

Attachment 1 to
report 13.46



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

GREATER WELLINGTON REGIONAL COUNCIL

Draft Annual Plan 2013-14



Cover photos

Top l-r: **Flood protection** (Barrage Gates, South Wairarapa), **environment** (water quality 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



Ann Wilder

Greater Wellington's 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 - Natural Resource Management Committee responsible for the development of a new, combined Natural Resource Plan for the Wellington region) and the Ara Tahī leadership forum

Community Outcomes

Community Outcomes

Our community outcomes describe what the Greater Wellington Regional Council (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 outcomes indicators, and the GWRC Annual Report 2011/12 contains information on measuring progress towards a Healthy Environment as a focus.

Greater Wellington Regional Council Community Outcomes

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 x), Environment (pg x), Public transport (pg x), Water supply (pg x) and Flood protection and control works (pg x)

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 x), Public transport (pg x)

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 x), Water supply (pg x), and Flood protection and control works (pg x)

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 x), Parks (pg x), Public transport (pg x), Regional leadership (pg x), Water supply (pg x) and Flood protection and control works (pg x)

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 x), Water Supply (pg x), Parks (pg x), Environment (pg x) and Flood protection and control works (pg x)

Emerging issues for 2013/14

In our Long Term Plan 2012-2022 (LTP), we outlined the context in which Greater Wellington Regional Council (GWRC) is working and some of the key issues we are facing. These remain very relevant for the 2013/14 year. These 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 Long Term Plan in June 2012 there has however been further change to the context within which GWRC operates. This changing context includes the following aspects:

- 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 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 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 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 is currently being considered by Select Committee. 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 easier direct referral to the Environment Court for major regional projects.

A further Amendment Bill is proposed for 2013 which will introduce stronger requirements for councils to base their planning decisions on thorough cost-benefit analysis, including how jobs and employment will be affected. The work programme also incorporates freshwater management reform, which will build on the recommendations from the Land and Water Forum (LAWF), and 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.

The Land Transport Management Amendment Bill 2012 has been introduced to Parliament and is currently being considered by Select Committee. 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. It is expected to be enacted in March 2013.

Once these legislative changes are enacted, 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 – this is due to report back in early 2013 on how good quality local government infrastructure to support a growing economy can be delivered in the most cost-effective manner
- Regulatory Roles - this workstream will build on the Productivity Commission's Inquiry into better local regulation. A draft report was issued by the Commission in December 2012. 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 will report back to each Council in early 2013, with a view to public consultation and then the development of an application to the Local Government Commission later in 2013.

This timetable could mean that a structural change to the Wellington local government arrangements could be in place on or before the date of the local government election in 2016.

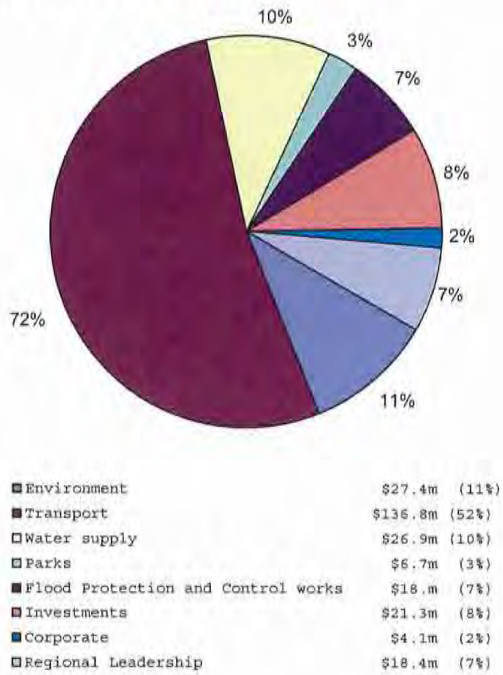
While no longer compulsory, Regional Councillors expect a regionwide poll of electors to be held before the Local Government Commission confirms a final proposal.

Part 2

Financial summary

2013/14 EXPENDITURE AND REVENUE

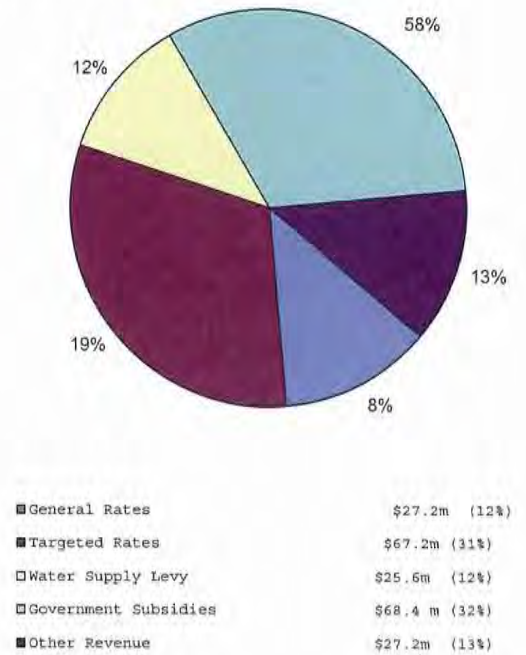
GREATER WELLINGTON'S GROSS EXPENDITURE 2013/14



All figures exclude GST

Greater Wellington is planning \$15 million of capital expenditure, \$23 million of transport improvements and \$204 million on gross operating expenditure. This pie chart shows the total cost of delivering Greater Wellington's services, broken down by our groups of activities. The most significant area of our expenditure is transport, accountable for 52% of the total work programme for 2013/14.

GREATER WELLINGTON'S REVENUE 2013/14



All figures exclude GST

Greater Wellington's work programmes will be funded by a mix of rates, levies, government subsidies and other revenue. Regional rates, comprising general rates and targeted rates, make up 43% of Greater Wellington's total revenue for 2013/14. Government subsidies (primarily for funding public transport services and the extensive public transport rail network upgrade) make up a further 32% and the water supply levy (charged to the Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 12%. The remaining 13% of revenue is from other external sources.

SUMMARY OF PROPOSED 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		
General rates	27,468	27,172	(296)	
Targeted rates:				
Region wide targeted rates:				
River management rates	4,784	4,980	196	
Transport rates	47,512	49,878	2,366	
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	85	-	
Wairarapa scheme and stopbank rates	1,326	1,347	21	
Total targeted rates ¹	61,536	64,121	2,585	
Total regional rates	89,004	91,293	2,289	2.6%
Water supply levy	24,889	25,634	745	3.0%
Total regional rates and levies ¹	113,893	116,927	3,034	2.7%
Warm Wellington rates ²	1,253	3,085		
Total rates and levies	115,146	120,012		

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

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	47,304	1,346	
Lower Hutt city	17,198	17,629	431	
Upper Hutt city	5,979	6,118	139	
Porirua city	7,027	7,238	211	
Kapiti Coast district	6,977	7,083	106	
Masterton district	1,803	1,790	(13)	
Carterton district	820	825	5	
South Wairarapa district	1,344	1,348	4	
Tararua district ¹	2	2	-	
Region-wide rates ²	87,108	89,337	2,229	2.6%
Bovine Tb rate	284	284	-	
Possum / predator rates	201	240	39	
South Wairarapa district – river rates	85	85	-	
Wairarapa scheme and stopbank rates	1,326	1,347	21	
Total regional rates	89,004	91,293	2,289	2.6%
Water supply levy				
Wellington City Council	13,339	13,739	400	
Hutt City Council	6,363	6,553	190	
Upper Hutt City Council	2,344	2,414	70	
Porirua City Council	2,843	2,928	85	
Water supply levy	24,889	25,634	745	3.0%
Total regional rates and levies ³	113,893	116,927	3,034	2.7%
Warm Wellington rate ⁴	1,253	3,085		
Total rates and levies	115,146	120,012		

All figures on this page exclude GST

Notes:

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

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

² Region-wide rates are rates that are charged to all ratepayers in the region. It excludes Bovine TB, 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

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

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

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

2012/13 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 ¹ 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	\$145.28	\$0.72	\$0.56	\$142.38	\$150.96	\$15.08	\$15.04	\$304.64	\$311.84
Lower Hutt city	\$103.59	\$101.63	\$59.64	\$62.01	\$182.93	\$190.47	\$10.68	\$10.64	\$356.83	\$364.75
Upper Hutt city	\$92.61	\$91.79	\$29.61	\$30.12	\$178.09	\$186.00	\$8.02	\$8.00	\$308.33	\$315.91
Porirua city	\$104.06	\$103.83	\$2.17	\$2.17	\$223.88	\$235.10	\$9.45	\$9.45	\$339.56	\$350.55
Kapiti Coast district	\$101.87	\$99.57	\$48.52	\$51.12	\$89.07	\$92.91	\$5.05	\$5.04	\$244.51	\$248.64
Masterton district	\$66.44	\$65.81	\$0.00	\$0.00	\$21.60	\$22.74	\$4.23	\$4.26	\$92.27	\$92.81
Carterton district	\$65.50	\$63.71	\$2.36	\$2.31	\$35.81	\$37.14	\$4.08	\$4.00	\$107.74	\$107.17
South Wairarapa district	\$75.58	\$74.72	\$0.00	\$0.00	\$50.87	\$53.06	\$5.55	\$5.52	\$132.00	\$133.29

	Average value of residential property in each city or district		Total Region-wide ¹ per average valued residential property		WRS rate ² per residential property		Total Region-wide ¹ rates per average residential property	
			excluding WRS rate				including WRS rate	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Wellington city	\$511,044	\$513,281	\$304.64	\$311.84	\$14.00	\$14.00	\$318.64	\$325.84
Lower Hutt city	\$368,136	\$369,556	\$356.83	\$364.75	\$14.00	\$14.00	\$370.83	\$378.75
Upper Hutt city	\$334,248	\$334,659	\$308.33	\$315.91	\$14.00	\$14.00	\$322.33	\$329.91
Porirua city	\$380,939	\$381,153	\$339.56	\$350.55	\$14.00	\$14.00	\$353.56	\$364.55
Kapiti Coast district	\$365,657	\$367,532	\$244.51	\$248.64	\$14.00	\$14.00	\$258.51	\$262.64
Masterton district	\$237,663	\$239,416	\$92.27	\$92.81	\$14.00	\$14.00	\$106.27	\$106.81
Carterton district	\$228,952	\$228,818	\$107.74	\$107.17	\$14.00	\$14.00	\$121.74	\$121.17
South Wairarapa district	\$269,451	\$271,812	\$132.00	\$133.29	\$14.00	\$14.00	\$146.00	\$147.29

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

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

² 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 www.gw.govt.nz

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% = \$386.40

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 ¹ rates per \$100,000 of capital value, excluding the WRS rate		Enter the capital value of your property			WRS rate ² residential property		Indicative rates on your property for 2013/14 ¹
Wellington city	\$60.75	x		÷ 100,000	+	\$14.00	=	
Lower Hutt city	\$98.71	x		÷ 100,000	+	\$14.00	=	
Upper Hutt city	\$94.39	x		÷ 100,000	+	\$14.00	=	
Porirua city	\$91.97	x		÷ 100,000	+	\$14.00	=	
Kapiti Coast district	\$67.64	x		÷ 100,000	+	\$14.00	=	
Masterton district	\$38.76	x		÷ 100,000	+	\$14.00	=	
Carterton district	\$46.83	x		÷ 100,000	+	\$14.00	=	
South Wairarapa district	\$49.04	x		÷ 100,000	+	\$14.00	=	
Porirua city example	\$91.97	x	\$350,000	÷ 100,000	+	\$14.00	=	\$335.90
								Including GST @ 15%
								\$386.29

A calculator to assist you check your region-wide rates for all property types is available on our website www.gw.govt.nz

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

² 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

Key Changes from the Long Term Plan 2012-22

After thoroughly reviewing all operational expenditure and the timing of capital expenditure the proposed increase in regional rates 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:

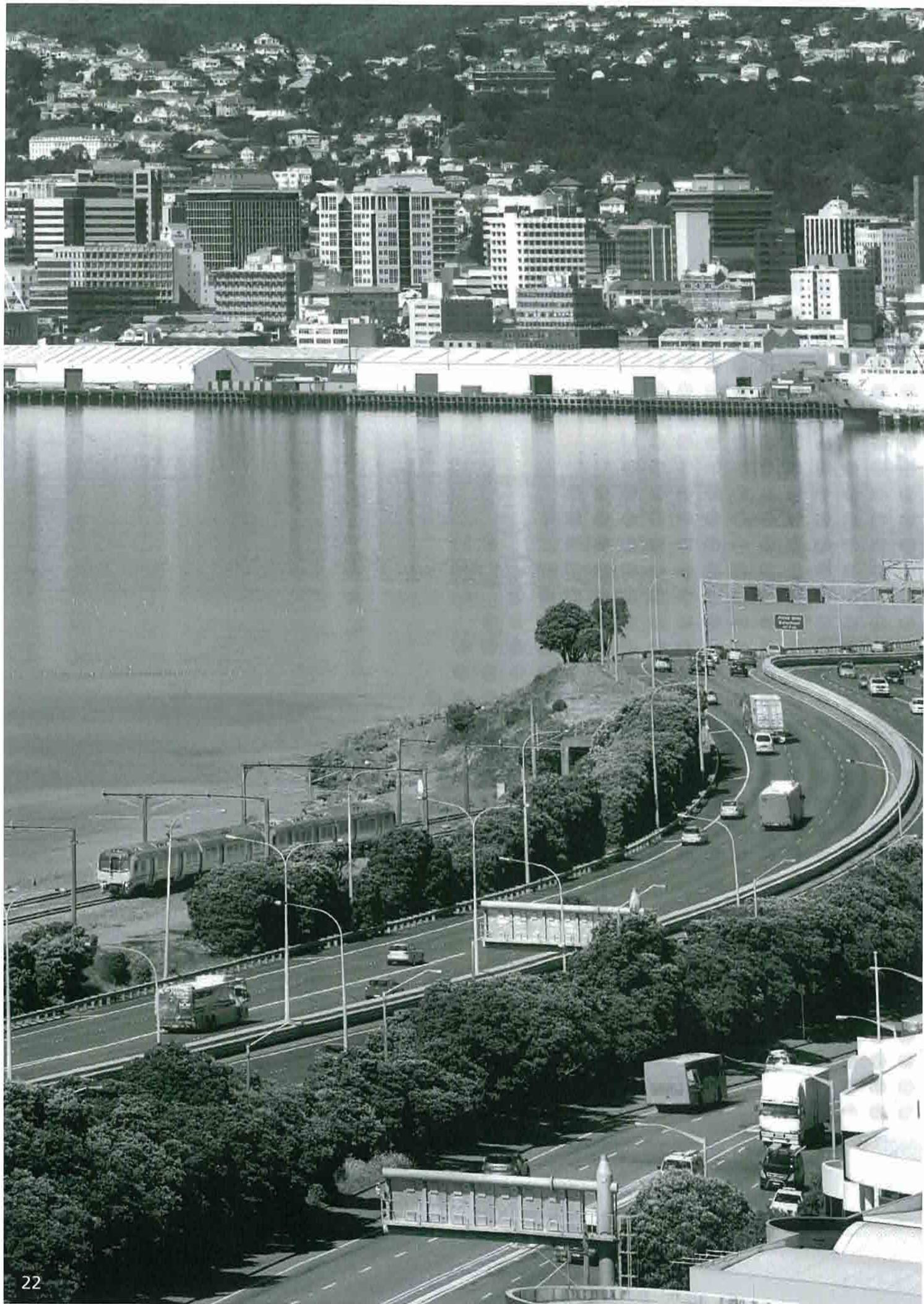
- The review of the Regional Public Transport Plan was scheduled for the 2012/13 financial year but has been delayed as the legislative requirements are in the process of being amended.
- The timing of capital expenditure for the electronic integrated ticketing project is now expected to occur from 2014-17, 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. This will have about the same impact on regional fares and rates, but the new trains will provide much better value for money over their life.
- The 2012/22 Long Term Plan 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"> • Grow Wellington • WRS Office • WRS Committee 	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 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 Tahi¹, 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

¹ 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 scheme²
- 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

² 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
Sources of operating funding		
General rate	5,750	6,385
Targeted rates	7,715	7,216
Subsidies and grants for operating purposes	1,109	1,191
Fees, charges, and targeted rates for water supply	3	10
Fines, infringement fees, and other receipts ¹	2,195	4,730
Total operating funding	16,772	19,532
Applications of operating funding		
Payments to staff and suppliers	15,251	18,335
Finance costs	1,213	1,241
Internal charges and overheads applied	526	762
Total applications of operating funding	16,990	20,338
Surplus/(deficit) of operating funding	(218)	(806)
Sources of capital funding		
Subsidies and grants for capital expenditure	642	663
Increase / (decrease) in debt	3,839	4,711
Gross proceeds from asset sales	16	37
Total sources of capital funding	4,497	5,411
Applications of capital funding		
- to meet additional demand	1,250	643
- to improve the level of service	30	31
- to replace existing assets	97	167
Increase / (decrease) in investments	3,300	4,156
Increase / (decrease) in reserves	(398)	(392)
Total applications of capital funding	4,279	4,605
Surplus/(deficit) of funding	-	-
Depreciation on Regional Leadership assets	386	407

¹ 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
Operating funding		
Wellington Regional Strategy	4,631	4,816
Emergency Management	3,234	4,638
Democratic Services	2,040	2,013
Relationships with Maori	862	922
Regional transport planning and programmes	2,878	3,575
Regional initiatives ¹	3,127	3,568
Total operating funding	16,772	19,532
Applications of operating funding		
Wellington Regional Strategy	4,631	4,816
Emergency Management	3,199	4,607
Democratic Services	2,221	2,826
Relationships with Maori	862	922
Regional transport planning and programmes	2,958	3,005
Regional initiatives ¹	3,119	4,162
Total applications of operating funding	16,990	20,338
Capital expenditure		
Capital project expenditure	1,280	674
Land and buildings	-	-
Plant and equipment	14	45
Vehicles	83	122
Total capital expenditure	1,377	841

¹ 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

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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 is undergoing substantial review. Once 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 tendering of new contracts will be a major focus in 2013/14. The review of the Regional Public Transport Plan expected in 2012/13 has been deferred until the new legislation is in place.

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 proposed 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 would 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 2014-17, 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. Refurbishing the Ganz Mavag fleet would have had about the same impact on regional fares and rates as buying more Matangi trains, but 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% ¹ Hutt Line 90% ¹ Johnsonville Line 95% ¹ Wairarapa Line 80% ¹ (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 ²	3.0	2.9	2.7
	Average condition rating for carparks ²	2.9	2.7	2.6

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

² 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 ¹	99% (September 2011)	≥ 99%	≥ 99%
	Percentage of scheduled services on-time to 10 minutes	99.8% (September 2011) ²	≥98% ²	≥98% ²
Maintain and improve bus stop facilities and interchanges	Average condition score for bus shelters owned by Greater Wellington ³	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

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

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

³ 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) 143,000 visits to the Metlink mobi site (2010/11)	2 million 300,000	2.05 million 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
Sources of operating funding		
General rate	-	-
Targeted rate	49,878	53,547
Subsidies and grants for operating purposes	66,281	69,154
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	3,056	2,210
Total operating funding	119,215	124,911
Applications of operating funding		
Payments to staff and suppliers	127,518	157,488
Finance costs	5,213	6,527
Internal charges and overheads applied	3,383	3,685
Total applications of operating funding	136,114	167,700
Net surplus/(deficit) of operating funding	(16,899)	(42,789)
Sources of capital funding		
Subsidies and grants for capital expenditure	358	2,271
Increase / (decrease) in debt ²	14,087	42,712
Gross proceeds from asset sales	10	10
Total sources of capital funding	14,455	44,993
Applications of Capital Funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	600	4,422
- to replace existing assets	132	137
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	(3,176)	(2,355)
Total applications of capital funding	(2,444)	2,204
Surplus/(deficit) of funding	-	-
Depreciation on Public Transport assets	1,103	1,139

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

² As part of the Wellington Rail Package 2011, 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 expenditure is treated as operational expenditure in Greater Wellington's accounts as the underlying assets will mostly be owned by the Greater Wellington subsidiary Greater Wellington Rail Limited. This has the effect of creating an operational deficit which is funded by debt in accordance with Greater Wellington's Revenue and Financing policy.

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
Operating funding		
Metlink public transport network planning	1,724	1,791
Rail operations and asset management	60,984	63,451
Bus and ferry operations and asset management	50,215	53,094
Metlink customer services and information	3,472	3,728
Total mobility	2,820	2,947
Total operating funding	119,215	124,911
Applications of operating funding		
Metlink public transport network planning	1,724	1,791
Rail operations and asset management	55,303	57,188
Bus and ferry operations and asset management	49,851	51,998
Metlink customer services and information	3,404	3,459
Total mobility	2,784	2,810
Total applications of operating funding (excluding improvements)	113,066	117,246
Improvement expenditure¹		
Rail operations and asset management	19,479	47,385
Bus and ferry operations and asset management	3,569	3,069
Total improvement expenditure	23,048	50,454
Total applications of operating funding (including improvements)	136,114	167,700
Net surplus/(deficit) of operating funding	(16,899)	(42,789)
Capital expenditure		
New public transport shelters, signage, pedestrian facilities and systems	700	4,526
Total capital project expenditure	700	4,526
Land and buildings	-	-
Plant and equipment	-	-
Vehicles	32	33
Total capital expenditure	732	4,559

¹ Public transport Improvements include capital grants to external public organisations and the 100% Council Controlled Trading Organisation, Greater Wellington Rail Ltd, for improvements to public transport infrastructure where Greater Wellington will not own the resulting asset. These improvements include trolley bus overhead wire renewals, rail station and carpark renewals, rail track renewals and the new Matangi trains.

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

They contribute towards a **resilient community** by:

- Preparing the system to cope with emergencies and the long-term impacts of climate change

They contribute towards achieving a **healthy environment** by:

- Encouraging people to use water wisely to reduce the environmental impacts
- Protecting current and future water catchments

They contribute towards achieving **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, GWW 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
Sources of operating funding		
General rate	-	-
Targeted rate	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	26,590	27,975
Total operating funding	26,590	27,975
Applications of operating funding		
Payments to staff and suppliers	15,911	18,323
Finance costs	4,352	4,563
Internal charges and overheads applied	1,445	1,543
Total applications of operating funding	21,708	24,429
Surplus/(deficit) of operating funding	4,882	3,546
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	1,610	2,196
Gross proceeds from asset sales	52	40
Total sources of capital funding	1,662	2,236
Applications of capital funding		
Capital expenditure		
- to meet additional demand	500	206
- to improve the level of service	1,345	1,754
- to replace existing assets	3,339	2,644
Increase / (decrease) in investments	1,360	1,178
Increase / (decrease) in reserves	-	-
Total applications of capital funding	6,544	5,782
Surplus/(deficit) of funding	-	-
¹ This includes the Water supply levy charged to Wellington, Hutt, Lower Hutt and Porirua city councils		
Water supply levy	25,635	25,884
Depreciation on Water Supply assets	8,374	8,364

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

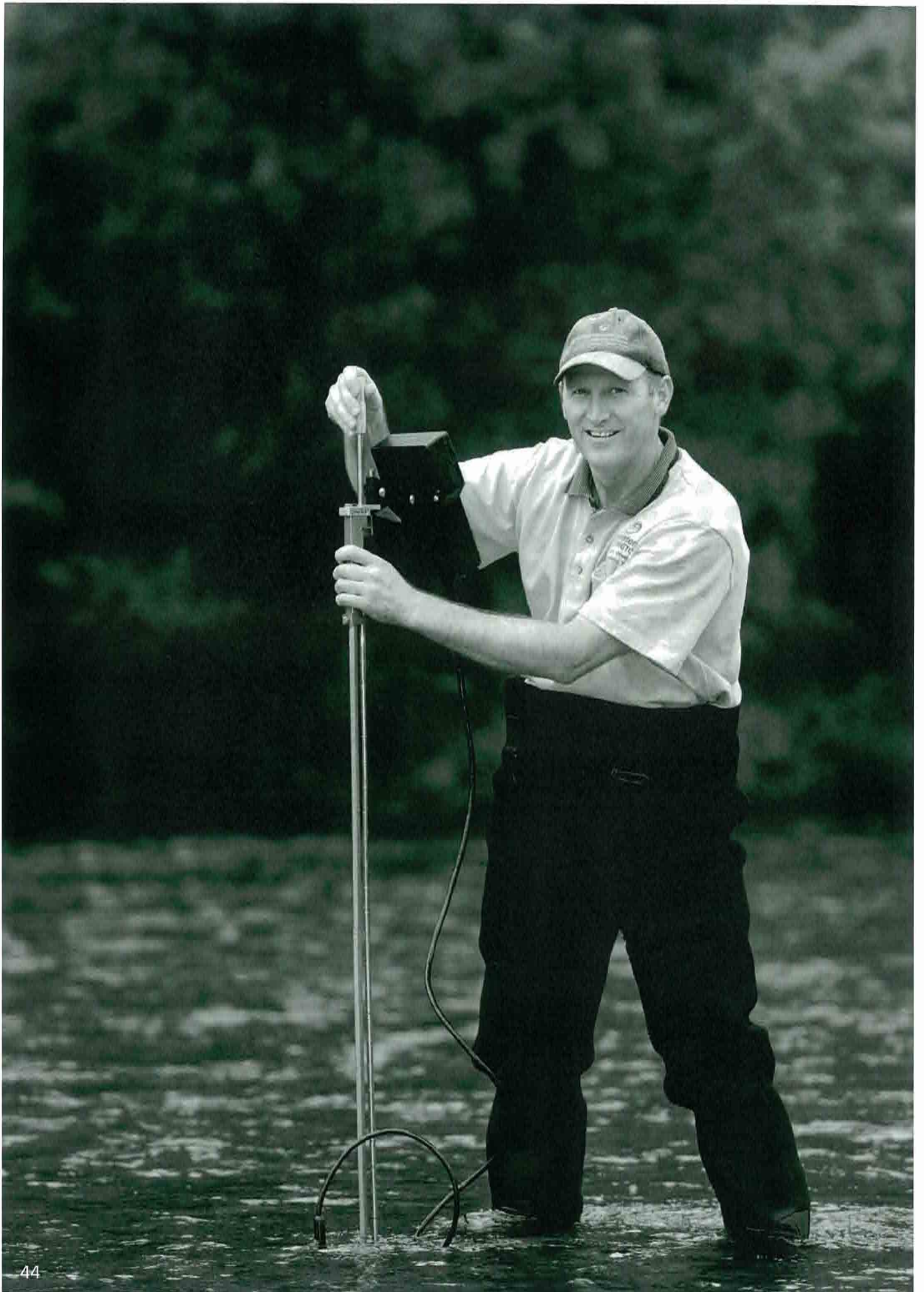
WATER SUPPLY PROSPECTIVE FUNDING INFORMATION FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
Operating funding		
Water Supply	26,590	27,975
Total operating funding	26,590	27,975
Applications of operating funding		
Water Supply	21,708	24,429
Total applications of operating funding	21,708	24,429
Capital expenditure		
Water sources	-	206
Water treatment plants	960	839
Pipelines	520	537
Pump stations	100	103
Reservoirs	-	-
Monitoring and control	480	495
Seismic protection	700	1,445
Energy	-	-
Other	2,140	740
Capital project expenditure	4,900	4,365
Land and buildings	-	-
Plant and equipment	99	83
Vehicles	185	156
Total capital expenditure	5,184	4,604

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. These committees will be tasked with looking at whole of catchment solutions for the land and water management issues as we develop policy responses to implement the National Policy Statement for Freshwater. 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.

We have also initiated a review of our Resource Management Charging Policy this year and are consulting on this as a part of this draft Annual Plan. While we periodically review our hourly charge out rate, we have not had a full review of our State of the Environment monitoring rates for a number of years. In terms of cost recovery, we have one of the lowest rates of recovery amongst regional councils in the country, and we are reviewing this to ensure that we appropriately recover the cost of our science work from those who most benefit from it. This will also help add value to our overall science and monitoring programme and the benefits this delivers to the resource users of the region. Further information on the policy can be found at the back of this document or on the GWRC website www.gw.govt.nz/have-your-say

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.

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. 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

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 ¹ processed within 20 working days ²	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 ³ 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

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

² Working days as defined by the Resource Management Act 1991

³ 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 ¹	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

¹ 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 ¹	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 ² (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 ³ (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%

¹ 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

² 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

³ 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
Sources of operating funding		
General rate	20,132	20,218
Targeted rate	585	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 ¹	3,676	3,806
Total operating funding	27,566	27,436
Applications of operating funding		
Payments to staff and suppliers	25,317	25,035
Finance costs	80	86
Internal charges and overheads applied	1,635	1,659
Total applications of operating funding	27,032	26,780
Surplus/(deficit) of operating funding	534	656
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	(132)	(140)
Gross proceeds from asset sales	49	86
Total sources of capital funding	(83)	(54)
Applications of capital funding		
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	75	46
Total applications of capital funding	451	602
Surplus/(deficit) of funding	-	-
Depreciation on Environment assets	685	584

¹ 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
Operating funding		
Resource management	12,068	11,560
Land management	3,828	3,908
Biodiversity management	4,569	4,717
Pest management	4,979	5,118
Harbour management	2,122	2,133
Total operating funding	27,566	27,436
Applications of operating funding		
Resource management	11,862	11,317
Land management	3,741	3,817
Biodiversity management	4,569	4,717
Pest management	4,950	5,033
Harbour management	1,910	1,896
Total applications of operating funding	27,032	26,780
Capital expenditure		
Environment projects	35	36
Capital project expenditure	35	36
Land and buildings	-	-
Plant and equipment	207	214
Vehicles	134	306
Total capital expenditure	376	556

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 Kapiti 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
- Undertake the next phase of the Mangaroa flood hazard assessment
- 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 Waitohu 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
Sources of operating funding		
General rate	8,139	8,256
Targeted rates	6,352	6,607
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	1,690	1,759
Total operating funding	16,181	16,622
Applications of operating funding		
Payments to staff and suppliers	7,587	7,821
Finance costs	3,570	3,505
Internal charges and overheads applied	1,235	1,294
Total applications of operating funding	12,392	12,620
Surplus/(deficit) of operating funding	3,789	4,002
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	2,628	2,794
Gross proceeds from asset sales	45	133
Total sources of capital funding	2,673	2,927
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	5,451	5,602
- to replace existing assets	112	344
Increase / (decrease) in investments	351	383
Increase / (decrease) in reserves	548	600
Total applications of capital funding	6,462	6,929
Surplus/(deficit) of funding	-	-
Depreciation on assets	1,050	958

¹ 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
Operating funding		
Understanding flood risk	1,819	1,925
Maintaining flood protection and control works and Improving flood security	14,362	14,697
Total operating funding	16,181	16,622
Applications of operating funding		
Understanding flood risk	1,357	1,449
Maintaining flood protection and control works and Improving flood security	11,035	11,171
Total applications of operating funding	12,392	12,620
Capital expenditure		
Hutt river improvements	2,072	2,137
Otaki and Waikanae river improvements	1,795	1,831
Wairarapa rivers improvements	1,087	1,121
Other flood protection	497	513
Capital project expenditure	5,451	5,602
Land and buildings	-	-
Plant and equipment	8	79
Vehicles	104	265
Total capital expenditure	5,563	5,946

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. Proposed updates include reducing fees for low budget and low impact filming activities, 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. More information on the proposed changes to the Parks Concessions Guidelines can be found towards the back of this document or on the GWRC website www.gw.govt.nz/have-your-say

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

7. Financials

Parks prospective funding impact statement for the year ending 30 June

FINANCIAL INFORMATION

PARKS

PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2013/14 Plan \$000s	2013/14 LTP \$000s
Sources of operating funding		
General rate	5,248	5,415
Targeted rates	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	61	51
Fines, infringement fees, and other receipts ¹	836	637
Total operating funding	6,145	6,103
Applications of operating funding		
Payments to staff and suppliers	4,597	4,312
Finance costs	300	312
Internal charges and overheads applied	859	950
Total applications of operating funding	5,756	5,574
Surplus/(deficit) of operating funding	389	529
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	529	552
Gross proceeds from asset sales	12	65
Total sources of capital funding	541	617
Applications of capital funding		
Capital expenditure		
- 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	-	-
Total applications of capital funding	930	1,146
Surplus/(deficit) of funding	-	-
Depreciation on Parks assets	711	674

¹ 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
Operating funding		
Parks Planning	290	257
Visitor Services	5,855	5,823
Protecting the environment of regional parks	-	23
Total operating funding	6,145	6,103
Applications of operating funding		
Parks Planning	290	257
Visitor Services	5,472	5,338
Protecting the environment of regional parks	(6)	(21)
Total Applications of Operating Funding	5,756	5,574
Capital expenditure		
Battle Hill Farm Forest Park	5	5
Belmont Regional Park	29	30
Queen Elizabeth Park	538	555
Whitireia Park	69	71
Pakuratahi Forest	50	52
Akatarawa Forest	36	37
Wainuiomata Recreation Area	31	32
Kaitoke Regional Park	38	39
East Harbour Regional Park	84	87
Capital project expenditure	880	908
Land and buildings	-	0
Plant and equipment	12	12
Vehicles	38	226
Total capital expenditure	930	1,146

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:

- 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 subscribed to \$1.86 million shares in the LGFA. The LGFA has been set up to assist local authorities to access wholesale debt at better rates than they could expect on their own. GWRC will source term debt requirements from the LGFA and anticipates we will receive an annual dividend on our investment once the LGFA becomes fully established. 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 an 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 2013/14 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 certainly 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 by June 2012. 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 the Plan for more details on the Wellington Regional Strategy.

Westpac Stadium

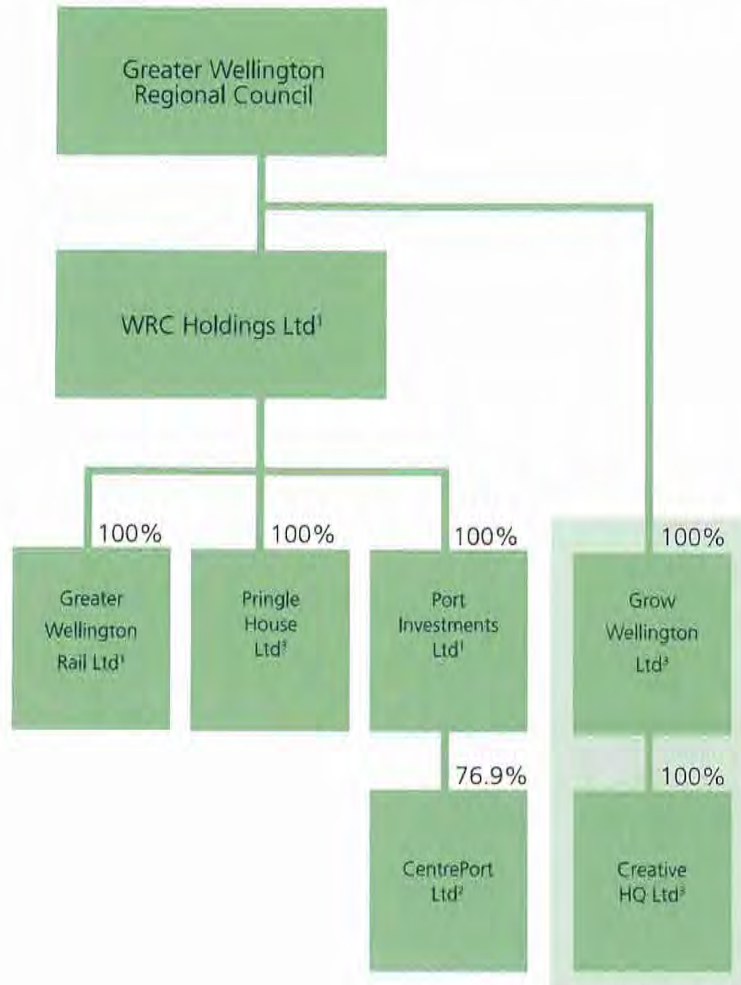
The Westpac Stadium is a regional facility which provides a high-quality, multi-purpose venue for sporting and cultural events.

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)

¹ Council-Controlled Trading Organisation in accordance with the Local Government Act 2002

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

³ 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 Limited 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 appropriate¹
- 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	(880)	1,317	49,749
Net profit/ (deficit) after tax	1,411	15,424	35,773
Earnings before interest, tax and depreciation	38,570	60,660	90,963
Return on total assets	1.4%	4.3%	7.4%
Return on shareholders' funds	(1.4)%	4.3%	7.4%
Stakeholders equity in total assets	51.6%	51.8%	54.4%
Dividends	1,489	1,739	1,681

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

¹ 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 %	1,489	1,739	1,681
Return on equity ¹	(2.3)%	3.3%	1.8%
Return on assets ²	1.5%	6.7%	4.5%

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 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 loss of \$482,500 before any loss or sale or revaluation is not exceeded in 2013/14

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. No provision has been made in the Long-Term Plan for proceeds from the sale due to the degree of uncertainty.

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
- 43 - 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.

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

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

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 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.

GWRC has budgeted expenditure of \$142 million over the next three years to replace the Ganz Mavag units with a second tranche of Matangi units. These new Matangi units are expected to be introduced into service over the period January – December 2015. 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 – 2022

- (i) Percentage of fleet available for service – 90%
- (ii) Average condition ratings for buildings and structures – 2.7/5.0³
- (iii) Average condition rating for car parks – 2.6/5.0³

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 ¹	(4.5)%	2.2%	11.2%
Return on assets ²	(3.1)%	1.5%	8.2%

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	1,587	1,841	1,854
Dividend distribution %	100%	100%	100%
Return on equity ¹	67.2%	78.0%	78.6%
Return on assets ²	7%	7.7%	7.8%

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

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

³ 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

CentrePort Limited	2013/14	2014/15	2015/16
Net Profit Before Tax (\$m)	\$14.1	\$15.4	
Net Profit After Tax (\$m)	\$10.2	\$11.1	
Return on Total Assets	8.3%	8.6%	
Return on Port Assets	9.6%	10.0%	
Return on Property Assets	6.4%	6.3%	
Return on Equity	4.6%	4.8%	
Dividend distribution a percentage of NPAT	40%-60%	40%-60%	
Dividend (\$m)	4.5	4.9	
Interest Cover Ratio	3.4 times	3.4 times	
Gearing ration	41%	41%	

- Return on total assets is the net profit before interest, tax and depreciation (EBITDA) divided by the average total assets
- Return on port assets is net rental income divided by the value of investment property
- Return on equity is the net profit after tax divided by the average equity
- Interest cover ratio is EBITDA divided by Interest Expenses (excluding any payments on Mandatory Convertible Note deferred equity instruments)
- Gearing ratio is Total Tangible Assets divided by Total Liabilities

Environmental performance targets

- Develop and maintain a formal environmental management system consistent with the standards specified in AS/NZS ISO 14001: 2004
- Formally review, at least annually, the company's compliance with all environmental legislation, district and regional plans and conditions of resource consents held
- Maintain a sustainability programme with measurable performance criteria covering, as a minimum, the monitoring of waste and greenhouse gas emissions
- Undertake the monitoring of environmental discharges in accordance with implemented management plans in the areas of:
 - Port noise
 - Stormwater discharges to the Coastal Marine Area
 - Fumigants associated with the pest treatment of cargoes
- Monitor compliance of the use of Methyl Bromide for the fumigation of log shipments and work collaboratively with Greater Wellington and Crown

- agencies to investigate alternative fumigation options
- Maintain an environment issues register of environmental complaints and issues for monitoring and actioning purposes. The register to be reported to CentrePort's Health, Safety and Environmental Committee on a regular basis (the committee meets four times per annum)
- Measure CentrePort's carbon footprint on an average tonnage and ship call basis, benchmark the footprint against similar entities, and develop a plan to reduce that footprint to zero
- CentrePort Ltd will hold a minimum of three Environmental Consultative Committee meetings in 2012/13 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

- Contribute to the desired outcome of the Wellington Regional Strategy through:
 - The provision of workplace opportunities and skills enhancements of our employees
 - Ensuring the regional economy is connected by the provision of high quality port services to support international and coastal trade
 - Supporting the regional community by investing in community sponsorship
- Maintain 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
- Annual review of Health and Safety Policy
- Maintain compliance with the International Ship & Port Security (ISPS) Code which promotes security against terrorism within the port environment
- Undertake risk assessments and implement any mitigating procedures relating to the Port & Harbour Safety Code which promotes safety and excellence in marine operations
- To meet regularly with representative community groups
- 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

- 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
Sources of operating funding		
General rate ¹	(12,098)	(11,169)
Targeted rates	2,676	2,677
Subsidies and grants for operating purposes	-	-
Fines, infringement fees, and other receipts ^{2,3}	41,257	56,669
Total operating funding	31,835	48,177
Applications of operating funding		
Payments to staff and suppliers	9,713	13,127
Finance costs	10,877	11,051
Internal charges and overheads applied	237	324
Total applications of operating funding	20,827	24,502
Surplus/(deficit) of operating funding	11,008	23,675
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	2,903	9,696
Gross proceeds from asset sales	26	33
Total sources of capital funding	2,929	9,729
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	404	417
- to replace existing assets	76	6,458
Increase / (decrease) in investments ²	9,181	23,624
Increase / (decrease) in reserves	4,276	2,905
Total applications of capital funding	13,937	33,404
Surplus/(deficit) of funding	-	-
Depreciation on Investment assets	612	303

¹ 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.

² Other receipts and increase / (decrease) in investments include internal income from public transport. This is used to fund the rail infrastructure, the new Matangi trains carried out by the 100% Council-Controlled Trading Organisation, Greater Wellington Rail Ltd. The funds recovered are utilised for an equity injection into Greater Wellington Rail Ltd to enable Greater Wellington Rail Ltd to fund Greater Wellington's share of the upgrades.

Investment in Greater Wellington Rail Ltd	8,381	21,985
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³ 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	17,518	17,015
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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

	2013/14 Plan \$000s	2013/14 LTP \$000s
NET CONTRIBUTION TO GENERAL RATES FROM INDIVIDUAL INVESTMENTS		
Liquid financial deposits	1,450	1,451
WRC Holdings	2,364	3,632
Treasury management	8,191	7,484
Other Investments and Property	93	(1,398)
Total contribution to general rates	12,098	11,169

**NET CONTRIBUTION
TO GENERAL RATES FROM
INDIVIDUAL INVESTMENTS**
Liquid financial deposits
WRC Holdings
Treasury management
Other Investments and Property
Total contribution to general rates

All figures on this page exclude GST

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

2013_14 Annual Plan

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 Greater Wellington does not impact significantly on its activities.

Risk: There are major changes to key legislation significantly changing our activities or funding arrangements, or making Greater Wellington 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". Greater Wellington makes contingencies for emergency events. The likelihood of an emergency event of a scale and impact beyond what Greater Wellington 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 2013. Greater Wellington is responsible for these prospective financial statements, including the appropriateness of the assumptions and other disclosures. Greater Wellington's planning processes are governed by the Local Government Act 2002 (the Act). The Act requires Greater Wellington to prepare a Long-Term Plan every three years and an Annual Plan, which updates the Long-Term Plan by exception, in the intervening years.

This is Greater Wellington'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 Greater Wellington reasonably expected to occur as at 26th February 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 Greater Wellington's overall forecast financial position. The assumptions are reasonably expected based on the information available at the time the Annual Plan was prepared.

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Non-financial assumptions - continued

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

Greater Wellington offices

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

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

Level of uncertainty: medium

Financial assumptions:

Inflation

Assumption: Greater Wellington 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: Greater Wellington 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	3.00%
Fixed rate	5.4%
Internal interest rate	7.0%

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

2013_14 Annual Plan

Financial assumptions - continued

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 central government

Assumption: Funding assistance will be provided by Crown agencies, primarily the NZ Transport Agency, at the following levels (percentage of cost):

Operation funding assistance rates	
Rail services	50%-60%
Bus and ferry services	50%
Total Mobility	60%
Infrastructure maintenance and operations	50%-60%
Studies and strategies	57%
Network and asset management (road safety)	57%
Community programme	47%
Improvement projects funding assistance rates	
Real-time information system	80%
Electronic/integrated ticketing	50%
Rail projects	50%-90%

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 over the term of this Annual Plan.

Level of uncertainty: medium

Fuel prices

Assumption: Greater Wellington has entered into a number of bus contracts to supply public transport services. Included in these contracts are cost indices requiring Greater Wellington to 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 2012/13 the cost of oil is assumed to be US\$95 per barrel (WTIs) and the NZ/US exchange rate is assumed to be \$0.75.

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 \$0.4 million.

Emissions Trading Scheme

Assumption: Greater Wellington has been awarded emissions credits for its Pre-1990 forests and post-1989 forests. Greater Wellington 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

2013_14 Annual Plan

Financial assumptions - continued

Balanced budget requirement

The Council has resolved under Section 100 (2) of the Local Government Act 2002 not to balance its operating budget in 2013/14. The reasons for these budget deficits are due to the accounting treatment of the purchase and funding of capital assets such as passenger rail rolling stock and station upgrades that will be owned by the Greater Wellington subsidiary Greater Wellington Rail Limited.

This is caused by:

- The Crown's full share of the costs for the Greater Wellington's rail rolling stock and station upgrades is granted directly to Greater Wellington Rail Limited as the upgrade is undertaken, whereas the Crown's revenue is only received as the debt repayment and finance costs are incurred. Therefore, when grants are paid out to Greater Wellington Rail Limited for the refurbishment or replacement of Rail Assets the funding shortfall is met by debt, resulting in operational deficits.
- In future years the revenue for debt repayments creates operational surpluses as there is no grant expenditure relating to that income, just debt repayment and finance costs.

Greater Wellington is of the opinion that it is appropriate to debt fund this expenditure as it relates to the improvement of the public transport assets owned by Greater Wellington's subsidiary and it is not equitable to recover these costs immediately from current ratepayers.

Statement of significant accounting policies

1. Reporting entity

Greater Wellington is a regional local authority governed by the Local Government Act 2002. It has not presented group prospective financial statements because it believes that the parent prospective financial statements are more relevant to users.

The main purpose of prospective financial statements in the Long-Term Plan is to provide users with information about the core services that Greater Wellington intends to provide ratepayers, the expected cost of those services and, as a consequence, how much Greater Wellington requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that Greater Wellington obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented.

For the purposes of financial reporting, Greater Wellington 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 Greater Wellington have been prepared in accordance with the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). 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

Greater Wellington receives government grants from NZ Transport Agency, which subsidises part of Greater Wellington'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 Greater Wellington'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 Greater Wellington'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 Greater Wellington 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 assets¹
- 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).

¹ Rail rolling stock and stations are owned by Greater Wellington Rail Ltd

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.

Recoverable amount

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

Value in use

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

Forestry investments

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

Financial instruments

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

Financial assets

Greater Wellington's financial assets are categorised as follows:

- Financial assets at fair value accounted through the 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 Greater Wellington's share of the net assets of the entity. Upon sale, the cumulative fair value gain or loss previously recognised directly in equity, is recognised in the 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 Greater Wellington has the intention and ability to hold to maturity. After initial recognition they are recorded at amortised cost using the effective interest method. Gains and losses when the asset is impaired or settled are recognised in the 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

Greater Wellington 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, Greater Wellington does not hold or issue derivative financial instruments for trading purposes. Derivatives are accounted for as trading instruments. Derivative financial instruments are initially recognised at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. For those instruments that do not qualify for hedge accounting, the gain or loss on 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 Greater Wellington would receive or pay to terminate the swap at balance date, based on current interest rates. The fair value of forward exchange contracts is their quoted market price at the balance date.

Financial guarantee contracts

A financial guarantee contract is a contract that requires Greater Wellington 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 Greater Wellington 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 Greater Wellington 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 Greater Wellington has any material foreign currency risk, it will be managed by derivative instruments to hedge the currency risk. Transactions in foreign currencies are translated at the foreign exchange rate 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. Greater Wellington belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

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

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

Overhead allocation and internal transactions

Greater Wellington allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of Greater Wellington is treated as an internal banking activity. Any surplus generated is credited directly to the 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 Greater Wellington'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 Greater Wellington and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within Greater Wellington.

The components of equity are accumulated funds 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 Greater Wellington invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of Greater Wellington and the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise 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 Greater Wellington.

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
OPERATING REVENUE			
General rates	27,468	27,171	29,105
Targeted rates	62,790	67,205	70,633
Regional rates	90,258	94,376	99,738
Water supply levy	24,888	25,635	25,884
Government subsidies	77,500	68,389	73,278
Interest and dividends	4,448	4,750	5,105
Other operating revenue	23,575	22,452	25,521
Total external operating revenue	220,669	215,602	229,526
OPERATING EXPENDITURE			
Personnel costs	38,905	40,782	39,954
Grants and subsidies	78,260	86,182	78,798
Finance costs	8,173	8,358	10,432
Depreciation	12,673	14,359	13,300
Other operating expenses	54,917	54,473	59,545
Total external operating expenditure	192,928	204,154	202,029
Operating surplus before transport improvement grants ¹	27,741	11,448	27,497
Transport improvement grants ¹	43,173	23,048	50,454
Operating surplus / (deficit) before other items	(15,432)	(11,600)	(22,957)
Other fair value changes	3,610	3,372	2,782
Operating surplus / (deficit) for the year	(11,822)	(8,228)	(20,175)
Other comprehensive income			
Asset Revaluations	0	0	44,788
Increases / (decreases) in revaluations ²	0	0	44,788
Total comprehensive income / (deficit) for year	(11,822)	(8,228)	24,613

¹ As part of the Wellington Rail Package 2011, 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 expenditure is treated as operational expenditure in Greater Wellington's accounts as the underlying assets will mostly be owned by the Greater Wellington subsidiary Greater Wellington Rail Limited. This has the effect of creating an operational deficit which is funded by debt in accordance with Greater Wellington's Revenue and Financing policy.

² 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
Total opening ratepayers' funds	693,243	788,557	681,421
Total comprehensive income / (deficit) for year	(11,822)	(8,228)	24,613
Movement in ratepayers funds for year	(11,822)	(8,228)	24,613
Closing ratepayers' funds	681,421	780,329	706,034
Components of ratepayers funds			
Opening accumulated funds	368,121	389,334	360,473
Total comprehensive income / (deficit) for year	(11,822)	(8,228)	24,613
Movements in other reserves	4,172	4,241	(41,910)
Movement in accumulated funds for year	(7,650)	(3,987)	(17,297)
Closing accumulated funds	360,471	385,347	343,176
Opening other reserves	21,553	20,202	17,381
Movements in other reserves	(4,172)	(4,241)	(2,878)
Movement in ratepayers funds for year	(4,172)	(4,241)	(2,878)
Closing other reserves	17,381	15,961	14,503
Opening asset revaluation reserves	303,569	379,021	303,567
Movements in revaluation reserve ¹	-	-	44,788
Movement in asset revaluation reserve for year	-	-	44,788
Closing asset revaluation reserve	303,569	379,021	348,355
Closing ratepayers' funds²	681,421	780,329	706,034

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

² 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	2013/14	2013/14
	Budget	Plan	LTP
	\$000s	\$000s	\$000s
ASSETS			
Cash and other equivalents	46,643	34,315	48,204
Investments (current)	-	-	-
Other current assets	35,788	46,746	42,259
Current assets	82,431	81,061	90,463
Investments (non-current)	39,209	39,169	41,041
Forestry investments	23,366	23,633	23,996
Investment in subsidiary	80,142	83,217	102,127
Property, plant and equipment	688,442	771,677	745,084
Non-current assets	831,159	917,696	912,248
Total assets	913,590	998,757	1,002,711
RATEPAYERS' FUNDS			
Retained earnings	360,471	385,347	343,176
Reserves	320,950	394,982	362,858
Total ratepayers' funds	681,421	780,329	706,034
LIABILITIES			
Debt (current)	26,721	26,721	26,721
Other current liabilities	49,922	31,099	49,922
Current liabilities	76,643	57,820	76,643
Debt (non-current)	155,526	160,608	220,034
Non-current liabilities	155,526	160,608	220,034
Total liabilities	232,169	218,428	296,677
Total equity and liabilities	913,590	998,757	1,002,711

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
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash is provided from:			
Regional rates	90,258	94,376	99,738
Water supply levy	24,888	25,635	25,884
Government subsidies	77,500	68,389	73,278
Interest and dividends	4,448	4,750	5,105
Fees, charges and other revenue	23,575	22,452	25,521
	220,669	215,602	229,526
Cash is disbursed to:			
Interest	8,533	8,358	10,433
Payment to suppliers and employees	214,333	203,320	233,342
	222,866	211,678	243,775
Net cash flows from operating activities	(2,197)	3,924	(14,249)
CASHFLOWS FROM INVESTING ACTIVITIES			
Cash is provided from:			
Sale of property, plant and equipment	455	210	414
Cash is applied to:			
Purchase of property, plant and equipment	29,625	15,317	25,567
Investment additions	14,855	8,381	21,985
	44,480	23,698	47,552
Net cashflows from investing activities	(44,025)	(23,488)	(47,138)
CASHFLOWS FROM FINANCING ACTIVITIES			
Cash is provided from:			
Loan funding ¹	63,640	39,279	78,346
Cash is applied to:			
Debt repayment	10,886	13,905	15,398
Net cashflows from financing activities	52,754	25,374	62,948
Net increase/(decrease) in cash and cash equivalents	6,532	5,810	1,561
Opening cash and cash equivalents ²	40,111	28,505	46,643
Closing cash and cash equivalents²	46,643	34,315	48,204

¹ As part of the Wellington Rail Package 2011, 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.

² Closing cash and cash equivalent balances 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

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

	2012/13 Budget \$000s	2013/14 Plan \$000s	2013/14 LTP \$000s
REGIONAL RATES			
Regional Leadership - excluding Warm Greater Wellington targeted rate	10,624	10,381	11,201
Public transport	47,512	49,878	53,547
Environment	19,977	20,717	20,804
Flood Protection and Control Works	14,397	14,491	14,863
Parks	5,171	5,248	5,415
Investments ¹	(8,676)	(9,424)	(8,492)
Total Rates excluding Warm Greater Wellington targeted rate	89,005	91,291	97,338
Regional Leadership - Warm Greater Wellington targeted rate	1,253	3,085	2,400
Total regional rates	90,258	94,376	99,738
CAPITAL EXPENDITURE			
Environment	749	376	556
Public transport ²	2,001	732	4,559
Water supply	14,907	5,184	4,604
Parks	927	930	1,146
Flood Protection and Control Works	7,445	5,563	5,946
Regional Leadership	932	1,377	841
Investments	721	480	6,875
Other	1,943	675	1,040
Total capital expenditure	29,625	15,317	25,567
Public Transport Improvements	43,173	23,048	50,454
Total Capex and improvements	72,798	38,365	76,021

¹ Investment returns reduce the requirement for rates

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

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.
- Rerudget 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	Deposits	Withdrawals	Closing Balance
		Jul-13 \$000s	\$000s	\$000s	Jun-14 \$000s
Area of benefit reserves					
Public transport reserve	Any funding surplus or deficit relating to the provision of public transport services is used only on subsequent public transport expenditure	5,386	185	(3,361)	2,210
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	84	(256)	1,642
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy Implementation is used only on subsequent Wellington Regional Strategy expenditure	-	-	-	-
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	787	(260)	6,558
Land management reserves	Any funding surplus or deficit relating to the provision of targeted land management schemes is used only on subsequent land management expenditure	954	79	(10)	1,023
Contingency reserves					
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	67	-	1,402
Rural fire reserve	To help manage the costs of rural fire equipment.	61	3	-	64
Special Reserves					
Election reserve	To manage the variation in costs associated with the election cycle	251	7	(233)	25
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	4,070	175	(1,508)	2,737
Total Reserves		20,202	1,387	(5,628)	15,961

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	1,008	1,089
Public transport	96,920	106,780	139,632
Water supply	59,404	62,426	61,601
Parks	4,291	4,660	4,843
Flood Protection and Control Works	47,939	51,629	50,734
Stadium	9,680	7,700	7,700
Forestry	31,792	32,051	32,760
Regional leadership	14,844	19,646	19,556
Property and investments	1,139	2,616	8,973
Corporate systems	1,898	3,603	2,332
Total activities debt	269,135	292,119	329,220
Treasury internal funding ¹	(86,888)	(104,790)	(82,465)
Total external debt	182,247	187,329	246,755
External debt (current)	26,721	26,721	26,721
External debt (non-current)	155,526	160,608	220,034
Total external debt	182,247	187,329	246,755

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

**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
Greater Wellington operations			
Sources of operating funding			
General rates	27,468	27,171	29,105
Targeted rates	62,790	67,205	70,633
Subsidies and grants for operating purposes	75,354	67,389	70,344
Interest and dividends from investments	4,448	4,750	5,105
Fees, charges, and targeted rates for water supply	3,140	3,522	3,175
Fines, infringement fees, and other receipts ¹	45,323	44,565	48,230
Total operating funding	218,523	214,602	226,592
Applications of operating funding			
Payments to staff and suppliers	214,693	203,319	227,549
Finance costs	8,173	8,358	10,432
Other operating funding applications	-	-	-
Total applications of operating funding²	222,866	211,677	237,981
Operating surplus/(deficit)	(4,343)	2,925	(11,389)
Sources of Capital Funding			
Subsidies and grants for capital expenditure	2,146	1,000	2,934
Increase / (decrease) in debt	48,582	21,133	60,069
Gross proceeds from asset sales	455	210	414
Total Sources of Capital Funding	51,183	22,343	63,417
Applications of Capital Funding			
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	5,202	11,629
Increase / (decrease) in investments	21,948	15,357	30,542
Increase / (decrease) in reserves	(4,733)	(5,406)	(4,081)
Total Applications of Capital Funding	46,840	25,268	52,028
Surplus/(Deficit) of Capital Funding	-	-	-
Depreciation on council assets	12,673	14,359	13,300
Water Supply Levy¹	24,888	25,635	25,884

¹This 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 Greater Wellington rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities. Set out below are the definitions used to allocate rating units into rating categories.

Category 1 – rates based on capital or land value

Location	Use	Description
Wellington city	Wellington city Downtown city centre business ¹	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
Lower Hutt city	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
Porirua city	Porirua city business	All rating units classified as business in the rating information database for Porirua city
	Porirua city residential	All rating units classified as residential in the rating information database for Porirua city
	Porirua city urban	All Porirua city residential and Porirua city business rating units
	Porirua city rural	All rating units classified as rural in the rating information database for Porirua city
Upper Hutt city	Upper Hutt city business	All rating units classified as business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city residential	All rating units not classified as rural, business or utilities in the rating information database for Upper Hutt city
	Upper Hutt city urban	All Upper Hutt city business and Upper Hutt city residential rating units
	Upper Hutt city rural	All rating units classified as rural in the rating information database for Upper Hutt city
Kāpiti Coast district	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
Masterton district	Masterton district urban	All rating units not classified as rural in the rating information database for the Masterton district
	Masterton district rural	All rating units classified as rural in the rating information database for the Masterton district
Carterton district	Carterton district urban	All rating units not classified as rural in the rating information database for the Carterton district
	Carterton district rural	All rating units classified as rural in the rating information database for the Carterton district
South Wairarapa district	South Wairarapa district urban	All rating units not classified as rural in the rating information database for the South Wairarapa district
	South Wairarapa district rural	All rating units classified as rural in the rating information database for the South Wairarapa district
	Greytown ward	All rating units classified in the rating area of the Greytown ward in the rating information database for the South Wairarapa district
	Greytown urban	All rating units classified in the urban area of Greytown in the rating information database for the South Wairarapa district. (Prefaced Nos 18400 and 18420)
	Featherston urban	All rating units classified in the urban area of Featherston in the rating information database for the South Wairarapa district. (Prefaced Nos 18440 and 18450)
Tararua district		All rating units classified as being within the boundaries of the Wellington region

¹ See map on page 161 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 Greater Wellington's Masterton office (see back cover).

Category 3 – Lower Wairarapa Valley Development scheme rate

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

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

Category 4 – Warm Greater Wellington rate

The Warm Greater Wellington rate is a targeted rate set on properties that have benefited from the installation of clean heat or insulation provided by Greater Wellington in respect of the property. The rate is calculated as a percentage of the service amount 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
Wellington city	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
Lower Hutt city	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
Porirua city	Porirua city business	As per differential category 1
	Porirua city residential	As per differential category 1
	Porirua city rural	As per differential category 1
Upper Hutt city	Upper Hutt city business	As per differential category 1
	Upper Hutt city residential	As per differential category 1
	Upper Hutt city rural	As per differential category 1
Kāpiti Coast district	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
Masterton district	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
Carterton district	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
South Wairarapa district	South Wairarapa district business	All rating units classified as commercial in the South Wairarapa district rating information database
	South Wairarapa district residential	All rating units classified as urban in the South Wairarapa district rating information database
	South Wairarapa district rural	As per differential category 1
Tararua district		As per differential category 1

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
Targeted rates				
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 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 Greater Wellington's general rate.

Greater Wellington uses an "estimate of projected valuation" under section 131 of the Local Government (Rating) Act 2002 to recognise that valuation dates vary across the region.

¹ "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner, or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

General rate	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Wellington city	0.02630	13,187,522
Lower Hutt city	0.02751	4,688,611
Upper Hutt city	0.02742	1,767,167
Porirua city	0.02724	2,113,840
Kapiti Coast district	0.02708	2,772,405
Masteron district	0.02748	1,220,295
Carterton district	0.02784	537,510
South Wairarapa district	0.02749	864,765
Taranua district ¹	0.02735	1,703
Total general rate		27,173,818

Targeted rate: River management based on capital value	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Wellington city	0.00011	51,359
Lower Hutt city	0.01678	2,859,904
Upper Hutt city	0.00900	580,061
Porirua city	0.00057	44,369
Kapiti Coast district	0.01391	1,424,489
Carterton district	0.00101	19,555
Total district-wide river management rate		4,979,737
Greytown ward	0.01876	83,011
Total river management rates based upon capital value		5,062,748

Targeted rate: River management based on land value	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Featherston urban: Donalds Creek Stopbank	0.00242	2,170
Total river management rates based upon land value		2,170

Total river management rates		5,064,918
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Note:

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

Note that all figures on this page exclude GST

Targeted rate: Transport	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Wellington city		
Downtown city centre business	0.25582	18,941,568
Urban	0.02941	11,364,232
Rural	0.00758	41,431
Lower Hutt city		
Urban	0.05154	8,641,284
Rural	0.01321	36,819
Upper Hutt city		
Urban	0.05558	3,199,288
Rural	0.01427	98,299
Porirua city		
Urban	0.06188	4,459,150
Rural	0.01579	83,773
Kapiti Coast district		
Urban	0.02528	2,175,189
Rural	0.00660	107,661
Masteron district		
Urban	0.00960	209,615
Rural	0.00276	61,717
Carterton district		
Urban	0.01623	96,654
Rural	0.00437	58,415
South Wairarapa district		
Urban	0.01952	185,647
Rural	0.00511	115,910
Total transport rate		49,877,652

Targeted rate: Warm Greater Wellington Based on extent of service provided	2013/14 Percentage of service provided	2013/14 Revenue sought \$
For any ratepayer that utilises the service	15.000%	3,085,000

PAGE

Rates funding impact statement

Targeted rate: Stadium purposes	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Wellington city		
Business	0.00508	549,874
Residential	0.00293	1,031,783
Rural	0.00142	7,780
Lower Hutt city		
Business	0.00381	138,198
Residential	0.00288	379,962
Rural	0.00221	6,154
Upper Hutt city		
Business	0.00213	21,139
Residential	0.00239	114,255
Rural	0.00078	5,352
Porirua city		
Business	0.00343	33,180
Residential	0.00248	165,196
Rural	0.00071	3,746
Kapiti Coast district		
Urban	0.00137	118,002
Rural	0.00071	11,506
Masterton district		
Urban	0.00178	39,334
Rural	0.00063	14,162
Carterton district		
Urban	0.00175	10,436
Rural	0.00062	8,295
South Wairarapa district		
Urban	0.00203	19,266
Rural	0.00045	10,168
Total stadium-purposes rate		2,675,788

Note:

¹ 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: Economic development (EDA)	2013/14 \$ per rating unit	2013/14 Cents per \$ of rateable capital value	2013/14 Revenue sought \$
Wellington city			
Downtown city centre business		0.01061	785,893
Business		0.01061	364,095
Residential – per rating unit	\$14.00		960,414
Rural – per rating unit	\$28.00		20,104
Lower Hutt city			
Business		0.01031	368,474
Residential – per rating unit	\$14.00		498,120
Rural – per rating unit	\$28.00		13,384
Upper Hutt city			
Business		0.01024	101,840
Residential – per rating unit	\$14.00		199,724
Rural – per rating unit	\$28.00		30,912
Porirua city			
Business		0.01022	98,638
Residential – per rating unit	\$14.00		230,006
Rural – per rating unit	\$28.00		16,632
Kapiti Coast district			
Business		0.01016	118,192
Residential – per rating unit	\$14.00		281,106
Rural – per rating unit	\$28.00		73,304
Masterton district			
Business		0.01031	38,041
Residential – per rating unit	\$14.00		107,282
Rural – per rating unit	\$28.00		99,596
Carterton district			
Business		0.01044	10,468
Residential – per rating unit	\$14.00		29,400
Rural – per rating unit	\$28.00		53,172
South Wairarapa district			
Business		0.01031	16,993
Residential – per rating unit	\$14.00		40,292
Rural – per rating unit	\$28.00		74,284
Tararua district – per rating unit	\$28.00		252
Total economic development rate			4,630,818

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Targeted rate:		2013/14	2013/14
River management schemes 1		\$ per hectare	Revenue sought \$
Waingawa	A	121.13409	4,205
	B	78.74505	9,989
	C	60.57966	6,704
	D	54.52068	102
	E	48.56388	8,361
	F	42.49409	1,072
	G	18.25469	917
	H	12.19046	2,058
			33,408
Upper Ruamahanga	A	114.94295	10,569
	B	95.78578	634
	C	76.62870	9,524
	D	57.47215	1,012
	E	38.31435	11,409
	F	19.15718	766
	S	1,079.32413	1,619
			35,533
Middle Ruamahanga	A	109.38600	4,863
	B	90.48272	4,941
	C	72.38624	370
	D	54.28965	6,722
	E	36.19296	1,706
	F	18.09648	5,359
	S	1,095.00093	1,862
			25,823
Lower Ruamahanga	A	50.57012	6,467
	B	43.34580	2,370
	C	36.12148	7,901
	D	28.89727	9,574
	E	21.67295	7,122
	F	14.44853	17,738
	SA	1,268.02991	3,170
	SB	634.01526	1,014
			55,356

Rates funding impact statement

Targeted rate:		2013/14	2013/14
River management schemes 1		\$ per hectare	Revenue sought \$
Waiohine – rural	A	42.47267	4,771
	B	35.54077	13,488
	C	28.43259	36,288
	D	21.32451	7,739
	E	14.21627	11,555
	S	710.81516	9,170
			83,011
Mangatarere	A	30.91514	663
	B	29.57099	6,198
	C	25.05846	393
	D	22.17827	1,593
			8,883
Upper Mangatarere	A	8.75232	609
	B	6.57181	114
	C	4.39038	210
			933
Waipoua	A	105.36210	9,263
	B	84.29057	21,284
	C	63.21780	1,407
	D	42.14523	11,799
	SA	3,561.27341	356
	SC	2,128.33494	213
			44,322

Note that all figures on this page exclude GST

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Targeted rate:		2013/14	2013/14
River management schemes 1		\$ per hectare	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
			10,920
Lower Tauaru	A	3,50375	1,423
	B	0,70040	197
	C	0,35020	66
	S	175,06794	213
			1,899
Lower Whangapehu	A	15,99971	540
	B	12,79960	859
	C	9,59939	524
	D	6,40063	494
	E	3,20011	568
	S	79,99413	106
			3,091
Total river management scheme rates 1			303,179

Rates funding impact statement

Targeted rate:		2013/14	2013/14	2013/14
River management schemes 2		\$ per dwelling ¹	\$ per point	Revenue sought
				\$
Lower Wairarapa valley	A		0,19767	571,027
Development scheme	Sa	15,45000		5,964
	Sb	30,90000		61,522
Total river management scheme rates 2				638,513
Total river management scheme rates				941,692

¹ "Separately used or inhabited part" (dwelling) includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. To avoid doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part (dwelling)

Note that all figures on this page exclude GST

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Targeted rate: Catchment schemes 1		2013/14 \$ per hectare	2013/14 Revenue sought \$
Whareama	A	4.34420	2,873
	B	1.67110	1,209
	C	0.29260	12,800
	D	0.25050	5
	E	0.20960	1
	F	0.16730	468
			17,356
Homewood	A	1.42250	3,363
	B	1.35700	605
	C	1.18590	3,953
	D	0.16940	296
			8,217
Maungaraki	A	0.86700	3,022
	B	0.40800	1,236
			4,258
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
			2,084
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
			3,584
Catchment management scheme 1 rates			35,499

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 area	0.00355	2,718
Catchment management scheme 2 rates			12,518
Targeted rate: Catchment schemes 3		2013/14 \$ per dwelling ¹	2013/14 Revenue sought \$
Awhea-Opouawe	Charge per dwelling	\$114.54 / \$57.27	8,820
Maungaraki	Charge per dwelling	\$593.03	593
Mataikona-Whakataki	Charge per dwelling	\$15.30	1,867
Catchment management scheme 3 rates			11,280
Targeted rate: Catchment schemes 4		2013/14 Cents per metre of river frontage	2013/14 Revenue sought \$
Maungaraki	River frontage	0.04080	1,139
Catchment management scheme 4 rates			1,139
Total catchment management scheme rates			60,436

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Targeted rate:			
Pump drainage schemes		2013/14	2013/14
		\$ per hectare	Revenue sought
			\$
Papatahi	A	78,28730	27,563
Te Hopai	A	74,77870	92,000
Moonmoot pump	A	77,62690	18,000
Oncke pump	A	140,26310	95,800
Pouawhia pump	A	76,69810	68,952
Total pump drainage scheme rates			302,315

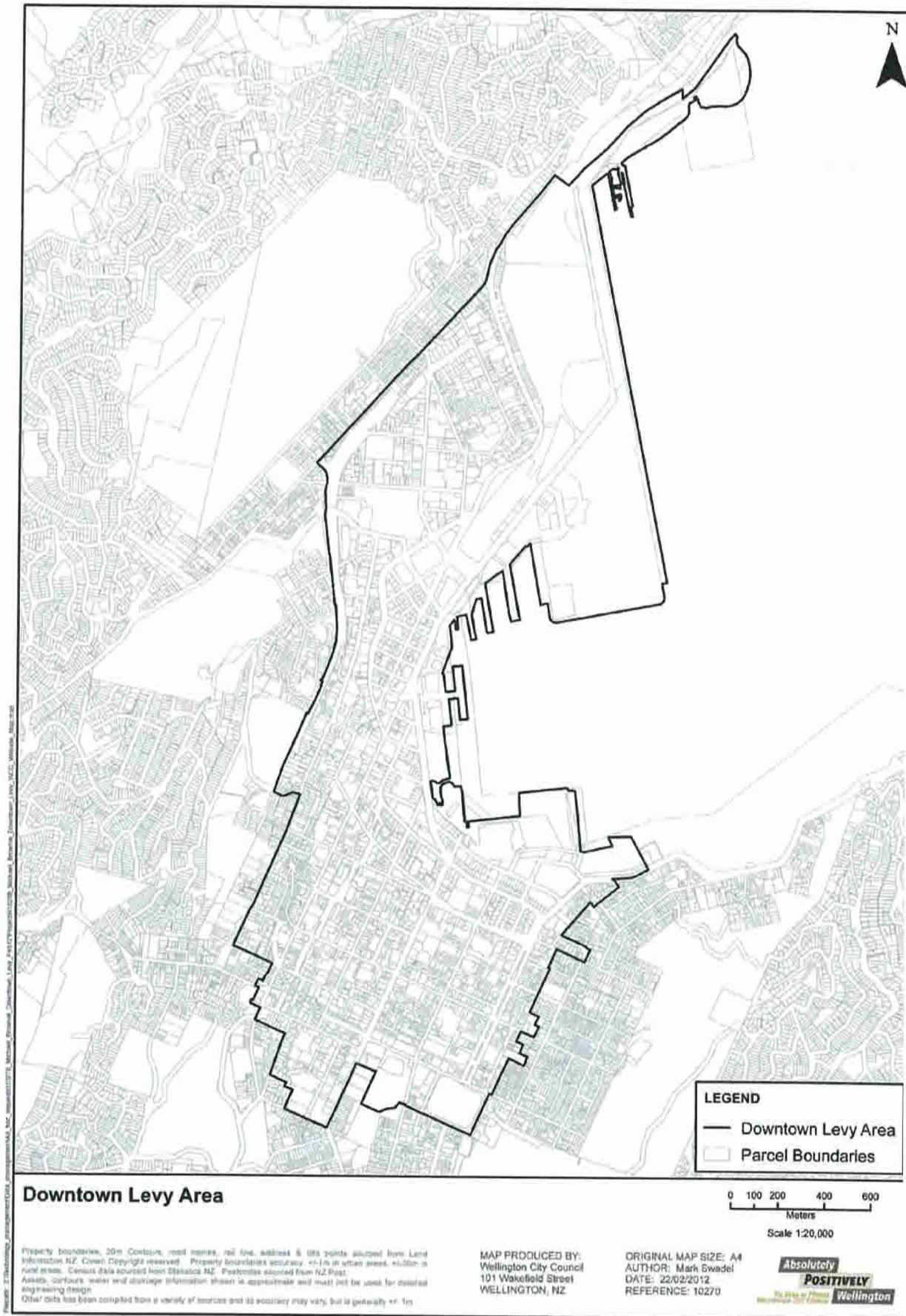
Targeted rate:			
Bovine Tb		2013/14	2013/14
		\$ per hectare	Revenue sought
			\$
Land area in defined operational plans			
Land area of 4 or more hectares in control areas		0.54070	283,926
Total bovine Tb rate			283,926

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

Note that all figures on this page exclude GST

Targeted rate:			
Gravty drainage schemes		2013/14	2013/14
		\$ per hectare	Revenue sought
			\$
Okawa	A	2,71510	785
Taunata	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
Ballersea	A	15,32370	2,573
	B	12,68730	2,354
	C	9,89630	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
Total gravty drainage scheme rates			42,590

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

Amendments to policies

Proposed Resource Management Charging Policy 2013

Greater Wellington has reviewed its Resource Management Charging Policy. This policy sets out a regime for resource management charges for the Wellington region including:

- Resource consent application charges
- Consent monitoring charges
- Charges for not complying with a rule in a regional plan or the Resource Management Act 1991
- Charges for providing information in relation to plans and resource consents
- Application charges for changing a plan or the Regional Policy Statement

The charges in the Policy are made either under section 36 of the Resource Management Act 1991 or section 150 of the Local Government Act 2002. The charges are consistent with Greater Wellington's Revenue and Financing Policy.

The review has resulted in some key proposed changes to the Policy including:

- Changes to our charge-out rate for providing resource management services. The current flat rate of \$110/hour will change to \$100/hour (administration services), \$115/hour (consent processing services) and \$130/hour (technical or science expert services).
- Changes to state of the environment monitoring charges for all consent types. Due to the potential significant increases, it is proposed to phase in charges over a four year period.

Minor changes to some compliance monitoring charges to reflect changes brought about by central government regulations and current best practice

A full copy of the Proposed Resource Management Charging Policy 2013 and the Statement of Proposal can be viewed at www.gw.govt.nz/have-your-say, Greater Wellington Regional Council's Wellington or Masterton Office, or at your local library.

Proposed Parks Concession Guidelines

Greater Wellington has reviewed its Parks and Forests Concession Guidelines (Concession Guidelines). This policy sets out a regime for concessions charges for the Parks and Forests including:

- Rationale for charging fees
- Types of charges for permits, leases, licences and easements and how these are calculated
- Information about how fee waivers may apply
- Monitoring of concessions and bonds

The charges in the Concession Guidelines are made under Section 150 of the Local Government Act 2002, which allows local authorities to recover costs for concessions. The charges are consistent with Greater Wellington's Revenue and Financing Policy June 2006.

The review has resulted in some key changes to the Concession Guidelines including:

- Charges for processing leases, licences and easements
- More flexibility in charges for low impact filming
- Changes to the fee charges for camping and firewood permits

A full copy of the Proposed Parks Concession Guidelines and the Statement of Proposal can be viewed at www.gw.govt.nz/have-your-say, Greater Wellington Regional Council's Wellington or Masterton Office, or at your local library.

Part 7

Regional Councillors and submission form

Regional Councillors

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How to have your say

- **Visit our website** www.gw.govt.nz/have-your-say to view a copy of the full draft Annual Plan 2013/14, the Statement of Proposal for the Proposed Resource Management Charging Policy (2013) and the Proposed Parks Concession Guidelines
- **Write a submission.** Use the submission form on the next page, send an online submission via our website or write a letter to us at Greater Wellington Regional Council, draft Annual Plan submissions 2013/14, Freepost 3156, PO Box 11646, Wellington 6142

The Council will hold hearings for any submitters who wish to speak.

Submissions are due by 4pm, Friday 26 April 2013

Copies of the full draft Annual Plan 2013/14, the Proposed Resource Management Charging Policy 2013 and the Proposed Parks Concession Guidelines are available from:

- www.gw.govt.nz/have-your-say
- Greater Wellington Regional Council offices – 142 Wakefield Street, Wellington and 34 Chapel Street, Masterton
- All libraries and local council offices
- Or by phoning Greater Wellington Regional Council – 0800 496 724

Proposed Resource Management Charging Policy (2013) Please give us your feedback on this proposed policy

Please tick if you want to present your views on the Proposed Resource Management Charging Policy in person to a hearing committee

Proposed Parks Concession Guidelines Please give us your feedback on this proposed policy

Please tick if you want to present your views on the Proposed Parks Concession Policy in person to a hearing committee

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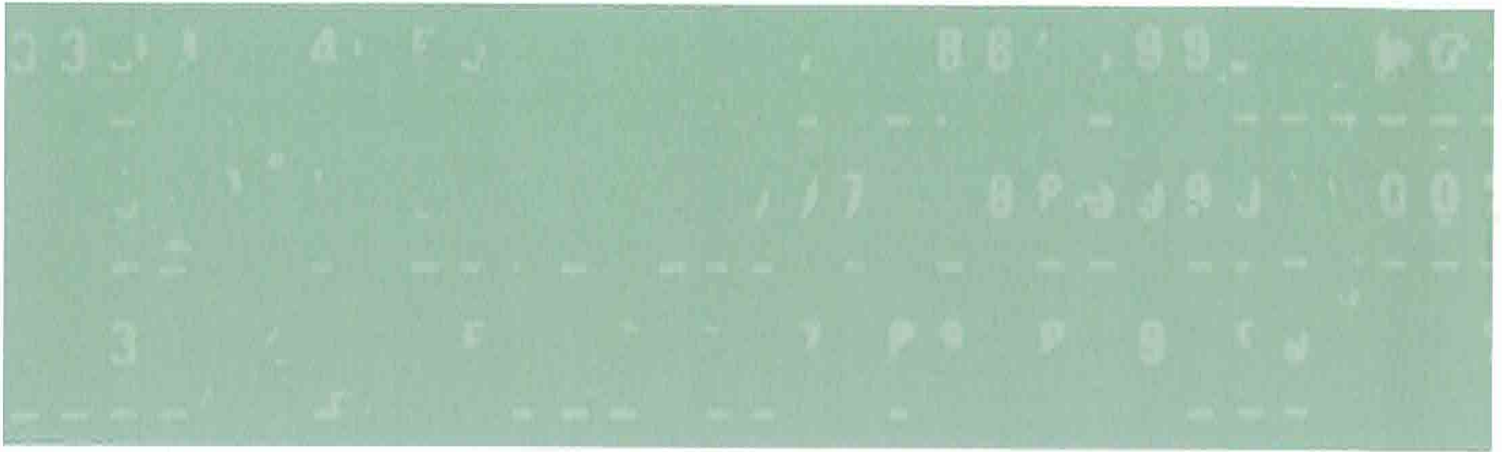
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Greater Wellington Regional Council
Draft Annual Plan submissions 2013/14
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PO Box 11646
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Water, air, earth and energy – elements in Greater Wellington’s logo that combine to create and sustain life. Greater Wellington 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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