



Highlights of all our diverse activities in 2005/06 include:

- More people than ever are using the region's network of bus, train and harbour ferry services. A Greater Wellington survey shows that total patronage of these services in 2005/06 was 35 million passenger trips, an increase of 2.6 million (8.1%) over the previous year. At the same time, average congestion over the region's key roads and motorways decreased by 17% in March 2006 compared with the previous March.
- Greater Wellington intends to double its investment in the region's public transport over the next ten years to maintain and upgrade public transport services. Transport rates and fares will rise to contribute toward the cost of this investment.
- After extensive public consultation, we published our Long-term Council Community Plan for the years 2006 – 2016. The plan focuses on delivering critical infrastructure and core services such as public transport, flood protection, water supply and our regional parks network, as well as investing in key strategic assets.
- As extreme weather events become more common, we have worked hard to maintain the region's flood defences. Our work in soil conservation and our catchment management schemes have become increasingly important. We have more than 300 active soil conservation plans to reduce erosion and have planted 250,000 trees and poles from our nurseries in this financial year.
- We have worked with other councils, emergency services and health providers to plan for and deliver emergency management in the region. We have also completed a risk assessment of Wellington Harbour, which forms the basis of our Safety Management System for the harbour.
- In 2005/06, more people were involved in caring for the environment through activities such as our community Take Care groups, and our environmental education programmes for businesses and schools.
- The water supply levy for 2006/07 is unchanged. This is the tenth year in a row that we have either held or cut the cost of bulk water supply to the region's four cities. All of the water supplied from our network met the Ministry of Health's drinking water standards.
- The Government assisted Greater Wellington to purchase Waitangirua Farm from Landcorp so we could include it in our regional parks network.
- Our 2006 Regional Outdoors Programme provided 52 events aimed at encouraging the community to get out and enjoy our regional parks.
- We promoted new developments in renewable energy by making some of our land available, for a fee, to developers. The first proposal is for a wind farm at Puketiro, near Pauatahanui.
- We have been working with local councils and the business community to develop a Wellington Regional Strategy, aimed at ensuring a regional approach to sustainable economic development opportunities and issues.





I am sometimes asked by residents and ratepayers what value they get from local and regional government. This annual report encapsulates the wide range of activity we've undertaken over the year and shows, I believe, that we have delivered value to the region across the areas of environment and land management, flood protection, regional transport, water supply, and parks and forests.

Regional approach

With a longer-term focus, Greater Wellington has been working with city and district councils, and with the business community, to develop a regional economic development strategy. I am convinced we need a regional approach to economic development issues, and I'm impressed by the way the business community has contributed to this opportunity to shape our region's future.

Transport solutions

More people than ever are using the region's public transport services. A survey undertaken this year shows total patronage of the region's bus, train and ferry services was 35 million passengers trips in 2005/06, up by 2.6 million over the previous year. The impact of this increase was less congestion on our key roads and motorways, which is an extremely encouraging result.

Finding solutions to the region's transport issues isn't easy because the solutions are accompanied by an enormous financial cost. However, I believe we've made good progress in this area over the past 12 months. We're committed to improving the region's public transport systems and over the next ten years, we intend doubling our investment in public transport. Transport rates and fares will rise to contribute toward the cost of this investment.

Upgrading rail services with new trains and improving the rail infrastructure is a priority and processes are already underway to purchase the trains. I can, however, appreciate people's frustrations at the length of time it will take for many of these improvements to occur.

Among the projects announced or underway are:

- new trains for the Wairarapa line in 2007
- refurbished trolley buses in Wellington City
- the purchase of up to 70 new electric trains for the Hutt and Kapiti lines (entering service from 2010) and refurbishment of existing trains
- upgraded stations and new stations on the Kapiti, Hutt and Wairarapa lines
- design and geotechnical investigation of the Transmission Gully Motorway.

A milestone this year was achieving an agreed regional approach to the issue of how to fix road transport problems on the Western Corridor. The region has agreed that the Transmission Gully Motorway is the preferred option, and detailed design and geotechnical investigations will now go ahead. This is a major step forward after years of uncertainty.

How Greater Wellington should contribute to the regional community over the next decade was a major theme of the councillors' work on our 2006 – 2016 long-term plan, prepared during the year. In our discussions, councillors came to the clear view that we should focus on delivering core services and investing in key strategic assets, and not venture into new activities.

That meant some worthwhile proposals outside of our core areas did not get funded. Instead, we've focused on delivering good-quality public transport, bringing forward improvements to our flood protection systems and strengthening our popular parks network.

Working with the community

Part of our core business is our work with the rural community. This involves long-term projects such as soil conservation and catchment management schemes. This work is becoming increasingly important as extreme weather events, possibly linked to climate change, become more common.



Our soil conservation work now involves more than 300 active soil conservation plans to reduce erosion on erosion-prone land. This year, we have planted 250,000 trees and poles from our nurseries.

We have also worked hard to maintain the region's flood defences – work that has paid off as damage to farmland and community assets has been minimised during recent flood events. Underpinning all this work is an increasing recognition in the rural community that good land use planning is essential for the future management of our catchments.

Parks extended

Increasingly, the community is looking to support and work with Greater Wellington on projects that protect our environment or contribute to a more sustainable economic, social and cultural future for the region. A good example is the way in which the region's community and Greater Wellington worked together to convince the Government to purchase Whareroa Farm and to assist Greater Wellington with the purchase of Waitangirua Farm.

Whareroa will be owned by the Department of Conservation but may be managed by Greater Wellington in association with our management of neighbouring Queen Elizabeth Park. Waitangirua will be integrated into

Belmont Regional Park, ensuring this important recreational asset remains in public hands.

Greater Wellington also undertook extensive public consultation on plans to promote wind farming on our lands. We will not become a developer of wind farms but as a result of strong public support, we have decided to make some of our land available, for a fee, to developers. The first proposal is for a wind farm at Puketiro, near Pauatahanui. There was overwhelming support from local communities for the proposal and we are now selecting potential developers. The double benefit to the region is increased income from non-rating sources and more renewable energy.

Overall, I think we achieved a great deal for the region in 2005/06. We have made progress on transport issues and are taking steps to strengthen key infrastructure in parks and flood protection, while promoting new developments in renewable energy and economic development. All of these activities make a tremendous contribution to the region, and to my mind demonstrate that local government delivers value to its community.

Ian Buchanan
Chairman





Chief Executive's report

This was a challenging but very productive year for Greater Wellington Regional Council on a number of fronts. Although transport issues inevitably took centre stage, other related and important decisions affecting the region's future were made during the development of our Long-term Council Community Plan. Taken together, this work sets a solid basis for the region's economic, social and environmental health.

Investing in transport

If there has been one big issue that has occupied staff and councillors' time over the past year it has been investing and planning for our road and rail transport systems.

Over the year, we have achieved substantial progress toward resolving transport problems that have vexed the region for years. While the public focus has been on the politics and community response to these issues, much of my focus has been working with staff to deliver the advice and information needed to make decisions and get buy-in from stakeholders.

The work has been complex and detailed, encompassing a range of issues from the economics of the rail network to the community response on major motorway plans. Bringing these projects to the point where we can reach

agreement on funding and then purchasing the services requires a huge amount of background work.

To achieve our objectives we work closely with government agencies such as Land Transport New Zealand and Transit New Zealand, and with private sector suppliers such as Stagecoach, Mana Coachlines and Toll NZ.

The team working on these projects has been dedicated to achieving the best possible result for the region and I'm very proud of the work they have done. Over the next few years, the results of this work will become apparent as refurbished buses and trains, improved services and better roads are developed. The benefits to the region and the community of this hard work and investment will last for many years.

Core business activities

A major focus of our work has been to develop our Long-term Council Community Plan (LTCCP) for 2006 – 2016.

One of our goals was to keep down the costs of running the organisation during a period when we need to make substantial investments in transport, flood protection and other infrastructure. I am pleased to report that regional





rates, excluding transport, have increased by only 1.5% for 2006/07. The water supply levy has not increased at all for the tenth consecutive year.

The 2006 – 2016 LTCCP is very much focused on investing in the critical infrastructure that the region needs for its economic, social and environmental health.

This focus reflects political decisions that Greater Wellington will keep to our core business activities and not get involved in funding other worthwhile but non-core activities. While this decision no doubt disappointed some people, it was essential if we are to put in place the transport, flood protection, parks and water supply infrastructure that the region will need in the future.

I am pleased at the direction of the LTCCP and with the decision to invest in critical infrastructure. This investment is not cheap but as with transport, the results of this investment will be long-lasting.

First annual report

This is my first annual report since being appointed chief executive in September 2005. Since then, the time has passed quickly as we have addressed transport issues, developed a new long-term plan, set the rates and coped with several major flooding events in the Wairarapa and Hutt Valley

Greater Wellington's role in the region is now well-established. Increasingly, we are working closely with staff from city and district councils to achieve the aspirations and goals of the wider region on cross-boundary issues such as transport, flood protection and pest control. Dealing with issues such as the impact of the changing climate on our flood protection and water supply systems cannot be done in isolation and requires a cross-regional approach.

Finally, I would like to thank my hard-working and committed staff. Working with them and with the Council, I am focused on ensuring that we deliver our core business efficiently and manage our investment in core infrastructure to secure the region's future.

David Benham
Chief Executive

"Greater Wellington's role in the region is now well-established."

Executive Management Team

**Divisional Manager
Environment**

Nigel Corry

**Divisional Manager
Water Supply, Parks and Forests**

Murray Kennedy

**Chief Financial
Officer**

Barry Turfrey

**Divisional Manager
Corporate and Strategy**

Jane Bradbury

**Divisional Manager
Public Transport**

Wayne Hastie

**Divisional Manager
Catchment Management**

Geoff Dick

**Divisional Manager
Transport Policy and Strategy**

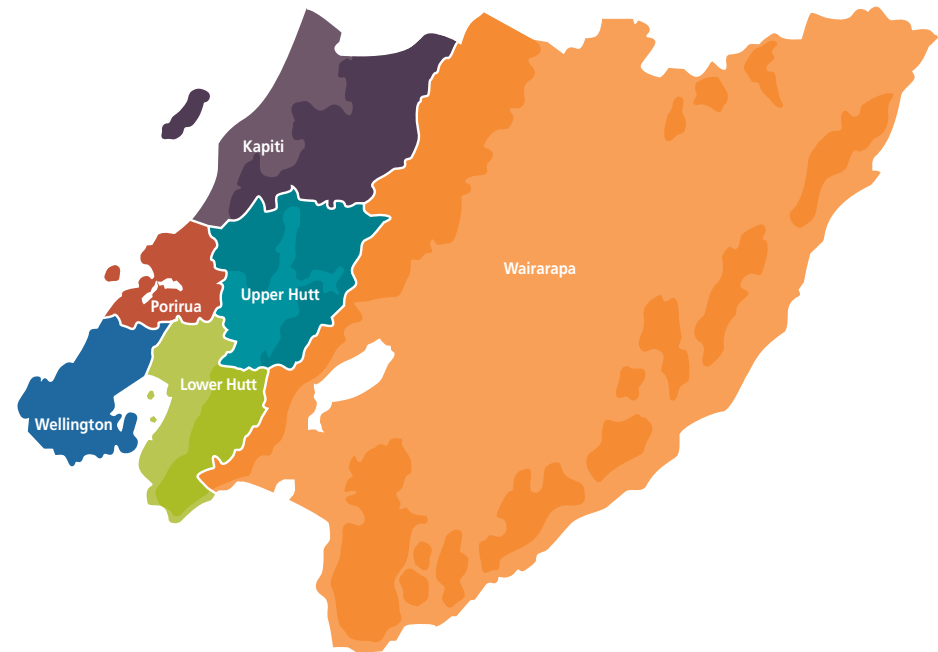
Jane Davis



The Wellington region

Some facts about the region

- The Wellington region covers a land area of 813,005 hectares, and a maritime area of 786,700 hectares. There are 497 kilometres of coastline.
- The population of the Wellington region is 460,300 (Statistics New Zealand, estimated resident population, June 2005).
- Greater Wellington manages 320 kilometres of river channels and 280 kilometres of stopbanks. We are responsible for one of the largest regional flood protection schemes in New Zealand.
- Approximately 35 million passenger journeys were made on the region's public transport system in 2005/06.
- Greater Wellington collects, treats and delivers approximately 155 million litres of high-quality water per day, on average, for the city councils of metropolitan Wellington.
- Greater Wellington manages possum control programmes on approximately 637,000 hectares of land in the region.
- Greater Wellington manages 50,000 hectares of regional parks, forests and water collection areas.





This annual report is the third produced under the Local Government Act 2002, with its emphasis on linking what Greater Wellington does to outcomes desired by the community and to the community's well-being.

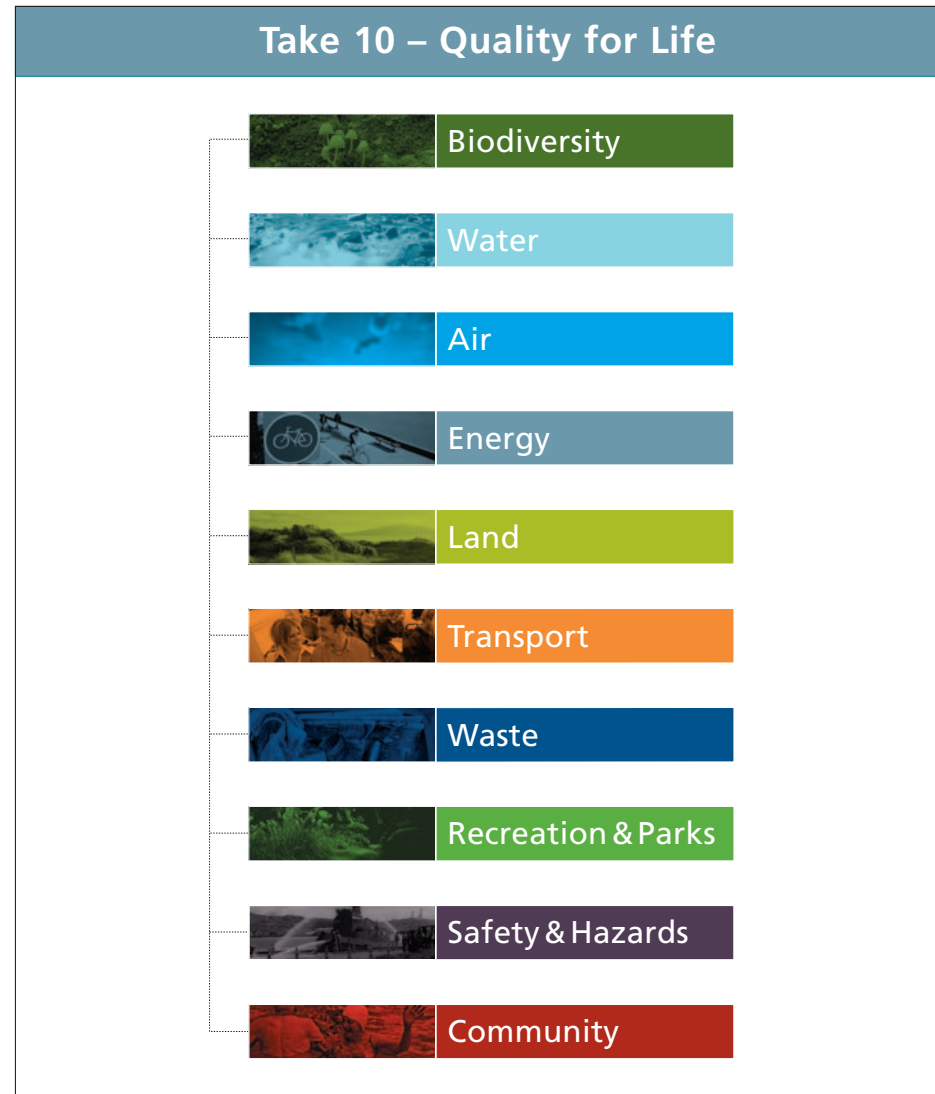
It is also the final report against our ten-year Long-term Council Community Plan 2003 – 2013, where we identified fifteen general outcomes desired by the community and ten more specific outcomes (Take 10 Quality for Life outcomes) where Greater Wellington would particularly contribute. We also identified six groups of activities that would help us achieve those ten outcomes. These groups are environment management, regional transport, water supply, land management, flood protection, and parks and forests.

The linkages between our activities and the Take 10 Quality for Life outcomes are shown on the next page.

Each of the Take 10 Quality for Life outcomes has long-term targets. Our progress towards those targets is summarised on pages 9 to 14.

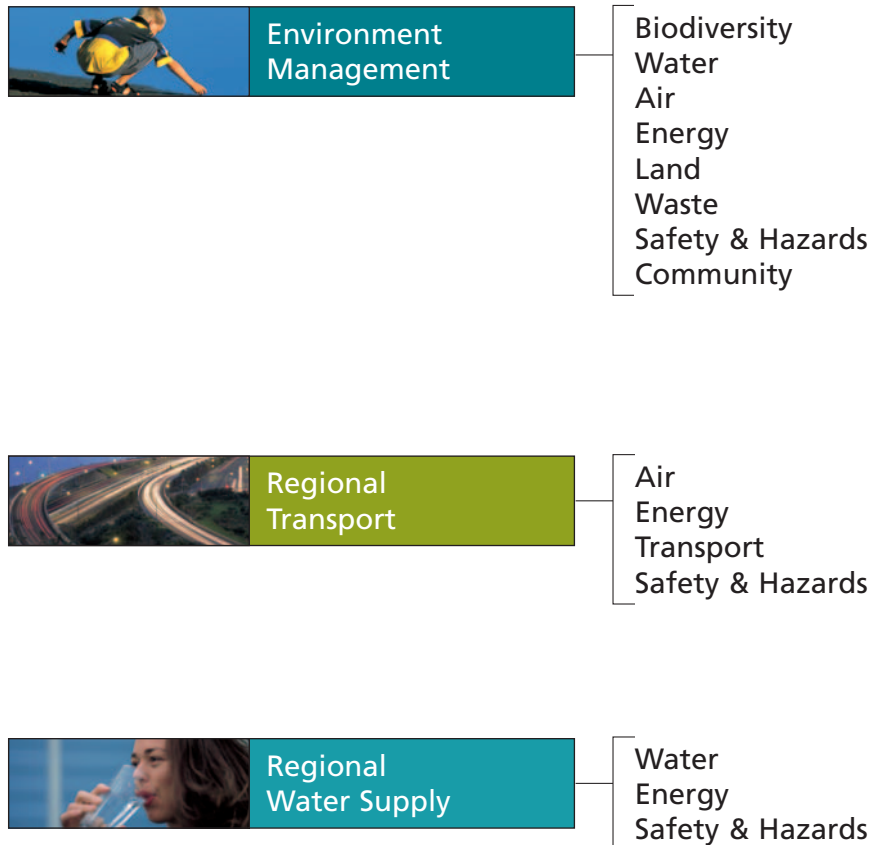
Legislation requires that the annual report comments on the effects of our activities on the social, economic, environmental or cultural well-being of the community. These effects and the contributions of our six groups of activities are described in the introduction to each section.

Following extensive public consultation, Greater Wellington adopted its new Long-term Council Community Plan 2006 – 2016 in July 2006. It has a new set of community outcomes that reflect the type of place that people want the Wellington region to be.

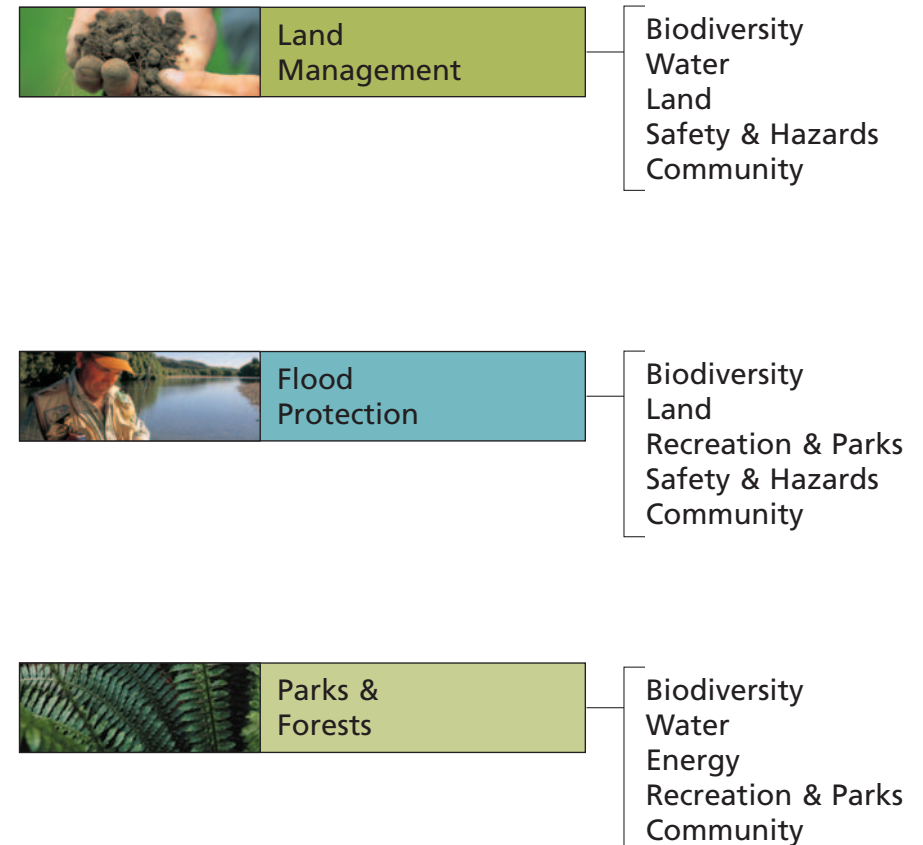


Linkages

Below we have summarised the linkages between “what Greater Wellington does” and “why Greater Wellington does it” – our contribution to achieving desired community outcomes.



More information about the outcomes and our contribution to them is contained in our 2003–2013 Long-term Council Community Plan adopted on 30 June 2003.





TAKE 10 QUALITY FOR LIFE TARGETS TO 2013

Biodiversity

50 wetlands on private land legally protected.

400 native forest areas on private land protected.

80% of our region under intensive possum control.

Water

A wholesale water supply system that produces high-quality water fully complies with resource consent conditions and the Resource Management Act 1991, and meets essential needs in drought and natural disasters.

PROGRESS SUMMARY TO 30 JUNE 2006

Two additional wetlands on private land were approved for covenants, with our financial support, in 2005/06 (30 in 2005).

Thirteen additional native forest areas on private land were approved for covenants, with our financial support, in 2005/06 (166 in 2005).

Vector (possum and ferret) control operations undertaken under the bovine Tb National Pest Management Strategy totalled 321,570 hectares (509,216 hectares in 2005).

Possum control areas undertaken under all of Greater Wellington managed schemes totalled 637,150 hectares – or 78.4% of the region in 2006 (78.4% in 2005).

Hutt Valley District Health Board has confirmed full compliance for the 2005 calendar year with the microbiological and chemical requirements of the Drinking Water Standards for NZ 2000. This is for water leaving our water treatment plants and within the bulk distribution system.

Since January 2006, a more stringent standard has been in place and our records show that we have complied with its conditions.

74 resource consents were held at 30 June 2006. Of these, two consents were not complied with and one was partially complied with. Remedial action has been taken in these three cases.

Customer reservoirs were over 70% full for at least 90% of the time.



TAKE 10 QUALITY FOR LIFE TARGETS TO 2013

Water

(continued)

The water quality of our six most polluted streams and rivers improves. These are the Ruamaganga River and the Waiwhetu, Waitohu, Kaiwharawhara, Ngarara and Makoura streams.

No significant deterioration of water quality in our key streams and rivers (list available from Greater Wellington).

Coastal water quality does not fall below the standard for which it is being managed: i.e. 'contact recreation standard' for urban areas and 'shellfish gathering standard' for remaining areas.

Air

No recorded instances when air pollution reaches the 'alert' level of the national air quality standards.

PROGRESS SUMMARY TO 30 JUNE 2006

The technical report on water quality completed in July 2005 showed that the quality of the Ngarara and Waitohu Streams has improved since 1999, while the others showed no change.

The technical report on water quality completed in July 2005 showed no significant deterioration of water in our key streams and rivers.

Forty seven (61.8%) of the 76 coastal sites monitored for bathing quality over the past summer achieved 100% compliance.

Nineteen sites (25%) exceeded the guidelines on one occasion and ten sites (13.2%) exceeded the guidelines on two or more occasions.

In most cases where the guideline was exceeded, the reason was associated with rainfall in the 72 hours before sampling.

In the period to June 2006, there were 16 recorded instances where the 'alert' level for fine particulate matter (PM₁₀) was reached. These were:

- Masterton – ten times
- Lower Hutt – once
- Wainuiomata – four times
- Upper Hutt – once.

The 'action' level for PM₁₀ was reached once in Masterton in June 2006.



TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Energy

Fewer than 400 million litres of petrol and diesel used for transport purposes per annum.

At least a 500% increase in electrical energy produced from renewable energy sources in the regions.

Greater Wellington Regional Council's 'carbon footprint' reduced by 10% per annum.



Land

5,000 additional hectares of erosion-prone land under sustainable management practices (56,873 hectares in 2003).

No overall deterioration in the health of our soils.

PROGRESS SUMMARY TO 30 JUNE 2006

During 2005/06, 464 million litres of fuel were sold within the region. This represents a 1% increase over 2004/05 (459 million litres).

Meridian Energy has been granted resource consents for a 210 MW wind farm proposal for west Wellington. The consents have been appealed to the Environment Court. If developed, it will produce about 860 GWh a year (32 GWh in 2004/05).

We have also made land available for a wind farm at Puketiro, near Pauatahanui.

A baseline figure of 4707 tonnes of carbon equivalent was established for the 2003/04 year, using the national best practice methodology EBEX21 managed by Landcare Research. Our carbon footprint has increased to in 2005/06 to a level of 4,823, as we pumped additional water throughout the region.

Stabilising of erosion-prone land is progressing. Another 421 hectares of soil conservation trees were planted during 2005/06 using sustainable management practices (57,263 hectares in 2005).

Baseline monitoring of soil health is largely complete. Repeat monitoring is continuing to determine any change in the state of the region's soils.

TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Transport

Less than 45% of work trips into central Wellington made by private car.

A 70% increase in walking and cycling for short trips.

Average travel times to key facilities do not increase.



Waste

Greater Wellington Regional Council's waste reduced by half.

Reported pollution incidents reduced by half.

80% of business surveyed have waste reduction initiatives in place.

PROGRESS SUMMARY TO 30 JUNE 2006

45% of work trips into central Wellington were made by private vehicle, based on national census (five yearly) statistics on journey to work.

This information will be updated on a five-yearly basis when new census information becomes available.

In 2006, the percentage of trips up to 1 km made using active modes remained the same. However, there was a 42% increase in the number of trips between 1-2 kms made by active modes.

The March 2006 travel time survey on representative routes showed a 17% decrease in congestion from 2004/05.

Waste surveys undertaken at our Wellington office showed a daily reduction in waste from 111 kgs in 2003/04 to 23 kgs in 2005/06 (a 79% reduction). During 2004/05, our rubbish collection from all our sites was reduced by 369,000 litres, a 35% decrease on the previous year.

During 2005/06, 1,362 incidents were reported across the region. This represents a 19% increase on the 1,141 reported incidents in 2002/03, which is the baseline used for assessing this target.

No businesses were surveyed on their waste reduction initiatives. However, 36 businesses have participated in waste reduction projects initiated during the year. The Take Charge programme for business carried out 30 audits during the year.



TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Recreation & Parks

75% of the region's population visit a regional park in any one year.



Safety & Hazards

No major damage or loss of life as a result of a flood event.

70% of organisations and households have an emergency plan and survival supplies.

No significant accidents in our harbours and coasts.

Safety concerns do not stop people using public transport.

PROGRESS SUMMARY TO 30 JUNE 2006

49% of survey respondents reported that they had visited a regional park in 2005/06 (51% in 2004/05).

There were no major flood events in the year to 30 June 2006.

A survey on community preparedness was conducted in 2006. It showed that:

- 27 % (26% in 2005) have an emergency plan.
- 70% of households (67% in 2005) have emergency supplies.
- 71% (69% in 2005) have emergency water supplies.

One fatality was recorded in Wellington Harbour during 2005/06.

Less than 1% of those who said they had not used public transport in the previous 12 months cited safety concerns as a reason for not using public transport.



TAKE 10 QUALITY FOR LIFE TARGETS TO 2013



Community

Five new care groups per annum.

80% of all people surveyed are doing something positive for the environment.

PROGRESS SUMMARY TO 30 JUNE 2006

Three new care groups were established in 2005/06. Two further groups, which had completed their original projects, re-applied and gained approval for new projects at new sites.

76% of people reported positively in 2006 (77% in 2005).



Providing opportunities for Maori to contribute to decision-making processes

Greater Wellington has a long-standing and well-developed relationship with iwi in the region. Underpinning the relationship is the Charter of Understanding that iwi and Greater Wellington signed in 1993. When the Charter was reviewed in July 2000, its scope was expanded to include all areas of council business.

Following the review, Greater Wellington developed a policy to strengthen the relationship between the tangata whenua and Greater Wellington. This policy contains a range of initiatives that enable iwi to participate better in council functions. Greater Wellington's progress in these areas is outlined below.

Ara Tahī

Ara Tahī is Greater Wellington's inter-iwi representative group. The forum, which met formally six times last year, provides collective discussion and policy advice to Council.

Two representatives from Ara Tahī are on the Wellington Regional Strategy Forum, enabling Ara Tahī to have an input into the development of the Strategy. Ara Tahī also receives regular reports on the Strategy's progress.

Regional Land Transport Committee

A member of Ara Tahī and an Alternate are on the Regional Land Transport Committee to represent cultural interests.

Environment Committee

The Chair of Ara Tahī was appointed to the Environment Committee with full voting rights.

Resource consents

Maori hearing commissioners sat on resource consent hearings. This provided

iwi with a direct involvement in decision-making. Iwi are also contracted to provide comment on all non-notified resource consents.

Two iwi representatives successfully sat the second level accreditation training for hearing commissioners and another three representatives sat the first level of this training.

Technical workshops

Greater Wellington ran four technical workshops for Ara Tahī this year. The workshops were on the following topics: electoral matters; the Wellington Regional Strategy Growth Framework and the Western Corridor; iwi appointees to resource consent hearings and amendments to the Resource Management Act 1991; and the Regional Policy Statement.

We resourced six iwi representatives to attend a national kaitiaki hui in the Waikato.

Iwi projects

Greater Wellington supports iwi to undertake mutually beneficial projects that also assist iwi to become more involved in the management of resources. This year the Wellington Tenth's Geographic Information Systems project was concluded with an agreement on sharing data, developing protocols and data transfer to Greater Wellington. Te Runanganui o Taranaki Whanui completed an iwi management plan, and a proposed project at Hongoeka Quarry in Plimmerton was investigated by Greater Wellington soil conservation staff.

Maori policy advisors

Greater Wellington employs two specialist Maori policy advisors. These staff enable Greater Wellington to assist iwi, and to build and maintain stronger relationships.

Operating results

Greater Wellington's net operating surplus for the 2005/06 year was \$5.9 million compared with a budgeted surplus of \$8.1 million. Significant components of this surplus were:

- Grants of \$2.8 million received from the Government in respect of the Waitangirua Farm purchase, which were unbudgeted.
- The completion of repairs from the 2004/05 floods resulted in improved flood protection assets. \$1.1 million of operating expenditure was capitalised at year end.
- Progress on transport capital expenditure was delayed due to the difficulty in finalising key transport contracts. This resulted in Central Government grant revenue for transport capital expenditure being \$9.1 million below budget.
- Increased costs of diesel and electricity continued to place pressure on the public transport budget.

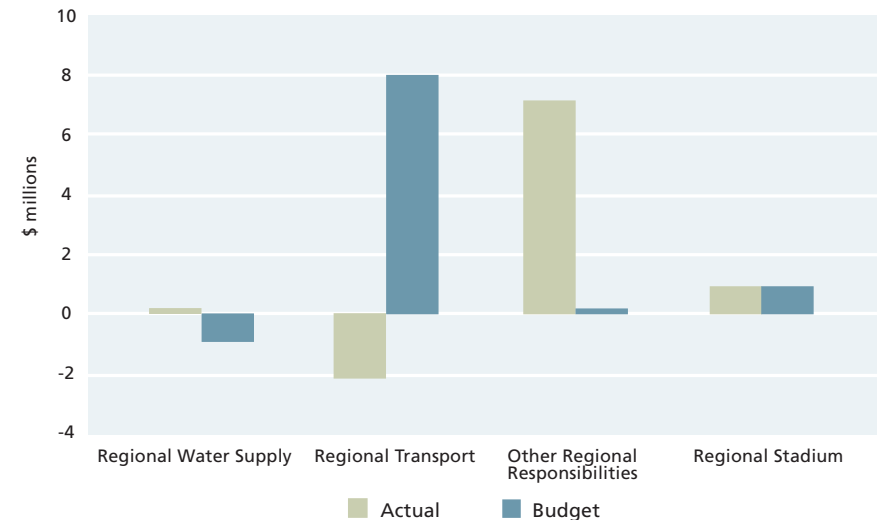
Capital expenditure

Capital expenditure for the twelve months was \$20.9 million compared with the budget of \$27.3 million, a variance of \$6.4 million.

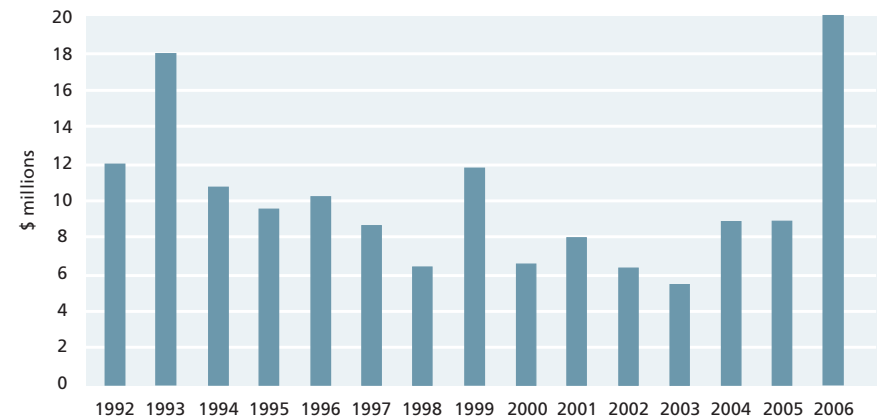
Notable projects advanced and/or completed in 2005/06 included:

- \$6.7 million of improvements to the water network
- \$6.2 million of flood protection measures, including the completion of the 2004/05 flood damage
- purchase of Waitangirua Farm from Landcorp for \$5.6 million.

2006 Operating Surplus (Deficit) By Funding Type



Net Capital Expenditure

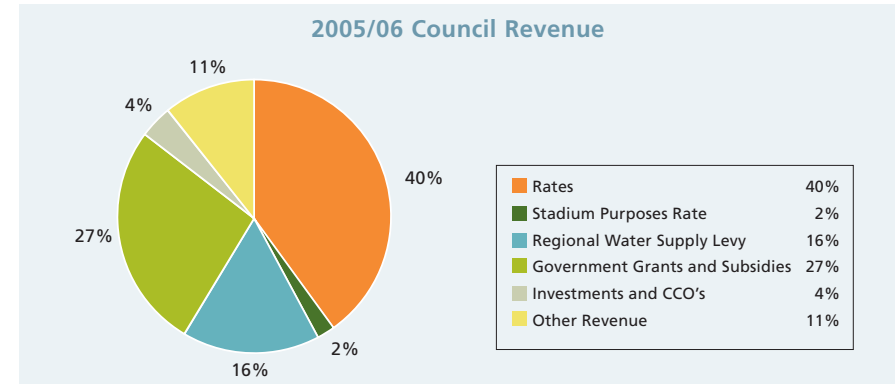




Financial performance

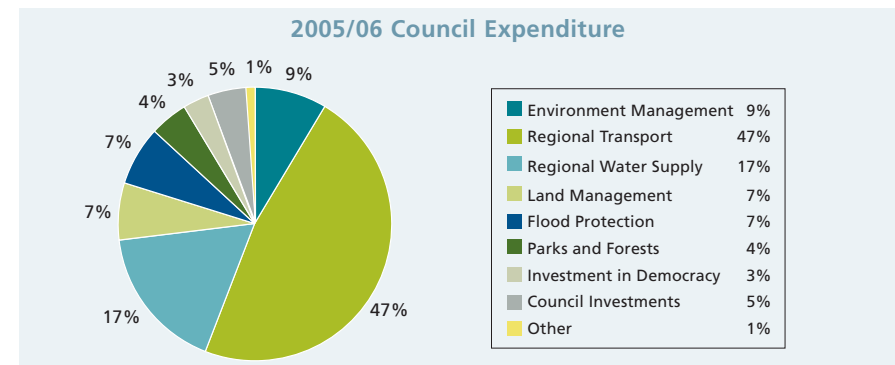
Revenue

The adjacent graph illustrates Greater Wellington’s revenue sources. Rates make up just 42% of our revenue total, with grant revenue from Central Government making up the next largest share. These grants largely assist the funding of public transport.



Operating expenditure

This graph shows where our operational expenditure occurs. In the coming years the proportion of both revenue and expenditure on regional transport is increasing.



Debt

Greater Wellington’s debt position increased by \$2.3 million during the year. The purchase of Waitangirua Farm, which was not budgeted at the beginning of the year, contributed to this increase.

Since 1990, Council debt has reduced from \$123 million to \$60 million. Over the next few years, debt will increase as our investment in regional transport upgrades gets underway.





Financial overview – Council

Asset management

Greater Wellington looks after many important community assets. Our asset base consists of regional water supply, regional parks and forests, flood protection and, increasingly, public transport.

Continued management and investment in these assets are essential. Greater Wellington maintains and updates detailed asset management plans to ensure we look after these assets on behalf of the community.

This graph shows the breakdown of our assets at the end the year. In the coming years the required investment in public transport will significantly add to the assets we manage for the Wellington region.

This graph shows where the \$20.9 million in capital expenditure was spent during the year ended 30 June 2006.

