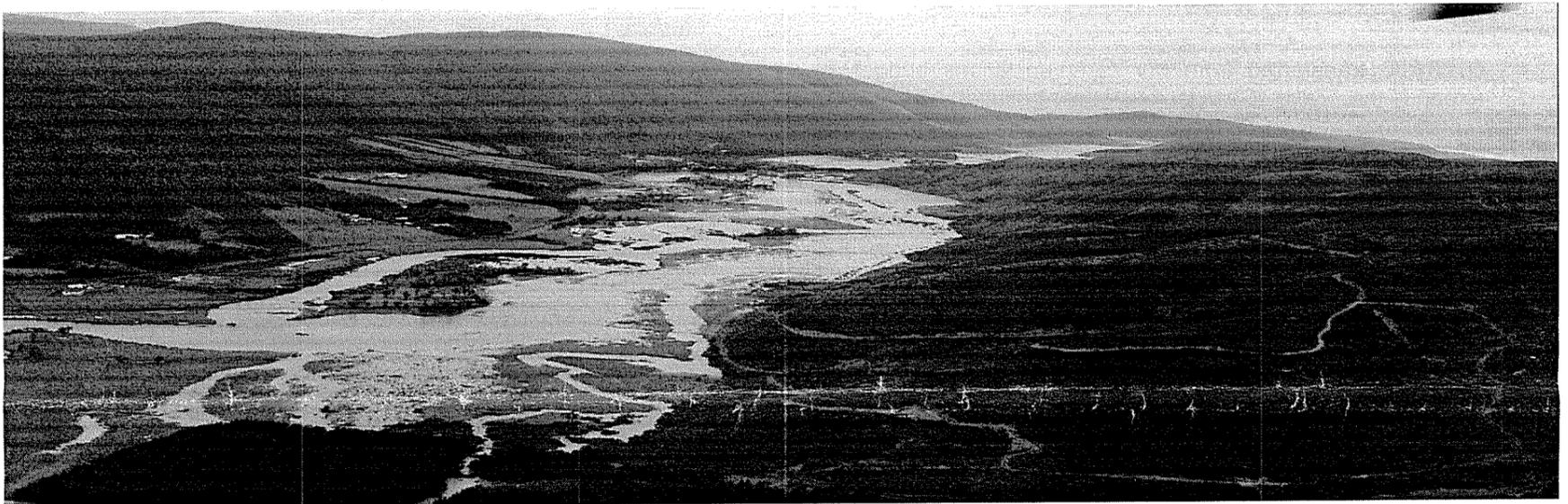
2007/08 Annual Plan - key projects

Parks

- Carry out restoration planting and pest control in our regional parks
- Eradicate animal pests in the Wainuiomata Mainland Island
- Undertake preliminary design work on a wetland regional park at Lake Wairarapa
- Complete the Battle Hill Farm and Belmont Regional Park management plans

Safety and Flood Protection

- Carry out \$6.1 million of capital river works, such as upgrading stopbanks, across the region
- Complete \$3.8 million of river maintenance in the Hutt, Otaki, Waikanae and Ruamahanga Rivers
- Progress the Waingawa River scheme review
- Begin removing the contaminated sediments in the Waiwhetu Stream, subject to agreement from the Ministry for the Environment over funding
- Complete a Port and Harbour Safety Management System to address identified risks



Land

- Manage Bovine Tb vector control operations in the region in order to protect farmed cattle and deer
- Complete the review of the Regional Pest Management Strategy
- Support good land management practices to control erosion, including planting poplars in our hill country, establishing shelterbelts and riparian planting alongside waterways
- Develop a long-term approach to integrating our land and river management programmes to improve the quality of our river catchments

Community

- Carry out the Council's triennial elections in October 2007
- Promote the implementation of the Wellington Regional Strategy
- Operate a regional economic development agency to carry out the economic development projects of the Wellington Regional Strategy

[Please note that the proposed governance and funding for the Wellington Regional Strategy is currently subject to an objection process initiated by Upper Hutt City Council. We anticipate that a final decision on the regional economic development activity will be made before the final 2007/08 Annual Plan is approved by Council.]

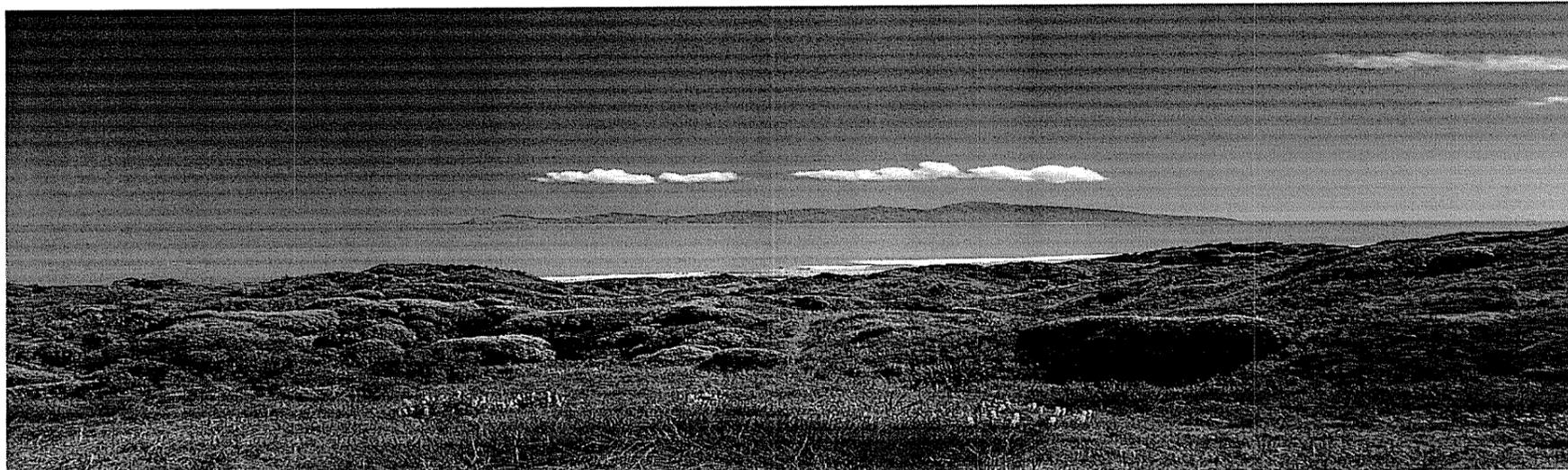
**See p6 for details on how to obtain more information
and a copy of the full Proposed 2007/08 Annual Plan document**

**PROPOSED 2007/08 ANNUAL PLAN
STATEMENT OF PROPOSAL - SUMMARY DOCUMENT**

submission period

5 April – 7 May

2007/08 key changes to the 2006-2016 Ten-Year Plan (LTCCP)



Environment

- Additional revenue of \$300,000 included for our resource consents
- \$100,000 transferred from our communications budget to expand the *Take Charge* business pollution prevention programme
- Additional \$54,000 for increased policy input for the Regional Policy Statement review

Water supply

- Capital expenditure on fixed infrastructure reduced by \$1.4 million, principally because a new Hutt River intake and associated pumping station at Te Marua have been deferred
- \$185,000 added to support the implementation of the Water Management Plan that is being prepared with our four Wellington metropolitan city council customers

Safety and flood protection

- Lower Wairarapa Valley Development River Scheme capital works (\$870,000) will now start in 2007/08; the programme had to be deferred because of flood damage and has now been rescheduled to take place over seven years until 2013/14
- Capital budgets of \$1.3 million for the Chrystalls extended stopbank on the Otaki River and \$476,000 for the Whirinaki Crescent stopbank on the Hutt River have been included to complete these projects; both projects were delayed because of land access issues
- Additional \$51,000 provided to complete the Waiwhetu flood management investigation
- Additional \$61,000 included to maintain the new communications system in the regional Emergency Operations Centre

Transport

- Expenditure for heavy maintenance of passenger trains reduced by \$6.4 million because, under our new rail contract, this is now the responsibility of the operator
- Payments for infrastructure upgrades required for the new trains (e.g. traction and signals) have increased by \$3.2 million
- \$400,000 included for the design of the Western Rail Corridor
- Delays to the timing of expenditure on the new trains and other passenger transport infrastructure have resulted in reduced revenue from Land Transport NZ of \$36.5 million
- Additional \$4.7 million for contracted bus services. Increased costs and some service improvements have been partly offset by a \$2.2 million reduction in the budget for future bus improvements.

For more information on transport budget changes, refer to the full Proposed 2007/08 Annual Plan (see details below to obtain a copy)

Parks

- Ranger services for the new wetland regional park at Lake Wairarapa (\$300,000) and for Whitireia Park (\$236,000) have been deferred to 2008/09
- Additional revenue of \$100,000 included as a result of the newly purchased Waitangirua Farm being leased to Landcorp Farming Ltd

Land

- Expenditure on Bovine Tb vector control (\$4.4 million) reduced by \$73,000 in accordance with the Animal Health Board's proposed programme

Community

- Additional \$60,000 included for democratic services because of increased distribution costs
- Additional \$300,000 for Greater Wellington to act as keeper of the Wellington Regional Strategy
- \$4.5 million provided to operate a regional economic development agency (to be offset by up to \$3.9 million currently collected by city and district councils for economic development purposes) NB: currently subject to a legal objection process

**See p6 for details on how to obtain more information
and a copy of the full Proposed 2007/08 Annual Plan document**

PROPOSED 2007/08 ANNUAL PLAN
STATEMENT OF PROPOSAL - SUMMARY DOCUMENT

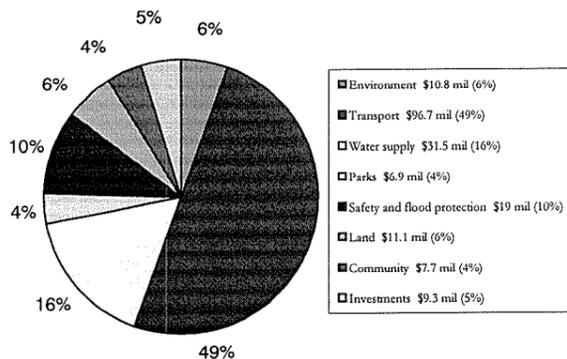
submission period

5 April – 7 May

Financial information

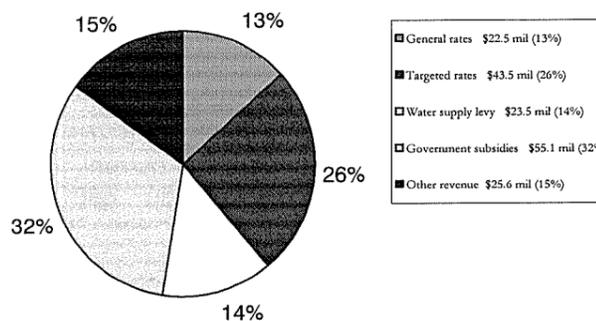
What it will cost and how we plan to pay for it

Our work programmes for 2007/08



Next year Greater Wellington plans to spend approximately \$30 million on capital expenditure and transport investments. Our operating expenditure will be over \$162 million. The above pie chart shows the total cost of delivering Greater Wellington's services broken down by our groups of activities. The most significant area of our expenditure is transport, accountable for 49% of the total work programme for 2007/08.

Where our revenue comes from in 2007/08



Our work programmes will be funded by a mix of rates, levies, government subsidies and other revenue. Regional rates, comprising general rates and targeted rates, make up 39% of Greater Wellington's total revenue. Government subsidies (primarily for funding public transport) make up a further 32% and the water supply levy (charged to Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 14%. The remaining 15% of revenue is from other external sources.

Summary of rates and levies

What this will mean for rates

By Rate and Levy type:	2006/07	2007/08		Change %
	Budget \$000s	Plan \$000s	Change \$000s	
General rates	24,626	25,301	675	2.75%
Targeted Rates-				
River management rates	3,571	3,789	218	6.10%
Regional transport rates	36,921	40,388	3,467	9.39%
Stadium rates	3,010	3,010	0	0.00%
Bovine Tb rates	160	160	0	0.00%
South Wairarapa District - river rates	198	205	7	3.54%
Wairarapa scheme and stopbank rates	1,206	1,331	125	10.36%
Total Targeted rates	45,066	48,883	3,817	8.47%
Total Rates excluding economic development rates	69,692	74,184	4,492	6.45%
Economic development rate (EDA)	0	4,500	4,500	n/a
Total Regional rates	69,692	78,684	8,992	12.91%
Water levy	25,623	26,392	769	3.00%
Total rates and levies	95,315	105,076	9,761	10.24%

This table shows the rates and levies that Greater Wellington proposes to collect in 2007/08, together with the changes from 2006/07. Rates comprise the general rate and various targeted rates. Greater Wellington also charges a water supply levy directly to the four metropolitan city councils in the region. The city councils then rate accordingly for this levy.

It is proposed to increase the general rate by 2.75%. Additional capital investment in flood protection and transport means that the overall rate increase is 6.45%.

It is also proposed to increase the water supply levy by 3% from 2006/07 – half the increase signalled in our 2006-16 ten year plan.

This year, an additional rate, the economic development rate (EDA), is proposed to fund a new Economic Development Agency for the Wellington region. Although it is proposed to rate regionally for \$4.5 million (including GST), up to \$3.9 million of this (the sum currently collected for economic development across the region) will come off city and district council rates, leaving Greater Wellington to collect an additional \$600,000.

Therefore, the total increase in regional rates (including the economic development rate) proposed for 2007/08 is 12.91%. When the water supply levy is included, the increase is 10.24%.

Rates increases vary between city and district councils because of differing capital values (equalised). Further, some of Greater Wellington's work programmes impact differently across the region, e.g. flood protection.

Note: Figures labelled "2006/07 Budget" are sourced from Greater Wellington's 2006/07 Annual Plan, and those labelled "2007/08 Plan" are those proposed in this 2007/08 Annual Plan.

The proposed EDA rate is allocated on a fixed amount basis for residential and rural ratepayers, and capital value for business. We welcome your views on alternate funding options.

The figures on this page include GST.

By Area:	2006/07	2007/08		Change %	Cost of EDA \$000s	2007/08		Change %
	Budget \$000s	Plan excluding EDA \$000s	Change \$000s			Plan including EDA \$000s		
Wellington City	37,017	38,690	1,673	4.52%	2,030	40,720	10.00%	
Lower Hutt City	12,680	14,082	1,402	11.06%	893	14,975	18.10%	
Upper Hutt City	4,305	4,684	379	8.80%	334	5,018	16.56%	
Porirua City	5,391	5,845	454	8.42%	351	6,196	14.93%	
Kapiti Coast District	5,443	5,829	386	7.09%	449	6,278	15.34%	
Masterton District	1,553	1,580	27	1.74%	247	1,827	17.64%	
Carterton District	631	666	35	5.55%	80	746	18.23%	
South Wairarapa District	1,105	1,109	4	0.36%	116	1,225	10.86%	
Taranua District	3	3	0	0.00%	0	3	0.00%	
District-wide rates	68,128	72,488	4,360	6.40%	4,500	76,988	13.01%	
Bovine Tb Rate	160	160	0	0.00%	0	160	0.00%	
South Wairarapa District - river rates	198	205	7	3.54%	0	205	3.54%	
Wairarapa scheme and stopbank rates	1,206	1,331	125	10.36%	0	1,331	10.36%	
Total Regional rates	69,692	74,184	4,492	6.45%	4,500	78,684	12.91%	
Water supply levy	25,623	26,392	769	3.00%	0	26,392	3.00%	
Total rates and levies	95,315	100,576	5,261	5.52%	4,500	105,076	10.24%	

Rates and levies

Rates calculator

Rates calculator for residential properties (GST inclusive)

The table below shows how you can calculate your own indicative residential regional rates for 2007/08. For example, if you live in the Wellington City and have a property with a capital value of \$250,000 your indicative regional rates are \$180.16.

	2007/08 proposed rates per \$100,000 of capital value excluding EDA		Enter the capital value of your property		Proposed economic development rate	Rates on your property for 2007/08
	EDA					
Wellington City	\$66.44	x		+ 100,000	+ \$14.06	
Lower Hutt City	\$126.96	x		+ 100,000	+ \$14.06	
Upper Hutt City	\$122.19	x		+ 100,000	+ \$14.06	
Porirua City	\$121.25	x		+ 100,000	+ \$14.06	
Kapiti Coast District	\$78.84	x		+ 100,000	+ \$14.06	
Masterton District	\$45.48	x		+ 100,000	+ \$14.06	
Carterton District	\$47.72	x		+ 100,000	+ \$14.06	
South Wairarapa District ⁽¹⁾	\$49.39	x		+ 100,000	+ \$14.06	
Wellington City example	\$66.44	x	\$250,000	+ 100,000	+ 14.06	\$180.16

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

⁽²⁾ The calculator relates only to properties classified as residential

Please note: the above calculation does not include rates set by your local city or district council.

Greater Wellington rates are set and assessed by Greater Wellington but are invoiced and collected by the relevant territorial authority in the Wellington region. Such combined collection arrangements are cost effective and are more convenient for ratepayers.

The numbers in Table 6 should be read in conjunction with the Funding Impact Statement on pages XX to XX and the Revenue and Financing Policy contained within the separate Policies document.

PROPOSED 2006-16 TEN-YEAR PLAN (LTCCP) AMENDMENT
STATEMENT OF PROPOSAL - SUMMARY DOCUMENT

submission period

5 April – 7 May

Proposed 2006-16 Ten-Year Plan (LTCCP) amendment

- Section 2.1 of the Revenue and Financing Policy

Summary Information

Now that we have a much clearer position on the nature, ownership and funding of our rail infrastructure, we are proposing to amend part of our *Revenue and Financing Policy* in the *2006-16 Ten-Year Plan (LTCCP)* to provide greater equity between current and future ratepayers in relation to funding certain rail infrastructure.

Although there are no significant financial consequences, we are required by the *Local Government Act 2002* to propose a formal amendment to the *2006-16 Ten-Year Plan (LTCCP)* for public consultation.

The Proposed Amendment

This LTCCP amendment will allow us to debt fund certain operating expenditure on rail infrastructure assets over a longer time period than the five years of the current policy, for up to 75% of the expected life of the asset. Debt funding allows us to spread the rates impact of the expenditure over the term of the loan.

This particular debt funding only applies to circumstances where Greater Wellington is unable to obtain an ownership interest in the asset, for example upgrading the station platforms to ensure they are at the same height and length of the new trains.

Section 2.1 of the Revenue and Financing Policy provides for circumstances where Greater Wellington will consider funding operating expenditure from sources other than its operating revenue. The proposed amendment (in italics below) replaces the last bullet point in the existing policy:

- *Where the expenditure relates to the provision of passenger rail services, benefits of that expenditure extend beyond one year, and Greater Wellington is unable to obtain an ownership interest in the asset created; in this situation, Greater Wellington may loan fund the expenditure over a period not exceeding 75% of the expected useful life of that asset.*

Financial Impacts

The proposed amendment to the *Revenue and Financing Policy* does not have a significant impact on the financial information contained in the *2006-16 Ten-Year Plan (LTCCP)* and therefore the financial and rating information remains unchanged.

The *Local Government Act 2002* requires all LTCCP amendments to be audited; an unqualified audit opinion has been obtained. The audit report is included in the *Proposed 2007/08 Annual Plan*, which incorporates this proposed amendment to the *Revenue and Financing Policy* in the *2006-16 Ten-Year Plan (LTCCP)*.



Refer to the full *Proposed 2007/08 Annual Plan* document for more information, including the audit report

- See our website: www.gw.govt.nz
- Email us: annualplan@gw.govt.nz
- Phone us: 0800-496-734
- Visit Greater Wellington's CBD office : 142 Wakefield St
- next to the James Smith carpark by the Duxton Hotel
- Visit Greater Wellington's Masterton office : 34 Chapel St
- opposite the Departmental building

To obtain more information on the Proposed Annual Plan and LTCCP amendment

- Contact one of your regional Councillors - see back page for details
- Attend a public meeting – details to be advertised

PLEASE GIVE US YOUR VIEWS AND COMMENTS

submission period

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5 April – 7 May

Make a Submission

Please tick this box if you wish to make an oral submission

You will be allocated a time slot (during 23-25 May) and notified in writing

Online: www.gw.govt.nz

Email: annualplan@gw.govt.nz

Fax: (04) 385-6960

Post: Greater Wellington Regional Council
Freepost Authority Number 3156
PO Box 11646 Manners Street, Wellington

SUBMISSIONS CLOSE
4PM MONDAY 7 MAY

By Hand : 142 Wakefield Street, Wellington City - *next to the James Smith carpark by the Duxton Hotel*
34 Chapel Street, Masterton - *opposite the Departmental building*

SUBMITTER CONTACT DETAILS

Name

Email / Postal address

Phone

... Please continue on the back page if you need additional space for your submission ...

PROPOSED 2007/08 ANNUAL PLAN

- **2007/08 Key Projects**
- refer to pages 2-3 of this summary document
- **2007/08 Key changes to Greater Wellington's 2006-2016 Ten-Year Plan (LTCCP)**
- refer to page 4 of this summary document

PROPOSED 2006-16 TEN-YEAR PLAN (LTCCP) AMENDMENT – Section 2.1 Revenue & Financing Policy

- refer to page 6 of this summary document for details of the proposed amendment

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PLEASE GIVE US YOUR VIEWS AND COMMENTS

ANNUAL PLAN / LTCCP CONSULTATION PROCESS

• 5 April – 7 May 2007

Period for receiving written submissions on the Proposed 2007/08 Annual Plan (incorporating the proposed amendment to the Revenue and Financing Policy in the 2006-16 Ten-Year Plan / LTCCP)

Some public meetings will be held – details to be advertised

• 23 - 25 May 2007

Submissions scheduled to be heard by Greater Wellington Regional Council

Contact your regional councillors

Wellington Constituency
Judith Aitken
T 04 475 8969
M 027 304 3518
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Wellington Constituency
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Lower Hutt Constituency
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Kapiti Constituency
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Fold 3

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Wairarapa Constituency
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F 06 370 1128
M 027 430 4004
rick.long@gw.govt.nz

Greater Wellington Regional Council
P O Box 11646
142 Wakefield Street
Wellington
T 04 384 5708 or 0800 496 734
info@gw.govt.nz

Additional space for your submission :

Fold 2

Fold 1

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PROPOSED 2007/08 ANNUAL PLAN
incl. proposed LTCCP amendment (section 2.1 revenue & financing policy)
FREEPOST 3156
GREATER WELLINGTON REGIONAL COUNCIL
PO BOX 11646 Manners Street
WELLINGTON 6142