

# Toward a Greater Wellington



investing in the future



## Volume I

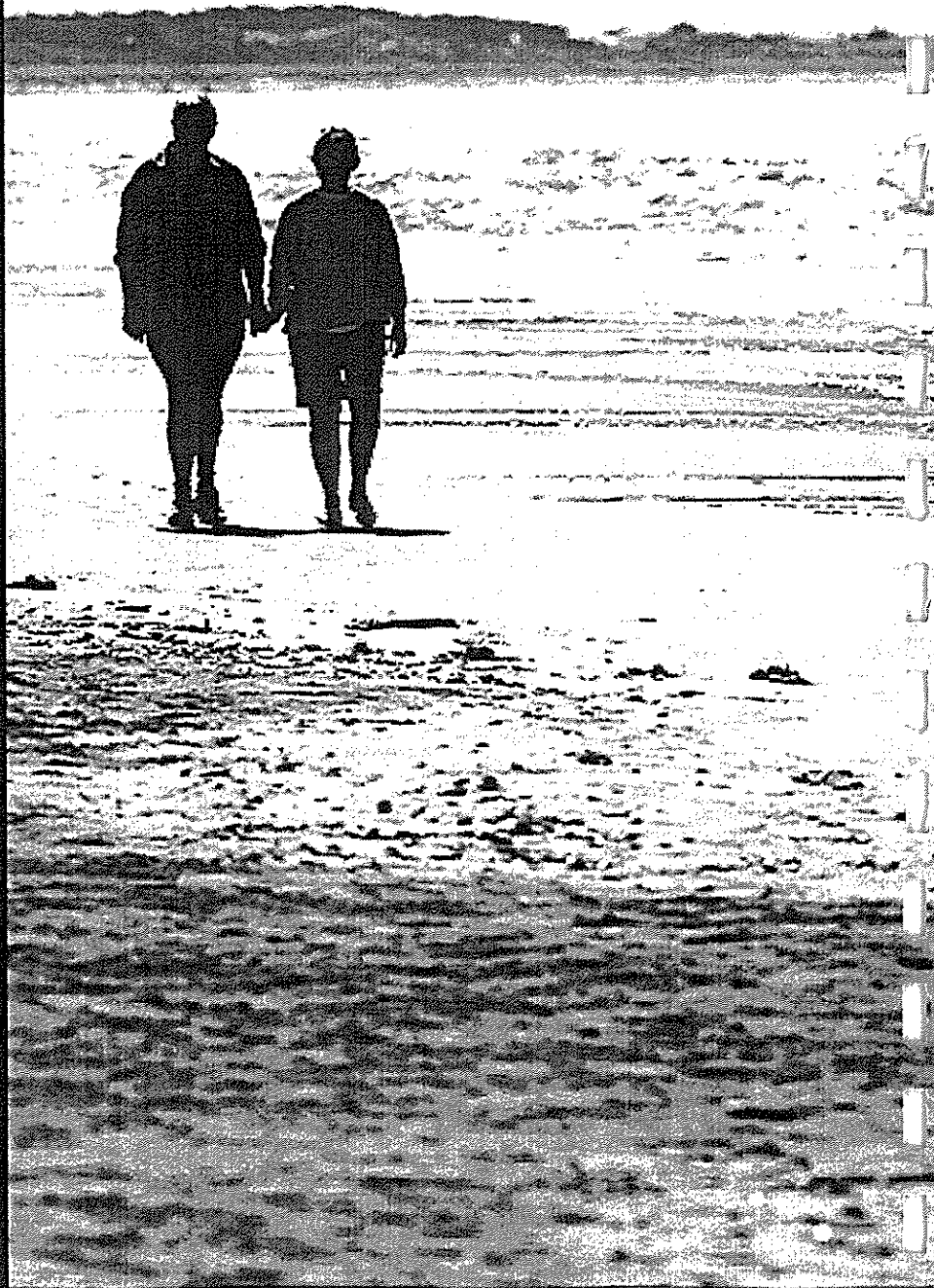
*Wellington Regional Council ten year plan 2000 - 2010  
Incorporating the 2000 - 2001 Annual Plan*





## contents

This plan and you	3
Our Local Agenda 21	5
Towards a Greater Wellington	7
A 'people first' environment	9
Futurezone	11
What people are saying	12
Relationship with iwi	15
The big picture	16
A high quality environment	20
A prosperous and viable region	26
Healthy people in a safe region	30
A strong and inclusive regional community	34
Your investment in your region	38
Our investment plans for a greater Wellington region	39
Rates and levies	45
Council's financial overview	47
Your Regional Councillors	48
Your view	52



*Members of the Wellington regional community featured in this document are expressing their own opinions. They are not necessarily endorsing the WRC's plans or investment proposals.*

“ A healthy population and a healthy environment are a social good and an economic good. We cannot think of a healthy population without a healthy environment and ecosystems. ”

Klaus Toepfer, Executive Director,  
United Nations Environment Programme



## THIS PLAN AND YOU

*Towards a Greater Wellington – Investing in the Future* is our ten year blueprint for how we hope to raise the quality of life in the greater Wellington Region.

The first part explains the Wellington Regional Council's philosophies, including a global view of the environment and local sustainable development and an explanation from Chairman Stuart Macaskill of what he believes a better future for our Region means. This is followed by two personal observations on the way our Region is heading – or perhaps should head – one by Sir Brian Lochore and the other by Masterton student Rebecca Etuale.

A summary of what the regional community has been telling us lately and how we are committed to enhancing communication with iwi, complete the first part.

The next part, divided into four sections, explains what our objectives are, with diagrams to show what we believe the Council and community should be striving for and the contribution that we can make.

That contribution over the next ten years requires additional investment, which is explained in more detail in the section *Your investment in your region*.

There follows an analysis of what that investment means in terms of community charges. In short, the impact of increased investment on regional rates.

This volume concludes with background details of the elected regional councillors – who are responsible for this plan – with information on how to contact them. There are also contact details for the Wellington Regional Council.

*Note: Volume 2 contains detailed information covering WRC finances and intended performance.*



## OUR LOCAL AGENDA 21

The 1992 “Earth Summit” in Rio de Janeiro drew up a framework for action for sustainable development across the globe. Two thirds of the actions in the Rio Agenda 21 document recognised the important role that local government has to play in sustainable development – hence our own Local Agenda 21.

So what is sustainable development and Local Agenda 21?

Many perceive sustainable development to be totally “green”. This is not the case. Sustainable development is about improving the quality of life for people today while protecting the environment for our children. It supports economic and social development – but not development that depletes finite resources, leaves waste and destroys our environment.

Local Agenda 21 is merely good local government. It is about the whole community being involved in transparent processes. It is about local authorities working with each other, with businesses, and with the community to achieve a better quality of life for all. It is about local solutions to local problems.

This Council embraces the principles of Local Agenda 21. Its main challenge is to integrate sustainable development thinking into the heart of all its work, while trying to achieve the aspirations of our community.

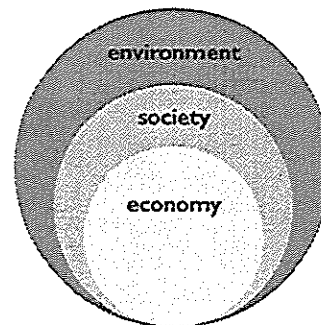
This ten year plan is a step towards creating a sustainable Wellington Region. Community involvement and caring for our Region’s natural environment are our core business – but we have not forgotten the need for economic success and social equity.

A better quality of life in our Region means:

- Protecting our natural environment
- Using our natural resources prudently
- Social progress which recognises the needs of everyone
- Maintaining high and stable levels of economic growth and employment.

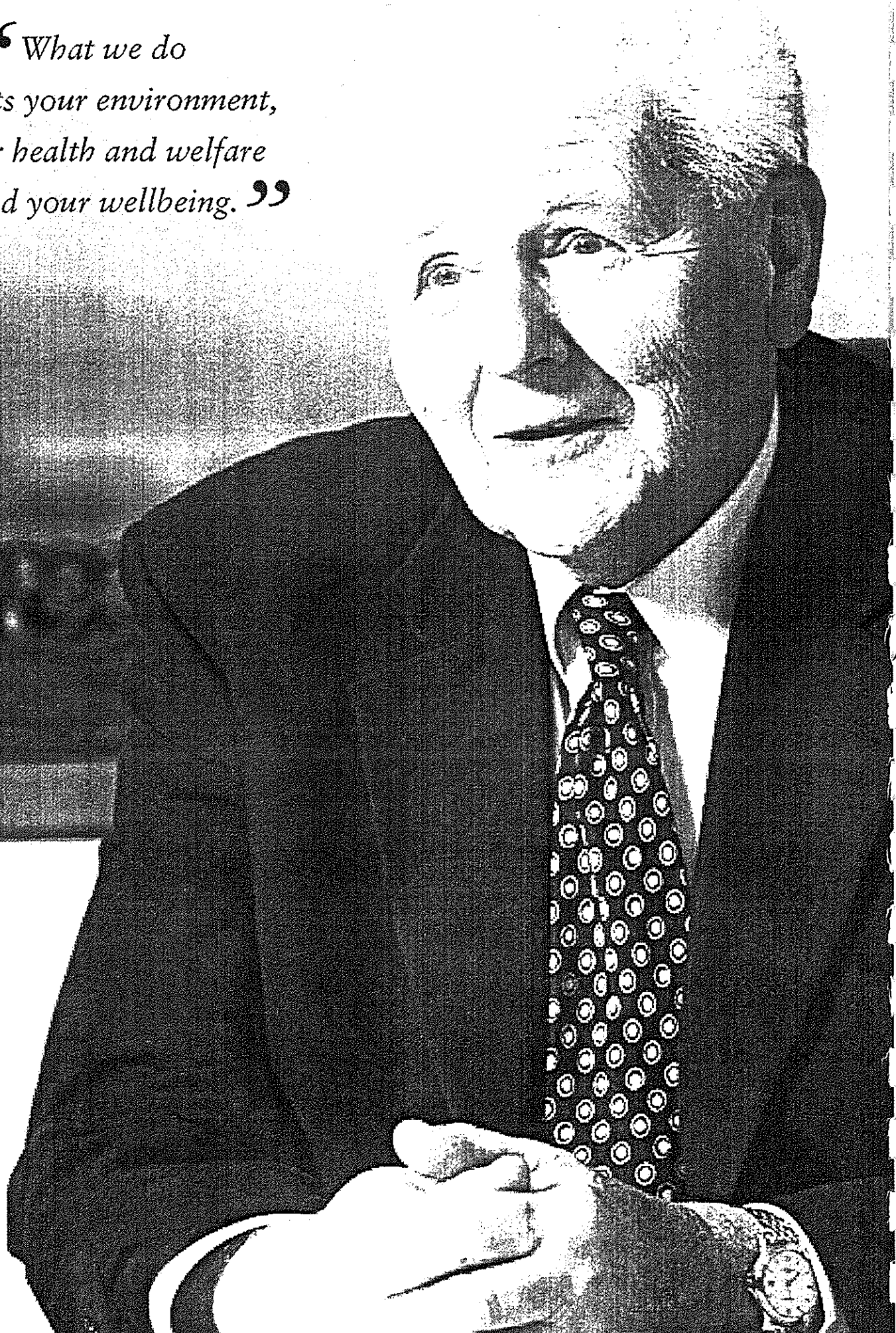
This Council cannot do this alone. We believe in partnerships, shared visions and common action. A sustainable Region involves everyone and is everyone’s responsibility. This ten year plan reflects this Council’s commitment to make a difference for the people of today and for the people of the future.

### The Environment Provides the Context



*caring about you & your environment*

*“What we do  
affects your environment,  
your health and welfare  
and your wellbeing.”*





## TOWARDS A GREATER WELLINGTON *Stuart Macaskill, Chairman*

It is with considerable pleasure and pride that I present the Wellington Regional Council's finalised investment plan for a Greater Wellington. This plan represents a shift in the thinking of this Council, a questioning of the market-driven output-focused model.

The last ten to fifteen years have been characterised by so-called "economic reform" at many levels of government, including local government. Much of the change has been necessary. However it seems to us that we need to keep economic concepts in perspective and move on.

The economy and markets are part of the way modern society functions, but they should not be the drivers of our society or its values. Our quality of life cannot be measured by the economy, it is measured by our society. Over thirty years ago, Robert Kennedy commented that measuring gross domestic product did nothing to evaluate the true worth or value of a nation and its people. He said that GDP:

"... measures neither the health of our children, the quality of their education, nor the joy of their play. It measures neither the beauty of our poetry, nor the strength of our marriages. It is indifferent to the decency of our factories and the safety of our streets alike. It measures neither our wisdom nor our learning, neither our wit nor our courage, neither our compassion nor our devotion to country. It measures everything in short except that which makes life worth living, and it can tell us everything about our country except those things that make us proud to be part of it."

Over the past year or so, this Council has been doing a lot of thinking about the role of governments and our role in shaping the Wellington Region. It seems to us that the role of governments is more than to set the rules and regulations and to provide those goods or services that the market fails to provide. We believe that the purpose of governments is to give effect to the collective goals and aspirations of communities.

As a Council we've thought how to describe what a better future means for all of us in the Wellington Region. We have also talked and listened with the regional community through the consultation process on our policies and plans and more recently through submissions on this investment plan. We are pleased that so many of you share our vision that a greater future for the Wellington Region means:

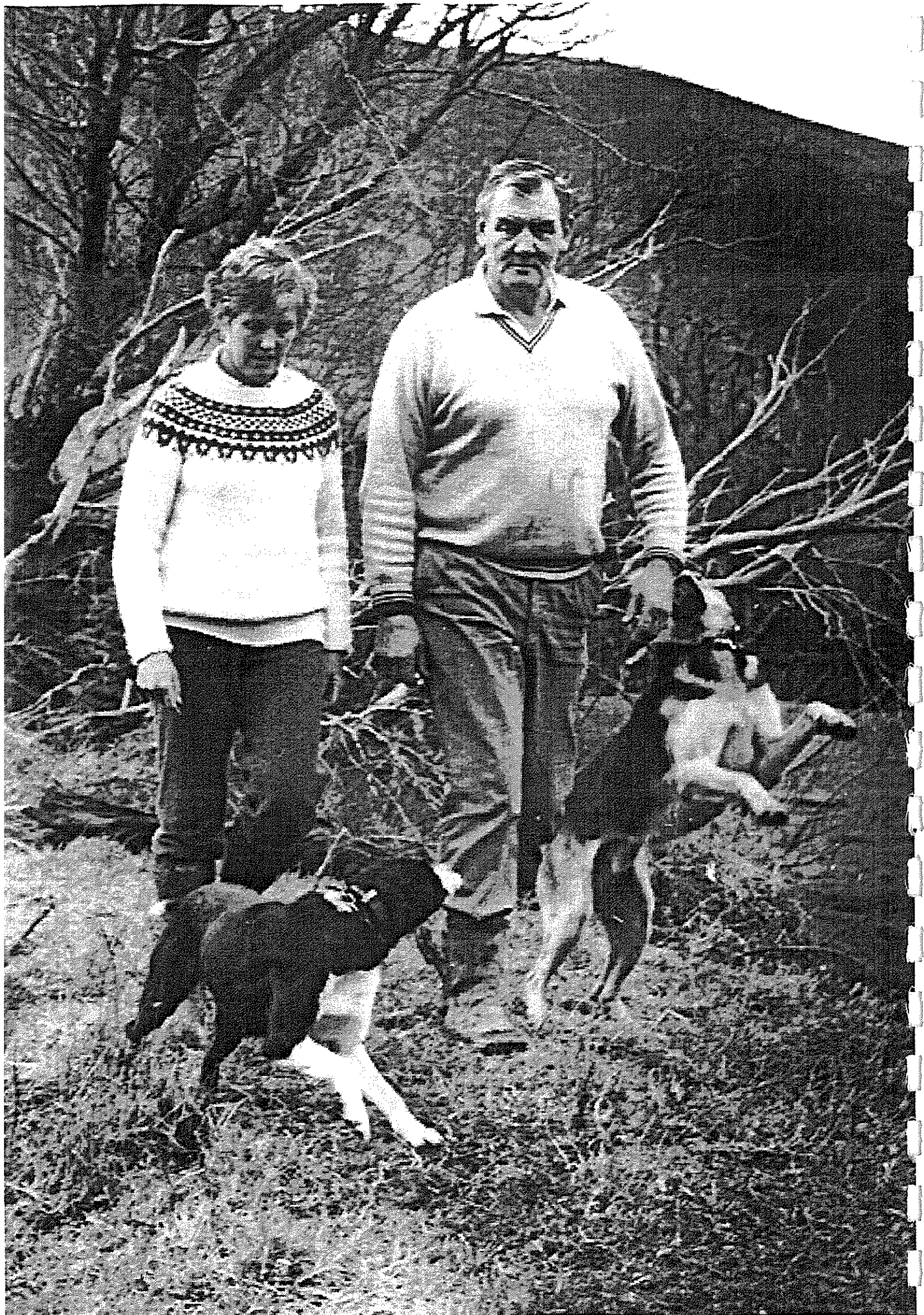
- A high quality environment
- A prosperous and viable region
- Healthy people in a safe region
- A strong and inclusive regional community

Our latest ten year plan is based on these goals, rather than on the outputs that we deliver. This is because all the work we do, although it can be easily and accurately measured (like GDP), ultimately relates to the quality of people's lives. People like you. What we do affects your environment, your health and welfare and your wellbeing.

We carefully considered some 233 submissions and we have decided that it is the right time to make a significant investment in the Wellington Region to help bring about a better future. Most of our plans are in place – now it's time to act. Like any investment, there is a cost, so after a period of ten years where rates have decreased in real terms, rates will increase.

We are embarking on an exciting investment phase. This ten year plan sets out our vision for the region and our investment programme. You'll also find the visions, values and thoughts of other members of the regional community.

Together, we can build a Greater Wellington.



## A 'PEOPLE FIRST' ENVIRONMENT *Sir Brian Lochore*

*"If we truly want to live in a good environment we should all contribute in some way."*

That's a conclusion I've reached personally, and so too has the Wellington Regional Council. I spent a pleasant and interesting time recently with the Chairman, Stuart Macaskill and his executive staff talking about where the WRC has been in the past, what it has had to do to establish itself, and what's needed to grow the area which it represents.

By its own admission, like many organisations in New Zealand the WRC has been too dollar-focused in recent years. It's been a healthy focus overall, with a drop in regional rates in real terms over the last ten years.

But I think, and so does the WRC, that it's time to move on. The greatest assets the Wellington Region has are its people and its extremely diverse environment. I was extremely heartened to hear that the council wants to get back to a 'people first' philosophy. I'm pleased because I believe in people's power; if the big majority of people really want something done – it can and will happen.

There are many examples of communities in action around the region – a local one that I'm particularly proud of is the Kids Own Playground in Masterton, built by local people in one week of all-out effort.

But the environment takes more than a one-off effort. If we respect where we live and we like our environment, we're more inclined to look after it – using it and not abusing it. Of course, we need to be assisted by local authorities, but *we* need to become the custodians. We are the ones who need to make sure that our environment is not abused.

One problem with modern society is that we have become great takers but not such good givers. We're very good at looking after number one at the expense of others, which has given rise to terms such as The Tall Poppy, and The Great Knocking Machine. I think it's time for a change.

As I've said, if we truly want to live in a good environment – and I'm sure we all do – we should all contribute in some way. With everyone doing their bit, I'm sure we can build a greater Wellington Region.

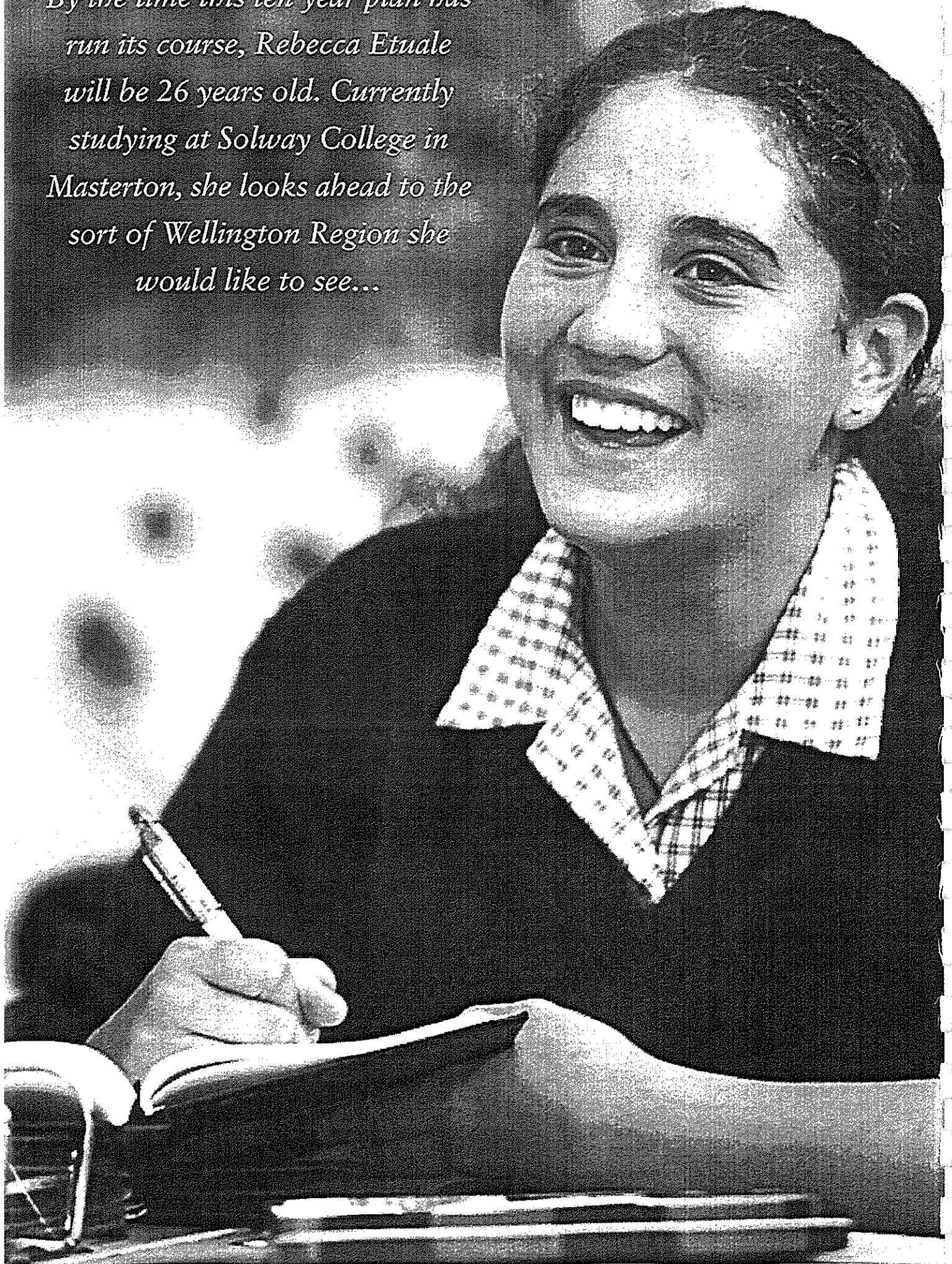
I also believe that if people are given responsibility, we get accountability. People must feel comfortable in the community in which they live and when this is the case they'll contribute to that community in many positive ways. That's what I would call a great environment.

So, having pride in our region is probably our greatest asset. If we have that, everything will improve – the way we project ourselves and our district or town to visitors, the way we look and behave, the way we work, the enthusiasm we have, even the way we look after our families.

The Wellington Regional Council therefore has an important regional co-ordinating role to play, doing things for us on our behalf, for our environment, in ways that are accepted by all of us.

It's our region. We can make it greater together.

*By the time this ten year plan has run its course, Rebecca Etuale will be 26 years old. Currently studying at Solway College in Masterton, she looks ahead to the sort of Wellington Region she would like to see...*



## FUTUREZONE

In ten years' time I would like to be able to walk down the street and not worry about whether I'm going to get raped or mugged. I would like to have clean water to drink and fresh air to breathe.

I would like to be able to wake up in the morning, open my curtains and look out of my window to see that our beautiful New Zealand scenery is still there.

I want to be able to open my window and not be flooded with pollution.

People should accept each other for who they are and be proud of their differences, so that there is no racism or sexism.

Things should run on solar power, and we should be more aware of the damage we are doing to the environment.

There should be enough money to go around, and families shouldn't have to find they just scrape up enough to get by, when there are others who could live off the interest they make.

I want to be able to state my opinion and know that someone has heard me, and will take in what I say.

I want to know that there will be people to support me if I need it, and if I need help there will be somewhere to go.

I want to know that I can leave my children at school and they will be safe. I want to be sure that they are getting a decent education, whether they go to a public or private school.

I want to be able to drive safely, and know that everyone else is driving safely too.

I want to know that the food I eat hasn't had its genes modified, and if it has – I want to know that it is completely safe to eat.

I don't want to be worrying about whether someone will mess up my student loan application – I would like the opportunity to actually get a student loan, and study what I want for a career that I choose.

I want to know that if I want to travel, I can – and that the form of transport I take is going to get me to my destination.

If I decide to have an abortion, or become a lesbian, or get breast implants, I want to know that people will respect my decision and not look down on me, because I haven't met a perfect person yet.

Whatever I do, and whoever I become, the only two things I *need* to be in ten years' time are happy and healthy.

I want to know that our country is in good hands, and that one person can stand up for the underdog and say "This is wrong!"

Most of all – I want to make a difference.

## WHAT PEOPLE ARE SAYING

In preparing this plan we have taken note of informal submissions made to us as a result of an awareness campaign in February-March as well as formal submissions to our Proposed Ten Year Plan.

We received around 130 comments from the *Voice your Choice* campaign and 233 submissions on the Proposed Plan. There was support for the Council's direction for increased investment across all areas.

A number of respondents, by contrast, stated that they could not afford significant rate increases or that increased expenditure was not justified.

Some of the comments and opinions received – drawn mainly from the *Voice your Choice* responses as well as from people who were involved in a Council focus group during 1999 – are presented on these and subsequent pages.

The Council acknowledges the unusual scale of increased activity proposed and the consequent costs. However, the Council has made the tough decision of pushing ahead because it believes it will bring much needed benefits to the region. We hope the interest shown in our plan from so many sectors of the community will continue as we move on to implementing it.



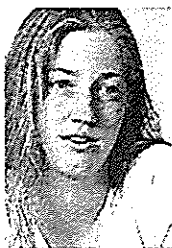
“ I’ll go to the stadium because I can get on a train to get there ”

**Roy Hewson**  
Petone

“ The river to us is a taonga. It’s very important. It feeds us, it cleans us, it heals us. The Te Ore Ore bridge by the crusher used to be loaded with people swimming there, but now it is full up with green slime. It never used to be like that ”



**Jim Rimene**  
Wairarapa



“ I think public transport has improved a lot, but making it even more accessible – say, trying to get between Wellington and Wairarapa – is important ”

**Penny Forrest**  
Seatoun

“It’s the 21<sup>st</sup> century... why are we still discharging raw sewage? Why are we still polluting? If we’re such an intelligent species with such fantastic technologies, why are we doing inherently stupid things like polluting our own environment?”

Michael Ulrich  
Waikato



“Transport planning is a particular challenge which faces the WRC. It needs to be cohesive and include all the other responsible bodies. This area contains most of the arterial routes between the Kāpiti Coast, Wellington and the Hutt Valley. The lack of cohesion is impacting on individuals’ ability to plan for their futures.”

Christine Stanley  
Pūtātiki



“With global warming likely to cause more frequent and more serious flooding, a shorter timeframe for protective work is necessary.”



Joan Harris  
Lower Hutt

“Investment in the regional road network is vital if Wellington is to continue to be a good place to do business. We chose to base our national distribution warehouse in Wellington because it was the one place from which we could reach all our customers throughout New Zealand in one day. If the road network was better it would make trips that much quicker... and get the product to the customer faster.”



Peter Brindley  
General Manager/Direct  
Lower Hutt





## RELATIONSHIP WITH IWI

Ara Tahi is the inter-iwi representative group of the Council. Seven Iwi authorities and the Council are represented on the group. The purpose of Ara Tahi is to provide a forum where Iwi can provide advice to Council on policy matters covering the full range of Council business.

Ara Tahi was established in 1993 under the Charter of Understanding between Te Tangata Whenua o Te Upoko o te Ika a Maui and the Wellington Regional Council. It meets at least six times a year to discuss issues of common interest and to contribute to the setting of proposed policy directions for Council business.

The Council also places importance on relationships with each of the Iwi authorities. We are committed to building relationships based on goodwill and trust, which in turn lead to good environmental outcomes for the whole Region.

This Council is committed to implementing the principles of the Treaty of Waitangi, Te Tiriti o Waitangi. As a Council, we consider principles such as partnership and consultation to be building blocks for our relationship with Iwi. These principles ensure that flexible frameworks exist that allow the relationship to prosper.

We continue to examine the nature of our relationship with tangata whenua as some Iwi call for increased resourcing and representation, and we're committed to working together, acknowledging the diversity of our Region and its people, to achieve mutually beneficial outcomes.

## THE BIG PICTURE

This ten year plan is presented in five key sections with the financial details presented as a companion document. The sections in this volume are:



**A High Quality  
Environment**



**A Prosperous  
and Viable Region**



**Healthy People  
in a Safe Region**



**A Strong and Inclusive  
Regional Community**

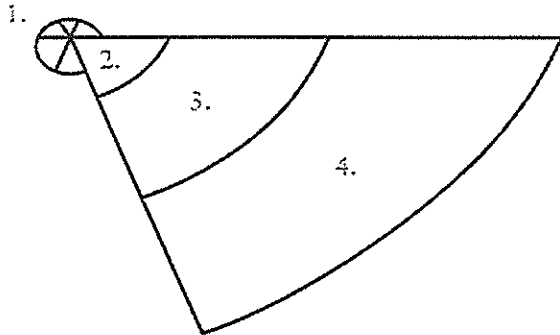


**Your Investment  
in your Region**

## THE THINKING BEHIND THE PLANNING

In putting together this plan, we have started from the perspective of considering what sort of region and regional community we would wish to see in the future. Some of our thinking and philosophy is reflected in the preceding pages – and the contribution from Sir Brian Lochore and Rebecca Etuale. Starting from this point, we identified that a greater, Greater Wellington would be characterised by having a high quality environment, being economically prosperous and viable, having healthy people in a safe region and having a strong and inclusive regional community.

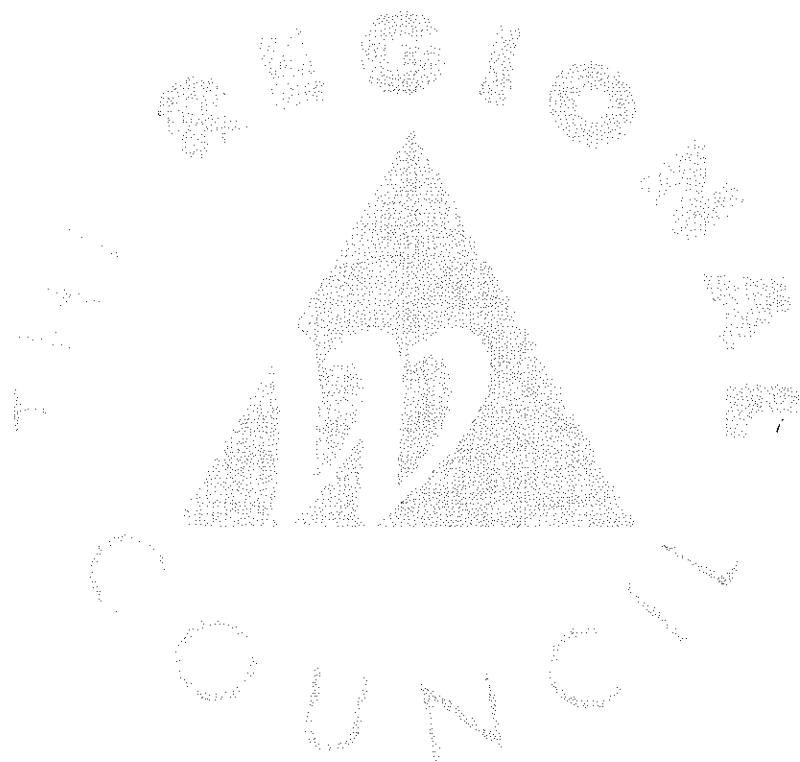
Naturally, there are many overlaps between these characteristics, but they form a convenient way to split the aims and roles of the Council.



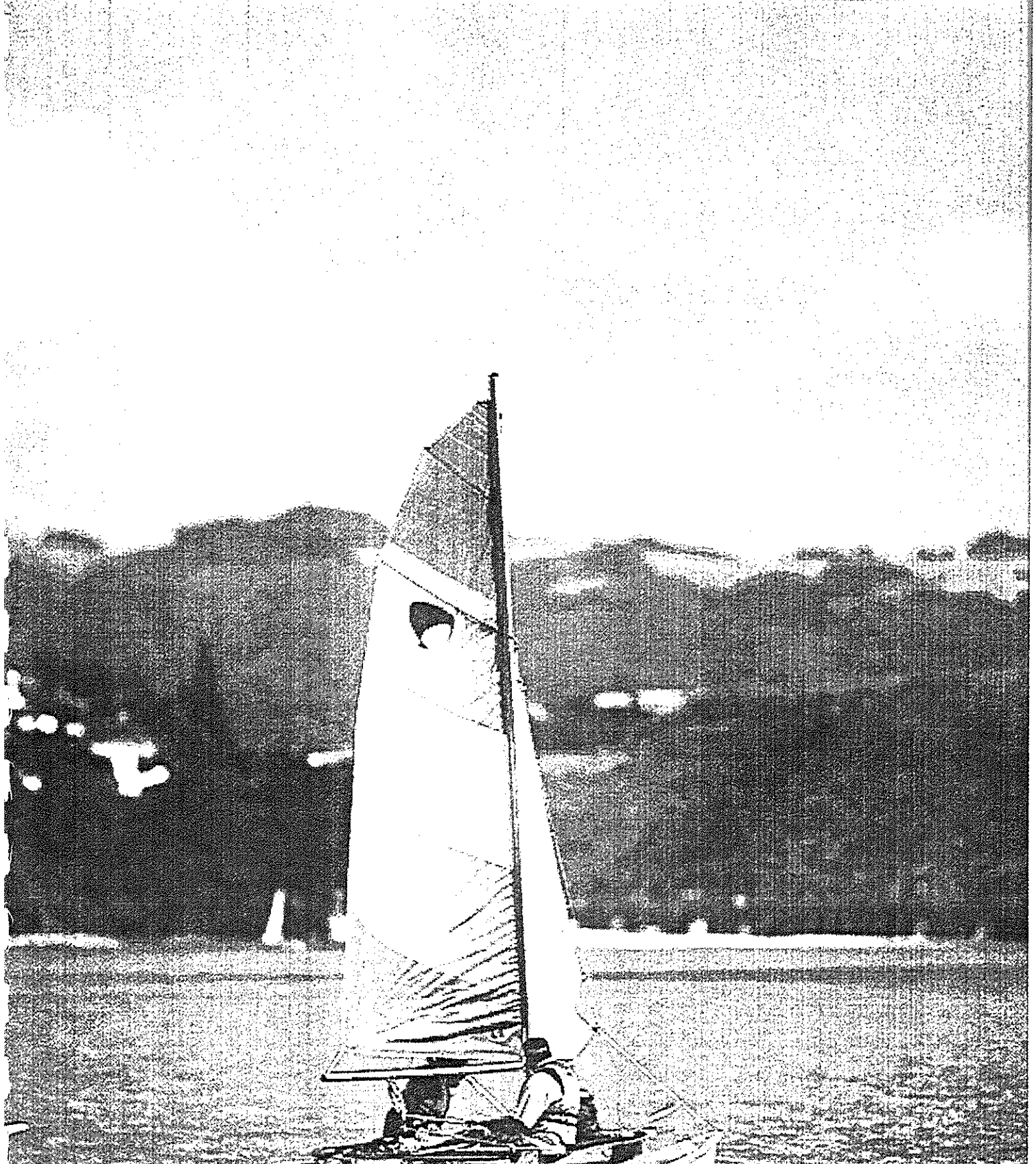
Each of the investment areas in this volume is presented in the following 'wedge-shaped' format:

1. The ultimate vision: moving Towards a Greater Wellington.
2. The particular target area in which we hope to achieve a Greater Wellington (e.g. a High Quality Environment, Healthy People in a Safe Region etc).
3. How we plan to achieve that target.
4. Extra detail showing how our existing or planned work is geared towards that target area.

- Note that this volume should be read in conjunction with the financial details contained in Volume Two of *Towards a Greater Wellington: Investing in the Future*.



*caring about you  
in your environment*



A high quality  
environment

Towards a Greater Wellington

## A HIGH QUALITY ENVIRONMENT

We want

- a People to be well-informed about environmental issues and actively involved in them
- b The quality of the Region's air, water and soils to be improving  
The reasonable needs of resource users to be met
- c To avoid risks to our ecology from plant and animal pests  
More biological diversity
- d Appropriate use of land in the Region so that it's not eroding away
- e The objectives in the Regional Policy Statement and regional plans to be achieved

- e All Council activities will be carried out in accordance with the principles of the Resource Management Act 1991

The Council will monitor and report on the State of the Environment

What the Council can do  
(main activities)

a The Council will raise environmental awareness through a range of programmes

b The Council will promote sustainable environmental management through its policies and the way that it manages and monitors resource consents

c The Council will control pest animals and plants

d The Council will promote sustainable land use and soil conservation measures on the Region's more erodible lands

*“The environment means a great deal to me. I like to know there are open natural spaces and that they're being well looked after”*

Debbie Hunt  
Wadestown



Towards a Greater Wellington



## A HIGH QUALITY ENVIRONMENT

We want

2 The Region's environmental and heritage assets to be there for future generations

3 People and communities to be kept safe from floods through a sustainable approach

4 A transport system which is environmentally friendly

5 The Council will put in place transport policies such that realistic, reliable, safe and environmentally friendly transport services are provided

The Council will purchase public transport services which conform to the Regional Land Transport Strategy and progressively improve them

What the Council can do  
(main activities)



- 2 The Council will show the way in environmental management of its own lands

Significant environmental and heritage assets will be included in the regional parks and forests

- b The Council will implement its adopted floodplain management plans

The Council will improve and maintain flood protection schemes and manage the major watercourses

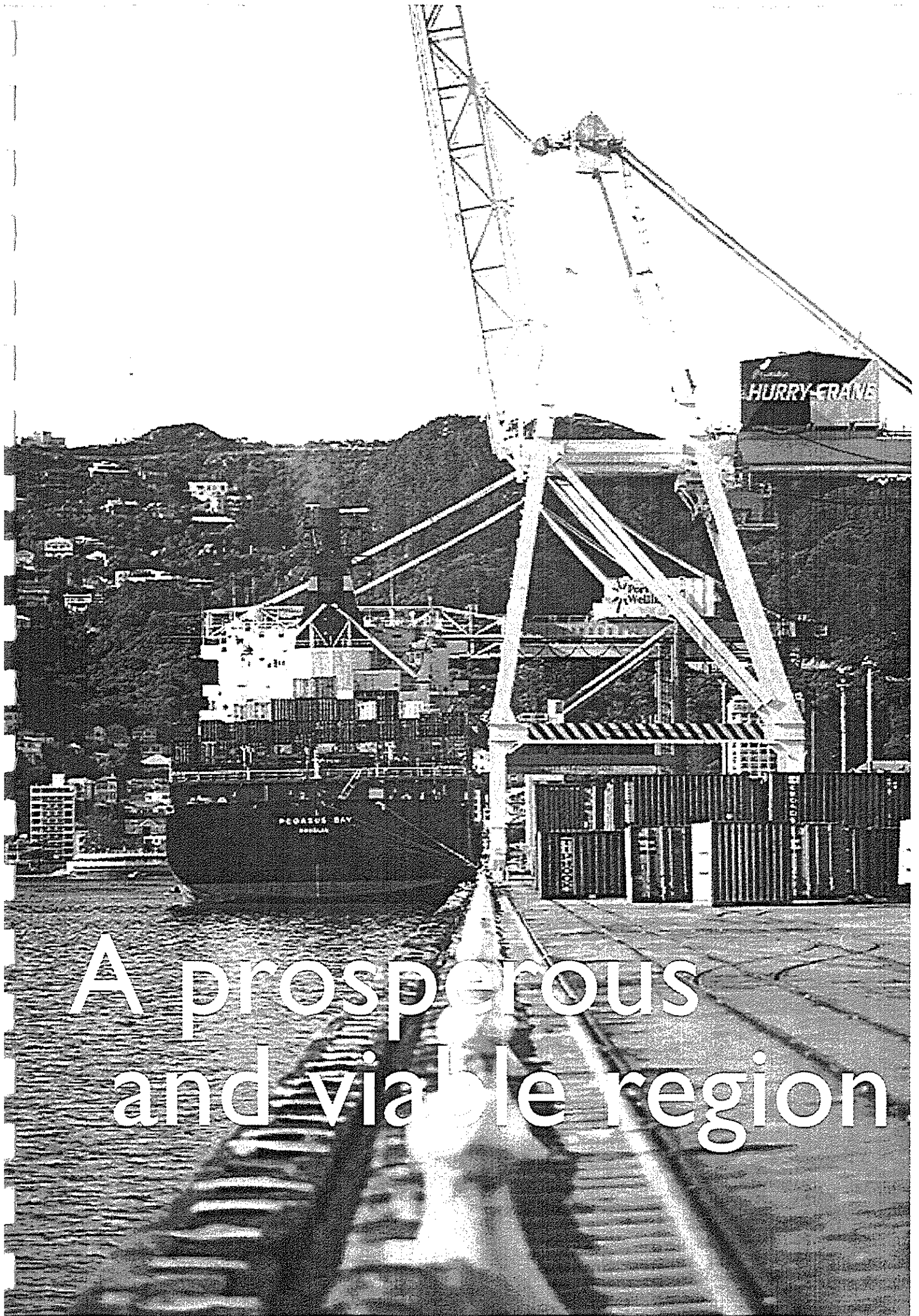
*“We need to protect our natural attributes, our landscape, the rivers... and make sure we don't pollute them any more”*

Ross Leger  
Kapiti Marine Charter





*Caring about you  
& your environment*



A prosperous  
and viable region

Towards a Greater Wellington



## A PROSPEROUS AND VIABLE REGION

We want

- 1 A transport system which provides good access at an affordable price
- 2 Land, assets and communities adjacent to rivers and waterways protected from erosion and flooding to prevent economic loss
- 3 To eliminate the threat of Bovine Tb to the agricultural economy of the region
- 4 The regional economy to be growing sustainably

- 5 The Council will produce economic information and participate, if it can, in supporting a regional economic agency

Council lands will be used to assist the development of the economy

What the Council can do  
(main activities)

a The Regional Land Transport Strategy will include specific economic aims

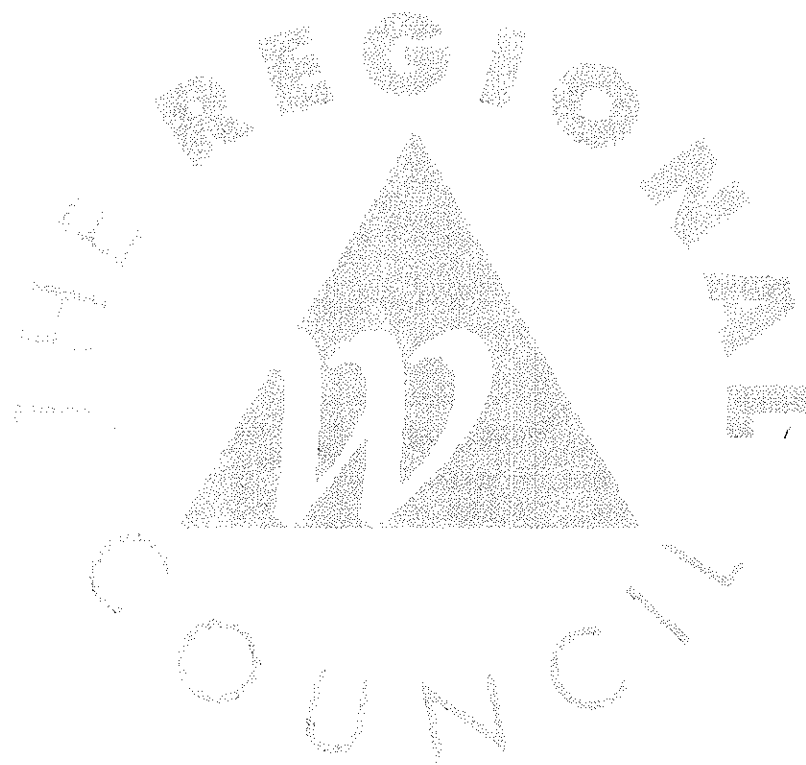
b The Council will implement its floodplain management plans and schemes and maintain flood defences

c The Council will help the Animal Health Board get rid of Bovine Tb through controlling animals which spread the disease

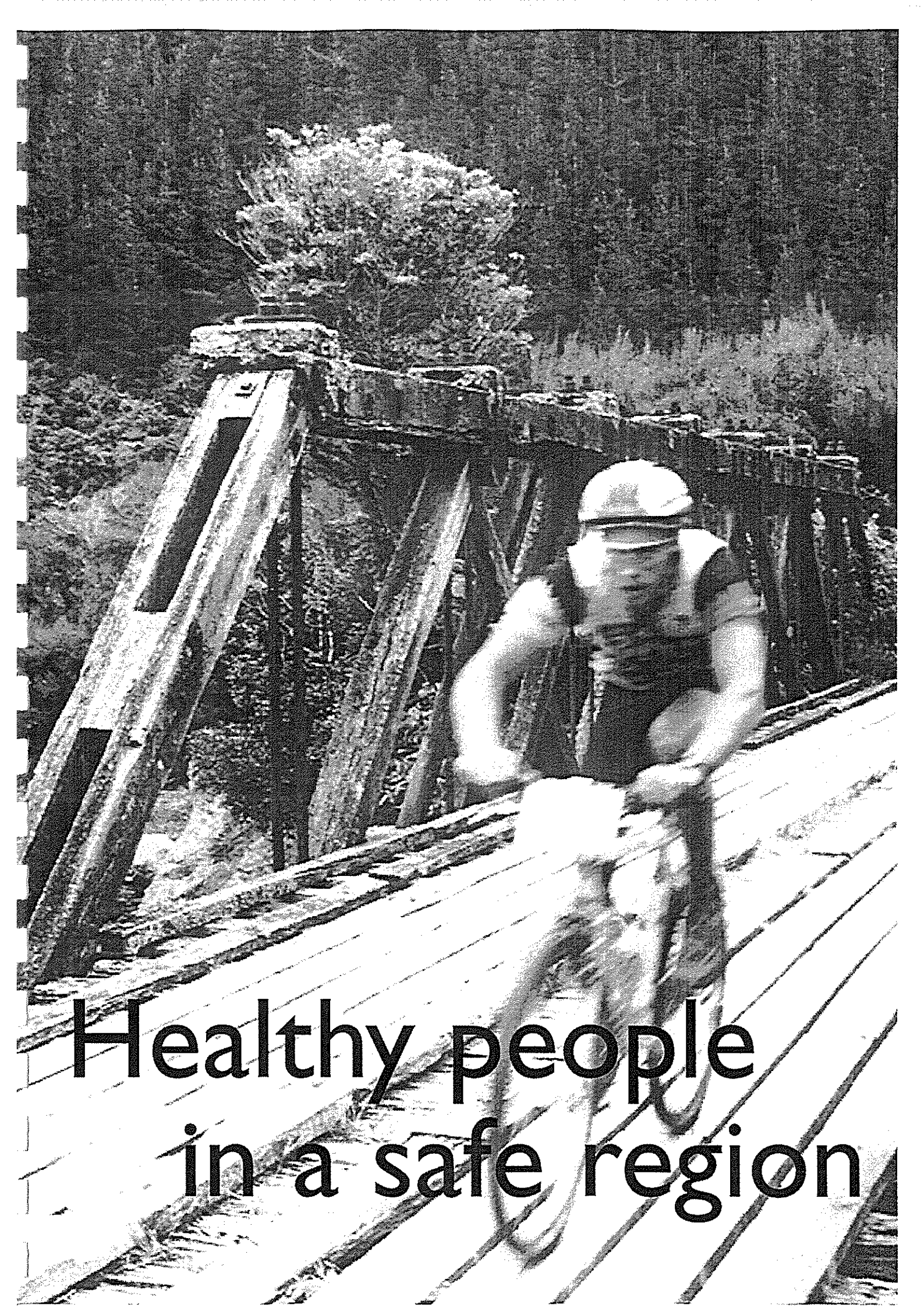
*“ I've been a public transport user for twenty-five years. We've got a good system but we've got to keep it. It needs good planning, good infrastructure, and it will need continuing subsidy from the regional council ”*

Tina Reid  
Brooklyn





*caring about you  
& your environment*



**Healthy people  
in a safe region**

Towards a Greater Wellington



## HEALTHY PEOPLE IN A SAFE REGION

We want

- The people of the Wellington Region to receive a high standard water supply
- People to be able to enjoy a safe and high quality outdoor environment on Council lands
- The Region's harbours to provide an attractive environment for recreational and commercial users
- The Region to be ready to cope with emergency events
- Adequate health facilities and services accessible to all

What the Council can do  
(main activities)

- The Council will do all that is reasonably possible to ensure that the Region is ready to cope with a major emergency
- The Council will issue timely flood warnings
- The Council will speak up for the Region



2 (In the metropolitan area) ensure that the quality of water supplied meets required standards and that sufficient water is normally available

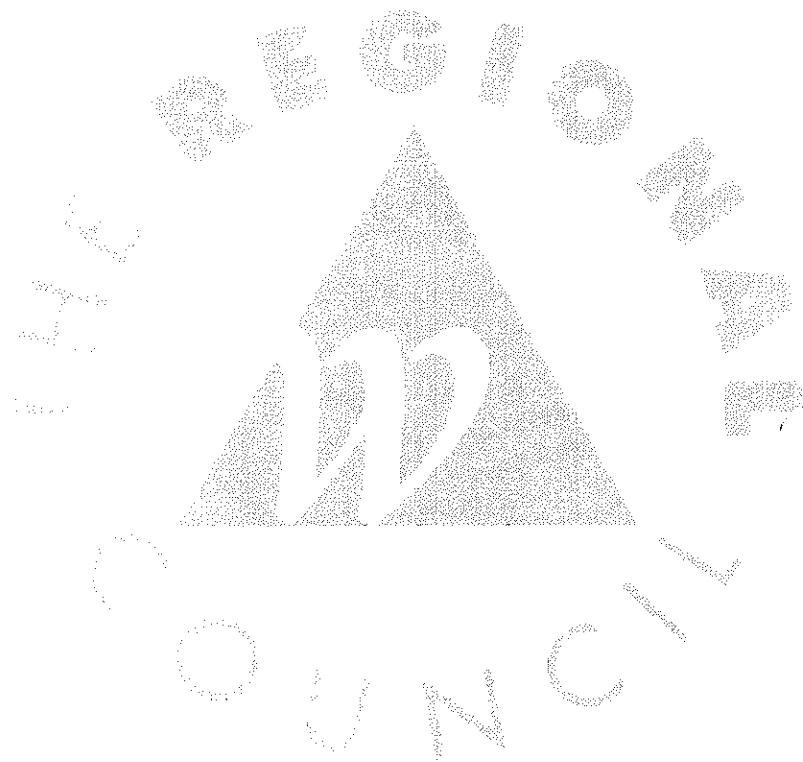
5 The Council will take care of the Regional parks, forests and water collection areas for the benefit of the community

6 The Council will aim to ensure that the Region's harbours are safe for recreational and commercial users

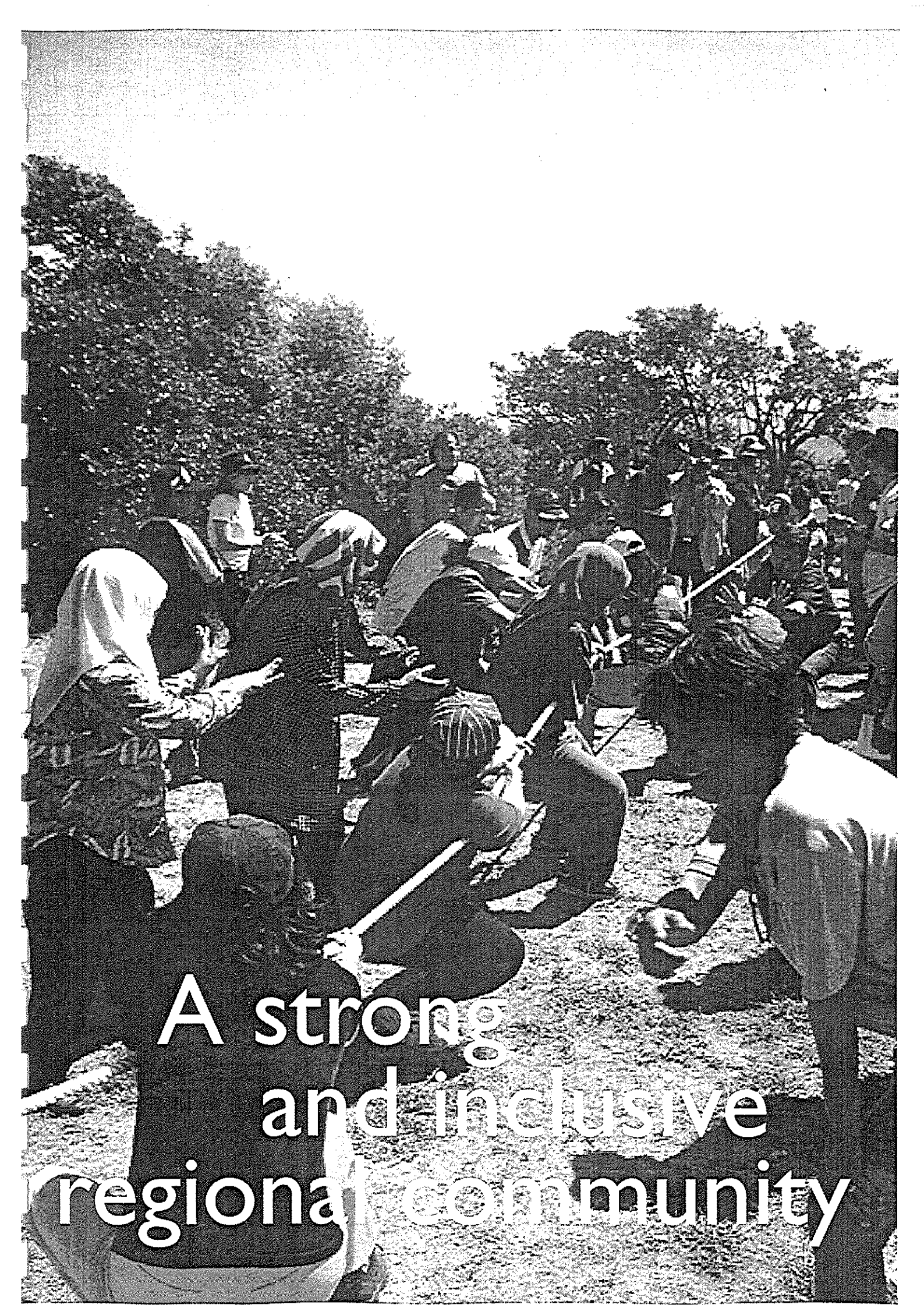
*“I cycle to work in Upper Hutt along the Hutt River Trail. That's great because it's off the road”*

Gerry Nicholls  
Stokes Valley





*Caring about you  
in your environment*



A strong  
and inclusive  
regional community



## A STRONG AND INCLUSIVE REGIONAL COMMUNITY

We want

**2** A Region which supports strong communities

A Region where people are not worried by the fear of crime

The infrastructure of the Region kept up to the mark

The Wellington Region to be seen as a desirable place for businesses to bring staff to and for people to live in

**b** Local government, including the Regional Council, to be able to contribute fully to community wellbeing

**c** The Council and iwi of the Region to have a mutually beneficial relationship

**c** The Council will assist iwi to undertake relevant projects as jointly agreed

What the Council can do  
(main activities)

a) The Council will speak up for the Region  
Councillors will work with other decision-makers and community leaders in central and local government and community interest groups

b) The Council will try to persuade Central Government to amend the Local Government Act so that it allows the Council to do what the local community supports it doing

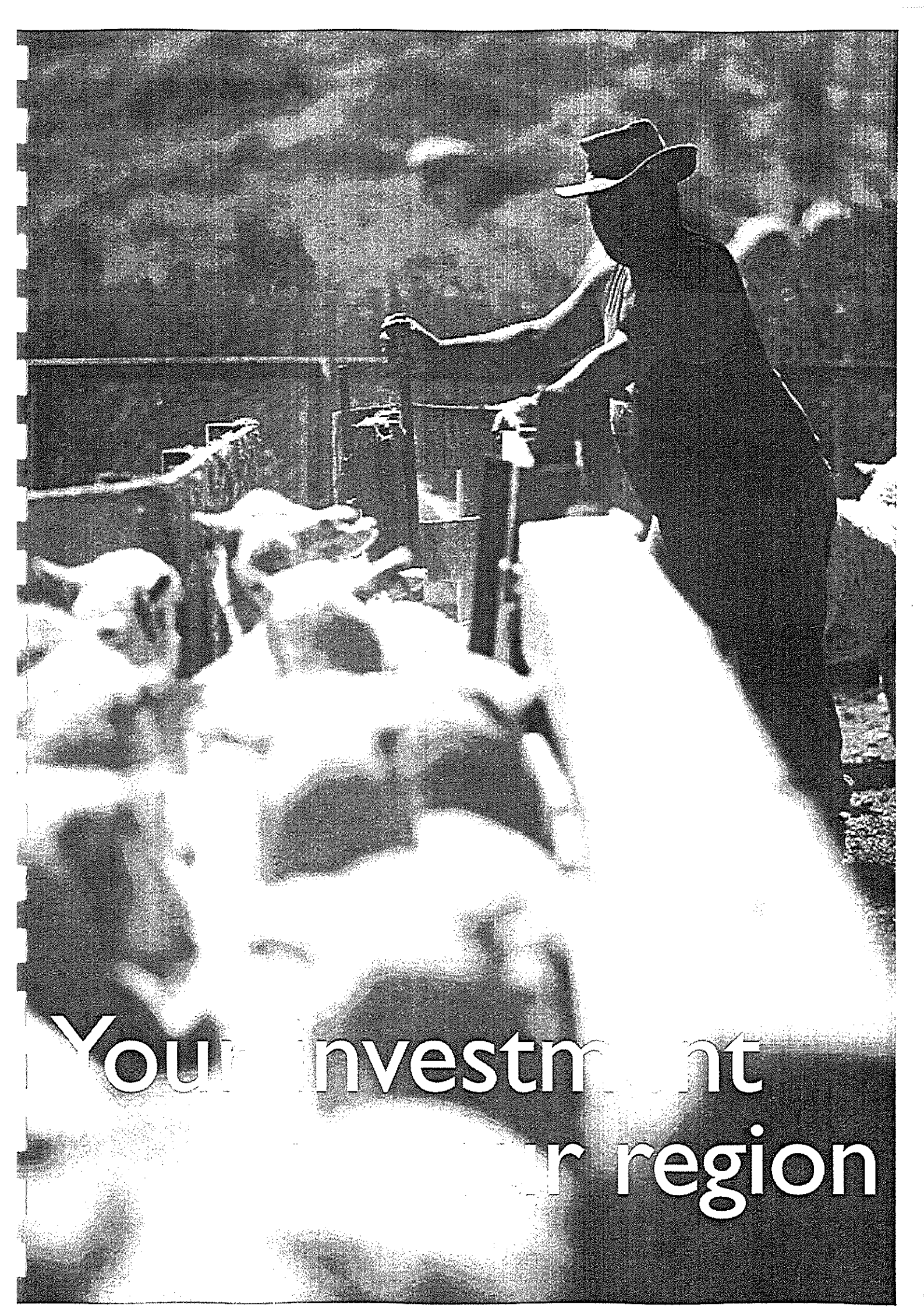
*“There's a clear need for communities to reclaim, and actively be involved in determining, their futures. Local solutions for local problems - wherever possible... that should be encouraged”*

Kevin Hackwell  
Wellington Downtown Ministry





*caring about you  
& your environment*



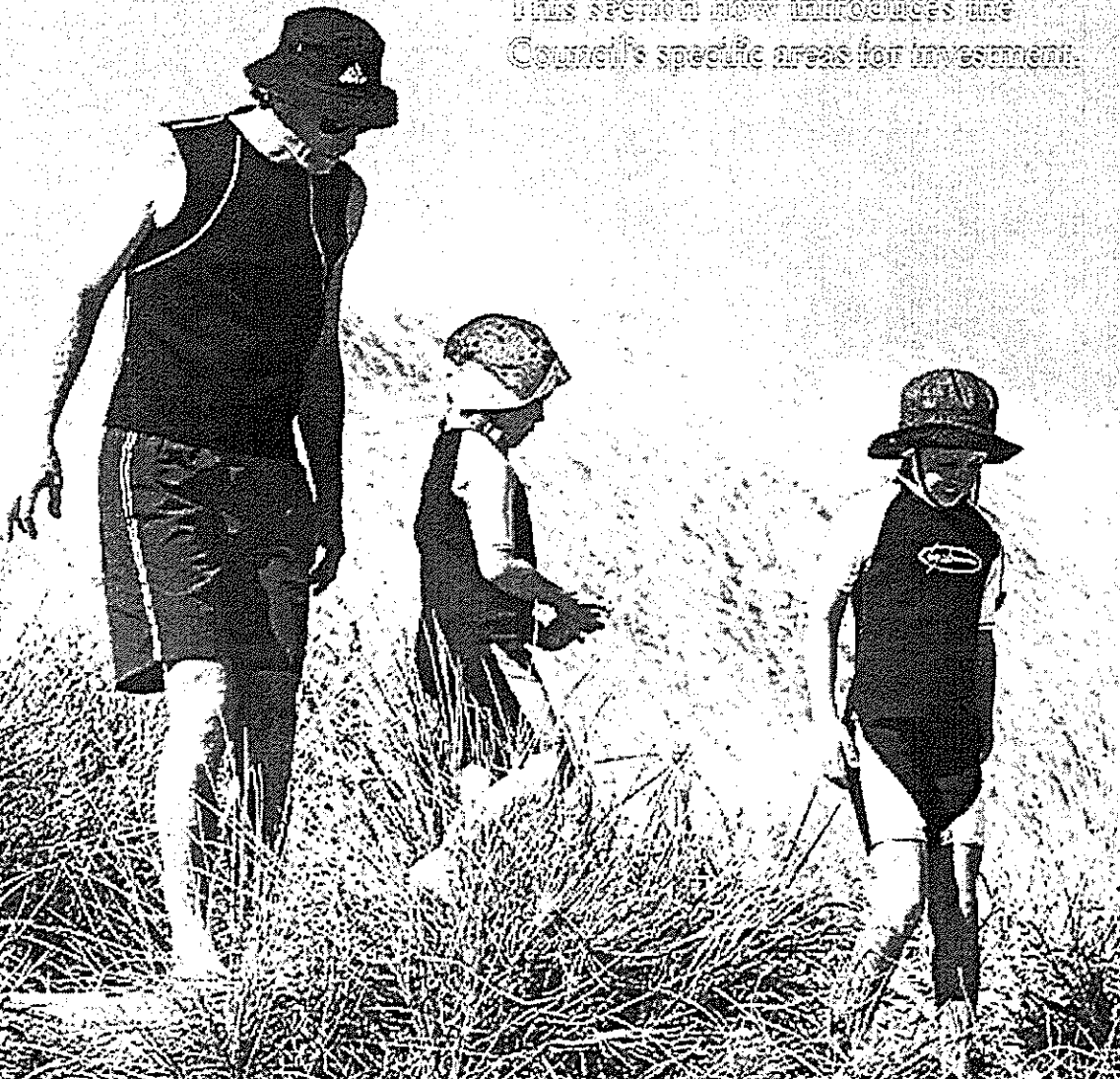
Your investment  
in our region

## YOUR INVESTMENT IN YOUR REGION

The previous sections have described something of the Council's vision and how it feels it can make a difference to the future of the people like Rebecca and the region as described

by Sir Brian. It has explained, at a high level, the areas where it feels it should play a role – shown on the target diagram and its segments.

This section now introduces the Council's specific areas for investment.





## OUR INVESTMENT PLANS FOR A GREATER WELLINGTON REGION

On these pages the Council sets out its extra investment programme.

These are the projects the Council has set to make a real difference for the Region. These investments constitute the main difference between this plan and the previous Long Term Financial Strategy. The Council has carefully considered its options and believes that these extra investments are justified to achieve the various plans and strategies developed over the years.

### Investment in Your Region's Environment

As a region, and as a nation, we tend to assume we have a clean, green environment, but we don't think about how our daily lives impact on it. We need to strive to live in our environment in ways that are sustainable over the long term. Restoring the Region's ecosystems is essential for the ongoing health and wellbeing of the Region.

Over the last few years we've been busy planning. We have a Regional Policy Statement in place and have prepared regional environment plans. Now that the planning is nearly complete, we want to move on to "the doing", to make a significant difference to the Region's environment. But we can't do this alone. We need the help of the regional community. We want people to understand the importance of a sustainable environment and we need practical help to bring this about. Currently the Regional Council spends around \$8 million per year on its environment programmes. Over the next ten years we plan to invest an additional \$2.5 million on average per year to develop a more sustainable region.

Over the next ten years we want to:

- Preserve important species and habitats by controlling all animal and plant pests in key areas of the region (we call these Key Native Ecosystems).

- Restore bush, wetlands and habitats on the Council's own lands and restore the environment of river corridors.
- Improve the coastline by restoring coastal dunes and addressing pollution.
- Improve the quality of fresh water in the region's rivers and streams through planting and managing activities at the water's edge.
- Protect native flora by extending the Old Man's Beard removal programme.
- Address contaminated sites, including those on Council lands.

To help us improve the Region's environment we have developed a strategy that targets young people, businesses and the general community.

- The *Learnwell* programme will help young people learn about environmental issues in their area. Environmental trails will be developed so they can see an environmental issue "in action", such as the effects of polluted streams or coastal dune erosion. Schools will also be encouraged to take on an environmental care project e.g. adopting a stream. We will work with teachers to provide resource material.
- The *Business Bridges* programme will work with small and medium businesses to reduce pollution and encourage environmentally friendly practices.

- The *Community* programme will encourage care groups, made up of people willing to take practical action to address specific local environmental problems.
- Several environmental projects will focus community involvement in the Council's regional parks and forests. A co-ordinator for volunteers will liaise with communities and interest groups.

We also need to gather information about our Region's environment in order to manage it better and be able to measure our progress with environmental care. We want to improve our air, water and soil quality monitoring programmes and investigate particular issues, for example, the cause of stormwater pollution.

## Investment to Protect Communities from Flooding

Flood protection schemes help keep individuals, businesses, and communities safe, as well as protecting infrastructure and avoiding the disruption and trauma caused by floods. For the Council, deciding what flood protection work should be done means balancing the benefits to those at risk against the benefits and costs to the whole Region.

Flood protection systems need to be maintained and renewed throughout the life of the assets. The Council will be spending about \$3.2 million a year maintaining flood protection systems for the Region's rivers and some streams. The Council also has to repair system damage after significant flooding. This happened after the floods in October 1998 when the Council approved a further \$5.3 million for areas where substantive damage had occurred.

As well as maintaining existing flood protection assets, the Council has invested over \$35 million in the last 20 years to improve flood protection systems. This includes developing plans with affected communities.

## *Higher Levels of Protection Requested*

Hutt Valley and Kapiti Coast communities have lobbied the Regional Council for increased levels of flood protection on the Hutt, Otaki and Waikanae rivers. The Council is now ready to implement Floodplain Management Plans for these rivers and has prioritised the works needed to raise flood protection levels.

But, this will require a significant regional investment – \$92 million. That's \$78 million dollars for the Hutt Valley and \$14 million for the Kapiti Coast. We asked the community how quickly these works should be done.

Following the consultation process, the Council has decided that the right answer is an average capital spend of \$2.3 million a year. This covers the nominal forty-year life of the floodplain management plans. Based on the prioritised works, this means about \$2 million a year on the Hutt River, and \$300,000 for the Kapiti Coast rivers. There are several reasons why we favoured this approach:

- In the Hutt Valley, this level of expenditure allows time to put in place the "non structural measures" (upper catchment management, river corridor and floodplain development, plus emergency management) with any necessary adjustments to District Plans. The non structural measures must go hand in hand with the expensive stopbank upgrades and other protection works.
- The Council still has around \$25 million of flood protection debt. The \$2.3 million a year for capital works will keep this debt more or less constant across the ten years of this financial plan.
- Being mindful of global warming, earthquakes, and changing community priorities, the Council will regularly review the \$2.3 million per annum programme.
- The Council will fund the \$2.3 million per annum spend with 50% charged to the whole Region and 50% against the area of direct benefit e.g. the Hutt Valley.

## Investing in Our Special Places

Our regional parks and forests are special places giving people access to many recreation opportunities, environmental features and heritage sites. The Council will spend around \$4.5 million a year on these special places. Additional investment is needed to keep the parks and forests safe and enjoyable.

As our lives get busier we increasingly value outdoor open spaces and being able to “get away from it all”. Our regional parks and forests are special places that give people access to many recreation opportunities, environmental features and heritage sites. The Council manages five regional parks and provides access to other forests and recreation areas in the region. These special places are important for maintaining the health and wellbeing of the community.

The Council has received many requests to create new regional parks. Over the next ten years, an additional staged investment averaging \$0.6 million per annum will allow the following environments to be protected, enhanced and enjoyed:

- East Harbour Regional Park, towards Pencarrow, is underdeveloped and the only regional park without a ranger. This rugged coastal park has significant environmental and heritage features and is already popular for walking, cycling, climbing and fishing. We will introduce a resident ranger and further develop the area.
- The Lake Wairarapa wetlands are internationally significant. There are currently no regional parks in the Wairarapa and these wetlands have potential for education, recreation and eco-tourism opportunities. We will protect this area and develop its potential, in association with other agencies.

- Whitireia Park, near Porirua, with its open spaces and coastline, is a key local landmark, a highly accessible recreation area and of cultural importance to Maori. The Whitireia Park Board has asked the Regional Council to take over management of the park. A small annual contribution is planned initially and in later years we will have a resident ranger and develop the area further.
- River environments are increasingly valued and enjoyed by the community. A ranger for the Hutt River will help keep the area safe and enjoyable e.g. managing activities along the Hutt River Trail.

## Investment in Preventing Bovine Tb

A rigorous programme of possum control by the Regional Council has achieved a 78 percent reduction in the number of Tb reactor cattle in the last four years. The Council is planning to boost investment in Bovine Tb programmes to work towards the eventual elimination of Bovine Tb in the Region. Currently about \$3.6 million per year is spent on Bovine Tb and the Council plans an additional investment averaging \$600,000 per year. This investment depends on the approval by the Animal Health Board of its share of the funding.

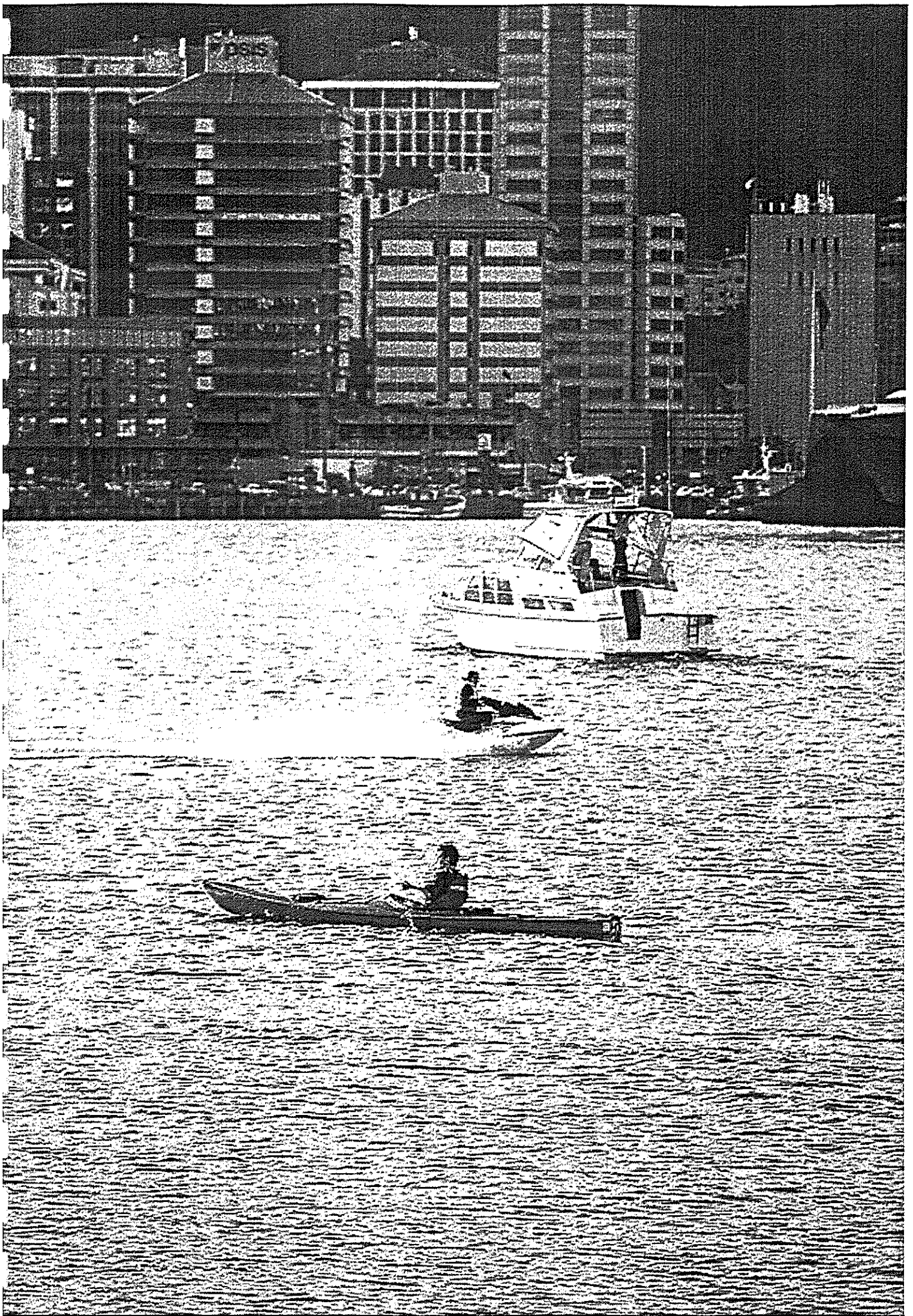
## Investment in Public Transport

Investing in public transport is a win-win solution for us all. We need to encourage more people to choose public transport for those regular peak-time journeys to work and school. This helps free up the roads for those of us on longer journeys and means freight can move smoothly around the region and keep our economy humming. And, of course, public transport is environmentally friendly too.

This is the vision in the new Regional Land Transport Strategy. Several organisations will play a part to achieve this vision, as investment in roads is needed too. The Regional Council's role is to develop public transport ahead of the road improvements.

The Council currently spends around \$37 million each year on public transport (including a subsidy from Transfund New Zealand) and will boost this over time to an average of \$46 million during the ten years. Investment is needed to:

- Make it easier to change between rail and bus transport at the Wellington Railway Station, including integrated ticketing.
- Make public transport an appealing option in the western corridor of the region (from Otaki to Ngauranga). This includes electrification to Waikanae, upgrading stations and building a new station at Raumati South and improving bus links to trains, and increased frequency.
- Make public transport an easier choice in the Hutt Valley. This includes improving rail frequency, providing more buses to link with trains, providing more car parks at stations for commuters and refurbishing stations at Upper Hutt and Petone.
- Ensure quicker journeys for bus passengers. This includes bus priority systems for Newtown and Karori and from Petone to Ngauranga.



## THE FINANCIAL IMPACT

The previous pages have discussed the particular extra investments the Council will make in specific areas. This section now demonstrates the financial consequences. The details are included in Volume II of this Plan which also sets out the assumptions which underlie the numbers.

The impacts of the Council's investment plans are shown in terms of the Council's significant activities, as they relate to the way the Council is funded through a variety of rates, charges and the water supply levy.

Regional rates include the General rate, the Transport rate, the River rate and the Stadium Purposes rate.

They exclude the Water Supply levy, the Bowme-Tib rate and Scheme rates.

Regional rates will increase by 12.52% in 2000/01. However, the Council has a number of other sources of funding. When they are all taken into account the overall increase in public funding required is 6.5%.

Regional rates will rise 4.5% in each of the following two years.

The price of bulk water to the four metropolitan cities decreases by a further 4%.

## RATES AND LEVIES *What is the impact on your city or district?*

Table 1 shows that the Council is planning a 12.52% increase in Regional Rates in 2000/01. However the increase varies between the cities and districts of the Region. This is partly because of changes in capital values (equalised) as assessed by Quotable Value New Zealand (these changes are totally outside the Council's control) and partly due to the level and changes in the incidence of the General, Regional Transport, Rivers and Stadium Purposes rates (see Table 3). Please note that on this page only all figures include GST and collection costs.

**Table 1: Regional Rates**  
(GST inclusive)

	1999/00 Budget \$000's	2000/01 Plan \$000's	\$ Change \$000's	% Change
Wellington City	25,674	29,268	3,594	14.00%
Lower Hutt City	9,679	10,264	585	6.04%
Upper Hutt City	2,877	3,100	223	7.75%
Porirua City	4,023	4,758	735	18.27%
Kapiti Coast District	3,511	4,090	579	16.49%
Masterton District	915	1,040	125	13.66%
Carterton District	377	426	49	13.00%
South Wairarapa District	581	654	73	12.56%
Tararua District	1	1	0	0.00%
<b>Regional Rates</b>	<b>47,638</b>	<b>53,601</b>	<b>5,963</b>	<b>12.52%</b>
Bovine Tb Rate	589	655	66	11.21%
Wairarapa Scheme Rates	1,126	1,135	9	0.80%
<b>Total WRC Rates</b>	<b>49,353</b>	<b>55,391</b>	<b>6,038</b>	<b>12.23%</b>

**Table 2: Water Supply Levy**  
(GST inclusive)

	1999/00 Budget \$000's	2000/01 Plan \$000's	\$ Change \$000's	% Change
Wellington City Council	13,770	14,259	489	3.55%
The Hutt City Council	7,510	6,532	-978	-13.02%
Upper Hutt City Council	2,944	2,723	-221	-7.51%
Porirua City Council	3,012	2,632	-380	-12.62%
<b>Water Supply Levy</b>	<b>27,236</b>	<b>26,146</b>	<b>-1,090</b>	<b>-4.00%</b>

Table 2 shows that there is a further 4% decrease in the water supply levy in 2000/01. The impact of this varies amongst the four Cities as the levy is based on the actual consumption of water in 1999/00.

**Table 3: Changes in Regional Rates due to Equalised Capital Value (ECV) Movements and Apportionment from 1999/00 to 2000/01 (GST inclusive)**

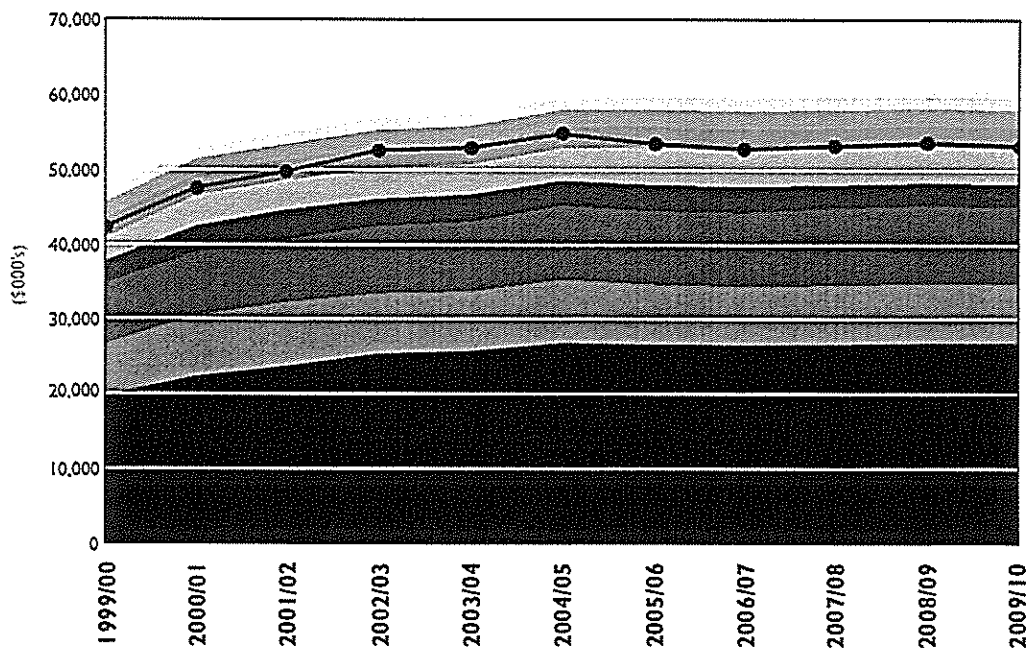
	ECV Movements		General Rates		Rivers Rates		Regional Transport Rates		Stadium Purposes Rate		Total Regional Rate	
	Change \$000's	% Change	Change \$000's	% Change	Change \$000's	% Change	Change \$000's	% Change	Change \$000's	% Change	Change \$000's	% Change
Wellington City	-145	-0.56%	1,424	5.55%	107	0.42%	2,095	8.16%	113	0.44%	3,594	14.00%
Lower Hutt City	38	0.39%	514	5.31%	-166	-1.72%	161	1.66%	38	0.39%	585	6.04%
Upper Hutt City	9	0.31%	166	5.77%	119	4.14%	-81	-2.82%	10	0.35%	223	7.75%
Porirua City	67	1.67%	196	4.87%	-102	-2.54%	560	13.92%	14	0.35%	735	18.27%
Kapiti Coast District	28	0.80%	264	7.52%	65	1.85%	212	6.04%	10	0.28%	579	16.49%
Masterton District	2	0.22%	113	12.35%	0	0.00%	6	0.66%	4	0.44%	125	13.66%
Carterton District	0	0.00%	45	11.94%	0	0.00%	3	0.80%	1	0.27%	49	13.00%
South Wairarapa District	1	0.17%	72	12.39%	0	0.00%	-2	-0.34%	2	0.34%	73	12.56%
Tararua District	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Regional Rates</b>	<b>0</b>	<b>0.00%</b>	<b>2,794</b>	<b>5.87%</b>	<b>23</b>	<b>0.05%</b>	<b>2,954</b>	<b>6.20%</b>	<b>192</b>	<b>0.40%</b>	<b>5,963</b>	<b>12.52%</b>

## RATES AND LEVIES *Regional Rates by Significant Activity*

This graph shows the Regional rates requirement for each of the Council's significant activities. Regional rates include the General, Regional Transport, Rivers and Stadium Purposes rates but exclude the Water Supply levy, Bovine Tb and Wairarapa Schemes rates.

Total Regional rates increase by 12.52% from 1999/00 levels. The increase represents the Council's view that it is time to invest further in transport, the environment, flood protection, land management and in parks and forests. Further increases in Regional rates are projected until 2004/05 after which the rates are expected to reduce slightly until the end of the 10 year planning horizon.

*N.B. All figures exclude GST and are rounded to the nearest hundred thousand dollars.*



	BUDGET PLAN		FORECAST								
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Regional Transport	19,700	22,300	23,800	25,200	25,700	26,900	26,800	26,600	26,800	26,900	26,900
Environment Management	6,900	8,400	8,800	8,600	8,300	8,800	8,200	8,200	8,100	8,300	8,100
Flood Protection	8,100	8,600	8,700	9,100	9,300	9,800	9,900	9,900	10,200	10,200	10,100
Land Management	3,000	3,500	3,600	3,600	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Parks and Forests	3,100	4,000	4,000	4,200	4,100	4,300	5,000	5,100	4,900	4,900	4,800
Regional Stadium	2,500	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Investment in Democracy	2,200	2,200	2,200	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Investments	(4,500)	(5,600)	(5,500)	(5,300)	(5,200)	(5,400)	(7,100)	(7,300)	(7,300)	(7,200)	(7,300)
Other	1,300	1,500	1,500	1,600	1,800	1,600	1,600	1,700	1,700	1,600	1,700
<b>Total Regional Rates</b>	<b>42,300</b>	<b>47,600</b>	<b>49,800</b>	<b>52,100</b>	<b>52,800</b>	<b>54,800</b>	<b>53,200</b>	<b>53,000</b>	<b>53,200</b>	<b>53,500</b>	<b>53,100</b>



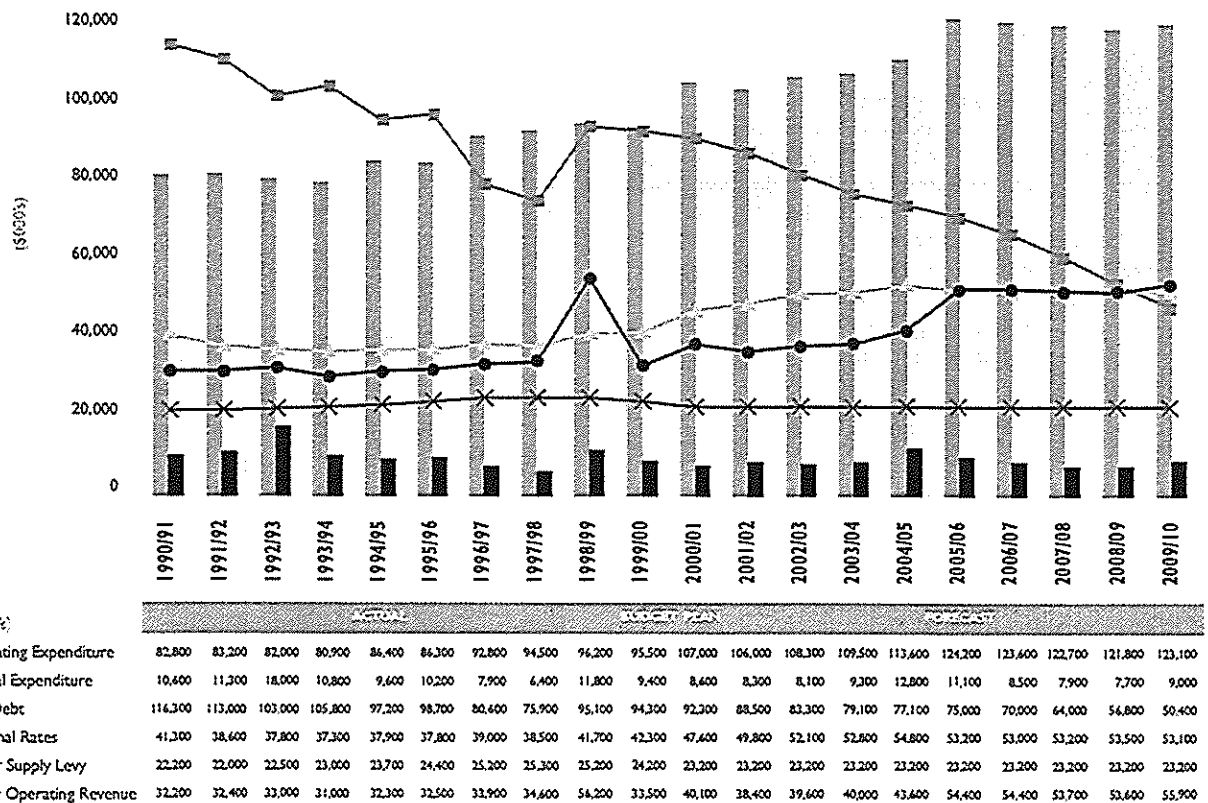
# COUNCIL'S FINANCIAL OVERVIEW *Total Council Information*

This graph places the 2000/01 Annual Plan in the context of the preceding ten years and ten year planning horizon.

The key points to note are:

- Operating expenditure increases from 1999/00 levels through to 2005/06 after which it remains relatively flat. Regional rates follow this trend with the exception that the increase in operating expenditure in 2005/06 is assumed to be funded from additional external revenue.
- The increase in net debt in 1998/99 is primarily due to the Council's contribution of \$25 million to the Wellington Regional Stadium Trust.

*N.B. All figures exclude GST and are rounded to the nearest hundred thousand dollars.*



## YOUR REGIONAL COUNCILLORS



Stuart Macaskill  
Upper Hutt Constituency

Stuart has been a Regional Councillor since 1980 and Chairperson of the Wellington Regional Council since 1986. He was elected to the Upper Hutt City Council in 1971 and was Deputy Mayor from 1974 until 1980. Stuart has served local government in the Wellington Region for 28 years. He has been very active in local government national organisations culminating in his election as President of the New Zealand Local Government Association for the term 1993 to 1996.

*Committee Membership:*

- Council Chairperson (ex-officio on all Council Committees)



Margaret Shields  
Porirua Constituency

Margaret was elected to the Council in 1995, and appointed as Council Deputy-Chairperson in 1998. Since 1998 Margaret has represented Regional Councils on Local Government New Zealand's National Council. She is a former Member of Parliament and Minister of the Crown. Margaret is interested in the sustainable development of transport and the development of the transport infrastructure of the Wellington Region. She is also active in community affairs at national and international levels.

*Committee Membership:*

- Council Deputy Chairperson (ex-officio on Landcare, Utility Services, Rural Services and Wairarapa Committees)
- Policy and Finance (Deputy Chair)
- Passenger Transport
- Environment



Jim Allen  
Lower Hutt Constituency

Elected to the Wellington Regional Council in 1998, Jim was previously a Hutt City Councillor. He has also served 18 years on the Energy Direct Board, 12 years on the Petone Borough Council, and six years as Chairman of the Petone Community Board. Jim has a special interest in water supply issues and is a supporter of public transport.

*Committee Membership:*

- Policy and Finance
- Passenger Transport
- Environment



Margaret Bonner  
Wellington Constituency

First elected to the Wellington Regional Council in 1995, Margaret came to the Council with 15 years experience as both a Wellington City Councillor and a Health Board member.

*Committee Membership:*

- Policy and Finance
- Passenger Transport
- Landcare



Ian Buchanan  
Wairarapa Constituency

Elected in 1992, Ian has served much of his time with the Council as Chairperson of the Environment Committee. He has also served as Chairperson of the Rural Services & Wairarapa Committee. Previously Ian was an elected member of the Wairarapa Catchment Board and an appointed member of the Wellington Regional Council's Wairarapa Committee from 1989 to 1992.

*Committee Membership:*

- Policy and Finance
- Environment (Chair)
- Passenger Transport
- Rural Services and Wairarapa (Deputy Chair)



Mike Gibson  
Wellington Constituency

A Wellington Regional Councillor between 1983 - 89, Mike stood again successfully in 1998. He is a former Chief Accountant of Cable Price Downer, and of Wellington Newspapers Ltd, as well as a former Senior Investigating Accountant for the Department of Justice. Mike has been Treasurer of the National Press Club since 1987 and is also currently Lay Observer for the Wellington District Law Society.

*Committee Membership:*

- Policy and Finance
- Passenger Transport
- Environment (Deputy Chair)



Chris Laidlaw  
Wellington Constituency

Chris was elected to the Wellington Regional Council in 1998. He is a former All Black, Ambassador, NZ Race Relations Conciliator, Member of Parliament, author, and Chief Executive of WWF (World Wide Fund for Nature NZ). He is now a writer and commentator.

*Committee Membership:*

- Policy and Finance
- Landcare (Deputy Chair)
- Utility Services



Rick Long  
Wairarapa Constituency

Rick was elected in 1998. He is a partner in a signwriting and graphic art company. Rick served a term on the Masterton District Council between 1995 – 98, and has been Chairman of the Masterton Licensing Trust for the past 23 years.

*Committee Membership:*

- Policy and Finance
- Landcare
- Rural Services and Wairarapa (Chair)



Terry McDavitt  
Wellington Constituency

Terry was elected to the WRC in 1989. He has also served on the Wellington City Council for nine years, and was Deputy Mayor 1987 – 89. Terry has particular interests in transport and resource management issues.

*Committee Membership:*

- Policy and Finance
- Passenger Transport (Chair)
- Environment



Euan McQueen  
Wellington Constituency

Appointed to the Council in 1993, Euan is Chairman of the Utility Services Committee. He has a special interest in the effectiveness of the Council's utility operations (water and forestry), and extensive experience in transport policy and environmental issues.

*Committee Membership:*

- Policy and Finance
- Passenger Transport
- Landcare
- Utility Services (Chair)
- Rural Services and Wairarapa



Robert Shaw  
Porirua Constituency

Robert has been a Regional Councillor since 1998. He was a Porirua City Councillor from 1992 – 98. He is a member of the Porirua Licensing Trust and the Carter Observatory Board. Robert is a senior lecturer in business management at the Open Polytechnic of New Zealand. Robert is particularly interested in integrating the region's water supply, extending the regional park network and enhancing the marine environment.

*Committee Membership:*

- Policy and Finance
- Landcare
- Utility Services (Deputy Chair)



Rosemarie Thomas  
Lower Hutt Constituency

Rosemarie was elected to the Wellington Regional Council in 1998. She has a range of business experience. Rosemarie has a keen interest in Hutt Valley issues including the Hutt River, water supply, civil defence, and the harbour.

*Committee Membership:*

- Policy and Finance
- Landcare
- Utility Services



Chris Turver  
Kapiti Constituency

Chris was elected to the Wellington Regional Council in 1998. He had a background in journalism and broadcasting senior management, before managing corporate communications for Radio New Zealand and NZ Police. More recently, Chris served as Chief Executive of the Royal New Zealand Coastguard Federation, and now has his own communications consultancy.

*Committee Membership:*

- Policy and Finance
- Environment
- Passenger Transport (Deputy Chair)
- Rural Services and Wairarapa



Dick Werry  
Lower Hutt Constituency

Elected to the Wellington Regional Council in 1995, Dick was previously a member of the Lower Hutt City Council in the 1970s. In addition to his Landcare role, his particular interests relating to the Regional Council are water supply issues.

*Committee Membership:*

- Policy and Finance
- Landcare (Chair)
- Utility Services

## HOW TO CONTACT YOUR REGIONAL COUNCILLORS

### Kapiti Constituency (4)

**C R Turner (Chris)**  
 Settlement Road  
 RD 1  
 Te Horo  
 06 364 3640 (private phone)  
 06 364 3650 (private fax)  
 025 250 1601 (mobile)  
 cturner@clearnet.nz

### Lower Hutt Constituency (3)

**J G J Allen JP (Jim)**  
 31 C Nelson Street  
 PO Box 33-161  
 Petone  
 04 938 1795 (private phone)  
 04 970 1795 (private fax)  
 021 625 958 (mobile)  
 jallen@clearnet.nz

**R F Thomas JP (Rosemarie)**  
 19 Hart Ave  
 PO Box 31-160  
 Lower Hutt  
 04 934 8466 (private phone)  
 04 939 8466 (business phone)  
 04 939 8467 (business fax)  
 025 846 627 (mobile)  
 rthomas@paradise.net.nz

**R J Werry (Dick)**  
 7 Marina Grove  
 Lower Hutt  
 04 566 3465 (private phone)  
 04 566 3464 (private fax)  
 04 567 1912 (business phone)  
 04 567 1936 (business fax)  
 025 417 647 (mobile)  
 djwerry@xtra.co.nz

### Porirua Constituency (2)

**R K Shaw (Robert)**  
 43 Eskdale Road  
 Papakowhai  
 04 233 0252  
 (private/business/phone/fax)  
 robertshaw@xtra.co.nz

**Hon M K Shields QSO (Margaret)**  
 23 Haurua Road  
 Pukerua Bay  
 04 239 9949 (private phone)  
 04 239 9084 (private fax)  
 025 231 6102 (mobile)  
 marg.shields@xtra.co.nz

### Upper Hutt Constituency (4)

**S A Macaskill CNZM, QSO, JP (Stuart)**  
 C/- PO Box 11-646  
 Wellington  
 04 384 5708 (business phone)  
 04 384 5023 (business fax)  
 04 526 7683 (private phone)  
 04 526 7160 (private fax)  
 025 421 258 (mobile)  
 stuartmacaskill@wrc.govt.nz

### Wairarapa Constituency (2)

**I M Buchanan (Ian)**  
 36 Pownall Street  
 Masterton  
 06 378 7261 (private phone)  
 06 370 8286 (business phone)  
 06 370 8287 (bus/private fax)  
 025 248 4749 (mobile)  
 bucham@xtra.co.nz

**F R Long (Rick)**  
 14 Tankersley Street  
 PO Box 8  
 Masterton  
 06 378 6252 (private phone/fax)  
 06 378 7179 (bus phone/fax)  
 025 304 004 (mobile)  
 rlong@voyager.co.nz

### Wellington Constituency (5)

**M M Bonner JP (Margaret)**  
 108 Washington Avenue  
 Brooklyn  
 Wellington  
 04 389 7026 (Private phone/fax)

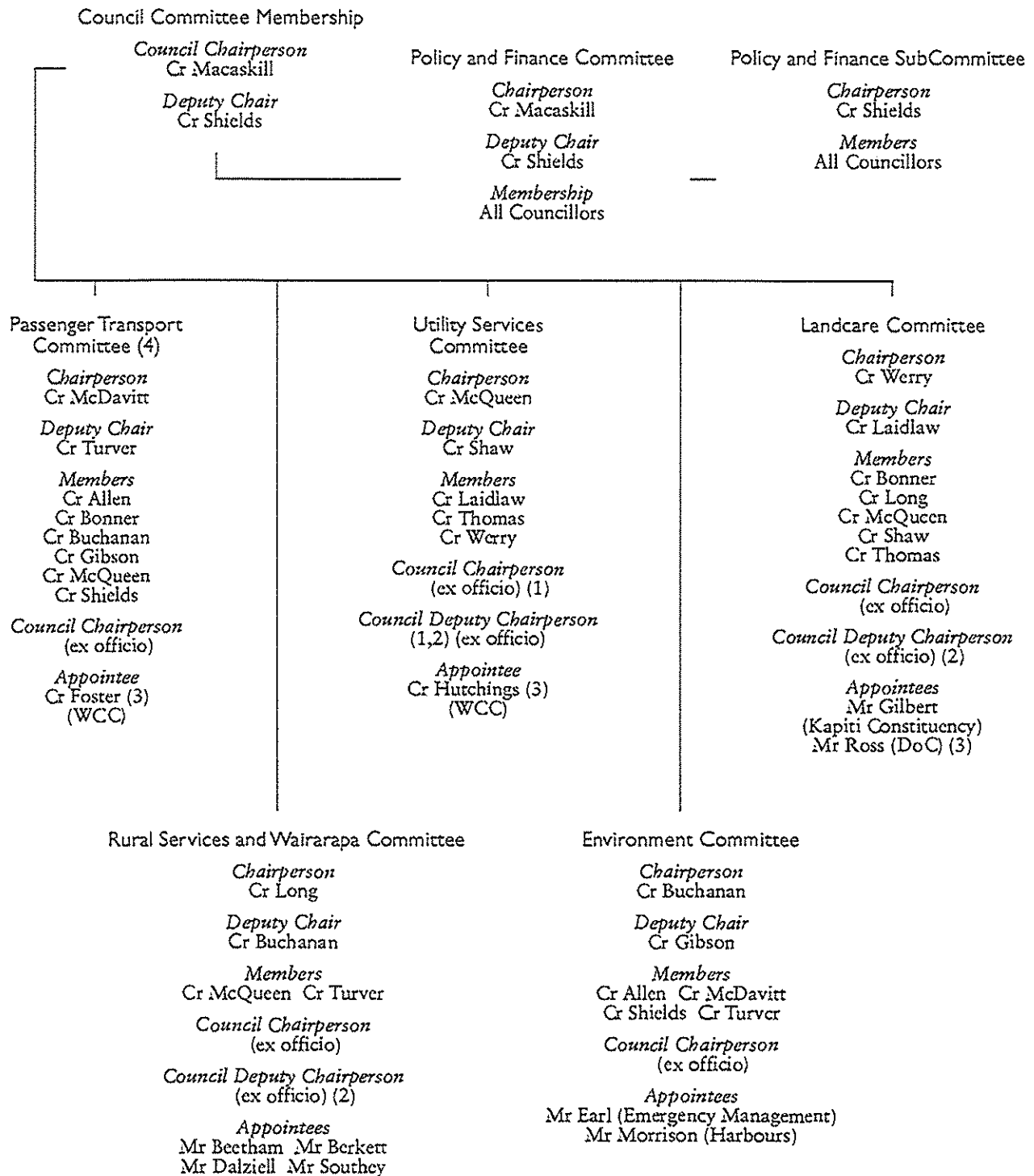
**M P C Gibson JP (Mike)**  
 7 Putnam Street  
 Northland  
 Wellington  
 04 475 7545 (private phone)  
 04 475 7145 (private fax)

**C R Lardlaw (Chris)**  
 51 Moana Road  
 Kelburn  
 Wellington  
 04 934 3145 (private phone)  
 04 934 3148 (private fax)  
 021 260 9496 (mobile)  
 chris@che.net.nz

**T J McDavitt JP (Terry)**  
 19 Holloway Road  
 Aro Valley  
 Wellington  
 04 938 7036 (business/private phone)  
 04 938 7037 (business/private fax)  
 tmcavitt@paradise.net.nz

**A E McQueen (Euan)**  
 6 Kabul Street  
 Chandahall  
 Wellington  
 04 479 5368 (private phone)  
 04 479 5385 (private fax)  
 025 435 617 (mobile)  
 026 320 5325 (pager)

# STANDING COMMITTEE MEMBERSHIP



- 1 The Council Chairperson and Council Deputy Chairperson are not members of the Utility Services Committee when considering Wellington Bulk Water Supply matters.
- 2 The Deputy Council Chairperson does not vote when the Council Chairperson is present.
- 3 Speaking but no voting rights.
- 4 The Regional Land Transport Committee is a separate committee comprising Regional Councillor members of the Passenger Transport Committee and appointees representing local authorities, Central Government agencies and users.

## BEYOND 2010...

The Council received a number of submissions on the proposed plan with ideas which the Council may pursue beyond the current ten year horizon. It also has a few ideas of its own.

Possibilities to explore for the longer term include:

- Investigating (in association with the Wellington City Council) the creation of a Wellington South Coast Park.
- Enhancing access to the Region's coastal areas and the development of a coastal trail concept.
- Improving access to rivers and lakes in the Wairarapa.
- Adding land to the existing Parks and Forests and providing more links between them.



## ADDRESS DETAILS

### Wellington

#### Main Office

Regional Council Centre  
142 - 146 Wakefield Street

Wellington

PO Box 11-646

Phone: 04 384 5708

Free phone: 0800 4 WNRFC or 0800 496 734

Fax: 04 385 6960

email: [info@wrc.govt.nz](mailto:info@wrc.govt.nz)

Website: [www.wrc.govt.nz](http://www.wrc.govt.nz)

#### Regional Inquiry Service

Phone: 04 301 7000

Free phone: 0800 301 700

### Harbours Department

Maritime Museum Building

Queens Wharf

Wellington

PO Box 11-646

Phone: 04 384 5708

Fax: 04 471 1575

### Wairarapa

34 Chapel Street

Maierston

PO Box 41

Phone: 06 378 2484

Fax: 06 378 2446

## OTHER DOCUMENTS UNDERLYING THIS PLAN

The Council undertakes a wide range of activities. It is not practical to encompass the extent of all these activities in a document of this nature. More detailed information about each activity is available within the Divisional Strategies and Operating Plans prepared for each department of Council.

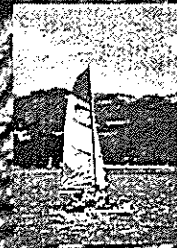
Also, this ten year plan has been produced in accordance with the following Council policies and plans:

- Funding Policy (a summary is included in this Plan);
- Treasury Management Policy (a summary is included in this Plan);
- Asset Management Plans;
- Specific Council policies in relation to each of the significant activities (e.g. Regional Policy Statement);

- Section 247D analysis of contracting versus in-house service delivery. Since 1992 the Council has had a legal requirement, pursuant to Section 247D(2)(a) of the Local Government Act 1974, not to carry out its works or perform its functions by using its own staff unless it is satisfied that the advantages of this option for the ratepayers of the Region clearly outweigh those of any other option. Each year the means of service delivery in all areas of Council activity are reviewed and the Section 247D analysis is updated accordingly.

Please contact the Council if you wish to see any of these documents.

The Council's policies will continue to be reviewed throughout the period of the plan. However, this ten year plan assumes that current policies will continue.



*caring about you  
& your environment*



# Towards a Greater Wellington



investing in the future: detailed information



## Volume 2

*Wellington Regional Council ten year plan 2000 - 2010  
Incorporating the 2000 - 2001 Annual Plan*



## contents

What does this plan mean?	
Introduction	1
Rates and Levies	2
Council's Financial Overview	4
What we're going to do and why?	
Environment Management	6
Regional Transport	14
Regional Water Supply	22
Land Management	30
Flood Protection	36
Parks and Forests	44
Regional Stadium	51
Investments	54
Investment in Democracy	59
Policies and Financial Statements	
Funding Policy	64
Rating Policy	68
Treasury Management Policy	70
Other Policies	72
Accounting Policies	73
Total Council Financial Statements	76
Supplementary Information	
Subsidiary Companies	81
Public Debt	84
Reserves	86
How to contact your Regional Councillors	87
Address Details	

## INTRODUCTION

Volume 1 of this document describes the philosophy of the Council – how it wants to make a real difference – making Greater Wellington even greater. What that means for the Wellington Regional Council (WRC) is expanded on through the sections of the target diagram with its four main components of *A High Quality Environment, A Prosperous and Viable Region, A Safe Region with Healthy People* and *A Strong and Inclusive Regional Community*. The possible roles of the Council in achieving these aims were set out briefly.

This section (Volume 2) gives the details of what the Council proposes to do both for the coming year and the next ten years for each of the Council's significant activities. It provides detailed financial information and the short and long-term indicators by which the performance of the Council should be judged.

This section also provides summary information on various underlying policies – on funding, accounting and treasury management. Other information relates to projected overall financial performance of the Council including subsidiary companies, public debt and reserves.

## OTHER DOCUMENTS UNDERLYING THIS PLAN

The Council undertakes a wide range of activities. It is not practical to encompass the extent of all these activities in a document of this nature. More detailed information about each activity is available within the Divisional Strategies and Operating Plans prepared for each department of Council.

Also, this ten year plan has been produced in accordance with the following Council policies and plans:

- Funding Policy (a summary is included in this Plan);
- Treasury Management Policy (a summary is included in this Plan);
- Asset Management Plans;
- Specific Council policies in relation to each of the significant activities (e.g. Regional Policy Statement);
- Section 247D analysis of contracting versus in-house service delivery. Since 1992 the Council has had a legal requirement, pursuant to Section 247D(2)(a) of the Local Government Act 1974, not to carry out its works or perform its functions by using its own staff unless it is satisfied that the advantages of this option for the ratepayers of the Region clearly outweigh those of any other option. Each year the means of service delivery in all areas of Council activity are reviewed and the Section 247D analysis is updated accordingly.

Please contact the Council if you wish to see any of these documents.

The Council's policies will continue to be reviewed throughout the period of the plan. However, this ten year plan assumes that current policies will continue.

## RATES AND LEVIES: What is the impact on your city or district?

Table 1 shows that the Council is planning a 12.52% increase in Regional Rates in 2000/01. However the increase varies between the cities and districts of the Region. This is partly because of changes in capital values (equalised) as assessed by Quotable Value New Zealand (these changes are totally outside the Council's control) and partly due to the level and changes in the incidence of the General, Regional Transport, Rivers and Stadium Purposes rates (see Table 3). Please note that on this page only all figures include GST and collection costs.

	1999/00 Budget \$000's	2000/01 Plan \$000's	\$ Change \$000's	% Change
Wellington City	25,674	29,268	3,594	14.00%
Lower Hutt City	9,679	10,264	585	6.04%
Upper Hutt City	2,877	3,100	223	7.75%
Porirua City	4,023	4,758	735	18.27%
Kapiti Coast District	3,511	4,090	579	16.49%
Masterton District	915	1,040	125	13.66%
Carterton District	377	426	49	13.00%
South Wairarapa District	581	654	73	12.56%
Tararua District	1	1	0	0.00%
<b>Regional Rates</b>	<b>47,638</b>	<b>53,601</b>	<b>5,963</b>	<b>12.52%</b>
Bovine Tb Rate	589	655	66	11.21%
Wairarapa Scheme Rates	1,126	1,135	9	0.80%
<b>Total WRC Rates</b>	<b>49,353</b>	<b>55,391</b>	<b>6,038</b>	<b>12.23%</b>

	1999/00 Budget \$000's	2000/01 Plan \$000's	\$ Change \$000's	% Change
Wellington City Council	13,770	14,259	489	3.55%
The Hutt City Council	7,510	6,532	-978	-13.02%
Upper Hutt City Council	2,944	2,723	-221	-7.51%
Porirua City Council	3,012	2,632	-380	-12.62%
<b>Water Supply Levy</b>	<b>27,236</b>	<b>26,146</b>	<b>-1,090</b>	<b>-4.00%</b>

Table 2 shows that there is a further 4% decrease in the water supply levy in 2000/01. The impact of this varies amongst the four Cities as the levy is based on the actual consumption of water in 1999/00.

**Table 3: Changes in Regional Rates due to Equalised Capital Value (ECV) Movements and Apportionment from 1999/00 to 2000/01 (GST inclusive)**

	ECV Movements		General Rates		Rivers Rates		Regional Transport Rates		Stadium Purposes Rate		Total Regional Rates	
	Change \$000's	% Change	Change \$000's	% Change	Change \$000's	% Change	Change \$000's	% Change	Change \$000's	% Change	Change \$000's	% Change
Wellington City	-145	-0.56%	1,424	5.55%	107	0.42%	2,095	8.16%	113	0.44%	3,594	14.00%
Lower Hutt City	38	0.39%	514	5.31%	-166	-1.72%	161	1.66%	38	0.39%	585	6.04%
Upper Hutt City	9	0.31%	166	5.77%	119	4.14%	-81	-2.82%	10	0.35%	223	7.75%
Porirua City	67	1.67%	196	4.87%	-102	-2.54%	560	13.92%	14	0.35%	735	18.27%
Kapiti Coast District	28	0.80%	264	7.52%	65	1.85%	212	6.04%	10	0.28%	579	16.49%
Masterton District	2	0.22%	113	12.35%	0	0.00%	6	0.66%	4	0.44%	125	13.66%
Carterton District	0	0.00%	45	11.94%	0	0.00%	3	0.80%	1	0.27%	49	13.00%
South Wairarapa District	1	0.17%	72	12.39%	0	0.00%	-2	-0.34%	2	0.34%	73	12.56%
Tararua District	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Regional Rates</b>	<b>0</b>	<b>0.00%</b>	<b>2,794</b>	<b>5.87%</b>	<b>23</b>	<b>0.05%</b>	<b>2,954</b>	<b>6.20%</b>	<b>192</b>	<b>0.40%</b>	<b>5,963</b>	<b>12.52%</b>

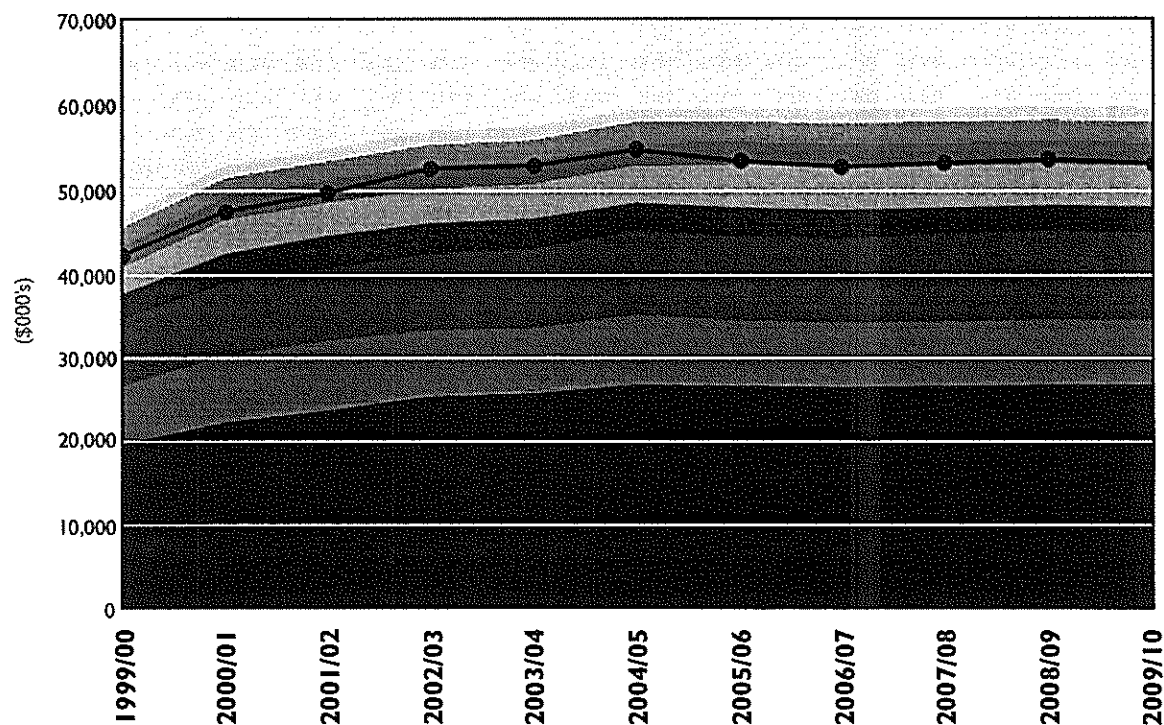
The numbers in Table 1 and Table 3 should be read in conjunction with the Rating Policy on page 68.

## RATES AND LEVIES: Regional Rates by Significant Activity

This graph shows the Regional rates requirement for each of the Council's significant activities. Regional rates include the General, Regional Transport, Rivers and Stadium Purposes rates but exclude the Water Supply levy, Bovine Tb and Wairarapa Schemes rates.

Total Regional rates increase by 12.52% from 1999/00 levels. The increase represents the Council's view that it is time to invest further in transport, the environment, flood protection, land management and in parks and forests. Further increases in Regional rates are projected until 2004/05 after which the rates are expected to reduce slightly until the end of the 10 year planning horizon.

*N.B. All figures exclude GST and are rounded to the nearest hundred thousand dollars.*



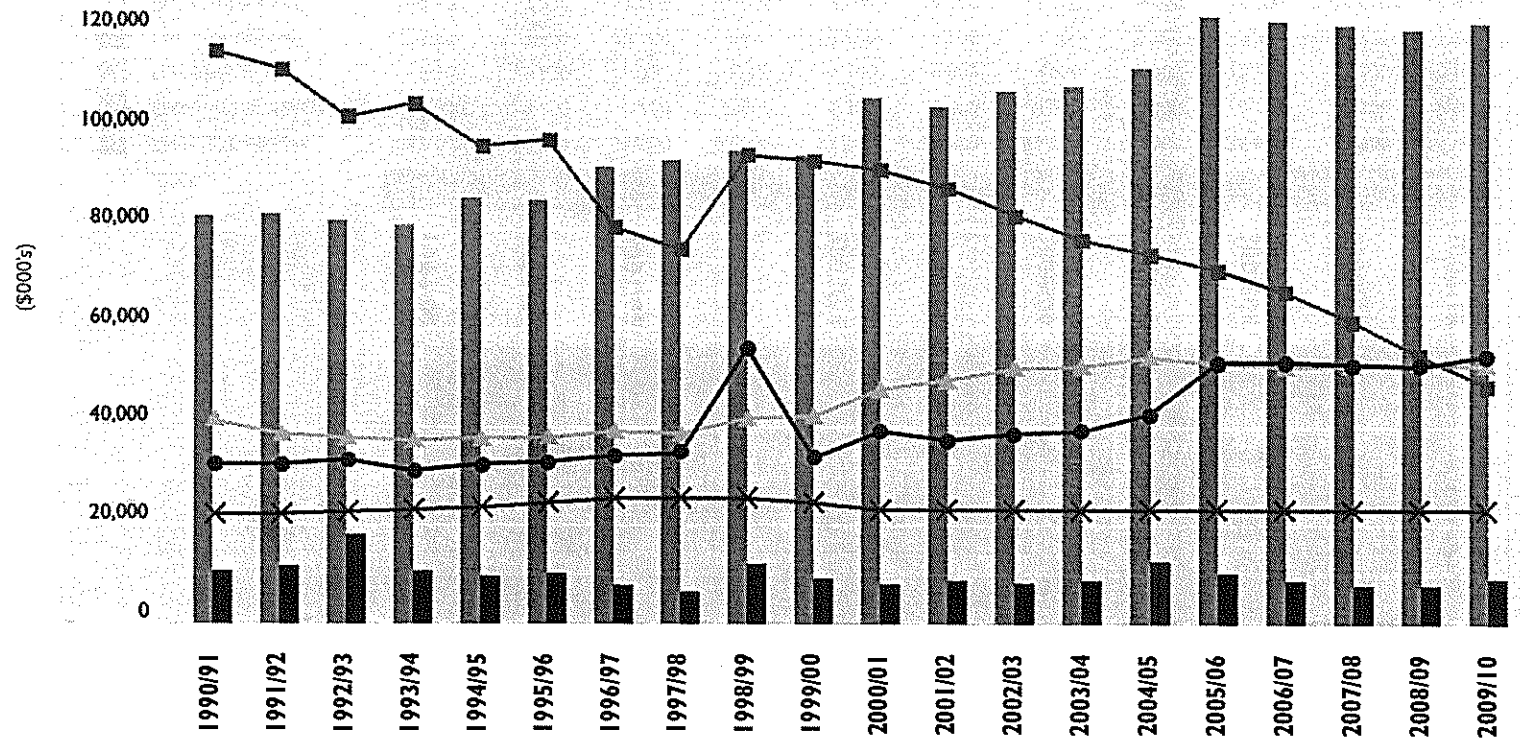
	BUDGET	PLAN	FORECAST								
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Regional Transport	19,700	22,300	23,800	25,200	25,700	26,900	26,800	26,600	26,800	26,900	26,900
Environment Management	6,900	8,400	8,800	8,600	8,300	8,800	8,200	8,200	8,100	8,300	8,100
Flood Protection	8,100	8,600	8,700	9,100	9,300	9,800	9,900	9,900	10,200	10,200	10,100
Land Management	3,000	3,500	3,600	3,600	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Parks and Forests	3,100	4,000	4,000	4,200	4,100	4,300	5,000	5,100	4,900	4,900	4,800
Regional Stadium	2,500	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Investment in Democracy	2,200	2,200	2,200	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Investments	(4,500)	(5,600)	(5,500)	(5,300)	(5,200)	(5,400)	(7,100)	(7,300)	(7,300)	(7,200)	(7,300)
Other	1,300	1,500	1,500	1,600	1,800	1,600	1,600	1,700	1,700	1,600	1,700
<b>Total Regional Rates</b>	<b>42,300</b>	<b>47,600</b>	<b>49,800</b>	<b>52,100</b>	<b>52,800</b>	<b>54,800</b>	<b>53,200</b>	<b>53,000</b>	<b>53,200</b>	<b>53,500</b>	<b>53,100</b>

# COUNCIL'S FINANCIAL OVERVIEW: Total Council Information

This graph places the 2000/01 Annual Plan in the context of the preceding ten years and ten year planning horizon.

The key points to note are:

- Operating expenditure increases from 1999/00 levels through to 2005/06 after which it remains relatively flat. Regional rates follow this trend with the exception that the increase in operating expenditure in 2005/06 is assumed to be funded from additional external revenue.
- The increase in net debt in 1998/99 is primarily due to Council's contribution of \$25 million to the Wellington Regional Stadium Trust.



*N.B. All figures exclude GST and are rounded to the nearest hundred thousand dollars.*

	ACTUAL										BUDGET PLAN				FORECAST					
(\$'000's)	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Operating Expenditure	82,800	83,200	82,000	80,900	86,400	86,300	92,800	94,500	96,200	95,500	107,000	106,000	108,300	109,500	113,600	124,200	123,600	122,700	121,800	123,100
Capital Expenditure	10,600	11,300	18,000	10,800	9,600	10,200	7,900	6,400	11,800	9,400	8,600	8,300	8,100	9,300	12,800	11,100	8,500	7,900	7,700	9,000
Net Debt	116,300	113,000	103,000	105,800	97,200	98,700	80,600	75,900	95,100	94,300	92,300	88,500	83,300	79,100	77,100	75,000	78,000	64,000	56,800	50,400
Regional Rates	41,300	38,600	37,800	37,300	37,900	37,800	39,000	38,500	41,700	42,300	47,600	49,800	52,100	52,800	54,800	53,200	53,000	53,200	53,500	53,100
Water Supply Levy	22,200	22,000	22,500	23,000	23,700	24,400	25,200	25,200	25,200	24,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200
Other Operating Revenue	32,200	32,400	33,000	31,000	32,300	32,500	33,900	34,600	56,200	33,500	40,100	38,400	39,600	40,000	43,600	54,400	54,400	53,700	53,600	55,900

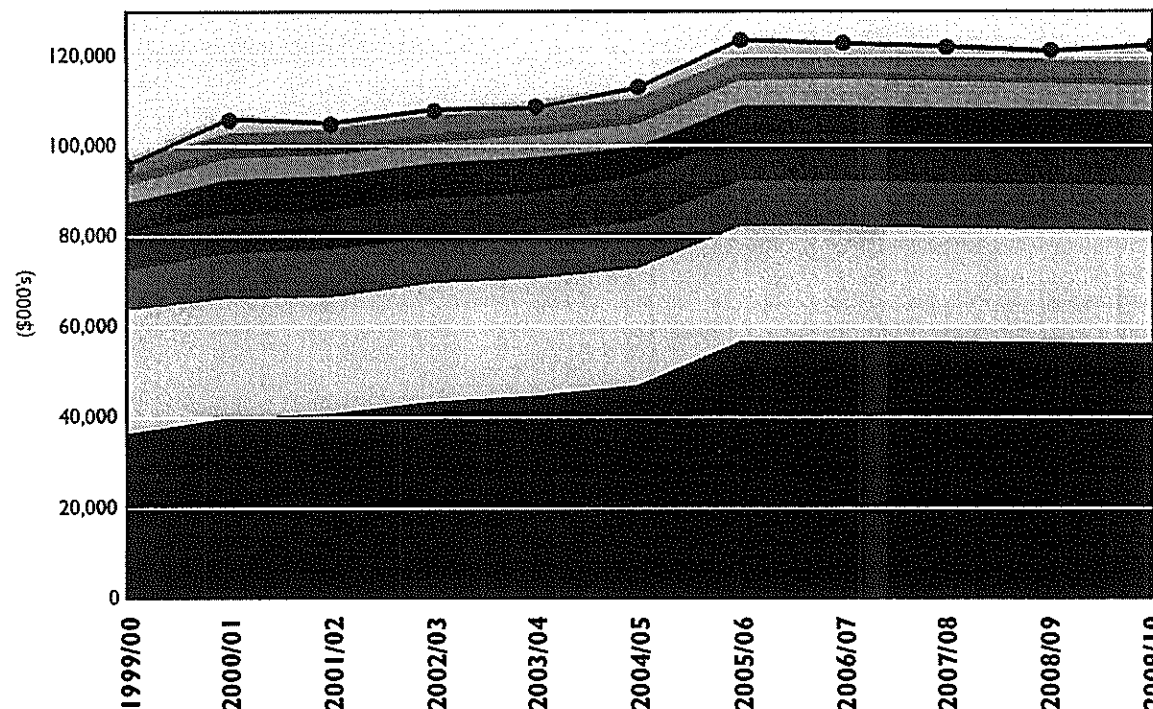
## COUNCIL'S FINANCIAL OVERVIEW: Operating Expenditure by Significant Activity

This graph shows planned operating expenditure for each of the Council's significant activities over the ten year planning horizon.

The key points to note are:

- Total annual operating expenditure increases by \$27.6 million from 1999/00 levels primarily as a result of increased expenditure in Regional Transport.
- Regional Transport operating expenditure increases by \$9.8 million in 2005/06 for major new public transport infrastructure.

*N.B. All figures exclude GST and are rounded to the nearest hundred thousand dollars.*



	BUDGET	PLAN	FORECAST								
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Regional Transport	36,400	40,800	41,900	44,400	45,600	47,900	57,700	57,800	57,600	57,300	57,200
Water Supply	27,000	26,400	26,200	26,000	25,900	25,700	25,600	25,500	25,300	25,100	25,000
Environment Management	9,100	10,100	10,600	10,500	10,400	10,500	10,200	10,200	10,100	10,200	10,000
Flood Protection	8,400	8,800	8,600	8,700	8,800	9,200	9,100	9,100	9,200	9,200	9,100
Land Management	6,400	7,700	7,500	7,600	7,800	7,600	7,400	7,700	7,700	7,700	7,700
Parks and Forests	4,000	4,600	4,600	4,800	4,900	5,100	5,700	5,800	5,700	5,700	5,700
Regional Stadium	2,200	2,100	2,000	2,000	1,900	1,800	1,800	1,700	1,500	1,400	1,300
Investment in Democracy	3,300	3,500	3,800	3,900	3,900	4,100	3,900	3,900	4,100	3,900	3,900
Investments	400	4,500	2,400	2,400	2,200	3,500	4,600	3,800	3,500	3,300	5,100
Other	(1,700)	(1,500)	(1,600)	(2,000)	(1,900)	(1,800)	(1,800)	(1,900)	(2,000)	(2,000)	(1,900)
<b>Total Operating Expenditure</b>	<b>95,500</b>	<b>107,000</b>	<b>106,000</b>	<b>108,300</b>	<b>109,500</b>	<b>113,600</b>	<b>124,200</b>	<b>123,600</b>	<b>122,700</b>	<b>121,800</b>	<b>123,100</b>

## ENVIRONMENT MANAGEMENT

The Council's Environment Management significant activity is a major contributor to achieving *A High Quality Environment*. It does so through developing and implementing resource management policies and plans and as an environmental regulator through the management of resource consents and the control of pollution incidents. It conducts specific investigations into particular resources or issues and carries out general state of the environment monitoring. Educating children, businesses and the general community about the need for us all to be more environmentally responsible is an increasing focus.

The Environment Management function also contributes to *A Safe Region with Healthy People* as the regulator for the Region's harbours and coastal waters and with a policy setting and operational role in emergency management for the Region.

The Council believes that the environment is the key to economic sustainability. Therefore the Environment Management function is also vital to ensuring *A Prosperous and Viable Region*.



## ENVIRONMENT MANAGEMENT: Performance Indicators

### *Managing Resources*

#### **LONG TERM**

The Council will carry out its resource management responsibilities in a way which gives sustainable outcomes and which is fair, equitable, provides investment certainty and involves the least possible compliance costs.

It will achieve this through:

- operative regional plans;
- transparent charging policies and consent management policies and programmes which guarantee a specific level of service;
- an efficient pollution response service and follow-up procedures.

#### **SHORT TERM** By 30 June 2001

The implementation of the Regional Policy Statement and regional plans will have progressed to the satisfaction of the Council, within a budget of \$576,000.

All resource consent applications will be processed in accordance with the Consent Processing Procedures Manual statutory timeframes and within a budget of \$501,000.

All consents will be monitored according to the procedures set down in the Resource Management Act 1991 and the Compliance Monitoring Procedures Manual, within a budget of \$296,000.

All complaints and notified pollution incidents will be responded to, recorded and, where appropriate, followed up to the satisfaction of the Environment or Rural Services and Wairarapa Committees, within a budget of \$190,000.

#### **LONG TERM**

The Council will raise the awareness of the community about the environment and provide people with the tools to change their environmental behaviour.

#### **SHORT TERM** By 30 June 2001

Five community care groups will be established and assisted in providing local environmental care, to the satisfaction of the Council, within a budget of \$104,000.

An environmental trail will be developed and tested to the Stage 2 level, as described in the *Learnwell* Implementation Plan, to the satisfaction of the Council, within a budget of \$164,000.

The *Business Bridges* programme will be established to the satisfaction of the Council, within a budget of \$128,000.

## ENVIRONMENT MANAGEMENT: Performance Indicators

### *Managing Resources – continued*

#### **LONG TERM**

The Council will continue to monitor the state of the environment to demonstrate that the overall quality of the Region's natural and physical resources has been maintained or enhanced and that regional policies and plans are achieving their anticipated environmental results.

#### **SHORT TERM** By 30 June 2001

The environment will be monitored and the following annual reports will be completed to the satisfaction of the Council and within a budget of \$1,427,000.

- Freshwater quality;
- Coastal water quality;
- Groundwater;
- Hydrology;
- Air quality;
- Environmental incidents.

An annual environmental report for the Region will be prepared, to the satisfaction of the Council, within a budget of \$43,000.

#### **LONG TERM**

Under the Charter of Understanding the Council and iwi of the Region will continue to have a mutually beneficial relationship.

#### **SHORT TERM** By 30 June 2001

Iwi will be assisted to undertake projects according to the provisions of the relevant contract, within a budget of \$386,000.

Ara Tahi will meet six times, within a budget of \$38,000.

## ENVIRONMENT MANAGEMENT: Performance Indicators

### *Managing Emergencies*

#### **LONGTERM**

The Council will be able to demonstrate that it has done all that is reasonably possible to ensure that the Region is ready to cope with a major emergency.

#### **SHORTTERM** By 30 June 2001

A programme of work, designed to ensure that the Council can respond effectively to an emergency event, will be carried out and reported on a six monthly basis to the Environment Committee, within a budget of \$70,000. This will include:

- Agreeing roles and responsibilities with key response organisations.
- Training programmes.
- Maintaining the Regional Response Headquarters (fixed and mobile).

Reports will be prepared to the satisfaction of the Council within a budget of \$96,000 which:

- Define the nature of the hazard posed by the transport and storage of non-petroleum hazardous substances.
- Identify the risk associated with the Masterton and Carterton faults.

### *Managing Harbours*

#### **LONGTERM**

The Council will continue to demonstrate that it has carried out its responsibilities under relevant legislation, and done all that is reasonably possible to ensure that the Region's harbours are a safe environment for recreational and commercial users.

#### **SHORTTERM** By 30 June 2001

The Beacon Hill Harbour Communications Station will provide a 24 hour, 365 days service which is in accordance with Council agreed operating standards, within a budget of \$262,000.

Reports of oil spills in harbour waters will be checked within 30 minutes and clean up action for actual oil spills commenced within one hour of being reported in harbour waters and within three hours of being reported in regional coastal waters, all within a budget of \$25,000. A formal log will be kept and incidents followed up whenever possible.

Within a budget of \$73,000, work will be carried out to ensure that harbour safety is maintained, including:

- administering navigation bylaws;
- investigating and responding to all reports of unsafe behaviour within the harbour waters and all harbour emergencies in accordance with statutory requirements. A formal record will be kept;
- developing and implementing a recreational boating education and enforcement strategy.

## ENVIRONMENT MANAGEMENT: Financial Summary

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>FUNDING STATEMENT</b>				
General Rate	6,933	8,373	8,751	8,625
Other Rates	0	0	0	0
Government Subsidies	88	83	83	83
Other Revenue	1,790	1,815	1,859	1,826
<b>Operating Revenue</b>	<b>8,811</b>	<b>10,271</b>	<b>10,693</b>	<b>10,534</b>
Direct Operating Expenditure	8,775	9,877	10,266	10,171
Interest	10	5	4	2
Depreciation	355	256	341	325
<b>Operating Expenditure</b>	<b>9,140</b>	<b>10,138</b>	<b>10,611</b>	<b>10,498</b>
<b>Operating Surplus/(Deficit)</b>	<b>(329)</b>	<b>133</b>	<b>82</b>	<b>36</b>
<b>Less:</b>				
Capital Expenditure	118	418	361	294
Loan Funding	0	0	0	0
<b>Rates Funded Capital Expenditure</b>	<b>118</b>	<b>418</b>	<b>361</b>	<b>294</b>
Debt Provisioning	65	21	23	25
Working Capital Movements	0	0	0	0
Reserve Movements	(157)	(50)	39	42
Non Cash Items	(355)	(256)	(341)	(325)
<b>Net Funding Required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING EXPENDITURE</b>				
Managing Resources	7,445	8,379	8,894	8,802
Managing Harbours	1,273	1,229	1,227	1,230
Managing Emergencies	422	530	490	466
<b>Total Operating Expenditure</b>	<b>9,140</b>	<b>10,138</b>	<b>10,611</b>	<b>10,498</b>

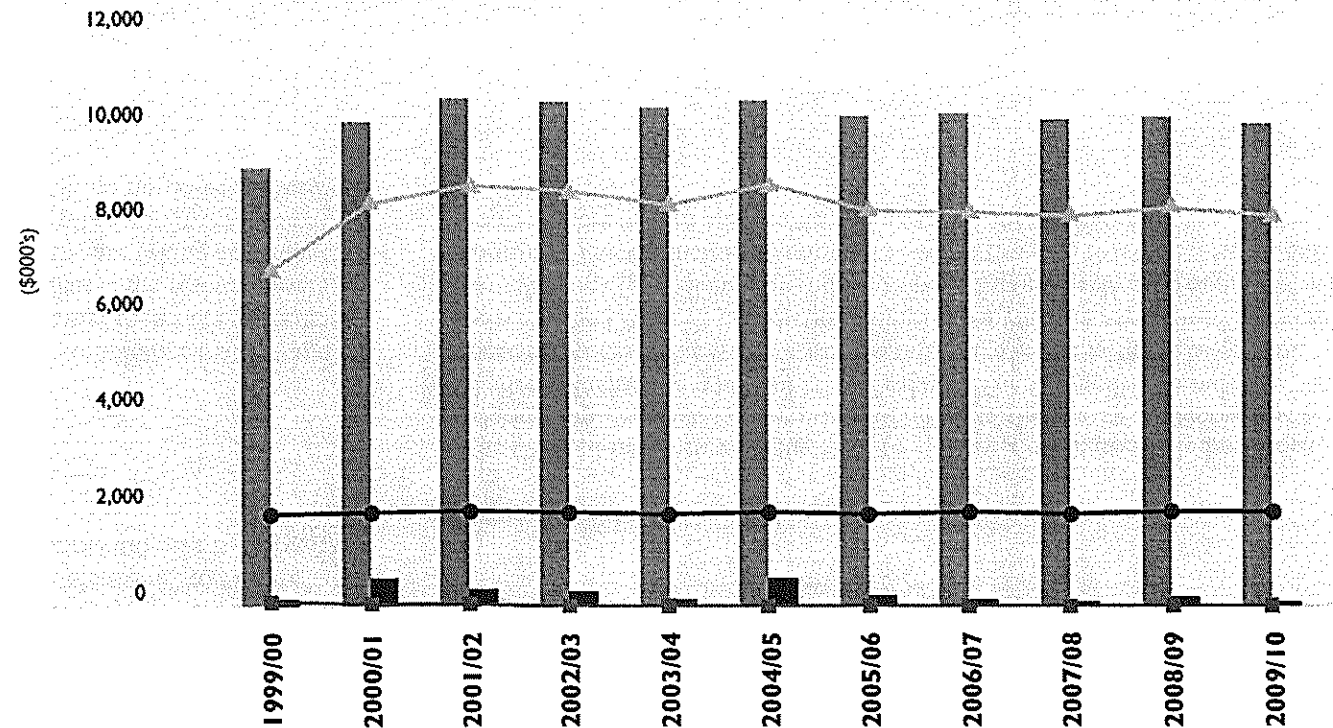
	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>CAPITAL EXPENDITURE</b>				
Land & Buildings	0	0	0	0
Plant & Equipment	61	249	109	209
Motor Vehicles	85	239	278	129
Asset Disposals	(28)	(70)	(26)	(44)
<b>Total Capital Expenditure</b>	<b>118</b>	<b>418</b>	<b>361</b>	<b>294</b>

## ENVIRONMENT MANAGEMENT: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

The key points to note are:

- Increased operating expenditure (and therefore rates) from 2000/01 as Council plans to increase the level of activity in the environment area.
- All key financial indicators are expected to remain relatively constant over the remaining nine year period.
- Net debt is retired by 2002/03.



	BUDGET		FORECAST								
		PLAN									
(\$000's)											
Operating Expenditure	9,140	10,138	10,611	10,498	10,373	10,472	10,206	10,245	10,121	10,180	10,039
Capital Expenditure	118	418	361	294	141	532	202	123	94	189	100
Net Debt	68	47	24	0	0	0	0	0	0	0	0
Regional Rates	6,933	8,373	8,751	8,625	8,338	8,764	8,200	8,177	8,097	8,274	8,098
Other Operating Revenue	1,878	1,898	1,942	1,909	1,890	1,903	1,883	1,933	1,891	1,896	1,902

# ENVIRONMENT MANAGEMENT

## *Challenges*

### **Involving the Community**

Our biggest challenge in the next ten years is to develop and deliver our environmental education programmes in a fun, innovative and effective manner. Environmental education is a new priority for the Council and we are keen to involve the community (including schools and businesses) in improving the environmental quality of our Region. In the past few years we have been busy planning. We can now move from “planning” to “doing”. We want people to come to understand that environmental care is everyone’s responsibility and everyone’s future.

### **Gaining Compliance**

We have always tried to take a reasonable view on compliance matters and to work with resource users to effect improvements rather than take immediate legal action. However, our experience is telling us that some resource users perceive this to be a soft approach and, consequently, are taking advantage. Therefore, our challenge is to “harden-up” on compliance matters. We will continue to be fair and reasonable – but move to a more no-nonsense way of operating.

### **Making a Difference**

We have just released a major State of the Environment Report. The next report is due in five years time. Our challenge is to ensure that there is an improvement in the Region’s environment during this period. Other authorities and organisations have responsibility for environmental care and so it is important that we all work together to achieve a positive result.

### **Working with iwi**

The Council has been working hard to achieve a more mutually beneficial relationship with iwi. Giving practical effect to the Treaty of Waitangi is a challenge facing the whole of New Zealand. The Council acknowledges that more resources alone will not resolve tangata whenua issues. The tension between the Council’s jurisdiction and tangata whenua aspirations to exercise kaitiakitanga (guardianship) and tino rangitiratanga (self-determination) will continue. The Council is determined to work through these vital issues and will do its utmost to find acceptable and practical solutions.

## ENVIRONMENT MANAGEMENT

### *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- The resource management legislative framework will not change significantly.
- There will be no material changes to the policies and methods of the Regional Policy Statement and the regional plans.
- The Council will progressively expand the number of Care Groups it supports.
- The Council will maintain a relationship with seven iwi authorities and one other tangata whenua group from the Region.
- The volume of consent applications will either remain stable or increase slowly over the next ten years.
- Pollution call-outs will continue to increase in the short to medium term, but will start to decline once the pollution prevention and environmental education programmes take effect.
- There will be no significant changes in the nature or extent of harbour activity.
- Any new role in emergency management will be undertaken within the existing level of resourcing.

## REGIONAL TRANSPORT

The Council's Regional Transport significant activity helps to sustain *A High Quality Environment, A Safe Region with Healthy People* and *A Prosperous and Viable Region*. It does so through the development and adoption of land transport policies in the form of the Regional Land Transport Strategy, that promotes a safe and sustainable land transport system which maximises social and economic benefits for the regional community.

Regional Transport supports these aims by promoting public transport use through the purchase of the most cost effective public transport services and infrastructure in accordance with the Regional Land Transport Strategy.

Transport also contributes to *A Strong and Inclusive Regional Community* through its support for access and mobility for all through its fares policies, services and Total Mobility funding.



## REGIONAL TRANSPORT: Performance Indicators

### *Planning and Monitoring the Transport Network*

#### **LONG TERM**

The Council will maintain and continue to monitor the delivery of an affordable Regional Land Transport Strategy that is consistent with any National Land Transport Strategy and which reflects the prevailing community views.

#### **SHORT TERM** By 30 June 2001

Reports will be prepared for the Secretary of Transport and the Regional Land Transport Committee on progress with implementing the Regional Land Transport Strategy, within a budget of \$35,000. The reports will detail actual achievement against performance measures contained within the Strategy.

A report on the options for passenger transport upgrades will be completed and reported to the Passenger Transport Committee, within a budget of \$75,000.

### *Building the Public Transport Infrastructure*

#### **LONG TERM**

The Council will maintain and develop public transport user facilities to conform to the Council's quality and effectiveness criteria.

#### **SHORT TERM** By 30 June 2001

All current public transport user facilities will be maintained in accordance with the Council's guidelines to the satisfaction of the Manager, Transport Policy, within a budget of \$481,000.

A refurbished Lambton Bus/Rail Interchange will be provided, in conjunction with Wellington City Council, to an agreed design, within an annual service payment budget of \$1,369,000 (After amounts funded from reserves).

A Wellington City bus priority system will be installed in conjunction with Wellington City Council, within an annual service payment budget of \$206,000.

## REGIONAL TRANSPORT: Performance Indicators

### *Funding Public Transport Services*

#### **LONG TERM**

The Council will purchase passenger transport services which conform to both the Council's transport policies, as expressed by the Regional Passenger Transport Plan, and the Council's vehicle quality standards. The overall level of service will be progressively increased in response to growth in demand.

#### **SHORT TERM** By 30 June 2001

The Council will achieve, through the tendering process approved by Transfund New Zealand, a total contract price for bus and rail services of no more than \$31,095,000 (including concessionary fare reimbursements and five Ganz Mavag two car rail unit refurbishments).

The Total Mobility scheme will be administered to the satisfaction of Transfund New Zealand, within a budget of \$1,122,000.

All tendering and contracting procedures will be carried out in accordance with the competitive pricing procedures approved by Transfund New Zealand.

#### **LONG TERM**

The Council will maintain the current sources of public information, such as timetables, bus stop displays, media advertising and telephone enquiries.

#### **SHORT TERM** By 30 June 2001

All timetable leaflets will be produced within a budget of \$312,000 to a standard agreed with the service providers. Timetables will be made available on the Council's website and will always be maintained in print except in emergency situations or when information has not been supplied by service providers.

All passenger stops with permanent timetable facilities will display current timetables, within a budget of \$164,000.

## REGIONAL TRANSPORT: Financial Summary

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>FUNDING STATEMENT</b>				
Transport Rate	19,749	22,333	23,772	25,198
Other Rates	0	0	0	0
Government Subsidies	15,992	17,208	17,966	18,959
Other Revenue	154	181	146	147
Operating Revenue	<u>35,895</u>	<u>39,722</u>	<u>41,884</u>	<u>44,304</u>
Direct Operating Expenditure	35,570	39,984	41,188	46,620
Interest	437	405	383	360
Depreciation	368	375	375	373
Operating Expenditure	<u>36,375</u>	<u>40,764</u>	<u>41,946</u>	<u>44,353</u>
Operating Surplus/(Deficit)	<u>(480)</u>	<u>(1,042)</u>	<u>(62)</u>	<u>(49)</u>
Less:				
Capital Expenditure	165	25	25	12
Loan Funding	0	0	0	0
Rates Funded Capital Expenditure	<u>165</u>	<u>25</u>	<u>25</u>	<u>12</u>
Debt Provisioning	221	246	268	291
Working Capital Movements	0	0	0	0
Reserve Movements	(498)	(938)	20	21
Non Cash Items	(368)	(375)	(375)	(373)
Net Funding Required	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING EXPENDITURE</b>				
Funding Public Transport Services	33,448	35,294	36,650	38,872
Planning & Monitoring the Transport Network	1,098	1,458	1,332	1,468
Building the Public Transport Infrastructure	<u>1,829</u>	<u>4,012</u>	<u>3,964</u>	<u>4,013</u>
Total Operating Expenditure	<u>36,375</u>	<u>40,764</u>	<u>41,946</u>	<u>44,353</u>

### CAPITAL EXPENDITURE

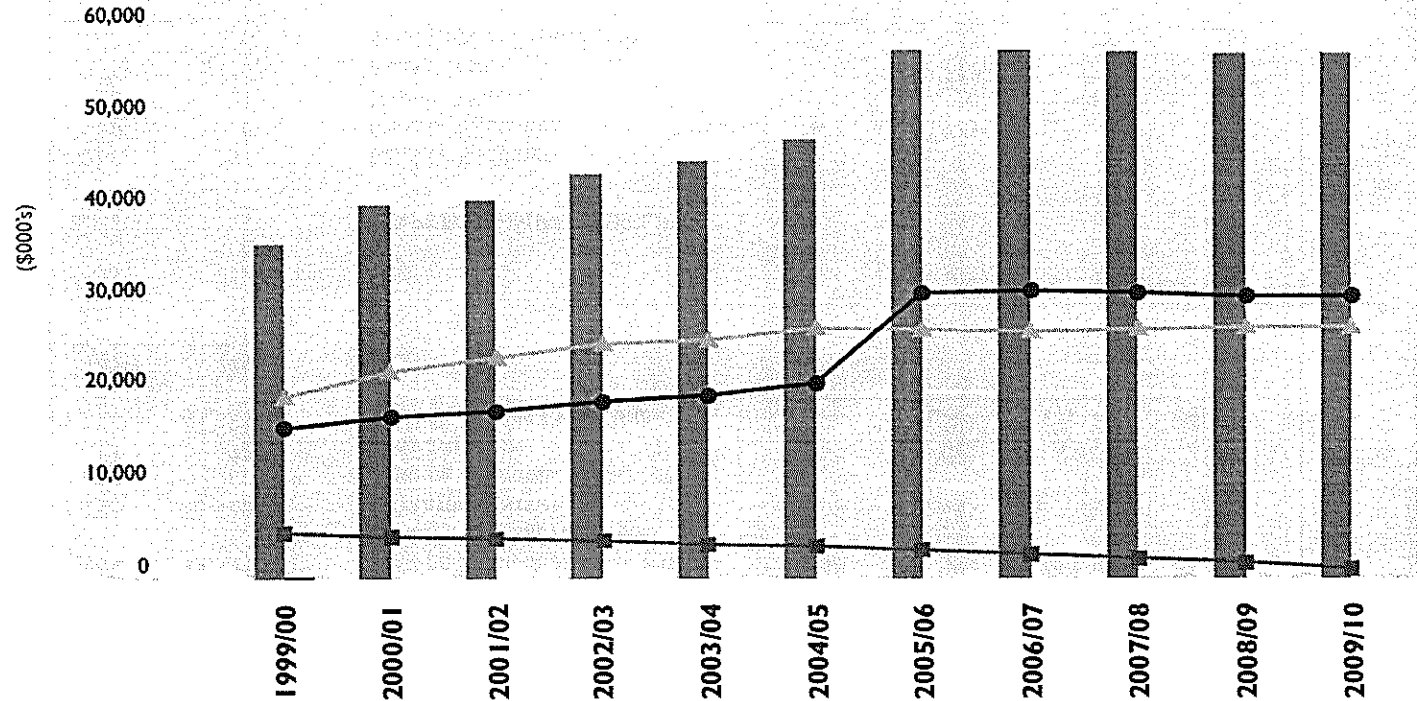
Land & Buildings	0	0	0	0
Plant & Equipment	165	15	0	0
Motor Vehicles	0	20	45	25
Asset Disposals	0	(10)	(20)	(13)
Total Capital Expenditure	<u>165</u>	<u>25</u>	<u>25</u>	<u>12</u>

# REGIONAL TRANSPORT: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

The key points to note are:

- A steadily increasing level of expenditure through 2004/05 as new projects are progressively undertaken.
- A major increase in expenditure and external revenue from 2005/06 to fund major new public transport infrastructure.



	BUDGET		PLAN		FORECAST							
(\$000's)												
Operating Expenditure	36,375	40,764	41,946	44,353	45,601	47,924	57,652	57,774	57,560	57,303	57,238	
Capital Expenditure	165	25	25	12	60	60	28	10	10	13	25	
Net Debt	4,814	4,568	4,302	4,012	3,697	3,355	2,983	2,578	2,139	1,661	1,142	
Regional Rates	19,749	22,333	23,772	25,198	25,736	26,919	26,761	26,623	26,778	26,878	26,878	
Other Operating Revenue	16,146	17,389	18,112	19,106	19,880	21,072	30,959	31,240	30,904	30,600	30,599	

## REGIONAL TRANSPORT

### *Challenges*

The Council adopted a new Regional Land Transport Strategy in September 1999. The challenge is to see the strategy implemented either by the Council in its role as public transport funder or through roading agencies such as Transit New Zealand and Territorial Local Authorities.

#### **Road Pricing**

The strategy requires a new source of funding to be found by the year 2005 to finance both roading and passenger transport infrastructure. The Council is challenged to develop a range of approaches and levels at which pricing might be set and then to seek a mandate from the community, accompanied by amending legislation to introduce road pricing as a source of funding for major enhancements of the transport network. The level of road pricing envisaged is modest. Analysis has shown that road pricing at this level will enable new infrastructure to be financed and that there will be a gain in total network performance, economic efficiency and benefits to the regional economy. Road pricing at a higher level is likely to lead to a net loss to the local economy.

#### **Improving Public Transport**

The strategy promotes the further enhancement of the urban rail network, in particular the extension of the network to Waikanae. The Council is challenged to see these enhancements implemented as early as possible but without over burdening the ratepayer. Over time, the Council expects these improvements to increase public transport use and hence the viability of these services. The long term aim is to see public transport services operating without public funding support through further infrastructural improvements which may need community assistance.

This assistance may depend on the ability of the Council to own infrastructure on behalf of the community, something which is not possible under current legislation.

#### **Containing Public Transport Costs**

The Council is committed to increasing its expenditure on public transport to provide increased services. It is important that the current cost of providing the existing services is contained or the goal will be undermined. Therefore, we will be exploring the long term contractual arrangements which we have with our major operators with the aim of ensuring existing services are retained at minimum cost.

## REGIONAL TRANSPORT

### *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- The Council will foster the implementation of the public transport elements of the current Regional Land Transport Strategy.
- The level of the subsidy rate provided by Transfund New Zealand will remain at similar levels to those provided in 1999/00.
- An acceptable form of road pricing will be found and implemented in the 2005/06 financial year and will raise around \$6 million a year which is the short-fall between what the Council believes is affordable from rates and the expenditure required. Currently such road pricing has no legal mandate and therefore the Council requires legislative change in order to be in a position to raise this revenue. If the new revenue source cannot be found Council will need to re-evaluate its future expenditure programme in the public transport area.
- The Council's current funding policies for public transport will continue.
- The Council is not planning to fund depreciation in the transport area as the depreciation primarily relates to the Waterloo Interchange which the Council is not legally empowered to own.
- In accordance with section 122J(c) of the Local Government Amendment Act (No 3), the Council plans to utilise \$938,000 from the Transport Reserve in order to reduce the rate impact in 2000/01. As a result the Regional transport activity shows a projected operating deficit in the 2000/01 year.
- In order to progress public transport infrastructure works in the region (which the Council is not legally allowed to own) the Council funds, by way of a service payment budget, public infrastructure owned by other parties. For the purposes of this plan a 10% funding rate has been assumed on these projects over a period of up to ten years.

The Government has announced extra funding for passenger transport for the coming years. Details on how this will affect the Council's subsidy income from Transfund New Zealand will not be known for some time. At this stage it has been assumed that these changes will not alter the current level of subsidy support.



## REGIONAL WATER SUPPLY

The Council's water supply significant activity has a major role in creating *A Safe Region with Healthy People* in the metropolitan part of the region by ensuring a constant supply of safe, potable water. The water supply is vital, also, in enabling *A Prosperous and Viable Region*.

Regional Water Supply collects, treats and delivers water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington.



## REGIONAL WATER SUPPLY: Performance Indicators

### *Quality*

#### **LONG TERM**

The quality of water supplied will continually meet the Ministry of Health's Drinking-Water Standards. The related water supply infrastructure will continue to be maintained and improved to meet the standards specified in the Regional Water Supply Asset Management Plan.

#### **SHORT TERM** By 30 June 2001

The collection, treatment and delivery of water will be managed to ensure the quality of water supplied complies with the Ministry of Health's Drinking-Water Standards for New Zealand 1995. Water testing will be carried out by an International Accreditation New Zealand (IANZ) registered laboratory at sampling points defined by the Quality Assurance Section of The Water Group, not less than five days out of every seven. Expenditure will not exceed the budget of \$403,000.

Vegetation control measures will be carried out in the existing water supply catchments in accordance with the Council's Forestry Management Plan and within a budget of \$159,000, to ensure that the treatment plants receive good quality water.

### *Security of Supply*

#### **LONG TERM**

Subject to customer confirmation, sufficient water will continue to be available on a daily basis to meet the 1 in 50 year return period drought situation. The related water supply infrastructure will continue to be maintained and improved to meet the standards specified in the Regional Water Supply Asset Management Plan.

#### **SHORT TERM** By 30 June 2001

Service reservoirs will be kept at levels specified in the draft Wholesale Water Supply Agreement.

The security of supply to the Karori, Kelburn and Aro Street areas of Wellington City will be enhanced by recommissioning the Thorndon to Karori main, to accepted engineering standards, within a budget of \$900,000.

Security of the pipeline across the Hutt Estuary Bridge will be improved through quality seismic restraint work, completed to accepted engineering standards, within a budget of \$65,000.

The security of supply will be improved by replacing selected meters, telemetry and control equipment throughout the water supply network. All equipment will be of recognised quality standard. Total expenditure will be within a budget of \$200,000.

## REGIONAL WATER SUPPLY: Performance Indicators

### *Environmental Management*

#### **LONG TERM**

All water supply activities will be undertaken in an environmentally sympathetic manner according to the principles of the Resource Management Act 1991.

#### **SHORT TERM** By 30 June 2001

All appropriate resource consents will be obtained and conditions complied with, within a budget of \$80,000.

Resource consent compliance will be demonstrated to an auditable standard and a report on compliance for 1999/00 will be prepared by 30 November 2000.

To improve understanding of the capacity of the Waiwhetu aquifer, a high flow pump test will be undertaken, in consultation with the Environment Division.

Water conservation will be promoted by way of an education campaign during the 2000/01 summer, at a cost not exceeding \$70,000.

Funding of \$180,000 will be provided towards leak detection activities within the customer authorities' retail networks. Customers to report on outcomes by 30 November 2001.

### *Customer Service*

#### **LONG TERM**

The Council will continue to demonstrate that it has a high standard of customer service. It will provide customers with up-to-date and relevant information, as well as listening and responding to their needs.

#### **SHORT TERM** By 30 June 2001

Customers will be provided with a business report by 31 October 2000 which will include the following information:

- Financial results for the 1999/00 year.
- Operating costs that are benchmarked against other providers. Structural anomalies will be removed as far as possible to allow relevant comparisons.
- Actual quality compared with targeted performance.
- A list of incidents where supply has been interrupted, together with the time taken to respond and repair.
- A report on compliance with resource consent requirements.

## REGIONAL WATER SUPPLY: Financial Summary

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>FUNDING STATEMENT</b>				
General Rate	0	0	0	0
Water Supply Levy	24,210	23,241	23,241	23,241
Government Subsidies	0	0	0	0
Other Revenue	5,422	4,904	4,871	4,903
Operating Revenue	29,632	28,145	28,112	28,144
Direct Operating Expenditure	16,499	15,833	15,737	15,768
Interest	5,899	5,328	5,129	4,940
Depreciation	4,567	5,233	5,329	5,320
Operating Expenditure	26,965	26,394	26,195	26,028
Operating Surplus/(Deficit)	2,667	1,751	1,917	2,116
Less:				
Capital Expenditure & Investments	5,134	5,256	6,011	5,086
Loan Funding	(3,340)	(1,555)	(3,431)	(3,215)
Levy Funded Capital Expenditure	1,794	3,701	2,580	1,871
Debt Provisioning	5,217	4,760	5,135	5,397
Working Capital Movements	0	0	0	0
Reserve Movements	223	(1,477)	(469)	168
Non Cash Items	(4,567)	(5,233)	(5,329)	(5,320)
Net Funding Required	0	0	0	0

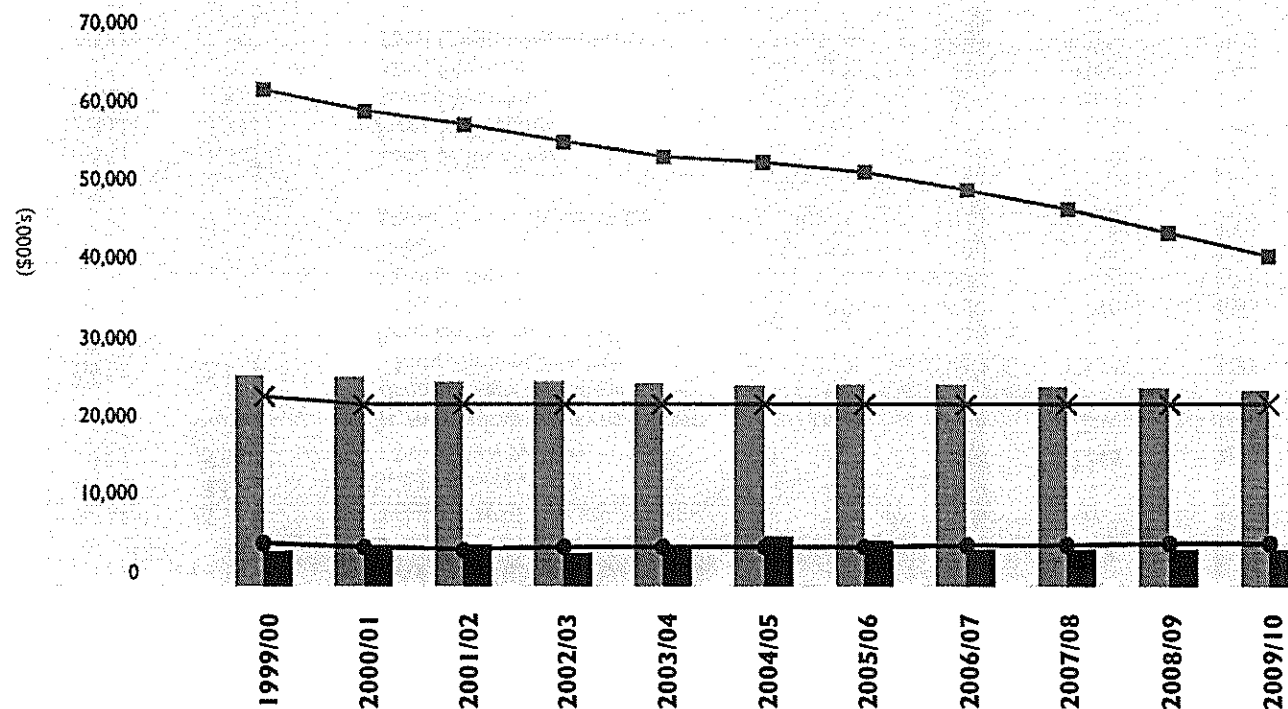
	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING EXPENDITURE</b>				
Collecting and Treating Water	19,415	19,004	18,860	18,740
Delivering Water	7,550	7,390	7,335	7,288
Total Operating Expenditure	26,965	26,394	26,195	26,028
<b>CAPITAL EXPENDITURE</b>				
Waterloo Water Treatment Plant	0	340	100	200
System Control and Protection Projects	870	830	530	300
Te Marua Improvement Projects	1,050	434	250	1,100
Orongorongo & Wainui Improvement Projects	310	413	1,450	400
Reservoir & Pump Station Construction	220	70	780	650
Pipeline Projects	930	1,760	1,640	1,250
Other	785	200	200	200
Major Project Expenditure	4,165	4,047	4,950	4,100
Land & Buildings	0	0	0	0
Plant & Equipment	183	281	131	80
Motor Vehicles	238	336	304	194
Asset Disposals	(68)	(99)	(106)	(64)
Total Capital Expenditure	4,518	4,565	5,279	4,310
Investment Additions	616	691	732	776
Total Capital Expenditure and Investments	5,134	5,256	6,011	5,086

## REGIONAL WATER SUPPLY: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

The key points to note are:

- The water supply levy has been reduced by a further 4% as a result of savings in debt servicing and operational costs.
- Net debt is projected to fall from \$63.7 million in 1999/00 to \$42.0 million in 2009/10.



	BUDGET	PLAN	FORECAST								
Operating Expenditure	26,965	26,394	26,195	26,028	25,892	25,694	25,556	25,471	25,303	25,132	24,955
Capital Expenditure	4,518	4,565	5,279	4,310	4,711	6,135	5,619	4,733	4,702	4,721	4,736
Net Debt	63,696	60,489	58,784	56,602	54,607	53,962	52,731	50,451	47,881	45,079	42,058
Water Supply Levy	24,210	23,241	23,241	23,241	23,241	23,241	23,241	23,241	23,241	23,241	23,241
Other Operating Revenue	5,422	4,904	4,871	4,903	4,962	5,025	5,093	5,165	5,241	5,387	5,473

## REGIONAL WATER SUPPLY

### *Challenges*

#### **Water Integration**

Independent studies have shown there are significant benefits to be achieved from an integrated water delivery structure.

The Council believes that any integrated water entity should continue to be held in public ownership. A survey poll conducted by the Council in 1998 showed a strong preference for continued public ownership and operation of the water supply system.

To deliver those benefits this Council has proposed that the four cities lease their assets to the Regional Council for 30 years.

#### **Quality and Operational Standards**

At present the *New Zealand Drinking-Water Standards* set a maximum turbidity for treated water at the treatment plants of 0.5 NTU or a change of no more than 0.2 NTU in 10 minutes. It is possible that within the 20 year planning period the maximum turbidity requirement may reduce to 0.1 NTU.

#### **Grading of Treatment Plants**

The Council's policy is to achieve an A or A1 grading for treatment plants, where practical to do so. Te Marua Water Treatment Plant is already graded A and it is expected the proposed capital expenditure will be adequate to achieve this for the Wainuiomata Water Treatment Plant. The Waterloo Water Treatment Plant is graded B and at present a higher grading is not possible without chlorination.

#### **Debt Management**

Significant modernisation of the facilities has taken place in the last 15 years and this has obviously not come without cost. The result in absolute terms is relatively high debt, \$66 million as at June 1999. The recently completed asset revaluation exercise has placed a value of \$251 million on our water supply network.

The question then is *What should our debt levels be over the medium-term?* Without doubt, in any sector the level of debt is a judgement call but in the local authority environment a number of factors need to be considered. These include:

- **Intergenerational Equity**

This Council has adopted a 30 year debt repayment term for the water supply assets that are loan funded. This then determines the debt repayment programme across the years. It could be argued that this life has been set rather conservatively and arbitrarily, and may not in fact reflect the life of the asset, i.e., the life may be longer. However, on the other side of the coin, 30 years is at the upper end of debt life in local government generally.

- **Future Debt Requirements**

Our next significant amount of capital expenditure is not expected until approximately 2026. Our best estimates are that this would be in the order of \$15 million. This will depend on what happens to the demand for water over the next 25 years.

- **Funding Annual Capital Expenditure Requirements**

Generally, outside the provision for a new source of water and enhancement of the system, annual capital expenditure should be met by annual depreciation charges. In this ten year plan annual capital requirements are projected to be met by depreciation.

## REGIONAL WATER SUPPLY

### *Challenges – continued*

- **Interest Rate Risk**

Clearly, the higher the level of debt carried the higher exposure to interest cost increases, if interest rates rise. Other things being equal, if interest rates rise, then the higher the debt the larger the levy increase required to meet increased interest costs.

Alternatively, the debt repayment period could be extended and therefore not require a levy increase. Hence the higher the debt, the higher the interest rate risk in absolute terms.

Notwithstanding the above, this Council's treasury management is such that any increases in external interest rates would not affect interest costs for at least a year. Beyond then the impact would begin to be felt progressively.

- **Treasury Management Policy**

The Council recently reconsidered its Treasury Management Policy and the following limits pertaining to water supply were approved:

- Net debt to levy not to exceed 300 percent
- Net financial costs to levy not to exceed 40 percent

In addition to the internal borrowing limits, the Council has set the following internal "targets" for water supply.

- Net debt to levy not to exceed 220 percent
- Net financial costs to levy not to exceed 20 percent

This translates into a target debt level of \$51 million based on the current level of water levy. The current debt level is \$64 million, some \$13 million higher than the target.

Our projections show that the target debt level should be reached by 2005/06.

### *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- **Changes in Population**

For modelling purposes the high growth projection has been chosen. This assumes the population will increase by 29,000 to 377,000 in 2020. While this approach may be conservative, planning will proceed for developing a new water source but, if the growth does not eventuate, then the construction of a new source can be deferred.

- **Consumption Forecasts**

Household use is predicted to fall slightly over the next 20 years in line with the trend to smaller households. Conversely, the amount consumed per person in each household is expected to rise in accordance with population projections. Industrial use has been forecast to fall along a slow recovery/ recession cycle. This analysis suggests that the average daily demand would surpass the estimated sustainable yield in 2020.

- **Raw Water Availability**

Raw water availability is governed by resource consents and structure limitations to take the water from the aquifer and rivers.

It is assumed that the water available from the rivers will be the maximum allowable under the Council's Freshwater Plan.

## REGIONAL WATER SUPPLY

### *Assumptions – continued*

- **Risk of Shortfall**

With a high population growth scenario and a 90 percent confidence level, sufficient raw water is available from existing sources until the year 2020. This is based on a 2 percent risk of a shortfall event. An “event” is defined as a year that contains at least one shortfall day.

- **Development of a New Water Source**

Provision has been made for \$4 million to develop a new source in the years 2017 to 2020. It is expected that no further major development would be required until at least 2026.

- **Operational Costs**

It has been assumed that increased efficiencies in some areas will equal increased costs in other areas. For this reason direct operating costs are the same across the planning period. Operational expenditure will be adequate to ensure there is no deferred maintenance.

- **Capital Expenditure**

Expenditure for 2000/01 has been confirmed. Projects in subsequent years are subject to further detailed analysis. From 2008/09 onwards an amount is allowed for unspecified works in order to take the total expenditure to \$4.5 million per annum. This total is lower than depreciation and slightly lower than capital expenditure over the last four years. It reflects that many parts of the system are less than 25 years old and have relatively long lives.

- **Asset Valuation and Depreciation**

Registered valuers revalued fixed assets in November 1999. The value of the assets increased from \$192 million to \$251 million. Depreciation values are arrived at by taking the current value of an asset and reducing its value on a straight line basis over the remaining life of the asset. In some circumstances technical obsolescence, rather than physical deterioration, may dictate the remaining asset life. Where this is the case all components are assigned a life that does not exceed the obsolescence date. Depreciation for the new assets is calculated from the planned cost. For the unspecified works an average life is assumed for depreciation purposes.

- **Interest Rate**

The interest rate on debt will be 8.50%.

- **Self Insurance Investment Fund**

The Council will continue to build up its self insurance investment fund with no planned withdrawals over the 10 year period.

## LAND MANAGEMENT

The Council's Land Management significant activity comprises two main activities – biosecurity and soil conservation.

The biosecurity function helps to produce *A High Quality Environment* by managing the adverse effects of plant and animal pests so that they do not cause significant harm to the Region's ecosystems (– or to social and economic values). Pest management programmes in a range of Key Native Ecosystems help the Council to achieve a number of its biodiversity objectives.

*A Prosperous and Viable Region* is supported by the Council's Bovine Tuberculosis Vector Management programme which protects the viability of cattle and deer farming in the Wellington Region and New Zealand's export trade in beef, dairy and venison products. The programmed targeting of the possum and other vectors also brings significant environmental benefits to the Region.

The Council's soil conservation role helps to promote sustainable use of the Region's land and thus supports *A High Quality Environment* whilst contributing to making *A Prosperous and Viable Region*. Soil conservation promotes appropriate protection of the Region's soils from uses which result in erosion or degradation, thus retaining the sustainable productive capacity of soils.



## LAND MANAGEMENT: Performance Indicators

### *Promoting Sustainable Land Management*

#### **LONGTERM**

By 2010, the area of erosion prone hill country that has not been stabilised with soil conservation tree plantings will be reduced from the present 37,000 hectares to 31,500 hectares.

#### **SHORTTERM** By 30 June 2001

Approved soil conservation plans will be completed on at least 165 properties, incorporating 350 hectares of pole planting (22,000 poles) and 200 hectares of conservation woodlots, to the Department's performance standards, within a budget of \$530,000.

#### **LONGTERM**

Sustainable land management will progressively be practised in identified problem areas.

#### **SHORTTERM** By 30 June 2001

Approved programmes will be completed under six catchment control schemes to the satisfaction of each Scheme Advisory Committee, to established standards, within a budget of \$84,000.

Protection planting at Stoney Creek will be completed, to established standards, within a budget of \$27,000.

Isolated works for District Councils and one-off programmes will be completed, to the Department's performance standards, within a budget of \$22,000.

### *Controlling Animal and Plant Pests*

#### **LONGTERM**

By July 2004, the Council will reduce the percentage of infected Tb cattle and deer herds to 1.4%, working under contract to the Animal Health Board as part of the National Bovine Tb Pest Management Strategy.

#### **SHORTTERM** By 30 June 2001

Bovine Tb vector control operations will be completed on 314,800 hectares to the satisfaction of the Council and the Animal Health Board, within a budget of \$3,663,000.

#### **LONGTERM**

The control of pest animals and plants will be achieved in accordance with approved regional strategies with the aim of minimising actual and potential detrimental effects on the environment.

#### **SHORTTERM** By 30 June 2001

The implementation of the fifth year of the Regional Animal Pest Management Strategy will be completed in accordance with the approved operational plan to the satisfaction of the Rural Services and Wairarapa Committee, within a budget of \$745,000.

The implementation of the fifth year of the Regional Pest Plant Management Strategy will be completed in accordance with the approved operational plan to the satisfaction of the Rural Services and Wairarapa Committee, within a budget of \$664,000.

## LAND MANAGEMENT: Financial Summary

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>FUNDING STATEMENT</b>				
General Rate	2,995	3,534	3,581	3,577
Other Rates	567	624	642	669
Government Subsidies	0	0	0	0
Other Revenue	2,769	3,398	3,287	3,375
<b>Operating Revenue</b>	<b>6,331</b>	<b>7,556</b>	<b>7,510</b>	<b>7,621</b>
Direct Operating Expenditure	6,309	7,550	7,430	7,503
Interest	0	0	0	0
Depreciation	118	140	99	77
<b>Operating Expenditure</b>	<b>6,427</b>	<b>7,690</b>	<b>7,529</b>	<b>7,580</b>
<b>Operating Surplus/(Deficit)</b>	<b>(96)</b>	<b>(134)</b>	<b>(19)</b>	<b>41</b>
Less:				
Capital Expenditure	90	91	115	81
Loan Funding	0	0	0	0
<b>Rates Funded Capital Expenditure</b>	<b>90</b>	<b>91</b>	<b>115</b>	<b>81</b>
Debt Provisioning	0	0	0	0
Working Capital Movements	0	0	0	0
Reserve Movements	(68)	(85)	(35)	37
Non Cash Items	(118)	(140)	(99)	(77)
<b>Net Funding Required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING EXPENDITURE</b>				
Promoting Sustainable Land Management	1,115	1,431	1,475	1,545
Controlling Animal and Plant Pests	5,312	6,259	6,054	6,035
<b>Total Operating Expenditure</b>	<b>6,427</b>	<b>7,690</b>	<b>7,529</b>	<b>7,580</b>

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>CAPITAL EXPENDITURE</b>				
Land & Buildings	0	0	0	0
Plant & Equipment	0	11	0	0
Motor Vehicles	130	113	158	113
Asset Disposals	(40)	(33)	(43)	(32)
<b>Total Capital Expenditure</b>	<b>90</b>	<b>91</b>	<b>115</b>	<b>81</b>

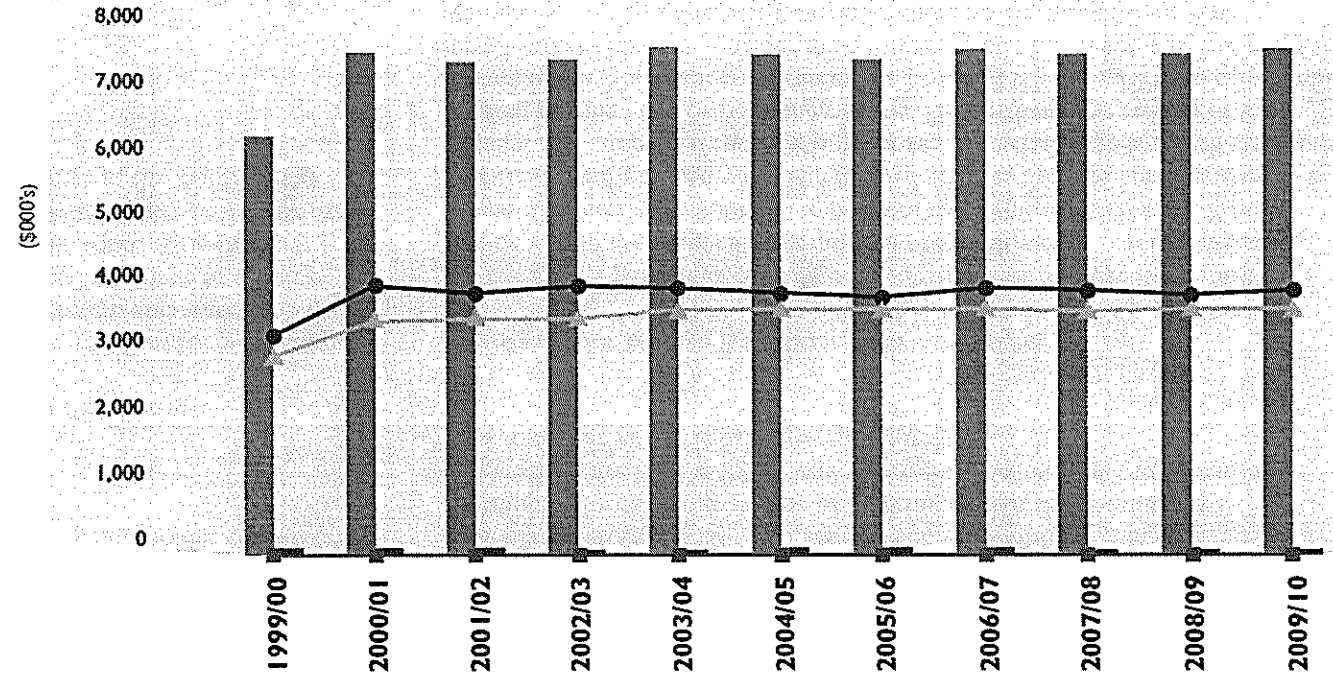
\* The 1999/00 Land Management Budget has been restated to exclude Natural Forestry. Natural Forestry is now included within Parks and Forests.

## LAND MANAGEMENT: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

The key point to note is:

- Rates and operating expenditure increase in 2000/01 then remain relatively constant across the remaining nine year period.



	BUDGET		PLAN		FORECAST						
(\$000's)	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Operating Expenditure	6,427	7,690	7,529	7,580	7,774	7,635	7,438	7,736	7,662	7,659	7,721
Capital Expenditure	90	91	115	81	80	108	89	94	81	75	86
Net Debt	0	0	0	0	0	0	0	0	0	0	0
Regional Rates	2,995	3,534	3,581	3,577	3,721	3,707	3,725	3,719	3,689	3,719	3,719
Other Operating Revenue	3,336	4,022	3,929	4,044	3,996	3,939	3,874	3,986	3,956	3,892	3,980

# LAND MANAGEMENT

## *Challenges*

### **Maintaining Landholder Interest**

Despite the downturn in the rural economy and the impact of the recent drought, many landholders with a strong soil conservation ethic have continued their soil conservation programmes. However, progress in soil conservation will always be dependent on the ability of the landholder beneficiary to pay, and on the promotion of the economic and environmental worth of good land management. A key to maintaining landholder confidence is their ongoing relationship with the Council.

### **Broadening the Land Management Sustainability Programme**

Recent Council initiatives to become involved in new activities such as riparian management, protection of remnant indigenous vegetation and wetland enhancement will provide new challenges. The Council will have to develop new programmes and skills for region wide implementation. As with many land management programmes, the Akura Conservation Centre will be pivotal in providing quality tree stocks. Maintaining the Centre at the 'cutting edge' will demand new initiatives.

### **Assessing our progress with pest management**

Biosecurity (pest plants and animals) is one area of Council's activities where it has been difficult to assess future needs. The final two years of the original Regional Pest Management Strategies under the Biosecurity Act are presently being implemented. These strategies have involved significant changes in the types of pests managed and the means of funding. New strategies will need to be in place before July 2001 to ensure that acceptable ongoing management continues. The challenge will be to determine what the community's expectations are for the future and to develop meaningful and measurable objectives that satisfy legislative requirements.

### **Improving our Bovine Tuberculosis control work**

Bovine Tb is a particular challenge. Cattle and deer Tb reactors continue to decline within the Council's operational areas. However, reactors are still present in concerning numbers in areas of the Region which are not under specific control programmes. The need to address this has been recognised by Council and additional funding is proposed. The challenge is whether the other funding partners can provide their share. The forthcoming review of the National Pest Management Strategy for Bovine Tb will provide an opportunity for all stakeholders to consider their future inputs. However, without collective willingness and responsibility, current gains may be eroded over time.

## LAND MANAGEMENT

### *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- The focus on Sustainability Plans will be maintained at existing levels.
- The new strategies for pest plants and animals will be supported by the public.
- In accordance with section 122J(e) of the Local Government Amendment Act (No 3), the Council is planning to incur minor deficits in this activity in 2 of the next 3 years. Over this period the Council plans to rate fund capital replacements.
- There will be no significant changes to pest populations or species in the Region over the next 10 years.
- The Animal Health Board will approve their share of funding for both the proposed Bovine Tb Eradication Zone in northern Wairarapa and expanded operations in southeast Wairarapa. If approval is not forthcoming from the Annual Health Board the Council intends to revisit its expenditure priorities in this area.

## FLOOD PROTECTION

The Council's Flood Protection significant activity contributes directly to producing *A Safe Region with Healthy People* and supporting *A Prosperous and Viable Region* through its role in assisting the community to protect itself from the consequences of floods. It helps to create *A High Quality Environment* through its community protection role and by taking care of, and providing access to, river environments.

Within this activity, the Council undertakes floodplain management planning, investigations, asset management planning, asset maintenance, structural works, flood warning, gravel extraction, and environmental enhancement backed by appropriate community consultation.

## FLOOD PROTECTION: Performance Indicators

### LONG TERM

By 2007, the Council will, after consultation with affected communities, complete plans for the management of regionally significant floodplains, and will complete flood hazard assessments of rivers and streams in the Western Region which are subject to flooding and erosion.

### SHORT TERM By 30 June 2001

Phase 2 & 3 of the Hutt River Floodplain Management Plan (develop, choose and refine options) will be completed and the plan drafted and approved by the Landcare Committee, within a budget of \$280,000. The total budget for the completed and remaining investigations, planning and publication phases 2, 3 and 4 will not exceed \$1,340,000.

A flood hazard assessment of the Mangaone Stream will be completed to the satisfaction of the Landcare Committee, within a budget of \$116,000.

Public consultation programmes for the reviewed Upper Ruamahanga, Waipoua and the Waiohine river schemes will be progressed to the satisfaction of the Rural Services and Wairarapa Committee, within a budget of \$392,000. River scheme reviews have addressed river maintenance standards, rating classifications and levels of district council funding contribution.

### LONG TERM

By 2040, the Council will implement the adopted floodplain management plans for the Hutt, Otaki and Waikanae Rivers (total approximate capital expenditure of \$92.75 million).

### SHORT TERM By 30 June 2001

In conjunction with Tranz Rail feasibility investigations will be completed for a replacement railway bridge over the Hutt River at Ava. Preliminary designs will be prepared for the Alicetown and Strand Park stopbanks and for the Strand Park channel realignment, on the Hutt River reach from the Ava to Ewen bridges. Resource consent applications will also be prepared to construct these works. These projects will be completed within a budget of \$424,000 and to accepted engineering standards.

An additional Rangiuru Stream outlet and control structures will be constructed, including floodgates at Rangiuru on the Otaki River, within a budget of \$120,000 and to accepted engineering standards.

Construction of bank edge protection improvements to the preferred channel alignment downstream of State Highway 1 on the Otaki River will continue in accordance with the design alignment and accepted engineering standards, within a budget of \$70,000.

Sections of road at Otaihanga, Waikanae, will be raised in conjunction with Kapiti Coast District Council, to an agreed programme and accepted engineering standards, within a budget of \$110,000.

Realignment of the Porirua Stream at Findlay Street, will be completed including relocation of three Council owned properties, to accepted engineering standards, within a budget of \$373,000.

## FLOOD PROTECTION: Performance Indicators

### LONG TERM

Flood Protection systems constructed to lessen the effects of flooding and river erosion will continue to provide the levels of service specified in adopted Asset Management Plans.

### SHORT TERM By 30 June 2001

Maintenance operations that satisfy quality assurance policies and statutory requirements will be carried out in the Western part of the Region, within a budget of \$1,823,000.

Hutt, Otaki, Waikanae and Wainuiomata Rivers and Porirua Stream scheme annual maintenance will be completed in accordance with the adopted Western Rivers Asset Management Plan, within a budget of \$1,663,000.

### LONG TERM

By 2006 the major Wairarapa rivers will be managed under revised river management schemes as part of their floodplain management plans, with community funding derived from revised scheme differential rates.

### SHORT TERM By 30 June 2001

Maintenance operations will be completed for the Region's eight Wairarapa rivers schemes, to established standards and to the satisfaction of the Scheme Advisory Committees, within a budget of \$1,249,000.

### LONG TERM

The Council will complete and implement environmental strategies for selected regionally significant rivers at a rate acceptable to the regional and local communities.

### SHORT TERM By 30 June 2001

Environmentally important parcels of land will be purchased in the Waikanae River Corridor, in conjunction with Kapiti Coast District Council, in accordance with the Waikanae Floodplain Management Plan policy and priorities, within a budget of \$53,000.

Hutt River berms will be maintained to established standards, within a budget of \$222,000.



## FLOOD PROTECTION: Financial Summary

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>FUNDING STATEMENT</b>				
General Rate	5,842	6,277	6,387	6,643
River Rates	2,264	2,286	2,358	2,478
Wairarapa Scheme Rates	832	818	853	834
Other Revenue	818	966	1,011	1,059
Operating Revenue	9,756	10,347	10,609	11,014
Direct Operating Expenditure	5,415	5,718	5,464	5,588
Interest	2,338	2,286	2,274	2,273
Depreciation	624	827	903	834
Operating Expenditure	8,377	8,831	8,641	8,695
Operating Surplus/(Deficit)	1,379	1,516	1,968	2,319
Less:				
Capital Expenditure & Investments	3,865	2,050	1,776	2,749
Loan Funding	(3,691)	(2,201)	(1,499)	(2,406)
Rates Funded Capital Expenditure	174	(151)	277	343
Debt Provisioning	1,503	2,123	1,884	2,065
Working Capital Movements	0	0	0	0
Reserve Movements	326	371	710	745
Non Cash Items	(624)	(827)	(903)	(834)
Net Funding Required	0	0	0	0

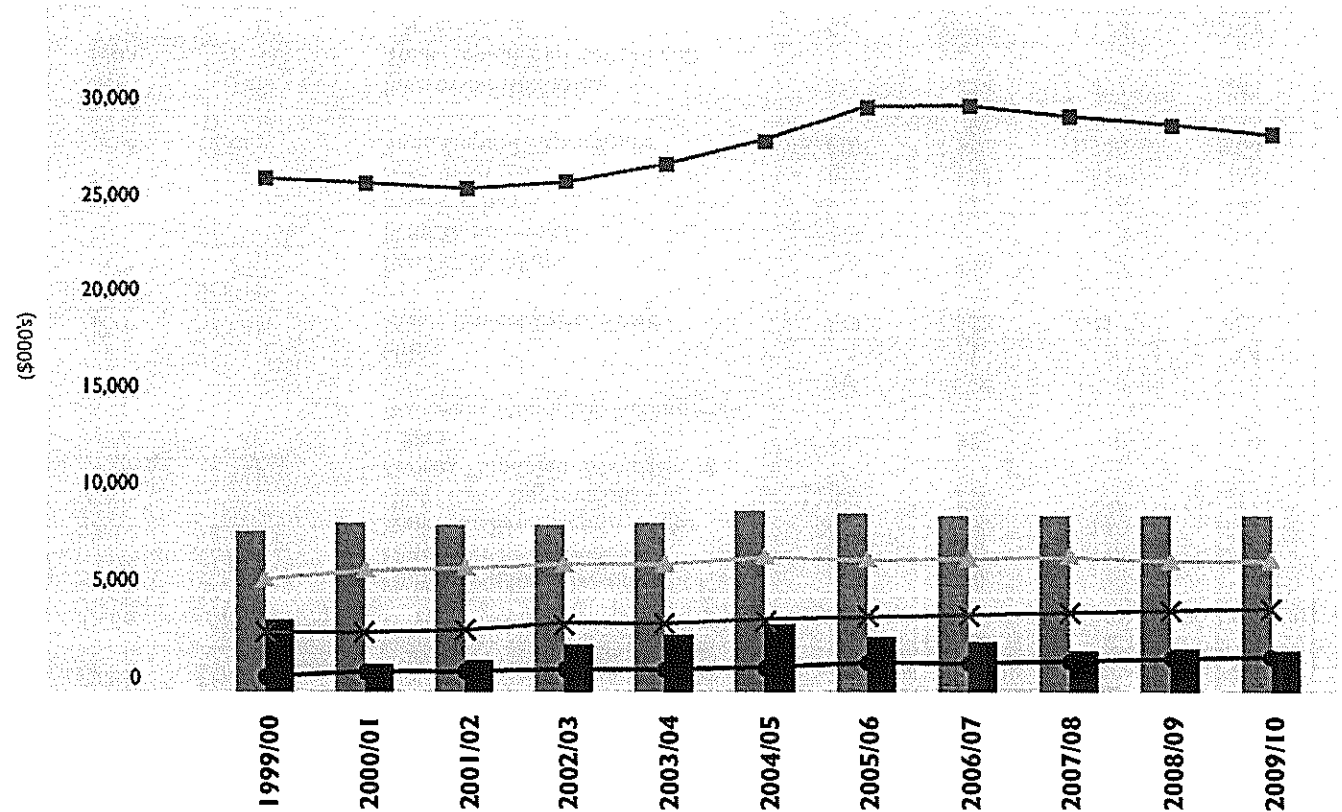
	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING EXPENDITURE</b>				
Planning for Flood Protection	571	801	821	803
Delivering Flood Protection	7,806	8,030	7,820	7,892
Total Operating Expenditure	8,377	8,831	8,641	8,695
<b>CAPITAL EXPENDITURE</b>				
Hutt Floodplain Management Plan	234	280	65	0
Hutt River Improvements	335	459	1,042	2,013
Waikanae River Improvements	817	130	140	184
Otaki River Improvements	1,398	200	170	145
Porirua Floodplain Management Plan	0	373	0	0
Wairarapa Floodplain Management Plan	104	0	0	0
Other	51	116	0	64
Major Project Expenditure	2,939	1,558	1,417	2,406
Land & Buildings	718	644	82	0
Plant & Equipment	33	4	8	4
Motor Vehicles	107	113	56	148
Asset Disposals	(87)	(487)	(18)	(54)
Total Capital Expenditure	3,710	1,832	1,545	2,504
Investment Additions	155	218	231	245
Total Capital Expenditure and Investments	3,865	2,050	1,776	2,749

# FLOOD PROTECTION: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

The key points to note are:

- Capital expenditure averages over \$2 million each year across the 10 year period.
- Net debt peaks in 2005/06 at \$30.4 million reducing to \$28.5 million in 2009/10.
- Rates remain relatively constant over the ten year period.



	BUDGET	PLAN	FORECAST								
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Operating Expenditure	8,377	8,831	8,641	8,695	8,840	9,165	9,126	9,122	9,181	9,207	9,116
Capital Expenditure	3,710	1,832	1,545	2,504	3,460	4,019	3,757	2,583	2,184	2,238	2,173
Net Debt	26,259	26,338	25,953	26,294	27,572	29,165	30,382	30,382	29,745	29,209	28,521
General Rates	5,842	6,277	6,387	6,643	6,670	6,954	6,885	6,793	6,923	6,757	6,735
River & Scheme Rates	3,096	3,104	3,211	3,312	3,500	3,704	3,876	3,954	4,101	4,242	4,271
Other Operating Revenue	818	966	1,011	1,059	1,142	1,239	1,346	1,457	1,581	1,710	1,841

# FLOOD PROTECTION

## *Challenges*

### **Maintaining Service Levels**

Before the Council commits to capital improvements, it will always maintain existing assets first to ensure they serve future generations as they have served us. “Investing in the Future” makes further budgetary provision to assure sound management of community flood protection assets. The challenge is to continually review and improve asset management, so that our schemes will perform to the standards agreed with the community through floodplain management plans and scheme reviews.

### **A New Era of Construction**

For the major rivers in the Western Region, construction works to provide the required levels of flood protection have been identified and costed. We are moving out of the planning phases into construction. This will require careful management to ensure planned outcomes are delivered.

Development of equitable rating classifications will also be necessary to maintain the confidence of the Wairarapa rural community in the river schemes. The challenge will be to achieve the right balance between staging, funding, and affordability.

### **Other Considerations**

Flood protection systems are not invincible. The “non-structural” measures, which complement “on the ground” works and structures, must not be forgotten. The Council will continue to work with the Territorial Authorities to achieve appropriate District Plan provisions and Emergency Procedures.

### **Rivers are Special Places**

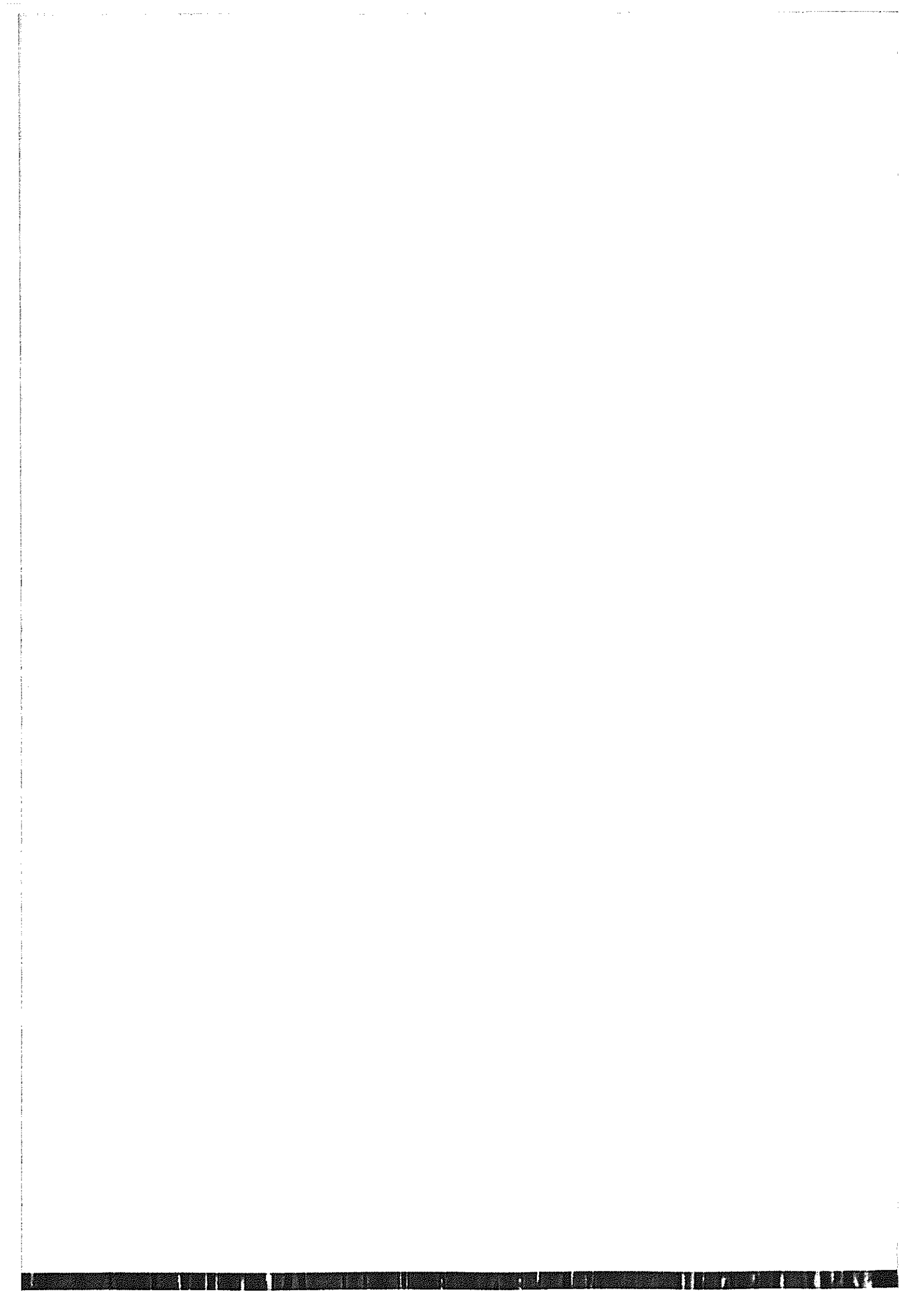
River management activities can have adverse environmental impacts. There is pressure to restrict some of these activities. Increased recreational use of river corridors also creates a demand for higher levels of environmental enhancement and improved recreational access. Progress has already been made: We have operational codes of practice, works now include provision to enhance these special areas, and we have adopted environmental and ecological strategies for our major rivers. The challenge is to achieve the right balance between expenditures on core flood protection, environmental enhancement, and the river environment.

# FLOOD PROTECTION

## *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- The Council's Flood contingency reserve will not be drawn upon within the ten year period.
- The Council's current flood protection funding policies will continue and all new works will be funded at the ratio of 50/50 between the General rate and the local share (direct beneficiaries).
- Rating classification reviews will increase confidence in the Wairarapa river schemes resulting in increased funding from riverside landowners.
- Floodplain management provisions in draft and proposed regional and district plans will generally be adopted.
- The Hutt River Floodplain Management Plan will be completed by June 2001 and published in December 2001. Appropriate "non-structural" measures will be incorporated into district plans by June 2002.
- Financial provisions for managing and maintaining flood protection assets, will be reviewed following the "tri-annual" Asset Management Plan review.
- Transit New Zealand will contribute its share of the proposed increased maintenance budget for the Riverworks Agreement section of the Hutt River.
- A Hutt River Ranger will be employed from 2002/03 and beyond. This depends on the need being confirmed and approved through the Hutt River Environmental Strategy process.
- The interest rate on debt will be 8.50%.
- Long-term resource consents for the Wairarapa river schemes, Wainuiomata River, Waitohu Stream and other minor watercourses will be obtained for river maintenance and operations.
- Current regimes and revenue for gravel extraction will continue.



## PARKS AND FORESTS

The Council's Parks and Forests significant activity contributes to *A Safe Region with Healthy People* through its role in providing the community with outdoor recreational opportunities in a safe and high quality outdoor environment.

Parks and Forests help to make *A High Quality Environment* through conserving and enhancing natural ecosystems and features, preserving heritage, archaeological and cultural features and protecting landscape and scenic values. Parks and Forests also contribute to maintaining high quality source water from water collection areas. The activity supports the Council's environmental education and community connection initiatives on Council lands.

Parks and Forests benefit *A Prosperous and Viable Region* through encouraging use of Council lands for appropriate activities (e.g., concessions, filming, eco-tourism) in ways that do not conflict with the Council's environmental, heritage and recreational objectives.

This function excludes the Council's plantation forestry operations, see Investments page 54

## PARKS AND FORESTS: Performance Indicators

### LONG TERM

The Council will continue to monitor, maintain, protect and enhance the environmental assets in the Regional Parks, Forests and Water Collection Areas as specified in the Regional Parks and Forests Asset Management Plan.

### SHORT TERM By 30 June 2001

Environmental assets within the Regional Parks, Forests and Water Collection Areas will be monitored, protected and enhanced in accordance with the Regional Parks and Forests Asset Management Plan service levels, within a budget of \$410,000. To be reported to the Landcare Committee following the end of the financial year.

### LONG TERM

The Council will continue to monitor, maintain, protect and enhance the facilities, settings, and recreational and heritage assets to ensure public safety and enjoyment of the Regional Parks, Forests and Water Collection Areas as specified in the Regional Parks and Forests Asset Management Plan.

### SHORT TERM By 30 June 2001

Recreation and heritage assets and facilities, and the settings in the Regional Parks, Forests and Water Collection Areas will be monitored, maintained, protected and enhanced to ensure public safety and enjoyment in accordance with the Regional Parks and Forests Asset Management Plan service levels, within a budget of \$973,000. To be reported to the Landcare Committee following the end of the financial year.

The annual capital works programme will be undertaken on time, to appropriate architectural and engineering standards and within the Regional Parks and Forests Asset Management Plan service levels, within a budget of \$545,000.

### LONG TERM

The Council will continue to provide a ranger service which enhances park users' experiences of the recreational, environmental and heritage values and educational opportunities in the Regional Parks, Forests and Water Collection Areas.

### SHORT TERM By 30 June 2001

Within a budget of \$663,000, ranger services will be provided that:

- facilitate approved public access to the Regional Parks, Forests and Water Collection Areas;
- educate and inform visitors and users;
- liaise with community and stakeholder groups;
- ensure compliance with Council policies.

A summary of key activities to be reported to the Landcare Committee following the end of the financial year.

## PARKS AND FORESTS: Performance Indicators

### LONG TERM

The Council will develop, implement and interpret an appropriate policy framework for the provision and management of the Regional Parks, Forests and Water Collection Areas.

### SHORTTERM By 30 June 2001

Within a budget of \$293,000, parks planning will be undertaken, including:

- the annual policy and planning work programme, agreed with the Divisional Manager, Landcare;
- an annual report will be submitted to the Divisional Manager, Utility Services on the forest health and pest control activities undertaken in the current and future water catchments;
- the Regional Parks and Forests management plans, Bylaws and other policies will be interpreted, and demand-driven work actioned, as required.

### LONG TERM

The Council will continue to develop opportunities to enhance community participation, understanding and education about its Regional Parks and Forests.

### SHORTTERM By 30 June 2001

The annual environmental education and environmental enhancement initiatives will be completed within a budget of \$212,000, as agreed with the Divisional Manager, Landcare. To be reported to the Landcare Committee following the end of the financial year.



## PARKS AND FORESTS: Financial Summary

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>FUNDING STATEMENT</b>				
General Rate	3,053	3,992	4,008	4,150
Other Rate	0	0	0	0
Government Subsidies	0	0	0	0
Other Revenue	1,063	716	725	879
Operating Revenue	4,116	4,708	4,733	5,029
Direct Operating Expenditure	3,656	4,261	4,269	4,428
Interest	89	99	124	136
Depreciation	216	250	235	239
Operating Expenditure	3,961	4,610	4,628	4,803
Operating Surplus/(Deficit)	155	98	105	226
Less:				
Capital Expenditure	110	673	499	507
Loan Funding	0	(544)	(361)	(204)
Rates Funded Capital Expenditure	110	129	138	303
Debt Provisioning	190	166	145	102
Working Capital Movements	0	0	0	0
Reserve Movements	71	53	57	60
Non Cash Items	(216)	(250)	(235)	(239)
Net Funding Required	0	0	0	0

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING EXPENDITURE</b>				
Managing Regional Parks, Natural Forests, Recreation Areas & Trails	3,961	4,610	4,628	4,803
Total Operating Expenditure	3,961	4,610	4,628	4,803
<b>CAPITAL EXPENDITURE</b>				
Queen Elizabeth Park Enhancement	0	193	95	95
Pakuratahi Bridge Replacements	0	191	171	69
Battle Hill Enhancement	0	60	15	0
Kaitoke Roding & Toilets	0	62	0	40
Akatarawa Bridge Replacement	0	39	0	0
East Harbour Bridge Replacement	0	0	80	0
Major Project Expenditure	0	545	361	204
Land & Buildings	0	0	0	18
Plant & Equipment	31	11	27	60
Motor Vehicles	119	150	181	298
Asset Disposals	(40)	(33)	(70)	(73)
Total Capital Expenditure	110	673	499	507

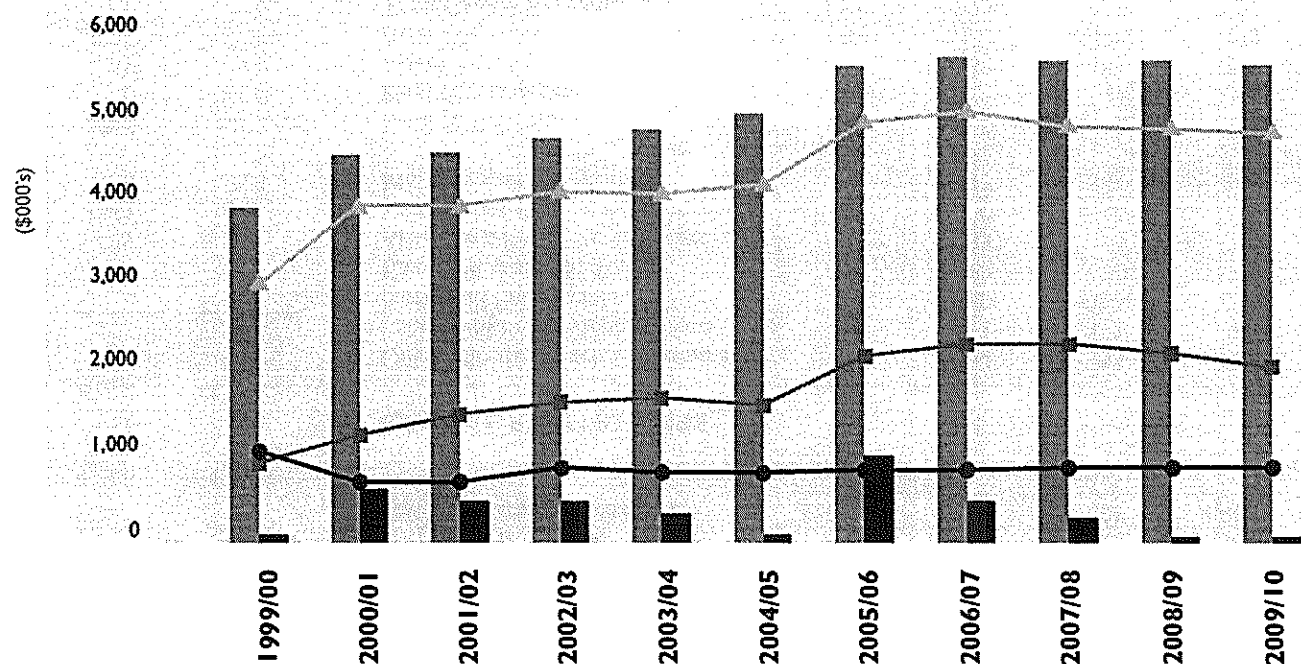
\* The 1999/00 Parks and Forests Budget has been restated to include Natural Forestry. Previously Natural Forestry was included within Land Management.

## PARKS AND FORESTS: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

The key points to note are:

- The increase in expenditure, rates and debt from 2000/01 relates to planned improvements to service levels within existing Parks and Forests.
- The significant increase in both capital and operating expenditure in 2005/06 is due to a planned increased involvement in Whitireia Park and Wairarapa Wetlands Park.



	BUDGET	PLAN	FORECAST									
(\$000's)												
Operating Expenditure	3,961	4,610	4,628	4,803	4,903	5,093	5,664	5,784	5,733	5,745	5,672	
Capital Expenditure	110	673	499	507	362	120	1,006	489	291	86	94	
Net Debt	930	1,309	1,524	1,626	1,703	1,615	2,214	2,338	2,347	2,217	2,076	
Regional Rates	3,053	3,992	4,008	4,150	4,135	4,252	4,984	5,120	4,921	4,909	4,849	
Other Operating Revenue	1,063	716	725	879	823	824	856	844	875	879	893	

## PARKS AND FORESTS

### *Challenges*

#### **Asset Management**

Asset management plans developed over the last three years identified deferred maintenance and underfunding of asset renewals. The challenge in Parks and Forests for the next three years is to implement an enhanced capital works and maintenance programme to ensure existing service levels are maintained in the longer term, or modified where appropriate.

Infrastructural assets in the Parks and Forests include:

- 145 bridges
- 115km of roads
- 152km of fences
- 72 buildings
- 152km of tracks
- plus signs, picnic tables, seats, plants, water and sewer pipes

The Council is also preparing an Environmental Asset Management Plan for the 40,000 hectares of native forest we manage. This is leading edge work and an exciting challenge, as environmental asset and forest health management are evolving fields.

#### **Environmental Excellence**

There is increasing community demand for environmental management excellence and high quality indigenous forests. Particular challenges will be in the area of pest plant control and monitoring changes in forest health to determine how effective our activities are in protecting and enhancing biodiversity.

#### **Community Involvement**

Although popular, some Regional Parks and Forests are still only regularly visited by particular sectors of the regional community. The challenge is to increase park use while maintaining their intrinsic values.

The Council proposes to increase community and iwi involvement in, and commitment to, the Parks and Forests through environmental education programmes and projects involving volunteers, iwi and stakeholders groups. The challenges will be maintaining volunteer input and stakeholder interest and developing effective education programmes.

Securing funding for additional development of the Parks and Forests through tourism, concessions, and filming will be an additional challenge.

#### **New Parks and Services**

The Council wants to develop East Harbour Regional Park and has provided for a ranger service and funds to enhance the recreational, environmental and heritage values of the Park. A Hutt River ranger has been provided to enhance the environment of this popular river and its recreational opportunities. The Council plans to create two new regional parks, (taking over control of Whitireia Park and a Wairarapa Wetlands Park). The challenge for the Council is to complete the planning process for the new parks and services.

## PARKS AND FORESTS

### *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- The legislative framework governing the management of regional parks, reserves and forest lands will not alter significantly.
- Revenue continues from existing leases and licences.
- The WRC Rural Fire District is disestablished from the 2000/01 fire season (from 1 October 2000).
- Asset Management funding supports current service levels.
- The WRC will successfully negotiate with the Department of Conservation, the Whitireia Park Board and iwi, an acceptable management role at Whitireia Park.
- The WRC will successfully negotiate with the Department of Conservation and other agencies, an acceptable management role in the Wairarapa wetlands.
- Funding for catchment management from Utility Services will continue at least at current levels.

## REGIONAL STADIUM

The Council's primary role is as a funder of the project and, in conjunction with the Wellington City Council, it is a joint settlor of the Wellington Regional Stadium Trust. In turn, the Stadium Trust is responsible for the ownership, operation and maintenance of the Stadium as a multi-purpose sporting and cultural venue.

The Stadium contributes directly to *A Prosperous and Viable Region*.

### Background

In August 1995, the Council agreed in principle to participate in the establishment of the Wellington Regional Stadium Trust. The Wellington Regional Council (Stadium Empowering) Act 1996 empowers the Council to lend up to \$25 million to the Trust to facilitate the planning, development and construction of the Stadium. The Council reached this decision after extensive public consultation which was supported by a market research survey conducted during July/August 1995. The decision in principle was conditional upon the risks of the project being fully investigated and being found to be within acceptable boundaries for a project of this type.

During 1997, the Council commissioned both a financial risk assessment of the Stadium Trust's Project Plan and a construction risk review. On the basis of the independent professional advice received, the Council agreed, on 28 November 1997, to proceed to lend \$25 million to the Stadium Trust, subject to a number of conditions being met. The Council agreed to the loan being on an interest free basis, with limited rights of recourse, recognising the 'quasi equity' nature of the advance. The loan was advanced to the Stadium Trust on 6 August 1998.

The Council decided that, in keeping with the spirit of the transparency and accountability principles contained within the Local Government Amendment (No 3) Act 1996, it would borrow the entire \$25 million which would then be on-lent to the Stadium Trust.

The Council also established a separate Stadium Purposes Rate to service and repay the \$25 million it has borrowed. This rate is levied on a differential basis reflecting direct and indirect benefits to different parts and classes of ratepayers throughout the Region. The Stadium Purposes Rate appeared as a separate item on each rates assessment commencing in the 1998/99 financial year.

The Stadium was completed in December 1999 and the first event held in January 2000. The Stadium is now fully operational.

### Where to from here?

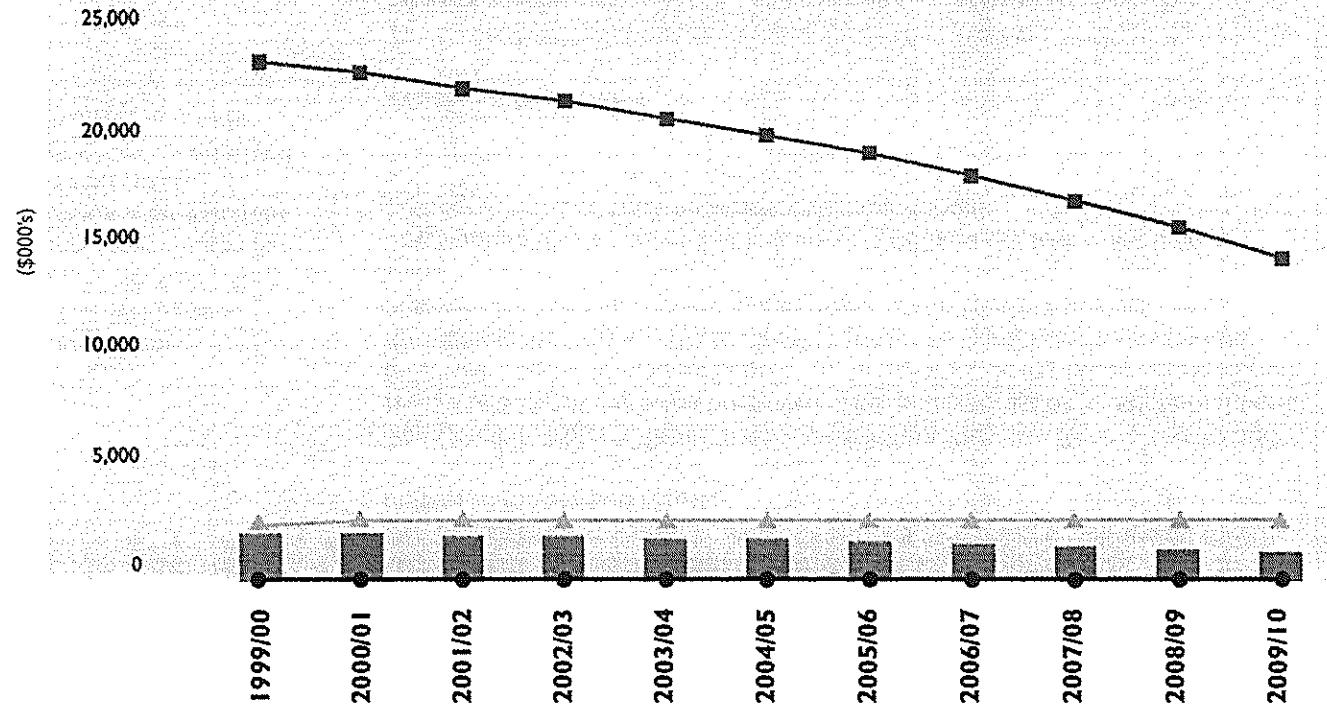
The Council will continue to exercise governance over the Stadium Trust in its capacity as joint settlor of the Trust to ensure as far as practicable that ratepayers' interests are protected.

## REGIONAL STADIUM: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

The key points to note are:

- Debt is progressively reduced over the ten year period.
- The Stadium rate is planned to increase by \$170,000 in 2000/01. This is because the 1999/00 year was lower than normal due to a delay in advancing Council's \$25 million to the Wellington Regional Stadium Trust.



	BUDGET		FORECAST								
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Operating Expenditure	2,150	2,079	2,027	1,976	1,919	1,847	1,784	1,690	1,514	1,411	1,300
Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0
Net Debt	23,975	23,378	22,729	22,029	21,272	20,444	19,552	18,566	17,404	16,141	14,765
Stadium Rate	2,506	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676
Other Operating Revenue	8	0	0	0	0	0	0	0	0	0	0

## REGIONAL STADIUM

### *Challenges*

This Council has always seen itself purely as a potential funder of the Stadium on behalf of the community. It is not an expert in the area of stadium design, construction or management. The Wellington Regional Stadium Trust is responsible for managing the ongoing risks associated with operating the Stadium. In doing so, the Trust has been responsible for receiving the appropriate independent professional advice in terms of design, construction and management of the Stadium. This Council has focused on ensuring that the appropriate governance structures are in place and that there are effective mechanisms for managing regional ratepayer risk associated with the Council having advanced \$25 million. There remain significant challenges for all parties involved over the next 12 months as the operations at the Stadium are fine-tuned.

A significant issue which is currently unresolved is the tax status of the Trust and the related issue of the interest free nature of the advances from the two settlors. The Trust was established by the two settlors on the basis that it was a Charitable Trust and it is concerning that the Trust's charitable status is now under threat. If the Trust is considered to be a LATE, the two Councils will be legally required to charge the Trust market based interest on the outstanding advances.

### *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- The Stadium Trust will not make any repayments to the Council during the period covered by this plan.
- The Stadium Trust will not be deemed to be a Local Authority Trading Enterprise (LATE) in terms of the Local Government Act 1974. (If it is, Council will be legally required to charge interest on its \$25 million advance. Such interest will be repayable after the \$25 million advance has been repaid in full.)

## INVESTMENTS

The Council manages a significant portfolio of investments comprising of equity investments, forestry, investment property, sinking funds, special funds and, from time to time, short-term money market deposits. The Treasury Management Policy (last updated 2 November 1999) includes the Council's philosophy and approach to the management of its investments.

Of the Council's investments, its majority shareholding in CentrePort and its interests in forestry are of most significance to ratepayers. At an appropriate time the Council believes it should reduce its exposure to both investments and use the proceeds to repay debt. On 8 April 1999, the Council reconfirmed that, in respect of both forestry cutting rights and the Port, the Council should be "a seller at the right price rather than a holder at all costs". However, further work is required before it will be in a position to sell. Any decision to sell will be subject to consultation with the community.

### CentrePort

The Council, through its subsidiary company WRC Holdings Ltd, currently owns 76.9 percent of CentrePort with the balance of shares held by the Manawatu-Wanganui Regional Council. CentrePort is a significant strategic asset held by the Council on behalf of the regional community.

CentrePort has a commitment to pay shareholders, by way of dividend, at least 60 percent of post tax paid profit. In addition, the Council has received capital repayments and special dividends in the past as follows: \$3.8 million in 1992, \$12.3 million in 1995 and \$5.8 million in 1999. These have reduced the quantum of Council's investment in CentrePort, whilst retaining its 76.9 percent ownership. The Council will continue to monitor the capital structure of CentrePort with a view to obtaining further returns of capital where it is prudent to do so.

For the purposes of this long-term financial strategy, dividend income from CentrePort to the WRC Holdings Group has been estimated based on the latest available CentrePort Statement of Corporate Intent.

### Forestry

The Council and its predecessor organisations have been involved in forestry for many years, primarily for soil conservation and water quality purposes. The Council currently holds 6,000 hectares of plantation and soil conservation reserve forests of which approximately 4,000 hectares are in the western or metropolitan part of the Region, with the remaining 2,000 hectares in the Wairarapa.

The overall investment policy of the Council with regard to forestry is to maximise profit while meeting soil conservation, water quality and recreational needs. This policy assumes that harvesting will be on a sustainable yield basis and will be maintained without any demand on



## INVESTMENTS

regional rates. In fact, both the plantation and reserve forests within the Region are required to return an *internal dividend* irrespective of the operating result for the year. The internal dividend reflects the intergenerational equity issues inherent in the forestry investment and recognises the cost of ratepayer equity. The level of internal dividend contribution to the rates line from forestry is currently \$375,000 per year.

### Other Investments

The Council, through a subsidiary company, Pringle House Ltd, owns the Regional Council Centre in Wakefield Street. It occupies seven of the nine floors of the Regional Council Centre and pays market based rentals to Pringle House Ltd. While Pringle House Ltd generates an operating surplus, the costs of servicing the debt on the Regional Council Centre mean that there is an overall deficit arising from this investment.

The Council also holds some residual investment properties primarily in Blair and Allen Streets, Wellington City. They are owned by way of ground leases which were transferred to the Council at no cost when the functions of the Wellington Harbour Board were assumed in 1989. These investment properties have been progressively disposed of in recent years and it is Council's intention to continue divesting all remaining interest in these assets.

The Council's treasury management activity is carried out centrally to maximise the Council's ability to negotiate with financial institutions. As a result of Council surpluses, sales of property and capital returns from the Port Company, the Council's treasury function produces an internal surplus by on-lending those funds to activities that require debt finance. This allows the true cost of debt funding to be reflected in the appropriate areas. This surplus is then used to offset regional rates.

### Business Units

The Council's other business units, Akura Conservation Centre and the Wairarapa Workshop, are required to return to Council an internal dividend in the same way as plantation forestry and reserve forests. The internal dividend rate is based on the net assets employed by each of these businesses. The level of internal dividend will continue to be reviewed annually.

The payment of an internal dividend provides certainty of cashflow to the rates line and is paid regardless of the level of surplus generated by the business units.

## INVESTMENTS: Financial Summary

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>INCOME STATEMENT</b>				
Operating Revenue	6,031	11,306	8,922	8,919
Operating Expenditure	2,316	6,658	4,546	4,605
Earnings before Interest	3,715	4,648	4,376	4,314
Interest	(1,931)	(2,173)	(2,106)	(2,175)
Operating Surplus/(Deficit)	5,646	6,821	6,482	6,489
Contribution to Rates	4,491	5,584	5,547	5,269
Earnings Retained	1,155	1,237	935	1,220

### OPERATING SURPLUS OF INDIVIDUAL INVESTMENTS

Bank Deposit	1,979	3,124	3,124	2,794
WRC Holdings Limited	626	(79)	(1)	142
Treasury Management	2,956	3,819	3,835	3,835
Plantation Forests	460	275	(153)	69
Reserve Forests	(565)	(505)	(478)	(531)
Administrative Properties	36	118	96	119
Investment Properties	97	0	0	0
Akura Conservation Centre	48	54	44	46
Wairarapa Workshop	9	15	15	15
<b>Total Operating Surplus</b>	<b>5,646</b>	<b>6,821</b>	<b>6,482</b>	<b>6,489</b>

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>NET CONTRIBUTION TO RATES FROM INDIVIDUAL INVESTMENTS</b>				
Bank Deposit	1,979	3,124	3,124	2,794
WRC Holdings Limited	(474)	(1,286)	(1,312)	(1,283)
Treasury Management	2,419	3,198	3,214	3,214
Plantation Forests	300	300	300	300
Reserve Forests	75	75	75	75
Administrative Properties	43	123	96	119
Investment Properties	97	0	0	0
Akura Conservation Centre	37	35	35	35
Wairarapa Workshop	15	15	15	15
<b>Total Contribution to Rates</b>	<b>4,491</b>	<b>5,584</b>	<b>5,547</b>	<b>5,269</b>

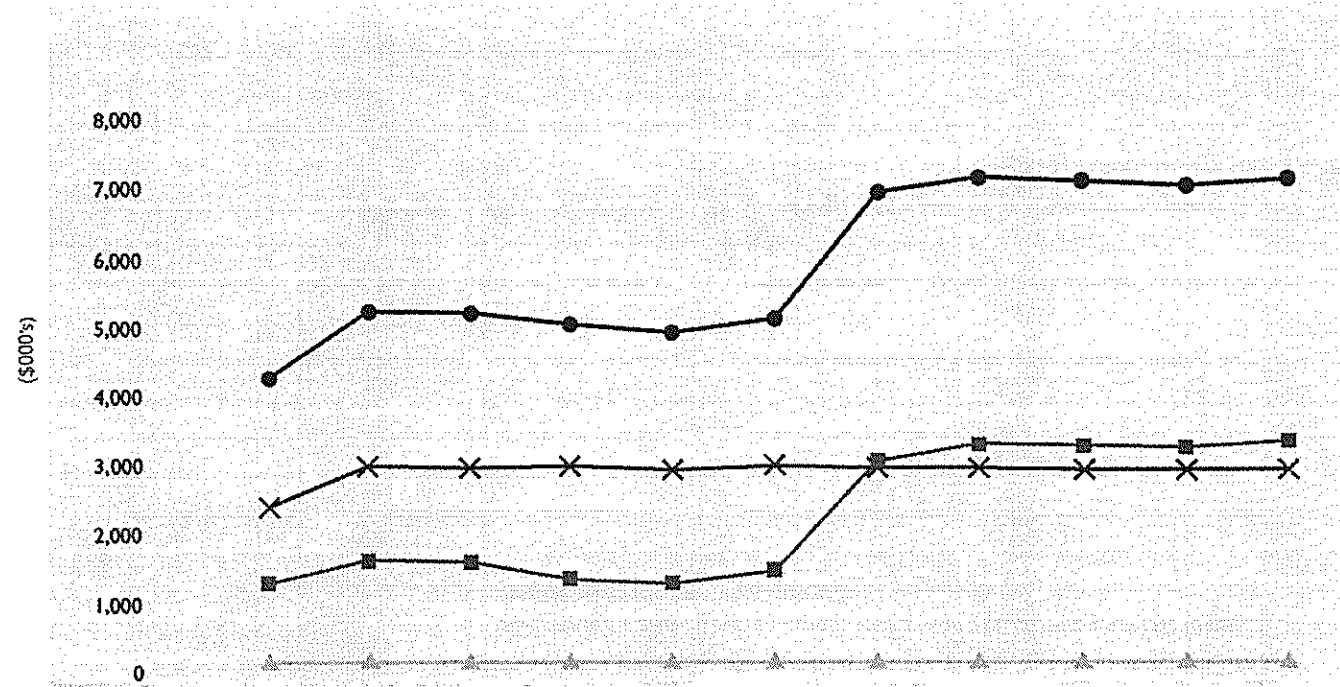
## INVESTMENTS: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

It shows the net income that the Council expects from its investments over the next ten years.

Clearly, the income that flows from the Council's investment portfolio makes a considerable contribution to reducing regional rates. These investments effectively reduce rates by some 10.5% in 2000/01.

The steep rise in 2005/06 is a result of increased returns from WRC Holdings Ltd, as the last of the debt on the Regional Council Centre building is repaid.



	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	BUDGET	PLAN	FORECAST								
● Net Contribution to Rates	4,491	5,584	5,547	5,269	5,163	5,391	7,118	7,323	7,269	7,201	7,311
■ Subsidiary Related Income	1,505	1,838	1,812	1,511	1,468	1,636	3,396	3,574	3,558	3,506	3,615
▲ Forestry Contribution	375	375	375	375	375	375	375	375	375	375	375
✕ Other Income	2,611	3,371	3,360	3,383	3,320	3,380	3,347	3,374	3,336	3,320	3,321

## INVESTMENTS

### *Challenges*

The Council will continue to face significant challenges as it moves to balance the risks of its investment portfolio.

The Council has signalled its intention to develop a charter of ethics and social responsibility for all Council owned companies. The challenge is to implement this charter within the normal commercial framework in which Council's companies must legally operate.

### *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- The Council will continue to hold its current investments throughout the ten year period (This is not necessarily a reflection of Council's intentions).
- The internal dividend rate received from plantation and reserve forest investments and other business units will remain at current levels throughout the ten year period.

## INVESTMENT IN DEMOCRACY

Providing effective political representation on behalf of the Wellington regional community contributes to *A Strong and Inclusive Regional Community*.

This budget covers the political costs of Council, including both the direct costs relating to Councillors carrying out their statutory roles and the costs of support services such as those provided by the Council Secretariat. Specifically, such costs include:

- Councillors' annual salaries, daily meeting allowances and travel expenses, as well as allowances and travel costs of other persons appointed to Council's Committees.
- Public notice of Council and Committee meetings, and other costs of arranging and servicing meetings, including publication of meeting papers and costs of management and staff directly involved in servicing Council and its Committees.

- Other public notices, dealing with special orders, WRC Rates, elections and the like.
- The Regional Council's share of local body election costs including triennial constituency and membership reviews plus induction of Councillors following elections.
- Subscription costs for Council's membership of organisations and forums, such as *Local Government New Zealand*.
- Other costs incurred by Councillors in representing and communicating with the regional community.

Also, included within this budget is funding for Regional economic initiatives, including publication of economic data, which contributes to *A Prosperous and Viable Region*.

## INVESTMENT IN DEMOCRACY: Performance Indicators

### **LONGTERM**

Public recognition of the Wellington Regional Council is significantly greater than in 1999/00.

### **SHORTTERM** By 30 June 2001

The Council newspaper, Elements, is published six times a year to the satisfaction of the General Manager at a cost of no more than \$180,000.

### **LONGTERM**

The Council's viewpoint is both heard and well-regarded by the wider community.

### **SHORTTERM** By 30 June 2001

The Council responds effectively to regional issues as they arise, at a cost of no more than \$100,000.

### **LONGTERM**

The publication of regional economic data by the Wellington Regional Council is supported by business interests.

### **SHORTTERM** By 30 June 2001

Two publications are produced per annum to the satisfaction of the Corporate Policy Manager at a cost not exceeding \$50,000.

## INVESTMENT IN DEMOCRACY: Financial Summary

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>FUNDING STATEMENT</b>				
General Rate	2,177	2,191	2,174	2,356
Other Rates	0	0	0	0
Government Subsidies	0	0	0	0
Other Revenue	1,183	1,474	1,461	1,579
<b>Operating Revenue</b>	<b>3,360</b>	<b>3,665</b>	<b>3,635</b>	<b>3,935</b>
Direct Operating Expenditure	3,222	3,510	3,738	3,855
Interest	0	0	0	0
Depreciation	32	37	39	41
<b>Operating Expenditure</b>	<b>3,254</b>	<b>3,547</b>	<b>3,777</b>	<b>3,896</b>
<b>Operating Surplus/(Deficit)</b>	<b>106</b>	<b>118</b>	<b>(142)</b>	<b>39</b>
Less:				
Capital Expenditure	65	75	42	5
Loan Funding	0	0	0	0
<b>Rates Funded Capital Expenditure</b>	<b>65</b>	<b>75</b>	<b>42</b>	<b>5</b>
Debt Provisioning	0	0	0	0
Working Capital Movements	0	0	0	0
Reserve Movements	73	80	(145)	75
Non Cash Items	(32)	(37)	(39)	(41)
<b>Net Funding Required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING EXPENDITURE</b>				
Direct Members' Costs	986	1,193	1,195	1,197
Council Secretariat	539	516	516	516
Divisional Management Support	250	250	250	250
Strategic Communications	400	500	500	500
Regional Economic Development	0	50	50	400
Other Costs	1,079	1,038	1,046	1,033
Election Costs	0	0	220	0
<b>Total Operating Expenditure</b>	<b>3,254</b>	<b>3,547</b>	<b>3,777</b>	<b>3,896</b>

### CAPITAL EXPENDITURE

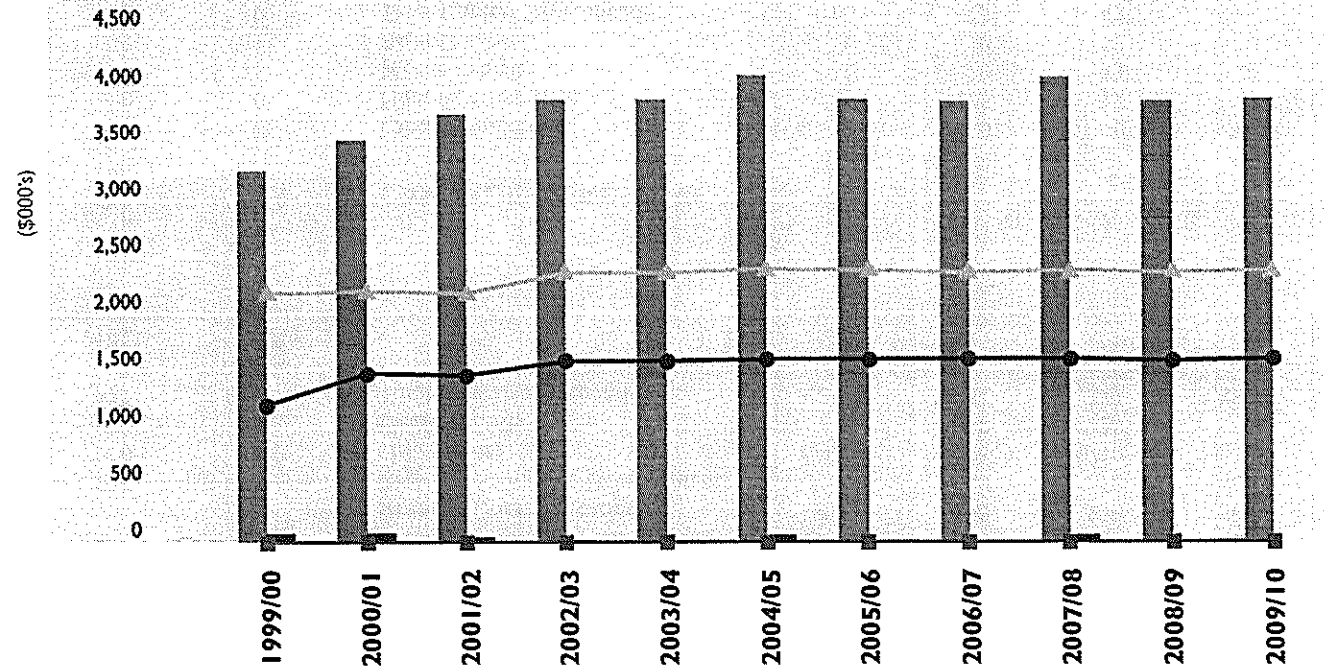
Land & Buildings	0	0	0	0
Plant & Equipment	65	75	17	5
Motor Vehicles	0	0	43	0
Asset Disposals	0	0	(18)	0
<b>Total Capital Expenditure</b>	<b>65</b>	<b>75</b>	<b>42</b>	<b>5</b>

# INVESTMENT IN DEMOCRACY: Ten Year Financial Forecast

This graph places the financial summary for the next three years in the context of the ten year planning horizon.

Key points to note are:

- The increased rates and other revenue requirement from 2002/03 is due to proposed economic development expenditure of \$0.35 million.
- Peaks in operating expenditure every three years are due to election costs.



	BUDGET		PLAN		FORECAST						
(\$000's)	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Operating Expenditure	3,254	3,547	3,777	3,896	3,897	4,111	3,891	3,873	4,090	3,880	3,889
Capital Expenditure	65	75	42	5	5	52	5	5	52	5	5
Net Debt	0	0	0	0	0	0	0	0	0	0	0
Regional Rates	2,177	2,191	2,174	2,356	2,352	2,384	2,366	2,356	2,378	2,358	2,366
Other Operating Revenue	1,183	1,474	1,461	1,579	1,583	1,601	1,586	1,586	1,599	1,582	1,594



## INVESTMENT IN DEMOCRACY

### *Challenges*

#### **Rating Powers Act 1988**

Rating powers are an area where the accountability envisaged in the Local Government Amendment Act (No. 3) 1996 cannot and will not be achieved in full because present law is outmoded. For some time this Council has been advocating appropriate changes to the rating powers of regional councils and it will continue to do so until there is clear evidence that appropriate legislative changes are in sight. Council acknowledges that considerable work has been completed towards this objective.

#### **Local Government Act 1974**

The Local Government Act is outdated and a substantive re-write has been initiated. Council supports the proposed approach of more flexible, less prescriptive empowering legislation, particularly the removal of the very restrictive provisions concerning Regional Council powers that were enacted in 1992.

### *Assumptions*

In preparing this ten year programme the following key assumptions have been made:

- The Council will continue to have a membership of fourteen for the next triennium.
- The current approach to members' remuneration will be reviewed and there will be some increase in remuneration levels.
- The number of daily meeting allowances paid will be 1,300.
- The operating expenditure for 2002/03 and onwards, includes \$350,000 p.a. for economic development. At present the council is not legally permitted to make such an investment. It is therefore assumed that the law would be changed by 2002/03.

## FUNDING POLICY

In accordance with the Local Government Act 1974, the Council has reviewed the way in which its activities are funded. Each of its significant activities have been analysed using the three step process which is specified in the Act.

The Council's activities range from those which have a public benefit, for example, emergency management, to those primarily with a private benefit, for example, navigation aids. In practice most activities have both private and public benefit components, although the mix varies.

In theory, the funding policy would have all public benefit components being funded by rates and all private benefit components funded by the beneficiaries. However, this is not always practical or possible. For example, it is simply not

feasible to impose and collect fees from regional park users. The Council's funding policy is based on fair and equitable funding solutions – and ones which can be implemented.

The Council considers debt funding to be an appropriate mechanism for matching costs and benefits over time, so ensuring that the issue of intergenerational equity is addressed. Loans are repaid in accordance with the public/private funding split.

The Council's Funding Policy was adopted on 15 June 2000. Copies are available from the Council. The Funding Policy Document should be consulted for the precise implementation details of the policies. The funding policies are briefly outlined on the following pages.

Significant Activity	Activity	Function	Targeted Funding Mix
Environment Management	Managing Resources	Developing policies & plans	• 100% general rate
		Consents management	Resource consents processing: • 10% general rate (for costs of appeals etc) • 90% user charge Compliance monitoring: • 50% user charges • 50% general rate (for investigations and legal costs)
		Consents advice to the public	• 100% general rate
	Managing Emergencies	Monitoring the state of the environment	• 80% general rate • 20% user charge
		Regulatory compliance	• 100% general rate (less cost recovery from legal action)
		Managing emergencies	• 100% general rate
	Managing Harbours	Navigation aids and communications services	• 10% general rate (for non commercial users) • 90% user charge on commercial shipping
		Pollution/emergency response services	Standing costs: • 5% general rate • 95% user charge (paid by the Maritime Safety Authority) Pollution clean up costs, where possible, fully recovered from the polluter
		Enforcing maritime safety regulations	• 100% general rate

## FUNDING POLICY

Significant Activity	Activity	Function	Targeted Funding Mix
<b>Regional Transport</b> * to be reviewed in 2000/01	Funding Public Transport	Funding public transport services	<ul style="list-style-type: none"> <li>• 70% user charges (on average), collected and held by the providers</li> <li>• 30% community contribution (which is funded on average equally by road user payments and by WRC works and services rate)</li> </ul> The works and services rate comprises: <ul style="list-style-type: none"> <li>• 5% by general rate for social benefits</li> <li>• 85% shared equally by residential ratepayers in district of origin and commercial ratepayers in district of destination, for congestion relief</li> <li>• 10% shared equally by residential ratepayers in district of origin and commercial ratepayers in district of destination, for concessionary fares</li> </ul>
		Funding Total Mobility	<ul style="list-style-type: none"> <li>• 50% user charges collected and held by providers</li> <li>• 50% community contribution of which 40% is funded by road user payments and 60% by WRC works and services rate</li> </ul>
	Managing the Transport Network	Planning and monitoring the transport network	<ul style="list-style-type: none"> <li>• 100% works and services rate, after the nationally funded road user contribution</li> </ul>
<b>Regional Water Supply</b>	Collecting, Treating, and Delivering Water to the cities of Lower Hutt, Porirua, Upper Hutt and Wellington	Operating and maintaining the bulk water supply system	<ul style="list-style-type: none"> <li>• The funding policy is prescribed by the Wellington Regional Water Board Act 1972. The costs of operating the water supply are proportioned to the cities based on the individual city's portion of total water deliveries</li> </ul>
	Delivering Water within Wellington City (under contract from WCC)	Operating and maintaining the water delivery system	<ul style="list-style-type: none"> <li>• 100% charge to Wellington City Council for facilities management and capital works</li> <li>• 100% charge to other service users</li> </ul>

# FUNDING POLICY

Significant Activity	Activity	Function	Targeted Funding Mix
<b>Land Management</b>	<b>Promoting Sustainable Land Management</b>	Advisory services	• 100% general rate
		Property works	• 30% general rate • 70% user charge
		Sustainability plans	• 40% general rate • 60% user charge
		Catchment schemes	• 50% general rate • 30-50% separate rate for the local community • 5-20% levy on the local territorial authority for road protection (4 of the 6 schemes)
	<b>Controlling Animal &amp; Plant Pests</b>	Drainage and water schemes	• Funding of all costs by way of a charge to the organisation or individual concerned. Charges set on a full cost recovery basis
		Conducting Bovine Tuberculosis vector control programmes	• Animal Health Board contribution (usually 50% of costs) Balance funded: • 60% general rate • 40% specific rate
	Pest animal management	• 100% general rate for inspectors, monitoring and approved control work • 100% user charge for other control work on private land on request	
	Pest plant management	• 100% general rate for inspections monitoring and control trials • 100% user charge for control work on private land on request	

# FUNDING POLICY

Significant Activity	Activity	Function	Targeted Funding Mix
<b>Flood Protection</b>	Providing Flood Protection	Planning for flood protection Delivering flood protection	<ul style="list-style-type: none"> <li>• 100% general rate</li> </ul> Rates are set on a scheme by scheme basis: <ul style="list-style-type: none"> <li>• 0–50% general rate from the regional community</li> <li>• 50–100% via a separate rate on the local authority or scheme rate or direct contribution</li> </ul>
<b>Parks and Forests</b>	Managing Regional Parks, Recreation Areas and Trails	Managing regional parks, recreation areas and trails	<ul style="list-style-type: none"> <li>• 90% general rate</li> <li>• 10% user charges for organised events, leases, license fees and added value services</li> </ul>
	Managing Forests & Water Catchments	Indigenous forest management Indigenous catchment management Rural fire control	<ul style="list-style-type: none"> <li>• 100% general rate</li> <li>• User charges for organised events etc</li> <li>• 100% internal charge to Regional Water Supply</li> <li>• Fire prevention and preparedness: 100% general rate</li> <li>• Fire fighting costs: recovered from the Rural Fire Fund or the party concerned</li> </ul>
<b>Democracy</b>	Democracy	The democratic decision making process	A portion of the costs funded according to the number of meeting days spent on a significant activity. Residual on general rate.
<b>Regional Stadium</b>	Regional Stadium	Funding and servicing \$25 million loan to facilitate the planning, development and construction of the Regional Stadium	<ul style="list-style-type: none"> <li>• 100% Stadium Purposes Rate</li> </ul>

# RATING POLICY

The Council's Funding Policy (pages 64-67) determines the basis of the Wellington Regional Council rates. The Council will set three rates – General, Transport and Stadium Purposes – for the whole Region.

The rates to be set by the Wellington Regional Council are:

## General Rate

The General Rate is levied to fund functions across the whole regional community and reflect “public good”. It is distinct from works and services or other rates that are intended to recover costs of particular functions from particular groups to reflect the level of benefit to those communities that are not appropriately recovered by way of user charges. It pays for such activities as:

- investment in democracy
- developing resource management policies and plans
- monitoring the state of the environment
- managing emergencies
- managing harbours
- managing regional parks and recreation areas
- managing indigenous forests
- promoting sustainable land management and
- providing a region-wide contribution to flood protection, soil conservation and biosecurity.

The general rate is levied across the whole Region on a uniform capital value basis. (A regional council cannot make its general rate on a differential basis nor levy a uniform annual general charge.)

## Works and Services (Stadium Purposes) Rate

This separate rate meets the Council's annual costs of servicing and repaying the loan raised to fund its contribution to the Wellington Regional Stadium. It is made on a differential capital value basis reflecting direct and indirect benefits to different areas and classes of ratepayers. Cities and districts more distant from the Stadium contribute proportionally less.

## Works and Services (Regional Transport) Rate

This funds the Council's net expenditure for the Region's public transport services, transport infrastructure and transport planning. This rate is made on a differential capital value basis. For 2000/01 new rating differentials that better reflect benefits to different areas and classes of ratepayers within each area will be fully implemented. This is the third and final year of a three-stage transition initiated in 1998/99. (Full details of the new differentials have been advertised in separate Special Order Notices).

## Works and Services (Rivers) Rates

Works and Services (Rivers Management) Rates are levied in Lower Hutt, Upper Hutt, Porirua and Wellington Cities, and Kapiti Coast and Carterton Districts, on a uniform capital value basis. The River rates fund the local communities' contributions to river maintenance and flood protection improvements – currently 50 percent. The other 50 percent is funded on a region-wide basis from the general rate.

## RATING POLICY

### **Scheme Rates (Catchment, Drainage and Rural Water Supply)**

The Wellington Regional Council levies rates on specific properties within some thirty catchment, drainage and rural water supply schemes in the Wairarapa Constituency. Generally these rates are made on a differential, land area, basis.

As with the Works and Services (Rivers Management) Rates, the catchment scheme rates fund the local communities' contributions to river maintenance and flood protection improvements – currently 50 percent. The other 50 percent is funded on a region-wide basis from the general rate. The drainage and water supply schemes are fully funded by their scheme rates.

### **Biosecurity (Bovine Tb) Rate**

This is levied region-wide on properties of 10 hectares or more. It is a differential rate that is made on a land area basis. A higher rate applies in areas where there are current control programmes. There is also a region wide contribution to Biosecurity from the General Rate.

Full details of new differentials to apply in 2000/01 have been advertised in separate special order notices.

### **Rates Collection**

Within each city and district, the General, Regional Transport, Stadium Purposes and Rivers rates are collected on behalf of the Wellington Regional Council by the local city council or district council. All local councils clearly differentiate on rate assessments between local rates and the regional rates they collect on behalf of the Wellington Regional Council.

The Catchment, Drainage and Rural Water Supply Schemes and Biosecurity Rates are collected directly by the Wellington Regional Council by a single annual assessment.

### **What Can Cause Your WRC Rates to Change?**

Changes in the Council's expenditure levels will affect individual rates assessments.

In 2000/01 there is further change to the transport rate differentials. This is the third and final stage of a three year transition. There is also a change to the Biosecurity (Bovine Tb) rate differentials.

Changes in equalised values of different constituent district Councils or changes to individual property values as result of a general revaluation can have a significant effect on your regional rate bill. This Council does not have any control over these valuation changes.

### **Rates Enquiries – How Your Regional Rates are Spent**

Any queries about how your Regional Rates are spent should be directed to the Wellington Regional Council, *not* your local city or district council.

### **Water Supply Levy**

The water supply is not funded from regional rates. The Wellington Regional Council directly bills the four metropolitan city councils (Wellington, The Hutt, Upper Hutt and Porirua) for the wholesale supply of water. The levy is based on actual water usage for the previous year. These costs are included as a component of those councils' water rates and charges.

# TREASURY MANAGEMENT POLICY

## Introduction

The Treasury Management Policy provides the framework for all of the Council's treasury activities and defines key responsibilities and operating parameters within which borrowing, investment and associated risk management activities are to be carried out.

## General Philosophy

The Council acknowledges that there are various financial risks arising from its borrowing and investment activities. It is risk averse and does not wish to incur additional risk from its treasury activities. Council's treasury function is focused on managing risk, such as protecting the net cost of borrowing and cashflow management.

The Council does not involve itself in speculative transactions.

## Borrowing

The Council is a net borrower of funds. It borrows in circumstances it considers appropriate pursuant to the Local Government Amendment (No. 3) Act 1996. The Council approves the borrowing programme annually through the approval of the Annual Plan.

The Council raises debt for the following primary purposes:

- To fund significant capital works programmes such as for its Regional Water Supply and Flood Protection activities. These key infrastructural assets are large, have long economic lives and provide long term benefits to the community. The use of debt is seen as an appropriate and efficient mechanism for promoting equity between current and future generations.

- For short-term cash management purposes. The Council manages its liquidity risk essentially through committed and uncommitted money market facilities.

In approving new borrowing, the Council considers the impact of limits defined in the Treasury Management Policy, the appropriateness of borrowing to ensure intergenerational equity, and the consistency of such borrowing with the Council's Long-Term Financial Strategy.

The Treasury Management Policy incorporates the Council's intention to continue to unwind all sinking funds as soon as practicable after receipt of the necessary creditor approval.

## Investments

The Council's philosophy in managing investments is to optimise returns in the long-term while balancing risk and rate of return. The Council recognises that as a responsible public authority any investments that it does intend to hold long-term should be low risk. It also recognises that lower risk generally means lower returns.

From a risk management point of view, the Council is well aware that its investment returns to the rates line are exposed to the success or otherwise of its two main investment sectors – CentrePort Limited and Forestry. At an appropriate time in the future, the Council believes it should continue to reduce that exposure by reducing its investment holdings and using the proceeds to reduce debt. The timing of any future divestments will be in accordance with the Council's objective of optimising returns.



## TREASURY MANAGEMENT POLICY

### **Use of Derivatives**

In August 1998 the Council approved the use of derivative instruments, such as interest rate swaps, to assist in the management of Treasury risks. Such instruments have since been used to take advantage of the low interest rate environment.

### **Treasury Management Group**

The Council continues to operate a Treasury Management Group to oversee, manage and monitor the risks associated with its treasury activities. This group includes an externally appointed professional treasury advisor to provide both the necessary market intelligence and independent monitoring inherent in a sound accountability framework.

## OTHER POLICIES

### Environmental Management Systems

Each division of the Council is developing an environmental management system as a way of ensuring that, as an organisation which has environmental responsibilities, we also lead by example.

The Council has adopted a Corporate Environmental Statement and Corporate Environmental Policies. The Council will develop Environmental Management Systems (EMS) to the following timetable:

By June 2001

- Plantation Forestry
- Flood Protection (Operations)
- Operations (Wairarapa)
- Resource Investigations
- Consents Management
- Harbours Management
- Emergency Management
- Corporate Policy
- Information Technology

By June 2002

- Parks and Forestry
- Flood Protection (Strategy & Assets)
- Communications
- Employment Services
- Transport Planning and Policy
- Public Transport
- Customer Service
- Finance
- Biosecurity
- Planning and Resources

Regional Water Supply (Operations), Laboratory and Resource Policy are expected to have EMS's complete by 30 June 2000.

### EEO Programme and Policies

The Council's EEO policy is based around its charter of values and principles which includes the following key statements:

- "We value and respect each other's differences."
- "We have the right to a positive and enjoyable working environment."
- "We will remain an organisation that attracts and keeps the skills and expertise of the best people – a place where people want to come to work."

Accordingly, the Council will implement policies and programmes designed to ensure that all appointments, promotions, rewards and work opportunities are based on demonstrated job competence, relevant skills, qualifications and individual potential regardless of colour, race, ethnic belief, sexual orientation, age, disability, family status, political opinion or employment status.

### Significant Changes in Policies

Changes in the Council's investment plans from its first Ten Year Long Term Financial Strategy (*Facing the Future 1997-2007*) are outlined on page 39 of *Towards a Greater Wellington 2000-2010: Volume 1*.

With one minor exception the Council has retained the same significant activities combined in that strategy. In this plan the Natural Forestry department has been combined within "Parks and Forests", whereas this was previously reported as part of "Land Management". A separate activity has been retained for the purposes of this Plan in respect of this Council's involvement with the Regional Stadium.

# ACCOUNTING POLICIES

## 1. Reporting Entity

The budgeted financial statements presented are those of the Wellington Regional Council.

The Wellington Regional Council was formed on 1 November 1989 and constituted under the Local Government (Wellington Region) Reorganisation Order 1989.

The budgeted financial statements have been prepared in accordance with the Local Government Act 1974 and, generally accepted accounting practice with the exception that consolidated financial statements have not been prepared.

However, performance targets for the Council's subsidiary companies, WRC Holdings Limited (Holding Company), Pringle House Ltd, Port Investments Ltd, and CentrePort Ltd, are included under a separate section at the end of this document.

## 2. Measurement Base

Those accounting policies considered appropriate by the Institute of Chartered Accountants of New Zealand for measuring and reporting results and financial position under the historical cost method, modified by the initial valuation of certain assets, have been followed.

## 3. Accounting Policies

Accounting policies adopted in the financial statements which have a significant effect on the results and the financial position disclosed are set out as follows:

### 3.1 Revenue Recognition

Rates and levies are recognised as income in the year the assessments are issued. Government grants and contributions from territorial local authorities for contract works are recognised as income when eligibility has been established by the grantor. Revenue from dividends is recognised on an accrual basis (net of imputation credits). Other income is also recognised on an accrual basis.

### 3.2 Investments

Plantation forests are shown at 1991 re-valued cost, and apart from silviculture costs which are capitalised, any gain in value is recognised on the realisation of logging revenues.

All other investments, including those in subsidiaries, are shown at the lower of cost or net realisable value (where there is a market).

### 3.3 Fixed Assets and Depreciation

The Council undertook an asset valuation exercise in 1991. Asset values based on the 1991 valuation are land and buildings (1990 government valuation) and flood protection and transport facilities infrastructure assets (1991 depreciated replacement cost). Additions to assets since 1991 are recorded at cost. Water supply system assets were revalued in 1999 (1999 depreciated replacement cost).

Depreciation is provided on a straight line basis at rates which will write off assets, less their estimated residual value, over their remaining useful lives. The useful lives of major classes of assets have been estimated as follows:

Buildings	10–100 years
Pipelines/Reservoirs/Dams	50–100 years
Plant/Vehicles/Equipment	3–25 years
Floodplain Management Plans	15 years
Waterloo Interchange	40 years
Te Marua Lakes	150 years

## ACCOUNTING POLICIES

Flood protection infrastructure assets (principally stopbanks) are generally considered to be non depreciable. This is based on the engineering assessment that stopbanks in the Wellington Region are not subject to detectable settlement. Work in progress is not depreciated until the project phase is completed.

### 3.4 Investment Properties

Investment properties are revalued annually at net current value.

### 3.5 Inventories

Cost of inventories held for maintenance and construction purposes is calculated using the weighted average cost method. Nursery stocks are valued at 50% of current market value. All other inventories are valued at the lower of cost or net realisable value on a first in first out basis.

### 3.6 Taxation

The assessable income of the Council includes income derived, net of related expenses, from WRC Holdings Group of companies including CentrePort Ltd. All other income currently derived by the Council is exempt from income tax.

The taxation charge for the period is the estimated liability in respect of any assessable income, after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. The Council and its subsidiaries apply the liability method of accounting for deferred taxation on a comprehensive basis. Future income tax benefits are only recognised to the extent that there is virtual certainty of realisation.

### 3.7 Accounts Receivable

Accounts receivable are stated at estimated realisable value after providing for debts where collection is doubtful.

### 3.8 Leases

The Wellington Regional Council leases some vehicles and office equipment. 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 periods in which they are incurred.

### 3.9 Employee Entitlements

Provision is made at year end for the total staff entitlement to annual leave. Entitlements to retirement gratuities and long service leave are accrued at current rates of pay based upon the number of staff who are expected to complete the requisite years of service.

### 3.10 Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors and creditors. All of these are recognised in the statement of financial position. Revenue and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

### 3.11 Foreign Currency

Foreign currency transactions are converted at the New Zealand dollar exchange rate at the date of the transaction. The Council does not have material transactions or hold any monetary assets or liabilities in foreign currencies.

### 3.12 Goods and Services Tax

Financial information has been prepared net of GST, except where otherwise stated.

## ACCOUNTING POLICIES

### 3.13 Overhead Allocation and Internal Transactions

The Council allocates overhead from support service functions on a variety of different bases that are largely determined by usage. The treasury operation in the Council is treated as an internal banking activity. Any surplus generated is credited directly to the Statement of Financial Performance.

Operating revenue and expenditure for individual significant activities are stated inclusive of any internal revenues and internal charges. These internal transactions are eliminated in the Council's financial statements.

The "Investment in Democracy" costs have not been allocated to significant activities, except where there is a major separate community of benefit other than the whole Region, i.e., Regional Water Supply and Regional Transport.

### 3.14 Rounding of Amounts

All amounts have been rounded to the nearest thousand dollars unless otherwise stated.

### 3.15 Comparatives

The comparatives, where appropriate, are for the budgeted twelve month period ending 30 June 2000.

### 3.16 Legislative Compliance

Under Section 594ZU of the Local Government Act 1974 a regional council is required to divest itself from any ownership or interest in transport operational or infrastructural assets. The Wellington Regional Council continues to maintain an interest in the Waterloo Interchange and has made exhaustive attempts to either transfer or sell the asset to other parties. No suitable arrangement has yet been found. The Minister of Transport can give a time extension for divestment. However, no such extension has been received.

## 4. Changes in Accounting Policies

There have been no material changes in Accounting Policies since the Council presented its 1999/00 Annual Plan.

However the Council has changed its practice in relation to the recognition of revenue and expenditure from its forestry operations. In years up to and including 1999/00 budget, forestry logging revenue has been recognised net of directly related logging expenditure. In years 2000/01 and later, this revenue and expenditure has been separately recognised. In 2000/01 this has increased planned revenue and expenditure by \$3.8 million.

## TOTAL COUNCIL FINANCIAL STATEMENTS

The financial information contained in this proposed long-term financial strategy is a forecast based on assumptions which the Council reasonably expects to occur. Actual results achieved for the ten year period are likely to vary from the information presented and these variations may be material. This long-term financial strategy is entirely comprised of forecast information. It is intended that this information will be updated annually at which time new short-term performance indicators will be prepared. We expect the Council's next ten year financial strategy to be formally presented in 2003.

### Significant Assumptions

In addition to the assumptions noted for each of the significant activities, this long-term financial strategy assumes the following:

- all financial projections are in 2000/01 dollars. No allowance has been made for inflation in either revenue (including rates) or in expenditure for the later years;
- the Council's current funding policies will continue;
- the Council will continue to perform its existing functions in accordance with current Council policies;
- the weighted average cost of debt will be between 8.0% and 8.5% per annum;
- the average return on liquid bank deposits will be 6.75% per annum for the 2000/01 and 2001/02 years and then 6% for the remaining eight years.
- all project costs stated within performance indicators exclude overhead costs;
- the Council's contingency reserves will not be drawn upon within the ten year period;
- the Council will continue to hold its investments. (not necessarily the Council's intention);
- no allowance has been made for any impact that water integration may have on the Council;
- the necessary legislation will be passed to enable Council to carry out the activities currently considered to be ultra vires which have been incorporated into this plan.

WELLINGTON REGIONAL COUNCIL FINANCIAL STATEMENTS:  
Budgeted Statement of Financial Performance by Activity

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING REVENUE</b>				
General Rates	17,825	20,353	20,962	21,733
Transport Rates	19,749	22,333	23,772	25,198
River Rates	2,264	2,286	2,358	2,478
Stadium Purposes Rate	2,506	2,676	2,676	2,676
<b>Total Regional Rates</b>	<b>42,344</b>	<b>47,648</b>	<b>49,768</b>	<b>52,085</b>
Water Supply Levy	24,210	23,241	23,241	23,241
Pest Management Rates	524	583	600	627
Wairarapa Scheme Rates	1,001	1,009	1,044	1,024
Income from Subsidiaries	1,325	503	476	505
Government Grants & Subsidies	16,080	17,291	18,049	19,042
Other Revenue	15,913	20,959	18,465	19,110
Interest	2,149	3,383	3,438	3,165
Sinking Fund Interest	542	621	621	621
<b>Total Operating Revenue</b>	<b>104,088</b>	<b>115,238</b>	<b>115,702</b>	<b>119,420</b>
Less: Internal Sales/Recoveries	4,077	4,265	4,308	4,521
<b>Total External Operating Revenue</b>	<b>100,011</b>	<b>110,973</b>	<b>111,394</b>	<b>114,899</b>

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's
<b>OPERATING EXPENDITURE</b>				
Environment Management	9,140	10,138	10,611	10,498
Regional Transport	36,375	40,764	41,946	44,353
Regional Water Supply	26,965	26,394	26,195	26,028
Land Management	6,427	7,690	7,529	7,580
Flood Protection	8,377	8,831	8,641	8,695
Regional Parks	3,961	4,610	4,628	4,803
Investment in Democracy	3,254	3,547	3,777	3,896
Regional Stadium	2,150	2,079	2,027	1,976
Council Investments	385	4,485	2,440	2,430
Other	2,524	2,759	2,527	2,585
<b>Total Operating Expenditure</b>	<b>99,558</b>	<b>111,297</b>	<b>110,321</b>	<b>112,844</b>
Less: Internal Operating Expenditure	4,077	4,265	4,308	4,521
<b>Total External Operating Expenditure</b>	<b>95,481</b>	<b>107,032</b>	<b>106,013</b>	<b>108,323</b>
<b>Operating Surplus/(Deficit)</b>	<b>4,530</b>	<b>3,941</b>	<b>5,381</b>	<b>6,576</b>
Less:				
Rate Funded Capital Expenditure & Investments	1,907	3,613	2,646	1,883
Debt Provisioning	10,078	10,643	10,648	11,555
Working Capital Movement	0	0	0	0
Reserve Movements	(186)	(2,137)	233	1,212
Non Cash Items	(7,269)	(8,178)	(8,146)	(8,074)
<b>Net Funding Required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# WELLINGTON REGIONAL COUNCIL FINANCIAL STATEMENTS:

## Budgeted Statement of Financial Performance

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's	2003/04 Forecast \$000's	2004/05 Forecast \$000's	2005/06 Forecast \$000's	2006/07 Forecast \$000's	2007/08 Forecast \$000's	2008/09 Forecast \$000's	2009/10 Forecast \$000's
<b>OPERATING REVENUE</b>											
Regional Rates	42,344	47,648	49,768	52,085	52,785	54,825	53,213	52,965	53,173	53,493	53,138
Other Rates	1,525	1,592	1,644	1,651	1,660	1,660	1,660	1,660	1,660	1,660	1,679
Water Supply Levy	24,210	23,241	23,241	23,241	23,241	23,241	23,241	23,241	23,241	23,241	23,241
Grants and Subsidies	16,080	17,291	18,049	19,042	19,814	21,004	24,833	24,833	24,495	24,188	24,185
External Revenue	15,852	21,201	18,692	18,880	18,531	20,985	27,857	27,909	27,577	27,764	30,024
<b>Total External Operating Revenue</b>	<b>100,011</b>	<b>110,973</b>	<b>111,394</b>	<b>114,899</b>	<b>116,031</b>	<b>121,715</b>	<b>130,804</b>	<b>130,608</b>	<b>130,146</b>	<b>130,346</b>	<b>132,267</b>
<b>OPERATING EXPENDITURE</b>											
Direct Operating Expenditure	78,817	90,762	89,997	92,729	94,025	98,474	109,321	108,954	108,524	108,180	109,944
Interest	9,395	8,092	7,870	7,520	7,182	7,037	6,858	6,611	6,081	5,568	5,135
Depreciation	7,269	8,178	8,146	8,074	8,315	8,064	7,994	8,010	8,085	8,040	8,022
<b>Total External Operating Expenditure</b>	<b>95,481</b>	<b>107,032</b>	<b>106,013</b>	<b>108,323</b>	<b>109,522</b>	<b>113,575</b>	<b>124,173</b>	<b>123,575</b>	<b>122,690</b>	<b>121,788</b>	<b>123,101</b>
<b>Operating Surplus/(Deficit)</b>	<b>4,530</b>	<b>3,941</b>	<b>5,381</b>	<b>6,576</b>	<b>6,509</b>	<b>8,140</b>	<b>6,631</b>	<b>7,033</b>	<b>7,456</b>	<b>8,558</b>	<b>9,166</b>
<b>Less:</b>											
Capital Expenditure & Investments	10,890	10,175	9,727	9,432	10,604	14,187	12,590	10,034	9,487	9,454	10,797
Loan Funding	(8,983)	(6,562)	(7,081)	(7,549)	(8,934)	(12,228)	(10,960)	(8,738)	(8,378)	(8,468)	(10,053)
<b>Rate funded Capital Expenditure &amp; Investments</b>	<b>1,907</b>	<b>3,613</b>	<b>2,646</b>	<b>1,883</b>	<b>1,670</b>	<b>1,959</b>	<b>1,630</b>	<b>1,296</b>	<b>1,109</b>	<b>986</b>	<b>744</b>
Debt Provisioning	10,078	10,643	10,648	11,555	11,844	13,074	11,448	12,076	12,859	13,693	14,356
Working Capital Movements	0	0	0	0	0	0	0	0	0	0	0
Reserve Movements	(186)	(2,137)	233	1,212	1,310	1,171	1,547	1,671	1,573	1,919	2,088
Non Cash Items	(7,269)	(8,178)	(8,146)	(8,074)	(8,315)	(8,064)	(7,994)	(8,010)	(8,085)	(8,040)	(8,022)
<b>Net Funding Required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## WELLINGTON REGIONAL COUNCIL FINANCIAL STATEMENTS: Budgeted Statement of Financial Position

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's	2003/04 Forecast \$000's	2004/05 Forecast \$000's	2005/06 Forecast \$000's	2006/07 Forecast \$000's	2007/08 Forecast \$000's	2008/09 Forecast \$000's	2009/10 Forecast \$000's
<b>RATEPAYERS' FUNDS</b>											
Retained Earnings	173,573	179,651	184,798	190,163	195,363	202,331	207,416	212,777	218,660	225,299	232,377
Specific Reserves	7,717	5,580	5,813	7,025	8,335	9,506	11,053	12,724	14,297	16,216	18,304
Revaluation Reserves	229,293	229,293	229,293	229,293	229,293	229,293	229,293	229,293	229,293	229,293	229,293
<b>Total Ratepayers' Funds</b>	<b>410,583</b>	<b>414,524</b>	<b>419,904</b>	<b>426,481</b>	<b>432,991</b>	<b>441,130</b>	<b>447,762</b>	<b>454,794</b>	<b>462,250</b>	<b>470,808</b>	<b>479,974</b>
<b>ASSETS</b>											
Current Assets	23,747	23,747	23,747	23,747	23,747	23,747	23,747	23,747	23,747	23,747	23,747
Investments	98,096	99,645	101,089	102,391	103,741	105,121	106,590	108,174	109,810	111,523	113,325
Fixed Assets	411,089	411,536	411,672	411,728	412,668	417,411	420,538	420,978	420,745	420,446	421,419
<b>Total Assets</b>	<b>532,932</b>	<b>534,928</b>	<b>536,508</b>	<b>537,866</b>	<b>540,156</b>	<b>546,279</b>	<b>550,875</b>	<b>552,899</b>	<b>554,302</b>	<b>555,716</b>	<b>558,491</b>
<b>LIABILITIES</b>											
Current Liabilities	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073
Net Public Debt	94,276	92,331	88,531	83,312	79,092	77,076	75,040	70,032	63,979	56,835	50,444
<b>Total Liabilities</b>	<b>122,349</b>	<b>120,404</b>	<b>116,604</b>	<b>111,385</b>	<b>107,165</b>	<b>105,149</b>	<b>103,113</b>	<b>98,105</b>	<b>92,052</b>	<b>84,908</b>	<b>78,517</b>
<b>Net Assets</b>	<b>410,583</b>	<b>414,524</b>	<b>419,904</b>	<b>426,481</b>	<b>432,991</b>	<b>441,130</b>	<b>447,762</b>	<b>454,794</b>	<b>462,250</b>	<b>470,808</b>	<b>479,974</b>

The 1999/00 "Budget" numbers represent an estimate of the Council's financial position at 30 June 2000.

# WELLINGTON REGIONAL COUNCIL FINANCIAL STATEMENTS:

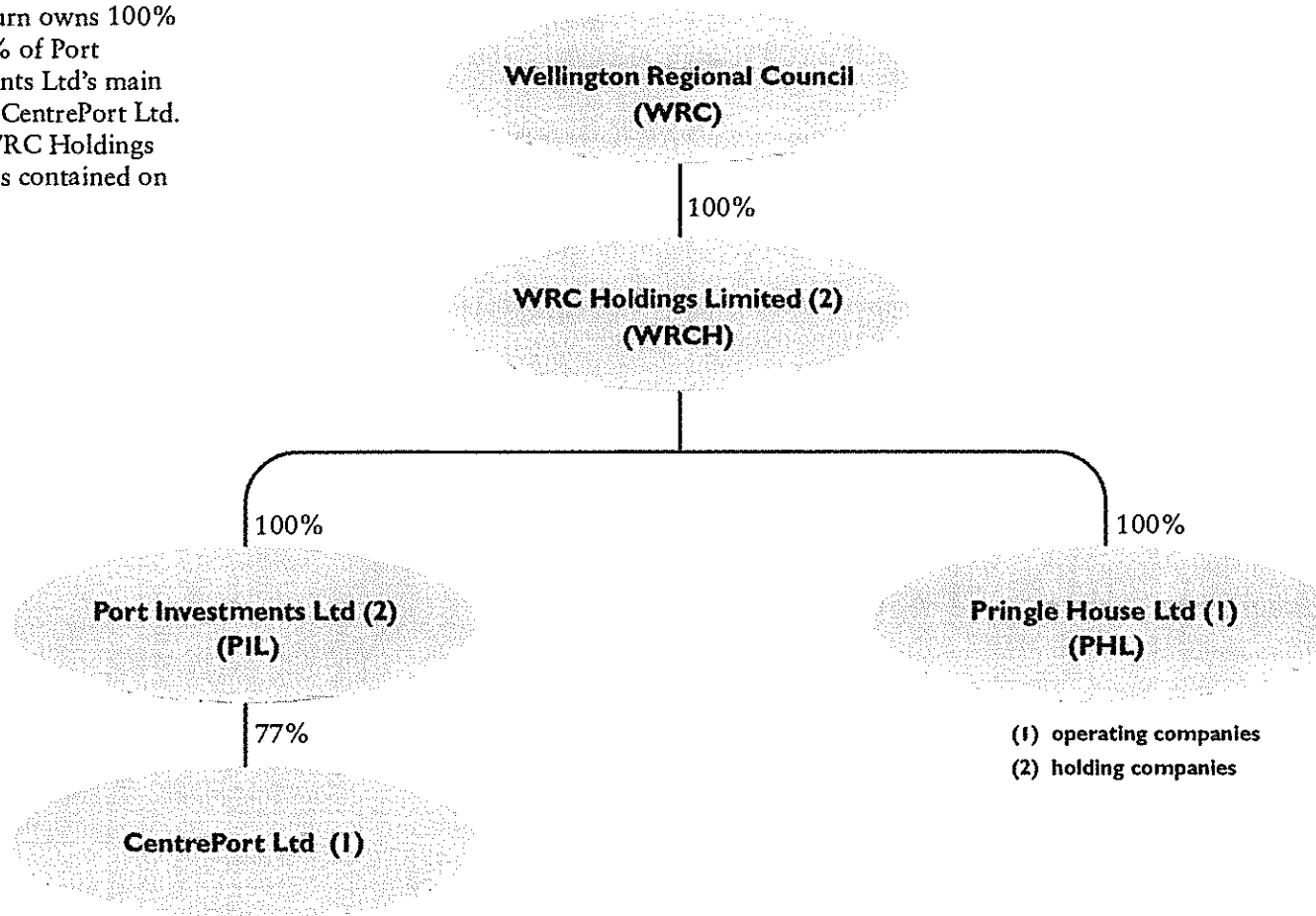
## Budgeted Cashflow Statement

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's	2003/04 Forecast \$000's	2004/05 Forecast \$000's	2005/06 Forecast \$000's	2006/07 Forecast \$000's	2007/08 Forecast \$000's	2008/09 Forecast \$000's	2009/10 Forecast \$000's
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
Cash is provided from:											
Rates, Levies & Subsidies	84,159	89,772	92,702	96,019	97,500	100,730	102,947	102,699	102,569	102,582	102,243
Other	11,836	16,694	14,157	14,589	14,221	16,443	23,274	23,075	22,682	22,839	24,903
Dividends/Interest & Subsidiary Revenue	4,016	4,507	4,535	4,291	4,310	4,542	4,583	4,834	4,895	4,925	5,121
	100,011	110,973	111,394	114,899	116,031	121,715	130,804	130,608	130,146	130,346	132,267
Cash is disbursed to:											
Interest on Term Debt	9,026	6,015	6,080	5,796	5,440	5,182	4,797	4,325	3,609	2,863	2,157
Payment to Suppliers & Employees	78,817	90,762	89,997	92,729	94,025	98,474	109,321	108,954	108,524	108,180	109,944
	87,843	96,777	96,077	98,525	99,465	103,656	114,118	113,279	112,133	111,043	112,101
Net Cash Flows from Operating Activities	12,168	14,196	15,317	16,374	16,566	18,059	16,686	17,329	18,013	19,303	20,166
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>											
Cash is provided from:											
Proceeds from Fixed Assets & Investments	378	821	350	336	287	345	332	299	316	338	322
Cash is applied to:											
Purchase of Fixed Assets Investment Additions	9,820	9,447	8,633	8,466	9,542	13,152	11,453	8,749	8,168	8,080	9,316
	1,448	1,549	1,444	1,302	1,349	1,380	1,469	1,584	1,635	1,712	1,803
	11,268	10,996	10,077	9,768	10,891	14,532	12,922	10,333	9,803	9,792	11,119
Net Cash Flows from Investing Activities	(10,890)	(10,175)	(9,727)	(9,432)	(10,604)	(14,187)	(12,590)	(10,034)	(9,487)	(9,454)	(10,797)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>											
Cash is provided from:											
Proceeds from Term Debt	8,800	6,622	5,058	4,613	5,882	9,202	7,352	4,781	4,333	3,844	4,987
Cash is applied to:											
Debt Provisioning	10,078	10,643	10,648	11,555	11,844	13,074	11,448	12,076	12,859	13,693	14,356
Net Cash Flows from Financing Activities	(1,278)	(4,021)	(5,590)	(6,942)	(5,962)	(3,872)	(4,096)	(7,295)	(8,526)	(9,849)	(9,369)
Net Increase/(Decrease) in Cash Held	0	0	0	0	0	0	0	0	0	0	0

## SUPPLEMENTARY INFORMATION: Subsidiary Companies

### Subsidiary Company Structure

Wellington Regional Council owns 100% of WRC Holdings Ltd which in turn owns 100% of Pringle House Ltd and 100% of Port Investments Ltd. Port Investments Ltd's main asset is a 77% shareholding in CentrePort Ltd. More information about the WRC Holdings Group and CentrePort Group is contained on the following pages.



## SUPPLEMENTARY INFORMATION: WRC Holdings Group

### Objectives of the Group

The objective of the group is to effectively manage any investments held to maximise the commercial value to shareholders, while protecting the shareholders' long term interests.

### Performance Targets

	1999/00	2000/01	2001/02	
<b>Shareholders</b>				
Wellington Regional Council: 100%				
	Net Profit (before tax)	\$7.18m	\$7.26m	\$7.41m
	Net Profit (after tax)	\$4.44m	\$4.21m	\$4.33m
<b>Directors</b>				
Stuart Macaskill (Chairman)	Return on Total Assets <sup>(1)</sup>	11.2%	11.1%	11.0%
Alison Lawson	Return on Shareholders' Funds <sup>(2)</sup>	16.7%	14.3%	13.4%
Euan McQueen	Dividend Stream	\$0.85m	\$0.54m	\$0.55m
Jim Rowe				
Margaret Shields				

(1) Return on total assets is the net profit before interest and tax divided by the average total assets.

(2) Return on shareholders' funds is the net profit after tax divided by the average shareholders' funds.

*Note: The performance targets are those provided by the Directors in the Statement of Corporate Intent (SCI) for the 1999/00 financial year.*

## SUPPLEMENTARY INFORMATION: CentrePort Group

### Objectives of the Group

The primary objectives of the Group are to:

- Operate as a successful business;
- Operate as a functional commercial port to service the Port's customers;
- Provide a commercial return to shareholders and to protect the investment of the shareholders.

### Shareholders

Port Investments Ltd: 76.9%  
Manawatu – Wanganui Regional Council: 23.1%

### Directors

Nigel Gould (Chairman)  
Ken Harris (Chief Executive)  
Jim Jefferies  
Malcolm Johnson  
Bernie Knowles  
Howard Stone  
Jenny Morel (retired 31 March 2000)

### Performance Targets

	1999/00	2000/01	2001/02
Net Profit (before tax)	\$9.00m	\$9.36m	\$9.69m
Net Profit (after tax)	\$6.00m	\$6.18m	\$6.40m
Return on Total Assets <sup>(1)</sup>	13.2%	13.1%	13.3%
Return on Shareholders' Funds <sup>(2)</sup>	11.2%	10.9%	10.8%
Dividend Stream <sup>(3)</sup>	\$3.52m	\$3.61m	\$3.77m

(1) Return on total assets is the net profit before interest and tax divided by the average total assets.

(2) Return on shareholders' funds is the net profit after tax divided by the average shareholders' funds.

(3) Dividend streams are on a cash basis determined by the financial year in which payments are made.

*Note: The performance targets are those provided by the Directors in the Statement of Corporate Intent (SCI) for the 1999/00 financial year.*

## SUPPLEMENTARY INFORMATION: Projected Public Debt

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's	2003/04 Forecast \$000's	2004/05 Forecast \$000's	2005/06 Forecast \$000's	2006/07 Forecast \$000's	2007/08 Forecast \$000's	2008/09 Forecast \$000's	2009/10 Forecast \$000's
Forestry – Western Region	8,893	9,630	10,340	10,774	11,439	11,428	11,769	12,089	12,456	12,438	12,329
Forestry – Wairarapa	5,166	6,082	6,874	7,586	8,279	8,987	9,777	10,637	11,550	12,544	13,629
Flood Protection – Western Region	24,986	25,200	24,960	25,460	26,721	28,148	29,216	29,093	28,597	28,162	27,575
Flood Protection – Wairarapa	1,341	1,185	1,017	833	851	1,017	1,166	1,289	1,148	1,047	946
Transport	4,814	4,568	4,302	4,012	3,697	3,355	2,983	2,578	2,139	1,661	1,142
Parks & Forests	930	1,309	1,524	1,626	1,703	1,615	2,214	2,338	2,347	2,217	2,076
Corporate:											
– Regional Council Centre	7,364	6,133	4,796	3,342	1,762	45	8	0	0	0	0
– Other Buildings	957	932	905	875	843	808	770	697	652	603	550
– Computers and Equipment	0	0	0	0	0	0	0	0	0	0	0
– Financial Information System	1,220	974	704	409	86	1,227	982	714	419	96	1,237
Emergency Management	0	0	0	0	0	0	0	0	0	0	0
Port Related Activities	0	0	0	0	0	0	0	0	0	0	0
Treasury Internal Loans	(49,066)	(47,549)	(48,404)	(50,236)	(52,168)	(53,960)	(56,128)	(58,420)	(60,614)	(63,153)	(65,863)
Reserves	7,717	5,580	5,813	7,025	8,335	9,506	11,053	12,724	14,297	16,216	18,304
<b>Regional Responsibilities Net Debt</b>	<b>14,322</b>	<b>14,044</b>	<b>12,831</b>	<b>11,706</b>	<b>11,548</b>	<b>12,176</b>	<b>13,810</b>	<b>13,739</b>	<b>12,991</b>	<b>11,831</b>	<b>11,925</b>
Less Regional Responsibilities External Reserves	5,367	4,707	5,409	6,455	7,600	8,580	9,920	11,362	12,707	14,373	16,194
<b>Regional Responsibilities Net External Public Debt</b>	<b>8,955</b>	<b>9,337</b>	<b>7,422</b>	<b>5,251</b>	<b>3,948</b>	<b>3,596</b>	<b>3,890</b>	<b>2,377</b>	<b>284</b>	<b>(2,542)</b>	<b>(4,269)</b>
Regional Water Supply Net Debt	63,696	60,489	58,784	56,602	54,607	53,962	52,731	50,451	47,881	45,079	42,058
Less Regional Water Supply Reserves	2,350	873	404	570	735	926	1,133	1,362	1,590	1,843	2,110
<b>Water Supply Net External Public Debt</b>	<b>61,346</b>	<b>59,616</b>	<b>58,380</b>	<b>56,032</b>	<b>53,872</b>	<b>53,036</b>	<b>51,598</b>	<b>49,089</b>	<b>46,291</b>	<b>43,236</b>	<b>39,948</b>
Regional Stadium Debt	23,975	23,378	22,729	22,029	21,272	20,444	19,552	18,566	17,404	16,141	14,765
<b>TOTAL COUNCIL NET EXTERNAL PUBLIC DEBT</b>	<b>94,276</b>	<b>92,331</b>	<b>88,531</b>	<b>83,312</b>	<b>79,092</b>	<b>77,076</b>	<b>75,040</b>	<b>70,032</b>	<b>63,979</b>	<b>56,835</b>	<b>50,444</b>

## SUPPLEMENTARY INFORMATION: Historical Public Debt

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Forestry – Western Region	2,742	2,735	3,924	4,107	4,282	4,454	4,942	5,839	7,216	8,469
Forestry – Wairarapa	471	1,227	1,446	1,611	1,583	1,409	1,838	2,515	3,286	4,112
Flood Protection – Western Region	5,279	8,820	10,999	15,300	19,653	22,052	22,727	23,248	23,122	23,437
Flood Protection – Wairarapa	997	1,102	1,033	904	1,404	1,309	1,216	1,121	1,232	1,432
Transport	4,765	6,149	6,066	5,998	5,860	5,717	5,563	5,416	5,242	5,047
Parks & Forests	654	648	611	579	565	622	763	861	999	1,127
Corporate:										
– Regional Council Centre	24,851	24,851	24,141	23,410	22,406	21,721	21,206	10,433	9,518	8,508
– Other Buildings	84	1,335	1,305	1,175	853	838	1,041	1,018	1,001	982
– Computers and Equipment	2,023	436	767	980	1,037	875	394	232	0	0
– Financial Information System	0	0	0	0	0	0	0	0	0	1,470
Emergency Management	0	0	0	0	150	305	244	181	117	46
Port Related Activities	7,756	8,195	8,004	5,982	5,593	5,317	5,013	0	0	0
Treasury Internal Loans	5,718	(7,184)	(13,792)	(32,079)	(30,991)	(38,552)	(38,316)	(42,899)	(47,904)	(49,755)
Reserves	1,969	1,669	6,524	9,685	10,814	9,676	10,348	9,716	13,964	8,441
<b>Regional Responsibilities Net Debt</b>	<b>57,309</b>	<b>49,983</b>	<b>51,028</b>	<b>37,652</b>	<b>43,209</b>	<b>35,743</b>	<b>36,979</b>	<b>17,681</b>	<b>17,793</b>	<b>13,316</b>
Less Regional Responsibilities External Reserves	1,969	1,669	4,840	7,092	7,190	6,903	7,931	7,839	9,006	6,400
<b>Regional Responsibilities Net External Public Debt</b>	<b>55,340</b>	<b>48,314</b>	<b>46,188</b>	<b>30,560</b>	<b>36,019</b>	<b>28,840</b>	<b>29,048</b>	<b>9,842</b>	<b>8,787</b>	<b>6,916</b>
<b>Regional Water Supply Net Debt</b>	<b>68,050</b>	<b>67,966</b>	<b>68,486</b>	<b>75,050</b>	<b>73,473</b>	<b>71,192</b>	<b>72,050</b>	<b>72,620</b>	<b>72,079</b>	<b>65,720</b>
Less Regional Water Supply Reserves	0	0	1,684	2,593	3,624	2,773	2,417	1,877	4,958	2,041
<b>Water Supply Net External Public Debt</b>	<b>68,050</b>	<b>67,966</b>	<b>66,802</b>	<b>72,457</b>	<b>69,849</b>	<b>68,419</b>	<b>69,633</b>	<b>70,743</b>	<b>67,121</b>	<b>63,679</b>
Stadium Debt	0	0	0	0	0	0	0	0	0	24,500
<b>TOTAL COUNCIL NET EXTERNAL PUBLIC DEBT</b>	<b>123,390</b>	<b>116,280</b>	<b>112,990</b>	<b>103,017</b>	<b>105,868</b>	<b>97,259</b>	<b>98,681</b>	<b>80,585</b>	<b>75,908</b>	<b>95,095</b>

## SUPPLEMENTARY INFORMATION: Reserves

	1999/00 Budget \$000's	2000/01 Plan \$000's	2001/02 Forecast \$000's	2002/03 Forecast \$000's	2003/04 Forecast \$000's	2004/05 Forecast \$000's	2005/06 Forecast \$000's	2006/07 Forecast \$000's	2007/08 Forecast \$000's	2008/09 Forecast \$000's	2009/10 Forecast \$000's
Opening Balance Specific Reserves	8,440	7,717	5,580	5,813	7,025	8,335	9,506	11,053	12,724	14,297	16,216
Budgeted Transfers from Reserves	(2,928)	(4,123)	(885)	(19)	(98)	(212)	(75)	(79)	(213)	(79)	(79)
Budgeted Transfer to Reserves	2,144	1,483	680	737	817	697	831	835	746	823	840
Unbudgeted Reserve Movements	(537)	0	0	0	0	0	0	0	0	0	0
Reserve Interest	598	503	438	494	591	686	791	915	1,040	1,175	1,327
<b>Closing Balance</b>	<b>7,717</b>	<b>5,580</b>	<b>5,813</b>	<b>7,025</b>	<b>8,335</b>	<b>9,506</b>	<b>11,053</b>	<b>12,724</b>	<b>14,297</b>	<b>16,216</b>	<b>18,304</b>
<b>Area of Benefit Reserves</b>											
Regional Park Land Purchase Reserve	657	710	766	828	894	965	1,042	1,126	1,216	1,313	1,418
River Rate Reserves	110	223	344	476	618	771	937	1,116	1,309	1,518	1,744
Wairarapa Scheme Reserves	1,096	1,415	1,781	2,154	2,657	3,135	3,716	4,343	5,021	5,753	6,566
Transport Reserve	1,190	252	272	294	318	343	370	400	432	467	504
Bovine Tuberculosis Rate Reserve	750	675	634	665	617	606	577	541	522	482	438
Regional Water Supply Reserve	2,599	1,136	561	605	654	706	762	824	890	961	1,037
Water Operations Network Reserve	(249)	(263)	(157)	(35)	81	220	371	538	700	882	1,073
Hutt Ground Water Reserve	63	0	0	0	0	0	0	0	0	0	0
Wairarapa Workshop Reserve	31	34	36	39	42	46	49	53	58	62	67
Akura Nursery Reserve	(51)	(55)	(44)	(32)	(18)	(4)	11	27	45	64	85
<b>Contingency Reserves</b>											
Rural Fire Contingency Reserve	69	74	80	87	94	101	109	118	128	138	149
Flood Contingency Reserve	652	706	970	1,256	1,564	1,897	2,257	2,646	3,065	3,518	4,008
Environment Legal Contingency Reserve	460	497	536	579	626	676	730	788	851	919	993
<b>Special Reserves</b>											
Election Reserve	97	176	34	109	188	44	122	204	60	139	222
<b>Expense Rebudgeting Reserves</b>											
Expenditure Carry Forwards	243	0	0	0	0	0	0	0	0	0	0
<b>Total Reserves</b>	<b>7,717</b>	<b>5,580</b>	<b>5,813</b>	<b>7,025</b>	<b>8,335</b>	<b>9,506</b>	<b>11,053</b>	<b>12,724</b>	<b>14,297</b>	<b>16,216</b>	<b>18,304</b>



## HOW TO CONTACT YOUR REGIONAL COUNCILLORS

### Kapiti Constituency (1)

**C R Turver (Chris)**  
Settlement Road  
RD 1  
Te Horo  
06 364 3640 (private phone)  
06 364 3650 (private fax)  
025 230 1601 (mobile)  
cturver@clear.net.nz

### Lower Hutt Constituency (3)

**J G J Allen JP (Jim)**  
31C Nelson Street  
PO Box 33-161  
Petone  
04 938 1795 (private phone)  
04 970 1795 (private fax)  
021 625 958 (mobile)  
j.allen@clear.net.nz

### R F Thomas JP (Rosemarie)

19 Hart Ave  
PO Box 31-160  
Lower Hutt  
04 934 8466 (private phone)  
04 939 8466 (business phone)  
04 939 8467 (business fax)  
025 846 627 (mobile)  
thomas@paradise.net.nz

### R J Werry (Dick)

7 Marina Grove  
Lower Hutt  
04 566 3465 (private phone)  
04 566 3464 (private fax)  
04 567 1912 (business phone)  
04 567 1936 (business fax)  
025 417 647 (mobile)  
dwerry@xtra.co.nz

### Porirua Constituency (2)

**R K Shaw (Robert)**  
43 Eskdale Road  
Papakowhai  
04 233 0252  
(private/business/phone/fax)  
robert.shaw@xtra.co.nz

### Hon M K Shields QSO (Margaret)

23 Haunui Road  
Pukerua Bay  
04 239 9949 (private phone)  
04 239 9084 (private fax)  
025 231 6102 (mobile)  
marg.shields@xtra.co.nz

### Upper Hutt Constituency (1)

**S A Macaskill CNZM, QSO  
JP (Stuart)**  
C/- PO Box 11-646  
Wellington  
04 384 5708 (business phone)  
04 384 5023 (business fax)  
04 526 7683 (private phone)  
04 526 7160 (private fax)  
025 421 258 (mobile)  
stuart.macaskill@wrc.govt.nz

### Wairarapa Constituency (2)

**I M Buchanan (Ian)**  
86 Pownall Street  
Masterton  
06 378 7261 (private phone)  
06 370 8286 (business phone)  
06 370 8287 (bus/private fax)  
025 248 4749 (mobile)  
buchanji@xtra.co.nz

### F R Long (Rick)

14 Tankersley Street  
PO Box 8  
Masterton  
06 378 6252 (private phone/fax)  
06 378 7179 (bus phone/fax)  
025 304 004 (mobile)  
rlong@voyager.co.nz

### Wellington Constituency (5)

**M M Bonner JP (Margaret)**  
108 Washington Avenue  
Brooklyn  
Wellington  
04 389 7026 (Private phone/fax)

### M P C Gibson JP (Mike)

7 Putnam Street  
Northland  
Wellington  
04 475 7545 (private phone)  
04 475 7145 (private fax)

### C R Laidlaw (Chris)

51 Moana Road  
Kelburn  
Wellington  
04 934 3143 (private phone)  
04 934 3148 (private fax)  
021 260 9496 (mobile)  
chris@the.net.nz

### T J McDavitt JP (Terry)

19 Holloway Road  
Aro Valley  
Wellington  
04 938 7036 (business/private phone)  
04 938 7037 (business/private fax)  
tmcdavitt@paradise.net.nz

### A E McQueen (Euan)

6 Kabul Street  
Khandallah  
Wellington  
04 479 5568 (private phone)  
04 479 5585 (private fax)  
025 435 617 (mobile)  
026 320 5325 (pager)



## ADDRESS DETAILS

### Wellington

#### *Main Office*

Regional Council Centre  
142 - 146 Wakefield Street  
Wellington  
PO Box 11-646  
Phone: 04 384 5708  
Free phone: 0800 4 WN REG or 0800 496 734  
Fax: 04 385 6960  
email: [info@wrc.govt.nz](mailto:info@wrc.govt.nz)  
Website: [www.wrc.govt.nz](http://www.wrc.govt.nz)

#### *Ridewell Inquiry Service*

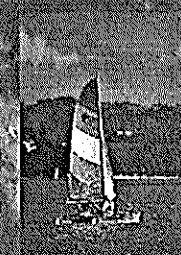
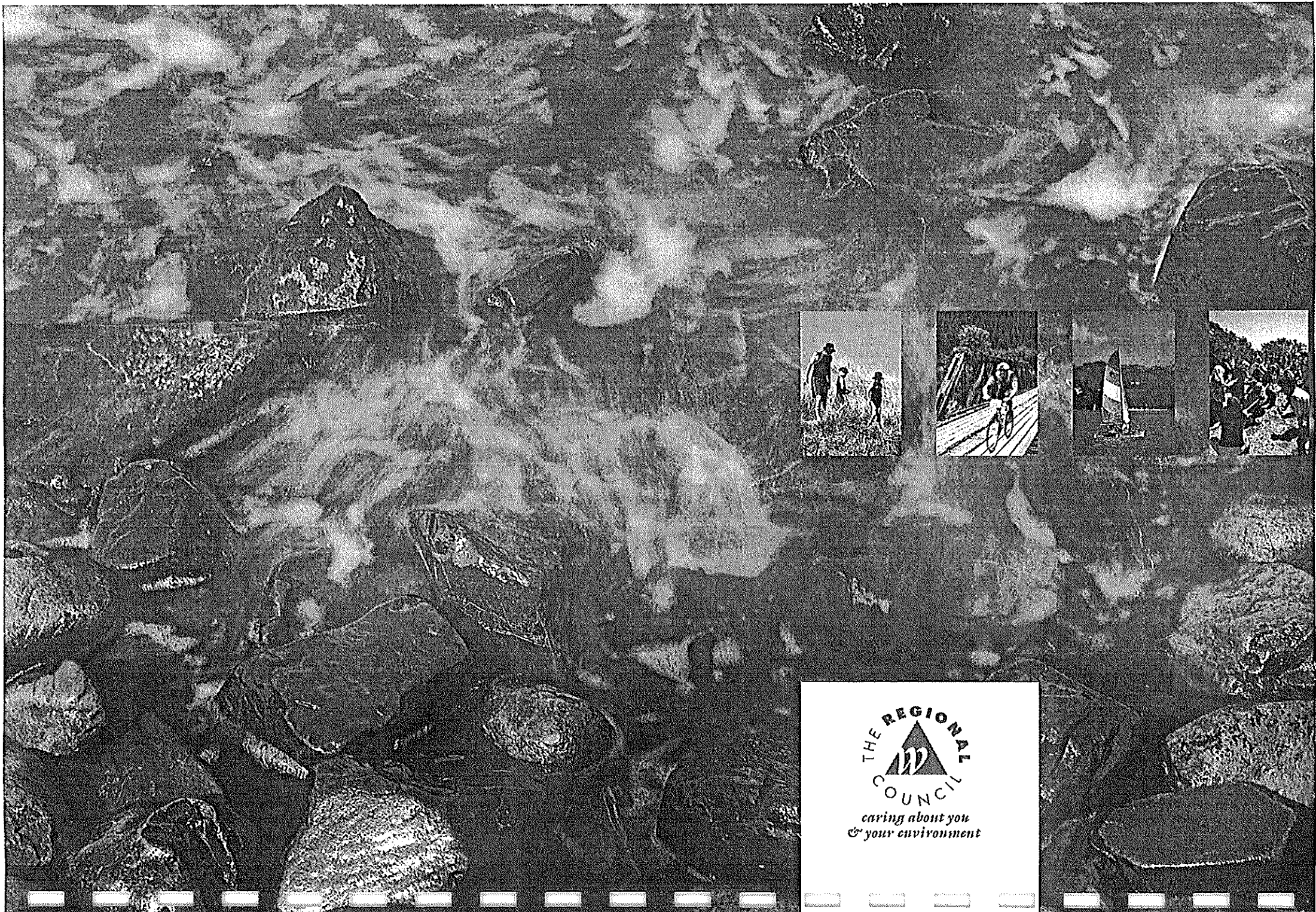
Phone: 04 801 7000  
Free phone: 0800 801 7000

#### *Harbours Department*

Maritime Museum Building  
Queens Wharf  
Wellington  
PO Box 11-646  
Phone: 04 384 5708  
Fax: 04 471 1373

### Wairarapa

34 Chapel Street  
Masterton  
PO Box 41  
Phone: 06 378 2484  
Fax: 06 378 2146



**THE REGIONAL  
COUNCIL**

*caring about you  
& your environment*