

consultation

Summary  
March 2006

# a sustainable region

Greater Wellington Regional Council's proposed ten-year plan 2006–16  
Incorporating the 2006/07 Annual Plan



## Sustainability...

is one of the most important challenges facing our society today. Issues such as increasing energy costs, climate change, water supply, environmental threats, social equity and economic growth are at the forefront of today's political concerns, both in New Zealand and worldwide.

Quality for Life

# Message from...

I am pleased to present Greater Wellington Regional Council's Proposed Long-term Council Community Plan for the region (this Plan). For some time now, Greater Wellington has had a vision of *a sustainable region*. This Plan shows how we will continue to contribute to achieving sustainability. It sets out the outcomes we are trying to achieve and our planned work programmes – as well as the cost. Just as importantly, it shows who we will be working with – because we cannot do it alone. Sustainability requires shared effort and effective working partnerships.

Sustainability is one of the most important challenges facing our society today. Issues such as increasing energy costs, climate change, water supply, environmental threats, social equity and economic growth are at the forefront of today's political concerns, both in New Zealand and worldwide.

While the challenges are clear, the solutions at a regional level are not easy to pin down – and then there is the need to balance what we'd like to do with what is affordable. This Plan is the result of much work and debate, both within and outside Greater Wellington. For Greater Wellington, a *sustainable region* means ensuring our environment is protected while meeting the economic, social and cultural needs of the community. But in preparing this Plan, councillors also put much thought into "how" we are going to work, as well as into "what" we are going to do. To this end we developed the following themes to assess the appropriateness of our planned work programmes:

- Working as a region
- Doing what we do well
- Being innovative and visionary
- Working **with** and **for** the community.

Councillors also faced a new challenge when preparing this ten-year Plan. The Local Government Act 2002 permits regional councils to engage in new areas of activity if those activities meet the needs of the community. We have been requested to fund some new areas of work. These requests have been carefully considered, but councillors decided to "stick to their knitting" and focus on maintaining and improving existing programmes rather than branching out into new areas. So this Plan is essentially "business as usual" in that it does not include any new functions. That said, the Council has identified some particular strategic decisions that need to be made before this Plan is finalised. We would value your opinion on the following:

## Improving public transport

A year ago Greater Wellington sought the community's views on some major funding increases needed to maintain and improve public transport in the region. The response was that we should go ahead. Those transport improvements are included in this Plan and are the main reason for the proposed rates increase.

As well as increasing rates to pay for improved transport in the region, we also propose to increase passenger rail fares by 15%, effective from July 2006. This will be the first increase in rail fares for four years. Utilising both rates and fares means that the costs will be spread fairly across all ratepayers (who will benefit from less road congestion and an improved environment) and fare paying passengers (who will benefit from improved rail and bus services). If we don't increase rail fares by 15%, we will have to increase the transport rate by 4.6%.

Although the upgrade of the region's passenger rail system and improvements to our bus network will take some years to complete, improvements have already begun. The refurbishment of the English electric units is underway and 18 new passenger carriages for the Wairarapa line will start coming into service from March 2007.

We are grateful for the substantial contribution that central government has pledged to make these transport improvements possible.

Greater Wellington has a legal opinion saying that, in accordance with the Land Transport Management Act 2003, the new public transport infrastructure must be owned by a Council Controlled Trading Organisation (CCTO). We propose to set up four new CCTOs for this purpose.

We'd like to know if you agree with our approach to funding transport improvements in the region.





# ...the Chairman

## A major commitment to flood protection across the region

Greater Wellington has already committed to a forty-year programme of major flood protection improvements in the Hutt Valley and Kapiti Coast. However, recent floods have generated requests from affected communities to speed up this programme of works – and even expand it to cover some smaller rivers and streams. In the Wairarapa there is also a demand for improved flood protection.

Council has the option of increasing expenditure on improving flood protection works. This Plan provides for some acceleration of the Hutt Valley works and for new expenditure in the Wairarapa. Kapiti Coast works will continue as planned.

This will mean increased costs for the communities who will benefit directly, as well as for ratepayers across the region. We'd like to know whether you agree with our approach to flood protection.

## Expanding our parks network

Greater Wellington has five regional parks and has signalled in the past that it would like to expand the network to provide more areas for public recreation across the region. This Plan provides for a wetland regional park in the Wairarapa and for a regional park at Whitireia, Titahi Bay. Adding these new parks to the network means additional costs for ranger services, infrastructure, such as signage and tracks, and general operating costs associated with managing land. These additional costs will increase the rates by just less than 1% in 2007/08. Consequently, we are not planning to add any other new services or significant infrastructure to our existing parks.

Greater Wellington has already committed to the purchase of the Waitangirua block which will become part of the Belmont Regional Park.

We want to know if you agree with the planned additions to our regional parks network or whether you would prefer to have additional facilities and services in our current parks.

## Water conservation measures versus a new water source

We collect, treat and deliver water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington. At current estimates of population growth, we will reach our supply limit within two to three years. Some enhancements, costing up to \$6 million, will provide a solution for a few years. Consequently, this Plan provides for investigative work on a major new water source, potentially costing up to \$102 million. We will have the costs refined in about a year.

Whatever source is chosen, construction will, undoubtedly, be costly. If people reduce their water consumption, a new water source may not be required so soon – or perhaps not at all. The water supply growth rate is about one percent a year, so reducing consumption by one percent a year through using water more wisely will put off the need for a new water source.

Should we put increased resources into water conservation measures, such as education or metering, to try and reduce consumption levels, or should we put our resources into finding a viable new water source?

Water metering of households is a vexed issue. Potentially, it could reduce consumption by about 15 percent. The four city councils would have to introduce metering through a collaborative approach. Introducing water meters could cost about \$50 million and result in operating costs of about \$15 a year for each household. Environmental benefits would be considerable – more water left in our rivers and less waste water for the cities to treat.

We would welcome your views on these and any other matters contained in our ten-year Plan.



**Ian Buchanan**  
Chairman

Council has the option of increasing expenditure on improving flood protection works. This Plan provides for some acceleration of the Hutt Valley works and for new expenditure in the Wairarapa. Kapiti Coast works will continue as planned.



## Community outcomes for the Wellington region

### Healthy environment

We have clean water, fresh air and healthy soils. Well functioning and diverse ecosystems make up an environment that can support our needs. Resources are used efficiently. There is minimal waste and pollution.

### Quality lifestyle

Living in the Wellington region is enjoyable and people feel safe. A variety of lifestyles can be pursued. Our art, sport, recreation and entertainment scenes are enjoyed by all community members – and attract visitors.

### Sense of place

We have a deep sense of pride in the Wellington region. We value its unique characteristics – its rural, urban and harbour landscapes, its climate, its central location, and its capital city.

### Prosperous community

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

### Prepared community

We can cope with emergency events. Individuals and businesses are able to take responsibility for their own well-being. Effective emergency management systems are in place.

### Connected community

Access is quick and easy – locally, nationally and internationally. Our communication networks, air and sea ports, roads and public transport systems enable us to link well with others, both within and outside the region.

### Entrepreneurial and innovative region

Innovation and new endeavours are welcomed and encouraged. Ideas are exchanged across all sectors, resulting in a creative business culture. We have excellent education and research institutions, and benefit from being the seat of government.

### Essential services

High quality and secure infrastructure and services meet our everyday needs. These are developed and maintained to support the sustainable growth of the region, now and in the future.

### Healthy community

Our physical and mental health is protected. Living and working environments are safe, and everyone has access to health care. Every opportunity is taken to recognise and provide for good health.

### Strong and tolerant community

People are important. All members of our community are empowered to participate in decision-making and to contribute to society. We celebrate diversity and welcome newcomers, while recognising the special role of tangata whenua.



## How we identified outcomes

Greater Wellington's draft regional community outcomes for our Long-term Council Community Plan (LTCCP) 2006-16 were originally created by drawing together the community outcomes from all the councils in the Wellington metropolitan region. Each council had been through a "blank sheet" community outcomes process previously, including Greater Wellington with its 2002 process for the LTCCP 2003-13. The outcomes from each council were compared and aligned to create a set of 8 draft outcomes that reflected both the sub-regions' and the Greater Wellington region's community views.

A group of organisations (local government, central government and quasi government), capable of influencing the identification or promotion of community outcomes, was formed and agreement to the process and the outcomes was secured.

The Wellington Regional Strategy (WRS), a sustainable growth framework for the region, was the vehicle for initial consultation on the community outcomes. The intention was for the WRS community outcomes to also be Greater Wellington's community outcomes for this LTCCP. The rationale behind this was to avoid duplication of process (and, in particular, avoid "consultation fatigue"), maximise the use of council and community resources and capture joined up regional thinking and ideas. Following feedback from the consultation process, a new set of ten outcomes was developed.

## How we will measure progress

Greater Wellington has developed a set of indicators to assess progress towards the achievement of the community outcomes. There will be more technical measures that sit below these indicators. Local authorities and other agencies in the region are working together, through the Wellington Regional Strategy process, to agree on these technical measures. In turn, it is hoped to develop a system that combines and prioritises the measures to come up with a genuine progress indicator for the region. This will be a simple and meaningful measure of the economic, social, environmental and cultural wellbeing of the region.

Progress towards the achievement of the community outcomes will be monitored using this measurement regime and reported to the community every three years.



# Our contribution

7

ACTIVITY GROUPS

Greater Wellington is one of a number of organisations working to achieve the outcomes that the community wants. We all have our part to play.

As a regional council we have certain statutory responsibilities. These are reflected in our seven groups of activities. Each group brings social, economic, cultural and environmental benefits to the region, albeit in different ways. Collectively they are our contribution towards the achievement of the community outcomes.



Environment



Transport



Water supply



Parks



Safety & flood protection



Land



Community



## What the region wants

**Healthy environment** – We have clean water, fresh air and healthy soils

**Sense of place** – We have a deep sense of pride in the Wellington region

**Healthy community** – Our physical and mental health is protected,

## What we do

### Manage resources

- Process and monitor resource consents
- Develop and implement the Regional Policy Statement and regional plans
- Investigate and clean up pollution incidents
- Research key environmental issues and threats.

### Monitor the state of the environment

- Measure the quality and quantity of our natural resources, e.g. river flows, air quality, soil health
- Report to the public on the state of the environment.

### Environmental education

- Help children, businesses and the community to look after and restore the environment.

## Important targets by 30 June 2016

- Water quality in our key streams and rivers will be maintained or enhanced
- Coastal water will meet the standard for which it is being managed (e.g. contact recreation)
- 100% resource consents will be processed within statutory timeframes
- Community will have access to reliable and relevant information about the environment
- On average 2000 students per year will participate in the *Take Action* environment education programme.

## Our key partnerships

City and district councils  
Department of Conservation  
District health boards  
Iwi  
Ministry for the Environment  
National Institute of Water and Atmospheric Research  
Non-government organisations, e.g. Fish and Game Council  
Private landowners  
Queen Elizabeth II National Trust  
Schools, businesses, community groups and volunteers  
Sustainable Business Network



Resource technician, Matthew Rowland, checks recordings at the air quality monitoring station in Masterton. Greater Wellington monitors our region's air quality to identify polluted areas so we can work then with you, the community, to bring about improvements.





# Transport

## What the region wants

**Connected community** – Access is quick and easy – locally, nationally and internationally

**Essential services** – High quality and secure infrastructure supports our everyday needs

**Prosperous community** – All members of our community prosper from a strong and growing local economy

**Healthy community** – Our physical and mental health is protected

**Quality lifestyle** – Living in the Wellington region is enjoyable and people feel safe

**Healthy environment** – We have clean water, fresh air and healthy soils.

## What we do

### Plan and monitor the transport network

- Develop an affordable Regional Land Transport Strategy and monitor its implementation.

### Provide the infrastructure for public transport

- Provide and maintain urban passenger trains, “Park and Ride” facilities, train stations, bus-rail interchanges, bus lanes, and bus shelters.

### Fund and promote public transport services

- Fund rail, bus and local harbour ferry passenger services
- Provide passenger service information through a call centre, website, and paper timetables
- Encourage people to use public transport.

## Fund Total Mobility

- Part fund taxi services for people with disabilities.

## Important targets by 30 June 2016

- At least 80% of all trips up to 1 km and 60% of all trips between 1 and 2 kms will be walked or cycled (74% and 19% respectively in 2004)
- Average congestion on selected roads will remain below 20 seconds delay per km travelled despite traffic growth (currently 20 seconds delay per km)
- Less than 442 million litres of petrol and diesel per annum will be used for transport purposes (currently 459 million litres)
- At least 15.6% of journey to work trips will be made using public passenger transport (currently 15.6%).

## Our key partnerships

City and district councils  
 Community groups  
 Disability groups  
 District health boards  
 Energy Efficiency Conservation Authority  
 Land Transport New Zealand  
 Ministry of Transport  
 National transport organisations  
 Passenger transport operators  
 Passenger transport users  
 Schools  
 Taxi companies  
 Transit New Zealand



Ron Fannin, public transport inspector, installs a timetable holder for the Metlink public transport network. Greater Wellington is the major funder of public transport in the region. We encourage use of public transport to reduce congestion and air pollution. Around 31 million passenger journeys are made on the region's public transport system each year.





## What the region wants

**Essential services** – High quality and secure infrastructure supports our everyday needs

**Healthy community** – Our physical and mental health is protected

**Healthy environment** – We have clean water, fresh air and healthy soils

**Prepared community** – We can cope with emergency events.

## What we do

### Collect, treat and deliver water

- Collect water from the Hutt, Wainuiomata and Orongorongo catchments and the Waiwhetu aquifer for public drinking water supply
- Manage catchments so that treatment plants receive good quality water
- Treat water so that it meets the Ministry of Health's standards for drinking water
- Deliver water to the cities of Lower Hutt, Upper Hutt, Porirua and Wellington.

### Plan to meet current and future demands for water

- Assess the demand for water – now and in the future – and plan how such demands will be met, including developing future sources
- Encourage people to use water wisely.

### Plan for emergencies

- Maintain our pipes and plants and build resilience in the system so that water can continue to be supplied after an emergency – or restored as quickly as possible
- Work with city councils to plan how water will be delivered to the community following an emergency event that disrupts supply.

## Important targets by 30 June 2016

- Quality of water supplied will continually meet the Ministry of Health's drinking water standards
- Water supply will be adequate to meet current and future demands
- Water will be available on a daily basis to meet the 1 in 50 year return period drought situation.

## Our key partnerships

Hutt City Council  
Ministry of Health  
Porirua City Council  
Upper Hutt City Council  
Wellington City Council



Mark Poehls, operations foreman, flushes a water main near Porirua. Greater Wellington collects, treats and delivers about 150 million litres of water each day to the four cities in the region. Maintaining the water supply system is essential to ensure the reliable delivery of high quality water.



# Parks

## What the region wants

**Quality lifestyle** – Living in the Wellington region is enjoyable and people feel safe

**Sense of place** – We have a deep sense of pride in the Wellington region

**Healthy community** – Our physical and mental health is protected

**Healthy environment** – We have clean water, fresh air and healthy soils.

## What we do

### Manage regional parks and recreation areas

- Manage Queen Elizabeth Park, Battle Hill Farm Forest Park, Belmont Regional Park, Kaitoke Regional Park, and East Harbour Regional Park
- Manage the Hutt River trail and recreation areas in the Akatarawa and Pakuratahi Forests and in the Hutt, Wainuiomata and Orongorongo catchments
- Prepare management plans to guide use and development
- Develop and maintain assets, e.g. tracks, plantings, shelters and other facilities.

### Promote community use

- Provide a ranger service to help the public enjoy our parks, recreation areas and trails
- Run a summer programme of community events
- Involve local communities in the management of these areas.

## Important targets by 30 June 2016

- Our regional parks and forest areas will continue to attract 750,000 visits per annum (excluding Hutt River Trail)
- Customer satisfaction will be maintained at a level greater than 80%
- Regionally significant landscapes, ecosystems and heritage features in our parks and forest areas will not be lost.



The Hutt River Trail attracts thousands of recreational visitors every year who enjoy walking, cycling, kayaking, fishing and swimming. Park ranger, Thane Walls, discusses special features of the river environment with a walker. Greater Wellington manages 50,000 hectares of regional parks and forests.

## Our key partnerships

City and district councils  
 Community groups  
 Department of Conservation  
 Iwi  
 Landcorp New Zealand  
 Private landowners





## What the region wants

**Quality lifestyle** – Living in the Wellington region is enjoyable and people feel safe

**Essential services** – High quality and secure infrastructure supports our everyday needs

**Healthy community** – Our physical and mental health is protected

**Prepared community** – We can cope with emergency events.

## What we do

### Flood protection

- Plan to reduce the impacts of floods
- Operate a flood warning system
- Build and maintain agreed flood protection works, e.g. stopbanks, gravel extraction
- Enhance the environment along flood corridors
- Provide a consultancy service for land drainage schemes.

### Emergency management

- Plan for emergency events
- Tell people about the risks they face and how these can be managed
- Operate the Wellington Civil Defence Emergency Management Group Emergency Operations Centre.

### Harbour management

- Provide navigation aids in our harbours and a communications service for Wellington Harbour
- Educate people about water safety and enforce maritime safety rules
- Clean up oil spills in our harbours and coastal waters.

## Important targets by 30 June 2016

- There will be no loss of life or significant damage as a result of a flood event
- 80% of households will have emergency food and water supplies (currently 65% and 69% respectively)
- There will be no significant accidents in our harbours and coastal waters.

## Our key partnerships

Boaties and water recreation groups  
CentrePort Ltd  
City and district councils  
Emergency services, e.g. NZ Police  
Ferry operators  
Flood prone communities  
Lifeline utilities  
Maritime New Zealand  
Ministry of Civil Defence and Emergency Management  
Royal New Zealand Volunteer Coastguard  
Shipping companies



Flood protection engineer, Sharyn Westlake, checks maps of planned flood protection works. Greater Wellington manages 320 kilometres of stopbanks. We are responsible for one of the largest flood protection schemes in New Zealand.





# Land

## What the region wants

**Healthy environment** – We have clean water, fresh air and healthy soils. Well functioning and diverse ecosystems make up an environment that can support our needs

**Prosperous community** – All members of our community prosper from a strong and growing economy.

## What we do

### Manage pest plants and animals

- Develop pest management strategies
- Eradicate or reduce significant pests (e.g. possums, old man's beard, wild ginger, and rooks).

### Control Bovine Tuberculosis in wildlife

- Reduce numbers of wildlife that transmit Bovine Tuberculosis to farmed cattle and deer (under contract to the Animal Health Board).

### Promote sustainable land management

- Investigate and monitor the use of land
- Assist farmers and the community to protect and enhance the land
- Provide advice on land management issues.

## Important targets by 30 June 2016

- An additional 4,500 hectares of erosion prone land will be planted using sustainable management practices
- The overall health of our soils will not deteriorate
- 80% of the region will be under intensive possum control programmes (currently 78%)
- The percentage of infected Tb cattle and deer herds will be reduced to 0.2% or 6 infected herds (currently 0.95% or 29 infected herds)
- Pest plant and animal management programmes will be undertaken on 10 wetlands, 4 coastal escarpments, 2 dune ecosystem sites and 40 native forest sites.

## Our key partnerships

Animal Health Board  
 City and district councils  
 Crown research institutes  
 Federated Farmers  
 Non government organisations  
 Private landowners



Poplar poles being delivered to an inaccessible area near Castlepoint in the Wairarapa. Poplar trees hold soil and are used to reduce erosion on hillsides.



For more information about our land work programmes see [www.gw.govt.nz](http://www.gw.govt.nz)



## What the region wants

**Strong and tolerant community** – All members of our community are empowered to participate in decision-making and to contribute to society

**Entrepreneurial and innovative region** – Innovation and new endeavours are welcomed and encouraged

**Quality lifestyle** – Living in the Wellington region is enjoyable and people feel safe. Our art, sport, recreation and entertainment scenes are enjoyed by all community members – and attract visitors.

## What we do

### Run a democratic process

- Provide opportunities for the public to participate in decision-making, e.g. in meetings or through planning and budgeting processes
- Run elections and pay Councillors
- Arrange and service Council meetings.

### Involve Maori in our work

- Work with iwi – collectively through Ara Tahi – and also individually
- Assist iwi to undertake special projects and to work with Greater Wellington.

### Participate in the Wellington Regional Strategy Forum

- Work with city and district councils to develop a Wellington Regional Strategy
- Fund the publication of economic data for the region.

## Support the Westpac Stadium

- Service a \$25 million loan to the Stadium Trust.

## Important targets by 30 June 2016

- The community will be informed about, and given an opportunity to participate in, all Council's significant decision-making and issues which may have an impact on rates
- All statutory requirements for meetings, including public notice and public availability of order papers, will be met
- Greater Wellington and iwi of the region will continue to have a mutually beneficial relationship
- Greater Wellington will continue to develop and implement the Wellington Regional Strategy in partnership with territorial authorities in the Region.

## Our key partnerships

City and district councils  
Chambers of commerce  
Community  
Iwi  
Local Government New Zealand  
Positively Wellington Business  
Stadium Trust



Rangitane elders welcome Greater Wellington councillors onto a Wairarapa urupa. Greater Wellington has a strong relationship with the region's iwi. Ara Tahi is the name given to the council's inter-iwi representative group. It is a forum for collective discussion and an opportunity for iwi to provide policy advice to Greater Wellington.



# Ten-year plan 2006–16

## Māori capacity

Greater Wellington Regional Council has a long-standing relationship with our region's iwi through a Charter of Understanding signed in 1993. This focuses on fostering greater Māori capacity to contribute to the Council's decision-making.

A review of the Charter in 2000 resulted in an expansion of its scope. Following the review, Greater Wellington developed a policy on strengthening the relationship through a range of initiatives. These include:

- Greater use of iwi appointees on resource consent hearing panels
- Annual technical workshops for Greater Wellington staff and iwi to share information, identify issues and solutions
- Support for projects that enable iwi to become more directly involved in the management of resources
- Potential secondments and exchanges between Council departments and iwi groups
- Employment of two Māori liaison officers/Kaitakawaenga in specialist positions
- Capacity building for Councillors and staff to enable them to better appreciate Māori perspectives.

The Council's inter-iwi representative group is called Ara Tahi, and it provides a forum for discussion and policy advice.

## Council policies

As well as consulting on the ten-year plan, the Greater Wellington Regional Council is seeking submissions on a number of policies required by the Local Government Act 2002. The policies are:

- **Significance policy** – provides criteria to guide Greater Wellington when assessing the importance to the community of decisions
- **Private sector partnerships policy** – outlines how Greater Wellington can enter partnership arrangements with private businesses, including what consultation will take place
- **Treasury management policy** – covers Greater Wellington's liability management and investment policies
- **Revenue and financing policy** – identifies how Greater Wellington allocates the costs of its activities against funding sources, including rates and user charges
- **Rates remission and postponement policies** – outlines the circumstances where Greater Wellington will consider remitting or postponing rates.

These policies are included in the full Long-term Council Community Plan which is available from Greater Wellington. See inside back cover for contact details.

## AUDIT NEW ZEALAND

Mana Arotake Aotearoa

### Report to the readers of Greater Wellington Regional Council's summary statement of proposal for adoption of a Long-term Council Community Plan for the ten years commencing 1 July 2006

We have audited the Summary Statement of Proposal for adoption of a Long Term Council Community Plan (LTCCP) of Greater Wellington Regional Council (the Regional Council) set out on pages 1 to 20.

#### Opinion

In our opinion the information reported in the Summary Statement of Proposal for adoption of a LTCCP is consistent with the full Statement of Proposal for adoption of a LTCCP from which it is derived, and is a fair presentation of the major matters in the Statement of Proposal. As noted in our report dated 9 March 2006 in our opinion the full Statement of Proposal for adoption of an LTCCP provided a reasonable basis for integrated decision making and subsequent accountability to the community.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

It is not our responsibility to express an opinion on the merits of any policy content within the Summary Statement of Proposal for adoption of an LTCCP.

#### Basis of Opinion

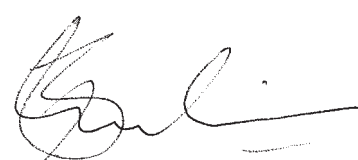
The audit was conducted in accordance with the International Standard on Assurance Engagements 3000 (revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We have examined the financial forecast information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

Other than in our capacity as auditor, we have no relationship with or interests in the Regional Council.

#### Responsibilities of the Council and the Auditor

The Regional Council is responsible for preparing the summary Statement of Proposal for adoption of a LTCCP and we are responsible for expressing an opinion on that summary.



R L Tomlinson  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand  
9 March 2006



# Ten-year plan 2006–16

## What this will mean for rates and community charges in 2006 / 07

	2005/06 Budget \$000's	2006/07 Plan \$000's	Change \$000's	Change %
Wellington City	33,867	36,652	2,785	8.22%
Lower Hutt City	12,686	12,670	(16)	-0.13%
Upper Hutt City	3,574	4,318	744	20.82%
Porirua City	5,306	5,339	33	0.62%
Kapiti Coast District	5,375	5,447	72	1.34%
Masterton District	1,406	1,553	147	10.46%
Carterton District	585	631	46	7.86%
South Wairarapa District	954	1,106	152	15.93%
Tararua District	2	3	1	50.00%
District-wide rates	63,755	67,719	3,964	6.22%
Bovine Tb rate	160	160	0	0.00%
South Wairarapa District – river rates	190	197	7	3.68%
Wairarapa scheme and stopbank rates	1,095	1,246	151	13.79%
<b>Regional rates</b>	<b>65,200</b>	<b>69,322</b>	<b>4,122</b>	<b>6.32%</b>
Water supply levy	25,623	25,623	0	0.00%
<b>Overall community charges</b>	<b>90,823</b>	<b>94,945</b>	<b>4,122</b>	<b>4.54%</b>

This table shows that overall community charges are planned to increase by 4.54% in this proposed 2006/07 Annual Plan. These figures include GST.

Greater Wellington plans to increase regional rates by 6.32% overall in 2006/07. This increase varies between the cities and districts because of changes in capital values (equalised) and differences in Greater Wellington's work programmes.

The water supply levy, charged directly to the four metropolitan city councils, remains at the 2005/06 level.

**Note:** Amounts labelled 2005/06 Budget are sourced from the 2005/06 Annual Plan and amounts labelled 2006/07 Plan are the amounts that Greater Wellington is now planning in this proposed 2006/07 Annual Plan.



## Regional rates calculator for residential properties

	2006/07 proposed rates per \$100,000 of capital value		Enter the capital value of your property		Proposed rates on your property for 2006/07	
Wellington City	\$71.37	x	<input type="text"/>	÷	100,000	<input type="text"/>
Lower Hutt City	\$116.26	x	<input type="text"/>	÷	100,000	<input type="text"/>
Upper Hutt City	\$115.06	x	<input type="text"/>	÷	100,000	<input type="text"/>
Porirua City	\$113.22	x	<input type="text"/>	÷	100,000	<input type="text"/>
Kapiti Coast District	\$75.39	x	<input type="text"/>	÷	100,000	<input type="text"/>
Masterton District	\$45.07	x	<input type="text"/>	÷	100,000	<input type="text"/>
Carterton District	\$63.68	x	<input type="text"/>	÷	100,000	<input type="text"/>
South Wairarapa District <sup>(1)</sup>	\$67.72	x	<input type="text"/>	÷	100,000	<input type="text"/>

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

This table shows how you can calculate your own indicative residential regional rates for 2006/07 (includes GST).

For example, if you live in Upper Hutt City and have a property with a capital value of \$150,000 your indicative regional rates are \$172.59.

Upper Hutt City example	\$115.06	x	\$150,000	÷	100,000	\$172.59
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Please note the above calculation does not include rates payable to your local city or district council.

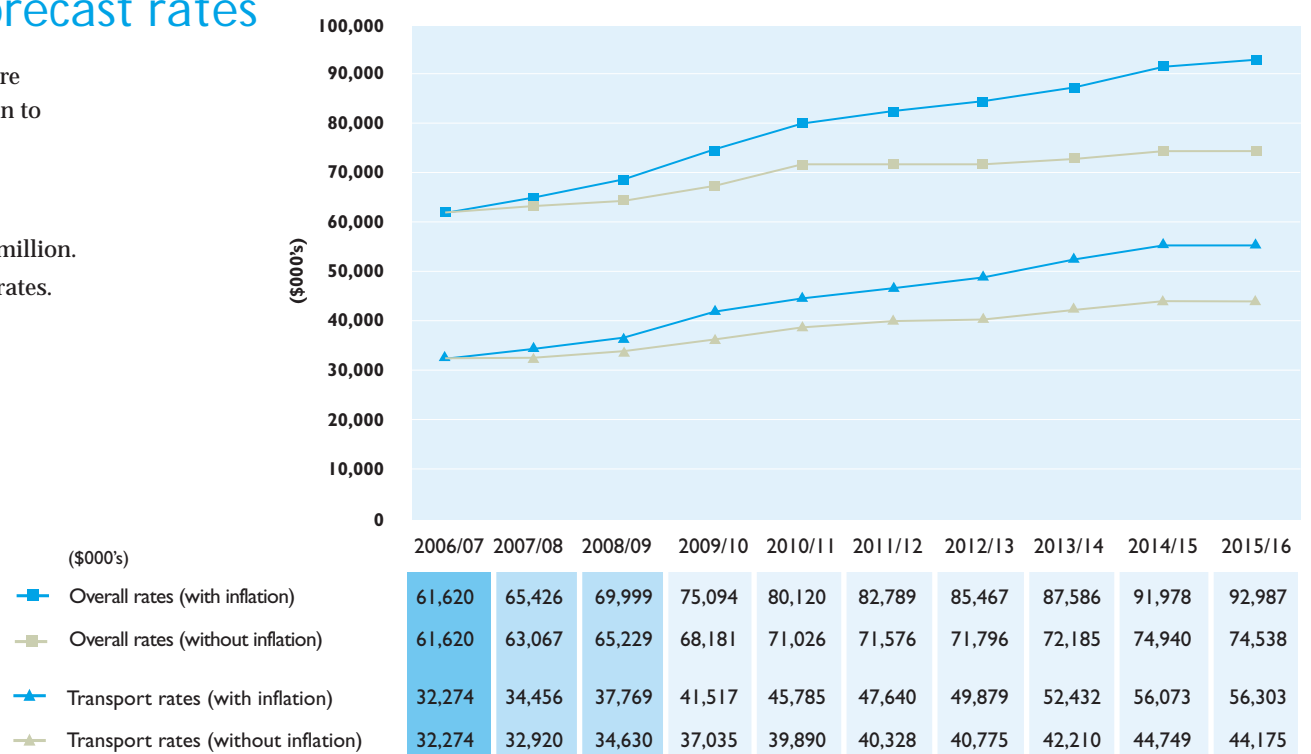
## Impact of inflation on forecast rates

This graph compares the 'rates with inflation' that are proposed in the Long-term Council Community Plan to 'rates without inflation'.

Key points are:

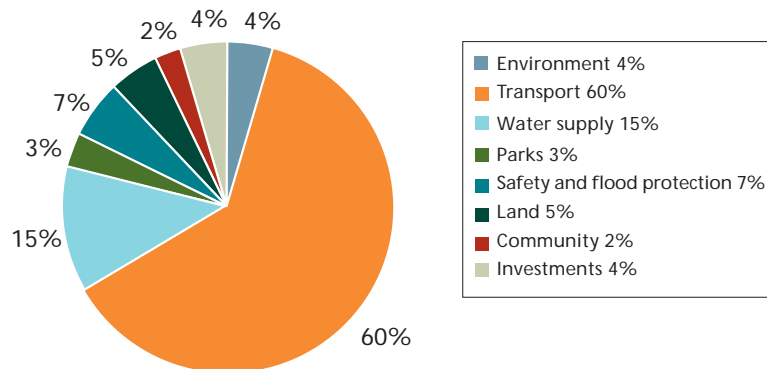
- Inflation over the period increases rates by \$18.4 million.
- Two thirds of this increase comes from transport rates.
- The average inflation increase per year is 3%.

Please note that these figures exclude GST.



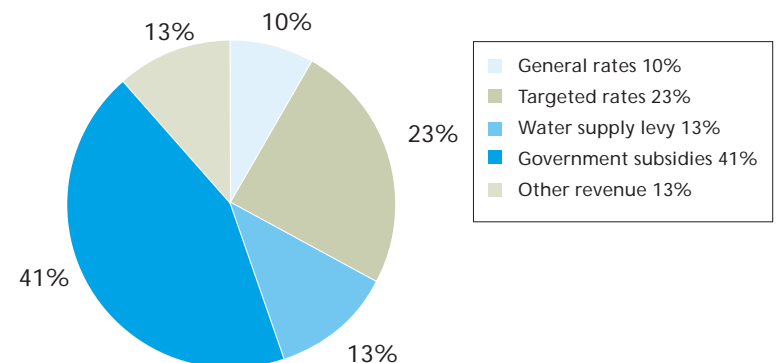
# Ten-year plan 2006–16

## Our work programmes



Over the next ten years Greater Wellington plans to spend approximately \$750 million on capital expenditure and transport investments. Over that same period we will have operating expenditure of over \$2.0 billion. This graph shows the total cost of delivering Greater Wellington's services broken down by our groups of activities. The most significant area of our expenditure relates to transport, at 60% of the total.

## Where our revenue comes from



The cost of our work programmes will be funded by a mix of rates, levies, government subsidies and other revenue. Regional rates, comprising general rates and targeted rates, make up 33% of Greater Wellington's total revenue. Government subsidies (primarily for funding public transport) make up a further 41% and the water supply levy (charged to Wellington, Porirua, Hutt and Upper Hutt city councils) makes up 13%. The remaining 13% of revenue is from other external sources.

## Prospective financial information

The prospective financial information in this proposed Long-term Council Community Plan and 2006/07 Annual Plan was authorised by Greater Wellington Regional Council on 9 March 2006. Actual results are likely to vary from the information presented. These variations may be material.

Key assumptions are:

- Financial forecasts include an estimate of inflation which has been calculated using a variety of indices. These indices differ each year and range from 1.6% to 3.7%
- The 90 day bank bill interest rate will be 7.4% in 2006/07 and 6.3% thereafter
- Over the ten years, the basis of funding provided by Land Transport New Zealand for public transport will be:
 

Rail	60%
Bus and ferry	50%
Total mobility	60%
- There will be a 15% rail fare increase from 1 July 2006 and further periodic fare increases thereafter
- The New Zealand dollar will stay around current levels until the contract for the purchase of passenger rail rolling stock is signed during the 2006/07 year. The Crown, through Land Transport New Zealand, will fund approximately 80% of the total cost, with 20% funded by Greater Wellington

- The following projects in respect of the Western Corridor have been included in the LTCCP. It is assumed that these projects will be 100% funded by the Crown. If the Crown does not contribute 100% and some funding is required from Greater Wellington, it is questionable whether all of these projects will proceed in their current form due to Greater Wellington's lack of capacity to fund this additional expenditure.
  - Double tracking of the railway tracks between McKays Crossing and Raumati
  - Additional rail rolling stock
  - Porirua bus/rail interchange
  - Lindale bus/rail interchange
- Population growth rate for areas serviced by Greater Wellington Water Supply is forecast at 10.2% over the period 2005-26
- Service levels provided will be maintained at current levels, except where stated
- No major changes to the current legislative environment
- No major flood events.

A full set of funding and financial policies, financial statements, accounting policies and assumptions is included in the full Long-term Council Community Plan which is available from Greater Wellington. See inside back cover for contact details.

## Balanced budget requirement

The Council has resolved under Section 100 (2) of the Local Government Act 2002 not to balance its operating budget in the last four years of this Plan. The reasons for this are:

- The deficit has arisen from mismatches in the accounting treatment of government grants received for the purchase of capital assets such as passenger rail rolling stock. The grants are accounted for as operating revenue, while the rail rolling stock is capitalised and accounted for as fixed assets which are written off over their useful lives. Therefore, in the years the grants are received, Greater Wellington makes large surpluses as evidenced in the financial statements
- The deficits are not cash deficits but are simply accounting deficits due to the timing issues as noted above
- Greater Wellington considers that it is not appropriate to rate the community for the depreciation on these assets as this would mean that current ratepayers would have to pay more than their fair share for these assets. Rates will only fund the debt repayment on Greater Wellington's share of the capital expenditure. At the end of the design life of the transport infrastructure and passenger rail rolling stock, Greater Wellington will seek government funding to replace these assets if appropriate or necessary to do so
- Greater Wellington considers that it is financially prudent not to balance the budget in respect of this issue and that service levels will not be decreased.



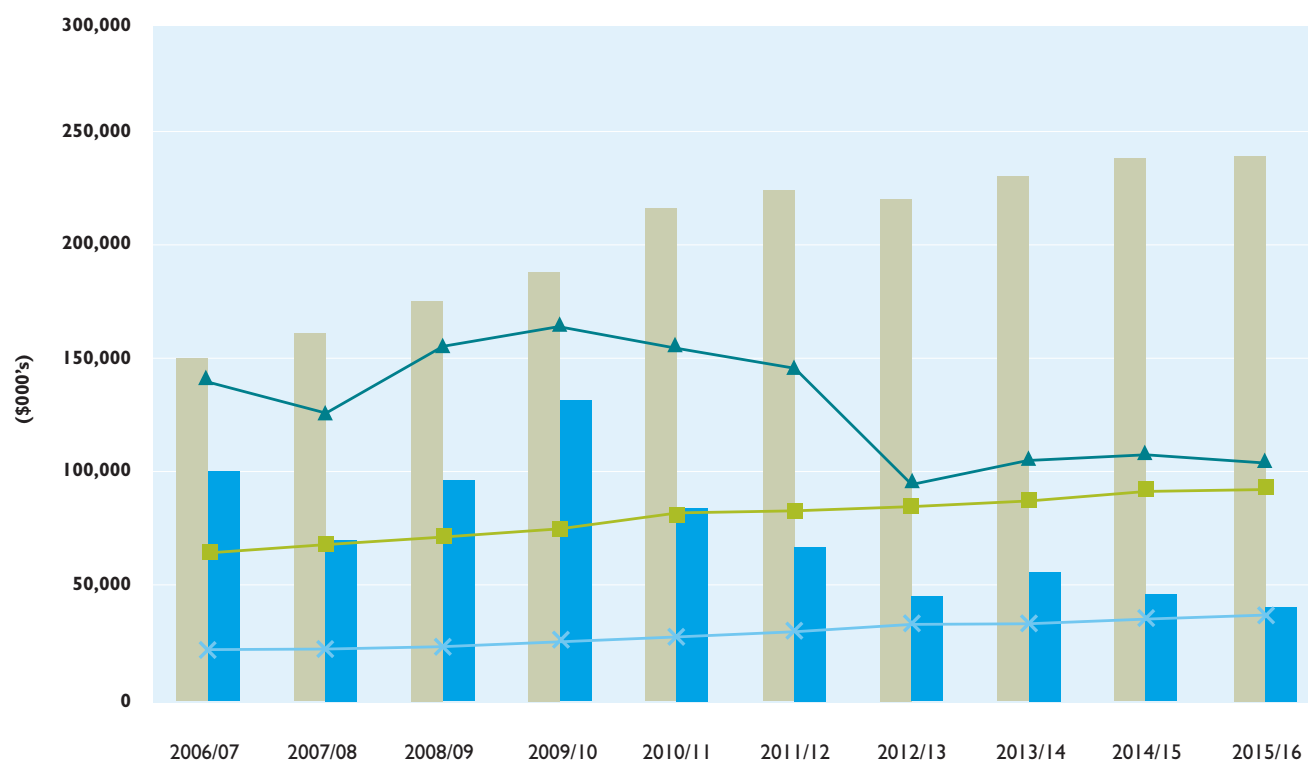
# Ten-year plan 2006–16

## Forecast financial performance and capital expenditure

This graph outlines financial performance and capital expenditure over the next ten years for overall Greater Wellington.

Key points are:

- Capital expenditure and transport investment, primarily rail rolling stock, peaks at \$136 million in 2009/10
- Other operating revenue increases and decreases with the expenditure on public transport infrastructure, because the majority of this is funded by government grants
- Regional rates are projected to rise to \$93 million, the increase is mainly to fund the purchase of public transport infrastructure
- The water supply levy increases from 2007/08 onwards to fund a new water source and to cover increasing costs.



Please note that these figures exclude GST.

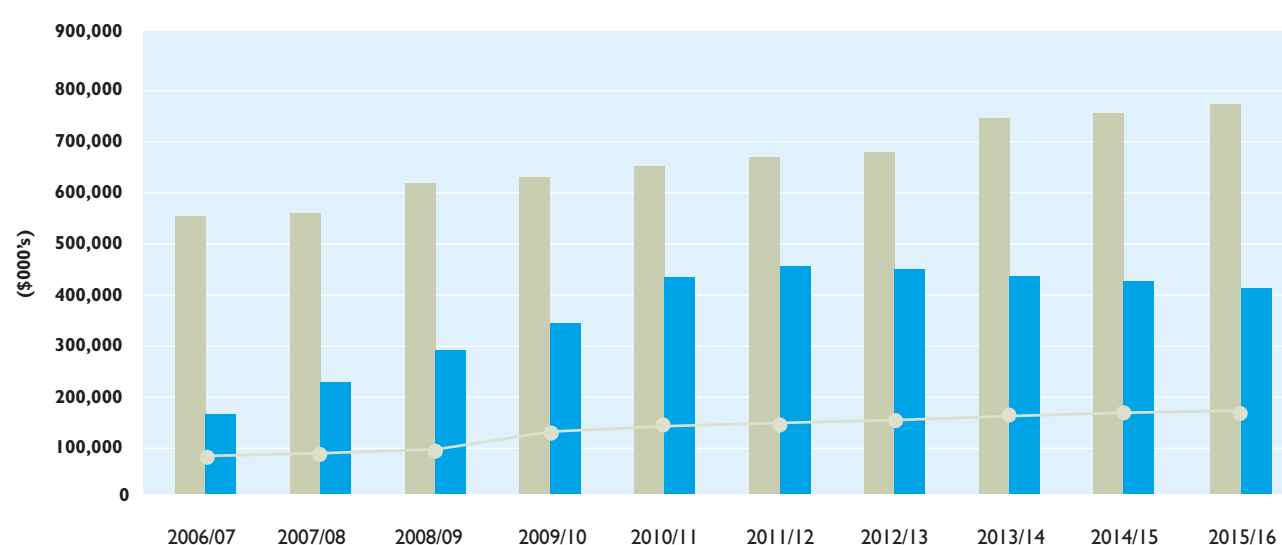
(\$000's)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Capital expenditure & transport investment	100,684	70,150	98,309	135,591	82,190	67,317	46,225	57,794	46,992	41,860
Operating expenditure	150,187	161,049	174,021	187,289	216,809	229,820	220,620	230,292	238,032	238,847
Regional rates	61,620	65,426	69,999	75,094	80,120	82,789	85,467	87,586	91,978	92,987
Water supply levy	22,776	24,187	25,635	27,644	29,751	31,957	34,260	34,911	35,470	36,037
Other operating revenue	140,085	127,961	153,583	162,940	153,161	142,786	99,716	105,780	109,254	104,318
Operating surplus/(deficit)	74,294	56,525	75,196	78,389	46,223	27,712	(1,177)	(2,015)	(1,330)	(5,505)

The large operating surpluses in 2006/07 to 2011/12 are because government grants are accounted for as income. A significant portion of these grants is used to fund our capital purchase of passenger transport infrastructure. The new assets are then depreciated over their expected life, resulting in deficits in future years.

## Forecast assets and debt

This graph outlines the key balance sheet items over the next ten years for overall Greater Wellington.

Please note that these figures exclude GST.



(\$000's)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Property, plant and equipment	557,959	566,702	621,937	631,023	636,963	665,102	683,064	751,885	767,061	775,897
Investments	161,880	212,218	289,479	392,370	438,308	464,100	449,277	434,636	420,102	405,752
Debt	85,910	90,688	99,929	134,764	142,133	144,853	150,222	166,564	170,188	170,127

Key points are:

- The book value of property, plant and equipment is projected to increase to \$776 million in 2015/16. Significant contributions to this increase are \$245 million of capital expenditure (primarily for flood protection, water supply and transport) and \$140 million of forecast asset revaluations. Depreciation over the ten years totals \$124 million
- Investments are projected to increase in value from \$162 million in 2006/07 to \$464 million in 2011/12. The increase primarily relates to the purchase of passenger transport infrastructure which is required to be held in a Council Controlled Trading Organisation. After 2011/12 the value of these transport related investments is impaired as the transport infrastructure depreciates in value
- External debt rises to \$170 million over the period as it is required to fund Greater Wellington's share of public transport infrastructure and other capital expenditure.

# Ten-year plan

# Contacts

## Our ten-year plan process

December 2004 to February 2005

Review community outcomes from existing plans  
Develop community outcomes through the Wellington Regional Strategy process

March to August 2005

Gather information and review our current activities  
Secure agreement from other organisations and groups

August to September 2005

Consult on community outcomes through the Wellington Regional Strategy

October to November 2005

Collate feedback and revise outcomes

November 2005 to March 2006

Develop the details of the proposed ten-year plan

Late March 2006

Invite submissions on the proposed ten-year plan



Mid May 2006

Hear submissions

Late June 2006

Adopt the ten-year plan



## Contact your regional councillors



**Kapiti Constituency**

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**Porirua Constituency**

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**Wellington Constituency**

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**Wellington Constituency**

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**Greater Wellington Regional Council**

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info@gw.govt.nz





# Tell us what you think



We need **your feedback** on this proposed ten-year plan.

Please fill out this Freepost feedback form and return it to us by 4 May 2006.

Online submission forms are available at [www.gw.govt.nz](http://www.gw.govt.nz)

*Please note that any submission you make may become publicly available if a request for it is made under the Local Government Official Information and Meetings Act 1987. If you are making a submission as an individual, Greater Wellington will consider removing your personal details if you request this in your submission.*

GW/SP-G-06/35

# a sustainable region

Feedback form

fold here

Freepost Authority Number 3156



**Proposed ten-year plan submissions**  
Freepost 3156  
Greater Wellington Regional Council  
P O Box 11646  
Wellington