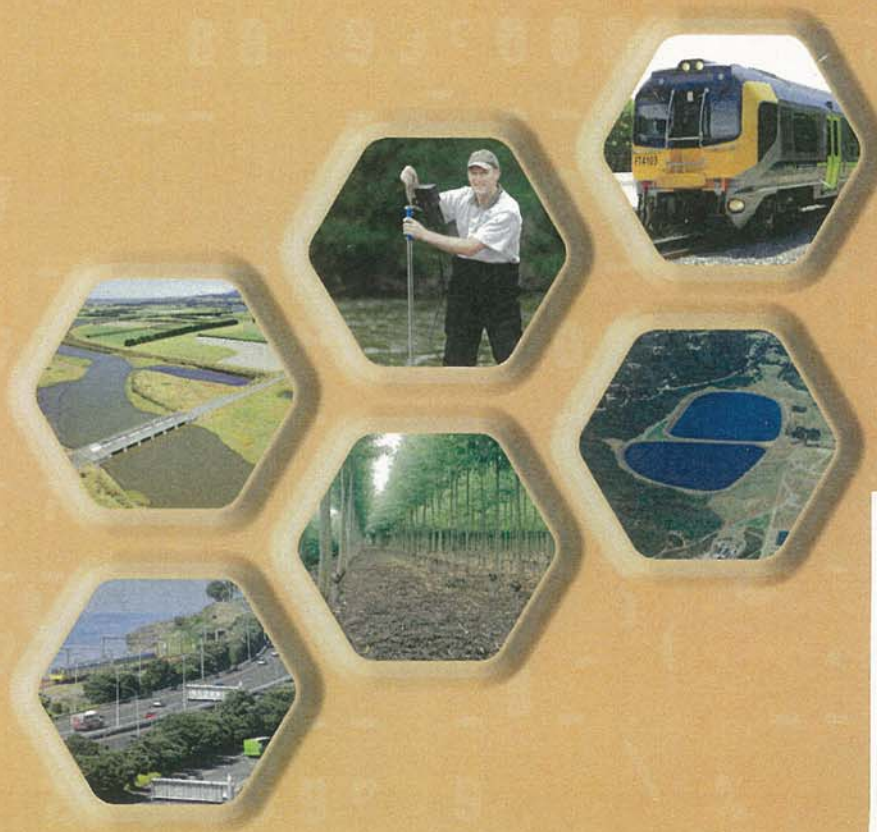


The Greater Wellington Regional Council promotes **Quality for Life** by ensuring our environment is protected while meeting the economic, social and cultural needs of the community

GREATER WELLINGTON REGIONAL COUNCIL Annual Plan 2014/15

Annual Plan 2014/15

Greater Wellington Regional Council



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Cover photos

Top 1-r: **Flood protection** (Barrage Gates, South Wairarapa), **environment** (water flow monitoring), **Metlink public transport** (Matangi train)

Bottom 1-r: **Transport planning** (road and rail infrastructure planning), **land management** (poplars at Akura Conservation Centre), **water supply** (Stuart Macaskill Lakes, Te Marua)

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Part 1

Overview

Introduction

This Annual Plan outlines the key projects for the 2014/15 financial year. If you live in Wellington, Lower Hutt, Upper Hutt, Porirua, Kapiti Coast, Masterton, Carterton or South Wairarapa, the Greater Wellington Regional Council provides you with a range of services.

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

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

Chair's message

This Annual Plan sets out Greater Wellington Regional Council's work programmes over the next financial year and has significant focus on public transport, environmental protection and the enhancing of resilience.

Although the Council has had to make some big decisions regarding the future of the region, through careful management and improved performance the forecast rates increase for the year has been lower than anticipated.

The Regional Public Transport Plan, which has been released in conjunction with this Plan, sets out our proposals to ensure the region has a modern, low emission and reliable public transport network to reaffirm Wellington as the national leader in public transport.

Over the next year we will continue planning for an integrated, seamless public transport system incorporating all modes of travel making it easier to move around the region. This will include detailed planning for a Bus Rapid Transit (BRT) system for Wellington City providing a quicker and more reliable system, and dramatically drastically reducing congestion and emissions along the Golden Mile between the Wellington Railway Station and Courtney Place.

The immediate good news for public transport users is that reduced costs and better than expected passenger numbers have resulted in zero fare increases for 2014/15. This is a direct dividend from the significant investment Council has put into rail over the last five years.

We are also undertaking other significant improvements to the bus network and are entering into new contracts with operators. The next few years will see us start to move towards a lower emissions bus fleet, with a goal of moving to a totally electric future.

In the Environment space, the introduction of Whatua Committees, or catchment zone committees, will also be a major focus of the regional council over the next 12 months. The first one, the Ruamahanga Whatua Committee, has been set up in Wairarapa and we are now working on the next two in other parts of the region.

Whatua Committees are designed to take a whole-of-catchment approach to water and land use to ensure that our waterways are protected. By bringing together local councils, community, interest groups and iwi, the committees ensure all angles are being looked at when decisions are made regarding how we use and protect our natural assets.

The committees and the low emissions bus fleet are in line with Council's focus on considering the effects of climate change. The public debate about climate change has broadened, with the Intergovernmental Panel on Climate Change (IPCC) reporting earlier in 2014 that the impacts of climate change are evident on every continent of the world and that most communities are ill-prepared to deal with the potential consequences.

As a council we have long understood the potential risk of climate change and have been mitigating them to ensure vital infrastructure such as flood protection is in place to keep our communities safe from the effects of rising water levels and wild weather.

In this respect, the Wellington Region Emergency Management Office (WREMO) has proven its worth over the last 12 months, responding to the 2013 Wellington earthquakes and storms that barraged the region in the middle of last year.

Being prepared in advance is important. In another initiative, WREMO has offered affordable and easy-to-install water tanks for sale to help residents cope during any natural disasters. This year our Council will also start a feasibility study into installing a cross-harbour water pipe between Petone and Wellington to provide a secondary water-flow source for the southern and eastern parts of Wellington City.

The management of the metro area water supply has also been earmarked as a major work stream over the next financial year, with a proposal for a shared services model for the delivery of water services. We are looking at combining GWRC's bulk water supply services with that of Capacity, the company owned by local councils and that delivers the water locally.

Ties with local city and district councils could also to be strengthened with a proposal to combine the region's economic development agencies (including Grow Wellington which we fund through a regional rate) into a regionally focused organisation – the Wellington Regional Economic Development Agency (WREDA). We will be consulting on this shortly.



Cutting rights for Greater Wellington Regional Council's metropolitan and Wairarapa reserve forests have been sold, providing certainty over the harvesting of our forests and sale funds in excess of the council's forestry debt. This has been a significant help with our financial situation and has enabled the council to set up a self-insurance fund for above-ground infrastructure. The Council retains ownership of the forestry land and recreational activities will continue in the forests in accordance with our parks network plan, with tree harvesting on weekends and public holidays continuing to be restricted. Strong environmental protection provisions are also included in the contract.

This Annual Plan provides a multitude of other activities, some with enhanced service delivery. Despite this, we have managed to keep the increase in overall rates income we need to 5.7% rather than the 6.1% suggested in the Draft Annual Plan - and significantly reduced from the 10.4% predicted in the Long Term Plan.

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

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

A handwritten signature in black ink, appearing to read 'Fran Wilde'. The signature is fluid and cursive.

Fran Wilde
Chair

Greater Wellington Regional Council'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 wellbeing 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 the Strategy and Policy committee (a committee of the whole), with a small number of additional committees to oversee more technical areas including 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) and 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 (a joint partnership 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 improve the Wellington region's wellbeing. 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.

Our community outcomes were originally derived from a set of common outcomes that were developed in 2006 by drawing together outcomes from all the councils in the Wellington region. These were consulted on as part of the development of the Wellington Regional Strategy – the sustainable economic growth strategy for the region.

In 2010, changes were made to the requirements regarding community outcomes in the Local Government Act, which now requires community outcomes to focus on the things that the GWRC has the capacity and influence to achieve. The community outcomes outlined below reflect these new requirements but are derived from the outcomes previously agreed as part of the Wellington Regional Strategy.

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 2012/13 reports on progress towards them.

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 (p24), environment (p51), public transport (p34), water supply (p44) and flood protection and control works (p62).

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 (p24) and public transport (p34).

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 (p24), water supply (p44) and flood protection and control works (p62).

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 (p51), parks (p70), public transport (p34), regional leadership (p24), water supply (p44) and flood protection and control works (p62).

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 (p24), water supply (p44), parks (p70), environment (p51) and flood protection and control works (p62).

Emerging issues for 2014/15

In our Long Term Plan 2012-22 (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 2014/15 year, and include:

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

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

- A changing legislative framework, with amendments to the Local Government Act 2002, Resource Management Act 1991 and Land Transport Management Act 2003, with further amendments to both the Local Government Act 2002 and the Resource Management Act 1991 proposed
- Discussion on local government reform in the Wellington region, with the Local Government Commission considering several applications for reorganisation
- A renewed focus on the regional shared services programme

These issues are explored further below:

Changing legislative framework

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

The purpose of local government was 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, GWRC considered all of its activities in light of the new role and amended its decision-making procedures to ensure that they remain compliant with the Local Government Act 2002.

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

New Financial Prudence Regulations have also come into effect that require councils to disclose specified financial benchmarks in their annual and long-term plans and to report performance against benchmarks in their annual reports.

Further changes to the Local Government Act 2002 are proposed in 2014, including:

- Enabling wider consideration of the local board model as an option for local government reform
- Encouraging more collaboration and shared services between local authorities
- Making consultation requirements more flexible
- Providing for a new significance and engagement policy
- Enabling more efficient and focused consultation on long-term plans and annual plans
- Removing unnecessary duplication between annual plans and long-term plans
- Introducing new requirements for infrastructure strategies and asset management planning
- Enabling elected members to use technology to participate in council meetings rather than attending in person
- Requiring councils to disclose information about their rating bases in long-term plans, annual plans and annual reports
- Requiring disclosure of risk management arrangements for physical assets in annual reports

The Resource Management Act 1991 (RMA) was amended in 2013 to include:

- New and clearer information requirements for all resource consent applications
- A new six-month timeframe for decision-making on resource consent applications that are notified and limited notified (130 and 100 working days respectively)
- Changes to improve the accessibility of the direct referral process and to introduce an investment threshold for projects
- Changes to section 32 of the RMA to improve the evaluation of effects of objectives, policies and rules
- Changes to provisions relating to the blanket protection rules for trees
- Changes to section 360 of the RMA to allow regulations to be made requiring local authorities to monitor environmental data to inform better decision-making
- Minor and technical changes to improve the workability of the RMA.

A further phase of reforms to the RMA is under consideration. Key elements of the proposal include:

- Clearer national direction and tools
- Single, local resource management plans that address future environmental and development priorities and cover all local, regional and national issues – replacing the range of planning documents we have today
- Simpler, faster and fewer resource consents
- Māori interests and values to be considered earlier in resource management planning processes with solutions developed upfront
- Comprehensive management of natural hazards in planning and consenting
- Housing affordability addressed through explicit attention being paid to this issue in plans and changes to consenting arrangements to drive down their cost and improve their timeliness

The work programme also incorporates freshwater management reform, including changes to the National Policy Statement on Freshwater.

In December 2013 the Government included Wellington city, Hutt Valley, Porirua city and Kapiti Coast districts into Schedule 1 of the Housing Accords and Special Housing Area Act 2013. Under this legislation, councils are encouraged to work with the Government to identify areas with housing supply and affordability issues and develop mechanisms to streamline planning processes for housing developments.

The Land Transport Management Amendment Act 2013 has made significant changes to national and regional transport planning processes, streamlined membership of Regional Transport Committees, made changes to decision-making criteria and consultation processes and introduced of the Public Transport Operating Model.

Local government reform in Wellington

Local government reform was a major focus in the last triennium and will continue to be a hotly debated topic throughout the 2014/15 year.

The Local Government Commission is presently considering options for local government reform for the Wellington region following formal applications from the combined Wairarapa councils and Greater Wellington Regional Council. An update from the Local Government Commission is expected in June 2014. However, a draft decision is unlikely until later in 2014.

Shared services

In the interim, local authorities in the Wellington region are pursuing a shared services agenda in four common interest areas:

- ICT back office services
- Economic development
- Spatial planning
- Water services

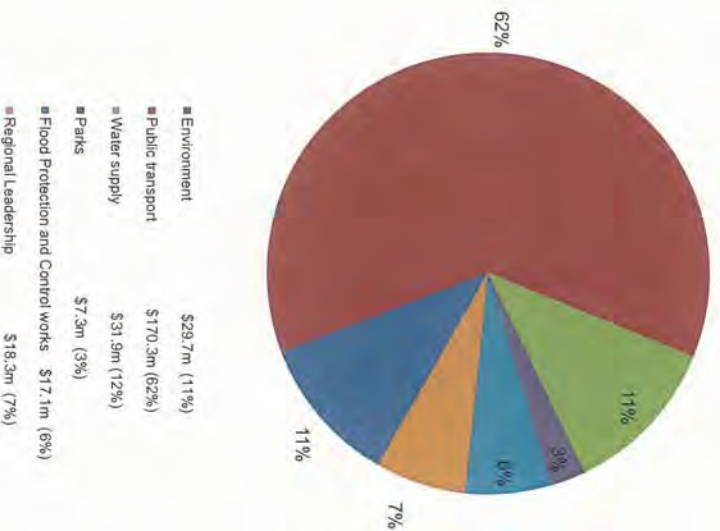
Councils are working together to develop more efficient and effective practices in each of these four areas.

Part 2

Financial summary

2014/15 REVENUE AND EXPENDITURE

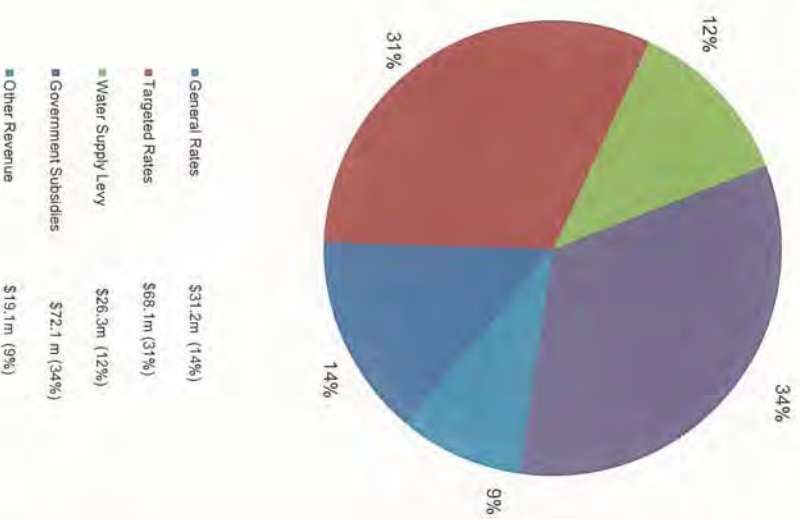
GWRC'S
GROSS EXPENDITURE 2014/15



All figures exclude GST

Greater Wellington is planning \$21 million of capital expenditure, \$47 million of transport improvements and \$200 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 62% of the total work programme for 2014/15.

GWRC'S
GROSS REVENUE 2014/15



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 45% of Greater Wellington's total revenue for 2014/15. Government subsidies (primarily for funding public transport services and the extensive public transport rail network upgrade) make up a further 72% and the water supply levy (charged to the Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 12%. The remaining 9% of revenue is from other external sources.

SUMMARY OF RATES AND LEVIES

This table shows the rates and levies for Greater Wellington Regional Council in 2014/15, together with the changes from 2013/14. Rates comprise the general rate and various targeted rates. Greater Wellington Regional Council 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 total rate increase in regional rates for 2014/15 is 5.7%. The water supply levy, which is charged to the four metropolitan city councils is proposed to increase by 2.5% over 2013/14. When the water supply levy is included, Greater Wellington Regional Council's overall increase is 5.0%.

	2013/14	2014/15	Change \$000s	Change %
	Budget \$000s	Plan \$000s		
By rate and levy type:				
General rates	28,476	31,171	2,695	
Targeted rates:				
Region wide targeted rates:				
River management rates	4,826	5,079	253	
Transport rates	48,736	50,864	2,128	
Stadium rates	2,676	2,676	-	
WRS rates	4,631	4,633	2	
Specific area targeted rates:				
Bovine Tb rates	284	284	-	
Possum / Predator rates	240	348	108	
South Wairarapa district – river rates	88	90	2	
Wairarapa scheme and stopbank rates	1,347	1,395	48	
Total targeted rates ¹	62,828	65,369	2,541	
Total regional rates	91,304	96,540	5,236	5.7%
Water supply levy	25,635	26,276	641	2.5%
Total regional rates and levies ¹	116,939	122,816	5,877	5.0%
Warm Wellington rates ²	3,029	2,742		
Total rates and levies	119,968	125,558		

All figures on this page exclude GST

Figures labelled "2013/14 Budget" are sourced from Greater Wellington Regional Council's 2013/14 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 Greater 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 Regional Council'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:	2013/14	2014/15	Change	
	Budget	Plan		
	\$000s	\$000s	\$000s	
Wellington city	47,404	49,962	2,558	
Lower Hutt city	17,455	18,399	944	
Upper Hutt city	6,099	6,606	507	
Porirua city	7,194	7,561	367	
Kapiti Coast district	7,126	7,584	458	
Masterion district	1,838	1,927	89	
Carterton district	847	898	51	
South Wairarapa district	1,380	1,484	104	
Taranua district ¹				
Region-wide rates ²	89,345	94,423	5,078	
Bovine Tb rate	284	284	-	
Possum / predator rates	240	348	108	
South Wairarapa district – river rates	88	90	2	
Wairarapa scheme and stopbank rates	1,347	1,395	48	
Total regional rates	91,304	96,540	5,236	5.7%
Water supply levy				
Wellington City Council	13,730	14,082	352	
Hutt City Council	6,527	6,717	190	
Upper Hutt City Council	2,433	2,475	42	
Porirua City Council	2,945	3,002	57	
Water supply levy	25,635	26,276	641	2.5%
Total regional rates and levies ³	116,939	122,816	5,877	5.0%
Warm Wellington rate ⁴	3,029	2,742		
Total rates and levies	119,968	125,558		

All figures on this page exclude GST

Notes:

Figures labelled "2013/14 Budget" are sourced from Greater Wellington Regional Council's 2013/14 Annual Plan.

¹ 11 rural properties in the Taranua 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

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 WHAT IS THE IMPACT ON YOUR CITY OR DISTRICT?

2014/15 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	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Wellington city	\$152.32	\$166.69	\$0.57	\$0.62	\$149.78	\$150.52	\$15.02	\$14.92	\$317.68	\$332.75
Lower Hutt city	\$106.45	\$116.62	\$59.32	\$64.74	\$184.20	\$197.53	\$10.62	\$10.64	\$360.59	\$389.53
Upper Hutt city	\$96.14	\$106.18	\$29.85	\$31.26	\$180.51	\$194.65	\$8.02	\$8.02	\$314.52	\$340.12
Porirua city	\$108.65	\$118.59	\$2.16	\$2.05	\$227.17	\$233.41	\$9.44	\$9.32	\$347.41	\$363.37
Kapiti Coast district	\$104.35	\$114.12	\$50.21	\$51.19	\$90.58	\$96.36	\$5.05	\$5.01	\$250.18	\$266.69
Masterlon district	\$68.85	\$74.48	\$0.00	\$0.00	\$22.03	\$20.54	\$4.23	\$4.23	\$95.11	\$99.26
Carterton district	\$66.88	\$76.45	\$2.39	\$2.64	\$35.29	\$37.34	\$3.85	\$4.09	\$108.41	\$120.52
South Wairarapa district	\$78.98	\$82.29	\$0.00	\$0.00	\$51.74	\$53.04	\$5.52	\$5.30	\$136.24	\$140.63

	Average value of residential property in each city or district		Total Region-wide ¹ per average valued residential property excluding WRS rate		WRS rate ² per residential property		Total Region-wide ¹ rates per average residential property including WRS rate	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Wellington city	\$516,953	\$516,191	\$317.68	\$332.75	\$14.00	\$14.00	\$331.68	\$346.75
Lower Hutt city	\$371,550	\$373,335	\$360.59	\$389.53	\$14.00	\$14.00	\$374.59	\$403.53
Upper Hutt city	\$335,569	\$339,830	\$314.52	\$340.12	\$14.00	\$14.00	\$328.52	\$354.12
Porirua city	\$385,128	\$386,698	\$347.41	\$363.37	\$14.00	\$14.00	\$361.41	\$377.37
Kapiti Coast district	\$348,359	\$371,479	\$250.18	\$266.69	\$14.00	\$14.00	\$264.18	\$280.69
Masterlon district	\$240,497	\$241,689	\$95.11	\$99.26	\$14.00	\$14.00	\$109.11	\$113.26
Carterton district	\$234,383	\$242,008	\$108.41	\$120.52	\$14.00	\$14.00	\$122.41	\$134.52
South Wairarapa district	\$266,728	\$266,538	\$136.24	\$140.63	\$14.00	\$14.00	\$150.24	\$154.63

All figures on this page exclude GST

Notes:

Figures labelled "2013/14 Budget" are sourced from Greater Wellington Regional Council's 2013/14 Annual Plan.

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

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 2014/15. For example, if you live in Wellington city and have a residential property with a capital value of \$500,000 your indicative regional rates are \$336.35 plus GST @ 15% = \$386.80

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

	2014/15 Region-wide 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 2014/15 ¹
Wellington city	\$64.47	x		+ 100,000	\$14.00	=	
Lower Hutt city	\$104.34	x		+ 100,000	\$14.00	=	
Upper Hutt city	\$100.09	x		+ 100,000	\$14.00	=	
Porirua city	\$93.96	x		+ 100,000	\$14.00	=	
Kapiti Coast district	\$71.79	x		+ 100,000	\$14.00	=	
Masterton district	\$41.07	x		+ 100,000	\$14.00	=	
Carterton district	\$49.80	x		+ 100,000	\$14.00	=	
South Wairarapa district	\$52.77	x		+ 100,000	\$14.00	=	
Lower Hutt city example	\$64.47	x	\$500,000	+ 100,000	\$14.00	=	\$336.35
					Including GST @ 15%	=	\$386.80

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 operating expenditure and the timing of capital expenditure, the proposed increase in regional rates income is 6.1%, which compares with the rates increase signalled in the Long Term Plan 2012-22 (LTP) for 2014/15 of 11.3%.

The key changes from the LTP include:

- The LTP provided for either the refurbishment or replacement of the Ganz Mavag trains. In 2012, Council made the decision to replace the Ganz Mavag fleet with more Matangi trains. Expenditure of \$41 million is now planned in 2014/15 compared to \$100 million projected in the LTP
- The 2014/15 capital budgets have been increased to include \$3.0 million for Park n Ride land purchased at Tawa and Petone. These items were approved by Council in 2013/14, however delays to settlement mean that they are now expected early in the 2014/15 year
- The timing of the project to introduce network-wide integrated fares and ticketing for public transport has changed. There have been delays in commencing the investigation phase, partly as a result of slower than expected completion of the Auckland integrated fares project. A business case is expected to be completed in 2014/15. If this is approved, the system is expected to be rolled out in 2016/17
- The Wairarapa Water Use Project is progressing slower than anticipated in the LTP due to the complexities of the investigations and engagement associated with such a large project. If it is decided to proceed with full feasibility investigations, they will be completed in 2015
- In 2013, Council decided to continue the successful Warm Greater Wellington scheme. As the EECA Heat Smart programme has been refocused to fully fund insulation for residents with high health needs, GWRC increased its funding limit to \$3,900 for eligible properties
- An additional \$250,000 has been budgeted to support the development of whatua committees – a collaborative approach to the management of the region's natural resources
- The timeframe for the review of the Regional Plan is slightly longer than anticipated in the LTP. Publication of the proposed Regional Plan is now scheduled for 2014/15, with finalisation likely to be in 2015/16 rather than 2014/15
- Completion of the Waiohethu Floodplain Management Plan has been delayed from 2013/14 to 2014/15, as the focus has been on the preparation of the Upper Ruamahanga Floodplain Management Plan and the Resource Consent Renewal project
- Works to stabilise the Maoribank bend (Hutt River) were planned to start in 2014/15. However, temporary works undertaken in 2012/13 have been very effective. As a consequence, the work planned for 2014/15 has been deferred to 2016/17, and other Hutt River edge protection works that have become more urgent will be completed instead
- The proposed 2014/15 budget assumed a public transport fare increase to deliver a 2% increase in revenue. Favourable financial results since Christmas, mainly due to reduced train running costs and better than expected passenger numbers, means that the fares increase is now not required
- The LTP planned a 4% increase in the water levy in 2014/15. This has been revised to a 2.5% increase due to the deferral of forecast capital expenditure for a new water source

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 implementing the region-wide economic development strategy 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 2014/15

Wellington Regional Strategy

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

Emergency management

During the two years of operation as a combined emergency response organisation, the Wellington Region Emergency Management Office (WREMO) activated on multiple occasions as a result of floods, landslips, major storms and two significant earthquakes. Our focus is on incorporating the learnings from these events into

WREMO's Group Plan and work programmes to ensure that the group can deliver upon the vision of a Resilient Community – Ready and Capable.

Democratic services

Changes to the Local Government Act 2002 and other legislation will require review of and changes to some of our processes. The focus will be on ensuring that support is provided to Councillors to enable them to effectively carry out their responsibilities.

Relationships with Māori

We will continue our relationships with the region's tangata whenua iwi. This will be done through Ara Tahi and through the work of our committees, especially Te Upoko Taiao – Natural Resource Management Committee. Our internal capability programme will continue to raise the skills and knowledge of our staff in matters of relevance to Māori.

Regional transport planning and programmes

We will integrate the Regional Land Transport Strategy, associated plans and Regional Land Transport Programme into a single regional plan, and update the policy approach and projects.

We will continue the promotion of our active and sustainable travel programmes, including our work with schools and businesses.

Following the Regional Transport Committee's decision in March 2014 on the preferred option for medium to long-term improvements to the public transport spine through Wellington city, we will finalise a Programme Business Case for a bus rapid transport system.

Regional initiatives

The Wairarapa Water Use Project will continue to progress prefeasibility investigations for a shortlisted set of possible storage sites in the Wairarapa valley. The prefeasibility studies will take most of the financial year to complete and will involve detailed technical, geological, seismic, engineering, environmental, demand and cost-benefit investigations, as well as ongoing iwi and community consultation.

We will continue to provide funding assistance for insulation through the Warm Greater Wellington scheme.

We will continue to participate in the Wellington Regional Recreation Initiatives Group.

Local government reorganisation

The Local Government Commission is considering a number of applications for reorganisation in the Wellington region, including one from ourselves. We will provide information to the Commission on request, and we will submit a submission on any draft reorganisation proposal it releases.

4. Wellington Regional Strategy

4.1 Specific areas of work for 2014/15

- 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 the performance of 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

No significant changes from the Long Term Plan.

4.3 What we will deliver

Level of service	Performance measures	Performance targets		
		2012/13	2013/14	2014/15
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	Target: 1.55%	1.55%	1.65%
	Percentage of workforce employed in highly skilled occupations	Target: 10.5% ¹ Actual: 11.3%	22.0%	22.1%
	GDP per capita	Target: \$50,363 ² Actual: \$47,790	\$56,900	\$57,750

¹ Targets have changed from the LTP 2012-22 due to different categorisations of workforce occupations in the survey.

² Target has been adjusted from the LTP 2012-22 to most recent year dollar values.

5. Emergency management

5.1 Specific areas of work for 2014/15

- Continue to implement the CDEM Group Plan, the CDEM Business Plan and the WREMO Annual Plan
- Continue to build resilience in our communities through a range of preparedness and connectedness initiatives, including the Household Emergency Rainwater Tank project
- Create a new Emergency Coordination Centre to manage the response activities across the Wellington region in a significant emergency event

5.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan.

5.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
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	Target: 75% Actual: 81%	76%	77%
	That the Wellington Region CDEM Group Plan is reviewed and kept up to date	Target: Review CDEM Group Plan Actual: New CDEM Group Plan approved June 2013	Adopt a new CDEM Group Plan	Implement CDEM Group Plan

6. Democratic services

6.1 Specific areas of work for 2014/15

- Continue to manage Council and committee meetings and advisory groups
- 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 the Long Term Plan.

6.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
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	Target: 100% Actual: 100%	100%	100%
	Percentage of residents satisfied that they have had an opportunity to participate in decision making	Target: Establish a baseline Actual: 18% of residents rate satisfaction 8-10/10 45% of residents rate satisfaction 5-7/10 33% of residents rate satisfaction 1-4/10 4% of residents were unsure how to rate	Increase on baseline	Increase on previous year

7. Relationships with Māori

7.1 Specific areas of work for 2014/15

- Provide opportunities for tangata whenua to be actively involved in decision making
- Deliver Māori capacity training to Council and staff
- Provide funding support for iwi to progress projects that have relevance to GWRC interests

7.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan.

7.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
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	Target: 90% Actual: 100% (90% response rate)	90%	95%

8. Regional transport planning and programmes

8.1 Specific areas of work for 2014/15

- Integrate the Regional Land Transport Strategy, associated plans and Regional Land Transport Programme into a single regional plan. This will include reviewing the region's transport objectives, targets and strategic approach. The plan will include a three-year programme of regional transport activities. The plan preparation process will include a public consultation process, including submissions and hearings
- Following the Regional Transport Committee's decision on the preferred option for medium to long-term improvements to the public transport spine through Wellington city, we will finalise a Programme Business Case for a bus rapid transport system
- Continue to promote active and sustainable transport options and road safety. Activities include working with schools and businesses to encourage options for journeys to work and school to reduce car travel, especially single-occupancy car trips. We will also promote active and sustainable travel to the Wellington community generally. We will continue to work with various agencies to promote safer journeys and reduce the number of fatal and injury crashes in the region

8.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan 2012-22. For accounting purposes, the budget for improvements to the public transport spine through Wellington city has been transferred from the Regional Leadership Group of activities to the Public Transport group of activities. This is to reflect that the project is moving into the implementation phase.

8.3 What we will deliver

Level of service	Performance measure	Performance targets		
		2012/13	2013/14	2014/15
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	Target: Undertake transport perceptions survey Actual: Transport perceptions survey completed in August 2012	Consult on the Regional Network Plan	Publish the monitoring report
That the Regional Land Transport Programme is reviewed and adopted				Regional Land Transport Plan adopted ³
Coordinate and deliver programmes that promote and encourage sustainable and safe transport choices	Percentage of stakeholders and partners who rate coordination services and resources satisfactory or higher	Target: 85% Actual: 89.7%	90%	95%
Mode shift in workplace and school travel plan programmes	Number of total annual visitors to selected Greater Wellington Regional Council sustainable transport web pages	Target: Increase on previous year Actual: 4,200	Increase on previous year	Increase on previous year
	Target: Programme participants increase their use of sustainable transport modes Actual: 3% increase in active model travel to school and 3% decrease in travel to school by car for primary and intermediate-age children Cycling trips for Active a2b Plus group increased from 9% to 14% Car trips for Active a2b Plus group decreased from 79% to 63%		Programme participants increase their use of sustainable transport modes	Programme participants increase their use of sustainable transport modes

³ This target has been updated as under changes to the Land Transport Management Act, the requirement is now to produce a Regional Land

Transport Plan rather than a Regional Transport Strategy and a Regional Land Transport Programme.

9. Regional initiatives

9.1 Specific areas of work for 2014/15

- Complete pre-feasibility studies for the Waitarapa Water Use Project and make a final decision as to the viability of progressing to full feasibility investigations on any possible storage sites
- Continue to support the insulation of residential homes

9.2 Key changes from Long Term Plan 2012-22

The Waitarapa Water Use Project is progressing slightly slower than anticipated in the Long Term Plan 2012-22 due to the complexities of the investigations and engagement associated with such a large project. If it is decided to proceed with full feasibility investigations, they will be completed in 2015 with a view to potentially lodging resource consent applications one to two years after this rather than in 2015/16 as originally anticipated.

In August 2013, GWRC decided to continue the successful Warm Greater Wellington scheme. As the EECA Heat Smart programme had been refocused to fully fund insulation for residents with high health needs, GWRC increased our funding limit to \$3,900 per property.

9.3 What we will deliver

Level of service	Performance measures	Performance targets		
		2012/13	2013/14	2014/15
Work with partners to investigate options for water storage and water use such as irrigation in the Waitarapa valley	That a pre-feasibility study is prepared	Target: Scheme options identification and analysis completed ⁴ Actual: Scheme options identification and analysis completed Options refinement investigations 50% complete	Pre-feasibility study continues	Pre-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	Target: 2,300 Actual: 2,486	2,300	2,000

⁴ This target was incorrectly stated in the LTP 2012-22 and has been updated.

10. Financial information

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

	2014/15 Plan \$000s	2014/15 LTP \$000s
Sources of operating funding		
General rate	5,635	7,496
Targeted rates	7,375	8,545
Subsidies and grants for operating purposes	1,433	2,463
Fees, charges, and targeted rates for water supply	3	3
Fines, infringement fees, and other receipts ¹	1,926	5,130
Total operating funding	16,372	23,637
Applications of operating funding		
Payments to staff and suppliers	15,522	21,744
Finance costs	1,132	1,349
Internal charges and overheads applied	588	812
Total applications of operating funding	17,242	23,905
Surplus/(deficit) of operating funding	(870)	(268)
Sources of capital funding		
Subsidies and grants for capital expenditure	710	666
Increase / (decrease) in debt	3,029	(1,660)
Gross proceeds from asset sales	-	-
Total sources of capital funding	3,739	(994)
Applications of capital funding		
- to meet additional demand	825	662
-to improve the level of service	195	326
- to replace existing assets	75	80
Increase / (decrease) in investments	2,240	(2,211)
Increase / (decrease) in reserves	(466)	(119)
Total applications of capital funding	2,869	(1,262)
Surplus/(deficit) of funding	-	-
Depreciation on Regional Leadership assets	392	443

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

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

	2014/15 Plan \$000s	2014/15 LTP \$000s
Operating funding		
Wellington Regional Strategy	4,649	4,967
Emergency Management	2,869	4,775
Democratic Services	1,883	2,080
Relationships with Maori	862	949
Regional transport planning and programmes	3,228	5,438
Regional Initiatives ¹	2,881	5,428
Total operating funding	16,372	23,637
Applications of operating funding		
Wellington Regional Strategy	4,633	4,967
Emergency Management	3,139	4,743
Democratic Services	1,797	2,614
Relationships with Maori	862	949
Regional transport planning and programmes	3,299	5,204
Regional initiatives ¹	3,514	5,428
Total applications of operating funding	17,242	23,905
Capital expenditure		
Capital project expenditure	1,020	988
Land and buildings	-	-
Plant and equipment	5	80
Vehicles	70	-
Total capital expenditure	1,095	1,068

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



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.

The Regional Land Transport Strategy seeks to increase peak period public transport mode share so that, by 2020, public transport accounts for at least 23 million peak period trips per annum. In 2012/13, 17.6 million peak period trips were made using public transport.

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 2014/15

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 reliability of the rail network and providing capacity in line with 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

- Implementing the new Public Transport Operating Model – a new way of contracting public transport services
- Working towards implementation of a network-wide integrated fares and ticketing system for all Metlink bus, train and harbour ferry services
- Providing public transport that is affordable for passengers and for ratepayers while managing financial risks arising from exchange rate and oil price volatility

The proposed 2014/15 budget assumed a public transport fare increase to deliver a 2% increase in revenue.

Favourable financial results since Christmas, mainly due to reduced train running costs and better than expected passenger numbers, means that the fares increase is now not required.

4. Metlink public transport network planning

4.1 Specific areas of work for 2014/15

- Commence detailed planning and design of a Bus Rapid Transit system through the Wellington City public transport spine. This work will be completed in conjunction with Wellington City Council and NZTA and will include design of the corridor, network design, vehicle specifications, infrastructure requirements and business case development
- Continue with the Hutt Valley review of public transport services
- Undertake a comprehensive review of Metlink services in Kapiti (the timing and extent of this review will be impacted by the progress of the expressway project)
- Complete minor service reviews in at least two contract areas to assist with the preparation of new Public Transport Operating Model (PTOM) contract specifications
- Continue with the operational planning of the Wellington City Bus Review/future network implementation
- Complete the business case for integrated fares and ticketing and commence implementation

4.2 Key changes from Long Term Plan 2012-22

The timing of the project to introduce network-wide integrated fares and ticketing has changed. There have been delays in commencing the investigation phase, partly as a result of slower than expected completion of the Auckland integrated fares system project. If the business case that is expected to be completed in 2014/15 is approved, the system is expected to begin rolling out in 2016/17.

4.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
Prepare and review the Regional Public Transport Plan	Regional Public Transport Plan reviewed and adopted in accordance with the Public Transport Management Act 2008	Target: 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 Actual: Changes to legislation, amendments to plan delayed until 2013/14	New Regional Public Transport Plan adopted ⁵	Regional Public Transport Plan remains operative

5. Rail operations and asset management

5.1 Specific areas of work for 2014/15

- Continue to fund rail services
- Ensure quality standards are maintained by monitoring service levels
- Continue to implement the new Public Transport Operating Model (PTOM) for the procurement of rail services
- Ensure that rail rolling stock is maintained in accordance with the rail rolling stock components of the Public Transport Asset Management Plan
- Ensure that rail station buildings, Park and Ride cars parks and other fixed assets are maintained in accordance with the rail fixed asset components of 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. A decision was made in 2012 to purchase a further 35 new Matangi trains, and the expenditure included in Annual Plan 2014/15 reflects that decision. Expenditure of \$41 million is now planned in 2014/15 compared to \$100 million projected in the Long Term Plan. The total project budget for the new trains is \$170 million.

The 2014/15 capital budgets have been increased to include \$3.0 million for Park n Ride land purchased at Tawa and Petone. These items were approved by Council in 2013/14, however delays to settlement mean that they are now expected early in the 2014/15 year.

⁵ This target has been revised since the LTP 2012-22 due to legislative changes.

5.3 What we will deliver

Level of service	Performance measure	Performance targets		
		2012/13	2013/14	2014/15
Deliver rail services in accordance with the published timetable	Percentage of scheduled services delivered ⁶	Target: 99.3% Actual: 99.2%	99.4%	99.5%
	Percentage of scheduled services on time to five minutes by line ⁷	Kapiti Line Target: Increase on baseline Actual: 94.8%	Increase on previous year	Increase on previous year
		Hutt Line Target: Increase on baseline Actual: 96.2%	Increase on previous year	Increase on previous year
		Johnsonville Line Target: Maintain baseline Actual: 92.2%	Maintain baseline (95%)	Maintain baseline (95%)
		Wairarapa Line Target: Increase on baseline Actual: 80%	Increase on previous year	Increase on previous year
Maintain and improve rail rolling stock, stations, overbridges, subways and carparks in accordance with rail asset management plans	Percentage of the required fleet that is available to operate scheduled services ⁸	Target: Increase on baseline (99.0%) by 0.1% Actual: 99.2%	99.2%	99.3%
	Average condition rating for buildings and structures (1 = very good and 5 = very poor)	Target: 2.9 Actual: 2.9	2.7	2.6
	Average condition rating for carparks (1 = very good and 5 = very poor)	Target: 2.7 Actual: 2.7	2.6	2.4

6. Bus and ferry operations and asset management

6.1 Specific areas of work for 2014/15

- Continue to fund bus and harbour ferry services
- Continue to implement the new Public Transport Operating Model (PTOM) for the procurement of bus services including the outcomes of the Wellington City Bus Review
- When service reviews are completed, implement the agreed changes to routes and timetables
- Ensure quality standards are maintained for public transport users by monitoring service levels
- Ensure that bus shelters, signage, the Lambton interchange and other fixed assets are maintained in accordance with the bus asset components of 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 Actual performance is provided by the rail operator.

⁷ Actual performance is provided by the rail operator.

⁸ This measure was incorrectly stated in the LTP 2012-22 as "Percentage of fleet available for service". The measure and associated targets have been restated to improve clarity of the intended result.

6.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
Deliver bus and ferry services in accordance with the published timetable	Percentage of scheduled services delivered ⁹	Target: ≥ 99% Actual: 99.4%	≥ 99%	≥ 99%
	Percentage of scheduled services on time to 10 minutes ¹⁰	Target: ≥ 98% Actual: 99.9%	≥ 98%	≥ 98%
Maintain and improve bus stop facilities and interchanges	Average condition score for bus shelters owned by Greater Wellington Regional Council (1 = very good and 5 = very poor)	Target: Improve condition rating score (baseline 2.8) ¹¹ Actual: 2.8	2.0	2.0
Improve the quality and accessibility of the bus fleet	Compliance with NZTA requirements for urban buses	Target: All bus operating contracts varied to comply with NZTA requirements for urban buses Actual: The variation process and negotiations with bus operators commenced May 2013 and expected to be completed by September 2013	All bus operating contracts varied to comply with NZTA requirements for urban buses	All existing contracted buses in the region meet NZTA requirements for urban buses

7. Metlink customer services and information

7.1 Specific areas of work for 2014/15

- Continue providing 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.

⁹ Actual performance is provided by the bus and ferry operator. Services that run 10 minutes or more late are deemed as not run.

¹⁰ Actual performance is provided by the bus and ferry operator.

¹¹ A more accurate condition survey has been undertaken since the LTP 2012-22, and the baseline was updated accordingly.

7.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
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	Target: 84% Actual: 81%	90%	90%
	Number of visits to the Metlink website ¹²	Target: 2 million Actual: 2.8 million	Increase on previous year	Increase on previous year
	Number of visits to the Metlink mobi website ¹³	Target: 300,000 Actual: 1.5 million	Increase on previous year	Increase on previous year
Provide a real-time information system	Percentage of bus and train services tracked by real-time information where the system has been deployed	Target: 87% Actual: 74% (actual measure was affected by systems problems)	90%	90%

8. Total Mobility

8.1 Specific areas of work for 2014/15

- Continue to fund and administer the Total Mobility scheme
- Conduct the annual customer satisfaction survey in conjunction with public transport customer satisfaction monitor

8.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan.

8.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
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	Target: ≥ 97% Actual: 99%	≥ 97%	≥ 97%
	Average time to process an application to join the scheme	Target: 15 working days Actual: Data not yet available	15 working days	15 working days

¹² Targets have been increased because the result was exceeded in 2012/13. Previously, the targets were 2.05 million in 2013/14 and 2.10 million in 2014/15.

¹³ Targets have been increased because the result was exceeded in 2012/13. Previously, the targets were 325,000 in 2013/14 and 350,000 in 2014/15.

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

	2014/15 Plan \$000s	2014/15 LTP \$000s
Sources of operating funding		
General rate	-	-
Targeted rate	50,864	62,346
Subsidies and grants for operating purposes	67,214	74,950
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	2,587	2,261
Total operating funding	120,665	139,557
Applications of operating funding		
Payments to staff and suppliers	107,326	221,181
Finance costs	6,545	11,796
Internal charges and overheads applied	3,783	3,928
Total applications of operating funding	117,654	236,905
Net surplus/(deficit) of operating funding	3,011	(97,348)
Sources of capital funding		
Subsidies and grants for capital expenditure	2,760	9,042
Increase / (decrease) in debt ²	42,212	106,358
Gross proceeds from asset sales	-	-
Total sources of capital funding	44,972	115,400
Applications of Capital Funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	4,062	17,660
- to replace existing assets	1,197	373
Increase / (decrease) in investments ²	47,433	-
Increase / (decrease) in reserves	(4,709)	19
Total applications of capital funding	47,983	18,052
Surplus/(deficit) of funding	-	-
Depreciation on Public Transport assets	1,387	1,620

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

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

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

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

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

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

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

All figures on this page exclude GST

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

	2014/15 Plan \$000s	2014/15 LTP \$000s
Operating funding		
Metlink public transport network planning	2,823	1,239
Rail operations and asset management	59,477	69,886
Bus and ferry operations and asset management	51,692	57,973
Metlink customer services and information	3,896	7,479
Total mobility	2,777	2,980
Total operating funding	120,665	139,557
Applications of operating funding		
Metlink public transport network planning	3,250	1,239
Rail operations and asset management	51,077	62,379
Bus and ferry operations and asset management	51,494	54,574
Metlink customer services and information	3,591	6,530
Total mobility	2,750	2,957
Total applications of operating funding (excluding improvements)	112,162	127,679
Improvement expenditure¹		
Rail operations and asset management	-	106,632
Bus and ferry operations and asset management	5,492	2,594
Total improvement expenditure	5,492	109,226
Total applications of operating funding (including improvements)	117,654	236,905
Net surplus/(deficit) of operating funding	3,011	(97,348)
Investments in Greater Wellington Rail Limited¹	47,433	-
Rail operations and asset management	47,433	-
Total investment expenditure	47,433	-
Capital expenditure		
New public transport shelters, signage, pedestrian facilities, land and systems	5,259	18,033
Total capital project expenditure	5,259	18,033
Vehicles	-	-
Total capital expenditure	5,259	18,033
Total investment in Public Transport Infrastructure	58,184	127,259

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

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

Where this expenditure is for assets owned by other entities, this expenditure is treated as operational expenditure. In the comparative LTP number all rail rolling stock and infrastructure expenditure was treated as improvement expenditure.

This statement is not an income statement. It excludes all non cash transactions such as depreciation and valuations. For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to the "Revenue and Financing Policy" in the 10-Year Plan 2012-22

All figures on this page exclude GST





Water supply

Water supply

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

1. Activities

Our water supply group of activities has 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 2014/15

Meeting future demand

Our policy is to maintain a security of supply standard of not less than a 2% probability of shortfall (a 1 in 50 year drought). Over the past two years, the storage volume of the Stuart Macaskill Lakes has been 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. Based on current modelling, the next major water supply development may not be needed until 2025. However, there are uncertainties around:

- How water demand will trend in the future
- Projected population changes over the next 10 to 20 years
- The allocation of water resources under the Regional Plan (currently under review)

With these uncertainties in mind, rather than embarking on costly large-scale infrastructure development as a first priority, GWRC is taking an adaptive and incremental approach that retains flexibility in the timing and choice of future development options for as long as possible. This approach also helps defer the cost of large capital development and enables GWRC to better manage its debt.

GWRC plan to purchase a block of land at Kaioko that provides a number of options for relatively low cost medium term water storage solutions. The land purchase is expected to be completed by June 2014.

Resilience

In 2012, the Wellington Lifelines Group published figures that identified timeframes for the reinstatement of the wholesale water supply following a major Wellington fault movement. The current timeframes need to be reduced to improve the speed of the region's recovery. Work to improve the resilience of the water supply is ongoing. In 2014/15, our focus is on:

- Investigating sites for possible emergency water storage
- Assessing the viability of a new pipeline across Wellington Harbour, which could deliver water from the Wainuiomata and/or Waterloo sources directly in to Wellington city
- Beginning earthquake strengthening of water supply buildings and above-ground structures (following on from previous work to strengthen pump stations and pipelines)
- Putting in place a back-up water supply control and communications system

Proposal for integrated delivery of water services

As part of the annual planning process GWRC consulted on a proposal to contract the management of its bulk water supply operation to Capacity Infrastructure Services Ltd (Capacity), become a shareholder in Capacity, and change the company name to Wellington Water Limited.

The changes would enable GWRC bulk water operations to be managed as part of a network of three waters infrastructure (water supply, waste water and storm water), together with the retail operations of Hutt City Council, Upper Hutt City Council, Porirua City Council and Wellington City Council. On-going public ownership of the bulk water infrastructure assets would be ensured and remain with GWRC, as with future funding and policy decisions. The outcome for the region is a single water management entity, with resulting efficiencies.

Following consideration of the submissions received, Council agreed to the proposal in principle subject to the details of the arrangements being agreed with the shareholding councils. It is anticipated a final decision will be made by the Council in the first quarter of 2014/15.

4. Water supply

4.1 Specific areas of work

- Identify our preferred option for a future water source
- Investigate options for emergency water storage
- Carry out a feasibility study on a cross-harbour water pipeline
- Establish a secure, high-availability network for water supply control system

4.2 Key changes from Long Term Plan 2012-22

The Long Term Plan planned a 4% increase in the water levy for 2014/15. This has been revised to a 2.5% increase. This reduction is because of the deferral of forecast capital expenditure for a new water source.

4.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
Provide water that is safe and pleasant to drink	Number of waterborne disease outbreaks	Target: 0 Actual: 0	0	0
	Number of taste complaint events related to the bulk water supply	Target: 0 Actual: 0	0	0
	Percentage compliance with the Drinking Water Standards of New Zealand	Target ¹⁴ : Microbiological and aesthetic compliance – 100% Chemical compliance – 100% Actual: 100%	100%	100%
	Treatment plant and distribution system grading	Target: Maintain current grading Actual: Current grading maintained	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	Target: 0 Actual: 0	0	0
	Improve the resilience of the wholesale water supply to catastrophic events such as earthquakes	Target: Establish a methodology for assessing improvements to the resilience of the wholesale water supply Actual: Methodology developed	Plan for and implement resilience improvements	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	Target: No greater than 2% Actual: 1.5%	No greater than 2%	No greater than 2%
	Compliance with environmental regulations	Target: Full compliance Actual: One minor technical non-compliance	Full compliance	Full compliance

¹⁴ The LTP 2012-22 incorrectly identified the baseline. Targets have been updated accordingly.

WATER SUPPLY
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2014/15 Plan \$000s	2014/15 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	27,365	29,193
Total operating funding	27,365	29,193
Applications of operating funding		
Payments to staff and suppliers	18,233	18,793
Finance costs	3,808	4,736
Internal charges and overheads applied	1,616	1,645
Total applications of operating funding	23,657	25,164
Surplus/(deficit) of operating funding	3,708	4,029
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	6,066	2,644
Gross proceeds from asset sales	76	79
Total sources of capital funding	6,142	2,723
Applications of capital funding		
Capital expenditure	-	-
- to meet additional demand	20	-
- to improve the level of service	4,790	2,407
- to replace existing assets	3,391	3,006
Increase / (decrease) in investments	1,802	1,339
Increase / (decrease) in reserves	(153)	-
Total applications of capital funding	9,860	6,752
Surplus/(deficit) of funding	-	-
¹ This includes the Water supply levy charged to Wellington, Hutt, Lower Hutt and Porirua city councils		
Water supply levy	26,276	26,919
Depreciation on Water Supply assets	12,013	9,274

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

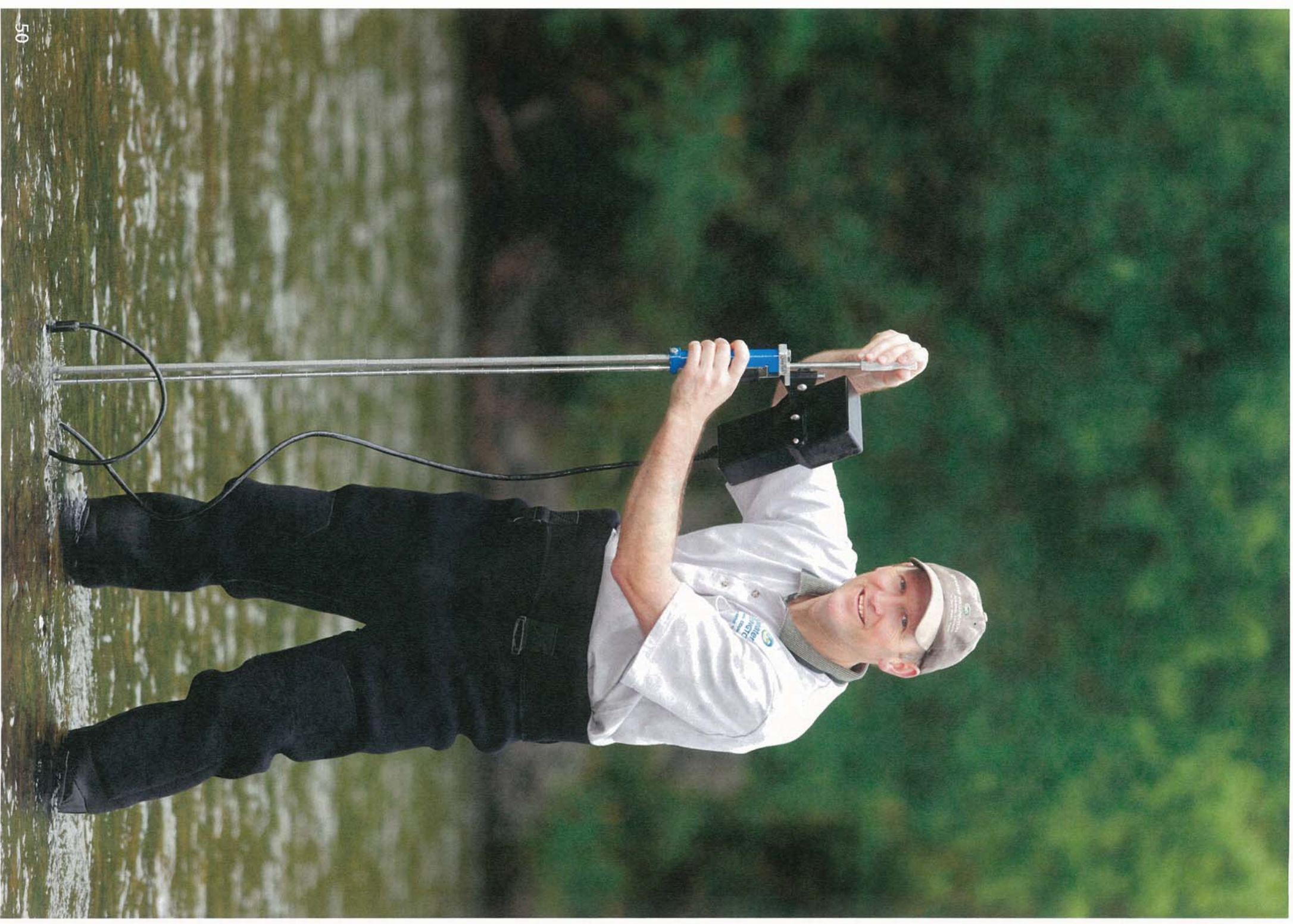
**WATER SUPPLY
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE**

	2014/15 Plan \$000s	2014/15 LTP \$000s
Operating funding		
Water Supply	27,365	29,193
Total operating funding	27,365	29,193
Applications of operating funding		
Water Supply	23,657	25,164
Total applications of operating funding	23,657	25,164
Capital expenditure		
Water sources	20	-
Water treatment plants	1,754	814
Pipelines	1,937	501
Pump stations	100	692
Reservoirs	-	160
Monitoring and control	1,459	293
Seismic protection	-	852
Other	2,610	1,751
Capital project expenditure	7,880	5,063
Land and buildings	-	-
Plant and equipment	2	86
Vehicles	319	264
Total capital expenditure	8,201	5,413

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 2014/15

Resource management

This year, the ongoing development of work around the review of the Regional Plan will continue to be a major focus. We will be working to have a full draft Regional Plan available for public feedback in mid to late 2014,

with a proposed Regional Plan potentially being finalised for formal consultation under the Resource Management Act 1991 (RMA) in early 2015.

Alongside this we will continue to establish whatia zone or catchment committees throughout the region. Over the coming year, we will see the Ruamahanga Whatia Committee become fully operational, and we will also establish another committee in the Porirua Harbour catchment, and start the planning for the third of the five committees in the Wellington Harbour/Hutt River catchment.

The provision of high-quality science advice will be critical in ensuring the success of the whatia process, and the delivery of information to the whatia committees is a critical work area for us.

Another major area of work this year will be working with the New Zealand Transport Agency and their partners as major Roads of National Significance (RONS) projects enter into their planning and construction phases. The Transimission Gully motorway and the Mackays to Peka Peka upgrades will be significant pieces of monitoring and compliance work in the coming year.

We will implement changes to processes that are required as the 2013 amendments to the RMA come into effect, and we will continue to monitor further potential changes to the RMA and other legislation that has the ability to impact on our work programme. The areas of change are potentially substantial and relate to core resource management activities such as consent processing, environmental monitoring, economic assessments of policy options and our relationship with national agencies such as the Environmental Protection Agency.

Land management

The key focus for this year will be completing the expansion at the Akura Conservation Centre and securing ongoing funding from the Ministry for Primary Industries (MPI) to cover the next five years of work in the Wellington Regional Erosion Control Initiative (WRECI). Additionally there will be a focus on both the Property Conservation Plan and Farm Environment Plan programmes, liaison with a wide range of community groups and support of the Ruamahanga Whatia.

Biodiversity management

A particular focus for 2014/15 will be work to support implementation of the Regional Policy Statement and the direction emerging in the development of the draft Regional Plan, in particular, developing a targeted programme that incentivises the protection and management of wetlands with significant biodiversity values.

Pest management

A key work programme for pest management in 2014/15 will be the continued 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 as advised by TBfree New Zealand (formerly the Animal Health Board).

4. Resource management

4.1 Specific areas of work for 2014/15

- Ongoing management of core statutory work within all statutory timeframes
- Ensuring the effective implementation of changes to processes brought about by amendments to the Resource Management Act
- Implementation of the Regional Policy Statement, which was made fully operative in 2013
- Continue to develop the Regional Plan review including ongoing community consultation with the finalisation of a draft Regional Plan mid to late 2014
- Progress the work of the Ruamahanga Whatua Committee and establish the second of these committees in the Porirua Harbour catchment, and start planning for the third of the five committees in the Wellington Harbour/Hutt River catchment
- Study hydrology and nutrient status of Lake Wairarapa and Wairarapa Moana to aid decisions on water allocation and intervention measures
- Develop integrated models to enable limit setting required under the National Policy Statement for Freshwater
- Review our Erosion and Sediment Control Guidelines
- 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, Olaki to Levin, Wellington Airport to Mt Victoria, Basin Reserve and Terrace Tunnel
- Porirua Harbour monitoring programme
- Implementing the review of our approach to the State of the Environment charging regime to better align the costs of our science and research work with the users of the resource to support more integrated and robust decision making

4.2 Key changes from Long Term Plan 2012-22

An additional \$250,000 to that budgeted in the Long Term Plan 2012-22 has been allocated to support the development of whatua committees. Whatua committees support a collaborative approach to the management of the region's natural resources. This funding 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.

The timeframe for review of the Regional Plan is slightly longer than anticipated in the Long Term Plan 2012-22. Publication of the proposed Regional Plan is now scheduled for 2014/15 with finalisation likely to be in 2015/16 (depending on the resolution of any appeals) rather than 2014/15.

4.3 What we will deliver

Level of service	Performance measure	Performance targets		
		2012/13	2013/14	2014/15
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	Target: Resolve appeals on the Regional Policy Statement Actual: All appeals resolved, operative in April 2013	Regional Policy Statement becomes operative	Maintain an operative Regional Policy Statement
That regional plans are reviewed and adopted	Target: Review of regional plans continues Actual: Review continued	Draft Regional Plan finalised	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	Target: 100% Actual: 99%	100%	100%
Monitor and enforce compliance with regional plans and resource consents	Percentage of monitoring inspections completed for resource consents with individual monitoring programmes.	Target: 100% Actual: 100%	100%	100%
	Percentage of environmental incidents reported to the 24-hour incident response service investigated in accordance with legal timeframes ³ for enforcement	Target: 100% Actual: 99%	100%	100%
Provide information to the community on the state of the region's environment	Number of State of the Environment report cards downloaded from the Greater Wellington Regional Council website	Target: Increase on previous year Actual: 1,324 compared to 1,929 the previous year	Increase on previous year	Increase on previous year

¹ Non-notified resource consents.

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 Courts is six months.

5. Land management

5.1 Specific areas of work for 2014/15

- Implement annual soil conservation works programmes on erosion-prone land within existing Property Conservation Plans
- Implement the third year of the Farm Environment Plan programme focusing on the Mangatarere and Mangaone catchments and Wairarapa Moana
- Implement the fifth year of the Wellington Regional Erosion Control Initiative (WRECI) focusing on the five selected catchments and isolated hotspots within the Wairarapa hill country
- Implement Stage III of the Akura Conservation Centre nursery expansion programme to meet increased demand for poplar and willow poles and complete the yard and sales area development plan
- Work closely with the local Scheme Advisory Committees in each of the six catchment schemes to prepare annual works programmes that protect community assets from the effects of erosion and flooding

5.2 Key changes from Long Term Plan 2012-22

- Central government funding for the Wellington Regional Erosion Control Initiative (WRECI) past 2013/14 is still unconfirmed and has been substituted by additional contribution from GWRC and landowners at an additional cost of \$55,000 to GWRC
- Allocating staff resources to the Wairarapa Moana Clean-up project with a specific focus on development and implementation of nutrient loss mitigation measures on farms within Wairarapa Moana

5.3 What we will deliver

Level of service	Performance measure	Performance targets		
		2012/13	2013/14	2014/15
Work with landowners to sustainably manage erosion-prone land	Percentage of erosion-prone land covered by a Farm Plan	Target: 74% Actual: 76.4%	75%	75%
	Hectares of erosion-prone land planted	Target: 400 hectares per annum Actual: 702.6 hectares	470 hectares per annum	530 hectares per annum
Work with landowners to sustainably manage nutrient and sediment discharges on a catchment basis	Number of Land and Environment plans prepared	Target: 10 per annum Actual: 10	10 per annum	10 per annum

6. Biodiversity management

6.1 Specific areas of work for 2014/15

- Deliver the Key Native Ecosystems programme to actively manage the best remaining examples of different ecosystem types
- Support landowners to protect and restore areas of native biodiversity on their land
- Participate in collaborative restoration projects with various partners, including projects for Porirua Harbour and Wairarapa Moana
- Provide advice on and advocate for the protection of native biodiversity through planning and policy, in operational activities and to the public
- Develop a programme to promote the protection and management of wetlands with significant biodiversity values

6.2 Key changes from Long Term Plan 2012-22

In line with our Biodiversity Strategy, GWRC has reviewed our input into the management of sites with high biodiversity value. A newly prioritised list of 70 sites that are part of the Key Native Ecosystem programme has been agreed. The performance target for biodiversity management has been revised from what was included in the Long Term Plan 2012-22 to reflect this priority list. GWRC will, however, continue to be involved with many additional high-value sites through other initiatives including the QEII covenant incentives and collaborative restoration programmes.

An additional \$30,000 has been provided in 2014/15 and beyond for supporting the EnviroSchools Foundation Programme in the region. This additional money will enable enhanced training, specialist support for Foundation staff, and expansion of the Programme amongst regional schools.

6.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
		Performance targets		
Provide leadership and deliver programmes that improve the regions' indigenous biodiversity	Total number of identified high-value biodiversity areas (excluding streams and marine sites) under active management ¹	Target: 106 Actual: 140	120	70

7. Pest management

7.1 Specific areas of work for 2014/15

- Implement the Regional Possum Predator Control Programme
- Continue implementation of the current Regional Pest Management Strategy
- Deliver pest management programmes in the Key Native Ecosystem areas

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 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
	Work with landowners to reduce the impact of pest animals and plants within the region	Number of active pest plant "Total Control" sites ¹	Target: Decrease on previous year Actual: Active sites decreased by 53	Decrease on previous year Decrease on previous year
	Number of rabbits in the region	Target: Low (< 5 on the Modified McLean Scale) Actual: Low	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	Target: Low (< 5% Residual Trap Catch) ² Actual: Monitoring deferred due to low possum numbers	Low (Residual Trap Catch)	Low (Residual Trap Catch)

8. Harbour management

8.1 Specific areas of work for 2014/15

- 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 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
Provide safe and competent maritime management for commercial and recreational users of our region's waters	That Beacon Hill Signal Station is staffed and operational 24 hours a day, seven days a week	Target: 100% Actual: 100%	100%	100%
	That all navigational aids are working, 24 hours a day, seven days a week	Target: 100% Actual: 100% except Barrett Reef buoy 98.9% and Island Bay 94%)	100%	100%
	Percentage of reports of unsafe boating incidents investigated	Target: 100% Actual: 100%	100%	100%
	Percentage of harbour oil spills responded to within 30 minutes and clean up started within one hour	Target: 100% Actual: 100%	100%	100%
	Percentage of coastal oil spills responded to within 30 minutes and clean up started within three hours	Target: 100% Actual: 100%	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 pest plant species 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 number of rabbits seen.

³ Relative possum population density is measured using Residual Trap Catch index (RTCI) calculated as number of possums caught per 100 trap nights.

**ENVIRONMENT
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2014/15 Plan \$000s	2014/15 LTP \$000s
Sources of operating funding		
General rate	21,544	21,096
Targeted rate	692	745
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	3,707	2,936
Fines, infringement fees, and other receipts ¹	3,558	3,992
Total operating funding	29,501	28,769
Applications of operating funding		
Payments to staff and suppliers	27,158	26,339
Finance costs	79	78
Internal charges and overheads applied	1,828	1,769
Total applications of operating funding	29,065	28,186
Surplus/(deficit) of operating funding	436	583
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	93	(78)
Gross proceeds from asset sales	89	92
Total sources of capital funding	182	14
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	38	19
- to replace existing assets	634	531
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	(54)	47
Total applications of capital funding	618	597
Surplus/(deficit) of funding	-	-
Depreciation on Environment assets	435	606

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

ENVIRONMENT
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE

	2014/15 Plan \$000s	2014/15 LTP \$000s
Operating funding		
Resource management	13,311	11,940
Land management	4,106	4,270
Biodiversity management	4,490	4,780
Pest management	5,483	5,665
Harbour management	2,111	2,114
Total operating funding	29,501	28,769
Applications of operating funding		
Resource management	13,042	11,696
Land management	4,036	4,195
Biodiversity management	4,560	4,780
Pest management	5,479	5,574
Harbour management	1,948	1,941
Total applications of operating funding	29,065	28,186
Capital expenditure		
Environment projects	211	19
Capital project expenditure	211	19
Land and buildings	-	-
Plant and equipment	135	176
Vehicles	326	355
Total capital expenditure	672	550

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
- 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 2014/15

The key focus for the coming year will be progressing the development of a floodplain management plan for the upper Wairarapa valley and applications for resource consents for our regular maintenance work undertaken in the western part of the region.

This year we also plan to progress planning for the Jim Cooke Park stopbank on the Waikanae River and the upgrade of the Hutt city centre reach of the Hutt River flood defences.

4. Understanding flood risk

4.1 Specific areas of work for 2014/15

- Prepare the Te Kāuru Upper Ruamahanga Floodplain Management Plan
- Continue the Waiohine Floodplain Management Plan
- Continue the Waiwhetu Floodplain Management Plan.

4.2 Key changes from Long Term Plan 2012-22

Completion of the Waiwhetu Floodplain Management Plan has been delayed from 2013/14 to 2014/15, as the focus has been on the preparation of the Te Kāuru Upper Ruamahanga Floodplain Management Plan and the Resource Consent Renewal project.

4.3 What we will deliver

Level of service	Performance measure	Performance targets		
		2012/13	2013/14	2014/15
Improving information and understanding of flood risk in the community	Number of new flood hazard assessments completed	Target: 0 (The focus is on floodplain management planning) Actual: 0	0	1
	Number of new floodplain management plans developed	Target: 2 Actual: 0	2	2
	Number of requests for flood hazard advice	Target: Increase on previous year Actual: 281 compared to 500 in the previous year	Increase on previous year	Increase on previous year
	Percentage of flood warning alarms responded to appropriately	Target: 100% Actual: 100%	100%	100%

5. Maintaining flood protection and improving flood security

5.1 Specific areas of work for 2014/15

- Obtain statutory approvals for maintenance of infrastructure assets
- Plan for the Lower Hutt city centre stopbank upgrade
- Plan for the channel widening of the Hutt River from Melling Bridge to Kennedy Good Bridge
- Continue to implement the environmental strategy on the Hutt, Waikanae and Ōtaki Rivers
- Commence the Jim Cooke Park stopbank improvements
- Commence implementation of the Waiohine Floodplain Management Plan outcomes

5.2 Key changes from Long Term Plan 2012-22

Works to stabilise the Maoribank bend (Hutt River) were planned to start in 2014/15. However, temporary works undertaken in 2012/13 have been very effective. As a consequence, the work planned for 2014/15 has been deferred to 2016/17 and other Hutt River edge protection works that have become more urgent will be completed instead.

5.3 What we will deliver

Level of service	Performance measure	Performance targets		
		2012/13	2013/14	2014/15
Improve flood security by implementing floodplain management plans	Percentage of floodplain management plan capital works 40-year programme implemented	Target: 30% completed Actual: 30% completed	35% completed	35% completed
Maintain flood protection schemes to mitigate the effect of flooding	No failures of flood protection schemes below specified design levels	Target: 100% Actual: 100%	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	Target: No significant non-compliance Actual: No significant non-compliance	No significant non-compliance	No significant non-compliance
	Number of new public access points to rivers and streams	Target: One new public access point Actual: One new public access point	One new public access point	One new public access point

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

	2014/15 Plan \$000s	2014/15 LTP \$000s
Sources of operating funding		
General rate	8,360	8,523
Targeted rates	6,503	6,828
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	-	-
Fines, infringement fees, and other receipts ¹	1,738	1,852
Total operating funding	16,601	17,203
Applications of operating funding		
Payments to staff and suppliers	7,686	8,086
Finance costs	3,228	3,723
Internal charges and overheads applied	1,381	1,379
Total applications of operating funding	12,295	13,188
Surplus/(deficit) of operating funding	4,306	4,015
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	1,575	3,418
Gross proceeds from asset sales	70	78
Total sources of capital funding	1,645	3,496
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	4,620	6,251
- to replace existing assets	219	229
Increase / (decrease) in investments	405	428
Increase / (decrease) in reserves	707	603
Total applications of capital funding	5,951	7,511
Surplus/(deficit) of funding	-	-
Depreciation on assets	998	1,026

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

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

	2014/15 Plan \$000s	2014/15 LTP \$000s
Operating funding		
Understanding flood risk	1,725	1,793
Maintaining flood protection and control works and Improving flood security	14,876	15,410
Total operating funding	16,601	17,203
Applications of operating funding		
Understanding flood risk	1,402	1,500
Maintaining flood protection and control works and Improving flood security	10,893	11,688
Total applications of operating funding	12,295	13,188
Capital expenditure		
Hutt river improvements	874	770
Otaki and Waikanae river improvements	1,660	514
Wairarapa rivers improvements	1,079	3,754
Other flood protection	1,007	1,213
Capital project expenditure	4,620	6,251
Land and buildings	-	-
Plant and equipment	12	12
Vehicles	207	218
Total capital expenditure	4,839	6,481

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 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 2014/15

We will continue to update our Parks Network Plan to reflect changing management priorities, land purchases and Treaty settlements. We will review the existing Whitireia Park management plan and prepare a revised management plan jointly with Ngāti Toa Rangatira for the park. We will also complete the Parangarahu Lakes Co-Management Plan jointly with the Port Nicholson Block Settlement Trust, which is being developed under the guidance of the Roopu Tiakai, the management body for the lakes, which comprises both GWRC staff and trustees of the Port Nicholson Block Settlement Trust.

We will continue to facilitate a range of businesses, clubs, individuals and agencies to undertake their activities on the regional parks and support volunteers to take an active role.

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 our 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.

We will work with stakeholders and the community to improve the Rimutaka Hill Road Summit including landscaping the site, developing a viewing area and site for a mobile concessionaire and to provide information about the area and attractions further afield.

We will continue to protect sites of high biodiversity value through the Key Native Ecosystems programme.

4. Parks planning

4.1 Specific areas of work for 2014/15

- Review the existing Whitireia Park management plan and prepare a revised management plan jointly with Ngāti Toa Rangatira. Amend the Parks Network Plan to incorporate additional guidance for Whitireia Park
- Monitor the implementation of the Parks Network Plan and bylaws and update the plan as necessary to reflect changing requirements
- Assess proposals for leases, licences and other development proposals within the regional parks network

4.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan.

4.3 What we will deliver

Level of service	Performance measure	2012/13	2013/14	2014/15
Provide an up-to-date policy framework to manage the regional park network	That the Parks Network Plan is maintained and updated	<p>Target: Adopt amendments to the Parks Network Plan on: Baring Head Parangarahu Lakes Queen Elizabeth Park</p> <p>Actual: Amendment adopted regarding Baring Head Work commenced regarding Parangarahu Lakes Queen Elizabeth Park (Trilley Road) did not require an amendment</p>	Adopt amendment to the Parks Network Plan on Whitiorea Park	Undertake five-yearly monitoring of Parks Network Plan

5. Visitor services

5.1 Specific areas of work for 2014/15

- Run the Great Outdoor Summer Events programme and other events in the parks network
- Continue to develop visitor services at Baring Head in East Harbour Regional Park
- Commence the implementation of Mackays Crossing entrance upgrades at Queen Elizabeth Park
- Collaborate with the Department of Conservation as a part of the Nature Central Project
- Continue to develop relationships with parks “friends” groups, and where appropriate continue the development of MOUs to strengthen these relationships
- Process and issue concessions, licences and leases
- Work with NZTA on possible construction of a Paekāriki-Raumati South walkway/cycleway in Queen Elizabeth Park as part of the Mackays to Peka Peka project

5.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan.

5.3 What we will deliver

Level of service	Performance measure	Performance targets		
		2012/13	2013/14	2014/15
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	Target: > 60% Actual: 63%	> 60%	> 60%
	Percentage of regional park visitors who are satisfied with park facilities	Target: 92% Actual: 96%	93%	94%
Number of people attending Greater Wellington Regional Council events in regional parks	Number of people attending Greater Wellington Regional Council events in regional parks	Target: 4,900 Actual: 5,031	5,000	5,100
	Number of volunteer hours in regional parks	Target: Maintain or increase on previous year Actual: 8,453 compared to baseline of 6,167	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 2014/15

- Deliver the Key Native Ecosystems programme to actively manage the best remaining examples of different ecosystem types in our parks (refer to Biodiversity Management activity on page 56)

6.2 Key changes from Long Term Plan 2012-22

No significant changes from the Long Term Plan 2012-22.

6.3 What we will deliver

Level of service	Performance measure	Performance targets		
		2012/13	2013/14	2014/15
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)	Target: Establish objectives and criteria for environmental restoration sites	Assess current sites against objectives and criteria	Active management of environmental restoration sites
		Continue management of current sites Actual: Objectives and criteria agreed Current sites managed	Identify and prioritise new restoration sites Confirm environmental restoration sites	

PARKS
PROSPECTIVE FUNDING IMPACT STATEMENT
FOR THE YEAR ENDING 30 JUNE

	2014/15 Plan \$000s	2014/15 LTP \$000s
Sources of operating funding		
General rate	5,632	5,952
Targeted rates	-	-
Subsidies and grants for operating purposes	-	-
Fees, charges, and targeted rates for water supply	116	53
Fines, infringement fees, and other receipts ¹	795	656
Total operating funding	6,543	6,661
Applications of operating funding		
Payments to staff and suppliers	4,798	4,700
Finance costs	283	351
Internal charges and overheads applied	961	1,012
Total applications of operating funding	6,042	6,063
Surplus/(deficit) of operating funding	501	598
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase / (decrease) in debt	685	518
Gross proceeds from asset sales	21	69
Total sources of capital funding	706	587
Applications of capital funding		
Capital expenditure		
- to meet additional demand	-	-
- to improve the level of service	456	-
- to replace existing assets	758	1,185
Increase / (decrease) in investments	-	-
Increase / (decrease) in reserves	(7)	-
Total applications of capital funding	1,207	1,185
Surplus/(deficit) of funding	-	-
Depreciation on Parks assets	1,868	694

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

PARKS
PROSPECTIVE FUNDING INFORMATION
FOR THE YEAR ENDING 30 JUNE

	2014/15 Plan \$000s	2014/15 LTP \$000s
Operating funding		
Parks Planning	308	265
Visitor Services	6,235	6,373
Protecting the environment of regional parks	-	23
Total operating funding	6,543	6,661
Applications of operating funding		
Parks Planning	308	265
Visitor Services	5,675	5,536
Protecting the environment of regional parks	59	262
Total Applications of Operating Funding	6,042	6,063
Capital expenditure		
Battle Hill Farm Forest Park	7	6
Belmont Regional Park	85	31
Queen Elizabeth Park	565	572
Whitireia Park	58	73
Pakuratahi Forest	129	53
Akatarawa Forest	84	38
Wainuiomata Recreation Area	-	33
Kaitiaki Regional Park	46	41
East Harbour Regional Park	112	91
Capital project expenditure	1,086	938
Land and buildings	-	-
Plant and equipment	51	18
Vehicles	77	229
Total capital expenditure	1,214	1,185

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

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

All figures on this page exclude GST

Part 4

Investments

Investments

Overview

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

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

GWRC's approach in managing investments is to regularly assess the expected returns on those investments and being mindful of the risk and balancing these against returns received. 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 and that those risks are likely to be outweighed by the returns received. 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 undergo a periodic 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 a \$1.86 million share investment in the LGFA. The LGFA has been set up to assist local authorities to access wholesale debt at better rates than they could expect on their own. GWRC will source term debt requirements from the LGFA and receives an annual dividend. As part of the arrangement, GWRC has guaranteed the debt obligations of the LGFA along with

the other shareholders of the LGFA in proportion to its level of rates revenue. GWRC believes the risk of this guarantee being called on is extremely low, given the internal liquidity arrangements of the LGFA, the lending covenants of the LGFA and the charge-over rates the LGFA has from councils.

Liquid financial deposits

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

Administrative properties

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

The Regional Council Centre, owned by Pringle House Limited, will be held until the building is deemed to be surplus to requirements. In the SOL performance targets, we have assumed this to be 2015/16.

Provision has been made in the Long Term Plan for construction of a new Masterton building to begin in 2016/17 if required.

Forestry and Material Damage and Business Interruption Fund

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

GWRC has sold the forestry cutting rights to its 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.

Provision has been made for maintaining full recreational access to the forests.

Proceeds from the sale of the cutting rights has been used to repay forestry debt with the balance used to establish a Material Damage & Business Interruption Fund. This Fund enables Council to retain higher insurance excesses, and thus lower insurance premiums, with the comfort of having funds available to meet a seismic event.

Civic Assurance and Airtel Ltd

GWRC has minor equity interests in Civic Assurance and Airtel Ltd. These investments are owned directly by Council rather than via the WRC Holdings Group.

Grow Wellington

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

Westpac Stadium

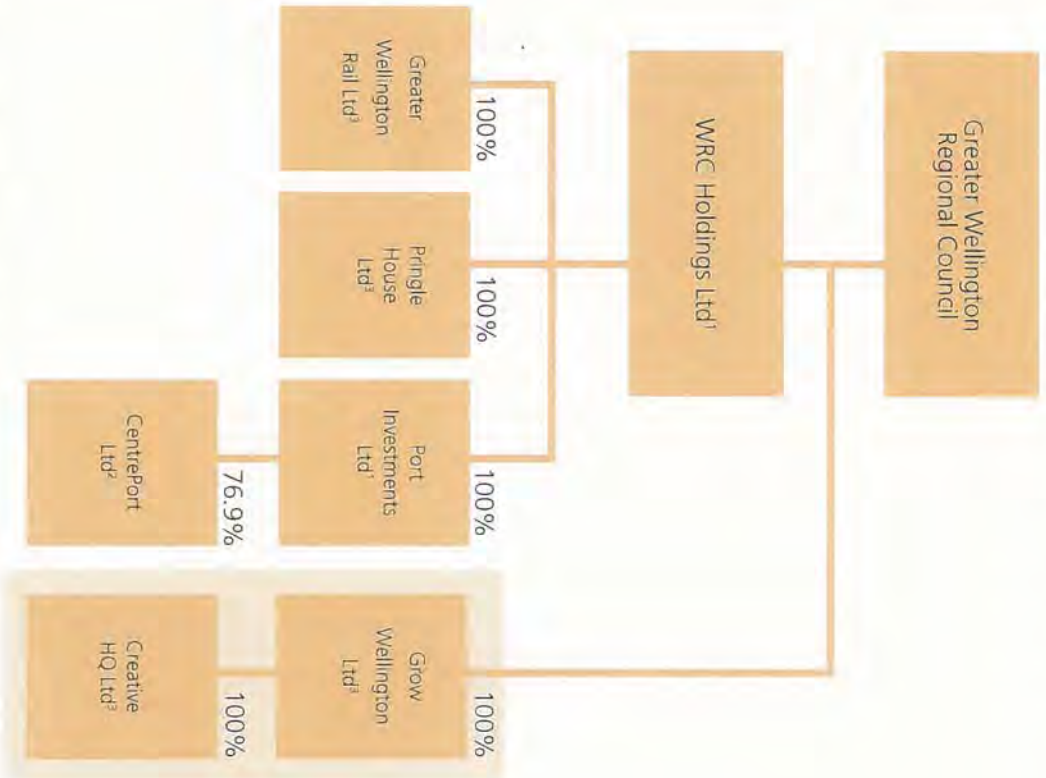
The Westpac Stadium is a regional facility that provides a high-quality, multi-purpose venue for sporting and cultural events.

GWRC provided a \$25 million loan to the Westpac Regional Stadium Trust to plan and build the stadium. GWRC is the Trust's principal 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:



WRC Holdings Ltd, a council-controlled trading organisation in accordance with the Local Government Act 2002, is 100% owned by Greater Wellington Regional Council.

There are three companies with the WRC Holdings Group: Greater Wellington Rail Ltd (a council-controlled organisation in accordance with the Local Government Act 2002); Pringle House Ltd (a council-controlled organisation in accordance with the Local Government Act 2002); Port Investments Ltd (a council-controlled trading organisation in accordance with the Local Government Act 2002).

Port Investments Ltd owns a 76.9% share in CentrePort Ltd, a commercial port company pursuant to the Port Companies Act 1988 and not a council-controlled organisation in accordance with the Local Government Act 2002.

Greater Wellington Regional Council is also 100% shareholder in Grow Wellington Ltd (a council-controlled organisation in accordance with the Local Government Act 2002). Grow Wellington Ltd in turn is 100% shareholder of Creative HQ Ltd (a council-controlled organisation in accordance with the Local Government Act 2002).

Grow Wellington and Creative HQ activities are included in the Regional Leadership group of activities (page 24), not Investment.

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 Ltd and Pringle House Ltd. Each year, WRC Holdings Ltd provides GWRC, as 100% shareholder, a Statement of Intent for the WRC Holdings Group.

The WRC Holdings Group structure was set up for the following reasons that are still applicable:

- Appropriate separation of management and governance
- Imposing commercial discipline on the Group's activities to produce an appropriate return by ensuring appropriate debt/equity funding and requiring a commercial rate of return where 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, GWRC reviews the structure to determine if it is still an appropriate vehicle for holding its investments.

Performance targets for the Group

Financial Indicator	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)
Net profit/ (deficit) before tax	16	(961)	(1,648)
Net profit/ (deficit) after tax	2,114	968	410
Earnings before interest, tax and depreciation	32,209	33,461	35,518
Return on total assets	1.6%	1.4%	1.3%
Return on shareholders' funds	(0.3%)	(0.5%)	(0.6%)
Stakeholders' equity in total assets	55.7%	59.6%	62.5%
Dividends	2,275	2,325	2,463

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

The financial returns from the Group are adversely influenced by the results from Greater Wellington Rail Limited, which is running deficits in the vicinity of \$18 million per year before tax. This emanates from the depreciation charge, which is not funded by GWRC. Furthermore, Greater Wellington Rail Limited's equity and assets are increasing as the new Matangi trains are purchased but not generating revenue. Consequently, the return on assets and shareholders' funds remains at low levels.

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

- Peter Blades
- Barbara Donaldson
- Prue Lamason (Chair)
- Paul Swain
- Fran Wilde (Deputy Chair)

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 Ltd.

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 shareholders' 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 GWRC'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 Ltd	2014/15	2015/16	2016/17
Dividend distribution \$000	2,275	2,325	2,463
Dividend distribution %	100%	100%	100%
Return on equity ¹	3.7%	1.4%	1.1%
Return on assets ²	6.0%	3.4%	3.4%

Pringle House Ltd

Pringle House Ltd owns and operates the Regional Council Centre at 142-146 Wakefield Street, Wellington. The building has been assessed as earthquake prone, and it is currently vacant. The plan is to hold the building until such time as it is deemed surplus to requirements. In the SOI performance targets, we have assumed this to be 2015/16.

The operational performance targets of Pringle House Ltd are to:

- Minimise ongoing running cost
- 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 expenses are within budget.

Greater Wellington Rail Ltd

Greater Wellington Rail Ltd 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
- 27 – 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
- 13 – 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 provided by the Greater Wellington Regional Council in June 2012.

Greater Wellington Rail Ltd is responsible for all aspects of asset management and stewardship, implemented through a management contract with GWRC. An asset management plan has been developed that 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 \$170 million over the next three years to replace the Ganz Mavag units with a second tranche of 35 Matangi units. This also includes an upgrade to some components of the existing Matangi units to realise whole-of-life savings and improve the operational efficiency and safety. These 35 new Matangi units are expected to be introduced into service over the period from mid 2015 to late 2016. 16 Ganz Mavag units have been withdrawn from service and sold. The remaining 27 Ganz Mavag units are being retained in operational service until the introduction of the second tranche of Matangi units.

Other planned expenditure on rail assets includes \$3.5 million per annum for renewal work and like-for-like replacement of rail-related infrastructure. 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.

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.

Operational performance targets

From the Annual Plan 2014-15:

- (i) Percentage of the required fleet that is available for service – 99.3%
- (ii) Average condition ratings for buildings and structures – 2.6/5.0*
- (iii) Average condition rating for carparks – 2.4/5.0*

From the asset management plan:

- (iv) Rail assets are maintained in accordance with the maintenance schedules
- (v) Mean distance between failure (MDBF) Matangi fleet – 30,000 km
- (vi) MDBF Carz fleet – 8,500 km
- (vii) MDBF carriage fleet – 40,000 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 KiwiRail for the provision of train servicing and maintenance
- (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) Maximise leasing and advertising revenue streams (within overall council policy)

Greater Wellington Rail Ltd	2014/15	2015/16	2016/17
Dividend distribution \$000	-	-	-
Dividend distribution %	-	-	-
Return on equity ¹	(5.4%)	(4.7%)	(4.6%)
Return on assets ²	(4.2%)	(3.9%)	(3.9%)

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, berthing)
- 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 Ltd and for the board to approve significant transactions of CentrePort as determined by the constitution

Port Investments Ltd	2014/15	2015/16	2016/17
Dividend distribution \$000	2,375	2,506	2,647
Dividend distribution %	100%	100%	100%
Return on equity ¹	91.4%	96.4%	101.8%
Return on assets ²	8.8%	9.5%	10.1%

Its financial performance targets for CentrePort extracted from their Statement of Intent as follows:

CentrePort performance targets

The following targets are from CentrePort's 2014/15 – 2016/17 Statement of Intent:

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.

* The scoring grades for assets is on a scale of 1-5, with 1 being very good and 5 being very poor.

SOI three year financial performance targets

Financial targets	Unit	Outlook		Forecast		
		FY14	FY15	FY16	FY17	
Group EBIT plus JV & Associate Earnings ('Group EBIT')	\$m	22.6	24.0	25.4	27.0	26.1
Port EBIT plus JV & Associate Earnings ('Port EBIT')	\$m	14.7	14.5	17.1	18.1	18.8
Property EBIT plus JV & Associate Earnings ('Property EBIT')	\$m	7.9	7.5	7.4	7.4	7.3
Underlying Net Profit Before Tax & EQ related items	\$m	14.3	15.0	16.1	17.5	17.4
Underlying Net Profit After Tax & Before EQ related items ('Underlying NPAT')	\$m	12.2	13.0	13.6	14.6	14.5
Dividend	\$m	2.5	5.6	6.1	6.5	6.5
Shareholders' Funds (Equity) or Net Assets	\$m	197.7	206.1	214.7	223.9	225.1
Number of issued shares	000	23,425	23,425	23,425	23,425	23,425
Group EBIT Return on Total Assets	%	6.7%	6.9%	7.1%	7.3%	7.3%
Port EBIT Return on Port Assets	%	7.7%	7.5%	8.2%	8.1%	8.8%
Property EBIT Return on Property Assets	%	5.4%	5.0%	5.1%	5.2%	5.2%
Underlying NPAT Return on Group Equity	%	6.1%	6.5%	6.5%	6.6%	6.6%
Dividend Distribution as a %age of Underlying NPAT	%	20%	43%	45%	45%	45%
Underlying earnings (NPAT) per share	\$	0.52	0.56	0.58	0.62	0.62
Dividend per share	\$	0.11	0.24	0.26	0.28	0.28
Net Asset backing per share	\$	8.44	8.80	9.16	9.56	9.61

Definitions of key financial performance targets:

- a) Return on assets for each business segment
 - i. Port

Earnings before interest and tax (EBIT) plus share of associate earnings divided by the average of total fixed assets and investments in Associates
 - ii. Property

EBIT plus share of associate earnings divided by the value of investment properties plus investment in associates. This calculation is performed separately on the value of developed investment properties and the total portfolio.
- b) Return on Equity

Underlying net profit after tax divided by average equity
- c) Dividend

Dividend as a percentage of underlying net profit after tax
- d) Underlying earnings per share

Underlying net profit after tax¹ divided by number of shares issued
- e) Dividend per share

Dividend divided by number of shares
- f) Net Asset backing per share

Shareholders' funds of Net Assets divided by number of shares

¹ "Underlying net profit after tax" excludes costs and provisions associated with the Wellington earthquakes in July and August 2013 and the fair value movements from cash flow hedges and investment property valuations reported through the income statement.

Financial health measure	Target	Outlook			
		FY14	Forecast FY15	Forecast FY16	Forecast FY17
Current Assets (\$m)	n/a	13.2	9.6	9.6	9.8
Current Liabilities (\$m)	n/a	9.4	12.5	12.8	13.0
Total Assets (\$m)	n/a	334.9	348.6	358.7	369.1
Shareholders Funds – Equity (\$m)	n/a	197.7	206.1	214.7	223.9
Debt (\$m)	n/a	126.6	128.4	129.1	129.8
Equity Ratio	>45%	59%	59%	60%	61%
Gearing	<50%	40%	39%	38%	37%
Interest cover	>2.5 times	3.1 times	2.9 times	3.5 times	3.6 times
Solvency Ratio	>0.6	1.40	0.77	0.75	0.76

Definitions of financial health measures:

- a) Shareholders' Funds (or equity) is defined as the total issued capital plus the balance of undistributed profits and all revenue and capital reserves less any minority interests of the parent company, CentrePort Ltd and its subsidiaries ("the Group")
- b) Total Assets are defined as all the recorded tangible and intangible assets of the Group at their current value as determined by the Group's Accounting Policies
- c) Equity ratio is Shareholders' Funds divided by Total Assets
- d) Debt is the sum of Interest Bearing Debt (Borrowings) and Financial Liabilities arising from financial instruments
- e) Gearing is the ratio of Debt to Debt plus Equity (Shareholders Funds)
- f) Interest cover is the ration of free funds from operations to interest expense. It is measured as Earnings before interest, tax depreciation and amortisation ("EBITDA") plus dividends received from investments in associates and joint ventures divided by the Interest Expense
- g) The Solvency Ratio is Current Assets divided by Current Liabilities.

Non-financial performance targets

Safety and security performance targets

- a) Year-on-year improvement towards zero harm
- b) Maintain the tertiary level of compliance with the ACC Workplace Safety Management Practices Programme and comply with AS/NZS 4801 Occupational Health and Safety Management Systems
- c) Annual review of Health and Safety Policy and Plan
- d) Undertake risk assessments and implement any mitigating procedures relating to the Port and Harbour Safety Code which promotes safety and excellence in marine operations
- e) Maintain compliance with the International Ship & Port Security (ISPS) Code, which promotes security against terrorism within the port environment

Environmental performance targets

- a) Develop and maintain a formal environmental risk management system consistent with the standards specified in AS/NZS ISO 14001: 2004
- b) Formally review, at least annually, the company's compliance with all environmental legislation, district and regional plans and conditions of resource consents held including the monitoring of environmental discharges in accordance with implemented management plans in the areas of:
 - i. Port noise
 - ii. Stormwater discharges to the Coastal Marine Area
 - iii. Fumigants associated with the pest treatment of cargoes, including the introduction of recapture technology for containerised cargo during 2014
- c) Maintain a sustainability programme with measurable performance criteria covering, as a minimum, the monitoring of waste and greenhouse gas emissions
- d) Maintain the requirement for fumigation contractors to use recapture technology for the fumigation of containers
- e) Monitor compliance by contractors for the fumigation of log shipments in line with the Environmental Protection Agency policies. Continue to review the availability of recognised alternative fumigation options
- f) Maintain a register of environmental risks and incidents for monitoring and actioning purposes. The register to be reported to CentrePort's Health, Safety and Environmental Committee on a regular basis (the committee meets four times per annum)
- g) Develop appropriate and useful measures to monitor CentrePort's carbon footprint
- h) CentrePort Ltd will hold a minimum of three Environmental Consultative Committee meetings in 2014/15 comprising CentrePort 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.

Social performance targets

- a) Contribute to the desired outcome of the Wellington Regional Strategy through:
 - i. The provision of workplace opportunities and skills enhancements of our employees
 - ii. Ensuring the regional economy is connected by the provision of high-quality port services to support international and coastal trade
- b) Supporting the regional community by investing in community sponsorship and engaging in community activities
- c) To meet regularly with representative community groups

General performance targets

- a) The company will, in consultation with the shareholders, continue to develop performance targets in the financial, environmental and social areas
- b) CentrePort will report achievement against the above targets in the quarterly reports to shareholders and the annual report. The report will include specific initiatives to enhance the environment in which we operate
- c) When developing 'property held for development', the Board is to adhere to the following principles:
 - i. Properties may be developed without the building being fully pre-let so long as tenancy risk is managed prudently
 - ii. Property developments must not compromise port operations
 - iii. Developments are to be undertaken only if they are able to be funded without additional capital from shareholders
 - iv. Development construction contracts are to be negotiated on a guaranteed maximum price or lump sum basis

Definition of terms

'Management of tenancy risk' means that each single property investment has committed rental income (via development and 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 of commercial buildings is no greater than 25%.

The directors of Centreport Ltd are:

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

INVESTMENTS PROSPECTIVE FUNDING IMPACT STATEMENT FOR THE YEAR ENDING 30 JUNE

	2014/15 Plan \$000	2014/15 LTP \$000
Sources of operating funding		
General rate ¹	(10,331)	(13,157)
Targeted rates	2,676	2,678
Subsidies and grants for operating purposes	-	-
Fines, infringement fees and other receipts ^{2,3}	32,443	89,430
Total operating funding	24,788	78,951
Applications of operating funding		
Payments to staff and suppliers	9,627	12,660
Finance costs	13,132	11,474
Internal charges and overheads applied	265	346
Total applications of operating funding	23,024	24,480
Surplus/(deficit) of operating funding	1,764	54,471
Sources of capital funding		
Subsidies and grants for capital expenditure	-	-
Increase/(decrease) in debt	2,834	(1,674)
Proceeds from asset sales	38	19
Total sources of capital funding	2,872	(1,655)
Applications of capital funding		
Capital expenditure	-	-
- To meet additional demand	-	-
- To improve the level of service	271	289
- To replace existing assets	137	1,296
Increase/(decrease) in investments ⁴	1,102	50,733
Increase/(decrease) in reserves	3,126	498
Total applications of capital funding	4,636	52,816
Surplus/(deficit) of funding	-	-
Depreciation on investment assets	598	435

¹ Net investment surpluses are used to reduce the general rate. It is applied to the general rate as all ratepayers benefit the same proportionally from a reduction in the general rate.

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

³ Greater Wellington Regional Council 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	16,727	19,149
Forestry revenue	9,115	10,119

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

Investment in Greater Wellington Rail Ltd	45,781	50,307
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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 the Long Term Plan 2012-22.

All figures on this page exclude GST.

INVESTMENTS PROSPECTIVE FUNDING INFORMATION FOR THE YEAR ENDING 30 JUNE

	2014/15 Plan \$000s	2014/15 LTP \$000s
Net contribution to general rates from individual investments		
Liquid financial deposits	1,418	1,498
WRC Holdings	2,776	3,943
Treasury management	5,990	9,385
Forestry	-	-
Other Investments and Property	147	(1,669)
Regional Stadium	-	0
Total contribution to general rates	10,331	13,157

For more information on the revenue and financing mechanisms applicable to investments, please refer to the Revenue and Financing Policy in the Long Term Plan 2012-22.

All figures on this page exclude GST

Part 5

Financial information

Financial information

Significant forecasting assumptions and risks

These prospective financial statements were authorised for issue by the Council on 26 June 2014. GWRC is responsible for these prospective financial statements, including the appropriateness of the assumptions and other disclosures. GWRC's planning processes are governed by the Local Government Act 2002 (the Act). The Act requires GWRC to prepare a Long-Term Plan every three years and an Annual Plan, which updates the Long-Term Plan by exception, in the intervening years.

This is GWRC's Annual Plan 2014/15 and is prepared in accordance with the Act. Caution should be exercised in using these prospective financial statements for any other purpose. The prospective financial information contained in this Annual Plan is based on assumptions that GWRC reasonably expected to occur as at 26 June 2014. 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 that have a material impact on the forecasts and which are common across all of our activities or make a material difference to GWRC's overall forecast financial position. The assumptions are reasonably expected based on the information available at the time the Annual Plan was prepared.

Assumptions specific to particular groups of activities are stated in the chapter relating to that group of activities. Assumptions concerning the useful life of significant assets and sources of funds for replacing significant assets are included in the statement of significant accounting policies on p95.

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 515,700 persons by 2021, an annual average increase of 0.6%.

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

Level of uncertainty: low

Legislative changes

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

Risk: There are major changes to key legislation significantly changing our activities or funding arrangements or making GWRC subject to new requirements or responsibilities that require funding beyond what is forecast in the Annual Plan. Legislative changes have been made to the Local Government Act 2002, the Resource Management Act 1991 and the Land Transport Management Act 2003 since 1 July 2012. Further changes to the Resource Management Act 1991 are under discussion.

Level of uncertainty: medium

Emergency events

Assumption: There will be no major emergency events.

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

Level of uncertainty: medium

Treaty of Waitangi settlements

Assumption: The settlement of Treaty of Waitangi claims will not significantly affect Greater Wellington Regional Council'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 Nicholson Block Settlement Trust and Ngāi Toa Rangatira have 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

Local government reorganisation

Assumption: Current proposals for the reorganisation of local government in the Wellington region do not impact significantly on planned activities.

Risk: A number of reorganisation proposals for local government in the Wellington region are currently being considered by the Local Government Commission. The Local Government Commission is expected to release a draft proposal in the first half of the 2014 calendar year. The implications of this for activities planned for 2014/15 is unknown at this time.

Level of uncertainty: medium

Financial assumptions

Inflation

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

Risk: low

Level of uncertainty: low

Interest rates

Assumption: GWRC has used a composite forecast based on the Reserve Bank of New Zealand (RBNZ) 90-day bank bill rate forecast and the implied market based 90-day forward rates for its floating interest rate projections. The fixed interest rate is based on the existing pay fixed interest rate swaps in place. Added to both of these is the market-determined credit margin to borrow funds. This has been budgeted at 0.8%.

Interest rate base rate assumptions

90-day bill rate	3.75%
Fixed rate	4.90%
Internal interest rate	6.0%

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 2014/15 year.

Level of uncertainty: medium

Insurance

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

Risk: Insurance costs have been moving in an upwards direction due to natural disasters. The biggest risk is around the material damage and business interruption premium.

Level of uncertainty: medium

Transport funding from the New Zealand Transport Agency

Assumption: In 2014/15 funding assistance will be provided by the New Zealand Transport Agency (NZTA) at the following levels (percentage of cost):

Operation funding assistance rates	
Rail services	57%
Bus and ferry services	50%
Total Mobility	60%
Infrastructure, maintenance and operations	57%
Studies and strategies	57%
Network and asset management (road safety)	57%
Community programme	47%
Improvement projects funding assistance rates	
New infrastructure	50%
Real-time information system	80%
Electronic/integrated ticketing	50%
Rail projects	50%-60%
Risk: The funding currently provided by NZTA towards regional transport activities is reduced further or discontinued as a result of the review of financial assistance rates. NZTA has indicated that financial assistance rates are unlikely to change in 2014/15.	
Level of uncertainty: low	

Fuel prices

Assumption: GWRC has entered into a number of bus contracts to supply public transport services. Included in these contracts are cost indices requiring GWRC to adjust payments, depending on the movement of the indices. The indices are calculated on a number of factors, including the New Zealand dollar price for diesel, staff costs, etc. For 2014/15 the cost of oil is assumed to be US\$95 per barrel (WTIs) and the NZUS exchange rate is assumed to be \$0.80.

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

Level of uncertainty: medium

Potential impacts of uncertainty: An increase in the price of oil of US\$10 per barrel would require an increase in rates of \$0.2 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: GWRC has been awarded emissions credits for its pre-1990 forests and post-1989 forests. GWRC may sell the credits at a future date but no sales have been assumed in this Annual Plan.

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

Level of uncertainty: low

Statement of significant accounting policies

1. Reporting entity

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

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

For the purposes of financial reporting, GWRC and its subsidiaries are designated as public benefit entities.

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

2. Statement of compliance

The prospective financial statements of GWRC have been prepared in accordance with the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The statements comply with FRS 42 Prospective Financial Statements as appropriate for public benefit entities. These prospective financial statements use forecast opening balances from the year ended 30 June 2014.

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 a historical cost basis, except for investment properties, forestry assets, derivative financial instruments and certain infrastructural assets, which have been measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Revenue recognition

Revenue is recognised when billed or earned on an accrual basis.

Rates and levies

Rates and levies are a statutory annual charge and are recognised in the year the assessments are issued.

Government grants and subsidies

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

Grants and subsidies for operational activities 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.

Grants and subsidies for finance costs and debt repayments for capital purchases are recognised as revenue in the year they are received.

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

Sale of goods

Revenue on the sale of goods is recognised when all risks are transferred to the buyer and there is no longer control or managerial involvement with the goods.

Rendering of services

Revenue from services rendered is recognised by reference to stage of completion of the service.

Dividends

Revenue from dividends is recognised on an accrual basis (net of imputation credits) once the shareholders' right to receive payment is established.

Interest

Interest is accrued using the effective interest rate method. The effective interest rate method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other revenue

Other income is also recognised on an accrual basis. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in GWRC are recognised as revenue when control over the asset is obtained.

Borrowing costs

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

Property, plant and equipment

Property, plant and equipment consists of operational and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet the criteria for capitalisation are expensed. The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

Property, plant and equipment are categorised into the following classes:

- Operational land and buildings
- Operational plant and equipment
- Operational vehicles
- Flood protection infrastructural assets
- Transport infrastructural 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 that will write off assets, less their estimated residual value over their remaining useful life.

The useful life of major classes of assets has been estimated as follows:

- Operational land and buildings
10 years to indefinite
- Operational plant and equipment
2 to 20 years
- Operational vehicles
3 to 10 years
- Flood protection infrastructural assets
15 years to indefinite
- Transport infrastructural assets
5 to 50 years
- Navigational aids infrastructural assets
5 to 50 years
- Parks and forests infrastructural assets
10 to 100 years
- Water supply infrastructural assets
3 to 150 years

Capital work in progress is not depreciated.

Stopbanks included in the flood protection infrastructure asset class are maintained in perpetuity. Annual inspections are undertaken to ensure design standards are being maintained and to check for impairment. As such, stopbanks are considered to have an indefinite life and are not depreciated.

Intangible assets

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

Impairment

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

Recoverable amount

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

Value in use

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

Forestry investments

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

Financial instruments

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

Financial assets

GWRC's financial assets are categorised as follows:

- **Financial assets at fair value accounted through the statement of comprehensive income**
Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains or losses on re-measurement are recognised in the statement of comprehensive income.

- **Financial assets at fair value accounted through equity**

Financial assets are classified in this category if they were not acquired principally for selling in the short term. After initial recognition, these assets are measured at their fair value. Any gains and losses are recognised directly in equity, except for impairment losses which are recognised in the statement of comprehensive income.

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

Fair value is equal to GWRC's share of the net assets of the entity. Upon sale, the cumulative fair value gain or loss previously recognised directly in equity, is recognised in the statement of comprehensive income.

- **Loans and receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest rate method.

Gains and losses when the asset is impaired or sold are accounted for in the statement of comprehensive income.

- **Held-to-maturity investments**

These are assets with fixed or determinable payments with fixed maturities that GWRC has the intention and ability to hold to maturity. After initial recognition they are recorded at amortised cost using the effective interest method. Gains and losses when the asset is impaired or settled are recognised in the statement of comprehensive income.

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

Financial liabilities

Financial liabilities comprise trade, other payables and borrowings. Financial liabilities with durations 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 durations of less than 12 months are recognised at their nominal value.

Derivative financial instruments

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

In accordance with its treasury policies, GWRC does not hold or issue derivative financial instruments for trading purposes. Derivatives are accounted for as trading instruments. Derivative financial instruments are initially recognised at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. For those instruments that do not qualify for hedge accounting, the gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income.

The fair value of an interest rate swap is the estimated amount that GWRC would receive or pay to terminate the swap at balance date, based on current interest rates. The fair value of forward exchange contracts is their quoted market price at the balance date.

Financial guarantee contracts

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

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

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

Non-current assets held for sale

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

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

Inventories

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

Income tax

Income tax in the statement of comprehensive income for the year comprises current and deferred tax. Income tax is usually recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, that amount is recognised in equity.

Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Foreign currency

In the event that GWRC has any material foreign currency risk, it will be managed by derivative instruments to hedge the currency risk. Transactions in foreign currencies are translated at the foreign exchange rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange gains and losses arising on their translation are recognised in the statement of comprehensive income.

Employee entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date.

Employee benefits include salaries, annual leave and long-service leave.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of comprehensive income as incurred. GWRC belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

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

Goods and services tax (GST)

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

Leases

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

Overhead allocation and internal transactions

GWRC allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation of GWRC is treated as an internal banking activity. Any surplus generated is credited directly to the statement of comprehensive income. Individual significant activity operating revenue and operating expenditure is stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in GWRC's prospective financial statements.

Democratic services costs have not been allocated to significant activities, except where there is a major, separate community of benefit other than the whole region, ie, water supply and transport.

Equity

Equity is the community's interest in GWRC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within GWRC.

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

Statement of cash flows

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

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

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

Financing activities comprise change in equity and debt capital structure.

Changes in accounting policies

There have been no changes from the accounting policies adopted in the last audited financial statements.

Standards, amendments and interpretations that are not yet effective and have not been adopted early

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

New Zealand Emissions Trading Scheme

New Zealand units (NZUs) 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.

NZUs in respect of post 1989 forest are 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 (NZLGFA)

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 statements 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.

**PROSPECTIVE COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDING 30 JUNE**

	2013/14 Budget \$000s	2014/15 Plan \$000s	2014/15 LTP \$000s
OPERATING REVENUE			
General rates	28,476	31,170	29,909
Targeted rates	65,856	68,110	81,142
Regional rates	94,332	99,280	111,051
Water supply levy	26,635	26,276	26,919
Government subsidies	69,174	72,118	87,120
Interest and dividends	5,165	6,401	5,794
Other operating revenue	21,379	12,743	27,555
Total external operating revenue	215,685	216,818	258,439
OPERATING EXPENDITURE			
Personnel costs	40,552	42,880	41,016
Grants and subsidies	91,526	91,930	57,025
Finance costs	8,751	10,760	14,512
Depreciation	13,465	18,638	16,056
Other operating expenses	55,194	49,630	62,424
Total external operating expenditure	209,488	213,838	191,033
Operating surplus before transport improvement grants¹	6,197	2,980	67,406
Transport improvement grants ¹	6,218	5,492	109,226
Operating surplus / (deficit) before other items	(21)	(2,512)	(41,820)
Other fair value changes	3,468	159	3,483
Operating surplus / (deficit) for the year	3,447	(2,353)	(38,337)
Other comprehensive income			
Increases / (decreases) in revaluations ²	0	0	0
Total comprehensive income / (deficit) for year	3,447	(2,353)	(38,337)

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

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

All figures on this page exclude GST

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE**

	2013/14 Budget \$000s	2014/15 Plan \$000s	2014/15 LTP \$000s
Total opening ratepayers' funds	772,316	861,926	706,034
Total comprehensive income / (deficit) for year	3,447	(2,353)	(38,337)
Movement in ratepayers funds for year	3,447	(2,353)	(38,337)
Closing ratepayers' funds	775,763	859,573	667,697
Components of ratepayers funds			
Opening accumulated funds	369,104	369,341	343,176
Total comprehensive income / (deficit) for year	3,447	(2,353)	(38,337)
Movements in other reserves	4,561	5,819	471
Movement in accumulated funds for year	8,008	3,466	(37,866)
Closing accumulated funds	377,112	372,807	305,310
Opening other reserves	24,193	26,210	14,503
Movements in other reserves	(4,561)	(5,819)	(471)
Movement in ratepayers funds for year	(4,561)	(5,819)	(471)
Closing other reserves	19,632	20,391	14,032
Opening asset revaluation reserves	379,019	466,375	348,355
Movements in revaluation reserve ¹	-	-	-
Movement in asset revaluation reserve for year	-	-	-
Closing asset revaluation reserve	379,019	466,375	348,355
Closing ratepayers' funds²	775,763	859,573	667,697

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 latter allows for forecast movements in the current financial year compared with budgeted movements

All figures on this page exclude GST

PROSPECTIVE BALANCE SHEET
AS AT 30 JUNE

	2013/14 Budget \$000s	2014/15 Plan \$000s	2014/15 LTP \$000s
ASSETS			
Cash and other equivalents	34,321	27,695	49,971
Investments (current)	-	-	-
Other current assets	45,544	35,895	42,293
Current assets	79,865	63,590	92,264
Investments (non-current)	39,569	49,028	41,677
Forestry investments ¹	24,151	0	25,401
Investment in subsidiary	98,575	146,130	152,434
Property, plant and equipment	773,804	838,488	763,217
Non-current assets	936,099	1,033,646	982,729
Total assets	1,015,964	1,097,236	1,074,993
RATEPAYERS' FUNDS			
Retained earnings	377,112	372,807	305,310
Reserves	398,651	486,766	362,387
Total ratepayers' funds	775,763	859,573	667,697
LIABILITIES			
Debt (current)	26,777	19,494	26,721
Other current liabilities	31,099	4,169	49,922
Current liabilities	57,876	23,663	76,643
Debt (non-current)	182,325	214,000	330,653
Non-current liabilities	182,325	214,000	330,653
Total liabilities	240,201	237,663	407,296
Total equity and liabilities	1,015,964	1,097,236	1,074,993

All figures on this page exclude GST

¹ In May 2014 the Council agreed to sell the Forestry cutting rights. This plan incorporates the financial impact of this transaction.

**PROSPECTIVE STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING 30 JUNE**

	2013/14 Budget	2014/15 Plan	2014/15 LTP
	\$000s	\$000s	\$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash is provided from:			
Regional rates	94,332	99,280	111,051
Water supply levy	25,535	26,276	26,919
Government subsidies	69,174	72,118	87,120
Interest and dividends	5,165	6,401	5,794
Fees, charges and other revenue	21,379	12,743	27,555
	<u>215,685</u>	<u>216,818</u>	<u>258,439</u>
Cash is disbursed to:			
Interest	8,751	10,760	14,512
Payment to suppliers and employees	192,843	189,932	266,500
	<u>201,594</u>	<u>200,692</u>	<u>281,112</u>
Net cash flows from operating activities	14,091	16,126	(22,673)
CASHFLOWS FROM INVESTING ACTIVITIES			
Cash is provided from:			
Sale of property, plant and equipment	220	337	380
	<u>220</u>	<u>337</u>	<u>380</u>
Cash is applied to:			
Purchase of property, plant and equipment	24,760	23,041	34,568
Investment additions	30,060	47,433	50,307
	<u>54,820</u>	<u>70,474</u>	<u>84,875</u>
Net cashflows from investing activities	(54,600)	(70,137)	(84,495)
CASHFLOWS FROM FINANCING ACTIVITIES			
Cash is provided from:			
Loan funding ¹	60,466	69,731	129,950
	<u>60,466</u>	<u>69,731</u>	<u>129,950</u>
Cash is applied to:			
Debt repayment	14,223	10,312	21,015
	<u>14,223</u>	<u>10,312</u>	<u>21,015</u>
Net cashflows from financing activities	46,243	59,419	108,935
Net increase/(decrease) in cash and cash equivalents	5,734	5,408	1,767
Opening cash and cash equivalents ²	28,587	22,287	48,204
Closing cash and cash equivalents²	34,321	27,695	49,971

¹ 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 latter allows for forecast movements in the current financial year compared with budgeted movements

**PROSPECTIVE REGIONAL RATES AND CAPITAL EXPENDITURE
FOR THE YEAR ENDING 30 JUNE**

	2013/14 Budget \$000s	2014/15 Plan \$000s	2014/15 LTP \$000s
REGIONAL RATES			
Regional Leadership - excluding Warm Greater Wellington targeted rate	10,231	10,267	12,464
Public transport	48,736	50,864	62,346
Environment	20,701	22,236	21,841
Flood Protection and Control Works	14,152	14,863	15,351
Parks	5,214	5,632	5,952
Investments ¹	(7,731)	(7,324)	(10,479)
Total Rates excluding Warm Greater Wellington targeted rate	91,303	96,538	107,475
Regional Leadership - Warm Greater Wellington targeted rate	3,029	2,742	3,576
Total regional rates	94,332	99,280	111,051

CAPITAL EXPENDITURE

Environment	376	672	550
Public transport ²	1,956	5,259	18,033
Water supply	10,034	8,201	5,413
Parks	930	1,214	1,185
Flood Protection and Control Works	4,213	4,839	6,480
Regional Leadership	1,062	1,095	1,068
Investments	2,980	118	1,586
Other	3,209	1,643	253
Total capital expenditure	24,760	23,041	34,568
Public Transport Improvements	6,218	5,492	109,226
Public Transport Investment in Rail	30,060	47,433	0
Total Capex and improvements	61,038	75,966	143,794

¹ Investment returns reduce the requirement for rates

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

All figures on this page exclude GST

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 GWRC's treasury risk management policy.

Other reserves are split into four categories:

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

Council Created Reserves	Purpose of the Fund	Opening Balance	Deposits	Withdrawals	Closing Balance
		Jul-14 \$000s	\$000s	\$000s	Jun-15 \$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	9,824	304	(4,465)	5,663
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	1,664	62	(235)	1,491
WREMO reserve	Contributions by other Local Authorities to run the WREMO	525	13	(353)	185
WRS reserve	Any funding surplus or deficit relating to the Wellington Regional Strategy implementation is	640	17	-	657
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	6,569	778	(296)	7,051
Land management reserves	Any funding surplus or deficit relating to the provision of targeted land management schemes is	801	62	(60)	803
Contingency reserves					
Environmental legal reserve	To manage the variation in legal costs associated with resource consents and enforcement	191	-	-	191
Flood contingency reserves	To help manage the costs for the repair of storm damage throughout the region.	1,401	260	-	1,661
Rural fire reserve	To help manage the costs of rural fire equipment.	64	3	-	67
Special Reserves					
Election reserve	To manage the variation in costs associated with the election cycle	24	85	(6)	103
Corporate systems reserve	To manage the variation in costs associated with key IT infrastructure and software.	3,533	158	(1,209)	2,482
Rebudget reserve	Expenditure that has been rated for in 2013/14 when the project will not be completed until 2014/15	974	(34)	(902)	38
Total Reserves		26,210	1,708	(7,526)	20,391

All figures on this page exclude GST

**PROSPECTIVE DEBT
AS AT 30 JUNE**

	2013/14 Budget \$000s	2014/15 Plan \$000s	2014/15 LTP \$000s
Environment	1,003	1,295	1,011
Public transport	116,299	147,939	245,988
Water supply	62,492	65,849	64,245
Parks	4,641	4,959	5,362
Flood Protection and Control Works	50,083	53,800	54,155
Stadium	7,700	5,580	5,580
Forestry	32,144	0	31,361
Regional leadership	19,474	19,777	17,897
Property and investments	4,535	4,073	10,368
Corporate systems	4,563	4,082	1,747
Total activities debt	302,934	307,354	437,714
Treasury internal funding ¹	(93,832)	(73,860)	(80,340)
Total external debt	209,102	233,494	357,374
External debt (current)	26,777	19,494	26,721
External debt (non-current)	182,325	214,000	330,653
Total external debt	209,102	233,494	357,374

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

All figures on this page exclude GST

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

	2013/14 Budget \$000s	2014/15 Plan \$000s	2014/15 LTP \$000s
Greater Wellington operations			
Sources of operating funding			
General rates	28,476	31,170	29,909
Targeted rates	65,856	68,110	81,142
Subsidies and grants for operating purposes	67,022	62,839	77,412
Interest and dividends from investments	5,165	6,401	5,794
Fees, charges, and targeted rates for water supply	3,522	4,091	3,296
Fines, infringement fees, and other receipts ¹	43,492	34,928	51,178
Total operating funding	213,533	207,539	248,731
Applications of operating funding			
Payments to staff and suppliers	192,195	189,932	268,385
Finance costs	8,751	10,760	14,512
Other operating funding applications	-	-	-
Total applications of operating funding²	200,946	200,692	282,897
Operating surplus/(deficit)	12,587	6,847	(34,166)
Sources of Capital Funding			
Subsidies and grants for capital expenditure	2,152	9,279	9,708
Increase / (decrease) in debt	41,736	53,601	108,465
Gross proceeds from asset sales	220	337	380
Total Sources of Capital Funding	44,108	63,217	118,553
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	6,250	1,445	662
- to improve the level of service	7,865	14,160	26,952
- to replace existing assets	12,346	9,139	6,954
Increase / (decrease) in investments	34,795	51,138	51,596
Increase / (decrease) in reserves	(4,561)	(5,818)	(1,777)
Total Applications of Capital Funding	56,695	70,064	84,387
Surplus/(Deficit) of Capital Funding	-	-	-
Depreciation on council assets	13,465	18,638	16,056
Water Supply Levy¹	25,635	26,276	26,919

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

Rates funding impact statement

General rate	2014/15 Cents per \$ of rateable capital value	2014/15 Revenue sought \$	Targeted rate: Transport	2014/15 Cents per \$ of rateable capital value	2014/15 Revenue sought \$
Wellington city	0.03230	15,207,317	Wellington city	0.26513	19,446,167
Lower Hutt city	0.03124	5,276,864	Downtown city centre business	0.02916	11,431,465
Upper Hutt city	0.03125	2,053,169	Urban	0.00751	40,571
Porirua city	0.03066	2,430,782	Rural	0.05291	8,795,357
Kapiti Coast district	0.03072	3,182,746	Lower Hutt city	0.01355	38,510
Masterton district	0.03082	1,386,210	Urban	0.05728	3,372,827
Carterton district	0.03159	621,938	Rural	0.01471	100,504
South Wairarapa district	0.03088	1,008,729	Upper Hutt city		
Taranaki district ¹	0.03059	1,920	Urban		
Total general rate		31,169,675	Rural		
Targeted rate:			Porirua city		
River management	2014/15 Cents per \$ of rateable capital value	2014/15 Revenue sought \$	Urban	0.06036	4,472,541
Wellington city	0.00012	54,276	Rural	0.01546	80,037
Lower Hutt city	0.01734	2,929,915	Kapiti Coast district		
Upper Hutt city	0.00920	604,194	Urban	0.02594	2,266,406
Porirua city	0.00053	42,230	Rural	0.00676	109,822
Kapiti Coast district	0.01378	1,427,189	Masterton district		
Carterton district	0.00109	21,478	Urban	0.00850	190,909
Total district-wide river management rate		5,079,282	Rural	0.00250	56,328
Greytown ward	0.01867	87,211	Carterton district		
Total river management rates based upon capital value		5,166,493	Urban	0.01543	95,308
Targeted rate:			Rural	0.00420	56,810
River management	2014/15 Cents per \$ of rateable capital value	2014/15 Revenue sought \$	South Wairarapa district		
Wellington city	0.00012	54,276	Urban	0.01990	193,045
Lower Hutt city	0.01734	2,929,915	Rural	0.00522	119,840
Upper Hutt city	0.00920	604,194	Total transport rate		50,864,447
Porirua city	0.00053	42,230	Targeted rate:		
Kapiti Coast district	0.01378	1,427,189	Warm Greater Wellington		
Carterton district	0.00109	21,478	Based on extent of service provided	2014/15 Percentage of service provided	2014/15 Revenue sought \$
Total district-wide river management rate		5,079,282	For any ratepayer that utilises the service	15.000%	2,742,000
Greytown ward	0.01867	87,211			
Total river management rates based upon land value		2,347			
Featherston urban: Donalds Creek Stopbank	0.00261	2,347			
Total river management rates		5,168,840			

Note:

¹ 11 Rural properties in the Taranaki District are within the boundaries of the Wellington region
 Note that all figures on this page exclude GST

Rates funding impact statement

Targeted rate: Stadium purposes	2014/15 Cents per \$ of rateable capital value	2014/15 Revenue sought \$
Wellington city		
Business	0.00508	549,874
Residential	0.00289	1,031,783
Rural	0.00144	7,760
Lower Hutt city		
Business	0.00413	136,198
Residential	0.00285	379,962
Rural	0.00228	6,154
Upper Hutt city		
Business	0.00200	21,139
Residential	0.00238	114,255
Rural	0.00079	5,352
Porirua city		
Business	0.00345	33,180
Residential	0.00241	155,196
Rural	0.00072	3,746
Kapiti Coast district		
Urban	0.00135	118,002
Rural	0.00071	11,506
Masterton district		
Urban	0.00175	39,334
Rural	0.00063	14,182
Carterton district		
Urban	0.00169	10,436
Rural	0.00061	8,295
South Wairarapa district		
Urban	0.00199	19,266
Rural	0.00044	10,168
Total stadium-purposes rate		2,675,788

Targeted rate: Wellington Regional Strategy (MRS)	2014/15 \$ per rating unit	2014/15 Cents per \$ of rateable capital value	2014/15 Revenue sought \$
Wellington city			
Downtown city centre business		0.01112	815,455
Business		0.01112	387,100
Residential – per rating unit	\$14.00		968,898
Rural – per rating unit	\$28.00		20,216
Lower Hutt city			
Business		0.00989	326,172
Residential – per rating unit	\$14.00		497,966
Rural – per rating unit	\$28.00		13,496
Upper Hutt city			
Business		0.00986	103,907
Residential – per rating unit	\$14.00		199,596
Rural – per rating unit	\$28.00		31,528
Porirua city			
Business		0.00971	93,237
Residential – per rating unit	\$14.00		233,478
Rural – per rating unit	\$28.00		16,660
Kapiti Coast district			
Business		0.00973	116,447
Residential – per rating unit	\$14.00		282,786
Rural – per rating unit	\$28.00		68,404
Masterton district			
Business		0.00976	37,236
Residential – per rating unit	\$14.00		107,814
Rural – per rating unit	\$28.00		95,116
Carterton district			
Business		0.01000	9,463
Residential – per rating unit	\$14.00		28,938
Rural – per rating unit	\$28.00		45,472
South Wairarapa district			
Business		0.00978	16,236
Residential – per rating unit	\$14.00		40,880
Rural – per rating unit	\$28.00		75,104
Taranaki district – per rating unit	\$28.00		252
Total economic development rate			4,632,899

Note:
1 11 Rural properties in the Taranaki District are within the boundaries of the Wellington region

Note that all figures on this page exclude GST

Rates funding impact statement

Targeted rate: River management schemes ¹		2014/15 \$ per hectare	2014/15 Revenue sought \$	Targeted rate: River management schemes ¹		2014/15 \$ per hectare	2014/15 Revenue sought \$
Waingawa				Waipohue – rural			
A	133,50187	4,634	44,63214	A	32,47945	697	87,213
B	86,78492	11,008	37,34118	B	31,06728	6,512	
C	66,76490	7,388	29,87264	C	26,32651	413	
D	60,06724	112	22,40564	D	23,30047	1,674	
E	53,52226	9,215	14,93688	E	0,10088	38	
F	46,83272	1,181	589,80270	S		9,732	
G	20,11846	1,011					
H	13,43513	2,268		Mangataere			
		36,817		A	8,75232	609	9,334
Upper Ruamahanga				Upper Mangataere			
A	123,12895	11,321		B	6,57181	114	
B	102,60578	679		C	4,39038	210	
C	82,08470	10,202					
D	61,56415	1,084		Waipoua			
E	41,04235	12,221		A	111,63869	9,867	933
F	20,52118	820		B	89,22388	22,545	
S	1,156,17195	1,734		C	67,06773	1,493	
		38,061		D	44,69000	12,514	
Middle Ruamahanga				SA			
A	118,04763	5,169		SC	2,257,95045	226	
B	95,99312	5,242					
C	76,79453	393					
D	57,59595	7,131					
E	38,39716	1,809					
F	19,19858	5,686					
S	1,161,68632	1,975					
		27,395					
Lower Ruamahanga							
A	56,77505	7,260					
B	48,66436	2,661					
C	40,55356	8,871					
D	32,44298	10,748					
E	24,33229	7,995					
F	16,22138	19,915					
SA	1,423,61717	3,559					
SB	711,80902	1,139					
		62,148					

Note that all figures on this page exclude GST

Rates funding impact statement

Targeted rate: River management schemes 1	2014/15 \$ per hectare	2014/15 Revenue sought \$
----------------------------------------------	---------------------------	------------------------------------

Targeted rate: River management schemes 2	2014/15 \$ per dwelling ¹	2014/15 \$ per point	2014/15 Revenue sought \$
-------------------------------------------------	--------------------------------------------	-------------------------	------------------------------------

Kopuaranga	A2	62,49503	1,645
	A3	56,25763	3,879
	A4	31,15816	352
	A5	21,87362	1,263
	A6	12,39898	1,006
	B2	12,49898	766
	B3	11,27917	830
	B4	6,24949	58
	B5	4,37477	136
	B6	2,49974	301
	SA	153,57415	768
	SB	76,78703	845
			11,849
Lower Taumu	A	3,79405	1,537
	B	0,75643	212
	C	0,37822	71
	S	189,10578	230
			2,050
Lower Whangapehu	A	16,97409	573
	B	13,57911	911
	C	10,18402	596
	D	6,79038	524
	E	3,39498	603
	S	84,88572	112
			3,279
Total river management scheme rates 1			326,102

Lower Waikarepa valley	A		0,21378	617,571
Development scheme	Sa	16,70918		6,450
	Sb	33,41835		66,536
Total river management scheme rates 2				690,557
Total river management scheme rates				1,016,659

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

Rates funding impact statement

Targeted rate: Catchment schemes 1	2014/15 \$ per hectare	2014/15 Revenue sought \$
Whareama		
A	4,25730	2,815
B	1,63770	1,185
C	0,28670	12,542
D	0,24550	5
E	0,20540	1
F	0,16730	488
		17,016
Homewood		
A	1,45100	3,430
B	1,38410	617
C	1,20960	4,032
D	0,17280	302
		8,381
Maungaraki		
A	0,86565	2,962
B	0,40784	1,212
		4,174
Upper Kaimhata		
A	8,41580	353
B	3,69380	290
C	0,52360	481
D	0,31550	561
E	0,21010	393
F	0,10510	47
		2,125
Lower Kaimhata		
A	14,04540	923
B	6,14230	285
C	0,87740	1,002
D	0,52650	1,384
E	0,35100	12
F	0,17550	49
		3,555
Catchment management scheme 1 rates		35,351

Note that all figures on this page exclude GST

Targeted rate: Catchment schemes 2	2014/15 Cents per \$ of rateable land value	2014/15 Revenue sought \$
Awhera-Orouawe		
	Land value	0,00016
	Land value within scheme a	0,00348
Catchment management scheme 2 rates		
		12,454
Targeted rate: Catchment schemes 3		
	2014/15 \$ per dwelling ¹	2014/15 Revenue sought \$
Awhera-Orouawe	Change per dwelling	\$114,54 / \$57,27
Maungaraki	Change per dwelling	\$30,88
Mataikona-Whakataki	Change per dwelling	\$15,00
		11,236
Targeted rate: Catchment schemes 4		
	2014/15 Cents per metre of river frontage	2014/15 Revenue sought \$
Maungaraki	River frontage	0,04080
		1,116
Catchment management scheme 4 rates		
		60,167

¹ Separately used or inhabitable part (dwelling) includes any part of a rating unit separately used or inhabitable 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 habilitated to form the separately used or inhabitable part of the rating unit must be capable of actual habitation, or actual separate use. To avoid of doubt, a rating unit that has only one use (ie, it does not have separate parts or its vacant land) is treated as being one separately used or inhabitable part (dwelling)

Targeted rate: Pump drainage schemes	2014/15 \$ per hectare	2014/15 Revenue sought \$
-----------------------------------------	---------------------------	------------------------------------

Te Hogaal	A	74,77870	92,000
Moonmood pump	A	77,62690	18,000
Onoke pump	A	140,29310	95,800
Pouawhia pump	A	76,69810	68,952
Total pump drainage scheme rates			274,752

Targeted rate: Bovine Tb	2014/15 \$ per hectare	2014/15 Revenue sought \$
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Land area in defined operational plans		
Land area of 4 or more hectares in control areas	0.54084	294,000
Total bovine Tb rate		294,000

Targeted rate: Possum / Predator	2014/15 \$ per hectare	2014/15 Revenue sought
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Rural land area		
Land area of 4 or more hectares in all rural classified	0.60621	347,600
Total Possum / predator rate		347,600

Note that all figures on this page exclude GST

Targeted rate: Gravity drainage schemes	2014/15 \$ per hectare	2014/15 Revenue sought \$
--------------------------------------------	---------------------------	------------------------------------

Okawa	A	3,41640	988
Tairua	A	6,34310	1,834
East Pukio	A	27,31310	3,150
Longbush	A	15,66700	3,415
Olahoia	B	7,82840	1,012
Te Whiti	A	33,14550	3,000
Ahikouka	A	7,08990	963
Bairiessa	A	27,16690	3,048
	A	15,32370	2,573
	B	12,68730	2,354
	C	-9,88630	3,081
	D	5,93170	912
	E	5,10780	1,041
	F	4,94310	371
Manata	A	40,59250	7,000
Whakawhiri	A	13,26430	8,273
Total gravity drainage scheme rates			43,015

Funding impact statement

Each rating unit is allocated to a differential rating category based upon location and/or land use for the purpose of calculating general rates or targeted rates based upon capital or land value. As GWRC rates are invoiced and collected by each of the territorial authorities in the Wellington region, Greater Wellington is limited to using rating categories based on those used by each of the territorial authorities. Set out below are the definitions used to allocate rating units into rating categories.

Category 1 – rates based on capital or land value

Location	Use	Description
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
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 city urban	All Lower 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
Kapiti Coast district	Kapiti Coast district urban	All rating units not classified in the rural rating areas for the Kapiti Coast district
	Kapiti Coast district rural	All rating units classified in the rural rating areas for the Kapiti 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 rating area of the Greytown ward in the rating information database for the South Wairarapa district. (Prefaced Nos 18400 and 18420)
Tararua district	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)
		All rating units within the Tararua district area are classified as being within the boundaries of the Wellington region

¹ See map on page 118 for Wellington city downtown city centre business area

Funding impact statement

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.

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 designated operational area for bovine Tb. For more information on whether your rating unit is allocated to one or more of these categories, please contact GWRC's Masterton office (see back cover).

All rural rating units of four or more hectares are subject to the possum/predator rate.

Category 3 – Lower Wairarapa Valley Development Scheme rate

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

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

Category 4 – Warm Greater Wellington rate

The Warm Greater Wellington rate is a targeted rate set on properties that have benefited from the installation of insulation provided by GWRC in respect of the property. The rate is calculated as a percentage of the service amount until the service amount and the costs of servicing the service amount are recovered.

Funding impact statement

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
Lower Hutt city	Wellington city rural	As per differential category 1
	Lower Hutt city business	As per differential category 1
	Lower Hutt city residential	As per differential category 1
Porirua city	Lower Hutt city rural	As per differential category 1
	Porirua city business	As per differential category 1
	Porirua city residential	As per differential category 1
Upper Hutt city	Porirua city rural	As per differential category 1
	Upper Hutt city business	As per differential category 1
	Upper Hutt city residential	As per differential category 1
Kapiti Coast district	Upper Hutt city rural	As per differential category 1
	Kapiti Coast district business	All rating units used for a commercial, business, industrial purpose or utility network activity in the Kapiti Coast district rating information database
	Kapiti 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 Kapiti Coast district rating information database
Masterton district	Kapiti Coast district rural	All rating units located in rural rating areas except those properties that meet the classification of commercial, business, industrial purpose, utility network or community activity in the Kapiti Coast district rating information database
	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
Carterton district	Masterton district rural	As per differential category 1
	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
South Wairarapa district	Carterton district rural	As per differential category 1
	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
Taranua district	South Wairarapa district rural	As per differential category 1

Funding impact statement

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 service to the land	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 s146 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 parts(s)	Where the land is situated (in some cases set under s146 of the Local Government (Rating) Act 2002 using approved classification and differential registers) and in some cases use and land value	Dollars per hectare or cents per metre of river frontage in the area protected and in some cases a fixed charge per separately used or inhabited part (dwelling) and cents per dollar of rateable land value ¹
Wairarapa drainage schemes	Flood protection	Land area	Where the land is situated (set under s146 of the Local Government (Rating) Act 2002 using approved classification and differential registers)	Dollars per hectare in the area protected

Differential on the general rate

There are no differentials on GWRC's general rate.

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

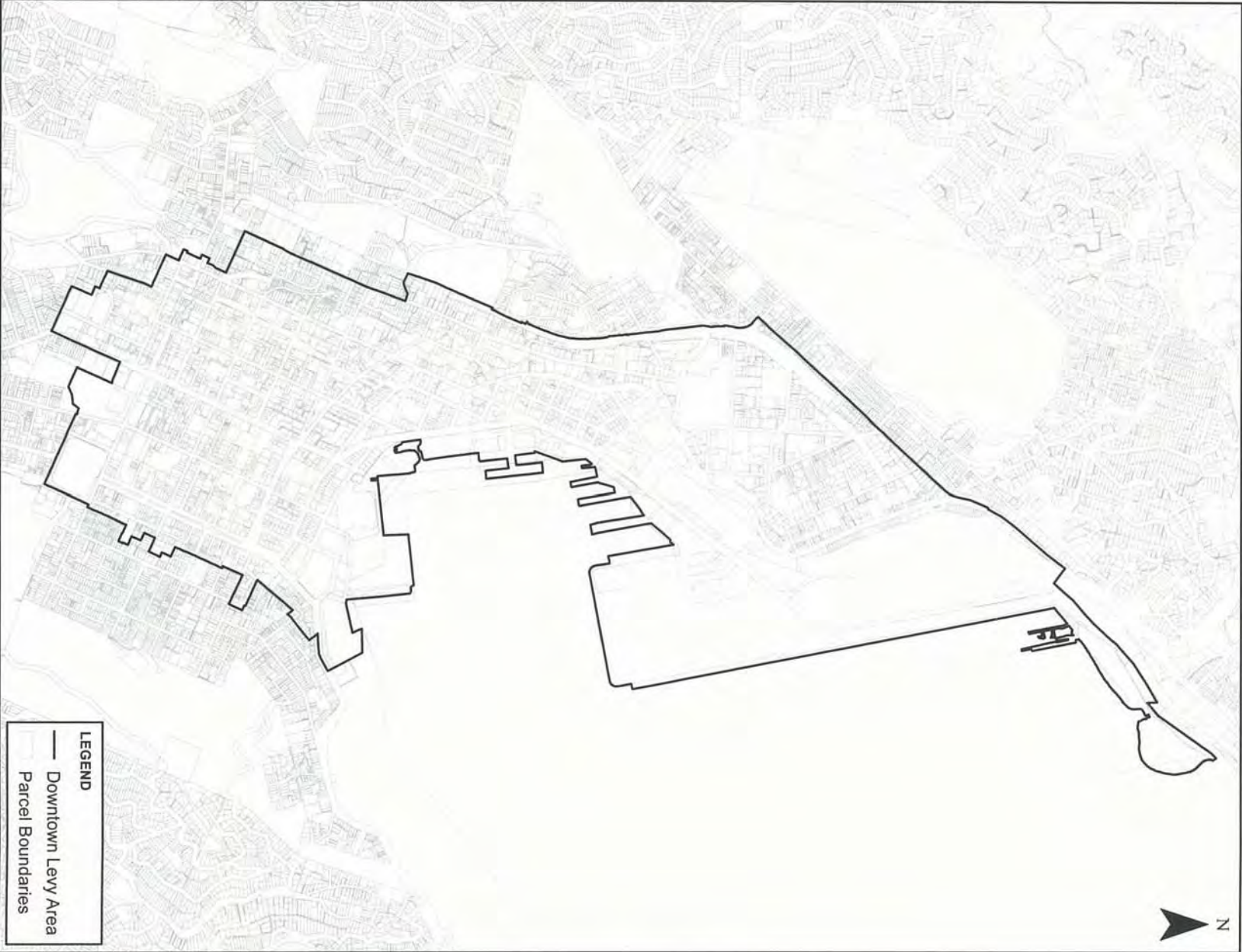
Uniform Annual General Charge

GWRC does not set a Uniform Annual General Charge.

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)

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.

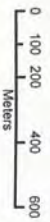
Filepath: Z:\Technology_management\Data_management\Ad_reqs\10270_Michael_Brownie_Downtown_Levy_Feb12\Projects\10270_Michael_Brownie_Downtown_Levy_WCC_WebSite_Map.mxd



Downtown Levy Area

LEGEND

- Downtown Levy Area
- Parcel Boundaries



Scale 1:20,000

Property boundaries, 30m, Cartesian, grid names, and line, address, & site points sourced from Land Information NZ. Crown Copyright reserved. Private boundaries, 1:100m scale, 1:100m in urban areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown, as appropriate and must not be used for detailed engineering design.

Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.

MAP PRODUCED BY:
Wellington City Council
101 Wakefield Street
WELLINGTON, NZ

ORIGINAL MAP SIZE: A4
AUTHOR: Mark Swadel
DATE: 22/02/2012
REFERENCE: 10270



Item	2019	2018
Operating income	1,234,567	1,123,456
Operating expenses	(876,543)	(987,654)
Operating profit	358,024	135,802
Other income	12,345	23,456
Other expenses	(34,567)	(45,678)
Income before taxes	335,802	113,580
Income tax expense	(84,201)	(28,395)
Net income	251,601	85,185
Other comprehensive income	10,200	(5,100)
Comprehensive income	261,801	80,085

Part 6

Regional Councillors

Regional Councillors

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